

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
*FOR THE FISCAL YEAR ENDED JUNE 30, 2021*



**CITY OF WEST LINN, OREGON**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

For the fiscal year ended June 30, 2021

prepared by

Finance Department  
City of West Linn, Oregon

available online at  
<http://westlinnoregon.gov>



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# CITY OF WEST LINN, OREGON

Annual Comprehensive Financial Report  
For the fiscal year ended June 30, 2021

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CITY OF WEST LINN, OREGON  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

SECTION I

**INTRODUCTORY SECTION**

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# CITY OF West Linn

December 21, 2021

Mayor, City Councilors, Audit Committee and  
Citizens of the City of West Linn, Oregon

The Annual Comprehensive Financial Report (ACFR) of the City of West Linn, Oregon (the City) for the fiscal year ended June 30, 2021 is hereby submitted.

This report presents the financial position of the City as of June 30, 2021 and the results of its operations for the fiscal year then ended. 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 prescribed by the Oregon Secretary of State Audits Division. We believe the data, as presented, is 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.

The accuracy of the City's financial statements and the completeness and fairness of their presentation is the responsibility of City management. The City maintains a system of internal accounting controls designed to provide reasonable assurance that assets are safeguarded against loss or unauthorized use and that financial records can be relied upon to produce financial statements in accordance with GAAP. The concept of reasonable assurance recognizes that the cost of maintaining the system of internal accounting controls should not exceed benefits likely to be derived.

Merina & Company LLP, Certified Public Accountants, have issued an unmodified or "clean" opinion on the City's financial statements for the fiscal year ended June 30, 2021. The independent auditor's report is located at page 12 in the Financial Section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A is located at page 15 immediately following the independent auditor's report.

## **Profile of the Government**

West Linn is a community where citizens, civic organizations, businesses and city government work together to ensure that the community retains its hometown identity, high quality of life and its natural beauty. The City incorporated in 1913 and today serves a population of 25,975. It is close to the region's business core and urban amenities, with Portland approximately twenty miles to the north. At the same time, the City provides a

small-town atmosphere and distinct neighborhoods that range from the Historic Willamette District with its pioneer-era dwellings, to the contemporary architecture of newer homes. The City is approximately twenty miles from Portland International Airport.

The City is a full-service municipality that operates under a council/manager form of government. The elected City Council consists of the Mayor and four Councilors who act as the board of directors. The Council sets policies for city government, enacts ordinances and hires, directs and evaluates the City Manager. In turn, the City Manager is the City's chief executive officer, responsible for overall management and administration.

Municipal services are provided by City employees under the direction of the City Manager. The City operates its own police department, municipal court, water, sewer and surface water utilities, street operations, planning, engineering, fleet management, library and extensive year-round park and recreation programs.

Tualatin Valley Fire and Rescue District provides fire and emergency services to the community. The City lies within Clackamas County, which is headed by a board of commissioners and based in neighboring Oregon City. The City is also part of Metro, the tri-county urban services district based in Portland.

### **Local Economy**

The City's economy is linked with that of the entire Portland Metropolitan area, but is more insulated from economic downturns because of the high education and skill level of its population. Per capita income is one of the highest of any city in the state of Oregon.

West Linn is primarily a residential community with a low ratio of heavy industry and retail-based commercial activity. The largest employers are West Linn Wilsonville School District and Safeway Inc.

### **Long-term Financial Planning**

Long-term financial planning is performed on an ongoing basis. The controlling document is the City's five year financial forecasting plan which includes reserves by fund that fall within the policy guidelines set by Council and reviewed by the Citizens' Budget Committee during the budget process. Reserve policy guidelines are measured as 15 percent of annual operating expenses per fund.

Along with the adoption of the 2022-2023 biennial budget, certain utility rate fee increases were approved by City Council with the support of the Citizens' Budget Committee and the Utility Advisory Board. Effective January 1, 2021, a five percent rate increase for water, sewer, and surface water management fees was approved. Effective July 1, 2021, a five percent rate increase was approved for the residential street fees and a sixteen percent rate increase was approved for parks maintenance fees. Effective January 1, 2022, a five percent rate increase was approved for water, sewer, and surface water management.

In regards to the City's long-term debt obligations, the City had \$26.0 million outstanding in three general obligation bond issues, and \$3.8 million outstanding in two full faith and credit obligations, for a total of \$29.8 million in long-term debt outstanding as of June 30, 2021.

## **City's Credit Ratings**

On November 23, 2015, Standard & Poor's Ratings Services raised its long-term rating to 'AA+' from 'AA' on the City's general obligation bonds and full faith and credit obligations outstanding due to the city's improved budgetary performance. The rating agency cited very strong economic characteristics, budgetary flexibility and strong management with "good" financial policies. The City maintained this rating in the August 2018 review.

On February 23, 2017, Moody's Investors Services raised its long-term rating to 'Aa2' from 'Aa3' on the City's full faith and credit obligations Series 2010 outstanding due to an overall review undertaken by Moody's in conjunction with the publication on December 16, 2016 of the US Local Government General Obligation Debt Methodology. The City maintained this rating in the July 2021 review.

## **History of City's Low Permanent Property Tax Rate**

Two serial levies were in place for the City of West Linn in fiscal years 1994-95, 1995-96 and 1996-97. Both of these serial levies expired before the Measure 50 permanent property tax rates were established. Hence, neither of these two serial levies rolled into the permanent rate for the City of West Linn. In March 1997, West Linn voters approved two local option levies which replaced the two serial levies; however, this election was too late for the permanent rate calculation which occurred in late 1996. Today, the permanent property tax rate for the City of West Linn is at \$2.12 per thousand of assessed value, the lowest property tax rate for cities in the surrounding area.

## **Major Initiatives**

The City has continued to establish and work toward clearly defined goals and objectives. During the budget review process, goals and objectives are developed and prioritized by the City Council and staff. The process is a continuing cycle of setting goals and objectives, reviewing short- and long-term goals, evaluating results, and reassessing the goals and their priority.

In preparing the budget for the 2022-2023 biennium, the City Council adopted various goals that were then incorporated into budgeted operations. The City Council updated their previous goal list and established guidelines for achievement in the following major areas: diversity, equity and inclusion; livability and affordability; Sustainability; and thriving and moving forward.

The Citizens' Budget Committee continued with biennial budgeting and approved the City's seventh biennial budget allowing better alignment of the City's budget with the State's and an increased focus on a longer term. With this financial report for the fiscal year ended June 30, 2021, the actual results reflect the second year of the biennium. Additionally, the City's Audit Committee, consisting of Councilors Bill Relyea and Rory Bialostosky, partnering with Nathan Reagan who is a West Linn resident and certified public accountant, continue their focus on audit oversight and improving all finance processes.

## Awards

**Annual Comprehensive Financial Reporting Award.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the City for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2020. This was the twelfth 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 ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A *Certificate of Achievement* is valid for a period of one year only. We believe that our current ACFR 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 GFOA presented a *Distinguished Budget Presentation Award* to the City for its biennial budget for the biennium beginning July 1, 2021. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.

This award is valid for a period of two years only. We will continue to submit future budgets to GFOA for the award.

## Acknowledgements

The preparation of this Annual Comprehensive Financial Report was a combined effort of the dedicated Finance staff. We wish to express our appreciation to everyone who contributed to the preparation of this report. Credit is also given to the Mayor, the Councilors and the Audit Committee for their unfailing support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Lauren Breithaupt, CPA CMA CGMA  
Finance Director

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# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of West Linn  
Oregon

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

June 30, 2020

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (ACFRs) achieve the highest standards in government accounting and financial reporting.



Executive Director/CEO



**CITY OF WEST LINN, OREGON**  
Elected and Appointed Officials

---

| <b>Elected Officials</b>               | <b>Term Expires</b> |
|--|---------------------|
| Jules Walters, Mayor                   | December 31, 2024   |
| Mary Baumgardner, Council              | December 31, 2024   |
| Bill Relyea, Councilor President       | December 31, 2022   |
| Rory Bialostosky, Councilor            | December 31, 2024   |
| Todd Jones, Councilor                  | December 31, 2024   |
| Rhett Bernstein, Municipal Court Judge | December 31, 2022   |

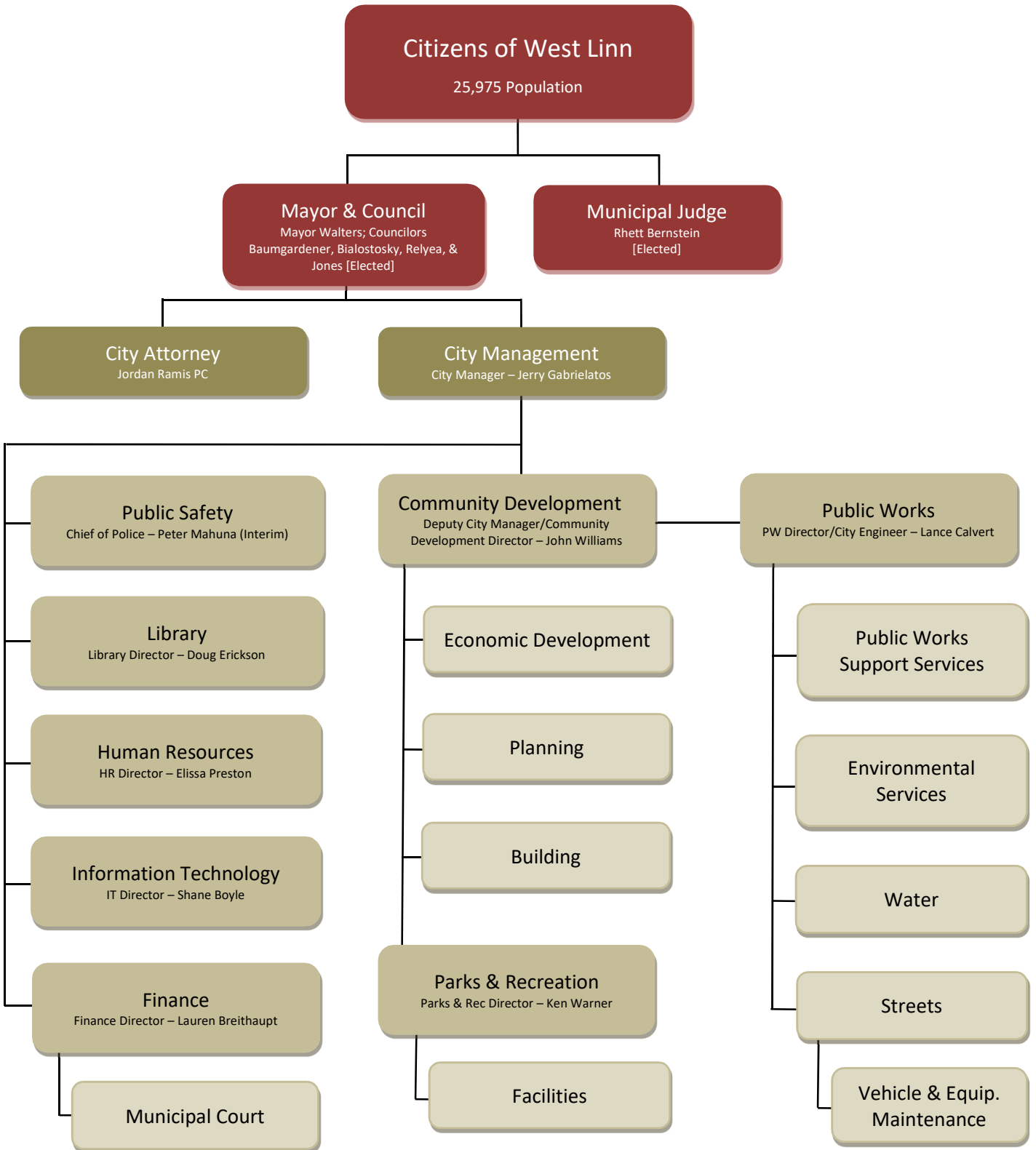
| <b>Appointed Officials</b> | <b>Position</b>             |
|----------------------------|-----------------------------|
| Jerry Gabrielatos          | City Manager                |
| JORDAN RAMIS PC            | Legal Counsel/City Attorney |

***Management Team:***

|                        |   |
|------------------------|---|
| Shane Boyle            | Information Tech. Director              |
| Lauren Breithaupt, CPA | Finance Director                        |
| Lance Calvert, PE      | Public Works Director                   |
| Doug Erickson          | Library and Community Services Director |
| Peter Mahuna           | Chief of Police                         |
| Kathy Mollusky, CMC    | City Recorder                           |
| Elissa Preston         | Human Resources Director                |
| John Williams          | Deputy City Manager/Comm. Dev. Director |
| Ken Warner             | Parks and Recreation Director           |

PERSONNEL  
ORGANIZATIONAL CHART

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**CITY OF WEST LINN, OREGON**  
Audit Committee

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Resolution 06-33 adopted in July 2006 established an Audit Committee to ensure that audits are completed annually in accordance with Oregon state law, provide oversight of the independent auditors, assist in the review and selection of audit firms, and ensure transparent communication back to the Council and citizens of West Linn.

Resolution 09-11 adopted in June 2009 added one citizen member to the Audit Committee for a four-year term with an interest and experience in City government financial operations, preferably a Certified Public Accountant residing within City limits.

| <b>Audit Committee Members</b> | <b>Term Expires</b> |
|--------------------------------|---------------------|
| Council Members:               |                     |
| Bill Relyea, Councilor         | December 31, 2021   |
| Rory Bialostosky, Councilor    | December 31, 2022   |
| Citizen Member:                |                     |
| Nathan Reagan, CPA             | December 31, 2021   |

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**CITY OF WEST LINN, OREGON**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**SECTION II**

**FINANCIAL SECTION**

## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council  
City of West Linn, Oregon

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Linn, Oregon, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of West Linn, Oregon's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 West Linn, 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.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (GAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of West Linn, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Change in Accounting Principle***

As discussed in Note 3 to the financial statements, the City of West Linn adopted new accounting guidance, GASB Statement No. 98, *The Annual Comprehensive Financial Report*. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

The City of West Linn, Oregon's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of West Linn's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from

material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 of West Linn's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of West Linn's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis and schedule of revenues, expenditures and changes in fund balance – budget and actual, as listed in the table of contents under required supplementary information, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis, schedule of the changes in the City's total OPEB liability and related ratios, schedule of the City's proportionate share of the net OPEB (asset)/liability, schedule of funding progress – other postemployment benefits plan, schedule of the City's proportionate share of the net pension (asset)/liability, and schedule of City pension plan contributions, as listed in the table of contents under required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The schedule of revenues, expenditures and changes in fund balance – budget and actual, as listed in the table of contents under required supplementary information, are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements

themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of West Linn, Oregon's basic financial statements. The accompanying supplementary information, as listed in the table of contents including the combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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. The 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 supplementary information, as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Reports on Other Legal and Regulatory Requirements**

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2021 on our consideration of the City of West Linn, Oregon's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of West Linn, Oregon's 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 of West Linn, Oregon's internal control over financial reporting and compliance.

#### **Other Reporting Required by Oregon Minimum Standards**

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 21, 2021, on our consideration of the City of West Linn, Oregon's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance.



For Merina+Co  
Tualatin, Oregon  
December 21, 2021



## CITY OF WEST LINN, OREGON

### Management's Discussion and Analysis

For the fiscal year ended June 30, 2021

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Management's Discussion and Analysis (MD&A) is presented to facilitate financial analysis and provide an overview of the financial activities of the City of West Linn (the City) for the fiscal year ended June 30, 2021. Information in the MD&A is based on currently known facts, decisions and conditions. Please read it in conjunction with the basic financial statements and the accompanying notes to those financial statements.

#### FINANCIAL HIGHLIGHTS

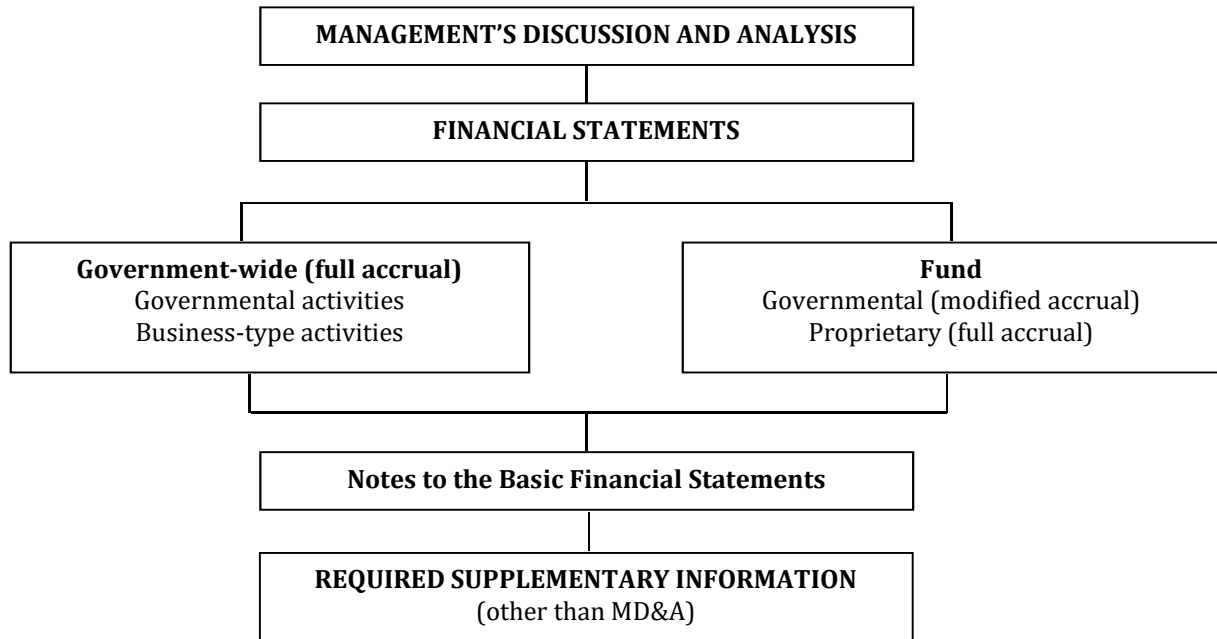
- The City's assets and deferred outflows of resources totaled \$351.1 million at June 30, 2021, consisting of \$288.6 million in capital assets, \$21.1 million in unrestricted cash and investments, \$18.7 million in restricted cash and investments, and \$11.2 million in investment in joint venture, other assets and deferred outflows of resources. Total assets and deferred outflows of resources increased by \$2.7 million from the previous fiscal year.
- The City's liabilities and deferred inflows of resources totaled \$55.9 million at June 30, 2021 consisting of \$50.9 million in long-term liabilities and \$2.8 million in accounts payable and other liabilities, and \$2.2 million in deferred inflows related to pensions and other postemployment benefits.
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$295.2 million at the close of fiscal year 2020-21. Unrestricted net position totaled \$18.3 million with the remainder of the City's net position invested in capital assets (\$269.4 million) and restricted for endowment, capital projects and debt service (\$7.5 million).
- For its governmental activities, the City generated \$15.8 million in charges for services, received \$5.9 million in operating and capital grants and contributions, and \$0.2 million in capital grants and contributions. Direct expenses, including interest on long-term debt for governmental activities were \$34.2 million for the year, resulting in a net direct expense of \$12.2 million. \$12.2 million of general revenues received resulted in no change in net position.
- For its business-type activities, the City generated \$10.3 million in charges for services and capital grants and contributions to fund direct expenses of \$8.3 million.
- Fund balance in the City's governmental funds was \$31.8 million at June 30, 2021, an increase of \$0.3 million from June 30, 2020.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

In addition to this discussion and analysis, the financial section of this annual report contains the *basic financial statements, required supplementary information, and other supplementary information*, including the *combining statements and schedules* of the nonmajor funds.

The basic financial statements also include *notes* that explain the information in the financial statements and provide additional details. The following chart illustrates how the various sections of this annual report are arranged relative to one another.

**Chart 1 - Required Elements of the Comprehensive Annual Financial Report**



### Government-wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The *Statement of Net Position* includes *all* of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the *Statement of Activities* regardless of when cash is received or paid.

The two government-wide statements report the City's *net position* and how it has changed. Net position—the net difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources—is one way to measure the City's *financial health or position*.

- Over time, increases or decreases in the City's net position are indicators of whether its *financial health* is improving or deteriorating, respectively.
- To assess the overall health of the City you need to consider additional nonfinancial factors such as changes in the City's property tax base and the condition of the City's roads.

The government-wide financial statements of the City are divided into two categories:

- Governmental activities—Most of the City's basic services are included here, such as police, parks and recreation, library, public works, and general administration. Property taxes, charges for services, and operating and capital grants and contributions fund most of these activities.

- Business-type activities—The City charges fees to customers to help cover the costs of certain services it provides. The City’s water and environmental services, including sanitary sewer and surface water management systems, are included here.

## Statement of Net Position

Net position may serve over time as a useful indicator of a government’s financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$295.2 million at June 30, 2021.

By far, the largest portion of the City’s net position (91 percent) reflects its investment in capital assets (e.g., land, buildings, vehicles, equipment, and infrastructure), less any related debt outstanding used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves either cannot or are not expected to be used or liquidated to repay these liabilities.

**Table 1 – Net Position as of June 30<sup>th</sup> (in millions)**

|                                  | Governmental Activities |          | Business-type Activities |         | Total    |          |
|----------------------------------|-------------------------|----------|--------------------------|---------|----------|----------|
|                                  | 2021                    | 2020     | 2021                     | 2020    | 2021     | 2020     |
| Current and other assets         | \$ 35.0                 | \$ 35.2  | \$ 21.3                  | \$ 19.8 | \$ 56.3  | \$ 55.0  |
| Capital assets                   | 243.0                   | 243.1    | 45.7                     | 45.1    | 288.7    | 288.2    |
| Total assets                     | 278.0                   | 278.3    | 67.0                     | 64.9    | 345.0    | 343.2    |
| Deferred outflows of resources   | 5.5                     | 4.7      | 0.5                      | 0.5     | 6.0      | 5.2      |
| Long-term liabilities            | 47.1                    | 46.6     | 3.8                      | 3.8     | 50.9     | 50.4     |
| Other liabilities                | 2.0                     | 2.7      | 0.7                      | 1.1     | 2.7      | 3.8      |
| Total liabilities                | 49.1                    | 49.3     | 4.5                      | 4.9     | 53.6     | 54.2     |
| Deferred inflows of resources    | 2.0                     | 1.4      | 0.2                      | 0.2     | 2.2      | 1.6      |
| Net position:                    |                         |          |                          |         |          |          |
| Net investment in capital assets | 225.4                   | 227.0    | 43.9                     | 43.3    | 269.3    | 270.3    |
| Restricted for:                  |                         |          |                          |         |          |          |
| Library endowment                | 0.2                     | 0.2      | -                        | -       | 0.2      | 0.2      |
| Debt service                     | 0.3                     | 0.3      | -                        | -       | 0.3      | 0.3      |
| Building operations              | 0.8                     | 0.4      | -                        | -       | 0.8      | 0.4      |
| OPEB Assets                      | 0.1                     | 0.1      | 0.1                      | -       | 0.2      | 0.1      |
| Capital projects                 | 6.1                     | 19.7     | -                        | -       | 6.1      | 19.7     |
| Unrestricted                     | (0.5)                   | (15.3)   | 18.9                     | 17.0    | 18.4     | 1.7      |
| Total net position               | \$ 232.4                | \$ 232.4 | \$ 62.9                  | \$ 60.3 | \$ 295.3 | \$ 292.7 |

A portion of the City’s net position (\$7.5 million or about three percent) represents resources that are subject to external restrictions on how they may be used. The balance of *unrestricted net position* (\$18.3 million or about six percent) may be used to meet the City’s ongoing obligations to citizens and creditors.

As of June 30, 2021, the City had positive balances in all three categories of net position, both for the City as a whole, as well as for its separate business-type activities. For its governmental activities, the City has a deficit balance in the unrestricted category of net position.

Total net position increased by \$2.7 million during the fiscal year.

## Statement of Activities

As with the *Statement of Net Position*, the City reports governmental activities on a consolidated basis. A summary of the *Statement of Activities* follows:

**Table 2 – Changes in Net Position (in millions)**

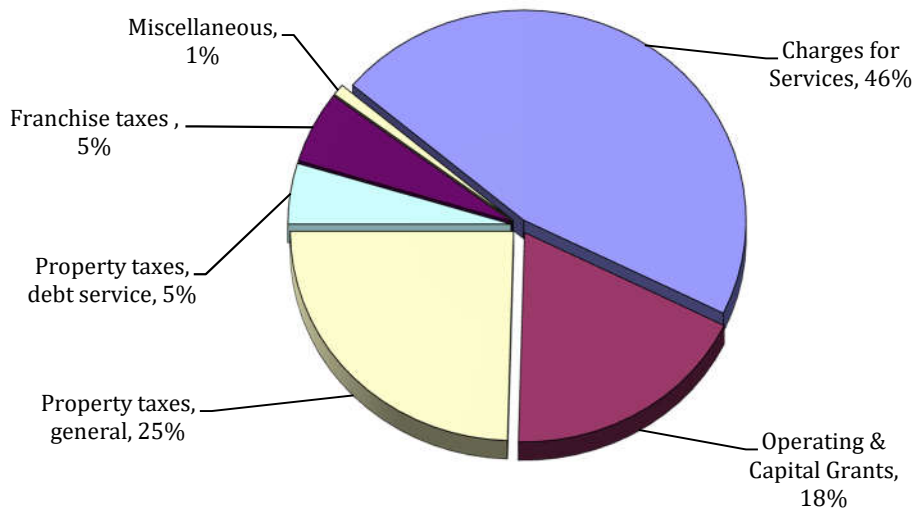
|   | Governmental Activities |                 | Business-type Activities |                | Total           |                 |
|---|-------------------------|-----------------|--------------------------|----------------|-----------------|-----------------|
|   | FY 2021                 | FY 2020         | FY 2021                  | FY 2020        | FY 2021         | FY 2020         |
| <b>Revenues</b>   |                         |                 |                          |                |                 |                 |
| <b>Program revenues</b>   |                         |                 |                          |                |                 |                 |
| Charges for services  | \$ 15.8                 | \$ 14.5         | \$ 10.3                  | \$ 8.8         | \$ 26.1         | \$ 23.3         |
| Operating grants and contributions                              | 5.9                     | 4.9             | -                        | -              | 5.9             | 4.9             |
| Capital grants and contributions                                | 0.3                     | 0.2             | 0.6                      | 0.5            | 0.9             | 0.7             |
| <b>General revenues</b>   |                         |                 |                          |                |                 |                 |
| Property taxes  | 10.0                    | 9.6             | -                        | -              | 10.0            | 9.6             |
| Franchise taxes   | 1.9                     | 1.7             | -                        | -              | 1.9             | 1.7             |
| Grants and contributions not<br>restricted to specific programs | 0.2                     | 0.2             | -                        | -              | 0.2             | 0.2             |
| Intergovernmental   | -                       | -               | -                        | -              | -               | -               |
| Miscellaneous   | 0.2                     | 0.6             | -                        | -              | 0.2             | 0.6             |
| Total revenues  | <u>34.3</u>             | <u>31.7</u>     | <u>10.9</u>              | <u>9.3</u>     | <u>45.2</u>     | <u>41.0</u>     |
| <b>Expenses</b>   |                         |                 |                          |                |                 |                 |
| <b>Governmental activities</b>                                  |                         |                 |                          |                |                 |                 |
| General government  | 10.4                    | 9.6             | -                        | -              | 10.4            | 9.6             |
| Culture and recreation  | 8.3                     | 7.8             | -                        | -              | 8.3             | 7.8             |
| Public safety   | 9.2                     | 9.1             | -                        | -              | 9.2             | 9.1             |
| Highways and streets  | 5.5                     | 4.4             | -                        | -              | 5.5             | 4.4             |
| Interest on long-term debt                                      | 0.9                     | 0.9             | -                        | -              | 0.9             | 0.9             |
| <b>Business-type activities</b>                                 |                         |                 |                          |                |                 |                 |
| Water   | -                       | -               | 4.9                      | 4.4            | 4.9             | 4.4             |
| Environmental services  | -                       | -               | 3.5                      | 3.5            | 3.5             | 3.5             |
| Total expenses  | <u>34.3</u>             | <u>31.8</u>     | <u>8.4</u>               | <u>7.9</u>     | <u>42.7</u>     | <u>39.7</u>     |
| Change in net position  | <u>-</u>                | <u>(0.1)</u>    | <u>2.5</u>               | <u>1.4</u>     | <u>2.5</u>      | <u>1.3</u>      |
| Net position - beginning  | <u>232.4</u>            | <u>232.5</u>    | <u>60.3</u>              | <u>58.9</u>    | <u>292.7</u>    | <u>291.4</u>    |
| Net position - ending   | <u>\$ 232.4</u>         | <u>\$ 232.4</u> | <u>\$ 62.8</u>           | <u>\$ 60.3</u> | <u>\$ 295.2</u> | <u>\$ 292.7</u> |

## Governmental Activities

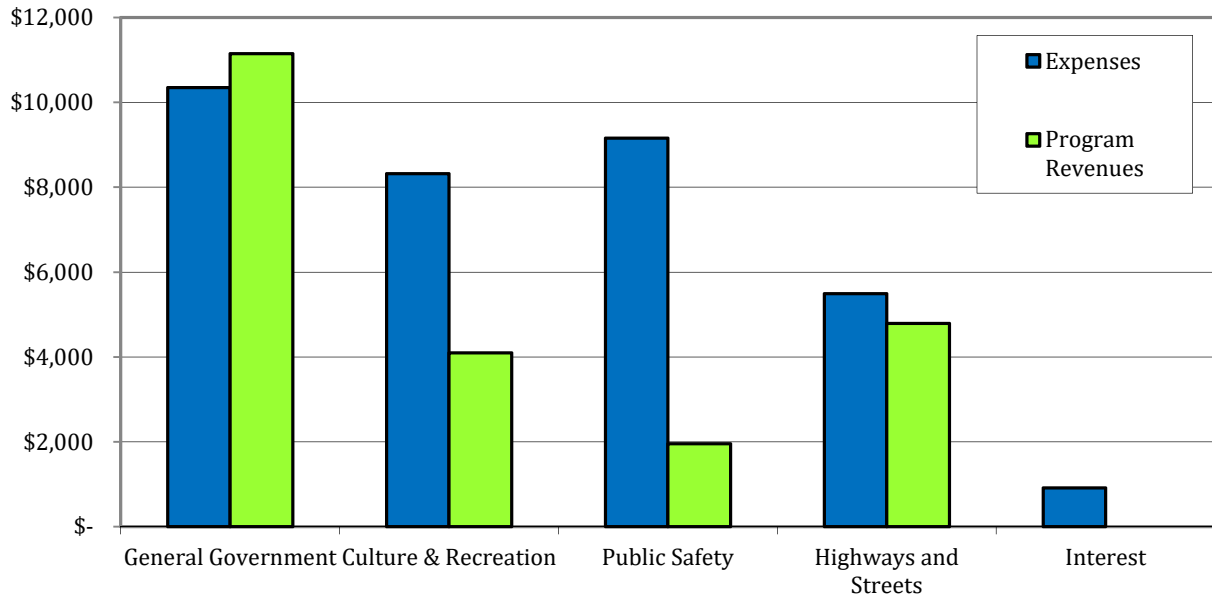
Governmental activities decreased the City's net position by less than \$0.1 million in fiscal year 2020-21, as compared to a decrease of \$0.1 million in the prior fiscal year. Revenue increased by \$2.6 from the prior year and expenses, excluding transfers, increased by \$2.5 million. Key elements of these changes, as illustrated in Table 2 above, are primarily the results of an increase in charges for services and operating grants and contributions.

The revenues charted in the following pie chart include all program and general revenues for governmental activities such as property taxes, franchise taxes, charges for services, operating and capital grants and contributions, and miscellaneous revenues. Property taxes continue to be the major source of revenue for the City's governmental activities, once interfund service payments are factored out of charges for services.

**Revenues by Source - Governmental Activities**



**Expenses and Program Revenues - Governmental Activities  
(in thousands)**

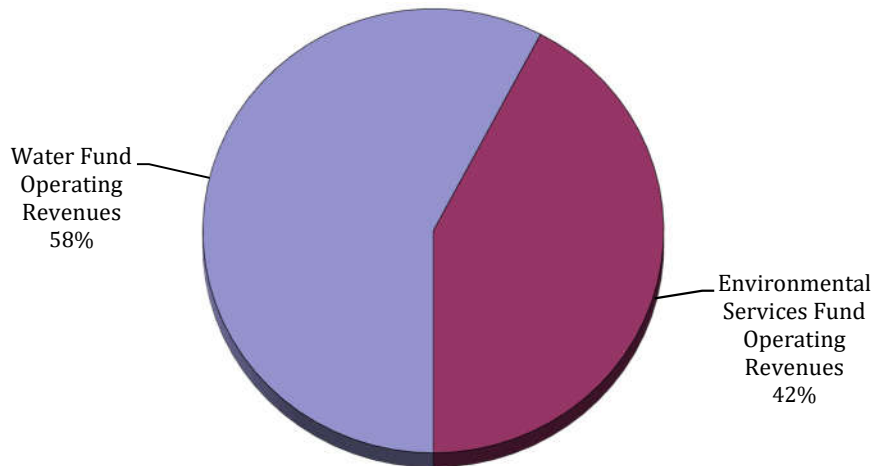


**Business-type Activities**

Water fund revenues represent approximately 58 percent of all utility revenues for the City. The City continues to contribute capital investment to the water system while maintaining a consistent level of service.

Environmental services fund revenues represent approximately 42 percent of all utility revenues for the City. The fund provides sewer collection services and surface water management services. Overall, the fund continues to realize improved operating results. Both sewer and surface water management operations realized positive margins.

**Utility Revenues - Business-type Activities**



## **FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS**

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2021, the City's governmental funds reported a combined ending fund balance of \$31.8 million, a decrease of \$0.3 million when compared to the prior year. Unassigned fund balance as of June 30, 2021, was \$2.5 million and is available for spending at the City's discretion.

### **General Fund**

The general fund is the chief operating fund of the City. At June 30, 2021, total fund balance was \$2.8 million, reflecting a decrease of \$0.2 million from the prior year. Within the general fund ending balance, \$2.5 million is considered unassigned. The City's general fund continues to be funded with charges for services from other funds, including the three special revenue funds receiving property tax revenues: public safety, parks and recreation, and library. General fund revenues increased from \$7.9 million the prior year to \$8.6 million. Expenditures in the general fund increased by \$0.6 million from \$8.2 million in the prior year to \$8.8 million in the current year. The increase in expenditures was due to multiple departments and no significant increase in any area.

### **Public Safety Fund**

This special revenue fund accounts for police, 911 dispatch, and overall safety activities within city limits. Revenues remained the same at \$8.0 million in the current year. Expenditures in the public safety fund decreased from prior year \$7.6 million to \$7.5 million.

### **Parks and Recreation Fund**

This special revenue fund is used to account for funding parks and recreation programs throughout the City. Overall revenues decreased to \$3.9 million in the current year from \$4.2 million in the prior year. Overall expenditures increased to \$3.9 million resulting in an overall fund balance increase of \$0.1 million. Debt service payments continued for the full faith and credit obligations issued in 2015.

### **Library Fund**

This special revenue fund is used to account for funding the City's library operations. Overall revenues increased to \$2.9 million in the current year from \$2.8 million in the prior year. Overall expenditures increased to \$2.8 million in the current year from \$2.6 million in the prior year. Overall fund balance increased slightly to \$0.08 million.

### **Street Fund**

This special revenue fund accounts for the operation and maintenance of the City's street and sidewalk systems, including medians. Revenue increased to \$4.7 million from \$4.1 million in the prior year due to a slight increase in street maintenance fee revenue. Overall street expenditures increased to \$3.7 million from \$2.8 million in the prior year due to the winter ice storm cleanup. The street fund had an overall increase in fund balance of \$1.0 million for the fiscal year ended June 30, 2021.

## Systems Development Charges Fund

This capital projects fund accounts for systems development charges and improvements including those for the street, water, surface water, sewer, park, and bike/pedestrian systems. Revenues increased to \$1.1 million from \$0.6 million in the prior year. Expenditures in the systems development charges fund decreased to \$0.5 million from \$0.6 million. Major projects included street improvements and parks projects.

## City Facilities, Parks and Transportation Bond Fund

This capital projects fund was created in fiscal year 2019 to track spending related to the G.O. Bond issuance in August 2018. Revenues decreased from \$390k in the prior year to \$170k in the current year, due to a decrease in investment earnings. Capital outlay decreased from 4.7 million in the prior year to \$2.6 million in the current year due to a decrease in project work over the last fiscal year.

### GENERAL FUND BUDGETARY HIGHLIGHTS

**Original budget compared to final budget.** The original appropriated budget was adjusted as shown below during the fiscal year. The final appropriated budget amounts to \$19.5 million, which includes \$1.1 million for contingencies.

| General Fund<br>Appropriated Budget | Original<br>Budget   | Final<br>Budget      | Difference        |
|-------------------------------------|----------------------|----------------------|-------------------|
| Expenditures                        | \$ 15,200,000        | \$ 16,299,000        | \$ 1,099,000      |
| Transfers to other funds            | 2,500,000            | 2,131,000            | (369,000)         |
| Contingency                         | 840,000              | 1,086,000            | 246,000           |
|                                     | <u>\$ 18,540,000</u> | <u>\$ 19,516,000</u> | <u>\$ 976,000</u> |

**Final budgeted revenues compared to actual revenues.** The most significant difference between estimated revenues that were budgeted in the first year of the biennium and actual revenues were as follows:

| General Fund<br>Estimated Revenues | Biennium<br>Estimated<br>Revenues | Less FY 2020<br>Actual<br>Revenues | FY 2021<br>Estimated<br>Revenues | FY 2021<br>Actual<br>Revenues | Difference   |
|------------------------------------|-----------------------------------|------------------------------------|----------------------------------|-------------------------------|--------------|
| Muni Court Fines                   | \$ 900,000                        | \$ (308,419)                       | \$ 591,581                       | \$ 281,283                    | \$ (310,298) |

Revenues from municipal court fines have come in below our second year estimates by \$310,000 or about 34 percent. This is due to a decrease in the volume of tickets processed through our court system.

**Final budgeted expenditures compared to actual expenditures.** The most significant differences between estimated expenditures that were budgeted in the second year of the biennium and actual expenditures were as follows:

| General Fund<br>Estimated Expenditures | Biennium<br>Estimated<br>Expenditures | Less FY 2020<br>Actual<br>Expenditures | FY 2021<br>Estimated<br>Expenditures | FY 2021<br>Actual<br>Expenditures | Difference |
|--|---------------------------------------|--|--------------------------------------|-----------------------------------|------------|
| City Management                        | 1,795,000                             | (834,269)                              | 960,731                              | 761,068                           | 199,663    |
| Public Works Vehicles                  | 892,000                               | (339,506)                              | 552,494                              | 332,212                           | 220,282    |



Expenditures in the Public Works Support Services department of the general fund came in \$182,000 under second year estimates. Expenditures in the Public Works Vehicles and Equipment department of the general fund came in \$220,000 under second year estimates. The variance for city management services is due to changes in personnel and vacancies. The variance for Public Works Vehicles and equipment is due to reduced spending in Capital Outlay and Materials and Services. Fuel and repairs and maintenance were both down significantly.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

As of June 30, 2021, the City had invested \$288.7 million in capital assets, net of depreciation as reflected in the following table. This represents a net increase (additions, deductions and depreciation) of \$.4 million in fiscal year 2020-21. Governmental capital assets totaled \$243.0 million while business-type capital assets totaled \$45.7 million.

**Table 3**  
**Capital Assets as of June 30<sup>th</sup>**  
*(net of depreciation, in millions)*

|                            | <u>2021</u>     | <u>2020</u>     | <u>2021</u>    | <u>2020</u>    | <u>2021</u>     | <u>2020</u>     |
|----------------------------|-----------------|-----------------|----------------|----------------|-----------------|-----------------|
| Land and easements         | \$ 192.9        | \$ 192.9        | \$ 0.5         | \$ 0.5         | \$ 193.4        | \$ 193.4        |
| Buildings and improvements | 23.4            | 23.7            | 0.4            | 0.4            | 23.8            | 24.1            |
| Vehicles and equipment     | 2.2             | 2.2             | 1.5            | 0.9            | 3.7             | 3.1             |
| Infrastructure             | 14.7            | 16.9            | 41.8           | 41.9           | 56.5            | 58.8            |
| Construction in progress   | 9.8             | 7.5             | 1.5            | 1.4            | 11.3            | 8.9             |
| Capital assets, net        | <u>\$ 243.0</u> | <u>\$ 243.2</u> | <u>\$ 45.7</u> | <u>\$ 45.1</u> | <u>\$ 288.7</u> | <u>\$ 288.3</u> |

The following table reconciles the change in capital assets for the fiscal year. Expenditures for construction projects in progress at fiscal year-end are included in additions. Reductions are for capital asset dispositions and transfers of construction projects in progress that were completed during the fiscal year. Additions include capital contributions from outside developers with the revenue from these contributions reflected in program revenues on the *Statement of Activities*.

**Table 4**  
**Change in Capital Assets**  
*(in millions)*

|                            | Governmental<br>Activities |                 | Business-type<br>Activities |                | Total           |                 |
|----------------------------|----------------------------|-----------------|-----------------------------|----------------|-----------------|-----------------|
|                            | FY 2021                    | FY 2020         | FY 2021                     | FY 2020        | FY 2021         | FY 2020         |
| Beginning balance          | \$ 243.2                   | \$ 240.4        | \$ 45.1                     | \$ 45.3        | \$ 288.3        | \$ 285.7        |
| Additions                  | 3.9                        | 6.9             | 2.5                         | 1.7            | 6.4             | 8.6             |
| Reductions and adjustments | (0.2)                      | (0.1)           | (0.3)                       | -              | (0.5)           | (0.1)           |
| Depreciation               | (3.9)                      | (4.0)           | (1.6)                       | (1.9)          | (5.5)           | (5.9)           |
| Ending balance             | <u>\$ 243.0</u>            | <u>\$ 243.2</u> | <u>\$ 45.7</u>              | <u>\$ 45.1</u> | <u>\$ 288.7</u> | <u>\$ 288.3</u> |

Assets utilized in governmental activities decreased by a net \$0.2 million. This change includes increases in land, building, machinery and equipment, and sidewalk improvements, offset by depreciation. Capital asset additions include completion of various projects throughout the community. Additional detail on the City's capital assets can be found in the capital assets note on page 46 of this report.

### Debt Outstanding

As of the end of the fiscal year, the City had \$29.3 million in long-term bonded debt obligations outstanding – a decrease of 5% from the prior year – as shown in Table 5. Additional detail on the City's long-term debt obligations can be found in the long-term debt obligations note on page 48 of this report.

**Table 5**  
**Outstanding Long-term Debt Obligations as of June 30<sup>th</sup>**  
*(in millions)*

|                                   | 2021           | 2020           |
|-----------------------------------|----------------|----------------|
| Governmental Activities:          |                |                |
| General obligation bonds          | \$ 25.7        | \$ 26.7        |
| Full faith and credit obligations | 2.0            | 2.5            |
| Sub-total                         | <u>27.7</u>    | <u>29.2</u>    |
| Business-type Activities:         |                |                |
| Full faith and credit obligations | <u>1.6</u>     | <u>1.8</u>     |
| Total                             | <u>\$ 29.3</u> | <u>\$ 31.0</u> |

During fiscal year 2018-19, \$20 million of general obligation bonds were issued to improve roads, parks and city facilities. With this bond issue which closed in August 2018, Standard and Poor's maintained the City's bond rating of AA+.

Under Oregon Revised Statutes, general obligation debt issues are limited to three percent of the real market value of all taxable property within the City's boundaries. The \$25.7 million in general obligation debt applicable to this limit is well below the City's \$175.7 million maximum limitation.

## **Economic Factors**

The City of West Linn is predominantly residential in nature, with commercial property representing less than five percent of the City's taxable assessed value. Therefore, the City receives a significant share of its revenue directly from local residents in the form of property taxes and charges for services.

The State of Oregon does not have a sales tax, making property taxes a primary funding source for general government, public safety, and culture and recreation services provided by the City. The underlying taxable assessed values continue to be below real market values, and are currently about 69 percent; therefore, real market values would have to decrease by approximately 31 percent before the City's property tax revenues would be negatively impacted.

The largest resource used for governmental activities, at 45 percent, consisted of charges for service, including permits, licenses, recreation charges, and system development charges. Property tax revenue, the next largest revenue source, provided 30 percent of the resources used for governmental activities. To maintain service levels and reduce the reliance on a local option levy requiring a vote every five years, the City implemented fees for parks and street maintenance to offset the foregone property tax revenue. Property taxes for general operations increased slightly over the last year and investment earnings increased slightly due to the increase in interest rates.

The business-type activities are funded with utility fees and charges. Utility rate increases are restricted by a Charter provision limiting annual utility rate increases to no more than five percent without a vote of the citizens. These annual five percent rate increases are consistent with financial proformas. Similar rate increases are anticipated over the next several years to generate sufficient revenue to fund operations and provide adequate funds for anticipated capital replacement projects.

## **Requests for Information**

This City's financial statements are designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability of the resources it receives and expends. If you have questions about this report, or need additional financial information, contact the Finance Director at City of West Linn, 22500 Salamo Road, West Linn, Oregon 97068 or e-mail [lbreithaupt@westlinnoregon.gov](mailto:lbreithaupt@westlinnoregon.gov).

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## **BASIC FINANCIAL STATEMENTS**

*Statement of Net Position*

*Statement of Activities*

*Fund Financial Statements*

*Notes to Basic Financial Statements*

CITY OF WEST LINN, OREGON

STATEMENT OF NET POSITION

JUNE 30, 2021

|   | Governmental<br>Activities | Business-type<br>Activities | Total                 |
|---|----------------------------|-----------------------------|-----------------------|
| <b>ASSETS:</b>                                  |                            |                             |                       |
| Cash and investments                            | \$ 13,020,931              | \$ 8,105,738                | \$ 21,126,669         |
| Restricted cash and investments                 | 18,770,265                 | -                           | 18,770,265            |
| Property taxes receivable                       | 320,438                    | -                           | 320,438               |
| Accounts receivable, net of allowance           | 1,837,125                  | 1,846,705                   | 3,683,830             |
| Loans Receivable                                | 665,796                    | 48,116                      | 713,912               |
| Lease Receivable                                | -                          | 185,817                     | 185,817               |
| Prepaid expenses                                | 335,714                    | -                           | 335,714               |
| Net OPEB asset                                  | 92,765                     | 9,871                       | 102,636               |
| Capital assets not being depreciated:           |                            |                             |                       |
| Land and easements                              | 192,929,093                | 482,625                     | 193,411,718           |
| Construction in progress                        | 9,767,642                  | 1,483,204                   | 11,250,846            |
| Capital assets net of accumulated depreciation: |                            |                             |                       |
| Buildings and improvements                      | 23,431,133                 | 375,203                     | 23,806,336            |
| Vehicles and equipment                          | 2,155,061                  | 1,496,152                   | 3,651,213             |
| Infrastructure                                  | 14,677,981                 | 41,825,264                  | 56,503,245            |
| Investment in joint venture                     | -                          | 11,155,715                  | 11,155,715            |
| <b>TOTAL ASSETS</b>                             | <b>278,003,944</b>         | <b>67,014,410</b>           | <b>345,018,354</b>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES:</b>          |                            |                             |                       |
| Deferred charge on refunding                    | 28,779                     | -                           | 28,779                |
| Deferred outflows of resources - pension        | 5,364,253                  | 570,762                     | 5,935,015             |
| Deferred outflows of resources - OPEB           | 112,355                    | 11,954                      | 124,309               |
| <b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>     | <b>5,505,387</b>           | <b>582,716</b>              | <b>6,088,103</b>      |
| <b>LIABILITIES:</b>                             |                            |                             |                       |
| Accounts payable                                | 1,023,867                  | 721,379                     | 1,745,246             |
| Accrued salaries and payroll taxes payable      | 303,489                    | 26,310                      | 329,799               |
| Accrued interest payable                        | 72,024                     | 4,033                       | 76,057                |
| Deposits and other liabilities                  | 635,564                    | -                           | 635,564               |
| Noncurrent liabilities:                         |                            |                             |                       |
| Due within one year                             | 1,577,549                  | 182,355                     | 1,759,904             |
| Due in more than one year                       | 45,509,309                 | 3,659,868                   | 49,169,177            |
| <b>TOTAL LIABILITIES</b>                        | <b>49,121,802</b>          | <b>4,593,945</b>            | <b>53,715,747</b>     |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>           |                            |                             |                       |
| Deferred inflows of resources - pension         | 1,738,637                  | 184,993                     | 1,923,630             |
| Deferred inflows of resources - OPEB            | 240,835                    | 25,625                      | 266,460               |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>      | <b>1,979,472</b>           | <b>210,618</b>              | <b>2,190,090</b>      |
| <b>NET POSITION:</b>                            |                            |                             |                       |
| Net investment in capital assets                | 225,470,231                | 43,930,504                  | 269,400,735           |
| Restricted for:                                 |                            |                             |                       |
| Library endowment, nonexpendable                | 157,300                    | -                           | 157,300               |
| Debt service                                    | 280,286                    | -                           | 280,286               |
| Building operations                             | 847,774                    | -                           | 847,774               |
| OPEB Asset                                      | 92,765                     | 9,871                       | 102,636               |
| Capital projects                                | 6,075,529                  | -                           | 6,075,529             |
| Unrestricted                                    | (515,828)                  | 18,852,188                  | 18,336,360            |
| <b>TOTAL NET POSITION</b>                       | <b>\$ 232,408,057</b>      | <b>\$ 62,792,563</b>        | <b>\$ 295,200,620</b> |

The notes to basic financial statements are an integral part of this statement

**CITY OF WEST LINN, OREGON**  
**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| FUNCTION / PROGRAM   | Expenses             | Program Revenues        |  |  | Net (Expense) Revenue and<br>Changes in Net Position |                             |                       |
|--|----------------------|-------------------------|--|--|--|-----------------------------|-----------------------|
|  |                      | Charges<br>for Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                           | Business-type<br>Activities | Total                 |
| <b>GOVERNMENTAL ACTIVITIES:</b>                              |                      |                         |  |  |  |                             |                       |
| General government   | \$ 10,350,938        | \$ 10,076,884           | \$ 1,071,125                             | \$ -                                   | \$ 797,071   | \$ -                        | \$ 797,071            |
| Culture and recreation                                       | 8,319,703            | 2,315,737               | 1,780,967                                | -                                      | (4,222,999)  | -                           | (4,222,999)           |
| Public safety  | 9,158,351            | 1,289,407               | 664,152                                  | -                                      | (7,204,792)  | -                           | (7,204,792)           |
| Highways and streets   | 5,495,639            | 2,101,692               | 2,432,836                                | 254,838                                | (706,273)  | -                           | (706,273)             |
| Interest on long-term debt                                   | 910,888              | -                       | -  | -                                      | (910,888)  | -                           | (910,888)             |
| TOTAL GOVERNMENTAL ACTIVITIES                                | <u>34,235,519</u>    | <u>15,783,720</u>       | <u>5,949,080</u>                         | <u>254,838</u>                         | <u>(12,247,881)</u>                                  | <u>-</u>                    | <u>(12,247,881)</u>   |
| <b>BUSINESS-TYPE ACTIVITIES:</b>                             |                      |                         |  |  |  |                             |                       |
| Water  | 4,869,443            | 6,143,868               | -  | 198,095                                | -  | 1,472,520                   | 1,472,520             |
| Environmental services                                       | 3,514,733            | 4,157,951               | -  | 422,483                                | -  | 1,065,701                   | 1,065,701             |
| TOTAL BUSINESS-TYPE ACTIVITIES                               | <u>8,384,176</u>     | <u>10,301,819</u>       | <u>-</u>                                 | <u>620,578</u>                         | <u>-</u>   | <u>2,538,221</u>            | <u>2,538,221</u>      |
| TOTAL ACTIVITIES   | <u>\$ 42,619,695</u> | <u>\$ 26,085,539</u>    | <u>\$ 5,949,080</u>                      | <u>\$ 875,416</u>                      | <u>(12,247,881)</u>                                  | <u>2,538,221</u>            | <u>(9,709,660)</u>    |
| <b>GENERAL REVENUES:</b>                                     |                      |                         |  |  |  |                             |                       |
| Property taxes, levied for general purposes                  |                      |                         |  |  | 8,375,160  | -                           | 8,375,160             |
| Property taxes, levied for debt service                      |                      |                         |  |  | 1,595,173  | -                           | 1,595,173             |
| Franchise taxes  |                      |                         |  |  | 1,937,469  | -                           | 1,937,469             |
| Grants and contributions not restricted to specific programs |                      |                         |  |  | 165,220  | -                           | 165,220               |
| Unrestricted investment earnings                             |                      |                         |  |  | 161,107  | 2,264                       | 163,371               |
| TOTAL GENERAL REVENUES                                       |                      |                         |  |  | <u>12,234,129</u>                                    | <u>2,264</u>                | <u>12,236,393</u>     |
| CHANGE IN NET POSITION                                       |                      |                         |  |  | (13,752)   | 2,540,485                   | 2,526,733             |
| NET POSITION - beginning                                     |                      |                         |  |  | <u>232,421,809</u>                                   | <u>60,252,078</u>           | <u>292,673,887</u>    |
| NET POSITION - ending  |                      |                         |  |  | <u>\$ 232,408,057</u>                                | <u>\$ 62,792,563</u>        | <u>\$ 295,200,620</u> |

The notes to basic financial statements are an integral part of this statement

CITY OF WEST LINN, OREGON

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2021

|  | General Fund        | Public Safety Fund  | Parks and Recreation Fund | Library Fund      | Street Fund         | Systems Development Charges Fund | City Facilities, Parks, and Transportation Bond Fund | Total Nonmajor Funds | Total Governmental Funds |
|--|---------------------|---------------------|---------------------------|-------------------|---------------------|----------------------------------|--|----------------------|--------------------------|
| <b>ASSETS:</b>   |                     |                     |                           |                   |                     |                                  |  |                      |                          |
| Cash and investments   | \$ 3,128,860        | \$ 2,441,022        | \$ 1,062,575              | \$ 718,430        | \$ 5,152,132        | \$ -                             | \$ -   | \$ 517,912           | \$ 13,020,931            |
| Restricted cash and investments  | -                   | -                   | -                         | 157,300           | -                   | 5,477,179                        | 11,884,095   | 1,251,691            | 18,770,265               |
| Property taxes receivable  | -                   | 181,437             | 50,930                    | 35,014            | -                   | -                                | -  | 53,057               | 320,438                  |
| Accounts receivable (net)  | 363,289             | 378,047             | 257,968                   | -                 | 565,583             | -                                | -  | 157,238              | 1,722,125                |
| Loans receivable   | 15,648              | -                   | -                         | -                 | 31,672              | 618,476                          | -  | -                    | 665,796                  |
| Prepaid expenditures   | 335,714             | -                   | -                         | -                 | -                   | -                                | -  | -                    | 335,714                  |
| <b>TOTAL ASSETS</b>  | <b>\$ 3,843,511</b> | <b>\$ 3,000,506</b> | <b>\$ 1,371,473</b>       | <b>\$ 910,744</b> | <b>\$ 5,749,387</b> | <b>\$ 6,095,655</b>              | <b>\$ 11,884,095</b>                                 | <b>\$ 1,979,898</b>  | <b>\$ 34,835,269</b>     |
| <b>LIABILITIES:</b>  |                     |                     |                           |                   |                     |                                  |  |                      |                          |
| Accounts payable   | \$ 242,859          | \$ 27,798           | \$ 99,065                 | \$ 46,458         | \$ 116,555          | \$ 8,447                         | \$ 219,470   | \$ 148,215           | \$ 908,867               |
| Accrued salaries and payroll taxes   | 107,651             | 93,685              | 36,743                    | 34,461            | 12,200              | -                                | -  | 18,749               | 303,489                  |
| Deposits and other liabilities   | 387,250             | -                   | 3,375                     | -                 | 133,338             | -                                | 76,796   | 34,805               | 635,564                  |
| <b>TOTAL LIABILITIES</b>   | <b>737,760</b>      | <b>121,483</b>      | <b>139,183</b>            | <b>80,919</b>     | <b>262,093</b>      | <b>8,447</b>                     | <b>296,266</b>                                       | <b>201,769</b>       | <b>1,847,920</b>         |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>                                      |                     |                     |                           |                   |                     |                                  |  |                      |                          |
| Unavailable revenue - court fines  | 218,013             | -                   | -                         | -                 | -                   | -                                | -  | -                    | 218,013                  |
| Unavailable revenue - bancroft loans                                       | 15,648              | -                   | -                         | -                 | 31,672              | 618,474                          | -  | -                    | 665,794                  |
| Unavailable revenue - misc.  | 49,868              | -                   | -                         | -                 | -                   | -                                | -  | -                    | 49,868                   |
| Unavailable revenue - property taxes                                       | -                   | 147,981             | 41,538                    | 28,558            | -                   | -                                | -  | 43,274               | 261,351                  |
| <b>TOTAL DEFERRED INFLOWS</b>  | <b>283,529</b>      | <b>147,981</b>      | <b>41,538</b>             | <b>28,558</b>     | <b>31,672</b>       | <b>618,474</b>                   | <b>-</b>   | <b>43,274</b>        | <b>1,195,026</b>         |
| <b>FUND BALANCES:</b>  |                     |                     |                           |                   |                     |                                  |  |                      |                          |
| Non-spendable  | 335,714             | -                   | -                         | 157,300           | -                   | -                                | -  | -                    | 493,014                  |
| Restricted   | -                   | -                   | -                         | -                 | -                   | 5,468,734                        | 11,587,829   | 1,128,060            | 18,184,623               |
| Committed  | -                   | 2,731,042           | 1,190,752                 | 643,967           | 5,455,622           | -                                | -  | 606,795              | 10,628,178               |
| Unassigned   | 2,486,508           | -                   | -                         | -                 | -                   | -                                | -  | -                    | 2,486,508                |
| <b>TOTAL FUND BALANCES</b>   | <b>2,822,222</b>    | <b>2,731,042</b>    | <b>1,190,752</b>          | <b>801,267</b>    | <b>5,455,622</b>    | <b>5,468,734</b>                 | <b>11,587,829</b>                                    | <b>1,734,855</b>     | <b>31,792,323</b>        |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b> | <b>\$ 3,843,511</b> | <b>\$ 3,000,506</b> | <b>\$ 1,371,473</b>       | <b>\$ 910,744</b> | <b>\$ 5,749,387</b> | <b>\$ 6,095,655</b>              | <b>\$ 11,884,095</b>                                 | <b>\$ 1,979,898</b>  |                          |

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in funds. 242,960,910

Other assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:

|  |           |           |
|--|-----------|-----------|
| Deferred charge on refunding             | \$ 28,779 |           |
| Deferred outflows of resources - pension | 5,364,253 |           |
| Net OPEB benefit resource                | 92,765    |           |
| Deferred outflows of resources - OPEB    | 112,355   | 5,598,152 |

Liabilities and deferred inflows of resources, including accrued liabilities and bonds payable are not due and payable in the current period and, therefore, are not reported in funds:

|  |              |              |
|--|--------------|--------------|
| Unavailable revenue - court fines            | 218,013      |              |
| Unavailable revenue - bancroft loans         | 665,794      |              |
| Unavailable revenue - misc.                  | 49,868       |              |
| Unavailable revenue - property taxes         | 261,351      |              |
| Accrued compensated absences                 | (1,140,078)  |              |
| Accrued interest                             | (72,024)     |              |
| Net pension liability                        | (17,051,945) |              |
| Long-term bonded debt obligations            | (27,695,000) |              |
| Bond premium                                 | (416,553)    |              |
| Lease Obligations                            | (159,349)    |              |
| Deferred inflows of resources - pension      | (1,738,637)  |              |
| Deferred inflows of resources - OPEB         | (240,835)    |              |
| Net other postemployment benefit obligations | (623,933)    | (47,943,328) |

Net position of governmental activities \$ 232,408,057



CITY OF WEST LINN, OREGON

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|  | General Fund        | Public Safety Fund  | Parks and Recreation Fund | Library Fund      | Street Fund         | Systems Development Charges Fund | City Facilities, Parks, and Transportation Bond Fund | Total Nonmajor Funds | Total Governmental Funds |
|--|---------------------|---------------------|---------------------------|-------------------|---------------------|----------------------------------|--|----------------------|--------------------------|
| <b>REVENUES:</b>   |                     |                     |                           |                   |                     |                                  |  |                      |                          |
| Property taxes   | \$ -                | \$ 5,679,197        | \$ 1,594,162              | \$ 1,095,984      | \$ -                | \$ -                             | \$ -   | \$ 1,594,055         | \$ 9,963,398             |
| Intergovernmental  | 715,381             | 639,152             | 9,886                     | 1,771,081         | 2,432,836           | -                                | 62,500   | 355,744              | 5,986,580                |
| Franchise taxes  | -                   | 1,628,050           | -                         | -                 | 137,716             | -                                | -  | 171,703              | 1,937,469                |
| Fines and forfeitures  | 281,283             | 7,795               | -                         | -                 | -                   | -                                | -  | -                    | 289,078                  |
| Licenses and permits   | 230,341             | 22,725              | -                         | -                 | -                   | -                                | -  | 1,037,598            | 1,290,664                |
| Charges for services   | 7,259,000           | -                   | 2,315,737                 | -                 | 2,101,692           | -                                | -  | 1,102,000            | 12,778,429               |
| Systems development charges  | -                   | -                   | -                         | -                 | -                   | 1,111,093                        | -  | -                    | 1,111,093                |
| Investment earnings  | 25,475              | -                   | -                         | -                 | 974                 | 27,260                           | 107,398  | -                    | 161,107                  |
| Miscellaneous  | 111,234             | 14,329              | 8,068                     | 3,469             | 11,640              | -                                | -  | 16,480               | 165,220                  |
| <b>TOTAL REVENUES</b>  | <b>8,622,714</b>    | <b>7,991,248</b>    | <b>3,927,853</b>          | <b>2,870,534</b>  | <b>4,684,858</b>    | <b>1,138,353</b>                 | <b>169,898</b>                                       | <b>4,277,580</b>     | <b>33,683,038</b>        |
| <b>EXPENDITURES:</b>   |                     |                     |                           |                   |                     |                                  |  |                      |                          |
| Current:   |                     |                     |                           |                   |                     |                                  |  |                      |                          |
| General government   | 8,334,586           | -                   | -                         | -                 | -                   | 26,556                           | 230,000  | 873,170              | 9,464,312                |
| Cultural and recreation  | -                   | -                   | 3,813,275                 | 2,792,454         | -                   | -                                | -  | -                    | 6,605,729                |
| Public safety  | -                   | 7,417,051           | -                         | -                 | -                   | -                                | -  | 803,413              | 8,220,464                |
| Highways and streets   | -                   | -                   | -                         | -                 | 2,946,189           | -                                | -  | -                    | 2,946,189                |
| Debt service:  |                     |                     |                           |                   |                     |                                  |  |                      |                          |
| Principal  | 386,506             | -                   | 51,878                    | -                 | 107,500             | -                                | -  | 1,011,124            | 1,557,008                |
| Interest   | 32,561              | -                   | 12,953                    | -                 | 34,188              | -                                | -  | 835,182              | 914,884                  |
| Capital outlay   | 51,772              | 69,209              | 7,805                     | -                 | 570,135             | 443,501                          | 2,638,474  | 25,984               | 3,806,880                |
| <b>TOTAL EXPENDITURES</b>  | <b>8,805,425</b>    | <b>7,486,260</b>    | <b>3,885,911</b>          | <b>2,792,454</b>  | <b>3,658,012</b>    | <b>470,057</b>                   | <b>2,868,474</b>                                     | <b>3,548,873</b>     | <b>33,515,466</b>        |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | <b>(182,711)</b>    | <b>504,988</b>      | <b>41,942</b>             | <b>78,080</b>     | <b>1,026,846</b>    | <b>668,296</b>                   | <b>(2,698,576)</b>                                   | <b>728,707</b>       | <b>167,572</b>           |
| <b>OTHER FINANCING SOURCES (USES):</b>                               |                     |                     |                           |                   |                     |                                  |  |                      |                          |
| Proceeds from lease obligations                                      | 25,313              | -                   | -                         | -                 | -                   | -                                | -  | 25,984               | 51,297                   |
| Proceeds from sale of capital assets                                 | 2,800               | -                   | 20,119                    | -                 | 47,500              | -                                | -  | 3,900                | 74,319                   |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>                      | <b>28,113</b>       | <b>-</b>            | <b>20,119</b>             | <b>-</b>          | <b>47,500</b>       | <b>-</b>                         | <b>-</b>   | <b>29,884</b>        | <b>125,616</b>           |
| <b>NET CHANGE IN FUND BALANCES</b>                                   | <b>(154,598)</b>    | <b>504,988</b>      | <b>62,061</b>             | <b>78,080</b>     | <b>1,074,346</b>    | <b>668,296</b>                   | <b>(2,698,576)</b>                                   | <b>758,591</b>       | <b>293,188</b>           |
| <b>FUND BALANCES - beginning</b>                                     | <b>2,976,820</b>    | <b>2,226,054</b>    | <b>1,128,691</b>          | <b>723,187</b>    | <b>4,381,276</b>    | <b>4,800,438</b>                 | <b>14,286,405</b>                                    | <b>976,264</b>       | <b>31,499,135</b>        |
| <b>FUND BALANCES - ending</b>  | <b>\$ 2,822,222</b> | <b>\$ 2,731,042</b> | <b>\$ 1,190,752</b>       | <b>\$ 801,267</b> | <b>\$ 5,455,622</b> | <b>\$ 5,468,734</b>              | <b>\$ 11,587,829</b>                                 | <b>\$ 1,734,855</b>  | <b>\$ 31,792,323</b>     |

The notes to basic financial statements are an integral part of this statement

**CITY OF WEST LINN, OREGON**

**RECONCILIATION OF STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

|   |                    |                    |
|---|--------------------|--------------------|
| Net change in fund balances - total governmental funds (page 31)  |                    | \$ 293,188         |
| <p>Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay.</p>  |                    |                    |
| Capital outlay  | \$ 3,806,880       |                    |
| Depreciation expense  | <u>(4,081,578)</u> | (274,698)          |
| <p>The net effect of transactions involving capital assets (i.e., sales, trade-ins, donations, and transfers) is to increase net position.</p>  |                    |                    |
|   |                    | 156,414            |
| <p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>   |                    |                    |
|   |                    | 258,896            |
| <p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of bond premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</p> |                    |                    |
| Proceeds from lease obligations   | (51,297)           |                    |
| Deferred charge on refunding  | 32,377             |                    |
| Payments to refunded bond escrow agent  | (74,319)           |                    |
| Principal repayments on capital lease   | 42,102             |                    |
| Principal repayments on long-term bonded debt   | <u>1,557,008</u>   | 1,505,871          |
| <p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>  |                    |                    |
| Accrued compensated absences payable  | (159,430)          |                    |
| Accrued interest payable  | 3,996              |                    |
| Net other postemployment benefit obligations  | 8,497              |                    |
| Net pension liability   | (1,826,256)        |                    |
| Amortization of deferred charge on refunding  | (35,975)           |                    |
| Amortization of bond premium  | <u>55,745</u>      | <u>(1,953,423)</u> |
| Change in net position of governmental activities (page 29)   |                    | <u>\$ (13,752)</u> |

The notes to basic financial statements are an integral part of this statement

CITY OF WEST LINN, OREGON

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2021

|   | Business-type Activities - Enterprise Funds |                             |                      |
|---|---|-----------------------------|----------------------|
|   | Water Fund                                  | Environmental Services Fund | Total                |
| <b>ASSETS:</b>  |   |                             |                      |
| Current assets:   |   |                             |                      |
| Cash and investments  | \$ 3,112,163                                | \$ 4,993,575                | \$ 8,105,738         |
| Accounts receivable, net of allowance for doubtful accounts | 914,257                                     | 932,448                     | 1,846,705            |
| Lease receivable  | 185,817                                     | -                           | 185,817              |
| Loans receivable  | 1,936                                       | 3,423                       | 5,359                |
| Total current assets  | <u>4,214,173</u>                            | <u>5,929,446</u>            | <u>10,143,619</u>    |
| Noncurrent assets:  |   |                             |                      |
| Net OPEB asset  | 4,738                                       | 5,133                       | 9,871                |
| Capital assets not being depreciated                        | 914,328                                     | 1,051,501                   | 1,965,829            |
| Capital assets, net of accumulated depreciation             | 22,579,611                                  | 21,117,008                  | 43,696,619           |
| Loans receivable  | 15,430                                      | 27,327                      | 42,757               |
| Investment in joint venture                                 | 11,155,715                                  | -                           | 11,155,715           |
| Total noncurrent assets                                     | <u>34,669,822</u>                           | <u>22,200,969</u>           | <u>56,870,791</u>    |
| TOTAL ASSETS  | <u>38,883,995</u>                           | <u>28,130,415</u>           | <u>67,014,410</u>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES:</b>                      |   |                             |                      |
| Deferred outflows of resources - pension                    | 273,966                                     | 296,796                     | 570,762              |
| Deferred outflows of resources - OPEB                       | 5,738                                       | 6,216                       | 11,954               |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES                        | <u>279,704</u>                              | <u>303,012</u>              | <u>582,716</u>       |
| <b>LIABILITIES:</b>   |   |                             |                      |
| Current liabilities:  |   |                             |                      |
| Accounts payable  | 379,234                                     | 342,145                     | 721,379              |
| Accrued salaries and payroll taxes payable                  | 15,537                                      | 10,773                      | 26,310               |
| Accrued compensated absences payable                        | 27,948                                      | 30,279                      | 58,227               |
| Accrued interest payable                                    | 4,033                                       | -                           | 4,033                |
| Lease Payable - due within one year                         | 18,223                                      | 15,905                      | 34,128               |
| Bonds payable - due within one year                         | 90,000                                      | -                           | 90,000               |
| Total current liabilities                                   | <u>534,975</u>                              | <u>399,102</u>              | <u>934,077</u>       |
| Noncurrent liabilities:                                     |   |                             |                      |
| Leases payable  | 63,777                                      | 54,040                      | 117,817              |
| Bonds payable   | 1,598,239                                   | -                           | 1,598,239            |
| Net pension liability                                       | 870,886                                     | 943,460                     | 1,814,346            |
| Accrued compensated absences payable                        | 30,278                                      | 32,801                      | 63,079               |
| Net other postemployment benefit obligations                | 31,866                                      | 34,521                      | 66,387               |
| Total noncurrent liabilities                                | <u>2,595,046</u>                            | <u>1,064,822</u>            | <u>3,659,868</u>     |
| TOTAL LIABILITIES   | <u>3,130,021</u>                            | <u>1,463,924</u>            | <u>4,593,945</u>     |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>                       |   |                             |                      |
| Deferred inflows of resources - pension                     | 88,797                                      | 96,196                      | 184,993              |
| Deferred inflows of resources - OPEB                        | 12,300                                      | 13,325                      | 25,625               |
| TOTAL DEFERRED INFLOWS OF RESOURCES                         | <u>101,097</u>                              | <u>109,521</u>              | <u>210,618</u>       |
| <b>NET POSITION:</b>  |   |                             |                      |
| Net investment in capital assets                            | 21,831,939                                  | 22,098,564                  | 43,930,503           |
| Restricted for OPEB Asset                                   | 4,738                                       | 5,133                       | 9,871                |
| Unrestricted  | 14,095,904                                  | 4,756,285                   | 18,852,189           |
| TOTAL NET POSITION  | <u>\$ 35,932,581</u>                        | <u>\$ 26,859,982</u>        | <u>\$ 62,792,563</u> |

The notes to basic financial statements are an integral part of this statement

CITY OF WEST LINN, OREGON

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|  | Business-type Activities - Enterprise Funds |                                |               |
|--|---|--------------------------------|---------------|
|  | Water<br>Fund                               | Environmental<br>Services Fund | Total         |
| <b>OPERATING REVENUES:</b>                           |   |                                |               |
| Charges for services                                 | \$ 5,465,889                                | \$ 3,985,020                   | \$ 9,450,909  |
| Systems development charges                          | 45,699                                      | 84,256                         | 129,955       |
| Other operating revenues                             | 132,643                                     | 66,267                         | 198,910       |
| TOTAL OPERATING REVENUES                             | 5,644,231                                   | 4,135,543                      | 9,779,774     |
| <b>OPERATING EXPENSES:</b>                           |   |                                |               |
| Salaries and wages                                   | 954,061                                     | 741,285                        | 1,695,346     |
| Materials and supplies                               | 3,044,780                                   | 1,658,734                      | 4,703,514     |
| Depreciation   | 813,243                                     | 1,113,462                      | 1,926,705     |
| TOTAL OPERATING EXPENSES                             | 4,812,084                                   | 3,513,481                      | 8,325,565     |
| OPERATING INCOME                                     | 832,147                                     | 622,062                        | 1,454,209     |
| <b>NONOPERATING INCOME (EXPENSE):</b>                |   |                                |               |
| Net gain on investment in joint venture              | 468,287                                     | -                              | 468,287       |
| Gain on disposal of capital assets                   | 31,350                                      | 22,408                         | 53,758        |
| Interest income                                      | 829   | 1,435                          | 2,264         |
| Interest expense                                     | (57,359)                                    | (1,252)                        | (58,611)      |
| TOTAL NONOPERATING INCOME (EXPENSE)                  | 443,107                                     | 22,591                         | 465,698       |
| INCOME BEFORE CAPITAL CONTRIBUTIONS<br>AND TRANSFERS | 1,275,254                                   | 644,653                        | 1,919,907     |
| CAPITAL CONTRIBUTIONS                                | 198,095                                     | 422,483                        | 620,578       |
| CHANGE IN NET POSITION                               | 1,473,349                                   | 1,067,136                      | 2,540,485     |
| NET POSITION - beginning                             | 34,459,232                                  | 25,792,846                     | 60,252,078    |
| NET POSITION - ending                                | \$ 35,932,581                               | \$ 26,859,982                  | \$ 62,792,563 |

The notes to basic financial statements are an integral part of this statement

CITY OF WEST LINN, OREGON

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|  | Business-type Activities - Enterprise Funds |                             |                     |
|--|---|-----------------------------|---------------------|
|  | Water Fund                                  | Environmental Services Fund | Total               |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                     |   |                             |                     |
| Receipts from customers and users of services                                    | \$ 5,340,242                                | \$ 4,108,298                | \$ 9,448,540        |
| Payments to suppliers for goods and services                                     | (3,274,867)                                 | (1,774,320)                 | (5,049,187)         |
| Payments to employees for services   | (852,198)                                   | (632,444)                   | (1,484,642)         |
| NET CASH FROM OPERATING ACTIVITIES   | <u>1,213,177</u>                            | <u>1,701,534</u>            | <u>2,914,711</u>    |
| <b>CASH FLOWS FROM (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES:</b>      |   |                             |                     |
| Principal paid on capital debt   | (237,732)                                   | -                           | (237,732)           |
| Interest paid on capital debt  | (56,560)                                    | (1,252)                     | (57,812)            |
| Acquisition and construction of capital assets                                   | (1,086,788)                                 | (726,322)                   | (1,813,110)         |
| NET CASH FROM (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES                | <u>(1,381,080)</u>                          | <u>(727,574)</u>            | <u>(2,108,654)</u>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                                     |   |                             |                     |
| Interest earnings received on investments  | 829   | 1,435                       | 2,264               |
| NET INCREASE IN CASH AND INVESTMENTS   | (167,074)                                   | 975,395                     | 808,321             |
| CASH AND INVESTMENTS - beginning   | <u>3,279,237</u>                            | <u>4,018,180</u>            | <u>7,297,417</u>    |
| CASH AND INVESTMENTS - ending  | <u>\$ 3,112,163</u>                         | <u>\$ 4,993,575</u>         | <u>\$ 8,105,738</u> |
| <b>RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES:</b> |   |                             |                     |
| Operating income   | \$ 832,147                                  | \$ 622,062                  | \$ 1,454,209        |
| Adjustments to reconcile operating income to net cash from operating activities: |   |                             |                     |
| Depreciation expense   | 813,243                                     | 1,113,462                   | 1,926,705           |
| Pension expense (income)   | 93,272                                      | 101,044                     | 194,316             |
| Decrease (increase) in accounts receivable                                       | (264,800)                                   | (62,970)                    | (327,770)           |
| Decrease (increase) in lease receivable  | (2,597)                                     | -                           | (2,597)             |
| Decrease (increase) in loans receivable  | (6,202)                                     | (10,551)                    | (16,753)            |
| Increase (decrease) in accounts payable  | (230,087)                                   | (115,586)                   | (345,673)           |
| Increase (decrease) in lease payable   | (30,390)                                    | 46,276                      | 15,886              |
| Increase (decrease) in accrued salaries and payroll taxes payable                | 882   | (553)                       | 329                 |
| Increase (decrease) in accrued compensated absences payable                      | 8,143                                       | 8,820                       | 16,963              |
| Increase (decrease) in net other postemployment benefit obligations              | (434)                                       | (470)                       | (904)               |
| NET CASH FROM OPERATING ACTIVITIES   | <u>\$ 1,213,177</u>                         | <u>\$ 1,701,534</u>         | <u>\$ 2,914,711</u> |
| <b>NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:</b>                     |   |                             |                     |
| Contributions of capital assets  | \$ 198,095                                  | \$ 422,483                  | \$ 620,578          |
| Gain on investment in joint venture  | 468,287                                     | -                           | 468,287             |

The notes to basic financial statements are an integral part of this statement

# CITY OF WEST LINN, OREGON

## Notes to Basic Financial Statements

June 30, 2021

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### 1. Summary of Significant Accounting Policies

The financial statements of the City of West Linn, Oregon (the City) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). GAAP statements require the application of all relevant Governmental Accounting Standards Board (GASB) pronouncements.

#### Reporting Entity

The City is a municipal corporation, incorporated in 1913. It operates under its own charter with a Council/City Manager form of government. The Councilors, composed of the Mayor and four council members, comprise the legislative branch of the government. Individual departments are under the direction of the City Manager who is appointed by the Council.

The City provides a full range of municipal services to the community, which includes police protection and municipal court services, traffic control and improvement, street maintenance and improvement, water, sewer and surface water management services, planning and zoning regulation, building inspection and regulation, parks and recreation services, and community library services.

#### Basis of Presentation – Government-wide Financial Statements

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

*Government-wide financial statements* display information about the City as a whole. 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 Net Position* presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the net difference reported as net position.

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 attributable to a specific program are reported as general revenues.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule include charges between the City's business-type activities/enterprise funds, as well as some special revenue funds, and the general fund. The City allocates charges as reimbursement for services provided by the general fund in support of those

functions based on levels of service provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. These charges are included in direct program expenses.

### **Basis of Presentation – Fund Financial Statements**

*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 only governmental and proprietary type funds. Major individual governmental funds and major individual enterprise funds are reported in the fund financial statements and in separate columns in the financial section of the basic financial statements. Nonmajor 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 combining and individual fund statements and schedules, located in the other supplementary information section.

The City reports the following major governmental funds:

- *General Fund*  
Accounts for the City's legislative activities and administration, human resources, finance, information technology, municipal court, facilities, public works support services, vehicle and equipment maintenance, and related debt service. The primary revenue sources are reimbursement charges for services to other funds, fines and forfeitures, licenses and permits, and intergovernmental revenues.
- *Public Safety Fund*  
Accounts for the activities of the City's police department. The primary revenues are an allocation of the City's property tax levy, franchise taxes, and intergovernmental revenue committed to that purpose.
- *Parks and Recreation Fund*  
Accounts for the operation and maintenance of the City's park and recreation programs. The primary sources of revenue include an allocation of the City's property tax levy and charges for services.
- *Library Fund*  
Accounts for the operation of the City's library facility. The primary revenue sources include the County's library district levy, an allocation of the City's property tax levy, intergovernmental revenues, and fines and forfeitures.
- *Street Fund*  
Accounts for the operation and maintenance of the City's street and sidewalk systems including medians. The primary sources of revenue are intergovernmental revenues and charges for services committed to construction and maintenance of these systems.
- *Systems Development Charges Fund*  
Accounts for the receipt and expenditures of systems development charges (SDCs) restricted to streets, surface water, water, sewer, parks, and bike/pedestrian.
- *City Facilities, Parks, and Transportation Bond Fund*  
This fund accounts for bond proceeds used for the acquisition of land and improvements.

Additionally, the City reports non-major funds within the governmental fund types:

- *Special Revenue Funds*  
These funds account for the receipt and expenditure of restricted and committed revenue sources.
- *Debt Service Fund*  
This fund accounts for the accumulation of resources for the payment of general obligation bond principal and interest.

The City reports each of its two proprietary funds as major funds:

- *Water Fund*  
This fund accounts for the operation and maintenance of water service and distribution facilities.
- *Environmental Services Fund*  
This fund accounts for the operation and maintenance of the sewer and surface water collection and treatment systems.

### **Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded. The government-wide financial statements are presented on a full accrual basis of accounting with an economic resource measurement focus, as are the proprietary fund financial statements. An economic resource focus concentrates on an entity or fund's net position. All transactions and events that affect the total economic resources (net position) during the period are reported. An economic resources measurement focus is inextricably connected with full accrual accounting. Under the full accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash inflows and outflows.

Governmental fund financial statements are presented on a modified accrual basis of accounting with a current financial resource measurement focus. The measurement focus concentrates on the fund's resources available for spending currently or in the near future. Only transactions and events affecting the fund's current financial resources during the period are reported. Similar to the connection between an economic resource measurement focus and full accrual basis of accounting, a current financial resource measurement focus is inseparable from a modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become *measurable* and *available*). *Measurable* means the amount of the transaction can be determined and revenues are considered *available* when they are collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues considered susceptible to accrual are property taxes, state, county and local shared revenues, franchise taxes, intergovernmental revenues, and investment income.



An unavailable revenue deferred inflow arises on the balance sheets of the governmental funds when potential revenue does not meet both the *measurable* and *available* criteria for recognition in the current period. This unavailable revenue consists primarily of uncollected property taxes not deemed available to finance operations of the current period. In the government-wide statement of activities, with a full accrual basis of accounting, revenue must be recognized as soon as it is earned regardless of its availability. Thus, the deferred inflow created on the balance sheets of the governmental funds for unavailable revenue, is eliminated.

Similar to the way its revenues are recorded, governmental funds only record those expenditures that affect current financial resources. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. In the government-wide financial statements, however, with a full accrual basis of accounting, all expenses affecting the economic resource status of the government are recognized.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is necessary to explain the adjustments needed to transform the fund based financial statements into the governmental column of the government-wide presentation. This reconciliation is part of the basic financial statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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. Operating expenses for the proprietary funds include the cost of sales and services, administrative overhead, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues, expenses and capital contributions.

## **Assets, Liabilities, Deferred Outflows and Deferred Inflows of Resources, and Net Position**

### **Cash and Investments**

Cash is considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments consist of funds held in the Oregon State Treasurer's Local Government Investment Pool (LGIP). The individual funds' portion of the LGIP's fair value is presented as "Cash and Investments" in the basic financial statements. Investments in the LGIP are stated at share value, which approximates fair value, and is the value at which the shares can be withdrawn.

The LGIP is administered by the Oregon State Treasury. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State who by law is made the custodian of, or has control of, any public funds. 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. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP.

The City's investment policy, adopted by the City Council, essentially mirrors the requirements of the Oregon Revised Statutes. Currently, the City's investment portfolio includes primarily investments in the LGIP.

## Receivables and Revenues

Property taxes are levied on and become a lien against property on July 1 of the year in which they are due. Collection dates are November 15, February 15, and May 15 following the lien date. Discounts are allowed if the amount due is paid by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

In the fund financial statements, property tax receivables that are collected within 60 days after the end of fiscal year are considered *measurable* and *available*, and therefore, are recognized as revenue. The property taxes receivable portion beyond 60 days is recorded as deferred inflows of resources. Assessments are recognized as receivables at the time property owners are assessed on property improvements. These receivables are entirely offset by deferred inflows of resources, as assessment revenue is recognized upon collection.

In the government-wide financial statements, property tax receivables and billings for parks and street fees are recognized as revenue when earned net of an allowance for uncollectible amounts.

In the proprietary funds, receivables include services provided but not billed. The enterprise funds' receivables include billings for residential and commercial customers utilizing the City's water, sewer, and storm water services and are reported net of an allowance for uncollectible amounts, which is determined based upon an estimated percentage of the receivable balance.

## Prepaid Expenses

In both government-wide and fund financial statements, certain payments to vendors reflect costs applicable to future City accounting periods and are recorded as prepaid expenses. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

## Capital Assets

Purchased or constructed capital assets acquired prior to June 30, 2008 are recorded at estimated historical cost with subsequent additions at cost. Donated capital assets are recorded at their acquisition value at the time of donation. Infrastructure (bridges, roads, and drainage systems) acquired during the year have been recorded at cost or fair value if donated by developers. The City defines capital assets as assets with an initial cost of more than \$10,000 and an estimated useful life of more than one year. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' useful lives are not capitalized.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

|                                   | Useful Lives<br><u>(in years)</u> |
|-----------------------------------|-----------------------------------|
| Buildings and structures          | 25 – 50                           |
| Improvements other than buildings | 10 – 20                           |
| Machinery and equipment           | 5 – 30                            |
| Vehicles                          | 5 – 10                            |
| Infrastructure                    | 20 – 50                           |

## **Investment in Joint Venture**

Investment in joint venture with other governments is reported at cost plus or minus the City's share of operating income or loss utilizing the equity method of accounting for investments.

## **Accrued Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability reported for unpaid accumulated sick leave since the City, by policy, does not pay out sick leave banks when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental and proprietary funds only if they have matured, for example, as a result of termination or retirement.

## **Pension Liability**

In accordance with GASB Statement 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement 27*, the City's net pension liability, deferred inflows and outflows related to pensions, and pension expense have been determined on the basis reported by Oregon Public Employees Retirement System (OPERS).

## **Other Postemployment Benefit (Asset)/Liability**

In accordance with GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB), the City's net OPEB (asset)/liability, deferred inflows and outflows related to OPEB, and OPEB expense have been determined on the basis reported by Oregon Public Employees Retirement System (OPERS).

## **Long-term Debt Obligations**

In the government-wide financial statements, and in the proprietary fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, and proprietary fund type statement of net position. When significant, bond premiums, discounts, and amounts deferred on refunding are deferred and amortized over the applicable bond term. Issuance costs are reported as period costs in the year of issue. In the fund financial statements, governmental fund types recognize bond premiums, discounts, and issuance costs, as period costs in the year of issue. The face amount of debt issued and any related premium is reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## **Deferred Outflows and Deferred Inflows of Resources**

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City has three types of deferred outflows that qualifies for reporting in this category. They relate to deferred charge on refundings, the City's pension plan consisting of employer contributions to OPERS after the measurement date, and the City's OPEB plans consisting of employer contribution to OPERS after the measurement date.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position 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 type of deferred inflows, one of which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the deferred inflow, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and court fines. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the statement of net position, deferred inflows of resources related to the City's pension plan, leases, and OPEB plans are recognized. This consists of differences between projected and actual investment earnings and changes in employer proportion and differences between employer contributions and the City's proportionate share of contributions.

## **Fund Balance**

The City reports fund balance in the governmental funds within categories according to the relative constraints placed on these balances. These fund balance categories are:

- *Non-spendable* – Includes items that are not in a spendable form because they are either legally or contractually required to be maintained intact.
- *Restricted* – Includes items that are restricted by external creditors, grantors or contributors, or restricted by legal constitutional provisions.
- *Committed* – Includes items committed by resolution of the City Council. Commitments may be modified or rescinded by similar resolution.
- *Assigned* – Includes items assigned by specific uses, authorized by the City Manager and/or Finance Director/Chief Financial Officer.
- *Unassigned* – This is the residual classification used for those balances not assigned to another category in the General Fund. Deficit fund balance in other governmental funds are also presented as unassigned.

GAAP requires the highest legal authority to approve authorized commitments of fund balance and to approve who can authorize making assignments of fund balance. These requirements, to include designating the City Manager and/or Finance Director/Chief Financial Officer to make assignments of fund balance, were approved by the City Council on June 14, 2010, utilizing the highest relevant means appropriate for such action with Resolution No. 2010-23.

## **Net Position Flow Assumptions**

The City may fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which resources are considered to have been applied. It is the City's policy to deplete restricted net position first before unrestricted net position is depleted.

## **Fund Balance Flow Assumptions**

The City may fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which resources are considered to have been applied. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed. When components of restricted fund balance can be used for the same purpose, committed fund balance is depleted second, followed by assigned fund balance. Unassigned fund balance is applied last.

## **Library Endowment**

In 1981 the Wallace B. Caufield Trust endowed funds to the City where the principal is to be legally preserved and the interest can be used only to purchase books for the library. Interest is spent immediately and therefore, there are no available amounts at year end. This Trust called for an initial distribution followed by the splitting of the proceeds from the sale of a building with the City of Oregon City. The final distribution of this Trust occurred in 1982 after the Trust completed the sale of the building. As the amount of this endowment is immaterial to the financial statements as a whole, a separate permanent fund is not utilized. The City properly accounts for the legally restricted principal in the net position section of the *Statement of Net Position* as restricted cash and non-spendable fund balance on the library fund's *Balance Sheet*.

## **Use of Estimates**

The preparation of the financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and deferred inflows, the disclosure of contingent assets, liabilities and deferred inflows at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

## **2. Detailed Notes on All Funds**

### **Deposits and Investments**

The City maintains a common cash and investment pool for all City funds. The types of investments in which the City may invest are restricted by State of Oregon statutes and a Council adopted investment policy. Authorized investments consist of U.S. Treasury obligations including treasury notes, bonds and strips; Federal instrumentality securities from specific Federal Agencies; commercial paper rated at least A-1 or an equivalent rating; corporate bonds rated at least Aa or an equivalent rating; bankers acceptances rated at least Aa or an equivalent rating; Oregon State Treasurer's Local Government Investment Pool limited by state statute; certificates of deposits; repurchase agreements and obligations of the states of Oregon, California, Idaho and Washington rated AA or better.

As of June 30, 2021, the City's cash and investments were comprised of the following:

|   |                      |
|---|----------------------|
| Cash on hand  | \$ 1,375             |
| Deposits with financial institutions                      | 10,079,406           |
| Oregon State Treasurer's Local Government Investment Pool | <u>29,850,173</u>    |
| Total cash and investments                                | <u>\$ 39,930,954</u> |

|                                 | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Total</u>         |
|---------------------------------|------------------------------------|-------------------------------------|----------------------|
| Cash and investments            | \$ 13,020,931                      | \$ 8,105,738                        | \$ 21,126,669        |
| Restricted cash and investments | <u>18,770,265</u>                  | <u>-</u>                            | <u>18,770,265</u>    |
| Total cash and investments      | <u>\$ 31,791,196</u>               | <u>\$ 8,105,738</u>                 | <u>\$ 39,896,934</u> |

*Deposits.* Deposits with financial institutions are comprised of bank demand deposits. To provide additional security required and authorized by Oregon Revised Statutes, Chapter 295, deposits above insurance limits are covered by collateral held in a multiple financial institution collateral pool administered by the State of Oregon. At the fiscal year end, bank balances of \$10,079,406 were covered by federal depository insurance (FDIC) or by collateral held by one or more of the State's authorized collateral pool managers. Cash on hand balances representing petty cash accounts are uninsured and uncollateralized.

*Interest rate risk.* In accordance with its investment policy, the City manages its exposure to declines in fair value by limiting the individual maturities in its investment portfolio to eighteen months or less.

*Credit risk.* State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the City's policy to limit its use of these investment types to the top two ratings issued by NRSROs, where applicable. The Oregon State Treasurer's Local Government Investment Pool (LGIP) is not rated by NRSROs.

*Concentration of credit risk.* The City's investment policy, as it relates to investing outside of the LGIP, does not allow for an investment in any one issuer that is in excess of five percent of the City's total investments (ORS 294.035).

*Custodial credit risk.* Custodial risk is the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. As of June 30, 2021, all City deposits are insured and are therefore not subject to custodial credit risk, below the 25% collateral of the program.

The City participates in an external investment pool, the LGIP. The LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company. The State's investment policies are governed by the Oregon Revised Statutes (ORS) and the Oregon Investment Council (Council). The State Treasurer is the investment officer for the Council and is responsible for all funds in the State Treasury.

These investments are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which establishes diversification percentages and specifies investment types and maturities. The portion of the external investment pool belonging to local government participants is reported in an Investment Trust Fund in the State's Annual Comprehensive Financial Report. A copy of the State's Annual Comprehensive Financial Report may be obtained online at <https://www.oregon.gov/treasury/Pages/index.aspx> or by mail at the Oregon State Treasury, 350 Winter St. NE, Salem, Oregon 97301-3896.

## Receivables

As of June 30, 2021, accounts receivable are reflected in the basic financial statements net of an allowance for uncollectible accounts. The allowance for uncollectible accounts pertains to utility billing collections for parks, streets, water, sewer and surface water management fees.

|  |                     |
|--|---------------------|
| Accounts, contracts and grants                 | \$ 8,283,873        |
| Allowance for uncollectible accounts           | <u>(4,569,291)</u>  |
| Total accounts receivable                      | <u>\$ 3,714,582</u> |
|  |                     |
| Accounts receivable - governmental activities  | \$ 1,837,127        |
| Accounts receivable - business-type activities | <u>1,846,705</u>    |
| Total accounts receivable                      | <u>\$ 3,683,832</u> |

## Leases and Loans Receivable

The City of West Linn has lease agreements with cellular phone companies to lease a water tower as a site for cellular antennas. The initial term of the leases were five years with options to extend the leases for four to five additional five year terms. Rental income of approximately \$128,000 for the fiscal year ended June 30, 2021, is reported in other operating revenues in the Water Fund.

Future minimum rentals related to the leases are as follows:

|       |                   |
|-------|-------------------|
| 2022  | \$ 92,009         |
| 2023  | 45,984            |
| 2024  | <u>47,824</u>     |
| Total | <u>\$ 185,817</u> |

The City of West Linn entered into a master agreement with a real estate developer to defer System Development Charges (SDCs) on newly developed properties within City limits. At the time the SDCs are due, the developer enters into a loan agreement with the City to defer the total SDCs over a period of a period of ten years in accordance with West Linn Municipal Code 4.445 and ORS 223.205 – 223.295 (the “Bancroft Bonding Act”). Liens are placed on each property for the total amount due. Payments are due to the City semi-annually, and the interest rate on each loan is the prime rate plus 1.0 percent at the time the loan is established. As of June 30, 2021, the City had seventeen outstanding loan agreements with the developer.

## Investment in Joint Venture

South Fork Water Board (SFWB) operates a water distribution system jointly with the City of West Linn and the City of Oregon City, each party owning 50 percent. Revenues earned by SFWB are expended for the continued operation and maintenance of facilities within the municipal boundaries of these two cities. Upon dissolution of the SFWB, the net position will be shared 50 percent to each city. The SFWB is governed by a six-member board composed of three appointees from the City of West Linn and three from the City of Oregon City. The City’s net investment and its share of the operating results of the SFWB are reported in the City’s water fund. Net position of the City’s water fund increased \$468,287 from a net gain in fiscal year 2020-21. Complete financial statements for the SFWB can be obtained from the City of Oregon City Finance Department, 625 Center Street, Oregon City, Oregon 97045. The City’s \$10.7 million investment in South Fork Water Board is accounted for using the equity method.

## Capital Assets

Capital asset activity for the fiscal year ended June 30, 2021, was as follows:

|   | Beginning<br>balance as of<br><u>June 30, 2020</u> | <u>Additions</u>    | Reductions and<br>adjustments | Ending<br>balance as of<br><u>June 30, 2021</u> |
|---|--|---------------------|-------------------------------|---|
| <b>Governmental activities:</b>             |  |                     |                               |   |
| Capital assets not being depreciated        |  |                     |                               |   |
| Land and easements                          | \$ 192,929,093                                     | \$ -                | \$ -                          | \$ 192,929,093                                  |
| Construction in Progress                    | <u>7,483,299</u>                                   | <u>3,216,878</u>    | <u>(932,535)</u>              | <u>9,767,642</u>                                |
| Total capital assets not being depreciated  | <u>200,412,392</u>                                 | <u>3,216,878</u>    | <u>(932,535)</u>              | <u>202,696,735</u>                              |
| Capital assets being depreciated:           |  |                     |                               |   |
| Buildings and improvements                  | 43,361,445   | 155,131             | 932,535                       | 44,449,111                                      |
| Vehicles and equipment                      | 4,422,515  | 329,051             | (235,205)                     | 4,516,361                                       |
| Infrastructure                              | <u>71,113,232</u>                                  | <u>254,838</u>      | <u>-</u>                      | <u>71,368,070</u>                               |
| Total capital assets being depreciated      | <u>118,897,192</u>                                 | <u>739,020</u>      | <u>697,330</u>                | <u>120,333,542</u>                              |
| Less accumulated depreciation for:          |  |                     |                               |   |
| Buildings and improvements                  | (19,662,021)                                       | (1,355,957)         | -                             | (21,017,978)                                    |
| Vehicles and equipment                      | (2,171,133)  | (358,562)           | 168,395                       | (2,361,300)                                     |
| Infrastructure                              | <u>(54,323,030)</u>                                | <u>(2,367,059)</u>  | <u>-</u>                      | <u>(56,690,089)</u>                             |
| Total accumulated depreciation              | <u>(76,156,184)</u>                                | <u>(4,081,578)</u>  | <u>168,395</u>                | <u>(80,069,367)</u>                             |
| Total capital assets being depreciated, net | <u>42,741,008</u>                                  | <u>(3,342,558)</u>  | <u>865,725</u>                | <u>40,264,175</u>                               |
| Total capital assets, net                   | <u>\$ 243,153,400</u>                              | <u>\$ (125,680)</u> | <u>\$ (66,810)</u>            | <u>\$ 242,960,910</u>                           |
| <b>Business-type activities:</b>            |  |                     |                               |   |
| Capital assets not being depreciated        |  |                     |                               |   |
| Land  | \$ 482,625   | \$ -                | \$ -                          | \$ 482,625                                      |
| Construction in progress                    | <u>1,408,272</u>                                   | <u>500,704</u>      | <u>(425,772)</u>              | <u>1,483,204</u>                                |
| Total capital assets not being depreciated  | <u>1,890,897</u>                                   | <u>500,704</u>      | <u>(425,772)</u>              | <u>1,965,829</u>                                |
| Capital assets being depreciated            |  |                     |                               |   |
| Buildings and improvements                  | 1,605,673  | -                   | -                             | 1,605,673                                       |
| Vehicles and equipment                      | 2,368,650  | 783,578             | (347,574)                     | 2,804,654                                       |
| Infrastructure                              | <u>84,213,544</u>                                  | <u>1,208,881</u>    | <u>425,772</u>                | <u>85,848,197</u>                               |
| Total capital assets being depreciated      | <u>88,187,867</u>                                  | <u>1,992,459</u>    | <u>78,198</u>                 | <u>90,258,524</u>                               |
| Less accumulated depreciation for:          |  |                     |                               |   |
| Buildings and improvements                  | (1,198,357)  | (32,113)            | -                             | (1,230,470)                                     |
| Vehicles and equipment                      | (1,456,383)  | (193,975)           | 341,856                       | (1,308,502)                                     |
| Infrastructure                              | <u>(42,322,316)</u>                                | <u>(1,700,617)</u>  | <u>-</u>                      | <u>(44,022,933)</u>                             |
| Total accumulated depreciation              | <u>(44,977,056)</u>                                | <u>(1,926,705)</u>  | <u>341,856</u>                | <u>(46,561,905)</u>                             |
| Total capital assets being depreciated, net | <u>43,210,811</u>                                  | <u>65,754</u>       | <u>420,054</u>                | <u>43,696,619</u>                               |
| Total capital assets, net                   | <u>\$ 45,101,708</u>                               | <u>\$ 566,458</u>   | <u>\$ (5,718)</u>             | <u>\$ 45,662,448</u>                            |



Depreciation expense for governmental activities in the amount of \$4,081,578 and for business-type activities the amount of \$1,926,705 was charged to functions/programs as follows:

|                        | Governmental<br>Activities | Business Type<br>Activities | Total        |
|------------------------|----------------------------|-----------------------------|--------------|
| General government     | \$ 131,268                 | \$ -                        | \$ 131,268   |
| Culture and recreation | 1,119,300                  | -                           | 1,119,300    |
| Public safety          | 318,245                    | -                           | 318,245      |
| Highways and streets   | 2,512,765                  | -                           | 2,512,765    |
| Water                  | -                          | 813,243                     | 813,243      |
| Environmental services | -                          | 1,113,462                   | 1,113,462    |
| Depreciation expense   | \$ 4,081,578               | \$ 1,926,705                | \$ 6,008,283 |

### Vehicle Lease Agreement/Leases Payable

The City entered into a master leasing agreement with a fleet management company to lease vehicles for the City's operations. Each vehicle lease term is 60 months and transfers ownership to the lessee at the end of the lease. Under this agreement, the City leased sixteen vehicles totaling approximately \$402,000. The City has recorded these transactions as debt obligations resulting from a financed purchase.

|  | Original<br>Amount | Outstanding<br>June 30, 2020 | Additions         | Decreases           | Outstanding<br>June 30, 2021 |
|--|--------------------|------------------------------|-------------------|---------------------|------------------------------|
| <b>Governmental Activities</b>                           |                    |                              |                   |                     |                              |
| Fleet vehicles, due 2026,<br>interest rates 3.69 - 5.34% | \$ 229,693         | \$ 197,062                   | \$ 51,297         | \$ (89,010)         | \$ 159,349                   |
| <b>Business-type Activities</b>                          |                    |                              |                   |                     |                              |
| Fleet vehicles, due 2026,<br>interest rates 3.69 - 3.85% | 172,701            | 51,030                       | 118,534           | (17,619)            | 151,945                      |
|  | <u>\$ 402,394</u>  | <u>\$ 248,092</u>            | <u>\$ 169,831</u> | <u>\$ (106,629)</u> | <u>\$ 311,294</u>            |

Future maturities are as follows:

| Fiscal<br>Year | Governmental<br>Activities | Business-type<br>Activities |
|----------------|----------------------------|-----------------------------|
| 2022           | \$ 45,312                  | \$ 34,128                   |
| 2023           | 45,312                     | 34,128                      |
| 2024           | 42,600                     | 34,128                      |
| 2025           | 15,857                     | 30,567                      |
| 2026           | 10,268                     | 18,994                      |
|                | <u>\$ 159,349</u>          | <u>\$ 151,945</u>           |

### Interfund Transfers

Transfers between funds provide support for various City programs in accordance with budgetary authorizations and are utilized to cover administrative services, provide for additional funding for reserve purposes, contribute towards the cost of capital projects, and to provide for other operational resources. For the fiscal year ended June 30, 2021, all City cash transfers are properly classified as charges for services for financial reporting purposes. Transfers of capital assets are also made between funds to ensure full utilization of useable assets and are classified as transfers for financial statement purposes.

## **Long-term Debt Obligations**

In the following sections, long-term debt information is presented separately with respect to governmental and business-type activities. Any liability for claims, judgments, or compensated absences are generally liquidated by the general fund.

The following table presents current year changes in all long-term debt obligations and the current portions due for each issue.

*Long-term Debt Obligations (continued):*

|  | Beginning<br>balance as of<br><u>June 30, 2020</u> | Additions           | Reductions            | Ending<br>balance as of<br><u>June 30, 2021</u> | Due<br>within<br>one year |
|--|--|---------------------|-----------------------|---|---------------------------|
| <b>Governmental activities:</b>  |  |                     |                       |   |                           |
| General Obligation bonds   |  |                     |                       |   |                           |
| Series 2010-A Library Refundings, interest at 2.0-3.0%, original issue of \$3,900,000, due 2021                        | \$ 385,000   | \$ -                | \$ (385,000)          | \$ -  | \$ -                      |
| Series 2012 Police Station, interest at 1.0-2.75%, original issue of \$8,500,000, due 2032                             | 6,330,000  | -                   | (375,000)             | 5,955,000                                       | 400,000                   |
| Series 2018 City Facilities, Parks, and Transportation, interest at 3.0-5.0%, original issue of \$20,000,000, due 2038 | 20,000,000   | -                   | (240,000)             | 19,760,000                                      | 365,000                   |
| Full Faith and Credit obligations  |  |                     |                       |   |                           |
| Series 2010-B City Hall Refunding, interest at 3.0-4.0%, original issue of \$4,300,000, due 2021                       | 295,000  | -                   | (295,000)             | -   | -                         |
| Series 2015 Streets/Parks Refunding, interest at 2.0-4.0%, original issue of \$2,625,000, due 2035                     | 2,195,000  | -                   | (215,000)             | 1,980,000                                       | 220,000                   |
| Plus: bond issuance premium  | 472,298  | -                   | (55,745)              | 416,553   | -                         |
| Long-term bonded debt obligations  | 29,677,298   | -                   | (1,565,745)           | 28,111,553                                      | 985,000                   |
| Lease Obligations  | 197,062  | 51,297              | (89,010)              | 159,349   | 45,312                    |
| Compensated absences   | 980,648  | 852,786             | (693,356)             | 1,140,078                                       | 547,237                   |
| Net pension liability  | 14,897,648   | 2,154,297           | -                     | 17,051,945                                      | -                         |
| Net OPEB liability   | 820,305  | -                   | (196,372)             | 623,933   | -                         |
| Total governmental activities  | <u>46,572,961</u>                                  | <u>3,058,380</u>    | <u>(2,544,483)</u>    | <u>47,086,858</u>                               | <u>1,577,549</u>          |
| <b>Business-type activities:</b>   |  |                     |                       |   |                           |
| Full Faith and Credit obligations  |  |                     |                       |   |                           |
| Series 2015 Water Refunding, interest at 2.0-4.0%, original issue of \$2,640,000, due 2035                             | 1,810,000  | -                   | (230,000)             | 1,580,000                                       | 90,000                    |
| Plus: bond issuance premium  | 115,971  | -                   | (7,732)               | 108,239   | -                         |
| Long-term bonded debt obligations  | 1,925,971  | -                   | (237,732)             | 1,688,239                                       | 90,000                    |
| Lease Obligations  | 51,030   | 118,534             | (17,619)              | 151,945   | 34,128                    |
| Compensated absences   | 104,344  | 90,738              | (73,775)              | 121,307   | 58,227                    |
| Net pension liability  | 1,585,126  | 229,220             | -                     | 1,814,346                                       | -                         |
| Net OPEB liability   | 87,281   | -                   | (20,895)              | 66,386  | -                         |
| Total business-type activities   | <u>3,753,752</u>                                   | <u>438,492</u>      | <u>(350,021)</u>      | <u>3,842,223</u>                                | <u>182,355</u>            |
| <b>Total long-term debt obligations</b>  |  |                     |                       |   |                           |
| General Obligation bonds   | 26,715,000   | -                   | (1,000,000)           | 25,715,000                                      | 765,000                   |
| Full Faith and Credit obligations  | 4,300,000  | -                   | (740,000)             | 3,560,000                                       | 310,000                   |
| Plus: bond issuance premium  | 588,269  | -                   | (63,477)              | 524,792   | -                         |
| Long-term bonded debt obligations  | 31,603,269   | -                   | (1,803,477)           | 29,799,792                                      | 1,075,000                 |
| Lease Obligations  | 248,092  | 169,831             | (106,629)             | 311,294   | 79,440                    |
| Compensated absences   | 1,084,992  | 943,524             | (767,131)             | 1,261,385                                       | 605,464                   |
| Net pension liability  | 16,482,774   | 2,383,517           | -                     | 18,866,291                                      | -                         |
| Net OPEB liability   | 907,586  | -                   | (217,267)             | 690,319   | -                         |
| Total long-term debt obligations   | <u>\$ 50,326,713</u>                               | <u>\$ 3,496,872</u> | <u>\$ (2,894,504)</u> | <u>\$ 50,929,081</u>                            | <u>\$ 1,759,904</u>       |

**Future Principal and Interest.** Future maturities of bond principal and interest at June 30, 2021, are as follows:

| Year      | Governmental Activities |                     | Business-type Activities |                   | Total                |                     |
|-----------|-------------------------|---------------------|--------------------------|-------------------|----------------------|---------------------|
|           | Principal               | Interest            | Principal                | Interest          | Principal            | Interest            |
| 2022      | \$ 985,000              | \$ 864,300          | \$ 90,000                | \$ 48,400         | \$ 1,075,000         | \$ 912,700          |
| 2023      | 1,070,000               | 833,650             | 95,000                   | 46,600            | 1,165,000            | 880,250             |
| 2024      | 1,160,000               | 797,400             | 95,000                   | 43,750            | 1,255,000            | 841,150             |
| 2025      | 1,260,000               | 755,250             | 100,000                  | 39,950            | 1,360,000            | 795,200             |
| 2026      | 1,360,000               | 706,950             | 105,000                  | 37,950            | 1,465,000            | 744,900             |
| 2027-2031 | 7,725,000               | 2,904,100           | 575,000                  | 137,375           | 8,300,000            | 3,041,475           |
| 2032-2036 | 9,460,000               | 1,645,225           | 520,000                  | 49,050            | 9,980,000            | 1,694,275           |
| 2037-2039 | 4,675,000               | 230,263             | -                        | -                 | 4,675,000            | 230,263             |
|           | <u>\$ 27,695,000</u>    | <u>\$ 8,737,138</u> | <u>\$ 1,580,000</u>      | <u>\$ 403,075</u> | <u>\$ 29,275,000</u> | <u>\$ 9,140,213</u> |

**Credit Rating.** On August 24, 2018, Moody's Investors Services maintained its long-term rating of 'Aa2' on the City's general obligations Series 2018 outstanding due to an overall review undertaken by Moody's in conjunction with the publication on December 16, 2016 of the US Local Government General Obligation Debt Methodology.

**Terms Specified in Debt Agreements.** General Obligation Bonds, Series 2018 (\$20.0 million) were sold at a premium in August 2018. The bonds have interest rates ranging from 3.0 percent to 5.0 percent and maturity dates from June 1, 2021 to June 1, 2038. The net proceeds of \$20.2 million were used to fund capital costs related to improvements to roads, parks, and city facilities, fund a capitalized interest fund, and pay the costs of issuing the bonds. The City has pledged its full faith and credit and taxing powers for repayment of the bonds. If the bonds are defaulted, by failure to make required principal or interest payments or other covenants, actions to enforce the financing agreement may take place for the amount of the obligation then outstanding to its satisfaction. The bonds are subject to redemption prior to maturity in whole or in part at the option of the City on any day on or after June 1, 2028, at par (100%) plus accrued interest thereon to the date of redemption.

Full Faith and Credit Project and Refunding Obligations, Series 2015 (\$5.2 million) were sold at a premium in December 2015. The bonds have interest rates ranging from 2.5 percent to 4.0 percent and maturity dates from June 1, 2017 to June 1, 2028. The net proceeds of \$5.6 million were used to finance a portion of the capital costs associated with improvements to the Bolton Reservoir, refund on a current basis all of the outstanding Water Revenue Bonds, Series 2000, advance refund all of the outstanding Full Faith and Credit Obligations, Series 2009B, together with the Refunded 2000 Water Bonds, and pay for costs of issuance, sale, and delivery of the obligations. The City has pledged its full faith and credit and taxing powers for repayment of the bonds. If the bonds are defaulted, by failure to make required principal or interest payments or other covenants, actions to enforce the financing agreement may take place for the amount of the obligation then outstanding to its satisfaction. The portion of the bonds maturing in years 2017 through 2025 inclusive, are not subject to optional prepayment prior to maturity. The portion of the bonds maturing on June 1, 2026, and on any date thereafter are subject to redemption prior to maturity in whole or in part at the option of the City on any day on or after December 1, 2025, at par (100%) plus accrued interest thereon to the date of redemption.

General Obligation Bonds, Series 2012 (\$8.5 million) were sold at a premium in January 2012. The bonds have interest rates ranging from 1.0 percent to 2.75 percent and maturity dates from June 1, 2013 to December 1, 2031. The net proceeds of \$8.6 million were used to fund property acquisition and capital construction including, but not limited to design, construct, equip and furnish a new police station, acquire four parcels of land to locate the police station, and pay costs of issuing the bonds. The City has pledged its full faith and credit and taxing powers for repayment of the bonds. If the bonds are defaulted, by failure to make required principal or interest payments, actions to enforce the financing agreement may take place for the amount of the obligation then outstanding to

its satisfaction. The portion of the bonds maturing in years 2013 through 2022 are not subject to optional prepayment prior to maturity. The portion of the bonds maturing on June 1, 2023, and on any date thereafter are subject to redemption prior to maturity in whole or in part at the option of the City on any day on or after June 1, 2022, at par (100%) plus accrued interest thereon to the date of redemption.

General Obligation Refunding Bonds, Series 2010 (\$3.1 million), and Full Faith and Credit Refunding Obligations, Series 2010 (\$2.6 million) were sold at a premium in September 2010. The General Obligation Refunding Bonds have interest rates ranging from 2.0% to 3.0% and maturity dates from June 1, 2011 to June 1, 2021. The Full Faith and Credit Refunding Obligations have interest rates ranging from 2.0 percent to 4.0 percent and maturity dates from December 1, 2010 to December 1, 2020. The General Obligation Refunding Bonds net proceeds of \$3.1 million were used refund all or a portion of the City's General Obligation Bonds, Series 2000 and to pay costs of issuing the bonds. The Full Faith and Credit Refunding Obligations net proceeds of \$2.8 million were used to currently refund the callable portion of the City's Full Faith and Credit Obligations, Series 2000 on December 1, 2010 at a price of par plus accrued interest to the Obligation Redemption Date. The City has pledged its full faith and credit and taxing powers for repayment of the bonds and obligations. If the bonds and/or obligations are defaulted, by failure to make required principal or interest payments or other covenants, actions to enforce the financing agreement may take place for the amount of the obligation then outstanding to its satisfaction. The bonds and the obligations are not subject to optional prepayment prior to maturity.

## **Employee Retirement Pension Plan**

**Plan Description.** The City is a participating employer in the Oregon Public Employees Retirement System (OPERS), a cost-sharing multiple-employer public employee retirement system established under Oregon Revised Statutes 238.600 that acts as a common investment and administrative agent for public employers in the State of Oregon.

**ORS 238 Defined Benefit Plan Benefits.** OPERS is a defined benefit pension plan that provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. Benefits are established by state statute. This defined benefit pension plan portion of OPERS is closed to new members hired on or after August 29, 2003.

Benefits under the defined benefit pension plan program include a retirement allowance payable monthly for life. It may be selected from thirteen 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 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier one general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of eligible service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier two general service members are eligible for full benefits at age 60.

**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: (1) member was employed by a OPERS employer at the time of death; (2) member died within 120 days after termination of OPERS-covered employment; (3) member died as a result of injury sustained while employed in a OPERS-covered job; or (4) member was on an official leave of absence from a OPERS-covered job at the time of death.

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

**Benefit Changes after Retirement.** Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law the cap on the cost-of-living changes in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and \$750 plus 0.15 percent on annual benefits above \$60,000.

**ORS 238A OPSRP Defined Benefit Plan Benefits.** This portion of the defined benefit pension plan of OPERS provides benefits to members hired on or after August 29, 2003. Benefits under this portion of OPSRP provide a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age.

For police and fire members, 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

For general service members, 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65 or age 58 with 30 years of retirement credit.

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

**Benefit Changes after Retirement.** Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and \$750 plus 0.15 percent on annual benefits above \$60,000.

**Contributions.** OPERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the OPERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation. The state of Oregon and certain schools, community colleges, and political subdivisions have made unfunded actuarial liability payments, and their rates have been reduced. The City's rates for the year ended June 30, 2021 were 23.39 percent for OPERS and 15.80 percent for OPSRP – general employees, and 20.43 percent for OPSRP – police employees, of salary covered under the plan. These rates are reported inclusive of the retiree healthcare rates disclosed in a separate note disclosure. The contribution requirements for plan members and the City are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

Employer contributions for the year ended June 30, 2021, were approximately \$1,783,000. The City does not have a specific employer liability related to pensions.

A ten-year schedule of the City's pension plan contributions can be found on page 81 this report.

**Plan Audited Financial Report.** Both OPERS and OPSRP are administered by the Oregon Public Employees Retirement Board (OPERB). The annual comprehensive financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (888) 320-7377, or by accessing the OPERS web site at <https://www.oregon.gov/pers>.

### **Pension Liabilities, Pension Expense, and Deferred Inflows and Deferred Outflows of Resources related to Pensions**

At June 30, 2021 and 2020, the City reported a pension liability of \$18,866,291 and \$16,482,774, respectively for its proportionate share of the plan pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018 and rolled forward to June 30, 2020. The City's proportionate share 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 members of the cost sharing pool, actuarially determined. At June 30, 2021 and 2020, the City's proportion was 0.08644967 and 0.09528934 percent respectively.

For the year ended June 30, 2021 and 2020, the City recognized pension expense of \$1,826,257 and pension expense of \$2,066,303, respectively. At June 30, 2021 and 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Balance as of June 30, 2021    |                               | Balance as of June 30, 2020    |                               |
|---|--------------------------------|-------------------------------|--------------------------------|-------------------------------|
|   | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Difference between expected and actual experience   | \$ 830,345                     | \$ -                          | \$ 908,976                     | \$ -                          |
| Change of assumptions   | 1,012,494                      | 35,476                        | 2,236,076                      | -                             |
| Net difference between projected and actual earnings on pension plan investments                          | 2,218,431                      | -                             | -                              | 467,270                       |
| Changes in proportion and differences between City contributions and proportionate share of contributions | 90,993                         | 1,888,154                     | 184,389                        | 988,561                       |
| City contributions subsequent to the measurement date   | <u>1,782,752</u>               | <u>-</u>                      | <u>1,774,832</u>               | <u>-</u>                      |
| Net Deferred Outflows/Inflows of Resources  | <u>\$ 5,935,015</u>            | <u>\$ 1,923,630</u>           | <u>\$ 5,104,273</u>            | <u>\$ 1,455,831</u>           |

\$1,782,752 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended June 30: |                     |
|---------------------|---------------------|
| 2022                | \$ 449,126          |
| 2023                | 715,577             |
| 2024                | 670,458             |
| 2025                | 463,211             |
| 2026                | <u>(69,739)</u>     |
|                     | <u>\$ 2,228,633</u> |

**Actuarial Valuations.** The employer contribution rates effective July 1, 2019, through June 30, 2021, were set using the entry age normal cost method.

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

For the ORS 238A OPSRP Pension Program component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an actuarially determined amount for funding a disability benefit component, and (3) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over sixteen years.



## Actuarial Methods and Assumptions.

- Valuation Date December 31, 2018 rolled forward to June 30, 2020
- Experience Study Report 2018, published July 24, 2019
- Actuarial cost method Entry Age Normal
- Amortization method Amortized as a level percentage of payroll; Tier One/Tier Two UAL (20 year) and OPSRP pension UAL (16 year); Amortization periods are closed Market value of assets
  
- Asset valuation method
- Actuarial assumptions
  - Inflation rate 2.50 percent
  - Investment rate of return 7.20 percent
  - Projected salary increases 3.50 percent
  - Cost of Living Adjustments Blend of 2.00% COLA and graded COLA (1.25%/.15%) in accordance with Moro decision; blend based on service
  
- Mortality
  - Healthy retirees and beneficiaries:  
Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.
  - Active members:  
Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.
  - Disabled retirees:  
Pub-2010 Disabled Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts 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.

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

**Depletion Date Projection.** GASB Statement 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan’s Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB Statement 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB Statement 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for Oregon PERS:

- Oregon PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB Statement 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan’s funded position.

Based on these circumstances, it is OPERS Board’s independent actuary’s opinion that the detailed depletion date projections outlined in GASB Statement 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

**Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.** The following represents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the City’s share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

|  | 1% Decrease<br><u>(6.20%)</u> | Discount Rate<br><u>(7.20%)</u> | 1% Increase<br><u>(8.20%)</u> |
|--|-------------------------------|---------------------------------|-------------------------------|
| City's proportionate share<br>of net pension liability | \$28,014,885                  | \$ 18,866,291                   | \$ 11,194,772                 |

**Long-Term Expected Rate of Return.** The long term expected rate of return is based on a consistent set of underlying assumptions for each asset class and includes adjustment for the inflation assumption. These assumptions are not based on historical return, but instead are based on a forward-looking capital market economic model. To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following tables:

| <u>Asset Class</u>    | <u>Target Allocation</u> |                   |                |
|-----------------------|--------------------------|-------------------|----------------|
|                       | <u>Low Range</u>         | <u>High Range</u> | <u>Target</u>  |
| Debt Securities       | 15.0 %                   | 25.0 %            | 20.0 %         |
| Public equity         | 27.5                     | 37.5              | 32.5           |
| Private Equity        | 14.0                     | 21.0              | 17.5           |
| Real Estate           | 9.5                      | 15.5              | 12.5           |
| Alternative Portfolio | 7.5                      | 17.5              | 15.0           |
| Opportunity Portfolio | 0.0                      | 3.0               | 0.0            |
| Risk Parity           | 0.0                      | 2.5               | 2.5            |
|                       |                          |                   | <u>100.0 %</u> |

| <u>Asset Class</u>                | <u>Target Allocation</u> | <u>Compound Annual Return (Geometric)</u> |
|-----------------------------------|--------------------------|---|
| Core Fixed Income                 | 9.60 %                   | 4.07 %                                    |
| Short-Term Bonds                  | 9.60                     | 3.68                                      |
| Bank/Leveraged Loans              | 3.60                     | 5.19                                      |
| High Yield Bonds                  | 1.20                     | 5.74                                      |
| Large/Mid Cap US Equities         | 16.17                    | 6.30                                      |
| Small Cap US Equities             | 1.35                     | 6.68                                      |
| Micro Cap US Equities             | 1.35                     | 6.79                                      |
| Developed Foreign Equities        | 13.48                    | 6.91                                      |
| Emerging Market Equities          | 4.20                     | 7.69                                      |
| Non-US Small Cap Equities         | 1.93                     | 7.25                                      |
| Private Equity                    | 17.50                    | 8.33                                      |
| Real Estate (Property)            | 10.00                    | 5.55                                      |
| Real Estate (REITS)               | 2.50                     | 6.69                                      |
| Hedge Fund of Funds - Diversified | 1.50                     | 4.06                                      |
| Hedge Fund - Event-Driven         | 0.38                     | 5.59                                      |
| Timber                            | 1.13                     | 5.61                                      |
| Farmland                          | 1.13                     | 6.12                                      |
| Infrastructure                    | 2.25                     | 6.67                                      |
| Commodities                       | <u>1.13</u>              | 3.79                                      |
| Total                             | <u>100.00 %</u>          |   |

Assumed Inflation - Mean 2.50

**Payable to OPERS.** At June 30, 2021, the City had no payable due to OPERS for defined benefit contributions. This amount represents legally required contributions to the plan for services incurred in the current fiscal year.

**Changes in Plan Provisions During the Measurement Period.** There are no changes subsequent to the June 30, 2020 measurement date that require disclosure.

**Changes in Plan Provisions Subsequent to the Measurement Date.** There were no changes subsequent to the June 30, 2020 measurement period that require disclosure.

### **Individual Account Program.**

In the 2003 legislative session, the Oregon Legislative Assembly created a successor plan for OPERS. The Oregon Public Service Retirement Plan (OPSRP) is effective for all new employees hired on or after August 29, 2003, and applies to any inactive OPERS members who return to employment following a six month or greater break in service. The new plan consists of the defined benefit pension plans and a defined contribution pension plan (the Individual Account Program or IAP). Beginning January 1, 2004, all OPERS member contributions go into the IAP portion of OPSRP. OPERS' members retain their existing OPERS accounts, but any future member contributions are deposited into the member's IAP, not the member's OPERS account. Those employees who had established an OPERS membership prior to creation of OPSRP will be members of both the OPERS and OPSRP system as long as they remain in covered employment.

Members of OPERS and OPSRP are required to contribute six percent of their salary covered under the plan which is invested in the IAP. The City makes this contribution on behalf of its employees. The City contributed approximately \$562,000 for the year ended June 30, 2021.

### **Postemployment Healthcare Plans**

The City does not have a formal postemployment benefits plan for employees; however the City is required by Oregon Revised Statutes 243.303 to provide retirees with group health and dental insurance from the date of retirement to age 65 at the same rate provided to current employees. The District provides an implicit rate subsidy for retiree health insurance premiums, and a contribution to Oregon PERS cost-sharing multiple-employer defined benefit health insurance plan.

## Financial Statement Presentation

The plans are aggregated on the District's Statement of Net position as follows:

|   | <u>Implicit Rate<br/>Subsidy Plan</u> | <u>PERS RHIA<br/>Plan</u> | <u>Total</u>     |
|---|---------------------------------------|---------------------------|------------------|
| Net OPEB Asset  | \$ -                                  | \$ 102,636                | \$ 102,636       |
| Deferred Outflows of Resources  |                                       |                           |                  |
| Difference in earnings  | 19,359                                | 11,414                    | 30,773           |
| Change in assumptions   | -                                     | -                         | -                |
| Change in proportionate share   | -                                     | 31,876                    | 31,876           |
| Contributions after the measurement date                                  | <u>59,968</u>                         | <u>1,692</u>              | <u>61,660</u>    |
| Total Deferred outflows of Resources                                      | <u>79,327</u>                         | <u>44,982</u>             | <u>124,309</u>   |
| Total OPEB Liability  | (690,319)                             | -                         | (690,319)        |
| Deferred Inflows of Resources   |                                       |                           |                  |
| Difference in expected and actual experience                              | (48,302)                              | (10,492)                  | (58,794)         |
| Change in proportionate share   | -                                     | -                         | -                |
| Change in assumptions   | (202,210)                             | (5,456)                   | (207,666)        |
| Difference in earnings  | <u>-</u>                              | <u>-</u>                  | <u>-</u>         |
| Total Deferred inflows of Resources                                       | <u>(250,512)</u>                      | <u>(15,948)</u>           | <u>(266,460)</u> |
| OPEB Expense<br>(included in program expenses on Statement of Activities) | 50,910                                | 952                       | 51,862           |

**Plan Description (implicit subsidy).** The City's single-employer defined benefit postemployment health care plan is administered by Allegiance Benefit Plan Management, Inc. Benefit provisions are established through negotiations between the City and representatives of collective bargaining units or through resolutions passed by City Council. The plan does not issue its own financial statements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

The plan provides eligible retirees and their dependents under age 65 the same group health and dental insurance offered to active employees, at the same premium rates. Retirees pay 100% of the premium and coverage may lapse if their premium is unpaid. As of the valuation date of July 1, 2020, the following employees were covered under the plan:

|                    |            |
|--------------------|------------|
| Eligible retirees  | 8          |
| Active employees   | <u>106</u> |
| Total participants | <u>114</u> |

**Total OPEB Liability, OPEB Expense, and Deferred Inflows and Outflows of resources related to OPEB**

The City’s total OPEB liability of \$690,319 was measured as of June 30, 2021, 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 \$50,910. 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<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|---|---|--|
| Difference between expected and actual experience | \$ -                                      | \$ 48,302                                |
| Changes of assumptions                            | 19,359                                    | 202,208                                  |
| Contributions subsequent to the measurement date  | <u>59,967</u>                             | <u>-</u>                                 |
| Total   | <u>\$ 79,326</u>                          | <u>\$ 250,510</u>                        |

Deferred outflows of resources related to OPEB of \$59,967 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:

| <b>Year ended June 30:</b> |                     |
|----------------------------|---------------------|
| 2022                       | \$ (31,133)         |
| 2023                       | (31,133)            |
| 2024                       | (31,133)            |
| 2025                       | (31,133)            |
| 2026                       | (31,133)            |
| Therafter                  | <u>(75,486)</u>     |
| Total                      | <u>\$ (231,151)</u> |

## Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2020 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|                            |  |
|----------------------------|--|
| Actuarial Cost method      | Entry age normal   |
| Inflation                  | 2.5 percent  |
| Salary increases           | 3.5 percent  |
| Healthy mortality          | Pub-2010 General and Safety Employee and Healthy Retiree tables, sex distinct for members and dependants, with a one-year set back for male general service employees and female safety employees    |
| Discount rate              | 2.21 percent (change from 3.5 percent in previous measurement period)  |
| Healthcare cost trend rate | Medical and vision: Starting from 3.75 percent in 2020 fluctuating between 4.00 percent to 5.75 percent per year, ending at 4.00 percent in 2072.<br>Dental: -1.25% in 2020, 4.00 percent thereafter |

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

## Changes in the Total OPEB Liability

|  | <b>Total OPEB<br/>Liability</b> |
|--|---------------------------------|
| Balance as of June 30, 2020                  | \$ 907,586                      |
| Changes for the year:                        |                                 |
| Service Cost                                 | 50,014                          |
| Interest on Total OPEB Liability             | 32,029                          |
| Effect of economic demographic gains or loss | (28,681)                        |
| Effect of assumptions changes or inputs      | (184,917)                       |
| Benefit Payments                             | (85,712)                        |
| Balance as of June 30, 2020                  | <u>690,319</u>                  |

Changes in assumptions is the result of the change in the discount rate from 3.50 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:

|                      | <u>1% Decrease<br/>(1.21%)</u> | <u>Current<br/>Discount Rate<br/>(2.21%)</u> | <u>1% Increase<br/>(3.21%)</u> |
|----------------------|--------------------------------|--|--------------------------------|
| Total OPEB Liability | \$ 746,446                     | \$ 690,319                                   | \$ 637,954                     |

### Healthcare Cost Trend:

|                      | <u>1% Decrease</u> | <u>Current Healthcare<br/>Trend Rate</u> | <u>1% Increase</u> |
|----------------------|--------------------|--|--------------------|
| Total OPEB Liability | \$ 612,204         | \$ 690,319                               | \$ 783,459         |

## Plan Description (PERS Retirement Health Insurance Account).

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, by calling ((888) 320-7377, or by accessing the OPERS web site at <https://www.oregon.gov/pers>.

## 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, 2018 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 0.05% for Tier One/Tier Two members, and 0.00% for OPSRP members. The City's total contributions for the year ended June 30, 2021 was \$1,692.

## Total OPEB Asset, OPEB Expense, and Deferred Inflows and Outflows of resources related to OPEB

At June 30, 2021, the City reported an asset of \$102,637 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 0.05037134%, which is a decrease from its proportionate share of 0.08024130% as of June 30, 2019.

For the fiscal year ended June 30, 2021, the City recognized OPEB expense from this plan of \$952. 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<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|---|---|--|
| Net difference between expected and actual experience | \$ -                                      | \$ 10,492                                |
| Net difference between projected and actual earnings  | 11,414                                    | -  |
| Change in assumptions                                 | -   | 5,456                                    |
| Changes in proportionate share                        | 31,876                                    | -  |
| Contributions subsequent to the measurement date      | <u>1,692</u>                              | <u>-</u>                                 |
| Total   | <u>\$ 44,982</u>                          | <u>\$ 15,948</u>                         |

Deferred outflows of resources related to OPEB of \$1,692 resulting from the City's contributions subsequent to the measurement date will be recognized as 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 as follows:

| <b>Year ended June 30:</b> |                  |
|----------------------------|------------------|
| 2022                       | \$ 7,097         |
| 2023                       | 12,425           |
| 2024                       | 4,219            |
| 2025                       | 3,601            |
| 2026                       | <u>-</u>         |
| Total                      | <u>\$ 27,342</u> |

## Actuarial Methods and Assumptions

The actuarial methods and assumptions used to determine the total OPEB liability in the December 31, 2018 valuation are consistent with those disclosed for the OPERS Pension Plan. See **Employee Retirement Pension Plan – Actuarial Methods and Assumptions** footnote for additional information on Actuarial Methods and Assumptions, the Long-term Expected Rate of Return, and the Discount Rate.

### Sensitivity of the City’s proportionate share of the net OPEB liability (asset) to changes in the discount rate

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

#### Discount Rate:

|                            | <b>1% Decrease<br/>(6.20%)</b> | <b>Current<br/>Discount Rate<br/>(7.20%)</b> | <b>1% Increase<br/>(8.20%)</b> |
|----------------------------|--------------------------------|--|--------------------------------|
| Net OPEB Liability (Asset) | \$ (82,862)                    | \$ (102,637)                                 | \$ (119,545)                   |

### OPEB Plan Fiduciary Net Position

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

### Changes in Plan Provisions Subsequent to Measurement Date

There were no changes subsequent to the June 30, 2021 measurement period that require disclosure.

## Deferred Compensation Plan

The City has a Deferred Compensation Plan (Plan) created in accordance with the Internal Revenue Code Section 457(b). The Plan is managed by independent plan administrators. The Plan is available to all employees of the City. Employees may defer a portion of their salary until future years. Pursuant to collective bargaining agreements, the City contributes 2.25 percent of salaries to the plan for its eligible employees under the American Federation of State, County, and Municipal Employees (AFSCME) collective bargaining unit and a match up to 4.0 percent of salaries to the plan for its eligible employees under the Clackamas County Peace Officers Association (CCPOA) collective bargaining unit. Deferred compensation is not available to employees until termination, retirement, death, or financial hardship. The Plan's assets are held in a custodial account for the exclusive benefit of participants and beneficiaries, and are not subject to the claims of the City's creditors, nor can they be used by the City for any purpose other than the payment of benefits to the Plan participants. Accordingly, these Plan assets and related liability are not recorded in the City's basic financial statements. Employees are immediately vested in all contributions to the plan.

For the year ended June 30, 2021, employees contributed approximately \$535,000 and the City contributed approximately \$151,000.

### 3. Other Information

#### Commitments

***Sewage Treatment Arrangement*** – The City has an intergovernmental agreement with the Tri-City Service District to treat sewage wastewater. Pertinent terms of this agreement are as follows:

- The City will process and review all permit applications for hookup and inspection thereof; operate and maintain local collections facilities; bill and collect user charges, and bill and collect connection charges.
- Should the District fail to perform services outlined in the agreement, the City can terminate the agreement upon thirty-day written notice.

***Public Safety 911/Communication Services*** – The City has an intergovernmental agreement with the City of Lake Oswego to provide public safety dispatch services for West Linn's Police Department. Pertinent terms of this agreement are as follows:

- An intergovernmental agreement was entered into in May 2016 for dispatch of public safety services and has been renewed through fiscal year 2024-25.
- Dispatch services include, but are not limited to 24-hour-per-day answering of emergency telephone lines (including 911 calls) for fire, police, and emergency medical service requests; radio communications with police personnel regarding emergency and routine police matters; and other dispatching services for law enforcement purposes.
- As part of this agreement, the State redirects the City's state-allocated 911 monies directly to the City of Lake Oswego to help offset the annual contract costs summarized below. These annual monies from the State average approximately \$130,000 per fiscal year.
- Following is a summary of the annual contract costs going forward:

| <u>Year</u> | <u>Contract Amt</u> |
|-------------|---------------------|
| 2021-22     | 575,400             |
| 2022-23     | 604,000             |
| 2023-24     | 622,000             |
| 2024-25     | 640,500             |

## Contingencies

The City is a defendant in various litigation proceedings. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

## Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. Except for unemployment compensation, the City purchases commercial insurance to minimize its exposure to these risks. There has been no reduction in commercial insurance coverage from the previous fiscal year. Workers compensation claims are insured through incurred loss retrospective policies and the City is self-insured for unemployment compensation claims.

Settled claims have not exceeded coverage for any of the past three fiscal years. Claim liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been Incurred But Not Reported (IBNR). The result of the process to estimate the claims liability is not exact as it depends on many complex factors, such as, inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.

Changes in the balance of claims liabilities during the past two years are as follows:

|                                 | <u>General and<br/>Property Damage</u> |
|---------------------------------|--|
| Liability - June 30, 2019       | \$ 94,300                              |
| Claims incurred                 | 87,147                                 |
| Claims payments                 | (8,147)                                |
| Changes to prior year estimates | <u>(79,300)</u>                        |
| Liability - June 30, 2020       | 94,000                                 |
| Claims incurred                 | 61,573                                 |
| Claims payments                 | (6,573)                                |
| Changes to prior year estimates | <u>(34,000)</u>                        |
| Liability - June 30, 2021       | <u>\$ 115,000</u>                      |

## Property Tax Limitation

The citizens of the State of Oregon approved the first property tax limitation in 1990 – Measure 5. This limitation divides property taxes into an education category and a non-education category. The tax rate in the education category was limited to \$5 per thousand of real market value for fiscal year 1995-96 and thereafter. The non-education category was limited to \$10 per thousand of real market value. Although all non-education taxes to the City currently do not exceed the \$10 per thousand of property real market value limitation; this limitation may affect the availability of future tax revenues for the City.

A second property tax limitation was approved in November 1996 and later modified in May 1997 – Measures 47 and 50, respectively. This limitation set a maximum permanent tax rate for the City exclusive of bonded debt at \$2.12 per thousand of assessed value. Assessed values can only grow by a maximum of 3 percent per year, exclusive of new construction and annexations.

## Fund Balance Classification

In accordance with the requirements of GASB Statement 54, below are schedules of ending fund balances as of June 30, 2021:

|                      | General Fund       | Public Safety Fund | Parks and Recreation Fund | Library Fund      | Street Fund        | Systems Development Charges Fund | City Facilities Parks, and Transportation Bond Fund | Total Nonmajor Funds | Total Governmental Funds |
|----------------------|--------------------|--------------------|---------------------------|-------------------|--------------------|----------------------------------|---|----------------------|--------------------------|
| <b>Non-spendable</b> |                    |                    |                           |                   |                    |                                  |   |                      |                          |
| Prepaid expenditures | \$ 335,714         | \$ -               | \$ -                      | \$ -              | \$ -               | \$ -                             | \$ -  | \$ -                 | \$ 335,714               |
| Library endowment    | -                  | -                  | -                         | 157,300           | -                  | -                                | -   | -                    | 157,300                  |
|                      | <u>335,714</u>     | <u>-</u>           | <u>-</u>                  | <u>157,300</u>    | <u>-</u>           | <u>-</u>                         | <u>-</u>  | <u>-</u>             | <u>493,014</u>           |
| <b>Restricted</b>    |                    |                    |                           |                   |                    |                                  |   |                      |                          |
| Systems development  | -                  | -                  | -                         | -                 | -                  | 5,468,734                        | -   | -                    | 5,468,734                |
| City improvements    | -                  | -                  | -                         | -                 | -                  | -                                | 11,587,829  | -                    | 11,587,829               |
| Building operations  | -                  | -                  | -                         | -                 | -                  | -                                | -   | 847,774              | 847,774                  |
| Debt service         | -                  | -                  | -                         | -                 | -                  | -                                | -   | 280,286              | 280,286                  |
|                      | <u>-</u>           | <u>-</u>           | <u>-</u>                  | <u>-</u>          | <u>-</u>           | <u>5,468,734</u>                 | <u>11,587,829</u>                                   | <u>1,128,060</u>     | <u>18,184,623</u>        |
| <b>Committed</b>     |                    |                    |                           |                   |                    |                                  |   |                      |                          |
| Police services      | -                  | 2,731,042          | -                         | -                 | -                  | -                                | -   | -                    | 2,731,042                |
| Recreation services  | -                  | -                  | 1,190,752                 | -                 | -                  | -                                | -   | -                    | 1,190,752                |
| Library services     | -                  | -                  | -                         | 643,967           | -                  | -                                | -   | -                    | 643,967                  |
| Street services      | -                  | -                  | -                         | -                 | 5,455,622          | -                                | -   | -                    | 5,455,622                |
| Planning services    | -                  | -                  | -                         | -                 | -                  | -                                | -   | 606,795              | 606,795                  |
|                      | <u>-</u>           | <u>2,731,042</u>   | <u>1,190,752</u>          | <u>643,967</u>    | <u>5,455,622</u>   | <u>-</u>                         | <u>-</u>  | <u>606,795</u>       | <u>10,628,178</u>        |
| <b>Assigned</b>      | <u>-</u>           | <u>-</u>           | <u>-</u>                  | <u>-</u>          | <u>-</u>           | <u>-</u>                         | <u>-</u>  | <u>-</u>             | <u>-</u>                 |
| <b>Unassigned</b>    | <u>2,486,508</u>   | <u>-</u>           | <u>-</u>                  | <u>-</u>          | <u>-</u>           | <u>-</u>                         | <u>-</u>  | <u>-</u>             | <u>2,486,508</u>         |
|                      | <u>\$2,822,222</u> | <u>\$2,731,042</u> | <u>\$ 1,190,752</u>       | <u>\$ 801,267</u> | <u>\$5,455,622</u> | <u>\$ 5,468,734</u>              | <u>\$11,587,829</u>                                 | <u>\$ 1,734,855</u>  | <u>\$ 31,792,323</u>     |

## **GASB Implementations**

The City implemented Statement 98 for the year ending June 30, 2021.

## **Subsequent Events**

During March 2020, a global pandemic was declared by the World Health Organization related to the rapidly growing outbreak of a novel strain of coronavirus (COVID-19). The pandemic has significantly impacted the economic conditions in the U.S., accelerating during the first half of March, as federal, state and local governments react to the public health crisis, creating significant uncertainties in the U.S. economy. The situation is rapidly changing and additional impacts may arise that we are not aware of currently. While the disruption is currently expected to be temporary, there is uncertainty around the duration. The ultimate impact of the pandemic on the results of operations, financial position, liquidity or capital resources cannot be reasonably estimated at this time. The City received the first distribution of American Rescue Plan Act funding in August 2021 just under \$3 million. An additional \$3 million is expected to be received in August 2022.

## **REQUIRED SUPPLEMENTARY INFORMATION**

*Schedules of Revenues, Expenditures and  
Changes in Fund Balances – Budget and Actual*

*Schedule of the Changes in the City's Total  
OPEB Liability and Related Ratios*

*Schedule of the City's Proportionate Share  
of the Net OPEB (Asset)/Liability*

*Schedule of Funding Progress*

*Schedule of the City's Proportionate Share  
of the Net Pension (Asset)/Liability*

*Schedule of City Pension Plan Contributions*

*Notes to Required Supplementary Information*

**SCHEDULES OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**  
(required supplementary information)

**General Fund**

**Special Revenue Funds**

Public Safety Fund  
Parks and Recreation Fund  
Library Fund  
Street Fund



**CITY OF WEST LINN, OREGON**

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

|  | Budget for the<br>2020-2021 Biennium |                     | Actual                 |                        |                     | Variance with<br>Final Budget |
|--|--------------------------------------|---------------------|------------------------|------------------------|---------------------|-------------------------------|
|  | Original                             | Final               | 1st Year<br>FY 2019-20 | 2nd Year<br>FY 2020-21 | Total               |                               |
| <b>REVENUES:</b>                                     |                                      |                     |                        |                        |                     |                               |
| Intergovernmental                                    | \$ -                                 | \$ 836,000          | \$ 189,993             | \$ 715,381             | \$ 905,374          | \$ 69,374                     |
| Fines and forfeitures                                | 900,000                              | 900,000             | 308,419                | 281,283                | 589,702             | (310,298)                     |
| Licenses and permits                                 | 500,000                              | 500,000             | 206,439                | 230,341                | 436,780             | (63,220)                      |
| Proceeds from lease obligations                      | -                                    | 140,000             | 53,243                 | 25,313                 | 78,556              | (61,444)                      |
| Investment earnings                                  | 40,000                               | 40,000              | 47,961                 | 25,475                 | 73,436              | 33,436                        |
| Miscellaneous  | 145,000                              | 145,000             | 60,217                 | 111,234                | 171,451             | 26,451                        |
| <b>TOTAL REVENUES</b>                                | <b>1,585,000</b>                     | <b>2,561,000</b>    | <b>866,272</b>         | <b>1,389,027</b>       | <b>2,255,299</b>    | <b>(305,701)</b>              |
| <b>EXPENDITURES:</b>                                 |                                      |                     |                        |                        |                     |                               |
| City council   | 940,000                              | 1,260,000           | 520,476                | 585,332                | 1,105,808           | 154,192                       |
| City management                                      | 1,795,000                            | 1,795,000           | 834,269                | 761,068                | 1,595,337           | 199,663                       |
| Economic development                                 | 548,000                              | 825,000             | 301,134                | 487,612                | 788,746             | 36,254                        |
| Human resources                                      | 1,178,000                            | 1,178,000           | 487,476                | 539,158                | 1,026,634           | 151,366                       |
| Finance  | 1,524,000                            | 1,524,000           | 674,741                | 761,604                | 1,436,345           | 87,655                        |
| Information technology                               | 2,139,000                            | 2,560,000           | 984,055                | 1,491,773              | 2,475,828           | 84,172                        |
| Facility services                                    | 1,194,000                            | 1,230,000           | 569,891                | 635,417                | 1,205,308           | 24,692                        |
| Municipal court                                      | 1,058,000                            | 1,058,000           | 463,175                | 486,577                | 949,752             | 108,248                       |
| Public works support services                        | 2,645,000                            | 2,645,000           | 1,204,165              | 1,258,364              | 2,462,529           | 182,471                       |
| Vehicle and equipment maintenance                    | 892,000                              | 892,000             | 339,506                | 332,212                | 671,718             | 220,282                       |
| Nondepartmental                                      | 1,287,000                            | 1,332,000           | 556,167                | 593,308                | 1,149,475           | 182,525                       |
| Contingency  | 840,000                              | 1,086,000           | -                      | -                      | -                   | 1,086,000                     |
| <b>TOTAL EXPENDITURES</b>                            | <b>16,040,000</b>                    | <b>17,385,000</b>   | <b>6,935,055</b>       | <b>7,932,425</b>       | <b>14,867,480</b>   | <b>2,517,520</b>              |
| <b>DEFICIENCY OF REVENUES<br/>UNDER EXPENDITURES</b> | <b>(14,455,000)</b>                  | <b>(14,824,000)</b> | <b>(6,068,783)</b>     | <b>(6,543,398)</b>     | <b>(12,612,181)</b> | <b>2,211,819</b>              |
| <b>OTHER FINANCING SOURCES (USES):</b>               |                                      |                     |                        |                        |                     |                               |
| Transfers from other funds                           | 14,371,000                           | 14,371,000          | 7,112,000              | 7,259,000              | 14,371,000          | -                             |
| Transfers to other funds                             | (2,500,000)                          | (2,131,000)         | (1,258,000)            | (873,000)              | (2,131,000)         | -                             |
| Proceeds from sale of capital asset                  | -                                    | -                   | -                      | 2,800                  | 2,800               | 2,800                         |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>      | <b>11,871,000</b>                    | <b>12,240,000</b>   | <b>5,854,000</b>       | <b>6,388,800</b>       | <b>12,242,800</b>   | <b>2,800</b>                  |
| <b>NET CHANGE IN FUND BALANCES</b>                   | <b>(2,584,000)</b>                   | <b>(2,584,000)</b>  | <b>(214,783)</b>       | <b>(154,598)</b>       | <b>(369,381)</b>    | <b>2,214,619</b>              |
| <b>FUND BALANCES - beginning</b>                     | <b>2,947,000</b>                     | <b>2,947,000</b>    | <b>3,191,603</b>       | <b>2,976,820</b>       | <b>3,191,603</b>    | <b>244,603</b>                |
| <b>FUND BALANCES - ending</b>                        | <b>\$ 363,000</b>                    | <b>\$ 363,000</b>   | <b>\$ 2,976,820</b>    | <b>\$ 2,822,222</b>    | <b>\$ 2,822,222</b> | <b>\$ 2,459,222</b>           |

CITY OF WEST LINN, OREGON

PUBLIC SAFETY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|   | Budget for the<br>2020-2021 Biennium |                    | Actual                 |                        |                     | Variance with<br>Final Budget |
|---|--------------------------------------|--------------------|------------------------|------------------------|---------------------|-------------------------------|
|   | Original                             | Final              | 1st Year<br>FY 2019-20 | 2nd Year<br>FY 2020-21 | Total               |                               |
| <b>REVENUES:</b>                                |                                      |                    |                        |                        |                     |                               |
| Property taxes                                  | \$ 11,092,000                        | \$ 11,092,000      | \$ 5,510,964           | \$ 5,679,197           | \$ 11,190,161       | \$ 98,161                     |
| Intergovernmental                               | 1,195,000                            | 1,195,000          | 692,901                | 639,152                | 1,332,053           | 137,053                       |
| Franchise taxes                                 | 2,790,000                            | 2,790,000          | 1,450,352              | 1,628,050              | 3,078,402           | 288,402                       |
| Fines and forfeitures                           | 20,000                               | 20,000             | 15,802                 | 7,795                  | 23,597              | 3,597                         |
| Licenses and permits                            | 63,000                               | 63,000             | 29,031                 | 22,725                 | 51,756              | (11,244)                      |
| Investment earnings                             | -                                    | -                  | 19,098                 | -                      | 19,098              | 19,098                        |
| Miscellaneous                                   | 32,000                               | 32,000             | 10,634                 | 14,329                 | 24,963              | (7,037)                       |
| <b>TOTAL REVENUES</b>                           | <b>15,192,000</b>                    | <b>15,192,000</b>  | <b>7,728,782</b>       | <b>7,991,248</b>       | <b>15,720,030</b>   | <b>528,030</b>                |
| <b>EXPENDITURES:</b>                            |                                      |                    |                        |                        |                     |                               |
| Personnel services                              | 10,822,000                           | 10,558,000         | 4,977,584              | 4,951,232              | 9,928,816           | 629,184                       |
| Materials and services                          | 1,735,000                            | 1,735,000          | 710,056                | 674,819                | 1,384,875           | 350,125                       |
| Capital outlay                                  | 300,000                              | 300,000            | 148,167                | 69,209                 | 217,376             | 82,624                        |
| Contingency                                     | 663,000                              | 663,000            | -                      | -                      | -                   | 663,000                       |
| <b>TOTAL EXPENDITURES</b>                       | <b>13,520,000</b>                    | <b>13,256,000</b>  | <b>5,835,807</b>       | <b>5,695,260</b>       | <b>11,531,067</b>   | <b>1,724,933</b>              |
| <b>EXCESS OF REVENUES<br/>OVER EXPENDITURES</b> | <b>1,672,000</b>                     | <b>1,936,000</b>   | <b>1,892,975</b>       | <b>2,295,988</b>       | <b>4,188,963</b>    | <b>2,252,963</b>              |
| <b>OTHER FINANCING SOURCES (USES):</b>          |                                      |                    |                        |                        |                     |                               |
| Transfers from other funds                      | 542,000                              | 278,000            | 278,000                | -                      | 278,000             | -                             |
| Transfers to other funds                        | (3,517,000)                          | (3,517,000)        | (1,726,000)            | (1,791,000)            | (3,517,000)         | -                             |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b> | <b>(2,975,000)</b>                   | <b>(3,239,000)</b> | <b>(1,448,000)</b>     | <b>(1,791,000)</b>     | <b>(3,239,000)</b>  | <b>-</b>                      |
| <b>NET CHANGE IN FUND BALANCES</b>              | <b>(1,303,000)</b>                   | <b>(1,303,000)</b> | <b>444,975</b>         | <b>504,988</b>         | <b>949,963</b>      | <b>2,252,963</b>              |
| FUND BALANCES - beginning                       | 1,624,000                            | 1,624,000          | 1,781,079              | 2,226,054              | 1,781,079           | 157,079                       |
| FUND BALANCES - ending                          | <u>\$ 321,000</u>                    | <u>\$ 321,000</u>  | <u>\$ 2,226,054</u>    | <u>\$ 2,731,042</u>    | <u>\$ 2,731,042</u> | <u>\$ 2,410,042</u>           |

CITY OF WEST LINN, OREGON

PARKS AND RECREATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|   | Budget for the<br>2020-2021 Biennium |                    | Actual                 |                        |                     | Variance with<br>Final Budget |
|---|--------------------------------------|--------------------|------------------------|------------------------|---------------------|-------------------------------|
|   | Original                             | Final              | 1st Year<br>FY 2019-20 | 2nd Year<br>FY 2020-21 | Total               |                               |
| <b>REVENUES:</b>                                |                                      |                    |                        |                        |                     |                               |
| Property taxes                                  | \$ 3,162,000                         | \$ 3,162,000       | \$ 1,533,054           | \$ 1,594,162           | \$ 3,127,216        | \$ (34,784)                   |
| Intergovernmental                               | 595,000                              | 595,000            | 89,393                 | 9,886                  | 99,279              | (495,721)                     |
| Charges for services                            | 5,065,000                            | 5,065,000          | 2,397,461              | 2,315,737              | 4,713,198           | (351,802)                     |
| Investment earnings                             | -                                    | -                  | 7,230                  | -                      | 7,230               | 7,230                         |
| Miscellaneous                                   | 10,000                               | 10,000             | 10,485                 | 8,068                  | 18,553              | 8,553                         |
| <b>TOTAL REVENUES</b>                           | <b>8,832,000</b>                     | <b>8,832,000</b>   | <b>4,037,623</b>       | <b>3,927,853</b>       | <b>7,965,476</b>    | <b>(866,524)</b>              |
| <b>EXPENDITURES:</b>                            |                                      |                    |                        |                        |                     |                               |
| Personnel services                              | 3,842,000                            | 3,842,000          | 1,764,622              | 1,733,394              | 3,498,016           | 343,984                       |
| Materials and services                          | 2,106,000                            | 2,106,000          | 770,503                | 1,150,881              | 1,921,384           | 184,616                       |
| Debt service                                    | 72,000                               | 227,000            | 64,970                 | 64,831                 | 129,801             | 97,199                        |
| Capital outlay                                  | 942,000                              | 942,000            | 264,689                | 7,805                  | 272,494             | 669,506                       |
| Contingency                                     | 398,000                              | 398,000            | -                      | -                      | -                   | 398,000                       |
| <b>TOTAL EXPENDITURES</b>                       | <b>7,360,000</b>                     | <b>7,515,000</b>   | <b>2,864,784</b>       | <b>2,956,911</b>       | <b>5,821,695</b>    | <b>1,693,305</b>              |
| <b>EXCESS OF REVENUES<br/>OVER EXPENDITURES</b> | <b>1,472,000</b>                     | <b>1,317,000</b>   | <b>1,172,839</b>       | <b>970,942</b>         | <b>2,143,781</b>    | <b>826,781</b>                |
| <b>OTHER FINANCING SOURCES (USES):</b>          |                                      |                    |                        |                        |                     |                               |
| Transfers from other funds                      | 262,000                              | 157,000            | 157,000                | -                      | 157,000             | -                             |
| Transfers to other funds                        | (1,880,000)                          | (1,880,000)        | (951,000)              | (929,000)              | (1,880,000)         | -                             |
| Proceeds from lease obligations                 | -                                    | 260,000            | 126,024                | -                      | 126,024             | (133,976)                     |
| Proceeds from sale of capital assets            | -                                    | -                  | 4,894                  | 20,119                 | 25,013              | 25,013                        |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b> | <b>(1,618,000)</b>                   | <b>(1,463,000)</b> | <b>(663,082)</b>       | <b>(908,881)</b>       | <b>(1,571,963)</b>  | <b>(108,963)</b>              |
| <b>NET CHANGE IN FUND BALANCES</b>              | <b>(146,000)</b>                     | <b>(146,000)</b>   | <b>509,757</b>         | <b>62,061</b>          | <b>571,818</b>      | <b>717,818</b>                |
| <b>FUND BALANCES - beginning</b>                | <b>294,000</b>                       | <b>294,000</b>     | <b>618,934</b>         | <b>1,128,691</b>       | <b>618,934</b>      | <b>324,934</b>                |
| <b>FUND BALANCES - ending</b>                   | <b>\$ 148,000</b>                    | <b>\$ 148,000</b>  | <b>\$ 1,128,691</b>    | <b>\$ 1,190,752</b>    | <b>\$ 1,190,752</b> | <b>\$ 1,042,752</b>           |

CITY OF WEST LINN, OREGON

LIBRARY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|   | Budget for the<br>2020-2021 Biennium |                  | Actual                 |                        |                   | Variance with<br>Final Budget |
|---|--------------------------------------|------------------|------------------------|------------------------|-------------------|-------------------------------|
|   | Original                             | Final            | 1st Year<br>FY 2019-20 | 2nd Year<br>FY 2020-21 | Total             |                               |
| <b>REVENUES:</b>                                |                                      |                  |                        |                        |                   |                               |
| Property taxes                                  | \$ 2,126,000                         | \$ 2,126,000     | \$ 1,044,082           | \$ 1,095,984           | \$ 2,140,066      | \$ 14,066                     |
| Intergovernmental                               | 3,380,000                            | 3,380,000        | 1,706,582              | 1,771,081              | 3,477,663         | 97,663                        |
| Fines and forfeitures                           | 80,000                               | 80,000           | 26,294                 | -                      | 26,294            | (53,706)                      |
| Investment earnings                             | -                                    | -                | 6,754                  | -                      | 6,754             | 6,754                         |
| Miscellaneous                                   | 18,000                               | 18,000           | 4,599                  | 3,469                  | 8,068             | (9,932)                       |
| <b>TOTAL REVENUES</b>                           | <b>5,604,000</b>                     | <b>5,604,000</b> | <b>2,788,311</b>       | <b>2,870,534</b>       | <b>5,658,845</b>  | <b>54,845</b>                 |
| <b>EXPENDITURES:</b>                            |                                      |                  |                        |                        |                   |                               |
| Personnel services                              | 3,400,000                            | 3,400,000        | 1,546,689              | 1,624,672              | 3,171,361         | 228,639                       |
| Materials and services                          | 444,000                              | 444,000          | 218,493                | 296,782                | 515,275           | (71,275)                      |
| Capital outlay                                  | -                                    | -                | 1,300                  | -                      | 1,300             | (1,300)                       |
| Other requirements                              | 157,000                              | 157,000          | -                      | -                      | -                 | 157,000                       |
| Contingency                                     | 212,000                              | 212,000          | -                      | -                      | -                 | 212,000                       |
| <b>TOTAL EXPENDITURES</b>                       | <b>4,213,000</b>                     | <b>4,213,000</b> | <b>1,766,482</b>       | <b>1,921,454</b>       | <b>3,687,936</b>  | <b>525,064</b>                |
| <b>EXCESS OF REVENUES<br/>OVER EXPENDITURES</b> | <b>1,391,000</b>                     | <b>1,391,000</b> | <b>1,021,829</b>       | <b>949,080</b>         | <b>1,970,909</b>  | <b>579,909</b>                |
| <b>OTHER FINANCING USES:</b>                    |                                      |                  |                        |                        |                   |                               |
| Transfers to other funds                        | (1,725,000)                          | (1,725,000)      | (854,000)              | (871,000)              | (1,725,000)       | -                             |
| <b>NET CHANGE IN FUND BALANCES</b>              | <b>(334,000)</b>                     | <b>(334,000)</b> | <b>167,829</b>         | <b>78,080</b>          | <b>245,909</b>    | <b>579,909</b>                |
| <b>FUND BALANCES - beginning</b>                | <b>432,000</b>                       | <b>432,000</b>   | <b>555,358</b>         | <b>723,187</b>         | <b>555,358</b>    | <b>123,358</b>                |
| <b>FUND BALANCES - ending</b>                   | <b>\$ 98,000</b>                     | <b>\$ 98,000</b> | <b>\$ 723,187</b>      | <b>\$ 801,267</b>      | <b>\$ 801,267</b> | <b>\$ 703,267</b>             |

CITY OF WEST LINN, OREGON

STREET FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|  | Budget for the<br>2020-2021 Biennium |                    | Actual                 |                        |                     | Variance with<br>Final Budget |
|--|--------------------------------------|--------------------|------------------------|------------------------|---------------------|-------------------------------|
|  | Original                             | Final              | 1st Year<br>FY 2019-20 | 2nd Year<br>FY 2020-21 | Total               |                               |
| <b>REVENUES:</b>   |                                      |                    |                        |                        |                     |                               |
| Intergovernmental  | \$ 3,994,000                         | \$ 3,994,000       | \$ 1,901,485           | \$ 2,432,836           | \$ 4,334,321        | \$ 340,321                    |
| Franchise taxes  | 250,000                              | 250,000            | 127,461                | 137,716                | 265,177             | 15,177                        |
| Charges for services   | 3,940,000                            | 4,076,000          | 1,991,767              | 2,101,692              | 4,093,459           | 17,459                        |
| Investment earnings  | -                                    | -                  | 30,866                 | 974                    | 31,840              | 31,840                        |
| Miscellaneous  | 80,000                               | 80,000             | 73,386                 | 11,640                 | 85,026              | 5,026                         |
| <b>TOTAL REVENUES</b>  | <b>8,264,000</b>                     | <b>8,400,000</b>   | <b>4,124,965</b>       | <b>4,684,858</b>       | <b>8,809,823</b>    | <b>409,823</b>                |
| <b>EXPENDITURES:</b>   |                                      |                    |                        |                        |                     |                               |
| Personnel services   | 1,427,000                            | 1,427,000          | 579,544                | 675,347                | 1,254,891           | 172,109                       |
| Materials and services   | 1,174,000                            | 1,310,000          | 475,503                | 1,448,842              | 1,924,345           | (614,345)                     |
| Debt service   | 285,000                              | 285,000            | 142,338                | 141,688                | 284,026             | 974                           |
| Capital outlay   | 3,477,000                            | 3,477,000          | 763,400                | 570,135                | 1,333,535           | 2,143,465                     |
| Contingency  | 2,501,000                            | 2,501,000          | -                      | -                      | -                   | 2,501,000                     |
| <b>TOTAL EXPENDITURES</b>  | <b>8,864,000</b>                     | <b>9,000,000</b>   | <b>1,960,785</b>       | <b>2,836,012</b>       | <b>4,796,797</b>    | <b>4,203,203</b>              |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | <b>(600,000)</b>                     | <b>(600,000)</b>   | <b>2,164,180</b>       | <b>1,848,846</b>       | <b>4,013,026</b>    | <b>4,613,026</b>              |
| <b>OTHER FINANCING SOURCES (USES):</b>                               |                                      |                    |                        |                        |                     |                               |
| Proceeds from sale of capital assets                                 | -                                    | -                  | -                      | 47,500                 | 47,500              | 47,500                        |
| Transfers to other funds   | (1,636,000)                          | (1,636,000)        | (814,000)              | (822,000)              | (1,636,000)         | -                             |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>                      | <b>(1,636,000)</b>                   | <b>(1,636,000)</b> | <b>(814,000)</b>       | <b>(774,500)</b>       | <b>(1,588,500)</b>  | <b>47,500</b>                 |
| <b>NET CHANGE IN FUND BALANCES</b>                                   | <b>(2,236,000)</b>                   | <b>(2,236,000)</b> | <b>1,350,180</b>       | <b>1,074,346</b>       | <b>2,424,526</b>    | <b>4,660,526</b>              |
| FUND BALANCES - beginning  | 2,302,000                            | 2,302,000          | 3,031,096              | 4,381,276              | 3,031,096           | 729,096                       |
| FUND BALANCES - ending   | <u>\$ 66,000</u>                     | <u>\$ 66,000</u>   | <u>\$ 4,381,276</u>    | <u>\$ 5,455,622</u>    | <u>\$ 5,455,622</u> | <u>\$ 5,389,622</u>           |

## CITY OF WEST LINN, OREGON

### Schedule of the Changes in the City's Total OPEB Liability and Related Ratios

#### Implicit Rate Subsidy Plan

*for the last four fiscal years<sup>1,2</sup>*

|   | 2021         | 2020         | 2019         | 2018         |
|---|--------------|--------------|--------------|--------------|
| <b>Total OPEB Liability</b>                                 |              |              |              |              |
| Service Cost  | \$ 50,014    | \$ 44,485    | \$ 83,282    | \$ 87,521    |
| Interest  | 32,029       | 34,746       | 34,181       | 27,704       |
| Changes in benefit terms                                    | -            | -            | -            | -            |
| Difference between expected and actual experience           | (28,681)     | -            | -            | -            |
| Changes of assumptions or other inputs                      | (184,917)    | 25,053       | (44,269)     | (53,879)     |
| Benefit payments  | (85,712)     | (99,139)     | (83,752)     | (65,359)     |
| <b>Net Change in OPEB Liability</b>                         | (217,267)    | 5,145        | (10,558)     | (4,013)      |
| <b>Total OPEB Liability - beginning</b>                     | 907,586      | 902,441      | 912,999      | 917,012      |
| <b>Total OPEB Liability - ending</b>                        | \$ 690,319   | \$ 907,586   | \$ 902,441   | \$ 912,999   |
| City's Covered Payroll                                      | \$ 9,548,000 | \$ 9,242,000 | \$ 8,668,000 | \$ 8,993,000 |
| Total OPEB Liability as a percentage of its covered payroll | 7.23%        | 9.82%        | 10.41%       | 10.15%       |

<sup>1</sup> 10-year trend information required by GASB Statement 75 will be presented prospectively.

<sup>2</sup> Amounts presented are for the measurement period reported during the fiscal year, which for FY 2021 is July 1, 2019 - June 30, 2020.

**CITY OF WEST LINN, OREGON**  
**Schedule of the City's Proportionate Share of the Net OPEB (Asset)/Liability**  
**Oregon Public Employees Retirement System, Retirement Health Insurance Account**  
*for the last five fiscal years <sup>1,2</sup>*

| Measurement<br>Date<br>June 30, | City's proportion<br>of the net OPEB<br>liability (asset) | City's proportionate<br>share of the net<br>OPEB liability (asset) | Covered<br>payroll | City's proportionate<br>share of the net<br>OPEB liability (asset)<br>as a percentage of<br>its covered payroll | Plan fiduciary<br>net position<br>as a percentage<br>of the total OPEB<br>liability (asset) |
|---------------------------------|---|--|--------------------|---|---|
| 2017                            | 0.09219008%   | \$ 25,035  | 9,189,000          | 0.272%  | 108.88%   |
| 2018                            | 0.08995006%   | (37,540)   | 9,390,000          | -0.400%   | 123.99%   |
| 2019                            | 0.08483126%   | (94,695)   | 8,993,000          | -1.053%   | 144.36%   |
| 2020                            | 0.08024130%   | (155,055)  | 8,668,000          | -1.789%   | 150.07%   |
| 2021                            | 0.05037134%   | (102,636)  | 9,242,000          | -1.111%   | n/a   |

<sup>1</sup> 10-year trend information required by GASB Statement 75 will be presented prospectively.

<sup>2</sup> Amounts presented are for the measurement period reported during the fiscal year, which for FY 2021 is July 1, 2019 - June 30, 2020.

# CITY OF WEST LINN, OREGON

## Schedule of Funding Progress

### Oregon Public Employees Retirement System, Retirement Health Insurance Account for the last eight fiscal years<sup>1</sup>

| Fiscal<br>year<br>ended | Contractually<br>required<br>contributions | Contributions<br>in relation to<br>the<br>contractually<br>required<br>contribution | Contribution<br>deficiency<br>(excess) | Covered<br>payroll | Contributions as<br>a percentage of<br>covered payroll |
|-------------------------|--|---|--|--------------------|--|
| 2014                    | \$ 47,700                                  | \$ (47,700)   | \$ -                                   | \$ 8,085,000       | 0.6 %  |
| 2015                    | 48,800                                     | (48,800)  | -                                      | 8,275,000          | 0.6  |
| 2016                    | 54,200                                     | (54,200)  | -                                      | 9,189,000          | 0.6  |
| 2017                    | 55,400                                     | (55,400)  | -                                      | 9,390,000          | 0.6  |
| 2018                    | 41,100                                     | (41,100)  | -                                      | 8,993,000          | 0.5  |
| 2019                    | 44,800                                     | (44,800)  | -                                      | 8,668,000          | 0.5  |
| 2020                    | 41,000                                     | (41,000)  | -                                      | 9,242,000          | 0.4  |
| 2021                    | 39,800                                     | (39,800)  | -                                      | 9,548,000          | 0.4  |

<sup>1</sup> 10-year trend information required by GASB Statement 75 will be presented prospectively.



## CITY OF WEST LINN, OREGON

### Schedule of the City's Proportionate Share of the Net Pension (Asset)/Liability for the last ten fiscal years<sup>1</sup>

#### Oregon Public Employee Retirement Pension Plan (OPERS)

| Fiscal<br>year<br>ended <sup>2</sup> | City's proportion<br>of the net pension<br>(asset)/liability | City's proportionate<br>share of the net pension<br>(asset)/liability | City's<br>covered<br>payroll | City's proportionate<br>share of the net pension<br>(asset)/liability<br>as a percentage of<br>its covered payroll | Plan fiduciary<br>net position<br>as a percentage<br>of the total pension<br>(asset)/liability |
|--------------------------------------|--|---|------------------------------|--|--|
| 2012 <sup>3</sup>                    | - %  | \$ -  | \$ 8,092,000                 | - %  | - %  |
| 2013 <sup>3</sup>                    | -  | -   | 8,240,000                    | -  | -  |
| 2014 <sup>4</sup>                    | 0.12328639   | 6,291,000   | 8,652,000                    | 72.71  | n/a  |
| 2015 <sup>4</sup>                    | 0.12328639   | (2,794,000)   | 8,085,000                    | (34.56)  | 103.590  |
| 2016 <sup>4</sup>                    | 0.10656086   | 6,118,000   | 8,275,000                    | 73.93  | 91.875   |
| 2017 <sup>4</sup>                    | 0.09952936   | 14,942,000  | 9,189,000                    | 162.61   | 80.526   |
| 2018 <sup>4</sup>                    | 0.10294248   | 13,877,000  | 9,390,000                    | 147.78   | 83.119   |
| 2019 <sup>4</sup>                    | 0.09921771   | 15,030,000  | 8,993,000                    | 167.13   | 82.068   |
| 2020 <sup>4</sup>                    | 0.09528934   | 16,483,000  | 8,668,000                    | 190.16   | 80.232   |
| 2021 <sup>4</sup>                    | 0.08644967   | 18,866,000  | 9,242,000                    | 204.13   | 75.790   |

<sup>1</sup> Amounts presented are for the measurement period reported during the fiscal year, which for FY 2021 is July 1, 2020 - June 30, 2021.

<sup>2</sup> Amounts presented for each fiscal year were determined as of December 31.

<sup>3</sup> Actuarial information for these earlier fiscal years is not available.

<sup>4</sup> Actuarial information for these fiscal years was provided by the actuary for OPERS.

**CITY OF WEST LINN, OREGON**  
**Schedule of City Pension Plan Contributions**  
*for the last ten fiscal years*<sup>1</sup>

**Oregon Public Employee Retirement Pension Plan (OPERS)**

| Fiscal<br>year<br>ended | Contractually<br>required<br>contributions | Contributions in<br>relation to the<br>contractually<br>required<br>contributions | Contribution<br>deficiency/<br>(excess) | City's<br>covered<br>payroll | Contributions<br>as a percentage of<br>of covered<br>employee<br>payroll |
|-------------------------|--|---|---|------------------------------|--|
| 2012 <sup>2</sup>       | \$ 991,000                                 | \$ (991,000)  | \$ -                                    | \$ 8,092,000                 | 12.25 %  |
| 2013 <sup>2</sup>       | 1,049,000                                  | (1,049,000)   | -                                       | 8,240,000                    | 12.73  |
| 2014 <sup>2</sup>       | 838,224                                    | (838,224)   | -                                       | 8,652,000                    | 9.69   |
| 2015 <sup>3</sup>       | 892,780                                    | (892,780)   | -                                       | 8,085,000                    | 11.04  |
| 2016 <sup>3</sup>       | 1,124,255                                  | (1,124,255)   | -                                       | 8,275,000                    | 13.59  |
| 2017 <sup>3</sup>       | 1,069,881                                  | (1,069,881)   | -                                       | 9,189,000                    | 11.64  |
| 2018 <sup>3</sup>       | 1,391,540                                  | (1,391,540)   | -                                       | 9,390,000                    | 14.82  |
| 2019 <sup>3</sup>       | 1,353,596                                  | (1,353,596)   | -                                       | 8,993,000                    | 15.05  |
| 2020 <sup>3</sup>       | 1,774,832                                  | (1,774,832)   | -                                       | 8,668,000                    | 20.48  |
| 2021 <sup>3</sup>       | 1,782,752                                  | (1,782,752)   | -                                       | 9,242,000                    | 19.29  |

<sup>1</sup> Amounts presented are for the measurement period reported during the fiscal year, which for FY 2021 is July 1, 2019 - June 30, 2020.

<sup>2</sup> Actuarial information for these fiscal years was determined by the City.

<sup>3</sup> Actuarial information for these fiscal years was provided by the actuary for OPERS.

## CITY OF WEST LINN, OREGON

### Notes to Required Supplementary Information

June 30, 2021

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Required Supplementary Information includes budgetary comparisons for the general fund, public safety fund, parks and recreation fund, library fund, and street fund. The budgetary comparison information for all other funds can be found in Supplementary Information which follows this section.

#### **1. Budgetary Information**

Municipal budgets are adopted on a basis consistent with Oregon Revised Statutes (ORS 294 – Local Budget Law). The City Manager is responsible for submitting a proposed budget to the Citizens' Budget Committee comprised of the City Council and an equal number of citizens of the City. The City is required to prepare a budget for each fund that is balanced in accordance with Oregon Revised Statutes. Each fund is budgeted on the modified accrual basis of accounting. The basis of budgeting is the same as GAAP.

The Citizens' Budget Committee conducts public hearings for the purpose of obtaining citizens' comments, and then approves a budget and submits it to the City Council for final adoption. The approved expenditures for each fund may not be increased by more than 10 percent by Council without returning to the Citizens' Budget Committee for a second approval. After the Council adopts the budget and certifies the total ad valorem taxes to be levied, no additional tax levy may be made for that budget period.

The City Council legally adopts the budget by resolution before July 1. The resolution establishes appropriations for each fund and sets the level by which expenditures cannot legally exceed appropriations. In the general fund, the levels of budgetary control established by resolution are set at the department level. For all other funds, the levels of budgetary control are personnel services, materials and services, debt service, transfers, capital outlay and contingency. Appropriations lapse at the end of the biennium for goods or services not yet received.

The City Council may modify the budget by transferring appropriations between levels of control and by adopting supplemental budgets. Unexpected additional resources may be added to the budget through the use of a supplemental budget. Some supplemental budgets require hearings before the public, publications in newspapers and approval by the City Council. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the City Council. For the 2020-2021 biennium, there was one supplemental budget adjustments revising appropriations through June 30, 2021, which was adopted by City Council on June 14, 2021.

### **Changes in Benefit Terms – PERS Pension**

The 2013 Oregon Legislature made a series of changes to PERS that lowered projected future benefit payments from the System. These changes included reductions to future Cost of Living Adjustments (COLA) made through Senate Bills 822 and 861. Senate Bill 822 also required the contribution rates scheduled to be in effect from July 2013 to June 2015 to be reduced. The Oregon Supreme Court decision in *Moro v. State of Oregon*, issued on April 30, 2015, reversed a significant portion of the reductions the 2013 Oregon Legislature made to future System Cost of Living Adjustments (COLA) through Senate Bills 822 and 861. This reversal increased the total pension liability as of June 30, 2015, compared to June 30, 2014 total pension liability.

### **Changes of Assumption – PERS Pension**

The PERS Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability. The changes include the lowering of the long-term expected rate of return to 7.50 percent and lowering the assumed inflation to 2.50 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay. For June 30, 2018, the long-term expected rate of return was lowered to 7.20 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay.

### **Changes in Actuarial Methods and Allocation Procedures – PERS Pension**

Senate Bill 1049 was signed into law in June 2019 and requires a one-time re-amortization of Tier 1/Tier 2 UAL over a closed 22-year period at the December 31, 2019 rate-setting actuarial valuation, which will set actuarially determined contribution rates for the 2021-2023 biennium.

### **Changes of Assumptions – OPEB (Oregon Public Employees Retirement System, Retirement Health Insurance Account)**

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

In the July 1, 2018 actuarial valuation for the City's implicit subsidy single-employer defined benefit postemployment health care plan, the valuation includes a change in the discount rate decreasing from 3.87 percent to 3.50 percent. This change was reflected in the valuation for the measurement date of June 30, 2019, used to calculate the total OPEB liability as of June 30, 2020.

In the July 1, 2020 actuarial valuation for the City's implicit subsidy single-employer defined benefit postemployment health care plan, the valuation includes a change in the discount rate decreasing from 3.5 percent to 2.21 percent. This change was reflected in the valuation for the measurement date of June 30, 2021, used to calculate the total OPEB liability as of June 30, 2021.

## **SUPPLEMENTARY INFORMATION**

### *Combining and Individual Fund Financial Statements and Schedules*

**COMBINING AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES**  
For Major and Nonmajor Governmental Funds

MAJOR

**Capital Projects Fund**

City Facilities, Parks & Transportation Bond Fund – accounts for the voter-approved general obligation bond funds for the acquisition of land and construction of park facilities.

Systems Development Charges Fund – accounts for the receipt and expenditure of systems development charges (SDCs) dedicated to streets, surface water, water, sewer, parks, and bike/pedestrian.

NONMAJOR

**Special Revenue Funds**

These nonmajor funds are used to account for specific revenues that are legally restricted or committed to expenditure of a particular purpose.

Building Inspections Fund – accounts for the City’s building inspection activities. The primary revenue source is license and permit fees.

Planning Fund – accounts for the City’s planning activities. Primary revenue sources are license and permit fees, intergovernmental revenues, franchise taxes, and charges for services.

**Debt Service Fund**

Debt Service Fund – accounts for the payment of general obligation bond principal and interest. The principal source of revenue is property taxes, which for general obligation debt is exempt from tax limitation.

CITY OF WEST LINN, OREGON

MAJOR GOVERNMENTAL FUND - CAPITAL PROJECTS  
CITY FACILITIES, PARKS, AND TRANSPORTATION BOND FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|  | Budget for the<br>2020-2021 Biennium |                   | Actual                 |                        |                  | Variance with<br>Final Budget |
|--|--------------------------------------|-------------------|------------------------|------------------------|------------------|-------------------------------|
|  | Original                             | Final             | 1st Year<br>FY 2019-20 | 2nd Year<br>FY 2020-21 | Total            |                               |
| <b>REVENUES:</b>   |                                      |                   |                        |                        |                  |                               |
| Investment earnings  | \$ -                                 | \$ -              | \$ 390,155             | \$ 107,398             | \$ 497,553       | \$ 497,553                    |
| Intergovernmental  | -                                    | -                 | -                      | 62,500                 | 62,500           | 62,500                        |
| <b>TOTAL REVENUES</b>  | <b>-</b>                             | <b>-</b>          | <b>390,155</b>         | <b>169,898</b>         | <b>560,053</b>   | <b>560,053</b>                |
| <b>EXPENDITURES:</b>   |                                      |                   |                        |                        |                  |                               |
| Capital outlay   | 16,620,000                           | 16,620,000        | 4,726,818              | 2,638,474              | 7,365,292        | 9,254,708                     |
| <b>TOTAL EXPENDITURES</b>                                    | <b>16,620,000</b>                    | <b>16,620,000</b> | <b>4,726,818</b>       | <b>2,638,474</b>       | <b>7,365,292</b> | <b>9,254,708</b>              |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER (UNDER) EXPENDITURES | (16,620,000)                         | (16,620,000)      | (4,336,663)            | (2,468,576)            | (6,805,239)      | 9,814,761                     |
| <b>OTHER FINANCING SOURCES (USES):</b>                       |                                      |                   |                        |                        |                  |                               |
| Transfers to other funds                                     | (237,000)                            | (237,000)         | (7,000)                | (230,000)              | (237,000)        | -                             |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>              | <b>(237,000)</b>                     | <b>(237,000)</b>  | <b>(7,000)</b>         | <b>(230,000)</b>       | <b>(237,000)</b> | <b>-</b>                      |
| NET CHANGE IN FUND BALANCES                                  | (16,857,000)                         | (16,857,000)      | (4,343,663)            | (2,698,576)            | (7,042,239)      | 9,814,761                     |
| FUND BALANCES - beginning                                    | 16,857,000                           | 16,857,000        | 18,630,068             | 14,286,405             | 18,630,068       | 1,773,068                     |
| FUND BALANCES - ending                                       | \$ -                                 | \$ -              | \$ 14,286,405          | \$ 11,587,829          | \$ 11,587,829    | \$ 11,587,829                 |

CITY OF WEST LINN, OREGON

MAJOR GOVERNMENTAL FUND - CAPITAL PROJECTS  
SYSTEMS DEVELOPMENT CHARGES FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|   | Budget for the<br>2020-2021 Biennium |                    | 1st Year<br>Actual |
|---|--------------------------------------|--------------------|--------------------|
|   | Original                             | Final              | FY 2019-20         |
| <b>REVENUES:</b>                              |                                      |                    |                    |
| Systems development charges:                  |                                      |                    |                    |
| Street - systems development charges          | \$ 256,000                           | \$ 256,000         | \$ 86,390          |
| Surface water - systems development charges   | 16,000                               | 16,000             | 3,301              |
| Water - systems development charges           | 440,000                              | 440,000            | 201,011            |
| Sewer - systems development charges           | 140,000                              | 140,000            | 33,663             |
| Parks - systems development charges           | 400,000                              | 400,000            | 133,750            |
| Bike/Pedestrian - systems development charges | 99,000                               | 99,000             | 34,597             |
| Investment earnings                           | 2,000                                | 2,000              | 61,037             |
| <b>TOTAL REVENUES</b>                         | <b>1,353,000</b>                     | <b>1,353,000</b>   | <b>553,749</b>     |
| <b>EXPENDITURES:</b>                          |                                      |                    |                    |
| Materials and services                        | 90,000                               | 90,000             | 20,550             |
| Capital outlay                                | 3,645,000                            | 3,645,000          | 598,459            |
| Contingency                                   | 1,575,000                            | 1,575,000          | -                  |
| <b>TOTAL EXPENDITURES</b>                     | <b>5,310,000</b>                     | <b>5,310,000</b>   | <b>619,009</b>     |
| <b>NET CHANGE IN FUND BALANCES</b>            | <b>(3,957,000)</b>                   | <b>(3,957,000)</b> | <b>(65,260)</b>    |
| FUND BALANCES - beginning                     | 4,143,000                            | 4,143,000          | 4,865,698          |
| FUND BALANCES - ending                        | \$ 186,000                           | \$ 186,000         | \$ 4,800,438       |

Continued on next page



| 2nd Year Actual<br>FY 2020-21 |                   |                     |                     |                   |                     |                     | Actual              | Variance with       |
|-------------------------------|-------------------|---------------------|---------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
| Street                        | Surface<br>Water  | Water               | Sewer               | Parks             | Bike/<br>Pedestrian | Total               | Total<br>Biennium   | Final Budget        |
| \$ 77,295                     | \$ -              | \$ -                | \$ -                | \$ -              | \$ -                | \$ 77,295           | \$ 163,685          | \$ (92,315)         |
| -                             | 14,272            | -                   | -                   | -                 | -                   | 14,272              | 17,573              | 1,573               |
| -                             | -                 | 474,645             | -                   | -                 | -                   | 474,645             | 675,656             | 235,656             |
| -                             | -                 | -                   | 102,264             | -                 | -                   | 102,264             | 135,927             | (4,073)             |
| -                             | -                 | -                   | -                   | 377,641           | -                   | 377,641             | 511,391             | 111,391             |
| -                             | -                 | -                   | -                   | -                 | 64,976              | 64,976              | 99,573              | 573                 |
| 4,419                         | 244               | 9,869               | 2,432               | 8,416             | 1,880               | 27,260              | 88,297              | 86,297              |
| <u>81,714</u>                 | <u>14,516</u>     | <u>484,514</u>      | <u>104,696</u>      | <u>386,057</u>    | <u>66,856</u>       | <u>1,138,353</u>    | <u>1,692,102</u>    | <u>339,102</u>      |
| 2,266                         | 6,403             | 2,557               | 9,129               | 5,563             | 638                 | 26,556              | 47,106              | 42,894              |
| 151,442                       | 9,900             | 86,130              | 9,900               | 66,615            | 119,514             | 443,501             | 1,041,960           | 2,603,040           |
| -                             | -                 | -                   | -                   | -                 | -                   | -                   | -                   | 1,575,000           |
| <u>153,708</u>                | <u>16,303</u>     | <u>88,687</u>       | <u>19,029</u>       | <u>72,178</u>     | <u>120,152</u>      | <u>470,057</u>      | <u>1,089,066</u>    | <u>4,220,934</u>    |
| (71,994)                      | (1,787)           | 395,827             | 85,667              | 313,879           | (53,296)            | 668,296             | 603,036             | 4,560,036           |
| <u>1,007,206</u>              | <u>703,030</u>    | <u>796,167</u>      | <u>1,765,477</u>    | <u>192,862</u>    | <u>335,696</u>      | <u>4,800,438</u>    | <u>4,800,438</u>    | <u>657,438</u>      |
| <u>\$ 935,212</u>             | <u>\$ 701,243</u> | <u>\$ 1,191,994</u> | <u>\$ 1,851,144</u> | <u>\$ 506,741</u> | <u>\$ 282,400</u>   | <u>\$ 5,468,734</u> | <u>\$ 5,403,474</u> | <u>\$ 5,217,474</u> |

Continued from previous page

**CITY OF WEST LINN, OREGON**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2021**

|   | Special<br>Revenue<br>Funds | Debt<br>Service<br>Fund | Total<br>Nonmajor<br>Governmental<br>Funds |
|---|-----------------------------|-------------------------|--|
| <b>ASSETS:</b>                          |                             |                         |  |
| Cash and investments                    | \$ 517,912                  | \$ -                    | \$ 517,912                                 |
| Restricted cash and investments         | 981,188                     | 270,503                 | 1,251,691                                  |
| Property taxes receivable               | -                           | 53,057                  | 53,057                                     |
| Accounts receivable                     | 157,238                     | -                       | 157,238                                    |
| <br>TOTAL ASSETS                        | <br>\$ 1,656,338            | <br>\$ 323,560          | <br>\$ 1,979,898                           |
| <b>LIABILITIES:</b>                     |                             |                         |  |
| Accounts payable                        | \$ 148,215                  | \$ -                    | \$ 148,215                                 |
| Accrued salaries and payroll taxes      | 18,749                      | -                       | 18,749                                     |
| Deposits payable                        | 34,805                      | -                       | 34,805                                     |
| <br>TOTAL LIABILITIES                   | <br>201,769                 | <br>-                   | <br>201,769                                |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>   |                             |                         |  |
| Unavailable revenue - property taxes    | -                           | 43,274                  | 43,274                                     |
| <b>FUND BALANCES:</b>                   |                             |                         |  |
| Restricted                              | 847,774                     | 280,286                 | 1,128,060                                  |
| Committed                               | 606,795                     | -                       | 606,795                                    |
| <br>TOTAL FUND BALANCES                 | <br>1,454,569               | <br>280,286             | <br>1,734,855                              |
| <br>TOTAL LIABILITIES AND FUND BALANCES | <br>\$ 1,656,338            | <br>\$ 323,560          | <br>\$ 1,979,898                           |

CITY OF WEST LINN, OREGON

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|  | Special<br>Revenue<br>Funds | Debt<br>Service<br>Fund | Total<br>Nonmajor<br>Governmental<br>Funds |
|--|-----------------------------|-------------------------|--|
| <b>REVENUES:</b>   |                             |                         |  |
| Property taxes   | \$ -                        | \$ 1,594,055            | \$ 1,594,055                               |
| Intergovernmental  | 355,744                     | -                       | 355,744                                    |
| Franchise taxes  | 171,703                     | -                       | 171,703                                    |
| Licenses and permits   | 1,037,598                   | -                       | 1,037,598                                  |
| Charges for services   | 872,000                     | 230,000                 | 1,102,000                                  |
| Proceeds from sale of asset  | 3,900                       | -                       | 3,900                                      |
| Proceeds from lease obligations  | 25,984                      | -                       | 25,984                                     |
| Miscellaneous  | 16,480                      | -                       | 16,480                                     |
|  | <u>2,483,409</u>            | <u>1,824,055</u>        | <u>4,307,464</u>                           |
| <b>TOTAL REVENUES</b>  |                             |                         |  |
| <b>EXPENDITURES:</b>   |                             |                         |  |
| Current:   |                             |                         |  |
| General government   | 873,170                     | -                       | 873,170                                    |
| Public safety  | 803,413                     | -                       | 803,413                                    |
| Debt service:  |                             |                         |  |
| Principal  | 11,124                      | 1,000,000               | 1,011,124                                  |
| Interest   | 1,761                       | 833,421                 | 835,182                                    |
| Capital outlay   | 25,984                      | -                       | 25,984                                     |
|  | <u>1,715,452</u>            | <u>1,833,421</u>        | <u>3,548,873</u>                           |
| <b>TOTAL EXPENDITURES</b>  |                             |                         |  |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES AND<br/>NET CHANGE IN FUND BALANCES</b> | 767,957                     | (9,366)                 | 758,591                                    |
| <b>FUND BALANCES - beginning</b>   | <u>686,612</u>              | <u>289,652</u>          | <u>976,264</u>                             |
| <b>FUND BALANCES - ending</b>  | <u>\$ 1,454,569</u>         | <u>\$ 280,286</u>       | <u>\$ 1,734,855</u>                        |

**CITY OF WEST LINN, OREGON**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2021**

|  | Building<br>Inspections<br>Fund | Planning<br>Fund  | Total               |
|--|---------------------------------|-------------------|---------------------|
| <b>ASSETS:</b>                         |                                 |                   |                     |
| Cash and investments                   | \$ -                            | \$ 517,912        | \$ 517,912          |
| Restricted cash and investments        | 981,188                         | -                 | 981,188             |
| Accounts receivable                    | 22,626                          | 134,612           | 157,238             |
|  | <u>          </u>               | <u>          </u> | <u>          </u>   |
| TOTAL ASSETS                           | <u>\$ 1,003,814</u>             | <u>\$ 652,524</u> | <u>\$ 1,656,338</u> |
| <b>LIABILITIES:</b>                    |                                 |                   |                     |
| Accounts payable                       | \$ 147,804                      | \$ 411            | \$ 148,215          |
| Accrued salaries and payroll taxes     | 8,202                           | 10,547            | 18,749              |
| Deposits payable                       | 34                              | 34,771            | 34,805              |
|  | <u>          </u>               | <u>          </u> | <u>          </u>   |
| TOTAL LIABILITIES                      | <u>156,040</u>                  | <u>45,729</u>     | <u>201,769</u>      |
| <b>FUND BALANCES:</b>                  |                                 |                   |                     |
| Restricted                             | 847,774                         | -                 | 847,774             |
| Committed                              | -                               | 606,795           | 606,795             |
|  | <u>          </u>               | <u>          </u> | <u>          </u>   |
| TOTAL FUND BALANCES                    | <u>847,774</u>                  | <u>606,795</u>    | <u>1,454,569</u>    |
|  | <u>          </u>               | <u>          </u> | <u>          </u>   |
| TOTAL LIABILITIES AND<br>FUND BALANCES | <u>\$ 1,003,814</u>             | <u>\$ 652,524</u> | <u>\$ 1,656,338</u> |

CITY OF WEST LINN, OREGON

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|   | Building<br>Inspections<br>Fund | Planning<br>Fund  | Total               |
|---|---------------------------------|-------------------|---------------------|
| <b>REVENUES:</b>  |                                 |                   |                     |
| Intergovernmental   | \$ -                            | \$ 355,744        | \$ 355,744          |
| Franchise taxes   | -                               | 171,703           | 171,703             |
| Licenses and permits  | 902,887                         | 134,711           | 1,037,598           |
| Charges for services  | 356,000                         | 516,000           | 872,000             |
| Proceeds from sale of capital assets  | 3,900                           | -                 | 3,900               |
| Proceeds from lease obligations   | 25,984                          | -                 | 25,984              |
| Miscellaneous   | -                               | 16,480            | 16,480              |
|   | <u>1,288,771</u>                | <u>1,194,638</u>  | <u>2,483,409</u>    |
| <b>EXPENDITURES:</b>  |                                 |                   |                     |
| Current:  |                                 |                   |                     |
| General government  | -                               | 873,170           | 873,170             |
| Public safety   | 803,413                         | -                 | 803,413             |
| Debt service:   |                                 |                   |                     |
| Principal   | 11,124                          | -                 | 11,124              |
| Interest  | 1,761                           | -                 | 1,761               |
| Capital outlay  | 25,984                          | -                 | 25,984              |
|   | <u>842,282</u>                  | <u>873,170</u>    | <u>1,715,452</u>    |
| EXCESS (DEFICIENCY) OF REVENUES<br>OVER (UNDER) EXPENDITURES AND<br>NET CHANGE IN FUND BALANCES | 446,489                         | 321,468           | 767,957             |
| FUND BALANCES - beginning   | <u>401,285</u>                  | <u>285,327</u>    | <u>686,612</u>      |
| FUND BALANCES - ending  | <u>\$ 847,774</u>               | <u>\$ 606,795</u> | <u>\$ 1,454,569</u> |

CITY OF WEST LINN, OREGON

BUILDING INSPECTIONS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|   | Budget for the<br>2020-2021 Biennium |                  | Actual                 |                        |                   | Variance with<br>Final Budget |
|---|--------------------------------------|------------------|------------------------|------------------------|-------------------|-------------------------------|
|   | Original                             | Final            | 1st Year<br>FY 2019-20 | 2nd Year<br>FY 2020-21 | Total             |                               |
| <b>REVENUES:</b>                                |                                      |                  |                        |                        |                   |                               |
| Licenses and permits                            | \$ 1,135,000                         | \$ 1,135,000     | \$ 512,502             | \$ 902,887             | \$ 1,415,389      | \$ 280,389                    |
| Miscellaneous                                   | 2,000                                | 2,000            | -                      | -                      | -                 | (2,000)                       |
| <b>TOTAL REVENUES</b>                           | <b>1,137,000</b>                     | <b>1,137,000</b> | <b>512,502</b>         | <b>902,887</b>         | <b>1,415,389</b>  | <b>278,389</b>                |
| <b>EXPENDITURES:</b>                            |                                      |                  |                        |                        |                   |                               |
| Personnel services                              | 1,043,000                            | 1,043,000        | 362,615                | 418,178                | 780,793           | 262,207                       |
| Materials and services                          | 103,000                              | 103,000          | 29,888                 | 84,235                 | 114,123           | (11,123)                      |
| Debt service:                                   |                                      |                  |                        |                        |                   |                               |
| Principal                                       | -                                    | 120,000          | 4,280                  | 11,124                 | 15,404            | 104,596                       |
| Interest  | -                                    | 10,000           | 432                    | 1,761                  | 2,193             | 7,807                         |
| Capital outlay                                  | 29,000                               | 29,000           | 55,618                 | 25,984                 | 81,602            | (52,602)                      |
| Contingency                                     | 79,000                               | 79,000           | -                      | -                      | -                 | 79,000                        |
| <b>TOTAL EXPENDITURES</b>                       | <b>1,254,000</b>                     | <b>1,384,000</b> | <b>452,833</b>         | <b>541,282</b>         | <b>994,115</b>    | <b>389,885</b>                |
| <b>EXCESS OF REVENUES<br/>OVER EXPENDITURES</b> | <b>(117,000)</b>                     | <b>(247,000)</b> | <b>59,669</b>          | <b>361,605</b>         | <b>421,274</b>    | <b>668,274</b>                |
| <b>OTHER FINANCING SOURCES (USES):</b>          |                                      |                  |                        |                        |                   |                               |
| Proceeds from lease obligations                 | -                                    | 130,000          | 54,722                 | 25,984                 | 80,706            | (49,294)                      |
| Proceeds from sale of capital assets            | -                                    | -                | -                      | 3,900                  | 3,900             | 3,900                         |
| Transfers from other funds                      | 869,000                              | 869,000          | 513,000                | 356,000                | 869,000           | -                             |
| Transfers to other funds                        | (595,000)                            | (595,000)        | (294,000)              | (301,000)              | (595,000)         | -                             |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b> | <b>274,000</b>                       | <b>404,000</b>   | <b>273,722</b>         | <b>84,884</b>          | <b>358,606</b>    | <b>(45,394)</b>               |
| <b>NET CHANGE IN FUND BALANCES</b>              | <b>157,000</b>                       | <b>157,000</b>   | <b>333,391</b>         | <b>446,489</b>         | <b>779,880</b>    | <b>622,880</b>                |
| <b>FUND BALANCES (DEFICIT) - beginning</b>      | <b>(128,000)</b>                     | <b>(128,000)</b> | <b>67,894</b>          | <b>401,285</b>         | <b>67,894</b>     | <b>195,894</b>                |
| <b>FUND BALANCES - ending</b>                   | <b>\$ 29,000</b>                     | <b>\$ 29,000</b> | <b>\$ 401,285</b>      | <b>\$ 847,774</b>      | <b>\$ 847,774</b> | <b>\$ 818,774</b>             |

CITY OF WEST LINN, OREGON

PLANNING FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|   | Budget for the<br>2020-2021 Biennium |                  | Actual                 |                        |                   | Variance with<br>Final Budget |
|---|--------------------------------------|------------------|------------------------|------------------------|-------------------|-------------------------------|
|   | Original                             | Final            | 1st Year<br>FY 2019-20 | 2nd Year<br>FY 2020-21 | Total             |                               |
| <b>REVENUES:</b>                                |                                      |                  |                        |                        |                   |                               |
| Intergovernmental                               | \$ 615,000                           | \$ 615,000       | \$ 318,839             | \$ 355,744             | \$ 674,583        | \$ 59,583                     |
| Franchise taxes                                 | 385,000                              | 385,000          | 175,837                | 171,703                | 347,540           | (37,460)                      |
| Licenses and permits                            | 280,000                              | 280,000          | 71,654                 | 134,711                | 206,365           | (73,635)                      |
| Miscellaneous                                   | 6,000                                | 6,000            | 2,415                  | 16,480                 | 18,895            | 12,895                        |
| <b>TOTAL REVENUES</b>                           | <b>1,286,000</b>                     | <b>1,286,000</b> | <b>568,745</b>         | <b>678,638</b>         | <b>1,247,383</b>  | <b>(38,617)</b>               |
| <b>EXPENDITURES:</b>                            |                                      |                  |                        |                        |                   |                               |
| Personnel services                              | 1,418,000                            | 1,418,000        | 654,346                | 471,633                | 1,125,979         | 292,021                       |
| Material and services                           | 126,000                              | 126,000          | 10,784                 | 33,537                 | 44,321            | 81,679                        |
| Contingency                                     | 99,000                               | 99,000           | -                      | -                      | -                 | 99,000                        |
| <b>TOTAL EXPENDITURES</b>                       | <b>1,643,000</b>                     | <b>1,643,000</b> | <b>665,130</b>         | <b>505,170</b>         | <b>1,170,300</b>  | <b>472,700</b>                |
| <b>EXCESS OF REVENUES<br/>OVER EXPENDITURES</b> | <b>(357,000)</b>                     | <b>(357,000)</b> | <b>(96,385)</b>        | <b>173,468</b>         | <b>77,083</b>     | <b>434,083</b>                |
| <b>OTHER FINANCING SOURCES (USES):</b>          |                                      |                  |                        |                        |                   |                               |
| Transfers from other funds                      | 826,000                              | 826,000          | 310,000                | 516,000                | 826,000           | -                             |
| Transfers to other funds                        | (744,000)                            | (744,000)        | (376,000)              | (368,000)              | (744,000)         | -                             |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b> | <b>82,000</b>                        | <b>82,000</b>    | <b>(66,000)</b>        | <b>148,000</b>         | <b>82,000</b>     | <b>-</b>                      |
| <b>NET CHANGE IN FUND BALANCES</b>              | <b>(275,000)</b>                     | <b>(275,000)</b> | <b>(162,385)</b>       | <b>321,468</b>         | <b>159,083</b>    | <b>434,083</b>                |
| <b>FUND BALANCES - beginning</b>                | <b>314,000</b>                       | <b>314,000</b>   | <b>447,712</b>         | <b>285,327</b>         | <b>447,712</b>    | <b>133,712</b>                |
| <b>FUND BALANCES - ending</b>                   | <b>\$ 39,000</b>                     | <b>\$ 39,000</b> | <b>\$ 285,327</b>      | <b>\$ 606,795</b>      | <b>\$ 606,795</b> | <b>\$ 567,795</b>             |

CITY OF WEST LINN, OREGON

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|  | Budget for the<br>2020-2021 Biennium |                   | Actual                 |                        |                   | Variance with<br>Final Budget |
|--|--------------------------------------|-------------------|------------------------|------------------------|-------------------|-------------------------------|
|  | Original                             | Final             | 1st Year<br>FY 2019-20 | 2nd Year<br>FY 2020-21 | Total             |                               |
| <b>REVENUES:</b>   |                                      |                   |                        |                        |                   |                               |
| Property taxes   | \$ 3,130,000                         | \$ 3,130,000      | \$ 1,540,661           | \$ 1,594,055           | \$ 3,134,716      | \$ 4,716                      |
| <b>EXPENDITURES:</b>   |                                      |                   |                        |                        |                   |                               |
| Debt service:  |                                      |                   |                        |                        |                   |                               |
| Principal  | 1,710,000                            | 1,710,000         | 710,000                | 1,000,000              | 1,710,000         | -                             |
| Interest   | 1,686,000                            | 1,686,000         | 850,239                | 833,421                | 1,683,660         | 2,340                         |
| <b>TOTAL EXPENDITURES</b>  | <b>3,396,000</b>                     | <b>3,396,000</b>  | <b>1,560,239</b>       | <b>1,833,421</b>       | <b>3,393,660</b>  | <b>2,340</b>                  |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES AND<br/>NET CHANGE IN FUND BALANCES</b> | <b>(266,000)</b>                     | <b>(266,000)</b>  | <b>(19,578)</b>        | <b>(239,366)</b>       | <b>(258,944)</b>  | <b>7,056</b>                  |
| <b>OTHER FINANCING SOURCES (USES):</b>   |                                      |                   |                        |                        |                   |                               |
| Transfers from other funds   | 237,000                              | 237,000           | 7,000                  | 230,000                | 237,000           | -                             |
| <b>NET CHANGE IN FUND BALANCES</b>   | <b>(29,000)</b>                      | <b>(29,000)</b>   | <b>(12,578)</b>        | <b>(9,366)</b>         | <b>(21,944)</b>   | <b>7,056</b>                  |
| <b>FUND BALANCES - beginning</b>   | <b>275,000</b>                       | <b>275,000</b>    | <b>302,230</b>         | <b>289,652</b>         | <b>302,230</b>    | <b>27,230</b>                 |
| <b>FUND BALANCES - ending</b>  | <b>\$ 246,000</b>                    | <b>\$ 246,000</b> | <b>\$ 289,652</b>      | <b>\$ 280,286</b>      | <b>\$ 280,286</b> | <b>\$ 34,286</b>              |



**INDIVIDUAL FUND FINANCIAL  
SCHEDULES**  
Proprietary Funds

**Proprietary Funds**

These funds account for operations of the City's enterprise activities. All proprietary funds are major funds of the City.

Water Fund – accounts for the City's water utility operations including maintenance and operations. All water related revenues and expenditures, including capital replacement, are included in this fund.

Environmental Services Fund – accounts for the City's sewer and surface water operations. It includes the maintenance and operations of sewer and surface water infrastructure.

CITY OF WEST LINN, OREGON

WATER FUND

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

|  | Budget for the<br>2020-2021 Biennium |                    | Actual                 |                        |                     | Variance with<br>Final Budget |
|--|--------------------------------------|--------------------|------------------------|------------------------|---------------------|-------------------------------|
|  | Original                             | Final              | 1st Year<br>FY 2019-20 | 2nd Year<br>FY 2020-21 | Total               |                               |
| <b>REVENUES:</b>   |                                      |                    |                        |                        |                     |                               |
| Water charges  | \$ 10,200,000                        | \$ 10,200,000      | \$ 4,740,671           | \$ 5,463,292           | \$ 10,203,963       | \$ 3,963                      |
| Systems development charges                                    | -                                    | -                  | 16,721                 | 39,497                 | 56,218              | 56,218                        |
| Miscellaneous  | 370,000                              | 370,000            | 122,475                | 132,643                | 255,118             | (114,882)                     |
| <b>TOTAL REVENUES</b>  | <b>10,570,000</b>                    | <b>10,570,000</b>  | <b>4,879,867</b>       | <b>5,635,432</b>       | <b>10,515,299</b>   | <b>(54,701)</b>               |
| <b>EXPENDITURES:</b>   |                                      |                    |                        |                        |                     |                               |
| Personnel services   | 1,585,000                            | 1,585,000          | 772,844                | 853,080                | 1,625,924           | (40,924)                      |
| Materials and services   | 4,106,000                            | 4,106,000          | 1,892,953              | 2,179,512              | 4,072,465           | 33,535                        |
| Debt service   | 563,000                              | 637,000            | 278,568                | 295,281                | 573,849             | 63,151                        |
| Capital outlay   | 2,037,000                            | 2,037,000          | 647,903                | 1,118,138              | 1,766,041           | 270,959                       |
| Contingency  | 2,897,000                            | 2,897,000          | -                      | -                      | -                   | 2,897,000                     |
| <b>TOTAL EXPENDITURES</b>                                      | <b>11,188,000</b>                    | <b>11,262,000</b>  | <b>3,592,268</b>       | <b>4,446,011</b>       | <b>8,038,279</b>    | <b>3,223,721</b>              |
| <b>DEFICIENCY OF REVENUES<br/>UNDER EXPENDITURES</b>           | <b>(618,000)</b>                     | <b>(692,000)</b>   | <b>1,287,599</b>       | <b>1,189,421</b>       | <b>2,477,020</b>    | <b>3,169,020</b>              |
| <b>OTHER FINANCING SOURCES (USES):</b>                         |                                      |                    |                        |                        |                     |                               |
| Proceeds from lease obligations                                | -                                    | 74,000             | 29,014                 | 63,360                 | 92,374              | 18,374                        |
| Proceeds from sale of capital assets                           | -                                    | -                  | -                      | 31,350                 | 31,350              | 31,350                        |
| Investment earnings  | -                                    | -                  | 24,715                 | 829                    | 25,544              | 25,544                        |
| Transfers to other funds                                       | (1,703,000)                          | (1,703,000)        | (830,000)              | (873,000)              | (1,703,000)         | -                             |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>                | <b>(1,703,000)</b>                   | <b>(1,629,000)</b> | <b>(776,271)</b>       | <b>(777,461)</b>       | <b>(1,553,732)</b>  | <b>75,268</b>                 |
| <b>NET CHANGE IN FUND BALANCES</b>                             | <b>(2,321,000)</b>                   | <b>(2,321,000)</b> | <b>511,328</b>         | <b>411,960</b>         | <b>923,288</b>      | <b>3,244,288</b>              |
| <b>FUND BALANCES - beginning</b>                               | <b>2,464,000</b>                     | <b>2,464,000</b>   | <b>2,708,361</b>       | <b>3,219,689</b>       | <b>2,708,361</b>    | <b>244,361</b>                |
| <b>FUND BALANCES - ending</b>                                  | <b>\$ 143,000</b>                    | <b>\$ 143,000</b>  | <b>\$ 3,219,689</b>    | <b>3,631,649</b>       | <b>\$ 3,631,649</b> | <b>\$ 3,488,649</b>           |
| <b>RECONCILIATION TO NET POSITION - GAAP BASIS:</b>            |                                      |                    |                        |                        |                     |                               |
| Adjustment for OPEB asset being accrued                        |                                      |                    |                        | 4,738                  |                     |                               |
| Adjustment for deferred charge on refunding                    |                                      |                    |                        | -                      |                     |                               |
| Adjustment for deferred outflows of resources being accrued    |                                      |                    |                        | 279,704                |                     |                               |
| Adjustment for loans receivable being accrued                  |                                      |                    |                        | 17,366                 |                     |                               |
| Adjustment for lease receivables being accrued                 |                                      |                    |                        | 185,817                |                     |                               |
| Adjustment for net pension liability being accrued             |                                      |                    |                        | (870,886)              |                     |                               |
| Adjustment for compensated absences being accrued              |                                      |                    |                        | (58,226)               |                     |                               |
| Adjustment for OPEB liability being accrued                    |                                      |                    |                        | (31,866)               |                     |                               |
| Adjustment for deferred inflows of resources being accrued     |                                      |                    |                        | (101,097)              |                     |                               |
| Adjustment for interest payable being accrued                  |                                      |                    |                        | (4,033)                |                     |                               |
| Adjustment for capital assets not being depreciated            |                                      |                    |                        | 914,328                |                     |                               |
| Adjustment for capital assets, net of accumulated depreciation |                                      |                    |                        | 22,579,611             |                     |                               |
| Adjustment for investment in joint venture                     |                                      |                    |                        | 11,155,715             |                     |                               |
| Adjustment for bonds payable - due within one year             |                                      |                    |                        | (90,000)               |                     |                               |
| Adjustment for long term bonds payable                         |                                      |                    |                        | (1,490,000)            |                     |                               |
| Adjustment for leases payable - due within one year            |                                      |                    |                        | (18,223)               |                     |                               |
| Adjustment for long term leases payable                        |                                      |                    |                        | (63,777)               |                     |                               |
| Adjustment for unamortized bond premium                        |                                      |                    |                        | (108,239)              |                     |                               |
| <b>NET POSITION - GAAP BASIS</b>                               |                                      |                    |                        | <b>\$ 35,932,581</b>   |                     |                               |

**CITY OF WEST LINN, OREGON**

**ENVIRONMENTAL SERVICES FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

|  | Budget for the<br>2020-2021 Biennium |                    | Actual                 |                        |                     | Variance with<br>Final Budget |
|--|--------------------------------------|--------------------|------------------------|------------------------|---------------------|-------------------------------|
|  | Original                             | Final              | 1st Year<br>FY 2019-20 | 2nd Year<br>FY 2020-21 | Total               |                               |
| <b>REVENUES:</b>   |                                      |                    |                        |                        |                     |                               |
| Sewer charges  | \$ 5,591,000                         | \$ 5,591,000       | \$ 2,761,616           | \$ 2,908,456           | \$ 5,670,072        | \$ 79,072                     |
| Surface water charges  | 2,042,000                            | 2,042,000          | 1,015,465              | 1,076,564              | 2,092,029           | 50,029                        |
| Systems development charges                                    | 126,000                              | 126,000            | 19,622                 | 73,705                 | 93,327              | (32,673)                      |
| Miscellaneous  | 110,000                              | 110,000            | 62,157                 | 66,267                 | 128,424             | 18,424                        |
| <b>TOTAL REVENUES</b>  | <b>7,869,000</b>                     | <b>7,869,000</b>   | <b>3,858,860</b>       | <b>4,124,992</b>       | <b>7,983,852</b>    | <b>114,852</b>                |
| <b>EXPENDITURES:</b>   |                                      |                    |                        |                        |                     |                               |
| Personnel services   | 1,710,000                            | 1,710,000          | 554,838                | 630,993                | 1,185,831           | 524,169                       |
| Materials and services   | 934,000                              | 934,000            | 418,309                | 355,734                | 774,043             | 159,957                       |
| Debt service   | -                                    | 106,000            | 1,629                  | 11,048                 | 12,677              | 93,323                        |
| Capital outlay   | 4,953,000                            | 4,953,000          | 612,712                | 754,447                | 1,367,159           | 3,585,841                     |
| Contingency  | 703,000                              | 703,000            | -                      | -                      | -                   | 703,000                       |
| <b>TOTAL EXPENDITURES</b>                                      | <b>8,300,000</b>                     | <b>8,406,000</b>   | <b>1,587,488</b>       | <b>1,752,222</b>       | <b>3,339,710</b>    | <b>5,066,290</b>              |
| <b>EXCESS OF REVENUES<br/>OVER EXPENDITURES</b>                | <b>(431,000)</b>                     | <b>(537,000)</b>   | <b>2,271,372</b>       | <b>2,372,770</b>       | <b>4,644,142</b>    | <b>5,181,142</b>              |
| <b>OTHER FINANCING USES:</b>                                   |                                      |                    |                        |                        |                     |                               |
| Proceeds from lease obligations                                | -                                    | 106,000            | 25,153                 | 55,174                 | 80,327              | (25,673)                      |
| Proceeds from sale of capital assets                           | -                                    | -                  | -                      | 28,125                 | 28,125              | 28,125                        |
| Investment earnings  | -                                    | -                  | 28,476                 | 1,435                  | 29,911              | 29,911                        |
| Transfers to other funds                                       | (2,570,000)                          | (2,570,000)        | (1,267,000)            | (1,303,000)            | (2,570,000)         | -                             |
| <b>TOTAL OTHER FINANCING<br/>SOURCES (USES)</b>                | <b>(2,570,000)</b>                   | <b>(2,464,000)</b> | <b>(1,213,371)</b>     | <b>(1,218,266)</b>     | <b>(2,431,637)</b>  | <b>32,363</b>                 |
| <b>NET CHANGE IN FUND BALANCES</b>                             | <b>(3,001,000)</b>                   | <b>(3,001,000)</b> | <b>1,058,001</b>       | <b>1,154,504</b>       | <b>2,212,505</b>    | <b>5,213,505</b>              |
| <b>FUND BALANCES - beginning</b>                               | <b>3,068,000</b>                     | <b>3,068,000</b>   | <b>3,360,600</b>       | <b>4,418,601</b>       | <b>3,360,600</b>    | <b>292,600</b>                |
| <b>FUND BALANCES - ending</b>                                  | <b>\$ 67,000</b>                     | <b>\$ 67,000</b>   | <b>\$ 4,418,601</b>    | <b>5,573,105</b>       | <b>\$ 5,573,105</b> | <b>\$ 5,506,105</b>           |
| <b>RECONCILIATION TO NET POSITION - GAAP BASIS:</b>            |                                      |                    |                        |                        |                     |                               |
| Adjustment for OPEB asset being accrued                        |                                      |                    |                        | 5,133                  |                     |                               |
| Adjustment for deferred outflows of resources being accrued    |                                      |                    |                        | 303,012                |                     |                               |
| Adjustment for loans receivable being accrued                  |                                      |                    |                        | 30,750                 |                     |                               |
| Adjustment for net pension liability being accrued             |                                      |                    |                        | (943,460)              |                     |                               |
| Adjustment for compensated absences being accrued              |                                      |                    |                        | (63,080)               |                     |                               |
| Adjustment for OPEB liability being accrued                    |                                      |                    |                        | (34,521)               |                     |                               |
| Adjustment for deferred inflows of resources being accrued     |                                      |                    |                        | (109,521)              |                     |                               |
| Adjustment for leases payable - due within one year            |                                      |                    |                        | (15,905)               |                     |                               |
| Adjustment for long term leases payable                        |                                      |                    |                        | (54,040)               |                     |                               |
| Adjustment for capital assets not being depreciated            |                                      |                    |                        | 1,051,501              |                     |                               |
| Adjustment for capital assets, net of accumulated depreciation |                                      |                    |                        | 21,117,008             |                     |                               |
| <b>NET POSITION - GAAP BASIS</b>                               |                                      |                    |                        | <b>\$ 26,859,982</b>   |                     |                               |

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## **OTHER FINANCIAL SCHEDULES**

Schedule of Future Debt Service Requirements

Schedule of Property Tax Transactions and Outstanding Balances

Schedule of Accountability of Independently Elected Officials

CITY OF WEST LINN, OREGON

SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS

JUNE 30, 2021

FUTURE BOND PRINCIPAL

| Fiscal year | General Obligation Bonds         |                                 |   | Full Faith and Credit Obligation Bonds | Total                |
|-------------|----------------------------------|---------------------------------|---|--|----------------------|
|             | Series 2010-A                    | Series 2012                     | Series 2018                                   | Series 2015                            |                      |
|             | Refunded Library<br>Sep. 2, 2010 | Police Station<br>Jan. 25, 2012 | City Fac, Parks,<br>& Trans.<br>Aug. 30, 2018 | Str/Pks/Wtr<br>Dec. 16, 2015           |                      |
| 2022        | \$ -                             | \$ 400,000                      | \$ 365,000                                    | \$ 310,000                             | \$ 1,075,000         |
| 2023        | -                                | 425,000                         | 420,000                                       | 320,000                                | 1,165,000            |
| 2024        | -                                | 450,000                         | 475,000                                       | 330,000                                | 1,255,000            |
| 2025        | -                                | 475,000                         | 540,000                                       | 345,000                                | 1,360,000            |
| 2026        | -                                | 505,000                         | 600,000                                       | 360,000                                | 1,465,000            |
| 2027        | -                                | 530,000                         | 665,000                                       | 370,000                                | 1,565,000            |
| 2028        | -                                | 565,000                         | 720,000                                       | 375,000                                | 1,660,000            |
| 2029        | -                                | 595,000                         | 780,000                                       | 390,000                                | 1,765,000            |
| 2030        | -                                | 630,000                         | 850,000                                       | 120,000                                | 1,600,000            |
| 2031        | -                                | 665,000                         | 925,000                                       | 120,000                                | 1,710,000            |
| 2032        | -                                | 715,000                         | 995,000                                       | 125,000                                | 1,835,000            |
| 2033        | -                                | -                               | 1,755,000                                     | 130,000                                | 1,885,000            |
| 2034        | -                                | -                               | 1,875,000                                     | 130,000                                | 2,005,000            |
| 2035        | -                                | -                               | 1,995,000                                     | 135,000                                | 2,130,000            |
| 2036        | -                                | -                               | 2,125,000                                     | -                                      | 2,125,000            |
| 2037        | -                                | -                               | 2,265,000                                     | -                                      | 2,265,000            |
| 2038        | -                                | -                               | 2,410,000                                     | -                                      | 2,410,000            |
|             | <u>\$ -</u>                      | <u>\$ 5,955,000</u>             | <u>\$ 19,760,000</u>                          | <u>\$ 3,560,000</u>                    | <u>\$ 29,275,000</u> |

FUTURE BOND INTEREST

| Fiscal year | General Obligation Bonds         |                                 |  | Full Faith and Credit Obligation Bonds | Total               |
|-------------|----------------------------------|---------------------------------|--|--|---------------------|
|             | Series 2010-A                    | Series 2012                     | Series 2018                                  | Series 2015                            |                     |
|             | Refunded Library<br>Sep. 2, 2010 | Police Station<br>Jan. 25, 2012 | City Fac, Parks,<br>& Trans<br>Aug. 30, 2018 | Str/Pks/Wtr<br>Dec. 16, 2015           |                     |
| 2022        | -                                | 140,438                         | 661,938                                      | 110,325                                | 912,701             |
| 2023        | -                                | 132,437                         | 643,687                                      | 104,125                                | 880,249             |
| 2024        | -                                | 123,938                         | 622,688                                      | 94,525                                 | 841,151             |
| 2025        | -                                | 114,937                         | 598,937                                      | 81,325                                 | 795,199             |
| 2026        | -                                | 105,438                         | 571,938                                      | 67,525                                 | 744,901             |
| 2027        | -                                | 94,706                          | 553,937                                      | 53,125                                 | 701,768             |
| 2028        | -                                | 82,781                          | 533,988                                      | 43,875                                 | 660,644             |
| 2029        | -                                | 69,363                          | 512,387                                      | 34,500                                 | 616,250             |
| 2030        | -                                | 54,487                          | 481,188                                      | 22,800                                 | 558,475             |
| 2031        | -                                | 37,950                          | 447,187                                      | 19,200                                 | 504,337             |
| 2032        | -                                | 9,831                           | 419,438                                      | 15,600                                 | 444,869             |
| 2033        | -                                | -                               | 389,587                                      | 11,850                                 | 401,437             |
| 2034        | -                                | -                               | 336,938                                      | 7,950                                  | 344,888             |
| 2035        | -                                | -                               | 280,687                                      | 4,050                                  | 284,737             |
| 2036        | -                                | -                               | 218,344                                      | -                                      | 218,344             |
| 2037        | -                                | -                               | 151,937                                      | -                                      | 151,937             |
| 2038        | -                                | -                               | 78,325                                       | -                                      | 78,325              |
|             | <u>\$ -</u>                      | <u>\$ 966,306</u>               | <u>\$ 7,503,131</u>                          | <u>\$ 670,775</u>                      | <u>\$ 9,140,212</u> |

**CITY OF WEST LINN, OREGON**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

| <u>Tax Year</u>                | <u>Uncollected<br/>Property<br/>Taxes as of<br/>June 30, 2020</u> | <u>Add<br/>Tax Levy<br/>Extended by<br/>Assessor</u> | <u>Deduct<br/>Adjustments<br/>and Discounts</u> | <u>Deduct<br/>Cash<br/>Collections</u> | <u>Uncollected<br/>Property<br/>Taxes as of<br/>June 30, 2021</u> |
|--------------------------------|---|--|---|--|---|
| Current fiscal year<br>2020-21 | \$ -  | \$ 10,246,160  | \$ (263,599)                                    | \$ (9,798,669)                         | \$ 183,892  |
| Prior fiscal years             |   |  |   |  |   |
| 2019-20                        | 195,142   | -  | (7,204)   | (113,699)                              | 74,239  |
| 2018-19                        | 61,630  | -  | (2,897)   | (29,924)                               | 28,809  |
| 2017-18                        | 35,358  | -  | (1,760)   | (20,104)                               | 13,494  |
| 2016-17                        | 16,468  | -  | (115)   | (12,616)                               | 3,737   |
| 2015-16<br>& prior             | 19,269  | -  | (253)   | (2,749)                                | 16,267  |
| Sub-total prior                | <u>327,867</u>  | <u>-</u>   | <u>(12,229)</u>                                 | <u>(179,092)</u>                       | <u>136,546</u>  |
| Total                          | <u>\$ 327,867</u>   | <u>\$ 10,246,160</u>                                 | <u>\$ (275,828)</u>                             | <u>\$ (9,977,761)</u>                  | <u>\$ 320,438</u>   |

|                           |                   |
|---------------------------|-------------------|
| Public Safety Fund        | \$ 181,437        |
| Parks and Recreation Fund | 50,930            |
| Library Fund              | 35,014            |
| Debt Service Fund         | <u>53,057</u>     |
|                           | <u>\$ 320,438</u> |

**CITY OF WEST LINN, OREGON**  
**SCHEDULE OF ACCOUNTABILITY OF INDEPENDENTLY ELECTED OFFICIALS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Oregon Revised Statutes (ORS) Section 297 requires a statement of accountability for each independently elected official collecting or receiving money in the municipal corporation. In compliance with ORS 297, there are no independently elected officials that collect or receive money on behalf of the City of West Linn.



CITY OF WEST LINN, OREGON  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

SECTION III

**STATISTICAL SECTION**

# STATISTICAL SECTION

This section provides further details as a context for a better understanding of the financial statements.

| <b>Contents</b>   | <b>Page</b> |
|---|-------------|
| Financial Trends<br>These schedules contain trend information to help the reader understand how financial performance has changed over time.  | 105         |
| Revenue Capacity<br>These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.   | 108         |
| Debt Capacity<br>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.                            | 115         |
| Demographic and Economic Information<br>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.                                    | 120         |
| Operating Information<br>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. | 123         |

Sources: The information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year, unless otherwise noted.

The City implemented the following GASB Statements:

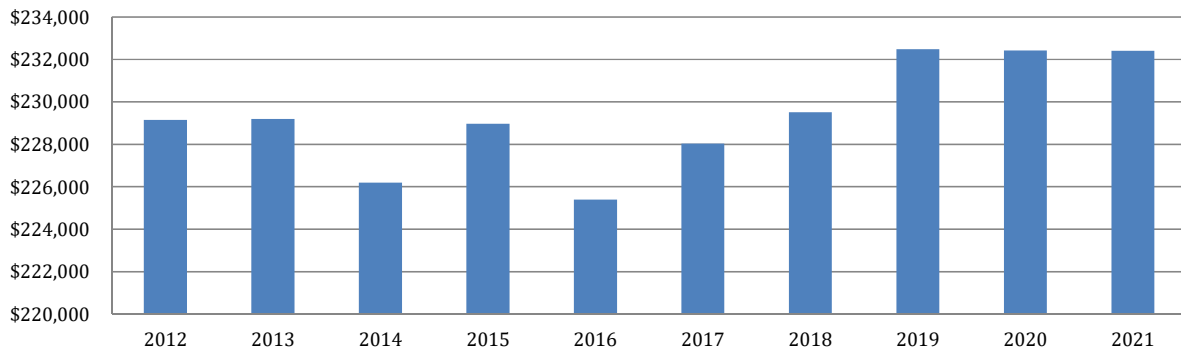
- GASB Statement 34 in fiscal year 2002-03, except for the infrastructure provisions which were implemented in fiscal year 2007-08
- GASB Statement 44 in fiscal year 2007-08
- GASB Statement 54 in fiscal year 2010-11
- GASB Statement 63 in fiscal year 2012-13
- GASB Statement 65 in fiscal year 2013-14
- GASB Statement 68 in fiscal year 2014-15
- GASB Statement 75 in fiscal year 2017-18
- GASB Statement 87 in fiscal year 2018-19
- GASB Statement 98 in fiscal year 2020-21

**CITY OF WEST LINN, OREGON**

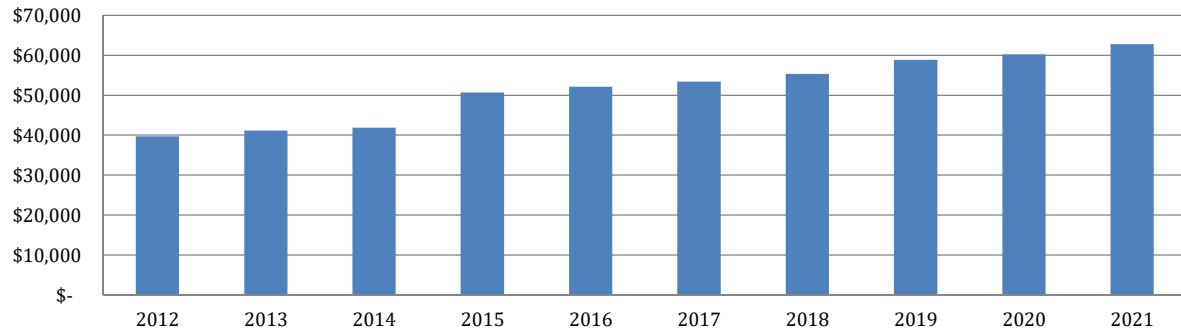
**Net Position by Component**  
*for the last ten fiscal years*  
*(accrual basis of accounting)*  
*(in thousands)*

|   | Fiscal Year Ended |            |            |            |            |            |            |            |            |            |
|---|-------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
|   | 2012              | 2013       | 2014       | 2015       | 2016       | 2017       | 2018       | 2019       | 2020       | 2021       |
|   | (restated)        |            |            |            |            |            |            |            |            |            |
| Governmental activities                     |                   |            |            |            |            |            |            |            |            |            |
| Net investment in capital assets            | \$ 217,951        | \$ 217,876 | \$ 218,327 | \$ 220,683 | \$ 222,408 | \$ 225,588 | \$ 227,088 | \$ 209,419 | \$ 226,983 | \$ 225,470 |
| Restricted                                  | 6,077             | 6,467      | 7,236      | 5,268      | 4,774      | 5,276      | 5,191      | 24,023     | 20,766     | 7,454      |
| Unrestricted (deficit)                      | 5,123             | 4,854      | 638        | 3,028      | (1,787)    | (2,826)    | (2,757)    | (962)      | (15,327)   | (516)      |
| Total governmental activities net position  | 229,151           | 229,197    | 226,201    | 228,979    | 225,395    | 228,038    | 229,522    | 232,480    | 232,422    | 232,408    |
| Business-type activities                    |                   |            |            |            |            |            |            |            |            |            |
| Net investment in capital assets            | 27,482            | 28,348     | 29,136     | 33,418     | 35,361     | 40,846     | 42,680     | 43,285     | 43,241     | 43,931     |
| Restricted                                  | 155               | 155        | 155        | 4,154      | 2,823      | -          | -          | -          | 15         | 10         |
| Unrestricted                                | 12,104            | 12,666     | 12,587     | 13,154     | 13,966     | 12,600     | 12,694     | 15,563     | 16,996     | 18,852     |
| Total business-type activities net position | 39,741            | 41,169     | 41,878     | 50,726     | 52,150     | 53,446     | 55,374     | 58,848     | 60,252     | 62,793     |
| Primary government                          |                   |            |            |            |            |            |            |            |            |            |
| Net investment in capital assets            | 245,433           | 246,224    | 247,463    | 247,463    | 257,769    | 266,434    | 269,768    | 252,704    | 270,224    | 269,401    |
| Restricted                                  | 6,232             | 6,622      | 7,391      | 9,422      | 7,597      | 5,276      | 5,191      | 24,023     | 20,781     | 7,464      |
| Unrestricted                                | 17,227            | 17,520     | 13,225     | 16,182     | 12,179     | 9,774      | 9,937      | 14,601     | 1,669      | 18,336     |
| Total primary government net position       | \$ 268,892        | \$ 270,366 | \$ 268,079 | \$ 273,067 | \$ 277,545 | \$ 281,484 | \$ 284,896 | \$ 291,328 | \$ 292,674 | \$ 295,201 |

Net Position - Governmental Activities ('000s)



Net Position - Business-type Activities ('000s)



**CITY OF WEST LINN, OREGON**

**Changes in Net Position  
for the last ten fiscal years  
(accrual basis of accounting)  
(in thousands)**

|   | Fiscal Year Ended |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|---|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|   | 2012              | 2013             | 2014             | 2015             | 2016             | 2017             | 2018             | 2019             | 2020             | 2021             |
| <b>Expenses</b>                                 |                   |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Governmental activities:                        |                   |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| General government                              | \$ 7,110          | \$ 7,305         | \$ 7,169         | \$ 6,775         | \$ 10,291        | \$ 8,213         | \$ 9,792         | \$ 8,432         | \$ 9,541         | \$ 10,351        |
| Culture and recreation                          | 6,038             | 6,291            | 6,060            | 5,804            | 7,138            | 6,988            | 7,477            | 7,933            | 7,834            | 8,320            |
| Public safety                                   | 6,803             | 7,074            | 7,095            | 6,251            | 10,288           | 8,830            | 8,717            | 8,752            | 9,053            | 9,158            |
| Highways and streets                            | 3,431             | 3,581            | 3,664            | 3,681            | 4,303            | 4,517            | 4,429            | 4,249            | 4,439            | 5,496            |
| Interest on long-term debt                      | 507               | 615              | 549              | 508              | 625              | 403              | 353              | 860              | 940              | 911              |
| Unallocated depreciation                        | -                 | -                | -                | -                | -                | -                | -                | -                | -                | -                |
| Total governmental activities expenses          | <u>23,889</u>     | <u>24,866</u>    | <u>24,537</u>    | <u>23,019</u>    | <u>32,645</u>    | <u>28,951</u>    | <u>30,768</u>    | <u>30,226</u>    | <u>31,807</u>    | <u>34,236</u>    |
| Business-type activities:                       |                   |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Water   | 3,025             | 3,219            | 3,243            | 3,231            | 4,233            | 3,899            | 4,173            | 4,732            | 4,445            | 4,869            |
| Environmental services                          | 2,721             | 2,756            | 2,906            | 2,822            | 3,232            | 3,249            | 3,379            | 3,518            | 3,453            | 3,515            |
| Total business-type activities expenses         | <u>5,746</u>      | <u>5,975</u>     | <u>6,149</u>     | <u>6,053</u>     | <u>7,465</u>     | <u>7,148</u>     | <u>7,552</u>     | <u>8,250</u>     | <u>7,898</u>     | <u>8,384</u>     |
| Total primary government expenses               | <u>\$ 29,635</u>  | <u>\$ 30,841</u> | <u>\$ 30,686</u> | <u>\$ 29,072</u> | <u>\$ 40,110</u> | <u>\$ 36,099</u> | <u>\$ 38,320</u> | <u>\$ 38,476</u> | <u>\$ 39,705</u> | <u>\$ 42,620</u> |
| <b>Program Revenues</b>                         |                   |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Governmental activities:                        |                   |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Charges for services:                           |                   |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| General government                              | \$ 8,228          | \$ 8,167         | \$ 8,483         | \$ 8,217         | \$ 9,517         | \$ 9,596         | \$ 8,901         | \$ 9,692         | \$ 8,547         | \$ 10,077        |
| Culture and recreation                          | 1,905             | 1,911            | 2,005            | 2,056            | 2,214            | 2,432            | 2,495            | 2,546            | 2,581            | 2,316            |
| Public safety                                   | 741               | 612              | 664              | 897              | 850              | 948              | 2,008            | 781              | 1,348            | 1,289            |
| Highways and streets                            | 870               | 904              | 1,351            | 1,522            | 1,659            | 1,735            | 1,791            | 1,898            | 1,992            | 2,102            |
| Operating grants and contributions              | 3,852             | 3,974            | 3,776            | 4,019            | 4,192            | 6,249            | 4,954            | 4,645            | 4,929            | 5,949            |
| Capital grants and contributions                | 1,531             | 248              | 354              | 467              | 101              | -                | 572              | 1,925            | 234              | 255              |
| Total governmental activities program revenues  | <u>17,127</u>     | <u>15,816</u>    | <u>16,633</u>    | <u>17,178</u>    | <u>18,533</u>    | <u>20,960</u>    | <u>20,721</u>    | <u>21,487</u>    | <u>19,631</u>    | <u>21,988</u>    |
| Business-type activities:                       |                   |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Charges for services:                           |                   |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Water   | 3,554             | 4,021            | 3,968            | 4,705            | 4,427            | 4,656            | 5,313            | 6,262            | 4,959            | 6,144            |
| Environmental services                          | 2,784             | 2,813            | 2,996            | 2,953            | 3,243            | 3,428            | 3,563            | 3,750            | 3,866            | 4,158            |
| Capital grants and contributions                | 936               | 155              | 581              | 469              | 1,218            | 370              | 559              | 1,671            | 423              | 620              |
| Total business-type activities program revenues | <u>7,274</u>      | <u>6,989</u>     | <u>7,545</u>     | <u>8,127</u>     | <u>8,888</u>     | <u>8,454</u>     | <u>9,435</u>     | <u>11,683</u>    | <u>9,248</u>     | <u>10,922</u>    |
| Total primary government program revenues       | <u>\$ 24,401</u>  | <u>\$ 22,805</u> | <u>\$ 24,178</u> | <u>\$ 25,305</u> | <u>\$ 27,421</u> | <u>\$ 29,414</u> | <u>\$ 30,156</u> | <u>\$ 33,170</u> | <u>\$ 28,879</u> | <u>\$ 32,910</u> |

Continued on next page

|  | <b>Fiscal Year Ended</b> |                   |                   |                   |                   |                   |                   |                   |                    |                   |
|--|--------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|--------------------|-------------------|
|  | <b>2012</b>              | <b>2013</b>       | <b>2014</b>       | <b>2015</b>       | <b>2016</b>       | <b>2017</b>       | <b>2018</b>       | <b>2019</b>       | <b>2020</b>        | <b>2021</b>       |
| <b>Net (Expense) Revenue</b>                 |                          |                   |                   |                   |                   |                   |                   |                   |                    |                   |
| Governmental activities                      | \$ (6,762)               | \$ (9,050)        | \$ (7,904)        | \$ (5,841)        | \$(14,112)        | \$ (7,991)        | \$(10,047)        | \$ (8,739)        | \$ (12,176)        | \$ (12,248)       |
| Business-type activities                     | 1,528                    | 1,014             | 1,396             | 2,074             | 1,423             | 1,306             | 1,883             | 3,433             | 1,350              | 2,538             |
| Total primary government expenses            | <u>\$ (5,234)</u>        | <u>\$ (8,036)</u> | <u>\$ (6,508)</u> | <u>\$ (3,767)</u> | <u>\$(12,689)</u> | <u>\$ (6,685)</u> | <u>\$ (8,164)</u> | <u>\$ (5,306)</u> | <u>\$ (10,826)</u> | <u>\$ (9,710)</u> |
| <b>General Revenues</b>                      |                          |                   |                   |                   |                   |                   |                   |                   |                    |                   |
| Governmental activities:                     |                          |                   |                   |                   |                   |                   |                   |                   |                    |                   |
| Property taxes, levied for general purposes  | \$ 6,181                 | \$ 6,197          | \$ 6,440          | \$ 6,725          | \$ 7,020          | \$ 7,205          | \$ 7,538          | \$ 7,691          | \$ 8,098           | \$ 8,375          |
| Property taxes, levied for debt service      | 839                      | 1,321             | 1,406             | 1,398             | 1,372             | 1,476             | 1,461             | 1,524             | 1,542              | 1,595             |
| Franchise taxes                              | 1,749                    | 1,662             | 1,683             | 1,722             | 1,693             | 1,738             | 1,705             | 1,724             | 1,754              | 1,938             |
| Unrestricted grants and contributions        | 303                      | 319               | 337               | 297               | 428               | 203               | 164               | 187               | 162                | 165               |
| Interest and investment earnings             | 19                       | 10                | 8                 | 15                | 16                | 15                | 32                | 570               | 562                | 161               |
| Gain (loss) on disposition of capital assets | -                        | -                 | 63                | -                 | -                 | -                 | -                 | -                 | -                  | -                 |
| Transfers                                    | (170)                    | (413)             | (167)             | (1,538)           | -                 | -                 | -                 | -                 | -                  | -                 |
| Total governmental activities                | <u>8,921</u>             | <u>9,096</u>      | <u>9,770</u>      | <u>8,619</u>      | <u>10,529</u>     | <u>10,637</u>     | <u>10,900</u>     | <u>11,696</u>     | <u>12,118</u>      | <u>12,234</u>     |
| Business-type activities:                    |                          |                   |                   |                   |                   |                   |                   |                   |                    |                   |
| Intergovernmental                            | -                        | -                 | -                 | 5,000             | -                 | -                 | -                 | -                 | -                  | -                 |
| Investment earnings                          | -                        | -                 | -                 | -                 | -                 | -                 | -                 | 41                | 54                 | 2                 |
| Gain (loss) on disposition of capital assets | -                        | -                 | -                 | 236               | -                 | (8)               | (1)               | -                 | -                  | -                 |
| Transfers                                    | 170                      | 413               | 167               | 1,538             | -                 | -                 | -                 | -                 | -                  | -                 |
| Total business-type activities               | <u>170</u>               | <u>413</u>        | <u>167</u>        | <u>6,774</u>      | <u>-</u>          | <u>(8)</u>        | <u>(1)</u>        | <u>41</u>         | <u>54</u>          | <u>2</u>          |
| Total primary government                     | <u>\$ 9,091</u>          | <u>\$ 9,509</u>   | <u>\$ 9,937</u>   | <u>\$ 15,393</u>  | <u>\$ 10,529</u>  | <u>\$ 10,629</u>  | <u>\$ 10,899</u>  | <u>\$ 11,737</u>  | <u>\$ 12,172</u>   | <u>\$ 12,236</u>  |
| <b>Changes in Net Position</b>               |                          |                   |                   |                   |                   |                   |                   |                   |                    |                   |
| Governmental activities                      | \$ 2,159                 | \$ 46             | \$ 1,866          | \$ 2,778          | \$ (3,583)        | \$ 2,646          | \$ 853            | \$ 2,957          | \$ (58)            | \$ (14)           |
| Business-type activities                     | 1,698                    | 1,427             | 1,563             | 8,848             | 1,423             | 1,298             | 1,882             | 3,474             | 1,404              | 2,540             |
| Total primary government                     | <u>\$ 3,857</u>          | <u>\$ 1,473</u>   | <u>\$ 3,429</u>   | <u>\$ 11,626</u>  | <u>\$ (2,160)</u> | <u>\$ 3,944</u>   | <u>\$ 2,735</u>   | <u>\$ 6,431</u>   | <u>\$ 1,346</u>    | <u>\$ 2,526</u>   |

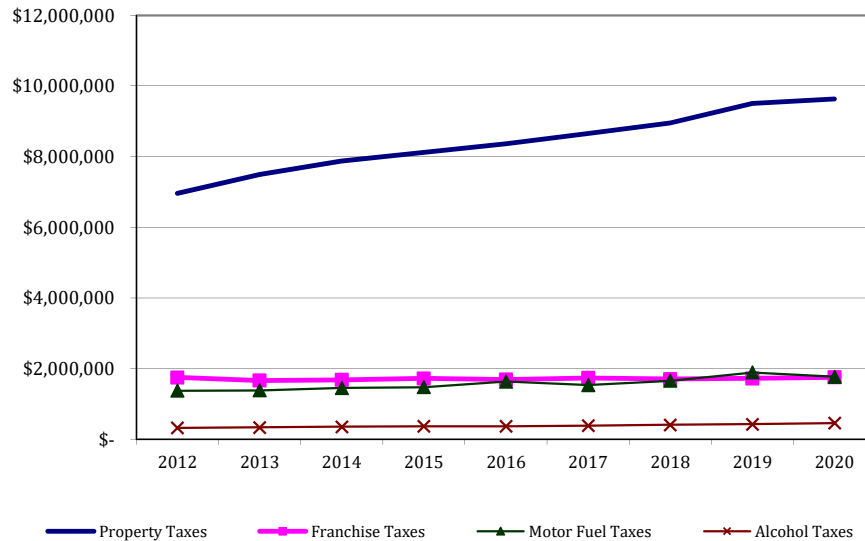
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**CITY OF WEST LINN, OREGON**  
**Governmental Activities Tax Revenues by Source**  
*for the last ten fiscal years*  
**(modified accrual basis of accounting)**

| <b>Fiscal year</b> | <b>Property tax</b> | <b>Franchise tax</b> | <b>Motor fuel tax<sup>1</sup></b> | <b>Alcoholic beverage tax<sup>1</sup></b> | <b>Total</b>  |
|--------------------|---------------------|----------------------|-----------------------------------|---|---------------|
| 2012               | \$ 6,957,799        | \$ 1,748,619         | \$ 1,372,076                      | \$ 321,952                                | \$ 10,400,446 |
| 2013               | 7,497,058           | 1,661,718            | 1,384,642                         | 337,394                                   | 10,880,812    |
| 2014               | 7,875,104           | 1,682,559            | 1,451,422                         | 355,788                                   | 11,364,873    |
| 2015               | 8,115,994           | 1,721,760            | 1,472,249                         | 367,367                                   | 11,677,370    |
| 2016               | 8,364,263           | 1,692,432            | 1,629,684                         | 367,528                                   | 12,053,907    |
| 2017               | 8,652,842           | 1,738,158            | 1,532,122                         | 385,113                                   | 12,308,235    |
| 2018               | 8,954,917           | 1,704,799            | 1,655,177                         | 409,178                                   | 12,724,071    |
| 2019               | 9,506,390           | 1,723,542            | 1,889,497                         | 429,479                                   | 13,548,908    |
| 2020               | 9,628,761           | 1,753,650            | 1,769,336                         | 459,333                                   | 13,611,080    |
| 2021               | 9,963,398           | 1,937,469            | 1,929,184                         | 506,243                                   | 14,336,294    |

<sup>1</sup> Motor fuel and alcoholic beverage taxes are not directly assessed by the City of West Linn, but rather by the State of Oregon, then a portion is allocated to the City based upon population.

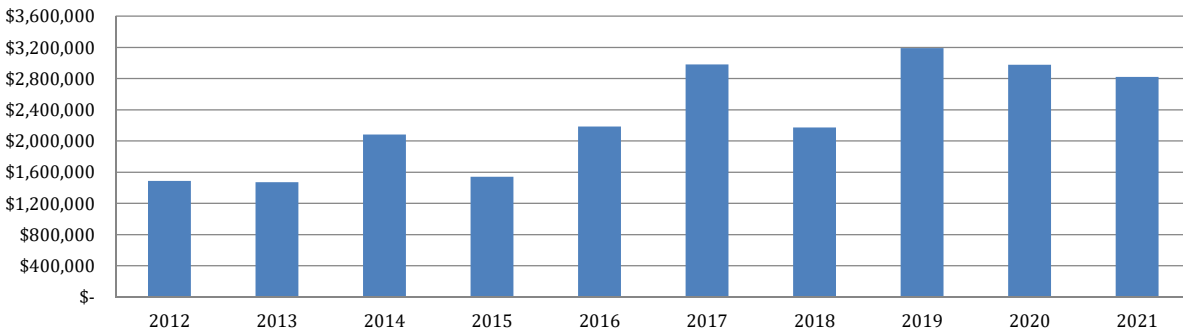
Trend Lines of Tax Revenues by Source



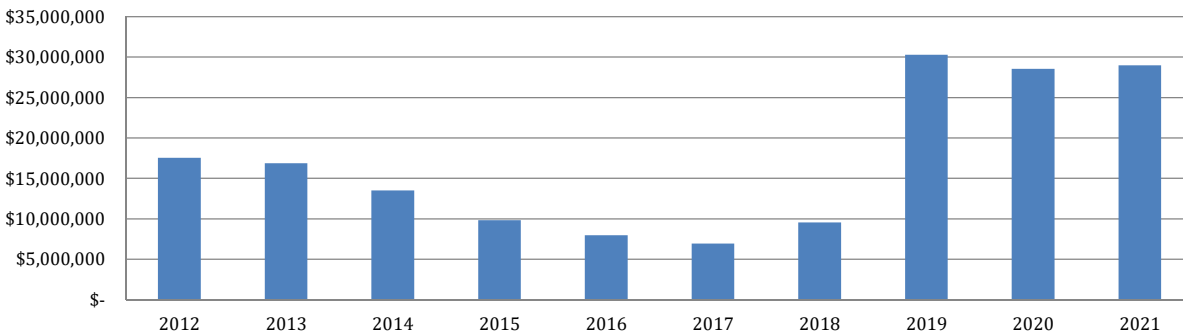
**CITY OF WEST LINN, OREGON**  
**Fund Balances of Governmental Funds**  
*for the last ten fiscal years*  
(modified accrual basis of accounting)

|   | Fiscal Year Ended    |                      |                      |                     |                     |                     |                     |                      |                      |                      |
|---|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
|   | 2012                 | 2013                 | 2014                 | 2015                | 2016                | 2017                | 2018                | 2019                 | 2020                 | 2021                 |
| <b>General fund</b>                       |                      |                      |                      |                     |                     |                     |                     |                      |                      |                      |
| Nonspendable                              | \$ 164,462           | \$ 169,275           | \$ 150,427           | \$ 188,685          | \$ 134,755          | \$ 136,064          | \$ 172,885          | \$ 197,432           | \$ 314,516           | \$ 335,714           |
| Restricted                                | -                    | -                    | -                    | -                   | -                   | -                   | -                   | -                    | -                    | -                    |
| Committed                                 | -                    | -                    | -                    | -                   | -                   | -                   | -                   | -                    | -                    | -                    |
| Assigned                                  | -                    | -                    | -                    | -                   | -                   | -                   | -                   | -                    | -                    | -                    |
| Unassigned                                | 1,325,884            | 1,301,083            | 1,932,734            | 1,352,882           | 2,049,157           | 2,847,475           | 1,999,681           | 2,994,171            | 2,662,304            | 2,486,508            |
| <b>Total general fund</b>                 | <b>\$ 1,490,346</b>  | <b>\$ 1,470,358</b>  | <b>\$ 2,083,161</b>  | <b>\$ 1,541,567</b> | <b>\$ 2,183,912</b> | <b>\$ 2,983,539</b> | <b>\$ 2,172,566</b> | <b>\$ 3,191,603</b>  | <b>\$ 2,976,820</b>  | <b>\$ 2,822,222</b>  |
| <b>All other governmental funds:</b>      |                      |                      |                      |                     |                     |                     |                     |                      |                      |                      |
| Nonspendable                              | \$ 157,300           | \$ 157,300           | \$ 157,300           | \$ 157,300          | \$ 157,300          | \$ 157,300          | \$ 157,300          | \$ 157,300           | \$ 157,300           | \$ 157,300           |
| Restricted                                | 12,922,103           | 12,544,353           | 8,651,824            | 5,110,428           | 4,616,228           | 5,118,429           | 5,033,604           | 23,865,890           | 19,777,780           | 18,184,623           |
| Committed                                 | 4,482,238            | 4,166,120            | 4,705,382            | 4,745,564           | 3,271,183           | 1,683,122           | 4,370,525           | 6,276,879            | 8,587,235            | 10,628,178           |
| Assigned                                  | -                    | -                    | -                    | -                   | -                   | -                   | -                   | -                    | -                    | -                    |
| Unassigned                                | -                    | -                    | -                    | (174,525)           | (76,404)            | (1,800)             | -                   | -                    | -                    | -                    |
| <b>Total all other governmental funds</b> | <b>\$ 17,561,641</b> | <b>\$ 16,867,773</b> | <b>\$ 13,514,506</b> | <b>\$ 9,838,767</b> | <b>\$ 7,968,307</b> | <b>\$ 6,957,051</b> | <b>\$ 9,561,429</b> | <b>\$ 30,300,069</b> | <b>\$ 28,522,315</b> | <b>\$ 28,970,101</b> |

Fund Balance - General Fund



Fund Balance - All Other Governmental Funds



**CITY OF WEST LINN, OREGON**  
**Changes in Fund Balances of Governmental Funds**  
*for the last ten fiscal years*  
**(modified accrual basis of accounting)**

|  | <b>Fiscal Year Ended</b> |                     |                       |                       |                       |                     |                     |                      |                       |                   |
|--|--------------------------|---------------------|-----------------------|-----------------------|-----------------------|---------------------|---------------------|----------------------|-----------------------|-------------------|
|  | <b>2012</b>              | <b>2013</b>         | <b>2014</b>           | <b>2015</b>           | <b>2016</b>           | <b>2017</b>         | <b>2018</b>         | <b>2019</b>          | <b>2020</b>           | <b>2021</b>       |
| <b>Revenues:</b>   |                          |                     |                       |                       |                       |                     |                     |                      |                       |                   |
| Property taxes   | \$ 6,957,799             | \$ 7,497,058        | \$ 7,875,104          | \$ 8,115,994          | \$ 8,364,263          | \$ 8,652,843        | \$ 8,954,917        | \$ 9,506,390         | \$ 9,628,761          | \$ 9,963,398      |
| Intergovernmental  | 4,789,930                | 3,912,898           | 3,716,218             | 3,958,604             | 4,131,820             | 5,288,670           | 5,793,979           | 4,585,428            | 4,899,193             | 5,986,580         |
| Franchise taxes  | 1,748,619                | 1,661,718           | 1,682,559             | 1,721,760             | 1,692,432             | 1,738,158           | 1,704,799           | 1,723,542            | 1,753,650             | 1,937,469         |
| Fines and forfeitures  | 403,165                  | 432,940             | 478,194               | 482,800               | 627,576               | 574,991             | 483,750             | 429,147              | 350,515               | 289,078           |
| Licenses and fees  | 1,218,483                | 1,049,767           | 1,106,437             | 826,093               | 1,193,511             | 1,159,526           | 979,915             | 926,064              | 819,626               | 1,290,664         |
| Charges for services   | 8,355,873                | 8,742,651           | 9,640,378             | 10,541,120            | 10,953,927            | 11,607,602          | 13,020,322          | 12,269,293           | 12,766,228            | 12,778,429        |
| Systems development charges                                      | 1,765,887                | 1,367,798           | 1,278,072             | 647,616               | 1,415,956             | 1,384,954           | 699,805             | 889,965              | 492,712               | 1,111,093         |
| Investment earnings  | 18,944                   | 9,833               | 7,512                 | 15,270                | 16,322                | 14,775              | 32,314              | 570,027              | 563,101               | 161,107           |
| Miscellaneous  | 303,350                  | 319,017             | 337,149               | 296,534               | 428,137               | 202,446             | 164,203             | 186,729              | 161,736               | 165,220           |
| <b>Total revenues</b>  | <b>25,562,050</b>        | <b>24,993,680</b>   | <b>26,121,623</b>     | <b>26,605,791</b>     | <b>28,823,944</b>     | <b>30,623,965</b>   | <b>31,834,004</b>   | <b>31,086,585</b>    | <b>31,435,522</b>     | <b>33,683,038</b> |
| <b>Expenditures:</b>   |                          |                     |                       |                       |                       |                     |                     |                      |                       |                   |
| <b>Current:</b>  |                          |                     |                       |                       |                       |                     |                     |                      |                       |                   |
| General government   | 6,704,454                | 7,209,531           | 6,758,119             | 7,785,446             | 7,645,271             | 7,344,181           | 9,235,355           | 7,889,174            | 8,780,967             | 9,464,312         |
| Culture and recreation   | 5,182,185                | 5,440,445           | 5,149,677             | 5,438,749             | 5,652,323             | 5,891,783           | 6,055,190           | 6,311,872            | 6,105,307             | 6,605,729         |
| Public safety  | 6,711,910                | 7,041,384           | 6,851,540             | 7,184,749             | 8,092,329             | 8,002,902           | 7,963,228           | 8,023,965            | 8,100,143             | 8,220,464         |
| Highways and streets   | 1,452,551                | 1,591,059           | 1,617,973             | 1,695,348             | 1,819,750             | 1,962,717           | 1,987,636           | 1,956,229            | 1,869,077             | 2,946,189         |
| <b>Debt service:</b>   |                          |                     |                       |                       |                       |                     |                     |                      |                       |                   |
| Principal  | 1,065,000                | 1,245,000           | 1,370,000             | 1,440,000             | 1,325,780             | 1,600,000           | 1,669,986           | 1,420,000            | 1,241,927             | 1,557,008         |
| Interest   | 427,366                  | 651,831             | 552,802               | 513,211               | 660,136               | 407,274             | 357,898             | 807,868              | 943,329               | 914,884           |
| <b>Current refunding</b>   | -                        | -                   | -                     | -                     | -                     | -                   | -                   | -                    | -                     | -                 |
| <b>Capital outlay</b>  | <b>2,793,021</b>         | <b>2,578,462</b>    | <b>6,752,923</b>      | <b>6,780,121</b>      | <b>4,906,835</b>      | <b>5,626,737</b>    | <b>3,025,531</b>    | <b>3,166,422</b>     | <b>6,626,222</b>      | <b>3,806,880</b>  |
| <b>Total expenditures</b>  | <b>24,336,487</b>        | <b>25,757,712</b>   | <b>29,053,034</b>     | <b>30,837,624</b>     | <b>30,102,424</b>     | <b>30,835,594</b>   | <b>30,294,824</b>   | <b>29,575,530</b>    | <b>33,666,942</b>     | <b>33,515,466</b> |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>1,225,563</b>         | <b>(764,032)</b>    | <b>(2,931,411)</b>    | <b>(2,932,411)</b>    | <b>(1,278,480)</b>    | <b>(211,629)</b>    | <b>1,539,180</b>    | <b>1,511,055</b>     | <b>(2,231,420)</b>    | <b>167,572</b>    |
| <b>Other financing sources (uses):</b>                           |                          |                     |                       |                       |                       |                     |                     |                      |                       |                   |
| Proceeds from lease obligations                                  | -                        | -                   | -                     | -                     | -                     | -                   | -                   | -                    | -                     | 51,297            |
| Proceeds from sale of capital assets                             | 90,085                   | -                   | 191,947               | 14,500                | -                     | -                   | 900                 | -                    | -                     | 74,319            |
| Refunding bonds issued   | -                        | -                   | -                     | -                     | 2,625,000             | -                   | -                   | -                    | -                     | -                 |
| General obligation bonds issued                                  | 8,500,000                | -                   | -                     | -                     | -                     | -                   | -                   | 20,000,000           | 233,989               | -                 |
| Bond premium on issuance of debt                                 | 102,688                  | -                   | -                     | -                     | 229,585               | -                   | -                   | 246,622              | 4,894                 | -                 |
| Payment to refunded bond escrow                                  | -                        | -                   | -                     | -                     | (2,804,220)           | -                   | -                   | -                    | -                     | -                 |
| Capital lease  | -                        | 50,176              | -                     | -                     | -                     | -                   | -                   | -                    | -                     | -                 |
| <b>Total other financing sources (uses)</b>                      | <b>8,692,773</b>         | <b>50,176</b>       | <b>191,947</b>        | <b>14,500</b>         | <b>50,365</b>         | <b>-</b>            | <b>900</b>          | <b>20,246,622</b>    | <b>238,883</b>        | <b>125,616</b>    |
| <b>Net change in fund balances</b>                               | <b>\$ 9,918,336</b>      | <b>\$ (713,856)</b> | <b>\$ (2,739,464)</b> | <b>\$ (2,917,911)</b> | <b>\$ (1,228,115)</b> | <b>\$ (211,629)</b> | <b>\$ 1,540,080</b> | <b>\$ 21,757,677</b> | <b>\$ (1,992,537)</b> | <b>\$ 293,188</b> |
| <b>Debt service as a percentage of noncapital expenditures</b>   | <b>6.9%</b>              | <b>8.2%</b>         | <b>8.6%</b>           | <b>8.1%</b>           | <b>7.9%</b>           | <b>8.0%</b>         | <b>7.4%</b>         | <b>8.4%</b>          | <b>8.1%</b>           | <b>8.3%</b>       |

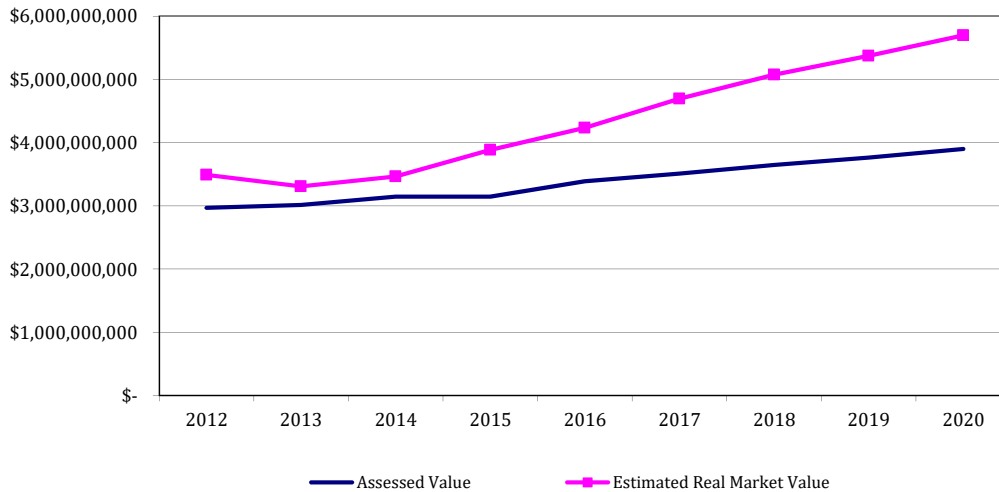


**CITY OF WEST LINN, OREGON**  
**Assessed Value and Estimated Real Market Value of Taxable Property**  
*for the last ten fiscal years*

| Fiscal year | Assessed Value   |                   |                   |                |                      | Total direct tax rate | RMV                               | Assessed value as a percentage of RMV |
|-------------|------------------|-------------------|-------------------|----------------|----------------------|-----------------------|-----------------------------------|---------------------------------------|
|             | Real property    | Personal property | Manuf'd structure | Public utility | Total assessed value |                       | Estimated real market value (RMV) |                                       |
| 2012        | \$ 2,844,388,454 | \$ 20,971,094     | \$ 5,720          | \$ 100,553,420 | \$ 2,965,918,688     | \$ 2.4180             | \$ 3,487,305,552                  | 85 %                                  |
| 2013        | 2,896,939,017    | 20,871,017        | 5,740             | 93,960,465     | 3,011,776,239        | 2.5629                | 3,305,208,425                     | 91                                    |
| 2014        | 3,026,911,233    | 23,699,155        | 11,320            | 92,241,830     | 3,142,863,538        | 2.5590                | 3,460,978,688                     | 91                                    |
| 2015        | 3,147,688,253    | 23,101,337        | 11,820            | 94,985,546     | 3,142,863,538        | 2.5489                | 3,885,035,988                     | 81                                    |
| 2016        | 3,266,125,238    | 23,238,532        | 12,540            | 100,053,400    | 3,389,429,710        | 2.5386                | 4,232,095,255                     | 80                                    |
| 2017        | 3,388,738,011    | 23,040,210        | 13,650            | 96,824,000     | 3,508,615,871        | 2.5386                | 4,691,525,851                     | 75                                    |
| 2018        | 3,507,304,886    | 23,156,295        | 14,860            | 112,552,000    | 3,643,028,041        | 2.5375                | 5,073,357,248                     | 72                                    |
| 2019        | 3,628,957,851    | 16,697,701        | 69,806            | 115,578,000    | 3,761,303,358        | 2.5410                | 5,371,814,731                     | 70                                    |
| 2020        | 3,760,490,328    | 16,363,479        | 15,907            | 122,187,200    | 3,899,056,914        | 2.5401                | 5,695,501,523                     | 68                                    |
| 2021        | 3,891,189,202    | 18,367,271        | 17,100            | 114,899,700    | 4,024,473,273        | 2.5403                | 5,856,229,897                     | 69                                    |

Source: Clackamas County Assessor's Office

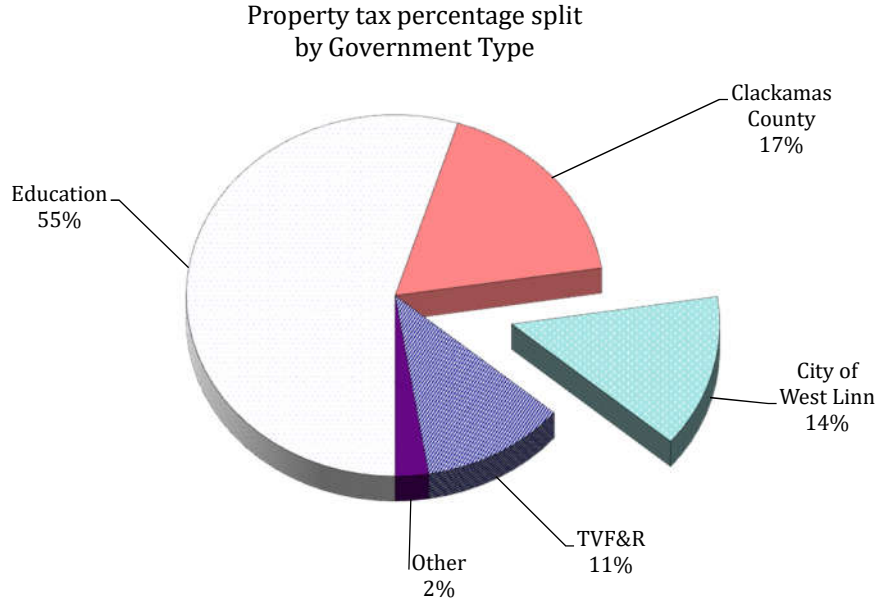
The gap between Assessed Value and Estimated Real Market Value



**CITY OF WEST LINN, OREGON**  
**Property Tax Rates - Direct and Overlapping Governments**  
*for the last ten fiscal years*  
*(rate per \$1,000 of assessed value)*

| Fiscal year | City direct rates  |                        |                      |              | Overlapping rates                     |                  |                             |                            |                                |         |          | Total direct and overlapping |
|-------------|--------------------|------------------------|----------------------|--------------|---------------------------------------|------------------|-----------------------------|----------------------------|--------------------------------|---------|----------|------------------------------|
|             | Permanent tax rate | Local option levy rate | Bonded debt tax rate | Total direct | West Linn Wilsonville School District | Clackamas County | Clackamas Community College | Education Service District | Tualain Valley Fire and Rescue | Other   |          |                              |
| 2012        | \$ 2.1200          | \$ -                   | \$ 0.2980            | \$ 2.4180    | \$ 9.36                               | \$ 3.28          | \$ 0.68                     | \$ 0.36                    | \$ 1.78                        | \$ 0.62 | \$ 18.50 |                              |
| 2013        | 2.1200             | -                      | 0.4429               | 2.5629       | 9.38                                  | 3.29             | 0.70                        | 0.36                       | 1.91                           | 0.50    | 18.71    |                              |
| 2014        | 2.1200             | -                      | 0.4390               | 2.5590       | 9.32                                  | 3.18             | 0.71                        | 0.37                       | 1.91                           | 0.54    | 18.58    |                              |
| 2015        | 2.1200             | -                      | 0.4289               | 2.5489       | 9.25                                  | 3.19             | 0.71                        | 0.37                       | 1.89                           | 0.53    | 18.48    |                              |
| 2016        | 2.1200             | -                      | 0.4186               | 2.5386       | 9.24                                  | 3.19             | 0.74                        | 0.37                       | 2.11                           | 0.46    | 18.64    |                              |
| 2017        | 2.1200             | -                      | 0.4186               | 2.5386       | 9.23                                  | 3.19             | 0.74                        | 0.37                       | 2.10                           | 0.47    | 18.63    |                              |
| 2018        | 2.1200             | -                      | 0.4175               | 2.5375       | 9.07                                  | 3.29             | 0.74                        | 0.37                       | 2.08                           | 0.48    | 18.56    |                              |
| 2019        | 2.1200             | -                      | 0.4210               | 2.5410       | 9.19                                  | 3.90             | 0.74                        | 0.37                       | 2.08                           | 0.76    | 19.59    |                              |
| 2020        | 2.1200             | -                      | 0.4201               | 2.5401       | 9.33                                  | 3.27             | 0.73                        | 0.37                       | 2.07                           | 0.74    | 19.05    |                              |
| 2021        | 2.1200             | -                      | 0.4203               | 2.5403       | 9.70                                  | 3.27             | 0.73                        | 0.37                       | 2.12                           | 0.67    | 19.40    |                              |

Source: Clackamas County Assessor's Office



**CITY OF WEST LINN, OREGON**

**Principal Property Taxpayers**  
*current year and nine years ago*

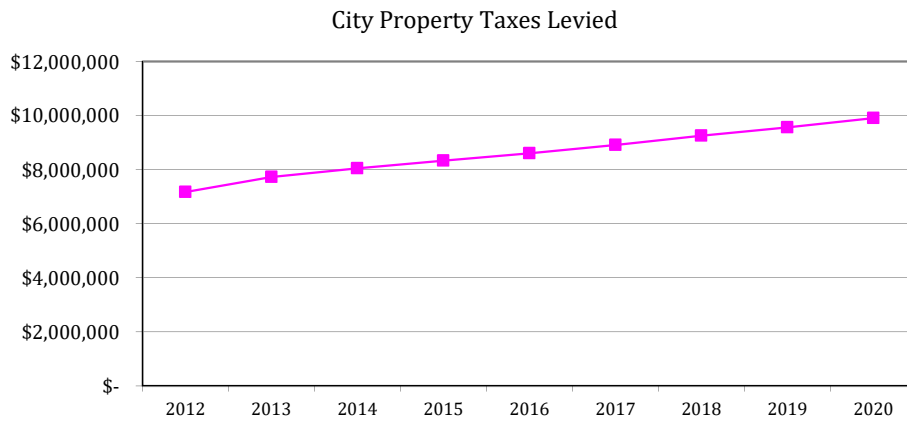
| Name                                | 2021                    |      |                  | 2012                    |      |                  |
|-------------------------------------|-------------------------|------|------------------|-------------------------|------|------------------|
|                                     | Assessed value          | Rank | % of total value | Assessed value          | Rank | % of total value |
| Portland General Electric Co        | \$ 75,700,325           | 1    | 1.9 %            | \$ 63,383,000           | 1    | 2.2 %            |
| Simpson Realty Group LP             | 32,606,277              | 2    | 0.8              | 24,989,998              | 2    | 0.8              |
| West Linn Shopping Ctr. Assoc. LLC  | 24,758,104              | 3    | 0.6              | 18,539,471              | 4    | 0.6              |
| Blackhawk Nevada LLC                | 18,501,207              | 4    | 0.5              | 16,079,312              | 7    |                  |
| Northwest Natural Gas Co            | 17,484,000              | 5    | 0.4              | 13,960,500              | 8    | 0.5              |
| Willamette Marketplace LLC          | 15,512,400              | 6    | 0.4              |                         |      | 0.0              |
| ROIC Cascade Summit LLC             | 13,032,364              | 7    | 0.3              |                         |      |                  |
| ROIC Robinwood LLC                  | 11,597,271              | 8    | 0.3              |                         |      |                  |
| S & G Summerlinn LLC                | 11,548,782              | 9    | 0.3              |                         |      |                  |
| Cap VII - West Linn LLC             | 11,375,521              | 10   | 0.3              |                         |      |                  |
| West Linn Paper Prop. Co            |                         |      |                  | 22,090,838              | 3    | 0.7              |
| Retail Opportunity Investments Corp |                         |      |                  | 16,754,259              | 5    | 0.6              |
| Comcast Corporation                 |                         |      |                  | 16,082,400              | 6    | 0.5              |
| Elliott Associates Inc              |                         |      |                  | 10,796,947              | 9    | 0.4              |
| Blackhawk LLC                       |                         |      |                  | 9,659,168               | 10   | 0.3              |
| Sub-total, top ten                  | 232,116,251             |      | 5.8              | 212,335,893             |      | 7.2              |
| All other City taxpayers            | 3,792,357,022           |      | 94.2             | 2,753,582,795           |      | 92.8 %           |
| Total City taxpayers                | <u>\$ 4,024,473,273</u> |      | <u>100.0 %</u>   | <u>\$ 2,965,918,688</u> |      | <u>100.0 %</u>   |

Source: Clackamas County Assessor's Office

**CITY OF WEST LINN, OREGON**  
**Property Tax Levies and Collections**  
*for the last ten fiscal years*

| Fiscal year | Taxes levied for the fiscal year | Collected within the fiscal year of the levy |                    | Collections in subsequent years | Total collections to date |                    |
|-------------|----------------------------------|--|--------------------|---------------------------------|---------------------------|--------------------|
|             |                                  | Amount                                       | Percentage of levy |                                 | Amount                    | Percentage of levy |
| 2012        | \$ 7,174,440                     | \$ 6,799,324                                 | 95                 | 216,845                         | \$ 7,016,169              | 98 %               |
| 2013        | 7,724,400                        | 7,283,059                                    | 94                 | 210,026                         | 7,493,085                 | 97                 |
| 2014        | 8,044,298                        | 7,628,822                                    | 95                 | 183,792                         | 7,812,614                 | 97                 |
| 2015        | 8,327,514                        | 7,911,683                                    | 95                 | 156,714                         | 8,068,397                 | 97                 |
| 2016        | 8,606,218                        | 8,187,209                                    | 95                 | 238,434                         | 8,425,643                 | 98                 |
| 2017        | 8,913,604                        | 8,493,826                                    | 95                 | 88,359                          | 8,582,185                 | 96                 |
| 2018        | 9,251,827                        | 8,808,675                                    | 95                 | 117,207                         | 8,925,882                 | 96                 |
| 2019        | 9,564,108                        | 9,140,407                                    | 96                 | 92,949                          | 9,233,356                 | 97                 |
| 2020        | 9,909,274                        | 9,456,222                                    | 95                 | 113,699                         | 9,569,921                 | 97                 |
| 2021        | 10,246,160                       | 9,798,669                                    | 96                 | -                               | 9,798,669                 | 96                 |

Source: Annual financial statements of the City of West Linn

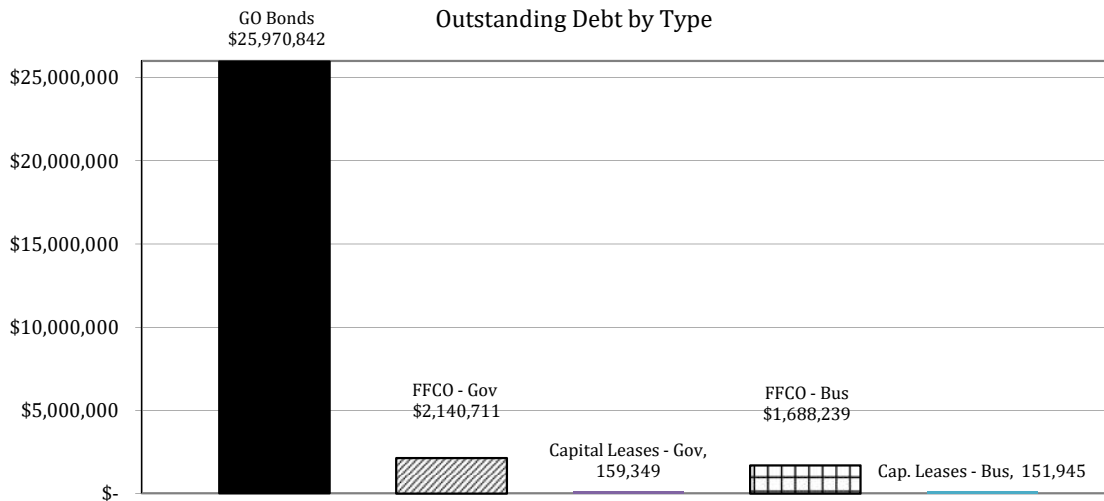


**CITY OF WEST LINN, OREGON**  
**Ratios of Outstanding Debt by Type**  
*for the last ten fiscal years*

| Fiscal year | Governmental Activities  |                |                                   | Business-type Activities          |                |               | Total primary government | Percentage of income | Per capita |
|-------------|--------------------------|----------------|-----------------------------------|-----------------------------------|----------------|---------------|--------------------------|----------------------|------------|
|             | General Obligation Bonds | Capital Leases | Full Faith and Credit obligations | Full Faith and Credit obligations | Capital Leases |               |                          |                      |            |
| 2012        | \$ 14,871,516            | \$ -           | \$ 6,230,492                      | \$ 1,060,000                      | \$ -           | \$ 22,162,008 | 22.45 %                  | \$ 878               |            |
| 2013        | 13,998,149               | -              | 5,811,025                         | 970,000                           | -              | 20,779,174    | 20.53                    | 819                  |            |
| 2014        | 13,039,727               | -              | 5,381,558                         | 875,000                           | -              | 19,296,285    | 17.94                    | 759                  |            |
| 2015        | 11,979,525               | -              | 4,937,091                         | 770,000                           | -              | 17,686,616    | 14.82                    | 693                  |            |
| 2016        | 10,848,048               | -              | 4,705,393                         | 2,786,899                         | -              | 18,340,340    | *                        | 716                  |            |
| 2017        | 9,679,681                | -              | 4,215,626                         | 2,579,167                         | -              | 16,474,474    | *                        | 643.16               |            |
| 2018        | 8,702,936                | -              | 3,710,862                         | 2,366,435                         | -              | 14,780,233    | *                        | 575.22               |            |
| 2019        | 27,732,238               | -              | 3,205,810                         | 2,148,703                         | -              | 33,086,751    | *                        | 1,280.94             |            |
| 2020        | 26,996,540               | 197,062        | 2,680,758                         | 1,925,971                         | 248,092        | 32,048,423    | *                        | 1,237.15             |            |
| 2021        | 25,970,842               | 159,349        | 2,140,711                         | 1,688,239                         | 151,945        | 30,111,086    | *                        | 1,159.23             |            |

\* Information unavailable at this time.

Source: Annual financial statements of the City of West Linn



**CITY OF WEST LINN, OREGON**  
**Ratios of General Bonded Debt Outstanding**  
*for the last ten fiscal years*

| <b>Fiscal year</b> | <b>General obligation bonds<sup>1</sup></b> | <b>Less: amounts available in debt service fund</b> | <b>Net</b>    | <b>Percentage of net over assessed value of property<sup>2</sup></b> | <b>Per capita<sup>3</sup></b> |
|--------------------|---|---|---------------|--|-------------------------------|
| 2012               | \$ 14,871,516                               | \$ (68,681)   | \$ 14,802,835 | 0.50 %   | \$ 586                        |
| 2013               | 13,998,149                                  | (80,690)  | 13,917,459    | 0.46   | 549                           |
| 2014               | 13,039,727                                  | (163,541)   | 12,876,186    | 0.41   | 506                           |
| 2015               | 11,966,415                                  | (204,191)   | 11,762,224    | 0.37   | 461                           |
| 2016               | 10,848,048                                  | (167,745)   | 10,680,303    | 0.32   | 417                           |
| 2017               | 9,666,571                                   | (214,332)   | 9,452,239     | 0.27   | 369                           |
| 2018               | 8,702,936                                   | (219,646)   | 8,483,290     | 0.23   | 330                           |
| 2019               | 27,732,238                                  | (302,230)   | 27,430,008    | 0.73   | 1,068                         |
| 2020               | 26,996,540                                  | (289,652)   | 26,706,888    | 0.68   | 1,031                         |
| 2021               | 25,970,842                                  | (280,286)   | 25,690,556    | 0.64   | 989                           |

<sup>1</sup> Includes both governmental activities and business-type activities.

<sup>2</sup> Assessed value data of property can be found on page 101.

<sup>3</sup> Population data can be found on page 110.

**CITY OF WEST LINN, OREGON**  
**Direct and Overlapping Governmental Activities Debt**  
*as of June 30, 2021*

| <b>Governmental unit</b>                      | <b>Real market values<br/>of overlapping<br/>districts</b> | <b>Tax-supported<br/>debt<br/>outstanding</b> | <b>Percentage<br/>overlapping<sup>1</sup></b> | <b>Overlapping<br/>debt applicable<br/>to the City of<br/>West Linn</b> |
|---|--|---|---|---|
| Debt repaid with property taxes:              |  |   |   |   |
| West Linn Wilsonville School District         | \$ 13,159,544,607  | \$ 348,463,289                                | 44.15 %                                       | \$ 153,839,573  |
| Clackamas Community College                   | 65,044,593,127   | 84,925,428                                    | 8.93  | 7,585,369   |
| Clackamas County                              | 88,187,427,081   | 125,400,000                                   | 6.64  | 8,327,438   |
| Clackamas County ESD                          | 84,173,150,583   | 23,805,136                                    | 6.96  | 1,656,219   |
| Clackamas Soil & Water Conservation           | 88,187,443,151   | 6,144,000                                     | 6.64  | 408,005   |
| Metro   | 358,995,131,497  | 920,585,000                                   | 1.63  | 15,017,503  |
| Tualatin Valley Fire and Rescue               | 108,613,199,569  | 17,325,000                                    | 5.39  | 934,129   |
| Lake Oswego School District No. 7J            | 14,607,473,646   | 255,972,910                                   | 0.32  | 815,786   |
| Port of Portland                              | 390,565,299,889  | -   | -   | -   |
| Portland Community College                    | 285,951,317,436  | 545,535,000                                   | 0.02  | 88,922  |
| Subtotal, overlapping debt                    | 1,497,484,580,586  | 2,328,155,763                                 |   | 188,672,944   |
| Direct debt outstanding:                      |  |   |   |   |
| City of West Linn                             | 5,856,229,897  | 28,270,902                                    | 100.00  | 28,270,902  |
| Total direct and overlapping debt outstanding | <u>\$ 1,503,340,810,483</u>                                | <u>\$ 2,356,426,665</u>                       |   | <u>\$ 216,943,846</u>   |

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

<sup>1</sup> The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the City's taxable assessed value that is within the government's boundaries and dividing it by the City's total taxable assessed value.

Source: Oregon State Treasury Department, Debt Management Division

**CITY OF WEST LINN, OREGON**  
**Legal Debt Margin Information**  
*for the last ten fiscal years*

|  | <u>2012</u>          | <u>2013</u>          | <u>2014</u>         | <u>2015</u>       | <u>2016</u>           |
|--|----------------------|----------------------|---------------------|-------------------|-----------------------|
| Debt maximum limitation  | \$ 104,619,167       | \$ 99,156,253        | \$ 103,829,361      | \$ 116,551,080    | \$ 126,962,858        |
| Debt applicable to maximum limit   | <u>14,636,319</u>    | <u>13,764,310</u>    | <u>12,706,459</u>   | <u>11,775,334</u> | <u>10,680,303</u>     |
| Legal debt margin available  | <u>\$ 89,982,848</u> | <u>\$ 85,391,943</u> | <u>\$ 1,532,122</u> | <u>\$ 385,113</u> | <u>\$ 116,282,555</u> |
| Debt applicable to the maximum limit<br>as a percentage of debt limitation | 6.18%                | 13.99%               | 13.88%              | 12.24%            | 10.10%                |

|  | <u>2017</u>           | <u>2018</u>           | <u>2019</u>           | <u>2020</u>           | <u>2021</u>           |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Debt maximum limitation  | \$ 140,745,776        | \$ 152,200,717        | \$ 161,154,442        | \$ 170,865,046        | \$ 175,686,897        |
| Debt applicable to maximum limit   | <u>9,465,349</u>      | <u>8,161,820</u>      | <u>27,122,770</u>     | <u>26,706,888</u>     | <u>27,152,042</u>     |
| Legal debt margin available  | <u>\$ 131,280,427</u> | <u>\$ 144,038,897</u> | <u>\$ 134,031,672</u> | <u>\$ 144,158,158</u> | <u>\$ 148,534,855</u> |
| Debt applicable to the maximum limit<br>as a percentage of debt limitation | 8.41%                 | 6.73%                 | 16.83%                | 15.63%                | 15.45%                |

**Legal debt margin calculation for the fiscal year ended June 30, 2021:**

|   |                       |
|---|-----------------------|
| Total property real market value  | \$ 5,856,229,897      |
|   | 3%                    |
| Debt maximum limitation (3% of total property real market value) <sup>1</sup>                 | <u>175,686,897</u>    |
| Amount of debt applicable to debt limit:  |                       |
| Total bonded debt outstanding   | 32,048,423            |
| Less debt excluded from debt limit:   |                       |
| Full faith and credit obligations - governmental activities                                   | (2,680,758)           |
| Full faith and credit obligations - business-type activities                                  | (1,925,971)           |
| Less funds applicable to the payment of principal<br>in the debt service fund per ORS 287.004 | <u>(289,652)</u>      |
| Net amount of debt applicable to limit  | <u>27,152,042</u>     |
| Legal debt margin - amount available for future indebtedness                                  | <u>\$ 148,534,855</u> |
| Percentage of City's indebtedness to total allowed  | 15.45%                |

<sup>1</sup> Pursuant to Oregon Revised Statutes 287.004, outstanding general obligation debt is limited to three percent of real market value.

Source: Clackamas County Department of Assessment and Taxation



**CITY OF WEST LINN, OREGON**  
**Pledged-Revenue Coverage**  
*for the last ten fiscal years*

| Fiscal year | Water Revenue Bonds                  |                                       |                       |                           |           |          |
|-------------|--------------------------------------|---------------------------------------|-----------------------|---------------------------|-----------|----------|
|             | Utility service charges <sup>1</sup> | Less: operating expenses <sup>2</sup> | Net available revenue | Debt service requirements |           | Coverage |
|             |                                      |                                       |                       | Principal                 | Interest  |          |
| 2012        | \$ 3,265,914                         | \$ 2,527,838                          | \$ 738,076            | \$ 85,000                 | \$ 63,822 | 4.96     |
| 2013        | 3,590,818                            | 2,665,637                             | 925,181               | 90,000                    | 60,013    | 6.17     |
| 2014        | 3,690,929                            | 2,660,794                             | 1,030,135             | 95,000                    | 54,694    | 6.88     |
| 2015        | 4,165,137                            | 2,928,563                             | 1,236,574             | 105,000                   | 48,944    | 8.03     |
| 2016        | -                                    | -                                     | -                     | -                         | -         | -        |
| 2017        | -                                    | -                                     | -                     | -                         | -         | -        |
| 2018        | -                                    | -                                     | -                     | -                         | -         | -        |
| 2019        | -                                    | -                                     | -                     | -                         | -         | -        |
| 2020        | -                                    | -                                     | -                     | -                         | -         | -        |
| 2021        | -                                    | -                                     | -                     | -                         | -         | -        |

<sup>1</sup> Charges include operating revenue plus interest income on operating earnings.

<sup>2</sup> Expenses include operating expenditures except for depreciation, net income from joint venture, and transfers pursuant to bond covenants coverage requirements.

Note: The Water Revenue Bonds were refunded by Full Faith and Credit Obligations in 2016 with no pledged-revenue debt service coverage requirements going forward.

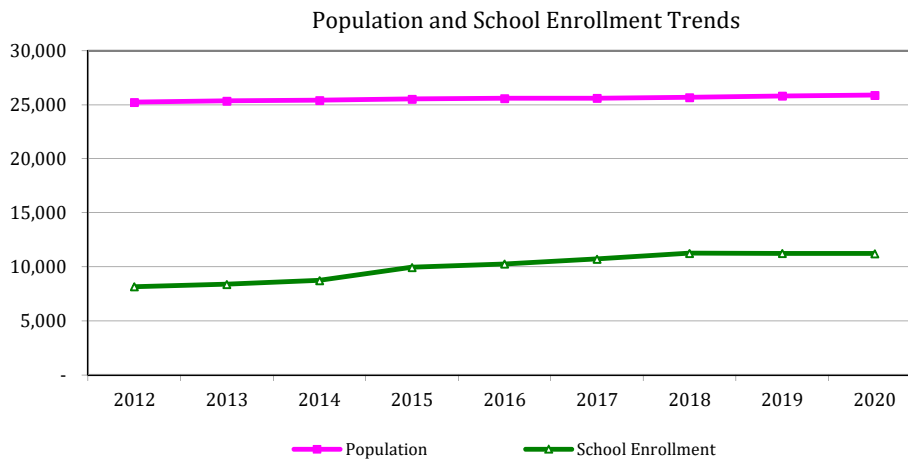
Source: Annual financial statements of the City of West Linn

**CITY OF WEST LINN, OREGON**  
**Demographic and Economic Statistics**  
*for the last ten fiscal years*

| <u>Fiscal year</u> | <u>Population</u> | <u>Personal income (in millions)</u> | <u>Per capita personal income</u> | <u>School enrollment</u> | <u>Unemployment rate</u> |
|--------------------|-------------------|--------------------------------------|-----------------------------------|--------------------------|--------------------------|
| 2012               | 25,250            | \$ 98,698                            | \$ 43,103                         | 8,175                    | 8.8 %                    |
| 2013               | 25,370            | 101,210                              | 43,728                            | 8,395                    | 7.9                      |
| 2014               | 25,425            | 107,537                              | 45,794                            | 8,746                    | 6.8                      |
| 2015               | 25,540            | 119,339                              | 50,097                            | 9,967                    | 5.6                      |
| 2016               | 25,605            | 125,457                              | 51,683                            | 10,280                   | 4.8                      |
| 2017               | 25,615            | 133,393                              | 54,339                            | 10,730                   | 4.1                      |
| 2018               | 25,695            | 143,215                              | 57,903                            | 11,260                   | 4.1                      |
| 2019               | 25,830            | 149,347                              | 59,921                            | 11,248                   | 3.7                      |
| 2020               | 25,905            | *                                    | *                                 | 11,229                   | 11.2                     |
| 2021               | 25,975            | *                                    | *                                 | 11,089                   | 5.6                      |

\* Information unavailable at this time.

Sources: Center for Population Research and Census, Portland State University  
 Bureau of Economic Analysis  
 State of Oregon Employment Department  
 Oregon Department of Education



## CITY OF WEST LINN, OREGON

### Principal Employers *current year and nine years ago*

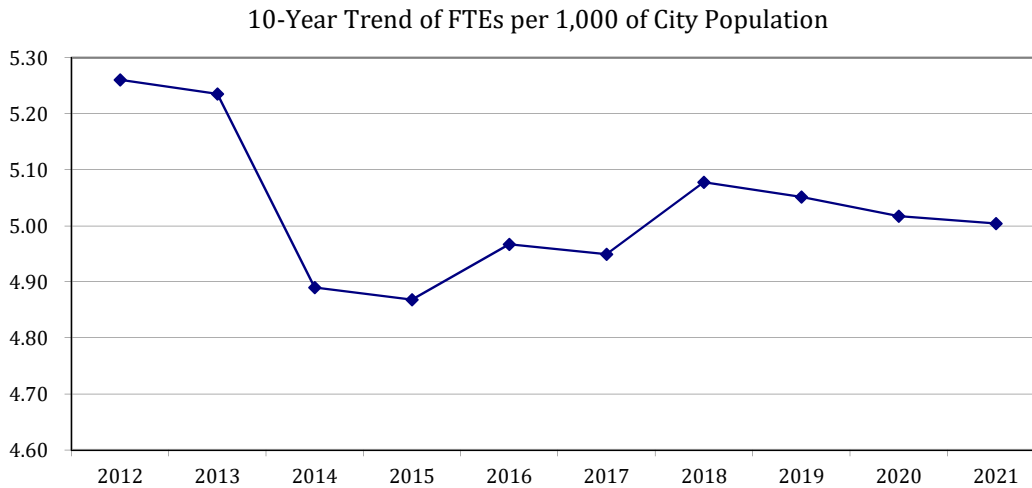
| <u>Employer</u>                | <u>2021</u>      |             |  | <u>2012</u>      |             |  |
|--------------------------------|------------------|-------------|--|------------------|-------------|--|
|                                | <u>Employees</u> | <u>Rank</u> | <u>Percentage<br/>of total City<br/>employment</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage<br/>of total City<br/>employment</u> |
| West Linn Wilsonville SD       | 865              | 1           | 4.97 %   | 425              | 1           | 3.20 %   |
| Safeway Inc.                   | 174              | 2           | 1.00   | 114              | 4           | 0.86   |
| Willamette Falls Paper Company | 143              | 3           | 0.82   | 300              | 2           | 2.26   |
| City of West Linn              | 130              | 4           | 0.75   | 133              | 3           | 1.00   |
| Rose Linn Vintage Place        | 120              | 5           | 0.69   | 80               | 8           | 0.60   |
| Market of Choice               | 106              | 6           | 0.61   |                  |             |  |
| Oregon Golf Club               | 105              | 7           | 0.60   |                  |             |  |
| Walmart Neighborhood Market    | 92               | 8           | 0.53   |                  |             |  |
| Tanner Springs Assisted Living | 67               | 9           | 0.39   |                  |             |  |
| Parkrose Hardware              | 31               | 10          | 0.18   |                  |             |  |
| First Transit Inc.             |                  |             |  | 100              | 5           | 0.75   |
| New Albertsons Inc.            |                  |             |  | 90               | 6           | 0.68   |
| American Golf Corporation      |                  |             |  | 80               | 7           | 0.60   |
| Pond Maintenance Services      |                  |             |  | 75               | 9           | 0.56   |
| Elton Enterprises IV Inc       |                  |             |  | 70               | 10          | 0.53   |
| Total                          | <u>1,833</u>     |             | <u>14.10 %</u>                                     |                  |             |  |

\* Historical number of employees information unavailable for this fiscal year nine years ago.

**CITY OF WEST LINN, OREGON**  
**Full-time Equivalent City Government Employees by Function**  
*for the last ten fiscal years*

| Function/Program                        | Fiscal Year Ended |               |               |               |               |               |               |               |               |               |
|---|-------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   | 2012              | 2013          | 2014          | 2015          | 2016          | 2017          | 2018          | 2019          | 2020          | 2021          |
| General government                      | 17.80             | 17.80         | 16.30         | 16.30         | 17.40         | 17.40         | 17.60         | 17.60         | 16.60         | 16.60         |
| Public safety                           | 42.50             | 42.50         | 39.00         | 39.00         | 40.50         | 37.00         | 37.50         | 37.50         | 37.50         | 37.50         |
| Culture and recreation                  | 39.03             | 39.03         | 36.78         | 36.78         | 37.28         | 37.28         | 37.88         | 37.88         | 37.88         | 37.88         |
| Community development                   | 6.50              | 6.50          | 5.75          | 5.75          | 5.50          | 9.00          | 9.50          | 9.50          | 10.00         | 10.00         |
| Highways and streets                    | 7.00              | 7.00          | 7.00          | 7.00          | 6.50          | 5.00          | 5.00          | 5.00          | 5.00          | 5.00          |
| Water                                   | 5.00              | 5.00          | 5.00          | 5.00          | 5.00          | 5.00          | 6.00          | 6.00          | 6.00          | 6.00          |
| Sewer and surface water                 | 5.00              | 5.00          | 6.50          | 6.50          | 6.50          | 6.50          | 6.50          | 6.50          | 6.50          | 6.50          |
| Public works                            | 10.00             | 10.00         | 8.00          | 8.00          | 8.50          | 10.00         | 10.50         | 10.50         | 10.50         | 10.50         |
| <b>Total full-time equivalent (FTE)</b> | <b>132.83</b>     | <b>132.83</b> | <b>124.33</b> | <b>124.33</b> | <b>127.18</b> | <b>127.18</b> | <b>130.48</b> | <b>130.48</b> | <b>129.98</b> | <b>129.98</b> |
| City population                         | 25,250            | 25,370        | 25,425        | 25,540        | 25,605        | 25,695        | 25,695        | 25,830        | 25,905        | 25,975        |
| FTEs per 1,000 of population            | 5.26              | 5.24          | 4.89          | 4.87          | 4.97          | 4.95          | 5.08          | 5.05          | 5.02          | 5.00          |

Source: City of West Linn's Finance department



**CITY OF WEST LINN, OREGON**  
**Operating Indicators by Function**  
*for the last ten fiscal years*

| <b>Function/Program</b>                                  | <b>Fiscal Year Ended</b> |             |             |             |             |             |             |             |             |             |
|--|--------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|  | <b>2012</b>              | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021</b> |
| Governmental activities:                                 |                          |             |             |             |             |             |             |             |             |             |
| Public safety  |                          |             |             |             |             |             |             |             |             |             |
| Citations:   |                          |             |             |             |             |             |             |             |             |             |
| Traffic  | 1,735                    | 1,875       | 2,460       | 2,451       | 2,845       | 2,239       | 1,143       | 1,593       | 1,481       | 1,035       |
| Criminal   | 258                      | 261         | 227         | 313         | 458         | 424         | 382         | 213         | 176         | 107         |
| Parking  | 334                      | 312         | 455         | 635         | 558         | 741         | 565         | 470         | 545         | 543         |
| City ordinance/non-traffic                               | 69                       | 72          | 46          | 81          | 125         | 38          | 43          | 37          | 12          | 6           |
| Impound hearing  | -                        | -           | -           | -           | -           | -           | 1           | -           | -           | 2           |
| Culture and recreation                                   |                          |             |             |             |             |             |             |             |             |             |
| Library volunteer hours                                  | 5,588                    | 5,972       | 6,005       | 4,580       | 5,107       | 4,015       | 2,384       | 2,995       | 2,555       | 75          |
| Library - average items circulated per capita            | 29.04                    | 27.02       | 25.78       | 24.91       | 25.47       | 23.51       | 22.20       | 21.40       | 15.80       | 10.74       |
| Community development                                    |                          |             |             |             |             |             |             |             |             |             |
| Residential building permits issued                      | 96                       | 56          | 56          | 33          | 45          | 57          | 122         | 158         | 168         | 169         |
| Land use applications processed                          | 103                      | 117         | 108         | 105         | 101         | 129         | 104         | 72          | 48          | 65          |
| Business-type activities: <sup>1</sup>                   |                          |             |             |             |             |             |             |             |             |             |
| Water  |                          |             |             |             |             |             |             |             |             |             |
| Service connections                                      | 8,698                    | 8,716       | 8,773       | 8,850       | 8,852       | 8,920       | 8,768       | 8,921       | 8,935       | 8,963       |
| Average daily consumption (in thousands of gallons)      | 2,598                    | 2,620       | 2,635       | 3,427       | 3,450       | 2,726       | 4,336       | 3,484       | 2,953       | 3,447       |
| Sanitary sewer   |                          |             |             |             |             |             |             |             |             |             |
| Service connections                                      | 5,495                    | 5,509       | 5,525       | 8,672       | 8,675       | 8,678       | 8,733       | 8,781       | 8,761       | 8,848       |
| Average daily sewage treatment (in thousands of gallons) | 5,050                    | 5,079       | 5,085       | 5,172       | 5,185       | 5,170       | 5,198       | 5,221       | 5,214       | 5,267       |

<sup>1</sup> These are estimated statistics based upon best historic information available.

Source: City of West Linn's Finance department

**CITY OF WEST LINN, OREGON**  
**Capital Asset Statistics by Function**  
*current year and nine years ago*

| <u>Function/Program</u>                                       | <u>2021</u> | <u>2012</u> |
|---|-------------|-------------|
| Governmental activities:                                      |             |             |
| General government  |             |             |
| City-owned building facilities                                | 8           | 5           |
| Public safety   |             |             |
| Police stations   | 1           | 1           |
| Patrol units  | 14          | 13          |
| Culture and recreation  |             |             |
| Park and open space acreage                                   | 558         | 632         |
| Baseball/softball fields                                      | 7           | 7           |
| Community development   |             |             |
| Value of new building construction<br>(in thousands)          | \$16,754    | \$17,137    |
| Highways and streets  |             |             |
| Miles of streets  | 216         | 107         |
| Miles of bikeways   | 70 *        | 70          |
| Surface water catch basins                                    | 2,900       | 2,815       |
| Miles of sidewalk   | 120 *       | 122         |
| Business-type activities:                                     |             |             |
| Water   |             |             |
| Water mains (miles)   | 121         | 118         |
| Maximum daily capacity<br>(in thousands of gallons)           | 6,500       | 6,480       |
| Sanitary sewer  |             |             |
| Sanitary sewer (miles)  | 145         | 193         |
| Maximum daily treatment capacity<br>(in thousands of gallons) | 7,500       | 8,500       |

\* These are estimated statistics based upon best historic information available.

Source: City of West Linn's Finance department

**CITY OF WEST LINN, OREGON  
ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**SECTION IV**

**COMPLIANCE SECTION**

## **COMPLIANCE SECTION**

Oregon Administrative Rules 162-10-050 through 162-10-320 incorporated in the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, comments and disclosures required in audit reports. The required statements and schedules are set forth in the preceding sections of this report.

The following reports from Merina & Company, LLP are contained in this section:

- Independent Auditor's Report Required by Oregon State Regulations
- Independent Auditor's Report Required by Governmental Auditing Standards



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

The Honorable Mayor and City Council  
City of West Linn, Oregon

We have audited the basic financial statements of the City of West Linn, Oregon, as of and for the year ended June 30, 2021 and have issued our report thereon dated December 21, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the *Minimum Standards of Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Report on Compliance**

As part of obtaining reasonable assurance about whether the City of West Linn, Oregon's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes as specified in the Oregon Administrative Rules 162-10-0000 through 162-10-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, as set forth below, noncompliance with which could have a direct and material effect on the financial statements:

- Deposits of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions, and repayments.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Highway revenues used for public highways, roads, and streets.
- Authorized investment of surplus funds. (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, and 279C).
- Accountability for collecting or receiving money by elected officials. The City does not have any elected officials collecting or receiving money.

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

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

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

expressing an opinion on the effectiveness of the City of West Linn, Oregon's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of West Linn, Oregon's internal control.

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

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

### **Purpose of this Report**

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



For Merina+Co  
Tualatin, Oregon  
December 21, 2021

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Mayor and City Council  
City of West Linn, Oregon

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West Linn, Oregon as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of West Linn, Oregon's basic financial statements, and have issued our report thereon dated December 21, 2021.

**Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of West Linn, Oregon's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

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



For Merina+Co  
Tualatin, Oregon  
December 21, 2021





This is the **sixth** publication in a biennial series of financial communications tools:

Biennial Budget

Five Year Financial Forecast

Six Year Capital Improvement Plan

Budget Overview

FY 2020 Annual Comprehensive Financial Report

**FY 2021 Annual Comprehensive Financial Report**

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West Linn Sustainability  
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