

City of Sandy, Oregon
Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2024



CITY OF SANDY, OREGON

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2024

Prepared by:
City of Sandy, Finance Department

CITY OF SANDY, OREGON

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INTRODUCTORY SECTION

December 13, 2024

Honorable Mayor Stan Pulliam,
Members of the City Council and Citizens of the City of Sandy:

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. The Annual Comprehensive Financial Report of the City of Sandy, Oregon for the fiscal year ended June 30, 2024 is hereby submitted.

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

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.

CITY AND THE GOVERNMENTAL STRUCTURE

Location – The City of Sandy is located about 26 miles from downtown Portland and approximately 10 miles from the Portland Urban Area. Portland is the largest city in the State of Oregon. Over the past several decades, Sandy has gone through a change from being timber dependent to a more diversified economy.

Sandy is a popular recreational community and serves as the last full-service city before entering the Mt. Hood recreational area. Skiing, hiking, hunting, and fishing are very popular in this area and the City attracts many visitors. Sandy has also been selected because of its location to serve as a hub for many events. Sandy is the home of the Sandy Mountain Festival which is estimated to attract over 50,000 people annually. Each year, tourism has become more important in stabilizing Sandy's economy. The City's population estimate for fiscal year 2024 was 13,159. In addition, Sandy is the commercial center of a rural area with a population of approximately 40,000.

Government – The City was incorporated in 1911. The governing body for the City of Sandy is the City Council. The Council is composed of the Mayor and six City Council members. They are all elected at large (by registered voters within city limits); the Mayor serves a two-year term, and the Council members serve four-year terms, with half the positions elected in the November general election of even-numbered years.

As with most Oregon cities, Sandy uses the "council-manager" form of government. The City Council members are unpaid volunteers who typically hold full-time jobs in other areas. They are responsible for all city policies, legislation, and the city budget. The City Council appoints a city manager, who is assigned responsibility for day-to-day operation of the city and a staff of ten department directors with approximately 83 full-time equivalent employees (FTE).

The City provides a full range of municipal services including police, municipal court, parks, and recreation (which encompasses senior programming), planning, building permit and inspection, economic development, library, transit, water, wastewater, stormwater, construction and maintenance of streets, sidewalks, and other public facilities. The City also operates a fiber optic internet service. Fire service for the City of Sandy is provided by a special service district and is autonomous from the City. As such, financial data for the Sandy Fire District is not included in this report.

In addition to the above general government activities, the City has an urban renewal district. Sandy Urban Renewal Agency (SURA) is a legally separate entity first established in 1998 to address redevelopment of the ¼ mile area of downtown Sandy. In 2008, the City adopted new design standards known as the “Sandy Style” and the debt limitation for SURA increased to \$18 million. The guidelines promote more attractive and appealing architecture in Sandy. In 2015 the debt limitation increased to \$67 million. The accompanying financial statements include the activities of SURA.

Budget – The City’s budget is prepared for a 24-month period beginning July 1 of odd-numbered years. The City’s budget is prepared in accordance with provisions of the Oregon Local Budget Law (ORS Chapter 294), which provides standard procedures for the preparation, presentation, administration, and appraisal of budgets. The law mandates public involvement in budget preparation and public exposure of its proposed programs. More information on the budget is listed in the Notes to Required Supplementary Information on page 61.

ECONOMIC CONDITION AND OUTLOOK

Since 2009, the economic growth and investment in Sandy has been over \$300 million dollars in a mix of residential and commercial development. This development increase is a combination of an easy commute to the nearby cities, the presence of many recreational opportunities, and education facilities that have strengthened the city’s economic base. Residential and commercial permits have continued to increase. The housing market continues to grow, with 33 new single-family home permits issued, and 94 units multi-family permits issue, equating to 127 units total.

The City continues to examine opportunities to incrementally invest in services which meet the needs of the growing community, while also maintaining existing capital assets in a manner that ensures future years are not overly burdened with the costs of our most basic and vital infrastructure.

LONG-TERM FINANCIAL PLANNING

The City’s current and on-going planning efforts include annual goals set by the City Council, a comprehensive plan (the “Sandy 2040 Plan”) and rolling six-year capital improvement plan supporting shorter-term strategic decisions. Staff is currently working on a comprehensive plan update titled “Envision Sandy 2050.” Developing and utilizing these plans help to enhance the City’s ability to address future fiscal needs in a proactive and measured approach.

MAJOR INITIATIVES

Several significant initiatives, outlined below, ensure the City’s continued economic health and ability to provide services to its residents and businesses.

Water System Improvements – The City’s drinking water infrastructure is aging and in need of substantial repairs. In addition, it is vital that the City increase redundancy to ensure our water supply can withstand natural disasters and emergency situations. This multi-year capital plan will upgrade the existing Alder Creek Treatment Plant, construct new infrastructure to maintain access to City of Portland’s Bull Run water supply, and provide adequate supply of water to Sandy’s residents for decades to come.



Wastewater System Improvements – The City is currently undergoing a multi-year capital improvement project for significant repairs to the existing wastewater treatment facility and overall system improvements. These updates are mandated by the State of Oregon Department of Environmental Quality and the United States Environmental Protection Agency and will be completed over several years. The result will allow the City to meet DEQ standards and provide increased capacity for future growth.



INDEPENDENT AUDIT

State statutes require an annual audit by independent certified public accountants. The firm, Talbot, Korvola & Warwick, LLP, was selected by the City. The auditors have issued an unmodified (“clean”) opinion on the City’s financial statements for the fiscal year ended June 30, 2024. The independent auditor’s opinion is located at the front of the financial section of this report.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Sandy for its annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the thirty-third year that the City has achieved this prestigious award. A Certificate of Achievement is valid for a period of one year only and to obtain it the City must publish an easily readable and efficiently organized annual comprehensive financial report. We believe that our current report continues to meet the Certificate of Achievement Program’s requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition to the Certificate of Achievement, the City of Sandy was also awarded the Distinguished Budget Presentation (DBP) award for the Biennium 2023 – 2025 budget, as well as the Popular Annual Financial Reporting (PAFR) award for the fiscal year ended June 30, 2023. This is the third biennial DBP award for the City, and the fifth PAFR award.

ACKNOWLEDGEMENTS

The preparation of this report was made possible by the dedicated service of the finance and administration department staff. Additionally, I thank all the departments for their assistance in providing the necessary data to prepare this report.

Credit is also due to the Mayor, City Council, and the Budget Committee for their interest and support in planning and conducting the operations of the City in a responsible and professional manner.

Respectfully submitted,

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

Tyler Deems
City Manager

CITY OF SANDY, OREGON
CERTIFICATE OF ACHIEVEMENT



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Sandy
Oregon**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

CITY OF SANDY, OREGON
OFFICIALS OF THE CITY OF SANDY, OREGON
June 30, 2024

CITY COUNCIL

	<u>TERMS EXPIRES</u>
Stan Pulliam, Mayor	12/31/2024
Chris Mayton, Councilor	12/31/2026
Laurie Smallwood, Council President	12/31/2026
Rich Sheldon, Councilor	12/31/2024
Kathleen Walker, Councilor	12/31/2024
Carl Exner, Councilor	12/31/2026
Don Hokanson, Councilor	12/31/2024

STAFF

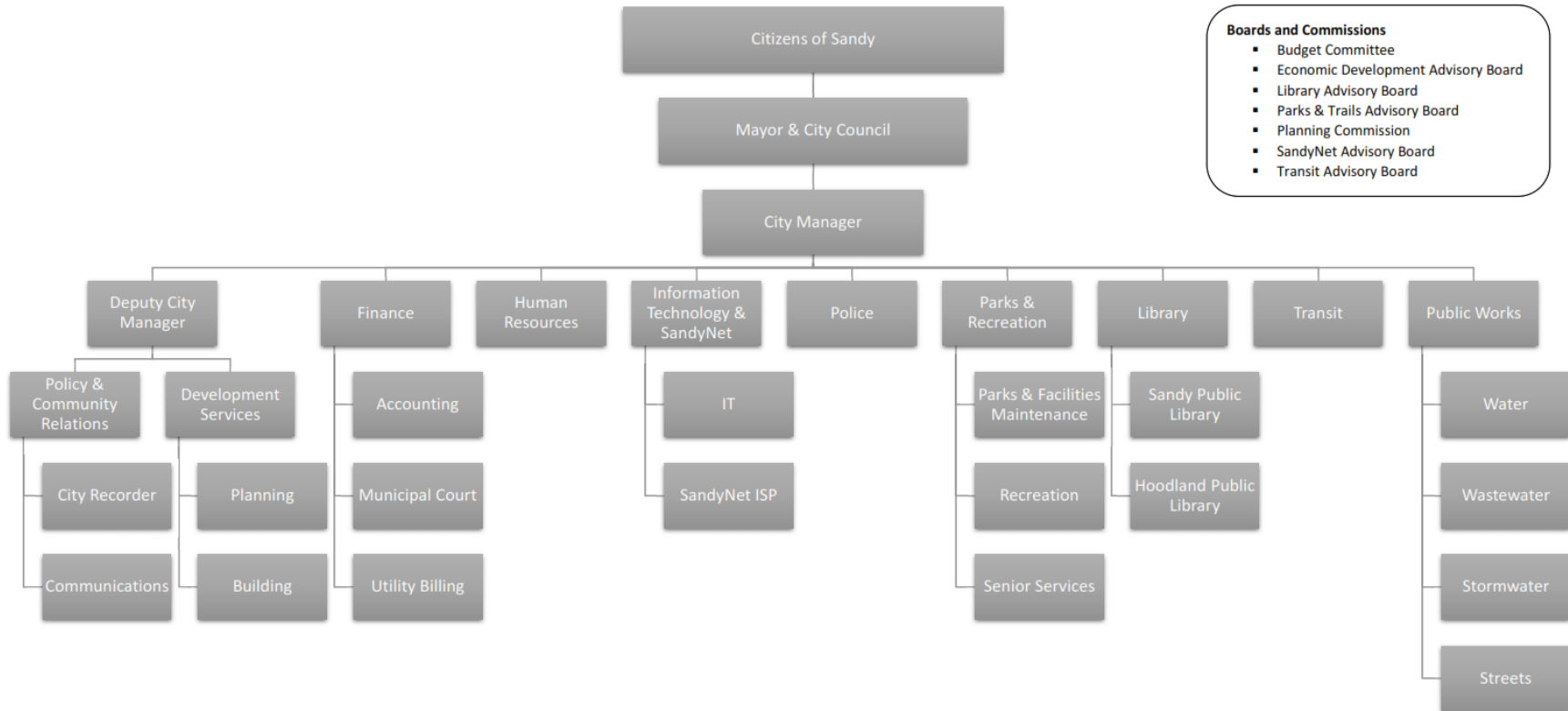
Tyler Deems, City Manager
Jeff Aprati, Deputy City Manager
Angie Welty, Human Resources Director
Patrick Huskey, Police Chief
Jenny Coker, Public Works Director
Sarah McIntyre, Library Director
Andi Howell, Transit Director
Kelly O'Neill Jr., Development Services Director
Rochelle Anderholm-Parsch, Parks & Recreation Director
Greg Brewster, IT Director

MAILING ADDRESS

39250 Pioneer Blvd. Sandy, Oregon 97055
www.ci.sandy.or.us

CITY OF SANDY, OREGON

ORGANIZATIONAL CHART June 30, 2024



FINANCIAL SECTION



Your peace of mind is our passion.

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Sandy, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sandy, Oregon (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as Management's Discussion and Analysis, schedules of pension and other post-retirement benefits, Notes to the Required Supplementary Information, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

INDEPENDENT AUDITOR'S REPORT (Continued)

Accounting principles generally accepted in the United States of America require that the budgetary comparisons for the General Fund and major special revenue funds, as listed in the Table of Contents as Required Supplementary Information, 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. The required budgetary comparison 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 GAAS. In our opinion, the required budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The information listed in the Table of Contents as Other Supplementary Information and Other Financial Schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Other Supplementary Information and Other Financial Schedules 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 GAAS. In our opinion, the Other Supplementary Information and Other Financial Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2024 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 the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

INDEPENDENT AUDITOR'S REPORT (Continued)

Other Reporting Required by Oregon Minimum Standards

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated December 13, 2024, 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 the results of that testing, and not to provide an opinion on compliance.



For Talbot, Korvola & Warwick, LLP
Portland, Oregon
December 13, 2024

CITY OF SANDY, OREGON

MANAGEMENT DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2024

The Management's Discussion and Analysis (MD&A) is a narrative overview and analysis of the financial activities of the City of Sandy for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the additional information furnished in the letter of transmittal on pages i-iii and the financial statements that follow.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Sandy exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$78,939,050. Of this amount, \$12,511,155 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$8,556,090. This, in large part, is due to increases in charges for services for both general government services, as well as business type services. Development activity increased from the prior year, resulting in higher permit revenue as well as system development charges. Additionally, utility rates were increased to build the required capital needed for future infrastructure projects in both the Water and Sewer Funds.
- The City's governmental activities reported total net position of \$43,070,135, which is an increase of \$3,003,665. Approximately 13% of the total, or \$5,751,367, is unrestricted and thus available for spending at the City's discretion.
- The City's business-type activities reported total net position of \$35,868,915, which is an increase of \$5,552,425 from the prior year. Approximately 19% of the total, or \$6,759,788, is unrestricted and thus available for spending at the City's discretion.
- The City of Sandy's total outstanding debt increased by \$1,241,781 during the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following discussion and analysis is intended to serve as an introduction to the City of Sandy's basic financial statements. The statements are comprised of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements.

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

The *Statement of Net Position* presents information on all assets of the City (including infrastructure) as well as all liabilities (including long term debt). Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Sandy is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

CITY OF SANDY, OREGON

MANAGEMENT DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2024

The government-wide statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues, referred to as government activities, from business functions intended to recover their costs through user fees and charges. The governmental-wide financial statements can be found on pages 14 and 15 of this report.

Governmental activities of the City include the following:

- General government
- Highways and streets
- Public Transportation
- Economic development
- Public safety
- Culture and recreation

Business-type activities of the City include the following:

- Water
- Sewer
- Stormwater
- SandyNet

Fund financial statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Sandy, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City's funds are divided into three categories:

- Governmental funds
- Proprietary funds
- Fiduciary funds

Governmental funds are used to account for City functions that are supported primarily by taxes and intergovernmental revenues. 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 evaluating a government's near-term financial requirements.

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 City's near-term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and change in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

CITY OF SANDY, OREGON

MANAGEMENT DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2024

The City of Sandy maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Street Fund, Urban Renewal Agency Fund, Transit Fund, and Other Governmental Funds.

All of the governmental funds considered to be major funds are shown on page 16.

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent is that the costs of providing the services to the general public on a continuing basis be financed primarily through user charges. These funds represent four segments of operations: Water, Sewer, Stormwater, and SandyNet.

Additionally, the government reports the Operations Center Internal Service Fund and the Facility Maintenance Internal Service Fund as proprietary funds. An internal service fund is used to account for activity that provides goods or services to other departments on a cost-reimbursement basis. The Operations Center Internal Service Fund is to pool resources from departments that occupy the Operations Center building to allocate costs associated with shared invoices. Revenue sources are transfers from the Water, Sewer, Stormwater, Street, Transit, and General Funds. The Facility Maintenance Internal Service Fund is to pool resources from departments for capital expenditures specifically related to facility improvements. Revenue sources are transfers from the Water, Sewer, Stormwater, Street, Transit, and General Funds.

The basic proprietary fund financial statements begin on page 20 of this report.

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These funds are custodial in nature and do not involve measurement of results of operations.

The fiduciary fund financial statements begin on page 23 of this report.

Notes to the Basic Financial Statements. The Notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements and are found on pages 25 through 51 of this report.

Required Supplementary Information. Supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Budgetary comparison schedules for the general fund and major special revenue funds are presented immediately following the Notes to the basic financial statements. Required supplementary information can be found on page 52 of this report.

Other Supplementary Information. The budgetary comparison schedules for debt service, capital projects, and the proprietary funds are presented immediately following the required supplementary information.

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the end of the current fiscal year, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflow of resources by \$78,939,050. Table 1, on the next page, reflects a Summary of Net Position compared to the prior fiscal year.

CITY OF SANDY, OREGON

**MANAGEMENT DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2024**

Table 1
City of Sandy's Net Position
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	\$ 20,806	\$ 24,986	\$ 10,069	\$ 8,731	\$ 30,875	\$ 33,717
Capital assets	43,966	37,717	62,767	58,053	106,733	95,770
Total assets	64,772	62,703	72,836	66,784	137,608	129,487
Total deferred outflows of resources	3,253	2,966	904	741	4,157	3,707
Liabilities						
Long-term liabilities	21,019	20,244	36,082	33,049	57,101	53,293
Other liabilities	2,788	2,683	1,470	3,491	4,258	6,174
Total liabilities	23,807	22,927	37,552	36,540	61,359	59,467
Total deferred inflows of resources	1,148	2,677	319	668	1,467	3,345
Net position						
Net investment in capital assets	32,669	27,165	29,092	26,055	61,761	53,220
Restricted	4,650	6,753	17	15	4,667	6,768
Unrestricted	5,751	6,147	6,760	4,247	12,511	10,394
Total net position	\$ 43,070	\$ 40,065	\$ 35,869	\$ 30,317	\$ 78,939	\$ 70,382

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

In addition, approximately 6% of the City of Sandy's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$12,511,155 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Sandy reported a positive unrestricted balance for governmental activities and business-type activities.

Overall, the City of Sandy's net position increased by \$8,556,090 from the prior year. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

Analysis of Changes in Net Position:

Table 2 below summarizes revenues and expenses for the current fiscal year and provides a comparison to prior year.

CITY OF SANDY, OREGON

MANAGEMENT DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2024

Table 2
City of Sandy's Changes in Net Position
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues						
Charges for services	\$ 3,354	\$ 1,986	\$ 12,772	\$ 10,538	\$ 16,126	\$ 12,524
Operating grants and contributions	1,964	3,650	-	-	1,964	3,650
Capital grants and contributions	840	745	2,105	5,935	2,945	6,680
General revenues						
Property taxes	6,451	6,191	-	-	6,451	6,191
Public service taxes	4,465	4,328	-	-	4,465	4,328
Franchise fees	872	779	-	-	872	779
Interest and investment earnings	1,001	717	277	63	1,278	780
Miscellaneous	709	511	55	197	764	708
Total revenues	19,656	18,907	15,209	16,733	34,865	35,640
Expenses						
General government	2,396	2,328	-	-	2,396	2,328
Highways and streets	1,811	1,042	-	-	1,811	1,042
Public transportation	2,938	2,432	-	-	2,938	2,432
Economic development	1,262	1,650	-	-	1,262	1,650
Public safety	4,207	3,661	-	-	4,207	3,661
Culture and recreation	4,132	3,237	-	-	4,132	3,237
Interest on long-term debt	318	346	-	-	318	346
Water	-	-	2,790	2,159	2,790	2,159
Sewer	-	-	3,686	2,370	3,686	2,370
Storm water	-	-	505	508	505	508
SandyNet	-	-	2,263	2,031	2,263	2,031
Total expenses	17,064	14,696	9,244	7,068	26,308	21,764
Increase (decrease) in net position before transfers	2,592	4,211	5,965	9,665	8,557	13,876
Transfers in (out)	413	(202)	(413)	202	-	-
Increase (decrease) in net position	3,005	4,009	5,552	9,867	8,557	13,876
Net position - beginning	40,065	36,056	30,317	20,450	70,382	56,506
Net position - ending	\$ 43,070	\$ 40,065	\$ 35,869	\$ 30,317	\$ 78,939	\$ 70,382

Governmental activities. During the current fiscal year, net position for government activities increased by \$3,003,665 from the prior year for an ending balance of \$43,070,135. The net change is a result of increases in both program and general revenues, specifically charges for services and interest and investment earnings. The increase to charges for services is a result of increases in permits fees for new development. The increase in interest and investment earnings is a result of strong investment performance in the overall market. Expenses increased slightly, most notably in highway and streets as a result and culture and recreation.

Business-type activities. For the City of Sandy's business-type activities, the total increase in net position for business-type activities (Water, Sewer, Stormwater and SandyNet) was \$5,552,425. The Water Fund, Sewer Fund, SandyNet Fund, and Stormwater Fund had a positive change in net position of \$1,753,112, \$3,407,922, \$276,385, and \$115,006, respectively. Compared to the prior year, total operating revenues increased by approximately 15%, while total operating expenses increased by approximately 30%. Acquisitions of capital assets and principal payments on long-term debt are not reported as direct expenses but are reported as additions to assets and reductions to liabilities respectively on the Statement of Net Position.

CITY OF SANDY, OREGON

MANAGEMENT DISCUSSION AND ANALYSIS Fiscal Year Ended June 30, 2024

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with financial-related legal requirements.

Governmental funds. The focus of the City of Sandy's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Sandy's financing requirements. In particular, unassigned and assigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Although the assigned fund balance has been allocated for some purpose, the amount can be reallocated at the discretion of the City Council.

At the end of the fiscal year, the City of Sandy's governmental funds reported a combined ending fund balance of \$17,361,943. Approximately 38% of this total amount (\$6,632,108) constitutes assigned and unassigned fund balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been designated as non-spendable, committed, or restricted. For more information about fund balance designations, see Note 1 L in the Notes to the Financial Statements beginning on page 25.

The *General Fund* is the chief operating fund of the City. At the end of the fiscal year, the General Fund decreased by \$247,666 from the prior year, due to a decrease in grant revenue and an increase in expenditures related to culture and recreation and capital outlay. The decrease in grant revenue is directly related to the lack of American Rescue Plan Act (ARPA) funds during the fiscal year as compared to the prior fiscal year. The increase in cultural and recreation is due to additional program offerings within the Parks & Recreation department; the increase in capital outlay is related to the purchase of additional police vehicles and other minor improvements.

The *Street Fund* provides for the maintenance and construction of City streets. The fund had a decrease of \$1,726,003 from the prior year. This decrease is a result of spending the remaining proceeds from the Full Faith and Credit Obligation from the fiscal year ending June 30, 2022 for the costs related to the extension of a major local road.

The *Urban Renewal Fund* decreased by \$1,282,751, largely due to capital outlay for the construction of the new Cedar Park.

The *Transit Fund* balance decreased by \$44,746 due to a slight increase in capital outlay, specifically related to the purchase of additional transportation vehicles.

The *Other Governmental Funds*, which includes the Parks Capital Projects Fund, the City FFC Debt Service Fund, and the Aquatic/Recreation Center Fund, decreased by \$840,001. This decrease is mainly a result of capital outlay related to the construction of the new Cedar Park in the Parks Capital Projects Fund.

Proprietary funds. The City's proprietary funds are comprised of the enterprise funds. An enterprise fund is used to account for activities for which a fee is charged to external users for services. These funds provide the same type of information found in the government-wide financial statements, but in more detail.

CITY OF SANDY, OREGON

MANAGEMENT DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2024

Overall, the proprietary funds are stable. The Water Fund, Sewer Fund, SandyNet Fund, and Other Enterprise Fund saw increases in net position of \$1,753,112, \$3,407,922, \$276,385, and \$115,006, respectively. These increases were mostly due to increases in charges for services. The Water Fund implemented a rate increase of 36% to fund capital improvement projects. The Sewer Fund implemented a rate increase of 16% to fund reinvestment in infrastructure. The SandyNet Fund saw a modest increase in customer growth. The Other Enterprise Fund, the Stormwater Fund, implemented a rate increase of \$3 per month to build reserves for future capital projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, there was one adjustment to the original budget. The City is in the second year of its biennial budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City of Sandy’s investment in capital assets for its governmental and business-type activities as of June 30, 2024 amounts to \$106,733,030 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, motor vehicles and equipment, office furniture and equipment, infrastructure, intangible assets, subscription assets, and construction in progress. The total net increase in capital assets for the current fiscal year was approximately 11%.

Tables 3 and 4 summarize capital assets and changes as of June 30, 2024.

Table 3
City of Sandy's Capital Assets (Net of Accumulated Depreciation/Amortization)
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 5,968	\$ 5,439	\$ 1,175	\$ 1,100	\$ 7,143	\$ 6,539
Land improvements	1,034	-	-	-	1,034	-
Construction in progress	3,365	10,058	17,827	22,713	21,192	32,771
Improvements	18,729	7,548	41,192	32,536	59,921	40,084
Buildings	11,823	12,463	540	559	12,363	13,022
Furniture and equipment	931	301	1,902	1,024	2,833	1,325
Vehicles	1,973	1,713	131	121	2,104	1,834
Intangible assets	79	105	-	-	79	105
Subscription assets	64	90	-	-	64	90
Total	\$ 43,966	\$ 37,717	\$ 62,767	\$ 58,053	\$ 106,733	\$ 95,770

Major capital asset events during the fiscal year included the following:

- ❖ Governmental Activities
 - General Fund - Police Vehicles (4) - \$250,693: to replace three aging vehicles.
 - Street Fund - Bell/362nd Extension Project - \$1,732,624: Final construction costs to complete the needed street extension project to alleviate congestion and increase access for public safety purposes.
 - Transit Fund - Transportation Vehicles (2) - \$348,530: to replace two aging buses.

CITY OF SANDY, OREGON

MANAGEMENT DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2024

❖ Business-Type Activities

- Water Fund – Sandercock Reservoir Improvements - \$871,420: to repair the reservoir due to age related issues and provided stability to overall water system.
- Sewer Fund - Rehab of Basins 6 and 7 - \$681,209 (\$6,629,337 including prior years): to reduce the inflow and infiltration which ultimately reduces the amount of treatment needed at the treatment facility.
- Sewer Fund - Treatment Facility Improvements - \$3,356,150 (\$16,286,884 including prior years; in progress): to improve and increase the sewer treatment plant to comply with federal and state regulations.
- SandyNet Fund - Fiber Network and Equipment - \$248,344: to continue to build out the fiber network for residential and business customers.

Table 4
City of Sandy's Changes in Capital Assets
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Beginning balance	\$ 37,717	\$ 30,567	\$ 58,053	\$ 42,194	\$ 95,770	\$ 72,761
Additions	8,019	8,761	6,628	25,533	14,647	34,294
Depreciation	(1,769)	(1,611)	(1,669)	(1,363)	(3,438)	(2,974)
Deletions	(1)	-	(245)	(8,311)	(246)	(8,311)
Ending balance	<u>\$ 43,966</u>	<u>\$ 37,717</u>	<u>\$ 62,767</u>	<u>\$ 58,053</u>	<u>\$ 106,733</u>	<u>\$ 95,770</u>

Additional information on the City's capital assets can be found in the Notes to the Basic Financial Statements – Note 4.

Long-term debt. At the end of the current fiscal year, the City had total long-term debt outstanding of \$45,845,451. The City's total debt increased by \$1,241,781 (approximately 3%). During the fiscal year ended June 30, 2024, all scheduled debt payments were met.

Table 5 summarizes outstanding debt as of June 30, 2024.

Table 5
City of Sandy's Outstanding Debt
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Bonds payable, net	\$ 11,531	\$ 12,526	\$ 7,925	\$ 8,380	\$ 19,456	\$ 20,906
Notes payable	568	646	25,750	22,956	26,318	23,602
Subscription payable	71	96	-	-	71	96
Ending balance	<u>\$ 12,170</u>	<u>\$ 13,268</u>	<u>\$ 33,675</u>	<u>\$ 31,336</u>	<u>\$ 45,845</u>	<u>\$ 44,604</u>

State statutes limit the amount of general obligation debt an Oregon municipality may issue to 3% of total real market value of all taxable property within its boundary. The current debt amount is well within the limits set by state statute.

Additional information on the City's long-term debt can be found in the Notes to the Basic Financial Statements – Note 7.

CITY OF SANDY, OREGON

MANAGEMENT DISCUSSION AND ANALYSIS
Fiscal Year Ended June 30, 2024

REQUESTS FOR INFORMATION

This financial report is designed to provide users with a general overview of the City of Sandy's financial condition and demonstrate the City's accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Tyler Deems, City Manager, at 39250 Pioneer Blvd., Sandy, Oregon 97055.

BASIC FINANCIAL STATEMENTS

CITY OF SANDY, OREGON

STATEMENT OF NET POSITION
June 30, 2024

	Governmental Activities	Business Type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 17,497,041	\$ 4,343,136	\$ 21,840,177
Investments	1,587,937	2,547,969	4,135,906
Accounts receivable, net	1,192,521	2,261,424	3,453,945
Internal balances	301,612	(301,612)	-
Inventory	-	307,476	307,476
Other current assets	77,249	27,991	105,240
Total current assets	<u>20,656,360</u>	<u>9,186,384</u>	<u>29,842,744</u>
Noncurrent assets			
Restricted cash and investments	-	772,265	772,265
Notes receivable	85,846	93,221	179,067
Net OPEB assets	63,390	17,607	80,997
Capital assets not being depreciated	10,367,524	19,001,884	29,369,408
Capital assets, net of accumulated depreciation	<u>33,598,505</u>	<u>43,765,117</u>	<u>77,363,622</u>
Total noncurrent assets	<u>44,115,265</u>	<u>63,650,094</u>	<u>107,765,359</u>
Total assets	<u>64,771,625</u>	<u>72,836,478</u>	<u>137,608,103</u>
DEFERRED OUTFLOW OF RESOURCES			
Pension related	3,217,720	893,722	4,111,442
OPEB related	<u>35,392</u>	<u>9,830</u>	<u>45,222</u>
Total deferred outflows of resources	<u>3,253,112</u>	<u>903,552</u>	<u>4,156,664</u>
LIABILITIES			
Current liabilities			
Accounts payable	2,498,694	1,221,976	3,720,670
Accrued expenses	150,882	44,263	195,145
Deposits and other liabilities	106,310	44,583	150,893
Accrued compensated absences, current	196,818	41,400	238,218
Accrued interest	31,859	159,530	191,389
Current portion of long-term debt	1,098,073	1,605,155	2,703,228
Current portion of total OPEB liability	<u>12,159</u>	<u>3,376</u>	<u>15,535</u>
Total current liabilities	<u>4,094,795</u>	<u>3,120,283</u>	<u>7,215,078</u>
Noncurrent liabilities			
Accrued compensated absences, long-term	248,464	30,927	279,391
Long-term debt, net of current portion	11,071,897	32,070,326	43,142,223
Net pension liability	8,184,517	2,273,247	10,457,764
Total OPEB liability	<u>207,181</u>	<u>57,546</u>	<u>264,727</u>
Total noncurrent liabilities	<u>19,712,059</u>	<u>34,432,046</u>	<u>54,144,105</u>
Total liabilities	<u>23,806,854</u>	<u>37,552,329</u>	<u>61,359,183</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related	1,016,132	282,229	1,298,361
OPEB related	<u>131,616</u>	<u>36,557</u>	<u>168,173</u>
Total deferred inflows of resources	<u>1,147,748</u>	<u>318,786</u>	<u>1,466,534</u>
NET POSITION			
Net investment in capital assets	32,669,454	29,091,520	61,760,974
Restricted:			
System development charges	1,656,520	-	1,656,520
Street and roadside maintenance	1,545,822	-	1,545,822
Peg fees	898	-	898
Park projects	565,383	-	565,383
Urban renewal projects	817,301	-	817,301
OPEB	63,390	17,607	80,997
Unrestricted	<u>5,751,367</u>	<u>6,759,788</u>	<u>12,511,155</u>
Total net position	<u>\$ 43,070,135</u>	<u>\$ 35,868,915</u>	<u>\$ 78,939,050</u>

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

CITY OF SANDY, OREGON

STATEMENT OF ACTIVITIES
Fiscal Year Ended June 30, 2024

FUNCTIONS/PROGRAMS	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
Governmental activities							
General government	\$ 2,397,195	\$ 227,049	\$ -	\$ -	\$ (2,170,146)	\$ -	\$ (2,170,146)
Highways and streets	1,811,098	636,150	-	369,369	(805,579)	-	(805,579)
Public transportation	2,938,374	62,714	1,892,748	90,000	(892,912)	-	(892,912)
Economic development	1,261,705	886,997	-	-	(374,708)	-	(374,708)
Public safety	4,207,423	490,698	-	-	(3,716,725)	-	(3,716,725)
Culture and recreation	4,131,613	1,050,855	71,610	380,343	(2,628,805)	-	(2,628,805)
Interest on long-term debt	318,011	-	-	-	(318,011)	-	(318,011)
Total governmental activities	<u>17,065,419</u>	<u>3,354,463</u>	<u>1,964,358</u>	<u>839,712</u>	<u>(10,906,886)</u>	<u>-</u>	<u>(10,906,886)</u>
Business type activities							
Water	2,790,364	4,206,296	-	-	-	1,415,932	1,415,932
Sewer	3,686,461	5,304,273	-	2,105,202	-	3,723,014	3,723,014
Storm water	505,172	675,689	-	-	-	170,517	170,517
SandyNet	2,263,401	2,585,497	-	-	-	322,096	322,096
Total business type activities	<u>9,245,398</u>	<u>12,771,755</u>	<u>-</u>	<u>2,105,202</u>	<u>-</u>	<u>5,631,559</u>	<u>5,631,559</u>
Total government	<u>\$ 26,310,817</u>	<u>\$ 16,126,218</u>	<u>\$ 1,964,358</u>	<u>\$ 2,944,914</u>	<u>(10,906,886)</u>	<u>5,631,559</u>	<u>(5,275,327)</u>
GENERAL REVENUES AND TRANSFERS							
General revenues							
Property taxes					6,450,958	-	6,450,958
Public service taxes					4,464,756	-	4,464,756
Franchise fees					871,973	-	871,973
Interest and investment earnings					1,000,877	276,850	1,277,727
Miscellaneous					709,210	56,793	766,003
Transfers in (out)					412,777	(412,777)	-
Total general revenues and transfers					<u>13,910,551</u>	<u>(79,134)</u>	<u>13,831,417</u>
Change in net position					3,003,665	5,552,425	8,556,090
NET POSITION - BEGINNING					<u>40,066,470</u>	<u>30,316,490</u>	<u>70,382,960</u>
NET POSITION - ENDING					<u>\$ 43,070,135</u>	<u>\$ 35,868,915</u>	<u>\$ 78,939,050</u>

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

CITY OF SANDY, OREGON

GOVERNMENTAL FUNDS

**BALANCE SHEET
June 30, 2024**

	General Fund	Street Fund	Urban Renewal Agency Fund	Transit Fund	Other Governmental Funds	Total
ASSETS						
Cash and cash equivalents	\$ 4,402,350	\$ 919,210	\$ 6,465,889	\$ 1,756,887	\$ 3,564,872	\$ 17,109,208
Investments	788,423	799,514	-	-	-	1,587,937
Property taxes receivable	144,167	-	61,503	-	-	205,670
Accounts receivable, net	192,182	245,606	-	274,275	-	712,063
Grants receivable	-	-	-	274,788	-	274,788
Due from other funds	90,137	-	-	-	-	90,137
Interfund loan receivable	-	-	-	398,075	-	398,075
Long-term receivable	73,064	-	12,782	-	-	85,846
Other assets	70,007	3,434	1,018	2,790	-	77,249
Total assets	\$ 5,760,330	\$ 1,967,764	\$ 6,541,192	\$ 2,706,815	\$ 3,564,872	\$ 20,540,973
LIABILITIES						
Accounts payable	\$ 439,851	\$ 413,760	\$ 59,289	\$ 266,644	\$ 1,276,960	\$ 2,456,504
Accrued expenses	132,390	8,182	3,124	7,186	-	150,882
Interfund loan payable	186,600	-	-	-	-	186,600
Other liabilities	106,310	-	-	-	-	106,310
Total liabilities	865,151	421,942	62,413	273,830	1,276,960	2,900,296
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	144,167	-	61,503	-	-	205,670
Unavailable revenue - other	73,064	-	-	-	-	73,064
Total deferred inflows of resources	217,231	-	61,503	-	-	278,734
FUND BALANCES						
Unspendable	143,071	3,434	13,800	400,865	-	561,170
Restricted:						
System development charges	-	-	-	-	1,656,520	1,656,520
Street and roadside maintenance	-	1,542,388	-	-	-	1,542,388
Capital projects	-	-	873,395	-	-	873,395
Peg fees	898	-	-	-	-	898
Park projects	-	-	-	-	565,383	565,383
Urban renewal projects	-	-	5,530,081	-	-	5,530,081
Assigned:						
Public transportation	-	-	-	2,032,120	-	2,032,120
Cultural and recreation	-	-	-	-	66,009	66,009
Unassigned	4,533,979	-	-	-	-	4,533,979
Total fund balances	4,677,948	1,545,822	6,417,276	2,432,985	2,287,912	17,361,943
Total liabilities, deferred inflows, and fund balances	\$ 5,760,330	\$ 1,967,764	\$ 6,541,192	\$ 2,706,815	\$ 3,564,872	\$ 20,540,973

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

CITY OF SANDY, OREGON

RECONCILIATION OF THE BALANCE SHEET OF THE
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
June 30, 2024

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

Total fund balances - governmental funds		\$ 17,361,943
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets	\$ 64,954,241	
Accumulated depreciation	<u>(20,988,212)</u>	
Capital assets, net		43,966,029
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.		
Deferred outflows - pension related	3,217,720	
Deferred outflows - OPEB related	35,392	
Deferred inflows - pension related	(1,016,132)	
Deferred inflows - OPEB related	<u>(131,616)</u>	
Total deferred outflows and inflows related to postemployment benefits		2,105,364
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either deferred or not reported in the funds.		
Unavailable revenues	278,734	
Net OPEB asset	<u>63,390</u>	
Total other long-term assets		342,124
Internal service funds are used by management to charge the costs assets of administrative services department to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position		345,643
Long-term liabilities that are not due and payable in the current period and therefore are not reported in the funds.		
Long-term debt	(12,169,970)	
Accrued compensated absences	(445,282)	
Accrued interest on long-term debt	(31,859)	
Net pension liability	(8,184,517)	
Total OPEB liability	<u>(219,340)</u>	
Total long-term liabilities		<u>(21,050,968)</u>
Net position of governmental activities		<u>\$ 43,070,135</u>

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

CITY OF SANDY, OREGON

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Fiscal Year Ended June 30, 2024

	General Fund	Street Fund	Urban Renewal Agency Fund	Transit Fund	Other Governmental Funds	Total
REVENUES						
Property taxes	\$ 4,554,173	\$ -	\$ 1,857,928	\$ -	\$ -	\$ 6,412,101
Public service taxes	2,125,089	1,362,319	-	977,348	-	4,464,756
Franchise fees	871,973	-	-	-	-	871,973
Grants	71,610	-	-	2,063,919	29,782	2,165,311
Charges for services	676,804	42,223	-	62,714	-	781,741
Licenses and permits	831,021	-	-	-	-	831,021
Fines and forfeitures	231,124	-	-	-	-	231,124
System development charges	-	593,927	-	-	952,991	1,546,918
Interest and investment earnings	264,994	94,003	391,838	97,264	152,690	1,000,789
Contributions and donations	-	-	-	-	350,561	350,561
Intergovernmental	-	369,369	-	27,832	-	397,201
Miscellaneous	296,533	142,358	3,495	239,700	-	682,086
Total revenues	9,923,321	2,604,199	2,253,261	3,468,777	1,486,024	19,735,582
EXPENDITURES						
General government	1,758,370	-	-	-	-	1,758,370
Highways and streets	-	1,491,756	-	-	-	1,491,756
Public transportation	-	-	-	2,702,856	-	2,702,856
Economic development	1,060,075	-	249,463	-	-	1,309,538
Public safety	3,801,380	-	-	-	-	3,801,380
Culture and recreation	3,322,251	-	-	-	57,649	3,379,900
Capital outlay	665,332	2,329,621	2,371,950	620,196	2,226,076	8,213,175
Debt service						
Principal	98,267	235,458	-	-	732,094	1,065,819
Interest	19,022	177,742	-	-	155,723	352,487
Total expenditures	10,724,697	4,234,577	2,621,413	3,323,052	3,171,542	24,075,281
Revenues over (under) expenditures	(801,376)	(1,630,378)	(368,152)	145,725	(1,685,518)	(4,339,699)
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	24,000	-	-	4,255	-	28,255
Transfers in	644,260	-	-	-	887,817	1,532,077
Transfers out	(114,550)	(95,625)	(914,599)	(194,726)	(42,300)	(1,361,800)
Total other financing sources (uses)	553,710	(95,625)	(914,599)	(190,471)	845,517	198,532
Net change in fund balance	(247,666)	(1,726,003)	(1,282,751)	(44,746)	(840,001)	(4,141,167)
FUND BALANCE, BEGINNING	4,925,614	3,271,825	7,700,027	2,477,731	3,127,913	21,503,110
FUND BALANCE, ENDING	\$ 4,677,948	\$ 1,545,822	\$ 6,417,276	\$ 2,432,985	\$ 2,287,912	\$ 17,361,943

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

CITY OF SANDY, OREGON

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Fiscal Year Ended June 30, 2024

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

Net change in fund balances - total governmental funds		\$ (4,141,167)
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Depreciation expense	\$ (1,768,716)	
Capitalized expenditures	<u>7,908,108</u>	
		6,139,392
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds</p>		
Property taxes	38,857	
Long-term receivables	<u>(145,344)</u>	
		(106,487)
<p>Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term debt principal is an expenditure in the governmental funds, but repayment reduced long-term liabilities in the Statement of Net Position.</p>		
Principal paid on long-term debt		1,065,819
<p>The internal service funds are used by management to charge the costs of administrative services to individual funds. The change in net position, net of certain activities of internal service funds, is reported with governmental activities.</p>		
		65,912
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Accrued interest in long-term debt	1,028	
Amortization of bond premiums	33,448	
Compensated absences	(30,044)	
Changes in pension liabilities and related deferred outflows and inflows of resources	(30,890)	
Changes in OPEB assets, liabilities, and related deferred outflows and inflows of resources	<u>7,785</u>	
		<u>(18,673)</u>
Change in net position of governmental activities		<u>\$ 3,003,665</u>

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

CITY OF SANDY, OREGON

PROPRIETARY FUNDS

STATEMENT OF NET POSITION
June 30, 2024

	Enterprise Funds				Total	Governmental
	Water Fund	Sewer Fund	SandyNet Fund	Other Enterprise Fund		Internal Service Funds
ASSETS						
Current assets						
Cash and cash equivalents	\$ 2,062,969	\$ 2,280,167	\$ -	\$ -	\$ 4,343,136	\$ 387,833
Investments	1,748,048	799,921	-	-	2,547,969	-
Accounts receivable, net	528,670	1,295,510	357,680	79,564	2,261,424	-
Inventory	-	-	307,476	-	307,476	-
Other current assets	7,377	7,121	10,814	2,679	27,991	-
Total current assets	4,347,064	4,382,719	675,970	82,243	9,487,996	387,833
Noncurrent assets						
Restricted cash and cash equivalents	-	616,747	155,518	-	772,265	-
Interfund loan receivable	-	362,999	-	-	362,999	-
Notes receivable	93,221	-	-	-	93,221	-
Capital assets, net	14,880,812	38,646,544	8,493,009	746,636	62,767,001	-
Net OPEB assets	4,147	4,179	7,207	2,074	17,607	-
Total noncurrent assets	14,978,180	39,630,469	8,655,734	748,710	64,013,093	-
Total assets	19,325,244	44,013,188	9,331,704	830,953	73,501,089	387,833
DEFERRED OUTFLOW OF RESOURCES						
Pension related	210,509	212,110	365,809	105,294	893,722	-
OPEB related	2,315	2,333	4,024	1,158	9,830	-
Total deferred outflows of resources	212,824	214,443	369,833	106,452	903,552	-
LIABILITIES						
Current liabilities						
Accounts payable	478,461	664,917	67,679	10,919	1,221,976	42,190
Accrued expenses	10,363	10,712	18,550	4,638	44,263	-
Accrued interest	71,111	11,438	75,675	1,306	159,530	-
Due to other funds	-	-	83,841	6,296	90,137	-
Deposits	-	-	44,583	-	44,583	-
Accrued compensated absences	10,325	11,227	16,096	3,752	41,400	-
Current portion of long-term debt	446,247	715,150	397,483	46,275	1,605,155	-
Current portion of total OPEB liability	795	801	1,382	398	3,376	-
Total current liabilities	1,017,302	1,414,245	705,289	73,584	3,210,420	42,190
Noncurrent liabilities						
Interfund loan payable	-	-	211,475	362,999	574,474	-
Accrued compensated absences	9,591	10,384	8,395	2,557	30,927	-
Long-term debt, net of current portion	5,200,631	21,091,424	5,473,200	305,071	32,070,326	-
Net pension liability	535,444	539,518	930,463	267,822	2,273,247	-
Total OPEB liability	13,555	13,658	23,554	6,779	57,546	-
Total noncurrent liabilities	5,759,221	21,654,984	6,647,087	945,228	35,006,520	-
Total liabilities	6,776,523	23,069,229	7,352,376	1,018,812	38,216,940	42,190
DEFERRED INFLOWS OF RESOURCES						
Pension related	66,476	66,982	115,520	33,251	282,229	-
OPEB related	8,611	8,676	14,963	4,307	36,557	-
Total deferred inflows of resources	75,087	75,658	130,483	37,558	318,786	-
NET POSITION						
Net investment in capital assets	9,233,934	16,839,970	2,622,326	395,290	29,091,520	-
Restricted for OPEB	4,147	4,179	7,207	2,074	17,607	-
Unrestricted	3,448,377	4,238,595	(410,855)	(516,329)	6,759,788	345,643
Total net position	\$ 12,686,458	\$ 21,082,744	\$ 2,218,678	\$ (118,965)	\$ 35,868,915	\$ 345,643

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

CITY OF SANDY, OREGON

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Fiscal Year Ended June 30, 2024

	Enterprise Funds				Total	Governmental
	Water Fund	Sewer Fund	SandyNet Fund	Other Enterprise Fund		Internal Service Funds
OPERATING REVENUES						
Charges for services	\$ 3,767,896	\$ 4,510,380	\$ 2,576,628	\$ 633,466	\$ 11,488,370	\$ -
Special assessments and surcharges	42,223	42,223	8,869	42,223	135,538	-
Miscellaneous	35,381	4,085	17,250	77	56,793	-
Total operating revenues	3,845,500	4,556,688	2,602,747	675,766	11,680,701	-
OPERATING EXPENSES						
Salaries, fringe benefits, and payroll taxes	641,578	647,036	1,111,460	252,016	2,652,090	-
Utilities	169,793	180,615	8,349	5,695	364,452	48,189
Contract services	398,859	1,054,355	178,633	7,354	1,639,201	24,719
Insurance	33,533	37,823	12,784	-	84,140	2,616
Repairs and maintenance	113,527	221,355	58,616	16,295	409,793	101,152
Depreciation	546,083	621,060	441,493	60,117	1,668,753	-
Other operating expense	516,077	877,965	224,270	139,630	1,757,942	-
Total operating expenses	2,419,450	3,640,209	2,035,605	481,107	8,576,371	176,676
Operating income (loss)	1,426,050	916,479	567,142	194,659	3,104,330	(176,676)
NON-OPERATING INCOME (EXPENSE)						
Loss on disposal of capital assets	-	(245,105)	-	-	(245,105)	-
Interest and investment earnings	166,895	97,659	10,571	1,725	276,850	88
Interest expense	(125,809)	(46,252)	(227,796)	(24,065)	(423,922)	-
Total non-operating income (expense)	41,086	(193,698)	(217,225)	(22,340)	(392,177)	88
Income (loss) before transfers	1,467,136	722,781	349,917	172,319	2,712,153	(176,588)
CONTRIBUTIONS AND TRANSFERS						
System development charges	396,177	751,670	-	-	1,147,847	-
Capital grants	-	2,105,202	-	-	2,105,202	-
Transfers in	-	-	50,000	-	50,000	242,500
Transfers out	(110,201)	(171,731)	(123,532)	(57,313)	(462,777)	(111,048)
Total contributions and transfers	285,976	2,685,141	(73,532)	(57,313)	2,840,272	131,452
Change in net position	1,753,112	3,407,922	276,385	115,006	5,552,425	(45,136)
NET POSITION - BEGINNING	10,933,346	17,674,822	1,942,293	(233,971)	30,316,490	390,779
NET POSITION - ENDING	\$ 12,686,458	\$ 21,082,744	\$ 2,218,678	\$ (118,965)	\$ 35,868,915	\$ 345,643

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

CITY OF SANDY, OREGON

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS
Fiscal Year Ended June 30, 2024

	Enterprise Funds				Total	Governmental
	Water Fund	Sewer Fund	SandyNet Fund	Other Enterprise Fund		Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	\$ 3,818,547	\$ 5,769,533	\$ 2,600,372	\$ 653,792	\$ 12,842,244	\$ -
Cash paid for salaries and benefits	(576,882)	(569,741)	(1,032,667)	(288,165)	(2,467,455)	-
Cash paid to suppliers and others	(1,051,029)	(4,148,521)	(459,590)	(176,876)	(5,836,016)	(137,355)
Net cash provided by (used for) operating activities	2,190,636	1,051,271	1,108,115	188,751	4,538,773	(137,355)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	-	-	50,000	-	50,000	242,500
Transfers out	(110,201)	(171,731)	(123,532)	(57,313)	(462,777)	-
Principal paid on interfund loan	-	-	(50,402)	(37,001)	(87,403)	-
Net cash provided by noncapital financing activities	(110,201)	(171,731)	(123,934)	(94,314)	(500,180)	242,500
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
System development charges	396,177	751,670	-	-	1,147,847	-
Capital grants	-	2,105,202	-	-	2,105,202	-
Acquisition of capital assets	(1,506,392)	(4,186,761)	(904,473)	(30,668)	(6,628,294)	(111,048)
Issuance of long-term debt	973,446	2,352,481	-	-	3,325,927	-
Principal paid on long-term debt	(343,224)	(256,083)	(345,820)	(41,291)	(986,418)	-
Interest paid on long-term debt	(131,275)	(46,922)	(232,129)	(24,203)	(434,529)	-
Net cash provided by (used for) capital and related financing activities	(611,268)	719,587	(1,482,422)	(96,162)	(1,470,265)	(111,048)
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from interfund loan	-	37,001	-	-	37,001	-
Purchases of investments	(627,359)	(286,242)	-	-	(913,601)	-
Proceeds from investments	401,850	183,350	-	-	585,200	-
Interest earnings	308,136	162,099	10,571	1,725	482,531	88
Net cash provided by (used for) investing activities	82,627	96,208	10,571	1,725	191,131	88
Net increase (decrease) in cash and cash equivalents	1,551,794	1,695,335	(487,670)	-	2,759,459	(5,815)
CASH AND CASH EQUIVALENTS - BEGINNING	511,175	1,201,579	643,188	-	2,355,942	393,648
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 2,062,969</u>	<u>\$ 2,896,914</u>	<u>\$ 155,518</u>	<u>\$ -</u>	<u>\$ 5,115,401</u>	<u>\$ 387,833</u>
COMPRISED AS FOLLOWS:						
Unrestricted	\$ 2,062,969	\$ 2,280,167	\$ -	\$ -	\$ 4,343,136	\$ 387,833
Restricted	-	616,747	155,518	-	772,265	-
Total	<u>\$ 2,062,969</u>	<u>\$ 2,896,914</u>	<u>\$ 155,518</u>	<u>\$ -</u>	<u>\$ 5,115,401</u>	<u>\$ 387,833</u>
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:						
Transfers out of capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 111,048
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:						
Operating income (loss)	\$ 1,426,050	\$ 916,479	\$ 567,142	\$ 194,659	\$ 3,104,330	\$ (176,676)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation expense	546,083	621,060	441,493	60,117	1,668,753	-
Change in receivables	448,997	1,212,845	(30,839)	(21,974)	1,609,029	-
Change in inventory	-	-	(78,809)	-	(78,809)	-
Change in other current assets	(2,086)	(2,997)	111	668	(4,304)	-
Change in accounts payable	182,846	(1,773,411)	46,383	3,616	(1,540,566)	39,321
Change in accrued expenses	1,947	2,550	1,622	611	6,730	-
Change in due to other funds	-	-	83,841	(12,186)	71,655	-
Change in unearned revenue	(475,950)	-	-	-	(475,950)	-
Change in compensated absences	491	977	(5,626)	1,154	(3,004)	-
Change in pension related balances	60,224	71,257	80,327	(36,041)	175,767	-
Change in OPEB related balances	2,034	2,511	2,470	(1,873)	5,142	-
Net cash provided by (used for) operating activities	<u>\$ 2,190,636</u>	<u>\$ 1,051,271</u>	<u>\$ 1,108,115</u>	<u>\$ 188,751</u>	<u>\$ 4,538,773</u>	<u>\$ (137,355)</u>

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

CITY OF SANDY, OREGON

FIDUCIARY FUND

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2024

	<u>Custodial Fund</u>
ASSETS	
Current assets	
Cash and cash equivalents	<u>\$ 121,895</u>
LIABILITIES	
Current liabilities	
Accounts payable	<u>1,923</u>
NET POSITION	
Restricted for other organizations	<u><u>\$ 119,972</u></u>

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

CITY OF SANDY, OREGON

FIDUCIARY FUND

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Fiscal Year Ended June 30, 2024

	<u>Custodial Fund</u>
ADDITIONS	
Contributions	
Other organizations	\$ 42,746
Investment earnings	
Interest	<u>7,435</u>
Total additions	<u>50,181</u>
DEDUCTIONS	
Recipient payments	<u>72,941</u>
Net change in fiduciary net position	(22,760)
NET POSITION - BEGINNING	<u>142,732</u>
NET POSITION - ENDING	<u><u>\$ 119,972</u></u>

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

CITY OF SANDY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2024

1. Summary of Significant Accounting Policies

The financial statements of the City of Sandy, Oregon (the City) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principals. The City's significant accounting policies are described below.

A. Description of government-wide financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

B. Reporting Entity

The City is a municipal corporation governed by an elected mayor and six-member council (City Council). The accompanying financial statements present the government and its component unit, the Sandy Urban Renewal Agency (the Agency), an entity for which the government is considered to be financially accountable.

Sandy Urban Renewal Agency. The Sandy Urban Renewal Agency (the Agency) was formed to plan, direct, and manage certain projects within the City's designated urban renewal area. Pursuant to ORS 457, the City Council and a representative from both the Sandy Fire Department and the Sandy Area Chamber of Commerce have been appointed governing body of the Agency. The City's management has operational responsibility for the Agency as it manages the activities of the Agency, in essentially the same manner in which it manages the City's own operations, and provides personnel, and other resources, for the Agency operations. The Agency is, in substance, part of the primary government's operations, even though it is a legally separate entity. Thus, the Agency's General Fund is appropriately presented as a governmental fund of the City. Separately issued financial statements for the Agency may be obtained at: City of Sandy - City Hall 39250 Pioneer Blvd. Sandy, OR 97055-8001.

C. Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds and internal service funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges for interfund services provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

CITY OF SANDY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2024

D. Basis of presentation – fund financial statements

The fund financial statements provide information about the City's funds, including its fiduciary fund and blended component unit. Separate financial statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

- The *General Fund* accounts for all activities not accounted for by other funds of the City. Principal sources of revenues are property taxes, state and county shared revenues, and licenses and permits. Primary expenditures are made for police protection, culture and recreation, and general government.
- The *Street Fund* accounts for revenue derived from the state and local gas tax that is used for repair, maintenance, and construction of streets.
- The *Transit Fund* accounts for revenue from a 0.6% employer payroll tax and intergovernmental sources that are used to operate the Sandy Area Metro (SAM) transit service.
- The *Urban Renewal Agency Fund* accounts for revenues from tax increment financing (property taxes) that are used to fund the urban renewal plan.

The City reports the following major enterprise funds:

- The *Water Fund* accounts for the financial activities of the city-owned water utility operations. Sales of water and related charges are the major revenue sources.
- The *Sewer Operations Fund* accounts for the financial activities of the city-owned sewer service. Wastewater charges are the major revenue source.
- The *SandyNet Fund* accounts for the city-owned internet data access system. User charges are the major revenue sources.

Additionally, the City reports the following fund types:

- *Internal Service Funds* account for goods and services to other departments on a cost reimbursement basis. The Operations Center internal service fund is used to pool resources from departments that occupy the Operations Center building to allocate costs associated with shared invoices. Revenue sources are transfers from the Water, Sewer, Storm Water, Street, Transit, and General Funds. The Facility Maintenance internal service fund is intended for major maintenance, repairs, and replacements at City-owned buildings. Transfers into this fund come from various other funds that are housed in buildings open to the public. Contributions are based on a percentage of each department budget.
- The *Custodial Fund* accounts for contributions from private sources that are held by the City in a fiduciary capacity. Expenditures are made for the benefit of the Sandy and Hoodland public libraries, senior services, and recreation.

CITY OF SANDY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2024

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and interfund loans payable/receivable. Further, certain activity occurs during the year involving transfers of resources between funds reported at gross amounts as transfers in/out. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the governmental-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities' column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities' column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

The government-wide, proprietary, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *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. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. 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 current fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, as well as expenditures related to compensated absences, postemployment benefits are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases and subscriptions are reported as other financing sources.

Property taxes, franchise fees, licenses, and interest associated with the current fiscal year are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. 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. Entitlement grants are recorded as revenue when all eligibility requirements have been met, including any time requirements, and the amount is received during the fiscal year or within the availability period for this revenue source (within 60 days of fiscal year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the fiscal year or within the availability period for this revenue source (within 60 days of fiscal year end). All other revenue items are considered to be measurable and available only when cash is received by the City.

CITY OF SANDY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2024

F. Cash and Investments

The City’s cash and cash equivalent include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments included in cash and cash equivalents are reported at fair value.

The City invests in the State of Oregon Local Government Investment Pool, which is authorized by Oregon Revised Statutes. Interest earned from pooled investments is allocated based on a fund’s portion of the total investment balance. The City maintains depository insurance under Federal depository insurance funds and state and financial institution collateral pools for its cash deposits and investments, except the Local Government Investment Pool, which is exempt from statutes requiring such insurance.

G. Inventories

All inventories are valued at cost using first-in/first-out (FIFO) basis and are accounted for using the consumption method.

H. Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, streetlights, and similar items.), are reported in the applicable governmental or business-type activities column in the governmental-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and estimated life in excess of one year.

As the City constructs or acquires capital assets each fiscal year, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset’s capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, and infrastructure of the City are depreciated/amortized using the straight-line method over the following useful lives:

<u>Asset</u>	<u>Years</u>
Buildings	40
Improvements	7-20
Infrastructure	10-50
Vehicles	5-10
Furniture and equipment	5-20

Monthly depreciation is taken in the year the assets are acquired or retired. Gains or losses from sales or retirements of capital assets are included in operations of the current period.

CITY OF SANDY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2024

I. Subscriptions

The City has entered into noncancelable agreements for the use of software. The City recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) in the government-wide financial statements. The City recognizes subscription liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a subscription, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus capitalizable initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to subscriptions include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments.

The City monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

J. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for *deferred outflows of resources*. Deferred outflows of resources represent a consumption of net assets that applies to future a period(s) and so will *not* be recognized as an outflow of resources (expenditure/expense) until then. The City has two items that qualify for reporting in this category. The two items are the deferred amount relating to pensions and the deferred amount relating to other post-employment benefits (OPEB). These deferred amounts relate to differences between expected and actual experience, changes in actuarial assumptions, and other pension and OPEB related charges.

In addition to liabilities, the statement of financial position includes a separate section for *deferred inflow of resources*. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has three types of items that qualify for reporting in this category. *Unavailable revenue* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, court fines and fees, and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide financial statements, the City reports deferred amounts related to pension and OPEB.

CITY OF SANDY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2024

K. Net Position

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- *Net investment in capital assets* consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt net of unspent proceeds that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- *Restricted net position* consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- *Unrestricted net position* is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

L. Fund balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources, is called "fund balance." The City's governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

- *Nonspendable* fund balance represents amounts that are either not in a spendable form or are legally or contractually required to remain intact.
- *Restricted* fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restriction may be changed or lifted only with the consent of the resource provider.
- *Committed* fund balance represents amounts that can be used for the specific purposed determined by adoption of ordinance or resolution for a specified purpose by the City Council prior to the end of the fiscal year. Ordinances and resolutions are considered equally binding in that once adopted, the limitation imposed by the ordinance or resolution remains in place until the resources have been spent or the City Council adopts another ordinance or resolution to remove or revise the limitation.

CITY OF SANDY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS Fiscal Year Ended June 30, 2024

- *Assigned* fund balance represents amounts that are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has, by resolution, authorized the city manager to assign fund balance. City Council may also assign fund balance, as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's adopted budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.
- *Unassigned* fund balance represents the residual amount for the general fund that is not contained in the other classifications. The general fund is the only fund that reports a positive unassigned fund balance. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

As previously mentioned, sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

M. Program revenues

Amounts reported as program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided or fines imposed by a given function or segment, and (2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

N. Property Taxes

Property taxes are assessed and become a lien against the property as of July 1 each year and are payable in three installments on November 15, February 15, and May 15 following the lien date. Taxes unpaid and outstanding on May 16 are considered delinquent and subject to penalties and interest.

O. Compensated Absences

Vacation. The City's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Sick. Accumulated sick leave lapses when employees leave the employ of the City and, upon separation from service, no monetary obligation exists.

CITY OF SANDY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2024

P. Proprietary funds operating and nonoperating revenues and expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the water fund, sewer fund, storm water fund, SandyNet fund, and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

2. Cash and investments

It is the policy of the City to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital), liquidity, and yield.

The City utilizes a pooled cash and investment concept for all its funds, to maximize its investment program. Investment income from internal pooling is allocated to the respective funds based upon the sources of funds invested. At June 30, 2024, cash and investments consisted of the following:

	Fair Value Measurement			Total	Weighted Average Maturity
	N/A	Level 1	Level 2		
Cash on hand	\$ 2,450	\$ -	\$ -	\$ 2,450	-
Demand deposits	1,004,386	-	-	1,004,386	-
Investments:					
Oregon State Treasurer's Local Government Investment Pool	21,684,483	-	-	21,684,483	-
Money market securities	43,018	-	-	43,018	-
U.S. and U.S. Agency obligations	-	3,220,801	742,353	3,963,154	0.88
Municipal bonds	-	-	172,752	172,752	0.93
Total pooled cash and investments	<u>\$ 22,734,337</u>	<u>\$ 3,220,801</u>	<u>\$ 915,105</u>	<u>\$ 26,870,243</u>	0.14

The Oregon State Treasurer’s Investment Pool operates in accordance with appropriate state laws and regulations, but is not regulated by other laws, organizations, or regulations. The reported value of the Pool is the same as the fair value of Pool shares. Investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). The Pool is not registered with the SEC as an investment company and is unrated.

Cash and investments are reflected on the basic financial statements as follows:

	Governmental Activities	Business-Type Activities	Fiduciary Activities	Total
Cash and cash equivalents				
Unrestricted	\$ 17,497,041	\$ 4,343,136	\$ 121,895	\$ 21,962,072
Restricted	-	772,265	-	772,265
Investments	1,587,937	2,547,969	-	4,135,906
Total pooled cash and investments	<u>\$ 19,084,978</u>	<u>\$ 7,663,370</u>	<u>\$ 121,895</u>	<u>\$ 26,870,243</u>

CITY OF SANDY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2024

A. Cash deposits with financial institutions

Custodial Credit Risk – Deposits. In case of deposits, this is the risk that, in the event of a bank’s failure, the City’s deposits may not be returned. The City does not have a deposit policy for custodial credit risk. The Federal Depository Insurance Corporation (FDIC) and National Credit Union Administration (NCUA) provide insurance for the City’s deposits up to \$250,000 for the combined total of all deposit accounts at each financial institution. The remaining deposits are covered by the Public Funds Collateralization program (PFCP) of the State of Oregon in accordance with ORS 295. Depositories qualified under this program are required to pledge collateral against any public funds deposits in excess of deposit insurance amounts. This provides additional protection for public funds in the event of a bank failure or loss. ORS 295 sets the specific value of the collateral, as well as the types of collateral that are acceptable. ORS 295 creates a shared liability structure for participating depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. As of June 30, 2024, the City’s bank balance was \$1,173,619 and the carrying amount of the deposits was \$1,004,386.

B. Investments

Interest Rate Risk. Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its investments portfolio to 36 months.

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 State Treasurer’s Oregon Local Government Investment Pool, among others. The City’s investment policy does not further limit its investment choices.

The City’s investment in the Local Government Investment Pool is considered unclassified as to credit risk because it is not evidenced by securities that exist in physical or book entry form.

Custodial Credit Risk – Investments. The custodial risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City’s investment policy allows for use of a third party for safekeeping and custody, as appropriate, to limit its exposure.

Concentration of Credit Risk. The City’s investment policy allows the City to have a maximum of up to 35% of total portfolio in either Commercial paper or Corporate Indebtedness to limit concentration of credit risk. The City’s investments were rated AA+ or AA- by Moody’s Investors Service.

Fair Value Measurements. Fair value is defined as the price that would be received to sell an asset or price paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1: Unadjusted quoted prices for identical instruments in active markets.

Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active.

Level 3: Valuations derived from valuation techniques in which significant inputs are unobservable.

CITY OF SANDY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2024

3. Receivables

Uncollected taxes and assessments are deemed to be substantially collectible or recoverable through liens. Therefore, no allowance for uncollectible accounts has been established for governmental activities. The allowance for uncollectible accounts for business-type activities was \$116,185 at June 30, 2024.

4. Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Governmental Activities					
Capital assets, not being depreciated					
Land	\$ 5,439,164	\$ 529,164	\$ -	\$ -	\$ 5,968,328
Land improvements	-	1,033,966	-	-	1,033,966
Construction-in-progress	10,057,369	3,078,534	(9,770,672)	-	3,365,231
Total capital assets, not being depreciated	15,496,533	4,641,664	(9,770,672)	-	10,367,525
Capital assets, being depreciated					
Improvements	13,590,075	1,882,748	9,770,672	-	25,243,495
Buildings	19,672,231	131,773	-	-	19,804,004
Furniture and equipment	2,011,323	763,749	-	-	2,775,072
Vehicles	5,737,553	599,223	-	(47,486)	6,289,290
Intangible assets	359,680	-	-	-	359,680
Subscription asset	115,176	-	-	-	115,176
Total capital assets, being depreciated and amortized	41,486,038	3,377,493	9,770,672	(47,486)	54,586,717
Less accumulated depreciation and amortization					
Improvements	(6,042,558)	(472,561)	-	-	(6,515,119)
Buildings	(7,208,880)	(771,740)	-	-	(7,980,620)
Furniture and equipment	(1,710,044)	(133,943)	-	-	(1,843,987)
Vehicles	(4,024,295)	(338,399)	-	46,355	(4,316,339)
Intangible assets	(254,336)	(26,335)	-	-	(280,671)
Subscription asset	(25,738)	(25,738)	-	-	(51,476)
Total accumulated depreciation and amortization	(19,265,851)	(1,768,716)	-	46,355	(20,988,212)
Total capital assets, being depreciated and amortized, net	22,220,187	1,608,777	9,770,672	(1,131)	33,598,505
Total governmental activities capital assets	\$ 37,716,720	\$ 6,250,441	\$ -	\$ (1,131)	\$ 43,966,030

Depreciation and amortization was charged to the functions/programs of the governmental activities of the primary government as follows:

General government	\$ 376,655
Public safety	312,799
Highways and streets	269,392
Public transportation	238,592
Economic development	151,938
Culture and recreation	<u>419,340</u>
Total depreciate and amortization expense - governmental activities	<u>\$ 1,768,716</u>

CITY OF SANDY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2024

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
Business-Type Activities					
Capital assets, not being depreciated and amortized					
Land	\$ 1,099,674	\$ 75,109	\$ -	\$ -	\$ 1,174,783
Construction-in-progress	22,712,942	4,724,062	(9,364,798)	(245,105)	17,827,101
Total capital assets, not being depreciated and amortized	23,812,616	4,799,171	(9,364,798)	(245,105)	19,001,884
Capital assets, being depreciated					
Improvements	49,713,548	1,029,539	9,105,759	-	59,848,846
Buildings	976,801	-	-	-	976,801
Furniture and equipment	3,971,696	769,608	259,039	-	5,000,343
Vehicles	906,703	29,976	-	-	936,679
Total capital assets, being depreciated and amortized	55,568,748	1,829,123	9,364,798	-	66,762,669
Less accumulated depreciation and amortization					
Improvements	(17,177,500)	(1,479,482)	-	-	(18,656,982)
Buildings	(417,978)	(19,208)	-	-	(437,186)
Furniture and equipment	(2,947,592)	(150,296)	-	-	(3,097,888)
Vehicles	(785,729)	(19,767)	-	-	(805,496)
Total accumulated depreciation and amortization	(21,328,799)	(1,668,753)	-	-	(22,997,552)
Total capital assets, being depreciated and amortized, net	34,239,949	160,370	9,364,798	-	43,765,117
Total business-type activities capital assets	\$ 58,052,565	\$ 4,959,541	\$ -	\$ (245,105)	\$ 62,767,001

5. Pension Plan

A. PERS Defined Benefit Pension Plan

Plan Description

The City is a participating employer in the State of Oregon Public Employees Retirement System (PERS), a cost-sharing multiple employer defined benefit plan. All City employees are eligible to participate in the system after completing six months of service. All the benefits of PERS are established by the Oregon legislature pursuant to ORS Chapters 238 and 238A. Plans pursuant to ORS Chapter 238 are closed to new members hired on or after August 29, 2003. PERS issues a publicly available financial report that can be obtained at: <http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

Plan Benefits

Benefits provided under Chapter 238 – Tier One/Tier Two

Pension Benefits. The PERS retirement allowance is payable monthly for life. Members may select from 13 retirement benefit options that are actuarially equivalent to the base benefit. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.00% 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 a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. Monthly payments must be a minimum of \$200 per month or the member will receive a lump-sum payment of the actuarial equivalent of benefits to which he or she is entitled.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of Final Average Salary will be limited for all members beginning in 2020. The limit will be equal to \$195,000 in 2020, and will be indexed with inflation in later years.

CITY OF SANDY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2024

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

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

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

Disability Benefits. A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member for disability benefits 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 when determining the monthly benefit.

Benefit Changes After Retirement. Members may choose to continue participation in their Variable Account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). For benefits earned before October 2013, the COLA varies based on the Consumer Price Index but is capped at 2.0 percent. For benefits earned after October 2013, the COLA will vary based on 1.25 percent of the first \$60,000 of earned benefit and 0.15 percent of earned benefit greater than \$60,000.

Benefits provided under Chapter 238A – OPSRP Pension Program

Pension Benefits. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members that obtain normal retirement age:

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

General Service: 1.5% for General Service is multiplied by the number of years of service and the final average salary for members who attain normal retirement age. Normal retirement age for General Service members is age 65, or age 58 with 30 years of retirement credit.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of Final Average Salary will be limited for all members beginning in 2020. The limit will be equal to \$195,000 in 2020, and will be indexed with inflation in later years.

A member of the 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 SANDY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2024

Death Benefits. Upon the death of a nonretired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse receives for life 50% of the pension that would otherwise have been paid to the deceased member. The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.

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.

Contributions

PERS' funding policy provides for periodic member and employer contributions at rates established by the Public Employees Retirement Board, subject to limits set in statute. The rates established for member and employer contributions were approved based on the recommendations of the System's third-party actuary. Employers make monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

The City's employer contribution rates effective July 1, 2023 through June 30, 2025, based on the December 31, 2021 valuation, are 27.70% of covered payroll for Tier 1/Tier 2 members and 21.58% of covered payroll for OPSRP members. For the year ended June 30, 2024, employer contributions were \$1,533,057.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the City reported a liability of \$10,457,764 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 and rolled forward to June 30, 2023. The City's proportion of the net pension liability was based on the City's projected long-term contribution effort as compared to the total projected long-term contribution effort of all employers. At the June 30, 2023 measurement date, the City's proportion was 0.05583225%, an increase from 0.05185046% at the prior measurement date.

CITY OF SANDY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2024

For the year ended June 30, 2024, the City recognized a pension expense of \$1,752,537 for the PERS Defined Benefit Pension Plan. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 511,417	\$ 41,466
Changes in Assumptions	929,006	6,927
Net difference between projected and actual earnings on investments	187,969	-
Changes in proportionate share	949,993	521,426
Differences between District contributions and proportionate share of contributions	-	728,543
Total prior to post-measurement date contributions	2,578,385	1,298,362
Contributions subsequent to the measurement date	1,533,057	-
Total deferred outflows / inflows of resources	\$ 4,111,442	\$ 1,298,362

The \$1,533,057 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Net Deferred Outflow/ (Inflows) of Resources
2025	\$ 149,004
2026	(284,290)
2027	995,507
2028	351,629
2029	68,173
	\$ 1,280,023

Actuarial Methods and Assumptions

Actuarial Valuations

The employer contribution rates effective July 1, 2023, through June 30, 2025, were set using the entry age normal actuarial cost method. Under this cost method, each active member's entry age present value of projected benefits is allocated over the member's service from their date of entry until their assumed date of exit, taking into consideration expected future compensation increases.

CITY OF SANDY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2024

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	December 31, 2021
Measurement date	June 30, 2023
Experience study	2020, published July 20, 2021
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Inflation rate	2.40%
Investment rate of return	6.90%
Discount rate	6.90%
Projected salary increases	3.40%
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>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active member: Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and setbacks as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and setbacks as described in the valuation.</p>

The actuarial valuation calculations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probably of events far into the future. Actuarial determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2020 Experience Study, which reviewed experience for the four-year period ending on December 31, 2020.

Discount Rate

The discount rate used to measure the total pension liability was 6.90% for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members, and those of the contributing employers, are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF SANDY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2024

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 calculated using the discount rate of 6.90%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

Discount Rate:	1% Decrease	Current Discount Rate	1% Increase
Net Pension Liability	\$ 17,274,256	\$ 10,457,764	\$ 4,753,081

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council (OIC) investment advisors. Each asset class assumption is 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. For more information on the Plan’s portfolio, assumed asset allocation, and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS’ audited financial statements at: <https://www.oregon.gov/pers/Pages/Financials/ACFR-Previous-Years.aspx>

Depletion Date Projection

GASB Statement No. 68 and Statement No. 75 generally require that a blended discount rate be used to measure total pension liability and total OPEB liability (the actuarial accrued liabilities are calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan’s fiduciary net position (fair market value of investment assets, all others at cost) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GAAP will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GAAP does allow for alternative evaluations of projected solvency if such evaluations can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgement. The following circumstances justify an alternative evaluation of sufficiency for the plan:

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

Based on these circumstances, it is PERS’ independent actuary’s opinion that the detailed depletion date projections outlined by GASB would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

CITY OF SANDY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2024

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in PERS' audited financial statements.

B. PERS Defined Contribution Pension Plan

Pension Benefits

Participants in PERS defined benefit pension plans also participate in their defined contribution plan, the Individual Account Program (IAP). The IAP is an individual account-based program under the PERS tax-qualified governmental plan as defined under ORS 238A.400. An 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. The accounts fall under Internal Revenue Code Section 401(a).

Upon retirement, a member of 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. Installment amounts vary with market returns as the account remains invested while in distribution. When chosen, the distribution options must result in a \$200 distribution amount, or frequency of the installments will be adjusted to reach that minimum.

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.

Contributions

Employees that are PERS members are required to make contributions of 6% of covered payroll. The City has opted to pay the employees' contributions to the plan. When the PERS system is less than 90% funded, 2.5% for Tier 1/Tier 2 and 0.75% for OPSRP is redirected into an Employee Pension Stability Account (EPSA) for employees with salaries over the statutory salary threshold (\$3,688 as of January 1, 2024). Employees may elect to contribute the redirected amount on an after-tax basis to the IAP. For the year ended June 30, 2024, the City paid \$330,283 to the plan, with \$57,177 redirected to the EPSA.

6. Other Post-Employment Benefit (OPEB) Plans

The other postemployment benefits (OPEB) for the City includes 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.

CITY OF SANDY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2024

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	Totals
Net OPEB Asset	\$ -	\$ 80,997	\$ 80,997
Deferred Outflow of Resources	44,750	472	45,222
Total OPEB Liability	280,262	-	280,262
Deferred Inflow of Resources	163,057	5,116	168,173
OPEB Expense (Benefit)	16,473	(3,436)	13,037

A. Implicit Rate Subsidy Plan

Plan Description and Benefits

Per ORS 243.303, the City provides health insurance coverage on a self-pay basis for retirees and eligible dependents until they are Medicare eligible. Healthcare premiums rates must be based on all plan members, both active employees and retirees. The medical premium rates charged for coverage are typically less than actual expected retiree claim costs due to medical premium rates being determined by blending both active employee and retiree. This difference constitutes an implicit subsidy for OPEB. The Implicit Rate Subsidy Plan is single-employer defined benefit plan with no assets accumulated in a trust to pay related benefits and does not issue its own financial statements.

As of the valuation date of July 1, 2022, the following employees were covered by the benefit terms:

Active employees	73
Eligible retirees	2
Spouses of eligible retirees	2
Total participants	<u>77</u>

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

At June 30, 2024, the City reported total OPEB liability of \$280,262. The total OPEB liability was measured as of June 30, 2023 and determined by an actuarial valuation as of July 1, 2022. For the year ended June 30, 2024, the City recognized an OPEB expense of \$16,473. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 23,440	\$ 84,918
Changes in Assumptions	5,775	78,139
Total prior to post-measurement date contributions	29,215	163,057
Contributions subsequent to the measurement date	15,535	-
Total deferred outflows / inflows of resources	<u>\$ 44,750</u>	<u>\$ 163,057</u>

CITY OF SANDY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2024

The \$15,535 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2025. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (benefit) as follows:

Year Ended June 30,	Net Deferred Outflow/ (Inflows) of Resources
2025	\$ (19,992)
2026	(19,736)
2027	(14,816)
2028	(11,413)
2029	(13,395)
Thereafter	(54,490)
	<u>\$ (133,842)</u>

Actuarial Methods and Assumptions

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions:

Actuarial cost method	Entry age normal
Actuarial assumptions:	
Discount rate	3.65%, based on the 20-year general obligation bond yield index published by the Bond Buyer (3.54% in prior year)
General inflation rate	2.40%
Projected salary increases	3.40%
Healthcare cost trend rate	Medical and Vision: Starts at 4.25% in 2022, increases to 6.75% in 2023 before decreasing to 3.75% in 2072 Dental: 1.75% for 2022, 4.00% per year until 7072, then 3.75% thereafter
Election and Lapse Rates	35% of eligible employees, 60% of male members, and 35% of female members will elect spouse coverage
Withdrawal, Retirement, and Mortality Rates	Based on December 31, 2021 Oregon PERS valuation (see Note 5)

CITY OF SANDY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2024

Changes in Total OPEB Liability

Balance, beginning of year	\$ 259,741
Changes for the year	
Service cost	26,552
Interest	9,913
Changes of assumptions or other inputs	(3,296)
Benefit payments	<u>(12,648)</u>
Balance, end of year	<u>\$ 280,262</u>

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

<u>Discount Rate</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 311,152	\$ 280,262	\$ 252,130

<u>Healthcare Cost Trend</u>	<u>1% Decrease</u>	<u>Current Cost Trend</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 238,333	\$ 280,262	\$ 331,436

B. PERS Retirement Health Insurance Account (RHIA)

As a participating employer in PERS, certain employees are eligible to participate in the PERS Retirement Health Insurance Account (RHIA), which is established by ORS 238.420. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by PERS. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants hired on or after August 29, 2003. PERS issues a publicly available financial report that can be obtained at: <http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

Plan Benefits

RHIA provides up to \$60 toward the monthly cost of health insurance for eligible PERS members. To be eligible to receive this monthly payment toward the premium costs 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

The City's employer contribution rates effective July 1, 2023 through June 30, 2025 are 0.00% of covered payroll for Tier 1/Tier 2 members and 0.00% of covered payroll for OPSRP members. For the year ended June 30, 2024, employer contributions were \$106.

CITY OF SANDY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2024

Net OPEB Asset, OPEB Benefit, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2023, the City reported an asset of \$80,997 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2021 and rolled forward to June 30, 2023. The City's proportion of the net OPEB asset was determined by comparing the City's actual, legally required contributions made during the measurement year with the total contributions made by all employers during the measurement year. At the June 30, 2023 measurement date, the City's proportion was 0.02211992%, a increase from 0.02085681% at the prior measurement date.

For the year ended June 30, 2024, the City recognized an OPEB benefit of \$3,436 for the PERS RHIA. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ -	\$ 2,034
Changes in Assumptions	-	873
Net difference between projected and actual earnings on investments	230	-
Changes in proportionate share	<u>136</u>	<u>2,209</u>
Total prior to post-measurement date contributions	366	5,116
Contributions subsequent to the measurement date	<u>106</u>	-
Total deferred outflows / inflows of resources	<u>\$ 472</u>	<u>\$ 5,116</u>

The \$106 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as an increase of the net OPEB asset in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (benefit) as follows:

Year Ended June 30,	Net Deferred Outflow/ (Inflows) of Resources
2025	\$ (5,262)
2026	(3,555)
2027	2,993
2028	<u>1,074</u>
	<u>\$ (4,750)</u>

CITY OF SANDY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2024

Actuarial Methods and Assumptions

Other than the methods and assumption discussed below, the actuarial methods and assumptions are consistent with those disclosed for the PERS Defined Benefit Pension Plan. See Note 5 for additional information on Actuarial Assumptions and Methods, including the Discount Rate, Assumed Asset Allocation, Long-Term Expected Rate of Return, and Depletion Date Projection.

Actuarial Valuations

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using an assumed retiree participation rate of 27.5% for healthy retirees and 15.0% of disabled retirees. Healthcare cost trend rates are not applicable as ORS stipulates \$60 monthly payment for healthcare insurance.

Sensitivity of the City's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate

The following presents the City's proportionate share of the net OPEB asset calculated using the discount rate of 6.90%, as well as what the City's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB Asset	\$ 73,625	\$ 80,997	\$ 87,319

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in PERS' audited financial statements.

7. Long-Term Liabilities

Bonds Payable

The City issues full faith and credit bonds to provide funds for the acquisition and construction of major capital facilities. Full faith and credit bonds have been issued for both governmental and business-type activities. These bonds are direct obligations and pledge the full faith and credit of the City. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year.

On August 9, 2024, the City entered into a loan agreement with United States Environmental Protection Agency to issue a bond up to \$24,738,640, excluding capitalized interest, through the Water Finance and Innovation Act (WIFIA) Program. The bond proceeds are for the improvements to the City's wastewater system. The bond is secured by a pledge of net revenues of the system. The bond will accrue interest at 4.22% per annum and mature June 1, 2063, subject to adjustments set forth in the loan agreement. Interest payments begin five years after the project's substantial completion, expected to be June 30, 2028. Semiannual principal payments begin December 1, 2032. Additionally, the loan agreement contained certain financial covenants.

Notes Payable

The City issues notes payable, and other similar agreements, to provide funds for the acquisition and construction of major capital facilities and equipment. Notes payable have been issued for both governmental and business-type activities. These notes payable are direct obligations and pledge the full faith and credit of the City.

CITY OF SANDY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2024

In April 2021, the City entered into a loan agreement with the Oregon Department of Environmental Quality (ODEQ) to be able to draw down up to \$5,675,000 to improve the City's wastewater treatment plant, secured by a pledge of net revenues for the facility. In August 2021, the agreement was amended for up to \$16,000,000. In November 2022, the agreement was amended for up to \$20,700,000. At the completion of the project, the City may be eligible to have up to \$500,000 of the loan amount forgiven. As June 30, 2024, the City had received \$19,734,360 in loan distributions. Additionally, the loan agreement contained certain financial covenants. In October 2024, the City had \$48,681 of additional loan distributions.

In April 2023, the City entered into a loan agreement with the Oregon Business Development Department (OBDD) to be able to draw down up to \$1,008,000 to repair and improve the Sandercock Reservoir, secured by a pledge of net revenues of the drinking water system. It was estimated the loan distributions would be through the fiscal year ending June 30, 2026. As June 30, 2024, the City had received \$741,353 in loan distributions. Additionally, the loan agreement contained certain financial covenants.

In July 2023, the City entered into a loan agreement with the ODEQ to be able to draw down up to \$7,300,000 to improve the City's wastewater treatment plant, secured by a pledge of net revenues for the facility. It was estimated the loan distributions would be through the fiscal year ending June 30, 2025. At the completion of the project, the City may be eligible to have up to \$1,000,000 of the loan amount forgiven if certain criteria are met. As June 30, 2024, the City had received \$0 in loan distributions. Additionally, the loan agreement contained certain financial covenants.

In July 2023, the City entered into a loan agreement with OBDD to be able to draw down up to \$7,000,000 to make improvements for the Portland to Sandy Water Filtration Transmission System, secured by a pledge of net revenues of the drinking water system. It was estimated the loan distributions would be through the fiscal year ending June 30, 2026. As June 30, 2024, the City had received \$497,496 in loan distributions. Additionally, the loan agreement contained certain financial covenants. Between July and November 2024, the City had \$1,305,031 of loan distributions.

In December 2023, the City entered into a loan agreement with OBDD to be able to draw down up to \$2,000,000 to make improvements to the Alder Creek Water Treatment Plan, secured by a pledge of net revenues of the drinking water system. It was estimated the loan distributions would be through the fiscal year ending June 30, 2027. As June 30, 2024, the City had received \$0 in loan distributions. Additionally, the loan agreement contained certain financial covenants. In August and September 2024, the City had \$121,832 of loan distributions.

In March 2024, the City entered into a loan agreement with OBDD to be able to draw down up to \$6,029,100 to make certain improvements at the Alder Creek Water Treatment Plan, secured by a pledge of net revenues of the drinking water system. It was estimated the loan distributions would be through the fiscal year ending June 30, 2027. At the completion of the project, the City may be eligible to have up to \$180,000 of the loan amount forgiven if certain criteria are met. As June 30, 2024, the City had received \$0 in loan distributions. Additionally, the loan agreement contained certain financial covenants.

In March 2024, the City entered into a loan agreement with OBDD to be able to draw down up to \$9,500,000 to make improvements to the Alder Creek Water Treatment Plan, secured by a pledge of net revenues of the drinking water system. It was estimated the loan distributions would be through the fiscal year ending June 30, 2027. As June 30, 2024, the City had received \$0 in loan distributions. Additionally, the loan agreement contained certain financial covenants. Between July and September 2024, the City had \$146,157 of loan distributions.

CITY OF SANDY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2024

Subscription Payable

As of July 1, 2022, the City recorded a 4.5-year subscription agreement for the use of Google productivity software. The City is required to make monthly payments of \$2,520.

Long-Term Debt Payable

	<u>Original Borrowing</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Outstanding at Year-End</u>
Governmental Activities				
Bonds payable (direct placement)				
Full Faith and Credit Financing Agreement, Series 2017	\$ 10,000,000	2.44%	2031	\$ 5,649,990
Full Faith and Credit Obligation, Series 2021A	4,815,000	3.00 - 4.00%	2041	<u>5,315,000</u>
Total bonds payable				<u>10,964,990</u>
Notes payable				
Library Loan, 2011	800,000	2.75%	2026	458,771
Various Enterprise Vehicle Financing Agreements	various	0.00%	2025-2026	<u>108,906</u>
Total notes payable				<u>567,677</u>
Subscription payable				
Google Workplace Business Plus	115,176	1.71%	2027	<u>71,540</u>
Total governmental activities				<u>\$ 11,604,207</u>
Business-type Activities				
Bonds payable (direct placement)				
LOCAP Certificates of Participation, Series 2011C	\$ 800,000	2.00 - 4.60%	2031	\$ 350,000
Revenue and Refunding Bonds, Series 2014	7,500,000	1.38 - 4.00%	2035	5,725,000
Full Faith and Credit Obligation, Series 2021A	1,695,000	3.00 - 4.00%	2041	<u>1,510,000</u>
Total bonds payable				<u>7,585,000</u>
Notes payable				
OBDD Loan - Intertie Project	7,137,300	2.77%	2035	4,400,867
ODEQ Loan - Planning	799,425	0.93%	2026	359,423
ODEQ Loan - Construction	19,734,360	1.22%	2042	19,734,360
OBDD Loan - Sandercock	741,353	3.65%	2043	741,353
ODEQ Loan - Wastewater Upgrades	-	1.96%	2045	-
OBDD Loan - Portland Pipeline	497,496	1.54%	2032	497,496
OBDD Loan - Alder Creek 1	-	2.90%	2056	-
OBDD Loan - Alder Creek 2	-	3.02%	2027	-
OBDD Loan - Alder Creek 3	-	3.75%	2056	-
Various Enterprise Vehicle Financing Agreements	various	0.00%	2025-2026	<u>16,291</u>
Total notes payable				<u>25,749,790</u>
Total business-type activities				<u>\$ 33,334,790</u>

CITY OF SANDY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2024

Changes in Long-Term Liabilities

Changes in the City's long-term liabilities for the year ended June 30, 2024 are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Amount Due Within One Year
Governmental Activities					
Long-term debt					
Bonds payable					
Full faith and credit bonds	\$ 11,927,084	\$ -	\$ (962,094)	\$ 10,964,990	\$ 984,957
Premium	599,221	-	(33,448)	565,773	-
Bonds payable, net	12,526,305	-	(995,542)	11,530,763	984,957
Notes payable	645,617	-	(77,950)	567,667	83,871
Subscription payable	95,776	-	(24,236)	71,540	29,245
Total long-term debt	13,267,698	-	(1,097,728)	12,169,970	1,098,073
Compensated absences	415,238	382,767	(352,723)	445,282	196,818
Net pension liability	6,353,203	2,863,855	(1,032,541)	8,184,517	-
Total OPEB liability	207,850	21,702	(10,212)	219,340	12,159
Total governmental activities	\$ 20,243,989	\$ 3,268,324	\$ (2,493,204)	\$ 21,019,109	\$ 1,307,050

Governmental activities long-term debt is generally liquidated by the General Fund, Street Fund, and Other Governmental Funds. The governmental funds generally used to liquidate compensated absence, net pension liability, and total OPEB included the General Fund, Street Fund, Transit Fund, and Urban Renewal Fund.

	Beginning Balance	Additions	Deletions	Ending Balance	Amount Due Within One Year
Business-Type Activities					
Long-term debt					
Bonds payable					
Full faith and credit bonds	\$ 8,015,000	\$ -	\$ (430,000)	\$ 7,585,000	\$ 510,000
Premium	365,351	-	(24,660)	340,691	-
Bonds payable, net	8,380,351	-	(454,660)	7,925,691	510,000
Notes payable	22,955,621	3,325,927	(531,758)	25,749,790	1,095,155
Total long-term debt	31,335,972	3,325,927	(986,418)	33,675,481	1,605,155
Compensated absences	75,331	98,024	(101,028)	72,327	41,400
Net pension liability	1,586,145	944,887	(257,785)	2,273,247	-
Total OPEB liability	51,891	11,558	(2,527)	60,922	3,376
Total business-type activities	\$ 33,049,339	\$ 4,380,396	\$ (1,347,758)	\$ 36,081,977	\$ 1,649,931

CITY OF SANDY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2024

The debt service requirements for City's long-term debt are as follows:

Fiscal Year	Governmental Activities							
	Bonds Payable		Notes Payable		Subscription Payable		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 984,957	\$ 307,752	\$ 83,871	\$ 12,425	\$ 29,245	\$ 995	\$ 1,098,073	\$ 321,172
2026	1,013,256	281,403	80,560	11,484	29,749	491	1,123,565	293,378
2027	1,042,001	254,207	403,236	5,351	12,546	54	1,457,783	259,612
2028	1,066,204	225,665	-	-	-	-	1,066,204	225,665
2029	1,100,875	196,453	-	-	-	-	1,100,875	196,453
2030-2034	3,222,697	563,679	-	-	-	-	3,222,697	563,679
2035-2039	1,755,000	277,775	-	-	-	-	1,755,000	277,775
2040-2044	780,000	35,400	-	-	-	-	780,000	35,400
Totals	<u>\$ 10,964,990</u>	<u>\$ 2,142,334</u>	<u>\$ 567,667</u>	<u>\$ 29,260</u>	<u>\$ 71,540</u>	<u>\$ 1,540</u>	<u>\$ 11,604,197</u>	<u>\$ 2,173,134</u>

Fiscal Year	Business-Type Activities							
	Bonds Payable		Notes Payable		Subscription Payable		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 510,000	\$ 293,198	\$ 1,095,155	\$ 390,874	\$ -	\$ -	\$ 1,605,155	\$ 684,072
2026	520,000	274,716	1,572,997	366,116	-	-	2,092,997	640,832
2027	545,000	253,860	1,411,228	341,303	-	-	1,956,228	595,163
2028	565,000	231,760	1,435,070	317,282	-	-	2,000,070	549,042
2029	580,000	208,860	1,459,389	913,828	-	-	2,039,389	1,122,688
2030-2034	3,480,000	652,490	7,449,123	828,518	-	-	10,929,123	1,481,008
2035-2039	1,165,000	105,600	5,999,968	227,382	-	-	7,164,968	332,982
2040-2044	220,000	9,900	5,326,860	17,975	-	-	5,546,860	27,875
Totals	<u>\$ 7,585,000</u>	<u>\$ 2,030,384</u>	<u>\$ 25,749,790</u>	<u>\$ 3,403,278</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,334,790</u>	<u>\$ 5,433,662</u>

8. Interfund Receivables and Payables

The outstanding due to/from other funds balances are working capital loans that the General Fund expects to collect in the subsequent year. At June 30, 2024, the due to/from other funds balances are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	SandyNet Fund	83,841
General Fund	Other Enterprise Fund	\$ 6,296
	Total	<u>\$ 90,137</u>

In November 2018, the Transit Fund loaned \$356,273 and \$500,000 to the General Fund and SandyNet Fund, respectively. The loans are to be repaid within ten years with an annual interest rate of 1.92%.

In May 2023, the Sewer Fund loaned \$400,000 to the Other Enterprise Fund. The loans are to be repaid within ten years with an annual interest rate of 1.72 %.

At June 30, 2024, the interfund loan balances are as follows:

Receivable Fund	Payable Fund	Amount
Transit Fund	General Fund	\$ 186,600
Transit Fund	SandyNet Fund	211,475
	Transit Fund Total	<u>\$ 398,075</u>
Sewer Fund	Other Enterprise Fund	<u>\$ 362,999</u>

CITY OF SANDY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS
Fiscal Year Ended June 30, 2024

9. Interfund Transfers

The composition of interfund transfers for the year ended June 30, 2024, is as follows:

	Transfers In				Total
	General Fund	Other Governmental Funds	SandyNet Fund	Internal Service Funds	
Transfers Out:					
General Fund	\$ -	\$ -	\$ 50,000	\$ 64,550	\$ 114,550
Street Fund	76,100	-	-	19,525	95,625
Urban Renewal Agency Fund	26,782	887,817	-	-	914,599
Transit Fund	94,876	-	-	99,850	194,726
Other Governmental Funds	42,300	-	-	-	42,300
Water Fund	90,676	-	-	19,525	110,201
Sewer Fund	152,206	-	-	19,525	171,731
SandyNet Fund	123,532	-	-	-	123,532
Other Enterprise Fund	37,788	-	-	19,525	57,313
Total	<u>\$ 644,260</u>	<u>\$ 887,817</u>	<u>\$ 50,000</u>	<u>\$ 242,500</u>	<u>\$ 1,824,577</u>

Interfund transfers are used to pay for administrative services provided by the General Fund and Internal Service Funds, provide funds for debt service, and contribute to the cost of capital projects. In addition to the transfers above, the Internal Services Fund transferred \$111,048 of capital assets to the General Fund during the year ended June 30, 2024.

10. Commitments

The City had active construction projects as of June 30, 2024, including street construction and sewer facility improvements. At year end, the City's commitments with contractors are as follows:

Project	Award Amounts	Spent-to-Date	Remaining Commitment
Cedar Park Construction	\$ 3,494,585	\$ 1,609,890	\$ 1,884,695
Wastewater Treatment Plant Improvements	1,230,046	478,831	751,215

11. Risk Management

The City is exposed to various risks of loss related to errors and omissions; automobile; damage to or destruction of assets; bodily injury; and worker's compensation for which the City carries commercial insurance. There has been no significant reduction in insurance coverage from the prior year and settled claims have not reached the level of commercial coverage in any of the past three fiscal years.

12. Contingencies

The City participates in various federal and state grant programs, which are subject to review and/or audit by the granting agencies. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although, the City anticipates such amounts, if any, will be immaterial.

**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF SANDY, OREGON

GENERAL FUND

SCHEDULE OF CHANGES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
Fiscal Year Ended June 30, 2024

	Biennial Budget		Actual			Variance with Final Budget
	Original	Final	2024	2025	Biennial	
REVENUES						
Property taxes	\$ 9,100,000	\$ 9,100,000	\$ 4,554,173	\$ -	\$ 4,554,173	\$ (4,545,827)
Public service taxes	4,242,894	4,242,894	2,125,089	-	2,125,089	(2,117,805)
Franchise fees	1,585,000	1,585,000	871,973	-	871,973	(713,027)
Grants	344,443	344,443	71,610	-	71,610	(272,833)
Charges for services	1,249,200	1,249,200	676,804	-	676,804	(572,396)
Licenses and permits	946,000	946,000	831,021	-	831,021	(114,979)
Fines and forfeitures	408,500	408,500	231,124	-	231,124	(177,376)
Interest	60,000	60,000	264,994	-	264,994	204,994
Contributions and donations	-	-	-	-	-	-
Miscellaneous	350,144	350,144	296,533	-	296,533	(53,611)
Total revenues	18,286,181	18,286,181	9,923,321	-	9,923,321	(8,362,860)
EXPENDITURES						
General government	3,438,450	3,405,800	1,758,370	-	1,758,370	1,647,430
Economic development	2,214,050	2,222,450	1,060,075	-	1,060,075	1,162,375
Public safety	7,290,200	7,307,950	3,801,380	-	3,801,380	3,506,570
Culture and recreation	6,961,350	6,967,850	3,322,251	-	3,322,251	3,645,599
Capital outlay	1,105,900	1,105,900	665,332	-	665,332	440,568
Debt service						
Principal	155,694	155,694	98,267	-	98,267	57,427
Interest	25,698	25,698	14,763	-	14,763	10,935
Interfund principal payments	71,152	71,152	35,237	-	35,237	35,915
Interfund interest payments	7,842	7,842	4,259	-	4,259	3,583
Contingency	2,323,767	2,323,767	-	-	-	2,323,767
Total expenditures	23,594,103	23,594,103	10,759,934	-	10,759,934	12,834,169
Revenues over (under) expenditures	(5,307,922)	(5,307,922)	(836,613)	-	(836,613)	4,471,309
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	10,000	10,000	24,000	-	24,000	14,000
Transfers in	652,516	652,516	644,260	-	644,260	(8,256)
Transfers out	(164,400)	(164,400)	(114,550)	-	(114,550)	49,850
Total other financing sources (uses)	498,116	498,116	553,710	-	553,710	55,594
Net change in fund balance	(4,809,806)	(4,809,806)	(282,903)	-	(282,903)	4,526,903
FUND BALANCE, BEGINNING - BUDGETARY BASIS	4,809,806	4,809,806	5,147,451	-	5,147,451	337,645
FUND BALANCE, ENDING - BUDGETARY BASIS	\$ -	\$ -	4,864,548	\$ -	\$ 4,864,548	\$ 4,864,548
RECONCILIATION TO FUND BALANCE - GAAP BASIS						
Interfund loan payable			(186,600)			
FUND BALANCE, ENDING - GAAP BASIS			\$ 4,677,948			
NET CHANGE IN FUND BALANCE - BUDGETARY BASIS			\$ (282,903)			
Principal payments on interfund loan receivable			35,237			
NET CHANGE IN FUND BALANCE - GAAP BASIS			\$ (247,666)			

CITY OF SANDY, OREGON

STREET FUND

SCHEDULE OF CHANGES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 Fiscal Year Ended June 30, 2024

	Biennial Budget		Actual			Variance with Final Budget
	Original	Final	2024	2025	Biennial	
REVENUES						
Public service taxes	\$ 2,400,000	\$ 2,400,000	\$ 1,362,319	\$ -	\$ 1,362,319	\$ (1,037,681)
System development charges	1,390,000	1,390,000	593,927	-	593,927	(796,073)
Charges for services	5,000	5,000	42,223	-	42,223	37,223
Interest	50,000	50,000	94,003	-	94,003	44,003
Intergovernmental	425,000	425,000	369,369	-	369,369	(55,631)
Miscellaneous	9,000	9,000	142,358	-	142,358	133,358
Total revenues	4,279,000	4,279,000	2,604,199	-	2,604,199	(1,674,801)
EXPENDITURES						
Personnel services	773,500	773,500	393,138	-	393,138	380,362
Materials and services	1,960,500	1,960,500	1,098,618	-	1,098,618	861,882
Capital outlay	2,672,000	2,672,000	2,329,621	-	2,329,621	342,379
Debt service						
Principal	478,400	478,400	235,458	-	235,458	242,942
Interest	347,634	347,634	177,742	-	177,742	169,892
Contingency	795,079	795,079	-	-	-	795,079
Total expenditures	7,027,113	7,027,113	4,234,577	-	4,234,577	2,792,536
Revenues over (under) expenditures	(2,748,113)	(2,748,113)	(1,630,378)	-	(1,630,378)	1,117,735
OTHER FINANCING SOURCES (USES)						
Transfers in	600,000	600,000	-	-	-	(600,000)
Transfers out	(179,299)	(179,299)	(95,625)	-	(95,625)	83,674
Total other financing sources (uses)	420,701	420,701	(95,625)	-	(95,625)	(516,326)
Net change in fund balance	(2,327,412)	(2,327,412)	(1,726,003)	-	(1,726,003)	601,409
FUND BALANCE, BEGINNING	2,327,412	2,327,412	3,271,825	-	3,271,825	944,413
FUND BALANCE, ENDING	\$ -	\$ -	\$ 1,545,822	\$ -	\$ 1,545,822	\$ 1,545,822

CITY OF SANDY, OREGON

URBAN RENEWAL AGENCY FUND

SCHEDULE OF CHANGES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 Fiscal Year Ended June 30, 2024

	Biennial Budget		Actual		Biennial	Variance with Final Budget
	Original	Final	2024	2025		
REVENUES						
Property taxes	\$ 3,900,000	\$ 3,900,000	\$ 1,857,928	\$ -	\$ 1,857,928	\$ (2,042,072)
Interest	75,000	75,000	391,838	-	391,838	316,838
Miscellaneous	55,000	55,000	33,482	-	33,482	(21,518)
Total revenues	4,030,000	4,030,000	2,283,248	-	2,283,248	(1,746,752)
EXPENDITURES						
Personnel services	349,100	349,100	156,766	-	156,766	192,334
Materials and services	553,500	553,500	92,697	-	92,697	460,803
Capital outlay	6,100,000	6,100,000	2,371,950	-	2,371,950	3,728,050
Contingency	2,549,101	2,549,101	-	-	-	2,549,101
Total expenditures	9,551,701	9,551,701	2,621,413	-	2,621,413	6,930,288
Revenues over (under) expenditures	(5,521,701)	(5,521,701)	(338,165)	-	(338,165)	5,183,536
OTHER FINANCING SOURCES (USES)						
Transfers out	(1,829,197)	(1,829,197)	(914,599)	-	(914,599)	914,598
Net change in fund balance	(7,350,898)	(7,350,898)	(1,252,764)	-	(1,252,764)	6,098,134
FUND BALANCE, BEGINNING - BUDGETARY BASIS	7,350,898	7,350,898	7,657,258	-	5,311,254	(2,039,644)
FUND BALANCE, ENDING - BUDGETARY BASIS	\$ -	\$ -	6,404,494	\$ -	\$ 4,058,490	\$ 4,058,490
RECONCILIATION TO FUND BALANCE - GAAP BASIS						
Notes receivable			12,782			
FUND BALANCE, ENDING - GAAP BASIS			<u>\$ 6,417,276</u>			
NET CHANGE IN FUND BALANCE - BUDGETARY BASIS			\$ (1,252,764)			
Principal payments on notes receivable			(29,987)			
NET CHANGE IN FUND BALANCE - GAAP BASIS			<u>\$ (1,282,751)</u>			

CITY OF SANDY, OREGON

TRANSIT FUND

SCHEDULE OF CHANGES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET TO ACTUAL
 Fiscal Year Ended June 30, 2024

	Biennial Budget		Actual			Variance with Final Budget
	Original	Final	2024	2025	Biennial	
REVENUES						
Public service taxes	\$ 1,796,586	\$ 1,796,586	\$ 977,348	\$ -	\$ 977,348	\$ (819,238)
Grants	6,498,157	6,498,157	2,063,919	-	2,063,919	(4,434,238)
Charges for services	274,000	274,000	62,714	-	62,714	(211,286)
Interest	19,000	19,000	97,264	-	97,264	78,264
Intergovernmental	247,778	247,778	27,832	-	27,832	(219,946)
Miscellaneous	52,570	52,570	239,700	-	239,700	187,130
Total revenues	8,888,091	8,888,091	3,468,777	-	3,468,777	(5,419,314)
EXPENDITURES						
Personnel services	787,800	787,800	383,742	-	383,742	404,058
Materials and services	5,504,399	5,504,399	2,319,114	-	2,319,114	3,185,285
Capital outlay	3,953,486	3,493,486	620,196	-	620,196	2,873,290
Contingency	546,977	546,977	-	-	-	546,977
Total expenditures	10,792,662	10,332,662	3,323,052	-	3,323,052	7,009,610
Revenues over (under) expenditures	(1,904,571)	(1,444,571)	145,725	-	145,725	1,590,296
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	-	-	4,255	-	4,255	4,255
Transfers in	172,924	172,924	85,640	-	85,640	(87,284)
Transfers out	(326,951)	(326,951)	(194,726)	-	(194,726)	132,225
Total other financing sources (uses)	(154,027)	(154,027)	(104,831)	-	(104,831)	49,196
Net change in fund balance	(2,058,598)	(1,598,598)	40,894	-	40,894	1,639,492
FUND BALANCE, BEGINNING - BUDGETARY BASIS	2,058,598	2,058,598	1,994,016	-	1,994,016	(64,582)
FUND BALANCE, ENDING - BUDGETARY BASIS	\$ -	\$ 460,000	2,034,910	\$ -	\$ 2,034,910	\$ 1,574,910
Interfund loan receivable			398,075			
FUND BALANCE, ENDING - GAAP BASIS			\$ 2,432,985			
NET CHANGE IN FUND BALANCE - BUDGETARY BASIS			\$ 40,894			
Principal payments on interfund loan receivable			(85,640)			
NET CHANGE IN FUND BALANCE - GAAP BASIS			\$ (44,746)			

CITY OF SANDY, OREGON

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
LAST TEN FISCAL YEARS¹

Measurement Date June 30,	City's proportion of the net pension liability (asset)	City's proportionate share of the net pension liability (asset)	City's covered payroll	City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.05583225%	\$ 10,457,764	\$ 5,962,295	175.4%	81.7%
2022	0.05185046%	7,939,346	5,459,971	145.4%	84.5%
2021	0.05594016%	6,694,068	5,345,479	125.2%	87.6%
2020	0.05007173%	10,927,374	4,795,403	227.9%	75.8%
2019	0.05248442%	9,078,548	4,981,924	182.2%	80.2%
2018	0.04919473%	7,452,354	4,686,533	159.0%	82.1%
2017	0.04837362%	6,520,782	4,309,195	151.3%	83.1%
2016	0.04639990%	6,965,702	4,182,946	166.5%	80.5%
2015	0.05014105%	2,878,829	3,743,111	76.9%	91.9%
2014	0.04860486%	(1,101,733)	3,678,613	-29.9%	103.6%

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

CITY OF SANDY, OREGON

**SCHEDULE OF PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS¹**

Fiscal Year Ended June 30,	Required contribution	Contributions in relation to the required contribution	Contribution deficiency (excess)	City's covered payroll	Contributions as a percent of covered payroll
2024	\$ 1,533,057	\$ 1,533,057	\$ -	\$ 6,685,586	22.9%
2023	1,290,326	1,290,326	-	5,962,295	21.6%
2022	1,165,494	1,165,494	-	5,459,971	21.3%
2021	1,052,579	1,052,579	-	5,345,479	19.7%
2020	995,762	995,762	-	4,795,403	20.8%
2019	758,025	758,025	-	4,981,924	15.2%
2018	721,679	721,679	-	4,686,533	15.4%
2017	550,058	550,058	-	4,309,195	12.8%
2016	499,561	499,561	-	4,182,946	11.9%
2015	439,953	439,953	-	3,743,111	11.8%

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

NOTES TO SCHEDULE

Actuarial Assumptions and Methods Used to Set the Actuarially Determined Contributions

Actuarial valuation: Effective:	December 31, 2021 July 2023 - June 2025	December 31, 2019 July 2021 - June 2023	December 31, 2017 July 2019 - June 2021	December 31, 2015 July 2017 - June 2019	December 31, 2013 July 2015 - June 2017	December 31, 2011 July 2013 - June 2015
Actuarial cost method:	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Projected Unit Credit
Amortization method:	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll
Asset valuation method:	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
Remaining amortization periods:	20 years	20 years	20 years	20 years	20 years	N/A
Actuarial assumptions						
Inflation rate	2.40 percent	2.40 percent	2.50 percent	2.50 percent	2.75 percent	2.75 percent
Projected salary increases	3.40 percent	3.40 percent	3.50 percent	3.50 percent	3.75 percent	3.75 percent
Investment rate of return	6.90 percent	6.90 percent	7.20 percent	7.50 percent	7.75 percent	8.00 percent

CITY OF SANDY, OREGON

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET) - RHIA
LAST TEN FISCAL YEARS¹

Measurement Date June 30,	City's proportion of the net OPEB liability (asset)	City's proportionate share of the net OPEB liability (asset)	City's covered payroll	City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2023	0.02211992%	\$ (80,997)	\$ 5,962,295	-1.4%	201.6%
2022	0.02085681%	(74,112)	5,459,971	-1.4%	194.6%
2021	0.02112301%	(72,537)	5,345,479	-1.4%	183.9%
2020	0.03571509%	(72,773)	4,795,403	-1.5%	150.1%
2019	0.04360022%	(84,251)	4,981,924	-1.7%	144.4%
2018	0.04407014%	(49,194)	4,686,533	-1.0%	124.0%
2017	0.04101136%	(17,116)	4,309,195	-0.4%	108.9%
2016	0.03960650%	10,756	4,182,946	0.3%	108.9%

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

¹This 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 SANDY, OREGON

SCHEDULE OF OPEB CONTRIBUTIONS - RHIA
LAST TEN FISCAL YEARS¹

Fiscal Year Ended June 30,	Required contribution	Contributions in relation to the required contribution	Contribution deficiency (excess)	City's covered payroll	Contributions as a percent of covered payroll
2024	\$ 106	\$ 106	\$ -	\$ 6,685,586	0.0%
2023	436	436	-	5,962,295	0.0%
2022	514	514	-	5,459,971	0.0%
2021	565	565	-	5,345,479	0.0%
2020	2,550	2,550	-	4,795,403	0.1%
2019	21,153	21,153	-	4,981,924	0.4%
2018	21,339	21,339	-	4,686,533	0.5%
2017	20,418	20,418	-	4,309,195	0.5%

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

¹This 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.

NOTES TO SCHEDULE

Actuarial Assumptions and Methods Used to Set the Actuarially Determined Contributions

Actuarial valuation:	December 31, 2021	December 31, 2019	December 31, 2017	December 31, 2015	December 31, 2013	December 31, 2011
Effective:	July 2023 - June 2025	July 2021 - June 2023	July 2019 - June 2021	July 2017 - June 2019	July 2015 - June 2017	July 2013 - June 2015
Actuarial cost method:	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Projected Unit Credit
Amortization method:	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Asset valuation method:	Market value	Market value	Market value	Market value	Market value	Market value
Remaining amortization periods:	10 years	10 years	10 years	20 years	20 years	10 years
Actuarial assumptions						
Inflation rate	2.40 percent	2.40 percent	2.50 percent	2.50 percent	2.75 percent	2.75 percent
Projected salary increases	3.40 percent	3.40 percent	3.50 percent	3.50 percent	3.75 percent	3.75 percent
Investment rate of return	6.90 percent	6.90 percent	7.20 percent	7.50 percent	7.75 percent	8.00 percent
Healthcare cost trend rates	None. Statute stipulates \$60 monthly payment	None. Statute stipulates \$60 monthly payment	None. Statute stipulates \$60 monthly payment	None. Statute stipulates \$60 monthly payment	None. Statute stipulates \$60 monthly payment	None. Statute stipulates \$60 monthly payment

CITY OF SANDY, OREGON

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS - CIS
LAST TEN FISCAL YEARS¹

Measurement Date June 30,	Beginning Total OPEB Liability	Service Cost	Interest	Differences between expected and actual experience	Changes of assumptions	Benefit payment	Ending Total OPEB Liability	Covered Employee Payroll	Total OPEB liability as a percentage of covered- employee payroll
2023	\$ 259,741	\$ 26,552	\$ 9,913	\$ -	\$ (3,296)	\$ (12,648)	\$ 280,262	\$ 5,962,295	4.7%
2022	395,776	33,448	9,138	(102,808)	(63,423)	(12,390)	259,741	5,459,971	4.8%
2021	369,072	32,467	8,695	-	1,832	(16,290)	395,776	5,345,479	7.4%
2020	299,342	28,058	11,370	43,388	(7,983)	(5,103)	369,072	4,795,403	7.7%
2019	269,572	24,956	11,069	-	10,926	(17,181)	299,342	4,981,924	6.0%
2018	290,714	28,685	11,343	(6,860)	(49,167)	(5,143)	269,572	4,686,533	5.8%
2017	283,411	30,636	8,819	-	(22,856)	(9,296)	290,714	4,309,195	6.7%

¹This 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.

NOTES TO SCHEDULE

There are no assets accumulated in a trust to pay related benefits for this OPEB plan.

Actuarial Assumptions and Methods

Valuation date	July 1, 2022	July 1, 2022	July 1, 2020	July 1, 2020	July 1, 2018	July 1, 2018	July 1, 2016
Measurement date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Actuarial cost method:	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Actuarial assumptions							
Discount rate	3.65 percent	3.54 percent	2.16 percent	2.21 percent	3.50 percent	3.50 percent	3.58 percent
Inflation rate	2.40 percent	2.40 percent	2.50 percent	2.50 percent	2.50 percent	2.50 percent	2.50 percent
Projected salary increases	3.40 percent	3.40 percent	3.50 percent	3.50 percent	3.50 percent	3.50 percent	3.50 percent
Withdrawal, retirement, and mortality rates	12/31/2021 Oregon PERS Valuation	12/31/2021 Oregon PERS Valuation	12/31/2019 Oregon	12/31/2019 Oregon	12/31/2017 Oregon	12/31/2017 Oregon	12/31/2015 Oregon
Election Rates	35% of eligible employees 60% of male members and 35% of female members will elect spouse coverage.	35% of eligible employees 60% of male members and 35% of female members will elect spouse coverage.	40% of eligible employees 60% of male members and 35% of female members will elect spouse coverage.	40% of eligible employees 60% of male members and 35% of female members will elect spouse coverage.	40% of eligible employees 60% of male members and 35% of female members will elect spouse coverage.	40% of eligible employees 60% of male members and 35% of female members will elect spouse coverage.	40% of eligible employees 60% of male members and 35% of female members will elect spouse coverage.
Lapse Rates	5% annual lapse rate	5% annual lapse rate	5% annual lapse rate	5% annual lapse rate	5% annual lapse rate	5% annual lapse rate	5% annual lapse rate

CITY OF SANDY, OREGON

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
Fiscal Year Ended June 30, 2024

1. Stewardship, Compliance, and Accountability

A. Budgetary Information

On a biennial basis, the City enacts a resolution approving the budget, appropriating the expenditures, and levying the property taxes. Prior to enacting this resolution, the proposed budget is presented to a budget committee consisting of members of the City Council and a like number of interested citizens. The budget committee presents the budget to the City Council for budget hearings prior to enactment of the resolution. The City budgets all funds, except the Fiduciary Funds, as required by Oregon Local Budget Law. The basis of budgeting for all major funds is the modified accrual basis of accounting.

The resolution authorizing appropriations for each fund sets the legal level of control by which expenditures cannot legally exceed appropriations. Total expenditures by department as established by the resolution are the legal level of control for the General Fund. Total expenditures by program level for operations and capital outlay are the legal level of control for all other funds except for the Full Faith and Credit Fund, the Urban Renewal Agency Fund, and the Internal Service Funds. Expenditure categories of personnel services, materials and services, capital outlay, debt service, transfers, and contingency are the legal level of control for these funds. The detail budget document, however, is required to contain more specific information for the above-mentioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers, and adoption by the City Council. Management may modify original and supplemental budgets by the use of appropriation transfers between the legal levels of control within a fund. Such transfers require approval by the City Council.

SUPPLEMENTARY INFORMATION

CITY OF SANDY, OREGON

GENERAL FUND

**SCHEDULE OF EXPENDITURES
BUDGET TO ACTUAL
June 30, 2024**

	Biennial Budget		Actual		Variance with	
	Original	Final	2024	2025	Biennial	Final Budget
MAYOR & CITY COUNCIL						
Materials and services	\$ 73,700	\$ 73,700	\$ 34,735	\$ -	\$ 34,735	\$ 38,965
Indirect service	54,629	54,629	27,314	-	27,314	27,315
Contingency	503,048	503,048	-	-	-	503,048
Subtotal	631,377	631,377	62,049	-	62,049	569,328 *
ADMINISTRATION						
Personnel services	827,200	827,200	388,179	-	388,179	439,021
Materials and services	26,500	26,500	33,790	-	33,790	(7,290)
Capital outlay	-	-	657	-	657	(657)
Contingency	13,500	13,500	-	-	-	13,500
Subtotal	867,200	867,200	422,626	-	422,626	444,574 *
LEGAL						
Materials and services	250,000	250,000	190,590	-	190,590	59,410
Contingency	12,000	12,000	-	-	-	12,000
Subtotal	262,000	262,000	190,590	-	190,590	71,410 *
MUNICIPAL COURT						
Personnel services	103,500	103,500	52,216	-	52,216	51,284
Materials and services	32,450	32,450	17,564	-	17,564	14,886
Indirect service	23,123	23,123	11,562	-	11,562	11,561
Contingency	2,927	2,927	-	-	-	2,927
Subtotal	162,000	162,000	81,342	-	81,342	80,658 *
FINANCE						
Personnel services	425,800	425,800	90,335	-	90,335	335,465
Materials and services	160,000	160,000	92,937	-	92,937	67,063
Capital outlay	-	-	130	-	130	(130)
Contingency	10,200	10,200	-	-	-	10,200
Subtotal	596,000	596,000	183,402	-	183,402	412,598 *
SANDY LIBRARY						
Personnel services	2,440,500	2,440,500	1,163,365	-	1,163,365	1,277,135
Materials and services	308,250	308,250	169,395	-	169,395	138,855
Capital outlay	174,900	174,900	19,294	-	19,294	155,606
Debt service	90,292	90,292	45,146	-	45,146	45,146
Indirect service	272,456	272,456	136,229	-	136,229	136,227
Contingency	87,443	87,443	-	-	-	87,443
Subtotal	3,373,841	3,373,841	1,533,429	-	1,533,429	1,840,412 *
HOODLAND LIBRARY						
Personnel services	493,500	493,500	230,140	-	230,140	263,360
Materials and services	134,200	134,200	66,578	-	66,578	67,622
Capital outlay	8,000	8,000	5,730	-	5,730	2,270
Indirect service	68,114	68,114	34,056	-	34,056	34,058
Contingency	10,819	10,819	-	-	-	10,819
Subtotal	714,633	714,633	336,504	-	336,504	378,129 *
POLICE						
Personnel services	6,251,000	6,251,000	3,046,255	-	3,046,255	3,204,745
Materials and services	921,000	921,000	685,345	-	685,345	235,655
Capital outlay	453,000	453,000	385,332	-	385,332	67,668
Debt service	83,000	83,000	38,149	-	38,149	44,851
Indirect service	601,117	601,117	300,559	-	300,559	300,558
Transfers	91,094	91,094	48,571	-	48,571	42,523
Contingency	72,697	72,697	-	-	-	72,697
Subtotal	8,472,908	8,472,908	4,504,211	-	4,504,211	3,968,697 *
HUMAN RESOURCES						
Personnel services	390,300	390,300	170,313	-	170,313	219,987
Materials and services	29,750	29,750	1,862	-	1,862	27,888
Contingency	6,500	6,500	-	-	-	6,500
Subtotal	426,550	426,550	172,175	-	172,175	254,375 *

* Appropriation level

Continued

CITY OF SANDY, OREGON

GENERAL FUND

SCHEDULE OF EXPENDITURES
BUDGET TO ACTUAL (Continued)
June 30, 2024

	Biennial Budget		Actual		Variance with	
	Original	Final	2024	2025	Biennial	Final Budget
RECREATION						
Personnel services	\$ 625,600	\$ 625,600	\$ 301,732	\$ -	\$ 301,732	\$ 323,868
Materials and services	347,400	347,400	150,017	-	150,017	197,383
Capital outlay	-	-	-	-	-	-
Indirect service	89,124	89,124	44,562	-	44,562	44,562
Contingency	48,785	48,785	-	-	-	48,785
Subtotal	1,110,909	1,110,909	496,311	-	496,311	614,598 *
SENIOR SERVICES						
Personnel services	977,200	977,200	469,435	-	469,435	507,765
Materials and services	313,800	313,800	74,041	-	74,041	239,759
Capital outlay	-	-	760	-	760	(760)
Indirect service	127,264	127,264	63,632	-	63,632	63,632
Contingency	84,812	84,812	-	-	-	84,812
Subtotal	1,503,076	1,503,076	607,868	-	607,868	895,208 *
PARKS, BUILDINGS, & GROUNDS						
Personnel services	951,400	951,400	440,217	-	440,217	511,183
Materials and services	376,000	376,000	257,331	-	257,331	118,669
Capital outlay	200,000	200,000	129,557	-	129,557	70,443
Debt service	8,100	8,100	4,031	-	4,031	4,069
Indirect service	92,578	92,578	46,288	-	46,288	46,290
Transfers	17,300	17,300	12,975	-	12,975	4,325
Contingency	20,707	20,707	-	-	-	20,707
Subtotal	1,666,085	1,666,085	890,399	-	890,399	775,686 *
PLANNING						
Personnel services	908,500	908,500	357,386	-	357,386	551,114
Materials and services	300,500	300,500	124,912	-	124,912	175,588
Capital outlay	15,000	15,000	3,682	-	3,682	11,318
Indirect service	166,231	166,231	83,116	-	83,116	83,115
Contingency	30,812	30,812	-	-	-	30,812
Subtotal	1,421,043	1,421,043	569,096	-	569,096	851,947 *
BUILDING						
Personnel services	649,000	649,000	317,469	-	317,469	331,531
Materials and services	103,100	103,100	65,587	-	65,587	37,513
Capital outlay	15,000	15,000	8,531	-	8,531	6,469
Indirect service	101,961	101,961	50,980	-	50,980	50,981
Contingency	246,142	246,142	-	-	-	246,142
Subtotal	1,115,203	1,115,203	442,567	-	442,567	672,636 *
ECONOMIC DEVELOPMENT						
Personnel services	107,600	107,600	54,073	-	54,073	53,527
Materials and services	153,750	153,750	140,648	-	140,648	13,102
Indirect service	27,202	27,202	13,600	-	13,600	13,602
Contingency	10,652	10,652	-	-	-	10,652
Subtotal	299,204	299,204	208,321	-	208,321	90,883 *
NON DEPARTMENTAL						
Materials and services	678,000	678,000	493,477	-	493,477	184,523
Capital outlay	15,000	15,000	3,319	-	3,319	11,681
Transfers	1,680,000	1,680,000	622,500	-	622,500	1,057,500
Contingency	1,150,223	1,150,223	-	-	-	1,150,223
Subtotal	3,523,223	3,523,223	1,119,296	-	1,119,296	2,403,927 *
INFORMATION TECHNOLOGY						
Personnel services	346,500	346,500	163,272	-	163,272	183,228
Materials and services	198,050	198,050	98,880	-	98,880	99,170
Capital outlay	225,000	225,000	108,340	-	108,340	116,660
Debt service	-	-	25,704	-	25,704	(25,704)
Contingency	12,500	12,500	-	-	-	12,500
Subtotal	782,050	782,050	396,196	-	396,196	385,854 *
GENERAL REVENUE TRANSFERS OUT	12,463,000	12,463,000	6,231,500	-	6,231,500	6,231,500 *
Total expenditures	\$ 39,390,302	\$ 39,390,302	\$ 18,447,882	\$ -	\$ 18,447,882	\$ 20,942,420

* Appropriation level

CITY OF SANDY, OREGON
OTHER GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2024

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	
	Acquatic/ Recreation Center Fund	City FFC Debt Service Fund	Parks Capital Projects Fund	Total
ASSETS				
Cash and cash equivalents	\$ 66,889	\$ -	\$ 3,497,983	\$ 3,564,872
LIABILITIES				
Accounts payable	\$ 880	\$ -	\$ 1,276,080	\$ 1,276,960
FUND BALANCES				
Restricted:				
System development charges	-	-	1,656,520	1,656,520
Park projects	-	-	565,383	565,383
Assigned:				
Cultural and recreation	66,009	-	-	66,009
Total fund balances	66,009	-	2,221,903	2,287,912
Total liabilities, deferred inflows, and fund balances	\$ 66,889	\$ -	\$ 3,497,983	\$ 3,564,872

CITY OF SANDY, OREGON

OTHER GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Fiscal Year Ended June 30, 2024

	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	
	Acquatic/ Recreation Center Fund	Full Faith & Credit Fund	Parks Capital Projects Fund	Total
REVENUES				
Grants	\$ -	\$ -	\$ 29,782	\$ 29,782
System development charges	-	-	952,991	952,991
Interest	4,819	-	147,871	152,690
Contributions and donations	-	-	350,561	350,561
Total revenues	<u>4,819</u>	<u>-</u>	<u>1,481,205</u>	<u>1,486,024</u>
EXPENDITURES				
Culture and recreation	57,649	-	-	57,649
Capital outlay	-	-	2,226,076	2,226,076
Debt service				
Principal	-	732,094	-	732,094
Interest	-	155,723	-	155,723
Total expenditures	<u>57,649</u>	<u>887,817</u>	<u>2,226,076</u>	<u>3,171,542</u>
Revenues over (under) expenditures	<u>(52,830)</u>	<u>(887,817)</u>	<u>(744,871)</u>	<u>(1,685,518)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	887,817	-	887,817
Transfers out	(42,300)	-	-	(42,300)
Total other financing sources (uses)	<u>(42,300)</u>	<u>887,817</u>	<u>-</u>	<u>845,517</u>
Net change in fund balance	<u>(95,130)</u>	<u>-</u>	<u>(744,871)</u>	<u>(840,001)</u>
FUND BALANCE, BEGINNING	<u>161,139</u>	<u>-</u>	<u>2,966,774</u>	<u>3,127,913</u>
FUND BALANCE, ENDING	<u>\$ 66,009</u>	<u>\$ -</u>	<u>\$ 2,221,903</u>	<u>\$ 2,287,912</u>

CITY OF SANDY, OREGON

ACQUATIC/RECREATION CENTER FUND

SCHEDULE OF CHANGES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Fiscal Year Ended June 30, 2024

	Biennial Budget		Actual		Biennial	Variance with Final Budget
	Original	Final	2024	2025		
REVENUES						
Interest	\$ 1,000	\$ 1,000	\$ 4,819	\$ -	\$ 4,819	\$ 3,819
EXPENDITURES						
Personnel services	-	-	97	-	97	(97)
Materials and services	91,000	91,000	57,552	-	57,552	33,448
Contingency	18,401	18,401	-	-	-	18,401
Total expenditures	109,401	109,401	57,649	-	57,649	51,752
Revenues over (under) expenditures	(108,401)	(108,401)	(52,830)	-	(52,830)	55,571
OTHER FINANCING SOURCES (USES)						
Transfers out	(48,599)	(48,599)	(42,300)	-	(42,300)	6,299
Net change in fund balance	(157,000)	(157,000)	(95,130)	-	(95,130)	61,870
FUND BALANCE, BEGINNING	157,000	157,000	161,139	-	161,139	4,139
FUND BALANCE, ENDING	\$ -	\$ -	\$ 66,009	\$ -	\$ 66,009	\$ 66,009

CITY OF SANDY, OREGON

FULL FAITH & CREDIT FUND

SCHEDULE OF CHANGES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Fiscal Year Ended June 30, 2024

	Biennial Budget		Actual		Biennial	Variance with Final Budget
	Original	Final	2024	2025		
EXPENDITURES						
Debt service						
Principal	\$ 1,482,052	\$ 1,482,052	\$ 732,094	\$ -	\$ 732,094	\$ 749,958
Interest	293,582	293,582	155,723	-	155,723	137,859
Total expenditures	1,775,634	1,775,634	887,817	-	887,817	887,817
OTHER FINANCING SOURCES (USES)						
Transfers in	1,775,634	1,775,634	887,817	-	887,817	(887,817)
Net change in fund balance	-	-	-	-	-	-
FUND BALANCE, BEGINNING	-	-	-	-	-	-
FUND BALANCE, ENDING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF SANDY, OREGON

PARKS CAPITAL PROJECTS FUND

SCHEDULE OF CHANGES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Fiscal Year Ended June 30, 2024

	Biennial Budget		Actual			Variance with Final Budget
	Original	Final	2024	2025	Biennial	
REVENUES						
Grants	\$ -	\$ -	\$ 29,782	\$ -	\$ 29,782	\$ 29,782
System development charges	1,800,000	1,800,000	952,991	-	952,991	(847,009)
Interest	50,000	50,000	147,871	-	147,871	97,871
Contributions and donations	400,000	400,000	350,561	-	350,561	(49,439)
Total revenues	2,250,000	2,250,000	1,481,205	-	1,481,205	(768,795)
EXPENDITURES						
Capital outlay	5,000,000	5,000,000	2,226,076	-	2,226,076	2,773,924
Contingency	229,638	229,638	-	-	-	229,638
Total expenditures	5,229,638	5,229,638	2,226,076	-	2,226,076	3,003,562
Net change in fund balance	(2,979,638)	(2,979,638)	(744,871)	-	(744,871)	2,234,767
FUND BALANCE, BEGINNING	2,979,638	2,979,638	2,966,774	-	2,966,774	(12,864)
FUND BALANCE, ENDING	\$ -	\$ -	\$ 2,221,903	\$ -	\$ 2,221,903	\$ 2,221,903

CITY OF SANDY, OREGON

WATER FUND

SCHEDULE OF CHANGES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Fiscal Year Ended June 30, 2024

	Biennial Budget		Actual			Variance with Final Budget
	Original	Final	2024	2025	Biennial	
REVENUES						
Charges for services	\$ 9,840,000	\$ 9,840,000	\$ 3,812,648	\$ -	\$ 3,812,648	\$ (6,027,352)
System development charges	820,000	820,000	396,177	-	396,177	(423,823)
Interest	25,000	25,000	166,895	-	166,895	141,895
Miscellaneous	25,000	25,000	43,136	-	43,136	18,136
Total revenues	10,710,000	10,710,000	4,418,856	-	4,418,856	(6,291,144)
EXPENDITURES						
Personnel services	1,469,000	1,469,000	578,832	-	578,832	890,168
Materials and services	2,297,000	2,297,000	1,218,960	-	1,218,960	1,078,040
Capital outlay	11,630,000	11,630,000	1,519,218	-	1,519,218	10,110,782
Debt service						
Principal	730,909	730,909	343,224	-	343,224	387,685
Interest	289,972	289,972	131,275	-	131,275	158,697
Contingency	7,530,280	7,530,280	-	-	-	7,530,280
Total expenditures	23,947,161	23,947,161	3,791,509	-	3,791,509	20,155,652
Revenues over (under) expenditures	(13,237,161)	(13,237,161)	627,347	-	627,347	13,864,508
OTHER FINANCING SOURCES (USES)						
Issuance of debt	11,000,000	11,000,000	973,446	-	973,446	(10,026,554)
Transfers out	(208,454)	(208,454)	(110,201)	-	(110,201)	98,253
Total other financing sources (uses)	10,791,546	10,791,546	863,245	-	863,245	(9,928,301)
Net change in fund balance	(2,445,615)	(2,445,615)	1,490,592	-	1,490,592	3,936,207
FUND BALANCE, BEGINNING	2,445,615	2,445,615	2,407,274	-	2,407,274	(38,341)
FUND BALANCE, ENDING	\$ -	\$ -	3,897,866	\$ -	\$ 3,897,866	\$ 3,897,866
RECONCILIATION TO NET POSITION - GAAP BASIS						
Allowance for doubtful accounts			(39,626)			
Notes receivable			93,221			
Capital assets, net			14,880,812			
Net OPEB asset			4,147			
Deferred outflows related to pensions			210,509			
Deferred outflows related to OPEB			2,315			
Accrued interest			(71,111)			
Accrued compensated absence			(19,916)			
Long-term debt			(5,646,878)			
Net pension liability			(535,444)			
Total OPEB liability			(14,350)			
Deferred inflows related to pensions			(66,476)			
Deferred inflows related to OPEB			(8,611)			
NET POSITION			\$ 12,686,458			

CITY OF SANDY, OREGON

SEWER FUND

SCHEDULE OF CHANGES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Fiscal Year Ended June 30, 2024

	Biennial Budget		Actual		Biennial	Variance with Final Budget
	Original	Final	2024	2025		
REVENUES						
Charges for services	\$ 10,145,000	\$ 10,145,000	\$ 4,556,635	\$ -	\$ 4,556,635	\$ (5,588,365)
System development charges	1,360,000	1,360,000	751,670	-	751,670	(608,330)
Grants	6,460,687	6,460,687	1,625,198	-	1,625,198	(4,835,489)
Interest	30,000	30,000	97,659	-	97,659	67,659
Miscellaneous	-	-	4,085	-	4,085	4,085
Total revenues	17,995,687	17,995,687	7,035,247	-	7,035,247	(10,960,440)
EXPENDITURES						
Personnel services	1,443,000	1,443,000	572,291	-	572,291	870,709
Materials and services	3,603,800	3,603,800	2,335,542	-	2,335,542	1,268,258
Capital outlay	10,436,064	10,436,064	4,223,240	-	4,223,240	6,212,824
Debt service						
Principal	957,656	957,656	245,326	-	245,326	712,330
Interest	791,596	791,596	57,679	-	57,679	733,917
Other fees	2,000	2,000	92	-	92	1,908
Contingency	13,347,017	13,347,017	-	-	-	13,347,017
Total expenditures	30,581,133	30,581,133	7,434,170	-	7,434,170	23,146,963
Revenues over (under) expenditures	(12,585,446)	(12,585,446)	(398,923)	-	(398,923)	12,186,523
OTHER FINANCING SOURCES (USES)						
Issuance of debt	7,891,250	7,891,250	2,352,481	-	2,352,481	(5,538,769)
Interfund loan receipts	74,638	74,638	37,001	-	37,001	(37,637)
Transfers out	(331,512)	(331,512)	(171,731)	-	(171,731)	159,781
Total other financing sources (uses)	7,634,376	7,634,376	2,217,751	-	2,217,751	(5,416,625)
Net change in fund balance	(4,951,070)	(4,951,070)	1,818,828	-	1,818,828	6,769,898
FUND BALANCE, BEGINNING	4,951,070	4,951,070	2,068,681	-	2,068,681	(2,882,389)
FUND BALANCE, ENDING	\$ -	\$ -	3,887,509	\$ -	\$ 3,887,509	\$ 3,887,509
RECONCILIATION TO NET POSITION - GAAP BASIS						
Allowance for doubtful accounts			(43,676)			
Interfund loan receivable			362,999			
Capital assets, net			38,646,544			
Net OPEB asset			4,179			
Deferred outflows related to pensions			212,110			
Deferred outflows related to OPEB			2,333			
Accrued interest			(11,438)			
Accrued compensated absence			(21,611)			
Long-term debt			(21,806,574)			
Net pension liability			(539,518)			
Total OPEB liability			(14,459)			
Unavailable revenue - Grants			480,004			
Deferred inflows related to pensions			(66,982)			
Deferred inflows related to OPEB			(8,676)			
NET POSITION			\$ 21,082,744			

CITY OF SANDY, OREGON

SANDYNET FUND

SCHEDULE OF CHANGES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Fiscal Year Ended June 30, 2024

	Biennial Budget		Actual		Biennial	Variance with Final Budget
	Original	Final	2024	2025		
REVENUES						
Charges for services	\$ 5,142,000	\$ 5,142,000	\$ 2,587,818	\$ -	\$ 2,587,818	\$ (2,554,182)
Interest	-	-	10,571	-	10,571	10,571
Miscellaneous	15,000	15,000	17,250	-	17,250	2,250
Total revenues	5,157,000	5,157,000	2,615,639	-	2,615,639	(2,541,361)
EXPENDITURES						
Personnel services	2,021,300	2,021,300	1,034,292	-	1,034,292	987,008
Materials and services	988,950	988,950	563,840	-	563,840	425,110
Capital outlay	757,000	757,000	900,867	-	900,867	(143,867)
Debt service						
Principal	750,600	750,600	332,895	-	332,895	417,705
Interest	467,050	467,050	240,025	-	240,025	227,025
Other fees	2,200	2,200	1,225	-	1,225	975
Interfund principal payments	101,773	101,773	50,402	-	50,402	51,371
Interfund interest payments	9,088	9,088	5,028	-	5,028	4,060
Contingency	51,819	51,819	-	-	-	51,819
Total expenditures	5,149,780	5,149,780	3,128,574	-	3,128,574	2,021,206
Revenues over (under) expenditures	7,220	7,220	(512,935)	-	(512,935)	(520,155)
OTHER FINANCING SOURCES (USES)						
Issuance of debt	50,000	50,000	-	-	-	(50,000)
Transfers in	50,000	50,000	50,000	-	50,000	-
Transfers out	(247,063)	(247,063)	(123,532)	-	(123,532)	123,531
Total other financing sources (uses)	(147,063)	(147,063)	(73,532)	-	(73,532)	73,531
Net change in fund balance	(139,843)	(139,843)	(586,467)	-	(586,467)	(446,624)
FUND BALANCE, BEGINNING	139,843	139,843	922,720	-	922,720	782,877
FUND BALANCE, ENDING	\$ -	\$ -	336,253	\$ -	\$ 336,253	\$ 336,253
RECONCILIATION TO NET POSITION - GAAP BASIS						
Allowance for doubtful accounts			(26,894)			
Inventory			307,476			
Capital assets, net			8,493,009			
Net OPEB asset			7,207			
Deferred outflows related to pensions			365,809			
Deferred outflows related to OPEB			4,024			
Accrued interest			(75,675)			
Accrued compensated absence			(24,491)			
Interfund loan payable			(211,475)			
Long-term debt			(5,870,683)			
Net pension liability			(930,463)			
Total OPEB liability			(24,936)			
Deferred inflows related to pensions			(115,520)			
Deferred inflows related to OPEB			(14,963)			
NET POSITION			\$ 2,218,678			

CITY OF SANDY, OREGON

STORMWATER FUND – OTHER ENTERPRISE FUND

SCHEDULE OF CHANGES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Fiscal Year Ended June 30, 2024

	Biennial Budget		Actual		Biennial	Variance with Final Budget
	Original	Final	2024	2025		
REVENUES						
Charges for services	\$ 1,410,000	\$ 1,410,000	\$ 677,343	\$ -	\$ 677,343	\$ (732,657)
Interest	500	500	1,725	-	1,725	1,225
Miscellaneous	10,000	10,000	77	-	77	(9,923)
Total revenues	1,420,500	1,420,500	679,145	-	679,145	(741,355)
EXPENDITURES						
Personnel services	566,000	566,000	288,774	-	288,774	277,226
Materials and services	374,700	374,700	167,156	-	167,156	207,544
Capital outlay	176,000	176,000	32,487	-	32,487	143,513
Debt service						
Principal	97,000	97,000	41,292	-	41,292	55,708
Interest	46,119	46,119	17,323	-	17,323	28,796
Interfund principal payments	74,638	74,638	37,001	-	37,001	37,637
Interfund interest payments	-	-	6,880	-	6,880	(6,880)
Contingency	116,310	116,310	-	-	-	116,310
Total expenditures	1,450,767	1,450,767	590,913	-	590,913	859,854
Revenues over (under) expenditures	(30,267)	(30,267)	88,232	-	88,232	118,499
OTHER FINANCING SOURCES (USES)						
Issuance of debt	100,000	100,000	-	-	-	(100,000)
Transfers out	(102,675)	(102,675)	(57,313)	-	(57,313)	45,362
Total other financing sources (uses)	(2,675)	(2,675)	(57,313)	-	(57,313)	(54,638)
Net change in fund balance	(32,942)	(32,942)	30,919	-	30,919	63,861
FUND BALANCE, BEGINNING	32,942	32,942	35,460	-	35,460	2,518
FUND BALANCE, ENDING	\$ -	\$ -	66,379	\$ -	\$ 66,379	\$ 66,379
RECONCILIATION TO NET POSITION - GAAP BASIS						
Allowance for doubtful accounts			(5,989)			
Capital assets, net			746,636			
Net OPEB asset			2,074			
Deferred outflows related to pensions			105,294			
Deferred outflows related to OPEB			1,158			
Accrued interest			(1,306)			
Accrued compensated absence			(6,309)			
Interfund loan payable			(362,999)			
Long-term debt			(351,346)			
Net pension liability			(267,822)			
Total OPEB liability			(7,177)			
Deferred inflows related to pensions			(33,251)			
Deferred inflows related to OPEB			(4,307)			
NET POSITION			\$ (118,965)			

CITY OF SANDY, OREGON
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2024

	Operations Center Internal Service Fund	Facility Maintenance Internal Service Fund	Total
ASSETS			
Cash and investments	\$ 16,722	\$ 371,111	\$ 387,833
LIABILITIES			
Accounts payable	2,669	39,521	42,190
NET POSITION			
Unrestricted net position	\$ 14,053	\$ 331,590	\$ 345,643

CITY OF SANDY, OREGON

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Fiscal Year Ended June 30, 2024

	Operations Center Internal Service Fund	Facility Maintenance Internal Service Fund	Total
OPERATING EXPENSES			
Utilities	\$ 48,189	\$ -	\$ 48,189
Insurance	2,616	-	2,616
Contract services	24,719	-	24,719
Maintenance and repairs	101,152	-	101,152
Total operating expense	<u>176,676</u>	<u>-</u>	<u>176,676</u>
NON-OPERATING INCOME (EXPENSE)			
Investment earnings	88	-	88
Income (loss) before transfers	<u>(176,588)</u>	<u>-</u>	<u>(176,588)</u>
TRANSFERS			
Transfers in	187,500	55,000	242,500
Transfers out	-	(111,048)	(111,048)
Transfers, net	<u>187,500</u>	<u>(56,048)</u>	<u>131,452</u>
Change in net position	10,912	(56,048)	(45,136)
NET POSITION, BEGINNING	<u>3,141</u>	<u>387,638</u>	<u>390,779</u>
NET POSITION, ENDING	<u>\$ 14,053</u>	<u>\$ 331,590</u>	<u>\$ 345,643</u>

CITY OF SANDY, OREGON

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS
Fiscal Year Ended June 30, 2024

	Operations Center Internal Service Fund	Facility Maintenance Internal Service Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash paid to suppliers and others	\$ (176,876)	\$ -	\$ (176,876)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	187,500	55,000	242,500
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	-	(71,527)	(71,527)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	88	-	88
Net increase (decrease) in cash and cash equivalents	10,712	(16,527)	(5,815)
CASH AND CASH EQUIVALENTS - BEGINNING	6,010	387,638	393,648
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 16,722</u>	<u>\$ 371,111</u>	<u>\$ 387,833</u>
NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:			
Transfers out of capital assets	<u>\$ -</u>	<u>\$ 111,048</u>	<u>\$ 111,048</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:			
Operating income (loss)	\$ (176,676)	\$ -	\$ (176,676)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Change in accounts payable	(200)	-	(200)
Net cash provided by (used for) operating activities	<u>\$ (176,876)</u>	<u>\$ -</u>	<u>\$ (176,876)</u>

CITY OF SANDY, OREGON

OPERATIONS CENTER INTERNAL SERVICE FUND

SCHEDULE OF CHANGES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Fiscal Year Ended June 30, 2024

	Biennial Budget		Actual		Biennial	Variance with Final Budget
	Original	Final	2024	2025		
REVENUES						
Interest	\$ -	\$ -	\$ 88	\$ -	\$ 88	\$ 88
EXPENDITURES						
Materials and services	151,000	151,000	176,676	-	176,676	(25,676)
Capital outlay	100,000	100,000	-	-	-	100,000
Total expenditures	251,000	251,000	176,676	-	176,676	74,324
Revenues over (under) expenditures	(251,000)	(251,000)	(176,588)	-	(176,588)	74,412
OTHER FINANCING SOURCES (USES)						
Transfers in	250,000	250,000	187,500	-	187,500	(62,500)
Net change in fund balance	(1,000)	(1,000)	10,912	-	10,912	11,912
FUND BALANCE, BEGINNING	1,000	1,000	3,141	-	3,141	2,141
FUND BALANCE, ENDING	\$ -	\$ -	\$ 14,053	\$ -	\$ 14,053	\$ 14,053

CITY OF SANDY, OREGON

FACILITY MAINTENANCE INTERNAL SERVICE FUND

SCHEDULE OF CHANGES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Fiscal Year Ended June 30, 2024

	Biennial Budget		Actual		Biennial	Variance with Final Budget
	Original	Final	2024	2025		
EXPENDITURES						
Capital outlay	\$ 300,000	\$ 300,000	\$ 111,048	\$ -	\$ 111,048	\$ 188,952
Contingency	205,566	205,566	-	-	-	205,566
Total expenditures	505,566	505,566	111,048	-	111,048	394,518
OTHER FINANCING SOURCES (USES)						
Transfers in	110,000	110,000	55,000	-	55,000	(55,000)
Net change in fund balance	(395,566)	(395,566)	(56,048)	-	(56,048)	339,518
FUND BALANCE, BEGINNING	395,566	395,566	387,638	-	387,638	(7,928)
FUND BALANCE, ENDING	\$ -	\$ -	\$ 331,590	\$ -	\$ 331,590	\$ 331,590

OTHER FINANCIAL SCHEDULES

CITY OF SANDY, OREGON

SEWER FUND

COMPARATIVE SCHEDULE OF NET POSITION

	June 30,	
	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	\$ 2,280,167	\$ 731,785
Investments	799,921	761,469
Accounts receivable, net	1,295,510	2,508,355
Other current assets	7,121	4,124
Total current assets	<u>4,382,719</u>	<u>4,005,733</u>
Noncurrent assets		
Restricted cash and cash equivalents	616,747	469,794
Interfund loan receivable	362,999	400,000
Capital assets, net	38,646,544	35,325,948
Net OPEB assets	4,179	3,220
Total noncurrent assets	<u>39,630,469</u>	<u>36,198,962</u>
Total assets	<u>44,013,188</u>	<u>40,204,695</u>
DEFERRED OUTFLOW OF RESOURCES		
Pension related	212,110	158,558
OPEB related	2,333	2,482
Total deferred outflows of resources	<u>214,443</u>	<u>161,040</u>
LIABILITIES		
Current liabilities		
Accounts payable	664,917	2,438,328
Accrued expenses	10,712	8,162
Accrued interest	11,438	12,108
Accrued compensated absences	11,227	9,696
Current portion of long-term debt	715,150	245,308
Current portion of total OPEB liability	801	-
Total current liabilities	<u>1,414,245</u>	<u>2,713,602</u>
Noncurrent liabilities		
Accrued compensated absences	10,384	10,938
Long-term debt, net of current portion	21,091,424	19,464,868
Net pension liability	539,518	344,913
Total OPEB liability, net of current portion	13,658	11,284
Total noncurrent liabilities	<u>21,654,984</u>	<u>19,832,003</u>
Total liabilities	<u>23,069,229</u>	<u>22,545,605</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related	66,982	136,778
OPEB related	8,676	8,530
Total deferred inflows of resources	<u>75,658</u>	<u>145,308</u>
NET POSITION		
Net investment in capital assets	16,839,970	15,615,772
Restricted:		
OPEB	4,179	3,220
Unrestricted	4,238,595	2,055,830
Total net position	<u>\$ 21,082,744</u>	<u>\$ 17,674,822</u>

CITY OF SANDY, OREGON

SEWER FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	Year Ended June 30,	
	2024	2023
OPERATING REVENUES		
Charges for services	\$ 4,510,380	\$ 3,957,303
Special assessments and surcharges	42,223	5,632
Miscellaneous	4,085	107,017
Total operating revenues	4,556,688	4,069,952
OPERATING EXPENSES		
Salaries, fringe benefits, and payroll taxes	647,036	420,483
Utilities	180,615	150,092
Contract services	1,054,355	785,794
Insurance	37,823	17,470
Repairs and maintenance	221,355	387,120
Depreciation	621,060	346,625
Other operating expense	877,965	187,587
Total operating expenses	3,640,209	2,295,171
Operating income (loss)	916,479	1,774,781
NON-OPERATING INCOME (EXPENSE)		
Loss on disposal of capital assets	(245,105)	-
Interest income	97,659	21,927
Interest expense	(46,252)	(75,067)
Total non-operating income (expense)	(193,698)	(53,140)
Income (loss) before transfers	722,781	1,721,641
CONTRIBUTIONS AND TRANSFERS		
System development charges	751,670	337,639
Capitol grants	2,105,202	5,935,002
Transfers out	(171,731)	(85,491)
Transfers, net	2,685,141	6,187,150
Change in net position	3,407,922	7,908,791
NET POSITION - BEGINNING	17,674,822	9,766,031
NET POSITION - ENDING	\$ 21,082,744	\$ 17,674,822

CITY OF SANDY, OREGON

SEWER FUND

COMPARATIVE SCHEDULE OF CASH FLOWS

	Year Ended June 30,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 5,769,533	\$ 2,016,576
Cash paid for salaries and benefits	(569,741)	(407,823)
Cash paid to suppliers and others	(4,148,521)	(639,858)
Net cash provided by (used for) operating activities	<u>1,051,271</u>	<u>968,895</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers out	<u>(171,731)</u>	<u>(85,491)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
System development charges	751,670	337,639
Capital grants	2,105,202	5,935,002
Purchases of capital assets	(4,186,761)	(15,812,604)
Issuance of long-term debt	2,352,481	8,585,142
Principal paid on long-term debt	(256,083)	(251,756)
Interest paid on long-term debt	(46,922)	(75,703)
Net cash provided by (used for) capital and related financing activities	<u>719,587</u>	<u>(1,282,280)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Disbursements of interfund loan	-	(400,000)
Proceeds from interfund loan	37,001	-
Purchases of investments	(286,242)	(408,441)
Sale of investments	183,350	317,485
Interest income	162,099	24,476
Net cash provided by (used for) investing activities	<u>96,208</u>	<u>(466,480)</u>
Net increase (decrease) in cash and cash equivalents	1,695,335	(865,356)
CASH AND CASH EQUIVALENTS - BEGINNING	<u>1,201,579</u>	<u>2,066,935</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 2,896,914</u>	<u>\$ 1,201,579</u>
COMPRISED AS FOLLOWS:		
Unrestricted	\$ 2,280,167	\$ 731,785
Restricted	616,747	469,794
Total	<u>\$ 2,896,914</u>	<u>\$ 1,201,579</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:		
Operating income (loss)	\$ 916,479	\$ 1,774,781
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation expense	621,060	346,625
Change in receivables	1,212,845	(2,053,376)
Change in other current assets	(2,997)	(4,124)
Change in pension related balances	(1,773,411)	(1,008)
Change in OPEB related balances	2,550	952
Change in accounts payable	977	892,329
Change increase in accrued expenses	71,257	8,162
Change increase in compensated absences	2,511	4,554
Net cash provided by (used for) operating activities	<u>\$ 1,051,271</u>	<u>\$ 968,895</u>

STATISTICAL SECTION

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Pages
Financial Trends <i>These schedules contain trend information to help the reader understand how the City's financial performance and wellbeing have changed over time.</i>	81-84
Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.</i>	85-88
Debt Capacity <i>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.</i>	89-92
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	93-94
Operating Information <i>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 government provides and the activities it performs.</i>	95-99

CITY OF SANDY, OREGON

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year (in thousands)									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Net investment in capital assets	\$ 20,860	\$ 20,958	\$ 13,474	\$ 21,269	\$ 21,021	\$ 22,586	\$ 23,199	\$ 23,420	\$ 27,165	\$ 32,669
Restricted	3,872	5,065	11,389	9,962	9,706	10,141	13,498	6,228	6,753	4,650
Unrestricted	3,693	2,529	2,343	(1,390)	524	(138)	(3,546)	6,409	6,147	5,751
Total governmental activities net position	<u>\$ 28,425</u>	<u>\$ 28,552</u>	<u>\$ 27,206</u>	<u>\$ 29,841</u>	<u>\$ 31,251</u>	<u>\$ 32,589</u>	<u>\$ 33,151</u>	<u>\$ 36,057</u>	<u>\$ 40,065</u>	<u>\$ 43,070</u>
Business-Type Activities										
Net investment in capital assets	\$ 12,026	\$ 12,114	\$ 11,671	\$ 11,457	\$ 11,525	\$ 11,598	\$ 14,216	\$ 15,007	\$ 26,055	\$ 29,092
Restricted	790	374	242	167	1,736	1,893	1,903	13	15	17
Unrestricted	2,672	2,737	2,761	2,990	1,626	2,499	1,894	5,430	4,247	6,760
Total business-type activities net position	<u>\$ 15,488</u>	<u>\$ 15,225</u>	<u>\$ 14,674</u>	<u>\$ 14,614</u>	<u>\$ 14,887</u>	<u>\$ 15,990</u>	<u>\$ 18,013</u>	<u>\$ 20,450</u>	<u>\$ 30,317</u>	<u>\$ 35,869</u>
Total Primary Government										
Net investment in capital assets	\$ 32,886	\$ 33,072	\$ 25,145	\$ 32,726	\$ 32,546	\$ 34,184	\$ 37,415	\$ 38,427	\$ 53,220	\$ 61,761
Restricted	4,662	5,439	11,631	10,129	11,442	12,034	15,401	6,241	6,768	4,667
Unrestricted	6,365	5,266	5,104	1,600	2,150	2,361	(1,652)	11,839	10,394	12,511
Total primary government net position	<u>\$ 43,913</u>	<u>\$ 43,777</u>	<u>\$ 41,880</u>	<u>\$ 44,455</u>	<u>\$ 46,138</u>	<u>\$ 48,579</u>	<u>\$ 51,164</u>	<u>\$ 56,507</u>	<u>\$ 70,382</u>	<u>\$ 78,939</u>

CITY OF SANDY, OREGON

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year (in thousands)									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental Activities										
General government	\$ 775	\$ 1,914	\$ 2,080	\$ 1,037	\$ 2,062	\$ 2,114	\$ 2,652	\$ 2,110	\$ 2,328	\$ 2,396
Highways and streets	937	1,133	949	751	1,049	1,650	1,075	920	1,042	1,811
Public transportation	1,315	1,336	1,343	1,492	1,489	2,108	1,906	2,108	2,432	2,938
Economic development	1,075	975	3,530	912	1,275	1,914	1,999	1,690	1,650	1,262
Public safety	2,161	3,602	3,076	3,286	3,323	3,646	3,773	3,295	3,661	4,207
Culture and recreation	1,860	2,660	2,586	2,796	2,943	3,125	3,169	2,836	3,237	4,132
Interest on long-term debt	68	63	128	264	244	247	225	387	346	318
Total Governmental Activities	8,191	11,683	13,692	10,538	12,385	14,804	14,799	13,346	14,696	17,064
Business-Type Activities										
Water	1,485	1,739	1,694	1,653	1,622	1,529	1,674	1,721	2,159	2,790
Sewer	1,350	1,628	1,588	1,755	1,782	2,010	2,105	2,053	2,370	3,686
Stormwater	180	288	232	289	308	418	419	396	508	505
SandyNet	528	1,077	1,619	1,542	1,662	1,571	1,754	1,927	2,031	2,263
Total Business-Type Activities	3,543	4,732	5,133	5,239	5,374	5,528	5,952	6,097	7,068	9,244
Total Expenses	\$ 11,734	\$ 16,415	\$ 18,825	\$ 15,777	\$ 17,759	\$ 20,332	\$ 20,751	\$ 19,443	\$ 21,764	\$ 26,308
Program Revenues										
Governmental Activities										
Charges for services										
General government	\$ 751	\$ 260	\$ 580	\$ 635	\$ 651	\$ 1,032	\$ 162	\$ 161	\$ 186	\$ 227
Highways and streets	316	418	227	645	605	648	866	366	180	636
Public transportation	136	121	111	88	84	122	1	102	172	63
Economic development	268	454	543	334	382	312	481	699	510	886
Public safety	591	734	265	786	391	171	490	441	568	491
Culture and recreation	122	340	390	136	230	117	244	474	370	1,051
Operating grants and contributions	1,385	1,087	216	251	131	1,138	1,393	1,890	3,650	1,964
Capital grants and contributions	254	-	1,423	1,150	1,334	2,104	618	547	745	840
Total Governmental Activities	3,823	3,414	3,755	4,025	3,808	5,644	4,255	4,680	6,381	6,158
Business-Type Activities										
Charges for services										
Water	1,405	1,767	1,478	1,775	1,867	1,958	1,962	2,238	3,279	4,206
Sewer	1,343	1,392	1,406	1,653	1,700	2,440	3,275	4,002	4,300	5,304
Stormwater	219	231	240	248	256	247	275	307	425	676
SandyNet	635	1,094	1,339	1,507	1,620	1,813	2,050	2,222	2,533	2,586
Operating grants and contributions	363	16	-	-	-	-	500	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	5,935	2,105
Total Business-Type Activities	3,965	4,500	4,463	5,183	5,443	6,458	8,062	8,769	16,472	14,877
Total Program Revenues	\$ 7,788	\$ 7,914	\$ 8,218	\$ 9,208	\$ 9,251	\$ 12,102	\$ 12,317	\$ 13,449	\$ 22,853	\$ 21,035
Net (Expense)/Revenue										
Governmental activities	\$ (4,368)	\$ (8,269)	\$ (9,937)	\$ (6,513)	\$ (8,577)	\$ (9,160)	\$ (10,544)	\$ (8,666)	\$ (8,315)	\$ (10,906)
Business-type activities	422	(232)	(670)	(56)	69	930	2,110	2,672	9,404	5,633
Total Net (Expense)/Revenue	\$ (3,946)	\$ (8,501)	\$ (10,607)	\$ (6,569)	\$ (8,508)	\$ (8,230)	\$ (8,434)	\$ (5,994)	\$ 1,089	\$ (5,273)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property taxes	\$ 4,222	\$ 4,428	\$ 4,611	\$ 4,875	\$ 5,078	\$ 5,416	\$ 5,740	\$ 6,053	\$ 6,191	\$ 6,451
Public service taxes	2,800	3,081	3,085	3,251	3,488	3,550	3,695	4,154	4,327	4,465
Franchise taxes	605	563	589	639	644	629	622	729	779	872
Investment earnings	41	63	154	249	403	408	145	135	717	1,001
Miscellaneous	278	90	133	237	261	354	762	214	512	709
Transfers	80	171	21	119	113	142	142	287	(202)	413
Total Governmental Activities	8,026	8,396	8,593	9,370	9,987	10,499	11,106	11,572	12,324	13,911
Business-Type Activities										
Investment earnings	50	48	42	61	133	151	17	(35)	63	277
Miscellaneous	153	92	97	98	183	163	38	87	197	55
Transfers	(80)	(171)	(21)	(119)	(113)	(142)	(142)	(287)	202	(413)
Total Business-Type Activities	123	(31)	118	40	203	172	(87)	(235)	462	(81)
Total Primary Government	\$ 8,149	\$ 8,365	\$ 8,711	\$ 9,410	\$ 10,190	\$ 10,671	\$ 11,019	\$ 11,337	\$ 12,786	\$ 13,830
Change in Net Position										
Governmental Activities	\$ 3,658	\$ 127	\$ (1,344)	\$ 2,857	\$ 1,410	\$ 1,339	\$ 562	\$ 2,906	\$ 4,009	\$ 3,005
Business-Type Activities	545	(263)	(552)	(16)	272	1,102	2,023	2,437	9,866	5,552
Total Primary Government	\$ 4,203	\$ (136)	\$ (1,896)	\$ 2,841	\$ 1,682	\$ 2,441	\$ 2,585	\$ 5,343	\$ 13,875	\$ 8,557

CITY OF SANDY, OREGON

FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)

	Fiscal Year (in thousands)									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54	\$ 143
Restricted	-	-	-	2	2	76	3	2	4	1
Assigned	-	-	-	63	-	-	375	-	4,810	-
Unassigned	2,654	2,646	2,304	2,314	2,164	2,350	2,274	3,202	58	4,535
Total General Fund	\$ 2,654	\$ 2,646	\$ 2,304	\$ 2,379	\$ 2,166	\$ 2,426	\$ 2,652	\$ 3,204	\$ 4,926	\$ 4,679
All other governmental funds										
Non-spendable	\$ 8	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7	\$ 418
Restricted	3,872	5,065	11,879	9,960	12,181	12,915	20,489	19,896	13,845	10,168
Committed	-	-	-	-	-	49	49	41	89	-
Assigned	1,475	1,939	1,953	2,234	2,770	2,480	2,346	2,273	2,636	2,098
Unassigned	-	-	(10)	20	-	-	-	-	-	-
Total all other governmental funds	\$ 5,355	\$ 7,004	\$ 13,822	\$ 12,214	\$ 14,951	\$ 15,444	\$ 22,884	\$ 22,210	\$ 16,577	\$ 12,684

CITY OF SANDY, OREGON

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

	Fiscal Year (in thousands)									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
REVENUES										
Property taxes	\$ 4,214	\$ 4,412	\$ 4,604	\$ 4,843	\$ 5,231	\$ 5,415	\$ 5,731	\$ 5,999	\$ 6,216	\$ 6,412
Public service taxes	2,800	3,081	3,085	3,251	3,488	3,550	3,696	4,154	4,328	4,465
Franchise fees	605	579	591	641	647	639	622	729	779	872
Grants	1,747	851	1,388	1,076	1,210	2,189	1,701	1,489	4,374	2,165
Charges for services	1,004	1,124	1,056	1,057	720	794	681	697	873	782
Licenses and permits	358	347	414	392	404	479	305	633	421	831
Fines and forfeitures	277	270	246	182	213	219	164	160	210	231
Special assessments	36	64	19	32	18	51	523	47	-	-
System development charges	472	517	421	946	968	910	539	711	431	1,547
Interest	40	62	153	248	403	408	145	135	717	1,001
Contributions and donations	-	11	164	205	478	254	87	79	51	351
Intergovernmental	-	-	-	-	-	409	573	408	443	397
Miscellaneous	47	50	101	259	339	403	761	211	497	682
Payment in lieu of land dedication	232	45	-	-	-	-	-	-	-	-
Total Revenues	11,832	11,413	12,242	13,132	14,119	15,720	15,528	15,452	19,340	19,736
EXPENDITURES										
Current										
General government	728	787	1,047	954	1,396	1,066	1,179	1,430	1,792	1,758
Highways and streets	484	721	718	596	893	1,466	793	686	747	1,492
Public transportation	1,102	1,037	1,114	1,256	1,322	1,865	1,752	1,822	2,252	2,703
Economic and physical development	837	807	837	905	1,076	1,366	1,212	1,179	1,374	1,310
Public safety	2,374	2,652	2,728	2,857	2,741	2,835	2,938	3,072	3,385	3,800
Culture and recreation	2,051	2,124	2,231	2,392	2,482	2,581	2,590	2,600	3,081	3,380
Capital outlay	1,169	1,172	5,796	4,767	677	2,704	3,091	3,561	9,049	8,213
Debt service										
Principal	552	598	1,161	992	854	859	806	988	1,027	1,066
Interest	82	74	188	277	259	250	230	409	379	352
Total Expenditures	9,379	9,972	15,820	14,996	11,700	14,992	14,591	15,747	23,086	24,074
Excess (Deficiency) of Revenues over Expenditures	2,453	1,441	(3,578)	(1,864)	2,419	728	937	(295)	(3,746)	(4,338)
OTHER FINANCING SOURCES (USES)										
Sale of capital assets	-	-	28	3	4	-	5	3	15	28
Issuance of lease	-	-	-	320	94	-	-	-	-	-
Issuance of note	-	136	10,115	-	-	-	55	-	140	-
Issuance of bond	-	-	-	-	-	-	5,975	-	-	-
Issuance of bond premiums	-	-	-	-	-	-	669	-	-	-
Transfers in	282	261	261	1,417	1,742	1,282	1,282	1,457	1,897	1,532
Transfers out	(202)	(198)	(348)	(1,410)	(1,735)	(1,257)	(1,257)	(1,287)	(2,216)	(1,362)
Total Other Financing Sources (Uses)	80	199	10,056	330	105	25	6,729	173	(164)	198
Net change in fund balances	\$ 2,533	\$ 1,640	\$ 6,478	\$ (1,534)	\$ 2,524	\$ 753	\$ 7,666	\$ (122)	\$ (3,910)	\$ (4,140)
Debt service as a percentage of noncapital expenditures	7.2%	7.4%	10.3%	13.4%	10.1%	8.8%	8.5%	11.2%	9.7%	8.8%

CITY OF SANDY, OREGON

ASSESSED VALUES AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Fiscal Year Ended June 30,	Real Property	Manufactured Structure	Personal Property	Public Utility	Total Assessed Value
2024	\$ 1,234,359,241	\$ 5,683,499	\$ 32,254,308	\$ 42,947,781	\$ 1,315,244,829
2023	1,127,592,209	5,482,716	28,420,280	38,448,100	1,199,943,305
2022	1,069,257,898	5,350,782	27,049,539	34,551,500	1,136,209,719
2021	1,013,948,881	5,106,266	23,508,902	33,619,000	1,076,183,049
2020	954,934,447	4,818,623	22,139,048	26,786,200	1,008,678,318
2019	903,116,423	4,773,690	20,398,973	24,575,400	952,864,486
2018	857,082,927	4,497,275	19,402,085	28,696,572	909,678,859
2017	813,445,713	3,936,785	18,402,810	27,632,300	863,417,608
2016	771,821,532	3,580,913	17,849,834	24,394,900	817,647,179
2015	733,190,302	3,350,268	19,136,695	22,033,200	777,710,465

Fiscal Year Ended June 30,	Less Urban Renewal Excess	Value to Compute Tax Rate	Total Direct Tax Rate (per \$1,000 of Assessed Valuation)	Total M5 Value	Taxable Assessed Value As a Percentage of Estimated Actual Value
2024	\$ 116,622,625	\$ 1,198,622,204	\$ 5.2604	\$ 2,428,481,958	49.36%
2023	114,108,967	1,085,834,338	5.3041	2,294,088,502	47.33%
2022	124,199,866	1,012,009,853	5.4849	1,959,296,578	51.65%
2021	116,017,035	960,166,014	5.4692	1,745,671,888	55.00%
2020	109,895,756	898,782,562	5.5208	1,624,994,208	55.31%
2019	104,024,571	848,839,915	5.5260	1,469,956,872	57.75%
2018	97,517,601	812,161,258	5.5101	1,314,771,126	61.77%
2017	89,830,142	773,587,466	5.4849	1,167,454,337	66.26%
2016	87,184,331	730,462,848	5.5444	1,032,175,837	70.77%
2015	83,248,892	694,461,573	5.5588	931,218,558	74.58%

Source: Clackamas County Assessor's Office

CITY OF SANDY, OREGON

PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
 LAST TEN FISCAL YEARS
 (per \$1,000 of assessed value)

Fiscal Year Ended June 30,	General Fund	Urban Renewal	City Total	Port of Portland	Clackamas County	Clackamas County Urban Renewal
2024	\$ 3.7373	\$ 1.5231	\$ 5.2604	\$ 0.0633	\$ 3.0791	\$ 0.0076
2023	3.7239	1.5802	5.3041	0.0631	3.0699	0.0071
2022	3.6654	1.8195	5.4849	0.0622	2.9152	0.0061
2021	3.6716	1.7976	5.4692	0.0623	2.9197	0.0058
2020	3.6669	1.8539	5.5208	0.0622	2.9149	0.0056
2019	3.6660	1.8600	5.5260	0.0622	2.9173	0.0055
2018	3.6741	1.8360	5.5101	0.0623	2.9249	0.0051
2017	3.6871	1.7978	5.4849	0.0626	2.8192	0.0047
2016	3.6765	1.8679	5.5444	0.0623	2.8101	0.0039
2015	3.6747	1.8841	5.5588	0.0623	2.8090	0.0034

Fiscal Year Ended June 30,	Oregon Trail School District No. 46	Mt. Hood Community College	Clackamas County ESD	Vector Control	Fire District No. 72	Total Direct & Overlapping Rates
2024	\$ 5.7800	\$ 0.4466	\$ 0.3323	\$ 0.0310	\$ 1.9770	\$ 16.9773
2023	5.7891	0.4450	0.3313	0.0309	1.9699	17.0104
2022	5.7150	0.4380	0.3263	0.0308	1.9389	16.9174
2021	5.7567	0.4387	0.3270	0.0308	1.9427	16.9529
2020	6.0555	0.4382	0.3267	0.0308	1.9402	17.2949
2019	6.0690	0.4381	0.3266	0.0308	1.9397	17.3152
2018	6.1596	0.4390	0.3275	0.0309	1.9440	17.4034
2017	6.1863	0.4406	0.3288	0.0309	1.9509	17.3089
2016	6.1643	0.4382	0.3272	0.0308	1.9404	17.3216
2015	6.2070	0.4380	0.3272	0.0281	1.9394	17.3732

Source: Clackamas County Assessor's Office

CITY OF SANDY, OREGON

PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND NINE YEARS AGO

Taxpayer	2024			2015		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Fred Meyer Stores Inc	\$ 21,505,515	1	1.8%	\$ 18,209,914	1	2.6%
Sandy Place Apartments	14,831,198	2	1.2%			
Portland General Elec Co	12,871,000	3	1.1%	7,637,000	5	1.1%
ACS Sandy Marketplace	12,610,601	4	1.1%	10,028,375	2	
Sandy Safeway Center LLC	11,476,684	5	1.0%	7,707,237	4	1.1%
JJHO LLC	10,236,746	6	0.9%	9,351,461	3	1.3%
NW Natural Gas Co	9,850,000	7	0.8%			
Sandy Multi LLC	7,964,153	8	0.7%			
Comcast Corporation	7,569,011	9	0.6%			
Colony Northstar Inc	7,415,212	10	0.6%			0.0%
Mountain West Retirement Corp.				5,853,638	6	0.8%
Cascade Crest Apartments LLC				5,805,028	7	0.8%
PLR Properties LLC				5,520,127	8	0.8%
Ventas Inc				5,501,622	9	0.8%
Wave Division Holdings LLC				5,160,800	10	0.7%
Subtotal	116,330,120		9.7%	80,775,202		11.6%
All other taxpayers	1,082,292,084		90.3%	613,686,371		88.4%
Total	<u>\$1,198,622,204</u>		<u>100.0%</u>	<u>\$694,461,573</u>		<u>100.0%</u>

Source: Clackamas County Assessor's Office

CITY OF SANDY, OREGON

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Total Tax Levy for Fiscal Year	Collected in First Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2024	\$ 6,636,609	\$ 6,322,203	95.26%	\$ -	\$ 6,322,203	95.26%
2023	6,375,335	6,103,131	95.73%	35,118	6,138,249	96.28%
2022	6,228,326	5,921,801	95.08%	85,460	6,007,261	96.45%
2021	5,904,200	5,814,591	98.48%	74,141	5,888,732	99.74%
2020	5,568,556	5,321,433	95.56%	225,543	5,546,976	99.61%
2019	5,265,841	5,035,622	95.63%	218,655	5,254,277	99.78%
2018	5,012,256	4,772,432	95.22%	234,567	5,006,999	99.90%
2017	4,733,648	4,515,453	95.39%	216,562	4,732,015	99.97%
2016	4,540,854	4,318,289	95.10%	221,297	4,539,586	99.97%
2015	4,328,297	4,110,192	94.96%	217,071	4,327,263	99.98%

Source: Clackamas County Assessor's Office

CITY OF SANDY, OREGON

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total Outstanding Debt	Population	Per Capita
	Bonds Payable, net	Note Payable	Subscription Payable	Bonds Payable, net	Note Payable			
2024	\$ 11,530,763	\$ 567,667	\$ 71,540	\$ 7,925,691	\$ 25,749,790	\$ 45,845,451	13,159	\$ 3,484
2023	12,526,305	645,617	95,776	8,380,351	22,955,621	44,603,670	12,915	3,454
2022	13,499,406	571,255	-	8,805,011	14,630,122	37,505,794	12,769	2,937
2021	14,435,485	658,887	-	9,331,673	8,314,966	32,741,011	12,668	2,585
2020	8,475,391	728,469	-	7,836,102	8,292,292	25,332,254	11,075	2,287
2019	9,140,187	922,483	-	8,236,843	8,496,730	26,796,243	10,990	2,438
2018	497,866	10,324,931	-	8,583,137	8,815,231	28,221,165	10,855	2,600
2017	971,430	10,523,709	-	8,968,187	8,837,650	29,300,976	10,655	2,750
2016	1,419,788	1,121,375	-	9,103,043	9,174,600	20,818,806	10,395	2,003
2015	1,846,624	1,156,297	-	9,256,628	9,501,409	21,760,958	10,395	2,093

Source: Current and prior years' financials and Center of Population Research and Census at Portland State University

CITY OF SANDY, OREGON

**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Population	Total Taxable Assessed Value	General Bonded Debt, net	Percentage of Debt to Value of Property	Net General Bonded Debt per Capita
2024	13,159	\$ 1,198,622,204	\$ 11,530,763	1.0%	\$ 876
2023	12,915	1,085,834,338	12,526,305	1.2%	970
2022	12,769	1,012,009,853	13,499,406	1.3%	1,057
2021	12,668	960,166,014	14,435,485	1.5%	1,140
2020	11,075	898,782,562	8,475,391	0.9%	765
2019	10,990	848,839,915	9,140,187	1.1%	832
2018	10,855	812,161,258	497,866	0.1%	46
2017	10,655	773,587,466	971,430	0.1%	91
2016	10,395	730,462,848	1,419,788	0.2%	137
2015	10,395	694,461,573	1,846,624	0.3%	178

Source: Current and prior years' financials, Clackamas County Assessor's Office, and Center of Population Research and Census at Portland State University

CITY OF SANDY, OREGON

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
LAST TEN FISCAL YEARS**

Government Unit	Outstanding Gross Property Tax-Backed Debt	Percentage Applicable to City	Gross General Bonded Debt Outstanding
Clackamas County	\$ 100,575,000	2.0%	\$ 2,039,661
Mt. Hood Community College	96,230,000	3.7%	3,546,749
Clackamas ESD	26,603,764	2.1%	560,807
Clackamas RFPD 1	29,382,113	0.0%	3,115
Clackamas County SD 46 (Oregon Trail)	67,160,487	27.9%	18,709,300
Port of Portland	32,210,000	0.5%	159,697
Clackamas Soil & Water Conservation	5,035,000	2.0%	102,110
Subtotal, overlapping debt	357,196,364		25,121,439
City of Sandy, direct debt	12,169,970	100.0%	12,169,970
Total direct and overlapping debt	<u>\$ 369,366,334</u>		<u>\$ 37,291,409</u>

Source: Oregon State Treasury

CITY OF SANDY, OREGON

PLEGGED REVENUE COVERAGE
LAST THREE FISCAL YEARS

Fiscal Year Ended June	ODEQ Notes Payable - Construction					
	Sewer Net Revenues	Other Debt Service	Available Net Revenues	Debt Service		Debt Service Coverage
				Principal	Interest	
2024	\$ 916,479	\$ 165,080	\$ 751,399	\$ 177,227	\$ 4,579	4.13
2023	1,774,781	300,759	1,474,022	-	-	-
2022	1,407,822	2,237,657	(829,835)	-	-	-

Note: The ODEQ notes payable were first issued in the year ended June 30, 2022, with no debt service requirements scheduled before June 30, 2023. Further, there was not any debt outstanding in the previous nine years that was secured by pledged revenue.

CITY OF SANDY, OREGON
DEMOGRAPHICS AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Population ¹	Personal Income ²	Per Capita Personal Income ³	Unemployment Rate ⁴
2024	13,159	N/A	N/A	3.7%
2023	12,915	33,967,827	80,269	3.4%
2022	12,769	30,946,445	73,129	3.6%
2021	12,668	30,212,946	71,504	5.2%
2020	11,075	27,315,706	64,791	9.9%
2019	10,990	25,812,808	61,726	3.6%
2018	10,855	24,730,939	59,533	3.8%
2017	10,655	23,016,541	55,806	3.8%
2016	10,395	21,842,453	53,716	4.9%
2015	10,395	20,368,315	50,966	5.4%

Source:

¹ Center of Population Research and Census at Portland State University (City of Sandy, Oregon)

² Bureau of Economic Analysis (BEA) (Clackamas County, Oregon in thousands of dollars)

³ Bureau of Economic Analysis (BEA) (Clackamas County, Oregon)

⁴ Bureau of Labor Statistics (BLS) (Clackamas County, Oregon not seasonally adjusted)

N/A - Information not available.

CITY OF SANDY, OREGON
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	2024			2015		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Oregon Trail School District	351	1	12.5%	417	1	11.6%
Fred Meyer #663	213	2	7.6%	174	2	4.8%
Safeway	126	3	4.5%	51	9	1.4%
Mt. Hood Corporations, Inc.	113	4	4.0%	53	7	1.5%
STA of Oregon, Inc.	111	5	4.0%	80	3	
City of Sandy	103	6	3.7%	80	3	2.2%
Johnson RV	87	7	3.1%	68	5	1.9%
AntFarm, Inc.	78	8	2.8%			
Clackamas County Bank	58	9	2.1%			
Tollgate Inn, Inc.	56	10	2.0%			
AEC, Inc.				78	4	2.2%
Suburban Ford				57	6	1.6%
Avamere at Sandy				52	8	1.4%
Konnell Constrution & Demolition Corp.				48	10	1.3%
Total	1,296		46.3%	1,158		29.9%
Total City Employment	2,802			3,610		

Source: Business License Date, Oregon Trail School District

CITY OF SANDY, OREGON

FULL-TIME EQUIVALENT CITY GOVERNMENT BY FUNCTION
LAST TEN FISCAL YEARS

FUNCTION	2013-15	2015-17	2017-19	2019-21	2021-23	2023-25
Government activities:						
General Government	6.3	6.7	6.4	6.5	6.9	6.4
Public Safety						
Police						
Officers	14.0	16.0	16.0	16.0	16.0	16.0
Civilians	3.9	3.8	3.9	3.8	3.9	4.0
Economic Development	1.1	0.9	0.8	0.8	0.6	0.4
Planning & Development	3.9	4.6	4.5	5.1	5.3	5.5
Urban Renewal	0.7	0.6	0.5	0.6	1.2	1.1
Culture & Recreation						
Library	13.2	13.6	13.8	13.8	13.3	13.7
Recreation & Senior Center	6.4	6.0	6.0	5.9	8.3	6.8
Parks Maintenance	2.3	2.3	2.3	3.1	3.2	3.9
Highways & Streets	2.5	2.4	2.6	2.5	2.8	2.9
Public Transportation	1.8	1.8	2.8	2.8	2.8	2.8
Business-type activities:						
Water	2.4	2.5	2.8	2.7	2.9	5.3
Sewer	2.4	2.5	2.8	3.2	3.4	5.3
Stormwater	1.0	1.3	1.5	2.4	2.4	2.2
SandyNet	2.2	6.1	6.1	6.1	7.0	7.5
	<u>64.1</u>	<u>71.1</u>	<u>72.8</u>	<u>75.3</u>	<u>80.0</u>	<u>83.7</u>

Source: City Departments

CITY OF SANDY, OREGON

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
FUNCTION										
Governmental Activities										
Police										
Physical arrests	650	371	218	472	411	421	458	633	815	580
Parking violations	150	152	128	117	141	131	76	163	137	197
Traffic violations	1,011	1,664	405	710	1,217	1,193	754	726	1,463	1,311
Highways and streets										
Street resurfacing (SF)	73,972	296,631	-	-	-	1,039,752	-	-	386,344	349,030
Business-Type Activities										
Water										
Meter connections	3,637	3,729	3,779	3,850	3,900	3,998	4,021	4,076	4,128	4,179
Average estimated daily treatment (gallons)	930,000	1,190,000	1,200,000	1,135,000	956,000	1,177,000	1,306,000	1,265,000	1,225,000	1,151,280
Sewer										
Average estimated daily sewage treatment (gallons)	1,360,000	1,488,000	1,600,000	1,126,000	1,400,000	1,202,000	1,324,000	1,281,000	1,066,000	1,041,000

Source: City Departments

CITY OF SANDY, OREGON

CAPITAL ASSET STATISTICS
LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
FUNCTION										
Governmental Activities										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	14	14	14	14	14	14	14	14	14	14
Highways and streets										
Streets (miles)	36	36	36	36	36	37	37	43	45	45
Culture and recreation										
Parks acreage	172	172	172	212	212	212	212	287	287	287
Business-Type Activities										
Water										
Maximum daily capacity (gallons)	3,700,000	3,700,000	3,700,000	3,700,000	3,700,000	5,400,000	5,400,000	5,400,000	5,400,000	5,400,000
Sewer										
Maximum wet weather treatment capacity (gallons)	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000	1,850,000

Source: City Departments

CITY OF SANDY, OREGON

SANDYNET SERVICE CHARGES – RESIDENTIAL AND BUSINESS
LAST TEN FISCAL YEARS¹

Fiscal Year Ended June 30,	Installation	WiFi Service		Dedicated Wireless Service ²	WiFi Service	
		5 Mbps	10 Mbps		500 Mbps	1,000 Mbps
2024	\$ 100.00	\$ 39.95	\$ 49.95	\$ 78.00	\$ 44.95	\$ 59.95
2023	100.00	39.95	49.95	78.00	44.95	59.95
2022	100.00	39.95	49.95	78.00	44.95	59.95
2021	100.00	39.95	49.95	78.00	41.95	59.95
2020	100.00	39.95	49.95	78.00	41.95	59.95
2019	100.00	39.95	49.95	78.00	41.95	59.95
2018	100.00	39.95	49.95	78.00	39.95	59.95
2017	100.00	39.95	49.95	78.00	39.95	59.95
2016	100.00	39.95	49.95	78.00	39.95	59.95

¹ Information not available prior to FY 2016

² Customer also responsible for installation construction costs

Source: Utility Billing Software

CITY OF SANDY, OREGON

PRINCIPAL SANDYNET CUSTOMERS
CURRENT AND NINE YEARS AGO

Customer	Description	2024			2015		
		Annual Charges	Rank	Percentage of Total Charges	Annual Charges	Rank	Percentage of Total Charges
Clackamas County Bank	Financial Services	\$ 31,560	1	1.2%	Information for 2015 does not exist		
Government Camp Communications	ISP Customer	26,280	2	1.0%			
Sandy Place Apartments	Apartment Complex Wholesale	18,238	3	0.7%			
City of Sandy	Local Government	17,610	4	0.7%			
Stafford Oregon Hotel	Hotel	15,000	5	0.6%			
Foothill Apartments	Apartment Complex Wholesale	13,800	6	0.5%			
Jabez Properties	Commercial Complex	6,000	7	0.2%			
Vista Loop Apartments	Apartment Complex Wholesale	5,184	8	0.2%			
LINK Oregon	Communications	5,000	9	0.2%			
Mt. Hood Cleaners	Dry cleaning	4,800	10	0.2%			
Subtotal		143,472		5.6%			
All other customers		2,418,521		94.4%			
Total		\$ 2,561,993		100.0%			

Source: Utility Billing Software

COMPLIANCE SECTION



Your peace of mind is our passion.

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

Honorable Mayor and City Council
City of Sandy, Oregon

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Sandy, Oregon (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 13, 2024. 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.

Compliance

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 162-10-330 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 statement 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).

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 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*.

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

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 opinions 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. However, as communicated in the Schedule of Findings and Questioned Costs, we identified certain deficiencies that we consider to be material weaknesses and a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider certain deficiencies as communicated in the Schedule of Findings and Questioned Costs as items 2024-001 and 2024-002 to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider a certain deficiency as communicated in the Schedule of Findings and Questioned Costs as item 2024-003 to be a significant deficiency.

Purpose of This Report

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

Talbot, Kowala & Warwick LLP

Portland, Oregon
December 13, 2024