



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDING

June 30, 2020

City of Canby

Canby, Oregon

Comprehensive Annual Financial Report

Fiscal Year Ending

June 30, 2020

Prepared by

City of Canby, Oregon

Finance Department

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CITY OF CANBY, OREGON
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INTRODUCTORY SECTION



City of Canby

Letter of Transmittal for the Fiscal Year Ended June 30, 2020

December 4, 2020

To the Honorable Mayor, City Council, and Citizens of the City of Canby, Oregon:

State law requires that every general purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2020.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Grove Mueller & Swank, P.C., Certified Public Accountants, have issued an unmodified (“clean”) opinion on the City of Canby’s financial statements for the year ended June 30, 2020. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Canby Profile

The City of Canby, incorporated in 1893, is located in the western part of the state, which is considered to be one of the top growth areas in the state. It currently occupies 4.5 square miles and serves a population of 16,950. The City of Canby is empowered to levy a property tax on real property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation.

The City of Canby operates under the mayor-council form of government consisting of the mayor and six other members, all of whom are elected at large. Council members serve four-year terms, with three members elected every two years. The Mayor is elected for a two-year term. The Mayor, with Council approval, appoints the City of Canby Administrator, who in turn appoints its department heads. Policy-making and legislative authority are vested in the governing council (Council)

The City of Canby provides a full range of services consisting of public safety, municipal court, waste water treatment, stormwater management, street maintenance, planning and zoning, economic development, park and recreation, swim center, library, transit, cemetery maintenance, and general administrative services. Water distribution services are provided through Canby Utility Board (CUB), a legally separate component unit. CUB provides water services to the City of Canby residents and is reported separately within the City of Canby’s

financial statements. The City of Canby also is financially accountable for an urban renewal agency which is included as a part of the City of Canby's financial statements. Additional information on CUB can be found in the notes to the financial statements.

The Council is required to adopt a budget for the fiscal year no later than June 30 preceding the beginning of the fiscal year on July 1. This annual budget serves as the foundation for the City of Canby's financial planning and control. The budget is prepared by fund, and department. Department heads may transfer resources within a department as they see fit. Transfers between departments, however, need special approval from the governing council.

Canby Economy

Local development is actively promoted by the City's economic development department. Major events include the Canby Farmers Market, Clackamas County Fair, Independence Day Celebration, and Canby's Big Night Out. The community is located on the Molalla River and Highway 99E, just 4 miles from I-5.

The City of Canby is a suburb of the Portland Metro area with a community of residences, schools, and approximately 680 businesses. Major industries include retail, medical, professional services, financial institutions, insurance companies, wholesale, light industrial, manufacturing, and agriculture. The surrounding area contains some of the richest farmland in Oregon. Local nurseries produce a wide variety of plants, bulbs and seeds. The school district and City of Canby also have a significant economic presence, employing in total approximately 600 people.

The downtown business district is home to commercial businesses, government buildings, financial institutions, medical offices, an eight-screen movie theater with adjacent public parking, and a variety of shops and restaurants. Established commercial areas have been improved with the help of funding from the Canby Urban Renewal Agency. Façade and streetscape improvements, gateway sign projects, business recruitment and retention and strategic planning for the business districts have all been funded by urban renewal. Industrial growth has been spurred by the development of two industrial parks: Logging Road Industrial Park and Canby Pioneer Industrial Park. The development of these parks has resulted from the combined efforts of local landowners and the City of Canby, Canby Urban Renewal, and state sources. Plans are under way to add additional access to industrial properties within the Canby Pioneer Industrial Park to alleviate traffic pressure on commuter roads.

Because of its location in a region with a varied economic base, unemployment rates have declined over the past ten years, the unemployment rate in 2010 was 10.6% and has dropped annually to a low of 3.6% in 2018. With the onset of COVID-19, unemployment for Clackamas County has risen to 10.7% as of June 30, 2020.

Median household incomes within the City of Canby are significantly higher than for the state as a whole. According to the 2017 census estimates, the government's median family income was \$66,220, the county's was \$72,408, while the state's was \$45,623. Canby's population has seen a steady increase since the 2010 census, current estimates are 16,950 as of June 30, 2019. At the end of the second quarter of 2017, the median price of a single family home in the City of Canby was \$273,700.

Moody's Investors Service upgrade the City of Canby's long-term issuer rating in early 2019 from A1 to Aa3. The rating action affects approximately \$22.1 million in rated full faith and credit debt outstanding. The upgrade to Aa3 reflects the city's recovered tax base and improved financial position through consecutive years of structurally balanced operations. Total debt liabilities of the city are below average relative to similarly rated peers and will continue to amortize given no additional near-term debt financing plans.

Long-term Financial Planning and Major Initiatives

The City of Canby, like other political subdivisions in the State of Oregon continues to face increasing financial challenges in light of voter approved property tax limitations and the on-going, natural increases in cost of service delivery. Expectations are now for modest revenue growth.

Unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the general fund at year end was 34% of total general fund revenues. This amount was in line with the policy guidelines set by the Council for budgetary and planning purposes (30-40% of general fund operating revenues).

Upcoming major initiatives include:

- A road connection from Pioneer Industrial Park to Highway 99E. This is a multi-year project with many facets including, right-of-way acquisition, design, geotechnical review, construction and coordination with Clackamas County and the Oregon Department of Transportation (ODOT).
- The construction of a gateway arch on Grant St. that will welcome visitors and citizens to the downtown area.
- Implementation of a railroad quiet zone between Ivy St and Elm St. This project is a multi-year initiative that involves coordination with ODOT, the City and Pacific Railroad. There will be safety improvements at the Ivy St, Grant St, and Elm St intersections that will allow the trains to travel through the downtown area without having to blow their horns disrupting citizens living in the downtown core.
- Feasibility study for the location of the future Transit Office.
- Completion of a new splash park at Maple Park.
- Replacement of the playground equipment and Locust St Park.
- Paving projects on N Pine, N Knott, and N Locust streets.
- Upgrade to the sewer system on S Ivy from 99E to 13th.
- The City will be adding a second primary clarifier at the treatment plant and doing improvements on the existing clarifier. This is in response to aging infrastructure and the need for increased capacity.
- Completion of the instillation of a duplex pumping station with force main and sanitary sewer collection system on Ivy street from Molalla River to the south of 16th Ave. This new pumping station will serve a planned residential and future residential development.

The City of Canby maintains a five-year Capital Improvement Plan which serves as a guide to ensure that its infrastructure is constructed in a manner that fits with the growth of the City. This process gives the City of Canby the ability to plan for its capital needs and allocate short and long-term resources appropriately. As part of this process, the government identifies and quantifies the operational costs associated with its capital projects and budgets resources accordingly. In addition, the Fleet Department monitors the condition of all equipment and vehicles and makes recommendations on their repair and replacement.

Factors Affecting the City's Financial Condition

The volume of inquiries and applications submitted to our planning department indicates residential, commercial, and industrial growth.

Tax Base—Property is subject to a maximum 3% increase in assessed value per year. *With* the annual 3% increase and booming development the City has seen a steady increase in property tax revenues over the past few years. General fund property tax receipts for the current year were 9.5% greater than the previous year.

In November 2008, the voters of Clackamas County approved a county-wide library district. The City's share of revenues from the library district in FY20 was \$951,933.

Special Tax Levy—Voters approved a renewal of a five-year (2018-2022) local option levy for Swim Center operations. The levy is based on a fixed rate of \$0.49 per \$1,000 of assessed property value. The property tax revenue from the local option levy is used to fund current Swim Center services, lifeguards, and provide for pool maintenance. The levy is based on a 5-year operating plan created by the Budget Committee, City Council and City staff. The Swim Center is fully funded through a combination of levy dollars and user fees. Fees pay for approximately 31% of operating costs.

Awards and Acknowledgements

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 of Canby for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2019. This was the fourteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe that our current CAFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated July 2019 – June 2020. To qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report could not have been accomplished without the dedicated service of the entire staff of the Finance Department.

We greatly appreciate the professionalism, commitment, and effort set forth by the Mayor, City Council, Budget Committee, City Administrator and Department Directors whose leadership is integral to the health and vitality of Canby.

Respectfully submitted,

A handwritten signature in black ink that reads "Julie Blums". The signature is written in a cursive, flowing style.

Julie Blums
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Canby
Oregon**

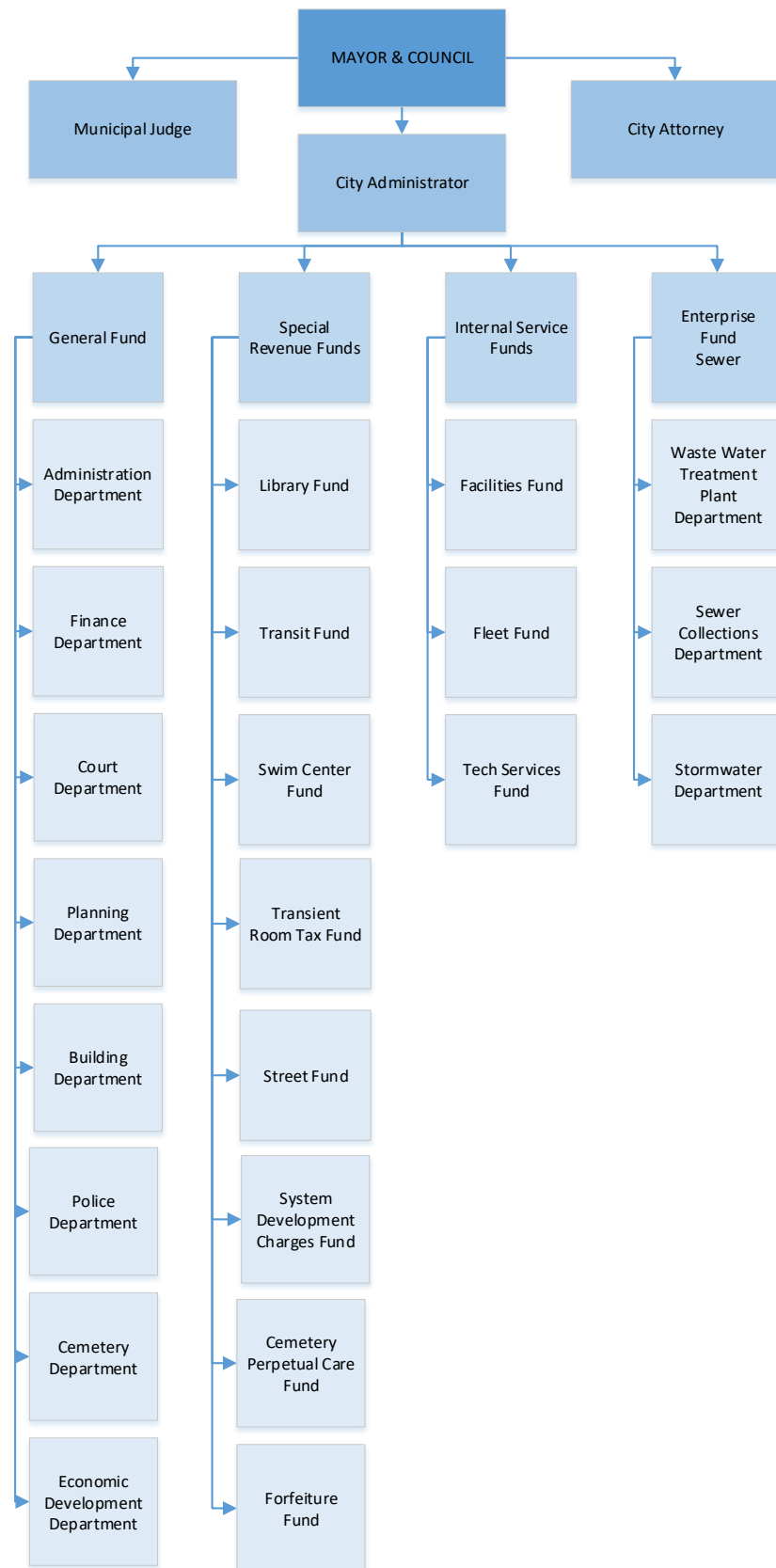
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morrell

Executive Director/CEO

CITY OF CANBY ORGANIZTIONAL CHART – 2019 2020



CITY OF CANBY, OREGON
PRINCIPAL OFFICIALS
June 30, 2020

City Officials

Brian Hodson, Mayor
Canby, Oregon 97013

Term Expires

December 31, 2020

Council Members

Tim Dale, President
Canby, Oregon 97013

December 31, 2020

Shawn Varwig
Canby, Oregon 97013

December 31, 2022

Greg Parker
Canby, Oregon 97013

December 31, 2022

Trygve Berge
Canby, Oregon 97013

December 31, 2022

Traci Hensley
Canby, Oregon 97013

December 31, 2020

Sarah Spoon
Canby, Oregon 97013

December 31, 2020

City Administration

Scott Archer

City Administrator

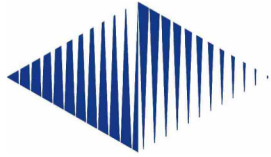
Julie Blums

Finance Director

Council members receive mail at the City's address:

City Hall
222 NE 2nd Avenue
PO Box 930
Canby, Oregon 97013

FINANCIAL SECTION



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

www.gmscpa.com

(503) 581-7788 • FAX (503) 581-0152

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

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Council Members
City of Canby
222 NE 2nd Avenue
Canby, Oregon 97013

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Canby, Oregon (the City) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit (Canby Utility Board), which represent 31 percent, 34 percent, and 39 percent, respectively of the assets, net position, and revenue of the City. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and in our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Canby, Oregon, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) and the schedules of revenues, expenditures and changes in fund balance – budget and actual for the General, Street, Transit and System Development Charges funds ("the budgetary schedules"), the City's PERS schedules and the City's OPEB schedules be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to management's discussion and analysis, PERS schedules and OPEB schedules described in the preceding paragraph in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

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

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

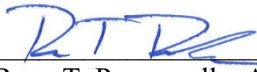
Other Information

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

Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 4, 2020, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and results of that testing and not to provide an opinion on compliance.

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

By: 
Ryan T. Pasquarella, A Shareholder
December 4, 2020

CITY OF CANBY, OREGON
MANAGEMENT'S DISCUSSION & ANALYSIS
June 30, 2020

This section of the City of Canby's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020 presents the highlights of financial activities and illustrates the financial position of the City of Canby, Oregon (the City) and the Canby Utility Board (CUB), a discretely presented component unit of the City, for the fiscal year ended June 30, 2020 (FY20). This has been prepared by management and should be read in conjunction with the financial statements and notes.

FINANCIAL HIGHLIGHTS

Government-Wide

- The City's combined net position was \$116.6 million at June 30, 2020. Of this amount, \$8.5 million may be used to meet the City's ongoing obligations to its citizens and creditors (unrestricted net position). Total net position increased \$3.3 million (3.0%) from the prior year.
- Canby's total assets increased by \$3.4 million during FY20. Total assets consist of current and noncurrent assets. Current assets were \$32.7 million at the end of FY20. Of that amount, \$29.9 million (91.5%) of current assets were in cash and cash equivalents. Capital and long-term assets (net of depreciation) were \$117 million at the end of FY20. Capital and long-term assets increased by \$0.3 million (0.3%) during FY20. The primary reason for the increase is due to the purchase of property for the future transit site and continued work on major capital projects.
- Amounts related to pensions and OPEB have increased from FY19 to FY20. In FY19 the City had a net pension and OPEB liability of \$10.4 million and at the end of FY20 this increased to \$11.4 million, a 9.6% change to the total net position of the City.

Fund Level

- The City's General Fund reported an ending fund balance of \$3.3 million, an increase of \$82 thousand (2.5%) from the prior year; mainly due to vacancy savings from several key retirements.
- The total Governmental funds' ending fund balance was \$22.2 million, an increase of 5.3% in FY20.
- In the aggregate, the Enterprise and Internal Service funds' ending fund balance equivalent, net position, was \$22.1 million, an increase of \$1.9 million (9.6 %) for the year.
- Total FY20 Property Tax revenue was \$9.8 million, an increase of 9.5% from FY19 levels.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction and summary of the City's basic financial statements. It is followed by the basic financial statements themselves, which are comprised of three elements; Government-Wide Financial Statements, Fund Financial Statements, and Notes to the Financial Statements. This report also contains required and other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

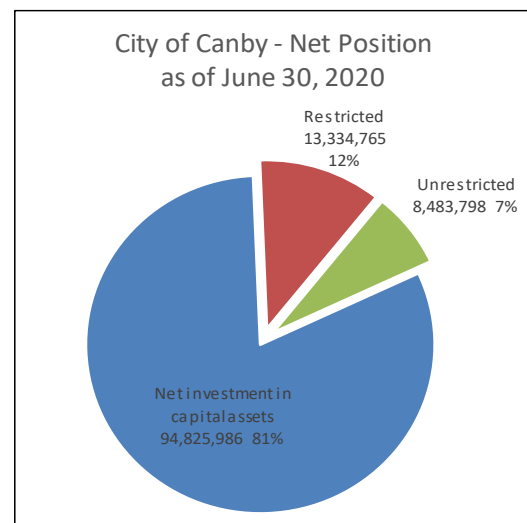
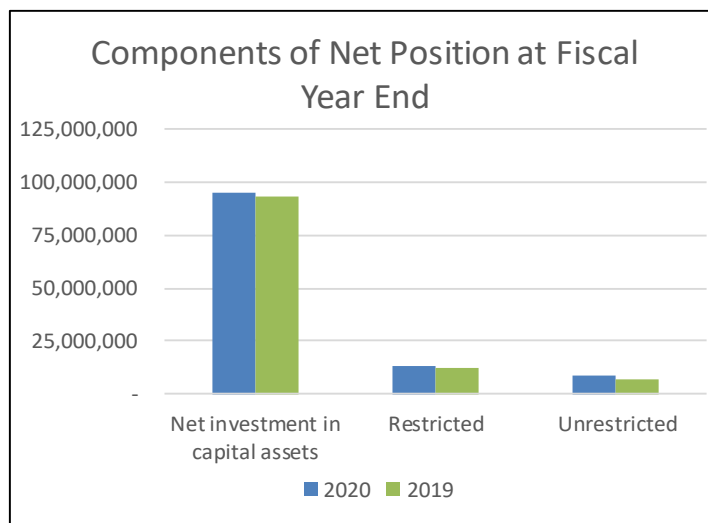
The government wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

One way to evaluate the City's financial position is by measuring the City's net positions and how they change over time. Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

CITY OF CANBY, OREGON
MANAGEMENT'S DISCUSSION & ANALYSIS
June 30, 2020

The **Statement of Net Position** includes the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of improvements or deterioration of the City's financial position.

The City's net position totaled \$116.6 million as of June 30, 2020. The City's net investment in capital assets accounts for the majority of the City's net position. The City has invested \$94.8 million in land, buildings, equipment, and infrastructure (net of depreciation and outstanding debt used to acquire those assets). The City uses these assets to provide services to its citizens so they are not assets that are available for future spending. Restricted net position (\$13.3 million) relates to amounts that are legally restricted for specific future obligations. Unrestricted net position (\$8.5 million) is available to meet the City's on-going obligations.



Statement of Net Position

	Governmental Activities		Business-Type Activities		Total		
	2020	2019	2020	2019	2020	2019	Change
Assets							
Current and other assets	\$ 24,274,667	\$ 22,778,926	\$ 8,403,676	\$ 6,808,818	\$ 32,678,343	\$ 29,587,744	10.4%
Capital assets	101,957,800	102,088,078	15,037,734	14,588,314	116,995,534	116,676,392	0.3%
Total assets	126,232,467	124,867,004	23,441,410	21,397,132	149,673,877	146,264,136	2.3%
Total Deferred Outflows	<u>3,759,036</u>	<u>3,456,600</u>	<u>401,430</u>	<u>450,949</u>	<u>4,160,466</u>	<u>3,907,549</u>	6.5%
Liabilities							
Long-term liabilities	31,637,059	31,586,539	1,124,841	1,229,478	32,761,900	32,816,017	-0.2%
Other liabilities	2,901,493	2,691,063	370,740	178,841	3,272,233	2,869,904	14.0%
Total liabilities	34,538,552	34,277,602	1,495,581	1,408,319	36,034,133	35,685,921	1.0%
Total Deferred Inflows	<u>1,044,155</u>	<u>1,066,960</u>	<u>111,506</u>	<u>139,196</u>	<u>1,155,661</u>	<u>1,206,156</u>	-4.2%
Net Position							
Net investment in capital assets	79,788,252	78,919,522	15,037,734	14,588,314	94,825,986	93,507,836	1.4%
Restricted	13,334,765	12,694,571	-	-	13,334,765	12,694,571	5.0%
Unrestricted	1,285,779	1,364,949	7,198,019	5,712,252	8,483,798	7,077,201	19.9%
Total net position	<u>\$ 94,408,796</u>	<u>\$ 92,979,042</u>	<u>\$ 22,235,753</u>	<u>\$ 20,300,566</u>	<u>\$ 116,644,549</u>	<u>\$ 113,279,608</u>	3.0%

CITY OF CANBY, OREGON
MANAGEMENT'S DISCUSSION & ANALYSIS
June 30, 2020

The **Statement of Activities** presents the changes in net position by detailing the revenues and expenses for the Fiscal Years 2020 and 2019. This information is broken into Governmental and Business-type Activities. Revenues and expenses are segregated by general categories (revenues) and programs (expenses).

Statement of Activities

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues						
Charges for services	\$ 4,528,429	\$ 3,876,025	\$ 4,322,371	\$ 4,415,604	\$ 8,850,800	\$ 8,291,629
Operating grants and contributions	4,190,555	3,181,745	-	-	4,190,555	3,181,745
Capital grants and contributions	2,261,717	3,702,312	74,634	-	2,336,351	3,702,312
General revenues						
Property taxes	9,835,249	8,980,719	-	-	9,835,249	8,980,719
Transit taxes	1,569,157	1,520,524	-	-	1,569,157	1,520,524
Transient Room Taxes	21,132	23,111	-	-	21,132	23,111
Franchise	1,635,603	1,626,766	-	-	1,635,603	1,626,766
Unrestricted intergovernmental	599,236	982,634	-	-	599,236	982,634
Interest and investment income	481,307	479,505	146,204	131,564	627,511	611,069
Other revenues	198,290	240,579	18,180	6,192	216,470	246,771
Total revenues	25,320,675	24,613,920	4,561,389	4,553,360	29,882,064	29,167,280
Program Expenses						
General government	4,907,284	5,790,769	-	-	4,907,284	5,790,769
Public safety	6,313,592	5,966,589	-	-	6,313,592	5,966,589
Highways and streets	6,200,318	5,326,770	-	-	6,200,318	5,326,770
Transportation	1,970,063	1,930,000	-	-	1,970,063	1,930,000
Culture and recreation	2,673,890	2,902,109	-	-	2,673,890	2,902,109
Community development	893,524	799,488	-	-	893,524	799,488
Interest on long-term expense	972,294	1,009,074	-	-	972,294	1,009,074
Sewer operations	-	-	2,586,158	2,499,401	2,586,158	2,499,401
Total expenses	23,930,965	23,724,799	2,586,158	2,499,401	26,517,123	26,224,200
Change in net position before transfers	1,389,710	889,121	1,975,231	2,053,959	3,364,941	2,943,080
Transfers in (out)	40,044	(107,470)	(40,044)	107,470	-	-
Change in net position	1,429,754	781,651	1,935,187	2,161,429	3,364,941	2,943,080
Net position - beginning of year	92,979,042	92,197,391	20,300,566	18,139,137	113,279,608	110,336,528
Net position, end of year	\$ 94,408,796	\$ 92,979,042	\$ 22,235,753	\$ 20,300,566	\$ 116,644,549	\$ 113,279,608

Governmental activities

Governmental activities net position increased by \$1.4 million (1.5%), this is mainly due to an increase in revenue. Total revenue increased by \$0.7 million (2.9%) mainly due to an increase in property taxes and development revenue. Total expenses increased \$0.2 million (0.9%), this increase is mainly due to a one-time contribution to a new PERS UAL side account for the City.

The governmental activities of the City include six major funds: general fund, street fund, transit fund, system development charge fund, urban renewal general fund and the urban renewal debt service fund. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues,

CITY OF CANBY, OREGON
MANAGEMENT'S DISCUSSION & ANALYSIS
June 30, 2020

expenditures and changes in fund balance for each of these major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation.

Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in the report.

The City also has one blended component unit, the Urban Renewal Agency (URA). Blended component units, although legally separate entities are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. The activities of the URA are reported within a capital projects fund and a debt service fund for the City. Complete financial statements for the URA for the year ended June 30, 2020, may be obtained at Canby City Hall, 222 NE 2nd Ave., Canby, Oregon 97013.

Business-type activities

The business-type activity of the City encompasses the sewer treatment, collection and stormwater operations.

Business-type activities net position increased by \$1.9 million (9.5%), this increase is mainly due to an increase in capital assets and cash reserves. Total revenue only increased by \$8 thousand (0.2%) mainly due to a decrease in collections of utility charges during COVID 19 pandemic. Total expenses increased \$87 thousand (3.5%) mainly due personnel costs allocated to the Sewer Fund.

The Canby Utility Board (CUB) is responsible for providing water and electric services to residential and commercial customers within the city limits of Canby. CUB is a legally separate entity from the City, governed by a board appointed by the Mayor of the City and confirmed by the majority of the City Council. CUB is reported as a discretely presented component unit, consistent with GASB Statement No. 61. Complete financial statements may be obtained at CUB's administrative office, 1265 SE 3rd Avenue, Canby, Oregon 97013.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City can be divided into the following two categories: **Governmental** Funds and **Proprietary** Funds.

Governmental Funds

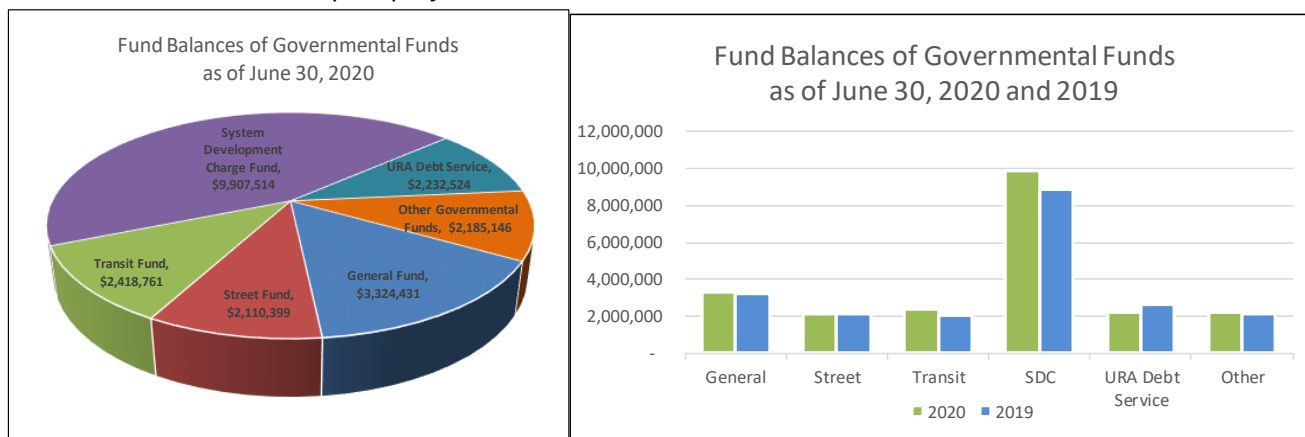
Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in determining what financial resources are available in the near future to finance the City's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Reconciliations are provided for both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances to facilitate this comparison between governmental funds and governmental activities.

CITY OF CANBY, OREGON
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At the end of the fiscal year, the City's governmental funds reported a combined ending fund balances of \$22.2 million, an increase \$1.1 million (5.3%). Changes in fund balance for major funds consisted of the following:

- General Fund - Fund balance increased \$82 thousand (2.5%) mainly due to increases in property tax revenue.
- Street Fund – Fund balance increased \$11 thousand (0.5%) due to an increase in development revenue.
- Transit Fund – Fund balance increased \$360 thousand (17.5%) due to additional grant revenue.
- SDC Fund – Fund balance increased \$1.0 million (11.7%) due to continued increases in development activity.
- Urban Renewal Debt Service Fund – Fund balance decreased \$417 thousand (15.8%) due primarily to the use of reserves for capital projects.

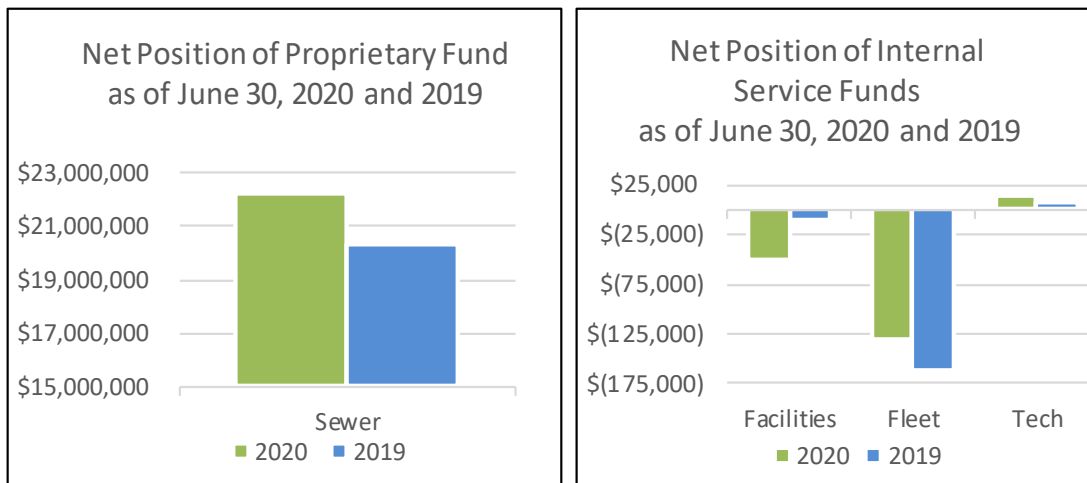


Governmental Funds: Changes in Fund Balance								
Fiscal Year 2020								
On a Modified Accrual Basis								
	General Fund	Street Fund	Transit Fund	System Development Charge Fund	Urban Renewal General Fund	Urban Renewal Debt Service Fund	Other Governmental Funds	Total
Balances June 30, 2019	\$ 3,242,196	\$ 2,099,484	\$ 2,058,300	\$ 8,868,122	\$ -	\$ 2,650,213	\$ 2,143,536	\$ 21,061,851
Change in Fund Balance	82,235	10,915	360,461	1,039,392	-	(417,689)	41,610	1,116,924
Fund Balances at June 30, 2020	<u>\$ 3,324,431</u>	<u>\$ 2,110,399</u>	<u>\$ 2,418,761</u>	<u>\$ 9,907,514</u>	<u>\$ -</u>	<u>\$ 2,232,524</u>	<u>\$ 2,185,146</u>	<u>\$ 22,178,775</u>

Proprietary Funds

Proprietary Funds are generally used to account for services for which the City charges customers. Proprietary Funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains four proprietary funds. The Sewer Combined Fund is an enterprise fund (Business-Type Activities) which accounts for the operations of the sewer treatment plant, sewer collection system, and the stormwater system. The fund is treated as a major fund of the City. The City also maintains three internal services funds for Facilities, Technical Services and Fleet; these are proprietary funds as they operate on a charge for service basis but as their primary client base is other City departments/programs these funds are reported as Governmental Activities in the Statement of Net Position and Statement of Activities.

CITY OF CANBY, OREGON
MANAGEMENT'S DISCUSSION & ANALYSIS
June 30, 2020



Proprietary and Internal Service Funds: Changes in Net Position					
Fiscal Year 2020					
On an Accrual Basis					
	Internal Service Funds				
	Sewer Fund	Facilities Fund	Fleet Fund	Tech Services Fund	Total
Net Position at June 30, 2019	\$ 20,300,566	\$ (9,889)	\$ (162,705)	\$ 8,282	\$ 20,136,254
Change in Net Position	1,935,187	(40,344)	31,331	4,926	1,931,100
Net Position at June 30, 2020	<u>\$ 22,235,753</u>	<u>\$ (50,233)</u>	<u>\$ (131,374)</u>	<u>\$ 13,208</u>	<u>\$ 22,067,354</u>

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information (RSI) concerning the City. The RSI (excluding the MD&A) is presented immediately following the notes to the financial statements.

GENERAL FUND BUDGET HIGHLIGHTS

The General Fund budgetary schedule in the RSI section shows that the original appropriations were altered with a supplemental budget and an appropriation transfer resulting in an increase to overall expenditure appropriations.

Final Budget Compared to Actual Results – General Fund

Expenditures of \$11 million were originally budgeted in the General Fund including a 1.8% operating contingency. General Fund budget changes approved by the City Council increased appropriations by about \$315,000. The increase is mainly due to the one time PERS UAL side account contribution to take advantage of a 25% match in

CITY OF CANBY, OREGON
MANAGEMENT'S DISCUSSION & ANALYSIS
June 30, 2020

funding by the State of Oregon. The year-end general fund balance was \$1.1 million higher than budgeted with major variances as follows:

- Beginning fund balance was \$241 thousand higher than budgeted due to savings in the prior year.
- Expenditures came in \$541 thousand lower than budgeted.
 - \$111 thousand – unused contingency
 - \$260 thousand – delay of Parks Master Plan update and construction of new Splash Pad
 - \$72 thousand - vacancy savings and lower insurance costs
 - \$40 thousand – savings in the Police materials and services
 - \$58 thousand – the remaining reduced expenditures are spread throughout the entire fund and are not related to any specific item.

CAPITAL ASSETS

As the schedule below displays, infrastructure intangibles and land are the largest components of governmental activities' capital assets which include streets improvements and land for buildings, parks and roadways. The largest component for business-type activities is the wastewater treatment plant and sewer collections infrastructure.

	Capital Assets at Fiscal Year End					
	Net of Depreciation					
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 13,279,710	\$ 11,708,167	\$ 1,155,911	\$ 1,081,277	\$ 14,435,621	\$ 12,789,444
Intangibles	36,724,734	36,724,734	5,500	5,500	36,730,234	36,730,234
Construction in Progress	1,763,778	785,818	648,720	108,784	2,412,498	894,602
Infrastructure	29,825,268	32,484,678	3,670,529	3,758,686	33,495,797	36,243,364
Buildings and improvements	18,698,902	18,791,308	9,143,802	9,162,031	27,842,704	27,953,339
Machinery and equipment	307,050	316,164	137,589	147,112	444,639	463,276
Vehicles	1,358,358	1,277,209	275,683	324,924	1,634,041	1,602,133
Total Capital Assets	<u>\$101,957,800</u>	<u>\$102,088,078</u>	<u>\$15,037,734</u>	<u>\$14,588,314</u>	<u>\$116,995,534</u>	<u>\$116,676,392</u>

Capital assets used in governmental activities in total decreased approximately \$130 thousand (0.1%) which was the net result of additions, disposals and depreciation. Capital assets used in business-type activities increased by approximately \$449 thousand (3.1%) which was the net result of additions, disposals and depreciation. Additional information about the City's capital assets and depreciation can be found in the Notes to the Financial Statements on pages 29-30.

DEBT ADMINISTRATION

At year-end, the City had \$23,031,624 in long-term obligations outstanding compared to \$24,056,237 in the prior year. Of the obligations outstanding at June 30, 2020, \$1,681,336 is due within one year. Additional information can be found in the Notes to the Financial Statements on pages 31-32.

CITY OF CANBY, OREGON
MANAGEMENT’S DISCUSSION & ANALYSIS
June 30, 2020

Outstanding Obligations at Fiscal Year-End

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Bonds	\$21,061,577	\$21,962,537	\$ -	\$ -	\$21,061,577	\$21,962,537
Loans	1,107,971	1,206,019	-	-	1,107,971	1,206,019
Compensated Absences	766,994	781,932	95,082	105,749	862,076	887,681
Total Obligations	<u>\$22,936,542</u>	<u>\$23,950,488</u>	<u>\$95,082</u>	<u>\$105,749</u>	<u>\$23,031,624</u>	<u>\$24,056,237</u>

Under Oregon Revised Statutes, general obligation debt issues are limited to 3% of the real market value of all taxable property within the City’s boundaries. The City is well within the limitation.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

Oregon’s annual average unemployment rate was 11.6% in June 2020, up from 3.9% the prior year. The main reason for the large increase is the loss of jobs due to business closures related to the COVID-19 pandemic. With the continuation of the pandemic and social distancing rules it is not possible to accurately predict unemployment levels for the coming year.

The General Fund is the one fund in the City that is the narrowest in its ability to grow in terms of increased revenues (due to property tax limitations) yet it supports a wide range of critical governmental functions such as public safety, municipal court services, parks and community development. The City estimated that property tax revenues would increase approximately 4.5% over the prior year in next year’s budget.

REQUESTS FOR INFORMATION

If you have questions about the report or need additional financial information, please contact the City’s Finance Department at 222 NE 2nd Ave., PO Box 930, Canby, Oregon 97013.

BASIC FINANCIAL STATEMENTS

CITY OF CANBY, OREGON
STATEMENT OF NET POSITION
June 30, 2020

	Governmental Activities	Business-Type Activities	Total	Component Unit Canby Utility Board
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 22,132,808	\$ 7,772,327	\$ 29,905,135	\$ 14,996,020
Due from other governments	47,056	245	47,301	-
Accounts receivable, net	1,829,320	631,104	2,460,424	1,889,377
Property taxes receivable	265,483	-	265,483	-
Prepays	-	-	-	28,286
Materials and supplies	-	-	-	1,359,337
Restricted cash	-	-	-	721,892
Total current assets	<u>24,274,667</u>	<u>8,403,676</u>	<u>32,678,343</u>	<u>18,994,912</u>
Noncurrent assets:				
Capital assets:				
Nondepreciable	51,768,222	1,810,131	53,578,353	2,259,493
Depreciable, net	<u>50,189,578</u>	<u>13,227,603</u>	<u>63,417,181</u>	<u>45,670,686</u>
Total noncurrent assets	<u>101,957,800</u>	<u>15,037,734</u>	<u>116,995,534</u>	<u>47,930,179</u>
Total assets	<u>126,232,467</u>	<u>23,441,410</u>	<u>149,673,877</u>	<u>66,925,091</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to OPEB	39,949	4,266	44,215	8,239
Deferred outflows related to pensions	<u>3,719,087</u>	<u>397,164</u>	<u>4,116,251</u>	<u>1,225,927</u>
Total deferred outflows of resources	<u>3,759,036</u>	<u>401,430</u>	<u>4,160,466</u>	<u>1,234,166</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,193,442	299,428	1,492,870	864,359
Accrued expenses	-	-	-	276,482
Interest payable	98,027	-	98,027	-
Customer deposits	-	-	-	327,992
Current portion of long-term obligations	<u>1,610,024</u>	<u>71,312</u>	<u>1,681,336</u>	<u>387,000</u>
Total current liabilities	<u>2,901,493</u>	<u>370,740</u>	<u>3,272,233</u>	<u>1,855,833</u>
Noncurrent liabilities:				
Net OPEB liability	389,352	41,579	430,931	86,969
Noncurrent portion of long-term obligations	21,326,517	23,770	21,350,287	2,226,000
Net pension liability	<u>9,921,190</u>	<u>1,059,492</u>	<u>10,980,682</u>	<u>3,339,246</u>
Total noncurrent liabilities	<u>31,637,059</u>	<u>1,124,841</u>	<u>32,761,900</u>	<u>5,652,215</u>
Total liabilities	<u>34,538,552</u>	<u>1,495,581</u>	<u>36,034,133</u>	<u>7,508,048</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to OPEB	163,174	17,425	180,599	32,998
Deferred inflows related to pensions	<u>880,981</u>	<u>94,081</u>	<u>975,062</u>	<u>343,257</u>
Total deferred inflows	<u>1,044,155</u>	<u>111,506</u>	<u>1,155,661</u>	<u>376,255</u>
NET POSITION				
Net investment in capital assets	79,788,252	15,037,734	94,825,986	45,317,179
Restricted for:				
Drug enforcement and equipment	20,693	-	20,693	-
Capital projects	9,907,514	-	9,907,514	-
Urban renewal debt service	2,232,524	-	2,232,524	-
Building services	57,425	-	57,425	-
Library services	42,749	-	42,749	-
Swim center	1,028,294	-	1,028,294	-
PEG fees	45,566	-	45,566	-
Water system	-	-	-	379,634
Unrestricted	<u>1,285,779</u>	<u>7,198,019</u>	<u>8,483,798</u>	<u>14,578,141</u>
Total net position	<u>\$ 94,408,796</u>	<u>\$ 22,235,753</u>	<u>\$ 116,644,549</u>	<u>\$ 60,274,954</u>

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

CITY OF CANBY, OREGON
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position			Component Unit Canby Utility Board
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 4,907,284	\$ 2,269,989	\$ 100,272	\$ -	\$ (2,537,023)	\$ -	\$ (2,537,023)	\$ -
Public safety	6,313,592	48,754	27,585	-	(6,237,253)	-	(6,237,253)	-
Highways and streets	6,200,318	1,342,406	1,620,049	-	(3,237,863)	-	(3,237,863)	-
Transportation	1,970,063	53,880	1,048,876	-	(867,307)	-	(867,307)	-
Culture and recreation	2,673,890	562,071	974,410	823,934	(313,475)	-	(313,475)	-
Community development	893,524	251,329	419,363	1,437,783	1,214,951	-	1,214,951	-
Interest expense	972,294	-	-	-	(972,294)	-	(972,294)	-
Total governmental activities	23,930,965	4,528,429	4,190,555	2,261,717	(12,950,264)	-	(12,950,264)	-
Business type activities:								
Sewer operations	2,586,158	4,322,371	-	74,634	-	1,810,847	1,810,847	-
Total primary government	<u>\$ 26,517,123</u>	<u>\$ 8,850,800</u>	<u>\$ 4,190,555</u>	<u>\$ 2,336,351</u>	<u>(12,950,264)</u>	<u>1,810,847</u>	<u>(11,139,417)</u>	<u>-</u>
Component Unit:								
Electric system	12,848,160	13,291,961	-	1,167,759				1,611,560
Water system	3,421,595	3,334,198	-	1,829,324				1,741,927
Total component unit	<u>\$ 16,269,755</u>	<u>\$16,626,159</u>	<u>\$ -</u>	<u>\$ 2,997,083</u>				<u>3,353,487</u>
General revenues:								
Taxes:								
Property taxes					9,835,249	-	9,835,249	-
Transit taxes					1,569,157	-	1,569,157	-
Transient room taxes					21,132	-	21,132	-
Franchise					1,635,603	-	1,635,603	-
Unrestricted intergovernmental revenues					599,236	-	599,236	-
Interest and investment earnings					481,307	146,204	627,511	318,755
Other revenues					198,290	18,180	216,470	23,339
Transfers in (out)					40,044	(40,044)	-	-
Total general revenues, transfers					14,380,018	124,340	14,504,358	342,094
Change in net position					1,429,754	1,935,187	3,364,941	3,695,581
Net position - beginning					92,979,042	20,300,566	113,279,608	56,579,373
Net position - ending					<u>\$ 94,408,796</u>	<u>\$22,235,753</u>	<u>\$ 116,644,549</u>	<u>\$ 60,274,954</u>

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

CITY OF CANBY, OREGON
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2020

	General Fund	Street Fund	Transit Fund	System Development Charge Fund	Urban Renewal General Fund	Urban Renewal Debt Service Fund	Other Governmental Funds	Total Governmental
ASSETS								
Cash and cash equivalents	\$ 3,619,078	\$ 2,021,091	\$ 1,750,571	\$ 9,907,514	\$ 161,782	\$ 2,204,877	\$ 2,236,102	\$ 21,901,015
Due from other governments	25,164	-	-	-	-	18,013	3,879	47,056
Accounts receivable, net	799,302	175,281	806,187	3,260	687	35,126	8,543	1,828,386
Property taxes receivable	138,439	-	-	-	-	103,845	23,199	265,483
Total assets	<u>\$ 4,581,983</u>	<u>\$ 2,196,372</u>	<u>\$ 2,556,758</u>	<u>\$ 9,910,774</u>	<u>\$ 162,469</u>	<u>\$ 2,361,861</u>	<u>\$ 2,271,723</u>	<u>\$ 24,041,940</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES								
LIABILITIES:								
Accounts payable and other current liabilities	\$ 747,284	\$ 61,275	\$ 99,735	\$ -	\$ 162,469	\$ -	\$ 65,492	\$ 1,136,255
DEFERRED INFLOWS:								
Unavailable revenue	510,268	24,698	38,262	3,260	-	129,337	21,085	726,910
Total liabilities and deferred inflows	<u>1,257,552</u>	<u>85,973</u>	<u>137,997</u>	<u>3,260</u>	<u>162,469</u>	<u>129,337</u>	<u>86,577</u>	<u>1,863,165</u>
FUND BALANCES:								
Restricted for:								
Drug enforcement and equipment	-	-	-	-	-	-	20,693	20,693
Capital projects	-	-	-	9,907,514	-	-	-	9,907,514
Urban renewal debt service	-	-	-	-	-	2,232,524	-	2,232,524
Building services	57,425	-	-	-	-	-	-	57,425
Library services	-	-	-	-	-	-	42,749	42,749
Swim center	-	-	-	-	-	-	1,028,294	1,028,294
PEG	45,566	-	-	-	-	-	-	45,566
Committed for:								
Transportation services	-	-	2,418,761	-	-	-	-	2,418,761
Street projects	-	2,110,399	-	-	-	-	-	2,110,399
PERS contributions	-	-	-	-	-	-	-	-
Workers comp retro plan	121,863	-	-	-	-	-	-	121,863
Park maintenance	197,571	-	-	-	-	-	-	197,571
Tourism promotion and enhancement	-	-	-	-	-	-	26,738	26,738
Cemetery care	-	-	-	-	-	-	1,066,672	1,066,672
Unassigned:	<u>2,902,006</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,902,006</u>
Total fund balance	<u>3,324,431</u>	<u>2,110,399</u>	<u>2,418,761</u>	<u>9,907,514</u>	<u>-</u>	<u>2,232,524</u>	<u>2,185,146</u>	<u>22,178,775</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 4,581,983</u>	<u>\$ 2,196,372</u>	<u>\$ 2,556,758</u>	<u>\$ 9,910,774</u>	<u>\$ 162,469</u>	<u>\$ 2,361,861</u>	<u>\$ 2,271,723</u>	<u>\$ 24,041,940</u>

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

CITY OF CANBY, OREGON
GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2020

TOTAL FUND BALANCE \$ 22,178,775

Total net position shown in the Statement of Net Position is different because:

Capital assets are not financial resources for budgetary purposes and therefore are not reported in the governmental funds.

Cost	\$ 213,849,639	
Accumulated depreciation	<u>(111,891,839)</u>	101,957,800

A portion of the City's receivables are collected after year-end but they are not collected soon enough to be available as financial resources for the current year. The revenues related to these receivables are unavailable and not reported in the governmental funds.

726,910

Deferred Inflows - Pension (843,807)

Deferred Outflows - Pension 3,562,154

Deferred Inflows - OPEB (156,289)

Deferred Outflows - OPEB 38,264

Compensated absences not payable in the current year are not recorded as governmental fund liabilities. (743,567)

Internal service funds reported as governmental activities (168,399)

Long-term assets, are not reported as governmental fund assets and liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expense when it is due. These long-term assets and liabilities consist of:

Long-term debt	\$ (22,169,546)	
Net OPEB liability	(372,923)	
Net pension liability	(9,502,548)	
Accrued interest payable	<u>(98,027)</u>	<u>(32,143,044)</u>

TOTAL NET POSITION \$ 94,408,796

CITY OF CANBY, OREGON
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2020

	General Fund	Street Fund	Transit Fund	System Development Charge Fund	Urban Renewal General Fund	Urban Renewal Debt Service Fund	Other Governmental Funds	Total Governmental
REVENUES:								
Property taxes	\$ 5,200,863	\$ -	\$ -	\$ -	\$ -	\$ 3,803,715	\$ 807,066	\$ 9,811,644
Intergovernmental	599,236	1,652,088	-	-	-	-	951,933	3,203,257
Charges for services	1,093,203	711,387	53,880	-	-	-	161,567	2,020,037
Franchise	1,635,603	-	-	-	-	-	-	1,635,603
Licenses, fees, permits	142,274	-	-	-	-	-	-	142,274
Fines and forfeitures	543,995	-	-	-	-	-	10,073	554,068
Special assessments	-	-	-	-	-	100,222	-	100,222
Grants and donations	86,150	-	1,066,872	-	-	-	22,478	1,175,500
Interest	75,967	38,225	35,685	204,099	1,886	76,553	45,269	477,684
Miscellaneous	174,261	616,755	5,660	-	73,403	24,033	27,168	921,280
System development charges	-	-	-	1,444,082	-	-	-	1,444,082
Transient occupancy tax	-	-	-	-	-	-	21,132	21,132
Transit taxes	-	-	1,553,548	-	-	-	-	1,553,548
Total revenues	<u>9,551,552</u>	<u>3,018,455</u>	<u>2,715,645</u>	<u>1,648,181</u>	<u>75,289</u>	<u>4,004,523</u>	<u>2,046,686</u>	<u>23,060,331</u>
EXPENDITURES:								
Current:								
General government	2,937,996	-	-	-	1,175,469	-	-	4,113,465
Public safety	5,713,262	-	-	-	-	-	11,153	5,724,415
Highways and streets	-	1,760,478	-	-	-	-	-	1,760,478
Transportation	-	-	1,762,231	-	-	-	-	1,762,231
Culture and recreation	811,701	-	-	-	-	-	1,645,986	2,457,687
Community development	883,171	-	-	-	-	-	-	883,171
Capital outlay	504,759	1,259,556	402,285	-	1,024,393	-	162,134	3,353,127
Debt service:								
Principal	-	-	-	-	-	952,095	-	952,095
Interest	-	-	-	-	-	976,782	-	976,782
Total expenditures	<u>10,850,889</u>	<u>3,020,034</u>	<u>2,164,516</u>	<u>-</u>	<u>2,199,862</u>	<u>1,928,877</u>	<u>1,819,273</u>	<u>21,983,451</u>
Revenues over (under) expenditures	(1,299,337)	(1,579)	551,129	1,648,181	(2,124,573)	2,075,646	227,413	1,076,880
OTHER FINANCING SOURCES (USES):								
Transfers in	1,507,158	197,147	-	-	2,493,335	-	1,075,000	5,272,640
Transfers out	<u>(125,586)</u>	<u>(184,653)</u>	<u>(190,668)</u>	<u>(608,789)</u>	<u>(368,762)</u>	<u>(2,493,335)</u>	<u>(1,260,803)</u>	<u>(5,232,596)</u>
Total other financing sources (uses)	<u>1,381,572</u>	<u>12,494</u>	<u>(190,668)</u>	<u>(608,789)</u>	<u>2,124,573</u>	<u>(2,493,335)</u>	<u>(185,803)</u>	<u>40,044</u>
Net changes in fund balances	82,235	10,915	360,461	1,039,392	-	(417,689)	41,610	1,116,924
FUND BALANCE, BEGINNING	<u>3,242,196</u>	<u>2,099,484</u>	<u>2,058,300</u>	<u>8,868,122</u>	<u>-</u>	<u>2,650,213</u>	<u>2,143,536</u>	<u>21,061,851</u>
FUND BALANCE, ENDING	<u>\$ 3,324,431</u>	<u>\$ 2,110,399</u>	<u>\$ 2,418,761</u>	<u>\$ 9,907,514</u>	<u>\$ -</u>	<u>\$ 2,232,524</u>	<u>\$ 2,185,146</u>	<u>\$ 22,178,775</u>

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

CITY OF CANBY, OREGON
GOVERNMENTAL FUNDS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2020

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

Net change in fund balances - total governmental funds		\$ 1,116,924
The statement of revenues, expenditures, and changes in fund balances report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as		
Current year depreciation	\$ (4,305,918)	
Current year disposals	(1,421)	
Donated capital assets	823,934	
Capital acquisitions	<u>3,353,127</u>	(130,278)
Change in unavailable revenue, net of allowance for doubtful accounts		148,172
Change in accrued interest on long-term liabilities		4,488
The issuance of long-term debt (e.g., bonds, leases) provides current financial		
Debt service principal payments	999,008	
Change in compensated absences	<u>18,006</u>	1,017,014
Internal service fund reported as governmental activities		(4,087)
OPEB expense		(7,108)
Pension expense		<u>(715,374)</u>
Change in net position of governmental activities		<u>\$ 1,429,754</u>

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

CITY OF CANBY, OREGON
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2020

	Sewer Combined Fund	Internal Service Funds
ASSETS AND DEFERRED OUTFLOWS		
ASSETS:		
Current Assets:		
Cash and cash equivalents	\$ 7,772,327	\$ 231,793
Accounts receivable, net	631,349	933
Total current assets	8,403,676	232,726
Noncurrent Assets:		
Capital assets, net	15,037,734	-
Total assets	23,441,410	232,726
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows related to pensions	397,164	156,933
Deferred outflows related to OPEB	4,266	1,685
Total deferred outflows of resources	401,430	158,618
Total assets and deferred outflows	\$ 23,842,840	\$ 391,344
LIABILITIES, DEFERRED INFLOWS AND NET POSITION		
LIABILITIES:		
Current Liabilities:		
Accounts payable	\$ 299,428	\$ 57,187
Long-term debt - within one year	71,312	17,570
Total current liabilities	370,740	74,757
Noncurrent Liabilities:		
Long-term obligations - non-current portion	23,770	5,856
Net pension liability	1,059,492	418,642
Net OPEB liability	41,579	16,429
Total noncurrent liabilities	1,124,841	440,927
Total liabilities	1,495,581	515,684
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows related to pensions	94,081	37,174
Deferred inflows related to OPEB	17,425	6,885
Total deferred inflows of resources	111,506	44,059
Total liabilities and deferred inflows	\$ 1,607,087	\$ 559,743
NET POSITION:		
Net investment in capital assets	15,037,734	-
Unrestricted	7,198,019	(168,399)
Total net position	22,235,753	(168,399)
Total liabilities, deferred inflows and net position	\$ 23,842,840	\$ 391,344

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

CITY OF CANBY, OREGON
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
For the Fiscal Year Ended June 30, 2020

	Sewer Combined Fund	Internal Service Funds
OPERATING REVENUES:		
Charges for services	\$ 4,322,371	\$ 1,281,081
Miscellaneous	18,180	3,533
Total operating revenues	<u>4,340,551</u>	<u>1,284,614</u>
OPERATING EXPENSES:		
Personnel services	1,210,522	528,711
Materials and services	933,969	763,611
Depreciation and amortization	441,667	-
Total operating expenses	<u>2,586,158</u>	<u>1,292,322</u>
Operating income (loss)	1,754,393	(7,708)
NON-OPERATING INCOME (EXPENSE):		
Interest income	<u>146,204</u>	<u>3,621</u>
TRANSFERS AND CAPITAL CONTRIBUTIONS:		
Transfers in	343,647	-
Transfers out	(383,691)	-
Contributed Capital	<u>74,634</u>	<u>-</u>
Change in net position	1,935,187	(4,087)
FUND NET POSITION, BEGINNING	<u>20,300,566</u>	<u>(164,312)</u>
FUND NET POSITION, ENDING	<u><u>\$ 22,235,753</u></u>	<u><u>\$ (168,399)</u></u>

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

CITY OF CANBY, OREGON
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2020

	Sewer Combined Fund	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from outside customers	\$ 4,342,727	\$ 16,319
Cash received from internal customers	-	1,274,706
Cash paid to employees for salaries and benefits	(1,286,232)	(484,330)
Cash paid to suppliers and others	(678,787)	(752,623)
Net cash from operating activities	2,377,708	54,072
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Transfers in	343,647	-
Transfer out	(383,691)	-
Net cash from non-capital financing activities	(40,044)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of capital assets	(886,834)	-
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	146,204	3,621
Net increase (decrease) in cash and cash equivalents	1,597,034	57,693
CASH AND CASH EQUIVALENTS, BEGINNING	6,175,293	174,100
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 7,772,327</u>	<u>\$ 231,793</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ 1,754,393	\$ (7,708)
Adjustments:		
Depreciation	441,667	-
Loss on disposal of assets	70,381	-
Decrease (increase) in:		
Accounts receivable	2,176	6,411
Increase (decrease) in:		
Accounts payable and accrued expenses	199,899	10,989
OPEB obligation	(11,073)	1,011
Accrued compensated absences	(10,667)	3,068
Pension obligations	(69,068)	40,301
Net cash from operating activities	<u>\$ 2,377,708</u>	<u>\$ 54,072</u>
Contributed capital	\$ 74,634	

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

NOTES TO THE FINANCIAL STATEMENTS

CITY OF CANBY, OREGON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Reporting Entity

The City of Canby, Oregon, (the City) is located in Clackamas County 21 miles south of Portland, Oregon, and 35 miles north of Salem, Oregon. The City was incorporated as a municipal corporation in 1893 and operates under a council-administrator form of government. The City Council consists of a mayor elected for a two-year term, and six members each elected to four-year terms. The City Council appoints the City Administrator, who is responsible for the day-to-day management of the City.

The accompanying financial statements present the City and its component units, entities for which the City is considered financially responsible. The City is the primary government. A primary government is a financial reporting entity, which has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As required by accounting principles generally accepted in the United States of America (GAAP), these financial statements present the City and its component units. Blended component units, although legally separate entities are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statement to emphasize it is legally separate from the City.

Blended Component Unit

The City has one blended component unit, the Urban Renewal Agency (the Agency). The Agency was formed to plan, direct, and manage certain projects within the City. Pursuant to ORS 457.055, the City Council has been appointed governing body of the Agency, which is the same governing board as the primary government. In accordance with GASB 61 the Agency meets the criteria of a blended component unit because the governing body is the same, there is a financial benefit/burden relationship between the entities in relation to debt burden, asset contributions, and management of the primary government has operational responsibility for the component unit. The Urban Renewal District General Fund and Urban Renewal Debt Service Fund are reported as governmental fund types. Complete financial statements for the Urban Renewal Agency for the year ended June 30, 2020, may be obtained at Canby City Hall, located at 222 NE 2nd Ave., Canby, Oregon 97013.

Discretely Presented Component Unit

The Canby Utility Board (CUB) is responsible for providing water and electricity services to residential and commercial customers within the city limits of Canby. CUB is a legally separate entity from the City, which is currently governed by a board appointed by the members of the City Council. A financial benefit exists. Complete financial statements for CUB for the year ended June 30, 2020 may be obtained at CUB's administrative office located at 1265 SE 3rd Avenue, Canby, Oregon 97013.

B. Basic Financial Statements

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

CITY OF CANBY, OREGON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basic Financial Statements (Continued)

Government-wide financial statements

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. Eliminations have been made to minimize the double-counting of internal activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's activities. Direct expenses are those that are specifically associated and therefore clearly identifiable with a program or function. Indirect expense allocations that have been made in the funds have been eliminated in the Statement of Activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements

These statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental or proprietary. Major individual funds are reported as separate columns in the fund financial statements. Non-major funds are consolidated into a single column within each fund type in the financial section of the basic financial statements and are detailed in the supplementary information.

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The City reports the following major governmental funds:

- *General Fund* - This is the City's primary operating fund. It accounts for the financial resources of the City that are not accounted for in any other fund. Principal sources of revenue are property taxes, intergovernmental proceeds from the State of Oregon and Clackamas County, licenses and permits, and fines. Primary expenditures are for general administration, public safety, and culture and recreation.
- *Street Fund* - This fund accounts for revenues from gas tax apportionments received from the State of Oregon and the local street maintenance fee and expenditures for maintenance of public streets.
- *Transit Fund* - This fund accounts for payroll taxes collected from the local business community as well as grants received and used to fund the City's mass transit program.
- *Urban Renewal – General Fund* - This fund is used to account for the operations and construction of capital projects. The main source of funding is a transfer from the URA Debt Service Fund.
- *System Development Charge Fund* - This fund accounts for the collection and use of system development charges for capital project funding.
- *Urban Renewal - Debt Service Fund* - This fund is used to account for the payment of principal and interest on bonds and loans issued to fund projects as planned and executed through the Urban Renewal Agency – General Fund. The primary source of funds is property tax increment revenue.

CITY OF CANBY, OREGON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basic Financial Statements (Continued)

Additionally the City reports non-major funds within the governmental fund type.

- *Special Revenue Funds* - These funds are used to account for proceeds of specific revenue sources that are earmarked for specific purposes including cemetery operations, transient room tax, swim center operations and library operations. Principal resources include property taxes, intergovernmental revenues, room taxes, and charges for services.

The City reports the following major enterprise fund:

- *Sewer Combined Fund* - The fund accounts for business type activities of the City that receive a significant portion of funding through user charges with the intent to fully recover the cost of service. The fund accounts for the day-to-day operation of the City's sanitary sewer collection and treatment processes as well as stormwater operations.

The City reports the following internal service funds:

- *Facilities Fund* - The facilities fund accounts for utilities and maintenance for all City operating locations with the intent of then recovering the cost by charging all operating units based on their applicable portion, attributed based on a percentage of square footage.
- *Fleet Services Fund* - The facilities fund accounts for operation and maintenance of the vehicle fleet and other equipment with the intent of then recovering the cost by charging for the services provided.
- *Technical Services Fund* - The technical services fund accounts for operation and maintenance of computers and the phone system with the intent of recovering the cost by charging operating units based on the number of computers in use.

C. 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 and the proprietary funds financial statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*. 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 when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. This 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 accounting, a current financial resource measurement focus is inseparable from the modified accrual basis of accounting. Under modified accrual accounting, revenues are recognized as soon as they are both measurable and available.

CITY OF CANBY, OREGON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, long-term compensated absences are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

In accordance with GASB 65 unavailable revenue which occurs on the modified accrual basis of accounting when revenue does not meet both the measurable and available criteria for recognition in the current period is no longer classified as a liability but instead as a deferred inflow. Unavailable revenue consists of uncollected property taxes, assessments, court fines and estimated transit tax revenue not received in time to be considered available to fund current operations. 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 reported on the Governmental Fund Balance Sheet for unavailable revenue is eliminated and revenue is recognized net of allowance for doubtful accounts.

Similar to the way revenues are recorded, governmental funds only record those expenditures that affect current financial resources. Principal and interest on general long-term debt are recorded as fund liabilities only when due, or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. In the government-wide financial statements, however, with a full accrual basis of accounting, all expenditures affecting the economic resource status of the government must be recognized. Thus, the expense and related accrued liability for long term portions of debt and compensated absences must be included.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services, and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's sewer operations are charges to customers for sales and services. These funds also recognize fees intended to recover the cost of connecting new customers to the City's utility systems as operating revenue. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and overheads, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

CITY OF CANBY, OREGON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position/Fund Balance

Cash and Cash Equivalents

The cash and cash equivalents reported on the balance sheet include cash on hand, deposits with financial institutions, and the investment in the Local Government Investment Pool (LGIP). Investments are reported at fair value.

Restricted Assets

The only asset that is reported as restricted is CUB restricted cash which is restricted for deposits and debt service. Restrictions for construction, debt service, by other agreement or for specific purposes by state statute are properly classified within fund balance on the Governmental Fund Balance Sheet, Government-wide Statement of Net Position and the Proprietary Fund Statement of Net Position.

Receivables and Payables

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Recorded property taxes receivable that are collected within 60 days after year-end are considered measurable and available and, therefore, are recognized as revenue. The remaining balance is recorded as unavailable revenue because it is not deemed available to finance operations of the current period. An allowance for doubtful accounts is not deemed necessary by management, as uncollectible taxes become a lien on the property. Property taxes are levied and become a lien on July 1. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 15 are considered delinquent.

Assessment liens are recognized at the time property owners are assessed for property improvements, and under full accrual accounting, those assessments are recognized in the government-wide financial statements as revenue when assessed. Assessment liens receivable are offset by unavailable revenue in the fund financial statements and, accordingly, have not been recognized as revenue in those statements.

Receivables of the enterprise funds are recognized as revenue when earned, including service provided but not yet billed. Receivables in government-wide statements and enterprise funds are stated net of any allowance for uncollectible amounts.

Capital Assets and Depreciation

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, quarries etc.), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital costs are charged to expenditures as purchased in the governmental fund statements, and capitalized in the proprietary fund statements. Capital assets are recorded at historical cost, or estimated historical cost if actual cost is not available. Donated capital assets, works of art, and similar items received in a service concession arrangement are recorded at fair market value.

Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more, and having useful lives extending beyond two reporting periods. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

CITY OF CANBY, OREGON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position/Fund Balance (Continued)

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position, and is provided on the straight-line basis and is taken in the year the assets are acquired or retired.

Buildings and improvements are depreciated over 5-50 years; infrastructure and utility plants are depreciated over 10-50 years; and vehicles and equipment are depreciated over 5-20 years.

Compensated Absences

Accumulated vacation pay is accrued as it is earned. Compensated absences are only reported in the entity-wide governmental financial statements. Based on historical trends, 75% of compensated absences are reported as current or expected to be paid out within the next reporting year. No liability is recorded for non-vested accumulated rights to receive sick pay benefits. However, upon retirement under the City's retirement plan, an employee shall be compensated for 50% of his/her accumulated but unused sick leave; the number of hours of sick leave compensated shall not exceed 500. A liability is recognized for the portion of accumulated sick leave benefits that is eligible to be paid out under that policy as of year-end.

Other Postemployment Benefit Obligations (OPEB)

The City reports its proportionate share of the Net OPEB Liability of the Oregon Public Employees Retirement System (OPERS). A negative Net OPEB Liability is reported as a Net OPEB Asset. For purposes of measuring the net OPEB liability or asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of OPERS and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefits are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Net Pension Liability

The City reports its proportionate share of the Net Pension Liability of the Oregon Public Employees Retirement System (OPERS). A negative Net Pension Liability is reported as a Net Pension Asset. For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of OPERS and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Long-Term Debt

In the government-wide financial statements, and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs as period costs. The face amount of debt issued is reported as other financial sources while discounts or premiums on debt proceeds received are reported as other financing sources or uses, respectively. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as materials and services expenditures.

CITY OF CANBY, OREGON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, Deferred Outflows/Inflows and Net Position/Fund Balance (Continued)

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that apply to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that apply to a future period and so will not be recognized as an inflow of resources (revenue) until then.

Net Position

In the government-wide financial statements and proprietary funds financial statements, net position is reported in three categories: net investment in capital assets, restricted net position, and unrestricted net position. Net investment in capital assets represents capital assets less accumulated depreciation less outstanding principal of related debt. Net investment in capital assets does not include the unspent proceeds of capital debt. Restricted net position represents net position restricted by parties outside of the City (such as creditors, grantors, contributors, laws, and regulations of other governments). All other net position amounts are considered unrestricted.

Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. In accordance with GAAP, allowable fund balance classifications include:

- *Non-Spendable* – Includes items not immediately converted to cash, such as prepaid items and inventory.
- *Restricted* – Includes items that are restricted by external creditors, such as property held for sale, grantors or contributors, or restricted by legal or constitutional provisions.
- *Committed* – Includes items committed by the City Council, by formal council action through the adoption of an ordinance. Commitments of fund balance must be made prior to the end of the fiscal year.
- *Assigned* – Includes items assigned for specific uses, authorized by the City. Assignments of fund balance can be done at any time, including after the fiscal year end date. In accordance with the City's fund balance policy, amounts may be assigned by the City Administrator.
- *Unassigned* – This is the residual classification used for those balances not assigned to another category in the General Fund.

Use of Restricted Resources

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use, it is the City's policy to use committed resources first, then assigned, and then unassigned as they are needed.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires that management make estimates and assumptions which affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

CITY OF CANBY, OREGON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

2) CASH AND CASH EQUIVALENTS

Cash and cash equivalents are 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 cash equivalents in the basic financial statements.

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 States 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, mirrors the requirements of Oregon Revised Statutes.

	City	CUB
Cash on hand	\$ 1,194	\$ 900
Cash on deposit	1,135,808	344,120
Restricted cash	-	721,892
Oregon State Local Government Investment Pool	28,768,133	14,651,000
Total	<u>\$ 29,905,135</u>	<u>\$ 15,717,912</u>
Reported in the basic financial statements as:		
Governmental activities	\$ 22,132,808	
Business-type activities	7,772,327	
Total	<u>\$ 29,905,135</u>	
Component Unit		
Cash and cash equivalents		\$ 14,996,020
Restricted cash		721,892
Total		<u>\$ 15,717,912</u>

A. Custodial Credit Risk

This is the risk that in the event of a bank failure, the City's deposits may not be returned. Effective July 1, 2008, the State of Oregon formed the Oregon Public Funds Collateralization Program under ORS 295. The collateralization program creates a statewide pool of qualified bank depositories for local governments, providing collateralization for bank balances that exceed the limits of federal depository insurance, and eliminating the need for certificates of participation. As of June 30, 2020, the City had total bank balances of \$1,348,128, of which \$250,000 was covered by FDIC and the remainder was collateralized by the statewide pool.

B. Interest Rate risk

The City does not have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

C. Credit Risk

State statutes authorize the City to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, and the LGIP, among others. The City has no investment policy that would further limit its investment choices. The LGIP operates in accordance with appropriate state laws and regulations, but is not regulated by other laws, organizations or regulations. The reported value of the Investment Pool (the Pool) is 100.88% of Pool shares. Investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). The Pool is not registered with the SEC as an investment company, nor is the Pool rated.

CITY OF CANBY, OREGON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

3) RECEIVABLES

An allowance for doubtful accounts is not deemed necessary for the City's property taxes receivable because a lien is placed on the property. An allowance for doubtful accounts for the City's sewer and street maintenance fees receivable is not considered necessary as the City has lien's on property which are to be settled through the closing process of a sales transaction and the City is able to certify delinquent sewer charges to the properties' property tax bill in accordance with ORS 454.225. The City has estimated allowances for doubtful accounts for both estimated unfiled transit tax returns and court fines receivables based on historical collection rates for similar accounts placed with 3rd party collection agencies. The amounts considered uncollectable are \$135,657 and \$2,678,743 respectively.

Canby Utility Board's accounts receivable primarily represent user charges which are recognized as earned. As of June 30, 2020, an allowance for uncollectible receivables has been provided for the electric and water systems of \$1,415.

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue and unearned revenue included delinquent property taxes receivable, estimated unfiled transit tax, court fines, financed system development charges and special assessments not yet due.

4) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, was as follows:

Governmental Activities:	Beginning Balance	Additions	Deletions & Transfers	Ending Balance
<i>Capital assets, not being depreciated:</i>				
Land	\$ 11,708,167	\$ 1,571,543	\$ -	\$ 13,279,710
Intangibles	36,724,734	-	-	36,724,734
Construction in progress	785,818	1,637,604	(659,644)	1,763,778
Total capital assets, not being depreciated	49,218,719	3,209,147	(659,644)	51,768,222
<i>Capital assets, being depreciated:</i>				
Infrastructure	131,100,802	7,449	659,388	131,767,639
Buildings and improvements	24,260,545	473,891	-	24,734,436
Machinery and equipment	961,896	39,737	-	1,001,633
Vehicles	4,540,395	446,837	(409,523)	4,577,709
Total capital assets, being depreciated	160,863,638	967,914	249,865	162,081,417
<i>Less accumulated depreciation for:</i>				
Infrastructure	(98,616,124)	(3,326,247)	-	(101,942,371)
Buildings and improvements	(5,469,237)	(566,297)	-	(6,035,534)
Machinery and equipment	(645,732)	(48,851)	-	(694,583)
Vehicles	(3,263,186)	(364,523)	408,358	(3,219,351)
Total accumulated depreciation	(107,994,279)	(4,305,918)	408,358	(111,891,839)
Total capital assets, being depreciated, net	52,869,359	(3,338,004)	658,223	50,189,578
Governmental activities capital assets, net	\$102,088,078	\$ (128,857)	\$ (1,421)	\$ 101,957,800

Depreciation expense was charged to functions/programs of governmental activities as follows:

General government	\$ 228,398
Public safety	315,578
Highways and streets	3,395,962
Transportation	209,814
Culture and recreation	156,166
Total depreciation expense - governmental activities	\$ 4,305,918

CITY OF CANBY, OREGON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

4) CAPITAL ASSETS (Continued)

Business-type Activities:	Beginning Balance	Additions	Deletions & Transfers	Ending Balance
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,081,277	\$ 74,634	\$ -	\$ 1,155,911
Intangibles	5,500	-	-	5,500
Construction in progress	108,784	778,395	(238,459)	648,720
Total capital assets, not being depreciated	1,195,561	853,029	(238,459)	1,810,131
<i>Capital assets, being depreciated:</i>				
Infrastructure	4,752,269	20,410	-	4,772,679
Buildings and improvements	12,874,549	-	238,459	13,113,008
Machinery and equipment	1,151,905	25,339	(58,113)	1,119,131
Vehicles	791,416	-	-	791,416
Total capital assets, being depreciated	19,570,139	45,749	180,346	19,796,234
<i>Less accumulated depreciation for:</i>				
Infrastructure	(993,583)	(108,567)	-	(1,102,150)
Buildings and improvements	(3,712,518)	(256,688)	-	(3,969,206)
Machinery and equipment	(1,004,793)	(27,171)	50,422	(981,542)
Vehicles	(466,492)	(49,241)	-	(515,733)
Total accumulated depreciation	(6,177,386)	(441,667)	50,422	(6,568,631)
Total capital assets, being depreciated, net	13,392,753	(395,918)	230,768	13,227,603
Business-type activities capital assets, net	\$ 14,588,314	\$ 457,111	\$ (7,691)	\$ 15,037,734

Discretely presented component unit

Activity for the Canby Utility Board (CUB) for the year ended June 30, 2020, was as follows:

CUB:	Beginning Balance	Additions	Deletions	Ending Balance
<i>Capital assets, not being depreciated:</i>				
Land	\$ 1,299,579	\$ -	\$ -	\$ 1,299,579
Property held for future use	3,633	-	-	3,633
Construction in progress	611,503	4,309,080	(3,964,302)	956,281
Total capital assets, not being depreciated	1,914,715	4,309,080	(3,964,302)	2,259,493
<i>Capital assets, being depreciated:</i>				
Plant	63,521,126	3,688,819	(73,570)	67,136,375
Equipment	3,405,223	314,270	(87,408)	3,632,085
Office furniture and equipment	1,090,728	97,136	-	1,187,864
Total capital assets, being depreciated	68,017,077	4,100,225	(160,978)	71,956,324
<i>Less accumulated depreciation for:</i>				
Electric and water plant assets	(24,715,819)	(1,832,171)	262,352	(26,285,638)
Total capital assets, being depreciated, net	43,301,258	2,268,054	101,374	45,670,686
CUB capital assets, net	\$ 45,215,973	\$ 6,577,134	\$ (3,862,928)	\$ 47,930,179

Depreciation expense for CUB Activities is charged to functions as follows:

Electric system	\$1,086,102
Water system	746,069
Total depreciation expense – CUB Activities	\$ 1,832,171

CITY OF CANBY, OREGON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

5) INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund transfers are used to pay administrative services, contribute toward the cost of capital projects, and provide operational resources. The composition of interfund transfers for the year ended June 30, 2020, was as follows:

	Transfers In	Transfers Out
Governmental Funds		
General Fund	\$ 1,507,158	\$ 125,586
Street Fund	197,147	184,653
Transit Fund	-	190,668
SDC Fund	-	608,789
Urban Renewal General Fund	2,493,335	368,762
Urban Renewal Debt Service Fund	-	2,493,335
Non-major Governmental Funds	1,075,000	1,260,803
Total Governmental Funds	5,272,640	5,232,596
Proprietary Funds		
Sewer Combined Fund	343,647	383,691
Total All Funds	\$ 5,616,287	\$ 5,616,287

6) LONG-TERM LIABILITIES

A. Debt Outstanding

The following tables present current year changes in long-term liabilities, and the current portions due for each category of long-term liability, presented separately with respect to governmental and business-type activities. Governmental compensated absences include the General Fund, Streets, Transit, and other Governmental funds.

Long-term liability activity for the year ended June 30, 2020, was as follows:

	Original Amount	6/30/2019 Balance	Additions	Reductions	6/30/2020 Balance	Due Within One Year
Governmental Activities						
Bonds URA:						
2010 1st Ave Redevelopment (3.75-7%)	\$ 2,500,000	\$ 1,675,000	\$ -	\$ 115,000	\$ 1,560,000	\$ 115,000
2010 Bond Discount		(26,508)	-	(2,208)	(24,300)	(2,208)
2011 Police Facility (2-5%)	9,000,000	8,700,000	-	120,000	8,580,000	125,000
2011 Bond Discount		(16,150)	-	(950)	(15,200)	(950)
2012 Civic Bldg & Sequoia Pkwy (3-4%)	14,050,000	10,845,000	-	620,000	10,225,000	645,000
2012 Premium		785,195	-	49,118	736,077	49,118
Total Governmental Bonds		21,962,537	-	900,960	21,061,577	930,960
Long-term Loans URA:						
2009 Township, Berg, Sequoia St. (3-5.25%)	1,981,047	1,196,482	-	97,095	1,099,387	102,865
2009 Premium		9,537	-	953	8,584	953
Total Governmental Loans		1,206,019	-	98,048	1,107,971	103,818
Compensated Absences		781,932	524,941	539,879	766,994	575,246
Total Governmental Activities		\$ 23,950,488	\$ 524,941	\$ 1,538,887	\$ 22,936,542	\$ 1,610,024
Business-Type Activities						
Compensated Absences		\$ 105,749	\$ 66,970	\$ 77,637	\$ 95,082	\$ 71,312
CUB - Discretely presented component unit - Revenue Bonds						
2014 Water Rev Refund Bonds (2.3%)	\$ 1,951,000	\$ 1,185,000	\$ -	\$ 197,000	\$ 988,000	\$ 202,000
2017 Water Rev Refund Bonds (2.09%)	1,988,000	1,808,000	-	183,000	1,625,000	185,000
Total CUB Bonds		\$ 2,993,000	\$ -	\$ 380,000	\$ 2,613,000	\$ 387,000

6) LONG-TERM LIABILITIES (continued)

CITY OF CANBY, OREGON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

B. Debt Service Requirements

The City issues full faith and credit obligation bonds and loans/notes to provide funds for the acquisition and construction of major capital infrastructure and equipment. Full faith and credit obligation bonds and loans/notes outstanding at June 30, 2020, as well as CUB revenue bonds outstanding are as follows:

Fiscal Year Ending June 30,	City of Canby Governmental Activities					CUB		
	URA Loans	Bonds - URA	Total Principal	Interest	Governmental Activities	Principal	Interest	Total
2021	\$ 103,818	\$ 930,960	\$ 1,034,778	\$ 939,232	\$ 1,974,010	\$ 387,000	\$ 52,720	\$ 439,720
2022	104,532	970,960	1,075,492	896,427	1,971,919	399,000	44,013	443,013
2023	110,461	1,005,960	1,116,421	850,460	1,966,881	410,000	35,050	445,050
2024	116,437	1,045,960	1,162,397	802,398	1,964,795	416,000	25,908	441,908
2025	122,256	1,095,960	1,218,216	754,943	1,973,159	357,000	17,377	374,377
2026-2030	550,467	6,439,800	6,990,267	2,892,038	9,882,305	644,000	20,294	664,294
2031-2035	-	8,517,927	8,517,927	1,274,871	9,792,798	-	-	-
2036	-	1,054,050	1,054,050	52,750	1,106,800	-	-	-
Total	<u>\$ 1,107,971</u>	<u>\$ 21,061,577</u>	<u>\$ 22,169,548</u>	<u>\$ 8,463,119</u>	<u>\$ 30,632,667</u>	<u>\$ 2,613,000</u>	<u>\$ 195,362</u>	<u>\$ 2,808,362</u>

The City's outstanding bonds are managed by Bank of New York Mellon and are not direct placement bonds. There is no pledged collateral as all three bonds are Full Faith and Credit Issuances. In the event of default and a majority vote of the owners, the agent has authority to take whatever action necessary to enforce the financing agreement. The agent does not have the right to declare the unpaid principal immediately due.

The City has one outstanding loan through Business Oregon that is not a direct placement and has no pledged collateral. This loan is a Full Faith and Credit Issuance. In the event of default the City has 15 days to cure or the remaining loan becomes payable immediately.

The City does not have any lines of credit.

7) POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

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

A. Financial Statement Presentation

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

	Implicit Rate Subsidy Plan	PERS RHIA Plan	Total OPEB on Financials
Deferred Outflows of Resources			
Contributions After the Measurement Date	\$ 27,234	\$ 2,759	\$ 29,993
Change in Assumptions	14,193	-	14,193
Change in Proportionate Share	-	30	30
Total OPEB Liability	(551,931)	120,999	(430,932)
Deferred Inflows of Resources			
Differences between expected and actual experience	-	(15,956)	(15,956)
Change in Assumptions	(154,471)	(125)	(154,596)
Difference in Earnings	-	(7,469)	(7,469)
Change in Proportionate Share	-	(2,578)	(2,578)
OPEB Expense/(Income)	31,507	(17,120)	14,387

CITY OF CANBY, OREGON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

7) POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

B. Implicit Rate Study

Plan Description

The City's single-employer defined benefit postemployment healthcare plan is administered by City County Insurance Services (CIS). Benefit provisions are established through negotiations between the City and representatives of City or through resolutions passed by City Council. No assets are accumulated in a trust that meet the criteria in GASB Statement 75.

The City's postemployment healthcare plan administrator issues a publicly available financial report that includes financial statements and required supplementary information for CIS. This report may be obtained by writing to the CIS Main Office, 1212 Court Street NE, Salem OR 97301.

Benefits Provided

The plan provides eligible retirees and their dependents under age 65 the same health care coverage at the same premium rates as offered to active employees. The retiree is responsible for the premiums. As of the valuation date of July 1, 2018, the number of participants covered by the benefit terms is as follows:

	City	CUB
Inactive employees or beneficiaries receiving benefits	4	24
Active employees	85	1
	89	25

Total Liability, Expense, Deferred Outflows and Inflows of Resources Related to OPEB

The City's total OPEB liability of \$430,932 was measured as of June 30, 2019, and was determined by an actuarial valuation as of July 1, 2018.

For the fiscal year ended June 30, 2020, the City recognized OPEB expense from this plan of \$31,507. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	City		CUB	
	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 197	\$ -	\$ -	\$ -
Change in Assumptions	14,193	154,471	1,860	13,655
Contributions subsequent to the MD	27,234	-	6,379	19,343
Net Deferred Outflow/(Inflow) of Resources	<u>\$ 41,624</u>	<u>\$ 154,471</u>	<u>\$ 8,239</u>	<u>\$ 32,998</u>

Deferred outflows of resources related to OPEB of \$27,234 resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

CITY OF CANBY, OREGON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

7) POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

B. Implicit Rate Study (Continued)

Year ended June 30:	City	CUB
2021	\$ (23,465)	\$ (7,139)
2022	(23,465)	(7,139)
2023	(23,465)	(7,139)
2024	(23,465)	(6,951)
2025	(23,465)	(2,940)
Thereafter	(22,756)	170
Total	<u><u>\$ (140,081)</u></u>	<u><u>\$ (31,138)</u></u>

Actuarial Assumptions and Other Inputs

The total OPEB liability for the June 30, 2019 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified: inflation rate of 2.50%, projected salary increases of 3.50%, discount rate of 3.50% (change from 3.87% in the previous measurement period), medical and vision varies between 7% and 4.75% (due to the timing of the excise tax scheduled to affect health care benefits), dental at 4.50%, and mortality rates based on the RP-2014 Healthy Annuitant, sex distinct mortality tables blended 50/50 blue collar and white collar, set back one year for males. Mortality is projected on a generational basis using the Unisex Social Security Data Scale.

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

Changes in the Total OPEB Liability

	Total OPEB Liability	
	City	CUB
Balance as of June 30, 2019	\$509,480	\$76,347
Changes for the year:		
Service cost	34,471	6,975
Interest on total OPEB liability	20,501	3,191
Effect of assumptions changes or inputs	16,192	2,198
Benefit payments	<u>(28,713)</u>	<u>(1,742)</u>
Balance as of June 30, 2020	<u><u>\$551,931</u></u>	<u><u>\$86,969</u></u>

The effect of changes in assumptions is the result of the change in the discount rate from 3.58 to 3.87.

Sensitivity of the Total OPEB Liability

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

	City			CUB		
	1% Decrease (2.87%)	Discount Rate (3.87%)	1% Increase (4.87%)	1% Decrease (2.5%)	Discount Rate (3.5%)	1% Increase (4.5%)
Discount Rate:						
Total OPEB Liability	\$ 597,638	\$ 551,931	\$ 509,726	\$ 93,253	\$ 86,969	\$ 81,125
	City			CUB		
	1% Decrease (6% to 3.5%)	Healthcare Cost Trend Rate (7% to 4.5%)	1% Increase (8% to 5.5%)	1% Decrease (6% to 3.5%)	Healthcare Cost Trend Rate (7% to 4.5%)	1% Increase (8% to 5.5%)
Healthcare Cost Trend:						
Total OPEB Liability	\$ 492,781	\$ 551,931	\$ 621,685	\$ 78,411	\$ 86,969	\$ 97,172

CITY OF CANBY, OREGON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

7) POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

C. PERS Retirement Health Insurance Account

Plan Description

The City contributes to the PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by PERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums for eligible retirees. ORS 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants hired after August 29, 2003.

PERS issues publicly available financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700, or online at: www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx

Benefits Provided

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

Contributions

PERS funding policy provides for employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2017 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. The City's contribution rates for the period were 0.06% for Tier One/Tier Two members. The City's total for the year ended June 30, 2019 contributions was \$26,128.

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

At June 30, 2020, the City reported an asset of \$120,999 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2017 rolled forward to June 30, 2019. The City's proportion of the net OPEB asset was based on the City's contributions to the RHIA program during the measurement period relative to contributions from all participating employers. At June 30, 2019, the City's proportionate share was 0.0626%, which is an increase from its proportion of 0.0583% as of June 30, 2018.

For the year ended June 30, 2020, the City recognized OPEB income from this plan of \$17,120. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

CITY OF CANBY, OREGON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

7) POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

C. PERS Retirement Health Insurance Account (Continued)

	City	
	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ -	\$ 15,956
Changes of assumptions	-	125
Net Difference between Projected and Actual Earnings	-	7,469
Change in Proportionate Share	30	2,578
Contributions subsequent to the MD	2,759	-
Total	<u>\$ 2,789</u>	<u>\$ 26,128</u>

Deferred outflows of resources related to OPEB of \$2,759 resulting from the City's contributions subsequent to the measurement date will be recognized as either a reduction of the net OPEB liability or an increase in the net OPEB asset in the subsequent fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	City
2021	\$ (13,407)
2022	(11,963)
2023	(1,497)
2024	769
Total	<u>\$ (26,098)</u>

Actuarial Methods and Assumptions

Valuation Date	December 31, 2017
Measurement Date	June 30, 2019
Experience Study Report	2016, published July 26, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Long-term expected rate of return	7.20 percent
Discount rate	7.20 percent
Projected Salary Increases	3.50 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with
Mortality	<p>Health retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Active Members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.</p>

CITY OF CANBY, OREGON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

7) POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

C. PERS Retirement Health Insurance Account (Continued)

See OPERS Pension Plan footnote for additional information on actuarial assumptions and methods, the long-term expected rate of return, and the discount rate.

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

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

	City		
	1%	Current	1%
	Decrease	Discount	Increase
	(6.20%)	Rate (7.20%)	(8.20%)
Net OPEB Liability (Asset)	\$ (93,806)	\$ (120,999)	\$ (144,170)

OPEB Plan Fiduciary Net Position

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

D Post-Retirement Benefits – Sick Leave

In addition to pension benefits, the City has contractually agreed to pay employees 50% of accumulated sick leave with a maximum payout of 500 hours at the time of retirement. The City recognizes this cost at the fund level when employees retire and benefit is paid. During 2019-2020, \$53,670 in costs were recognized. At the entity wide level the city recognized a liability and corresponding expense for retirement benefits of eligible employees calculated based on sick leave accrued as of June 30, 2020.

8) PENSION PLAN

A. Plan Description

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

B. Benefits Provided

Tier One/Tier Two Retirement Benefits

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

CITY OF CANBY, OREGON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

8) PENSION PLAN (Continued)

B. Benefits Provided (Continued)

Tier One/Tier Two Retirement Benefits (Continued)

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

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

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

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

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.

OPSRP Pension Program

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

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

CITY OF CANBY, OREGON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

8) PENSION PLAN (Continued)

B. Benefits Provided (Continued)

OPSRP Pension Program (Continued)

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

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

Benefit Changes After Retirement - Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes.

OPSRP Individual Account Program (IAP)

Pension Benefits. The IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits - Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Recordkeeping - PERS contracts with VOYA Financial to maintain IAP participant records.

C. Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2017 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. The City's contribution rates for the period were 22.31% for Tier One/Tier Two members, 13.6% for OPSRP General Service members, and 18.23% for OPSRP Police and Fire members. The City's total contributions exclusive of the 6% "pick-up" was \$1,242,630. CUB employer contributions for the year ended June 30, 2020 were \$463,247, excluding amounts to fund employer specific liabilities.

Covered employees are required to contribute 6% of their salary to the Plan, but the employer is allowed to pay any or all of the employees' contribution in addition to the required employers' contribution. The City has elected to contribute the 6% "pick-up" or \$417,238 of the employees' contribution.

CITY OF CANBY, OREGON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

8) PENSION PLAN (Continued)

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

At June 30, 2020, the City and CUB reported a liability of \$10,980,682 and \$3,339,246 respectively for its proportionate share of the OPERS net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to June 30, 2019. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2020, the City's and CUB's proportionate share were 0.0635% and 0.0193% respectively, which changed from its proportionate share measured as of June 30, 2019 by 0.0024% and 0.0184%, respectively.

For the year ended June 30, 2020, the City and CUB recognized pension expense of \$686,606 and \$315,370 respectively. At June 30, 2020, the City and CUB reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	City		CUB	
	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 605,552	\$ -	\$ 184,150	\$ -
Changes of assumptions	1,489,655	-	453,007	-
Net difference between projected and actual earnings on investments	-	311,291		94,664
Changes in proportionate share	120,548	486,049	90,297	215,882
Differences between employer contributions and employer's proportionate share of system contributions	31,943	177,722	35,226	32,711
Contributions subsequent to the MD	1,868,554	-	463,247	-
Total Deferred Outflow/(Inflow) of Resources	<u>\$4,116,252</u>	<u>\$ 975,062</u>	<u>\$1,225,927</u>	<u>\$ 343,257</u>

Deferred outflows of resources related to pensions of \$1,868,554 and \$463,247 resulting from the City's and CUB's respective contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or an increase in the net pension asset in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	City	CUB
2021	\$ 857,326	\$ 244,696
2022	9,227	(10,864)
2023	225,184	85,968
2024	177,433	90,827
2025	3,466	8,796
Total	<u>\$1,272,636</u>	<u>\$ 419,423</u>

E. Actuarial Methods and Assumptions

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

CITY OF CANBY, OREGON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

8) PENSION PLAN (Continued)

E. Actuarial Methods and Assumptions (Continued)

Valuation Date	December 31, 2017
Measurement Date	June 30, 2019
Experience Study Report	2016, published July 26, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Long-term expected rate of return	7.20 percent
Discount rate	7.20 percent
Projected Salary Increases	3.50 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p>Health retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Active Members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.</p>

The total pension liability in the December 31, 2017 actuarial valuation was determined using the actuarial methods and assumptions shown in the prior table.

F. Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption was based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

G. Discount Rate

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

CITY OF CANBY, OREGON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

8) PENSION PLAN (Continued)

H. Long-Term Expected Rate of Return

Asset Class	Target Allocation	Compounded Annual Return (Geometric)
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.13%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equities	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Funds - Diversified	2.50%	4.09%
Hedge Funds - Event Driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
Assumed Inflation - Mean		2.50%

I. Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate

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

Proportionate share of the net pension liability (asset)	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
City	\$ 17,584,588	\$ 10,980,682	\$ 5,454,123
CUB	5,347,500	3,339,246	1,658,600

J. Pension Plan Fiduciary Net Position

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

CITY OF CANBY, OREGON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

9) 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. The City is a member of the City/County Insurance Services Trust and pays an annual premium to the Trust for its general and automobile liability, automobile physical damage and property coverage. Under the membership agreement with the Trust, the Trust is to be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain limits.

The City carries commercial insurance for other risks of loss including workers compensation, boiler and machinery, public official bond, and employee dishonesty coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past four years.

10) COMMITMENTS AND CONTINGENCIES

Grants receivable and grant receipts are subject to adjustment by grantor agencies, principally the Federal Government. Any disallowed claims, including claims already collected, could become a liability to the City. Management believes such amounts, if any, will have no material effect on the financial statements.

Management of the City believes that the total amount of liability, if any, which may arise from claims and lawsuits pending against the City beyond that, which is covered by insurance, would not have a material effect on the City's financial condition.

At June 30, 2020, the City had outstanding commitments for consulting, construction and equipment totaling approximately \$1,976,865.

The City participates in a workers compensation retroactive plan and the maximum outstanding workers compensation exposure is \$121,863.

11) TAX ABATEMENTS

Vertical Housing Program

The City enters into property tax abatement agreements with local businesses under the state Vertical Housing Program, authorized by ORS 307.841 through ORS 307.867. The purpose of the Program is to encourage investment in and rehabilitation of properties in targeted areas of a city or community, to augment the availability of appropriate housing, and to revitalize communities. The program encourages mixed-use developments that contain both non-residential and residential uses in areas (zones) designated by local jurisdictions. The City has one Vertical Housing Tax exemption for the residential portion of the Dahlia building in downtown Canby. The exemption is 60% of the residential property taxes for 10 years. The FY19-20 abatement is approximately \$11,645 for the City and \$8,663 for Urban Renewal.

12) RELATED PARTY

The City receives payments from CUB for contributions in lieu of taxes; for the year ended June 30, 2020, contributions totaled \$817,442. The receivable amounts at June 30, 2020 are, \$62,203 for contributions in lieu of taxes and shared expenses.

13) DEFICIT NET POSITION/FUND BALANCES

The Facilities and Fleet Internal Service Fund reported deficit net position balances of \$48,808 and \$128,136 respectively as of June 30, 2020. The deficit net position is due to changes in net pension and OPEB liabilities during the year.

REQUIRED SUPPLEMENTARY INFORMATION

See notes to RSI

CITY OF CANBY, OREGON
STREET FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2020

	Budget			
	Original	Final	Actual	Variance
REVENUES:				
Property taxes	\$ 4,990,000	\$ 4,990,000	\$ 5,200,863	\$ 210,863
Intergovernmental	583,600	583,600	599,236	15,636
Franchise	1,658,000	1,658,000	1,635,603	(22,397)
Charges for services	747,015	747,015	1,093,203	346,188
Licenses, fees, permits	120,300	120,300	142,274	21,974
Fines and forfeitures	587,300	587,300	543,995	(43,305)
Grants & donations	50,320	50,320	86,150	35,830
Interest	75,000	75,000	75,967	967
Miscellaneous	50,877	50,877	174,261	123,384
Total revenues	8,862,412	8,862,412	9,551,552	689,140
EXPENDITURES:				
Administration	631,616	631,616	607,225	24,391
HR/Risk Management	569,412	569,412	534,985	34,427
Finance	563,853	587,853	586,657	1,196
Court	533,897	525,897	521,144	4,753
Planning	390,470	444,470	436,926	7,544
Building	29,099	29,699	28,821	878
Police	5,968,766	5,918,766	5,824,932	93,834
Parks	1,527,640	1,465,140	1,204,790	260,350
Cemetery	134,916	177,916	176,782	1,134
Economic Development	394,062	424,062	417,424	6,638
Unallocated				
Personnel services	75,000	427,983	427,715	268
Materials & services	43,917	63,917	68,824	(4,907)
Contingency	200,000	111,000	-	111,000
Total expenditures	11,062,648	11,377,731	10,836,225	541,506
Revenues over (under) expenditures	(2,200,236)	(2,515,319)	(1,284,673)	1,230,646
OTHER FINANCING SOURCES (USES):				
Special Payments	(25,000)	(25,000)	(14,664)	10,336
Transfers in	1,850,591	1,850,591	1,507,158	(343,433)
Transfers out	(125,586)	(125,586)	(125,586)	-
Total other financing sources (uses)	1,700,005	1,700,005	1,366,908	(333,097)
Net changes in fund balances	(500,231)	(815,314)	82,235	897,549
FUND BALANCE, BEGINNING	3,001,352	3,001,352	3,242,196	240,844
FUND BALANCE, ENDING	<u>\$ 2,501,121</u>	<u>\$ 2,186,038</u>	<u>\$ 3,324,431</u>	<u>\$ 1,138,393</u>

See notes to RSI

CITY OF CANBY, OREGON
STREET FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2020

	Budget		Actual	Variance
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,984,000	\$ 1,984,000	\$ 1,652,088	\$ (331,912)
Charges for services	630,500	630,500	711,387	80,887
Interest	40,000	40,000	38,225	(1,775)
Miscellaneous	1,001,000	1,001,000	616,755	(384,245)
Total revenues	3,655,500	3,655,500	3,018,455	(637,045)
EXPENDITURES:				
Street department	4,147,835	4,147,835	3,020,034	1,127,801
Contingency	53,240	53,240	-	53,240
Total expenditures	4,201,075	4,201,075	3,020,034	1,181,041
Revenues over (under) expenditures	(545,575)	(545,575)	(1,579)	543,996
OTHER FINANCING SOURCES (USES):				
Transfers in	220,000	220,000	197,147	(22,853)
Transfers out	(184,653)	(184,653)	(184,653)	-
Total other financing sources (uses)	35,347	35,347	12,494	(22,853)
Net changes in fund balance	(510,228)	(510,228)	10,915	521,143
FUND BALANCE, BEGINNING	2,122,439	2,122,439	2,099,484	(22,955)
FUND BALANCE, ENDING	<u>\$ 1,612,211</u>	<u>\$ 1,612,211</u>	<u>\$ 2,110,399</u>	<u>\$ 498,188</u>

See notes to RSI

CITY OF CANBY, OREGON
TRANSIT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2020

	Budget			
	Original	Final	Actual	Variance
REVENUES:				
Transit tax	\$ 1,590,500	\$ 1,590,500	\$ 1,553,548	\$ (36,952)
Grants & donations	794,855	794,855	1,066,872	272,017
Charges for services	60,000	60,000	53,880	(6,120)
Interest	37,000	37,000	35,685	(1,315)
Miscellaneous	8,000	8,000	5,660	(2,340)
Total revenues	2,490,355	2,490,355	2,715,645	225,290
EXPENDITURES:				
Transit	2,527,386	2,527,386	2,164,516	362,870
Contingency	100,000	100,000	-	100,000
Total expenditures	2,627,386	2,627,386	2,164,516	462,870
Revenues over (under) expenditures	(137,031)	(137,031)	551,129	688,160
OTHER FINANCING SOURCES (USES):				
Transfers out	(190,668)	(190,668)	(190,668)	-
Net changes in fund balance	(327,699)	(327,699)	360,461	688,160
FUND BALANCE, BEGINNING	2,045,462	2,045,462	2,058,300	12,838
FUND BALANCE, ENDING	<u>\$1,717,763</u>	<u>\$1,717,763</u>	<u>\$2,418,761</u>	<u>\$ 700,998</u>

CITY OF CANBY, OREGON
URBAN RENEWAL AGENCY – GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2020

	Budget			
	Original	Final	Actual	Variance
REVENUES:				
Grants and donations	\$ 137,951	\$ 137,951	\$ -	\$ (137,951)
Interest	10,000	10,000	1,886	(8,114)
Miscellaneous	-	-	73,403	73,403
Total revenues	147,951	147,951	75,289	(72,662)
EXPENDITURES:				
Urban Renewal	3,721,359	3,721,359	2,568,624	1,152,735
Contingency	-	-	-	-
Total expenditures	3,721,359	3,721,359	2,568,624	1,152,735
Revenues over (under) expenditures	(3,573,408)	(3,573,408)	(2,493,335)	1,080,073
OTHER FINANCING SOURCES (USES):				
Transfers in	3,573,408	3,573,408	2,493,335	(1,080,073)
Net change in fund balance	-	-	-	-
FUND BALANCE, BEGINNING	-	-	-	-
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF CANBY, OREGON
SYSTEM DEVELOPMENT CHARGES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2020

	Budget			
	Original	Final	Actual	Variance
REVENUES:				
System development charges	\$1,282,358	\$1,282,358	\$ 1,444,082	\$ 161,724
Interest	150,000	150,000	204,099	54,099
Total revenues	1,432,358	1,432,358	1,648,181	215,823
OTHER FINANCING SOURCES (USES):				
Transfers out	(910,000)	(1,085,000)	(608,789)	476,211
Net change in fund balance	522,358	347,358	1,039,392	692,034
FUND BALANCE, BEGINNING	8,661,337	8,661,337	8,868,122	206,785
FUND BALANCE, ENDING	<u>\$9,183,695</u>	<u>\$9,008,695</u>	<u>\$ 9,907,514</u>	<u>\$ 898,819</u>

CITY OF CANBY, OREGON
SCHEDULES OF OTHER POSTEMPLOYMENT BENEFIT PLANS
LAST TEN YEARS*

	2020	2019	2018	2017
Proportion of the net OPEB liability (asset)	0.0626%	0.0583%	0.0586%	0.0623%
Proportionate share of the net OPEB liability (asset)	\$ (120,999)	\$ (65,031)	\$ (24,459)	\$ 16,918
Covered Payroll	6,817,117	6,078,300	5,997,812	6,038,627
Proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-2%	-1%	-0.4%	0.3%
Plan fiduciary net position as a percentage of the total OPEB liability	144.4%	124.0%	108.9%	94.2%

SCHEDULE OF CONTRIBUTIONS - LAST TEN YEARS*

	2020	2019	2018	2017
Statutorily required contribution	\$ 31,068	\$ 27,962	\$ 29,178	\$ 27,777
Contributions in relation to the statutorily required contribution	31,068	27,962	29,178	27,777
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered Payroll	6,953,971	6,817,117	6,078,300	5,997,812
Contributions as a percent of covered payroll	0.4%	0.4%	0.5%	0.5%

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIO'S - LAST 10 YEARS*

	2020	2019	2018
Total City OPEB Liability			
Service cost	\$ 34,471	\$ 49,118	\$ 52,481
Interest on total OPEB liability	20,501	23,686	18,539
Effect of economic/demographic gains or losses	-	261	-
Effect of assumption changes or inputs	16,192	(167,508)	(42,771)
Benefit payments	(28,713)	(17,005)	(10,607)
Net Change in Total OPEB liability	42,451	(111,448)	17,642
Balance Beginning	509,480	620,928	603,286
Balance Ending	<u>\$ 551,931</u>	<u>\$ 509,480</u>	<u>\$ 620,928</u>
	2020	2019	2018
Total CUB OPEB Liability			
Service cost	\$ 6,975	\$ 8,015	\$ 8,507
Interest on total OPEB liability	3,191	4,359	3,667
Effect of economic/demographic gains or losses	-	(19,723)	-
Effect of assumption changes or inputs	2,198	(22,873)	(6,280)
Benefit payments	(1,742)	(14,219)	(10,457)
Net Change in Total OPEB liability	10,622	(44,441)	(4,563)
Balance Beginning	76,347	120,788	125,351
Balance Ending	<u>\$ 86,969</u>	<u>\$ 76,347</u>	<u>\$ 120,788</u>

*These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

CITY OF CANBY, OREGON
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY
LAST TEN YEARS*

	City of Canby (Dollars in millions)						
	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.0635%	0.0659%	0.0672%	0.0641%	0.0748%	0.0703%	0.0703%
Proportionate share of the net pension liability (asset)	\$ 10.98	\$ 9.98	\$ 9.06	\$ 9.62	\$ 4.30	\$ (1.59)	\$ 3.59
Covered Payroll	6.82	6.08	6.00	6.04	5.85	5.82	5.65
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	161.0%	164.1%	151.0%	159.3%	73.5%	-27.3%	63.5%
Plan fiduciary net position as a percentage of the total pension liability	80.2%	82.1%	83.1%	80.5%	91.9%	103.6%	92.0%

	Canby Utility Board (Dollars in millions)					
	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.0193%	0.0184%	0.0198%	0.0218%	0.0253%	0.0223%
Proportionate share of the net pension liability (asset)	\$ 3.34	\$ 2.79	\$ 2.67	\$ 3.27	\$ 1.45	\$ (0.51)
Covered Payroll	1.72	1.69	1.72	1.75	1.81	1.59
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	194.2%	165.1%	155.2%	186.9%	80.1%	-32.1%
Plan fiduciary net position as a percentage of the total pension liability	80.2%	82.1%	83.1%	80.5%	91.9%	103.6%

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

*This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

CITY OF CANBY, OREGON
SCHEDULE OF CONTRIBUTIONS
LAST TEN YEARS*

	City of Canby						
	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	\$ 954,495	\$ 943,757	\$ 872,666	\$ 652,149	\$ 746,158	\$ 456,991	\$ 558,095
Contributions in relation to the statutorily required contribution	954,495	943,757	872,666	652,149	746,158	456,991	558,095
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	6,953,971	6,817,117	6,078,300	5,997,812	6,038,627	5,845,405	5,822,556
Contributions as a percent of covered payroll	13.7%	13.8%	14.4%	10.9%	12.4%	7.8%	9.6%

	Canby Utility Board					
	2020	2019	2018	2017	2016	2015
Statutorily required contribution	\$ 463,247	\$ 305,600	\$ 306,220	\$ 230,179	\$ 225,984	\$ 204,466
Contributions in relation to the statutorily required contribution	463,247	305,600	306,220	230,179	225,984	204,466
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	2,314,659	1,718,146	1,692,959	1,719,358	1,747,999	1,810,490
Contributions as a percent of covered payroll	20.0%	17.8%	18.1%	13.4%	12.9%	11.3%

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

*This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

CITY OF CANBY, OREGON
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended June 30, 2020

Budgetary Information

Annual budgets for all funds are adopted on a basis consistent with Oregon Revised Statutes (ORS 294—Local Budget Law). The process under which the budget is adopted is described in the following paragraphs.

Each spring, the City Administrator submits a proposed budget to the Budget Committee (consisting of the City Council and an equal number of citizens of the City). The City is required to budget all funds except the Agency Fund. The City budgets each governmental fund type on a modified accrual basis. Differences between budget basis and the GAAP fund basis of accounting generally arise due to capital leases and interfund loans.

The 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% by the City Council without returning to the Budget Committee for a second approval. After the Council adopts the budget and certifies the total of ad valorem taxes to be levied, no additional tax levy may be made for that fiscal year.

The City Council legally adopts the budget by resolution before July 1. The resolution establishes appropriations for each fund and expenditures cannot legally exceed these appropriations. The level of control established by the resolution for all Funds is at the department level. The City budget document contains more specific, detailed information for personnel services, materials and services, capital outlay, and transfers. Appropriations lapse as of the year-end.

The City Council may change the budget throughout the year by transferring appropriations between levels of control by adopting appropriation transfers as authorized by Oregon Revised Statutes. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget may require hearings before the public, and requires publications in newspapers and approval by the City Council. Expenditure appropriations may not be legally over-expended except in the case of grant receipts that could not be reasonably estimated at the time the budget was adopted, and for debt service on new debt issued during the budget year. Management may transfer budget amounts between individual line items within the legally adopted appropriation levels, but cannot make changes to those levels themselves. During the fiscal year ended June 30, 2020, the City had one supplemental budget and one appropriation transfer resolution.

SUPPLEMENTARY INFORMATION

CITY OF CANBY, OREGON
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2020

	Transient Room Tax Fund	Forfeiture Fund	Cemetery Perpetual Care Fund	Swim Center Local Option Tax Levy Fund	Library Fund	Total
ASSETS						
Cash and cash equivalents	\$ 23,132	\$ 20,796	\$ 1,066,672	\$ 1,049,045	\$ 76,457	\$ 2,236,102
Due from other governments	-	-	-	3,879	-	3,879
Accounts receivable	3,606	-	-	10	4,927	8,543
Property taxes receivable	-	-	-	23,199	-	23,199
Total assets	<u>\$ 26,738</u>	<u>\$ 20,796</u>	<u>\$ 1,066,672</u>	<u>\$ 1,076,133</u>	<u>\$ 81,384</u>	<u>\$ 2,271,723</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
LIABILITIES						
Accounts payable and other current liabilities	\$ -	\$ 103	\$ -	\$ 26,754	\$ 38,635	\$ 65,492
DEFERRED INFLOWS						
Unavailable revenue	-	-	-	21,085	-	21,085
Total liabilities and deferred inflows	<u>-</u>	<u>103</u>	<u>-</u>	<u>47,839</u>	<u>38,635</u>	<u>86,577</u>
FUND BALANCES						
Restricted for:						
Drug enforcement and equipment	-	20,693	-	-	-	20,693
Library services	-	-	-	-	42,749	42,749
Swim center	-	-	-	1,028,294	-	1,028,294
Committed:						
Tourism promotion and enhancement	26,738	-	-	-	-	26,738
Cemetery care	-	-	1,066,672	-	-	1,066,672
Total fund balances	<u>26,738</u>	<u>20,693</u>	<u>1,066,672</u>	<u>1,028,294</u>	<u>42,749</u>	<u>2,185,146</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 26,738</u>	<u>\$ 20,796</u>	<u>\$ 1,066,672</u>	<u>\$ 1,076,133</u>	<u>\$ 81,384</u>	<u>\$ 2,271,723</u>

CITY OF CANBY, OREGON
NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2020

	Transient Room Tax Fund	Forfeiture Fund	Cemetery Perpetual Care Fund	Swim Center Local Option Tax Levy Fund	Library Fund	Total
REVENUES:						
Property taxes	\$ -	\$ -	\$ -	\$ 807,066	\$ -	\$ 807,066
Intergovernmental	-	-	-	-	951,933	951,933
Charges for services	-	-	29,780	110,909	20,878	161,567
Fines and forfeitures	-	10,073	-	-	-	10,073
Grants & donations	-	-	-	-	22,478	22,478
Interest	452	436	22,051	22,330	-	45,269
Transient occupancy taxes	21,132	-	-	-	-	21,132
Miscellaneous	-	-	-	27,168	-	27,168
Total revenues	<u>21,584</u>	<u>10,509</u>	<u>51,831</u>	<u>967,473</u>	<u>995,289</u>	<u>2,046,686</u>
EXPENDITURES:						
Public safety	-	11,153	-	-	-	11,153
Culture and recreation	18,213	-	-	662,490	965,283	1,645,986
Capital outlay	-	19,600	-	142,534	-	162,134
Total expenditures	<u>18,213</u>	<u>30,753</u>	<u>-</u>	<u>805,024</u>	<u>965,283</u>	<u>1,819,273</u>
Revenues over (under) expenditures	3,371	(20,244)	51,831	162,449	30,006	227,413
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	500,000	-	575,000	1,075,000
Transfers out	-	-	(500,000)	(124,096)	(636,707)	(1,260,803)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(124,096)</u>	<u>(61,707)</u>	<u>(185,803)</u>
Net changes in fund balances	3,371	(20,244)	51,831	38,353	(31,701)	41,610
FUND BALANCES, BEGINNING	<u>23,367</u>	<u>40,937</u>	<u>1,014,841</u>	<u>989,941</u>	<u>74,450</u>	<u>2,143,536</u>
FUND BALANCES, ENDING	<u>\$ 26,738</u>	<u>\$ 20,693</u>	<u>\$ 1,066,672</u>	<u>\$ 1,028,294</u>	<u>\$ 42,749</u>	<u>\$ 2,185,146</u>

CITY OF CANBY, OREGON
TRANSIENT ROOM TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2020

	Budget			
	Original	Final	Actual	Variance
REVENUES:				
Transient occupancy taxes	\$ 21,400	\$ 21,400	\$ 21,132	\$ (268)
Interest	210	210	452	242
Total revenues	21,610	21,610	21,584	(26)
EXPENDITURES:				
Tourism promotion	30,270	30,270	15,534	14,736
Tourism enhancement	12,915	12,915	2,679	10,236
Total expenditures	43,185	43,185	18,213	24,972
Net changes in fund balances	(21,575)	(21,575)	3,371	(24,998)
FUND BALANCE, BEGINNING	21,575	21,575	23,367	1,792
FUND BALANCE, ENDING	\$ -	\$ -	\$ 26,738	\$ (23,206)

CITY OF CANBY, OREGON
FORFEITURE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2020

	Budget			
	Original	Final	Actual	Variance
REVENUES:				
Fines and forfeitures	\$ -	\$ -	\$ 10,073	\$ 10,073
Interest	1,050	1,050	436	(614)
Total revenues	1,050	1,050	10,509	9,459
EXPENDITURES:				
Police	41,504	41,504	30,753	10,751
Net changes in fund balances	(40,454)	(40,454)	(20,244)	20,210
FUND BALANCE, BEGINNING	40,454	40,454	40,937	483
FUND BALANCE, ENDING	\$ -	\$ -	\$ 20,693	\$ 20,693

CITY OF CANBY, OREGON
CEMETERY PERPETUAL CARE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2020

	Budget			
	Original	Final	Actual	Variance
REVENUES:				
Charges for services	\$ 20,000	\$ 20,000	\$ 29,780	\$ 9,780
Interest	20,000	20,000	22,051	2,051
Total revenues	40,000	40,000	51,831	11,831
OTHER FINANCING SOURCES (USES):				
Transfers in	500,000	500,000	500,000	-
Transfers out	(500,000)	(500,000)	(500,000)	-
Total other financing sources (uses)	-	-	-	-
Net changes in fund balance	40,000	40,000	51,831	11,831
FUND BALANCE, BEGINNING	1,008,752	1,008,752	1,014,841	6,089
FUND BALANCE, ENDING	<u>\$ 1,048,752</u>	<u>\$ 1,048,752</u>	<u>\$ 1,066,672</u>	<u>\$ 17,920</u>

CITY OF CANBY, OREGON
SWIM CENTER LOCAL OPTION TAX LEVY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2020

	Budget			
	Original	Final	Actual	Variance
REVENUES:				
Property taxes	\$ 796,000	\$ 796,000	\$ 807,066	\$ 11,066
Charges for services	210,000	210,000	110,909	(99,091)
Interest	20,000	20,000	22,330	2,330
Miscellaneous	-	-	27,168	27,168
Total revenues	<u>1,026,000</u>	<u>1,026,000</u>	<u>967,473</u>	<u>(58,527)</u>
EXPENDITURES:				
Swim Center	988,528	988,528	805,024	183,504
Contingency	<u>41,126</u>	<u>41,126</u>	<u>-</u>	<u>41,126</u>
Total expenditures	<u>1,029,654</u>	<u>1,029,654</u>	<u>805,024</u>	<u>224,630</u>
Revenues over (under) expenditures	(3,654)	(3,654)	162,449	166,103
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(124,096)</u>	<u>(124,096)</u>	<u>(124,096)</u>	<u>-</u>
Net changes in fund balance	(127,750)	(127,750)	38,353	166,103
FUND BALANCE, BEGINNING	<u>825,968</u>	<u>825,968</u>	<u>989,941</u>	<u>163,973</u>
FUND BALANCE, ENDING	<u><u>\$ 698,218</u></u>	<u><u>\$ 698,218</u></u>	<u><u>\$ 1,028,294</u></u>	<u><u>\$ 330,076</u></u>

CITY OF CANBY, OREGON
LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2020

	Budget			
	Original	Final	Actual	Variance
REVENUES:				
Intergovernmental	\$ 941,560	\$ 941,560	\$951,933	\$ 10,373
Charges for services	33,000	33,000	20,878	(12,122)
Grants & donations	30,017	30,017	22,478	(7,539)
Interest	100	100	-	(100)
Total revenues	<u>1,004,677</u>	<u>1,004,677</u>	<u>995,289</u>	<u>(9,388)</u>
EXPENDITURES:				
Library services	992,916	992,916	965,283	27,633
Contingency	9,461	9,461	-	9,461
Total expenditures	<u>1,002,377</u>	<u>1,002,377</u>	<u>965,283</u>	<u>37,094</u>
Revenues over (under) expenditures	2,300	2,300	30,006	27,706
OTHER FINANCING SOURCES (USES):				
Transfers in	575,000	575,000	575,000	-
Pass-thru revenue	15,000	15,000	10,309	(4,691)
Transfers out	(636,707)	(636,707)	(636,707)	-
Pass-thru payments	(15,000)	(15,000)	(10,309)	4,691
Total other financing sources (uses)	<u>(61,707)</u>	<u>(61,707)</u>	<u>(61,707)</u>	<u>-</u>
Net changes in fund balance	<u>(59,407)</u>	<u>(59,407)</u>	<u>(31,701)</u>	<u>27,706</u>
FUND BALANCE, BEGINNING	<u>59,407</u>	<u>59,407</u>	<u>74,450</u>	<u>15,043</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,749</u>	<u>\$ 42,749</u>

CITY OF CANBY, OREGON
URBAN RENEWAL AGENCY – DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2020

	Budget			
	Original	Final	Actual	Variance
REVENUES:				
Property taxes	\$ 3,550,000	\$ 3,550,000	\$ 3,803,715	\$ 253,715
Special assessments	62,247	62,247	100,222	37,975
Interest	30,000	30,000	76,553	46,553
Miscellaneous	49,000	49,000	24,033	(24,967)
Total revenues	3,691,247	3,691,247	4,004,523	313,276
EXPENDITURES:				
Debt service	1,928,878	1,928,878	1,928,877	1
Revenues over (under) expenditures	1,762,369	1,762,369	2,075,646	313,277
OTHER FINANCING SOURCES (USES):				
Transfers out	(3,573,408)	(3,573,408)	(2,493,335)	1,080,073
Net change in fund balance	(1,811,039)	(1,811,039)	(417,689)	1,393,350
FUND BALANCE, BEGINNING	2,352,793	2,352,793	2,650,213	297,420
FUND BALANCE, ENDING	<u>\$ 541,754</u>	<u>\$ 541,754</u>	<u>\$ 2,232,524</u>	<u>\$ 1,690,770</u>

CITY OF CANBY, OREGON
SEWER COMBINED FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2020

	Budget			
	Original	Final	Actual	Variance
REVENUES:				
Charges for services	\$ 4,258,000	\$ 4,258,000	\$ 4,322,918	\$ 64,918
Interest	100,000	100,000	146,204	46,204
Miscellaneous	1,500	1,500	18,180	16,680
Total revenues	4,359,500	4,359,500	4,487,302	127,802
EXPENDITURES:				
Wastewater Treatment	2,826,101	2,738,101	1,546,863	1,191,238
Collections	1,379,280	1,454,280	875,851	578,429
Stormwater	275,070	275,070	246,352	28,718
Unallocated				
Personnel services	38,375	38,375	35,358	3,017
Materials & services	336,000	349,000	347,328	1,672
Contingency	235,000	235,000	-	235,000
Total expenditures	5,089,826	5,089,826	3,051,751	2,038,074
Revenues over (under) expenditures	(730,326)	(730,326)	1,435,551	2,165,876
OTHER FINANCING SOURCES (USES):				
Transfers in	360,000	360,000	343,647	(16,353)
Transfers out	(464,065)	(464,065)	(383,691)	80,374
Total other financing sources (uses)	(104,065)	(104,065)	(40,044)	64,021
Net change in fund balance	(834,391)	(834,391)	1,395,507	2,229,897
FUND BALANCE, BEGINNING BUDGETARY BASIS	6,150,644	6,150,644	6,436,688	286,044
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ 5,316,253</u>	<u>\$ 5,316,253</u>	<u>\$ 7,832,194</u>	<u>\$ 2,515,941</u>
Change in fund balance - budgetary basis	\$ 1,395,507	Fund balance - budgetary basis	\$ 7,832,194	
Capitalized contributions	74,634	Capital assets net	15,037,734	
Expenditures capitalized	824,144	Deferred inflow sewer charges	272,054	
Disposal of assets	(7,691)	OPEB Liability	(41,579)	
Depreciation expense	(441,667)	Deferred inflow related to OPEB	(17,425)	
Change in Deferred Revenue - Sewer Charges	(547)	Deferred outflow related to OPEB	4,266	
Change in OPEB Liability	9,712	Net pension liability	(1,059,492)	
Change in deferred inflow related to OPEB	3,996	Deferred inflow related to pensions	(94,081)	
Change in deferred outflow related to OPEB	(2,635)	Deferred outflow related to pensions	397,164	
Change in pension liability (asset)	92,258	Compensated Absences	(95,082)	
Change in deferred inflow related to pensions	23,694	Net position - GAAP basis	<u>\$ 22,235,753</u>	
Change in deferred outflow related to pensions	(46,884)			
Change in compensated absences	10,667			
Change in net position - GAAP basis	<u>\$ 1,935,187</u>			

CITY OF CANBY, OREGON
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
June 30, 2020

	Facilities Fund	Fleet Services Fund	Technical Services Fund	Total Internal Services Funds
ASSETS:				
Cash and cash equivalents	\$ 50,777	\$ 76,236	\$ 104,780	\$ 231,793
Accounts receivable, net	755	178	-	933
Total assets	<u>51,532</u>	<u>76,414</u>	<u>104,780</u>	<u>232,726</u>
DEFERRED OUTFLOW OF RESOURCES:				
Deferred outflows related to pensions	37,464	85,203	34,266	156,933
Deferred outflows related to OPEB	402	915	368	1,685
Total deferred outflow of resources	<u>37,866</u>	<u>86,118</u>	<u>34,634</u>	<u>158,618</u>
Total assets and deferred outflows	<u>\$ 89,398</u>	<u>\$ 162,532</u>	<u>\$ 139,414</u>	<u>\$ 391,344</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION:				
Current liabilities				
Accounts payable and other current liabilities	\$ 13,189	\$ 28,177	\$ 15,821	\$ 57,187
Current portion of long-term obligations	9,047	4,198	4,325	17,570
Total current liabilities	<u>22,236</u>	<u>32,375</u>	<u>20,146</u>	<u>74,757</u>
Noncurrent liabilities				
Net OPEB liability	3,922	8,920	3,587	16,429
Net pension liability	99,940	227,291	91,411	418,642
Noncurrent portion of long-term obligations	3,015	1,399	1,442	5,856
Total noncurrent liabilities	<u>106,877</u>	<u>237,610</u>	<u>96,440</u>	<u>440,927</u>
Total liabilities	<u>129,113</u>	<u>269,985</u>	<u>116,586</u>	<u>515,684</u>
DEFERRED INFLOWS OF RESOURCES:				
Deferred inflows related to pensions	8,874	20,183	8,117	37,174
Deferred inflows related to OPEB	1,644	3,738	1,503	6,885
Total deferred inflows of resources	<u>10,518</u>	<u>23,921</u>	<u>9,620</u>	<u>44,059</u>
Total liabilities and deferred inflows	<u>139,631</u>	<u>293,906</u>	<u>126,206</u>	<u>559,743</u>
NET POSITION:				
Unrestricted	(50,233)	(131,374)	13,208	(168,399)
Total liabilities, deferred inflows and net position	<u>\$ 89,398</u>	<u>\$ 162,532</u>	<u>\$ 139,414</u>	<u>\$ 391,344</u>

CITY OF CANBY, OREGON
INTERNAL SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION
For Year Ended June 30, 2020

	Facilities Fund	Fleet Services Fund	Technical Services Fund	Total Internal Services Funds
OPERATING REVENUES:				
Charges for services	\$ 290,628	\$ 627,977	\$ 362,476	\$ 1,281,081
Miscellaneous	2,129	1,404	-	3,533
Total revenues	292,757	629,381	362,476	1,284,614
OPERATING EXPENSES:				
Personnel services	152,803	259,726	116,182	528,711
Materials and services	175,814	338,974	212,749	727,537
Capital outlay	5,554	-	30,520	36,074
Total operating expense	334,171	598,700	359,451	1,292,322
Operating income (loss)	(41,414)	30,681	3,025	(7,708)
NON-OPERATING INCOME (EXPENSE):				
Interest income	1,070	650	1,901	3,621
Net change in net position	(40,344)	31,331	4,926	(4,087)
NET POSITION, BEGINNING	(9,889)	(162,705)	8,282	(164,312)
NET POSITION, ENDING	<u>\$ (50,233)</u>	<u>\$ (131,374)</u>	<u>\$ 13,208</u>	<u>\$ (168,399)</u>

CITY OF CANBY, OREGON
INTERNAL SERVICE FUNDS
COMBINING SCHEDULE OF CASH FLOWS
For the Year Ended June 30, 2020

	Facilities Fund	Fleet Services Fund	Technical Services Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from outside customers	\$ 10,463	\$ 5,856	\$ -	\$ 16,319
Cash received from internal customers	287,933	624,297	362,476	1,274,706
Cash paid to employees for salaries and benefits	(120,855)	(253,290)	(110,185)	(484,330)
Cash paid to suppliers and others	<u>(187,476)</u>	<u>(332,902)</u>	<u>(232,245)</u>	<u>(752,623)</u>
Net cash from operating activities	(9,935)	43,961	20,046	54,072
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	<u>1,070</u>	<u>650</u>	<u>1,901</u>	<u>3,621</u>
Net increase (decrease) in cash and cash equivalents	(8,865)	44,611	21,947	57,693
CASH AND CASH EQUIVALENTS, BEGINNING	<u>59,642</u>	<u>31,625</u>	<u>82,833</u>	<u>174,100</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 50,777</u>	<u>\$ 76,236</u>	<u>\$104,780</u>	<u>\$ 231,793</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (41,414)	\$ 30,681	\$ 3,025	\$ (7,708)
Adjustments:				
Decrease (increase) in:				
Accounts receivable	5,639	772	-	6,411
Increase (decrease) in:				
Accounts payable and accrued expenses	(6,107)	6,072	11,024	10,989
Accrued compensated absences	9,754	(7,822)	1,136	3,068
OPEB obligations	1,152	(54)	(87)	1,011
Pension obligations	<u>21,041</u>	<u>14,312</u>	<u>4,948</u>	<u>40,301</u>
Net cash from operating activities	<u>\$ (9,935)</u>	<u>\$ 43,961</u>	<u>\$ 20,046</u>	<u>\$ 54,072</u>

CITY OF CANBY, OREGON
FACILITIES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2020

	Budget		Actual	Variance
	Original	Final		
REVENUES:				
Charges for services	\$ 292,933	\$ 292,933	\$ 290,628	\$ (2,305)
Miscellaneous	50	50	2,129	2,079
Interest	1,800	1,800	1,070	(730)
Total revenues	294,783	294,783	293,827	(956)
EXPENDITURES:				
Facilities	328,506	328,506	302,224	26,282
Contingency	16,325	16,325	-	16,325
Total expenditures	344,831	344,831	302,224	42,607
Revenues over (under) expenditures	(50,048)	(50,048)	(8,397)	41,651
FUND BALANCE, BEGINNING BUDGETARY BASIS	50,048	50,048	46,740	(3,308)
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,343</u>	<u>\$ 38,343</u>

Change in fund balance - budgetary basis	\$ (8,397)
Change in compensated absences	(9,754)
Change in accrued OPEB liability	(796)
Change in deferred inflow related to OPEB	(338)
Change in deferred outflow related to OPEB	(18)
Change in pension liability	(29,745)
Change in deferred inflow related to pensions	(1,696)
Change in deferred outflow related to pensions	10,400
Change in net position - GAAP basis	<u>\$ (40,344)</u>

Fund balance - budgetary basis	\$ 38,343
Compensated absences	(12,062)
OPEB liability	(3,922)
Deferred inflow related to OPEB	(1,644)
Deferred outflow related to OPEB	402
Net pension liability	(99,940)
Deferred inflow related to pensions	(8,874)
Deferred outflow related to pensions	37,464
Net position - GAAP basis	<u>\$ (50,233)</u>

CITY OF CANBY, OREGON
FLEET SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2020

	Budget			
	Original	Final	Actual	Variance
REVENUES:				
Charges for services	\$ 612,360	\$ 612,360	\$ 628,431	\$ 16,071
Interest	3,000	3,000	650	(2,350)
Miscellaneous	300	300	1,404	1,104
Total revenues	<u>615,660</u>	<u>615,660</u>	<u>630,485</u>	<u>14,825</u>
EXPENDITURES:				
Fleet Services	623,534	623,534	592,265	31,269
Contingency	<u>31,177</u>	<u>31,177</u>	-	<u>31,177</u>
Total expenditures	<u>654,711</u>	<u>654,711</u>	<u>592,265</u>	<u>62,446</u>
Revenues over (under) expenditures	(39,051)	(39,051)	38,220	77,271
FUND BALANCE, BEGINNING BUDGETARY BASIS	<u>39,051</u>	<u>39,051</u>	<u>10,016</u>	<u>(29,035)</u>
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,236</u>	<u>\$ 48,236</u>
Change in fund balance - budgetary basis			\$ 38,220	
change in deferred revenue			(454)	
Change in compensated absences			7,823	
Change in accrued OPEB liability			274	
Change in deferred inflow related to OPEB			102	
Change in deferred outflow related to OPEB			(322)	
Change in pension liability			(20,850)	
Change in deferred inflow related to pensions			927	
Change in deferred outflow related to pensions			<u>5,611</u>	
Change in net position - GAAP basis			<u>\$ 31,331</u>	
Fund balance - budgetary basis			\$ 48,236	
Deferred Revenue			-	
Compensated absences			(5,597)	
OPEB liability			(8,920)	
Deferred inflow related to OPEB			(3,738)	
Deferred outflow related to OPEB			915	
Net pension liability			(227,291)	
Deferred inflow related to pensions			(20,183)	
Deferred outflow related to pensions			<u>85,203</u>	
Net position - GAAP basis			<u>\$ (131,374)</u>	

CITY OF CANBY, OREGON
TECHNICAL SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2020

	Budget			
	Original	Final	Actual	Variance
REVENUES:				
Charges for services	\$ 362,475	\$ 362,475	\$ 362,476	\$ (1)
Interest	1,500	1,500	1,901	401
Total revenues	363,975	363,975	364,377	400
EXPENDITURES:				
Tech services	402,091	402,091	353,454	48,637
Contingency	16,252	16,252	-	16,252
Total expenditures	418,343	418,343	353,454	64,889
Revenues over (under) expenditures	(54,368)	(54,368)	10,923	65,289
FUND BALANCE, BEGINNING BUDGETARY BASIS	54,368	54,368	78,036	23,668
FUND BALANCE, ENDING BUDGETARY BASIS	\$ -	\$ -	\$ 88,959	\$ 88,957
Change in fund balance - budgetary basis			\$ 10,923	
Change in compensated absences			(1,135)	
Change in accrued OPEB liability			161	
Change in deferred inflow related to OPEB			62	
Change in deferred outflow related to OPEB			(136)	
Change in pension liability			(7,258)	
Change in deferred inflow related to pensions			488	
Change in deferred outflow related to pensions			1,822	
Change in net position - GAAP basis			\$ 4,926	
Fund balance - budgetary basis			\$ 88,959	
Compensated absences			(5,767)	
OPEB liability			(3,587)	
Deferred inflow related to OPEB			(1,503)	
Deferred outflow related to OPEB			368	
Net pension liability			(91,411)	
Deferred inflow related to pensions			(8,117)	
Deferred outflow related to pensions			34,266	
Net position - GAAP basis			\$ 13,208	

STATISTICAL SECTION

Introduction to the Statistical Section

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

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Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.....Page 74

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future..... Page 79

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.....Page 84

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.....Page 86

Sources: The information in these schedules is derived from the comprehensive annual financial reports or annual financial statements for the relevant year, unless otherwise noted. The City implemented GASB Statement 54 in fiscal year 2011, GASB Statements 62 and 63 in fiscal year 2013, GASB Statements 65 and 66 in fiscal year 2014, GASB Statement 68 in 2015, and GASB Statement 72 in 2016.

CITY OF CANBY, OREGON
NET POSITION BY COMPONENT
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 93,081,870	\$ 90,930,273	\$ 88,969,778	\$ 85,535,781	\$ 82,550,388	\$ 79,136,218	\$ 77,325,494	\$ 80,658,590	\$ 78,919,522	\$ 79,788,252
Restricted	3,969,331	6,012,709	14,954,045	13,778,448	13,083,354	7,406,296	9,182,546	9,730,454	12,694,571	13,334,765
Unrestricted	3,418,342	1,981,102	(6,317,863)	(4,918,551)	(3,971,914)	2,663,018	1,434,772	1,808,347	1,364,949	1,285,779
Total governmental activities net position	\$ 100,469,543	\$ 98,924,084	\$ 97,605,960	\$ 94,395,678	\$ 91,661,828	\$ 89,205,532	\$ 87,942,812	\$ 92,197,391	\$ 92,979,042	\$ 94,408,796
Business-type activities										
Net investment in capital assets	\$ 8,532,340	\$ 8,683,592	\$ 8,656,986	\$ 7,439,593	\$ 9,439,727	\$ 10,934,463	\$ 13,043,751	\$ 14,484,585	\$ 14,588,314	\$ 15,037,734
Restricted for: Debt service	250,500	250,500	302,285	302,285	302,285	297,500	299,072	-	-	-
Unrestricted	1,574,387	2,567,270	2,935,973	4,900,576	4,349,954	4,097,766	3,091,158	3,654,552	5,712,252	7,198,019
Total business-type activities net position	\$ 10,357,227	\$ 11,501,362	\$ 11,895,244	\$ 12,642,454	\$ 14,091,966	\$ 15,329,729	\$ 16,433,981	\$ 18,139,137	\$ 20,300,566	\$ 22,235,753
Primary government										
Net investment in capital assets	\$ 101,614,210	\$ 99,613,865	\$ 97,626,764	\$ 92,975,374	\$ 91,990,115	\$ 90,070,681	\$ 90,369,245	\$ 95,143,175	\$ 93,507,836	\$ 94,825,986
Restricted	4,219,831	6,263,209	15,256,330	14,080,733	13,385,639	7,703,796	9,481,618	9,730,454	12,694,571	13,334,765
Unrestricted	4,992,729	4,548,372	(3,381,890)	(17,975)	378,040	6,760,784	4,525,930	5,462,899	7,077,201	8,483,798
Total primary government net position	\$ 110,826,770	\$ 110,425,446	\$ 109,501,204	\$ 107,038,132	\$ 105,753,794	\$ 104,535,261	\$ 104,376,793	\$ 110,336,528	\$ 113,279,608	\$ 116,644,549

CITY OF CANBY, OREGON
CHANGES IN NET POSITION
Last Ten Fiscal Years

Expenses	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
General government	\$ 2,820,495	\$ 3,284,765	\$ 4,774,376	\$ 4,414,531	\$ 3,029,144	\$ 3,956,415	\$ 5,073,134	\$ 6,302,251	\$ 5,790,769	\$ 4,907,284
Public safety	4,168,007	4,516,634	4,488,123	5,193,708	4,161,977	6,492,885	5,566,041	5,559,605	5,966,589	6,313,592
Highways and streets	3,826,242	3,942,233	4,007,187	5,429,844	4,544,489	4,940,361	4,982,116	5,282,100	5,326,770	6,200,318
Transportation	1,304,747	1,134,285	1,101,690	1,629,497	1,603,233	1,791,132	2,041,545	1,816,255	1,930,000	1,970,063
Culture and recreation	1,920,450	2,108,559	1,927,998	1,998,399	1,721,445	2,513,848	2,306,539	2,549,589	2,902,109	2,673,890
Community development	657,712	644,529	731,776	964,019	843,014	1,084,698	994,297	849,462	799,488	893,524
Interest on long-term debt	340,041	745,573	1,077,103	1,166,925	1,135,641	1,100,784	1,069,354	1,050,621	1,009,074	972,294
Total governmental activities expenses	15,037,694	16,376,578	18,108,253	20,796,923	17,038,943	21,880,123	22,033,026	23,409,883	23,724,799	23,930,965
Business-type activities:										
Sewer Operations	1,517,463	1,807,247	2,234,837	2,312,854	1,698,737	2,556,509	2,428,876	2,288,174	2,499,401	2,586,158
Total business-type activities expenses	1,517,463	1,807,247	2,234,837	2,312,854	1,698,737	2,556,509	2,428,876	2,288,174	2,499,401	2,586,158
Total primary government expenses	\$ 16,555,157	\$ 18,183,825	\$ 20,343,090	\$ 23,109,777	\$ 18,737,680	\$ 24,436,632	\$ 24,461,902	\$ 25,698,057	\$ 26,224,200	\$ 26,517,123
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 669,801	\$ 535,139	\$ 356,315	\$ 2,026,761	\$ 1,594,975	\$ 1,342,053	\$ 1,935,370	\$ 1,616,403	\$ 2,033,138	\$ 2,269,989
Public safety	704,506	506,205	464,128	477,488	642,941	546,743	178,770	70,455	41,770	48,754
Highways and streets	565,788	531,122	532,962	549,222	590,344	471,186	734,798	633,105	798,136	1,342,406
Transportation	9,133	1,005	123,271	128,437	128,973	69,974	59,901	55,942	65,424	53,880
Culture and recreation	276,095	213,339	255,577	238,273	260,106	229,920	200,671	452,430	656,134	562,071
Community development	261,095	-	-	-	-	242,879	272,343	240,187	281,423	251,329
Operating grants and contributions	576,493	2,456,959	2,460,668	2,016,611	1,856,805	2,701,590	3,057,885	3,541,170	3,181,745	4,190,555
Capital grants and contributions	285,355	534,089	1,966,349	1,256,840	499,747	2,527,420	2,778,858	1,813,959	3,702,312	2,261,717
Total governmental activities program revenues	3,348,266	4,777,858	6,159,270	6,693,632	5,573,891	8,131,765	9,218,596	8,423,651	10,760,082	10,980,701
Business-type activities:										
Charges for services:										
Sewer Operations	2,576,118	3,230,157	3,417,449	3,702,088	3,974,213	3,920,046	3,964,451	4,130,067	4,415,604	4,322,371
Capital grants and contributions	-	-	-	-	-	283,985	(7,601)	-	-	74,634
Total business-type activities program revenues	2,576,118	3,230,157	3,417,449	3,702,088	3,974,213	4,204,031	3,956,850	4,130,067	4,415,604	4,397,005
Total primary government program revenues	\$ 5,924,384	\$ 8,008,015	\$ 9,576,719	\$ 10,395,720	\$ 9,548,104	\$ 12,335,796	\$ 13,175,446	\$ 12,553,718	\$ 15,175,686	\$ 15,377,706

CITY OF CANBY, OREGON
CHANGES IN NET POSITION – (Continued)
Last Ten Fiscal Years

	2012	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net(expense)/revenue										
Governmental activities	\$ (11,689,428)	\$ (11,598,720)	\$ (11,948,983)	\$ (14,103,291)	\$ (11,465,052)	\$ (13,748,358)	\$ (12,814,430)	\$ (14,986,232)	\$ (12,964,717)	\$ (12,950,264)
Business-type activities	1,058,655	1,419,245	1,182,612	1,389,234	2,275,476	1,647,522	1,527,974	1,841,893	1,916,203	1,810,847
Total primary government net expense	\$ (10,630,773)	\$ (10,179,475)	\$ (10,766,371)	\$ (12,714,057)	\$ (9,189,576)	\$ (12,100,836)	\$ (11,286,456)	\$ (13,144,339)	\$ (11,048,514)	\$ (11,139,417)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 5,968,707	\$ 6,150,855	\$ 6,498,735	\$ 6,889,702	\$ 7,096,541	\$ 7,448,765	\$ 7,684,963	\$ 8,343,809	\$ 8,980,719	\$ 9,835,249
Franchise	428,301	463,062	459,100	442,498	479,348	452,204	1,243,135	1,300,972	1,626,766	1,635,603
Unrestricted intergovernmental revenues	2,924,817	2,001,883	1,728,834	1,828,117	1,903,952	1,184,433	467,965	654,701	982,634	599,236
Transient room taxes	-	-	-	-	-	-	-	-	23,111	21,132
Transit tax	849,806	946,398	1,006,388	1,054,412	1,201,314	1,284,333	1,358,729	1,424,664	1,520,524	1,569,157
Interest and investment earnings	71,184	110,052	87,778	97,346	85,666	183,483	159,906	284,336	479,505	481,307
Other Revenues	49,858	86,428	27,487	92,934	103,059	161,506	138,771	213,418	240,579	198,290
Gain on sale of capital assets	-	-	-	-	(28,935)	-	-	-	-	-
Transfers in (out)/Special pmts	282,303	294,583	822,537	488,000	513,281	487,698	498,241	1,298,680	(107,470)	40,044
Total governmental activities	10,574,976	10,053,261	10,630,859	10,893,009	11,354,226	11,202,422	11,551,710	13,520,580	13,746,368	14,380,018
Business-type activities:										
Interest and investment earnings	9,295	11,753	13,888	20,264	26,789	32,007	52,552	64,876	131,564	146,204
Other revenues	3,587	7,720	19,919	50,489	58,460	45,482	22,417	43,232	6,192	18,180
Gain on sale of capital assets	-	-	-	(224,777)	6,809	-	-	-	-	-
Transfers in (out)	(282,303)	(294,583)	(822,537)	(488,000)	(513,281)	(487,698)	(498,241)	(129,980)	107,470	(40,044)
Total business-type activities	(269,421)	(275,110)	(788,730)	(642,024)	(421,223)	(410,209)	(423,272)	(21,872)	245,226	124,340
Total primary government	\$ 10,305,555	\$ 9,778,151	\$ 9,842,129	\$ 10,250,985	\$ 10,933,003	\$ 10,792,213	\$ 11,128,438	\$ 13,498,708	\$ 13,991,594	\$ 14,504,358
Change in Net Position										
Governmental activities	\$ (1,114,452)	\$ (1,545,459)	\$ (1,318,124)	\$ (3,210,282)	\$ (110,826)	\$ (2,545,936)	\$ (1,262,720)	\$ (1,465,652)	\$ 781,651	\$ 1,429,754
Business-type activities	789,234	1,144,135	393,882	747,210	1,854,253	1,237,313	1,104,702	1,820,021	2,161,429	1,935,187
Total primary government	\$ (325,218)	\$ (401,324)	\$ (924,242)	\$ (2,463,072)	\$ 1,743,427	\$ (1,308,623)	\$ (158,018)	\$ 354,369	\$ 2,943,080	\$ 3,364,941

CITY OF CANBY, OREGON
FUND BALANCE OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 2,746	\$ 485	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	21,321	18,445	37,010	44,800	70,908	102,991
Committed	-	-	-	306,150	237,896	398,780	226,829	395,791	507,688	319,434
Assigned	600,835	637,074	-	-	-	-	-	-	-	-
Unassigned	1,715,774	1,609,373	1,279,941	928,620	1,140,672	1,514,195	2,164,971	2,668,345	2,663,600	2,902,006
Total general fund	\$ 2,316,609	\$ 2,246,447	\$ 1,279,941	\$ 1,234,770	\$ 1,402,635	\$ 1,931,905	\$ 2,428,810	\$ 3,108,936	\$ 3,242,196	\$ 3,324,431
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 1,000,378	\$ 1,200,000	\$ -	\$ -	\$ -	\$ -
Restricted	3,969,331	6,012,709	14,954,045	13,778,448	12,085,701	7,387,850	9,145,536	9,685,654	12,623,663	13,231,774
Committed	-	25,783	2,209,306	1,344,744	2,128,337	2,902,303	4,087,650	4,657,385	5,195,992	5,622,570
Assigned	4,224,592	2,406,976	840,599	859,582	876,116	896,556	-	-	-	-
Unassigned	(230,347)	(38,867)	-	-	-	-	-	-	-	-
Total other governmental funds	\$ 7,963,576	\$ 8,406,601	\$ 18,003,950	\$ 15,982,774	\$ 16,090,532	\$ 12,386,709	\$ 13,233,186	\$ 14,343,039	\$ 17,819,655	\$ 18,854,344

CITY OF CANBY, OREGON
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 6,923,675	\$ 7,122,889	\$ 7,551,489	\$ 8,008,525	\$ 8,315,144	\$ 8,867,775	\$ 9,121,767	\$ 9,799,828	\$ 10,860,401	\$ 11,386,324
Licenses and permits	269,191	309,404	170,976	164,721	150,619	205,535	142,649	357,637	189,023	142,274
Intergovernmental	2,836,815	3,489,998	2,863,296	2,967,637	3,237,136	3,208,509	3,095,661	3,542,942	3,951,262	3,203,257
Franchise	428,301	463,062	459,100	442,498	479,348	452,204	1,243,135	1,300,972	1,626,766	1,635,603
Charges for services	1,015,900	922,288	996,993	1,378,850	1,087,871	1,188,693	1,176,563	1,141,639	1,662,967	2,020,037
Fines & forfeitures	505,002	506,205	464,128	477,488	642,941	493,364	510,921	596,192	641,686	554,068
Investment earnings	71,184	110,052	83,632	93,485	83,141	180,498	153,706	277,126	472,285	477,684
Special assessments	265,245	48,913	66,641	68,288	58,524	54,995	48,381	58,019	38,218	100,222
Grants & donations	993,742	1,153,253	3,019,171	1,664,156	738,926	1,240,165	901,534	658,579	956,971	1,175,500
System development charges	41,512	262,552	207,172	296,674	284,442	1,455,036	2,231,407	1,203,280	2,867,424	1,444,082
Miscellaneous	49,858	85,113	25,024	93,421	95,114	410,449	251,183	1,363,699	308,151	921,280
Total revenues	13,400,425	14,473,729	15,907,622	15,655,743	15,173,206	17,757,224	18,876,907	20,299,913	23,575,154	23,060,331
Expenditures										
General government	2,751,290	2,903,077	2,726,692	2,219,798	1,628,204	1,586,670	2,065,997	3,581,881	3,993,003	4,113,465
Public safety	3,931,437	4,088,104	4,427,707	5,148,129	5,118,965	5,287,909	5,030,528	5,048,438	5,337,997	5,724,415
Highways and streets	528,822	525,337	560,865	831,183	834,575	982,630	907,434	854,844	944,520	1,760,478
Transportation	1,126,670	919,224	992,595	1,423,173	1,369,788	1,476,637	1,606,223	1,503,511	1,663,744	1,762,231
Community development	547,949	549,763	673,417	388,909	764,859	833,806	800,678	779,406	2,465,779	2,457,687
Culture and recreation	1,727,713	1,809,357	1,752,753	1,825,566	1,843,481	1,893,309	2,057,648	2,075,540	774,134	883,171
Capital outlay	3,227,700	10,948,814	6,534,688	5,625,102	2,012,940	7,608,149	3,642,437	1,487,103	2,495,868	3,353,127
Debt service										
Principal	635,813	681,788	2,937,007	758,734	836,144	878,502	949,686	1,056,606	1,162,635	952,095
Interest	343,299	741,981	1,059,487	1,173,847	1,138,076	1,107,904	1,076,980	1,057,074	1,020,128	976,782
Total expenditures	14,820,693	23,167,445	21,665,211	19,394,441	15,547,032	21,655,516	18,137,611	17,444,403	19,857,808	21,983,451
Excess of revenues over (under) expen	(1,420,268)	(8,693,716)	(5,757,589)	(3,738,698)	(373,826)	(3,898,292)	739,296	2,855,510	3,717,346	1,076,880
Other financing sources (uses)										
Transfers in	4,405,346	4,365,052	6,004,690	4,103,226	2,047,817	2,850,371	3,454,589	1,142,852	2,472,140	5,272,640
Transfers out/Special payments	(4,123,043)	(4,353,883)	(6,244,610)	(3,520,420)	(1,534,536)	(2,359,172)	(2,956,348)	(1,044,172)	(2,579,610)	(5,232,596)
Issuance of capital leases	103,510	4,260	85,713	91,892	136,168	142,900	105,844	35,789	-	-
Issuance of debt	2,848,558	74,899	15,179,711	-	-	-	-	-	-	-
Total other financing sources (uses)	3,234,371	9,066,579	15,025,504	674,698	649,449	634,099	604,085	134,469	(107,470)	40,044
Net change in fund balances	\$ 1,814,103	\$ 372,863	\$ 9,267,915	\$ (3,064,000)	\$ 275,623	\$ (3,264,193)	\$ 1,343,381	\$ 2,989,979	\$ 3,609,876	\$ 1,116,924
Debt service as a percentage of noncapital expenditures	8.4%	12.0%	155.9%	19.4%	14.5%	13.7%	12.8%	12.4%	11.8%	10.3%

CITY OF CANBY, OREGON
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
Last Ten Fiscal Years

Fiscal Year	Property Tax	Franchise	Unrestricted	Transit Tax	Transient	Total
			Intergovernmental Revenues		Room Tax	
2010	\$5,826,797	\$925,246	\$2,170,566	\$797,622	\$ -	\$9,720,231
2012	6,150,855	463,062	1,914,755	946,398	-	9,475,070
2013	6,498,735	459,100	1,728,834	1,006,388	-	9,693,057
2014	6,889,702	442,498	1,828,117	1,054,412	-	10,214,729
2015	7,096,541	479,348	1,903,952	1,201,314	-	10,681,155
2016	7,448,765	452,204	1,184,433	1,284,333	-	10,369,735
2017	7,684,963	1,243,135	467,965	1,358,729	-	10,754,792
2018	8,343,809	1,300,972	654,701	1,424,664	-	11,724,146
2019	8,980,719	1,626,766	982,634	1,520,524	23,111	13,133,754
2020	9,835,249	1,635,603	599,236	1,569,157	21,132	13,660,377

CITY OF CANBY, OREGON
ASSESSED VALUES AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Fiscal Year Ended June 30	REAL PROPERTY		PERSONAL PROPERTY		MANUFACTURED STRUCTURES		UTILITIES		TOTAL		Ratio of Total Assessed to Total Estimated Actual Value	Total Direct Tax Rate/ Thousan
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2011	\$ 1,115,023,552	\$ 1,473,235,320	\$ 34,018,902	\$ 34,018,092	\$ 11,310,278	\$ 11,869,760	\$ 27,769,240	\$ 27,976,802	\$ 1,188,121,972	\$ 1,547,099,974	76.8%	3.55
2012	1,140,571,946	1,324,670,444	32,253,454	32,253,454	11,005,866	11,435,400	31,866,590	32,256,433	1,215,697,856	1,400,615,731	86.8%	3.54
2013	1,172,664,142	1,273,481,188	34,481,956	34,481,956	11,100,825	11,598,860	28,248,284	28,652,805	1,246,495,207	1,348,214,809	92.5%	3.56
2014	1,222,677,112	1,355,829,043	36,777,433	36,777,433	11,088,542	11,575,900	27,527,820	28,035,278	1,298,070,907	1,432,217,654	90.6%	3.55
2015	1,261,732,523	1,499,078,973	32,869,970	32,869,670	11,533,061	12,071,580	30,759,490	33,576,969	1,336,895,044	1,577,597,192	84.7%	3.55
2016	1,310,364,807	1,644,762,342	35,935,708	35,935,708	12,436,695	12,995,710	32,291,900	35,355,967	1,391,029,110	1,729,049,727	80.5%	3.53
2017	1,372,801,744	1,873,232,786	36,944,850	36,944,850	13,555,393	14,260,000	30,669,400	32,246,879	1,453,971,387	1,956,684,515	74.3%	3.54
2018	1,463,345,780	2,097,943,370	36,456,013	36,456,013	14,916,467	16,107,760	33,046,500	35,454,237	1,547,764,760	2,185,961,380	70.8%	3.55
2019	1,559,089,343	2,381,227,230	37,622,154	37,622,154	16,057,158	18,189,850	32,857,600	35,451,128	1,645,626,255	2,472,490,362	66.6%	3.52
2020	1,652,285,945	2,578,777,534	39,626,246	39,626,246	17,382,198	20,945,790	33,844,300	36,952,248	1,743,138,689	2,676,301,818	65.1%	3.49

Source: Clackamas County Assessor's Office

CITY OF CANBY, OREGON
PROPERTY TAX RATES
Last Ten Fiscal Years

Fiscal Year Ended June 30	City of Canby	Canby School District	Clackamas CC & ESD	Clackamas County	Other Taxing Districts	Total
2011	\$ 3.55	\$ 6.22	\$ 0.96	\$ 3.02	\$ 3.33	\$ 17.08
2012	3.54	6.17	0.94	3.00	3.38	17.03
2013	3.56	6.01	0.95	2.98	3.54	17.04
2014	3.55	6.13	0.95	2.84	3.62	17.09
2015	3.55	6.10	0.95	2.84	3.62	17.06
2016	3.53	6.04	0.98	2.83	3.67	17.05
2017	3.54	6.03	0.98	2.83	3.76	17.14
2018	3.55	5.93	0.97	2.92	3.85	17.22
2019	3.52	5.81	0.96	2.89	3.98	17.16
2020	3.49	5.46	0.94	2.86	4.28	17.03

Source: Clackamas County Assessor's Office

Tax rates expressed in dollars and cents per \$1,000 of assessed value of taxable property

CITY OF CANBY, OREGON
PRINCIPAL PROPERTY TAX PAYERS
Current Year and Nine Years Ago

Taxpayer	2020				2011			
	Taxable Assessed		Percentage of		Taxable Assessed		Percentage of	
	Value	Rank	Assessed Value		Value	Rank	Assessed Value	
Fred Meyer Stores Inc. #651	\$ 26,540,020	1	1.52%		\$ 17,379,514	2	1.46%	
Hope Village Inc.	24,926,089	2	1.43%		17,469,317	1	1.47%	
Sequoia Grove Apartments LLC	19,541,326	3	1.12%				0.00%	
American Steel Corporation	19,032,689	4	1.09%		17,365,978	3	1.46%	
Canby Telephone Assn.	17,406,600	5	1.00%		15,283,900	4	1.29%	
Johnson Controls Battery Group Inc	17,331,090	6	0.99%		10,496,157	6	0.88%	
Shimadzu USA Manufacturing	16,375,280	7	0.94%		7,141,366	8	0.60%	
Argo Canby LLC	13,717,579	8	0.79%		11,124,384	5	0.94%	
Kogap Enterprises Inc.	11,656,672	9	0.67%		8,443,973	7	0.71%	
Jorken Oregon LLC	9,282,176	10	0.53%		7,026,488	9	0.59%	
Truamerica Multifamily LLC					6,428,452	10	0.54%	
Subtotal	175,809,521		10.08%		118,159,529		9.94%	
All Other	1,567,329,168		89.91%		1,069,962,443		90.04%	
Totals	\$ 1,743,138,689		100.0%		\$ 1,188,121,972		100.0%	

Source: Clackamas County Assessor's Office

CITY OF CANBY, OREGON
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied by Assessor	Current Tax Collections	Percent of Levy Collections	Delinquent Taxes Collected	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Adjustments & Discounts	Uncollecte d Taxes	Percent of Delinquent Taxes to Tax Levy
2011	\$ 6,170,088	\$ 5,743,341	93.08%	\$ 242,526	\$ 5,985,867	97.01%	\$ 198,134	\$ 347,907	5.64%
2012	6,293,904	5,908,951	93.88%	173,954	6,082,905	96.65%	181,262	415,857	6.61%
2013	6,686,668	6,303,201	94.27%	168,017	6,471,218	96.78%	209,091	422,217	6.31%
2014	7,065,651	6,697,090	94.78%	178,928	6,876,018	97.32%	200,749	411,100	5.82%
2015	7,308,933	6,940,631	94.96%	161,623	7,102,254	97.17%	203,963	413,815	5.66%
2016	7,737,450	7,358,209	95.10%	141,080	7,499,289	96.92%	214,069	437,810	5.66%
2017	7,952,870	7,579,692	95.31%	131,614	7,711,306	96.96%	226,930	452,449	5.69%
2018	8,643,447	8,229,881	95.22%	107,853	8,337,734	96.46%	253,650	504,512	5.84%
2019	9,376,148	8,966,232	95.63%	304,277	9,270,509	98.87%	359,181	250,970	2.68%
2020	10,169,891	9,718,570	95.56%	126,175	9,844,745	96.80%	299,538	276,578	2.72%

Source: Clackamas County Assessor's Office

CITY OF CANBY, OREGON
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business- Type Activities	Total Primary Government	Per Capita
	Full Faith & Credit Bonds	Loans	Capital Leases	Bonds		
2011	\$ 3,330,831	\$ 5,044,592	\$ 312,178	\$ 1,866,616	\$ 10,554,217	\$ 667
2012	11,935,239	4,736,852	184,991	1,626,192	18,483,274	1,168
2013	26,623,990	2,243,892	164,026	1,380,768	30,412,676	1,917
2014	25,998,030	2,064,204	126,846	1,125,344	29,314,424	1,843
2015	25,301,377	1,877,107	167,584	864,920	28,210,988	1,762
2016	24,515,417	1,737,652	199,255	584,496	27,036,820	1,689
2017	23,684,457	1,572,013	189,364	299,072	25,744,906	1,608
2018	22,838,497	1,435,263	104,343	-	24,378,103	1,463
2019	21,962,537	1,206,019	-	-	23,168,556	1,379
2020	21,061,577	1,107,971	-	-	22,169,548	1,308

CITY OF CANBY, OREGON
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Fiscal Year Ended June 30	Population (1)	Assessed Value(2)	Full Faith & Credit Bond	Less: Amounts Available in Debt Service Fund (3)	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Debt per Capita
2011	15,830	\$ 1,188,121,972	\$ 3,375,000	\$ 456,548	\$ 2,918,452	0.0025	\$ 213
2012	15,830	1,215,697,856	12,000,000	169,733	11,830,267	0.0097	758
2013	15,865	1,246,495,207	26,623,990	252,749	26,371,241	0.0212	1,678
2014	15,910	1,298,070,907	25,998,030	426,616	25,571,414	0.0197	1,634
2015	16,010	1,336,895,044	25,301,377	608,236	24,693,141	0.0185	1,580
2016	16,010	1,391,029,110	24,515,417	181,573	24,333,844	0.0175	1,531
2017	16,420	1,453,971,387	23,684,457	423,261	23,261,196	0.0160	1,442
2018	16,660	1,547,764,760	22,838,497	1,563,028	21,275,469	0.0137	1,371
2019	16,800	1,645,626,255	21,962,537	2,650,213	19,312,324	0.0117	1,307
2020	16,950	1,743,138,689	21,061,577	2,232,524	18,829,053	0.0108	1,243

(1) Portland State University

(2) Clackamas County Assessor's Office

(3) This is the amount restricted for debt service principal payments

CITY OF CANBY, OREGON
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
June 30, 2020

Jurisdiction	Total Net Debt	Percent Within City	City's Pro Rata Share
Direct:			
City of Canby	\$ 22,169,548	100%	\$ 22,169,548
Overlapping:			
Clackamas County	121,210,000	3.18%	3,857,145
Clackamas County School District No 86	42,583,582	47.71%	20,317,734
Clackamas Soil & Water Conservation	6,494,000	3.18%	206,652
Clackamas Community College	88,668,913	4.32%	3,833,600
Clackamas County ESD	20,636,690	3.34%	688,770
Canby Rural Fire Protection District 62	4,585,875	71.10%	3,260,401
Total overlapping	284,179,060		32,164,302
TOTAL	\$ 306,348,608		\$ 54,333,850

Source: Debt Management Division, Oregon State Treasury

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. The State of Oregon provides overlapping debt data based on real market valuation of properties for each jurisdiction.

CITY OF CANBY, OREGON
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 46,412,999	\$ 42,018,472	\$ 40,446,444	\$ 42,966,530	\$ 47,327,916	\$ 51,871,492	\$ 58,700,535	\$ 65,578,841	\$ 74,174,711	\$ 80,289,055
Total net debt application to limit	3,330,831	11,935,239	26,623,990	25,998,030	25,301,377	24,515,417	23,684,457	22,838,497	21,962,537	21,061,577
Legal debt margin	<u>\$ 43,082,168</u>	<u>\$ 30,083,233</u>	<u>\$ 13,822,454</u>	<u>\$ 16,968,500</u>	<u>\$ 22,026,539</u>	<u>\$ 27,356,075</u>	<u>\$ 35,016,078</u>	<u>\$ 42,740,344</u>	<u>\$ 52,212,174</u>	<u>\$ 59,227,478</u>
Total net debt applicable to the limit as a percentage of debt limit	7.18%	28.40%	65.83%	60.51%	53.46%	47.26%	40.35%	34.83%	29.61%	26.23%

CITY OF CANBY, OREGON
PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years

Sewer Revenue Bonds											
Fiscal Year	Sewer Charges		Less: Operating	Net Available	Coverage	Debt Service					
	and Other					Expenses	Revenue	Ratio	Principal	Interest	
2011	\$	2,588,320	\$	2,541,273	\$	47,047	16%	\$	225,000	\$	71,872
2012		3,248,920		1,672,914		1,576,006	528%		235,000		63,534
2013		3,430,951		2,022,018		1,408,933	478%		240,000		54,925
2014		4,877,449		2,105,742		2,771,707	936%		250,000		46,044
2015		3,918,768		3,666,109		252,659	87%		255,000		36,891
2016		4,171,357		3,362,437		808,920	268%		275,000		27,284
2017		4,026,032		3,799,856		226,176	76%		280,000		17,050
2018		4,671,564		4,262,432		409,132	136%		295,000		5,900
2019		4,415,604		2,499,401		1,916,203	-		-		-
2020		4,397,005		2,586,158		1,810,847	-		-		-

CITY OF CANBY, OREGON
DEMOGRAPHIC STATISTICS
Last Ten Fiscal Years

Fiscal Year	Population (1)	Total personal income (in thousands)	Per capita personal income (2)	Median age (2)	Unemployment rate (3)	School Enrollment K-12 (2)
2011	15,830	\$ 392,172	\$ 24,774	35.2	9.2%	3,036
2012	15,830	390,447	24,665	34.9	8.5%	2,892
2013	15,865	387,233	24,408	34.9	7.3%	2,991
2014	15,910	404,512	25,425	35.4	6.1%	3,187
2015	16,010	428,043	26,736	37.0	5.2%	3,300
2016	16,010	454,652	28,398	36.1	4.7%	3,446
2017	16,420	486,262	29,614	36.6	3.8%	3,588
2018	16,660	508,563	30,526	37.8	3.6%	3,722
2019	16,800	*	*	*	3.9%	*
2020	16,950	*	*	*	5.7%	*

*Information unavailable at this time

(1) Source: Portland State University Population Research Center

(2) United States Census Bureau American Community Survey 5-year Estimates

(3) annual average (Source: State of Oregon Employment Department)

CITY OF CANBY, OREGON
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

Employer	2020			2012		
	Employees	Rank	Percentage of total city employment	Employees	Rank	Percentage of total city employment
Canby School District	508	1	7.13%	394	1	7.20%
Clarios	240	2	3.37%	240	2	4.38%
Kendal Floral LLC	200	3	2.81%	170	4	3.11%
Shimadzu USA Mfg. Inc.	198	4	2.78%	113	7	2.06%
Milwaukie Electronics	177	5	2.49%	130	6	2.37%
Fred Meyer Stores Inc.	169	6	2.37%	187	3	3.42%
ICC Northwest	142	7	1.99%			0.00%
Marquis Care @ Hope Village	114	8	1.60%			
S R Smith LLC	109	9	1.53%	135	5	2.47%
Cascade Engineering Technologies Inc	93	10	1.31%			
City of Canby				92	9	1.68%
JV Northwest Inc.				111	8	2.03%
Wilson Construction Co				82	10	1.50%
Subtotal	1,950		27.38%	1,654		30.22%
All Other	5,171		72.62%	3,821		69.78%
Total	7,121		100.0%	5,475		100.0%

Historical information from nine years ago is unavailable; the nearest available data is presented.

Source: City of Canby Business License data, Canby Development Services Department, 2012 Market Analysis, Oregon Employment Department and Canby School District

CITY OF CANBY, OREGON
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Function										
General Government	20.99	20.51	20.65	20.46	17.57	17.81	16.96	14.85	24.06	22.66
Public Safety										
Police Officers	23.45	23.85	23.23	24.40	24.98	24.39	24.30	24.58	25.41	25.37
Civilians	4.60	4.60	4.60	4.55	3.30	2.90	3.30	3.30	3.96	3.94
Highways and streets	4.16	5.01	4.63	5.12	5.64	6.11	5.73	5.26	5.96	6.35
Culture and recreation	17.91	18.88	18.11	16.85	17.85	17.58	17.58	22.37	18.15	16.12
Community development	7.49	8.97	7.68	5.24	4.54	4.67	4.99	4.98	5.39	4.95
Transportation	1.60	1.91	1.89	2.20	2.76	2.76	2.75	2.56	2.47	2.66
Sewer	<u>8.07</u>	<u>8.17</u>	<u>10.58</u>	<u>11.15</u>	<u>10.50</u>	<u>11.02</u>	<u>11.36</u>	<u>10.09</u>	<u>9.28</u>	<u>9.97</u>
 Total	 <u>88.27</u>	 <u>91.90</u>	 <u>91.37</u>	 <u>89.97</u>	 <u>87.14</u>	 <u>87.24</u>	 <u>86.97</u>	 <u>87.99</u>	 <u>94.68</u>	 <u>92.02</u>

Source: Annual Adopted Budget Book and City Records

CITY OF CANBY, OREGON
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function										
Police										
Physical arrests	1,056	883	900	552	537	488	375	526	693	413
Parking violations	83	50	112	76	65	124	100	109	140	74
Traffic violations	2,496	2,786	2,962	3,990	4,302	3,616	3,867	3,594	4,660	3,271
Culture and recreation										
Swim Center Admissions	72,368	73,370	74,584	73,363	80,290	78,557	75,496	77,500	75,654	43,690
Library Circulation	342,968	338,713	332,465	326,524	310,938	291,876	312,049	287,249	283,225	208,576
Library Patron Visits	*	*	*	*	*	*	*	122,882	132,993	92,774
Transportation										
Ridership	218,440	150,186	124,878	103,649	106,903	90,260	76,294	75,112	82,255	77,924
Community development										
Various Applications Reviewed	43	18	28	53	65	63	78	89	79	57
Site Plan/Building Permit Apps. Reviewed	34	22	93	104	107	169	135	165	219	246
Wastewater										
Average daily sewage treatment (millions of gallons)	1.0037	0.9744	0.9752	0.9481	0.9962	1.0059	1.0049	0.9983	0.9952	0.9911

Source: City Departments

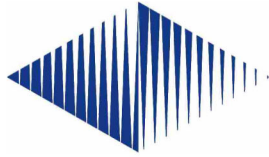
*Added to schedule 2019

CITY OF CANBY, OREGON
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function										
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	14	14	16	16	19	16	17	17	19	19
Highways and streets										
Streets (center lane miles)	54.17	54.17	54.55	55.24	56.00	56.28	57.25	57.68	59.29	59.93
Streetlights	1311	1325	1319	1362	1379	1399	1413	1445	1473	1522
Culture and recreation										
Parks acreage	187	187	187	187	187	187	187	294	294	300
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	2	2	2	2	2	2	2	2	2	0
Community centers	1	1	1	1	1	1	1	1	1	1
Sewer										
Number of connections	6,221	6,232	6,246	6,276	6,301	6,385	6,443	6,469	6,530	6,635
Maximum daily treatment capacity (millions of gallons)	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80	2.80

Source: City Departments

COMPLIANCE SECTION



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Honorable Mayor and Council Members
City of Canby
222 NE 2nd Avenue
Canby, Oregon 97013

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Canby, Oregon (the City) as of and for the year ended June 30, 2020 and have issued our report thereon dated December 4, 2020.

Compliance and Other Matters

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

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

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

In connection with our testing, nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except for the lack of written documentation in the City's records to indicate that a purchase was awarded to a vendor based on its qualification as a sole source provider.


Internal Control Over Financial Reporting

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

Restriction on Use

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

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

By: 
Ryan T. Pasquarella, A Shareholder
December 4, 2020