



**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

FISCAL YEAR ENDING

June 30, 2021

City of Canby

Canby, Oregon

Annual Comprehensive Financial Report

Fiscal Year Ending

June 30, 2021

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, 2021

June 30, 2022

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. In July of 2021 the city experienced turnover of key Finance Department staff, followed by a substantial delay in replacing the staff. The consequence of these events were a delay in the completion of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2021.

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, 2021. 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 17,860. 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. Unemployment for Clackamas County was 5.6% as of June 30, 2021.

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 17,860 as of June 30, 2020. At the end of the second quarter of 2020, the median price of a single family home in the City of Canby was \$326,900.

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 43% 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.
- N Locust, NE 4th to NE 10th Avenue improvements include the following: Curbs, sidewalk, sanitary sewer, storm water and lighting improvements.
- Improvements will be made to S. Ivy Street between OR99-E and Lee Elementary School. Project work includes the following: Construction of sidewalks and a bike lane, Construct ADA improvements, Install signal at the intersection of S. Ivy Street and Township Road Address residential driveway within the intersection area.
- Begin construction of the new Transit Office.
- Replacement of the playground equipment and Locust St Park.
- Paving projects on S Redwood, SW 13th S Berg Parkway and NE 2nd Ave streets.
- Upgrade to the sewer system on S Ivy from 99E to 13th.
- Safeway pump station conversion permits the abandoning of the Safeway Sanitary Sewer Pumping Station and instead use an 8" gravity line extending from Safeway Shopping Center to the existing sewer discharging to the 3rd and Baker Pump Station.

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 5.9% greater than the previous year.

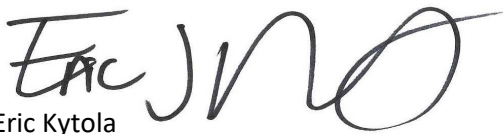
In November 2008, the voters of Clackamas County approved a county-wide library district. The City's share of revenues from the library district in FY20 was \$1,012,388.

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 paid for approximately 5% of operating costs, a dramatic down turn due to Covid restrictions.

Awards and Acknowledgements

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, appearing to read "Eric Kytola". The signature is fluid and cursive, with the first name "Eric" written in a smaller, more legible script than the last name "Kytola".

Eric Kytola
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Canby
Oregon**

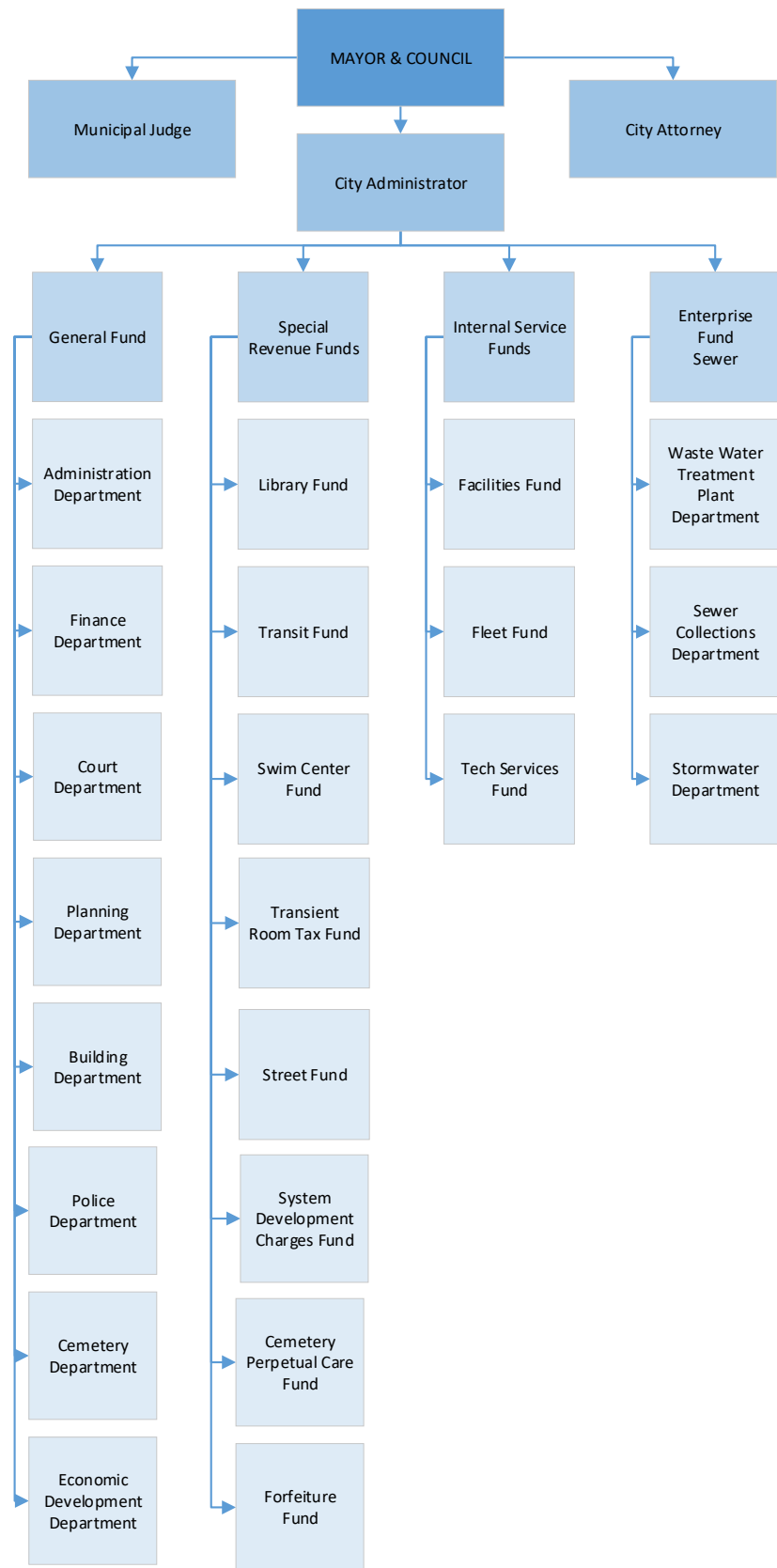
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

CITY OF CANBY ORGANIZTIONAL CHART – 2020 2021



CITY OF CANBY, OREGON
PRINCIPAL OFFICIALS
June 30, 2021

City Officials

Brian Hodson, Mayor
Canby, Oregon 97013

Term Expires

December 31, 2022

Council Members

Traci Hensley, President
Canby, Oregon 97013

December 31, 2024

Christopher Bangs
Canby, Oregon 97013

December 31, 2024

Greg Parker
Canby, Oregon 97013

December 31, 2022

Sarah Spoon
Canby, Oregon 97013

December 31, 2024

Jordan Tibbals
Canby, Oregon 97013

December 31, 2022

Shawn Varwig
Canby, Oregon 97013

December 31, 2022

City Administration

Scott Archer

City Administrator

Eric Kytola

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

475 Cottage Street NE, Suite 200, Salem, OR 97301
(503) 581-7788 • FAX (503) 581-0152 • www.gms.cpa

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit (Canby Utility Board), which represent 32 percent, 35 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, 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, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) and the schedules of revenues, expenditures and changes in fund balance – budget and actual for the General, Street, Transit, Urban Renewal – General Fund 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 Legal and Regulatory Requirements


Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated June 30, 2022, 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
June 30, 2022

CITY OF CANBY, OREGON
MANAGEMENT'S DISCUSSION & ANALYSIS
June 30, 2021

This section of the City of Canby's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021 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, 2021 (FY2021). 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 \$123.7 million at June 30, 2021. Of this amount, \$10.1 million may be used to meet the City's ongoing obligations to its citizens and creditors (unrestricted net position). Total net position increased \$7.0 million (6.0%) from the prior year.
- Canby's total assets increased by \$7.6 million during FY21. Total assets consist of current and noncurrent assets. Current assets were \$39.3 million at the end of FY21. Of that amount, \$35.7 million (91.0%) of current assets were in cash and cash equivalents. Capital and long-term assets (net of depreciation) were \$118 million at the end of FY21. Capital and long-term assets increased by \$1.0 million (0.8%) during FY21. The primary reason for the increase is due to the delay of work on major capital projects and the ARPA funds received by the city.
- Amounts related to pensions and OPEB have increased. In FY20 the City had a net pension and OPEB liability of \$11.4 million and at the end of FY21 this increased to \$14.8 million, a 9.9% change to the total noncurrent liabilities of the City.

Fund Level

- The City's General Fund reported an ending fund balance of \$3.9 million, an increase of \$551 thousand (16.6%) from the prior year; mainly due to ARPA funds and less capital outlay than budgeted.
- The total Governmental funds' ending fund balance was \$28.0 million, an increase of 26.1% in FY21.
- In the aggregate, the Enterprise and Internal Service funds' ending fund balance equivalent, net position, was \$24.4 million, an increase of \$2.4 million (10.7 %) for the year.
- Total FY21 Property Tax revenue was \$10.6 million, an increase of 8.0% from FY20 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

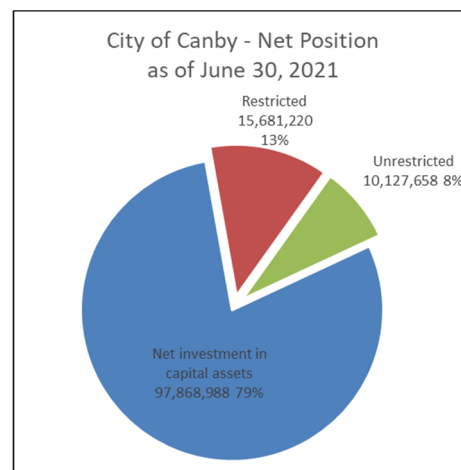
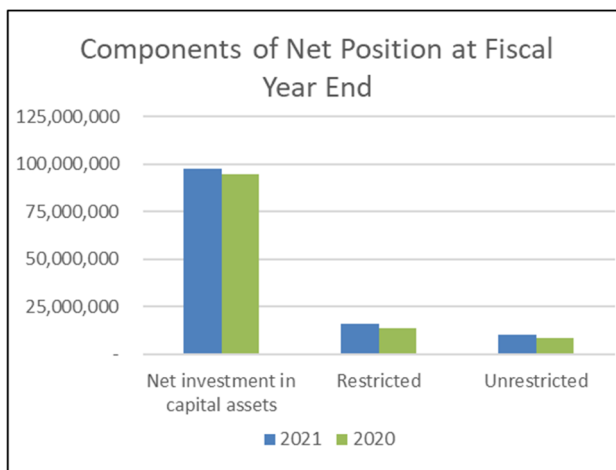
The government wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

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, 2021

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 \$123.7 million as of June 30, 2021. The City’s net investment in capital assets accounts for the majority of the City’s net position. The City has invested \$97.9 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 (\$15.7 million) relates to amounts that are legally restricted for specific future obligations. Unrestricted net position (\$10.1 million) is available to meet the City’s on-going obligations.



	Governmental Activities		Business-Type Activities		Total		Change
	2021	2020	2021	2020	2021	2020	
Assets							
Current and other assets	\$ 30,859,621	\$ 24,274,667	\$ 8,419,661	\$ 8,403,676	\$ 39,279,282	\$ 32,678,343	20.2%
Capital assets	100,300,176	101,957,800	17,673,977	15,037,734	117,974,153	116,995,534	0.8%
Total assets	131,159,797	126,232,467	26,093,638	23,441,410	157,253,435	149,673,877	5.1%
Total Deferred Outflows	4,527,920	3,759,036	486,335	401,430	5,014,255	4,160,466	20.5%
Liabilities							
Long-term liabilities	29,457,505	31,637,059	1,467,017	1,124,841	30,924,522	32,761,900	-5.6%
Other liabilities	6,783,805	2,901,493	328,944	370,740	7,112,749	3,272,233	117.4%
Total liabilities	36,241,310	34,538,552	1,795,961	1,495,581	38,037,271	36,034,133	5.6%
Total Deferred Inflows	501,023	1,044,155	51,530	111,506	552,553	1,155,661	-52.2%
Net Position							
Net investment in capital assets	80,195,011	79,788,252	17,673,977	15,037,734	97,868,988	94,825,986	3.2%
Restricted	15,681,220	13,334,765	-	-	15,681,220	13,334,765	17.6%
Unrestricted	3,069,153	1,285,779	7,058,505	7,198,019	10,127,658	8,483,798	19.4%
Total net position	\$ 98,945,384	\$ 94,408,796	\$ 24,732,482	\$ 22,235,753	\$ 123,677,866	\$ 116,644,549	6.0%

CITY OF CANBY, OREGON
MANAGEMENT'S DISCUSSION & ANALYSIS
June 30, 2021

The **Statement of Activities** presents the changes in net position by detailing the revenues and expenses for the Fiscal Years 2021 and 2020. 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	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues						
Charges for services	\$ 4,737,591	\$ 4,528,429	\$ 4,460,413	\$ 4,322,371	\$ 9,198,004	\$ 8,850,800
Operating grants and contributions	3,955,933	4,190,555	-	-	3,955,933	4,190,555
Capital grants and contributions	3,397,960	2,261,717	-	74,634	3,397,960	2,336,351
General revenues						
Property taxes	10,625,478	9,835,249	-	-	10,625,478	9,835,249
Transit taxes	1,790,583	1,569,157	-	-	1,790,583	1,569,157
Transient Room Taxes	21,000	21,132	-	-	21,000	21,132
Franchise	1,672,933	1,635,603	-	-	1,672,933	1,635,603
Unrestricted intergovernmental	1,045,263	599,236	-	-	1,045,263	599,236
Interest and investment income	195,651	481,307	59,584	146,204	255,235	627,511
Other revenues	205,712	198,290	9,025	18,180	214,737	216,470
Total revenues	27,648,104	25,320,675	4,529,022	4,561,389	32,177,126	29,882,064
Program Expenses						
General government	5,700,556	4,907,284	-	-	5,700,556	4,907,284
Public safety	6,008,163	6,313,592	-	-	6,008,163	6,313,592
Highways and streets	4,497,361	6,200,318	-	-	4,497,361	6,200,318
Transportation	1,839,235	1,970,063	-	-	1,839,235	1,970,063
Culture and recreation	2,483,163	2,673,890	-	-	2,483,163	2,673,890
Community development	878,645	893,524	-	-	878,645	893,524
Interest on long-term expense	905,915	972,294	-	-	905,915	972,294
Sewer operations	-	-	2,830,771	2,586,158	2,830,771	2,586,158
Total expenses	22,313,038	23,930,965	2,830,771	2,586,158	25,143,809	26,517,123
Change in net position before transfers	5,335,066	1,389,710	1,698,251	1,975,231	7,033,317	3,364,941
Transfers in (out)	(798,478)	40,044	798,478	(40,044)	-	-
Change in net position	4,536,588	1,429,754	2,496,729	1,935,187	7,033,317	3,364,941
Net position - beginning of year	94,408,796	92,979,042	22,235,753	20,300,566	116,644,549	113,279,608
Net position, end of year	\$ 98,945,384	\$ 94,408,796	\$ 24,732,482	\$ 22,235,753	\$ 123,677,866	\$ 116,644,549

Governmental activities

Governmental activities net position increased by \$4.5 million (4.8%), this is mainly due to an increase in revenue. Total revenue increased by \$2.3 million (9.2%) mainly due to an increase in property taxes and the ARPA grant funds. Total expenses decreased \$1.6 million (6.8%), this decrease is mainly due to a decrease in capital outlay in street and road construction projects.

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

CITY OF CANBY, OREGON
MANAGEMENT'S DISCUSSION & ANALYSIS
June 30, 2021

presented separately in the governmental fund balance sheet and in the governmental statement of revenues, 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, 2021, 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 \$2.5 million (11.2%), this increase is mainly due to an increase in capital assets and cash reserves. Total revenue decreased by \$32 thousand (0.7%) mainly due to a decrease in interest and other revenue. Total expenses increased \$245 thousand (9.5%) 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

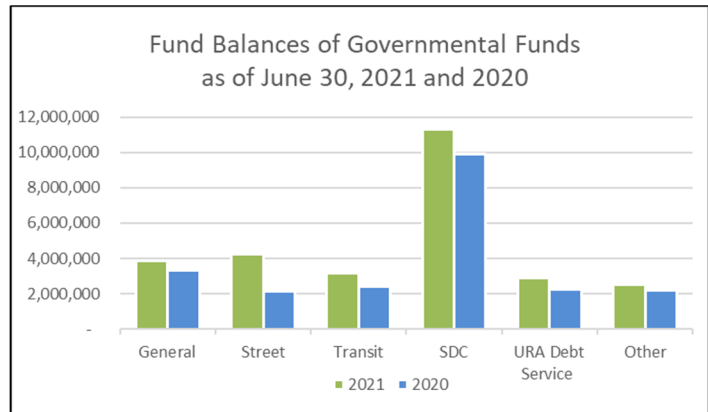
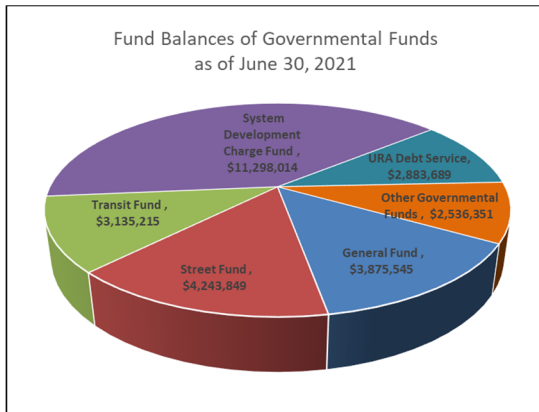
Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable 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
MANAGEMENT’S DISCUSSION & ANALYSIS
June 30, 2021

At the end of the fiscal year, the City’s governmental funds reported a combined ending fund balances of \$28.0 million, an increase \$5.8 million (26.1%). Changes in fund balance for major funds consisted of the following:

- General Fund - Fund balance increased \$0.6 million (16.6%) mainly due to the ARPA grant funds.
- Street Fund – Fund balance increased \$2.1 million (101.1%) due to reduction in capital outlay expenditures.
- Transit Fund – Fund balance increased \$0.7 million (29.6%) due to reduction in capital outlay expenditures.
- SDC Fund – Fund balance increased \$1.4 million (14.0%) due to continued increases in development activity coupled with the reduction in capital outlay expenditures.
- Urban Renewal Debt Service Fund – Fund balance increased \$0.7 million (29.2%) due to the reduction in capital outlay expenditures.

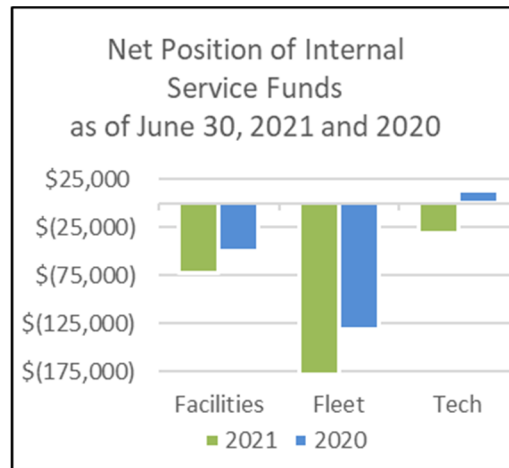
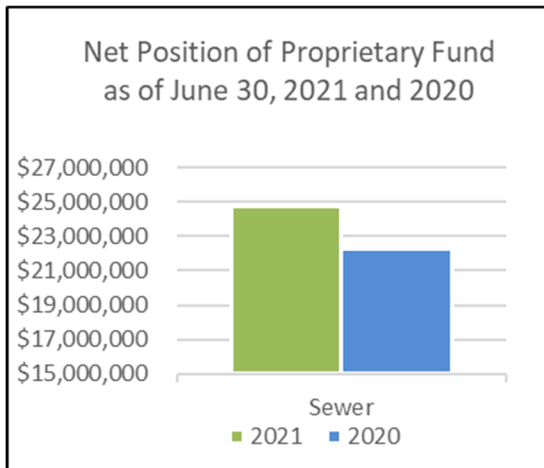


Governmental Funds: Changes in Fund Balance								
Fiscal Year 2021								
On a Modified Accrual Basis								
	General Fund	Street Fund	Transit Fund	System Development Charge Fund	Urban Renewal General Fund	Urban Renewal Debt Service Fund	Other Governmental Funds	Total
Balances June 30, 2020	\$ 3,324,431	\$ 2,110,399	\$ 2,418,761	\$ 9,907,514	\$ -	\$ 2,232,524	\$ 2,185,147	\$ 22,178,776
Change in Fund Balance	551,114	2,133,450	716,454	1,390,500	-	651,165	351,204	5,793,887
Fund Balances at June 30, 2021	<u>\$ 3,875,545</u>	<u>\$ 4,243,849</u>	<u>\$ 3,135,215</u>	<u>\$ 11,298,014</u>	<u>\$ -</u>	<u>\$ 2,883,689</u>	<u>\$ 2,536,351</u>	<u>\$ 27,972,663</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, 2021



Proprietary and Internal Service Funds: Changes in Net Position					
Fiscal Year 2021					
<i>On an Accrual Basis</i>					
	Internal Service Funds				
	Sewer Fund	Facilities Fund	Fleet Fund	Tech Services Fund	Total
Net Position at June 30, 2020	\$ 22,235,753	\$ (50,234)	\$ (131,374)	\$ 13,208	\$ 22,067,353
Change in Net Position	2,496,729	(22,834)	(74,267)	(44,137)	2,355,491
Net Position at June 30, 2021	<u>\$ 24,732,482</u>	<u>\$ (73,068)</u>	<u>\$ (205,641)</u>	<u>\$ (30,929)</u>	<u>\$ 24,422,844</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 \$10.9 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 \$448,000. The increase is mainly due to the one time PERS UAL side account contribution to take advantage of a

CITY OF CANBY, OREGON
MANAGEMENT’S DISCUSSION & ANALYSIS
June 30, 2021

25% match in funding by the State of Oregon. The year-end general fund balance was \$0.9 million higher than budgeted with major variances as follows:

- Beginning fund balance was \$15 thousand higher than budgeted due to savings in the prior year.
- Expenditures came in \$361 thousand lower than budgeted.
 - \$111 thousand – delay of Parks Master Plan update and capital projects
 - \$185 thousand - vacancy savings and lower insurance costs
 - \$65 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	
	2021	2020	2021	2020	2021	2020
Land	\$ 13,279,710	\$ 13,279,710	\$ 1,155,911	\$ 1,155,911	\$ 14,435,621	\$ 14,435,621
Intangibles	36,724,734	36,724,734	5,500	5,500	36,730,234	36,730,234
Construction in Progress	1,347,529	1,763,778	1,800,226	648,720	3,147,755	2,412,498
Infrastructure	27,950,264	29,825,268	5,470,393	3,670,529	33,420,657	33,495,797
Buildings and improvements	18,772,383	18,698,902	8,893,410	9,143,802	27,665,793	27,842,704
Machinery and equipment	318,886	307,050	122,095	137,589	440,981	444,639
Vehicles	1,906,670	1,358,358	226,442	275,683	2,133,112	1,634,041
Total Capital Assets	<u>\$100,300,176</u>	<u>\$101,957,800</u>	<u>\$17,673,977</u>	<u>\$15,037,734</u>	<u>\$117,974,153</u>	<u>\$116,995,534</u>

Capital assets used in governmental activities in total decreased approximately \$1.7 million (1.6%) which was the net result of additions, disposals and depreciation. Capital assets used in business-type activities increased by approximately \$2.6 million (17.5%) 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 \$20,906,465 in long-term obligations outstanding compared to \$23,031,624 in the prior year. Of the obligations outstanding at June 30, 2021, \$4,785,088 is due within one year. The City refunded its outstanding bonds in the current year to reduce the interest rate and have a net present value savings in future payments of approximately \$5.6 million. Additional information can be found in the Notes to the Financial Statements on pages 32-33.

CITY OF CANBY, OREGON
MANAGEMENT’S DISCUSSION & ANALYSIS
June 30, 2021

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.

Outstanding Obligations at Fiscal Year-End

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Bonds	\$20,105,165	\$21,061,577	\$ -	\$ -	\$20,105,165	\$21,061,577
Loans	-	1,107,971	-	-	-	1,107,971
Compensated Absences	686,581	766,994	114,719	95,082	801,300	862,076
Total Obligations	<u>\$20,791,746</u>	<u>\$22,936,542</u>	<u>\$114,719</u>	<u>\$95,082</u>	<u>\$20,906,465</u>	<u>\$23,031,624</u>

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

Oregon’s annual average unemployment rate was 5.4% in June 2021, down from 11.6% the prior year. The main reason for the decrease is the State’s recovery from the pandemic. The ultimate effects of the pandemic are still unfolding, due to the unusual nature of the situation 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 3.0% 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, 2021

	Governmental Activities	Business-Type Activities	Total	Component Unit Canby Utility Board
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 28,013,338	\$ 7,729,112	\$ 35,742,450	\$ 14,201,586
Due from other governments	38,876	245	39,121	-
Accounts receivable, net	2,517,619	690,304	3,207,923	1,807,228
Property taxes receivable	289,788	-	289,788	-
Prepays	-	-	-	24,551
Materials and supplies	-	-	-	1,523,485
Restricted cash	-	-	-	709,292
Total current assets	30,859,621	8,419,661	39,279,282	18,266,142
Noncurrent assets:				
Capital assets:				
Nondepreciable	51,351,973	2,961,637	54,313,610	8,846,211
Depreciable, net	48,948,203	14,712,340	63,660,543	45,550,797
Total noncurrent assets	100,300,176	17,673,977	117,974,153	54,397,008
Total assets	131,159,797	26,093,638	157,253,435	72,663,150
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to OPEB	144,543	15,815	160,358	25,482
Deferred outflows related to pensions	4,383,377	470,520	4,853,897	1,440,389
Total deferred outflows of resources	4,527,920	486,335	5,014,255	1,465,871
LIABILITIES				
Current liabilities:				
Accounts payable	2,020,126	242,905	2,263,031	1,676,955
Accrued expenses	-	-	-	275,737
Interest payable	64,710	-	64,710	-
Customer deposits	-	-	-	315,392
Current portion of long-term obligations	4,698,969	86,039	4,785,008	399,000
Total current liabilities	6,783,805	328,944	7,112,749	2,667,084
Noncurrent liabilities:				
Net OPEB liability	524,358	56,487	580,845	91,728
Noncurrent portion of long-term obligations	16,092,776	28,680	16,121,456	1,827,000
Net pension liability	12,840,371	1,381,850	14,222,221	4,190,578
Total noncurrent liabilities	29,457,505	1,467,017	30,924,522	6,109,306
Total liabilities	36,241,310	1,795,961	38,037,271	8,776,390
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to OPEB	130,676	13,837	144,513	32,823
Deferred inflows related to pensions	370,347	37,693	408,040	153,247
Total deferred inflows	501,023	51,530	552,553	186,070
NET POSITION				
Net investment in capital assets	80,195,011	17,673,977	97,868,988	52,171,008
Restricted for:				
Drug enforcement and equipment	13,050	-	13,050	-
Capital projects	11,298,014	-	11,298,014	-
Urban renewal debt service	2,883,689	-	2,883,689	-
Building services	74,785	-	74,785	-
Library services	70,771	-	70,771	-
Swim center	1,291,724	-	1,291,724	-
PEG fees	49,187	-	49,187	-
Water system	-	-	-	381,781
Unrestricted	3,069,153	7,058,505	10,127,658	12,613,772
Total net position	\$ 98,945,384	\$ 24,732,482	\$ 123,677,866	\$ 65,166,561

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, 2021

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	\$ 5,700,556	\$ 2,333,091	\$ 2,008	\$ -	\$ (3,365,457)	\$ -	\$ (3,365,457)	\$ -
Public safety	6,008,163	36,327	58,755	-	(5,913,081)	-	(5,913,081)	-
Highways and streets	4,497,361	1,444,201	1,978,627	202,467	(872,066)	-	(872,066)	-
Transportation	1,839,235	300	892,423	611,894	(334,618)	-	(334,618)	-
Culture and recreation	2,483,163	500,901	1,024,120	-	(958,142)	-	(958,142)	-
Community development	878,645	422,771	-	2,583,599	2,127,725	-	2,127,725	-
Interest expense	905,915	-	-	-	(905,915)	-	(905,915)	-
Total governmental activities	22,313,038	4,737,591	3,955,933	3,397,960	(10,221,554)	-	(10,221,554)	-
Business type activities:								
Sewer operations	2,830,771	4,460,413	-	-	-	1,629,642	1,629,642	-
Total primary government	\$ 25,143,809	\$ 9,198,004	\$ 3,955,933	\$ 3,397,960	(10,221,554)	1,629,642	(8,591,912)	-
Component Unit:								
Electric system	12,153,358	13,365,760	-	740,288				1,952,690
Water system	3,508,545	3,900,314	-	959,218				1,350,987
Total component unit	\$ 15,661,903	\$ 17,266,074	\$ -	\$ 1,699,506				3,303,677
General revenues:								
Taxes:								
Property taxes					10,625,478	-	10,625,478	-
Transit taxes					1,790,583	-	1,790,583	-
Transient room taxes					21,000	-	21,000	-
Franchise					1,672,933	-	1,672,933	-
Unrestricted intergovernmental revenues					1,045,263	-	1,045,263	-
Interest and investment earnings					195,651	59,584	255,235	120,133
Other revenues					205,712	9,025	214,737	1,467,797
Transfers in (out)					(798,478)	798,478	-	-
Total general revenues, transfers					14,758,142	867,087	15,625,229	1,587,930
Change in net position					4,536,588	2,496,729	7,033,317	4,891,607
Net position - beginning					94,408,796	22,235,753	116,644,549	60,274,954
Net position - ending					\$ 98,945,384	\$ 24,732,482	\$ 123,677,866	\$ 65,166,561

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

CITY OF CANBY, OREGON
BALANCE SHEET – GOVERNMENTAL FUNDS
June 30, 2021

	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	\$ 4,172,508	\$ 3,828,482	\$ 2,912,988	\$ 11,273,309	\$ 164,768	\$ 2,837,979	\$ 2,606,572	\$ 27,796,606
Due from other governments	20,407	-	-	-	-	15,262	3,207	38,876
Accounts receivable, net	795,059	516,686	1,129,036	24,705	-	39,992	11,706	2,517,184
Property taxes receivable	153,256	-	-	-	-	112,446	24,086	289,788
Total assets	<u>\$ 5,141,230</u>	<u>\$ 4,345,168</u>	<u>\$ 4,042,024</u>	<u>\$ 11,298,014</u>	<u>\$ 164,768</u>	<u>\$ 3,005,679</u>	<u>\$ 2,645,571</u>	<u>\$ 30,642,454</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES								
LIABILITIES:								
Accounts payable and other current liabilities	\$ 714,563	\$ 65,723	\$ 883,956	\$ -	\$ 164,768	\$ -	\$ 86,758	\$ 1,915,768
DEFERRED INFLOWS:								
Unavailable revenue	551,122	35,596	22,853	-	-	121,990	22,462	754,023
Total liabilities and deferred inflows	<u>1,265,685</u>	<u>101,319</u>	<u>906,809</u>	<u>-</u>	<u>164,768</u>	<u>121,990</u>	<u>109,220</u>	<u>2,669,791</u>
FUND BALANCES:								
Restricted for:								
Drug enforcement and equipment	-	-	-	-	-	-	13,050	13,050
Capital projects	-	-	-	11,298,014	-	-	-	11,298,014
Urban renewal debt service	-	-	-	-	-	2,883,689	-	2,883,689
Building services	74,785	-	-	-	-	-	-	74,785
Library services	-	-	-	-	-	-	70,771	70,771
Swim center	-	-	-	-	-	-	1,291,724	1,291,724
PEG	49,187	-	-	-	-	-	-	49,187
Committed for:								
Transportation services	-	-	3,135,215	-	-	-	-	3,135,215
Street projects	-	4,243,849	-	-	-	-	-	4,243,849
Workers comp retro plan	121,863	-	-	-	-	-	-	121,863
Park maintenance	192,509	-	-	-	-	-	-	192,509
Tourism promotion and enhancement	-	-	-	-	-	-	40,041	40,041
Cemetery care	-	-	-	-	-	-	1,120,765	1,120,765
Unassigned:	<u>3,437,201</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,437,201</u>
Total fund balance	<u>3,875,545</u>	<u>4,243,849</u>	<u>3,135,215</u>	<u>11,298,014</u>	<u>-</u>	<u>2,883,689</u>	<u>2,536,351</u>	<u>27,972,663</u>
Total liabilities, deferred inflows and fund balance	<u>\$ 5,141,230</u>	<u>\$ 4,345,168</u>	<u>\$ 4,042,024</u>	<u>\$ 11,298,014</u>	<u>\$ 164,768</u>	<u>\$ 3,005,679</u>	<u>\$ 2,645,571</u>	<u>\$ 30,642,454</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, 2021

TOTAL FUND BALANCE \$ 27,972,663

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	\$ 215,725,638	
Accumulated depreciation	<u>(115,425,462)</u>	100,300,176

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.

754,023

Deferred Inflows - Pension (354,721)

Deferred Outflows - Pension 4,198,409

Deferred Inflows - OPEB (124,271)

Deferred Outflows - OPEB 141,644

Compensated absences not payable in the current year are not recorded as governmental fund liabilities. (662,262)

Internal service funds reported as governmental activities (309,638)

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	\$ (20,105,162)	
Net OPEB liability	(502,232)	
Net pension liability	(12,298,534)	
Accrued interest payable	<u>(64,710)</u>	<u>(32,970,638)</u>

TOTAL NET POSITION \$ 98,945,384

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

CITY OF CANBY, OREGON
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	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	\$ 5,518,863	\$ -	\$ -	\$ -	\$ -	\$ 4,215,618	\$ 863,271	\$ 10,597,752
Intergovernmental	1,014,827	2,186,330	-	-	-	-	1,012,388	4,213,545
Charges for services	1,238,550	723,772	300	-	-	-	70,868	2,033,490
Franchise	1,672,933	-	-	-	-	-	-	1,672,933
Licenses, fees, permits	184,664	-	-	-	-	-	-	184,664
Fines and forfeitures	493,684	-	-	-	-	-	3,639	497,323
Special assessments	-	-	-	-	-	18,644	-	18,644
Grants and donations	72,075	-	1,504,317	-	2,000	-	11,732	1,590,124
Interest	27,295	19,690	18,784	85,961	876	21,648	18,752	193,006
Miscellaneous	137,365	718,223	1,525	-	52,283	67,398	553	977,347
System development charges	-	-	-	2,586,859	-	-	-	2,586,859
Transient occupancy tax	-	-	-	-	-	-	21,000	21,000
Transit taxes	-	-	1,805,992	-	-	-	-	1,805,992
Total revenues	10,360,256	3,648,015	3,330,918	2,672,820	55,159	4,323,308	2,002,203	26,392,679
EXPENDITURES:								
Current:								
General government	3,021,394	-	-	-	20,236	-	-	3,041,630
Public safety	5,792,537	-	-	-	-	-	541	5,793,078
Highways and streets	-	1,082,854	-	-	-	-	-	1,082,854
Transportation	-	-	2,029,451	-	-	-	-	2,029,451
Culture and recreation	871,442	-	-	-	-	-	1,496,617	2,368,059
Community development	857,306	-	-	-	-	-	-	857,306
Capital outlay	451,307	348,878	402,285	-	467,448	-	34,397	1,704,315
Debt service:								
Principal	-	-	-	-	-	1,984,387	-	1,984,387
Interest	-	-	-	-	-	939,232	-	939,232
Bond issuance costs	-	-	-	-	-	145,763	-	145,763
Total expenditures	10,993,986	1,431,732	2,431,736	-	487,684	3,069,382	1,531,555	19,946,075
Revenues over (under) expenditures	(633,730)	2,216,283	899,182	2,672,820	(432,525)	1,253,926	470,648	6,446,604
OTHER FINANCING SOURCES (USES):								
Proceeds from sale of bonds	-	-	-	-	-	18,435,000	-	18,435,000
Bond premiums	-	-	-	-	-	995,165	-	995,165
Bond refunding escrow	-	-	-	-	-	(19,284,402)	-	(19,284,402)
Transfers in	1,385,558	47,777	-	-	748,523	-	1,142,687	3,324,545
Transfers out	(200,714)	(130,610)	(182,728)	(1,282,320)	(315,998)	(748,524)	(1,262,131)	(4,123,025)
Total other financing sources (uses)	1,184,844	(82,833)	(182,728)	(1,282,320)	432,525	(602,761)	(119,444)	(652,717)
Net changes in fund balances	551,114	2,133,450	716,454	1,390,500	-	651,165	351,204	5,793,887
FUND BALANCE, BEGINNING	3,324,431	2,110,399	2,418,761	9,907,514	-	2,232,524	2,185,147	22,178,776
FUND BALANCE, ENDING	\$ 3,875,545	\$ 4,243,849	\$ 3,135,215	\$ 11,298,014	\$ -	\$ 2,883,689	\$ 2,536,351	\$ 27,972,663

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, 2021

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

Net change in fund balances - total governmental funds		\$ 5,793,887
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 depreciation		
Current year depreciation	\$ (3,684,670)	
Capital acquisitions	<u>2,027,046</u>	(1,657,624)
Change in unavailable revenue, net of allowance for doubtful accounts		26,387
Change in accrued interest on long-term liabilities		33,317
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources		
Debt service principal payments	2,064,384	
Change in compensated absences	<u>103,367</u>	2,167,751
Internal service fund reported as governmental activities		(141,238)
OPEB expense		6,089
Pension expense		<u>(1,691,984)</u>
Change in net position of governmental activities		<u>\$ 4,536,588</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, 2021

	Sewer Combined Fund	Internal Service Funds
ASSETS AND DEFERRED OUTFLOWS		
ASSETS:		
Current Assets:		
Cash and cash equivalents	\$ 7,729,112	\$ 216,732
Accounts receivable, net	690,549	434
Total current assets	<u>8,419,661</u>	<u>217,166</u>
Noncurrent Assets:		
Capital assets, net	<u>17,673,977</u>	<u>-</u>
Total assets	<u>26,093,638</u>	<u>217,166</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows related to pensions	470,520	184,968
Deferred outflows related to OPEB	<u>15,815</u>	<u>2,899</u>
Total deferred outflows of resources	<u>486,335</u>	<u>187,867</u>
Total assets and deferred outflows	<u>\$ 26,579,973</u>	<u>\$ 405,033</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION		
LIABILITIES:		
Current Liabilities:		
Accounts payable	\$ 242,905	\$ 104,358
Long-term debt - within one year	<u>86,039</u>	<u>18,240</u>
Total current liabilities	328,944	122,598
Noncurrent Liabilities:		
Long-term obligations - non-current portion	28,680	6,079
Net pension liability	1,381,850	541,837
Net OPEB liability	<u>56,487</u>	<u>22,126</u>
Total noncurrent liabilities	<u>1,467,017</u>	<u>570,042</u>
Total liabilities	1,795,961	692,640
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows related to pensions	37,693	15,626
Deferred inflows related to OPEB	<u>13,837</u>	<u>6,405</u>
Total deferred inflows of resources	<u>51,530</u>	<u>22,031</u>
Total liabilities and deferred inflows	1,847,491	714,671
NET POSITION:		
Net investment in capital assets	17,673,977	-
Unrestricted	<u>7,058,505</u>	<u>(309,638)</u>
Total net position	<u>24,732,482</u>	<u>(309,638)</u>
Total liabilities, deferred inflows and net position	<u>\$ 26,579,973</u>	<u>\$ 405,033</u>

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, 2021

	Sewer Combined Fund	Internal Service Funds
OPERATING REVENUES:		
Charges for services	\$ 4,460,413	\$ 1,225,032
Miscellaneous	9,025	1,223
Total operating revenues	<u>4,469,438</u>	<u>1,226,255</u>
OPERATING EXPENSES:		
Personnel services	1,435,087	547,686
Materials and services	952,738	821,867
Depreciation and amortization	442,946	-
Total operating expenses	<u>2,830,771</u>	<u>1,369,553</u>
Operating income (loss)	1,638,667	(143,298)
NON-OPERATING INCOME (EXPENSE):		
Interest income	<u>59,584</u>	<u>2,060</u>
TRANSFERS AND CAPITAL CONTRIBUTIONS:		
Transfers in	1,052,264	-
Transfers out	(253,786)	-
Change in net position	2,496,729	(141,238)
FUND NET POSITION, BEGINNING	<u>22,235,753</u>	<u>(168,400)</u>
FUND NET POSITION, ENDING	<u>\$ 24,732,482</u>	<u>\$ (309,638)</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, 2021

	Sewer Combined Fund	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from outside customers	\$ 4,410,238	\$ 4,947
Cash received from internal customers	-	1,221,807
Cash paid to employees for salaries and benefits	(1,223,065)	(469,178)
Cash paid to suppliers and others	(1,009,261)	(774,697)
Net cash from operating activities	<u>2,177,912</u>	<u>(17,121)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Transfers in	1,052,264	-
Transfer out	(253,786)	-
Net cash from non-capital financing activities	<u>798,478</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of capital assets	(3,079,189)	-
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	59,584	2,060
Net increase (decrease) in cash and cash equivalents	(43,215)	(15,061)
CASH AND CASH EQUIVALENTS, BEGINNING	<u>7,772,327</u>	<u>231,793</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 7,729,112</u>	<u>\$ 216,732</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ 1,638,667	\$ (143,298)
Adjustments:		
Depreciation	442,946	-
Loss on disposal of assets	-	-
Decrease (increase) in:		
Accounts receivable	(59,200)	499
Increase (decrease) in:		
Accounts payable and accrued expenses	(56,523)	47,170
OPEB obligation	(229)	4,003
Accrued compensated absences	19,637	893
Pension obligations	192,614	73,612
Net cash from operating activities	<u>\$ 2,177,912</u>	<u>\$ (17,121)</u>

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, 2021

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, 2021, 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, 2021 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, 2021

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, 2021

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, 2021

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, 2021

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, 2021

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, 2021

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, 2021

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.

	<u>City</u>	<u>CUB</u>
Cash on hand	\$ 1,194	\$ 800
Cash on deposit	985,424	(120,381)
Restricted cash	-	709,292
Oregon State Local Government Investment Pool	34,755,832	14,321,167
Total	<u>\$ 35,742,450</u>	<u>\$ 14,910,878</u>
Reported in the basic financial statements as:		
Governmental activities	\$ 28,013,338	
Business-type activities	7,729,112	
Total	<u>\$ 35,742,450</u>	
Component Unit		
Cash and cash equivalents		\$ 14,201,586
Restricted cash		709,292
Total		<u>\$ 14,910,878</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, 2021, the City had total bank balances of \$1,056,981, 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. There is no material difference between the fair value and carrying value of the City’s position in the LGIP. Investments are

CITY OF CANBY, OREGON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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.

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 \$81,023 and \$2,923,187 respectively.

Canby Utility Board's accounts receivable primarily represent user charges which are recognized as earned. As of June 30, 2021, an allowance for uncollectible receivables has been provided for the electric and water systems of \$1,398.

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, 2021, was as follows:

Governmental Activities:	Beginning Balance	Additions	Deletions & Transfers	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 13,279,710	\$ -	\$ -	\$ 13,279,710
Intangibles	36,724,734	-	-	36,724,734
Construction in progress	1,763,778	1,064,091	(1,480,340)	1,347,529
Total capital assets, not being depreciated	<u>51,768,222</u>	<u>1,064,091</u>	<u>(1,480,340)</u>	<u>51,351,973</u>
Capital assets, being depreciated:				
Infrastructure	131,767,639	-	852,719	132,620,358
Buildings and improvements	24,734,436	13,508	627,621	25,375,565
Machinery and equipment	1,001,633	62,438	-	1,064,071
Vehicles	4,577,709	887,009	(151,047)	5,313,671
Total capital assets, being depreciated	<u>162,081,417</u>	<u>962,955</u>	<u>1,329,293</u>	<u>164,373,665</u>
Less accumulated depreciation for:				
Infrastructure	(101,942,371)	(2,727,723)	-	(104,670,094)
Buildings and improvements	(6,035,534)	(567,648)	-	(6,603,182)
Machinery and equipment	(694,583)	(50,602)	-	(745,185)
Vehicles	(3,219,351)	(338,697)	151,047	(3,407,001)
Total accumulated depreciation	<u>(111,891,839)</u>	<u>(3,684,670)</u>	<u>151,047</u>	<u>(115,425,462)</u>
Total capital assets, being depreciated, net	<u>50,189,578</u>	<u>(2,721,715)</u>	<u>1,480,340</u>	<u>48,948,203</u>
Governmental activities capital assets, net	<u>\$101,957,800</u>	<u>\$ (1,657,624)</u>	<u>\$ -</u>	<u>\$ 100,300,176</u>

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

General government	\$ 195,445
Public safety	270,047
Highways and streets	2,906,000
Transportation	179,543
Culture and recreation	133,635
Total depreciation expense - governmental activities	<u>\$ 3,684,670</u>

CITY OF CANBY, OREGON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

4) CAPITAL ASSETS (Continued)

Business-type Activities:	Beginning Balance	Additions	Deletions & Transfers	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,155,911	\$ -	\$ -	\$ 1,155,911
Intangibles	5,500	-	-	5,500
Construction in progress	648,720	3,049,725	(1,898,219)	1,800,226
Total capital assets, not being depreciated	1,810,131	3,049,725	(1,898,219)	2,961,637
Capital assets, being depreciated:				
Infrastructure	4,772,679	12,579	1,898,219	6,683,477
Buildings and improvements	13,113,008	6,862	-	13,119,870
Machinery and equipment	1,119,131	10,023	-	1,129,154
Vehicles	791,416	-	-	791,416
Total capital assets, being depreciated	19,796,234	29,464	1,898,219	21,723,917
Less accumulated depreciation for:				
Infrastructure	(1,102,150)	(110,934)	-	(1,213,084)
Buildings and improvements	(3,969,206)	(257,254)	-	(4,226,460)
Machinery and equipment	(981,542)	(25,517)	-	(1,007,059)
Vehicles	(515,733)	(49,241)	-	(564,974)
Total accumulated depreciation	(6,568,631)	(442,946)	-	(7,011,577)
Total capital assets, being depreciated, net	13,227,603	(413,482)	1,898,219	14,712,340
Business-type activities capital assets, net	\$ 15,037,734	\$ 2,636,243	\$ -	\$ 17,673,977

Discretely presented component unit

Activity for the Canby Utility Board (CUB) for the year ended June 30, 2021, was as follows:

CUB:	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,299,579	\$ 2,035,711.00	\$ (285,711)	\$ 3,049,579
Property held for future use	3,633	-	-	3,633
Construction in progress	956,281	7,635,952	(2,799,234)	5,792,999
Total capital assets, not being depreciated	2,259,493	9,671,663	(3,084,945)	8,846,211
Capital assets, being depreciated:				
Plant	67,136,375	1,813,135	(670,636)	68,278,874
Equipment	3,632,085	136,764	(87,913)	3,680,936
Office furniture and equipment	1,187,864	47,491	(77,150)	1,158,205
Total capital assets, being depreciated	71,956,324	1,997,390	(835,699)	73,118,015
Less accumulated depreciation for:				
Electric and water plant assets	(26,285,638)	(1,473,618)	192,038	(27,567,218)
Total capital assets, being depreciated, net	45,670,686	523,772	(643,661)	45,550,797
CUB capital assets, net	\$ 47,930,179	\$ 10,195,435	\$ (3,728,606)	\$ 54,397,008

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

Electric system	\$ 711,936
Water system	761,682
Total depreciation expense – CUB Activities	\$ 1,473,618

CITY OF CANBY, OREGON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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, 2021, was as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds		
General Fund	\$ 1,385,558	\$ 200,714
Street Fund	47,777	130,610
Transit Fund	-	182,728
SDC Fund	-	1,282,320
Urban Renewal General Fund	748,523	315,998
Urban Renewal Debt Service Fund	-	748,524
Non-major Governmental Funds	<u>1,142,687</u>	<u>1,262,129</u>
Total Governmental Funds	3,324,545	4,123,023
Proprietary Funds		
Sewer Combined Fund	<u>1,052,264</u>	<u>253,786</u>
Total All Funds	<u>\$ 4,376,809</u>	<u>\$ 4,376,809</u>

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, 2021, was as follows:

	<u>Original Amount</u>	<u>6/30/2020 Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>6/30/2021 Balance</u>	<u>Due Within One Year</u>
Governmental Activities						
Bonds URA:						
2010 1st Ave Redevelopment (3.75-7%)	\$ 2,500,000	\$ 1,560,000	\$ -	\$ 1,560,000	\$ -	\$ -
2010 Bond Discount		(24,300)	-	(24,300)	-	-
2011 Police Facility (2-5%)	9,000,000	8,580,000	-	8,580,000	-	-
2011 Bond Discount		(15,200)	-	(15,200)	-	-
2012 Civic Bldg & Sequoia Pkwy (3-4%)	14,050,000	10,225,000	-	9,550,000	675,000	675,000
2012 Premium		736,077	-	736,077	-	-
Total Bonds URA:		<u>21,061,577</u>	<u>-</u>	<u>20,386,577</u>	<u>675,000</u>	<u>675,000</u>
Bonds City:						
2021 Full Faith and Credit Obligations	18,435,000	-	18,435,000	-	18,435,000	3,310,000
2021 Premium	995,165	-	995,165	-	995,165	199,033
Total Bonds City:		<u>-</u>	<u>19,430,165</u>	<u>-</u>	<u>19,430,165</u>	<u>3,509,033</u>
Long-term Loans URA:						
2009 Township, Berg, Sequoia St. (3-5.25%)	1,981,047	1,099,387	-	1,099,387	-	-
2009 Premium		8,584	-	8,584	-	-
Total Governmental Loans		<u>1,107,971</u>	<u>-</u>	<u>1,107,971</u>	<u>-</u>	<u>-</u>
Compensated Absences		766,994	500,689	581,102	686,581	514,936
Total Governmental Activities		<u>\$ 22,936,542</u>	<u>\$ 19,930,854</u>	<u>\$ 22,075,650</u>	<u>\$ 20,791,746</u>	<u>\$ 4,698,969</u>
Business-Type Activities						
Compensated Absences		<u>\$ 95,082</u>	<u>\$ 90,949</u>	<u>\$ 71,312</u>	<u>\$ 114,719</u>	<u>\$ 86,039</u>
CUB - Discretely presented component unit - Revenue Bonds						
2014 Water Rev Refund Bonds (2.3%)	\$ 1,951,000	\$ 988,000	\$ -	\$ 185,000	\$ 803,000	\$ 208,000
2017 Water Rev Refund Bonds (2.09%)	1,988,000	1,625,000	-	202,000	1,423,000	191,000
Total CUB Bonds		<u>\$ 2,613,000</u>	<u>\$ -</u>	<u>\$ 387,000</u>	<u>\$ 2,226,000</u>	<u>\$ 399,000</u>

CITY OF CANBY, OREGON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

6) LONG-TERM LIABILITIES (continued)

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, 2021, as well as CUB revenue bonds outstanding are as follows:

Fiscal Year Ending June 30,	City of Canby Governmental Activities				CUB		
	Bonds - URA	Total Principal	Interest	Governmental Activities	Principal	Interest	Total
2022	\$ 4,184,033	\$ 4,184,033	\$ 387,575	\$ 4,571,608	\$ 399,000	44,013	\$ 443,013
2023	3,854,033	3,854,033	353,792	4,207,825	410,000	35,050	445,050
2024	3,939,033	3,939,033	277,149	4,216,182	416,000	25,908	441,908
2025	4,019,033	4,019,033	192,358	4,211,391	357,000	17,377	374,377
2026	4,109,333	4,109,333	99,184	4,208,517	213,000	11,234	224,234
2027-2031	-	-	-	-	431,000	9,061	440,061
2032-2036	-	-	-	-	-	-	-
Total	\$ 20,105,465	\$ 20,105,465	\$ 1,310,058	\$ 21,415,523	\$ 2,226,000	\$ 142,643	\$ 2,368,643

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.

During the fiscal year ended June 30, 2021, the City issued Full Faith and Credit Refunding Obligations, Series 2021 to provide funds for advance refunding of Series 2010 1st Ave Redevelopment, Series 2011 Police Facility, and Series 2012 Civic Bldg & Sequoia Pkwy bonds. The \$18,435,000 issue closed on June 15, 2021 at an interest rate ranging between 0.20% and 4.00% maturing in 2026. Net present value of the savings, due to the lower interest rate on the refunding bonds, is \$5,580,848.

The City had one outstanding loan through Business Oregon that is not a direct placement and has no pledged collateral. This loan was 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 loan was fully paid off during the current year.

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	\$ 44,315	\$ 1,511	\$ 45,826
Differences between expected and actual experience	69,129	-	69,129
Change in Assumptions	12,194	-	12,194
Difference in Earnings	78,284	8,756	87,040
Change in Proportionate Share	-	24,453	24,453
Total OPEB Liability	(659,578)	78,733	(580,845)
Deferred Inflows of Resources			
Differences between expected and actual experience	-	(8,049)	(8,049)
Change in Assumptions	(131,027)	(4,185)	(135,212)
Change in Proportionate Share	-	(1,252)	(1,252)
OPEB Expense/(Income)	8	2,307	2,315

CITY OF CANBY, OREGON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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, 2019, the number of participants covered by the benefit terms is as follows:

	<u>City</u>	<u>CUB</u>
Inactive employees or beneficiaries receiving benefits	5	2
Active employees	<u>88</u>	<u>25</u>
	93	27

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

The City's total OPEB liability of \$659,578 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2020.

For the fiscal year ended June 30, 2021, the City recognized OPEB expense from this plan of \$8. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	<u>City</u>		<u>CUB</u>	
	Deferred Outflow of Resources	Deferred Inflow of Resources	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 69,129	\$ -	\$ -	\$ -
Change in Assumptions	12,194	131,027	8,945	10,621
Contributions subsequent to the MD	44,315	-	16,537	22,202
Net Deferred Outflow/(Inflow) of Resources	<u>\$ 125,638</u>	<u>\$ 131,027</u>	<u>\$ 25,482</u>	<u>\$ 32,823</u>

Deferred outflows of resources related to OPEB of \$44,315 resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended	<u>City</u>	<u>CUB</u>
June 30:		
2022	\$ (14,422)	\$ (7,117)
2023	(14,422)	(7,117)
2024	(14,422)	(6,929)
2025	(14,422)	(2,918)
2026	(13,849)	192
Thereafter	21,833	11
Total	<u>\$ (49,704)</u>	<u>\$ (23,878)</u>

CITY OF CANBY, OREGON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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

B. Implicit Rate Study (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability for the June 30, 2020 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified: inflation rate of 2.50%, projected salary increases of 3.50%, discount rate of 2.21% (change from 3.50% in the previous measurement period), medical and vision varies between 5% and 3.75% (due to the timing of the excise tax scheduled to affect health care benefits), dental at 4.00%, and mortality rates based on the Pub-2010 General and Safety Employee and Healthy Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees and female safety employees.

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

Changes in the Total OPEB Liability

	<u>City</u>	<u>CUB</u>
Balance as of June 30, 2020	\$ 551,931	\$ 86,969
Changes for the year:		
Service cost	38,726	7,789
Interest on total OPEB liability	20,200	3,206
Effect of economic/demographic gains or losses	78,284	8,773
Effect of assumptions changes or inputs	(2,329)	(8,630)
Benefit payments	<u>(27,234)</u>	<u>(6,379)</u>
Balance as of June 30, 2021	<u>\$ 659,578</u>	<u>\$ 91,728</u>

The effect of changes in assumptions is the result of the change in the discount rate from 3.50 to 2.21.

Sensitivity of the Total OPEB Liability

The following presents the City's total OPEB liability, as well as what the liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.21 percent) or 1 percentage point higher (3.21 percent) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

	<u>City</u>			<u>CUB</u>		
	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Discount Rate:	(1.21%)	(2.21%)	(3.21%)	(1.21%)	(2.21%)	(3.21%)
Total OPEB Liability	\$ 709,562	\$ 659,578	\$ 612,794	\$ 97,607	\$ 91,728	\$ 86,150
	<u>City</u>			<u>CUB</u>		
Healthcare Cost Trend:	Healthcare Cost			Healthcare Cost		
	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 588,653	\$ 659,578	\$ 744,032	\$ 82,239	\$ 91,728	\$ 103,340

CITY OF CANBY, OREGON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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, 2020 contributions was \$1,511.

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

At June 30, 2021, the City reported an asset of \$78,733 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to June 30, 2020. The City's proportion of the net OPEB asset was based on the City's contributions to the RHIA program during the measurement period relative to contributions from all participating employers. At June 30, 2020, the City's proportionate share was 0.0386%, which is a decrease from its proportion of 0.0240% as of June 30, 2019.

For the year ended June 30, 2021, the City recognized OPEB income from this plan of \$2,307. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

CITY OF CANBY, OREGON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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	\$ -	\$ 8,049
Changes of assumptions	-	4,185
Net Difference between Projected and Actual Earnings	8,756	-
Change in Proportionate Share	24,453	1,252
Contributions subsequent to the MD	1,511	-
Total	<u>\$ 34,720</u>	<u>\$ 13,486</u>

Deferred outflows of resources related to OPEB of \$1,511 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
2022	\$ 3,885
2023	9,839
2024	3,237
2025	2,762
Total	<u>\$ 19,723</u>

Actuarial Methods and Assumptions

Valuation Date	December 31, 2018
Measurement Date	June 30, 2020
Experience Study Report	2018, published July 24, 2019
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: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active Members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

CITY OF CANBY, OREGON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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)	\$(63,564)	\$ (78,733)	\$ (91,704)

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 2020-2021, a reduction of \$81,219 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, 2021.

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 ACFR 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, 2021

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, 2021

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 \$1,261,775. CUB employer contributions for the year ended June 30, 2021 were \$448,205, 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 \$330,537 of the employees' contribution.

CITY OF CANBY, OREGON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

8) PENSION PLAN (Continued)

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

At June 30, 2021, the City and CUB reported a liability of \$14,222,220 and \$4,190,578 respectively for its proportionate share of the OPERS net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018 rolled forward to June 30, 2020. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2021, the City's and CUB's proportionate share were 0.06517% and 0.0192% respectively, which changed from its proportionate share measured as of June 30, 2020 by 0.0167% and 0.0001%, respectively.

For the year ended June 30, 2021, the City and CUB recognized pension expense of \$1,936,870 and \$446,860 respectively. At June 30, 2021, 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	\$ 625,950	\$ -	\$ 184,436	\$ -
Changes of assumptions	763,262	26,743	224,895	7,880
Net difference between projected and actual earnings on investments	1,672,348	-	492,758	-
Changes in proportionate share	262,590	271,179	65,228	125,314
Differences between employer contributions and employer's proportionate share of system contributions	267,971	110,117	24,867	20,053
Contributions subsequent to the MD	1,261,775	-	448,205	-
Net Deferred Outflow/(Inflow) of Resources	<u>\$ 4,853,896</u>	<u>\$ 408,039</u>	<u>\$ 1,440,389</u>	<u>\$ 153,247</u>

Deferred outflows of resources related to pensions of \$1,261,775 and \$448,205 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, 2022. 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
2022	\$ 688,311	\$ 154,497
2023	909,971	250,983
2024	860,568	255,942
2025	680,069	174,306
2026	45,163	3,209
Total	<u>\$ 3,184,082</u>	<u>\$ 838,937</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 2018 experience study which reviewed experience for the four-year period ending on December 31, 2018.

CITY OF CANBY, OREGON
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

8) PENSION PLAN (Continued)
E. Actuarial Methods and Assumptions (Continued)

Valuation Date	December 31, 2018
Measurement Date	June 30, 2020
Experience Study Report	2018, published July 24, 2019
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: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active Members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

The total pension liability in the December 31, 2018 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, 2021

8) PENSION PLAN (Continued)

H. Long-Term Expected Rate of Return

Asset Class	Target Allocation	Compounded Annual Return (Geometric)
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equity	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.06%
Hedge Fund - Event-driven	0.38%	5.59%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Commodities	1.13%	3.79%
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	\$ 21,118,822	\$ 14,222,220	\$ 8,439,099
CUB	4,148,700	4,190,578	4,232,500

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, 2021

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, 2021, the City had outstanding commitments for consulting, construction and equipment totaling approximately \$2,062,108.

The City participates in a workers compensation retroactive plan and the maximum outstanding workers compensation exposure is \$65,574.

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 FY20-21 abatement is approximately \$16,198 for the City and \$10,684 for Urban Renewal.

12) RELATED PARTY

The City receives payments from CUB for contributions in lieu of taxes; for the year ended June 30, 2021, contributions totaled \$846,614. The receivable amounts at June 30, 2021 are, \$68,426 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, 2021. The deficit net position is due to changes in net pension and OPEB liabilities during the year.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF CANBY, OREGON
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance
	Original	Final		
REVENUES:				
Property taxes	\$ 5,335,000	\$ 5,335,000	\$ 5,518,863	\$ 183,863
Intergovernmental	570,200	570,200	1,014,827	444,627
Franchise	1,678,000	1,678,000	1,672,933	(5,067)
Charges for services	826,600	826,600	1,238,550	411,950
Licenses, fees, permits	159,700	159,700	184,664	24,964
Fines and forfeitures	480,000	480,000	493,684	13,684
Grants & donations	66,000	66,000	72,075	6,075
Interest	75,000	75,000	27,295	(47,705)
Miscellaneous	123,942	491,942	137,365	(354,577)
Total revenues	9,314,442	9,682,442	10,360,256	677,814
EXPENDITURES:				
Administration	580,012	617,012	599,190	17,822
HR/Risk Management	580,596	551,596	496,186	55,410
Finance	597,161	573,161	554,001	19,160
Court	538,413	536,413	508,684	27,729
Planning	416,808	466,808	459,687	7,121
Building	40,810	40,810	34,959	5,851
Police	5,958,950	5,958,950	5,907,215	51,735
Parks	1,239,083	1,319,083	1,208,071	111,012
Cemetery	155,170	165,170	167,562	(2,392)
Economic Development	453,293	421,293	362,660	58,633
Unallocated				
Personnel services	64,268	249,268	234,978	14,290
Materials & services	61,461	429,461	440,087	(10,626)
Contingency	200,000	5,000	-	5,000
Total expenditures	10,886,025	11,334,025	10,973,280	360,745
Revenues over (under) expenditures	(1,571,583)	(1,651,583)	(613,024)	1,038,559
OTHER FINANCING SOURCES (USES):				
Special Payments	(25,000)	(25,000)	(20,706)	4,294
Transfers in	1,540,621	1,572,621	1,385,558	(187,063)
Transfers out	(200,714)	(200,714)	(200,714)	-
Total other financing sources (uses)	1,314,907	1,346,907	1,164,138	(182,769)
Net changes in fund balances	(256,676)	(304,676)	551,114	855,790
FUND BALANCE, BEGINNING	3,309,301	3,309,301	3,324,431	15,130
FUND BALANCE, ENDING	\$ 3,052,625	\$ 3,004,625	\$ 3,875,545	\$ 870,920

See notes to RSI

CITY OF CANBY, OREGON
STREET FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance
	Original	Final		
REVENUES:				
Intergovernmental	\$ 2,025,000	\$ 2,025,000	\$ 2,186,330	\$ 161,330
Charges for services	686,000	686,000	723,772	37,772
Interest	40,000	40,000	19,690	(20,310)
Miscellaneous	-	-	718,223	718,223
Total revenues	<u>2,751,000</u>	<u>2,751,000</u>	<u>3,648,015</u>	<u>897,015</u>
EXPENDITURES:				
Street department	3,310,063	3,310,063	1,431,732	1,878,331
Contingency	53,240	53,240	-	53,240
Total expenditures	<u>3,363,303</u>	<u>3,363,303</u>	<u>1,431,732</u>	<u>1,931,571</u>
Revenues over (under) expenditures	(612,303)	(612,303)	2,216,283	2,828,586
OTHER FINANCING SOURCES (USES):				
Transfers in	1,596,000	1,596,000	47,777	(1,548,223)
Transfers out	<u>(230,610)</u>	<u>(230,610)</u>	<u>(130,610)</u>	<u>100,000</u>
Total other financing sources (uses)	<u>1,365,390</u>	<u>1,365,390</u>	<u>(82,833)</u>	<u>(1,448,223)</u>
Net changes in fund balance	753,087	753,087	2,133,450	1,380,363
FUND BALANCE, BEGINNING	<u>1,815,501</u>	<u>1,815,501</u>	<u>2,110,399</u>	<u>294,898</u>
FUND BALANCE, ENDING	<u>\$ 2,568,588</u>	<u>\$ 2,568,588</u>	<u>\$ 4,243,849</u>	<u>\$ 1,675,261</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, 2021

	Budget		Actual	Variance
	Original	Final		
REVENUES:				
Transit tax	\$1,411,000	\$1,411,000	\$1,805,992	\$ 394,992
Grants & donations	1,899,408	1,899,408	1,504,317	(395,091)
Charges for services	60,000	60,000	300	(59,700)
Interest	40,000	40,000	18,784	(21,216)
Miscellaneous	2,000	2,000	1,525	(475)
Total revenues	<u>3,412,408</u>	<u>3,412,408</u>	<u>3,330,918</u>	<u>(81,490)</u>
EXPENDITURES:				
Transit	3,833,541	3,833,541	2,431,736	1,401,805
Contingency	100,000	100,000	-	100,000
Total expenditures	<u>3,933,541</u>	<u>3,933,541</u>	<u>2,431,736</u>	<u>1,501,805</u>
Revenues over (under) expenditures	(521,133)	(521,133)	899,182	1,420,315
OTHER FINANCING SOURCES (USES):				
Transfers out	(182,728)	(182,728)	(182,728)	-
Net changes in fund balance	(703,861)	(703,861)	716,454	1,420,315
FUND BALANCE, BEGINNING	<u>1,895,581</u>	<u>1,895,581</u>	<u>2,418,761</u>	<u>523,180</u>
FUND BALANCE, ENDING	<u><u>\$1,191,720</u></u>	<u><u>\$1,191,720</u></u>	<u><u>\$3,135,215</u></u>	<u><u>\$ 1,943,495</u></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, 2021

	Budget		Actual	Variance
	Original	Final		
REVENUES:				
Grants and donations	\$ 137,951	\$ 137,951	\$ 2,000	\$ (135,951)
Interest	2,800	2,800	876	(1,924)
Miscellaneous	-	-	52,283	52,283
Total revenues	140,751	140,751	55,159	(85,592)
EXPENDITURES:				
Urban Renewal	2,029,561	2,029,561	803,682	1,225,879
Revenues over (under) expenditures	(1,888,810)	(1,888,810)	(748,523)	1,140,287
OTHER FINANCING SOURCES (USES):				
Transfers in	1,888,810	1,888,810	748,523	(1,140,287)
Net change in fund balance	-	-	-	-
FUND BALANCE, BEGINNING	-	-	-	-
FUND BALANCE, ENDING	\$ -	\$ -	\$ -	\$ -

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, 2021

	Budget		Actual	Variance
	Original	Final		
REVENUES:				
System development charges	\$1,279,310	\$1,279,310	\$ 2,586,859	\$ 1,307,549
Interest	230,000	230,000	85,961	(144,039)
Total revenues	<u>1,509,310</u>	<u>1,509,310</u>	<u>2,672,820</u>	<u>1,163,510</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(2,382,000)</u>	<u>(2,382,000)</u>	<u>(1,282,320)</u>	<u>1,099,680</u>
Net change in fund balance	(872,690)	(872,690)	1,390,500	2,263,190
FUND BALANCE, BEGINNING	<u>9,206,113</u>	<u>9,206,113</u>	<u>9,907,514</u>	<u>701,401</u>
FUND BALANCE, ENDING	<u><u>\$8,333,423</u></u>	<u><u>\$8,333,423</u></u>	<u><u>\$ 11,298,014</u></u>	<u><u>\$ 2,964,591</u></u>

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

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET) - LAST TEN YEARS*

	2021	2020	2019	2018	2017
Proportion of the net OPEB liability (asset)	0.0386%	0.0626%	0.0583%	0.0586%	0.0623%
Proportionate share of the net OPEB liability (asset)	\$ (78,733)	\$ (120,999)	\$ (65,031)	\$ (24,459)	\$ 16,918
Covered Payroll	6,953,971	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	-1%	-2%	-1%	-0.4%	0.3%
Plan fiduciary net position as a percentage of the total OPEB liability	150.1%	144.4%	124.0%	108.9%	94.2%

SCHEDULE OF CONTRIBUTIONS - LAST TEN YEARS*

	2021	2020	2019	2018	2017
Statutorily required contribution	\$ 2,457	\$ 31,068	\$ 27,962	\$ 29,178	\$ 27,777
Contributions in relation to the statutorily required contribution	2,457	31,068	27,962	29,178	27,777
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	7,002,147	6,953,971	6,817,117	6,078,300	5,997,812
Contributions as a percent of covered payroll	0.0%	0.4%	0.4%	0.5%	0.5%

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

	2021	2020	2019	2018
Total City OPEB Liability				
Service cost	\$ 38,726	\$ 34,471	\$ 49,118	\$ 52,481
Interest on total OPEB liability	20,200	20,501	23,686	18,539
Effect of economic/demographic gains or losses	78,284	-	261	-
Effect of assumption changes or inputs	(2,329)	16,192	(167,508)	(42,771)
Benefit payments	(27,234)	(28,713)	(17,005)	(10,607)
Net Change in Total OPEB liability	107,647	42,451	(111,448)	17,642
Balance Beginning	551,931	509,480	620,928	603,286
Balance Ending	\$ 659,578	\$ 551,931	\$ 509,480	\$ 620,928
	2021	2020	2019	2018
Total CUB OPEB Liability				
Service cost	\$ 7,789	\$ 6,975	\$ 8,015	\$ 8,507
Interest on total OPEB liability	3,206	3,191	4,359	3,667
Effect of economic/demographic gains or losses	8,773	-	(19,723)	-
Effect of assumption changes or inputs	(8,630)	2,198	(22,873)	(6,280)
Benefit payments	(6,379)	(1,742)	(14,219)	(10,457)
Net Change in Total OPEB liability	4,759	10,622	(44,441)	(4,563)
Balance Beginning	86,969	76,347	120,788	125,351
Balance Ending	\$ 91,728	\$ 86,969	\$ 76,347	\$ 120,788

*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 - PERS
LAST TEN YEARS*

	City of Canby (Dollars in millions)							
	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.0651%	0.0635%	0.0659%	0.0672%	0.0641%	0.0748%	0.0703%	0.0703%
Proportionate share of the net pension liability (asset)	\$ 14.22	\$ 10.98	\$ 9.98	\$ 9.06	\$ 9.62	\$ 4.30	\$ (1.59)	\$ 3.59
Covered Payroll	6.95	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	204.6%	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	75.8%	80.2%	82.1%	83.1%	80.5%	91.9%	103.6%	92.0%

	Canby Utility Board (Dollars in millions)						
	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.0192%	0.0193%	0.0184%	0.0198%	0.0218%	0.0253%	0.0223%
Proportionate share of the net pension liability (asset)	\$ 4.19	\$ 3.34	\$ 2.79	\$ 2.67	\$ 3.27	\$ 1.45	\$ (0.51)
Covered Payroll	1.63	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	257.1%	194.2%	165.1%	155.2%	186.9%	80.1%	-32.1%
Plan fiduciary net position as a percentage of the total pension liability	75.8%	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 - PERS
LAST TEN YEARS*

	City of Canby							
	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily required contribution	\$ 1,261,775	\$ 1,243,554	\$ 943,757	\$ 872,666	\$ 652,149	\$ 746,158	\$ 456,991	\$ 558,095
Contributions in relation to the statutorily required contribution	1,261,775	1,243,554	943,757	872,666	652,149	746,158	456,991	558,095
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	7,002,147	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	18.0%	17.9%	13.8%	14.4%	10.9%	12.4%	7.8%	9.6%
	Canby Utility Board							
	2021	2020	2019	2018	2017	2016	2015	
Statutorily required contribution	\$ 448,205	\$ 463,247	\$ 305,600	\$ 306,220	\$ 230,179	\$ 225,984	\$ 204,466	
Contributions in relation to the statutorily required contribution	448,205	463,247	305,600	306,220	230,179	225,984	204,466	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Covered Payroll	2,325,953	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	19.3%	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, 2021

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, 2021, 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, 2021

	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	\$ 33,257	\$ 13,050	\$1,120,765	\$ 1,305,970	\$133,530	\$ 2,606,572
Due from other governments	-	-	-	3,207	-	3,207
Accounts receivable	6,784	-	-	-	4,922	11,706
Property taxes receivable	-	-	-	24,086	-	24,086
Total assets	<u>\$ 40,041</u>	<u>\$ 13,050</u>	<u>\$1,120,765</u>	<u>\$ 1,333,263</u>	<u>\$138,452</u>	<u>\$ 2,645,571</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
LIABILITIES						
Accounts payable and other current liabilities	\$ -	\$ -	\$ -	\$ 19,077	\$ 67,681	\$ 86,758
DEFERRED INFLOWS						
Unavailable revenue	-	-	-	22,462	-	22,462
Total liabilities and deferred inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,539</u>	<u>67,681</u>	<u>109,220</u>
FUND BALANCES						
Restricted for:						
Drug enforcement and equipment	-	13,050	-	-	-	13,050
Library services	-	-	-	-	70,771	70,771
Swim center	-	-	-	1,291,724	-	1,291,724
Committed:						
Tourism promotion and enhancement	40,041	-	-	-	-	40,041
Cemetery care	-	-	1,120,765	-	-	1,120,765
Total fund balances	<u>40,041</u>	<u>13,050</u>	<u>1,120,765</u>	<u>1,291,724</u>	<u>70,771</u>	<u>2,536,351</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 40,041</u>	<u>\$ 13,050</u>	<u>\$1,120,765</u>	<u>\$ 1,333,263</u>	<u>\$138,452</u>	<u>\$ 2,645,571</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, 2021

	Transient Room Tax Fund	Forfeiture Fund	Cemetery Perpetual Care Fund	Swim Center Local Option Tax Levy Fund	Library Fund	Total
REVENUES:						
Property taxes	\$ -	\$ -	\$ -	\$ 863,271	\$ -	\$ 863,271
Intergovernmental	-	-	-	-	1,012,388	1,012,388
Charges for services	-	-	45,295	24,905	668	70,868
Fines and forfeitures	-	3,639	-	-	-	3,639
Grants & donations	-	-	-	-	11,732	11,732
Interest	225	149	8,798	9,465	115	18,752
Transient occupancy taxes	21,000	-	-	-	-	21,000
Miscellaneous	-	-	-	-	553	553
Total revenues	<u>21,225</u>	<u>3,788</u>	<u>54,093</u>	<u>897,641</u>	<u>1,025,456</u>	<u>2,002,203</u>
EXPENDITURES:						
Public safety	-	541	-	-	-	541
Culture and recreation	7,922	-	-	491,261	997,434	1,496,617
Capital outlay	-	10,890	-	23,507	-	34,397
Total expenditures	<u>7,922</u>	<u>11,431</u>	<u>-</u>	<u>514,768</u>	<u>997,434</u>	<u>1,531,555</u>
Revenues over (under) expenditures	13,303	(7,643)	54,093	382,873	28,022	470,648
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	500,000	-	642,687	1,142,687
Transfers out	-	-	(500,000)	(119,444)	(642,687)	(1,262,131)
Total other financing sources (uses)	-	-	-	(119,444)	-	(119,444)
Net changes in fund balances	13,303	(7,643)	54,093	263,429	28,022	351,204
FUND BALANCES, BEGINNING	<u>26,738</u>	<u>20,693</u>	<u>1,066,672</u>	<u>1,028,295</u>	<u>42,749</u>	<u>2,185,147</u>
FUND BALANCES, ENDING	<u>\$ 40,041</u>	<u>\$ 13,050</u>	<u>\$ 1,120,765</u>	<u>\$ 1,291,724</u>	<u>\$ 70,771</u>	<u>\$ 2,536,351</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, 2021

	Budget		Actual	Variance
	Original	Final		
REVENUES:				
Transient occupancy taxes	\$14,000	\$14,000	\$21,000	\$ 7,000
Interest	500	500	225	(275)
Total revenues	<u>14,500</u>	<u>14,500</u>	<u>21,225</u>	<u>6,725</u>
EXPENDITURES:				
Tourism promotion	18,557	18,557	7,922	10,635
Tourism enhancement	13,130	13,130	-	13,130
Total expenditures	<u>31,687</u>	<u>31,687</u>	<u>7,922</u>	<u>23,765</u>
Net changes in fund balances	<u>(17,187)</u>	<u>(17,187)</u>	<u>13,303</u>	<u>(17,040)</u>
FUND BALANCE, BEGINNING	<u>17,187</u>	<u>17,187</u>	<u>26,738</u>	<u>9,551</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$40,041</u>	<u>\$ (7,489)</u>

CITY OF CANBY, OREGON
FORFEITURE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	Budget		Actual	Variance
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ -	\$ -	\$ 3,639	\$ 3,639
Interest	425	425	149	(276)
Total revenues	425	425	3,788	3,363
EXPENDITURES:				
Police	27,252	27,252	11,431	15,821
Net changes in fund balances	(26,827)	(26,827)	(7,643)	19,184
FUND BALANCE, BEGINNING	26,827	26,827	20,693	(6,134)
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,050</u>	<u>\$ 13,050</u>

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, 2021

	Budget		Actual	Variance
	Original	Final		
REVENUES:				
Charges for services	\$ 20,000	\$ 20,000	\$ 45,295	\$ 25,295
Interest	18,000	18,000	8,798	(9,202)
Total revenues	38,000	38,000	54,093	16,093
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	38,000	38,000	54,093	16,093
FUND BALANCE, BEGINNING	1,052,840	1,052,840	1,066,672	13,832
FUND BALANCE, ENDING	<u>\$ 1,090,840</u>	<u>\$ 1,090,840</u>	<u>\$ 1,120,765</u>	<u>\$ 29,925</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, 2021

	Budget		Actual	Variance
	Original	Final		
REVENUES:				
Property taxes	\$ 845,000	\$ 845,000	\$ 863,271	\$ 18,271
Charges for services	200,000	200,000	24,905	(175,095)
Interest	-	-	9,465	9,465
Total revenues	<u>1,045,000</u>	<u>1,045,000</u>	<u>897,641</u>	<u>(147,359)</u>
EXPENDITURES:				
Swim Center	777,327	777,327	514,768	262,559
Contingency	<u>39,379</u>	<u>39,379</u>	-	<u>39,379</u>
Total expenditures	<u>816,706</u>	<u>816,706</u>	<u>514,768</u>	<u>301,938</u>
Revenues over (under) expenditures	228,294	228,294	382,873	154,579
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(119,444)</u>	<u>(119,444)</u>	<u>(119,444)</u>	<u>-</u>
Net changes in fund balance	108,850	108,850	263,429	154,579
FUND BALANCE, BEGINNING	<u>946,122</u>	<u>946,122</u>	<u>1,028,295</u>	<u>82,173</u>
FUND BALANCE, ENDING	<u><u>\$ 1,054,972</u></u>	<u><u>\$ 1,054,972</u></u>	<u><u>\$ 1,291,724</u></u>	<u><u>\$ 236,752</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, 2021

	Budget		Actual	Variance
	Original	Final		
REVENUES:				
Intergovernmental	\$ 972,880	\$ 972,880	\$ 1,012,388	\$ 39,508
Charges for services	30,000	30,000	668	(29,332)
Grants & donations	29,900	29,900	11,732	(18,168)
Miscellaneous	14,838	14,838	553	(14,285)
Interest	1,200	1,200	115	(1,085)
Total revenues	<u>1,048,818</u>	<u>1,048,818</u>	<u>1,025,456</u>	<u>(23,362)</u>
EXPENDITURES:				
Library services	1,033,604	1,033,604	997,434	36,170
Contingency	17,000	17,000	-	17,000
Total expenditures	<u>1,050,604</u>	<u>1,050,604</u>	<u>997,434</u>	<u>53,170</u>
Revenues over (under) expenditures	(1,786)	(1,786)	28,022	29,808
OTHER FINANCING SOURCES (USES):				
Transfers in	642,687	642,687	642,687	-
Pass-thru revenue	162	162	209	47
Transfers out	(642,687)	(642,687)	(642,687)	-
Pass-thru payments	(15,000)	(15,000)	(209)	14,791
Total other financing sources (uses)	<u>(14,838)</u>	<u>(14,838)</u>	<u>-</u>	<u>14,838</u>
Net changes in fund balance	(16,624)	(16,624)	28,022	44,646
FUND BALANCE, BEGINNING	<u>16,624</u>	<u>16,624</u>	<u>42,749</u>	<u>26,125</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,771</u>	<u>\$ 70,771</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, 2021

	Budget		Actual	Variance
	Original	Final		
REVENUES:				
Property taxes	\$ 3,983,000	\$ 3,983,000	\$ 4,215,618	\$ 232,618
Special assessments	29,429	29,429	18,644	(10,785)
Interest	60,000	60,000	21,648	(38,352)
Miscellaneous	41,000	41,000	67,398	26,398
Total revenues	<u>4,113,429</u>	<u>4,113,429</u>	<u>4,323,308</u>	<u>209,879</u>
EXPENDITURES:				
Debt service	3,623,620	3,623,620	2,923,619	700,001
Bond issuance costs	-	-	145,763	(145,763)
Total expenditures	<u>3,623,620</u>	<u>3,623,620</u>	<u>3,069,382</u>	<u>554,238</u>
Revenues over (under) expenditures	<u>489,809</u>	<u>489,809</u>	<u>1,253,926</u>	<u>(344,359)</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of bonds	-	-	18,435,000	18,435,000
Bond premiums	-	-	995,165	995,165
Bond refunding escrow	-	-	(19,284,402)	(19,284,402)
Transfers out	(1,888,810)	(1,888,810)	(748,524)	1,140,286
Total other financing sources (uses)	<u>(1,888,810)</u>	<u>(1,888,810)</u>	<u>(602,761)</u>	<u>1,286,049</u>
Net change in fund balance	(1,399,001)	(1,399,001)	651,165	941,690
FUND BALANCE, BEGINNING	<u>2,255,145</u>	<u>2,255,145</u>	<u>2,232,524</u>	<u>(22,621)</u>
FUND BALANCE, ENDING	<u>\$ 856,144</u>	<u>\$ 856,144</u>	<u>\$ 2,883,689</u>	<u>\$ 919,069</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, 2021

	Budget		Actual	Variance
	Original	Final		
REVENUES:				
Charges for services	\$ 4,388,000	\$ 4,388,000	\$ 4,436,990	\$ 48,990
Interest	160,000	160,000	59,584	(100,416)
Miscellaneous	-	-	9,025	9,025
Total revenues	<u>4,548,000</u>	<u>4,548,000</u>	<u>4,505,599</u>	<u>(42,401)</u>
EXPENDITURES:				
Wastewater Treatment	2,673,370	2,976,370	2,840,194	136,176
Collections	1,669,901	1,869,901	1,796,375	73,526
Stormwater	249,594	249,594	232,918	16,676
Unallocated				
Personnel services	34,917	34,917	34,034	883
Materials & services	350,200	350,200	351,472	(1,272)
Contingency	200,000	-	-	-
Total expenditures	<u>5,177,981</u>	<u>5,480,981</u>	<u>5,254,992</u>	<u>225,989</u>
Revenues over (under) expenditures	(629,981)	(932,981)	(749,393)	183,588
OTHER FINANCING SOURCES (USES):				
Transfers in	935,000	935,000	1,052,264	117,264
Transfers out	(552,786)	(552,786)	(253,786)	299,000
Total other financing sources (uses)	<u>382,214</u>	<u>382,214</u>	<u>798,478</u>	<u>416,264</u>
Net change in fund balance	(247,767)	(550,767)	49,085	599,852
FUND BALANCE, BEGINNING BUDGETARY BASIS	<u>7,707,108</u>	<u>7,707,108</u>	<u>7,832,194</u>	<u>125,086</u>
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ 7,459,340</u>	<u>\$ 7,156,340</u>	<u>\$ 7,881,278</u>	<u>\$ 724,938</u>

Change in fund balance - budgetary basis	\$ 49,085	Fund balance - budgetary basis	\$ 7,881,278
Expenditures capitalized	3,079,189	Capital assets net	17,673,977
Depreciation expense	(442,946)	Deferred inflow sewer charges	295,477
Change in Deferred Revenue - Sewer Charges	23,423	OPEB Liability	(56,487)
Change in OPEB Liability	(14,908)	Deferred inflow related to OPEB	(13,837)
Change in deferred inflow related to OPEB	3,588	Deferred outflow related to OPEB	15,815
Change in deferred outflow related to OPEB	11,549	Net pension liability	(1,381,850)
Change in pension liability (asset)	(322,358)	Deferred inflow related to pensions	(37,693)
Change in deferred inflow related to pensions	56,388	Deferred outflow related to pensions	470,520
Change in deferred outflow related to pensions	73,356	Compensated absences	(114,719)
Change in compensated absences	(19,638)	Net position - GAAP basis	<u>\$ 24,732,482</u>
Change in net position - GAAP basis	<u>\$ 2,496,728</u>		

CITY OF CANBY, OREGON
INTERNAL SERVICE FUNDS
COMBINING BALANCE SHEET
June 30, 2021

	Facilities Fund	Fleet Services Fund	Technical Services Fund	Total Internal Services Funds
ASSETS:				
Cash and cash equivalents	\$ 56,220	\$ 41,883	\$118,629	\$ 216,732
Accounts receivable, net	-	434	-	434
Total assets	<u>56,220</u>	<u>42,317</u>	<u>118,629</u>	<u>217,166</u>
DEFERRED OUTFLOW OF RESOURCES:				
Deferred outflows related to pensions	44,025	97,539	43,404	184,968
Deferred outflows related to OPEB	686	1,449	764	2,899
Total deferred outflow of resources	<u>44,711</u>	<u>98,988</u>	<u>44,168</u>	<u>187,867</u>
Total assets and deferred outflows	<u>\$ 100,931</u>	<u>\$ 141,305</u>	<u>\$ 162,797</u>	<u>\$ 405,033</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION:				
Current liabilities				
Accounts payable and other current liabilities	\$ 17,197	\$ 34,086	\$ 53,075	\$ 104,358
Current portion of long-term obligations	13,058	4,280	902	18,240
Total current liabilities	<u>30,255</u>	<u>38,366</u>	<u>53,977</u>	<u>122,598</u>
Noncurrent liabilities				
Net OPEB liability	5,255	11,427	5,444	22,126
Net pension liability	128,772	281,499	131,566	541,837
Noncurrent portion of long-term obligations	4,353	1,426	300	6,079
Total noncurrent liabilities	<u>138,380</u>	<u>294,352</u>	<u>137,310</u>	<u>570,042</u>
Total liabilities	<u>168,635</u>	<u>332,718</u>	<u>191,287</u>	<u>692,640</u>
DEFERRED INFLOWS OF RESOURCES:				
Deferred inflows related to pensions	3,832	10,701	1,093	15,626
Deferred inflows related to OPEB	1,532	3,527	1,346	6,405
Total deferred inflows of resources	<u>5,364</u>	<u>14,228</u>	<u>2,439</u>	<u>22,031</u>
Total liabilities and deferred inflows	<u>173,999</u>	<u>346,946</u>	<u>193,726</u>	<u>714,671</u>
NET POSITION:				
Unrestricted	<u>(73,068)</u>	<u>(205,641)</u>	<u>(30,929)</u>	<u>(309,638)</u>
Total liabilities, deferred inflows and net position	<u>\$ 100,931</u>	<u>\$ 141,305</u>	<u>\$ 162,797</u>	<u>\$ 405,033</u>

CITY OF CANBY, OREGON
INTERNAL SERVICE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND NET POSITION
For Year Ended June 30, 2021

	Facilities Fund	Fleet Services Fund	Technical Services Fund	Total Internal Services Funds
OPERATING REVENUES:				
Charges for services	\$ 308,755	\$ 542,702	\$ 373,575	\$ 1,225,032
Miscellaneous	-	1,223	-	1,223
Total revenues	<u>308,755</u>	<u>543,925</u>	<u>373,575</u>	<u>1,226,255</u>
OPERATING EXPENSES:				
Personnel services	142,875	269,241	135,570	547,686
Materials and services	189,090	349,940	224,670	763,700
Capital outlay	-	-	58,167	58,167
Total operating expense	<u>331,965</u>	<u>619,181</u>	<u>418,407</u>	<u>1,369,553</u>
Operating income (loss)	(23,210)	(75,256)	(44,832)	(143,298)
NON-OPERATING INCOME (EXPENSE):				
Interest income	<u>376</u>	<u>989</u>	<u>695</u>	<u>2,060</u>
Net change in net position	(22,834)	(74,267)	(44,137)	(141,238)
NET POSITION, BEGINNING	<u>(50,234)</u>	<u>(131,374)</u>	<u>13,208</u>	<u>(168,400)</u>
NET POSITION, ENDING	<u><u>\$ (73,068)</u></u>	<u><u>\$ (205,641)</u></u>	<u><u>\$ (30,929)</u></u>	<u><u>\$ (309,638)</u></u>

CITY OF CANBY, OREGON
INTERNAL SERVICE FUNDS
COMBINING SCHEDULE OF CASH FLOWS
For the Year Ended June 30, 2021

	Facilities Fund	Fleet Services Fund	Technical Services Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from outside customers	\$ 2,277	\$ 2,670	\$ -	\$ 4,947
Cash received from internal customers	307,233	540,999	373,575	1,221,807
Cash paid to employees for salaries and benefits	(119,360)	(234,980)	(114,838)	(469,178)
Cash paid to suppliers and others	(185,083)	(344,031)	(245,583)	(774,697)
Net cash from operating activities	5,067	(35,342)	13,154	(17,121)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	376	989	695	2,060
Net increase (decrease) in cash and cash equivalents	5,443	(34,353)	13,849	(15,061)
CASH AND CASH EQUIVALENTS, BEGINNING	<u>50,777</u>	<u>76,236</u>	<u>104,780</u>	<u>231,793</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 56,220</u>	<u>\$ 41,883</u>	<u>\$ 118,629</u>	<u>\$ 216,732</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income (loss)	\$(23,210)	\$ (75,256)	\$ (44,832)	\$ (143,298)
Adjustments:				
Decrease (increase) in:				
Accounts receivable	755	(256)	-	499
Increase (decrease) in:				
Accounts payable and accrued expenses	4,007	5,909	37,254	47,170
Accrued compensated absences	5,349	109	(4,565)	893
OPEB obligations	937	1,762	1,304	4,003
Pension obligations	17,229	32,390	23,993	73,612
Net cash from operating activities	<u>\$ 5,067</u>	<u>\$ (35,342)</u>	<u>\$ 13,154</u>	<u>\$ (17,121)</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, 2021

	Budget		Actual	Variance
	Original	Final		
REVENUES:				
Charges for services	\$312,233	\$312,233	\$308,755	\$ (3,478)
Miscellaneous	1,200	1,200	376	(824)
Interest	-	-	-	-
Total revenues	<u>313,433</u>	<u>313,433</u>	<u>309,131</u>	<u>(4,302)</u>
EXPENDITURES:				
Facilities	316,231	331,231	308,450	22,781
Contingency	<u>28,188</u>	<u>13,188</u>	<u>-</u>	<u>13,188</u>
Total expenditures	<u>344,419</u>	<u>344,419</u>	<u>308,450</u>	<u>35,969</u>
Revenues over (under) expenditures	(30,986)	(30,986)	681	31,667
FUND BALANCE, BEGINNING BUDGETARY BASIS	<u>30,986</u>	<u>30,986</u>	<u>38,343</u>	<u>7,357</u>
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,024</u>	<u>\$ 39,024</u>
Change in fund balance - budgetary basis			\$ 681	
Change in compensated absences			(5,349)	
Change in accrued OPEB liability			(1,333)	
Change in deferred inflow related to OPEB			112	
Change in deferred outflow related to OPEB			284	
Change in pension liability			(28,832)	
Change in deferred inflow related to pensions			5,042	
Change in deferred outflow related to pensions			6,561	
Change in net position - GAAP basis			<u>\$ (22,834)</u>	
Fund balance - budgetary basis			\$ 39,024	
Compensated absences			(17,411)	
OPEB liability			(5,255)	
Deferred inflow related to OPEB			(1,532)	
Deferred outflow related to OPEB			686	
Net pension liability			(128,772)	
Deferred inflow related to pensions			(3,832)	
Deferred outflow related to pensions			44,025	
Net position - GAAP basis			<u>\$ (73,068)</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, 2021

	Budget		Actual	Variance
	Original	Final		
REVENUES:				
Charges for services	\$768,696	\$768,696	\$ 542,702	\$(225,994)
Interest	250	250	989	739
Miscellaneous	300	300	1,223	923
Total revenues	<u>769,246</u>	<u>769,246</u>	<u>544,914</u>	<u>(224,332)</u>
EXPENDITURES:				
Fleet Services	746,391	746,391	584,920	161,471
Contingency	<u>39,594</u>	<u>39,594</u>	-	<u>39,594</u>
Total expenditures	<u>785,985</u>	<u>785,985</u>	<u>584,920</u>	<u>201,065</u>
Revenues over (under) expenditures	(16,739)	(16,739)	(40,006)	(23,267)
FUND BALANCE, BEGINNING BUDGETARY BASIS	<u>16,739</u>	<u>16,739</u>	<u>48,237</u>	<u>31,498</u>
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,231</u>	<u>\$ 8,231</u>
Change in fund balance - budgetary basis			\$ (40,006)	
Change in compensated absences			(109)	
Change in accrued OPEB liability			(2,507)	
Change in deferred inflow related to OPEB			211	
Change in deferred outflow related to OPEB			534	
Change in pension liability			(54,208)	
Change in deferred inflow related to pensions			9,482	
Change in deferred outflow related to pensions			<u>12,336</u>	
Change in net position - GAAP basis			<u>\$ (74,267)</u>	
Fund balance - budgetary basis			\$ 8,231	
Compensated absences			(5,706)	
OPEB liability			(11,427)	
Deferred inflow related to OPEB			(3,527)	
Deferred outflow related to OPEB			1,449	
Net pension liability			(281,499)	
Deferred inflow related to pensions			(10,701)	
Deferred outflow related to pensions			<u>97,539</u>	
Net position - GAAP basis			<u>\$ (205,641)</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, 2021

	Budget		Actual	Variance
	Original	Final		
REVENUES:				
Charges for services	\$373,575	\$373,575	\$373,575	\$ -
Interest	2,000	2,000	695	(1,305)
Total revenues	<u>375,575</u>	<u>375,575</u>	<u>374,270</u>	<u>(1,305)</u>
EXPENDITURES:				
Tech services	434,669	434,669	397,675	36,994
Contingency	-	-	-	-
Total expenditures	<u>434,669</u>	<u>434,669</u>	<u>397,675</u>	<u>36,994</u>
Revenues over (under) expenditures	(59,094)	(59,094)	(23,405)	35,689
FUND BALANCE, BEGINNING BUDGETARY BASIS	<u>80,245</u>	<u>80,245</u>	<u>88,959</u>	<u>8,714</u>
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ 21,151</u>	<u>\$ 21,151</u>	<u>\$ 65,554</u>	<u>\$ 44,403</u>
Change in fund balance - budgetary basis			\$ (23,405)	
Change in compensated absences			4,565	
Change in accrued OPEB liability			(1,857)	
Change in deferred inflow related to OPEB			157	
Change in deferred outflow related to OPEB			396	
Change in pension liability			(40,155)	
Change in deferred inflow related to pensions			7,024	
Change in deferred outflow related to pensions			9,138	
Change in net position - GAAP basis			<u>\$ (44,137)</u>	
Fund balance - budgetary basis			\$ 65,554	
Compensated absences			(1,202)	
OPEB liability			(5,444)	
Deferred inflow related to OPEB			(1,346)	
Deferred outflow related to OPEB			764	
Net pension liability			(131,566)	
Deferred inflow related to pensions			(1,093)	
Deferred outflow related to pensions			43,404	
Net position - GAAP basis			<u>\$ (30,929)</u>	

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 80

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 85

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 90

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 92

Sources: The information in these schedules is derived from the annual comprehensive 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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 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	\$ 80,195,011
Restricted	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	15,681,220
Unrestricted	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	3,069,153
Total governmental activities net position	\$ 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	\$ 98,945,384
Business-type activities										
Net investment in capital assets	\$ 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	\$ 17,673,977
Restricted for: Debt service	250,500	302,285	302,285	302,285	297,500	299,072	-	-	-	-
Unrestricted	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	7,058,505
Total business-type activities net position	\$ 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	\$ 24,732,482
Primary government										
Net investment in capital assets	\$ 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	\$ 97,868,988
Restricted	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	15,681,220
Unrestricted	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	10,127,658
Total primary government net position	\$ 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	\$ 123,677,866

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

Expenses	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
General government	\$ 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	\$ 5,700,556
Public safety	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	6,008,163
Highways and streets	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	4,497,361
Transportation	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	1,839,235
Culture and recreation	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	2,483,163
Community development	644,529	731,776	964,019	843,014	1,084,698	994,297	849,462	799,488	893,524	878,645
Interest on long-term debt	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	905,915
Total governmental activities expenses	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	22,313,038
Business-type activities:										
Sewer Operations	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	2,830,771
Total business-type activities expenses	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	2,830,771
Total primary government expenses	\$ 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	\$ 25,143,809
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 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	\$ 2,333,091
Public safety	506,205	464,128	477,488	642,941	546,743	178,770	70,455	41,770	48,754	36,327
Highways and streets	531,122	532,962	549,222	590,344	471,186	734,798	633,105	798,136	1,342,406	1,444,201
Transportation	1,005	123,271	128,437	128,973	69,974	59,901	55,942	65,424	53,880	300
Culture and recreation	213,339	255,577	238,273	260,106	229,920	200,671	452,430	656,134	562,071	500,901
Community development	-	-	-	-	242,879	272,343	240,187	281,423	251,329	422,771
Operating grants and contributions	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	3,955,933
Capital grants and contributions	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	3,397,960
Total governmental activities program revenues	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	12,091,484
Business-type activities:										
Charges for services:										
Sewer Operations	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	4,460,413
Capital grants and contributions	-	-	-	-	283,985	(7,601)	-	-	74,634	-
Total business-type activities program revenues	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	4,460,413
Total primary government program revenues	\$ 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	\$ 16,551,897

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net(expense)/revenue										
Governmental activities	\$ (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)	\$ (10,221,554)
Business-type activities	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	1,629,642
Total primary government net expense	\$ (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)	\$ (8,591,912)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 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	\$ 10,625,478
Franchise	463,062	459,100	442,498	479,348	452,204	1,243,135	1,300,972	1,626,766	1,635,603	1,672,933
Unrestricted intergovernmental revenues	2,001,883	1,728,834	1,828,117	1,903,952	1,184,433	467,965	654,701	982,634	599,236	1,045,263
Transient room taxes	-	-	-	-	-	-	-	23,111	21,132	21,000
Transit tax	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	1,790,583
Interest and investment earnings	110,052	87,778	97,346	85,666	183,483	159,906	284,336	479,505	481,307	195,651
Other Revenues	86,428	27,487	92,934	103,059	161,506	138,771	213,418	240,579	198,290	205,712
Gain on sale of capital assets	-	-	-	(28,935)	-	-	-	-	-	-
Transfers in (out)/Special pmts	294,583	822,537	488,000	513,281	487,698	498,241	1,298,680	(107,470)	40,044	(798,478)
Total governmental activities	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	14,758,142
Business-type activities:										
Interest and investment earnings	11,753	13,888	20,264	26,789	32,007	52,552	64,876	131,564	146,204	59,584
Other revenues	7,720	19,919	50,489	58,460	45,482	22,417	43,232	6,192	18,180	9,025
Gain on sale of capital assets	-	-	(224,777)	6,809	-	-	-	-	-	-
Transfers in (out)	(294,583)	(822,537)	(488,000)	(513,281)	(487,698)	(498,241)	(129,980)	107,470	(40,044)	798,478
Total business-type activities	(275,110)	(788,730)	(642,024)	(421,223)	(410,209)	(423,272)	(21,872)	245,226	124,340	867,087
Total primary government	\$ 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	\$ 15,625,229
Change in Net Position										
Governmental activities	\$ (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	\$ 4,536,588
Business-type activities	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	2,496,729
Total primary government	\$ (401,324)	\$ (924,242)	\$ (2,463,072)	\$ 1,743,427	\$ (1,308,623)	\$ (158,018)	\$ 354,369	\$ 2,943,080	\$ 3,364,941	\$ 7,033,317

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General fund										
Nonspendable	\$ -	\$ -	\$ -	\$ 2,746	\$ 485	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	21,321	18,445	37,010	44,800	70,908	102,991	123,972
Committed	-	-	306,150	237,896	398,780	226,829	395,791	507,688	319,434	314,372
Assigned	637,074	-	-	-	-	-	-	-	-	-
Unassigned	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	3,437,201
Total general fund	\$ 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	\$ 3,875,545
All other governmental funds										
Nonspendable	\$ -	\$ -	\$ -	\$ 1,000,378	\$ 1,200,000	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	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	15,557,248
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	8,539,870
Assigned	2,406,976	840,599	859,582	876,116	896,556	-	-	-	-	-
Unassigned	(38,867)	-	-	-	-	-	-	-	-	-
Total other governmental funds	\$ 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	\$ 24,097,118

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$ 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	\$ 12,424,744
Licenses and permits	309,404	170,976	164,721	150,619	205,535	142,649	357,637	189,023	142,274	184,664
Intergovernmental	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	4,213,545
Franchise	463,062	459,100	442,498	479,348	452,204	1,243,135	1,300,972	1,626,766	1,635,603	1,672,933
Charges for services	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	2,033,490
Fines & forfeitures	506,205	464,128	477,488	642,941	493,364	510,921	596,192	641,686	554,068	497,323
Investment earnings	110,052	83,632	93,485	83,141	180,498	153,706	277,126	472,285	477,684	193,006
Special assessments	48,913	66,641	68,288	58,524	54,995	48,381	58,019	38,218	100,222	18,644
Grants & donations	1,153,253	3,019,171	1,664,156	738,926	1,240,165	901,534	658,579	956,971	1,175,500	1,590,124
System development charges	262,552	207,172	296,674	284,442	1,455,036	2,231,407	1,203,280	2,867,424	1,444,082	2,586,859
Miscellaneous	85,113	25,024	93,421	95,114	410,449	251,183	1,363,699	308,151	921,280	977,347
Total revenues	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	26,392,679
Expenditures										
General government	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	3,041,630
Public safety	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	5,793,078
Highways and streets	525,337	560,865	831,183	834,575	982,630	907,434	854,844	944,520	1,760,478	1,082,854
Transportation	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	2,029,451
Community development	549,763	673,417	388,909	764,859	833,806	800,678	779,406	2,465,779	2,457,687	2,368,059
Culture and recreation	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	857,306
Capital outlay	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	1,704,315
Debt service										
Principal	681,788	2,937,007	758,734	836,144	878,502	949,686	1,056,606	1,162,635	952,095	1,984,387
Interest	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	939,232
Total expenditures	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	19,800,312
Excess of revenues over (under) expenditu	(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	6,592,367
Other financing sources (uses)										
Transfers in	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	3,324,545
Transfers out/Special payments	(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)	(4,123,025)
Issuance of capital leases	4,260	85,713	91,892	136,168	142,900	105,844	35,789	-	-	-
Issuance of debt	74,899	15,179,711	-	-	-	-	-	-	-	19,430,165
Bond refunding/costs	74,899	15,179,711	-	-	-	-	-	-	-	(19,430,165)
Total other financing sources (uses)	9,066,579	30,205,215	674,698	649,449	634,099	604,085	134,469	(107,470)	40,044	(798,480)
Net change in fund balances	\$ 372,863	\$ 24,447,626	\$ (3,064,000)	\$ 275,623	\$ (3,264,193)	\$ 1,343,381	\$ 2,989,979	\$ 3,609,876	\$ 1,116,924	\$ 5,793,887
Debt service as a percentage of noncapital expenditures	12.0%	155.9%	19.4%	14.5%	13.7%	12.8%	12.4%	11.8%	10.3%	16.4%

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

Fiscal Year	Property Tax	Franchise	Unrestricted		Transient Room Tax	Total
			Intergovernmental Revenues	Transit Tax		
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
2021	10,625,478	1,672,933	1,045,263	1,790,583	21,000	15,155,257

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/ Thousand
	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		
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
2021	1,771,726,713	2,825,032,872	44,386,491	44,386,491	18,129,547	23,139,050	35,427,300	39,170,798	1,869,670,051	2,931,729,211	63.8%	3.49

**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
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
2021	3.49	5.74	1.02	2.86	4.35	17.46

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 TAXPAYERS
Current Year and Nine Years Ago**

Taxpayer	2021			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Hope Village Inc.	\$ 29,108,236	1	1.56%	\$ 17,469,317	1	1.47%
Fred Meyer Stores Inc. #651	28,230,670	2	1.51%	17,379,514	2	1.46%
Canby East Associates LLC	22,926,705	3	1.23%			
Sequoia Grove Apartments LLC	20,731,391	4	1.11%			
American Steel Corporation	19,256,536	5	1.03%	17,365,978	3	1.46%
Canby Telephone Assn.	19,068,400	6	1.02%	15,283,900	4	1.29%
Shimadzu USA Manufacturing	16,954,367	7	0.91%	7,141,366	8	0.60%
Argo Canby LLC	14,552,976	8	0.78%	11,124,384	5	0.94%
Canby Market Center LLC	12,366,560	9	0.66%			
Johnson Controls Battery Group Inc	12,145,200	10	0.65%	10,496,157	6	0.88%
Kogap Enterprises				8,443,973	7	0.71%
Jorken Oregon LLC				7,026,488	9	0.59%
Truamerica Multifamily LLC				6,428,452	10	0.54%
Subtotal	195,341,041		10.46%	118,159,529		9.94%
All Other	1,674,329,010		89.55%	1,069,962,443		90.04%
Totals	\$ 1,869,670,051		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	Uncollected Taxes	Percent of Delinquent Taxes to Tax Levy
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%
2021	10,953,338	10,481,644	95.69%	139,767	10,621,411	96.97%	317,647	290,858	2.66%

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		
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
2021	20,105,165	-	-	-	20,105,165	1,126

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
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
2021	17,860	1,869,670,051	20,105,165	2,883,689	17,221,476	0.0092	1,126

(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, 2021

<u>Jurisdiction</u>	<u>Total Net Debt</u>	<u>Percent Within City</u>	<u>City's Pro Rata Share</u>
Direct:			
City of Canby	\$ 20,105,165	100%	\$ 20,105,165
Overlapping:			
Clackamas County	125,400,000	3.18%	3,990,479
Clackamas County School District No 86	113,244,037	47.71%	54,031,674
Clackamas Soil & Water Conservation	6,144,000	3.18%	195,514
Clackamas Community College	84,925,428	4.32%	3,671,751
Clackamas County ESD	23,805,136	3.34%	794,520
Canby Rural Fire Protection District 62	<u>4,201,206</u>	71.10%	<u>2,986,915</u>
Total overlapping	357,719,807		65,670,853
 TOTAL	 <u>\$ 377,824,972</u>		 <u>\$ 85,776,018</u>

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

	<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>	<u>2021</u>
Debt Limit	\$ 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	\$ 87,951,876
Total net debt application to limit	<u>11,935,239</u>	<u>26,623,990</u>	<u>25,998,030</u>	<u>25,301,377</u>	<u>24,515,417</u>	<u>23,684,457</u>	<u>22,838,497</u>	<u>21,962,537</u>	<u>21,061,577</u>	<u>20,105,165</u>
Legal debt margin	<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>	<u>\$ 67,846,711</u>
Total net debt applicable to the limit as a percentage of debt limit	28.40%	65.83%	60.51%	53.46%	47.26%	40.35%	34.83%	29.61%	26.23%	22.86%

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

Sewer Revenue Bonds

Fiscal Year	Sewer Charges		Less: Operating Expenses	Net Available Revenue	Coverage Ratio	Debt Service	
	and Other					Principal	Interest
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	-	-	-	
2021	4,460,413	2,831,772	1,628,641	-	-	-	

CITY OF CANBY, OREGON
DEMOGRAPHIC STATISTICS
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Total personal income (in thousands)</u>	<u>Per capita personal income (2)</u>	<u>Median age (2)</u>	<u>Unemployment rate (3)</u>	<u>School Enrollment K- 12 (2)</u>
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	537,264	31,980	38	3.9%	3,477
2020	16,950	543,637	32,073	39	5.7%	3,554
2021	17,860	*	*	*	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	2021			2013		
	Employees	Rank	Percentage of total city employment	Employees	Rank	Percentage of total city employment
Canby School District	533	1	6.35%	394	1	7.20%
Kendal Floral LLC	346	2	4.12%	240	2	4.38%
Columbia Distributing	291	3	3.46%	170	4	3.11%
Fred Meyer Stores Inc.	250	4	2.98%	113	7	2.06%
Clarios	220	5	2.62%	130	6	2.37%
Milwaukie Electronics	188	6	2.24%	187	3	3.42%
Shimadzu USA Mfg. Inc.	186	7	2.21%			
ICC Northwest	155	8	1.85%			
S R Smith LLC	130	9	1.55%	135	5	2.47%
Marquis Care @ Hope Village	112	10	1.33%			
City of Canby				92	9	1.68%
JV Northwest Inc.				111	8	2.03%
Wilson Construction Co				82	10	1.50%
Subtotal	2,411		28.71%	1,654		30.22%
All Other	5,988		71.29%	3,821		69.78%
Total	8,399		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

Function	<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>	<u>2021</u>
General Government	20.51	20.65	20.46	17.57	17.81	16.96	14.85	24.06	22.66	23.57
Public Safety										
Police Officers	23.85	23.23	24.40	24.98	24.39	24.30	24.58	25.41	25.37	26.29
Civilians	4.60	4.60	4.55	3.30	2.90	3.30	3.30	3.96	3.94	3.87
Highways and streets	5.01	4.63	5.12	5.64	6.11	5.73	5.26	5.96	6.35	5.86
Culture and recreation	18.88	18.11	16.85	17.85	17.58	17.58	22.37	18.15	16.12	17.76
Community development	8.97	7.68	5.24	4.54	4.67	4.99	4.98	5.39	4.95	5.68
Transportation	1.91	1.89	2.20	2.76	2.76	2.75	2.56	2.47	2.66	2.69
Sewer	8.17	10.58	11.15	10.50	11.02	11.36	10.09	9.28	9.97	10.44
Total	<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>	<u>96.16</u>

Source: Annual Adopted Budget Book and City Records

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

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Physical arrests	883	900	552	537	488	375	526	693	413	521
Parking violations	50	112	76	65	124	100	109	140	74	94
Traffic violations	2,786	2,962	3,990	4,302	3,616	3,867	3,594	4,660	3,271	3,647
Culture and recreation										
Swim Center Admissions	73,370	74,584	73,363	80,290	78,557	75,496	77,500	75,654	43,690	13,015
Library Circulation	338,713	332,465	326,524	310,938	291,876	312,049	287,249	283,225	208,576	142,361
Library Patron Visits	*	*	*	*	*	*	122,882	132,993	92,774	5,670
Transportation										
Ridership	150,186	124,878	103,649	106,903	90,260	76,294	75,112	82,255	77,924	60,113
Community development										
Various Applications Reviewed	18	28	53	65	63	78	89	79	57	104
Site Plan/Building Permit Apps. Reviewed	22	93	104	107	169	135	165	219	246	218
Wastewater										
Average daily sewage treatment (millions of gallons)	0.9744	0.9752	0.9481	0.9962	1.0059	1.0049	0.9983	0.9952	0.9911	1.0142

Source: City Departments

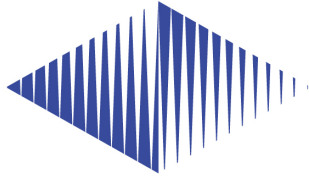
*Added to schedule 2019

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

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	14	16	16	19	16	17	17	19	19	16
Highways and streets										
Streets (center lane miles)	54.17	54.55	55.24	56.00	56.28	57.25	57.68	59.29	59.93	59.93
Streetlights	1325	1319	1362	1379	1399	1413	1445	1473	1522	1526
Culture and recreation										
Parks acreage	187	187	187	187	187	187	294	294	300	300
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	2	2	2	2	2	2	2	2	0	0
Community centers	1	1	1	1	1	1	1	1	1	1
Sewer										
Number of connections	6,232	6,246	6,276	6,301	6,385	6,443	6,469	6,530	6,635	6,829
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

475 Cottage Street NE, Suite 200, Salem, OR 97301
(503) 581-7788 • FAX (503) 581-0152 • www.gms.cpa

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, 2021 and have issued our report thereon dated June 30, 2022.

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 the City did not timely file the audited financial statements for the year ended June 30, 2021 with the Oregon Audits Division.


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
June 30, 2022