

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2025



CITY OF
GRESHAM
OREGON

CITY OF GRESHAM, OREGON

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2025

Prepared by
Budget and Finance Department

CITY OF
GRESHAM
GOING BEYOND

City Of Gresham, Oregon
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2025

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CITY OF
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December 19, 2025

To Mayor Travis Stovall, Council Members, and the Citizens of Gresham:

The Department of Budget and Finance is pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Gresham, Oregon for the fiscal year ended June 30, 2025. The report is published in accordance with Oregon Revised Statutes which require all municipal corporations to publish audited financial statements within six months after the close of the fiscal year.

The ACFR includes information on the financial condition and operations of the City, and management is responsible for the contents. Our assertions are based upon a comprehensive framework of internal control that provides reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The certified public accounting firm Baker Tilly US, LLP performed an audit of the basic financial statements and other information using generally accepted auditing standards and governmental auditing standards. Their unmodified opinion on the basic financial statements is located in the front of the financial section of the ACFR.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. It provides additional information to this letter and this letter should be read in conjunction with it.

CITY PROFILE

The City of Gresham is located in northwestern Oregon, in the eastern part of the Portland metropolitan area, in Multnomah County. It is comprised of approximately 23.3 square miles reaching north to the Columbia River and south to the county line. With an estimated population of 115,739, Gresham is the fourth largest city in Oregon. Major manufacturing industries include aircraft frames, integrated circuits for the microelectronics industry, industrial equipment and food processing.

Gresham was incorporated in 1905. It is a “home rule city” operating under a city charter adopted in 1978 and last amended in 2024. The City Charter and City Code are consistent with the Oregon constitution and statutes. The Council-Manager form of government is vested in an elected seven-member City Council, which includes the Mayor. The Mayor and Council members provide community leadership and develop policies to guide the City by setting goals, passing ordinances and adopting resolutions, appointing advisory committees, authorizing contracts, adopting budgets, and hiring and overseeing the work of the City Manager and City Attorney.

The City Manager is the administrative head of the City and is responsible for ensuring that Council policies are implemented using appropriated resources to achieve desired service results in the community. The City Manager also oversees the day-to-day operations of the City. The City Attorney provides legal advice to the Council and staff and defends the City in litigation.

The City provides a full range of services which are delivered by thirteen departments: Police, Fire, Community Livability, Economic & Development Services, Urban Renewal, Urban Design & Planning, Environmental Services, Parks Recreation & Youth Services, Budget & Finance, Information Technology, Citywide Services, City Manager's Office and City Attorney's Office. The functions of each department are outlined in an organization chart in the Introductory Section.

Budget Process. The City's annual budget is prepared in accordance with the provisions of Oregon Local Budget Law. Under the applicable provisions, there must be public participation in the budget process, and the adopted budget must be balanced. The City Council must adopt the budget no later than June 30. The annual budget serves as the foundation for the City's financial planning and control.

Budgetary Control. The City maintains ongoing budgetary control throughout the year using its financial management system. Budgetary control (expenditures cannot legally exceed appropriated amounts) is established at the department level within each fund. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end.

Component Unit. The Gresham Redevelopment Commission, which also serves as the Gresham City Council, is the duly authorized and acting urban renewal agency of the City. On November 4, 2003, Gresham voters approved the formation of the Rockwood-West Gresham Urban Renewal Area. The Commission undertakes projects and activities in the 1,211-acre area pursuant to the Rockwood-West Gresham Renewal Plan. In May 2022, voters approved extending the Area until 2029, providing six additional years for projects. The Commission is a blended component unit of the City and is therefore an integral part of the reporting entity.

Factors Impacting the City's Financial Condition

The Mayor and City Council have firmly established the City's commitment to progressive and responsive government. Under their direction the City continues to emphasize efficient delivery of prioritized services and planning for a higher standard of living for residents. The continued mixed performance of economic factors at the national and regional levels remains a challenge for the City as it works to maintain a sound financial condition to meet the service needs of the community.

Local Economy. The local economy has rebounded from the worst of the pandemic impact. However, labor shortages and inflation are working to temper growth. In addition to being a concern for local economic growth, inflationary increases impact the City directly, as many City contracts, including labor union contracts, have built in inflation adjustments. Inflationary growth has been slowing over the last year. The CPI-W, rose 2.9% over the first six months of calendar year 2024 while the twelve-month CPI-W was 2.4% as of October 2024.

Gresham has continued expanded programming, technical support, and outreach services in our Small Business Center, and continues to focus on a rapid response team and expedited review timelines to support recruitment of mid-to-large commercial projects. These and similar projects target City Council priorities to ensure quality design, develop the City's three town centers; Central Rockwood, Civic Neighborhood, and Downtown, and to make Gresham the easiest and most attractive place in the region to start and grow any size business.

Employment growth continues to remain modest. The Oregon unemployment rate was at 4.1% as of November 2024 and remained steady over 2024 calendar year hovering around 4%. The continuing tightness in labor markets may hamper future job gains.

Market conditions over the last year have slowed the real estate market and new construction. This trend is expected to continue in the short term.

The Oregon constitution establishes a limit of 3 percent annual increase in the taxable assessed value of existing property, the primary funding source for local government. A strong construction environment coupled with new properties being added to the tax rolls have contributed to increases in property tax revenue; this along with the upcoming expiration of significant Enterprise Zone abatements will continue to enhance property tax

revenue. Future revenue growth potential is being tracked closely as trends related to the construction industry are analyzed.

The 2025/26 budget continues a strategy of cost containment and revenue enhancement combined with maximizing innovative and ambitious strategies for quality service.

Long-term Financial Planning. The city is committed to updating and maintaining its long-term financial forecasts on a regular basis to provide relevant financial information and long-term planning tools for the variety of business functions that the city performs, and range in length from 5 to 20 years depending on the business function. These plans are designed to provide enhanced fiscal sustainability for each program as well as throughout the city.

State-wide property tax limitation measures enacted in the 1990's continue to have a negative impact on the General Fund balance. Over the last 5-10 years, deficits have been forecast in multiple programs. In part, this acted as a catalyst for city leadership to take action to address the financial challenges of the city through cost containment, strategic service reductions, and economic development efforts, in response to the limited property tax revenue. To this end, the City continues to have a strong presence in discussions regarding property taxes at the state legislative level and has provided information and presentations around the state.

The City has also taken actions to increase revenues in areas other than property taxes. The City increased and/or modified utility license fees, most recently in 2020, to provide additional revenues to the General Fund. In October 2020, Council also approved a temporary increase to the Police, Fire and Parks Fee, which is charged to household, business and industrial customers to supplement public safety and parks funding. The temporary increase of \$7.50 per month generates \$4.0 million per year. Council action taken during fiscal year 2024 removed the sunset of this increase, allowing the City to align financial sustainability long term planning efforts with a strategic planning process led by City Council. To this end, in September 2022, Council adopted a Financial Road Map that provides a three-year plan for General Fund resources which included a local option levy to be proposed to voters to support Fire and Police services. The Gresham voters passed the Local Option Levy in May 2024. The first revenue from the Levy was received in November 2024.

Actions to sustain funding for services outside of the General Fund have also been implemented. In September 2021, Council approved a five-year utility rate package to support infrastructure development, maintenance and operations. Building, rental inspection and development related fees have also updated in recent years to address inflationary cost increases. Additional revenue changes in the coming year are discussed in Management's Discussion and Analysis with information about the City's financial condition and the next year's budget and rates.

Financial Policies. The City has a series of financial policies detailed each year in the adopted budget, which encompass a range of topics including financial planning and budgeting, economic development, reserves, capital, debt, revenue sources, grants, procurement and accounting. Investing and portfolio management policies are contained in the City's Investment Policy, also adopted annually by Council.

The City's Investment Policy defines eligible types of securities and transactions with the following objectives: preservation of capital and protection of investment principal, sufficient liquidity to meet operating needs, diversification to avoid risks regarding security types or individual financial institutions, and maximization of risk-optimized portfolio return throughout economic and fiscal cycles. Careful adherence to policy has protected the City's investments from volatility in the market particularly in the past several years. Overall, the City's investment portfolio continues to outperform the benchmarks established in the policy and comparable jurisdictions on a risk adjusted basis.

Major Initiatives. The Mayor and Council's commitment to responsive and efficient service delivery is evidenced in the Gresham Strategic Plan. For the first time in many years the City adopted a long-term strategic plan. The strategic plan, adopted in August of 2022, highlights five critical priorities: financial sustainability, community safety, thriving economy, housing for all, and community vibrancy. The strategic plan is used to craft annual action plans. The 2025 Action Plan gives each critical priority a list of projects or actions.

Significant projects in the 2025 Action Plan include items for each of the critical priorities identified in the strategic plan. Financial sustainability projects are aligned with objectives to implement a financial road map that supports budget needs long-term, responsible care of City resources, and the goals of the strategic plan. Community safety objectives include exploring creative ways to supply community safety that maintain core service levels, developing a public safety relationship with the community to build rapport and trust, improve livability and increase the community's sense of safety and security, and enhance safety around the City's public infrastructure. Thriving economy objectives include promoting economic growth by supporting business owners, creating partnerships, and developing a strong local workforce. Housing for all objectives include promoting and supporting housing development that is affordable to the Gresham community across all housing types and providing resources to those experiencing homelessness or housing insecurity through collaboration and partnership with other government agencies, nonprofits, and the private sector. Community vibrancy objectives include supporting and increasing a mix of recreational, arts, and cultural programming for youth and adults to foster community well-being for everyone.

AWARDS AND ACKNOWLEDGEMENTS

Awards. For the 45th consecutive year, the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Gresham for its Annual Comprehensive Financial Report (ACFR) for the Fiscal Year Ended June 30, 2024. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR that satisfies both generally accepted accounting principles and applicable legal requirements.

We believe this ACFR meets the Certificate of Achievement Program's requirements and are submitting it to the GFOA for review.

Acknowledgements. The preparation of the annual comprehensive financial report was made possible by the staff of the Finance and Accounting Services division with assistance and collaboration from the Budget and Financial Planning division. Trang Nguyen, Alyona Sultanova, Alexis Zmitrovich, Terryl Aguon, Tana Oman, Orion Jarrell, Bill Eggert and Susan Brown deserve special recognition for their work. All of the staff of the Budget & Finance Department has our sincere appreciation for their assistance and contributions to the completion of the report.

Without the leadership and support of the City Council, preparation of the report would not have been possible.

Respectfully submitted,



Elizabeth McCann
Budget and Finance Director

CITY OF
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City of Gresham, Oregon
Gresham City Hall
1333 NW Eastman Parkway
Gresham, Oregon 97030
GreshamOregon.gov

Mayor and City Council

	Name	Position	Term Expires
Mayor:	Travis Stovall Travis.Stovall@GreshamOregon.gov		December 2026
Councilors:	Kayla Brown Kayla.Brown@GreshamOregon.gov	1	December 2028
	Eddy Morales Eddy.Morales@GreshamOregon.gov	2	December 2026
	Cathy Keathley Cathy.Keathley@GreshamOregon.gov	3	December 2028
	Jerry Hinton Jerry.Hinton@GreshamOregon.gov	4	December 2026
	Sue Piazza Sue.Piazza@GreshamOregon.gov	5	December 2028
	Janine Gladfelter Janine.Gladfelter@GreshamOregon.gov	6	December 2026

Principal Officials:

Eric Schmidt, City Manager
Larry Morgan, Assistant City Manager
Vacant, Assistant City Manager
Ashley Miller, Urban Design & Planning Director
Jose Rodriguez, Information Technology Director
Derik Minard, Fire Chief
Elizabeth McCann, Director of Budget & Finance
Kendra Larsen, Human Resources Director
Ellen Van Riper, City Attorney
Travis Gullberg, Police Chief
Justin Douglas, Economic Development Director

Officials noted are as of June 30, 2025.

The Mayor, City Council, and Principal Officials can be reached at the City Hall address above.



Councilor Janine Gladfelter



Mayor Travis Stovall



Councilor Eddy Morales



Councilor Cathy Keathley

Gresham's Leadership



Councilor Jerry Hinton



Councilor Kayla Brown



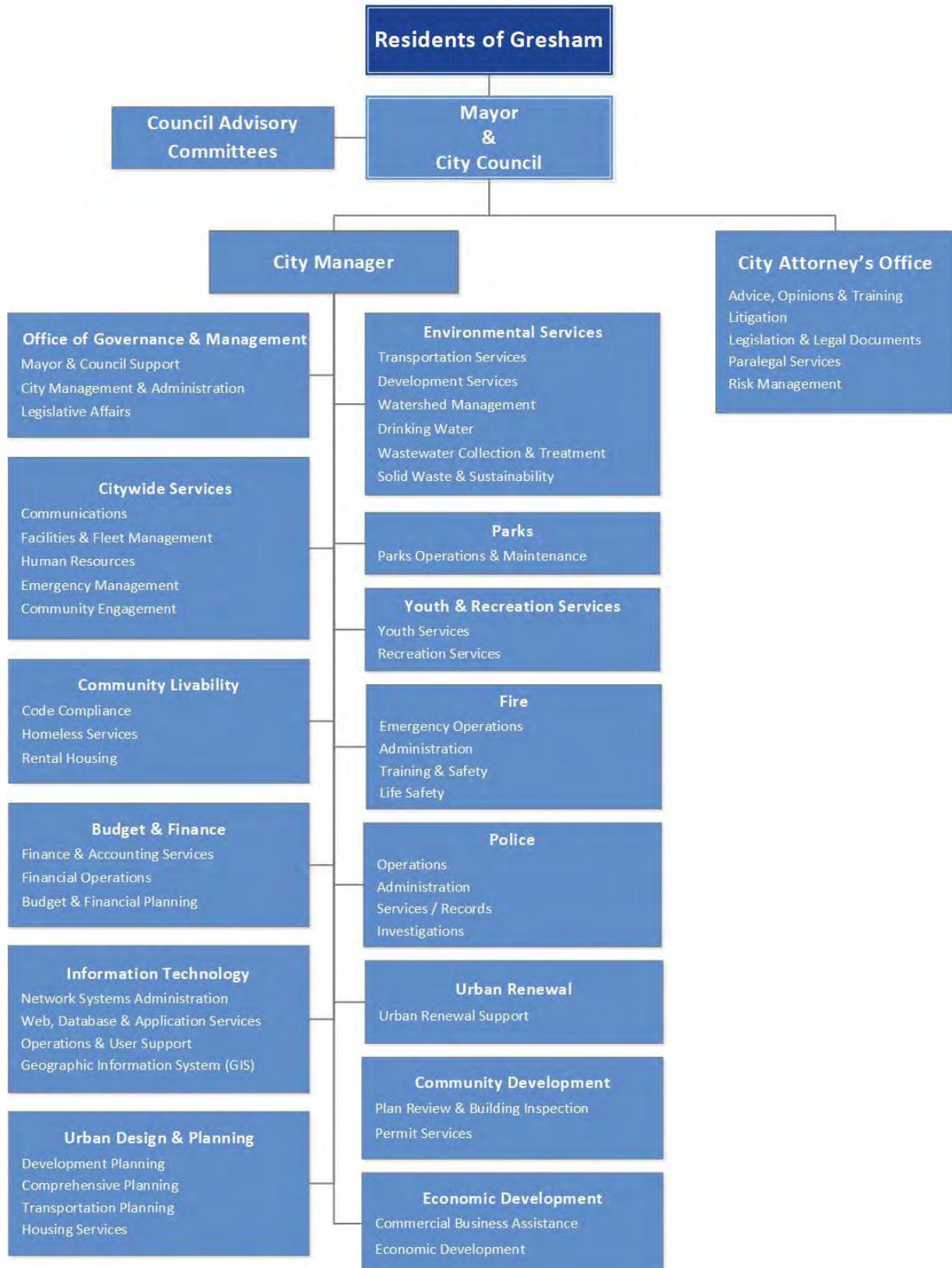
Councilor Sue Piazza



City Manager Eric Schmidt

City of Gresham, Oregon Departments and Programs

Year Ended June 30, 2025





Government Finance Officers Association

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

Presented to

**City of Gresham
Oregon**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Monell

Executive Director/CEO

CITY OF
GRESHAM
GOING BEYOND

Report of Independent Auditors

To the Honorable Mayor and Members of the City Council
City of Gresham, 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 Gresham, Oregon (the City) as of and for the year ended June 30, 2025, 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 of Gresham, Oregon as of June 30, 2025, 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

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.

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 judgment 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 Management's Discussion and Analysis, the Schedules of Revenues, Expenditures and Changes in Fund Balances – budget and actual of the General Fund, Designated Purpose Fund, System Development Charges Fund, and the Transportation Fund, (collectively, the budgetary schedules); the Schedule of the Changes in the City's Total OPEB Liability and Related Ratios Implicit Rate Subsidy Plan; the Schedule of the City's Proportionate Share of the Net OPEB Liability (Asset) – Oregon Public Employee's Retirement System, Retirement Health Insurance Account; the Schedule of the City's Contributions – Oregon Public Employee's Retirement System; and the Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) – Oregon Public Employee's Retirement System, 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 Management's Discussion and Analysis, the Schedule of the Changes in the City's Total OPEB Liability and Related Ratios Implicit Rate Subsidy Plan; the Schedule of the City's Proportionate Share of the Net OPEB Liability (Asset) – Oregon Public Employee's Retirement System, Retirement Health Insurance Account; the Schedule of the City's Contributions – Oregon Public Employee's Retirement System; and the Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) – Oregon Public Employee's Retirement System 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.

The budgetary schedules, as listed in the table of contents under required supplementary information, are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Gresham, Oregon's basic financial statements. The accompanying combining and individual fund statements and schedules and schedules of revenues, expenditures, and changes in fund balances - budget and actual, as listed in the table of contents under supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund statements and schedules and schedules of revenues, expenditures, and changes in fund balances - budget and actual 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, statistical, and continuing disclosure sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2025, 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.

Other Reporting Required by *Minimum Standards for Audits of Oregon Municipal Corporations*

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have issued our report dated December 19, 2025, 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 162-010-0000 through 162-010-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*. 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.



Ashley Osten, Principal, for
Baker Tilly US, LLP
Portland, Oregon
December 19, 2025

CITY OF GRESHAM, OREGON

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

As the financial management of the City of Gresham, Oregon we offer readers this narrative overview and analysis of the City's financial activities during the fiscal year. It focuses on the year's financial activities, significant changes in the City's financial position, deviations from the approved budget, and individual fund issues.

The Management's Discussion and Analysis (MD&A) should be read in conjunction with the information provided in the Letter of Transmittal and the Basic Financial Statements included in the Annual Comprehensive Financial Report (ACFR).

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$1,187.2 million (net position). Of this amount, \$145.3 million in unrestricted net position (primarily intended for utility infrastructure replacement) may be used to meet the City's ongoing obligations to citizens and creditors.
- On a government-wide basis, the City's deferred outflows of resources increased by \$5.6 million primarily due to changes in pension differences recognized through actuarial studies of the pension system.
- On a government-wide basis, the City's total net position increased by \$72.6 million. Governmental activities showed an increase of \$46.4 million, primarily the result of increased permit and system development charges, property taxes, and investment earnings. Business-type activities net position increased by \$26.2 million comprised of an operating income of \$15.4 million, interest income and capital contributions.
- On a fund basis, the City's governmental funds reported combined ending fund balances of \$188.9 million, a \$30.5 million increase over the prior year primarily due to increased taxes, licenses and permits, charges for services and shared intergovernmental revenues while continuing to maintain service levels and contain costs.
- At year-end, the unassigned fund balance for the General Fund was \$51.1 million or 60.2% of General Fund operating expenditures during the year. The fund balance for the General Fund includes amounts due from other funds. The ratio is up from 50.8% in the prior year.
- Long term liabilities in the City increased by \$10.5 million primarily due to a draw on a WIFIA loan and increases in net pension liability, offset by debt repayments. Long term liability levels in the City decreased by \$5.7 million for governmental activities and increased by \$16.2 million for business-type activities. The net change is due to an increase in the actuarially calculated Net Pension Liability, WIFIA loan draw, and offset by regularly scheduled debt payments, compensated absences activity and OPEB liability decrease.

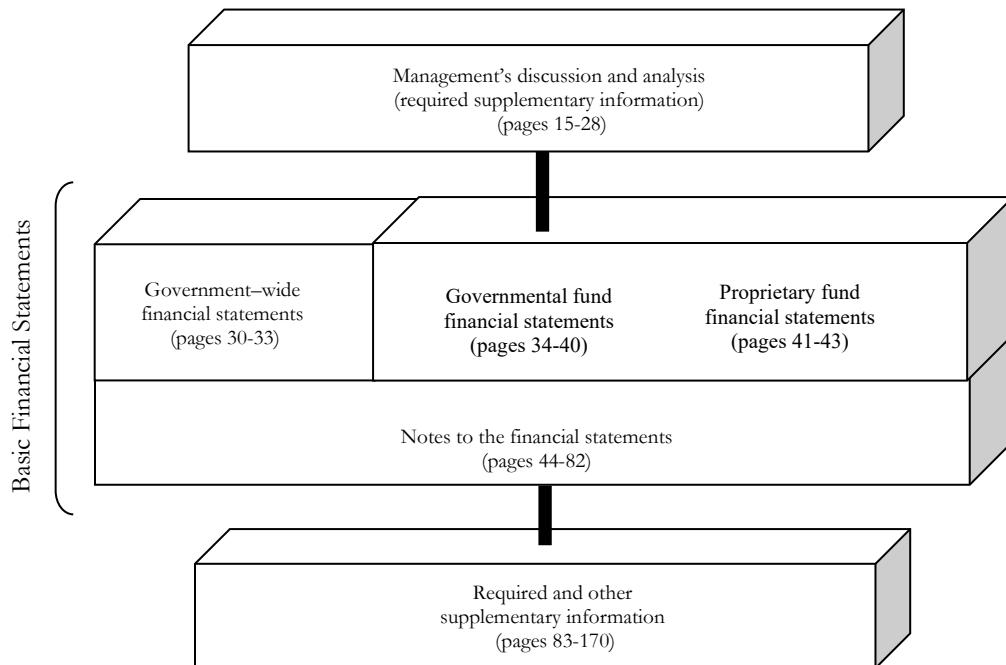
CITY OF GRESHAM, OREGON

OVERVIEW OF THE FINANCIAL STATEMENTS

Report Layout

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements are included within the financial section of the ACFR and are comprised of three components: 1) government-wide financial statements, 2) fund-based financial statements, and 3) notes to the financial statements. The financial section also contains supplementary information.

The graphic below is provided to help in understanding how the financial section is presented and to direct the reader to the pages where specific components can be found.



Government-wide Financial Statements

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

The statement of net position presents information on all of the City's assets, deferred outflows, deferred inflows, and liabilities, with the balance reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent 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 (for example, uncollected taxes and earned but unused compensated leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include General Government (administration and support services), Public Safety, Transportation, Urban Design and Planning, Economic Development and Housing Services,

Community Livability, Environmental Services (Solid Waste), Parks Operations, and Urban Renewal. The business-type activities include Water, Stormwater, and Wastewater.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities. The City, like other state and local governments, uses fund accounting to ensure compliance with finance-related legal requirements. All of the funds of the City are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of those 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 as governmental activities. By doing so, readers may better understand the long-term impact of the government's near-term funding decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City reports information separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Designated Purpose Fund, System Development Charges Fund, Transportation Fund, and GRDC Rockwood Debt Service Fund, all of which are considered major funds under Generally Accepted Accounting Principles. Data from the City's other governmental funds are aggregated into a column titled "Nonmajor Governmental Funds."

Proprietary funds are classified as enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Internal service funds are used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its facilities and fleet services, workers' compensation and liability reserves, health and dental reserves, equipment replacement reserves, legal services, and general management and administration.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for water, stormwater, and wastewater operations, all of which are accounted for as major funds. The internal service funds are aggregated into one column and presented in the proprietary fund financial statements.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. At this time the City does not have any fiduciary funds to report.

Notes to the Financial Statements and Supplementary Information

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. Combining statements and budgetary comparison schedules are presented for all governmental funds, enterprise funds, internal service funds, and fiduciary funds as supplementary information immediately following the notes to the financial statements.

CITY OF GRESHAM, OREGON

GOVERNMENT-WIDE FINANCIAL ANALYSIS

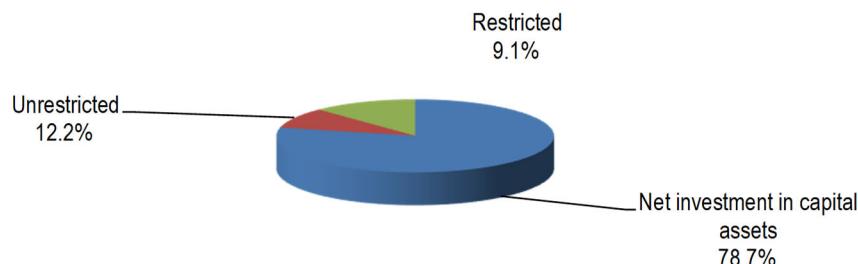
The following paragraphs provide an analysis of the City's overall financial position and results of operations. To reduce complexity, dollar amounts are presented in millions. Insignificant rounding difference may exist between amounts presented here and amounts presented in the financial statements.

Financial Position

As mentioned earlier, net position serves as a useful indicator of a government's financial position. The following table shows a summary of the statements of net position at fiscal year-end and for the previous year-end:

City of Gresham, Oregon Summary of the Statements of Net Position (in millions)						
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
ASSETS						
Current and other assets	\$ 265.5	\$ 239.7	\$ 184.7	\$ 178.8	\$ 450.2	\$ 418.5
Capital assets	673.9	656.1	349.7	312.7	1,023.6	968.8
Total assets	939.4	895.8	534.4	491.5	1,473.8	1,387.3
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflow related to pension/OPEB	56.8	51.2	10.5	10.5	67.3	61.7
LIABILITIES						
Current and other liabilities	41.7	43.8	21.8	19.8	63.5	63.6
Long-term liabilities	172.6	178.8	85.0	68.8	257.6	247.6
Total liabilities	214.3	222.6	106.8	88.6	321.1	311.2
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions/OPEB	26.3	15.3	6.5	8.0	32.8	23.3
NET POSITION						
Net investment in capital assets	651.5	629.0	281.9	273.8	933.4	902.8
Restricted	105.1	80.3	3.4	2.6	108.5	82.9
Unrestricted	(1.0)	(0.2)	146.3	129.0	145.3	128.8
Total net position	<u>\$ 755.6</u>	<u>\$ 709.1</u>	<u>\$ 431.6</u>	<u>\$ 405.4</u>	<u>\$ 1,187.2</u>	<u>\$ 1,114.5</u>

Net Position
June 30, 2025



The City ended the year with \$1,187.2 million in total net position. Approximately 78.7% of that amount reflects the City's investment in capital assets (land, infrastructure, buildings, improvements, machinery and equipment) less any related outstanding debt used to acquire those assets. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Another 9.1% of the City's net position is subject to external restrictions on how they may be used. This category includes

restrictions for the purchase and construction of growth-related infrastructure systems, transportation system construction and maintenance, utility systems rate stabilization and debt requirements, and building reviews and inspections. The remaining 12.2% of net position, referred to as unrestricted, may be used to meet ongoing obligations to citizens and creditors. Most of these funds are intended for longer-term utility system infrastructure replacement and maintenance.

During the fiscal year, the overall financial position of the City improved. This is primarily attributable to increases in capital assets with less related debt outstanding, as well as changes in pension related deferred inflows and outflows offsetting the increased pension liability. A more detailed analysis of both governmental and business-type net position follows.

Governmental Activities. Total net position of governmental activities increased 6.6% or \$46.4 million. Current and other assets (primarily cash and investments) increased by \$25.8 million. The increase in working capital is primarily a result of increased fund balances in multiple funds.

The City added \$37.3 million in governmental capital assets during the year. However, this was offset by depreciation of \$19.4 million of which, depreciation on infrastructure comprised \$13.6 million. The net effect to capital assets is an increase of \$17.8 million. See the notes to the financial statements for more detailed information on capital assets.

Current liabilities decreased by \$2.1 million primarily due to meeting grant expenditure requirements for the American Rescue Plan Act (ARPA) and recognizing \$9 million of previously unearned revenue. This was offset by changes in balances of accounts payable, deposits, accrued claims payable and other accrued liabilities. Long term liabilities decreased by \$6.2 million primarily due to scheduled debt payments and the net effect of the increase in net pension liability and decrease in compensated absences. See the notes to the financial statements for more detailed information on debt and pension liabilities.

Business-type Activities. Total net position of business-type activities increased 6.5% or \$26.2 million. Current and other assets increased by \$5.9 million. This change was primarily due to increased cash balances from normal revenue and population growth offset by a strategy of cost containment.

Business-type activities added \$49.4 million in capital assets. As discussed in the Capital Asset section, this investment was primarily for utility infrastructure with some equipment purchases. Depreciation on utility systems capital assets was \$12.3 million for the year. The net effect of capital asset activity was an increase of \$37.0 million and reflects business type activities adding new infrastructure in addition to replacement of existing depreciated infrastructure.

Long-term liabilities of business-type activities increased by a net \$16.2 million primarily due to a \$15 million draw on the WIFIA loan and changes in the net pension liability offset by a decrease in bonds and notes payable. The City made all scheduled debt service payments. Current and other liabilities increased by \$2 million primarily due to accounts payable balances related to infrastructure construction projects and timing of invoicing.

Results of Operations

In addition to the analysis of net position provided above, it is useful to analyze the financial operations that took place during the year. The following table provides a summary of the changes in the City's net position:

CITY OF GRESHAM, OREGON

City of Gresham, Oregon Summary of Changes in Net Position (in millions)

REVENUES	Business-type				Total	
	Governmental Activities		Activities			
	2025	2024	2025	2024	2025	2024
Program Revenues:						
Charges for services	\$ 57.8	\$ 45.5	\$ 67.9	\$ 67.2	\$ 125.7	\$ 112.7
Operating grants and contributions	29.4	22.4	0.2	-	29.6	22.4
Capital grants and contributions	9.5	8.7	3.1	9.0	12.6	17.7
General Revenues:						
Property taxes	58.3	43.8	-	-	58.3	43.8
Franchise and license fees	26.1	24.6	-	-	26.1	24.6
Business income taxes	10.7	9.4	-	-	10.7	9.4
Other taxes	1.9	2.0	-	-	1.9	2.0
Gain on sale of capital assets	0.1	0.2	0.2	-	0.3	0.2
Unrestricted grants and contributions	3.3	3.7	-	-	3.3	3.7
Unrestricted interest and investment earnings	13.9	10.5	9.6	7.5	23.5	18.0
Total revenues	211.0	170.8	81.0	83.7	292.0	254.5
EXPENSES						
General government	7.0	4.6	-	-	7.0	4.6
Public safety	92.0	89.2	-	-	92.0	89.2
Transportation	24.0	24.2	-	-	24.0	24.2
Urban design and planning	11.8	4.1	-	-	11.8	4.1
Community development	4.6	-	-	-	4.6	-
Youth & recreation services	3.6	-	-	-	3.6	-
Economic, development, & housing services	2.0	12.9	-	-	2.0	12.9
Parks operation	5.3	6.0	-	-	5.3	6.0
Environmental services	6.2	6.5	-	-	6.2	6.5
Community Livability	4.6	3.0	-	-	4.6	3.0
Urban renewal	2.7	4.5	-	-	2.7	4.5
Interest on long-term debt	1.1	1.4	-	-	1.1	1.4
Water	-	-	18.4	16.7	18.4	16.7
Stormwater	-	-	13.4	12.7	13.4	12.7
Wastewater	-	-	22.7	23.9	22.7	23.9
Total expenses	164.9	156.4	54.5	53.3	219.4	209.7
Excess (deficit) before transfers	46.1	14.4	26.5	30.4	72.6	44.8
Transfers, Net	0.3	-	(0.3)	-	-	-
Change in net position	46.4	14.4	26.2	30.4	72.6	44.8
Net position - beginning	709.2	694.8	405.4	375.0	1,114.5	1,069.7
Net position - ending	<u>\$ 755.6</u>	<u>\$ 709.2</u>	<u>\$ 431.6</u>	<u>\$ 405.4</u>	<u>\$ 1,187.1</u>	<u>\$ 1,114.5</u>

The City-wide net position increased by \$72.7 million as a result of activity and external factors. The impact of operations from governmental activities is much different from those of business-type activities due to the difference in funding mechanisms.

Governmental Activities. Net position of governmental activities increased by \$46.4 million as a result of operations. Revenues increased by \$40.2 million, primarily related to higher interest earnings, increased charges for services for permits and system development charges, higher property tax revenue from a successful public safety levy, and franchise fee growth. Expenses increased by \$8.4 million, with overall increases primarily in public safety. Fiscal year 2024 departments were reorganized going into fiscal year

MANAGEMENT'S DISCUSSION & ANALYSIS

2025. Economic, development and housing services, Parks, Urban design and planning and Community livability were all affected, while new departments for Community development and Youth & recreation services were recognized. The reorganization created many variances in departmental expenditures as programs and divisions changed departments between years.

Unrestricted net position decreased by \$800 thousand to a deficit of \$1 million while net position invested in capital assets increased by \$22.5 million.

Revenues of governmental activities are primarily tax based rather than fee based. The property tax structure in Oregon significantly limits this source of revenue for public safety activities. Gresham's permanent tax rate of \$3.61 per \$1,000 of assessed value is one of the lowest rates in Oregon for large cities. The taxable assessed value of existing properties is limited to 3% growth per year, irrespective of changes to real market value. New construction is valued near existing property rather than at real market value.

The relatively low permanent tax rate and valuation method for new construction have long been identified as structural challenges that significantly hinder the ability to meet basic services. The growth in taxable assessed value has remained consistently near the statutory 3% growth cap. Future property tax revenue growth will be dependent on growth in the fair market value of property. In May 2024 Gresham voters approved a five year public safety operating levy, assessed at \$1.35 per \$1,000 of assessed value. In 2025, overall property tax revenue increased by \$14.5 million or 33.1%.

Franchise and license fees increased 6.1% or \$1.5 million, with most of the increase coming from the electrical, solid waste and water utility license fees. Increases in underlying utility rates and use, as well as increased license rates resulted in these higher license fees.

Unrestricted interest and investment earnings increased by \$3.4 million over the prior year, a result of higher cash balances available for investment as well as a significantly improved rate environment.

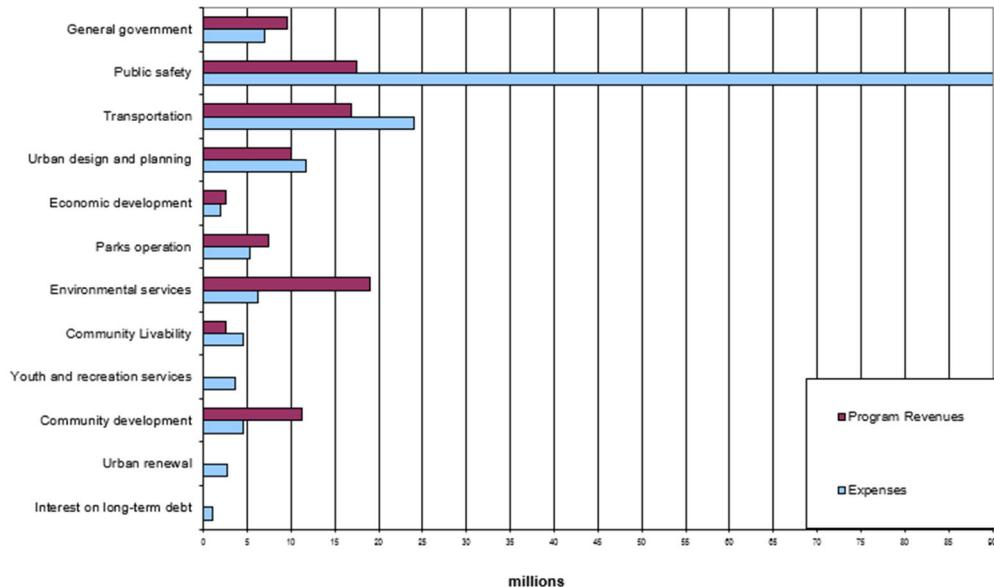
Transportation functions are largely funded by gas tax shared by the state. On January 1, 2011, the state gas tax was increased for the first time since 1991 (an increase of 6 cents per gallon to 30 cents per gallon). Gas tax revenue has been rising slowly since the tax increase, however, depreciation on transportation infrastructure continued to outpace available revenues resulting in a \$7.1 million net loss for Transportation. It should be noted that maintenance and future replacement costs of transportation assets are only partially reflected in annual depreciation. Capital assets are depreciated based on historical (original) cost; current maintenance and replacement costs are much higher.

Environmental services charges for services revenues include system development charges, which increased by 20.7% or \$1.8 million in 2025 as multiple subdivision single family homes have come online in the current year to meet the demands of the housing shortage, as well as some large commercial and multi-family projects. The increase continues to bring activity back in line with pre-pandemic patterns. In accordance with financial reporting requirements, resources from the collection of business-type system development charges are reported as governmental activities. During the year \$2.4 million of these resources were transferred to business-type activities for the construction of utility capital assets and debt service. New system development revenues from housing and commercial development were higher than expenses for infrastructure construction. As a result, net position restricted for system development increased by \$4.4 million.

The following graph shows the expenses of each governmental function compared to the program revenues generated specifically from its operations:

CITY OF GRESHAM, OREGON

FY 2025 Expenses and Program Revenues - Governmental Activities



General government support services (administrative, financial, legal, and management services) generate some external revenues, but are primarily funded from charges to the functions they support. The public safety function (Police, Fire and Emergency Services) generates program revenues as well, but property taxes, business income taxes, state shared revenues, and utility license fee revenues fund the majority of its costs. City policy requires that all general property taxes be used for public safety services. For the fiscal year, general property taxes accounted for 63% (up from 49% in 2024) of the total revenues needed to support public safety.

Transportation programs are funded with the City's share of gas tax revenues, intergovernmental revenues (primarily county gas taxes) and various other revenue sources such as grants and system development charges. When depreciation on capital assets is added to other operating expenses, costs far exceed program revenues. Capital grants and developer contributions (included in program revenues) added new capital assets that will need to be maintained by the City using existing resources.

Urban design and planning programs include building permits, code development, and housing services grants and assistance. Activities are funded with charges for development planning, inspection fees, and Federal Housing and Urban Development Department and other grants.

Community development functions primarily for building permit tracking and approval and generates funding from associated fees.

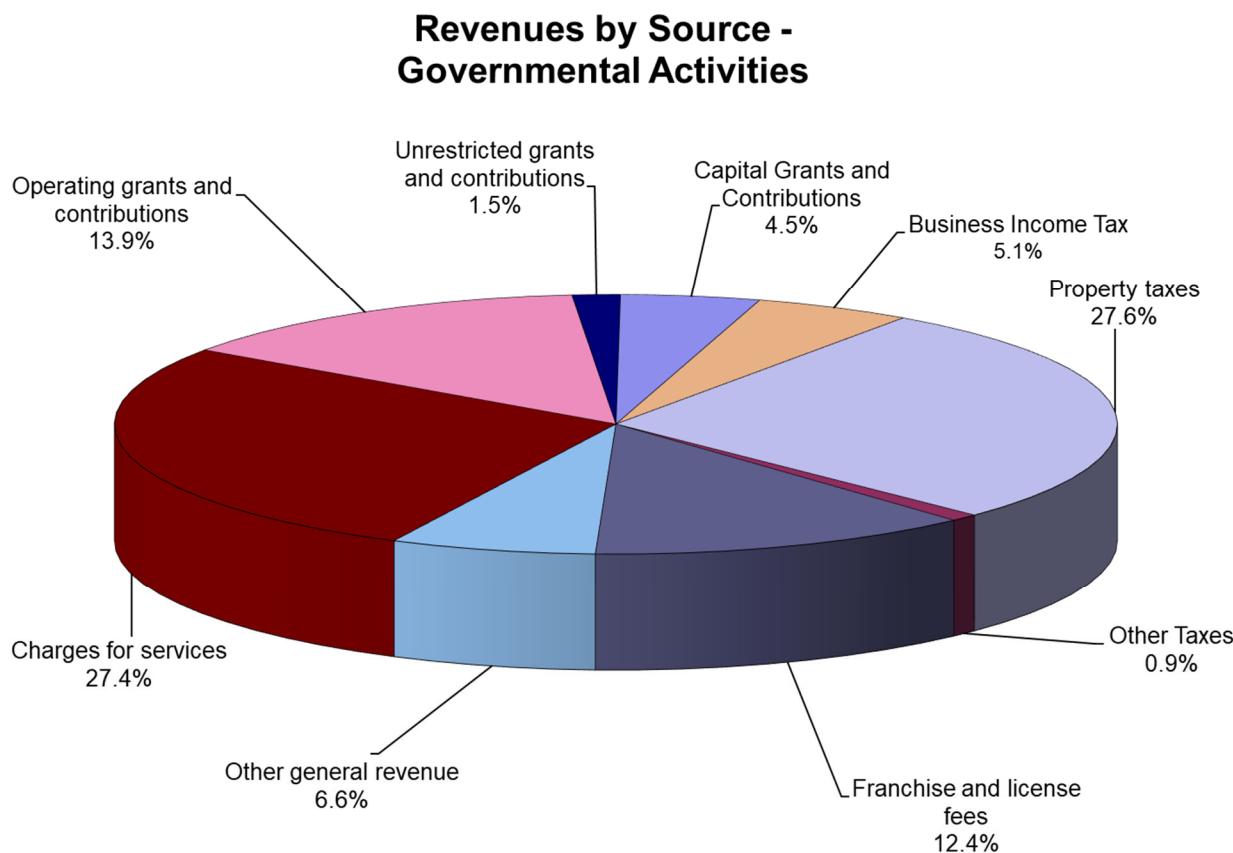
Community livability services functions include code compliance, homeless services, and mediation services. Activities are primarily funded with grant revenues and code compliance.

Economic development programs provide a variety of growth and development services for local businesses and generates funding through economic development zone charges.

Environmental services in governmental activities, which is primarily System Development Charges and the Solid Waste and Sustainability program receive the majority of support from service fees.

Parks operation is budgeted as a separate department. Maintenance and operations in parks operations is funded by general revenues and the per-household and commercial business Police Fire and Parks fee.

The graph below is a visual representation of the various sources of revenues used to support governmental activities:



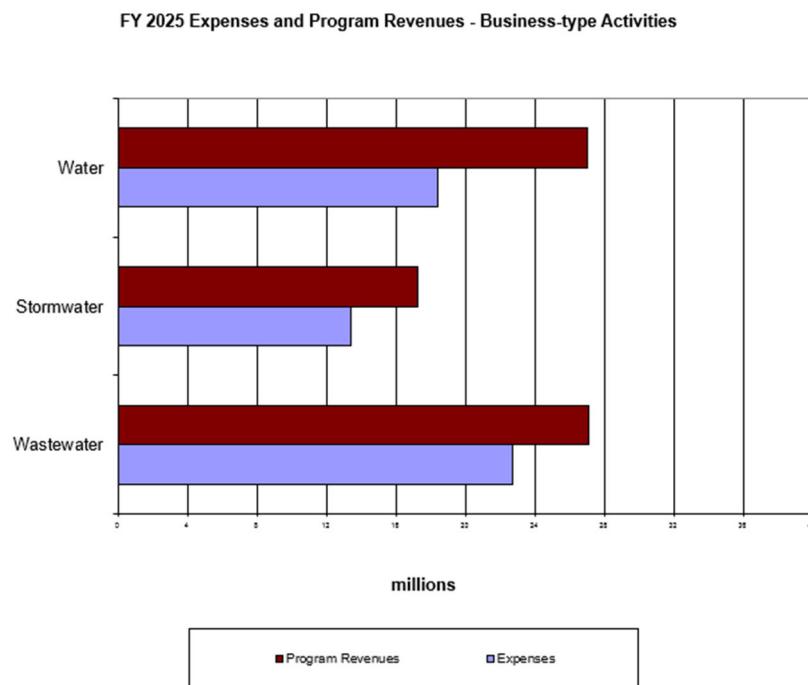
Business-type Activities. Net position for business-type activities increased by \$26.2 million during the fiscal year. Utility payments and service fees of \$68.1 million were higher than direct expenses for water, stormwater, and wastewater of \$54.5 million. Capital grants and contributions of \$3.1 million consist primarily of easements and developer contributed capital assets.

Business-type activities received \$2.4 million in transfers from system development charge resources reported as governmental activities. The funds were used for a variety of capacity increasing purposes and for the payment of debt.

Unrestricted investment earnings of \$9.6 million were recorded for business-type activities. The City has not relied on investment earnings to fund operations, however, earnings on reserves help fund future utility infrastructure projects.

CITY OF GRESHAM, OREGON

The following graph shows the expenses and program revenues generated by each business-type function:



Water, Stormwater, and Wastewater program revenues are the rates and charges received from the City's utility customers and are used for systems operation, maintenance, and system replacement. Additional program revenues include capital grants from private developers (constructed utility infrastructure to benefit specific developments) and grant funds from external agencies.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The following paragraphs analyze the City's *major* governmental and proprietary funds on an individual basis. The financial statements of governmental funds show more detail than related governmental activities and focus on near-term inflows, outflows, and ending balances of spendable resources. The statements of proprietary funds show detail for each utility included in business-type activities, with the same focus used in government-wide reporting.

At the end of the fiscal year, the combined fund balances for governmental funds was \$188.9 million, of which \$131.6 million (70%) was in the major funds. Fund balances of all governmental funds increased by \$30.5 million from the prior year. This is the net result of changes in a variety of funds including increases in taxes and shared intergovernmental revenues, purchase of capital assets, and the result of operations. Operations results reflect a focus on maintaining public trust with consistent service levels while containing costs.

The General Fund had an ending balance of \$51.1 million, an increase of \$7.0 million from prior year. Revenues increased by \$4.9 million while expenditures decreased by \$1.6 million. Total tax revenues in the

MANAGEMENT'S DISCUSSION & ANALYSIS

general fund increased by \$2.8 million or 5.9% from the prior year. Property tax receipts increased 5.1% or \$1.8 million. Business Income Tax (BIT) increased \$1.3 million or 13.9%. State-shared intergovernmental revenues had decreases in State revenue sharing and shared revenue for liquor, cigarette and marijuana taxes totaling \$402 thousand or 11.0%. Local transient lodging tax and marijuana sales tax decreased by \$338 thousand or 16.9%.

The Designated Purpose Fund had an ending balance of \$13.8 million, an increase of \$457 thousand over last year. Revenues increased \$10.9 million as expenditures increased \$7.6 million with transfer activity changes making up the balance. Increased activity is mostly from State grant revenues related to housing insecurity and gang outreach and intervention, and increased funding from the Metro Affordable Housing Bond program.

The System Development Charges Fund is statutorily required and accounts for transportation, park, water, stormwater, and wastewater system connection impact charges. The ending balance in this fund increased by \$4.4 million to \$29.8 million. About \$12.7 million in system development charges (SDC) and related interest were collected during the year while the fund transferred \$8.3 million to construction funds for infrastructure development. SDC charges increased primarily due to multiple subdivision single family homes coming online in the current year to meet the demands of the housing shortage. The increase continues to bring activity back in line with pre-pandemic patterns.

The Transportation Fund ending balance increased \$525 thousand. \$9.3 million in gas tax revenue was received during the year to provide for road maintenance, which is a \$311 thousand increase from the prior year. Gas tax revenue is determined by statewide fuel tax revenue collections. An intergovernmental agreement with Multnomah County for maintenance of roads provided \$4.9 million of revenue, an increase of \$0.2 million over the prior year. Transfers out of \$8.5 million included \$2.7 million provided to the Transportation Construction Fund for capital improvement projects and \$5.7 million related to debt service payments.

The GRDC - Rockwood Debt Service Fund had an ending balance of \$1.4 million. The Gresham Redevelopment Commission is a separate legal entity and is budgeted separately from the City under Oregon budget law. For financial reporting purposes, the GRDC's funds are blended with the City's. The City makes loans to the Area for development projects and is paid back through collection of tax increment. Property tax revenue remained constant at \$8.3 million in 2025.

Net position for the enterprise funds increased by \$26.2 million. The Water Fund, Stormwater Fund and Wastewater fund reported operating income of \$9.1 million, \$2.5 million and \$3.6 million respectively. The result of operations for the enterprise funds was net operating income of \$15.4 million. Changes in OPEB and pension funded status impact operating expenses in enterprise funds. Net position in utility funds is accumulated over time for replacement of infrastructure in addition to operations.

Combined transfers in for the utility funds were \$2.6 million, which were offset by transfers out of \$3.5 million. Transfers out consisted primarily of payments for central city services and permits while transfers in consisted of monies from the System Development Charges Fund. The transfer proceeds were used to acquire capital assets and repay outstanding debt, and so contributed significantly to the improved net positions of the funds.

Restrictions on the use of net position of proprietary funds are mostly related to the requirements of debt agreements. Since the resources are intended for use on the restricted purposes, the restrictions do not adversely affect the availability of fund resources for future use.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund budget for the fiscal year was designed to contain costs while meeting service level needs and increasing efficiency through targeted investments. There was one supplemental budget and other modifications during the year. City Council approval is required to make appropriation changes during the year.

Revenue in the General Fund exceeded budget by \$801 thousand due to collection of certain revenues over expectations, including property tax, utility license fees, interagency service agreements, and investment earnings, offset by business income tax revenue under budgeted amounts.

On the expenditure side, budget and actual differences for operating departments reflect a continued City-wide effort to maintain costs. Public safety expenses continue to be supplemented by the Police, Fire, and Parks fee, which ensures that service levels for these functions were maintained.

During the year, department staff continued focusing on lean operations by limiting materials and services expenditures. Expenditures in Police, Fire, Community Livability, Parks, and Economic, Development were kept under budget by \$4.0 million, \$0.5 thousand, \$366.2 thousand, \$274.3 thousand and \$324.2 thousand, respectively.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of year-end, the City had \$1.0 billion invested in a broad range of capital assets, including public safety vehicles and equipment, software, buildings, park facilities, land, easements, roads, bridges, and water, stormwater, and wastewater systems. This amount includes a net increase (including additions, deletions, and depreciation) of \$54.8 million from last year.

Governmental activities' capital assets increased by a net \$36.3 million before depreciation. This was primarily attributed to the work on street surfacing improvements, full pavement reconstruction on local streets, intersection improvements, pedestrian safety enhancements and improvement, development of Gradin Sports Park, as well as the purchase of a building. Additionally, developer contributions, right-of-way dedications, and replacement of aging equipment and vehicles comprised most of the remaining increase. Depreciation on government type assets was \$19.4 million.

Business-type activities' assets increased by a net \$47.9 million before depreciation. Capital improvement projects include: ongoing upsizing or replacement of aging utility infrastructure throughout the City, wastewater treatment plant projects for the refurbishment and replacement of aging equipment, gravity belt thickener refurbishment and disinfection improvements, overhead Johnson Creek crossing seismic upgrade, development and construction of groundwater system, along with local street reconstruction coordination project, as well as the replacement of Gabbert Hill pipelines, enhancing the capacity of the water lines, and re-construction of stormwater facilities and pipe systems, comprised most of the increase. Private developer contributions and replacement of aging machinery and equipment also contributed to the increase in assets. Depreciation on business-type assets was \$12.3 million.

Additional information on the City's capital assets can be found in the notes to the financial statements in the section titled Capital Assets.

Long-term Debt

City of Gresham, Oregon Outstanding Bonds and Notes Payable <i>(in millions)</i>						
	Governmental		Business-type		Total	
	Activities	Activities	Activities	Activities	2025	2024
Notes Payable & Other Long-term Debt	2025 \$ 25.3	2024 \$ 32.7	2025 \$ 9.0	2024 \$ 9.9	2025 \$ 34.3	2024 \$ 42.6
Revenue Bonds	-	-	56.5	41.5	56.5	41.5
Total	\$ 25.3	\$ 32.7	\$ 65.5	\$ 51.4	\$ 90.8	\$ 84.1

As of year-end, the City had \$90.8 million in bonds and notes outstanding. Of that amount, \$8.7 million is considered due within one year. Bonds and notes payable increased by \$6.7 million due to \$16.6 million in payments offset by \$23.3 million in new issuance.

Long term debt from governmental activities decreased by \$7.4 million. During the year, the City made all regularly scheduled payments.

Business-type activities debt increased by \$14.1 million due to a \$15 million issuance offset by regularly scheduled payments.

Detailed information on the City's long-term debt activity can be found in the notes to the financial statements in the section titled Long-term Liabilities.

The City's underlying bond ratings were unchanged during the year. The Aa2 rating from Moody's Investors Service reflect the strong financial underpinnings that support the City's Full Faith and Credit obligations. The City received a rating of AA- from Standard and Poors for a 2021 Water Revenue Bonds issuance.

FINANCIAL CONDITIONS AND NEXT YEAR'S BUDGETS AND RATES

- Due to the property tax and revenue structure, revenues are not projected to keep pace with the cost of providing the current levels of service in the City. Despite attempting to maximize the value of tax dollars, the widening gap between revenue and current-service-level expenses has caused the city to seek alternate revenue sources and make targeted investments in efficiencies.
- Property tax regulations set permanent rates for each jurisdiction in the State of Oregon as well as limit the growth of taxable assessed value to a maximum of 3% per year. Gresham's permanent rate is \$3.6129 per \$1,000 of tax assessed value, with an additional public safety operating levy approved by voters for \$1.35 per \$1,000 of tax assessed value. For fiscal year 2024/25 Gresham's total assessed value was \$11,301,877,560, a 5.1% increase from the previous year.
- The City continues to aggressively seek and use federal grants to supplement services and improve infrastructure. During the fiscal year the City spent \$19.8 million in federal program funds of which \$3.6 million of Department of Transportation grants were used for infrastructure. \$3.9 million of funding was received from HUD of which \$1.7 was passed through to sub-recipients. \$9.4 million was spent in Coronavirus State and Local Fiscal Recovery Funds from the Department of the Treasury. \$1.5 million

CITY OF GRESHAM, OREGON

is spending on projects to be funded by a Water Infrastructure Finance and Innovation (WIFIA) loan from the Environmental Protection Agency.

- The City regularly reviews utility rates and business fees to evaluate their effectiveness in supporting operating and capital needs. Following a five-year utility rate package approved in January 2017, the City approved an additional five-year utility rate schedule in October 2021, increasing rates in order to keep pace with inflationary expenses and end-of-life infrastructure replacements, with additional annual rate increases approved through January 1, 2027.
- Major capital projects budgeted for 2025-26 include: \$45.6 million for wastewater services including treatment plant upgrade of existing facilities and utilities such as control system improvements, upper plant nitrification improvement, belt press replacement, upper plant secondary clarifiers, collection system capacity improvement, ongoing systematic sanitary sewer pipeline rehabilitation, maintenance and expansion; \$50.6 million for water projects including replacement of aging waterlines throughout the city, development and construction of new wells and infrastructure and distribution pipelines for new groundwater system, Regner reservoir seismic piping and retrofitting, repair and replacement of water meters; \$48.1 million for various transportation, street and footpath related projects which will preserve existing infrastructure, increase roadway capacity, and enhance neighborhood livability, which includes street surfacing improvement for pavement preservations, various intersection improvements, enhancement of pedestrian and bicycle facilities on Division street Corridor, 162nd Avenue as well as NE Cleveland (Stark – Burnside), safety improvements on 181st Avenue (Stark – Burnside) which include adding streetlights, improving ADA accessibility and improved access and safety to local destinations, Gresham Fairview Trail completion to promote trail-related recreation; \$10.6 million for park projects including design and construction of additional softball or soccer fields at Gradin Sports Park, design and construction of park or trail improvements and amenities associated with Metro Local Share Park project, Main City Park playground improvements, \$16.0 million for stormwater projects including repair and new construction to replace deficient stormwater system to eliminate flooding and improve drainage, water quality tree wells project which will replace sidewalk with trees to infiltrate stormwater; and \$10.3 million for urban renewal projects such as continued construction of Catalyst site/Downtown Rockwood and Rockwood Urban Plaza, redevelopment of the POIC campus and various property acquisitions to attract new capital intensive industrial development, safety improvements for pedestrians between Yamhill and 182nd Ave, as well as preparation and planning for development/replacement of Fire Station 74.

REQUESTS FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. Questions about this report or requests for additional financial information should be addressed to the City of Gresham Budget and Finance Department, Finance and Accounting Services Division, 1333 NW Eastman Parkway, Gresham, Oregon 97030-3813

Basic Financial Statements

CITY OF
GRESHAM
GOING BEYOND

City of Gresham, Oregon
Statement of Net Position
June 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 246,813,069	\$ 161,727,089	\$ 408,540,158
Property taxes receivable	1,590,377	-	1,590,377
Receivables, net	20,383,346	11,004,281	31,387,627
Internal balances	(7,264,094)	7,264,094	-
Other assets	1,424,765	953,203	2,377,968
Net OPEB asset	1,726,892	-	1,726,892
Restricted cash and investments	813,260	3,758,992	4,572,252
Capital assets:			
Non-depreciable	512,552,373	106,842,063	619,394,436
Depreciable, net	161,336,605	242,889,993	404,226,598
Total assets	<u>939,376,593</u>	<u>534,439,715</u>	<u>1,473,816,308</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to pension	55,682,883	10,333,140	66,016,023
Related to OPEB	1,152,102	142,612	1,294,714
Total deferred outflows of resources	<u>56,834,985</u>	<u>10,475,752</u>	<u>67,310,737</u>
LIABILITIES			
Accounts payable	8,865,946	11,121,228	19,987,174
Deposits	2,686,277	1,272,285	3,958,562
Accrued interest payable	118,890	165,698	284,588
Accrued claims payable	6,575,731	-	6,575,731
Other accrued liabilities	2,194,454	85,946	2,280,400
Unearned revenue	11,877,427	8,000,000	19,877,427
Long-term liabilities:			
Due within one year			
Bonds and notes payable	7,796,090	1,134,514	8,930,604
Lease payable	344,152	-	344,152
SBITA payable	792,161	55,134	847,295
Total OPEB liability	525,000	-	525,000
Due in more than one year			
Bonds and notes payable	17,605,717	66,597,075	84,202,792
Lease payable	286,858	-	286,858
SBITA payable	1,353,091	58,308	1,411,399
Compensated absences	9,406,800	1,232,800	10,639,600
Net pension liability	136,300,175	16,656,589	152,956,764
Total OPEB liability	7,602,250	436,990	8,039,240
Total liabilities	<u>214,331,019</u>	<u>106,816,567</u>	<u>321,147,586</u>
DEFERRED INFLOWS OF RESOURCES			
Related to pension	24,073,252	6,028,361	30,101,613
Related to OPEB	2,249,989	476,651	2,726,640
Total deferred inflows of resources	<u>26,323,241</u>	<u>6,505,012</u>	<u>32,828,253</u>
NET POSITION			
Net investment in capital assets	651,450,911	281,887,028	933,337,939
Restricted for:			
Transportation system construction and maintenance	36,857,593	-	36,857,593
System development	29,780,302	-	29,780,302
Building development review and inspection	19,301,451	-	19,301,451
Utility and public facilities construction	-	2,479,492	2,479,492
Loan covenant requirement	-	7,214	7,214
Urban renewal	12,999,952	-	12,999,952
Local option levy	1,581,523	-	1,581,523
Law enforcement equipment	34,053	-	34,053
Other post employment benefits	1,695,752	-	1,695,752
Debt service	2,904,288	906,889	3,811,177
Unrestricted	<u>(1,048,507)</u>	<u>146,313,265</u>	<u>145,264,758</u>
Total net position	<u>\$ 755,557,318</u>	<u>\$ 431,593,888</u>	<u>\$ 1,187,151,206</u>

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

City of Gresham, Oregon
Statement of Activities
For the Fiscal Year Ended June 30, 2025

Functions	Direct Expenses	Indirect Expenses Allocation	Program Revenues		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:					
General government	\$ 55,633,874	\$ (48,668,355)	\$ 9,238,460	\$ 233,403	\$ -
Public safety	60,545,051	31,482,762	15,999,864	1,381,824	-
Urban renewal	2,679,632	-	46,421	-	-
Urban design and planning	7,680,725	4,059,325	1,470,849	8,548,628	-
Community development	3,131,015	1,482,558	11,195,803	-	-
Economic development	1,277,052	679,324	2,364,095	184,564	-
Community livability	3,015,767	1,617,846	2,556,767	62,728	-
Youth & recreation services	2,357,293	1,236,401	-	-	-
Parks	3,486,884	1,855,057	480,651	3,457,533	3,585,989
Environmental services	4,225,113	2,016,613	13,985,822	1,181,521	3,864,800
Transportation	19,739,451	4,238,469	464,759	14,330,540	2,041,544
Interest on long-term debt	1,088,204	-	-	-	-
Total governmental activities	164,860,061	-	57,803,491	29,380,741	9,492,333
Business-type activities:					
Water	18,293,605	-	25,912,258	1,188	915,851
Stormwater	13,403,467	-	15,816,759	105,387	1,322,098
Wastewater	22,705,063	-	26,125,951	103,574	825,790
Total business-type activities	54,402,135	-	67,854,968	210,149	3,063,739
Total government	\$ 219,262,196	\$ -	\$ 125,658,459	\$ 29,590,890	\$ 12,556,072

General Revenues:

Taxes:

Property taxes

Franchise and license fees

Business income taxes

Hotel and motel taxes

Other taxes

Unrestricted grants and contributions

Unrestricted interest and investment earnings

Gain on sale of capital assets

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

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

**Net (Expense) Revenue and
Changes in Net Position**

Governmental Activities	Business-type Activities	Total
\$ 2,506,344	\$ -	\$ 2,506,344
(74,646,125)	-	(74,646,125)
(2,633,211)	-	(2,633,211)
(1,720,573)	-	(1,720,573)
6,582,230	-	6,582,230
592,283		592,283
(2,014,118)	-	(2,014,118)
(3,593,694)		(3,593,694)
2,182,232	-	2,182,232
12,790,417	-	12,790,417
(7,141,077)	-	(7,141,077)
(1,088,204)	-	(1,088,204)
<u>(68,183,496)</u>	<u>-</u>	<u>(68,183,496)</u>
 - 8,535,692	 - 3,840,777	 8,535,692 3,840,777
<u>- 4,350,252</u>	<u>16,726,721</u>	<u>4,350,252</u> <u>16,726,721</u>
<u>\$ (68,183,496)</u>	<u>\$ 16,726,721</u>	<u>\$ (51,456,775)</u>
 58,298,655	 - 26,148,280	 58,298,655 26,148,280
26,148,280	-	26,148,280
10,721,815	-	10,721,815
1,187,922	-	1,187,922
724,420	-	724,420
3,253,463	-	3,253,463
13,860,433	9,580,704	23,441,137
118,776	177,165	295,941
271,799	(271,799)	-
<u>114,585,563</u>	<u>9,486,070</u>	<u>124,071,633</u>
 46,402,067	 26,212,791	 72,614,858
709,155,251	405,381,097	1,114,536,348
<u>\$ 755,557,318</u>	<u>\$ 431,593,888</u>	<u>\$ 1,187,151,206</u>

City of Gresham, Oregon
Balance Sheet
Governmental Funds
June 30, 2025

	General Fund	Designated Purpose Fund	System Development Charges Fund
ASSETS			
Cash and investments	\$ 32,685,691	\$ 15,756,832	\$ 37,002,909
Property taxes receivable, net	1,133,275	-	-
Receivables, net	5,756,753	4,270,925	2,299,055
Other assets	187,179	91,578	211,774
Due from other funds	13,967,433	-	-
Restricted cash and investments	-	129,151	-
Total assets	<u>\$ 53,730,331</u>	<u>\$ 20,248,486</u>	<u>\$ 39,513,738</u>
LIABILITIES			
Accounts payable	\$ 1,639,459	\$ 1,578,363	\$ -
Other accrued liabilities	-	-	-
Deposits	210	129,151	-
Unearned revenue	-	344,111	7,430,772
Due to other funds	-	-	-
Total liabilities	<u>1,639,669</u>	<u>2,051,625</u>	<u>7,430,772</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	1,016,782	-	-
Unavailable revenue - loans receivable	-	-	2,302,664
Unavailable revenue - other	-	4,408,801	-
Total deferred inflows of resources	<u>1,016,782</u>	<u>4,408,801</u>	<u>2,302,664</u>
FUND BALANCES			
Restricted	-	9,236,242	29,780,302
Committed	-	-	-
Assigned	-	4,551,818	-
Unassigned	51,073,880	-	-
Total fund balances	<u>51,073,880</u>	<u>13,788,060</u>	<u>29,780,302</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 53,730,331</u>	<u>\$ 20,248,486</u>	<u>\$ 39,513,738</u>

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

Transportation Fund	GRDC - Rockwood Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ 31,403,848	\$ 1,387,502	\$ 57,100,386	\$ 175,337,168
-	243,101	214,001	1,590,377
976,235	-	6,631,062	19,934,030
181,798	9,688	331,211	1,013,228
3,645,010	-	774,023	18,386,466
-	-	684,109	813,260
\$ 36,206,891	\$ 1,640,291	\$ 65,734,792	\$ 217,074,529
\$ 151,420	\$ -	\$ 2,464,600	\$ 5,833,842
-	-	38,371	38,371
548,691	-	2,008,225	2,686,277
-	-	3,182,996	10,957,879
-	-	500,000	500,000
700,111	-	8,194,192	20,016,369
-	217,669	186,641	1,421,092
-	-	-	2,302,664
-	-	-	4,408,801
-	217,669	186,641	8,132,557
35,506,780	1,422,622	41,410,284	117,356,230
-	-	993,311	993,311
-	-	14,950,364	19,502,182
-	-	-	51,073,880
35,506,780	1,422,622	57,353,959	188,925,603
\$ 36,206,891	\$ 1,640,291	\$ 65,734,792	\$ 217,074,529

City of Gresham, Oregon

Reconciliation of the Balance Sheet of Governmental Funds to Governmental Activities on the Statement of Net Position
June 30, 2025

Total fund balances - governmental funds \$ 188,925,603

Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:

Governmental capital assets	1,477,389,126	\$ 673,888,978
Less: Accumulated depreciation & amortization	<u>(803,500,148)</u>	

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position:

Internal service funds total net position	26,151,218	\$ 34,502,728
Capital assets included in total above	<u>(20,291,745)</u>	
Accrued Interest payable	14,348	
Leases payable	245,571	
SBITA payable	2,069,624	
Interfund loan payable	2,200,000	
Pension amounts included in totals below	20,927,115	
OPEB amounts included in totals below	1,401,597	
Compensated absences included in total below	<u>1,785,000</u>	

Pension assets or liabilities, with related deferred outflows of resources and deferred inflows of resources, are not reported in governmental funds, but are reported on the statement of net position. The amounts included in governmental activities on the statement of net position:

Net pension liability	(136,300,175)	\$ (111,663,789)
Net OPEB asset	1,726,892	
Total OPEB liability	<u>(7,602,250)</u>	
Deferred outflows of resources related to pensions	55,682,883	
Deferred outflows of resources related to OPEB	1,152,102	
Deferred inflows of resources related to pensions	(24,073,252)	
Deferred inflows of resources related to OPEB	<u>(2,249,989)</u>	

Assets not available to pay for current-period expenditures are unavailable in the governmental funds, but are to be fully accrued on the statement of net position:

Unavailable revenue from taxes, loans, and assessment	8,132,557	
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Liabilities not due and payable in the current period are not reported in the governmental funds, but are reported on the statement of net position. Accrued interest on bonds and notes payable is recognized in the governmental funds as an expenditure when due:

Bonds and notes payable	(25,276,771)	\$ (38,228,759)
Bond premiums, net of accumulated amortization	<u>(125,036)</u>	
Leases payable	(631,010)	
SBITA payable	(2,145,252)	
Accrued interest payable	(118,890)	
Compensated absences	<u>(9,931,800)</u>	

Total net position - governmental activities \$ 755,557,318

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

CITY OF
GRESHAM
GOING BEYOND

City of Gresham, Oregon
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2025

	General Fund	Designated Purpose Fund	System Development Charges Fund
REVENUES			
Taxes	\$ 49,585,308	\$ 252,913	\$ -
Licenses and permits	513,638	-	-
Intergovernmental	10,447,388	22,546,529	-
Charges for services	9,054,949	326,829	10,513,373
License fees	22,436,852	-	-
Miscellaneous	2,234,643	4,241,048	2,140,430
Internal service charges	1,013,821	-	-
Total revenues	<u>95,286,599</u>	<u>27,367,319</u>	<u>12,653,803</u>
EXPENDITURES			
Current:			
General government	-	4,093,660	-
Public safety	77,069,816	748,708	-
Urban renewal	-	-	-
Urban design and planning	-	5,526,222	-
Community development	-	-	-
Economic development	949,036	969,507	-
Community livability	1,395,874	2,141,652	-
Youth & recreation services	-	3,491,835	-
Parks	5,186,261	52,779	-
Environmental services	-	850,372	-
Transportation	-	-	-
Capital outlay	276,259	-	-
Debt service	-	-	-
Total expenditures	<u>84,877,246</u>	<u>17,874,735</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,409,353</u>	<u>9,492,584</u>	<u>12,653,803</u>
OTHER FINANCING SOURCES (USES)			
Issuance of debt	-	-	-
Interfund loan	-	(2,200,000)	-
Proceeds from sale of assets	84,490	-	-
Proceeds from lease and SBITA issuance	276,259	-	-
Transfers in	87,100	918,068	-
Transfers out	(3,817,242)	(7,753,479)	(8,289,266)
Total other financing sources (uses)	<u>(3,369,393)</u>	<u>(9,035,411)</u>	<u>(8,289,266)</u>
Net change in fund balances	<u>7,039,960</u>	<u>457,173</u>	<u>4,364,537</u>
Fund balances - beginning	<u>44,033,920</u>	<u>13,330,887</u>	<u>25,415,765</u>
Fund balances - ending	<u>\$ 51,073,880</u>	<u>\$ 13,788,060</u>	<u>\$ 29,780,302</u>

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

Transportation Fund	GRDC - Rockwood Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ 8,282,009	\$ 12,549,898	\$ 70,670,128
-	-	7,280,414	7,794,052
14,375,966	-	13,819,101	61,188,984
318,878	-	7,912,137	28,126,166
1,873,465	-	1,837,963	26,148,280
1,811,538	167,970	3,097,641	13,693,270
2,008,356	-	3,671,612	6,693,789
<u>20,388,203</u>	<u>8,449,979</u>	<u>50,168,766</u>	<u>214,314,669</u>
-	-	-	4,093,660
-	-	11,094,890	88,913,414
-	-	4,355,516	4,355,516
-	-	5,938,098	11,464,320
-	-	4,187,030	4,187,030
-	-	-	1,918,543
-	-	1,031,585	4,569,111
-	-	-	3,491,835
-	-	-	5,239,040
-	-	4,844,933	5,695,305
11,379,149	-	591,107	11,970,256
-	-	22,067,391	22,343,650
-	8,236,045	8,569,955	16,806,000
<u>11,379,149</u>	<u>8,236,045</u>	<u>62,680,505</u>	<u>185,047,680</u>
9,009,054	213,934	(12,511,739)	29,266,989
-	-	8,236,045	8,236,045
-	-	-	(2,200,000)
35,384	-	255	120,129
-	-	-	276,259
1,558,748	-	23,050,025	25,613,941
(10,078,182)	-	(890,858)	(30,829,027)
<u>(8,484,050)</u>	<u>-</u>	<u>30,395,467</u>	<u>1,217,347</u>
525,004	213,934	17,883,728	30,484,336
34,981,776	1,208,688	39,470,231	158,441,267
<u>\$ 35,506,780</u>	<u>\$ 1,422,622</u>	<u>\$ 57,353,959</u>	<u>\$ 188,925,603</u>

City of Gresham, Oregon
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to Governmental Activities on the Statement of Activities
For the Fiscal Year Ended June 30, 2025

Net change in fund balances - governmental funds \$ 30,484,336

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

Governmental funds, which include internal service funds report capital outlays as expenditures and do not report capital asset contributions. In the statement of activities, those contributions are reported as revenues. However, in the statement of activities the cost of capital assets is allocated as depreciation and amortization expense over the assets estimated useful lives:

Capital asset expenditures and contributions		
Capitalized expenditures	35,302,227	
Contributions	2,035,386	
Less:		
Depreciation & amortization expense	<u>(19,424,956)</u>	17,912,657

Governmental funds report dispositions and proceeds from sales of capital assets, while such proceeds are offset with net capitalized assets resulting in gains and losses in the statement of activities:

Gain and Loss on disposition of capital assets	1,169	
Proceeds from disposition of capital assets	<u>(128,315)</u>	(127,146)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Detail of the impact of these transactions are as follows:

Proceeds from governmental debt issuance	(8,236,045)	
Debt principal repayments from governmental funds	15,672,410	
SBITA proceeds	(1,991,504)	
Lease proceeds	(691,730)	
Principal payment on SBITA	724,431	
Principal payment on lease	<u>349,386</u>	5,826,948

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net expense of most activities of internal service funds is reported with governmental activities.

Internal service fund change in net position	9,149,012	
Change in capital asset activity included in total above	(8,938,624)	
Change in leases payable	212,258	
Change in SBITA payable	1,301,817	
Pension expense included in total below	881,918	
OPEB expense included in total below	(26,318)	
Interfund loan	2,200,000	
Accrued interest reversal and accrual included in total below	(17,081)	
Change in compensated absences included in total below	<u>(286,300)</u>	4,476,682

Some revenues reported in the statement of activities do not provide current financial resources and, therefore, are not reported in governmental funds. Some revenues reported in governmental funds are not reported in the statement of activities because they did not provide current financial resources in prior years:

Change in property tax receivable	262,683	
Change in miscellaneous receivables	<u>(8,046,211)</u>	(7,783,528)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Amortization of premiums and discounts	14,733	
Change in accrued interest	47,240	
Pension expense	(6,087,153)	
OPEB expense	37,798	
Change in compensated absences	<u>1,599,500</u>	<u>(4,387,882)</u>

Change in net position - governmental activities \$ 46,402,067

City of Gresham, Oregon
Statement of Net Position
Proprietary Funds
June 30, 2025

Enterprise Funds					
	Water	Stormwater	Wastewater	Total	Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	\$ 57,723,438	\$ 29,628,900	\$ 74,374,751	\$ 161,727,089	\$ 71,475,901
Receivables, net	4,030,463	2,886,187	4,087,631	11,004,281	449,316
Due from other funds	1,799,974	1,843,607	3,620,513	7,264,094	2,251,851
Total current assets	<u>63,553,875</u>	<u>34,358,694</u>	<u>82,082,895</u>	<u>179,995,464</u>	<u>74,177,068</u>
Noncurrent assets:					
Other assets	343,797	170,119	439,287	953,203	411,537
Restricted cash and investments	1,272,286	-	2,486,706	3,758,992	-
Capital assets:					
Non-depreciable	78,600,593	9,976,043	18,265,427	106,842,063	3,953,572
Depreciable, net	71,330,678	56,807,762	114,751,553	242,889,993	16,338,173
Total noncurrent assets	<u>151,547,354</u>	<u>66,953,924</u>	<u>135,942,973</u>	<u>354,444,251</u>	<u>20,703,282</u>
Total assets	<u>215,101,229</u>	<u>101,312,618</u>	<u>218,025,868</u>	<u>534,439,715</u>	<u>94,880,350</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflow related to pension	2,857,710	3,653,294	3,822,136	10,333,140	15,090,295
Deferred outflow related to OPEB	9,267	38,354	94,991	142,612	253,624
Total deferred outflows of resources	<u>2,866,977</u>	<u>3,691,648</u>	<u>3,917,127</u>	<u>10,475,752</u>	<u>15,343,919</u>
LIABILITIES					
Current liabilities:					
Accounts payable	8,829,449	317,208	1,974,571	11,121,228	3,032,104
Other accrued liabilities	85,095	-	851	85,946	40,653
Accrued claims payable	-	-	-	-	6,575,731
Accrued interest payable	147,418	130	18,150	165,698	14,348
Other liabilities	-	-	-	-	2,115,430
Deposits	1,272,285	-	-	1,272,285	-
Unearned revenue	-	-	8,000,000	8,000,000	919,548
Due to other funds	-	-	-	-	27,402,411
Lease payable	-	-	-	-	210,241
Bonds, notes and loans payable	367,486	311,597	455,431	1,134,514	-
SBITA payable	18,378	18,378	18,378	55,134	755,404
Total current liabilities	<u>10,720,111</u>	<u>647,313</u>	<u>10,467,381</u>	<u>21,834,805</u>	<u>41,065,870</u>
Noncurrent liabilities:					
Advance from other funds	-	-	-	-	2,200,000
Net pension liability	5,079,793	5,670,007	5,906,789	16,656,589	26,322,057
Total OPEB liability	68,299	210,466	158,225	436,990	995,165
Lease payable	-	-	-	-	35,330
Compensated absences	409,100	403,600	420,100	1,232,800	1,785,000
Bonds, notes and loans payable	61,360,172	2,837,978	2,398,925	66,597,075	-
SBITA payable	19,436	19,436	19,436	58,308	1,314,220
Total noncurrent liabilities	<u>66,936,800</u>	<u>9,141,487</u>	<u>8,903,475</u>	<u>84,981,762</u>	<u>32,651,772</u>
Total liabilities	<u>77,656,911</u>	<u>9,788,800</u>	<u>19,370,856</u>	<u>106,816,567</u>	<u>73,717,642</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows related to pension	1,858,923	2,056,773	2,112,665	6,028,361	9,695,353
Deferred inflows related to OPEB	276,122	120,062	80,467	476,651	660,056
Total deferred inflows of resources	<u>2,135,045</u>	<u>2,176,835</u>	<u>2,193,132</u>	<u>6,505,012</u>	<u>10,355,409</u>
NET POSITION					
Net investment in capital assets	88,165,800	63,596,417	130,124,811	281,887,028	15,776,550
Restricted for:					
Construction	-	-	2,479,492	2,479,492	-
Loan requirement	-	-	7,214	7,214	-
Debt service	63,293	225,975	617,621	906,889	-
Unrestricted	49,947,157	29,216,239	67,149,869	146,313,265	10,374,668
Total net position	<u>\$ 138,176,250</u>	<u>\$ 93,038,631</u>	<u>\$ 200,379,007</u>	<u>\$ 431,593,888</u>	<u>\$ 26,151,218</u>

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

City of Gresham, Oregon
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2025

Enterprise Funds					
	Water	Stormwater	Wastewater	Total	Internal Service Funds
OPERATING REVENUES					
Charges for services	\$ 25,925,270	\$ 15,935,802	\$ 26,218,780	\$ 68,079,852	\$ 48,850,394
Miscellaneous	-	-	-	-	1,170,270
Total operating revenues	<u>25,925,270</u>	<u>15,935,802</u>	<u>26,218,780</u>	<u>68,079,852</u>	<u>50,020,664</u>
OPERATING EXPENSES					
Personnel services	703,187	3,847,555	3,560,046	8,110,788	21,720,609
Professional and technical services	233,530	882,953	4,988,241	6,104,724	3,829,693
Property services	779,079	141,504	152,380	1,072,963	1,270,203
Other services	88,220	932,965	57,283	1,078,468	588,633
Supplies	131,874	129,850	250,115	511,839	3,725,818
Water purchase	4,447,281	-	-	4,447,281	-
Incentive programs	30,599	186,495	383	217,477	240,578
Insurance claims	-	-	-	-	14,922,905
Internal services	4,947,714	3,665,548	5,861,910	14,475,172	23,055
Other materials and services	1,674,894	866,316	1,903,552	4,444,762	5,681,789
Depreciation and amortization	3,657,989	2,750,281	5,853,582	12,261,852	967,468
Total operating expenses	<u>16,694,367</u>	<u>13,403,467</u>	<u>22,627,492</u>	<u>52,725,326</u>	<u>52,970,751</u>
Operating income (loss)	<u>9,230,903</u>	<u>2,532,335</u>	<u>3,591,288</u>	<u>15,354,526</u>	<u>(2,950,087)</u>
NONOPERATING REVENUES (EXPENSES)					
Miscellaneous revenue (expense)	(5,278)	(13,656)	18,795	(139)	10,380,147
Interest and investment income	3,623,080	1,636,500	4,321,124	9,580,704	3,749,652
Interest expense	(1,599,238)	-	(77,571)	(1,676,809)	-
Interagency loan	-	-	-	-	(8,236,045)
Gain/(loss) on disposition of capital assets	105,823	47,211	24,131	177,165	8,186
Total nonoperating revenues (expenses)	<u>2,124,387</u>	<u>1,670,055</u>	<u>4,286,479</u>	<u>8,080,921</u>	<u>5,901,940</u>
Income (loss) before contributions and transfers	<u>11,355,290</u>	<u>4,202,390</u>	<u>7,877,767</u>	<u>23,435,447</u>	<u>2,951,853</u>
Capital contributions	1,419,265	1,522,412	817,740	3,759,417	-
Transfers in	1,250,134	354,713	960,180	2,565,027	6,854,757
Transfers out	(735,300)	(2,065,600)	(746,200)	(3,547,100)	(657,598)
Change in net position	<u>13,289,389</u>	<u>4,013,915</u>	<u>8,909,487</u>	<u>26,212,791</u>	<u>9,149,012</u>
Total net position - beginning	<u>124,886,861</u>	<u>89,024,716</u>	<u>191,469,520</u>	<u>405,381,097</u>	<u>17,002,206</u>
Total net position - ending	<u>\$ 138,176,250</u>	<u>\$ 93,038,631</u>	<u>\$ 200,379,007</u>	<u>\$ 431,593,888</u>	<u>\$ 26,151,218</u>

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

City of Gresham, Oregon
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2025

	Enterprise Funds				Internal Service Funds
	Water	Stormwater	Wastewater	Total	
Cash flows from operating activities:					
Receipts from customers	\$ 28,441,382	\$ 15,243,534	\$ 26,438,691	\$ 70,123,607	\$ 1,556,123
Receipts for internal services provided	-	-	-	-	47,326,652
Payments to suppliers for goods and services	(10,305,865)	(6,801,979)	(13,426,695)	(30,534,539)	(27,912,948)
Payments to employees for services	(693,510)	(3,638,099)	(3,300,639)	(7,632,248)	(21,129,177)
Other operating receipts (payments)	242,011	(13,656)	18,795	247,150	11,407,508
Net cash provided by (used in) operating activities	<u>17,684,018</u>	<u>4,789,800</u>	<u>9,730,152</u>	<u>32,203,970</u>	<u>11,248,158</u>
Cash flows from noncapital financing activities:					
Receipts from other funds	37,200	98,538	65,050	200,788	9,013,512
Payments to other funds	(143,266)	(2,015,755)	(842,947)	(3,001,968)	(9,153,841)
Net cash provided by (used in) noncapital financing activities	<u>(106,066)</u>	<u>(1,917,217)</u>	<u>(777,897)</u>	<u>(2,801,180)</u>	<u>(140,329)</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(34,786,737)	(1,531,572)	(9,345,521)	(45,663,830)	(9,724,758)
Proceeds from debt issuance	15,000,000	64,817	-	15,064,817	-
Receipts from system development charges	1,212,934	256,175	895,130	2,364,239	-
Principal portion of debt service	(261,250)	(246,780)	(393,693)	(901,723)	-
Interest portion of debt service	(1,521,029)	(59)	(122,036)	(1,643,124)	(17,081)
Proceeds from disposition of capital assets	220,072	47,211	24,131	291,414	3,780
Other capital and financing receipts	-	-	-	-	2,200,000
Net cash provided by (used in) capital and related financing activities	<u>(20,136,010)</u>	<u>(1,410,208)</u>	<u>(8,941,989)</u>	<u>(30,488,207)</u>	<u>(7,538,059)</u>
Cash flows from investing activities:					
Change in investments	(6,180,980)	(2,816,917)	(8,552,167)	(17,550,064)	(7,012,842)
Interest on investments	3,623,080	1,642,471	4,360,882	9,626,433	3,765,446
Net cash provided by (used in) investing activities	<u>(2,557,900)</u>	<u>(1,174,446)</u>	<u>(4,191,285)</u>	<u>(7,923,631)</u>	<u>(3,247,396)</u>
Net increase (decrease) in cash and cash equivalents	(5,115,958)	287,929	(4,181,019)	(9,009,048)	322,374
Cash and cash equivalents - beginning	8,856,481	1,833,500	13,950,313	24,640,294	2,648,193
Cash and cash equivalents - ending	<u>\$ 3,740,523</u>	<u>\$ 2,121,429</u>	<u>\$ 9,769,294</u>	<u>\$ 15,631,246</u>	<u>\$ 2,970,567</u>
Classified on the Statement of Net Position as:					
Portion of cash and investments	\$ 3,636,577	\$ 2,121,429	\$ 9,631,530	\$ 15,389,536	\$ 2,970,567
Portion of restricted cash and cash equivalents	103,946	-	137,764	241,710	-
	<u>\$ 3,740,523</u>	<u>\$ 2,121,429</u>	<u>\$ 9,769,294</u>	<u>\$ 15,631,246</u>	<u>\$ 2,970,567</u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$ 9,230,903	\$ 2,532,335	\$ 3,591,288	\$ 15,354,526	\$ (2,950,087)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation and amortization	3,657,989	2,750,281	5,853,582	12,261,852	967,468
Pension adjustments	141,393	284,569	284,456	710,418	881,918
OPEB adjustments	(43,216)	(5,913)	11,151	(37,978)	(26,318)
Other	(5,278)	(13,656)	18,795	(139)	10,380,146
Changes in assets and liabilities:					
Receivables	2,516,112	(692,268)	219,911	2,043,755	(152,609)
Accounts payable	2,068,233	21,025	(196,304)	1,892,954	894,998
Lease payable	-	-	-	-	35,330
SBITA	(17,373)	(17,373)	(17,373)	(52,119)	1,301,817
Other liabilities	135,255	(69,200)	(35,354)	30,701	(84,505)
Net cash provided by (used in) operating activities	<u>\$ 17,684,018</u>	<u>\$ 4,789,800</u>	<u>\$ 9,730,152</u>	<u>\$ 32,203,970</u>	<u>\$ 11,248,158</u>
Noncash investing, capital, and financing activities:					
Contributed capital assets	\$ 1,419,265	\$ 1,522,412	\$ 817,740	\$ 3,759,417	\$ -
Increase (Decrease) in fair value of investments	(1,094,710)	(541,687)	(1,398,763)	(3,035,160)	(1,310,400)
SBITA proceeds	-	-	-	-	1,991,504

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

City of Gresham, Oregon
Notes to the Financial Statements
June 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

The City of Gresham, Oregon (City) is a municipal corporation governed by an elected mayor and six-member council, elected for staggered terms of four years. The Mayor, who serves as chairperson and an additional voting member of the Council, is also elected to serve a term of four years. The affairs of the City are conducted under the administration of the City Manager who is appointed by the Council.

The City is a primary government since it has a separately elected governing body, is a legally separate entity, and is fiscally independent. The City has one component unit that is a legally separate entity, which is in substance, a part of the City's operation and therefore blended into the basic financial statements. There are other governmental agencies, school districts, and special service districts that provide services within the City's boundaries. However, since the City is not financially accountable for these entities, they do not qualify as component units and are not included in the basic financial statements.

Blended Component Unit

The Rockwood-West Gresham Urban Renewal Area (Area) was created in the fall of 2003, when voters approved the creation of an urban renewal area for 20 years with maximum principal indebtedness of \$92.0 million. In May 2022, Gresham voters approved the extension of the Area through 2029. The City of Gresham Council members serve as the Area's governing body, known as the Gresham Redevelopment Commission (Commission) and City staff perform all operational functions of the Area.

An Intergovernmental Agreement (IGA) exists between the City and the Commission for urban renewal project funding, internal service charges and debt issuance and repayment. The Area has remaining debt capacity of \$15,803,287 at fiscal year-end 2025. The Commission's activities are reported in the Rockwood UR Capital Projects Fund and the Rockwood UR Debt Service Fund.

Complete financial statements for the Area may be obtained from the City's website (www.GreshamOregon.gov) or the City of Gresham, Finance and Accounting Services Division, 1333 NW Eastman Parkway, Gresham, OR 97030.

B. Basic Financial Statements

The basic financial statements include both government-wide and fund financial statements. The government-wide financial statements report information on all non-fiduciary activities of the City and its component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

CITY OF GRESHAM, OREGON

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as *general revenues*.

Fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide and proprietary 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 revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they become both measurable and available. Revenues are 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 sixty days from the end of the current fiscal year. In the governmental fund financial statements, expenditures are generally recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Major revenue sources recognized under the City's availability policy include property taxes, license fees, business income taxes, as well as significant state shared revenues. Grant revenues are an exception to the policy and are recognized as soon as all eligibility requirements have been met. Interest income is considered subject to accrual and is recognized as revenue when earned. Licenses, permits, and other revenue items are considered measurable and available when cash is received by the City. The City reports the following funds as major governmental funds:

The *General Fund* is the City's primary operating fund. The principal sources of revenue are property taxes, state shared revenue, business income tax, license fees, and charges for services. General Fund expenditures are for police, fire, emergency medical services, community and economic development, and parks maintenance.

The *Designated Purpose Fund* accounts for monies donated to the City to support specific activities. Some grant funded expenditures are reported in this fund. Resources include intergovernmental revenue, and donations from businesses and individuals.

The *System Development Charges Fund* accounts for collections of: transportation, parks, water, stormwater, and wastewater system connection impact charges that are transferred to other funds for use on system development.

NOTES TO THE FINANCIAL STATEMENTS

The *Transportation Fund* accounts primarily for State of Oregon shared gas tax revenues used to construct, maintain, and repair streets.

The *Rockwood UR Debt Service Fund* accounts for debt service on funding for the Rockwood-West Gresham Urban Renewal Area.

The City reports the following funds as major proprietary funds:

The *Water Fund* accounts for the activities of the City's water system.

The *Stormwater Fund* accounts for the activities of the City's stormwater system.

The *Wastewater Fund* accounts for the activities of the City's wastewater system.

Additionally, the City has the following fund types:

The *special revenue funds* account for proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes.

The *capital projects funds* account for financial resources used for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

The *debt service funds* account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

The *internal service funds* account for: property management, vehicle maintenance, legal, self-insurance, equipment replacement, information technology and administrative services provided to other departments of the City on a cost reimbursement basis.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges for goods and services between the government's enterprise functions and various other city functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation and/or amortization of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

CITY OF GRESHAM, OREGON

D. New Accounting Pronouncements and Accounting Standards

During the fiscal year ended June 30, 2025, the City implemented the following GASB pronouncements:

GASB Statement No. 101, Compensated Absences

This statement provides guidance to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The City has evaluated compensated absences and implemented procedures for valuing paid time off. There was no impact to beginning net position.

GASB Statement No. 102, Certain Risk Disclosures

This statement defines criteria to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This statement has no impact on the City's financial statements for the current fiscal year.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and Cash Equivalents, and Investments

The City's cash and cash equivalents consists of cash on hand, demand deposits, and shares of the Local Government Investment Pool. Investments for the City, as well as for its component unit, are reported at fair value based on market prices, when available, as of year-end. Interest earned on cash and investments is allocated monthly based on each fund's average cash balance as a proportion of the City's total cash and investments.

Receivables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other fund" where repayment is expected over a short-term period and "advances from/to other funds" when the anticipated repayment time frame is long-term. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Property taxes are levied and become a lien against the property on July 1st. Property tax statements are mailed no later than October 25th. Tax payments are due November 15th (and February 15th and May 15th if paying in thirds). A three percent discount is allowed if full payment is made by November 15th and a two percent discount is allowed if two-thirds payment is made by November 15th. Taxes unpaid and outstanding on May 16th are considered delinquent but are deemed to be substantially collectible or recoverable through liens.

NOTES TO THE FINANCIAL STATEMENTS

Inventories

The cost of inventories is recorded as expenditure/expense when purchased. No inventories are present on the financial statements.

Restricted Net Position

Assets with restricted use are reported separately on the Statement of Net Position. Restrictions are made by debt agreements, contracts, requirements imposed by federal and state agencies, and by contributors.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure, easements, and software assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life greater than one year. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value on the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are expensed when incurred and not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The City's capital assets are depreciated or amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building and building improvements	10-50
Land improvements	10-50
Water, stormwater, and wastewater systems	10-50
Transportation systems	10-50
Machinery and equipment	3-40
Software	3-20

Deferred Outflows/Inflows of Resources

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

In addition to liabilities, a separate section for deferred inflows of resources will sometimes be reported. This separate financial statement element, *deferred inflows of resources*, represents 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.

CITY OF GRESHAM, OREGON

Compensated Absences

It is the City's policy to permit employees to accumulate earned, but unused vacation, holiday, and sick pay benefits. The City has a last-in-first-out methodology for tracking compensated absences. There is no liability for unpaid accumulated sick leave since the City does not pay these amounts when employees separate from service with the City and, on an annual basis, earnings exceed use. Compensated absences payable on severance are accrued when incurred in the government-wide and proprietary fund financial statements. The City recognizes accrued compensated balance changes as a budgetary expense but removes these expenses for the modified accrual basis of presentation.

Long-term Debt

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Premiums, discounts, and deferred refunding amounts are accumulated and amortized as interest expense over the life of the debt using the straight-line method.

In the fund financial statements, governmental fund types, bond discounts and issuance costs are expensed while recognizing bond premiums during the current period. The par value of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether withheld or not from the actual proceeds received, are reported as debt service expenditures.

The Tax Reform Act of 1986 requires that governmental entities issuing tax-exempt debt after August 1986 calculate and rebate arbitrage earnings to the federal government. Specifically, the excess of the aggregated amount earned on investments purchased with bond proceeds over the amount that would have been earned if the proceeds were invested at a rate equal to the bond yield, is rebated to the federal government. On June 30, 2025, five of the City's long-term debt issues were subject to federal arbitrage regulations. The 2021 Water Revenue Bond has a contingent arbitrage liability during this computation period. The liability is reflected in the financial statements, however, there are no filing requirements regarding arbitrage rebate with the United States Treasury at this time. The issues which are not subject to rebate are either issued as taxable obligations or are monies borrowed from non-bond sources.

Lease payable

The City reports a lease payable for the liability associated with contracts granting the City the right to use a nonfinancial asset such as land, buildings, or equipment. The City has also recorded an intangible asset for the right to use the nonfinancial asset.

Subscription payable

The City reports a subscription payable for the liability associated with contracts granting the City the right to use a nonfinancial asset such as subscription-based information technology. The City has also recorded an intangible asset for the right to use the nonfinancial asset.

NOTES TO THE FINANCIAL STATEMENTS

Other post-employment benefits (OPEB)

The City reports its proportionate share of the Net OPEB Asset of the Oregon Public Employees Retirement System (OPERS) in the government-wide financial statements. For purposes of measuring the net OPEB liability or asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of OPERS and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. Investments are reported at fair value.

The City also reports a Total OPEB liability in the government-wide and proprietary fund financial statements for the City's Implicit Rate Subsidy OPEB Plan.

Net Pension Liability

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

Fund Balance

Fund balances, presented in the governmental fund financial statements, represent a resource for future periods that is the difference between assets and liabilities reported in a governmental fund. Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City evaluated each of its funds at June 30, 2025 and classified fund balances into the following five categories:

Non-spendable - amounts that cannot be spent because they are not in spendable form, such as inventory, or required to be maintained intact.

Restricted – amounts constrained to specific purposes by their providers or by enabling legislation.

Committed - amounts that have been committed by formal action by the entity's "highest level of decision-making authority", which the City considers to be a Council Resolution. Committed amounts may not be used for any other purpose unless City Council removes the constraint by similar resolution.

Assigned – amounts that have been allocated by the City action where the government's intent is to use the funds for a specific purpose. Assigned fund balance is established by City Council through adoption or amendment of the budget as intended for specific purpose.

Unassigned – amounts that have no restrictions on them in the general fund or any deficit fund balances.

The City reduces restricted amounts first when expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available. The City reduces committed amounts first, followed by assigned amounts, and then unassigned amounts

CITY OF GRESHAM, OREGON

when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Indirect Expenses Allocation

In the fund financial statements, the City accounts for certain general government expenses in internal services funds. Costs are mainly recovered through internal service charges to direct operating funds. In the Statement of Activities, these costs are reported as expenses of the general government function and allocated to direct functions in a separate column titled Indirect Expenses Allocation. The remaining net expense in the general government function represents direct activity of that function including its share of allocated indirect costs.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The City prepares its budget in accordance with the legal requirements set forth in Oregon Local Budget Law. The City Council adopts the budget, makes appropriations, and declares the tax levy no later than June 30th before the year budgeted.

In accordance with State law, annual budgets are adopted for all funds. Budgets are prepared similar to the modified accrual basis of accounting for all fund types.

The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total expenditures by department, as well as non-operating functions such as debt service and interfund transfers, are the legal level of control. All changes and amendments to total department expenditures for each fund require the approval of the City Council.

Unexpected additional resources may be added to the budget through the use of a supplemental budget, an appropriation or contingency transfer, or an appropriation of additional resources. These additions require the approval of the City Council. During the fiscal year, the City adopted one supplemental budget, one contingency transfer, and made a number of appropriation transfers and additional resource appropriations.

B. Deficit Net Position

The Legal Services Fund and the Administrative Services Fund had deficit net position of \$1,032,226 and \$8,611,661 respectively on June 30, 2025. The deficits in net position were a result of net pension liability valuation. These funds are internal service funds and operate primarily on a cost reimbursement basis.

NOTE 3. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash, Cash Equivalents, and Investments

Cash with financial institutions primarily consist of bank demand deposits. The total book balance in deposits at year-end was \$1,686,949. The total bank balance was \$2,796,779. Of these deposits, \$250,000 was fully covered by the federal depository insurance's general deposit rules and \$2,546,779

NOTES TO THE FINANCIAL STATEMENTS

was in a qualified depository bank and collateralized in compliance with ORS 295. The City does not have a policy related to custodial risk over cash. The difference between the book balance and the bank balance represents outstanding items at year-end.

The City's investment policy is reviewed annually by the City's Budget and Finance Department and the City's Finance Committee. Material changes to the policy require submission to the Oregon Short-Term Fund Board (OSTF) for review. Once OSTF completes its review, the investment policy is then presented to the City Council for final adoption. The Oregon Short-Term Fund Board consists of the State Treasurer and four members appointed by the Governor and State Treasurer. At year-end, the City was in compliance with all investment policy requirements.

State of Oregon statutes and the City's investment policies authorize the City to invest in U.S. Treasury obligations, U.S. Agency obligations, certain federal instrumentality securities, commercial paper, corporate bonds, banker's acceptances, Oregon Short-Term Fund, repurchase agreements, obligations of certain states and municipalities, time deposits, certificates of deposit, and savings accounts.

The City invests in the Local Government Investment Pool (LGIP). The LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the LGIP's investment policies. The State Treasurer is the investment officer for the LGIP and is responsible for all funds in the LGIP. These funds must be invested, and the investments managed, as a prudent person would, exercising reasonable care, skill, and caution. Investments in the LGIP are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The Oregon Audits Division audits the LGIP annually. The Division's most recent audit report on the LGIP was unmodified. The fair value of pool shares is equal to the City's proportionate position in the pool.

Interest Rate Risk

In accordance with its investment policy, the City manages its exposure to declines in fair value resulting from changes in interest rates by limiting the weighted average maturity (WAM) of its investment portfolio to less than forty-two months. To the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. The City does not actively trade investments, usually holding them to maturity. At year-end, the City had the following investments and maturities at fair value:

Investments	Risk Concentration	Weighted Average Final Maturity (Days)	Fair Value
Cash/LGIP	10.5%	1	\$ 43,489,100
Corporate Obligations	14.3%	113	59,252,608
Municipal Obligations	1.2%	3	4,942,750
US Treasury	45.1%	344	186,618,057
US Agency Securities	28.8%	242	118,809,895
	99.9%	241	\$ 413,112,410
Shown on the Statement of Net Position as: Cash and investments			\$ 408,540,158
Restricted cash and investments			4,572,252
			\$ 413,112,410

CITY OF GRESHAM, OREGON

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 – Based on matrix pricing, synthesizing multiple market inputs to determine a fair value price derived from altered or indirectly observable prices.

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

Fair Value Measurements Value as of June 30, 2025

	Level 1	Level 2	Level 3	Total
Investments:				
US Treasury	\$ 186,618,057	\$ -	\$ -	\$ 186,618,057
US Agency Securities	-	118,809,895	-	118,809,895
Corporate Obligations	-	59,252,608	-	59,252,608
Municipal Obligations	-	4,942,750	-	4,942,750
Total	\$ 186,618,057	\$ 183,005,253	\$ -	\$ 369,623,310

Concentration Risk and Credit Risk

The City's investment policy does not allow for an investment in any one issuer to exceed 5 percent of the City's total investments, with the exception of US Treasuries, US Agencies and Instrumentalities. Credit risk is a ratings-based assessment of the likelihood of an issuer defaulting on its repayment obligations. The City mitigates its exposure to credit risk by limiting purchases to the highest ratings groups at time of purchase. At year end the City held 32.7 percent of its portfolio in securities subject to normal credit risk considerations. Investments held at year-end are categorized by credit rating and concentration as follows:

NOTES TO THE FINANCIAL STATEMENTS

Investment-Type	Minimum Allowable Credit Quality Criteria (at the time of purchase)		S&P	Moody's	Fair Value June 30, 2025	Percentage of Total FV
Cash/LGIP	- / -		-	-	\$ 43,489,100	10.5%
Corporate Bonds	AA-/Aa3		AA	A1	2,580,623	0.6%
Corporate Bonds	AA-/Aa3		AAA	Aaa	2,941,230	0.7%
Corporate Bonds	AA-/Aa3		AA	A1	2,533,275	0.6%
Corporate Bonds	AA-/Aa3		A+	Aa2	5,072,100	1.2%
Corporate Bonds	AA-/Aa3		A	Aa3	4,930,500	1.2%
Corporate Bonds	AA-/Aa3		AA+	Aaa	5,595,660	1.4%
Corporate Bonds	AA-/Aa3		A+	Aa3	2,459,025	0.6%
Corporate Bonds	AA-/Aa3		AAA	Aaa	2,474,450	0.6%
Corporate Bonds	AA-/Aa3		AA	A1	4,944,800	1.2%
Corporate Bonds	AA-/Aa3		A	A1	5,009,800	1.2%
Corporate Bonds	AA-/Aa3		A-	A1	5,345,395	1.3%
Corporate Bonds	AA-/Aa3		AA	Aa2	5,004,350	1.2%
Corporate Bonds	AA-/Aa3		A+	Aa3	5,227,850	1.3%
Corporate Bonds	AA-/Aa3		A	A1	5,133,550	1.2%
Municipal - CA	AA-/Aa3		AA-	Aa2	4,942,750	1.2%
US Instrumentality: FFCB	AA+/Aaa		AA+	Aa1	41,995,170	10.2%
US Instrumentality: FHLB	AA+/Aaa		AA+	Aa1	55,499,375	13.4%
US Instrumentality: FHLMC	AA+/Aaa		AA+	Aa1	4,989,100	1.2%
US Instrumentality: FNMA	AA+/Aaa		AA+	Aa1	2,960,400	0.7%
US Instrumentality: TVA	AA+/Aaa		AA+	Aa1	5,015,050	1.2%
US Agency Note: FNMA	AA+/Aaa		AA+	Aa1	4,124,050	1.0%
US Agency Note: FHLMC	AA+/Aaa		AA+	Aa1	4,226,750	1.0%
US Treasury	AA+/Aaa		AA+	Aa1	<u>186,618,057</u>	<u>45.2%</u>
					<u>\$ 413,112,410</u>	<u>100.0%</u>

CITY OF GRESHAM, OREGON

B. Receivables

The composition of receivables at fiscal year-end for the City's individual major funds and aggregated nonmajor and internal service funds were as follows:

	Accounts	Taxes	Gross Receivables	Allowance for Doubtful Accounts	Receivables, Net
Governmental Activities					
General	\$ 5,897,339	\$ 1,133,275	\$ 7,030,614	\$ (140,586)	\$ 6,890,028
Designated purpose	4,706,398	-	4,706,398	(435,473)	4,270,925
Transportation	1,307,880	-	1,307,880	(331,645)	976,235
System development charges	2,299,055	-	2,299,055	-	2,299,055
Rockwood UR debt service	-	243,101	243,101	-	243,101
Nonmajor governmental	6,812,931	214,001	7,026,932	(181,869)	6,845,063
Internal service	454,783	-	454,783	(5,467)	449,316
	\$ 21,478,385	\$ 1,590,377	\$ 23,068,762	\$ (1,095,040)	\$ 21,973,723
Business-Type Activities					
Water	\$ 4,044,904	\$ -	\$ 4,044,904	\$ (14,441)	\$ 4,030,463
Stormwater	2,911,194	-	2,911,194	(25,007)	2,886,187
Wastewater	4,087,981	-	4,087,981	(350)	4,087,631
	\$ 11,044,079	\$ -	\$ 11,044,079	\$ (39,798)	\$ 11,004,281
	Total receivables				\$ 32,978,004
	Shown on the Statement of Net Position as:				
	Receivables, net				\$ 31,387,627
	Property taxes receivable, net				1,590,377
					\$ 32,978,004

Wastewater and stormwater charges collected by the Multnomah County Tax Assessor's office are not considered taxes receivable.

C. Capital Assets

In the governmental activities section of the Statement of Activities, capital asset reclassification or transfers between governmental funds and internal service funds have been eliminated. In the like manner, capital asset transfers between enterprise funds have been eliminated in the business-type activities section.

NOTES TO THE FINANCIAL STATEMENTS

Capital asset activity during the fiscal year was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Reclassifications</u>	<u>Ending Balance</u>
Governmental Activities					
Non-depreciated & non-amortized:					
Land	\$ 36,276,018	\$ 1,466,777	\$ -	\$ -	\$ 37,742,795
Construction in progress	11,499,972	15,502,048	-	(6,426,465)	20,575,555
Easements	453,420,710	791,313	-	-	454,212,023
Licenses	22,000	-	-	-	22,000
Total non-depr. & non-amort.	<u>501,218,700</u>	<u>17,760,138</u>	<u>-</u>	<u>(6,426,465)</u>	<u>512,552,373</u>
Depreciated & amortized:					
Buildings	30,934,955	7,757,759	-	306,639	38,999,353
Improvements	32,584,521	2,079,830	-	666,566	35,330,917
Machinery and equipment	34,261,096	2,853,465	(1,070,542)	745,817	36,789,836
Infrastructure	837,055,436	4,203,187	-	4,707,443	845,966,066
Software	3,025,353	-	-	-	3,025,353
Intangible Rights to Use - Buildings	1,131,270	691,730	(57,537)	-	1,765,463
Intangible Rights to Use - Software	2,135,959	1,991,504	-	-	4,127,463
Total depr. & amort. at historical cost	<u>941,128,590</u>	<u>19,577,475</u>	<u>(1,128,079)</u>	<u>6,426,465</u>	<u>966,004,451</u>
Less accumulated depr. & amort. for:					
Buildings	(16,956,726)	(695,032)	-	-	(17,651,758)
Improvements	(13,897,051)	(1,462,427)	-	-	(15,359,478)
Machinery and equipment	(22,913,602)	(2,546,883)	943,396	-	(24,517,089)
Infrastructure	(728,154,526)	(13,554,765)	-	-	(741,709,291)
Software	(2,289,886)	(79,017)	-	-	(2,368,903)
Intangible Rights to Use - Buildings	(873,714)	(351,521)	57,537	-	(1,167,698)
Intangible Rights to Use - Software	(1,158,318)	(735,311)	-	-	(1,893,629)
Total accumulated depr. & amort.	<u>(786,243,823)</u>	<u>(19,424,956)</u>	<u>1,000,933</u>	<u>-</u>	<u>(804,667,846)</u>
Depreciated & amortized, net	<u>154,884,767</u>	<u>152,519</u>	<u>(127,146)</u>	<u>6,426,465</u>	<u>161,336,605</u>
Governmental Activities capital assets, net	<u><u>\$ 656,103,467</u></u>	<u><u>\$ 17,912,657</u></u>	<u><u>\$ (127,146)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 673,888,978</u></u>

Depreciation and amortization expense was charged to governmental activities as follows:

General government	\$ 231,271
Public safety	1,875,714
Transportation	13,757,931
Community development	32,279
Environmental services	1,117,226
Internal service funds	1,672,742
Urban renewal	737,793
Total depreciation and amortization expense	<u>\$ 19,424,956</u>

CITY OF GRESHAM, OREGON

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Business-Type Activities					
Non-depreciated & non-amortized:					
Land	\$ 8,264,078	\$ -	\$ -	\$ -	\$ 8,264,078
Construction in progress	50,869,162	40,928,827	- -	(903,202)	90,894,787
Easements	7,370,031	313,167	- -	- -	7,683,198
Total non-depr. & non-amort.	<u>66,503,271</u>	<u>41,241,994</u>	<u>- -</u>	<u>(903,202)</u>	<u>106,842,063</u>
Depreciated & amortized:					
Buildings	13,341,007	- -	- -	- -	13,341,007
Improvements	16,568	- -	- -	- -	16,568
Machinery and equipment	13,315,452	1,872,378	(603,519)	285,804	14,870,115
Infrastructure	455,777,458	6,308,977	(917,669)	617,398	461,786,164
Software	393,829	- -	- -	- -	393,829
Intangible Rights to Use - Software	216,274	- -	- -	- -	216,274
Total depr. & amort. at historical cost	<u>483,060,588</u>	<u>8,181,355</u>	<u>(1,521,188)</u>	<u>903,202</u>	<u>490,623,957</u>
Less accumulated depr. & amort. for:					
Buildings	(5,507,771)	(467,487)	- -	- -	(5,975,258)
Improvements	(16,568)	- -	- -	- -	(16,568)
Machinery and equipment	(8,627,208)	(772,651)	590,522	- -	(8,809,337)
Infrastructure	(222,304,084)	(10,970,101)	816,317	- -	(232,457,868)
Software	(387,272)	(6,558)	- -	- -	(393,830)
Intangible Rights to Use - Software	(36,046)	(45,057)	- -	- -	(81,103)
Total accumulated depr. & amort.	<u>(236,878,949)</u>	<u>(12,261,854)</u>	<u>1,406,839</u>	<u>- -</u>	<u>(247,733,964)</u>
Depreciated & amortized, net	<u>246,181,639</u>	<u>(4,080,499)</u>	<u>(114,349)</u>	<u>903,202</u>	<u>242,889,993</u>
Business-Type Activities capital assets, net	<u><u>\$ 312,684,910</u></u>	<u><u>\$ 37,161,495</u></u>	<u><u>\$ (114,349)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 349,732,056</u></u>
Depreciation and amortization expense was charged to business-type activities as follows:					
Water					\$ 3,657,990
Stormwater					2,750,281
Wastewater					5,853,583
Total depreciation and amortization expense					<u><u>\$ 12,261,854</u></u>

D. Interfund Receivables, Payables and Transfers

Interfund receivables and payables consists of resources accumulated in the Equipment Replacement Fund for the purchase of capital assets for other funds, for miscellaneous transfers between funds, and an interfund borrowing for capital purposes between equipment replacement and facilities internal service funds.

Interfund due to/from other funds balances and advances at fiscal year-end were as follows:

Due to/Advance from	Due from/Advance to	Amount
General	Nonmajor Governmental	\$ 500,000
	Internal Service	<u>13,467,433</u>
Transportation	Internal Service	<u>3,645,010</u>
Nonmajor Governmental	Internal Service	<u>774,023</u>
Water	Internal Service	<u>1,799,974</u>
Stormwater	Internal Service	<u>1,843,607</u>
Wastewater	Internal Service	<u>3,620,513</u>
Internal Service	Various Internal Service Components	<u>2,251,851</u>
		<u><u>\$ 27,902,411</u></u>

NOTES TO THE FINANCIAL STATEMENTS

An interfund loan between the governmental Designated Purpose Fund and the Facilities & Fleet Management Fund originated in fiscal year 2025 for \$2,200,000. The entire balance is outstanding as of June 30, 2025.

Interfund transfers during the fiscal year were as follows:

Transfer To	Transfer From	Amount	Purpose
General	Transportation Water, Stormwater, and Wastewater	11,200 75,900	Equipment transfer Confined space rescue
			\$ 87,100
Designated Purpose	Nonmajor Governmental Stormwater Internal Service Transportation General	19,347 145,000 221,298 263,000 269,423	Small business programs Stormwater in lieu of fees Grant and project support Underground in lieu of fees Project support
			918,068
Transportation	General Nonmajor Governmental System Development Charge Water, Stormwater, and Wastewater	18,100 117,000 246,398 1,177,250	Equipment transfer Streetlight program SDC debt payments Equipment transfer, vegetation and sweeping
			1,558,748
Nonmajor Governmental	Nonmajor Governmental Water, Stormwater, and Wastewater General Designated Purpose System Development Charge Transportation	726,511 1,480,500 2,581,000 3,451,603 5,658,629 9,151,782	EnerGov support, streetlights, debt service Green business programs, dev engineering and public works support Planning services, EnerGov support Grant project support CIP, SDC funded projects, debt service Transportation services, dev eng & public works, CIP transfers, debt service
			23,050,025
Water	General Transportation Stormwater and Wastewater System Development Charge	700 2,000 34,500 1,212,934	Equipment transfer Equipment transfer Equipment transfer SDC funded debt, interest payment, and credits
			1,250,134
Stormwater	Water General Transportation Designated Purpose System Development Charge	3,400 5,600 6,400 83,138 256,175	Equipment transfer Equipment transfer Equipment transfer Stormwater facility improvements, riparian/wetland SDC funded debt, interest payment, and credits
			354,713
Wastewater	Transportation Water and Stormwater General System Development Charge	3,800 18,550 22,700 915,130	Equipment transfer Equipment transfer Equipment transfer SDC funded debt, interest payment, and credits
			960,180
Internal Service	Nonmajor Governmental Internal Service Water, Stormwater, and Wastewater Transportation General Designated Purpose	28,000 436,300 612,000 640,000 919,719 4,218,738	Operations property purchase Health and dental plan program support, equipment replacement contribution Operations property purchase, asset management program Operations property purchase, asset management program Operations property purchase, customer assist programs, insurance reimbursement vehicle purchase Property purchase, Station 72 support
			6,854,757
			\$ 35,033,725

CITY OF GRESHAM, OREGON

E. Long-term Liabilities

Long-term liability activity during the fiscal year was as follows below.

Governmental Activities ¹	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due in	
					Within One Year	More Than One Year
Bonds and notes payable	\$ 32,713,136	\$ 8,236,045	\$ 15,672,410	\$ 25,276,771	\$ 7,781,358	\$ 17,495,413
Premiums	139,769	-	14,733	125,036	14,732	110,304
Total bonds and notes payable	32,852,905	8,236,045	15,687,143	25,401,807	7,796,090	17,605,717
Other liabilities:						
Lease payable	288,666	691,730	349,386	631,010	344,152	286,858
SBITA payable	878,179	1,991,504	724,431	2,145,252	792,161	1,353,091
Compensated absences	11,006,300	-	1,599,500	9,406,800	-	9,406,800
Net pension liability	133,952,027	55,570,734	53,222,586	136,300,175	-	136,300,175
Other post-employment benefits liability	9,650,961	1,762,178	3,285,889	8,127,250	525,000	7,602,250
Governmental Activities Long-Term Liabilities	\$ 188,629,038	\$ 68,252,191	\$ 74,868,935	\$ 182,012,294	\$ 9,457,403	\$ 172,554,891
Business-Type Activities						
Bonds and notes payable	\$ 9,917,243	\$ 64,817	\$ 901,723	\$ 9,080,337	\$ 996,002	\$ 8,084,335
Revenue bonds	41,455,000	15,000,000	-	56,455,000	-	56,455,000
Arbitrage liability	-	137,681	-	137,681	-	137,681
Premiums	2,197,083	-	138,512	2,058,571	138,512	1,920,059
Total bonds and notes payable	53,569,326	15,202,498	1,040,235	67,731,589	1,134,514	66,597,075
Other liabilities:						
SBITA payable	165,561	-	52,119	113,442	55,134	58,308
Compensated absences	1,426,700	-	193,900	1,232,800	-	1,232,800
Net pension liability	14,443,883	8,234,657	6,021,951	16,656,589	-	16,656,589
Other post-employment benefits liability	536,901	80,703	180,614	436,990	-	436,990
Business-Type Activities Long-Term Liabilities	\$ 69,976,810	\$ 23,517,858	\$ 7,488,819	\$ 86,171,410	\$ 1,189,648	\$ 84,981,762

¹ Governmental debt also includes debt obligations of Property Management Fund

Governmental Activities include long-term debt and other liabilities of governmental funds and internal service funds. Most pension liabilities, other post-employment benefits, and compensated absence liabilities are incurred and paid by the General, Transportation, Building and Administrative Services Funds with the remainder covered by internal service and other governmental funds.

Bonds and Notes Payable

The City had \$34.4 million in outstanding bonds and notes (excluding Revenue bonds) to fund the following:

\$ 19,126,771	Property, buildings and infrastructure
5,740,000	Pension bonds
410,000	Miscellaneous other
<u>25,276,771</u>	Governmental activities bonds and notes payable
2,710,762	Wastewater system improvements
3,220,000	Water system improvements
3,149,575	Stormwater system improvements
<u>9,080,337</u>	Business-Type activities notes payable
<u>\$ 34,357,108</u>	Total outstanding bonds and notes payable

NOTES TO THE FINANCIAL STATEMENTS

Projects constructed and repayment sources for each bond and note issue are as follows:

Bonds and Notes	Project	Repayment Source
Governmental Activities		
2004 Limited Tax Obligation	Pension obligation	City operations, proportionately
2013 Full Faith & Credit Obligations Series B	Springwater planning	SDC's
2013 Full Faith & Credit Obligations Series C	Streetlight replacement	Utility license fees
2015 FF&C Obligations	Transportation and bikes and footpaths	Gas Taxes & Transportation Fees
2022 Transportation FF&C	Local street reconstruction	Transportation Revenues
Business-Type Activities		
Second Clarifier	Wastewater improvements	Wastewater Revenues and SDCs
2015 FF&C Obligations	Wastewater improvements	Wastewater Revenues and SDCs
2015 FF&C Obligations	Water improvements	Water Revenues and SDCs
Stormwater UIC-SRF	Stormwater underground injection controls	Stormwater Revenues and SDCs
2021 Water Revenue Bond	Water infrastructure and improvements	Water Revenues
2022 WIFIA Revenue Bond	Water infrastructure and improvements	Water Revenues
2025 Stormwater SRF	Powell boulevard- Tree wells (design)	Forgivable Loan upon completion

Bond and note principal transactions during the fiscal year were as follows:

Governmental Activities	Coupon Rates on Outstanding	Amount Outstanding		Matured/Redeemed	Amount Outstanding			
		Original Issue	Beginning		Issued	Ending		
Bonds Payable								
Governmental Funds								
2004 Limited Tax Obligations	6.015% to 6.095%	\$ 19,280,000	\$ 7,650,000	\$ -	\$ 1,910,000	\$ 5,740,000		
2013 Full Faith & Credit Obligations Series B	3.25% to 4.25%	4,655,000	450,000	-	40,000	410,000		
2013 Full Faith & Credit Obligations Series C*	3.05% to 4.85%	7,610,000	1,915,000	-	375,000	1,540,000		
2015 Full Faith & Credit Obligations	3.25% to 5.00%	8,951,250	2,183,750	-	163,750	2,020,000		
Total bonds payable		40,496,250	12,198,750	-	2,488,750	9,710,000		
Notes Payable								
Governmental Funds								
2022 Transportation	2.40%	30,000,000	20,514,386	-	4,947,615	15,566,771		
2023 GRDC IGA	0.00%	8,236,045	-	8,236,045	8,236,045	-		
Total notes payable		38,236,045	20,514,386	8,236,045	13,183,660	15,566,771		
Total Governmental Activities bonds and notes payable		\$ 78,732,295	\$ 32,713,136	\$ 8,236,045	\$ 15,672,410	\$ 25,276,771		
Business-Type Activities								
Wastewater - Second Clarifier								
2015 FF&C Obligations - Wastewater	3.25% to 5.00%	5,670,000	2,965,000	-	370,000	2,595,000		
2015 FF&C Obligations - Water	3.25% to 5.00%	5,338,750	3,481,250	-	261,250	3,220,000		
2017 State of Oregon Stormwater UIC	0.00%	4,935,608	3,331,538	-	246,780	3,084,758		
2024 State of Oregon Stormwater ECL**	2.58%	121,358	-	64,817	-	64,817		
2021 Water Revenue Bond	2.00% to 5.00%	41,455,000	41,455,000	-	-	41,455,000		
2022 WIFIA Revenue Bond	3.22%	34,078,873	-	15,000,000	-	15,000,000		
Total Business-Type Activities bonds and notes payable		\$ 92,006,647	\$ 51,372,243	\$ 15,064,817	\$ 901,723	\$ 65,535,337		

* 2013 Full Faith & Credit Obligations Series C are energy conservation bonds and receive an issuer subsidy up to 70% of the tax credit rate of 5.27%.

** 2024 State of Oregon Stormwater Emerging Contaminants Loan is forgivable upon project completion

CITY OF GRESHAM, OREGON

Debt service requirements to maturity for bonds and notes payable are as follows:

Governmental Activities							
2004 Limited Tax Obligation (Pension Bonds)				2015 Gresham/URA FF&C		2013 FF&C Obligations	
Fiscal Year	Principal	Interest		Principal	Interest	Principal	Interest
2026	\$ 2,125,000	\$ 349,853		\$ 170,000	\$ 74,461	\$ 420,000	\$ 73,693
2027	2,360,000	220,334		177,500	65,961	420,000	56,523
2028	1,255,000	76,492		188,750	57,086	420,000	38,733
2029	-	-		191,250	50,952	430,000	20,306
2030	-	-		197,500	44,736	60,000	9,563
2031 - 2035				1,095,000	117,214	200,000	17,488
	\$ 5,740,000	\$ 646,679		\$ 2,020,000	\$ 410,410	\$ 1,950,000	\$ 216,306
2022 Transportation							
Fiscal Year	Principal	Interest		Principal	Interest	Principal	Interest
2026	\$ 5,066,358	\$ 373,602					
2027	5,187,951	252,010					
2028	5,312,462	127,499					
2029	-	-					
2030	-	-					
	\$ 15,566,771	\$ 753,111					
Business-Type Activities							
Wastewater - Second Clarifier				Wastewater - 2015 FF&C		Water - 2015 FF&C	
Fiscal Year	Principal	Interest		Principal	Interest	Principal	Interest
2026	\$ 24,405	\$ 3,848		\$ 390,000	\$ 99,494	\$ 270,000	\$ 118,670
2027	25,138	2,993		410,000	79,994	282,500	105,170
2028	25,892	2,113		430,000	59,494	296,250	91,045
2029	26,669	1,207		440,000	45,519	308,750	81,417
2030	13,658	272		455,000	31,219	317,500	71,383
2031 - 2035	-	-		470,000	15,863	1,745,000	186,798
	\$ 115,762	\$ 10,433		\$ 2,595,000	\$ 331,583	\$ 3,220,000	\$ 654,483
Storm-Underground Injection Control				2021 Water Revenue Bond		2022 WIFIA Revenue Bond	
Fiscal Year	Principal	Interest*		Principal	Interest	Principal	Interest
2026	\$ 246,780	\$ 15,424		\$ -	\$ 1,047,113	\$ -	\$ 483,000
2027	246,780	14,190		-	1,047,113	-	483,000
2028	246,780	12,956		-	1,047,113	-	483,000
2029	246,780	11,722		1,545,000	1,047,113	-	483,000
2030	246,780	10,488		1,625,000	969,862	422,451	479,626
2031 - 2035	1,233,900	40,101		9,190,000	3,774,860	2,327,062	2,183,324
2036 - 2040	616,958	5,553		10,280,000	2,686,311	2,730,061	1,780,325
2041 - 2045	-	-		11,375,000	1,596,181	3,202,852	1,307,534
2046 - 2050	-	-		7,440,000	337,276	3,757,521	752,865
2051 - 2055	-	-		-	-	2,560,053	146,179
	\$ 3,084,758	\$ 99,946		\$ 41,455,000	\$ 13,552,942	\$ 15,000,000	\$ 8,581,853
Storm - Emerging Contaminants							
Fiscal Year	Principal**	Interest		Principal	Interest	Principal	Interest
2026	\$ 64,817	\$ -					
2027	-	-					
2028	-	-					
2029	-	-					
2030	-	-					
	\$ 64,817	\$ 22,828					

* The Storm-Underground Injection Control is an interest free loan with a 0.5% (of unpaid principal) fee which is treated as interest.

** The Stormwater Emerging Contaminants Loan is forgivable upon project completion, expected in FY25-26

NOTES TO THE FINANCIAL STATEMENTS

Summary of City of Gresham Non-Public Debt Outstanding

The following schedule outlines non-public debt issued by the City of Gresham or its component unit (GRDC). Future payments can be found in the “Debt Service to Maturity” footnote above. Following the table are descriptions of the covenants and/or terms that are unique or unusual.

<u>Privately Issued Debt</u>			
<u>Governmental Activities</u>			
	6/30/2025	Maturity	Covenants/ Terms
2022 Transportation	\$ 15,566,771	6/1/2028	(a)
Total Governmental Activities	<u>\$ 15,566,771</u>		
<u>Business-Type Activities</u>			
	6/30/2025	Maturity	Covenants & Terms
2010 Wastewater - Second Clarifier	\$ 115,762	8/1/2029	(b)
2017 State of Oregon - Stormwater	3,084,758	8/1/2037	(c)
2024 State of Oregon - Stormwater Forgivable Loan	64,817	* see terms below	(d)
Total Business Activities	<u>\$ 3,265,337</u>		
Grand Total	<u>\$ 18,832,108</u>		

(a) Full Faith and Credit notes with no reserve requirements or other restrictions.

(b) State of Oregon Dept. of Environmental Quality loan. The loan requires a \$7,214 loan reserve and a 125% revenue stream coverage. Maintenance of constructed asset is required and disposal is restricted. A default can result in other unrelated State revenues being withheld.

(c) State of Oregon Dept. of Environmental Quality loan. The loan requires a \$123,390 loan reserve and a 125% revenue stream coverage. Maintenance of constructed asset is required and disposal is restricted. A default can result in other unrelated State revenues being withheld.

(d) State of Oregon Dept. of Environmental Quality Loan. This is a forgivable loan upon project completion for the design of Tree Wells. Estimated completion for design portion- 2026.

Revenue Bonds

The City issues revenue bonds to satisfy a variety of capital financing requirements. The bonds are backed solely by fees and charges collected for services provided, generally through usage. Revenue bonds outstanding are Water Revenue Bonds. All the Water Revenue Bonds are paid from the Water Debt Service Fund.

The City's revenue bonds are insured and third-party sureties satisfy the related debt reserve requirements. The City complied with its bond covenants during the fiscal year and at year-end. Principal debt service transactions during the fiscal year were as follows:

	Coupon Rates on Outstanding	Original Issue	Amount			Matured/ Redeemed	Amount Outstanding Ending				
			Outstanding Beginning	Issued	-						
Business-Type Activities											
Water Revenue Bonds											
Series 2021	2.00% - 5.00%	\$ 41,455,000	\$ 41,455,000	\$ -	\$ -	\$ 41,455,000					
WIFIA 2022	3.22%	34,078,873	-	15,000,000	-	15,000,000					
		<u>\$ 75,533,873</u>	<u>\$ 41,455,000</u>	<u>\$ 15,000,000</u>	<u>\$ -</u>	<u>\$ 56,455,000</u>					

CITY OF GRESHAM, OREGON

Debt service requirements to maturity for revenue bonds are as follows:

Fiscal Year	Water Revenue Bonds	
	Principal	Interest
2026	\$ -	\$ 1,530,113
2027	-	1,530,113
2028	-	1,530,113
2029	1,545,000	1,530,113
2030	2,047,451	1,449,488
2031-2035	11,517,062	5,958,184
2036-2040	13,010,061	4,466,635
2041-2045	14,577,852	2,903,716
2046-2050	11,197,521	1,090,141
2051-2055	2,560,053	146,179
	<hr/> <u>\$ 56,455,000</u>	<hr/> <u>\$ 22,134,795</u>

Section 108 Loans and Loan Guarantees

During 2016 the City Council approved HUD Section 108 Loan Guarantees for a loan to Open Meadow Alternative School for \$727,000 to be repaid over 20 years. In the event that the borrower is unable to make required payments in the future, the City would be required to either make the payments or have its annual Community Development Block Grant funding reduced.

A loan completed in 2010 created, by City Council resolution, a City guarantee for Human Solutions, a not-for-profit entity. This transaction was a New Market Tax Credits deal. Human Solutions has made all required payments to date. In the unlikely event that Human Solutions is unable to make required payments in the future, the City would be required to either make the payments or have its annual Community Development Block Grant funding reduced. The balance on this guaranteed loan is \$794 thousand which will be repaid over the remaining term of 6 years.

WIFIA Loan Agreement

In May 2022, the City entered into a loan agreement with the United States EPA for a Water Infrastructure Finance and Innovation Act loan of up to \$34 million. As of June 30, 2025, the City's draw amount was \$15 million. The City expects to use the remaining loan in the next fiscal year with the related projects scheduled to be completed by 2026.

Intergovernmental Loan Agreement

The City and the Gresham Redevelopment Commission (GRDC) entered into an agreement for the City to provide credit facility services. The agreement allows direct lending from the City to GRDC with repayment occurring the following day from GRDC's tax increment financing revenues. The 2025 borrowing and repayment amount was \$8,236,045.

NOTES TO THE FINANCIAL STATEMENTS

F. Leases and Subscriptions

Leases

For the year ended June 30, 2025, the City has reported the following lease activity consistent with GASB Statement 87, with activity reported based on the facts in place as of the beginning of the period.

As of June 30, 2025, the City had four active leases, for buildings used for functions including a fleet shop, a signal shop, a fire logistics facility, and a police training facility. The leases have payments that range from \$20,100 to \$204,956 and interest rates that range from 0.5770% to 2.6820%. As of June 30, 2025, the total combined value of the lease liability is \$631,010, and the short-term lease liability of \$344,152. The combined value of the right to use assets, as of June 30, 2025 of \$1,765,463 with accumulated amortization of \$1,167,698 is included within the Lease Class activities table found below.

Amount of Lease Assets by Major Classes of Underlying Asset

Asset Class	As of Fiscal Year-end	
	Lease Asset Value	Accumulated Amortization
Buildings	\$ 1,765,463	\$ 1,167,698
Total Leases	\$ 1,765,463	\$ 1,167,698

Principal and Interest Requirements to Maturity

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2026	\$ 344,152	\$ 4,272	\$ 348,424
2027	168,558	5,402	173,959
2028	118,300	2,281	120,581
	\$ 631,010	\$ 11,955	\$ 642,964

Subscriptions

For the year ended June 30, 2025, the City has reported the following subscription activity consistent with the adoption of GASB Statement 96, with activity reported based on the facts in place as of the beginning of the period.

As of June 30, 2025, the City had four active subscriptions, for agreements for the right to use enterprise software for enterprise resource planning and permits (including financial and budget activity, human resources and payroll, permits, business licenses and code enforcement), geographic information system, infrastructure asset management (including water systems, stormwater systems, wastewater systems, transportation and parks assets), and utility billing. The subscriptions have payments that range from \$70,261 to \$554,617 and interest rates that range from 0.6860% to 3.6310%. As of June 30, 2025, the total combined value of the subscription liability is \$2,258,694, and the short-term subscription liability of \$847,295. The combined value of the right to use assets, as of June 30, 2025 of \$4,343,737 with accumulated amortization of \$1,974,732 is included within the Subscription Class activity table found below.

CITY OF GRESHAM, OREGON

Amount of Subscription Assets by Major Classes of Underlying Asset

Asset Class	As of Fiscal Year-end	
	Subscription Asset Value	Accumulated Amortization
Software	\$ 4,343,737	\$ 1,974,732
Total Subscriptions	\$ 4,343,737	\$ 1,974,732

Principal and Interest Requirements to Maturity

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2026	\$ 792,161	\$ 18,936	\$ 811,097
2027	716,628	33,473	750,101
2028	636,463	16,039	652,503
	<u>\$ 2,145,252</u>	<u>\$ 68,448</u>	<u>\$ 2,213,701</u>

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2026	\$ 55,134	\$ 778	\$ 55,913
2027	58,308	400	58,709
	<u>\$ 113,442</u>	<u>\$ 1,178</u>	<u>\$ 114,622</u>

NOTES TO THE FINANCIAL STATEMENTS

G. Pension Plan

Plan Description

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

<https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

Benefits Provided

Tier One/Tier Two Retirement Benefit

Pension Benefits. The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0% for police and fire employees, 1.67% for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. 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 was \$238,567 in 2025 and will be indexed with inflation in later years.

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

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

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

CITY OF GRESHAM, OREGON

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

Benefit Changes After Retirement. Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA for creditable service earned before October 2013 is 2.00%. The COLA for creditable service earned after October 2013 is calculated as 1.25% on the first \$60,000 of annual benefit and 0.15% on amounts above \$60,000 of annual benefit.

OPSRP Pension Program

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

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

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

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

Benefit Changes After Retirement. Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA for creditable service earned before October 2013 is 2.00%. The COLA for creditable service earned after October 2013 is calculated as 1.25% on the first \$60,000 of annual benefit and 0.15% on amounts above \$60,000 of annual benefit.

NOTES TO THE FINANCIAL STATEMENTS

OPSRP Individual Account Program (IAP)

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

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

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

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

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2021 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2023. The City's contribution rates for the period were 27.88% for Tier One/Tier Two members, 20.01% for OPSRP General Service members, and 24.80% for OPSRP Police and Fire members. The City's total for the year ended June 30, 2025 contributions exclusive of the 6% "pick-up" was \$16,138,105.

Covered employees are required to contribute 6% of their salary to the Plan, but the employer is allowed to pay any or all of the employees' contribution in addition to the required employers' contribution. The City has elected to contribute the 6% "pick-up" or \$4,005,927 of the employees' contribution.

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

At June 30, 2025, the City reported a liability of \$152,956,764 for its proportionate share of the OPERS net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022 rolled forward to June 30, 2024. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the City's proportion was 0.6881%, which is a decrease from its proportion of 0.7923% measured as of June 30, 2023.

For the year ended June 30, 2025, the City recognized pension expense of \$22,935,676. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF GRESHAM, OREGON

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,061,273	\$ 365,058
Changes of assumptions	15,378,323	19,702
Net difference between projected and actual earnings on investments	9,717,032	-
Changes in proportionate share	15,721,290	13,430,976
Differences between employer contributions and employer's proportionate share of system contributions	-	16,285,877
Contributions subsequent to the measurement date	16,138,105	-
Total	\$ 66,016,023	\$ 30,101,613

Deferred outflows of resources related to pensions of \$16,138,105 resulting from the City's contributions subsequent to the measurement date will be recognized as either a reduction of the net pension liability or an increase in the net pension asset in the year ending June 30, 2026. 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:		
2026	\$ (2,387,657)	
2027	14,326,396	
2028	6,299,006	
2029	1,671,044	
2030	<u>(132,484)</u>	
Total	\$ 19,776,305	

Actuarial Methods and Assumptions

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.40%
Investment Rate of Return	6.90%
Projected Salary Increases	3.40% overall payroll growth; salaries for individuals are assumed to grow at 3.40% plus assumed rates of merit/longevity increases based on service

NOTES TO THE FINANCIAL STATEMENTS

Mortality

Healthy retirees and beneficiaries:

Pub-2010 Healthy retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Active members:

Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Disabled retirees:

Pub-2010 Disabled retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2022 experience study which reviewed experience for the four-year period ending on December 31, 2022.

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's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption was based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	20-Year Annualized Geometric Mean
Global Equity	27.50%	7.07%
Private Equity	25.50	8.83
Core Fixed Income	25.00	4.50
Real Estate	12.25	5.83
Master Limited Partnerships	0.75	6.02
Infrastructure	1.50	6.51
Hedge Fund of Funds – Multistrategy	1.25	6.27
Hedge Fund Equity – Hedge	0.63	6.48
Hedge Fund – Macro	5.62	4.83
Assumed Inflation – Mean		2.35

CITY OF GRESHAM, OREGON

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 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.

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:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability (asset)	\$ 241,283,083	\$ 152,956,764	\$ 78,979,156

Pension Plan Fiduciary Net Position

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

H. Post Employment Benefits Other than Pensions

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

Financial Statement Presentation

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

NOTES TO THE FINANCIAL STATEMENTS

	Implicit Rate Subsidy Plan	PERS RHIA Plan	Total OPEB on Financials
Net OPEB Asset	\$ -	\$ 1,726,892	\$ 1,726,892
Deferred Outflows of Resources			
Contributions After the Measurement Date	546,635	61	546,696
Difference in Earnings	-	48,759	48,759
Difference in Experience	564,604	-	564,604
Change in Assumptions	134,655	-	134,655
Total OPEB Liability	8,564,240	-	8,564,240
Deferred Inflows of Resources			
Change in Proportionate Share	-	24,342	24,342
Change in Assumptions	1,862,594	21,843	1,884,437
Difference in Experience	784,086	33,775	817,861
OPEB Expense (Income)	729,471	(258,551)	470,920
(Included in program expenses on Statement of Activities)			

Implicit Rate Subsidy

Plan Description

The City's single-employer defined benefit postemployment healthcare plan is administered by Allegiance. Benefit provisions are established through negotiations between the City and representatives of collective bargaining units or through resolutions passed by City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

The City's postemployment healthcare plan administrator issues a financial report that includes financial statements and required supplementary information for tax reporting. This report may be obtained by contacting Allegiance at 2806 S. Garfield St. PO Box 3018 Missoula, MT 59806 or calling 800-877-1122.

Benefits Provided

The plan provides eligible retirees and their dependents under age 65 the same health care coverage at the same premium rates as offered to active employees. The retiree is responsible for the premiums. As of the valuation date of July 1, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	55
Active employees	<u>607</u>
	<u><u>662</u></u>

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

The City's total OPEB liability of \$8,564,240 was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2024.

CITY OF GRESHAM, OREGON

For the fiscal year ended June 30, 2025, the City recognized OPEB expense from this plan of \$729,471. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 134,655	\$ 1,862,594
Differences between expected and actual experience	564,604	784,086
Contributions subsequent to the measurement date	546,635	-
Total	\$ 1,245,894	\$ 2,646,680

Deferred outflows of resources related to OPEB of \$546,635 resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:		
2026	\$ (230,816)	
2027	(220,707)	
2028	(187,549)	
2029	(255,759)	
2030	(244,725)	
Thereafter	(807,865)	
Total	\$ (1,947,421)	

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2024 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry age normal
Inflation	2.4%
Salary increases	3.4%
Healthy mortality	Pub-2010 General and Safety Employee and Healthy Retiree tables, sex-distinct for members and dependents, with a one-year setback for male general service employees and female safety employees.
Discount rate	3.93% (change from 3.65% in previous measurement period)
Healthcare cost trend rate	Medical and vision: 6.90% per year, decreasing to 3.75% Dental: 4.00% per year, decreasing to 3.75% after 2072

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

NOTES TO THE FINANCIAL STATEMENTS

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2024	\$ 10,187,862
Changes for the year:	
Service cost	576,996
Interest on Total OPEB Liability	383,291
Effect of economic/demographic gains or losses	(873,187)
Effect of assumptions changes or inputs	(1,178,470)
Benefit payments	<u>(532,252)</u>
Balance as of June 30, 2025	<u>\$ 8,564,240</u>

Changes in assumptions is primarily related to the change in the discount rate from 3.65% to 3.93%, and a change in the election rate from 55% to 40% of eligible employees.

Sensitivity of the Total OPEB Liability

The following presents the City's total OPEB liability, as well as what the liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93 percent) or 1-percentage-point higher (4.93 percent) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

Discount Rate:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB Liability	\$ 9,292,188	\$ 8,564,240	\$ 7,900,658

Healthcare Cost Trend:

	1% Decrease (5.90% decreasing to 2.75%)	Current Healthcare Trend Rate (6.90% decreasing to 3.75%)	1% Increase (7.90% decreasing to 4.75%)
Total OPEB Liability	\$ 7,685,372	\$ 8,564,240	\$ 9,606,657

PERS Retirement Health Insurance Account

Plan Description

The City contributes to the PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by PERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums for eligible retirees. ORS 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants hired after August 29, 2003. PERS issues publicly available financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700, or online at http://Oregon.gov/PERS/section/financial_reports/financials.shtml.

CITY OF GRESHAM, OREGON

Benefits Provided

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

Contributions

PERS funding policy provides for employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2021 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2023. The City's contribution rates for the period were 0.00% for Tier One/Tier Two members, and 0.00% for OPSRP members. The City's total contributions for the year ended June 30, 2025 was \$61.

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

At June 30, 2025, the City reported an asset of \$1,726,892 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2022 rolled forward to June 30, 2024. The City's proportion of the net OPEB asset was based on the City's contributions to the RHIA program during the measurement period relative to contributions from all participating employers. At June 30, 2024, the City's proportionate share was 0.4275%, which is an increase from its proportion of 0.4267% as of June 30, 2023.

For the year ended June 30, 2025, the City recognized an OPEB expense reduction from this plan of \$258,551. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

NOTES TO THE FINANCIAL STATEMENTS

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 33,775
Changes of assumptions	- -	21,843
Net difference between projected and actual earnings on	48,759	-
Changes in proportionate share	- -	24,342
Contributions subsequent to the measurement date	<u>61</u>	-
 Total	 <u>\$ 48,820</u>	 <u>\$ 79,960</u>

Deferred outflows of resources related to OPEB of \$61 resulting from the City's contributions subsequent to the measurement date will be recognized as an increase in the net OPEB asset in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2026	\$ (122,081)
2027	58,872
2028	26,381
2029	5,627
Total	<u>\$ (31,201)</u>

Actuarial Methods and Assumptions

All actuarial methods and assumptions are consistent with those disclosed for the OPERS Pension Plan. See Note 3.G. for additional information on Actuarial Assumptions and Methods, the Long-Term Expected Rate of Return, and the Discount Rate. A healthcare cost trend rate is not applicable to this plan because the cost is fixed by statute.

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:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Net OPEB Asset	\$ 1,598,577	\$ 1,726,892	\$ 1,837,374

OPEB Plan Fiduciary Net Position

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

CITY OF GRESHAM, OREGON

I. Deferred Compensation Plan

Plan Description

The City offers employees a voluntary deferred compensation plan (the Plan) administered by the City. The plan is a defined contribution plan created in accordance with Internal Revenue Code (the Code) Section 457. The City's deferred compensation committee has the authority to establish or amend the plan provisions. The Plan is available to any individual who is employed by the City in a benefit eligible (medical & dental) position after completing 30 days of service and permits them to defer a portion of their salary until future years.

Participation in the plan is voluntary. Contributions are made through salary withholdings from participating employees up to the amounts specified in the Code. No contributions are required from the City.

Amounts deferred are not available to employees until termination, retirement, death, or unforeseeable emergency. All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries. No plan assets have been used for purposes other than the payment of benefits. At June 30, 2025, the amount deferred and investment earnings thereon, adjusted to fair value, amount to \$102,279,942. The amounts accumulated under the Plan, including investment earnings, are excluded from the financial statements of the City.

J. Fund Balance Components

Fund balances at fiscal year-end were categorized as follows:

Fund Balances			System	Transportation Fund	GRDC - Rockwood Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Designated Purpose Fund	Development Charge Fund				
Restricted:							
Transportation Projects	\$ -	\$ -	\$ -	\$ 35,506,780	\$ -	\$ -	\$ 35,506,780
City System Development	-	-	29,780,302				29,780,302
Streetlights	-	-	-	-	-	7,381,732	7,381,732
Building Inspection & Permits	-	-	-	-	-	19,301,451	19,301,451
Urban Renewal Area	-	-	-	-	1,422,622	12,999,952	14,422,574
Local Option Levy						1,581,523	1,581,523
Misc. Grants and Programs	-	9,236,242	-	-	-	145,626	9,381,868
Total Restricted Fund Balances	-	9,236,242	29,780,302	35,506,780	1,422,622	41,410,284	117,356,230
Committed:							
Rental Inspections	-	-	-	-	-	993,311	993,311
Assigned:							
Infrastructure Development	-	-	-	-	-	5,557,775	5,557,775
Urban Design and Planning	-	-	-	-	-	2,294,281	2,294,281
Solid Waste	-	-	-	-	-	1,044,063	1,044,063
Misc. Grants and Programs	-	4,551,818	-	-	-	217,962	4,769,780
Capital Projects	-	-	-	-	-	4,354,617	4,354,617
Debt Service	-	-	-	-	-	1,481,666	1,481,666
Total Assigned Fund Balances	-	4,551,818	-	-	-	14,950,364	19,502,182
Unassigned:							
Total Fund Balances	\$ 51,073,880	\$ 13,788,060	\$ 29,780,302	\$ 35,506,780	\$ 1,422,622	\$ 57,353,959	\$ 188,925,603

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries commercial insurance.

The City is self-insured for workers' compensation claims. The City purchases excess insurance for any claim that exceeds \$500,000. The operations of the self-insurance program are reported in the Workers' Compensation Fund, an Internal Service Fund. Revenues are generated from charges to other funds for insurance coverage, while expenses consist of reported and estimated claims, administrative operating costs and the premium for excess insurance. Settled claims have not triggered excess coverage in any of the past three years.

The City purchases commercial insurance for general liability; automobile liability; auto physical damage; property; volunteer liability; cyber liability; and crime. Operating resources for the year consist mainly of charges to other funds and interest income. Settled claims have not exceeded insurance coverage in any of the last three fiscal years.

Effective August 1, 2013 the City became self-insured for health insurance for some employees. Premiums are paid into the Health Insurance Benefits Fund. Claims are managed by a third-party management company UMR. The City carries supplemental insurance to manage health insurance risk. The policy limits the City's liability to \$250,000 per covered life and \$8,178,782 annually.

Changes in the workers' compensation, general liability, health insurance and dental insurance claims during the current and prior fiscal year were as follows:

Workers' Compensation Claims

Fiscal Year	Beginning Balance	New claims and changes in estimates	Claim payments	Ending Balance
2024	\$ 4,058,000	\$ 1,868,004	\$ (1,441,808)	\$ 4,484,196
2025	4,484,196	2,764,308	(2,461,927)	4,786,577

Liability Claims

Fiscal Year	Beginning Balance	New claims and changes in estimates	Claim payments	Ending Balance
2024	\$ 851,295	\$ 185,620	\$ (37,777)	\$ 999,138
2025	999,138	(68,451)	(151,533)	779,154

Health Insurance Claims

Fiscal Year	Beginning Balance	New claims and changes in estimates	Claim payments	Ending Balance
2024	\$ 1,227,000	\$ 8,092,456	\$ (8,245,456)	\$ 1,074,000
2025	1,074,000	7,957,205	(8,061,205)	970,000

Dental Insurance Claims

Fiscal Year	Beginning Balance	New claims and changes in estimates	Claim payments	Ending Balance
2024	\$ 22,000	\$ 648,109	\$ (633,109)	\$ 37,000
2025	37,000	615,913	(612,913)	40,000

CITY OF GRESHAM, OREGON

B. Contingent Liabilities

The City is a defendant in various lawsuits. Most of these lawsuits are covered by the City's insurance policies. Although the outcome of these lawsuits is not presently determinable, it is the opinion of management that resolution of these matters will not have a material adverse effect on the financial condition of the City.

Claims not covered by the City's insurer are recognized when it appears probable that the loss has been incurred and the amount can be reasonably estimated.

C. Construction Commitments

The City has entered into contracts for construction, as follows:

Project Description	Contract Commitment	Expended as of June 30, 2025	Remaining Commitment
WWTP Maintenance Project	\$ 37,039,840	\$ 22,462,848	\$ 14,576,992
WWTP Uppr Plnt Secondary Clarifier5	955,261	477,068	478,193
East Basin Trunk Upgrade Phase III	593,576	130,175	463,401
WWTP Upper Plant Nitrification Impr	2,660,351	1,798,259	862,092
Nechakoee Creek Bank Stabilization	345,594	-	345,594
181st Ave. Safety Improvements	261,619	33,684	227,935
Gresham Fairview Trl Ph4	671,119	463,094	208,025
Gardin Sports Park Devel (SW)	7,641,748	6,498,517	1,143,231
Div St (Birdsle-Wallula-RFFA Grnt)	4,914,693	2,979,325	1,935,368
Columbia South Shore Connection	3,985,966	3,540,889	445,077
Gresham's Well #2	10,237,896	9,884,939	352,957
Gresham's Well #4	409,395	49,395	360,000
Groundwater Develop MP Implementation	15,169,190	159,190	15,010,000
Groundwater Secondary Trans Main	17,012,877	16,201,507	811,370
Catalyst Site	2,597,875	2,290,375	307,500
Totals	\$ 104,497,000	\$ 66,969,265	\$ 37,527,735

NOTES TO THE FINANCIAL STATEMENTS

D. Pledged Revenue

Revenues of the City pledged to debt service are the 2021 Water Revenue Bond and State Revolving Fund Loans for Stormwater and Wastewater. The obligations subject to the pledged revenue commitments are as follows:

	2021 Water Revenue Bonds		Stormwater SRF		Wastewater SRF	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ -	\$ 1,530,113	\$ 246,780	\$ 15,424	\$ 24,405	\$ 3,848
2027	-	1,530,113	246,780	14,190	25,138	2,993
2028	-	1,530,113	246,780	12,956	25,892	2,113
2029	1,545,000	1,530,113	246,780	11,722	26,669	1,207
2030	2,047,451	1,449,488	246,780	10,488	13,658	272
2031 - 2035	11,517,062	5,958,184	1,233,900	40,101	-	-
2036 - 2040	13,010,061	4,466,636	616,958	5,553	-	-
2041 - 2045	14,577,852	2,903,715	-	-	-	-
2046 - 2050	11,197,521	1,090,141	-	-	-	-
2051 - 2055	2,560,053	146,179	-	-	-	-
Total	<u>\$ 56,455,000</u>	<u>\$ 22,134,795</u>	<u>\$ 3,084,758</u>	<u>\$ 110,434</u>	<u>\$ 115,762</u>	<u>\$ 10,433</u>

	2021 Water Revenue Bonds	Stormwater SRF	Wastewater SRF
2025 Net Revenues ¹	\$ 13,043,255	\$ 9,480,084	\$ 13,998,769
2025 Debt Service	\$ 1,796,749	\$ 263,438	\$ 28,371

¹ - Net Revenue Calculation based on official statement

E. Concentrations or Constraints

The City has evaluated its exposure to certain concentrations or constraints that may make the City vulnerable to the risk of a substantial impact. While some concentrations or constraints do exist as of June 30, 2025, the City has not identified any events associated with these items that could cause a substantial impact to occur within twelve months.

F. Tax Abatements

As of June 30, 2025, the City provides property tax abatements through one Enterprise Zone program.

Enterprise Zone

The City's Enterprise Zone is authorized by Oregon Revised Statute (ORS) 285C.050 – 285C.250, the Oregon Enterprise Zone Act (the Act). The City originally created the Gresham Enterprise Zone (EZ) with Resolution No. 2825, approved by Council on March 21, 2006. The City subsequently added an electronic commerce zone overlay on the EZ via Resolution No. 3222 on October 6, 2015 and redesignated the EZ and electronic commerce zone overlay with Resolution No. 3237 on April 5, 2016. ORS 285C.255 defines the sunset of all enterprise zone programs, terminating existing programs as of June 30, 2032.

Applications go through a series of reviews by the City and by the county assessor, including a preauthorization consultation and review of written application materials. For approved applications for an extended five year abatement, City Council takes formal action via adoption of a resolution finding that the business is eligible for the exemption under the Act, and that

CITY OF GRESHAM, OREGON

the size of the proposed investment, the employment at the facility of the firm or the nature of the activities undertaken by the firm within the EZ will significantly enhance the local economy, promote the purposes for which the zone was created and increase employment within the zone. Applications for a three year abatement are approved administratively by the Enterprise Zone manager.

Taxes are abated via an exemption of assessed value from applicable tax levies, for a period of three tax years from when the property is placed in service. Applicable tax levies include the permanent rate levies and operating levies for taxing districts that include the property, which may include the City, county, school districts and other special districts depending on the location of the property within the EZ. If the business requests an additional two years of abatement with their application, a community service fee equal to 25% of the total abated taxes will be payable to the City for years four and five of the abatement. Investments greater than \$25 million will have the community service fee for all five tax years when an extension is requested. Any community service fees received by the City from participating businesses are restricted for use on economic development activities.

Abated taxes can be reassessed for reasons defined in ORS 285C.240, including if a qualifying business or the subject property is sold or transported for use outside of the EZ, if the business closes or significantly reduces their operations, if the business fails to meet the statutory requirements or those additional requirements of the City, or if they use the property to conduct activities that are not eligible activities. When the county assessor is notified of a disqualification, any previously abated taxes will be assessed in the subsequent assessment year, less any amounts that have been paid to the City as a community service fee.

Recipients of the EZ tax abatement make commitments to the City in their application in a number of areas, including statutory requirements for an increase in full-time employment of 10%, no concurrent job losses in Oregon within 30 miles of the EZ, maintenance of employment levels during the exemption period, and first-source agreements with local job training providers. The City places additional requirements for a minimum investment of \$1 million, a procurement plan demonstrating a good faith effort to increase purchasing with Gresham companies, and requirements related to compensation, benefits, and training opportunities.

For the fiscal year ended June 30, 2025, the City's property tax revenues were reduced by an estimated \$2,544,644 as a result of the Enterprise Zone program. Community service fees of \$2,364,095 were collected from participating businesses during the fiscal year.

Tax Abatements granted by other governments

The City's property tax revenues were impacted in previous fiscal years by one tax abatement program administered by Multnomah County (County), for their Strategic Investment Program. The Strategic Investment Program established a property tax exemption for large capital investments made by a business. To qualify for this exemption, a business promised to pay a community service fee to the County, abide by any other requirements imposed by the County, and engage in certain hiring practices.

For the fiscal year ended June 30, 2025, there were not any active participants in this program, and no impact to estimated tax revenues.

NOTES TO THE FINANCIAL STATEMENTS

G. Subsequent Events

In August 2025 the City received \$1,350,000 from Business Oregon for the manganese filter system procurement. The loan is expected to be forgiven by the end of the year once the filter installation is complete.

On September 2, 2025, the City Council approved the establishment of a new urban renewal area for the Downtown/Civic neighborhood, which will be reported as part of the City's blended component unit in future years.

On October 17, 2025 the City entered a Full Faith & Credit Financing Agreement for the purchase of three fire engines for \$3.1 million.

Required Supplementary Information

CITY OF
GRESHAM
GOING BEYOND

Required Schedules

Schedules required for pension and other postemployment benefit plans.

- Schedule of the Changes in the City's Total OPEB Liability and Related Ratios
Implicit Rate Subsidy Plan
- Schedule of the City's Proportionate Share of the Net OPEB Liability (Asset) -
Oregon Public Employees Retirement System, Retirement Health Insurance
Account
- Schedule of the City's Contributions - Oregon Public Employees Retirement
Health Insurance Account
- Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) -
Oregon Public Employees Retirement System
- Schedule of the City's Contributions - Oregon Public Employees Retirement
System

City of Gresham, Oregon
Schedule of the Changes in the City's Total OPEB Liability and Related Ratios
Implicit Rate Subsidy Plan
Last Eight Fiscal Years ^{1, 2}

	2025	2024	2023	2022
Total OPEB Liability				
Service cost	\$ 576,996	\$ 568,071	\$ 634,382	\$ 615,461
Interest	383,291	360,511	212,354	208,379
Changes in benefit terms	-	-	-	-
Difference between expected and actual experience	(873,187)	-	106,355	-
Changes of assumptions or other inputs	(1,178,470)	(92,572)	(39,370)	38,981
Benefit payments	(532,252)	(523,439)	(467,995)	(490,740)
Net change in OPEB liability	(1,623,622)	312,571	445,726	372,081
Total OPEB Liability - beginning	10,187,862	9,875,291	9,429,565	9,057,484
Total OPEB Liability - ending	8,564,240	10,187,862	9,875,291	9,429,565
City's Covered-Employee Payroll	\$ 64,566,836	\$ 60,644,941	\$ 56,978,722	\$ 55,145,912
Total OPEB Liability as a percentage of its covered-employee payroll	13.3%	16.8%	17.3%	17.1%

¹ 10-year trend information required by GASB Statement 75 will be presented prospectively

² Amounts presented are for the measurement period reported during the fiscal year, which for FY 2024 is July 1, 2023 - June 30, 2024

NOTES TO SCHEDULE

Changes in Assumptions

The change in assumptions in fiscal year 2018 is the result of the change in the discount rate from 2.85% to 3.58%. Similarly, the change in assumptions subsequent fiscal years includes the impact from the change in the discount rate from year to year, reflected below:

Discount Rate:	3.93%	3.65%	3.54%
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The change in assumptions in fiscal year 2021 also includes the impact of the Further Consolidated Appropriations Act, which became law on December 20, 2019. This law repeals the Cadillac Tax completely and removes the Health Insurer Fee permanently beginning in 2021.

There are no assets accumulated in a trust that meets the criteria of GASB codification P52.101 to pay related benefits for the OPEB plan.

	2021		2020		2019		2018	
\$	602,967	\$	535,072	\$	488,313	\$	527,273	
	339,214		348,060		281,973		226,913	
	-		-		-		-	
	543,254		-		794,837		-	
	(1,244,551)		284,520		(76,043)		(495,221)	
	(539,876)		(534,746)		(304,424)		(307,149)	
	(298,992)		632,906		1,184,656		(48,184)	
	9,356,476		8,723,570		7,538,914		7,587,098	
	9,057,484		9,356,476		8,723,570		7,538,914	
\$	54,179,317	\$	52,717,193	\$	48,351,316	\$	45,518,553	
	16.7%		17.7%		18.0%		16.6%	
	2.21%		3.50%		3.87%		3.58%	

City of Gresham, Oregon
Schedule of the City's Proportionate Share of the Net OPEB Liability (Asset)
Oregon Public Employees Retirement System, Retiremen Health Insurance Account
Last Nine Fiscal Years ^{1,2}

	2025	2024	2023	2022
City's proportion of the net OPEB liability (asset)	0.4275%	0.4267%	0.3705%	0.4150%
City's proportionate share of the net OPEB liability (asset)	\$ (1,726,892)	\$ (1,562,270)	\$ (1,316,343)	\$ (1,425,029)
City's covered payroll	\$ 64,566,836	\$ 60,644,941	\$ 56,978,722	\$ 55,145,912
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-2.7%	-2.6%	-2.3%	-2.6%
Plan fiduciary net position as a percentage of the total OPEB liability	220.6%	201.6%	194.6%	183.9%

¹ 10-year trend information required by GASB Statement 75 will be presented prospectively

² Amounts presented are for the measurement period reported during the fiscal year, which for FY 2024 is July 1, 2023 - June 30, 2024

2021	2020	2019	2018	2017
0.3016%	0.4841%	0.4573%	0.4422%	0.4524%
\$ (614,469)	\$ (935,438)	\$ (510,468)	\$ (184,537)	\$ 122,862
\$ 54,179,317	\$ 52,717,193	\$ 48,351,316	\$ 45,518,553	\$ 43,126,740
-1.1%	-1.8%	-1.1%	-0.4%	0.3%
150.1%	144.4%	124.0%	108.9%	94.2%

City of Gresham, Oregon
Schedule of the City's Contributions
Oregon Public Employees Retirement System, Retirement Health Insurance Account
Last Ten Fiscal Years

	2025	2024	2023	2022
Contractually required contributions	\$ 61	\$ 9,125	\$ 8,408	\$ 9,130
Contributions in relation to the contractually required contribution	(61)	(9,125)	(8,408)	(9,130)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 69,333,795	\$ 64,566,836	\$ 60,644,941	\$ 56,978,722
Contributions as a percentage of covered payroll	0.00%	0.01%	0.01%	0.02%

NOTES TO SCHEDULE

Actuarial Assumptions and Methods Used to Actuarially Determine Contributions:

Actuarial Valuation	December 31, 2021	December 31, 2019
Effective	July 2023 - June 2025	July 2021 - June 2023
Actuarial cost method:	Entry Age Normal	Entry Age Normal
Actuarial valuation method:	Market Value	Market Value
Actuarial assumption:		
Inflation rate	2.40 percent	2.40 percent
Projected salary increases	3.40 percent	3.40 percent
Investment rate of return	6.90 percent	6.90 percent

2021	2020	2019	2018	2017	2016
\$ 11,103	\$ 21,535	\$ 239,926	\$ 221,425	\$ 222,487	\$ 212,695
(11,103)	(21,535)	(239,926)	(221,425)	(222,487)	(212,695)
\$ -					
\$ 55,145,912	\$ 54,179,317	\$ 52,717,193	\$ 48,351,316	\$ 45,518,553	\$ 43,126,740
0.02%	0.04%	0.46%	0.46%	0.49%	0.49%

December 31, 2017

July 2019 - June 2021

Entry Age Normal

Market Value

2.50 percent

3.50 percent

7.20 percent

December 31, 2015

July 2017 - June 2019

Entry Age Normal

Market Value

2.50 percent

3.50 percent

7.50 percent

December 31, 2013

July 2015 - June 2017

Entry Age Normal

Market Value

2.75 percent

3.75 percent

7.75 percent

City of Gresham, Oregon
Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)
Oregon Public Employees Retirement System
Last Ten Fiscal Years¹

	2025	2024	2023	2022
City's proportion of the net pension liability (asset)	0.6882%	0.7923%	0.6740%	0.6435%
City's proportionate share of the net pension liability (asset)	\$ 152,956,764	\$ 148,395,910	\$ 103,202,555	\$ 77,003,641
City's covered payroll	\$ 64,566,836	\$ 60,644,941	\$ 56,978,722	\$ 55,145,912
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	236.9%	244.7%	181.1%	139.6%
Plan fiduciary net position as a percentage of the total pension liability	79.3%	81.7%	84.5%	87.6%

¹ Amounts presented are for the measurement period reported during the fiscal year, which for FY 2025 is July 1, 2023 - June 30, 2024

NOTES TO SCHEDULE

Changes in Benefit Terms

The Oregon Supreme Court (Court) ruled in *Moro v. State of Oregon* on April 30, 2015 that certain provisions of Senate Bill 822 and Senate Bill 861 were unconstitutional. The Court ruled that benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. OPERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire. The impact of the Court's decision is reflected in the June 30, 2015 total pension liability, which contributes to the net pension liability reported by the City for fiscal year 2016.

2021	2020	2019	2018	2017	2016
0.5955%	0.5858%	0.5463%	0.5250%	0.5176%	0.5178%
\$ 129,959,351	\$ 101,336,965	\$ 82,752,686	\$ 70,776,159	\$ 77,701,855	\$ 29,730,233
\$ 54,179,317	\$ 52,717,193	\$ 48,351,316	\$ 45,518,553	\$ 43,126,740	\$ 41,316,121
239.9%	192.2%	171.1%	155.5%	180.2%	72.0%
75.8%	80.2%	82.1%	83.1%	80.5%	91.9%

Changes in Assumptions

The PERS Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability, which contributes to the net pension liability reported by the City for fiscal year 2017. The changes include the lowering of the long-term expected rate of return to 7.50 percent and lowering the assumed inflation to 2.50 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay.

The June 30, 2018 total pension liability includes the effect of PERS Board adopting a change to the long-term expected rate of return, reducing it from 7.50 to 7.20 percent. This contributes to the net pension liability reported by the City for fiscal year 2019.

The June 30, 2021 total pension liability includes the effect of the PERS Board adopting a change to the long-term expected rate of return, reducing it from 7.20 percent to 6.90 percent. This contributes to the net pension liability reported by the City for fiscal year 2022.

City of Gresham, Oregon
Schedule of the City's Contributions
Oregon Public Employees Retirement System
Last Ten Fiscal Years

	2025	2024	2023	2022
Contractually required contributions	\$ 16,138,105	\$ 15,227,994	\$ 11,405,596	\$ 10,579,023
Contributions in relation to the contractually required contribution	<u>(16,138,105)</u>	<u>(15,227,994)</u>	<u>(11,405,596)</u>	<u>(10,579,023)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 69,333,795	\$ 64,566,836	\$ 60,644,941	\$ 56,978,722
Contributions as a percentage of covered payroll	23.28%	23.58%	18.81%	18.57%

NOTES TO SCHEDULE

Actuarial Assumptions and Methods Used to Actuarially Determine Contributions:

Actuarial Valuation	December 31, 2021	December 31, 2019
Effective	July 2023 - June 2025	July 2021 - June 2023
Actuarial cost method:	Entry Age Normal	Entry Age Normal
Actuarial valuation method:	Market Value	Market Value
Actuarial assumption:		
Inflation rate	2.40 percent	2.40 percent
Projected salary increases	3.40 percent	3.40 percent
Investment rate of return	6.90 percent	6.90 percent

2021	2020	2019	2018	2017	2016
\$ 7,234,969	\$ 7,073,362	\$ 5,194,350	\$ 4,877,479	\$ 3,670,758	\$ 3,536,948
<u>(7,234,969)</u>	<u>(7,073,362)</u>	<u>(5,194,350)</u>	<u>(4,877,479)</u>	<u>(3,670,758)</u>	<u>(3,536,948)</u>
<u>\$ -</u>					
\$ 55,145,912	\$ 54,179,317	\$ 52,717,193	\$ 48,351,316	\$ 45,518,553	\$ 43,126,740
13.12%	13.06%	9.85%	10.09%	8.06%	8.20%

December 31, 2017 July 2019 - June 2021 Entry Age Normal Market Value	December 31, 2015 July 2017 - June 2019 Entry Age Normal Market Value	December 31, 2013 July 2015 - June 2017 Entry Age Normal Market Value
2.50 percent 3.50 percent 7.20 percent	2.50 percent 3.50 percent 7.50 percent	2.75 percent 3.75 percent 7.75 percent

CITY OF
GRESHAM
GOING BEYOND

Major Funds – General and Special Revenue

General Fund – Accounts for police, fire, emergency medical services, community and economic development, and parks maintenance expenditures and is the City's main operating fund. The principal sources of revenue are property taxes, state shared revenue, business income tax, license fees, and charges for services.

Designated Purpose Fund – Accounts for monies donated for specific purposes, most importantly for public safety.

System Development Charges Fund – Accounts for collections of water, stormwater, wastewater, transportation impact, and parks system development and/or improvement fees. Requirements consist of transfers to the enterprise, special revenue, and capital improvement funds within which the revenues will be expended.

Transportation Fund – Accounts primarily for gasoline tax apportionments from the State of Oregon used for transportation operations.

Budgetary Basis – 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 well as non-operating functions such as debt service and interfund transfers, are the legal level of control. The budgetary comparison schedules report Final Budget and Actual balances at the legal level of control to demonstrate compliance with Oregon budget law.

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Taxes	\$ 49,650,000	\$ 49,650,000	\$ 49,585,308	\$ (64,692)
Licenses and permits	536,000	536,000	513,638	(22,362)
Intergovernmental	10,849,000	11,199,000	10,447,388	(751,612)
Charges for services	8,368,000	8,368,000	9,054,949	686,949
License fees	22,268,000	22,268,000	22,436,852	168,852
Miscellaneous	621,000	794,000	1,723,122	929,122
Internal service charges	1,159,126	1,159,126	1,013,821	(145,305)
Total revenues	<u>93,451,126</u>	<u>93,974,126</u>	<u>94,775,078</u>	<u>800,952</u>
EXPENDITURES				
Police	48,601,993	48,601,993	44,575,928	4,026,065
Fire	34,122,919	34,697,919	34,697,417	502
Economic development	1,375,030	1,271,030	946,805	324,225
Community livability	1,751,013	1,751,013	1,384,840	366,173
Parks	5,425,085	5,425,086	5,150,738	274,348
Operating contingency	1,410,000	623,000	-	623,000
Total expenditures	<u>92,686,040</u>	<u>92,370,041</u>	<u>86,755,728</u>	<u>5,614,313</u>
Excess of revenues over expenditures	<u>765,086</u>	<u>1,604,085</u>	<u>8,019,350</u>	<u>6,415,265</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	87,100	87,100	87,100	-
Transfers out	(3,305,596)	(4,144,596)	(3,817,242)	327,354
Total other financing sources (uses)	<u>(3,218,496)</u>	<u>(4,057,496)</u>	<u>(3,730,142)</u>	<u>327,354</u>
Net change in fund balances	(2,453,410)	(2,453,411)	4,289,208	6,742,619
Fund balances - beginning	<u>26,777,000</u>	<u>26,777,000</u>	<u>32,434,535</u>	<u>5,657,535</u>
Fund balances - ending	<u>\$ 24,323,590</u>	<u>\$ 24,323,589</u>	<u>\$ 36,723,743</u>	<u>\$ 12,400,154</u>
Accrued compensation			596,260	
Due from other funds			13,467,433	
Unrealized gain (loss) on investments			<u>286,444</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 51,073,880</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Designated Purpose Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Taxes	\$ 278,400	\$ 278,400	\$ 252,913	\$ (25,487)
Intergovernmental	21,129,900	22,081,900	13,504,092	(8,577,808)
Charges for services	515,700	515,700	326,829	(188,871)
Miscellaneous	1,959,200	1,959,200	3,949,448	1,990,248
Total revenues	<u>23,883,200</u>	<u>24,835,200</u>	<u>18,033,282</u>	<u>(6,801,918)</u>
EXPENDITURES				
Citywide services	12,696,805	7,446,805	4,093,660	3,353,145
Police	1,809,700	1,809,700	555,524	1,254,176
Fire	1,287,122	1,287,122	193,184	1,093,938
Urban design and planning	8,868,444	8,868,444	5,526,222	3,342,222
Economic development	9,844,000	6,144,000	969,507	5,174,493
Community livability	2,275,805	3,167,805	2,141,652	1,026,153
Youth & recreation services	4,391,297	4,391,297	3,491,835	899,462
Parks	426,000	426,000	52,779	373,221
Environmental services	5,700,000	5,760,000	850,372	4,909,628
Total expenditures	<u>47,299,173</u>	<u>39,301,173</u>	<u>17,874,735</u>	<u>21,426,438</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,415,973)</u>	<u>(14,465,973)</u>	<u>158,547</u>	<u>14,624,520</u>
OTHER FINANCING SOURCES (USES)				
Interfund loan	-	(2,200,000)	(2,200,000)	-
Transfers in	1,662,196	1,662,196	918,068	(744,128)
Transfers out	(4,641,200)	(11,391,200)	(7,753,479)	3,637,721
Total other financing sources (uses)	<u>(2,979,004)</u>	<u>(11,929,004)</u>	<u>(9,035,411)</u>	<u>2,893,593</u>
Net change in fund balances	(26,394,977)	(26,394,977)	(8,876,864)	17,518,113
Fund balances - beginning	<u>28,299,400</u>	<u>28,299,400</u>	<u>26,999,121</u>	<u>(1,300,279)</u>
Fund balances - ending	<u>\$ 1,904,423</u>	<u>\$ 1,904,423</u>	<u>\$ 18,122,257</u>	<u>\$ 16,217,834</u>
Unavailable revenue			(4,408,801)	
Unrealized gain (loss) on investments			<u>74,604</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 13,788,060</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
System Development Charges Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Charges for services	\$ 15,460,400	\$ 15,460,400	\$ 10,513,373	\$ (4,947,027)
Miscellaneous	325,800	325,800	1,466,112	1,140,312
Total revenues	<u>15,786,200</u>	<u>15,786,200</u>	<u>11,979,485</u>	<u>(3,806,715)</u>
EXPENDITURES				
Total expenditures	-	-	-	-
Excess of revenues over expenditures	15,786,200	15,786,200	11,979,485	(3,806,715)
OTHER FINANCING (USES)				
Transfers out	(37,245,800)	(37,245,800)	(8,289,266)	28,956,534
Total other financing (uses)	<u>(37,245,800)</u>	<u>(37,245,800)</u>	<u>(8,289,266)</u>	<u>28,956,534</u>
Net change in fund balances	(21,459,600)	(21,459,600)	3,690,219	25,149,819
Fund balances - beginning	34,681,100	34,681,100	25,630,955	(9,050,145)
Fund balances - ending	<u>\$ 13,221,500</u>	<u>\$ 13,221,500</u>	<u>\$ 29,321,174</u>	<u>\$ 16,099,674</u>
Unrealized gain (loss) on investments			459,128	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 29,780,302</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Transportation Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 14,662,500	\$ 14,662,500	\$ 14,375,966	\$ (286,534)
Charges for services	39,200	39,200	318,878	279,678
License fees	1,880,200	1,880,200	1,873,465	(6,735)
Miscellaneous	308,200	308,200	1,268,045	959,845
Internal service charges	1,234,500	1,234,500	2,008,356	773,856
Total revenues	<u>18,124,600</u>	<u>18,124,600</u>	<u>19,844,710</u>	<u>1,720,110</u>
EXPENDITURES				
Environmental services	13,621,398	13,621,398	11,495,240	2,126,158
Operating contingency	2,016,000	1,529,000	-	1,529,000
Total expenditures	<u>15,637,398</u>	<u>15,150,398</u>	<u>11,495,240</u>	<u>3,655,158</u>
Excess of revenues over expenditures	<u>2,487,202</u>	<u>2,974,202</u>	<u>8,349,470</u>	<u>5,375,268</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,567,850	1,567,850	1,558,748	(9,102)
Transfers out	(19,284,900)	(19,771,900)	(10,078,182)	9,693,718
Total other financing sources (uses)	<u>(17,717,050)</u>	<u>(18,204,050)</u>	<u>(8,519,434)</u>	<u>9,684,616</u>
Net change in fund balances	(15,229,848)	(15,229,848)	(169,964)	15,059,884
Fund balances - beginning	<u>28,284,100</u>	<u>28,284,100</u>	<u>31,388,047</u>	<u>3,103,947</u>
Fund balances - ending	<u>\$ 13,054,252</u>	<u>\$ 13,054,252</u>	<u>\$ 31,218,083</u>	<u>\$ 18,163,831</u>
Accrued compensation			611,300	
Due from other funds			3,645,010	
Unrealized gain (loss) on investments			<u>32,387</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 35,506,780</u>	

Major Funds – Debt Service

GRDC - Rockwood Debt Service Fund – Accounts for debt service on funding for the Rockwood-West Gresham Urban Renewal Area.

Budgetary Basis – 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 well as non-operating functions such as debt service and interfund transfers, are the legal level of control. The budgetary comparison schedules report Final Budget and Actual balances at the legal level of control to demonstrate compliance with Oregon budget law.

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
GRDC - Rockwood Debt Service Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Taxes	\$ 9,127,200	\$ 9,127,200	\$ 8,282,009	\$ (845,191)
Miscellaneous	178,700	178,700	137,123	(41,577)
Total revenues	<u>9,305,900</u>	<u>9,305,900</u>	<u>8,419,132</u>	<u>(886,768)</u>
EXPENDITURES				
Debt service	9,127,200	9,127,200	8,236,045	891,155
Total expenditures	<u>9,127,200</u>	<u>9,127,200</u>	<u>8,236,045</u>	<u>891,155</u>
Excess of revenues over expenditures	178,700	178,700	183,087	4,387
Net change in fund balances	178,700	178,700	183,087	4,387
Fund balances - beginning	<u>1,723,400</u>	<u>1,723,400</u>	<u>1,544,290</u>	<u>(179,110)</u>
Fund balances - ending	<u>\$ 1,902,100</u>	<u>\$ 1,902,100</u>	<u>\$ 1,727,377</u>	<u>\$ (174,723)</u>
Unrealized gain (loss) on investments			(304,755)	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 1,422,622</u>	

City of Gresham, Oregon
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total
ASSETS				
Cash and investments	\$ 38,897,021	\$ 16,729,831	\$ 1,473,534	\$ 57,100,386
Property taxes receivable, net	214,001	-	-	214,001
Receivables, net	4,682,213	1,948,849	-	6,631,062
Other assets	225,234	97,520	8,457	331,211
Due from other funds	774,023	-	-	774,023
Restricted cash and investments	684,109	-	-	684,109
Total assets	<u>\$ 45,476,601</u>	<u>\$ 18,776,200</u>	<u>\$ 1,481,991</u>	<u>\$ 65,734,792</u>
LIABILITIES				
Accounts payable	\$ 942,036	\$ 1,522,239	\$ 325	\$ 2,464,600
Other accrued liabilities	-	38,371	-	38,371
Deposits	2,002,436	5,789	-	2,008,225
Unearned revenue	3,182,996	-	-	3,182,996
Due to other funds	500,000	-	-	500,000
Total liabilities	<u>6,627,468</u>	<u>1,566,399</u>	<u>325</u>	<u>8,194,192</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	186,641	-	-	186,641
Total deferred inflows of resources	<u>186,641</u>	<u>-</u>	<u>-</u>	<u>186,641</u>
FUND BALANCES				
Restricted	28,555,100	12,855,184	-	41,410,284
Committed	993,311	-	-	993,311
Assigned	9,114,081	4,354,617	1,481,666	14,950,364
Total fund balances	<u>38,662,492</u>	<u>17,209,801</u>	<u>1,481,666</u>	<u>57,353,959</u>
Total liabilities and fund balances	<u>\$ 45,476,601</u>	<u>\$ 18,776,200</u>	<u>\$ 1,481,991</u>	<u>\$ 65,734,792</u>

City of Gresham, Oregon
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2025

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total
REVENUES				
Taxes	\$ 12,549,898	\$ -	\$ -	\$ 12,549,898
Licenses and permits	7,280,414	-	-	7,280,414
Intergovernmental	4,243,680	9,575,421	-	13,819,101
Charges for services	7,820,757	91,380	-	7,912,137
License fees	1,837,963	-	-	1,837,963
Miscellaneous	2,221,432	780,430	95,779	3,097,641
Internal service charges	1,104,752	-	2,566,860	3,671,612
Total revenues	<u>37,058,896</u>	<u>10,447,231</u>	<u>2,662,639</u>	<u>50,168,766</u>
EXPENDITURES				
Current:				
Public safety	11,094,890	-	-	11,094,890
Urban renewal	1,299,956	3,055,560	-	4,355,516
Urban design and planning	5,938,098	-	-	5,938,098
Community development	4,187,030	-	-	4,187,030
Community livability	1,031,585	-	-	1,031,585
Environmental services	4,844,933	-	-	4,844,933
Transportation	591,107	-	-	591,107
Capital outlay	-	22,067,391	-	22,067,391
Debt service	-	-	8,569,955	8,569,955
Total expenditures	<u>28,987,599</u>	<u>25,122,951</u>	<u>8,569,955</u>	<u>62,680,505</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,071,297</u>	<u>(14,675,720)</u>	<u>(5,907,316)</u>	<u>(12,511,739)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of debt	-	8,236,045	-	8,236,045
Proceeds from sale of assets	255	-	-	255
Transfers in	4,675,000	12,181,338	6,193,687	23,050,025
Transfers out	(890,858)	-	-	(890,858)
Total other financing sources (uses)	<u>3,784,397</u>	<u>20,417,383</u>	<u>6,193,687</u>	<u>30,395,467</u>
Net change in fund balances	<u>11,855,694</u>	<u>5,741,663</u>	<u>286,371</u>	<u>17,883,728</u>
Fund balances - beginning	<u>26,806,798</u>	<u>11,468,138</u>	<u>1,195,295</u>	<u>39,470,231</u>
Fund balances - ending	<u>\$ 38,662,492</u>	<u>\$ 17,209,801</u>	<u>\$ 1,481,666</u>	<u>\$ 57,353,959</u>

CITY OF
GRESHAM
GOING BEYOND

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. Funds included in this fund type are:

Local Option Levy Fund – Accounts for the receipt and expenditure of the public safety local option levy.

Urban Design & Planning Fund – Accounts for revenues and operations of the City's development planning functions. Development planning fees supply revenue for this fund, in addition to interfund transfers from the General Fund and Urban Renewal Fund.

Solid Waste & Sustainability Fund – Accounts for the receipt of solid waste fees and their related expenditures.

Rental Inspection Fund – Accounts for revenues and operations of mandatory inspections of rental units in Gresham to address concerns of substandard housing.

Infrastructure Development Fund – Accounts for revenues and operations of development engineering, public works construction inspections, and surveying.

Streetlight Fund – Accounts for license fee revenues collected for streetlight repair and maintenance.

CDBG & HOME Fund – Accounts for the receipt of CDBG and HOME grants and their related expenditures.

Building Fund – Accounts for the revenue received from building inspections and construction permits. Expenditures are primarily for customer service, code enforcement, and administration.

Urban Renewal Support Fund – Accounts for services that the City provides to the Rockwood-West Gresham Urban Renewal Area.

City of Gresham, Oregon
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2025

	Local Option Levy Fund	Urban Design & Planning Fund	Solid Waste & Sustainability Fund	Rental Inspection Fund	Infrastructure Development Fund
ASSETS					
Cash and investments	\$ 1,599,471	\$ 2,281,786	\$ 954,590	\$ 795,027	\$ 6,658,983
Property taxes receivable, net	214,001	-	-	-	-
Receivables, net	-	88,060	91,939	116,025	61,781
Other assets	8,952	13,016	5,480	4,606	41,071
Due from other funds	-	-	-	77,971	231,489
Restricted cash and investments	-	20,980	-	-	461,621
Total assets	<u>\$ 1,822,424</u>	<u>\$ 2,403,842</u>	<u>\$ 1,052,009</u>	<u>\$ 993,629</u>	<u>\$ 7,454,945</u>
LIABILITIES					
Accounts payable	\$ 54,260	\$ 22,335	\$ 7,946	\$ 318	\$ 4,641
Deposits	-	87,226	-	-	1,892,529
Unearned revenue	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>54,260</u>	<u>109,561</u>	<u>7,946</u>	<u>318</u>	<u>1,897,170</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	186,641	-	-	-	-
Total deferred inflows of resources	<u>186,641</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	1,581,523	-	-	-	-
Committed	-	-	-	993,311	-
Assigned	-	2,294,281	1,044,063	-	5,557,775
Total fund balances	<u>1,581,523</u>	<u>2,294,281</u>	<u>1,044,063</u>	<u>993,311</u>	<u>5,557,775</u>
Total liabilities and fund balances	<u>\$ 1,822,424</u>	<u>\$ 2,403,842</u>	<u>\$ 1,052,009</u>	<u>\$ 993,629</u>	<u>\$ 7,454,945</u>

Streetlight Fund		CDBG & HOME Fund		Building Fund		Urban Renewal Fund		Total	
\$ 7,092,170		\$ 88,353		\$ 19,244,738		\$ 181,903		\$ 38,897,021	
-		-		-		-		214,001	
249,308		4,009,004		66,096		-		4,682,213	
40,603		489		109,913		1,104		225,234	
-		76,179		388,384		-		774,023	
-		201,508		-		-		684,109	
\$ 7,382,081		\$ 4,375,533		\$ 19,809,131		\$ 183,007		\$ 45,476,601	
<hr/>									
\$ 349		\$ 328,949		\$ 484,999		\$ 38,239		\$ 942,036	
-		-		22,681		-		2,002,436	
-		3,182,996		-		-		3,182,996	
-		500,000		-		-		500,000	
349		4,011,945		507,680		38,239		6,627,468	
<hr/>									
-		-		-		-		186,641	
-		-		-		-		186,641	
<hr/>									
7,381,732		145,626		19,301,451		144,768		28,555,100	
-		-		-		-		993,311	
-		217,962		-		-		9,114,081	
7,381,732		363,588		19,301,451		144,768		38,662,492	
\$ 7,382,081		\$ 4,375,533		\$ 19,809,131		\$ 183,007		\$ 45,476,601	

City of Gresham, Oregon
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2025

	Local Option Levy Fund	Urban Design & Planning Fund	Solid Waste & Sustainability Fund	Rental Inspection Fund	Infrastructure Development Fund
REVENUES					
Taxes	\$ 12,549,898	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	213,366	-	978,939	-
Intergovernmental	-	-	324,722	-	-
Charges for services	-	1,201,822	857,196	-	971,857
License fees	-	-	-	-	-
Miscellaneous	126,515	119,094	54,286	139,178	401,212
Internal service charges	-	96,461	-	-	1,008,291
Total revenues	<u>12,676,413</u>	<u>1,630,743</u>	<u>1,236,204</u>	<u>1,118,117</u>	<u>2,381,360</u>
EXPENDITURES					
Current:					
Public safety	11,094,890	-	-	-	-
Urban renewal	-	-	-	-	-
Urban design and planning	-	3,708,058	-	-	-
Community development	-	-	-	-	-
Community livability	-	-	-	1,031,585	-
Environmental services	-	-	1,217,229	-	3,627,704
Transportation	-	-	-	-	-
Total expenditures	<u>11,094,890</u>	<u>3,708,058</u>	<u>1,217,229</u>	<u>1,031,585</u>	<u>3,627,704</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,581,523</u>	<u>(2,077,315)</u>	<u>18,975</u>	<u>86,532</u>	<u>(1,246,344)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of assets	-	-	-	-	255
Transfers in	-	2,563,000	120,000	-	1,814,000
Transfers out	-	(71,000)	(1,000)	(20,000)	(81,000)
Total other financing sources (uses)	<u>-</u>	<u>2,492,000</u>	<u>119,000</u>	<u>(20,000)</u>	<u>1,733,255</u>
Net change in fund balances	<u>1,581,523</u>	<u>414,685</u>	<u>137,975</u>	<u>66,532</u>	<u>486,911</u>
Fund balances - beginning	<u>-</u>	<u>1,879,596</u>	<u>906,088</u>	<u>926,779</u>	<u>5,070,864</u>
Fund balances - ending	<u>\$ 1,581,523</u>	<u>\$ 2,294,281</u>	<u>\$ 1,044,063</u>	<u>\$ 993,311</u>	<u>\$ 5,557,775</u>

Streetlight Fund	CDBG & HOME Fund	Building Fund	Urban Renewal Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ 12,549,898
-	-	6,088,109	-	7,280,414
61,020	2,198,700	303,678	1,355,560	4,243,680
42,462	5,661	4,741,759	-	7,820,757
1,837,963	-	-	-	1,837,963
366,639	51,556	959,437	3,515	2,221,432
-	-	-	-	1,104,752
<u>2,308,084</u>	<u>2,255,917</u>	<u>12,092,983</u>	<u>1,359,075</u>	<u>37,058,896</u>
-	-	-	-	11,094,890
-	-	-	1,299,956	1,299,956
-	2,230,040	-	-	5,938,098
-	-	4,187,030	-	4,187,030
-	-	-	-	1,031,585
-	-	-	-	4,844,933
<u>591,107</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>591,107</u>
<u>591,107</u>	<u>2,230,040</u>	<u>4,187,030</u>	<u>1,299,956</u>	<u>28,987,599</u>
<u>1,716,977</u>	<u>25,877</u>	<u>7,905,953</u>	<u>59,119</u>	<u>8,071,297</u>
-	-	-	-	255
-	-	178,000	-	4,675,000
(683,511)	-	(34,347)	-	(890,858)
(683,511)	-	143,653	-	3,784,397
<u>1,033,466</u>	<u>25,877</u>	<u>8,049,606</u>	<u>59,119</u>	<u>11,855,694</u>
<u>6,348,266</u>	<u>337,711</u>	<u>11,251,845</u>	<u>85,649</u>	<u>26,806,798</u>
<u>\$ 7,381,732</u>	<u>\$ 363,588</u>	<u>\$ 19,301,451</u>	<u>\$ 144,768</u>	<u>\$ 38,662,492</u>

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Local Option Levy Fund
For the Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Taxes	\$ 12,200,000	\$ 12,200,000	\$ 12,549,898	\$ 349,898
Miscellaneous	-	-	98,010	98,010
Total revenues	<u>12,200,000</u>	<u>12,200,000</u>	<u>12,647,908</u>	<u>447,908</u>
EXPENDITURES				
Police	6,888,840	6,888,840	5,805,853	1,082,987
Fire	5,291,765	5,291,765	5,289,037	2,728
Operating contingency	19,395	19,395	-	19,395
Total expenditures	<u>12,200,000</u>	<u>12,200,000</u>	<u>11,094,890</u>	<u>1,105,110</u>
Excess of revenues over expenditures	-	-	1,553,018	1,553,018
Net change in fund balances	-	-	1,553,018	1,553,018
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,553,018</u>	<u>\$ 1,553,018</u>
Unrealized gain (loss) on investments			28,505	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 1,581,523</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Urban Design & Planning Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Licenses and permits	\$ 199,000	\$ 199,000	\$ 213,366	\$ 14,366
Charges for services	907,000	907,000	1,201,822	294,822
Miscellaneous	37,000	37,000	77,650	40,650
Internal service charges	-	-	96,461	96,461
Total revenues	<u>1,143,000</u>	<u>1,143,000</u>	<u>1,589,299</u>	<u>446,299</u>
EXPENDITURES				
Urban design and planning	4,329,084	4,329,084	3,680,958	648,126
Operating contingency	433,000	433,000	-	433,000
Total expenditures	<u>4,762,084</u>	<u>4,762,084</u>	<u>3,680,958</u>	<u>1,081,126</u>
Excess of expenditures over revenue	<u>(3,619,084)</u>	<u>(3,619,084)</u>	<u>(2,091,659)</u>	<u>1,527,425</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,762,000	2,762,000	2,563,000	(199,000)
Transfers out	(71,000)	(71,000)	(71,000)	-
Total other financing sources (uses)	<u>2,691,000</u>	<u>2,691,000</u>	<u>2,492,000</u>	<u>(199,000)</u>
Net change in fund balances	<u>(928,084)</u>	<u>(928,084)</u>	<u>400,341</u>	<u>1,328,425</u>
Fund balances - beginning	<u>1,228,000</u>	<u>1,228,000</u>	<u>1,635,272</u>	<u>407,272</u>
Fund balances - ending	<u>\$ 299,916</u>	<u>\$ 299,916</u>	<u>\$ 2,035,613</u>	<u>\$ 1,735,697</u>
Accrued compensation			201,900	
Unrealized gain (loss) on investments			<u>56,768</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 2,294,281</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Solid Waste & Sustainability Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 312,300	\$ 312,300	\$ 324,722	\$ 12,422
Charges for services	857,200	857,200	857,196	(4)
Miscellaneous	11,000	11,000	36,837	25,837
Total revenues	<u>1,180,500</u>	<u>1,180,500</u>	<u>1,218,755</u>	<u>38,255</u>
EXPENDITURES				
Environmental services	1,419,899	1,419,899	1,222,729	197,170
Operating contingency	142,000	141,000	-	141,000
Total expenditures	<u>1,561,899</u>	<u>1,560,899</u>	<u>1,222,729</u>	<u>338,170</u>
Excess of expenditures over revenue	<u>(381,399)</u>	<u>(380,399)</u>	<u>(3,974)</u>	<u>376,425</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	120,000	120,000	120,000	-
Transfers out	-	(1,000)	(1,000)	-
Total other financing sources (uses)	<u>120,000</u>	<u>119,000</u>	<u>119,000</u>	<u>-</u>
Net change in fund balances	<u>(261,399)</u>	<u>(261,399)</u>	<u>115,026</u>	<u>376,425</u>
Fund balances - beginning	<u>733,600</u>	<u>733,600</u>	<u>860,153</u>	<u>126,553</u>
Fund balances - ending	<u>\$ 472,201</u>	<u>\$ 472,201</u>	<u>\$ 975,179</u>	<u>\$ 502,978</u>
Accrued compensation			59,900	
Unrealized gain (loss) on investments			<u>8,984</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 1,044,063</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Rental Inspection Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Licenses and permits	\$ 1,001,000	\$ 1,001,000	\$ 978,939	\$ (22,061)
Miscellaneous	20,000	20,000	124,511	104,511
Total revenues	<u>1,021,000</u>	<u>1,021,000</u>	<u>1,103,450</u>	<u>82,450</u>
EXPENDITURES				
Community livability	1,147,342	1,147,342	998,065	149,277
Operating contingency	115,000	113,000	-	113,000
Total expenditures	<u>1,262,342</u>	<u>1,260,342</u>	<u>998,065</u>	<u>262,277</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(241,342)</u>	<u>(239,342)</u>	<u>105,385</u>	<u>344,727</u>
OTHER FINANCING (USES)				
Transfers out	(18,000)	(20,000)	(20,000)	-
Total other financing (uses)	<u>(18,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Net change in fund balances	(259,342)	(259,342)	85,385	344,727
Fund balances - beginning	655,000	655,000	753,802	98,802
Fund balances - ending	<u>\$ 395,658</u>	<u>\$ 395,658</u>	<u>\$ 839,187</u>	<u>\$ 443,529</u>
Accrued compensation			76,000	
Due from other funds			77,971	
Unrealized gain (loss) on investments			<u>153</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 993,311</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Infrastructure Development Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Charges for services	\$ 1,040,500	\$ 1,040,500	\$ 971,857	\$ (68,643)
Miscellaneous	53,900	53,900	270,691	216,791
Internal service charges	471,600	471,600	1,008,291	536,691
Total revenues	<u>1,566,000</u>	<u>1,566,000</u>	<u>2,250,839</u>	<u>684,839</u>
EXPENDITURES				
Environmental services	4,193,599	4,193,599	3,543,107	650,492
Operating contingency	629,000	619,000	-	619,000
Total expenditures	<u>4,822,599</u>	<u>4,812,599</u>	<u>3,543,107</u>	<u>1,269,492</u>
Excess of expenditures over revenue	<u>(3,256,599)</u>	<u>(3,246,599)</u>	<u>(1,292,268)</u>	<u>1,954,331</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,814,000	1,814,000	1,814,000	-
Transfers out	(71,000)	(81,000)	(81,000)	-
Total other financing sources (uses)	<u>1,743,000</u>	<u>1,733,000</u>	<u>1,733,000</u>	<u>-</u>
Net change in fund balances	<u>(1,513,599)</u>	<u>(1,513,599)</u>	<u>440,732</u>	<u>1,954,331</u>
Fund balances - beginning	<u>3,592,600</u>	<u>3,592,600</u>	<u>4,641,857</u>	<u>1,049,257</u>
Fund balances - ending	<u>\$ 2,079,001</u>	<u>\$ 2,079,001</u>	<u>\$ 5,082,589</u>	<u>\$ 3,003,588</u>
Accrued compensation			210,300	
Due from other funds			231,489	
Unrealized gain (loss) on investments			<u>33,397</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 5,557,775</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Streetlight Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 63,700	\$ 63,700	\$ 61,020	\$ (2,680)
Charges for services	-	-	42,462	42,462
License fees	1,615,600	1,615,600	1,837,963	222,363
Miscellaneous	80,300	80,300	237,352	157,052
Total revenues	<u>1,759,600</u>	<u>1,759,600</u>	<u>2,178,797</u>	<u>419,197</u>
EXPENDITURES				
Environmental services	608,829	608,829	591,107	17,722
Operating contingency	91,000	91,000	-	91,000
Total expenditures	<u>699,829</u>	<u>699,829</u>	<u>591,107</u>	<u>108,722</u>
Excess of revenues over expenditures	<u>1,059,771</u>	<u>1,059,771</u>	<u>1,587,690</u>	<u>527,919</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	142,000	142,000	-	(142,000)
Transfers out	(1,705,500)	(1,705,500)	(683,511)	1,021,989
Total other financing sources (uses)	<u>(1,563,500)</u>	<u>(1,563,500)</u>	<u>(683,511)</u>	<u>879,989</u>
Net change in fund balances	(503,729)	(503,729)	904,179	1,407,908
Fund balances - beginning	<u>6,100,600</u>	<u>6,100,600</u>	<u>6,391,919</u>	<u>291,319</u>
Fund balances - ending	<u>\$ 5,596,871</u>	<u>\$ 5,596,871</u>	<u>\$ 7,296,098</u>	<u>\$ 1,699,227</u>
Unrealized gain (loss) on investments			85,634	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 7,381,732</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
CDBG & HOME Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 4,368,000	\$ 4,368,000	\$ 2,198,700	\$ (2,169,300)
Charges for services	-	-	5,661	5,661
Miscellaneous	-	-	50,000	50,000
Total revenues	<u>4,368,000</u>	<u>4,368,000</u>	<u>2,254,361</u>	<u>(2,113,639)</u>
EXPENDITURES				
Urban design and planning	3,893,453	3,893,453	2,229,359	1,664,094
Total expenditures	<u>3,893,453</u>	<u>3,893,453</u>	<u>2,229,359</u>	<u>1,664,094</u>
Excess of revenues over expenditures	474,547	474,547	25,002	(449,545)
OTHER FINANCING (USES)				
Transfers out	(467,000)	(467,000)	-	467,000
Total other financing (uses)	<u>(467,000)</u>	<u>(467,000)</u>	<u>-</u>	<u>467,000</u>
Net change in fund balances	7,547	7,547	25,002	17,455
Fund balances - beginning	-	-	232,196	232,196
Fund balances - ending	<u>\$ 7,547</u>	<u>\$ 7,547</u>	<u>\$ 257,198</u>	<u>\$ 249,651</u>
Accrued compensation			26,200	
Due from other funds			76,179	
Unrealized gain (loss) on investments			<u>4,011</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 363,588</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Building Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Licenses and permits	\$ 2,640,000	\$ 2,640,000	\$ 6,088,109	\$ 3,448,109
Intergovernmental	263,000	263,000	303,678	40,678
Charges for services	1,770,000	1,770,000	4,741,759	2,971,759
Miscellaneous	184,000	184,000	609,457	425,457
Total revenues	<u>4,857,000</u>	<u>4,857,000</u>	<u>11,743,003</u>	<u>6,886,003</u>
EXPENDITURES				
Community development	5,688,724	5,688,724	4,231,378	1,457,346
Operating contingency	570,000	555,000	-	555,000
Total expenditures	<u>6,258,724</u>	<u>6,243,724</u>	<u>4,231,378</u>	<u>2,012,346</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,401,724)</u>	<u>(1,386,724)</u>	<u>7,511,625</u>	<u>8,898,349</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	178,000	178,000	178,000	-
Transfers out	(535,000)	(550,000)	(34,347)	515,653
Total other financing sources (uses)	<u>(357,000)</u>	<u>(372,000)</u>	<u>143,653</u>	<u>515,653</u>
Net change in fund balances	<u>(1,758,724)</u>	<u>(1,758,724)</u>	<u>7,655,278</u>	<u>9,414,002</u>
Fund balances - beginning	<u>9,698,000</u>	<u>9,698,000</u>	<u>10,642,091</u>	<u>944,091</u>
Fund balances - ending	<u>\$ 7,939,276</u>	<u>\$ 7,939,276</u>	<u>\$ 18,297,369</u>	<u>\$ 10,358,093</u>
Accrued compensation			337,700	
Due from other funds			388,384	
Unrealized gain (loss) on investments			<u>277,998</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 19,301,451</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Urban Renewal Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 2,389,500	\$ 2,389,500	\$ 1,355,560	\$ (1,033,940)
Total revenues	<u>2,389,500</u>	<u>2,389,500</u>	<u>1,355,560</u>	<u>(1,033,940)</u>
EXPENDITURES				
Urban renewal	2,349,500	2,349,500	1,287,456	1,062,044
Total expenditures	<u>2,349,500</u>	<u>2,349,500</u>	<u>1,287,456</u>	<u>1,062,044</u>
Excess of revenues over expenditures	40,000	40,000	68,104	28,104
OTHER FINANCING (USES)				
Transfers out	(40,000)	(40,000)	-	40,000
Total other financing (uses)	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>	<u>40,000</u>
Net change in fund balances	-	-	68,104	68,104
Fund balances - beginning	-	-	35,838	35,838
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,942</u>	<u>\$ 103,942</u>
Accrued compensation			39,900	
Unrealized gain (loss) on investments			926	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 144,768</u>	

Capital Projects Funds

Capital projects funds are used to account for financial resources used for the acquisition and construction of major capital facilities other than those financed by proprietary funds. Funds included in this fund type are:

Parks Capital Improvement Fund – Accounts for revenues earmarked for park capital improvements including transfers of system development charges, transfers of grants and donations from other funds, and investment income. Expenditures consist of various park, trail development and open space acquisition projects.

General Development Capital Improvement Fund – Accounts for the acquisition or construction of general capital facilities and infrastructure improvements in the Pleasant Valley and Springwater areas.

Transportation Capital Improvement Fund – Accounts for the acquisition and construction of streets, footpaths and bike routes.

Urban Renewal Capital Improvement Fund – Accounts for City-backed Urban Renewal Area improvements.

GRDC – Rockwood Capital Improvement Fund – Accounts for the Urban Renewal Area operations.

City of Gresham, Oregon
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2025

	Parks Capital Improvement Fund	General Development Capital Improvement Fund	Transportation Capital Improvement Fund
ASSETS			
Cash and investments	\$ 3,474,994	\$ -	\$ 469,801
Receivables, net	355,390	-	1,590,347
Other assets	19,667	-	5,028
Total assets	<u>\$ 3,850,051</u>	<u>\$ -</u>	<u>\$ 2,065,176</u>
LIABILITIES			
Accounts payable	\$ 846,247	\$ -	\$ 675,992
Other accrued liabilities	-	-	38,371
Deposits	-	-	-
Total liabilities	<u>846,247</u>	<u>-</u>	<u>714,363</u>
FUND BALANCES			
Restricted	-	-	-
Assigned	<u>3,003,804</u>	<u>-</u>	<u>1,350,813</u>
Total fund balances	<u>3,003,804</u>	<u>-</u>	<u>1,350,813</u>
Total liabilities and fund balances	<u>\$ 3,850,051</u>	<u>\$ -</u>	<u>\$ 2,065,176</u>

Urban Renewal Capital Improvement Fund	GRDC - Rockwood Capital Improvement Fund	Total
\$ 259,351	\$ 12,525,685	\$ 16,729,831
-	3,112	1,948,849
2,233	70,592	97,520
\$ 261,584	\$ 12,599,389	\$ 18,776,200
\$ -	\$ -	\$ 1,522,239
-	-	38,371
-	5,789	5,789
-	5,789	1,566,399
261,584	12,593,600	12,855,184
-	-	4,354,617
261,584	12,593,600	17,209,801
\$ 261,584	\$ 12,599,389	\$ 18,776,200

City of Gresham, Oregon
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Fund
For the Fiscal Year Ended June 30, 2025

	Parks Capital Improvement Fund	General Development Capital Improvement Fund	Transportation Capital Improvement Fund
REVENUES			
Intergovernmental	\$ 3,956,906	\$ -	\$ 3,918,515
Charges for services	10	-	91,370
Miscellaneous	137,963	-	43,752
Total revenues	<u>4,094,879</u>	<u>-</u>	<u>4,053,637</u>
EXPENDITURES			
Current:			
Urban renewal	-	-	-
Capital outlay	<u>10,019,553</u>	<u>1,014,526</u>	<u>8,943,315</u>
Total expenditures	<u>10,019,553</u>	<u>1,014,526</u>	<u>8,943,315</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,924,674)</u>	<u>(1,014,526)</u>	<u>(4,889,678)</u>
OTHER FINANCING SOURCES (USES)			
Issuance of debt	-	-	-
Transfers in	<u>6,214,434</u>	<u>1,014,526</u>	<u>4,952,378</u>
Total other financing sources (uses)	<u>6,214,434</u>	<u>1,014,526</u>	<u>4,952,378</u>
Net change in fund balances	<u>289,760</u>	<u>-</u>	<u>62,700</u>
Fund balances - beginning	<u>2,714,044</u>	<u>-</u>	<u>1,288,113</u>
Fund balances - ending	<u>\$ 3,003,804</u>	<u>\$ -</u>	<u>\$ 1,350,813</u>

Urban Renewal Capital Improvement Fund	GRDC - Rockwood Capital Improvement Fund	Total
\$ 1,700,000	\$ -	\$ 9,575,421
-	-	91,380
7,141	591,574	780,430
<u>1,707,141</u>	<u>591,574</u>	<u>10,447,231</u>
-	3,055,560	3,055,560
<u>2,089,997</u>	<u>-</u>	<u>22,067,391</u>
<u>2,089,997</u>	<u>3,055,560</u>	<u>25,122,951</u>
<u>(382,856)</u>	<u>(2,463,986)</u>	<u>(14,675,720)</u>
-	8,236,045	8,236,045
-	-	12,181,338
-	8,236,045	20,417,383
<u>(382,856)</u>	<u>5,772,059</u>	<u>5,741,663</u>
<u>644,440</u>	<u>6,821,541</u>	<u>11,468,138</u>
<u>\$ 261,584</u>	<u>\$ 12,593,600</u>	<u>\$ 17,209,801</u>

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Parks Capital Improvement Fund
For the Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 9,119,000	\$ 9,119,000	\$ 3,585,989	\$ (5,533,011)
Charges for services	-	-	10	10
Miscellaneous	28,900	28,900	75,339	46,439
Total revenues	<u>9,147,900</u>	<u>9,147,900</u>	<u>3,661,338</u>	<u>(5,486,562)</u>
EXPENDITURES				
Capital improvement	22,225,200	23,225,200	10,019,553	13,205,647
Total expenditures	<u>22,225,200</u>	<u>23,225,200</u>	<u>10,019,553</u>	<u>13,205,647</u>
Excess of expenditures over revenue	(13,077,300)	(14,077,300)	(6,358,215)	7,719,085
OTHER FINANCING SOURCES				
Transfers in	12,857,200	13,857,200	6,214,434	(7,642,766)
Total other financing sources	<u>12,857,200</u>	<u>13,857,200</u>	<u>6,214,434</u>	<u>(7,642,766)</u>
Net change in fund balances	(220,100)	(220,100)	(143,781)	76,319
Fund balances - beginning	2,259,700	2,259,700	3,066,388	806,688
Fund balances - ending	<u>\$ 2,039,600</u>	<u>\$ 2,039,600</u>	<u>\$ 2,922,607</u>	<u>\$ 883,007</u>
Unrealized gain (loss) on investments			81,197	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 3,003,804</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Development Capital Improvement Fund
For the Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
EXPENDITURES				
Capital improvement	\$ 10,214,100	\$ 10,214,100	\$ 1,014,526	\$ 9,199,574
Total expenditures	<u>10,214,100</u>	<u>10,214,100</u>	<u>1,014,526</u>	<u>9,199,574</u>
Excess of expenditures over revenue	<u>(10,214,100)</u>	<u>(10,214,100)</u>	<u>(1,014,526)</u>	<u>9,199,574</u>
OTHER FINANCING SOURCES				
Transfers in	10,214,100	10,214,100	1,014,526	(9,199,574)
Total other financing sources	<u>10,214,100</u>	<u>10,214,100</u>	<u>1,014,526</u>	<u>(9,199,574)</u>
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Transportation Capital Improvement Fund
For the Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 22,293,100	\$ 22,293,100	\$ 3,915,803	\$ (18,377,297)
Charges for services	-	-	91,370	91,370
Miscellaneous	2,700	2,700	27,742	25,042
Total revenues	<u>22,295,800</u>	<u>22,295,800</u>	<u>4,034,915</u>	<u>(18,260,885)</u>
EXPENDITURES				
Capital improvement	50,251,400	50,251,400	8,943,315	41,308,085
Total expenditures	<u>50,251,400</u>	<u>50,251,400</u>	<u>8,943,315</u>	<u>41,308,085</u>
Excess of expenditures over revenue	(27,955,600)	(27,955,600)	(4,908,400)	23,047,200
OTHER FINANCING SOURCES				
Transfers in	26,337,400	26,337,400	4,952,378	(21,385,022)
Total other financing sources	<u>26,337,400</u>	<u>26,337,400</u>	<u>4,952,378</u>	<u>(21,385,022)</u>
Net change in fund balances	(1,618,200)	(1,618,200)	43,978	1,662,178
Fund balances - beginning	3,526,300	3,526,300	1,704,647	(1,821,653)
Fund balances - ending	<u>\$ 1,908,100</u>	<u>\$ 1,908,100</u>	<u>\$ 1,748,625</u>	<u>\$ (159,475)</u>
Unrealized gain (loss) on investments			(397,812)	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 1,350,813</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Urban Renewal Capital Improvement Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 3,067,500	\$ 3,067,500	\$ 1,700,000	\$ (1,367,500)
Miscellaneous	-	-	31	31
Total revenues	<u>3,067,500</u>	<u>3,067,500</u>	<u>1,700,031</u>	<u>(1,367,469)</u>
EXPENDITURES				
Capital improvement	7,514,300	7,514,300	2,089,997	5,424,303
Total expenditures	<u>7,514,300</u>	<u>7,514,300</u>	<u>2,089,997</u>	<u>5,424,303</u>
Excess of expenditures over revenue	<u>(4,446,800)</u>	<u>(4,446,800)</u>	<u>(389,966)</u>	<u>4,056,834</u>
Net change in fund balances	(4,446,800)	(4,446,800)	(389,966)	4,056,834
Fund balances - beginning	<u>4,446,800</u>	<u>4,446,800</u>	<u>787,002</u>	<u>(3,659,798)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 397,036</u>	<u>\$ 397,036</u>
Unrealized gain (loss) on investments			(135,452)	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 261,584</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
GRDC - Rockwood Capital Improvement Fund
For the Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance With Final Budget- Positive (Negative)
REVENUES				
Miscellaneous	\$ 6,900	\$ 6,900	\$ 366,798	\$ 359,898
Total revenues	<u>6,900</u>	<u>6,900</u>	<u>366,798</u>	<u>359,898</u>
EXPENDITURES				
Urban renewal	7,457,000	7,457,000	3,055,560	4,401,440
Total expenditures	<u>7,457,000</u>	<u>7,457,000</u>	<u>3,055,560</u>	<u>4,401,440</u>
Excess of expenditures over revenue	(7,450,100)	(7,450,100)	(2,688,762)	4,761,338
OTHER FINANCING SOURCES				
Issuance of debt	9,127,200	9,127,200	8,236,045	(891,155)
Total other financing sources	<u>9,127,200</u>	<u>9,127,200</u>	<u>8,236,045</u>	<u>(891,155)</u>
Net change in fund balances	1,677,100	1,677,100	5,547,283	3,870,183
Fund balances - beginning	5,209,300	5,209,300	6,702,085	1,492,785
Fund balances - ending	<u>\$ 6,886,400</u>	<u>\$ 6,886,400</u>	<u>\$ 12,249,368</u>	<u>\$ 5,362,968</u>
Unrealized gain (loss) on investments			344,232	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 12,593,600</u>	

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Funds included in this fund type are:

General Government Debt Service Fund – Accounts for debt service payments on obligations of governmental funds.

Pension Bond Debt Service Fund – Accounts for debt service on pension bonds issued as a means of reducing the cost of City payments to the Public Employees Retirement System.

City of Gresham, Oregon
Combining Balance Sheet
Nonmajor Debt service Funds
June 30, 2025

	General Government Debt Service Fund	Pension Bond Debt Service Fund	Total
ASSETS			
Cash and investments	\$ 254,198	\$ 1,219,336	\$ 1,473,534
Other assets	1,484	6,973	8,457
Total assets	\$ 255,682	\$ 1,226,309	\$ 1,481,991
Accounts payable	\$ 325	\$ -	325
Total liabilities	325	-	325
FUND BALANCES			
Assigned	255,357	1,226,309	1,481,666
Total fund balances	255,357	1,226,309	1,481,666
Total liabilities and fund balances	\$ 255,682	\$ 1,226,309	\$ 1,481,991

City of Gresham, Oregon
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt service Funds
For the Fiscal Year Ended June 30, 2025

	General Government Debt Service Fund	Pension Bond Debt Service Fund	Total
REVENUES			
Miscellaneous	\$ 4,724	\$ 91,055	\$ 95,779
Internal service charges	-	2,566,860	2,566,860
Total revenues	<u>4,724</u>	<u>2,657,915</u>	<u>2,662,639</u>
EXPENDITURES			
Debt service	6,193,687	2,376,268	8,569,955
Total expenditures	<u>6,193,687</u>	<u>2,376,268</u>	<u>8,569,955</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,188,963)</u>	<u>281,647</u>	<u>(5,907,316)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	6,193,687	-	6,193,687
Total other financing sources (uses)	<u>6,193,687</u>	<u>-</u>	<u>6,193,687</u>
Net change in fund balances	<u>4,724</u>	<u>281,647</u>	<u>286,371</u>
Fund balances - beginning	<u>250,633</u>	<u>944,662</u>	<u>1,195,295</u>
Fund balances - ending	<u>\$ 255,357</u>	<u>\$ 1,226,309</u>	<u>\$ 1,481,666</u>

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
General Government Debt Service Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
EXPENDITURES				
Debt service	\$ 6,199,000	\$ 6,199,000	\$ 6,193,687	\$ 5,313
Total expenditures	<u>6,199,000</u>	<u>6,199,000</u>	<u>6,193,687</u>	<u>5,313</u>
Excess of expenditures over revenue	<u>(6,199,000)</u>	<u>(6,199,000)</u>	<u>(6,193,687)</u>	<u>5,313</u>
OTHER FINANCING SOURCES				
Transfers in	6,199,000	6,199,000	6,193,687	(5,313)
Total other financing sources	<u>6,199,000</u>	<u>6,199,000</u>	<u>6,193,687</u>	<u>(5,313)</u>
Net change in fund balances	-	-	-	-
Fund balances - beginning	57,000	57,000	257,188	200,188
Fund balances - ending	<u>\$ 57,000</u>	<u>\$ 57,000</u>	<u>\$ 257,188</u>	<u>\$ 200,188</u>
Unrealized gain (loss) on investments			(1,831)	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 255,357</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Pension Bond Debt Service Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Miscellaneous	\$ 20,000	\$ 20,000	\$ 68,851	\$ 48,851
Internal service charges	2,357,000	2,357,000	2,566,860	209,860
Total revenues	<u>2,377,000</u>	<u>2,377,000</u>	<u>2,635,711</u>	<u>258,711</u>
EXPENDITURES				
Debt service	2,377,000	2,377,000	2,376,268	732
Total expenditures	<u>2,377,000</u>	<u>2,377,000</u>	<u>2,376,268</u>	<u>732</u>
Excess of revenues over expenditures	-	-	259,443	259,443
Net change in fund balances	-	-	259,443	259,443
Fund balances - beginning	649,000	649,000	950,823	301,823
Fund balances - ending	<u>\$ 649,000</u>	<u>\$ 649,000</u>	<u>\$ 1,210,266</u>	<u>\$ 561,266</u>
Unrealized gain (loss) on investments			16,043	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 1,226,309</u>	

Enterprise Funds

Major Business-Type Funds

Enterprise funds are used to account for activities for which fees are charged to external customers for goods or services. The City reports three major enterprise funds in the basic financial statements under generally accepted accounting principles. For budgetary and operating purposes, a combination of separately budgeted funds account for activities relating to water, stormwater, and wastewater services.

Water Fund

Water Fund—Accounts for the City’s water utility operations.

Water Construction Fund—Accounts for projects to expand or improve the City’s water system infrastructure.

Water Debt Service Bond Fund—Bond sinking fund for the payment of water revenue bonds.

Stormwater Fund

Stormwater Fund—Accounts for the City’s stormwater utility operations.

Stormwater Construction Fund—Accounts for projects to expand or improve the City’s stormwater system infrastructure.

Stormwater Debt Service Fund—Bond sinking fund for the payment of stormwater revenue bonds.

Wastewater Fund

Wastewater Fund—Accounts for the City’s wastewater utility operations.

Wastewater Construction Fund—Accounts for projects to expand or improve the City’s wastewater system infrastructure.

Wastewater Debt Service Fund—Accounts for debt service on the City’s wastewater financing.

City of Gresham, Oregon
Combining Schedule of Net Position
Water Fund
June 30, 2025

	Water Fund	Water Capital Improvement Fund	Water Debt Service Fund	Total
ASSETS				
Current assets:				
Cash and investments	\$ 32,304,828	\$ 25,208,716	\$ 209,894	\$ 57,723,438
Receivables, net	3,486,781	543,682	-	4,030,463
Due from other funds	1,799,974	-	-	1,799,974
Total current assets	<u>37,591,583</u>	<u>25,752,398</u>	<u>209,894</u>	<u>63,553,875</u>
Noncurrent assets:				
Other assets	192,899	149,698	1,200	343,797
Restricted cash and investments	1,272,286	-	-	1,272,286
Capital assets:				
Non-depreciable	78,600,593	-	-	78,600,593
Depreciable, net	71,330,678	-	-	71,330,678
Total noncurrent assets	<u>151,396,456</u>	<u>149,698</u>	<u>1,200</u>	<u>151,547,354</u>
Total assets	<u>188,988,039</u>	<u>25,902,096</u>	<u>211,094</u>	<u>215,101,229</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow related to pension	2,857,710	-	-	2,857,710
Deferred outflow related to OPEB	9,267	-	-	9,267
Total deferred outflows of resources	<u>2,866,977</u>	<u>-</u>	<u>-</u>	<u>2,866,977</u>
LIABILITIES				
Current liabilities:				
Accounts payable	524,391	8,304,545	513	8,829,449
Other accrued liabilities	-	85,095	-	85,095
Accrued interest payable	130	-	147,288	147,418
Deposits	1,272,285	-	-	1,272,285
Bonds, notes and loans payable	367,486	-	-	367,486
SBITA	18,378	-	-	18,378
Total current liabilities	<u>2,182,670</u>	<u>8,389,640</u>	<u>147,801</u>	<u>10,720,111</u>
Noncurrent liabilities:				
Net pension liability	5,079,793	-	-	5,079,793
Net OPEB liability	68,299	-	-	68,299
Compensated absences	409,100	-	-	409,100
Bonds, notes and loans payable	61,360,172	-	-	61,360,172
SBITA	19,436	-	-	19,436
Total noncurrent liabilities	<u>66,936,800</u>	<u>-</u>	<u>-</u>	<u>66,936,800</u>
Total liabilities	<u>69,119,470</u>	<u>8,389,640</u>	<u>147,801</u>	<u>77,656,911</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	1,858,923	-	-	1,858,923
Deferred inflows related to OPEB	276,122	-	-	276,122
Total deferred inflows of resources	<u>2,135,045</u>	<u>-</u>	<u>-</u>	<u>2,135,045</u>
NET POSITION				
Net investment in capital assets	88,165,800	-	-	88,165,800
Debt service	-	-	63,293	63,293
Unrestricted	32,434,701	17,512,456	-	49,947,157
Total net position	<u>\$ 120,600,501</u>	<u>\$ 17,512,456</u>	<u>\$ 63,293</u>	<u>\$ 138,176,250</u>

City of Gresham, Oregon
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
Water Fund
For the Fiscal Year Ended June 30, 2025

	Water Fund	Water Capital Improvement Fund	Water Debt Service Fund	Eliminations	Total
OPERATING REVENUES					
Charges for services	\$ 22,454,287	\$ 3,470,983	\$ -	\$ -	\$ 25,925,270
Total operating revenues	<u>22,454,287</u>	<u>3,470,983</u>	<u>-</u>	<u>-</u>	<u>25,925,270</u>
OPERATING EXPENSES					
Personnel services	703,187	-	-		703,187
Professional and technical services	233,530	-	-		233,530
Property services	779,079	-	-		779,079
Other services	88,220	-	-		88,220
Supplies	131,874	-	-		131,874
Water purchase	4,447,281	-	-		4,447,281
Incentive programs	30,599	-	-		30,599
Internal services	4,947,714	-	-		4,947,714
Other materials and services	-	1,674,894	-		1,674,894
Depreciation and amortization	3,657,989	-	-		3,657,989
Total operating expenses	<u>15,019,473</u>	<u>1,674,894</u>	<u>-</u>		<u>16,694,367</u>
Operating income (loss)	<u>7,434,814</u>	<u>1,796,089</u>	<u>-</u>		<u>9,230,903</u>
NONOPERATING REVENUES (EXPENSES)					
Miscellaneous revenue (expense)	9,251	-	(14,529)		(5,278)
Interest and investment income	2,175,680	1,435,648	11,752		3,623,080
Interest expense	-	-	(1,599,238)		(1,599,238)
Gain/(loss) on disposition of capital assets	105,823	-	-		105,823
Total nonoperating revenues (expenses)	<u>2,290,754</u>	<u>1,435,648</u>	<u>(1,602,015)</u>		<u>2,124,387</u>
Income (loss) before contributions and transfers	<u>9,725,568</u>	<u>3,231,737</u>	<u>(1,602,015)</u>		<u>11,355,290</u>
Capital contributions	1,419,265	-	-		1,419,265
Transfers in	35,249,155	38,142,694	1,836,944	(73,978,659)	1,250,134
Transfers out	(40,642,244)	(33,810,465)	(261,250)	73,978,659	(735,300)
Change in net position	<u>5,751,744</u>	<u>7,563,966</u>	<u>(26,321)</u>		<u>13,289,389</u>
Total net position - beginning	<u>114,848,757</u>	<u>9,948,490</u>	<u>89,614</u>		<u>124,886,861</u>
Total net position - ending	<u>\$ 120,600,501</u>	<u>\$ 17,512,456</u>	<u>\$ 63,293</u>		<u>\$ 138,176,250</u>

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Water Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 71,400	\$ 71,400	\$ 102,153	\$ 30,753
Charges for services	21,598,500	21,598,500	22,352,134	753,634
Miscellaneous	657,300	657,300	1,790,880	1,133,580
Internal service charges	1,406,500	1,406,500	3,688,047	2,281,547
Total revenues	<u>23,733,700</u>	<u>23,733,700</u>	<u>27,933,214</u>	<u>4,199,514</u>
EXPENDITURES				
Environmental services	17,085,433	17,085,433	15,353,123	1,732,310
Operating contingency	2,561,000	2,507,000	-	2,507,000
Total expenditures	<u>19,646,433</u>	<u>19,592,433</u>	<u>15,353,123</u>	<u>4,239,310</u>
Excess of revenues over expenditures	<u>4,087,267</u>	<u>4,141,267</u>	<u>12,580,091</u>	<u>8,438,824</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	640,800	640,800	1,177,440	536,640
Transfers out	(26,764,300)	(26,818,300)	(25,602,049)	1,216,251
Total other financing sources (uses)	<u>(26,123,500)</u>	<u>(26,177,500)</u>	<u>(24,424,609)</u>	<u>1,752,891</u>
Net change in fund balances	<u>(22,036,233)</u>	<u>(22,036,233)</u>	<u>(11,844,518)</u>	<u>10,191,715</u>
Fund balances - beginning	<u>43,551,200</u>	<u>43,551,200</u>	<u>46,607,021</u>	<u>3,055,821</u>
Fund balances - ending	<u>\$ 21,514,967</u>	<u>\$ 21,514,967</u>	<u>\$ 34,762,503</u>	<u>\$ 13,247,536</u>
Accrued interest			(130)	
Capital assets, net of depreciation			149,931,271	
Debt payable, net			(61,727,658)	
Due from other funds			1,799,974	
Pension asset/liability, net			(4,081,006)	
OPEB asset/liability, net			(335,154)	
SBITA			(37,814)	
Unrealized gain (loss) on investments			<u>288,515</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 120,600,501</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Water Capital Improvement Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 19,553,100	\$ 19,553,100	\$ 3,470,983	\$ (16,082,117)
Miscellaneous	-	-	958,984	958,984
Total revenues	<u>19,553,100</u>	<u>19,553,100</u>	<u>4,429,967</u>	<u>(15,123,133)</u>
EXPENDITURES				
Capital improvement	99,621,500	99,621,500	35,485,359	64,136,141
Total expenditures	<u>99,621,500</u>	<u>99,621,500</u>	<u>35,485,359</u>	<u>64,136,141</u>
Excess of expenditures over revenue	<u>(80,068,400)</u>	<u>(80,068,400)</u>	<u>(31,055,392)</u>	<u>49,013,008</u>
OTHER FINANCING SOURCES				
Issuance of debt	34,078,906	34,078,906	15,000,000	(19,078,906)
Transfers in	23,098,000	23,098,000	23,142,694	44,694
Total other financing sources	<u>57,176,906</u>	<u>57,176,906</u>	<u>38,142,694</u>	<u>(19,034,212)</u>
Net change in fund balances	(22,891,494)	(22,891,494)	7,087,302	29,978,796
Fund balances - beginning	<u>23,567,949</u>	<u>23,567,949</u>	<u>11,048,661</u>	<u>(12,519,288)</u>
Fund balances - ending	<u>\$ 676,455</u>	<u>\$ 676,455</u>	<u>\$ 18,135,963</u>	<u>\$ 17,459,508</u>
Unrealized gain (loss) on investments			<u>(623,507)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 17,512,456</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Water Debt Service Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 7,929	\$ 7,929
Total revenues	<u>-</u>	<u>-</u>	<u>7,929</u>	<u>7,929</u>
EXPENDITURES				
Debt service	3,008,000	3,008,000	1,796,749	1,211,251
Total expenditures	<u>3,008,000</u>	<u>3,008,000</u>	<u>1,796,749</u>	<u>1,211,251</u>
Excess of expenditures over revenue	<u>(3,008,000)</u>	<u>(3,008,000)</u>	<u>(1,788,820)</u>	<u>1,219,180</u>
OTHER FINANCING SOURCES				
Transfers in	3,008,000	3,008,000	1,796,749	(1,211,251)
Total other financing sources	<u>3,008,000</u>	<u>3,008,000</u>	<u>1,796,749</u>	<u>(1,211,251)</u>
Net change in fund balances	-	-	7,929	7,929
Fund balances - beginning	688,200	688,200	199,898	(488,302)
Fund balances - ending	<u>\$ 688,200</u>	<u>\$ 688,200</u>	<u>\$ 207,827</u>	<u>\$ (480,373)</u>
Accrued interest			(147,288)	
Unrealized gain (loss) on investments			2,754	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 63,293</u>	

City of Gresham, Oregon
Combining Schedule of Net Position
Stormwater Fund
June 30, 2025

	Stormwater Fund	Capital Improvement Fund	Stormwater Debt Service Fund	Total
ASSETS				
Current assets:				
Cash and investments	\$ 12,760,982	\$ 16,643,236	\$ 224,682	\$ 29,628,900
Receivables, net	2,886,187	-	-	2,886,187
Due from other funds	1,843,607	-	-	1,843,607
Total current assets	<u>17,490,776</u>	<u>16,643,236</u>	<u>224,682</u>	<u>34,358,694</u>
Noncurrent assets:				
Other assets	73,618	95,208	1,293	170,119
Capital assets:				
Non-depreciable	9,976,043	-	-	9,976,043
Depreciable, net	56,807,762	-	-	56,807,762
Total noncurrent assets	<u>66,857,423</u>	<u>95,208</u>	<u>1,293</u>	<u>66,953,924</u>
Total assets	<u>84,348,199</u>	<u>16,738,444</u>	<u>225,975</u>	<u>101,312,618</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow related to pension	3,653,294	-	-	3,653,294
Deferred outflow related to OPEB	<u>38,354</u>	<u>-</u>	<u>-</u>	<u>38,354</u>
Total deferred outflows of resources	<u>3,691,648</u>	<u>-</u>	<u>-</u>	<u>3,691,648</u>
LIABILITIES				
Current liabilities:				
Accounts payable	264,154	53,054	-	317,208
Accrued interest payable	130	-	-	130
Bonds, notes and loans payable	311,597	-	-	311,597
SBITA	18,378	-	-	18,378
Total current liabilities	<u>594,259</u>	<u>53,054</u>	<u>-</u>	<u>647,313</u>
Noncurrent liabilities:				
Net pension liability	5,670,007	-	-	5,670,007
Net OPEB liability	210,466	-	-	210,466
Compensated absences	403,600	-	-	403,600
Bonds, notes and loans payable	2,837,978	-	-	2,837,978
SBITA	19,436	-	-	19,436
Total noncurrent liabilities	<u>9,141,487</u>	<u>-</u>	<u>-</u>	<u>9,141,487</u>
Total liabilities	<u>9,735,746</u>	<u>53,054</u>	<u>-</u>	<u>9,788,800</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	2,056,773	-	-	2,056,773
Deferred inflows related to OPEB	<u>120,062</u>	<u>-</u>	<u>-</u>	<u>120,062</u>
Total deferred inflows of resources	<u>2,176,835</u>	<u>-</u>	<u>-</u>	<u>2,176,835</u>
NET POSITION				
Net investment in capital assets	63,596,417	-	-	63,596,417
Restricted for:				
Debt service	-	-	225,975	225,975
Unrestricted	12,530,849	16,685,390	-	29,216,239
Total net position	<u>\$ 76,127,266</u>	<u>\$ 16,685,390</u>	<u>\$ 225,975</u>	<u>\$ 93,038,631</u>

City of Gresham, Oregon
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
Stormwater Fund
For the Fiscal Year Ended June 30, 2025

	Stormwater Fund	Capital Improvement Fund	Stormwater Debt Service Fund	Eliminations	Total
OPERATING REVENUES					
Charges for services	\$ 15,935,802	\$ -	\$ -	\$ -	\$ 15,935,802
Total operating revenues	<u>15,935,802</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,935,802</u>
OPERATING EXPENSES					
Personnel services	3,847,555	-	-		3,847,555
Professional and technical services	882,953	-	-		882,953
Property services	141,504	-	-		141,504
Other services	932,965	-	-		932,965
Supplies	129,850	-	-		129,850
Incentive programs	186,495	-	-		186,495
Internal services	3,665,548	-	-		3,665,548
Other materials and services	-	866,316	-		866,316
Depreciation and amortization	2,750,281	-	-		2,750,281
Total operating expenses	<u>12,537,151</u>	<u>866,316</u>	<u>-</u>		<u>13,403,467</u>
Operating income (loss)	<u>3,398,651</u>	<u>(866,316)</u>	<u>-</u>		<u>2,532,335</u>
NONOPERATING REVENUES (EXPENSES)					
Miscellaneous revenue (expense)	3,002	-	(16,658)		(13,656)
Interest and investment income	799,561	824,282	12,657		1,636,500
Gain/(loss) on disposition of capital assets	47,211	-	-		47,211
Total nonoperating revenues (expenses)	<u>849,774</u>	<u>824,282</u>	<u>(4,001)</u>		<u>1,670,055</u>
Income (loss) before contributions and transfers	<u>4,248,425</u>	<u>(42,034)</u>	<u>(4,001)</u>		<u>4,202,390</u>
Capital contributions	1,522,412	-	-		1,522,412
Transfers in	1,282,375	3,753,845	263,438	(4,944,945)	354,713
Transfers out	(5,846,155)	(917,610)	(246,780)	4,944,945	(2,065,600)
Change in net position	<u>1,207,057</u>	<u>2,794,201</u>	<u>12,657</u>		<u>4,013,915</u>
Total net position - beginning	<u>74,920,209</u>	<u>13,891,189</u>	<u>213,318</u>		<u>89,024,716</u>
Total net position - ending	<u>\$ 76,127,266</u>	<u>\$ 16,685,390</u>	<u>\$ 225,975</u>		<u>\$ 93,038,631</u>

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Stormwater Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 105,387	\$ 105,387
Charges for services	15,983,200	15,983,200	15,830,415	(152,785)
Miscellaneous	194,900	194,900	615,364	420,464
Internal service charges	301,500	301,500	1,152,007	850,507
Total revenues	<u>16,479,600</u>	<u>16,479,600</u>	<u>17,703,173</u>	<u>1,223,573</u>
EXPENDITURES				
Environmental services	12,516,854	12,516,854	11,241,772	1,275,082
Operating contingency	1,743,000	1,702,000	-	1,702,000
Total expenditures	<u>14,259,854</u>	<u>14,218,854</u>	<u>11,241,772</u>	<u>2,977,082</u>
Excess of revenues over expenditures	<u>2,219,746</u>	<u>2,260,746</u>	<u>6,461,401</u>	<u>4,200,655</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	230,400	230,400	117,985	(112,415)
Transfers out	(5,790,900)	(5,831,900)	(5,781,338)	50,562
Total other financing sources (uses)	<u>(5,560,500)</u>	<u>(5,601,500)</u>	<u>(5,663,353)</u>	<u>(61,853)</u>
Net change in fund balances	<u>(3,340,754)</u>	<u>(3,340,754)</u>	<u>798,048</u>	<u>4,138,802</u>
Fund balances - beginning	<u>12,993,500</u>	<u>12,993,500</u>	<u>14,197,697</u>	<u>1,204,197</u>
Fund balances - ending	<u>\$ 9,652,746</u>	<u>\$ 9,652,746</u>	<u>\$ 14,995,745</u>	<u>\$ 5,342,999</u>
Accrued interest			(130)	
Capital assets, net of depreciation			66,783,805	
Debt payable, net			(3,149,575)	
Due from other funds			1,843,607	
Pension asset/liability, net			(4,073,486)	
OPEB asset/liability, net			(292,174)	
SBITA			(37,814)	
Unrealized gain (loss) on investments			<u>57,288</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 76,127,266</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Stormwater Capital Improvement Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Miscellaneous	\$ 106,900	\$ 106,900	\$ 521,122	\$ 414,222
Total revenues	<u>106,900</u>	<u>106,900</u>	<u>521,122</u>	<u>414,222</u>
EXPENDITURES				
Capital improvement	12,115,200	12,115,200	1,783,926	10,331,274
Total expenditures	<u>12,115,200</u>	<u>12,115,200</u>	<u>1,783,926</u>	<u>10,331,274</u>
Excess of expenditures over revenue	<u>(12,008,300)</u>	<u>(12,008,300)</u>	<u>(1,262,804)</u>	<u>10,745,496</u>
OTHER FINANCING SOURCES				
Issuance of debt	-	-	64,817	64,817
Transfers in	5,170,900	5,170,900	3,689,028	(1,481,872)
Total other financing sources	<u>5,170,900</u>	<u>5,170,900</u>	<u>3,753,845</u>	<u>(1,417,055)</u>
Net change in fund balances	(6,837,400)	(6,837,400)	2,491,041	9,328,441
Fund balances - beginning	13,948,900	13,948,900	13,980,461	31,561
Fund balances - ending	<u>\$ 7,111,500</u>	<u>\$ 7,111,500</u>	<u>\$ 16,471,502</u>	<u>\$ 9,360,002</u>
Unrealized gain (loss) on investments			213,888	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 16,685,390</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Stormwater Debt Service Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 8,544	\$ 8,544
Total revenues	<u>-</u>	<u>-</u>	<u>8,544</u>	<u>8,544</u>
EXPENDITURES				
Debt service	269,000	269,000	263,438	5,562
Total expenditures	<u>269,000</u>	<u>269,000</u>	<u>263,438</u>	<u>5,562</u>
Excess of expenditures over revenue	<u>(269,000)</u>	<u>(269,000)</u>	<u>(254,894)</u>	<u>14,106</u>
OTHER FINANCING SOURCES				
Transfers in	264,000	264,000	263,438	(562)
Total other financing sources	<u>264,000</u>	<u>264,000</u>	<u>263,438</u>	<u>(562)</u>
Net change in fund balances	(5,000)	(5,000)	8,544	13,544
Fund balances - beginning	176,000	176,000	215,685	39,685
Fund balances - ending	<u>\$ 171,000</u>	<u>\$ 171,000</u>	<u>\$ 224,229</u>	<u>\$ 53,229</u>
Unrealized gain (loss) on investments			1,746	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 225,975</u>	

City of Gresham, Oregon
Combining Schedule of Net Position
Wastewater Fund
June 30, 2025

	Wastewater Fund	Capital Improvement Fund	Wastewater Debt Service Fund	Total
ASSETS				
Current assets:				
Cash and investments	\$ 19,823,150	\$ 53,919,345	\$ 632,256	\$ 74,374,751
Receivables, net	4,087,631	-	-	4,087,631
Due from other funds	3,620,513	-	-	3,620,513
Total current assets	<u>27,531,294</u>	<u>53,919,345</u>	<u>632,256</u>	<u>82,082,895</u>
Noncurrent assets:				
Other assets	127,806	307,685	3,796	439,287
Restricted cash and investments	2,479,492	-	7,214	2,486,706
Capital assets:				
Non-depreciable	18,265,427	-	-	18,265,427
Depreciable, net	114,751,553	-	-	114,751,553
Total noncurrent assets	<u>135,624,278</u>	<u>307,685</u>	<u>11,010</u>	<u>135,942,973</u>
Total assets	<u>163,155,572</u>	<u>54,227,030</u>	<u>643,266</u>	<u>218,025,868</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow related to pension	3,822,136	-	-	3,822,136
Deferred outflow related to OPEB	94,991	-	-	94,991
Total deferred outflows of resources	<u>3,917,127</u>	<u>-</u>	<u>-</u>	<u>3,917,127</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,069,535	904,625	411	1,974,571
Other accrued liabilities	840	11	-	851
Accrued interest payable	130	-	18,020	18,150
Unearned revenue	-	8,000,000	-	8,000,000
Bonds, notes and loans payable	455,431	-	-	455,431
SBITA	18,378	-	-	18,378
Total current liabilities	<u>1,544,314</u>	<u>8,904,636</u>	<u>18,431</u>	<u>10,467,381</u>
Noncurrent liabilities:				
Net pension liability	5,906,789	-	-	5,906,789
Net OPEB liability	158,225	-	-	158,225
Compensated absences	420,100	-	-	420,100
Bonds, notes and loans payable	2,398,925	-	-	2,398,925
SBITA	19,436	-	-	19,436
Total noncurrent liabilities	<u>8,903,475</u>	<u>-</u>	<u>-</u>	<u>8,903,475</u>
Total liabilities	<u>10,447,789</u>	<u>8,904,636</u>	<u>18,431</u>	<u>19,370,856</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	2,112,665	-	-	2,112,665
Deferred inflows related to OPEB	80,467	-	-	80,467
Total deferred inflows of resources	<u>2,193,132</u>	<u>-</u>	<u>-</u>	<u>2,193,132</u>
NET POSITION				
Net investment in capital assets	130,124,811	-	-	130,124,811
Restricted for:				
Construction	2,479,492	-	-	2,479,492
Loan requirement	-	-	7,214	7,214
Debt service	-	-	617,621	617,621
Unrestricted	21,827,475	45,322,394	-	67,149,869
Total net position	<u>\$ 154,431,778</u>	<u>\$ 45,322,394</u>	<u>\$ 624,835</u>	<u>\$ 200,379,007</u>

City of Gresham, Oregon
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
Wastewater Fund
For the Fiscal Year Ended June 30, 2025

	Wastewater Fund	Capital Improvement Fund	Wastewater Debt Service Fund	Eliminations	Total
OPERATING REVENUES					
Charges for services	\$ 26,218,780	\$ -	\$ -	\$ -	\$ 26,218,780
Total operating revenues	<u>26,218,780</u>	<u>-</u>	<u>-</u>		<u>26,218,780</u>
OPERATING EXPENSES					
Personnel services	3,560,046	-	-		3,560,046
Professional and technical services	4,988,241	-	-		4,988,241
Property services	152,380	-	-		152,380
Other services	57,283	-	-		57,283
Supplies	250,115	-	-		250,115
Incentive programs	383	-	-		383
Internal services	5,861,910	-	-		5,861,910
Other materials and services	-	1,903,552	-		1,903,552
Depreciation and amortization	5,853,582	-	-		5,853,582
Total operating expenses	<u>20,723,940</u>	<u>1,903,552</u>	<u>-</u>		<u>22,627,492</u>
Operating income (loss)	<u>5,494,840</u>	<u>(1,903,552)</u>	<u>-</u>		<u>3,591,288</u>
NONOPERATING REVENUES (EXPENSES)					
Miscellaneous revenue (expense)	20,131	-	(1,336)		18,795
Interest and investment income	1,448,594	2,835,358	37,172		4,321,124
Interest expense	-	-	(77,571)		(77,571)
Gain/(loss) on disposition of capital assets	24,131	-	-		24,131
Total nonoperating revenues (expenses)	<u>1,492,856</u>	<u>2,835,358</u>	<u>(41,735)</u>		<u>4,286,479</u>
Income (loss) before contributions and transfers	<u>6,987,696</u>	<u>931,806</u>	<u>(41,735)</u>		<u>7,877,767</u>
Capital contributions	817,740	-	-		817,740
Transfers in	10,155,462	10,898,395	517,004	(20,610,681)	960,180
Transfers out	(12,091,904)	(8,830,258)	(434,719)	20,610,681	(746,200)
Change in net position	<u>5,868,994</u>	<u>2,999,943</u>	<u>40,550</u>		<u>8,909,487</u>
Total net position - beginning	<u>148,562,784</u>	<u>42,322,451</u>	<u>584,285</u>		<u>191,469,520</u>
Total net position - ending	<u>\$ 154,431,778</u>	<u>\$ 45,322,394</u>	<u>\$ 624,835</u>		<u>\$ 200,379,007</u>

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Wastewater Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Licenses and permits	\$ 16,300	\$ 16,300	\$ 25,026	\$ 8,726
Intergovernmental	176,900	176,900	382,655	205,755
Charges for services	25,523,500	25,523,500	25,811,099	287,599
Miscellaneous	324,600	324,600	1,085,902	761,302
Internal service charges	1,297,700	1,297,700	1,225,028	(72,672)
Total revenues	<u>27,339,000</u>	<u>27,339,000</u>	<u>28,529,710</u>	<u>1,190,710</u>
EXPENDITURES				
Environmental services	19,628,166	19,628,166	16,429,221	3,198,945
Operating contingency	2,944,000	2,886,000	-	2,886,000
Total expenditures	<u>22,572,166</u>	<u>22,514,166</u>	<u>16,429,221</u>	<u>6,084,945</u>
Excess of revenues over expenditures	<u>4,766,834</u>	<u>4,824,834</u>	<u>12,100,489</u>	<u>7,275,655</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	418,250	418,250	890,485	472,235
Transfers out	(12,090,900)	(12,148,900)	(12,091,904)	56,996
Total other financing sources (uses)	<u>(11,672,650)</u>	<u>(11,730,650)</u>	<u>(11,201,419)</u>	<u>529,231</u>
Net change in fund balances	(6,905,816)	(6,905,816)	899,070	7,804,886
Fund balances - beginning	<u>21,640,000</u>	<u>21,640,000</u>	<u>23,880,978</u>	<u>2,240,978</u>
Fund balances - ending	<u>\$ 14,734,184</u>	<u>\$ 14,734,184</u>	<u>\$ 24,780,048</u>	<u>\$ 10,045,864</u>
Accrued interest			(130)	
Capital assets, net of depreciation			133,016,980	
Debt payable, net			(2,854,356)	
Due from other funds			3,620,513	
Pension asset/liability, net			(4,197,318)	
OPEB asset/liability, net			(143,701)	
SBITA			(37,814)	
Unrealized gain (loss) on investments			<u>247,556</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 154,431,778</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Wastewater Capital Improvement Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 972,200	\$ 972,200	\$ -	\$ (972,200)
Miscellaneous	397,900	397,900	1,855,637	1,457,737
Total revenues	<u>1,370,100</u>	<u>1,370,100</u>	<u>1,855,637</u>	<u>485,537</u>
EXPENDITURES				
Capital improvement	57,133,300	57,133,300	10,733,810	46,399,490
Total expenditures	<u>57,133,300</u>	<u>57,133,300</u>	<u>10,733,810</u>	<u>46,399,490</u>
Excess of expenditures over revenue	<u>(55,763,200)</u>	<u>(55,763,200)</u>	<u>(8,878,173)</u>	<u>46,885,027</u>
OTHER FINANCING SOURCES				
Transfers in	13,965,600	13,965,600	10,898,395	(3,067,205)
Total other financing sources	<u>13,965,600</u>	<u>13,965,600</u>	<u>10,898,395</u>	<u>(3,067,205)</u>
Net change in fund balances	(41,797,600)	(41,797,600)	2,020,222	43,817,822
Fund balances - beginning	<u>50,952,400</u>	<u>50,952,400</u>	<u>50,477,565</u>	<u>(474,835)</u>
Fund balances - ending	<u>\$ 9,154,800</u>	<u>\$ 9,154,800</u>	<u>\$ 52,497,787</u>	<u>\$ 43,342,987</u>
Unearned revenue			(8,000,000)	
Unrealized gain (loss) on investments			824,607	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 45,322,394</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Wastewater Debt Service Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 25,086	\$ 25,086
Total revenues	<u>-</u>	<u>-</u>	<u>25,086</u>	<u>25,086</u>
EXPENDITURES				
Debt service	519,000	519,000	517,004	1,996
Total expenditures	<u>519,000</u>	<u>519,000</u>	<u>517,004</u>	<u>1,996</u>
Excess of expenditures over revenue	<u>(519,000)</u>	<u>(519,000)</u>	<u>(491,918)</u>	<u>27,082</u>
OTHER FINANCING SOURCES				
Transfers in	519,000	519,000	517,004	(1,996)
Total other financing sources	<u>519,000</u>	<u>519,000</u>	<u>517,004</u>	<u>(1,996)</u>
Net change in fund balances	-	-	25,086	25,086
Fund balances - beginning	617,400	617,400	633,317	15,917
Fund balances - ending	<u>\$ 617,400</u>	<u>\$ 617,400</u>	<u>\$ 658,403</u>	<u>\$ 41,003</u>
Accrued interest			(18,020)	
Unrealized gain (loss) on investments			(15,548)	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 624,835</u>	

CITY OF
GRESHAM
GOING BEYOND

Internal Service Funds

Internal service funds are used to account for activity that provides goods and services primarily to other funds and departments within the City. Funds included in this fund type are:

Facilities & Fleet Management Fund—Accounts for occupancy expenses, construction, and bond transactions of all City owned and leased administrative buildings. For budgetary and operating purposes, the activities of the Facilities & Fleet Management Fund, City Facility Capital Improvement Fund, and City Hall Debt Service Fund are accounted for separately.

Legal Services Fund—Accounts for all City legal services.

Administrative Services Fund—Accounts for general City administrative services.

Enterprise System Replacement Fund—Accounts for the activities involved in replacing the enterprise resource planning software.

Equipment Replacement Fund—Accounts for annual charges, accumulation of resources for, and eventual replacement of vehicles and other capital equipment.

Workers Comp & Liability Management Fund—Accounts for risk management activities of the City, including operation of the workers compensation, general, and auto liability self-insurance program.

COG Health and Dental Plans Fund—Accounts for the City's health and dental insurance program.

City of Gresham, Oregon
Combining Statement of Net Position
Internal Service Funds
June 30, 2025

	Facilities & Fleet Management Fund	Legal Services Fund	Administrative Services Fund
ASSETS			
Current assets:			
Cash and investments	\$ 6,816,324	\$ 483,899	\$ 11,134,172
Receivables, net	9,701	-	270,977
Due from other funds	384,690	-	1,867,161
Total current assets	<u>7,210,715</u>	<u>483,899</u>	<u>13,272,310</u>
Noncurrent assets:			
Other assets	40,486	2,832	63,966
Capital assets:			
Non-depreciable	3,953,572	-	-
Depreciable, net	13,094,662	-	3,241,006
Total noncurrent assets	<u>17,088,720</u>	<u>2,832</u>	<u>3,304,972</u>
Total assets	<u>24,299,435</u>	<u>486,731</u>	<u>16,577,282</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow related to pension	1,567,583	1,054,004	11,558,279
Deferred outflow related to OPEB	41,172	-	212,452
Total deferred outflows of resources	<u>1,608,755</u>	<u>1,054,004</u>	<u>11,770,731</u>
LIABILITIES			
Current liabilities:			
Accounts payable	742,023	10,528	1,796,358
Other accrued liabilities	-	-	39,874
Accrued claims payable	-	-	-
Accrued interest payable	118	-	14,230
Other liabilities	-	-	2,115,430
Unearned revenue	-	-	-
Due to other funds	-	-	-
Lease payable	210,241	-	-
SBITA	-	-	755,404
Total current liabilities	<u>952,382</u>	<u>10,528</u>	<u>4,721,296</u>
Noncurrent liabilities:			
Advance from other funds	2,200,000	-	-
Net pension liability	2,699,798	1,723,830	20,621,528
Net OPEB liability	136,172	-	858,993
Lease payable	35,330	-	-
Compensated absences	153,700	168,300	1,398,600
SBITA	-	-	1,314,220
Total noncurrent liabilities	<u>5,225,000</u>	<u>1,892,130</u>	<u>24,193,341</u>
Total liabilities	<u>6,177,382</u>	<u>1,902,658</u>	<u>28,914,637</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pension	1,027,714	670,303	7,549,054
Deferred inflows related to OPEB	164,073	-	495,983
Total deferred inflows of resources	<u>1,191,787</u>	<u>670,303</u>	<u>8,045,037</u>
NET POSITION			
Net investment in capital assets	14,602,663	-	1,171,382
Unrestricted	3,936,358	(1,032,226)	(9,783,043)
Total net position	<u>\$ 18,539,021</u>	<u>\$ (1,032,226)</u>	<u>\$ (8,611,661)</u>

Enterprise System Replacement Fund	Equipment Replacement Fund	Workers Comp & Liability Management Fund	COG Health & Dental Plans Fund	Total
\$ 633,619	\$ 28,152,147	\$ 13,214,860	\$ 11,040,880	\$ 71,475,901
-	-	-	168,638	449,316
-	-	-	-	2,251,851
<u>633,619</u>	<u>28,152,147</u>	<u>13,214,860</u>	<u>11,209,518</u>	<u>74,177,068</u>
3,622	161,542	75,525	63,564	411,537
-	-	-	-	3,953,572
-	-	2,505	-	16,338,173
<u>3,622</u>	<u>161,542</u>	<u>78,030</u>	<u>63,564</u>	<u>20,703,282</u>
637,241	28,313,689	13,292,890	11,273,082	94,880,350
-	-	910,429	-	15,090,295
-	-	-	-	253,624
<u>-</u>	<u>-</u>	<u>910,429</u>	<u>-</u>	<u>15,343,919</u>
3,201	336,321	141,052	2,621	3,032,104
-	-	-	779	40,653
-	-	5,565,731	1,010,000	6,575,731
-	-	-	-	14,348
-	-	-	-	2,115,430
-	-	-	919,548	919,548
-	27,402,411	-	-	27,402,411
-	-	-	-	210,241
-	-	-	-	755,404
<u>3,201</u>	<u>27,738,732</u>	<u>5,706,783</u>	<u>1,932,948</u>	<u>41,065,870</u>
-	-	-	-	2,200,000
-	-	1,276,901	-	26,322,057
-	-	-	-	995,165
-	-	-	-	35,330
-	-	64,400	-	1,785,000
-	-	-	-	1,314,220
-	-	1,341,301	-	32,651,772
<u>3,201</u>	<u>27,738,732</u>	<u>7,048,084</u>	<u>1,932,948</u>	<u>73,717,642</u>
-	-	448,282	-	9,695,353
-	-	-	-	660,056
<u>-</u>	<u>-</u>	<u>448,282</u>	<u>-</u>	<u>10,355,409</u>
634,040	574,957	2,505	-	15,776,550
\$ 634,040	\$ 574,957	\$ 6,704,448	\$ 9,340,134	\$ 10,374,668
		\$ 6,706,953	\$ 9,340,134	\$ 26,151,218

City of Gresham, Oregon
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2025

	Facilities & Fleet Management Fund	Legal Services Fund	Administrative Services Fund
OPERATING REVENUES			
Charges for services, internal	\$ 6,646,689	\$ 1,542,850	\$ 20,677,623
Charges for services, external	685,928	2,917	128,727
Miscellaneous	7,040	691	59,188
Total operating revenues	<u>7,339,657</u>	<u>1,546,458</u>	<u>20,865,538</u>
OPERATING EXPENSES			
Personnel services	2,539,104	1,588,335	16,734,746
Professional and technical services	1,086,333	46,956	2,217,487
Property services	761,160	2,604	506,439
Other services	34,066	19,281	525,228
Supplies	1,003,638	3,892	2,440,330
Incentive programs	49,746	-	190,832
Insurance claims	-	-	60,107
Internal services	23,055	-	-
Other materials and services	1,212,107	-	-
Depreciation and amortization	755,644	-	210,822
Total operating expenses	<u>7,464,853</u>	<u>1,661,068</u>	<u>22,885,991</u>
Operating income (loss)	<u>(125,196)</u>	<u>(114,610)</u>	<u>(2,020,453)</u>
NONOPERATING REVENUES (EXPENSES)			
Miscellaneous revenue (expense)	142,361	-	289,969
Interest and investment income	350,346	32,036	559,041
Interagency loan	-	-	-
Gain/(loss) on disposition of capital assets	3,780	-	4,406
Total nonoperating revenues (expenses)	<u>496,487</u>	<u>32,036</u>	<u>853,416</u>
Income (loss) before contributions and transfers	<u>371,291</u>	<u>(82,574)</u>	<u>(1,167,037)</u>
Transfers in	5,468,738	-	1,095,719
Transfers out	<u>(116,000)</u>	<u>-</u>	<u>(242,598)</u>
Change in net position	<u>5,724,029</u>	<u>(82,574)</u>	<u>(313,916)</u>
Total net position - beginning	<u>12,814,992</u>	<u>(949,652)</u>	<u>(8,297,745)</u>
Total net position - ending	<u>\$ 18,539,021</u>	<u>\$ (1,032,226)</u>	<u>\$ (8,611,661)</u>

Enterprise System Replacement Fund	Equipment Replacement Fund	Workers Comp & Liability Management Fund	COG Health & Dental Plans Fund	Total
\$ -	\$ 2,665,489	\$ 6,005,821	\$ 9,788,179	\$ 47,326,651
-	107,426	-	598,745	1,523,743
-	-	1,103,351	-	1,170,270
-	2,772,915	7,109,172	10,386,924	50,020,664
		858,424	-	21,720,609
		207,809	271,108	3,829,693
		-	-	1,270,203
		10,058	-	588,633
	277,763	195	-	3,725,818
	-	-	-	240,578
	-	5,356,951	9,505,847	14,922,905
	-	-	-	23,055
44,957	4,424,725	-	-	5,681,789
-	-	1,002	-	967,468
44,957	4,702,488	6,434,439	9,776,955	52,970,751
(44,957)	(1,929,573)	674,733	609,969	(2,950,087)
	8,391,009	317,968	1,238,840	10,380,147
36,100	1,524,990	675,949	571,190	3,749,652
-	(8,236,045)	-	-	(8,236,045)
-	-	-	-	8,186
36,100	1,679,954	993,917	1,810,030	5,901,940
(8,857)	(249,619)	1,668,650	2,419,999	2,951,853
-	290,300	-	-	6,854,757
-	-	-	(299,000)	(657,598)
(8,857)	40,681	1,668,650	2,120,999	9,149,012
642,897	534,276	5,038,303	7,219,135	17,002,206
\$ 634,040	\$ 574,957	\$ 6,706,953	\$ 9,340,134	\$ 26,151,218

City of Gresham, Oregon
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2025

	Facilities & Fleet Management Fund	Legal Services Fund	Administrative Services Fund
Cash flows from operating activities:			
Receipts from customers	\$ 676,227	\$ 2,917	\$ 128,727
Receipts for internal services provided	6,646,689	1,542,850	20,677,623
Payments to suppliers for goods and services	(3,867,016)	(71,583)	(4,107,040)
Payments to employees for services	(2,459,189)	(1,568,962)	(16,322,756)
Other operating receipts (payments)	149,401	691	331,518
Net cash provided by (used in) operating activities	<u>1,146,112</u>	<u>(94,087)</u>	<u>708,072</u>
Cash flows from noncapital financing activities:			
Receipts from other funds	5,468,738	-	1,095,719
Payments to other funds	<u>(136,841)</u>	<u>-</u>	<u>(481,955)</u>
Net cash provided by (used in) noncapital financing activities	<u>5,331,897</u>	<u>-</u>	<u>613,764</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(8,274,000)	-	(1,450,758)
Interest portion of debt service	(17,827)	-	746
Proceeds from disposition of capital assets	3,780	-	-
Other capital and financing receipts	2,200,000	-	-
Net cash provided by (used in) capital and related financing activities	<u>(6,088,047)</u>	<u>-</u>	<u>(1,450,012)</u>
Cash flows from investing activities:			
Change in investments	(723,272)	60,970	(446,264)
Interest on investments	350,763	32,880	566,084
Net cash provided by (used in) investing activities	<u>(372,509)</u>	<u>93,850</u>	<u>119,820</u>
Net increase (decrease) in cash and cash equivalents	17,453	(237)	(8,356)
Cash and cash equivalents - beginning	98,425	818	231,039
Cash and cash equivalents - ending	<u>\$ 115,878</u>	<u>\$ 581</u>	<u>\$ 222,683</u>
Classified on the Statement of Net Position as:			
Cash and investments	<u>\$ 115,878</u>	<u>\$ 581</u>	<u>\$ 222,683</u>
	<u><u>\$ 115,878</u></u>	<u><u>\$ 581</u></u>	<u><u>\$ 222,683</u></u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ (125,196)	\$ (114,610)	\$ (2,020,453)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation and amortization	755,644	-	210,822
Pension adjustments	83,401	(9,127)	711,490
OPEB adjustments	(4,186)	-	(22,132)
Other	142,361	-	289,969
Changes in assets and liabilities:			
Receivables	(9,701)	-	(17,639)
Accounts payable	267,759	1,150	375,381
Lease payable	35,330	-	-
SBITA	-	-	1,301,817
Other liabilities	700	28,500	(121,183)
Net cash provided by (used in) operating activities	<u>\$ 1,146,112</u>	<u>\$ (94,087)</u>	<u>\$ 708,072</u>
Noncash investing, capital, and financing activities:			
Increase (Decrease) in fair value of investments	\$ (128,913)	(9,016)	(203,678)
SBITA proceeds	-	-	1,991,504

Enterprise System Replacement Fund	Equipment Replacement Fund	Workers Comp & Liability Management Fund	COG Health & Dental Plans Fund	Total
\$ -	\$ 107,426	\$ -	\$ 640,826	\$ 1,556,123
-	2,665,489	6,005,822	9,788,179	47,326,652
(44,157)	(4,562,885)	(5,363,669)	(9,896,598)	(27,912,948)
-	-	(778,270)	-	(21,129,177)
-	8,391,009	1,421,318	1,113,571	11,407,508
(44,157)	6,601,039	1,285,201	1,645,978	11,248,158
-	2,449,055	-	-	9,013,512
-	(8,236,045)	-	(299,000)	(9,153,841)
-	(5,786,990)	-	(299,000)	(140,329)
-	-	-	-	(9,724,758)
-	-	-	-	(17,081)
-	-	-	-	3,780
-	-	-	-	2,200,000
-	-	-	-	(7,538,059)
7,303	(2,200,337)	(1,871,824)	(1,839,418)	(7,012,842)
36,714	1,535,754	674,839	568,412	3,765,446
44,017	(664,583)	(1,196,985)	(1,271,006)	(3,247,396)
(140)	149,466	88,216	75,972	322,374
1,090	1,764,880	332,017	219,924	2,648,193
\$ 950	\$ 1,914,346	\$ 420,233	\$ 295,896	\$ 2,970,567
\$ 950	\$ 1,914,346	\$ 420,233	\$ 295,896	\$ 2,970,567
\$ (44,957)	\$ (1,929,573)	\$ 674,733	\$ 609,969	\$ (2,950,087)
-	-	1,002	-	967,468
-	-	96,154	-	881,918
-	-	-	-	(26,318)
-	8,391,009	317,967	1,238,840	10,380,146
-	-	-	(125,269)	(152,609)
800	139,603	128,948	(18,643)	894,998
-	-	-	-	35,330
-	-	-	-	1,301,817
-	-	66,397	(58,919)	(84,505)
\$ (44,157)	\$ 6,601,039	\$ 1,285,201	\$ 1,645,978	\$ 11,248,158
(11,532)	(514,378)	(240,484)	(202,399)	\$ (1,310,400)
-	-	-	-	1,991,504

City of Gresham, Oregon
Combining Schedule of Net Position
Facilities & Fleet Management
June 30, 2025

	Facilities & Fleet Management Fund	City Facility Capital Improvement Fund	City Facility Debt Service Fund	Total
ASSETS				
Current assets:				
Cash and investments	\$ 3,880,512	\$ 2,935,812	\$ -	\$ 6,816,324
Receivables, net	9,701	-	-	9,701
Due from other funds	384,690	-	-	384,690
Total current assets	<u>4,274,903</u>	<u>2,935,812</u>	<u>-</u>	<u>7,210,715</u>
Noncurrent assets:				
Other assets	23,477	17,009	-	40,486
Capital assets:				
Non-depreciable	3,953,572	-	-	3,953,572
Depreciable, net	13,094,662	-	-	13,094,662
Total noncurrent assets	<u>17,071,711</u>	<u>17,009</u>	<u>-</u>	<u>17,088,720</u>
Total assets	<u>21,346,614</u>	<u>2,952,821</u>	<u>-</u>	<u>24,299,435</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow related to pension	1,567,583	-	-	1,567,583
Deferred outflow related to OPEB	41,172	-	-	41,172
Total deferred outflows of resources	<u>1,608,755</u>	<u>-</u>	<u>-</u>	<u>1,608,755</u>
LIABILITIES				
Current liabilities:				
Accounts payable	252,929	489,094	-	742,023
Accrued interest payable	118	-	-	118
Lease payable	210,241	-	-	210,241
Total current liabilities	<u>463,288</u>	<u>489,094</u>	<u>-</u>	<u>952,382</u>
Noncurrent liabilities:				
Advance from other funds	2,200,000	-	-	2,200,000
Lease payable	35,330	-	-	35,330
Net pension liability	2,699,798	-	-	2,699,798
Net OPEB liability	136,172	-	-	136,172
Compensated absences	153,700	-	-	153,700
Total noncurrent liabilities	<u>5,225,000</u>	<u>-</u>	<u>-</u>	<u>5,225,000</u>
Total liabilities	<u>5,688,288</u>	<u>489,094</u>	<u>-</u>	<u>6,177,382</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	1,027,714	-	-	1,027,714
Deferred inflows related to OPEB	164,073	-	-	164,073
Total deferred inflows of resources	<u>1,191,787</u>	<u>-</u>	<u>-</u>	<u>1,191,787</u>
NET POSITION				
Net investment in capital assets	14,602,663	-	-	14,602,663
Unrestricted	1,472,631	2,463,727	-	3,936,358
Total net position	<u>\$ 16,075,294</u>	<u>\$ 2,463,727</u>	<u>\$ -</u>	<u>\$ 18,539,021</u>

City of Gresham, Oregon
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position
Facilities & Fleet Management Fund
For the Fiscal Year Ended June 30, 2025

	Facilities & Fleet Management Fund	City Facility Capital Improvement Fund	City Facility Debt Service Fund	Eliminations	Total
OPERATING REVENUES					
Charges for services, internal	\$ 6,646,689	\$ -	\$ -	\$ -	\$ 6,646,689
Charges for services, external	166,291	519,637	-		685,928
Miscellaneous	7,018	22	-		7,040
Total operating revenues	<u>6,819,998</u>	<u>519,659</u>	<u>-</u>		<u>7,339,657</u>
OPERATING EXPENSES					
Personnel services	2,539,104	-	-		2,539,104
Professional and technical services	1,086,333	-	-		1,086,333
Property services	761,160	-	-		761,160
Other services	34,066	-	-		34,066
Supplies	1,003,638	-	-		1,003,638
Incentive programs	49,746	-	-		49,746
Internal services	23,055	-	-		23,055
Other materials and services	7,211	1,204,896	-		1,212,107
Depreciation and amortization	755,644	-	-		755,644
Total operating expenses	<u>6,259,957</u>	<u>1,204,896</u>	<u>-</u>		<u>7,464,853</u>
Operating income (loss)	<u>560,041</u>	<u>(685,237)</u>	<u>-</u>		<u>(125,196)</u>
NONOPERATING REVENUES (EXPENSES)					
Miscellaneous revenue (expense)	124,425	-	17,936		142,361
Interest and investment income	215,663	133,792	891		350,346
Gain/(loss) on disposition of capital assets	3,780	-	-		3,780
Total nonoperating revenues (expenses)	<u>343,868</u>	<u>133,792</u>	<u>18,827</u>		<u>496,487</u>
Income (loss) before contributions and transfers	<u>903,909</u>	<u>(551,445)</u>	<u>18,827</u>		<u>371,291</u>
Transfers in	8,728,990	8,781,738	-	(12,041,990)	5,468,738
Transfers out	(4,679,000)	(7,478,990)	-	12,041,990	(116,000)
Change in net position	<u>4,953,899</u>	<u>751,303</u>	<u>18,827</u>		<u>5,724,029</u>
Total net position - beginning	<u>11,121,395</u>	<u>1,712,424</u>	<u>(18,827)</u>		<u>12,814,992</u>
Total net position - ending	<u><u>\$ 16,075,294</u></u>	<u><u>\$ 2,463,727</u></u>	<u><u>\$ -</u></u>		<u><u>\$ 18,539,021</u></u>

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Facilities & Fleet Management Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 75,000	\$ 75,000	\$ 119,317	\$ 44,317
Charges for services	-	-	12,356	12,356
Miscellaneous	84,900	84,900	311,641	226,741
Internal service charges	6,646,689	6,646,689	6,646,689	-
Total revenues	<u>6,806,589</u>	<u>6,806,589</u>	<u>7,090,003</u>	<u>283,414</u>
EXPENDITURES				
Citywide services	6,892,589	6,892,589	6,205,510	687,079
Operating contingency	445,000	195,000	-	195,000
Total expenditures	<u>7,337,589</u>	<u>7,087,589</u>	<u>6,205,510</u>	<u>882,079</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(531,000)</u>	<u>(281,000)</u>	<u>884,493</u>	<u>1,165,493</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,250,000	1,250,000	-
Transfers out	<u>(979,000)</u>	<u>(2,479,000)</u>	<u>(2,479,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(979,000)</u>	<u>(1,229,000)</u>	<u>(1,229,000)</u>	<u>-</u>
Net change in fund balances	<u>(1,510,000)</u>	<u>(1,510,000)</u>	<u>(344,507)</u>	<u>1,165,493</u>
Fund balances - beginning	<u>1,510,000</u>	<u>1,510,000</u>	<u>3,860,442</u>	<u>2,350,442</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,515,935</u>	<u>\$ 3,515,935</u>
Accrued interest			(118)	
Advance from other funds			(2,200,000)	
Capital assets, net of depreciation			16,822,123	
Due from other funds			384,690	
Lease payable			(19,460)	
Pension asset/liability, net			(2,159,929)	
OPEB asset/liability, net			(259,073)	
Unrealized gain (loss) on investments			<u>(8,874)</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 16,075,294</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
City Facility Capital Improvement Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ 780,000	\$ 780,000	\$ 519,637	\$ (260,363)
Miscellaneous	-	-	79,655	79,655
Total revenues	<u>780,000</u>	<u>780,000</u>	<u>599,292</u>	<u>(180,708)</u>
EXPENDITURES				
Capital improvement	2,433,000	15,583,000	8,683,886	6,899,114
Total expenditures	<u>2,433,000</u>	<u>15,583,000</u>	<u>8,683,886</u>	<u>6,899,114</u>
Excess of expenditures over revenue	<u>(1,653,000)</u>	<u>(14,803,000)</u>	<u>(8,084,594)</u>	<u>6,718,406</u>
OTHER FINANCING SOURCES				
Financing proceeds	-	5,900,000	2,200,000	(3,700,000)
Transfers in	1,013,000	8,263,000	6,581,738	(1,681,262)
Total other financing sources	<u>1,013,000</u>	<u>14,163,000</u>	<u>8,781,738</u>	<u>(5,381,262)</u>
Net change in fund balances	(640,000)	(640,000)	697,144	1,337,144
Fund balances - beginning	640,000	640,000	1,772,652	1,132,652
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,469,796</u>	<u>\$ 2,469,796</u>
Unrealized gain (loss) on investments			(6,069)	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 2,463,727</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
City Facility Debt Service Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
	\$	\$	\$	\$
REVENUES				
Total revenues	-	-	-	-
EXPENDITURES				
Total expenditures	-	-	-	-
Excess of revenues over expenditures	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$</u> <u>-</u>	<u>\$</u> <u>-</u>	<u>\$</u> <u>-</u>	<u>\$</u> <u>-</u>

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Legal Services Fund
For the Fiscal Year Ended June 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget- Positive (Negative)</u>
REVENUES				
Charges for services	\$ -	\$ -	\$ 2,917	\$ 2,917
Miscellaneous	- -	- -	23,711	23,711
Internal service charges	1,742,850	1,742,850	1,542,850	(200,000)
Total revenues	<u>1,742,850</u>	<u>1,742,850</u>	<u>1,569,478</u>	<u>(173,372)</u>
EXPENDITURES				
City attorney's office	1,734,850	1,734,850	1,670,195	64,655
Operating contingency	260,000	260,000	- -	260,000
Total expenditures	<u>1,994,850</u>	<u>1,994,850</u>	<u>1,670,195</u>	<u>324,655</u>
Excess of expenditures over revenue	(252,000)	(252,000)	(100,717)	151,283
Net change in fund balances	(252,000)	(252,000)	(100,717)	151,283
Fund balances - beginning	252,000	252,000	413,333	161,333
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 312,616</u>	<u>\$ 312,616</u>
Pension asset/liability, net			(1,340,129)	
Unrealized gain (loss) on investments			(4,713)	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ (1,032,226)</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Administrative Services Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Charges for services	\$ 65,000	\$ 65,000	\$ 128,727	\$ 63,727
Miscellaneous	125,000	125,000	708,926	583,926
Internal service charges	<u>23,157,212</u>	<u>23,157,212</u>	20,677,623	(2,479,589)
Total revenues	<u>23,347,212</u>	<u>23,347,212</u>	21,515,276	(1,831,936)
EXPENDITURES				
City manager's office	3,450,051	3,622,714	2,847,938	774,776
Budget and finance	8,351,023	8,351,023	7,160,093	1,190,930
Information technology	8,588,371	8,588,371	7,963,148	625,223
Citywide services	5,162,767	5,094,104	4,406,590	687,514
Operating contingency	<u>790,000</u>	<u>536,000</u>	-	536,000
Total expenditures	<u>26,342,212</u>	<u>26,192,212</u>	22,377,769	3,814,443
Excess of expenditures over revenue	<u>(2,995,000)</u>	<u>(2,845,000)</u>	(862,493)	1,982,507
OTHER FINANCING SOURCES (USES)				
Transfers in	1,129,500	1,233,500	1,095,719	(137,781)
Transfers out	<u>(326,500)</u>	<u>(580,500)</u>	<u>(242,598)</u>	<u>337,902</u>
Total other financing sources (uses)	<u>803,000</u>	<u>653,000</u>	<u>853,121</u>	<u>200,121</u>
Net change in fund balances	<u>(2,192,000)</u>	<u>(2,192,000)</u>	(9,372)	2,182,628
Fund balances - beginning	<u>2,692,000</u>	<u>2,692,000</u>	<u>6,033,890</u>	<u>3,341,890</u>
Fund balances - ending	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 6,024,518</u>	<u>\$ 5,524,518</u>
Accrued interest			(14,230)	
Capital assets, net of depreciation			3,241,006	
Due from other funds			1,867,161	
Pension asset/liability, net			(16,612,303)	
OPEB asset/liability, net			(1,142,524)	
SBITA			(2,069,624)	
Unrealized gain (loss) on investments			<u>94,335</u>	
Fund balances - generally accepted accounting principles basis, ending	<u>\$ (8,611,661)</u>			

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Enterprise System Replacement Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 24,568	\$ 24,568
Total revenues	<u>-</u>	<u>-</u>	<u>24,568</u>	<u>24,568</u>
EXPENDITURES				
Capital improvement	630,000	884,000	44,957	839,043
Total expenditures	<u>630,000</u>	<u>884,000</u>	<u>44,957</u>	<u>839,043</u>
Excess of expenditures over revenue	<u>(630,000)</u>	<u>(884,000)</u>	<u>(20,389)</u>	<u>863,611</u>
OTHER FINANCING SOURCES				
Transfers in	100,000	354,000	-	(354,000)
Total other financing sources	<u>100,000</u>	<u>354,000</u>	<u>-</u>	<u>(354,000)</u>
Net change in fund balances	(530,000)	(530,000)	(20,389)	509,611
Fund balances - beginning	530,000	530,000	645,783	115,783
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 625,394</u>	<u>\$ 625,394</u>
Unrealized gain (loss) on investments			8,646	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 634,040</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Equipment Replacement Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 107,426	\$ 107,426
Miscellaneous	9,463,500	9,463,500	9,401,621	(61,879)
Internal service charges	2,158,700	2,158,700	4,824,241	2,665,541
Total revenues	<u>11,622,200</u>	<u>11,622,200</u>	<u>14,333,288</u>	<u>2,711,088</u>
EXPENDITURES				
Citywide services	10,610,900	10,763,900	4,702,485	6,061,415
Total expenditures	<u>10,610,900</u>	<u>10,763,900</u>	<u>4,702,485</u>	<u>6,061,415</u>
Excess of revenues over expenditures	1,011,300	858,300	9,630,803	8,772,503
OTHER FINANCING SOURCES				
Interagency loan	(9,127,200)	(12,827,200)	(8,236,045)	4,591,155
Transfers in	137,300	290,300	290,300	-
Total other financing sources	<u>(8,989,900)</u>	<u>(12,536,900)</u>	<u>(7,945,745)</u>	<u>-</u>
Net change in fund balances	(7,978,600)	(11,678,600)	1,685,058	8,772,503
Fund balances - beginning	<u>22,413,900</u>	<u>26,113,900</u>	<u>26,171,178</u>	<u>57,278</u>
Fund balances - ending	<u>\$ 14,435,300</u>	<u>\$ 14,435,300</u>	<u>\$ 27,856,236</u>	<u>\$ 13,420,936</u>
Due to other funds			(27,402,411)	
Unrealized gain (loss) on investments			121,132	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 574,957</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Workers Comp & Liability Management Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Miscellaneous	\$ 279,000	\$ 2,779,000	\$ 1,856,782	\$ (922,218)
Internal service charges	5,518,204	5,518,204	6,005,821	487,617
Total revenues	<u>5,797,204</u>	<u>8,297,204</u>	<u>7,862,603</u>	<u>(434,601)</u>
EXPENDITURES				
City attorney's office	8,307,182	10,932,182	6,337,283	4,594,899
Operating contingency	1,272,400	1,147,400	-	1,147,400
Total expenditures	<u>9,579,582</u>	<u>12,079,582</u>	<u>6,337,283</u>	<u>5,742,299</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,782,378)</u>	<u>(3,782,378)</u>	<u>1,525,320</u>	<u>5,307,698</u>
Net change in fund balances	<u>(3,782,378)</u>	<u>(3,782,378)</u>	<u>1,525,320</u>	<u>5,307,698</u>
Fund balances - beginning	<u>5,211,400</u>	<u>5,211,400</u>	<u>5,861,776</u>	<u>650,376</u>
Fund balances - ending	<u>\$ 1,429,022</u>	<u>\$ 1,429,022</u>	<u>\$ 7,387,096</u>	<u>\$ 5,958,074</u>
Capital assets, net of depreciation			2,505	
Pension asset/liability, net			(814,754)	
Unrealized gain (loss) on investments			<u>132,106</u>	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 6,706,953</u>	

City of Gresham, Oregon
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
COG Health & Dental Plans Fund
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance With Final Budget- Positive (Negative)
REVENUES				
Miscellaneous	\$ 2,685,000	\$ 2,685,000	\$ 2,206,376	\$ (478,624)
Internal service charges	13,599,000	13,599,000	9,788,179	(3,810,821)
Total revenues	<u>16,284,000</u>	<u>16,284,000</u>	<u>11,994,555</u>	<u>(4,289,445)</u>
EXPENDITURES				
Citywide services	16,504,000	16,504,000	9,776,955	6,727,045
Operating contingency	2,480,000	2,480,000	-	2,480,000
Total expenditures	<u>18,984,000</u>	<u>18,984,000</u>	<u>9,776,955</u>	<u>9,207,045</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,700,000)</u>	<u>(2,700,000)</u>	<u>2,217,600</u>	<u>4,917,600</u>
OTHER FINANCING (USES)				
Transfers out	(299,000)	(299,000)	(299,000)	-
Total other financing (uses)	<u>(299,000)</u>	<u>(299,000)</u>	<u>(299,000)</u>	<u>-</u>
Net change in fund balances	(2,999,000)	(2,999,000)	1,918,600	4,917,600
Fund balances - beginning	6,387,000	6,387,000	7,375,724	988,724
Fund balances - ending	<u>\$ 3,388,000</u>	<u>\$ 3,388,000</u>	<u>\$ 9,294,324</u>	<u>\$ 5,906,324</u>
Unrealized gain (loss) on investments			45,810	
Fund balances - generally accepted accounting principles basis, ending			<u>\$ 9,340,134</u>	

Statistical Section

This part of the City of Gresham'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.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance has changed over time.

Revenue Capacity

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

Debt Capacity

These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment where the City's financial activities take place and to help make comparisons over time.

Operating Information

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

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

City of Gresham, Oregon
Net Position by Component
for the last ten fiscal years
 (accrual basis of accounting)

	2016	2017	2018	2019
Governmental activities				
Net investment in capital assets	\$ 681,572,417	\$ 688,607,182	\$ 615,299,091	\$ 595,420,402
Restricted	46,864,238	49,493,800	47,562,955	64,175,811
Unrestricted	(22,236,961)	(55,927,410)	(10,610,161)	(25,564,149)
Total governmental activities net position	<u>706,199,694</u>	<u>682,173,572</u>	<u>652,251,885</u>	<u>634,032,064</u>
Business-type activities				
Net investment in capital assets	208,952,590	214,549,637	212,138,253	219,895,246
Restricted	5,513,755	5,663,183	12,938,449	11,853,063
Unrestricted	88,354,709	87,848,527	90,209,099	93,469,113
Total business-type activities net position	<u>302,821,054</u>	<u>308,061,347</u>	<u>315,285,801</u>	<u>325,217,422</u>
Primary government				
Net investment in capital assets	890,525,007	903,156,819	827,437,344	815,315,648
Restricted	52,377,993	55,156,983	60,501,404	76,028,874
Unrestricted	66,117,748	31,921,117	79,598,938	67,904,964
Total primary government net position	<u>\$ 1,009,020,748</u>	<u>\$ 990,234,919</u>	<u>\$ 967,537,686</u>	<u>\$ 959,249,486</u>

Information derived from current and past years' Annual Comprehensive Financial Reports.

2020	2021	2022	2023	2024	2025
\$ 589,574,607	588,448,433	594,939,492	619,307,352	628,966,103	651,450,911
84,559,497	84,521,286	87,849,650	76,101,429	80,364,305	105,154,914
(36,119,104)	(39,822,759)	(23,488,670)	(735,554)	(175,157)	(1,048,507)
<u>638,015,000</u>	<u>633,146,960</u>	<u>659,300,472</u>	<u>694,673,227</u>	<u>709,155,251</u>	<u>755,557,318</u>
220,619,246	224,287,293	206,189,180	252,051,858	273,656,484	281,887,028
11,141,221	10,099,100	1,942,468	2,394,188	2,539,696	3,393,595
98,919,275	103,860,494	137,501,071	120,566,221	129,184,917	146,313,265
<u>330,679,742</u>	<u>338,246,887</u>	<u>345,632,719</u>	<u>375,012,267</u>	<u>405,381,097</u>	<u>431,593,888</u>
810,193,853	812,735,726	801,128,672	871,359,210	902,622,587	933,337,939
95,700,718	94,620,386	89,792,118	78,495,617	82,904,001	108,548,509
62,800,171	64,037,735	114,012,401	119,830,667	129,009,760	145,264,758
<u>\$ 968,694,742</u>	<u>\$ 971,393,847</u>	<u>\$ 1,004,933,191</u>	<u>\$ 1,069,685,494</u>	<u>\$ 1,114,536,348</u>	<u>\$ 1,187,151,206</u>

City of Gresham, Oregon
Changes in Net Position
for the last ten fiscal years
 (accrual basis of accounting)

	2016	2017	2018	2019
Expenses				
Governmental activities:				
General government	\$ 33,371,670	\$ 34,548,635	\$ 34,781,828	\$ 41,942,083
Public safety	44,825,834	35,570,784	40,292,312	41,598,297
Urban renewal	3,066,437	5,472,373	2,079,618	8,448,044
Urban design and planning	2,117,987	1,992,752	2,548,099	2,331,719
Community development	4,446,844	3,817,693	4,468,594	4,145,004
Economic development	1,248,089	782,765	523,019	491,227
Community livability	-	-	-	337,859
Youth & recreation services	-	-	-	-
Parks	1,508,485	1,405,582	2,002,434	1,833,193
Environmental services	3,135,670	2,704,270	2,818,835	3,023,306
Transportation	48,409,354	48,175,064	43,807,972	33,337,155
Economic, development, & housing services	-	-	-	-
Interest on long-term debt	2,635,798	2,385,663	2,217,715	2,398,404
Total governmental activities expenses	<u>144,766,168</u>	<u>136,855,581</u>	<u>135,540,426</u>	<u>139,886,291</u>
Business-type activities:				
Water	13,321,861	12,486,828	13,856,477	15,740,141
Stormwater	7,802,970	8,225,600	8,835,420	10,428,543
Wastewater	17,609,484	17,255,130	19,079,128	19,769,908
Total business-type activities expenses	<u>38,734,315</u>	<u>37,967,558</u>	<u>41,771,025</u>	<u>45,938,592</u>
Total government expenses	<u>\$ 183,500,483</u>	<u>\$ 174,823,139</u>	<u>\$ 177,311,451</u>	<u>\$ 185,824,883</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 4,483,991	\$ 4,583,748	\$ 5,126,082	\$ 5,921,164
Public safety	10,175,747	10,507,044	11,302,429	11,461,167
Urban renewal	1,582,585	3,697,421	69,938	90,205
Urban design and planning	761,785	1,040,149	908,382	1,141,846
Community development ¹	3,051,610	3,883,470	4,654,328	7,631,613
Economic development ¹	-	-	-	916,397
Community livability	-	-	-	557,301
Youth & recreation services	-	-	-	-
Parks	241,634	246,548	250,107	226,783
Environmental services	6,141,968	6,590,650	8,259,424	8,924,045
Transportation	4,111,318	4,169,029	4,266,299	4,324,129
Economic, development, & housing services ¹	-	-	-	-
Operating grants and contributions	10,056,115	11,006,815	12,817,532	11,454,437
Capital grants and contributions	5,450,478	4,691,150	1,877,424	5,682,032
Total governmental activities program revenues	<u>46,057,231</u>	<u>50,416,024</u>	<u>49,531,945</u>	<u>58,331,119</u>
Business-type activities				
Charges for services:				
Water	13,298,124	13,208,556	14,173,310	14,795,502
Stormwater	8,958,410	8,001,761	8,286,851	8,861,833
Wastewater	16,488,480	18,010,136	18,473,667	19,061,257
Operating grants and contributions	124,918	-	-	-
Capital grants and contributions	2,574,730	2,430,750	6,189,170	8,060,045
Total business-type activities program revenues	<u>41,444,662</u>	<u>41,651,203</u>	<u>47,122,998</u>	<u>50,778,637</u>
Total government program revenues	<u>87,501,893</u>	<u>92,067,227</u>	<u>96,654,943</u>	<u>109,109,756</u>

Information derived from current and past years' Annual Comprehensive Financial Reports.

	2020	2021	2022	2023	2024	2025
\$	42,553,953	\$ 43,059,687	\$ 41,563,762	\$ 47,943,207	\$ 51,341,980	\$ 55,633,874
48,656,343	53,776,887	43,271,375	45,736,768	58,302,460	60,545,051	
1,843,211	10,973,647	5,292,529	2,986,170	4,538,223	2,679,632	
2,848,473	2,935,646	2,161,911	2,082,601	2,676,468	7,680,725	
4,965,073	16,911,682	5,507,407	-	-	3,131,015	
1,058,414	733,525	404,413	-	-	1,277,052	
377,035	251,712	357,496	5,049,925	1,865,091	3,015,767	
-	-	-	-	-	2,357,293	
1,737,992	1,812,865	2,211,198	2,914,128	3,747,031	3,486,884	
3,697,987	3,959,372	4,543,619	2,849,663	4,461,867	4,225,113	
15,291,969	17,942,322	18,519,518	18,305,919	19,746,238	19,739,451	
-	-	-	3,262,264	8,331,225	-	
2,337,423	2,215,312	2,019,789	1,940,298	1,352,372	1,088,204	
<u>125,367,873</u>	<u>154,572,657</u>	<u>125,853,017</u>	<u>133,070,943</u>	<u>156,362,955</u>	<u>164,860,061</u>	
15,184,878	15,032,417	17,590,381	16,303,072	16,642,178	18,293,605	
10,164,466	10,131,077	10,761,512	11,149,204	12,706,723	13,403,467	
20,950,403	17,740,282	22,123,457	22,767,980	23,924,119	22,705,063	
46,299,747	42,903,776	50,475,350	50,220,256	53,273,020	54,402,135	
<u>\$ 171,667,620</u>	<u>\$ 197,476,433</u>	<u>\$ 176,328,367</u>	<u>\$ 183,291,199</u>	<u>\$ 209,635,975</u>	<u>\$ 219,262,196</u>	
\$	7,232,725	\$ 6,013,553	\$ 3,220,836	\$ 6,445,096	\$ 7,355,318	\$ 9,238,460
11,190,312	13,300,542	15,591,061	14,739,707	15,122,098	15,999,864	
62,216	5,155,613	3,740,391	67,911	159,696	46,421	
558,186	652,837	812,552	1,186,322	1,235,447	1,470,849	
5,423,429	3,720,232	5,512,671	-	-	11,195,803	
2,443,050	2,221,712	1,959,764	-	-	2,364,095	
388,325	250,238	36,118	882,726	-	2,556,767	
-	-	-	-	-	-	
233,254	324,917	67,731	65,752	101,171	480,651	
12,883,093	6,620,584	12,031,075	9,109,367	11,682,406	13,985,822	
192,132	435,679	192,615	255,134	476,463	464,759	
-	-	-	5,876,247	9,364,057	-	
15,841,587	36,210,330	32,141,996	35,279,252	22,435,780	29,380,741	
5,291,148	2,824,610	7,080,074	9,711,355	8,690,983	9,492,333	
<u>61,739,457</u>	<u>77,730,847</u>	<u>82,386,884</u>	<u>83,618,869</u>	<u>76,623,419</u>	<u>96,676,565</u>	
15,200,656	16,370,699	16,405,388	20,191,106	29,120,668	25,912,258	
10,122,042	10,607,226	11,483,555	12,526,874	13,708,922	15,816,759	
19,875,064	20,284,110	21,342,415	30,638,464	24,369,624	26,125,951	
-	184,906	18,622	1,223	1,962	210,149	
2,243,294	3,886,303	1,170,828	13,073,196	9,005,124	3,063,739	
<u>47,441,056</u>	<u>51,333,244</u>	<u>50,420,808</u>	<u>76,430,863</u>	<u>76,206,300</u>	<u>71,128,856</u>	
<u>109,180,513</u>	<u>129,064,091</u>	<u>132,807,692</u>	<u>160,049,732</u>	<u>152,829,719</u>	<u>167,805,421</u>	

Changes in Net Position continued

	2016	2017	2018	2019
Net (Expense) Revenue				
Governmental activities	(98,708,937)	(86,439,557)	(86,008,481)	(81,555,172)
Business-type activities	2,710,347	3,683,645	5,351,973	4,840,045
Total net expenses	<u>(95,998,590)</u>	<u>(82,755,912)</u>	<u>(80,656,508)</u>	<u>(76,715,127)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes, levied for general purposes	30,145,355	31,294,955	32,185,065	34,381,162
License fees	9,324,117	20,309,911	11,889,588	12,563,826
Business income taxes	6,874,811	6,423,412	7,226,463	8,289,994
Hotel and motel taxes	977,317	1,046,122	994,578	968,036
Other taxes	115,545	257,704	407,668	421,070
Grants and contributions	2,669,472	2,867,087	3,548,018	3,500,367
Interest and investment earnings	1,644,731	872,940	1,020,669	4,543,258
Gain on sale of capital assets	164,749	99,211	79,239	107,646
Transfers	(808,300)	(757,907)	(1,777,219)	(1,440,008)
Total governmental activities revenues	<u>51,107,797</u>	<u>62,413,435</u>	<u>55,574,069</u>	<u>63,335,351</u>
Business-type activities:				
Interest and investment earnings	1,627,619	798,741	877,567	3,651,568
Gain on sale of capital assets	-	-	-	-
Transfers	808,300	757,907	1,777,219	1,440,008
Total business-type activities revenue (expense)	<u>2,435,919</u>	<u>1,556,648</u>	<u>2,654,786</u>	<u>5,091,576</u>
Total government revenues	<u>\$ 53,543,716</u>	<u>\$ 63,970,083</u>	<u>\$ 58,228,855</u>	<u>\$ 68,426,927</u>
Change in Net Position				
Governmental activities	\$ (47,601,140)	\$ (24,026,122)	\$ (30,434,412)	\$ (18,219,821)
Business-type activities	5,146,266	5,240,293	8,006,759	9,931,621
Cumulative effect of change in accounting principle	-	-	(782,305)	-
Total government	<u>\$ (42,454,874)</u>	<u>\$ (18,785,829)</u>	<u>\$ (22,697,233)</u>	<u>\$ (8,288,200)</u>

Information derived from current and past years' Annual Comprehensive Financial Reports.

2020	2021	2022	2023	2024	2025
(63,628,416)	(76,841,810)	(43,466,133)	(49,452,074)	(79,739,536)	(68,183,496)
1,141,309	8,429,468	(54,542)	26,210,607	22,933,280	16,726,721
<u>(62,487,107)</u>	<u>(68,412,342)</u>	<u>(43,520,675)</u>	<u>(23,241,467)</u>	<u>(56,806,256)</u>	<u>(51,456,775)</u>
35,803,461	37,194,154	39,285,513	41,280,847	43,837,365	58,298,655
13,403,183	17,749,623	20,939,072	23,326,249	24,550,971	26,148,280
6,897,295	9,321,460	10,926,627	10,743,852	9,412,941	10,721,815
854,107	870,432	1,226,711	1,310,302	1,271,371	1,187,922
531,554	747,807	684,379	707,157	726,438	724,420
3,809,427	4,103,442	3,777,610	4,178,008	3,656,667	3,253,463
6,118,456	568,318	-	3,851,810	10,482,022	13,860,433
57,089	78,658	220,107	19,197	245,159	118,776
136,780	1,339,876	(7,440,374)	(592,593)	38,626	271,799
<u>67,611,352</u>	<u>71,973,770</u>	<u>69,619,645</u>	<u>84,824,829</u>	<u>94,221,560</u>	<u>114,585,563</u>
4,457,791	477,553	-	2,576,348	7,474,176	9,580,704
-	-	-	-	-	177,165
(136,780)	(1,339,876)	7,440,374	592,593	(38,626)	(271,799)
4,321,011	(862,323)	7,440,374	3,168,941	7,435,550	9,486,070
<u>\$ 71,932,363</u>	<u>\$ 71,111,447</u>	<u>\$ 77,060,019</u>	<u>\$ 87,993,770</u>	<u>\$ 101,657,110</u>	<u>\$ 124,071,633</u>
\$ 3,982,936	\$ (4,868,040)	\$ 26,153,512	\$ 35,372,755	\$ 14,482,024	\$ 46,402,067
5,462,320	7,567,145	7,385,832	29,379,548	30,368,830	26,212,791
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 9,445,256</u>	<u>\$ 2,699,105</u>	<u>\$ 33,539,344</u>	<u>\$ 64,752,303</u>	<u>\$ 44,850,854</u>	<u>\$ 72,614,858</u>

City of Gresham, Oregon
Fund Balances of Governmental Funds^{1,2}
for the last ten fiscal years
(modified accrual basis of accounting)

	2016	2017	2018	2019
General Fund				
Unassigned	\$ 17,407,220	\$ 26,563,568	\$ 26,554,424	\$ 22,857,805
Total General Fund	17,407,220	26,563,568	26,554,424	22,857,805
Designated Purpose Fund				
Restricted	-	-	-	-
Assigned	-	-	-	-
Total Designated Purpose Fund	-	-	-	-
Transportation Fund				
Restricted	15,787,346	17,564,409	19,449,673	23,446,993
Total Transportation Fund	15,787,346	17,564,409	19,449,673	23,446,993
System Development Charge Fund				
Restricted	10,781,925	13,035,598	15,594,217	18,989,060
Total System Development Charges Fund	10,781,925	13,035,598	15,594,217	18,989,060
CDBG and Home Fund ³				
Restricted	-	-	-	-
Assigned	-	-	743,929	766,165
Total CDBG and HOME Fund	-	-	743,929	766,165
General Government Debt Service Fund				
Assigned	-	-	-	-
Total General Government Debt Service Fund	-	-	-	-
Rockwood UR Debt Service Fund				
Restricted	-	978,730	3,509,320	4,949,130
Unassigned	(7,057,486)	-	-	-
Total Rockwood UR Debt Service Fund	(7,057,486)	978,730	3,509,320	4,949,130
Nonmajor Governmental Funds				
Restricted	13,508,228	9,466,281	11,324,298	14,707,627
Committed	713,856	777,980	820,577	914,316
Assigned	26,384,613	19,622,437	17,591,543	16,040,433
Total Nonmajor Governmental Funds	40,606,697	29,866,698	29,736,418	31,662,376
Total all funds	\$ 77,525,702	\$ 88,009,003	\$ 95,587,981	\$ 102,671,529

¹ Includes all governmental type funds

² Individual funds included when major for the fiscal year. If not major, it is included in Nonmajor Governmental Funds.

³ The Dedicated Revenue Fund changed its name to the CDBG and HOME fund in FY 2020.

2020	2021	2022	2023	2024	2025
\$ 19,421,845	\$ 27,750,396	\$ 36,841,001	\$ 40,765,172	\$ 44,033,920	\$ 51,073,880
19,421,845	27,750,396	36,841,001	40,765,172	44,033,920	51,073,880
-	6,307,118	6,029,126	7,787,986	8,678,414	9,236,242
-	332,098	743,782	2,002,160	4,652,473	4,551,818
-	6,639,216	6,772,908	9,790,146	13,330,887	13,788,060
<u>27,829,159</u>	<u>31,234,162</u>	<u>35,016,191</u>	<u>34,289,220</u>	<u>25,415,765</u>	<u>35,506,780</u>
27,829,159	31,234,162	35,016,191	34,289,220	25,415,765	35,506,780
<u>27,551,044</u>	<u>24,172,834</u>	<u>18,299,709</u>	<u>20,252,373</u>	<u>34,981,776</u>	<u>29,780,302</u>
27,551,044	24,172,834	18,299,709	20,252,373	34,981,776	29,780,302
145,626	145,626	-	-	-	-
103,064	119,685	-	-	-	-
248,690	265,311	-	-	-	-
<u>-</u>	<u>-</u>	<u>245,863</u>	<u>-</u>	<u>-</u>	<u>-</u>
8,989,523	11,706,603	9,654,706	224,055	1,208,688	1,422,622
<u>8,989,523</u>	<u>11,706,603</u>	<u>9,654,706</u>	<u>224,055</u>	<u>1,208,688</u>	<u>1,422,622</u>
20,114,763	13,844,117	17,721,479	21,048,417	25,297,367	41,410,284
974,026	1,121,617	953,324	973,187	926,779	993,311
16,406,440	15,959,482	19,934,883	15,684,535	13,246,085	14,950,364
37,495,229	30,925,216	38,609,686	37,706,139	39,470,231	57,353,959
<u>\$ 121,535,490</u>	<u>\$ 132,693,738</u>	<u>\$ 145,440,064</u>	<u>\$ 143,027,105</u>	<u>\$ 158,441,267</u>	<u>\$ 188,925,603</u>

City of Gresham, Oregon
Changes in Fund Balances of Governmental Funds
for the last ten fiscal years
(modified accrual basis of accounting)

	2016	2017	2018	2019
Revenues				
Taxes	\$ 37,876,770	\$ 38,789,436	\$ 41,052,961	\$ 44,778,408
Licenses and permits	2,868,139	2,762,215	3,351,012	4,088,553
Intergovernmental	27,703,501	30,313,399	30,224,230	38,079,121
Charges for services	12,849,976	13,409,046	15,688,696	17,009,318
License fees	9,324,117	20,309,912	11,889,588	12,563,828
Miscellaneous	2,189,992	1,995,894	2,831,874	4,911,661
Contributions and donations	100	5,000	-	-
Internal service charges	3,526,244	3,395,097	4,448,399	4,699,604
Total revenues	<u>96,338,839</u>	<u>110,979,999</u>	<u>109,486,760</u>	<u>126,130,493</u>
Expenditures				
Current:				
General government	121,549	390,185	488,079	64,317
Public safety	49,528,990	53,367,814	57,625,177	62,787,415
Urban renewal	2,467,469	4,854,590	2,944,694	9,591,430
Urban design and planning	2,425,750	3,065,661	3,724,108	3,455,288
Community development ¹	5,369,228	5,827,958	6,556,409	6,502,729
Economic development ¹	1,379,573	1,248,395	751,702	755,124
Community livability	-	-	-	579,201
Youth & recreation services	-	-	-	-
Parks	2,419,159	2,477,379	2,677,575	3,118,728
Environmental services	2,612,337	3,072,076	3,438,271	3,636,960
Transportation	7,501,485	7,447,012	7,980,413	8,829,454
Economic, development, & housing services ¹				
Debt service:				
Interest	6,185,825	5,882,948	5,728,221	7,650,372
Principal	3,692,811	5,521,001	3,703,036	11,049,666
Capital outlay	<u>7,219,611</u>	<u>7,645,272</u>	<u>8,495,480</u>	<u>16,655,496</u>
Total expenditures	<u>90,923,787</u>	<u>100,800,291</u>	<u>104,113,165</u>	<u>134,676,180</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,415,052</u>	<u>10,179,708</u>	<u>5,373,595</u>	<u>(8,545,687)</u>
Other financing sources (uses)				
Debt/refunding proceeds	-	605,000	5,644,000	17,632,800
Interfund loan	-	-	-	-
Asset sale proceeds	325,000	650,000	-	-
Lease proceeds	-	-	-	-
Transfers in	17,626,838	20,787,604	14,008,862	16,441,028
Transfers out	(18,796,178)	(21,739,011)	(17,447,479)	(18,444,593)
Total other financing sources (uses)	<u>(844,340)</u>	<u>303,593</u>	<u>2,205,383</u>	<u>15,629,235</u>
Net change in fund balances	<u>\$ 4,570,712</u>	<u>\$ 10,483,301</u>	<u>\$ 7,578,978</u>	<u>\$ 7,083,548</u>
Total expenditures	90,923,787	100,800,291	104,113,165	134,676,180
Less: capital expenditures	(8,188,166)	(9,136,825)	(10,221,292)	(14,592,866)
Total noncapital expenditures	<u>82,735,621</u>	<u>91,663,466</u>	<u>93,891,873</u>	<u>120,083,314</u>
Governmental capital expenditures	8,188,166	9,136,825	10,221,292	14,592,866
Debt service as a percentage of noncapital expenditures	11.9%	12.4%	10.0%	15.6%

¹ Community development and economic development combined into Economic, development, & housing services department in FY23.

Information derived from current and past years' Annual Comprehensive Financial Reports.

2020	2021	2022	2023	2024	2025
\$ 44,090,377	\$ 48,167,243	\$ 52,121,431	\$ 53,950,910	\$ 55,078,092	\$ 70,670,128
3,651,927	2,851,887	3,561,925	3,880,102	5,182,005	7,794,052
32,333,003	57,135,314	42,906,414	42,520,437	44,442,440	61,188,984
20,227,608	14,706,479	23,943,756	21,666,786	24,082,050	28,126,166
13,403,184	17,749,623	20,780,669	23,326,249	24,550,971	26,148,280
6,919,896	3,266,034	1,994,065	5,071,928	11,434,094	13,693,270
4,779,051	5,339,926	5,066,395	5,882,296	6,097,362	6,693,789
125,405,046	149,216,506	150,374,655	156,298,708	170,867,014	214,314,669

65,806	59,111	4,610,938	2,301,900	3,476,755	4,093,660
61,880,198	62,438,704	68,163,272	75,016,815	79,553,413	88,913,414
2,157,176	7,164,967	5,934,874	2,497,350	5,829,151	4,355,516
3,664,944	3,372,359	3,386,330	3,347,707	3,698,928	11,464,320
6,390,223	23,009,768	8,011,975	-	-	4,187,030
1,567,741	870,238	655,578	-	-	1,918,543
613,316	393,144	524,163	7,887,429	2,843,908	4,569,111
-	-	-	-	-	3,491,835
2,805,319	2,648,792	3,333,383	4,580,833	5,777,669	5,239,040
3,625,208	3,637,941	4,460,414	4,923,494	5,321,594	5,695,305
8,845,732	9,131,947	9,674,901	10,765,604	11,566,532	11,970,256
			5,063,651	11,605,554	-
2,719,699	2,453,946	2,287,416	2,186,677	1,382,844	78,227
7,211,689	8,188,975	37,839,973	27,069,294	14,896,796	16,727,773
13,899,717	19,763,660	26,399,657	15,998,486	16,304,667	22,343,650
115,446,768	143,133,552	175,282,874	161,639,240	162,257,811	185,047,680
9,958,278	6,082,954	(24,908,219)	(5,340,532)	8,609,203	29,266,989

11,428,400	7,206,600	38,300,200	3,000,000	7,389,900	8,236,045
-	-	-	-	-	(2,200,000)
-	-	225,567	286,157	260,598	120,129
-	-	254,025	57,537	-	276,259
15,421,064	21,630,911	30,035,016	24,333,058	22,093,313	25,613,941
(17,943,786)	(23,762,217)	(31,160,263)	(24,749,179)	(22,938,852)	(30,829,027)
8,905,678	5,075,294	37,654,545	2,927,573	6,804,959	1,217,347
\$ 18,863,956	\$ 11,158,248	\$ 12,746,326	\$ (2,412,959)	\$ 15,414,162	\$ 30,484,336
115,446,768	143,133,552	175,282,874	161,639,240	162,257,811	185,047,680
(14,922,982)	(15,058,972)	(18,999,281)	(21,450,056)	(16,867,732)	(35,302,227)
100,523,786	128,074,580	156,283,593	140,189,184	145,390,079	149,745,453

14,922,982 15,058,972 18,999,281 21,450,056 16,867,732 35,302,227

9.9% 8.3% 25.7% 20.9% 11.2% 11.2%

City of Gresham, Oregon

Tax Revenues by Source, Governmental Funds

for the last ten fiscal years

(modified accrual basis of accounting)

Fiscal Year	Property Taxes	Hotel and Motel Taxes	Business Income Tax	Other Taxes	Total Taxes
2016	\$ 30,019,240	\$ 977,317	\$ 6,874,811	\$ 5,402	\$ 37,876,770
2017	31,185,226	1,046,122	6,423,412	134,676	38,789,436
2018	32,503,307	994,578	7,226,463	328,613	41,052,961
2019	35,093,756	968,036	8,289,994	426,622	44,778,408
2020	35,807,421	854,107	6,897,295	531,554	44,090,377
2021	37,227,545	870,432	9,321,460	747,806	48,167,243
2022	39,351,279	1,226,711	10,926,627	616,814	52,121,431
2023	41,122,033	1,310,302	10,743,852	774,723	53,950,910
2024	43,667,342	1,271,371	9,412,941	726,438	55,078,092
2025	58,035,971	1,187,922	10,721,815	724,420	70,670,128

Information derived from current and past years' Annual Comprehensive Financial Reports.

City of Gresham, Oregon

Assessed Value and Estimated Real Market Value of Taxable Property

for the last ten fiscal years

Fiscal Year	Real Property	Personal Property	Public Utility Property	Total Assessed Value	Total Direct Tax Rate	Estimated Real Market Value (RMV)	Assessed Value as a Percentage of RMV
2016	\$ 7,210,632,020	\$289,381,277	\$231,165,800	\$ 7,731,179,097	3.61	\$ 11,719,951,231	65.97%
2017	7,394,949,020	295,395,622	238,820,800	7,929,165,442	3.61	12,964,718,943	61.16%
2018	7,708,546,630	336,896,480	248,523,166	8,293,966,276	3.61	14,684,246,877	56.48%
2019	8,097,671,350	325,059,520	179,819,800	8,602,550,670	3.61	16,268,459,937	52.88%
2020	8,413,807,310	330,488,190	190,495,200	8,934,790,700	3.61	16,836,411,973	53.07%
2021	8,800,226,690	343,631,610	219,645,500	9,363,503,800	3.61	17,831,383,551	52.51%
2022	9,168,182,480	381,631,520	215,356,900	9,765,170,900	3.61	19,225,159,363	50.79%
2023	9,640,211,850	418,379,550	229,505,500	10,288,096,900	3.61	21,130,695,861	48.69%
2024	10,048,788,460	441,880,630	257,949,770	10,748,618,860	3.61	22,336,919,213	48.12%
2025	10,415,403,660	603,454,440	283,019,460	11,301,877,560	4.96	23,266,591,374	48.58%

Source: Multnomah County Assessor's Office

City of Gresham, Oregon
Property Tax Rates - Direct and Overlapping Governments
for the last ten fiscal years
 (rate per \$1,000 of assessed value)

Fiscal year	City Direct Rates			Overlapping Rates		
	Permanent Rate	Local Option Levy	Total Direct Rate	Mt. Hood Community College	Multnomah County	Multnomah County Library
2016	3.61	-	3.61	0.49	4.49	1.18
2017	3.61	-	3.61	0.49	4.39	1.18
2018	3.61	-	3.61	0.49	4.39	1.18
2019	3.61	-	3.61	0.49	4.39	1.20
2020	3.61	-	3.61	0.49	4.39	1.21
2021	3.61	-	3.61	0.49	4.39	1.22
2022	3.61	-	3.61	0.49	4.99	1.22
2023	3.61	-	3.61	0.49	4.98	1.22
2024	3.61	-	3.61	0.49	4.97	1.22
2025	3.61	1.35	4.96	0.49	4.93	1.22

Source: Multnomah County Assessors Office.

¹ Portions of Centennial School District No. 28 and Reynolds School District No. 7 also reside in the City of Gresham but are not included. Their tax rates are similar to School District No. 10.

Multnomah County ESD	School District No. 10 ¹	Port of Portland	Tri-Met & Metro Service District	E Mult. Soil & Water Conserv.	Total Direct & Overlapping Rate
0.46	5.55	0.07	0.39	0.10	16.34
0.46	5.51	0.07	0.40	0.10	16.21
0.46	7.14	0.07	0.41	0.10	17.85
0.46	7.27	0.07	0.47	0.10	18.07
0.46	7.40	0.07	0.66	0.10	18.40
0.46	7.41	0.07	0.59	0.10	18.34
0.46	7.42	0.07	0.57	0.10	18.93
0.46	7.35	0.07	0.57	0.10	18.85
0.46	7.33	0.07	0.57	0.10	18.83
0.46	7.24	0.07	0.57	0.10	20.05

City of Gresham, Oregon
Principal Property Taxpayers
Current year and nine years ago

Company Name	2025			2016		
	Assessed Value	Rank	Percent of Total Value	Assessed Value	Rank	Percent of Total Value
Boeing Company	\$ 545,127,670	1	4.82%	\$ 216,477,590	1	2.80%
Design LLC	194,356,640	2	1.72%	-	-	-
Microchip Technology Inc	145,755,810	3	1.29%	142,576,040	2	1.84%
Semiconductor Components Industries	104,045,420	4	0.92%	134,818,460	3	1.74%
RREEF CPIF 17505 NE San Rafael LLC	62,490,080	5	0.55%	-	-	-
US National Bank of Oregon	53,381,750	6	0.47%	41,597,530	5	0.54%
HIP Gresham Station LLC	45,446,450	7	0.40%	-	-	-
Blue Lake Corporation	36,736,440	8	0.33%	-	-	-
AMFP VI Lumina LLC	35,683,590	9	0.32%	-	-	-
IP Eat One LLC	33,696,990	10	0.30%	24,720,930	10	0.32%
ABS OR-O DC LLC	-	-	-	47,369,350	4	0.61%
Westlake Gresham Center LLC	-	-	-	29,502,340	5	0.38%
Cascade Corporation	-	-	-	27,609,490	6	0.36%
GP/RPC Holly Ridge LLC	-	-	-	27,348,560	7	0.35%
IIT Southshore CC LLC	-	-	-	25,130,640	8	0.33%
Owens Corning Foam	-	-	-	24,862,610	9	0.32%
Total	\$ 1,256,720,840		11.12%	\$ 742,013,540		9.60%
Total Gresham Assessed Value	\$ 11,301,877,560			\$ 7,731,179,097		

Largest Public Utilities
Current year and nine years ago

Company Name	2025			2016		
	Assessed Value	Rank	Percent of Total Value	Assessed Value	Rank	Percent of Total Value
Portland General Electric	\$ 140,424,990	1	1.24%	\$ 68,943,190	2	0.89%
Comcast Corporation	47,146,450	2	0.42%	95,709,700	1	1.24%
Northwest Fiber LLC	34,443,540	3	0.30%	-	-	-
Frontier Communications	-	-	-	26,513,000	3	0.34%

Sources: Multnomah County Assessors Office

City of Gresham, Oregon
Property Tax Levies and Collections
for the last ten fiscal years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected & Adjusted Within the Fiscal Year of the Levy		Total Collections to Date	
		Amount	Percentage of Levy	Collections & Adjustments in Subsequent Years	Amount
2016	\$ 30,966,452	\$ 30,290,117	97.82%	\$ 674,755	\$ 30,964,872
2017	32,204,477	31,584,209	98.07%	618,209	32,202,418
2018	33,755,330	33,243,271	98.48%	509,261	33,752,532
2019	35,290,714	34,759,802	98.50%	527,791	35,287,593
2020	37,042,008	36,479,108	98.48%	551,484	37,030,592
2021	38,378,306	37,863,884	98.66%	493,774	38,357,658
2022	40,406,367	39,942,221	98.85%	397,480	40,339,701
2023	42,586,573	41,993,886	98.61%	441,346	42,435,232
2024	45,443,674	44,726,275	98.42%	430,070	45,156,345
2025	60,600,802	59,618,815	98.38%	-	59,618,815

Source: Current and prior years' Annual Comprehensive Financial Reports and Multnomah County Assessor's Office.

City of Gresham, Oregon
Ratios of Outstanding Debt by Type
for the last ten fiscal years

Governmental Activities						
Fiscal Year	General Obligation Bonds	Full Faith & Credit Bonds	Other Notes	Leases & SBITA	Pension Bonds	Lines of Credit
2016	-	30,170,533	11,781,240	-	16,873,066	-
2017	-	24,270,219	10,296,027	-	16,195,000	605,000
2018	-	21,069,491	10,691,622	-	15,398,402	5,249,000
2019	-	18,107,576	16,029,262	-	14,483,570	8,256,800
2020	-	15,091,222	15,333,839	-	13,435,000	18,185,200
2021	-	12,025,886	16,199,570	-	12,240,000	21,611,800
2022	-	39,882,996	9,710,739	286,373	10,885,000	-
2023	-	31,095,539	350,739	1,544,166	9,360,000	-
2024	-	25,202,902	-	1,166,845	7,650,000	-
2025	-	19,661,808	-	2,776,262	5,740,000	-

Business-type Activities					
Fiscal Year	Water Revenue Bonds**	Water Bonds & Notes	Stormwater Rev Bonds, Notes & LOC	Wastewater Bonds & Notes	SBITA
2016	-	7,393,176	4,053,920	15,224,435	-
2017	-	7,560,568	7,001,608	12,909,061	-
2018	-	8,945,547	6,374,954	11,363,309	-
2019	-	10,608,978	5,628,082	9,213,285	-
2020	-	12,944,720	4,856,210	6,997,667	-
2021	-	17,461,909	4,071,878	4,826,971	-
2022	43,662,434	3,960,000	3,825,098	4,101,462	-
2023	43,564,948	3,725,000	3,578,318	3,703,103	-
2024	43,467,463	3,481,250	3,331,538	3,289,074	165,561
2025	58,507,659	3,220,000	3,149,575	2,854,355	113,442

Fiscal Year	Total (Governmental & Business)	Percentage of Personal Income	Per Capita
2016	85,496,370	0.07%	791
2017	78,837,483	0.06%	718
2018	79,092,325	0.06%	716
2019	82,327,554	0.06%	736
2020	86,843,858	0.06%	771
2021	88,438,014	0.05%	773
2022	116,314,102	0.07%	1,013
2023	96,921,813	0.05%	841
2024	87,754,633 *		760
2025	96,023,101 *		829

*Personal Income information for 2025 is unavailable at this time.

** Includes associated arbitrage liability

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Information derived from current and past years' Annual Comprehensive Financial Reports.

City of Gresham, Oregon

Ratios of General Bonded Debt Outstanding

for the last ten fiscal years

Fiscal Year	Population	Assessed Value	Gross General Obligation Bonded Debt	Less Debt Service Fund	Net Bonded Debt	Coverage %	Net Bonded Debt Per Capita
2016	108,150	7,731,179,097	-	-	-	-	-
2017	109,820	7,929,165,442	-	-	-	-	-
2018	110,505	8,293,966,276	-	-	-	-	-
2019	111,810	8,602,550,670	-	-	-	-	-
2020	112,660	8,934,790,700	-	-	-	-	-
2021	114,361	9,363,503,800	-	-	-	-	-
2022	114,833	9,765,170,900	-	-	-	-	-
2023	115,212	10,288,096,900	-	-	-	-	-
2024	115,233	10,748,618,860	-	-	-	-	-
2025	115,739 *	11,301,877,560	-	-	-	-	-

Information derived from current and past years' Annual Comprehensive Financial Reports.

*Source: Population Research Center, Portland State University

City of Gresham, Oregon

Direct and Overlapping Governmental Activities Debt

as of June 30, 2025

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
<i>Debt repaid with property taxes</i>			
Lusted Water District	\$ 320,000	0.69%	\$ 2,212
Metro	904,080,000	4.64%	41,920,381
Mt. Hood Community College	65,925,000	30.55%	20,137,450
Multnomah County	440,658,398	9.77%	43,047,919
Multnomah County School District 10J (Gresham-Barlow)	255,770,271	77.32%	197,758,248
Multnomah County School District 28J (Centennial)	61,155,932	38.01%	23,244,575
Multnomah County School District 7 (Reynolds)	132,852,667	36.61%	48,643,207
Multnomah ESD	58,415,817	9.63%	5,624,158
Urban Flood Safety & Water Quality District	15,137,066	9.90%	1,497,888
<i>Other debt</i>			
Metro	6,495,000	4.64%	301,161
Mt. Hood Community College	21,575,000	30.55%	6,590,300
Multnomah ESD	13,230,000	9.63%	1,273,758
Port of Portland	24,170,000	4.21%	1,016,880
Subtotal, overlapping debt	\$ 1,999,785,151		\$ 391,058,137
City direct debt			\$ 28,178,070
Total direct and overlapping debt			\$ 419,236,207

Source: Oregon State Treasury, Debt Management Division

Note:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. The State of Oregon provides overlapping debt data based on real market valuation of properties for each jurisdiction.

CITY OF
GRESHAM
GOING BEYOND

City of Gresham, Oregon
Legal Debt Margin Information
for the last ten fiscal years

	Fiscal Year			
	2016	2017	2018	2019
Debt limit	\$ 351,598,537	\$ 388,941,568	\$ 440,527,406	\$ 488,053,798
Total net debt applicable to limit	-	-	-	-
Legal debt margin	<u>\$ 351,598,537</u>	<u>\$ 388,941,568</u>	<u>\$ 440,527,406</u>	<u>\$ 488,053,798</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

Note: Oregon Revised Statutes Section 287A.050 provides a debt limit of 3% of real market value of all taxable property within City boundaries for general obligation debt.

Source: Current and prior years' Annual Comprehensive Financial Reports and Multnomah County Assessor's Office.

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 505,092,359	\$ 534,941,507	\$ 576,754,781	\$ 633,920,876	\$ 670,107,576	\$ 697,997,741
-	-	-	-	-	-
<u>\$ 505,092,359</u>	<u>\$ 534,941,507</u>	<u>\$ 576,754,781</u>	<u>\$ 633,920,876</u>	<u>\$ 670,107,576</u>	<u>\$ 697,997,741</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

City of Gresham, Oregon
Pledged Revenue Coverage
for the last ten fiscal years

Water Revenue Bonds

Fiscal Year	Gross Revenues	Less Operating Expenses	Net Available Revenue	Principal	Interest + Fees	Coverage %
2016	13,653,330	9,011,762	4,641,568	269,061	253,610	8.88
2017	13,597,345	9,593,994	4,003,351	284,519	260,652	7.34
2018	14,669,775	10,442,299	4,227,476	296,326	274,762	7.40
2019	15,420,595	10,554,563	4,866,032	303,464	310,656	7.92
2020	15,800,698	11,468,252	4,332,446	315,468	367,438	6.34
2021	18,382,169	12,486,304	5,895,865	328,820	365,825	8.49
2022 ⁽¹⁾	19,379,167	12,641,793	6,737,374	425,615	821,065	5.40
2023	21,479,228	13,382,095	8,097,133	235,000	1,268,515	5.39
2024	25,517,993	14,917,205	10,600,788	243,750	1,205,362	7.32
2025	29,131,678	16,088,423	13,043,255	261,250	1,535,499	7.26

Stormwater Revenue Bonds

Fiscal Year	Gross Revenues	Less Operating Expenses	Net Available Revenue	Debt Service Requirements		
				Principal	Interest + Fees	Coverage %
2016	7,811,665	5,571,777	2,239,888	420,000	148,080	3.94
2017	8,204,059	5,702,425	2,501,634	440,000	113,700	4.52
2018	8,521,607	6,292,334	2,229,273	664,390	93,222	2.94
2019	9,232,732	6,623,837	2,608,895	731,780	68,450	3.26
2020	10,533,140	7,327,676	3,205,464	756,780	44,200	4.00
2021	12,078,090	6,211,954	5,866,136	776,780	45,368	7.14
2022	13,141,040	7,251,396	5,889,644	246,780	20,359	22.05
2023	14,526,166	7,881,347	6,644,819	246,780	19,125	24.99
2024	16,575,050	9,246,524	7,328,526	246,780	17,892	27.69
2025	19,266,954	9,786,870	9,480,084	246,780	16,658	35.99

Wastewater Revenue Bonds & Notes

Fiscal Year	Gross Revenues	Less Operating Expenses	Net Available Revenue	Principal	Interest + Fees	Coverage %
2016	17,850,267	11,790,666	6,059,601	2,062,656	592,153	2.28
2017	18,515,111	12,361,414	6,153,697	2,103,200	542,291	2.33
2018	19,103,845	12,710,443	6,393,402	2,164,762	474,630	2.42
2019	19,821,720	12,652,612	7,169,108	2,228,341	403,357	2.72
2020	20,611,342	13,252,111	7,359,231	2,293,936	329,134	2.81
2021	20,414,363	12,046,116	8,368,247	2,360,550	239,994	3.22
2022	28,433,430	14,650,502	13,782,928	686,182	181,953	15.88
2023	32,509,086	16,978,757	15,530,329	357,333	157,585	30.16
2024	28,334,684	18,097,666	10,237,018	373,002	140,978	19.92
2025	30,772,679	16,773,910	13,998,769	393,518	123,486	27.08

Gross revenues are composed of Charges for Services, Interest and Investment earnings, and other revenues available for debt service payments. Internal Service Charges and Transfers are normally excluded.

⁽¹⁾ Water funds refunded previously issued Line of Credit and 2009 water meter loan in FY 2022.

City of Gresham, Oregon
Demographic and Economic Statistics
for the last ten fiscal years

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate	⁽¹⁾
2016	108,150	122,433,633	50,489	5.2%	
2017	109,820	131,861,400	53,751	3.9%	
2018	110,505	141,269,900	56,991	3.8%	
2019	111,810	149,346,827	59,921	3.9%	
2020	112,660	157,150,249	62,603	11.8%	
2021	114,361	171,728,750	68,374	5.0%	
2022	114,833	174,245,501	69,435	3.5%	
2023	115,212	188,084,378	74,992	3.3%	
2024	115,233	*	*	3.9%	
2025	115,739	*	*	4.7%	

Sources:

2024 Annual Comprehensive Financial Report

Population Research Center, Portland State University

Personal income: Bureau of Economic Analysis. Information for the Portland - Vancouver - Hillsboro Oregon/Washington area.

Per capita income: Bureau of Economic Analysis. Information for the Portland - Vancouver - Hillsboro Oregon/Washington area.

Unemployment rate: U.S. Department of Labor, Bureau of Labor Statistics, not seasonally adjusted.

⁽¹⁾ As of June 30.

* Information unavailable at this time

City of Gresham, Oregon
Principal Employers
current year and nine years ago

Employer	2025			2016		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Boeing of Portland	1,299	1	2.33%	2,914	1	5.27%
Gresham Barlow School District	1,083	2	1.95%	975	3	1.76%
Mt. Hood Community College	1,070	3	1.92%	694	5	1.25%
Mt. Hood Medical Center	707	4	1.27%	601	8	1.09%
City of Gresham	702	5	1.26%	537	10	0.97%
Centennial School District	680	6	1.22%	647	7	1.17%
Microchip Technology Inc.	584	7	1.05%	545	9	0.99%
ON Semiconductor	550	8	0.99%	753	4	1.36%
Albertson's District Center #8252	476	9	0.86%	-	-	-
Fred Meyer Inc.	293	10	0.53%	-	-	-
U.S. Bank of Oregon Col Center	-	-	-	1,636	2	2.96%
Xerox Commercial Solutions LLC	-	-	-	680	6	1.23%
 Total	 7,444		 13.38%	 9,982		 18.05%
Total of employees in Gresham	55,643			55,315		

Sources:

2016 Annual Comprehensive Financial Report
 City of Gresham Business Licensing Division
 City of Gresham Budget Division
 Adopted budgets for Mt. Hood Community College, Centennial School District and Gresham-Barlow School District
 U.S. Department of Labor, Bureau of Labor Statistics

CITY OF
GRESHAM
GOING BEYOND

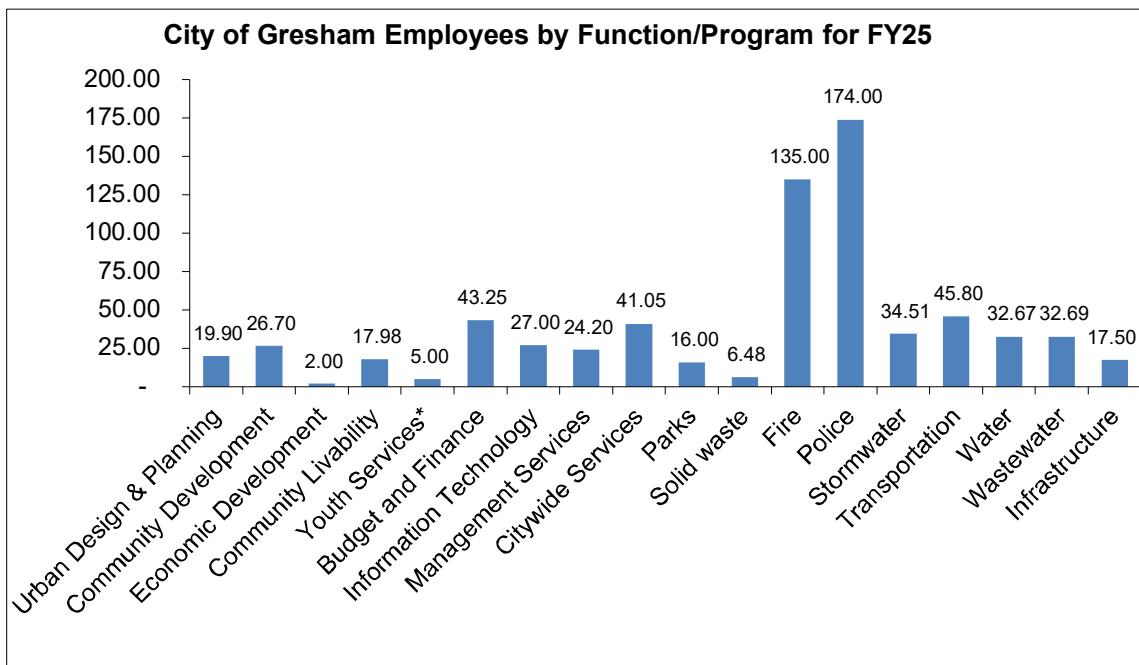
City of Gresham, Oregon

Full-time Equivalent City Government Employees by Function

for the last ten fiscal years

Function/Program	Full-time equivalent employees				
	2016	2017	2018	2019	2020
General government					
Urban Design & Planning	13.00	15.80	17.80	17.80	17.80
Community Development	25.00	29.00	35.00	32.00	35.00
Economic Development	3.75	4.00	3.00	3.00	3.00
Community Livability	-	-	-	8.00	8.00
Youth Services*	-	-	-	-	-
Economic, Development, & Housing	-	-	-	-	-
Budget and Finance	24.40	24.40	25.40	25.50	25.50
Information Technology	19.00	19.00	21.00	22.00	25.00
Management Services	30.80	30.80	32.80	31.70	30.70
Citywide Services	23.50	24.00	23.00	20.00	21.00
Parks	8.30	8.30	8.30	11.30	11.30
Solid waste	4.46	4.46	4.96	5.96	5.96
Public safety					
Fire	96.75	96.75	103.75	111.75	111.75
Police	157.00	159.00	165.00	166.00	166.00
Stormwater					
Transportation	24.77	24.77	25.10	25.10	27.10
Water	38.76	35.96	36.96	36.96	37.96
Wastewater	27.93	27.93	27.75	27.75	27.75
Infrastructure	28.43	28.43	28.28	28.28	27.78
Total	11.50	14.50	14.50	15.50	16.00
Total	537.35	547.10	572.60	588.60	597.60

* New department in 2024-2025



Source: City of Gresham Budget Division

2021	2022	2023	2024	2025
17.80	16.80	17.80	17.80	19.90
35.00	37.75	-	-	26.70
3.00	3.00	-	-	2.00
8.00	13.48	-	11.36	17.98
-	-	-	-	5.00
-	-	53.13	39.65	-
25.50	38.00	42.25	43.74	43.25
14.00	20.00	25.00	26.00	27.00
30.00	23.25	26.15	27.15	24.20
28.00	37.25	52.75	59.31	41.05
10.00	12.32	16.06	17.00	16.00
5.96	5.93	6.38	6.53	6.48
114.75	118.75	118.75	114.75	135.00
160.00	156.00	160.00	160.00	174.00
26.10	27.28	30.77	33.46	34.51
37.96	46.15	46.51	44.76	45.80
27.75	27.92	29.42	31.59	32.67
28.78	29.75	31.26	31.61	32.69
16.00	17.50	17.50	16.50	17.50
588.60	631.13	673.73	681.21	701.73

City of Gresham, Oregon
Operating Indicators by Function
For the last ten years

Function/Program	Fiscal Year			
	2016	2017	2018	2019
Governmental activities:				
Community development				
Residential building permits applications issued	713	709	797	854
Valuation	\$ 53,612,230	\$ 41,814,606	\$ 81,402,290	\$104,593,157
Commercial building permits application issued	850	745	418	718
Valuation	\$243,011,292	\$ 95,422,482	\$ 10,277,185	\$519,865,616
Building inspections conducted	13,577	13,320	14,158	21,824
Police				
Part I crimes	3,743	4,036	4,274	4,169
Part II crimes	3,786	3,548	2,816	3,332
Calls for service	74,875	73,012	74,147	71,619
Fire				
Emergency responses	16,000	16,869	16,357	16,457
Fire inspections	2,100	1,811	1,750	2,461
Business-type activities				
Water				
Accounts	16,734	16,844	16,986	17,292
Average daily consumption (millions of gallons)	7	6	7	7
Stormwater				
Accounts	24,123	24,028	24,177	24,450
Wastewater				
Accounts	24,093	23,966	24,114	24,454
Average daily sewage treatment (millions of gallons)	13	13	12	12

* Variance in data due to system crossover from H T E to Munis Energov.

Sources:

City of Gresham Community Development
 City of Gresham Police Department
 City of Gresham Fire Department
 City of Gresham Budget & Finance Department
 City of Gresham Office of Governance and Management
 City of Gresham Department of Environmental Services

2020	2021	2022	2023	2024	2025
792	2,794 *	560	327	361	388
\$127,434,862	\$ 76,399,774 *	\$126,007,497	\$ 89,540,133	\$122,188,849	\$100,682,583
889	1,780 *	1,843	1,730	1,648	714
\$217,965,315	\$188,971,791 *	\$171,004,512	\$383,388,245	\$441,429,185	\$761,838,088
23,246	17,816 *	25,948	22,003	21,554	21,083
1,060	3,528	2,970	3,589	2,618	2,880
4,763	2,545	2,187	2,790	2,450	3,365
67,200	55,777	50,613	51,086	44,296	54,318
16,335	18,073	16,208	17,268	17,293	16,913
2,429	1,631	1,738	1,343	1,624	2,007
17,297	17,346	17,593	17,929	18,325	18,440
6	6	6	7	6	7
24,635	24,691	24,993	25,264	25,413	25,701
24,583	24,621	24,821	25,177	25,450	25,545
10	11	11	11	11	11

City of Gresham, Oregon
Capital Assets Statistics by Function
For the last ten years

Function/Program	Fiscal Year			
	2016	2017	2018	2019
Governmental activities:				
General government				
City-owned building facilities	14	14	14	14
Police				
Police station	2	2	2	2
Community police office	1	1	1	1
K9 officers	2	3	3	3
Police patrol cars	26	25	32	36
Police motorcycles	5	3	3	3
Fire				
Fire stations	6	6	6	6
Fire vehicles				
Ladder trucks	1	1	1	1
Engines (In service)	7	6	7	6
Specialized emergency vehicles	6	5	7	5
Parks				
Acres of parks & trails (developed & undeveloped)	293	294	294	294
Acres of natural area	956	964	964	964
Acres from other providers	624	659	659	659
Playgrounds	16	16	16	16
Baseball/softball diamonds	14	14	14	14
Soccer/football fields	10	10	10	10
Business-type activities:				
Water				
Local storage capacity (in millions of gallons)	27.2	27.2	27.2	27.2
Stormwater				
Catch basins	7,958	7,925	8,006	8,022
Drywells	1,105	1,105	1,120	1,126
Wastewater				
Wastewater plant capacity (millions of gallons per day)	20	20	20	20
Transportation				
Street lights	8,306	8,490	8,494	8,552
Traffic signals	103	104	104	104
Transportation signs*	16,897	17,288	17,767	19,030
Miles of streets	905	907	909	913

*These include City owned signs maintained by the County.

Sources:

City of Gresham Police Department
 City of Gresham Fire Department
 City of Gresham Department of Environmental Services
 City of Gresham GIS Department
 City of Gresham Budget & Finance Department

2020	2021	2022	2023	2024	2025
14	14	14	14	14	14
2	2	2	2	2	2
1	1	1	1	1	1
3	3	4	4	4	4
38	38	43	54	52	55
3	3	3	4	4	4
6	6	6	6	6	6
1	1	1	1	1	1
7	7	7	7	7	7
6	5	6	6	6	7
344	347	328	324	322	339
932	933	933	949	949	937
648	645	654	654	654	654
18	18	18	18	18	17
14	14	14	14	14	15
15	15	15	15	15	15
27.2	27.2	27.2	27.2	27.2	27.2
8,083	8,091	8,172	8,191	8,385	8,419
1,124	1,126	1,126	1,125	1,136	1,136
20	20	20	20	20	20
8,587	8,600	8,654	8,827	8,902	9,308
104	104	104	104	104	104
18,617	19,030	21,133	21,887	22,080	22,421
917	920	931	936	936	939

City of Gresham, Oregon**Miscellaneous Statistics****Current Year****Elections:**

Number of registered voters for last primary election (May 21, 2024)	71,067
Number of votes cast in last primary election	19,866
Percentage of registered voters voting in the last primary election	28%
Number of registered voters for last general election (November 4, 2024)	72,872
Number of votes cast in last general election	45,482
Percentage of registered voters voting in the last general election	62%

Census population count for the last six decades

1970	9,875
1980	33,005
1990	68,235
2000	90,205
2010	105,594
2020	114,247

Age distribution of population for the last six decades

Year	Percent	Percent	Percent	Over 65
	Under 18	18-64		
1970	36.8	53.8	9.4	
1980	30.5	61.3	8.2	
1990	27.4	62.6	10.0	
2000	27.5	62.7	9.8	
2010	26.4	62.9	10.7	
2020	31.0	55.4	13.6	

Income level of population for the last six decades

1970	Median (family)	10,933
1980	Median (family)	24,266
1990	Median (family)	36,664
2000	Median (family)	51,126
2010	Median (family)	47,515
2020	Median (family)	54,084

Historical Data:

City Founded	1905
City Incorporated	1905
First Charter Adopted	1948
Present Charter Adopted	1978
Present Charter Amended	1980, 1983, 1984, 1986, 1994 1996, 1998, 2005, 2012, 2024

Form of Government	Council-Manager
Area - Square Miles	23.5

Sources:

U.S. Census Bureau

Elections information: Multnomah County Elections Division

Area - Square Miles: City of Gresham Information Technology Department

All other information: 2023-2024 Annual Comprehensive Financial Report

Reports Required by Statutes

Report of Independent Auditors Required by Oregon State Regulations

To the Honorable Mayor and Members of the City Council
City of Gresham, Oregon

We have audited, 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 the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gresham, Oregon (the City) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Gresham, Oregon's basic financial statements, and have issued our report thereon dated December 19, 2025.

Compliance

As part of obtaining reasonable assurance about whether the City of Gresham, Oregon's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules (OAR) 162-010-0000 to 162-010-0330, of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

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:

- Public fund deposits
- Indebtedness
- Budget
- Insurance and fidelity bonds
- Programs funded from outside sources
- Highway funds
- Investments
- Public contracts and purchasing

In connection with our testing, nothing came to our attention that caused us to believe the City of Gresham, Oregon was not in substantial compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of ORS as specified in OAR 162-010-0000 through 162-010-0330 of the Minimum Standards for Audits of Oregon Municipal Corporations.

Internal Control Over Financial Reporting

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

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

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. Accordingly, this communication is not suitable for any other purpose.

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

A handwritten signature in black ink that reads "Ashley Osten". The signature is fluid and cursive, with "Ashley" on the top line and "Osten" on the bottom line.

Ashley Osten, Principal, for
Baker Tilly US, LLP
Portland, Oregon
December 19, 2025

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Honorable Mayor and Members of the City Council
City of Gresham, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gresham, Oregon (the City) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Gresham, Oregon's basic financial statements, and have issued our report thereon dated December 19, 2025.

Report on 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 (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

[Signature]

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive style with "Baker Tilly" on the top line and "US, LLP" on the bottom line.

Portland, Oregon

December 19, 2025

Continuing Disclosure

ANNUAL DISCLOSURE INFORMATION FOR FULL FAITH & CREDIT OBLIGATIONS

In conformance with SEC Rule 15c2-12, as amended (17 CFR Part 240 § 240.15c2-12) (the "Rule"), the City will provide annually the type of information presented in the tables of this section to EMMA (the permanent electronic repository of the MSRB).

See "FORM OF CONTINUING DISCLOSURE CERTIFICATE" in bond transcripts for more information.

Outstanding Obligations as of June 30, 2025

	Dated Date	Maturity Date	Original Issue	Principal Outstanding as of 6/30/2025
Full Faith and Credit Obligations				
2004 Pension Obligation Bonds	5/27/2004	6/1/2028	\$ 19,280,000	\$ 5,740,000
2013 Full Faith & Credit Obligations Series B	7/30/2013	7/1/2033	4,655,000	410,000
2013 Full Faith & Credit Obligations Series C	7/30/2013	7/1/2033	7,610,000	1,540,000
2015 Full Faith & Credit City of Gresham/Urban Renewal	5/27/2015	5/1/2035	8,957,582	2,020,000
2022 Transportation	4/28/2022	6/1/2028	30,000,000	15,566,771
Total Full Faith and Credit Obligations			70,502,582	25,276,771
	Total Direct Debt		70,502,582	25,276,771
Debt Backed by Water Revenue				
2015 Full Faith & Credit - Water	5/27/2015	5/1/2035	5,332,418	3,220,000
2021 Water Revenue Bonds	12/29/2021	6/1/2048	41,455,000	41,455,000
2022 WIFIA Revenue Bond	5/5/2022	6/1/2053	34,078,873	15,000,000
Total Debt Backed by Water Revenue			80,866,291	59,675,000
Debt Backed by Stormwater Revenue				
State of Oregon SRF UIC Improvements	4/4/2017	8/1/2037	4,935,608	3,084,758
State of Oregon SRF ECL Forgivable Loan	5/8/2024	**	121,575	64,817
Total Debt Backed by Stormwater Revenue			5,057,183	3,149,575
Debt Backed by Wastewater Revenue				
R39190 Wastewater Second Clarifier	10/15/2009	8/1/2029	407,058	115,762
2015 Full Faith & Credit - Wastewater	5/27/2015	5/1/2031	5,670,000	2,595,000
Total Debt Backed by Wastewater Revenue			6,077,058	2,710,762
	Total Utility Obligations		92,000,532	65,535,337
Total Outstanding Obligations			* \$ 162,503,114	\$ 90,812,108

* Outstanding obligations on the table above does not include premiums and discounts on issuance

** Forgivable loan upon project completion

Overlapping Debt as of June 30, 2025

Governmental Unit	Total Net Debt	Percent Within City	City's Pro-Rata Share
Debt repaid with property taxes			
Lusted Water District	\$ 320,000	0.69%	\$ 2,212
Metro	904,080,000	4.64%	41,920,381
Mt. Hood Community College	65,925,000	30.55%	20,137,450
Multnomah County	440,658,398	9.77%	43,047,919
Multnomah County School District 10J (Gresham-Barlow)	255,770,271	77.32%	197,758,248
Multnomah County School District 28J (Centennial)	61,155,932	38.01%	23,244,575
Multnomah County School District 7 (Reynolds)	132,852,667	36.61%	48,643,207
Multnomah ESD	58,415,817	9.63%	5,624,158
Urban Flood Safety & Water Quality District	15,137,066	9.90%	1,497,888
Other debt			
Metro	6,495,000	4.64%	301,161
Mt. Hood Community College	21,575,000	30.55%	6,590,300
Multnomah ESD	13,230,000	9.63%	1,273,758
Port of Portland	24,170,000	4.21%	1,016,880
	<u>\$ 1,999,785,151</u>		<u>\$ 391,058,137</u>

Debt Ratios

	Values	Per Capita	Percent of RMV
Estimated Population	115,739		
Real Market Value (RMV)	\$ 23,266,591,374	\$ 201,026	
Total Direct Debt	25,276,771	218	0.11%
Overlapping Debt	391,058,137	3,379	1.68%
Total Direct Debt and Overlapping Debt	<u>\$ 416,334,908</u>	<u>\$ 3,597</u>	<u>1.80%</u>

Ten Largest Taxpayers

Business		Assessed Value	Percentage of Total Assessed Value
Boeing Company	Aircraft Frame Structures	\$ 545,127,670	4.82%
Design LLC	Industrial Development	194,356,640	1.72%
Microchip Technology Inc.	Microelectronics Products	145,755,810	1.29%
Semiconductor Components Industries	Microelectronics Products	104,045,420	0.92%
RREEF CPIF 17505 NE San Rafael LLC	Property Management	62,490,080	0.55%
U.S. National Bank of Oregon	Financial Services	53,381,750	0.47%
HIP Gresham Station LLC	Property Development	45,446,450	0.40%
Blue Lake Corporate Park LLC	Industrial Development	37,736,440	0.33%
AMFP VI Lumina LLC	Property Management	35,683,590	0.32%
IP Eat One LLC	Property Development	33,696,990	0.30%
		\$ 1,257,720,840	11.13%

Total Assessed Value, City of Gresham

\$ 11,301,877,560

General Fund Consecutive Balance Sheet -- As of June 30, 2025

	2021	2022	2023	2024	2025
ASSETS					
Cash & investments	\$ 14,649,873	\$ 20,400,939	\$ 25,097,166	\$ 27,652,242	\$ 32,685,691
Receivables, net	5,972,440	6,075,970	5,792,970	5,461,213	5,756,753
Property taxes receivable, net	835,188	762,559	902,105	1,051,536	1,133,275
Due from other funds	8,449,170	11,265,152	10,708,394	11,563,486	13,967,433
Other assets	50,285	60,281	124,054	183,154	187,179
Total assets	<u>\$ 29,956,956</u>	<u>\$ 38,564,901</u>	<u>\$ 42,624,689</u>	<u>\$ 45,911,631</u>	<u>\$ 53,730,331</u>
LIABILITIES					
Accounts payable	\$ 1,437,089	\$ 958,223	\$ 1,028,985	\$ 921,876	\$ 1,639,459
Other accrued liabilities	-	-	-	-	-
Deposits	11,329	210	210	210	210
Total liabilities	<u>1,448,418</u>	<u>958,433</u>	<u>1,029,195</u>	<u>922,086</u>	<u>1,639,669</u>
DEFERRED INFLOWS OF RESOURCES ⁽¹⁾					
Unavailable revenue	758,142	765,467	830,322	955,625	1,016,782
Total deferred inflows of resources	<u>758,142</u>	<u>765,467</u>	<u>830,322</u>	<u>955,625</u>	<u>1,016,782</u>
FUND BALANCES					
Unassigned	27,750,396	36,841,001	40,765,172	44,033,920	51,073,880
Total fund balances	<u>27,750,396</u>	<u>36,841,001</u>	<u>40,765,172</u>	<u>44,033,920</u>	<u>51,073,880</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 29,956,956</u>	<u>\$ 38,564,901</u>	<u>\$ 42,624,689</u>	<u>\$ 45,911,631</u>	<u>\$ 53,730,331</u>

(1) The Governmental Accounting Standards Board (GASB) issued Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position and Statement No. 65, Items Previously Reported as Assets and Liabilities. The City implemented GASB Statement No. 63 and 65 in the year ending June 30, 2013.

General Fund Consecutive Statement of Revenues and Expenditures -- For year ended June 30, 2025

	2021	2022	2023	2024	2025
Revenues					
Taxes	\$ 42,312,872	\$ 45,479,874	\$ 47,159,360	\$ 46,807,990	\$ 49,585,308
Licenses and permits	471,790	473,841	503,259	531,926	513,638
Intergovernmental revenues	13,559,200	11,010,147	10,394,490	10,028,830	10,447,388
Charges for services	6,116,524	8,298,509	8,466,723	8,563,281	9,054,949
License fees	14,812,890	18,020,274	20,036,757	21,075,180	22,436,852
Miscellaneous revenues	413,024	257,234	877,231	2,250,603	2,234,643
Internal service charges	490,204	552,082	1,042,160	1,129,963	1,013,821
Total revenues	<u>78,176,504</u>	<u>84,091,961</u>	<u>88,479,980</u>	<u>90,387,773</u>	<u>95,286,599</u>
Expenditures					
Public safety	61,569,784	67,413,474	74,361,009	79,026,663	77,069,816
Community livability	542,251	696,243	1,510,805	1,454,819	1,395,874
Economic development & housing services	686,621	655,578	1,040,142	1,282,478	949,036
Parks	2,648,792	3,333,383	4,539,128	4,778,948	5,186,261
Capital Outlay	-	254,025	57,537	-	276,259
Total expenditures	<u>65,447,448</u>	<u>72,352,703</u>	<u>81,508,621</u>	<u>86,542,908</u>	<u>84,877,246</u>
Excess of revenues over (under) expenditures	<u>12,729,056</u>	<u>11,739,258</u>	<u>6,971,359</u>	<u>3,844,865</u>	<u>10,409,353</u>
Other financing sources (uses)					
Operating transfers in	1,219,000	1,775,000	1,425,000	3,275,000	87,100
Operating transfers out	(5,619,505)	(4,865,660)	(4,554,649)	(4,053,158)	(3,817,242)
Lease proceeds	-	254,025	57,537	-	276,259
Proceeds from sale of assets	-	187,982	24,924	202,041	84,490
	<u>(4,400,505)</u>	<u>(2,648,653)</u>	<u>(3,047,188)</u>	<u>(576,117)</u>	<u>(3,369,393)</u>
Fund balances					
Beginning of year	<u>19,421,845</u>	<u>27,750,396</u>	<u>36,841,001</u>	<u>40,765,172</u>	<u>44,033,920</u>
End of year	<u>\$ 27,750,396</u>	<u>\$ 36,841,001</u>	<u>\$ 40,765,172</u>	<u>\$ 44,033,920</u>	<u>\$ 51,073,880</u>

Five-Year Stormwater Fund Revenues, Expenses and Debt Service Coverage

	2021	2022	2023	2024	2025
Gross Revenues					
Charges for services	\$ 10,674,046	\$ 11,499,693	\$ 12,540,540	\$ 13,729,476	\$ 15,935,802
Net operating transfers included for coverage	1,275,083	1,636,800	1,549,700	1,611,600	1,691,650
Other revenues	13,605	4,547	10,721	375	3,002
Interest earnings	115,356	-	425,205	1,233,599	1,636,500
Total Gross Revenues	12,078,090	13,141,040	14,526,166	16,575,050	19,266,954
Operating Expenses					
Environmental services	6,211,954	7,251,396	7,881,347	9,246,524	9,786,870
Total Operating Expenses	6,211,954	7,251,396	7,881,347	9,246,524	9,786,870
Net Coverage Revenues	\$ 5,866,136	\$ 5,889,644	\$ 6,644,819	\$ 7,328,526	\$ 9,480,084
Debt Service ⁽¹⁾	\$ 822,148	\$ 267,139	\$ 265,905	\$ 264,672	\$ 263,438
Debt Service Coverage	7.14	22.05	24.99	27.69	35.99
(1) - 2006 Stormwater refunding paid off in FY 21					

Five-Year Wastewater Fund Revenues, Expenses and Debt Service Coverage

	2021	2022	2023	2024	2025
Gross Revenues					
Charges for services	\$ 20,440,781	\$ 21,341,818	\$ 22,809,065	\$ 24,788,977	\$ 26,218,780
Net operating transfers included for coverage	(391,960)	7,084,422	657,428	189,832	213,980
Other revenues	14,299	7,190	8,032,403	49,115	18,795
Interest earnings	351,243	-	1,010,190	3,306,760	4,321,124
Total Gross Revenues	20,414,363	28,433,430	32,509,086	28,334,684	30,772,679
Operating Expenses					
Environmental services	12,046,116	14,650,502	16,978,757	18,097,666	16,773,910
Total Operating Expenses	12,046,116	14,650,502	16,978,757	18,097,666	16,773,910
Net Coverage Revenues	\$ 8,368,247	\$ 13,782,928	\$ 15,530,329	\$ 10,237,018	\$ 13,998,769
Debt Service ⁽²⁾	\$ 2,600,544	\$ 868,135	\$ 514,918	\$ 513,980	\$ 517,004
Debt Service Coverage	3.22	15.88	30.16	19.92	27.08
(2) -2009 Wastewater refunding paid off in FY 21					

ANNUAL DISCLOSURE INFORMATION FOR WATER OBLIGATIONS

In conformance with SEC Rule 15c2-12, as amended (17 CFR Part 240 § 240.15c2-12) (the "Rule"), the City will provide annually the type of information presented in the tables of this section to EMMA (the permanent electronic repository of the MSRB). See "FORM OF CONTINUING DISCLOSURE CERTIFICATE" in bond transcripts for more information.

Water Revenue Bonds⁽¹⁾ Projected Debt Service Requirements				
Fiscal Year	2021 Water Revenue Bonds		Total Debt Service	
	Principal	Interest		
2026		\$ 1,047,112	\$ 1,047,112	
2027		1,047,112	1,047,112	
2028		1,047,112	1,047,112	
2029	\$ 1,545,000	1,047,112	2,592,112	
2030	1,625,000	969,862	2,594,862	
2031	1,705,000	888,612	2,593,612	
2032	1,790,000	803,362	2,593,362	
2033	1,860,000	731,762	2,591,762	
2034	1,900,000	694,562	2,594,562	
2035	1,935,000	656,563	2,591,563	
2036	1,975,000	617,863	2,592,863	
2037	2,015,000	578,363	2,593,363	
2038	2,055,000	538,063	2,593,063	
2039	2,095,000	496,963	2,591,963	
2040	2,140,000	455,063	2,595,063	
2041	2,180,000	412,263	2,592,263	
2042	2,225,000	368,663	2,593,663	
2043	2,275,000	321,381	2,596,381	
2044	2,320,000	273,038	2,593,038	
2045	2,375,000	220,838	2,595,838	
2046	2,425,000	167,400	2,592,400	
2047	2,480,000	112,838	2,592,838	
2048	2,535,000	57,038	2,592,038	
	\$ 41,455,000	\$ 13,552,945	\$ 55,007,945	

(1) At the time they were issued, the 2021 Bonds were the only issue outstanding secured by a pledge of Net Revenues. The City uses Net Revenues to pay debt service on a portion of its Full Faith and Credit Obligations, Series 2015, however Net Revenues are not pledged to repay the issue.

The following table shows the breakdown of the City's Water System customers by type of accounts.

**Number of Water Accounts by Customer Class
(Fiscal Years)**

Account Type	2021	2022	2023	2024	2025
Residential (Includes Multi-Family and Other)	16,678	16,812	17,185	17,108	17,309
Business and Industrial	731	546	741	659	901
Public Entities ⁽¹⁾	126	77	114	134	122
Wholesale	1	1	1	1	1
Total	17,536	17,436	18,041	17,902	18,333

(1) Category includes City parks, the school district and other public entities. Each building or location is entered as a separate account, therefore one public entity can have multiple accounts

The following table shows the City's ten largest water customers by amount billed.

**Major Water Accounts
(Fiscal Year 2025)**

Name	Description	in Hundred Cubic Feet (CCF)	Percent of Total Consumption	Total Annual Charges	Percent of Total Charges
OnSemi Conductor	Industrial	447,509	14.82%	1,710,563	7.77%
AMFP VI Lumina	Apartment Complex	23,367	0.77%	101,875	0.46%
Berry Ridge	Apartment Complex	19,591	0.65%	72,651	0.33%
Gelt Silverwood	Apartment Complex	19,110	0.63%	78,635	0.36%
Mt Hood Medical Center	Hospital	18,867	0.62%	98,915	0.45%
Mt Hood Community College	Community College	17,788	0.59%	95,292	0.43%
Townfair Terrace	Apartment Complex	17,072	0.57%	77,107	0.35%
City of Gresham	City Government	16,333	0.54%	67,538	0.31%
G&I XI The Arden LP	Apartment Complex	15,732	0.52%	67,105	0.30%
Springwater Crossing	Apartment Complex	11,292	0.37%	45,850	0.21%
Total Top 10		606,661	20.09%	\$ 2,415,531	10.97%
Totals		3,019,362		\$ 22,015,057	

Historical Net Revenues and Debt Service Coverage

**Water Fund
(Fiscal Years)**

	2021	2022	2023	2024	2025
Gross Revenues					
Intergovernmental revenues	\$ 164,477	\$ 130,354	\$ 72,475	\$ 101,040	\$ 102,153
Charges for services	16,082,123	16,439,100	18,464,767	19,999,712	22,015,056
Interest Income	466,285	367,958	708,788	1,093,888	1,561,457
Miscellaneous income	317,781	584,781	409,045	399,866	566,500
Internal service charges	952,871	841,169	1,145,194	2,755,340	3,688,047
System Development Charges	398,632	1,015,805	678,959	1,168,147	1,198,465
Total Gross Revenues	<u>18,382,169</u>	<u>19,379,167</u>	<u>21,479,228</u>	<u>25,517,993</u>	<u>29,131,678</u>
Operating Expenses					
Operation, Maintenance & Replacements	11,694,721	11,945,068	12,873,295	14,298,205	15,353,123
Transfers to other funds	791,583	696,725	508,800	619,000	735,300
Total Operating Expenses	<u>12,486,304</u>	<u>12,641,793</u>	<u>13,382,095</u>	<u>14,917,205</u>	<u>16,088,423</u>
Net Revenues	\$ 5,895,865	\$ 6,737,374	\$ 8,097,133	\$ 10,600,788	\$ 13,043,255
Coverage Revenues (no SDC's)	5,497,233	5,721,569	7,418,174	9,432,641	11,844,790
Debt Service & Coverage:					
Debt Service	\$ 158,712	\$ 442,114	\$ 1,503,515	\$ 1,449,112	\$ 1,796,749
Debt Service Coverage with Net Revenues ⁽¹⁾	37.15	15.24	5.39	7.32	7.26
Debt Service Coverage with Coverage Revenues ⁽¹⁾	34.64	12.94	4.93	6.51	6.59

(1) The 2021 Water Revenue Bond requires a rate covenant of 1.25 for Net Revenues and 1.15 for Coverage Revenues