



City of Wilsonville,  
Oregon

Comprehensive  
Annual  
Financial  
Report  
for the Fiscal Year Ended  
June 30, 2016



**CITY OF WILSONVILLE,  
OREGON**

**COMPREHENSIVE**

**ANNUAL**

**FINANCIAL**

**REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

Prepared by the Finance Department  
of the City of Wilsonville

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# CITY OF WILSONVILLE, OREGON

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDING JUNE 30, 2016

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## INTRODUCTORY SECTION

- Letter of Transmittal
- Certificate of Achievement
- List of Officials
- City of Wilsonville Organizational Chart



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**Finance Department**  
**29799 SW Town Center Lp. E**  
**Wilsonville, OR 97070**  
**503-570-1510**

October 31, 2016

**Mayor Tim Knapp, City Councilors  
and Citizens of the City of Wilsonville, Oregon**

In accordance with ORS 297.425, we are pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Wilsonville, Oregon (the City) for the fiscal year ended June 30, 2016.

This report presents the financial position of the City as of June 30, 2016, and the results of its operations and cash flows for its proprietary fund types for the year then ended. The financial statements and supporting schedules have been prepared in accordance with the Generally Accepted Accounting Principles (GAAP) in the United States of America and meet the requirements of the standards as prescribed by the Secretary of State. We believe the data, as presented, is accurate in all material respects and presented in a manner designed to fairly set forth the financial position and results of operations of the various funds of the City.

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

The City's annual financial statements are a culmination of on-going monitoring of revenues and expenditures to ensure the City's financial policies are met, including those policies that state monthly and quarterly financial reports will be provided to management, that any operating deficits will be immediately corrected, and that investments are managed according to the stated objectives set forth. Monthly financial reports are provided internally, while quarterly reports are posted to the City's website for review by the City Council, Budget Committee members and the public. The City did not experience any operating deficits during the fiscal year.

The financial statements reflect routine City operations for the year, with no major budgetary initiatives. Levels of service remained relatively constant, with the exception of Law Enforcement adding an additional Police Sergeant, funded from additional, on-going property tax revenue. The City's Transit Agency routinely receives grants to fund the purchases of rolling stock.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A is located immediately following the report of the independent auditors, beginning on page 24.

**PROFILE OF THE GOVERNMENT**

For financial reporting purposes, the City is a primary government. Its governing Council is elected by the citizens in a general election. This report includes all organizations and activities for which the elected officials exercise financial control. The City has one blended component unit governmental entity, the Urban Renewal Agency of the City of Wilsonville. The financial statements of that entity are included in this report. The City interacts or contracts with various other governmental entities, but is not financially accountable for those entities.

The City operates under the Council-Manager form of government. Policy making and legislative authority are vested in the City Council which consists of a Mayor and four Council members. The City Council is responsible for passing ordinances, resolutions, adopting the budget, and hiring the City Manager and City Attorney among other things. The City Manager is responsible for carrying out the policies and ordinances of the Council, managing the day-to-day government operations, and appointing department heads. The Mayor and Council members are non-partisan and serve a four-year term. These terms are staggered with two Council positions elected in November 2014 while the remaining two other Council positions plus the Mayor are up for election in 2016.

The City prepares an annual budget in accordance with the policies and priorities set forth in the City's Comprehensive Plan, City Council Goals, the needs of the community, and federal and state laws. Oregon local budget law is set out in Oregon Revised Statutes 294.305 to 294.565. The City's budget is presented by fund. Budgetary control is at the department level or at the major object category if only one department exists in a fund. Ongoing review and monitoring of revenues and expenditures is performed by the Finance Department and the appropriate operating departments.

## **LOCAL ECONOMY**

The City of Wilsonville is located along Interstate 5, mid-way between the State's largest city, Portland, and the State capital, Salem. It is approximately 20 miles south of Portland and 30 miles north of Salem. The City is located in two counties – on the western edge of Clackamas County and southeastern edge Washington County. Under Oregon law, each of the state's cities and metropolitan areas has created an urban growth boundary around its perimeter. The City of Wilsonville is included as part of the Portland metropolitan area's urban growth boundary. The region, while diverse in nature, is particularly strong in the high-tech industry. Timber production and agriculture dominate economic activities outside of the urban area. The Portland area has an international airport and port facilities for ocean going vessels. The major economic activity of Salem is government, being the State capital and the county seat for Marion County, with government employment accounting for 25% of the labor force.

Unemployment in the region has trended down over the last year, as it has in the rest of the nation. The Bureau of Labor Statistics of the U.S. Department of Labor reported an unemployment rate of 5.2%, as of June 2016, for the Portland-Vancouver-Hillsboro metropolitan area, dropping from 5.4% in June of 2015. This compares to the downward trend in the unemployment rate nation-wide, which was 4.9% in June of 2016, dropping from 5.3% in June of 2015. The local price index shows signs of inflation; the Portland-Salem consumer price index shows prices increased about 1.7% from June of 2015 to June of 2016. This same increasing trend is seen nation-wide, although at a slower increase – the nation-wide trend in the price index increased about 1% over the same period.

The City of Wilsonville has outstanding transportation accessibility and networks linking its citizens to the greater Portland area and to Salem. The City is home to its own dynamic, growing, and diversified economy. The City's mix of businesses includes established international and regional employers. In addition, the City has a large base of small businesses, in a wide range of industries.

Wilsonville is home to a number of high-tech businesses and is perfectly situated for warehouse and distribution centers as the southern gateway into the Portland metropolitan area along the Interstate 5 (I-5) corridor. Several large companies have made Wilsonville their corporate headquarters. Among the larger are Mentor Graphics and Flir Systems, Inc. Three other large companies, SYSCO, Coca-Cola Bottling Co. of the Northwest, and Rite-Aid, have selected Wilsonville for regional warehouse, bottling, and distribution centers, respectively. As can be seen in the table below that lists the top ten employers in the City, it is not dependent upon any one company for economic vitality. Currently, an estimated 17,054 people are employed at locations throughout the City. Table 1 on the next page presents the top ten employers in the City, as of July 2016.

**TABLE 1**  
**TEN LARGEST EMPLOYERS**  
(as of July 2016)

Employer	Type of Business	2015-16	
		Number of Employees	Percentage of total City employment*
Mentor Graphics Corporation	CAD software systems	997	5.8%
Stream International Inc.	Customer and technical support	798	4.7%
Xerox Corporation	Copiers and printers	706	4.1%
Sysco Portland Inc.	Warehouse & distribution center	557	3.3%
Rockwell Collins	Aerospace technology	488	2.9%
Precision Interconnect	Medical & Technical Equipment	329	1.9%
Costco	Wholesale retail	305	1.8%
Southern Wine & Spirits	Beverage distribution	300	1.8%
Coca Cola Bottling Company	Beverage distribution	272	1.6%
Flir Systems Inc.	Thermal imaging/infrared equipment	249	1.5%
		5,001	29.3%

\*Total employment for FY 2016-17 was 17,054

Source: City of Wilsonville, Business Licenses

Another factor of Wilsonville's economic vitality is that of population growth. Over the past ten years Wilsonville's population growth rate has generally been greater than the State of Oregon's growth rates. The City's population has increased approximately 35.5% in that time frame, compared to the population growth state-wide, at approximately 8.9%. The City is expected to maintain a healthy growth rate for the foreseeable future, as home construction continues in many areas of the City. One of the newer housing developments, known as Villebois, will eventually encompass roughly 480 acres and include 2,600 residential units, retail storefronts, multiple park areas and a primary school. This development is expected to continue to fuel the City's population growth over the next several years. Table 2 presents population growth for the City, Clackamas County, and the State.

**TABLE 2**  
**POPULATION ESTIMATES**  
(at July 1)

Year	City of Wilsonville	Percent Change	Clackamas County	Percent Change	State of Oregon	Percent Change
2005	16,510	1.60%	361,300	1.42%	3,626,938	1.34%
2006	16,885	2.27%	367,040	1.59%	3,685,206	1.61%
2007	17,405	3.08%	372,270	1.42%	3,739,359	1.47%
2008	17,940	3.07%	376,660	1.18%	3,784,182	1.20%
2009	18,020	0.45%	379,845	0.85%	3,815,775	0.83%
2010	18,095	0.42%	376,780	-0.81%	3,837,300	0.56%
2011	19,565	8.12%	378,480	0.45%	3,857,625	0.53%
2012	20,515	4.86%	381,680	0.85%	3,883,735	0.68%
2013	21,550	5.05%	386,080	1.15%	3,919,020	0.91%
2014	21,980	2.00%	391,525	1.41%	3,962,710	1.11%
2015	22,870	4.05%	397,385	1.50%	4,013,845	1.29%

Source: Population Research Center at Portland State University. Percent change is relative to the preceding year.

As a reflection of its desirability as a place to live and work, Wilsonville continues to experience a healthy degree of real estate development. The City anticipates continued residential, commercial, as well as industrial development expansion. This optimism is based on numerous factors. First, the City is strategically located along the south metro I-5 corridor and has in its boundaries some of the last major tracts of vacant land within the southern portion of the urban growth boundary. Second, the City has a sustainable long-term water supply and a multi-barrier water treatment plant. Third, the City recently completed a major upgrade and expansion of its wastewater treatment plant. Fourth, the City places an emphasis on long range planning and preparing for growth. For example, although the City continues to focus attention on improvements and developments in the City’s West Side District, it has also begun planning for the future of 500 acres east of Wilsonville (Frog Pond) for future development. Long range planning is also underway in the City’s northwest for the Basalt Creek and Coffee Creek areas. Table 3 displays expanding residential, industrial and commercial construction in terms of the number of permits. FY 2014-15 was a record-breaking year for the number of residential permits issued, at 343.

**TABLE 3  
BUILDING PERMITS**

Fiscal Year	Commercial/Industrial Construction		Residential Construction		Total New Construction
	Number of Permits	Value	Number of Permits	Value	
2006-07	232	\$ 16,041,835	116	\$ 49,771,592	\$ 65,813,427
2007-08	210	41,083,420	127	22,466,225	63,549,645
2008-09	265	20,681,082	45	12,692,759	33,373,841
2009-10	179	20,455,409	47	8,346,418	28,801,827
2010-11	322	60,461,916	63	9,300,787	69,762,703
2011-12	230	33,060,819	119	46,563,447	79,624,266
2012-13	275	34,609,695	180	60,817,484	95,427,179
2013-14	79	8,949,456	57	11,166,176	20,115,632
2014-15	257	10,451,251	343	76,208,732	86,659,983
2015-16	313	26,994,232	181	42,901,061	69,895,293

*Source: Building Department, City of Wilsonville.*

The City has faced the same real estate market instability as has much of the nation over the past several years, but has seen a rebound beginning in FY 2013-14. Real market values appeared to have hit bottom in FY 2011-12, and have risen steadily since that year. This improvement since FY 2011-12 in Wilsonville appears to be due to the City being primed for development and it continues to be a desirable regional location to live and work. Development and new construction starts, as noted above, further highlight the desirability of living in the City of Wilsonville.

However, the growth in real market value does not affect the amount of property taxes the City receives; instead, property tax revenue is based on assessed value. Measure 50, passed in the 1990s, separated real market value from assessed value, and limited the growth of a property’s assessed value to 3% unless development occurs or other improvements are made. The assessed valuation within City limits has grown each year over the last ten years by an average of 5.5%, thanks in large part to new development within the Urban Renewal Districts. Therefore, even though real market values declined during the recession, total assessed valuation within the city did not. In recent years, new construction has added to the assessed valuation. These factors point to a relatively stable base of valuation within Wilsonville’s city limits.

The table below compares the real market value of Clackamas County to the City, and compares the real market of the City to the assessed value. It is important to note that the majority of the City is within Clackamas County, but a small piece of City is within Washington County.

**TABLE 4**  
**REAL MARKET AND ASSESSED VALUES**  
(in millions)

Year	Clackamas County		City of Wilsonville		City of Wilsonville	
	Real Market	Percent Change	Real Market	Percent Change	Assessed Value	Percent Change
2006-07	\$ 48,638	18.0%	\$ 2,959	13.7%	\$ 2,054	11.5%
2007-08	57,193	17.6%	3,426	15.8%	2,196	6.9%
2008-09	60,008	4.9%	3,741	9.2%	2,333	6.3%
2009-10	54,458	-9.2%	3,558	-4.9%	2,461	5.5%
2010-11	48,904	-10.2%	3,121	-12.3%	2,503	1.7%
2011-12	45,749	-6.5%	2,905	-6.9%	2,551	1.9%
2012-13	44,030	-3.8%	2,918	0.4%	2,633	3.2%
2013-14	45,905	4.3%	3,081	5.6%	2,758	4.8%
2014-15	51,015	11.1%	3,488	13.2%	2,972	7.8%
2015-16	56,348	10.5%	3,887	11.4%	3,173	6.7%

*Source: Clackamas and Washington County Assessors' Offices*

For the year ahead, many national economists predict a continuing but slow economic growth. The City of Wilsonville expects to continue on a solid financial path by observing the guiding principles of vision, planning, community partnership, and financial stewardship. The City Council adopted an Economic Development Strategy in April of 2013 that provides the framework and vision for future economic growth in the City. The plan was developed and vetted by an ad hoc Economic Development Strategy Task Force comprised of the business community, residents, City boards, Wilsonville Chamber of Commerce, West-Linn Wilsonville School District, Oregon Institute of Technology, Clackamas County Community College, and The Tualatin Valley Fire District. These proactive, strategic actions, along with continued financial stewardship, will position the City for future growth and development.

### **LONG-TERM FINANCIAL PLANNING**

As with any growing community, the City will continue to have an ongoing need for new or expanded streets, sewer systems, transportation alternatives, public safety measures, and cultural and recreation opportunities. Service levels are set and planned for in a manner in which costs are not allowed to exceed revenue. The City actively engages in financial planning through an annual five-year forecast process, its yearly budgetary process, and the creation of master plans for infrastructure improvements and expansions to transportation, water, sewer, stormwater and parks.

Major financial decisions are made in the context of the five-year forecast. The financial planning tool has two components; a five year financial forecast for each operating fund and five year forecast of capital project needs. The goal of the operating fund forecast is to assess the City's ability over the next five years to continue to effectively provide current service levels based on projected growth, meet goals set by Council, preserve the City's long-term fiscal health, and to ensure financial reserve levels specified in the financial policies are maintained. Capital project needs are based upon master plans, development agreements, input from applicable Commissions and Committees and Council directed improvements. The forecast serves as a tool to identify financial trends, potential shortfalls, and emerging issues so the City can proactively address them.

### **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wilsonville for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2015. The Certificate of Achievement is a prestigious national

award, recognizing conformance with the highest standards for preparation of a state and local government financial report. This was the 19<sup>th</sup> consecutive year that the City has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. The CAFR must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of the Comprehensive Annual Financial Report was a combined effort of the dedicated staff in the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. We also acknowledge the efforts of other departments who provided information that helped to make the report far more than a presentation of financial statements.

In closing, we acknowledge the City Council of the City of Wilsonville for their continued support and leadership.

Sincerely,



Bryan Cosgrove  
City Manager



Susan Cole  
Finance Director-



Government Finance Officers Association

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

Presented to

**City of Wilsonville  
Oregon**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO

**CITY OF WILSONVILLE,  
OREGON**  
*June 30, 2016*

**ELECTED OFFICIALS**

<b><u>Name</u></b>	<b><u>Position</u></b>	<b><u>Term Expires</u></b>
Tim Knapp	Mayor	December 31, 2016
Scott Starr	Council President	December 31, 2018
Julie Fitzgerald	Councilor	December 31, 2016
Susie Stevens	Councilor	December 31, 2016
Charolette Lehan	Councilor	December 31, 2018

**Principal Officials**

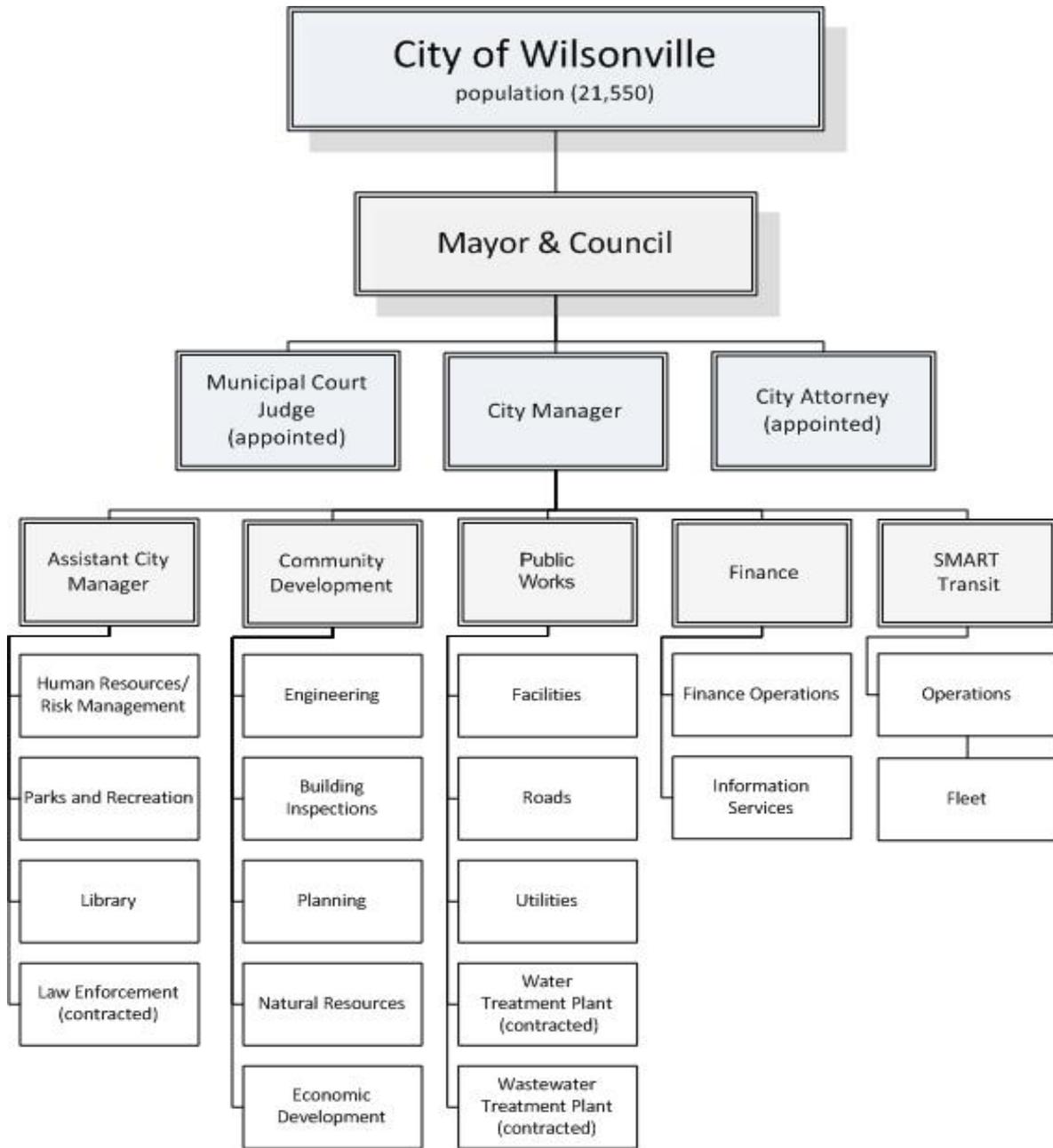
Bryan Cosgrove	City Manager
Barbara Jacobson	City Attorney
Susan Cole	Finance Director
Sandra C. King	City Recorder

**Mailing Address**

29799 SW Town Center Loop, East  
Wilsonville, OR 97070-0220

[www.ci.wilsonville.or.us](http://www.ci.wilsonville.or.us)

**CITY OF WILSONVILLE, OREGON**  
**Organizational Chart**



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## FINANCIAL SECTION

- **Independent Auditor's Report**
- **Management's Discussion and Analysis**
- **Basic Financial Statements**
- **Required Supplementary Information**
- **Other Supplementary Information**
- **Budgetary Comparisons**
- **Other Financial Schedules**



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## GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS  
475 Cottage Street NE, Suite 200, Salem, Oregon 97301  
(503) 581-7788

### *INDEPENDENT AUDITOR'S REPORT*

Honorable Mayor, Members of the City Council, and the City Manager  
City of Wilsonville  
29799 SW Town Center Loop East  
Wilsonville, Oregon 97070

#### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Wilsonville, Oregon as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

#### **Opinions**

In our opinion, the 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 Wilsonville, Oregon, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) (pages 23 through 33), the PERS trend information (page 83), and budgetary comparison information (pages 84 through 85) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

### *Other Supplementary Information*

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

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

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

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

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated October 31, 2016, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

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

By:   
\_\_\_\_\_  
Ryan T. Pasquarella, A Shareholder  
October 31, 2016

**CITY OF WILSONVILLE, OREGON**  
**Management's Discussion and Analysis**  
*For the Year Ended June 30, 2016*

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As management of The City of Wilsonville, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Wilsonville for the fiscal year ended June 30, 2016. We encourage readers to consider this information presented here in conjunction with the additional information that we have furnished in our letter of transmittal, which can be found on pages 9-14 of this report.

### **FINANCIAL HIGHLIGHTS**

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows by \$380.8 million (net position). Of this amount, \$54.8 million represents unrestricted net position, which may be used to meet the City's obligations to citizens and creditors.
- The City's net position increased \$9.5 million in governmental activities and \$11.6 million in business type activities for a total increase of \$21.1 million.
- The City's total debt outstanding decreased \$1.2 million or 1.6% during the current fiscal year. The City paid off its remaining general obligation debt, refinanced one business-type revenue bond and acquired an additional \$5.0 million long-term tax increment, urban renewal, debt during the fiscal year.
- For its governmental activities, the City received \$23.8 million in tax revenue, up approximately \$1.2 million (or 5.3%) over the prior year. General purpose property taxes increased \$0.4 million. Property taxes for debt, exclusive for urban renewal in the current year, also increased \$0.4 million. Other tax revenue increased \$0.4 million.
- For its business-type activities, the City recognized \$27.7 million in program revenue including \$18.9 million in charges for services (up 8.0% over prior year) and \$8.8 million in capital contributions (a 6.4% decrease from prior year).
- At the close of the current fiscal year, the City's governmental funds report a combined fund balance of \$64.4 million, a \$16.3 million increase over the prior fiscal year. Of the total fund balance reported, \$57.6 million is considered nonspendable, restricted, committed or assigned. The remaining \$6.8 million is available for spending at the government's discretion.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The following discussion and analysis is intended to serve as an introduction to the City of Wilsonville's basic financial statements. The City of Wilsonville's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information, combining statements and budgetary schedules which follow the financial section. Additionally, there are a variety of statistical tables and special reports from our independent certified public accountants as required by Oregon law.

**Government-wide Financial Statements (full accrual).** The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Wilsonville's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Wilsonville's assets, liabilities, and deferred inflows/outflows, with the difference 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 of Wilsonville is improving or deteriorating.

The *statement of activities* presents information showing how the City of Wilsonville'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 (e.g., uncollected taxes and earned but unused vacation leave).

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Both of these government-wide financial statements distinguish functions of the City of Wilsonville 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 of the City of Wilsonville include general government, public safety, transportation, public works, culture and recreation, and community development. The business-type activities of the City of Wilsonville include sewer, water, stormwater, and street lighting.

The government-wide financial statements include not only the City of Wilsonville itself (known as the primary government), but also a legal separate urban renewal agency. The urban renewal agency, although legally separate, functions for all practical purposes as a department of the City of Wilsonville, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 37-39 of this report.

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

- **Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements are reported using an accounting method called modified accrual, which focuses on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. The government funds statements provide a detailed short-term view to cash, the governmental fund operations and the basic services it provides. These statements may be useful in assessing a government's near-term financing requirements. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to describe the relationship (or differences) between governmental activities (reported in the government-wide Statement of Net Position and the Statement of Activities) and that which is reported in the governmental funds.

The City maintains 18 individual governmental funds as of June 30, 2016, including those of the urban renewal component unit. Five of these funds (General Fund, Transit Fund, Urban Renewal Year 2000 Plan Debt Service Fund, Urban Renewal Year West Side Plan Debt Service Fund, and Urban Renewal West Side Capital Projects Fund) are considered to be major funds and reported separately in the statement of revenues, expenditures, and changes in fund balances. The remaining 13 governmental funds are aggregated into a single column presentation. Individual fund data for each of the non-major funds is provided in the combining statements elsewhere in this report. The City adopts an annual budget for all its funds. Budgetary comparisons schedules are provided to demonstrate compliance with the budget.

- **Proprietary funds.** The City of Wilsonville maintains two different types of business activity funds – enterprise funds and an internal service fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City's enterprise funds charge fees to customers to help cover the costs of certain services provided. The City's water, sewer, stormwater and street lighting systems are reported as enterprise funds. The City's Fleet Fund is reported as an internal service fund, in which the principal operating revenues are from other organizational units within the City.

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**Notes to the financial statements.** The notes provide additional information that is essential to the full understanding of the City's financial statements. The notes begin on page 53.

**Government-wide Overall Financial Analysis**

Net position serves as a useful indicator of a government's financial position especially when viewed over multiple periods of time. In the case of the City, assets exceed liabilities by \$380.8 million at the close of the most recent fiscal year. This represents a \$21.1 million increase net position. This was slightly down from fiscal year 2014-15 in which the net position increased \$21.8 million. The following table reflects a summary of Net Position compared to the prior fiscal year.

**TABLE 1 - NET POSITION - AS OF JUNE 30**  
(in millions)

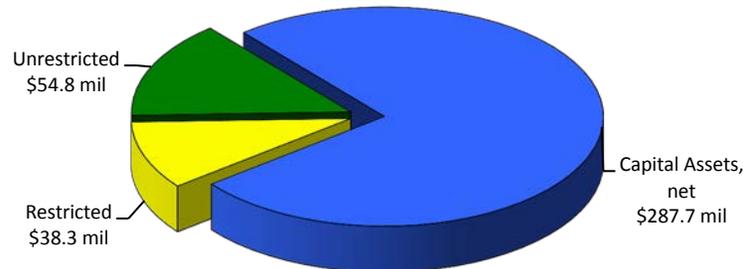
	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
<b>Assets</b>						
Current and other assets	\$ 70.4	\$ 55.7	\$ 40.1	\$ 33.5	\$ 110.5	\$ 89.2
Capital assets	222.6	221.5	137.7	136.5	360.3	358.0
<b>Total assets</b>	<b>293.0</b>	<b>277.2</b>	<b>177.8</b>	<b>170.0</b>	<b>470.8</b>	<b>447.2</b>
<b>Deferred Outflows of Resources</b>						
Pension outflow	1.7	0.9	0.1	0.1	1.8	1.0
Deferred charge on refunding	-	-	0.2	0.3	0.2	0.3
<b>Total deferred outflow of resources</b>	<b>1.7</b>	<b>0.9</b>	<b>0.3</b>	<b>0.4</b>	<b>2.0</b>	<b>1.3</b>
<b>Liabilities</b>						
Other liabilities	10.5	3.2	1.8	1.5	12.3	4.7
Noncurrent liabilities	35.8	33.2	42.0	45.9	77.8	79.1
<b>Total liabilities</b>	<b>46.3</b>	<b>36.4</b>	<b>43.8</b>	<b>47.4</b>	<b>90.1</b>	<b>83.8</b>
<b>Deferred Inflows of Resources</b>						
Pension inflow	1.8	4.7	0.1	0.3	1.9	5.0
<b>Net position</b>						
Net investment in capital assets	191.8	190.5	95.9	90.9	287.7	281.4
Restricted	24.2	18.6	14.1	11.3	38.3	29.9
Unrestricted	30.6	27.9	24.2	20.5	54.8	48.4
<b>Total net position</b>	<b>\$ 246.6</b>	<b>\$ 237.0</b>	<b>\$ 134.2</b>	<b>\$ 122.7</b>	<b>\$ 380.8</b>	<b>\$ 359.7</b>

The increase in net position is attributed to contributions from developers for infrastructure (water, sewer, stormwater and streets), system development charges, and general operations. The increase is mirrored in the City's cash and investments, as part of current assets. Cash and investments increased with unspent bond proceeds, operational efficiencies, and from the \$4.9 million sale of a capital asset. Also impacting the City's net position is the City's pension obligation. As a contributing member to the multi-employer, Oregon Public Employee Retirement System (OPERS), the City is allocated by OPERS its proportionate share of the OPERS net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense.

The City's total net position of \$380.8 million consists of three parts. The largest portion of the City's net position, at \$287.7 million (or 75.6%), is invested in capital assets (e.g. land, building, equipment and streets) and reported net of related outstanding debt. The City uses these capital assets to provide services to its citizens; thus, they do not represent resources available for future spending. Restricted net position totals \$38.3 million (or 10.1%) and represents cash and investments that are legally restricted for capital expansion or debt service. Finally, the remaining \$54.8 million (or 14.4%) is unrestricted meaning it is available for meeting the City's ongoing obligations. The following chart displays the three components of net position as of June 30, 2016.

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**CHART 1**  
**CITY OF WILSONVILLE – NET POSITION FOR FISCAL YEARS ENDING JUNE 30, 2016**  
(in millions)



**Statement of Activities**

As indicated in Table 2 below, total net position of the City increased by \$21.1 million, which is down 21.6% from the prior year change in net position of \$26.7 million. Descriptions of significant activities follow the table below.

**TABLE 2 - STATEMENTS OF ACTIVITIES**  
**FOR FISCAL YEARS ENDING JUNE 30**  
(in millions)

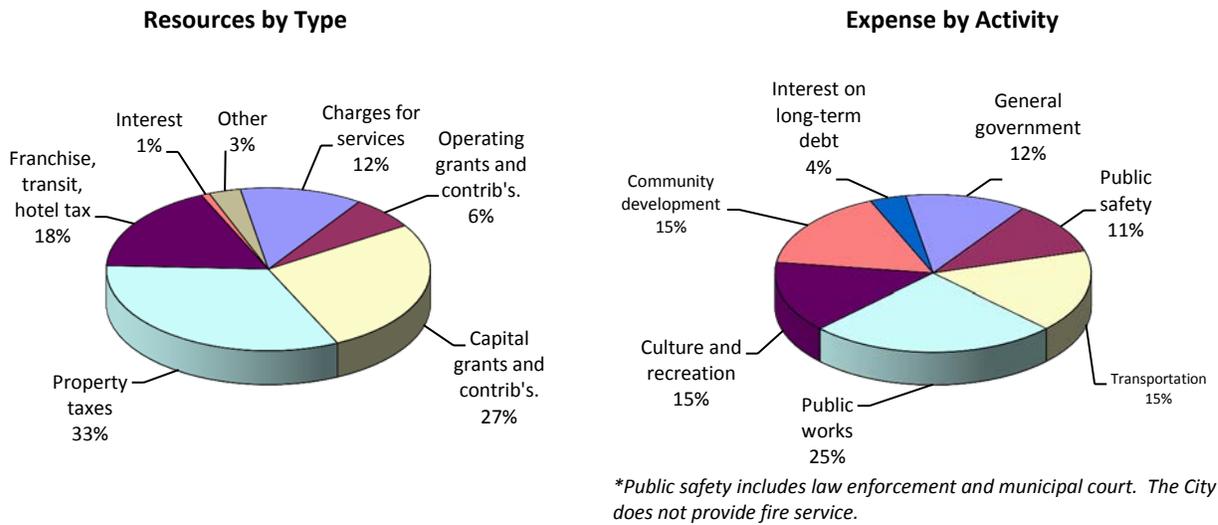
	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 5.8	\$ 5.8	\$ 18.9	\$ 17.5	\$ 24.7	\$ 23.3
Operating grants and contributions	3.1	2.7	-	-	3.1	2.7
Capital grants and contributions	12.8	10.3	8.8	9.4	21.6	19.7
General revenues:						
Property taxes	15.5	14.7	-	-	15.5	14.7
Franchise, transit, hotel tax	8.3	7.9	-	-	8.3	7.9
Interest	0.4	0.3	0.3	0.1	0.7	0.4
Other	1.4	1.0	0.1	0.1	1.5	1.1
<b>Total revenues</b>	<b>47.3</b>	<b>42.7</b>	<b>28.1</b>	<b>27.1</b>	<b>75.4</b>	<b>69.8</b>
<b>Expenses</b>						
Governmental activities:						
General government	4.7	2.0	-	-	4.7	2.0
Public safety	4.1	3.8	-	-	4.1	3.8
Transportation	6.4	4.6	-	-	6.4	4.6
Public works	9.6	7.8	-	-	9.6	7.8
Culture and recreation	5.5	3.7	-	-	5.5	3.7
Community development	6.2	4.1	-	-	6.2	4.1
Interest on long-term debt	1.4	1.4	-	-	1.4	1.4
Business-type activities:						
Water	-	-	6.8	6.5	6.8	6.5
Sewer	-	-	6.9	6.9	6.9	6.9
Stormwater	-	-	2.3	1.9	2.3	1.9
Street lighting	-	-	0.4	0.4	0.4	0.4
<b>Total expenses</b>	<b>37.9</b>	<b>27.4</b>	<b>16.4</b>	<b>15.7</b>	<b>54.3</b>	<b>43.1</b>
Increase in net position before transfers	9.4	15.3	11.7	11.4	21.1	26.7
Transfers	0.1	(0.2)	(0.1)	0.2	-	-
<b>Increase in net position</b>	<b>9.5</b>	<b>15.1</b>	<b>11.6</b>	<b>11.6</b>	<b>21.1</b>	<b>26.7</b>
<b>Beginning net position</b>	<b>237.0</b>	<b>226.5</b>	<b>122.7</b>	<b>111.4</b>	<b>359.7</b>	<b>337.9</b>
<b>Prior period restatement</b>	<b>-</b>	<b>(4.6)</b>	<b>-</b>	<b>(0.3)</b>	<b>-</b>	<b>(4.9)</b>
<b>Ending net position</b>	<b>\$ 246.5</b>	<b>\$ 237.0</b>	<b>\$ 134.3</b>	<b>\$ 122.7</b>	<b>\$ 380.8</b>	<b>\$ 359.7</b>

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**Governmental activities** – The total change in net position for governmental activities is \$9.5 million, which is down \$5.5 million (36.4%) from prior year increase of \$15.1 million. The \$9.5 million increase is the net result of the following variances:

- Charges for services – remained unchanged, with decreases in Transportation program revenue mitigated by increases of engineering, planning, and building inspection revenue in the Community Development program.
- Operating grants and contributions – increased 14.8% (\$0.4 million), largely the result of an increase in federal and state transportation program operating grants.
- Capital grants and contributions – increased 24.3% (\$2.5 million) over prior year mainly due to an increase in developer contributions, up \$2.7 million, mitigated by a reduction in federal capital transportation grants.
- General revenues – increased 7.1% (\$1.7 million) over prior year, driven by increases in tax revenue due to increases in assessed values, an improving economy, and new construction. Increases in franchise and hotel taxes also contributed to the increase, as well as a \$.8 million gain on the sale of property.
- Total governmental activity expense - increased \$10.5 million or 38.3% in the current year largely the result of the differential of a \$3.0 million credit to pension expense in the prior year and a \$5.2 million pension related charge in the current year. Other increases include expenses from non-capitalized construction in progress expenses in the prior year.
- Transfers – increased \$0.3 million out of the governmental activities largely from the effect of the differential between a transfer of capital assets in the current year and prior year.

**CHART 2**  
**GOVERNMENTAL ACTIVITIES REVENUES AND EXPENSES**  
**FOR FISCAL YEAR ENDING JUNE 30, 2016**



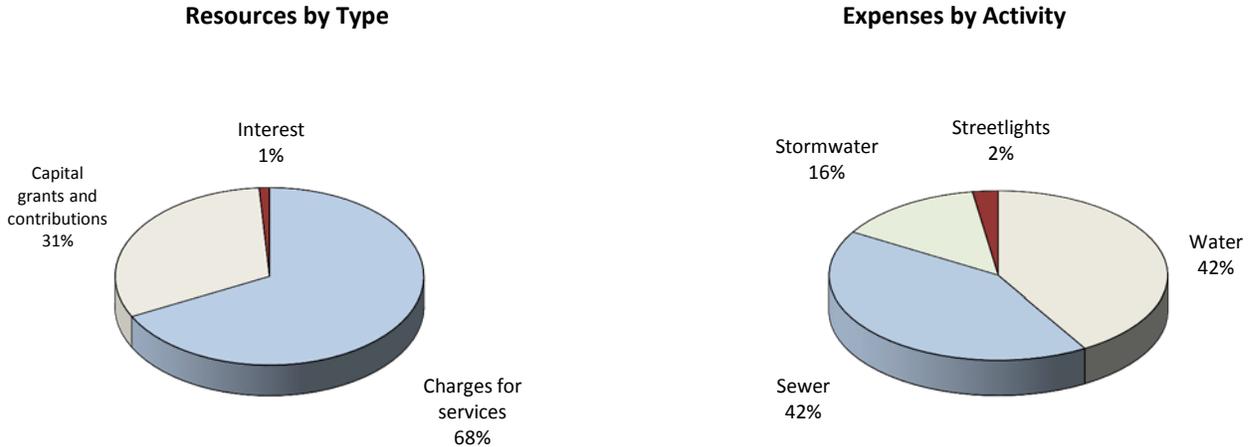
**Business-type activities** – Business-type activities generated an \$11.6 million increase to the City's total net position. This increase is equivalent to last year's gain. Financial highlights include:

- Operating revenue across all funds increased \$1.5 million (or 8.5%) while operating expenses rose \$.7 million, (or 5.0%), including \$0.4 million in pension expense.
- Non-operating expenses remained flat year over year at \$1.8 million, comprising of interest expense on existing debt as well as expenses related to the disposition of capital assets.

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**CHART 3**  
**BUSINESS-TYPE ACTIVITIES REVENUES AND EXPENSES**  
**FOR FISCAL YEAR ENDING JUNE 30, 2016**



## FUND FINANCIAL ANALYSIS

### ***Governmental Funds***

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

As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$64.4 million, an increase of \$16.3 million over the prior year. Approximately, 10.5% (\$6.8 million) of the ending fund balance constitutes unassigned fund balance, with remaining amounts either assigned (\$28.5 million), committed (\$4.1 million), restricted (\$24.4 million), or in a non-spendable form (\$0.6 million). Assigned amounts are intended for specific purposes as expressed by the City. Restricted amounts are constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), while committed amounts are constrained to specific purposes by the City itself. The City's five major government funds are analyzed below.

The General Fund is the chief operating fund for the City. At the end of the current year, unassigned fund balance of the general fund was \$6.8 million, while total fund balance reached \$16.3 million. Total fund balance increased \$1.0 million during the fiscal year, compared to a \$0.4 million increase in the prior year. Operating revenues were up 8.6% over prior year while operating expenses increased 6.4%. A reduction in transfers out, including one-time General Fund funded capital improvement projects in the previous year, were responsible for the rest of the overall year over year fund increase.

The Transit Fund records the activity of the City's bus system and transportation alternatives programs. The primary resource is a payroll tax on local businesses which provided revenues of \$4.6 million, up 7.5% (or \$0.3 million) from prior year taxes. Operating expenses were down roughly 12.3% (or \$0.8 million) mainly the result of decreased spending on capital outlay bus purchases. The ending fund balance closed the year at \$2.8 million, up \$0.2 million from prior year.

The Year 2000 Debt Service Fund accounts for the debt service of Year 2000's Urban Renewal District. The primary revenue source is from the incremental property revenue generated within the district and provided \$4.1 million dollars in revenue. The ending fund balance of \$5.5 million will be used for the repayment of future debt.

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The West Side Debt Service Fund accounts for the debt service of the Westside's Urban Renewal District. The primary revenue source is from the incremental property revenue generated within the district and provided \$4.8 million dollars in revenue. The ending fund balance of \$6.6 million will be used for the repayment of future debt.

The West Side Plan Capital Projects Fund accounts for the construction or reconstruction of capital projects within the boundaries of the West Side Urban Renewal District. Capital expenditures increased \$1.6 million over the prior year primarily due to the Barber Street road extension project (Kinsman to Coffee Lake) in the current year. The ending fund balance closed the year at \$1.6 million, versus the prior year net loss balance of \$.1 million.

***Proprietary Funds***

The Water Fund ended the year with a \$4.8 million increase in net position. Operating revenues exceeded operating and non-operating expenses by \$1.8 million contributing 38.0% of that increase. Additional amounts from capital contributions from developers were responsible for the remaining 62.0%. The fund ended the fiscal year with a \$56.2 million net position.

The Sewer Fund bases its charges on water consumption for commercial, industrial and multifamily customers and winter average usage for residential customers. Operating revenue is used to pay for wastewater treatment plant improvements, debt service and operating costs. The Sewer Fund ended the year with a \$3.8 million increase in net position. Operating revenues exceeded operating and non-operating expense by \$1.1 million, contributing 29.9% of that increase. Additional amounts from capital and non-capital contributions from developers were responsible for the remaining 70%. The fund ended the fiscal year with a \$47.5 million net position.

The Stormwater Fund ended the year with a \$2.2 million increase in net position. Operating expenses exceeded operating and non-operating revenue by \$0.1 million. A series of rate increases were approved by Council during the year which will ensure future revenue will cover operating and capital needs. Mitigating current year losses were capital contributions from developers which brought in \$2.3 million. The fund ended the fiscal year with a \$26.1 million net position.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

***Original budget compared to final budget:***

The original budget of the General Fund was amended three times during the fiscal year 2016. Final budgeted expense amounts for personnel services, materials & services, capital outlay, and transfers-out, differ from the original budget by supplemental appropriations of \$554,542, or 2.5%, with amounts funded through contingency. The major changes in these appropriations are as follows:

- Personnel service budget was increased \$148,657 as a result of the implementation of labor contracts and various cost-of-living increases across all departments.
- Materials & services was increased \$174,000 including \$103,000 for strategic planning consulting in Information Systems Department; \$22,000 for Parks & Recreation instructors; \$20,000 for unanticipated maintenance in Facilities, \$14,000 in water irrigation for Parks & Recreation; \$7,500 financial consulting in the Finance Department; and \$7,500 for anticipated additional bank charges in Parks & Recreation.
- Capital Outlay was increased \$40,000 in Administration for audio upgrades to the Council Chambers.
- Transfers-out to other funds increased to reflect funding for the following capital improvement projects: Wilsonville Road Median Improvements, Fiber Connectivity, Tauchman House Deck, and Boeckman Creek Trail Stabilization.

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***Final budget compared to actual results:***

General Fund actual revenues, excluding other financing sources, totaled \$13.2 million and exceeded budgeted revenue amounts by \$0.8 million, or 6.4%. Revenues from fines and forfeitures revenue did not materialize to expected levels as budgeted but were offset by higher than expected revenues in other classifications. Property taxes comprise 74.5% of revenues and are generated from a permanent tax rate of \$2.5206 per \$1,000 of assessed value. Property tax year over year increases reflect annual increases from assessed values (subject to limitations) as well as new residential and commercial properties added to the tax rolls. Transfer-in revenue from other funds into the General Fund underperformed budgeted expectations by \$0.3 million. The negative variance was the result of capital improvement projects that did not materialize or progress towards completion as anticipated, resulting in lower than expected overhead charges to the benefit of the General Fund.

General Fund actual expenditures, excluding other financing uses and budgeted contingency, came in under budget, by \$1.5 million, or 10%. A key variance included salary and benefit cost savings across departments of approximately \$0.4 million resulting from benefit savings and unfilled positions. Across all departments, materials and service related expense incurred a positive budgetary variance of \$1.1 million with notable cost savings generated in the Law Enforcement, Building Maintenance, and Administration programs. The Law Enforcement Program alone incurred a positive \$0.5 million budget variance. The City contracts with Clackamas County for police services with the contract savings resulting in the positive variance. Transfer-out expense to other funds incurred a positive budget variance of \$0.5 million, as planned General Fund, funded capital improvement projects, accounted for in capital improvement classified funds, came in under budget or were not completed as scheduled.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

***Capital Assets***

Capital assets comprise 77% of all City assets, as detailed on page 25. Of that total, infrastructure is the largest component of both governmental and business-type activities. Infrastructure includes road improvements, sidewalks, stormwater systems, sewer lines, and water lines. Within governmental activities, the second largest component is land for buildings, parks, and roadways. Within business-type activities, the second largest component is for water treatment and wastewater treatment plants. Additional information about the City's capital assets and depreciation can be found in the Notes on pages 66-68.

**TABLE 3 – CAPITAL ASSETS NET OF DEPRECIATION, AT FISCAL YEARS-END JUNE 30**  
(in millions)

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Land	\$ 83.5	\$ 87.5	\$ 1.8	\$ 1.8	\$ 85.3	\$ 89.3
Intangibles	10.7	6.8	5.1	4.9	15.8	11.7
Buildings and improvements	19.1	19.6	29.7	30.8	48.8	50.4
Land improvements	7.6	6.2	24.9	25.4	32.5	31.6
Machinery and equipment	5.0	4.8	6.7	6.9	11.7	11.7
Infrastructure	86.6	87.3	67.4	65.5	154.0	152.8
Construction in progress	10.1	9.3	2.1	1.1	12.2	10.4
Total	<u>\$ 222.6</u>	<u>\$ 221.5</u>	<u>\$ 137.7</u>	<u>\$ 136.4</u>	<u>\$ 360.3</u>	<u>\$ 357.9</u>

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Significant capital asset activity for governmental and business-type activities for the current fiscal year includes:

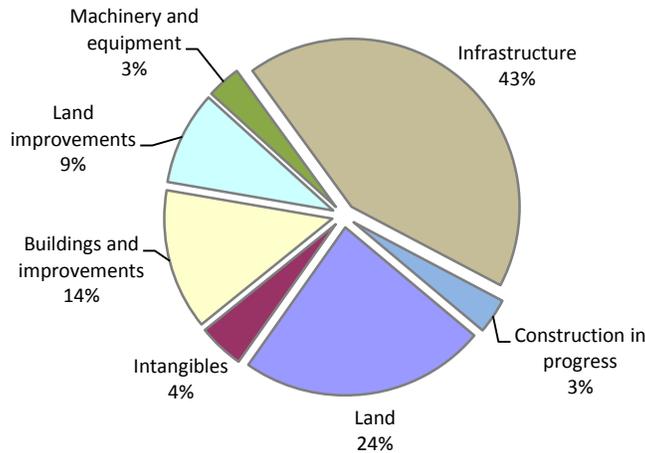
**Governmental activities**

- Various contributed land, easements, sidewalks and road improvements \$7.7 million
- Surplus land sale of \$4.9 million, net \$4.2 million book value for a \$0.7 million gain on sale.
- Upgraded traffic signals, crosswalk, and pedestrian improvements, \$608,000

**Business-type activities**

- Various contributed land, easements, sewer, water, and stormwater lines \$4.8 million
- Wastewater Treatment Plant upgrade, \$154,000

**CHART 4 - CAPITAL ASSETS – TOTAL  
AS OF JUNE 30, 2016**



**DEBT OUTSTANDING**

At year-end, the City had \$76.2 million in debt outstanding compared to \$77.4 million in the prior year. Of this balance, \$5.5 million is due on amortizing debt within one year. Additional information can be found in the Notes on pages 68-73.

**TABLE 4 - OUTSTANDING DEBT AT FISCAL YEARS-END**

(in millions)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Full faith and credit bonds:						
General obligation bonds	\$ -	\$ 0.4	\$ -	\$ -	\$ -	\$ 0.4
Revenue backed	-	-	36.9	39.8	36.9	39.8
Tax increment bonds	35.2	32.2	-	-	35.2	32.2
Revenue debt:						
Revenue bonds	-	-	4.1	5.8	4.1	5.0
<b>Total</b>	<b>\$ 35.2</b>	<b>\$ 32.6</b>	<b>\$ 41.0</b>	<b>\$ 45.6</b>	<b>\$ 76.2</b>	<b>\$ 77.4</b>

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During the fiscal year ended June 30, 2016 all scheduled debt payments were met. Governmental activities outstanding debt increased by \$2.6 million during the current fiscal from acquiring \$5.0 additional tax increment, urban renewal debt during the year offset by \$2.4 million in annual principal payments from outstanding debt. Business-type activities outstanding debt decreased \$4.6 million during the current fiscal year due to annual principal payments.

At fiscal year end June 30, 2016 the City had no general obligation debt. Moody's Investors Service, Inc. has rated the City's water revenue bond at Aa3 (Global Rating Scale). The City's tax increment debt is privately placed and has not been rated.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The 2016-17 Budget, including ending fund balances of \$66,626,389 and inter-fund transfers of \$27,004,803 was approved by the City Council on June 20, 2016 in the total amount of \$155,716,265. The City has an operating budget of \$38,157,011 and a capital projects budget of \$18,520,079. The City's Urban Renewal Agency (a blended component unit) has an additional \$1,680,060 capital projects budget. As reflected in the relatively large, combined capital project budget, the City is growing and is dedicated to investing in its infrastructure. The operating budget is allocated across seven operating programs: Policy and Administration, Community Development, Public Works, Parks and Recreation, Library, Transportation, and Public Safety<sup>1</sup>. The budget reflects the City Council's priority on existing programs to ensure that the City is able to maintain high quality services to the public. The following economic factors were considered in developing the 2016-17 fiscal year budget.

Property taxes are a prime resource for the General Fund. Property taxes are derived by applying property tax rates to assessed value. Both property tax rates and growth in assessed valuations are limited by two important state-wide, voter approved measures that passed in the 1990s. The first is referred to as Measure 5, and introduced a limit on property tax rates. For the General Government category of tax rates, the limit is \$10 per \$1,000 of real market value. The second is referred to as Measure 50, and resulted in limiting the growth of assessed valuation to 3% per year, and fixed property tax rates permanently. One consequence of Measure 50 is separating a property's assessed value from its market value for taxing purposes. While market value of a property can be volatile, the assessed value is limited by the state constitution to a 3% growth rate. Because market values within the City of Wilsonville have largely remained above assessed values, property tax revenue has remained stable.

Measure 50 resulted in permanent taxing rates, unless voters approve a local option levy or a bond levy. The City's permanent tax rate is \$2.5206 per \$1,000 of assessed valuation. Taxes from the permanent rate are recorded in the General Fund as discretionary revenues to support General Fund programs such as Public Safety, Library, and Parks and Recreation.

The State of Oregon does not have a sales tax, thus the City is not subject to swings in revenue during periods of economic volatility related to consumer spending. Nor is the City's General Fund dependent upon income taxes as a resource, thus it is not directly affected by the volatility in employment rates.

Franchise fees and privilege taxes are the second largest revenue source for the General Fund and have proven to be largely stable. These fees are charged to various utility companies for use of public right-of-way based upon a percentage of net sales within city limits. Over the past year a positive trend has been noticed in franchise tax revenue. The increase in franchise taxes is due primarily to continued growth in the economy and population within the city.

Intergovernmental revenues originate from state and county shared revenues. The state shared revenues include alcoholic beverage and cigarette excise taxes, and others. The revenues are allocated by various formulas, but utilize a per capita rate. Increases in next year's budget reflect the continued growth in population.

<sup>1</sup> Public Safety includes Law Enforcement and Municipal Court. Fire Service is provided by Tualatin Valley Fire and Rescue, which is a separate special district.

**CITY OF WILSONVILLE, OREGON**  
**Management's Discussion and Analysis**  
*For the Year Ended June 30, 2016*

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The City's building department is anticipating over 347 single family homes to be permitted in fiscal year 2016-17, primarily in the Villebois area. Anticipated non-residential construction includes the permits for a new middle school and car dealership. Revenues earned by the inspection and permit fees for the Building Fund are restricted by state statute; however activity reflects growth in the community that will eventually be reflected in the assessed value of the tax rolls and increased utility revenues.

The City's public transit system is funded by a payroll tax paid by Wilsonville businesses and is based on total payroll or self-employment income. Payroll taxes continue to increase as the local economy grows with new businesses relocating to the City. Transit taxes are estimated to exceed \$4.7 million in the next budget year.

Utility rates are reviewed regularly and adjusted by the City Council when necessary to ensure charges are sufficient to finance all related operating, capital outlay, debt service expenses, and operating reserves, as such:

- Water rates will increase 2.25% on January 1, 2017, the final scheduled rate increase in the past three year period.
- Sewer rates increased 10% on January 1, 2014 with no additional increases scheduled. That increase has provided the revenues to pay for wastewater treatment plant improvements, debt service and operating costs.
- Stormwater rates will increase 7.5% on January 1, 2017. In January 2015, City Council approved rate increases through January 1, 2021.
- Street lighting rates have been held steady for many years, last adjusted in July 1998, and have provided a stable financing source adequate to cover related operating and capital needs.

Uncertainties about future economic changes and financial impacts are common to all cities. To deal with the swings in the economy and to plan for future capital expansion, the City routinely puts aside resources. At June 30, 2016 the amount of reserve set aside in governmental activities total \$64.4 million. Fund balances reserved as non-spendable, restricted, committed or assigned total \$57.6 million, and \$6.8 million is provided for ongoing operations of the City. Within the business-type activities \$14.1 million is set aside for future construction and equipment replacement programs.

**REQUEST FOR INFORMATION**

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, please contact the City's Finance Director at 29799 SW Town Center Loop E, Wilsonville, Oregon 97070, or via email to [cole@ci.wilsonville.or.us](mailto:cole@ci.wilsonville.or.us). Financial information for current and prior years is also available at [www.ci.wilsonville.or.us](http://www.ci.wilsonville.or.us).

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**BASIC  
FINANCIAL  
STATEMENTS**

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**CITY OF WILSONVILLE, OREGON**

**Statement of Net Position**

June 30, 2016

	<b>Governmental</b>	<b>Business-Type</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
	<hr/>	<hr/>	<hr/>
<b>ASSETS</b>			
Cash and investments	\$ 57,053,411	\$ 24,006,442	\$ 81,059,853
Receivables (net of allowances for uncollectibles)	3,742,540	2,389,900	6,132,440
Internal balances	1,603,980	(1,603,980)	-
Inventories	-	63,295	63,295
Prepays	569,619	-	569,619
Restricted cash and investments	7,459,038	14,116,057	21,575,095
Notes receivable	-	1,172,827	1,172,827
Capital assets:			
Land, non-depreciable assets, and construction in progress	104,304,662	8,997,083	113,301,745
Building, improvements, and other capital assets (net of accumulated depreciation)	118,264,790	128,720,274	246,985,064
Total assets	<hr/>	<hr/>	<hr/>
	292,998,040	177,861,898	470,859,938
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension outflow	1,670,558	134,145	1,804,703
Deferred charge on refunding	-	233,731	233,731
Total deferred outflow of resources	<hr/>	<hr/>	<hr/>
	1,670,558	367,876	2,038,434
<b>LIABILITIES</b>			
Accounts payable	1,521,493	1,030,235	2,551,728
Other accrued liabilities	1,697,498	29,341	1,726,839
Unearned revenue	193,679	33,965	227,644
Deposits	273,953	17,545	291,498
Interest payable	118,455	128,813	247,268
Net pension liability	6,718,286	518,463	7,236,749
Noncurrent liabilities:			
Due within one year	2,401,182	3,373,927	5,775,109
Due in more than one year	33,388,684	38,671,603	72,060,287
Total liabilities	<hr/>	<hr/>	<hr/>
	46,313,230	43,803,892	90,117,122
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension inflow	<hr/>	<hr/>	<hr/>
	1,797,835	138,742	1,936,577
<b>NET POSITION</b>			
Net investment in capital assets	191,785,289	95,953,234	287,738,523
Restricted for:			
Capital projects	12,148,270	14,116,057	26,264,327
Debt service	12,030,620	-	12,030,620
Unrestricted	30,593,354	24,217,849	54,811,203
Total net position	<hr/>	<hr/>	<hr/>
	\$ 246,557,533	\$ 134,287,140	\$ 380,844,673

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

**CITY OF WILSONVILLE, OREGON**

**Statement of Activities**

*For the year ended June 30, 2016*

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government	\$ 4,643,949	\$ 860,828	\$ -	\$ -
Public safety	4,124,760	264,370	-	-
Transportation	6,377,195	206,506	412,130	506,228
Public works	9,607,460	703,448	1,429,765	10,483,655
Culture and recreation	5,454,466	316,880	1,227,146	1,804,218
Community development	6,219,709	3,444,984	-	-
Interest on long-term debt	1,439,098	-	-	-
<b>Total governmental activities</b>	<b>37,866,637</b>	<b>5,797,016</b>	<b>3,069,041</b>	<b>12,794,101</b>
<b>Business-type activities:</b>				
Water	6,814,839	8,380,163	-	3,122,262
Sewer	6,952,213	7,846,877	-	2,651,430
Stormwater	2,286,788	2,186,329	-	2,310,342
Street lighting	381,140	476,299	-	719,265
<b>Total business-type activities</b>	<b>16,434,980</b>	<b>18,889,668</b>	<b>-</b>	<b>8,803,299</b>
<b>Total government</b>	<b>\$ 54,301,617</b>	<b>\$ 24,686,684</b>	<b>\$ 3,069,041</b>	<b>\$ 21,597,400</b>

General revenues:

Property taxes, levied for general purposes

Property taxes, levied for debt service

Franchise, transit and hotel taxes

Investment revenue

Other revenues

Gain on sale of capital assets

Subtotal general revenues

Transfers

Total general revenues and transfers

Change in net position

Net position--beginning

Net position--ending

Continued on page 43.

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

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

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (3,783,121)	\$ -	\$ (3,783,121)
(3,860,390)	-	(3,860,390)
(5,252,331)	-	(5,252,331)
3,009,408	-	3,009,408
(2,106,222)	-	(2,106,222)
(2,774,725)	-	(2,774,725)
(1,439,098)	-	(1,439,098)
<u>(16,206,479)</u>	<u>-</u>	<u>(16,206,479)</u>
-	4,687,586	4,687,586
-	3,546,094	3,546,094
-	2,209,883	2,209,883
-	814,424	814,424
-	<u>11,257,987</u>	<u>11,257,987</u>
<u>(16,206,479)</u>	<u>11,257,987</u>	<u>(4,948,492)</u>
6,235,290	-	6,235,290
9,259,675	-	9,259,675
8,269,638	-	8,269,638
444,296	291,896	736,192
647,292	120,358	767,650
837,257	-	837,257
<u>25,693,448</u>	<u>412,254</u>	<u>26,105,702</u>
80,062	(80,062)	-
<u>25,773,510</u>	<u>332,192</u>	<u>26,105,702</u>
9,567,031	11,590,179	21,157,210
<u>236,990,502</u>	<u>122,696,961</u>	<u>359,687,463</u>
<u>\$ 246,557,533</u>	<u>\$ 134,287,140</u>	<u>\$ 380,844,673</u>

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## **FUND FINANCIAL STATEMENTS**

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### **Major Governmental Funds**

Funds whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental or enterprise funds and at least 5 percent of the aggregate amount for all governmental and enterprise funds for the same item. Additional funds may be reported as a major fund if the City's officials believe that fund is particularly important to financial statement users.

#### **General Fund**

Accounts for the financial operations of the City not accounted for in any other fund. Principal sources of revenue are property taxes, licenses and permits, state and county shared revenue, and charges for administrative services from other funds. Primary expenditures are for culture and recreation, general government, and police protection.

#### **Transit Fund**

Accounts for payroll taxes collected from the local business community and used to fund the City's mass transit program.

#### **Urban Renewal - Year 2000 Plan Debt Service Fund**

Accounts for the collection of tax increment (property tax) revenues and the payment of principal and interest on outstanding debt associated with the Year 2000 Plan Urban Renewal District.

#### **Urban Renewal - West Side Plan Debt Service Fund**

Accounts for the collection of tax increment (property tax) revenues and the payment of principal and interest on outstanding debt associated with the West Side Urban Renewal District.

#### **Urban Renewal - West Side Plan Capital Projects**

Accounts for the construction or reconstruction of capital projects within the boundaries of the West Side Urban Renewal District. These improvement are paid from the issuance of debt and revenues from property taxes and interest earnings.

**CITY OF WILSONVILLE, OREGON**  
**Governmental Funds**  
**Balance Sheet**  
*June 30, 2016*

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>
		<u>Transit</u>	<u>Urban Renewal</u> <u>Year 2000 Plan</u>
<b>ASSETS</b>			
Cash and investments	\$ 13,430,751	\$ 1,590,019	\$ 4,848,181
Receivables:			
Interest	45,549	10,414	3,488
Accounts	1,011,644	1,447,118	-
Property taxes	389,592	-	276,916
Prepays	568,959	375	-
Advances to other funds	1,603,980	-	-
Restricted cash and investments	209,000	-	603,025
Total assets	<u>\$ 17,259,475</u>	<u>\$ 3,047,926</u>	<u>\$ 5,731,610</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 195,682	\$ 210,042	\$ -
Other accrued liabilities	244,576	83,042	-
Deposits	27,000	-	-
Unearned revenue	141,453	-	-
Development charge payable	-	-	-
Total liabilities	<u>608,711</u>	<u>293,084</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	<u>353,878</u>	<u>-</u>	<u>253,407</u>
<b>FUND BALANCES</b>			
Nonspendable	568,959	375	-
Restricted	182,000	-	5,478,203
Committed	2,206,000	986,000	-
Assigned	6,557,262	1,768,467	-
Unassigned	6,782,665	-	-
Total fund balances	<u>16,296,886</u>	<u>2,754,842</u>	<u>5,478,203</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 17,259,475</u>	<u>\$ 3,047,926</u>	<u>\$ 5,731,610</u>

Continued on page 43.

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

<b>Debt Service</b>	<b>Capital Projects</b>	<b>Other</b>	<b>Total</b>
<b>Urban Renewal</b>	<b>Urban Renewal</b>	<b>Governmental</b>	<b>Governmental</b>
<b>West Side Plan</b>	<b>Westside Plan</b>	<b>Funds</b>	
\$ 3,790,768	\$ 2,113,474	\$ 29,722,715	\$ 55,495,908
4,154	-	60,435	124,040
-	-	225,642	2,684,404
251,084	-	-	917,592
-	-	285	569,619
-	-	-	1,603,980
2,732,607	672,613	3,241,793	7,459,038
<u>\$ 6,778,613</u>	<u>\$ 2,786,087</u>	<u>\$ 33,250,870</u>	<u>\$ 68,854,581</u>
\$ -	\$ 2,800	\$ 1,070,160	\$ 1,478,684
-	37,825	149,678	515,121
-	-	246,953	273,953
-	-	52,226	193,679
-	1,166,060	-	1,166,060
-	1,206,685	1,519,017	3,627,497
<u>226,196</u>	<u>-</u>	<u>-</u>	<u>833,481</u>
-	-	285	569,619
6,552,417	-	12,148,270	24,360,890
-	-	938,000	4,130,000
-	1,579,402	18,645,298	28,550,429
-	-	-	6,782,665
<u>6,552,417</u>	<u>1,579,402</u>	<u>31,731,853</u>	<u>64,393,603</u>
<u>\$ 6,778,613</u>	<u>\$ 2,786,087</u>	<u>\$ 33,250,870</u>	<u>\$ 68,854,581</u>

**CITY OF WILSONVILLE, OREGON**  
**Reconciliation of Total Governmental Fund Balances**  
**to Net Assets of Governmental Activities**  
*For the year ending June 30, 2016*

Total fund balances - governmental funds	\$	64,393,603
 <i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$6,522,067.		222,026,058
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Net pension liability		(6,463,340)
Property taxes earned but unavailable		833,481
Deferred outflows of resources		1,606,846
Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.		(561,818)
Internal service funds are used by management to charge the costs of fleet management to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.		1,763,236
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
Notes and bonds		(35,192,468)
Interest on long-term debt		(118,455)
Deferred inflows of resources		(1,729,610)
Net Position of Governmental Activities	<u>\$</u>	<u>246,557,533</u>

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

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**CITY OF WILSONVILLE, OREGON**  
**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
*For the year ending June 30, 2016*

	General	Special Revenue	Debt Service
		Transit	Urban Renewal Year 2000 Plan
<b>REVENUES</b>			
Taxes	\$ 9,820,720	\$ 4,638,597	\$ 4,127,385
Intergovernmental	2,001,507	918,358	-
Licenses and permits	167,124	-	-
Charges for services	661,915	190,235	-
System development fees	-	-	-
Fines and forfeitures	187,448	-	-
Investment revenue	133,836	23,390	32,457
Other revenues	226,377	16,282	-
Total revenues	<u>13,198,927</u>	<u>5,786,862</u>	<u>4,159,842</u>
<b>EXPENDITURES</b>			
Current operating:			
General government	2,537,767	417,097	-
Public safety	4,064,863	-	-
Transportation	-	4,696,751	-
Public works	603,138	76,851	-
Culture and recreation	3,901,408	-	-
Community development	-	-	-
Debt service:			
Principal	-	-	315,000
Interest	-	-	276,545
Capital outlay	302,235	419,995	-
Total expenditures	<u>11,409,411</u>	<u>5,610,694</u>	<u>591,545</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,789,516</u>	<u>176,168</u>	<u>3,568,297</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of debt	-	-	-
Transfers in	56,000	-	-
Transfers out	(830,168)	(6,400)	(2,000,000)
Sale of capital assets	-	-	-
Total other financing sources (uses)	<u>(774,168)</u>	<u>(6,400)</u>	<u>(2,000,000)</u>
Net change in fund balance	1,015,348	169,768	1,568,297
Fund balances--beginning	15,281,538	2,585,074	3,909,906
Fund balances--ending	<u>\$ 16,296,886</u>	<u>\$ 2,754,842</u>	<u>\$ 5,478,203</u>

Continued on page 47.

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

<b>Debt Service</b>	<b>Capital Projects</b>	<b>Other</b>	<b>Total</b>
<b>Urban Renewal</b>	<b>Urban Renewal</b>	<b>Governmental</b>	<b>Governmental</b>
<b>West Side Plan</b>	<b>West Side Plan</b>	<b>Funds</b>	<b>Funds</b>
\$ 4,824,473	\$ -	\$ 282,710	\$ 23,693,885
-	-	1,545,447	4,465,312
-	-	2,801,101	2,968,225
-	-	1,344,681	2,196,831
-	-	4,383,098	4,383,098
-	-	-	187,448
47,790	21,562	174,366	433,401
-	-	158,105	400,764
<u>4,872,263</u>	<u>21,562</u>	<u>10,689,508</u>	<u>38,728,964</u>
-	-	605,963	3,560,827
-	-	-	4,064,863
-	-	-	4,696,751
-	-	875,714	1,555,703
-	-	-	3,901,408
-	1,204,981	3,903,703	5,108,684
1,717,532	-	355,000	2,387,532
1,144,759	-	17,040	1,438,344
-	2,168,275	2,889,826	5,780,331
<u>2,862,291</u>	<u>3,373,256</u>	<u>8,647,246</u>	<u>32,494,443</u>
<u>2,009,972</u>	<u>(3,351,694)</u>	<u>2,042,262</u>	<u>6,234,521</u>
-	5,000,000	-	5,000,000
-	-	5,529,275	5,585,275
-	-	(2,618,204)	(5,454,772)
-	-	4,941,165	4,941,165
-	5,000,000	7,852,236	10,071,668
2,009,972	1,648,306	9,894,498	16,306,189
4,542,445	(68,904)	21,837,355	48,087,414
<u>\$ 6,552,417</u>	<u>\$ 1,579,402</u>	<u>\$ 31,731,853</u>	<u>\$ 64,393,603</u>

**CITY OF WILSONVILLE, OREGON**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances of Governmental Funds to the**  
**Statement of Activities**  
*For the year ending June 30, 2016*

Net change in fund balances-total governmental funds \$ 16,306,189

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Expenditures for capital assets	\$ 5,227,729	
Less current year depreciation	<u>(6,522,067)</u>	(1,294,338)

The net effect of various miscellaneous transactions involving capital assets is to increase net position as follows:

Contributions from outside parties	7,697,880	
Capitalized overhead costs	574,356	
Cost of capital assets sold or disposed	(5,921,514)	
Transfers to/from business-type activities	<u>(48,041)</u>	2,302,681

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes		70,719
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount by which proceeds exceeded repayments.

Principal payments		(2,612,468)
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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.

Interest		(754)
Compensated absences		29,472
Pension expense		<u>(5,216,652)</u>

An internal service fund is used by management to charge the costs of fleet management to individual funds. The net revenue of certain activities of the internal service fund is reported with governmental activities.

(17,818)

Change in Net Position of Governmental Activities		<u><u>\$ 9,567,031</u></u>
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The notes to the financial statements are an integral part of this statement.

## **FUND FINANCIAL STATEMENTS**

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### **Proprietary Funds**

The City of Wilsonville utilizes five Proprietary Funds made up of four Enterprise Funds and one Governmental Activities Internal Service Fund.

**Enterprise Funds** - These funds are entirely or predominantly self-supported through user charges to external customers. City funds are used to account for acquisition, operation, and maintenance of water, sewer, stormwater facilities, and streetlights. Funds included are:

- ***Water***
- ***Sewer***
- ***Stormwater***
- ***Street Lighting***

For budgetary purposes (see budget schedules in the Other Supplemental Information section), the Water, Sewer, and Stormwater funds are accounted for in the following separate funds:

- ***Water***
  - Water Operating
  - Water Capital Projects
  - Water Development Charges
- ***Sewer***
  - Sewer Operating
  - Sewer Capital Projects
  - Sewer Development Charges
- ***Stormwater***
  - Stormwater Operating
  - Stormwater Capital Projects
  - Stormwater Development Charges

For generally accepted accounting principles purposes, these aforementioned funds and the Street Lighting Fund are consolidated and included as four separate Enterprise Funds.

**Internal Service Fund** - This fund accounts for those activities and services furnished internally to other organizational units within the City on a cost reimbursement basis. Charges are made to the various departments to support these activities. The City's sole internal service fund is:

- ***Fleet***

**CITY OF WILSONVILLE, OREGON**

**Proprietary Funds**

**Statement of Net Position**

June 30, 2016

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental</b>
	<b>Water</b>	<b>Sewer</b>	<b>Stormwater</b>	<b>Street Lighting</b>	<b>Totals</b>	<b>Activities</b>
						<b>Fleet Internal Service Fund</b>
<b>ASSETS</b>						
Current assets:						
Cash and investments	\$ 9,696,125	\$ 10,596,623	\$ 2,700,467	\$ 1,013,227	\$ 24,006,442	\$ 1,557,503
Interest receivable	28,636	74,147	2,997	-	105,780	1,904
Customer receivable, net	867,197	719,293	221,108	44,360	1,851,958	-
Other receivables	362,989	69,173	-	-	432,162	14,600
Inventories	63,295	-	-	-	63,295	-
Total current assets	<u>11,018,242</u>	<u>11,459,236</u>	<u>2,924,572</u>	<u>1,057,587</u>	<u>26,459,637</u>	<u>1,574,007</u>
Noncurrent assets:						
Restricted cash and investments	3,303,481	8,858,204	1,954,372	-	14,116,057	-
Notes receivable	1,170,863	1,964	-	-	1,172,827	-
Capital assets, net	<u>49,050,495</u>	<u>62,161,568</u>	<u>23,134,604</u>	<u>3,370,690</u>	<u>137,717,357</u>	<u>543,394</u>
Total noncurrent assets	<u>53,524,839</u>	<u>71,021,736</u>	<u>25,088,976</u>	<u>3,370,690</u>	<u>153,006,241</u>	<u>543,394</u>
Total assets	<u>64,543,081</u>	<u>82,480,972</u>	<u>28,013,548</u>	<u>4,428,277</u>	<u>179,465,878</u>	<u>2,117,401</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension outflow	61,455	39,485	33,205	-	134,145	63,712
Deferred charge on refunding	233,731	-	-	-	233,731	-
Total deferred outflows	<u>295,186</u>	<u>39,485</u>	<u>33,205</u>	<u>-</u>	<u>367,876</u>	<u>63,712</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	626,652	213,938	189,645	-	1,030,235	42,809
Accrued compensated absences	10,326	7,099	2,502	-	19,927	11,490
Other accrued liabilities	13,843	8,457	7,041	-	29,341	16,317
Unearned revenue	33,965	-	-	-	33,965	-
Deposits	17,545	-	-	-	17,545	-
Interest payable	27,545	101,268	-	-	128,813	-
Bonded debt - current	1,629,000	1,725,000	-	-	3,354,000	-
Total current liabilities	<u>2,358,876</u>	<u>2,055,762</u>	<u>199,188</u>	<u>-</u>	<u>4,613,826</u>	<u>70,616</u>
Noncurrent liabilities:						
Compensated absences	7,124	14,542	6,083	-	27,749	24,090
Due to other funds	-	-	1,603,980	-	1,603,980	-
Net pension liability	249,881	143,606	124,976	-	518,463	254,946
Bonded debt	5,909,564	32,734,290	-	-	38,643,854	-
Total noncurrent liabilities	<u>6,166,569</u>	<u>32,892,438</u>	<u>1,735,039</u>	<u>-</u>	<u>40,794,046</u>	<u>279,036</u>
Total liabilities	<u>8,525,445</u>	<u>34,948,200</u>	<u>1,934,227</u>	<u>-</u>	<u>45,407,872</u>	<u>349,652</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pension inflow	66,869	38,429	33,444	-	138,742	68,225
<b>NET POSITION</b>						
Net investment in capital assets	41,745,662	27,702,278	23,134,604	3,370,690	95,953,234	543,394
Restricted for capital projects	3,303,481	8,858,204	1,954,372	-	14,116,057	-
Unrestricted	11,196,810	10,973,346	990,106	1,057,587	24,217,849	1,219,842
Total net position	<u>\$ 56,245,953</u>	<u>\$ 47,533,828</u>	<u>\$ 26,079,082</u>	<u>\$ 4,428,277</u>	<u>\$ 134,287,140</u>	<u>\$ 1,763,236</u>

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

**CITY OF WILSONVILLE, OREGON**

**Proprietary Funds**

**Statement of Revenues, Expenses, and Changes in Net Position**

*For the year ended June 30, 2016*

	<b>Business-type Activities - Enterprise Funds</b>				<b>Totals</b>	<b>Governmental</b>
	<b>Water</b>	<b>Sewer</b>	<b>Stormwater</b>	<b>Street Lighting</b>		<b>Activities</b>
						<b>Fleet Internal Service Fund</b>
<b>OPERATING REVENUES:</b>						
Charges for services	\$ 8,380,163	\$ 7,846,877	\$ 2,186,329	\$ 476,299	\$ 18,889,668	\$ 1,298,027
Other revenues	57,740	62,618	-	-	120,358	8,913
Total operating revenues	<u>8,437,903</u>	<u>7,909,495</u>	<u>2,186,329</u>	<u>476,299</u>	<u>19,010,026</u>	<u>1,306,940</u>
<b>OPERATING EXPENSES:</b>						
Personal services	705,516	414,013	369,742	-	1,489,271	741,833
Support services	596,454	445,934	257,966	-	1,300,354	-
Contractual services	1,617,003	2,143,251	104,328	-	3,864,582	-
Utilities	456,645	293,512	2,547	272,931	1,025,635	73,004
Repairs and maintenance	439,844	42,331	162,500	-	644,675	60,921
Other operating expenses	903,348	418,173	187,110	10,589	1,519,220	419,643
Depreciation	1,691,783	1,945,286	1,091,264	97,620	4,825,953	87,128
Total operating expenses	<u>6,410,593</u>	<u>5,702,500</u>	<u>2,175,457</u>	<u>381,140</u>	<u>14,669,690</u>	<u>1,382,529</u>
Operating income (loss)	<u>2,027,310</u>	<u>2,206,995</u>	<u>10,872</u>	<u>95,159</u>	<u>4,340,336</u>	<u>(75,589)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>						
Investment revenue	92,164	169,703	23,244	6,785	291,896	10,889
Interest expense	(401,491)	(1,272,520)	(10,000)	-	(1,684,011)	-
Amortization of bond premium (discount)	(2,609)	74,462	-	-	71,853	-
Disposition of capital assets	(146)	(51,655)	(101,331)	-	(153,132)	49,282
Total nonoperating revenues (expenses)	<u>(312,082)</u>	<u>(1,080,010)</u>	<u>(88,087)</u>	<u>6,785</u>	<u>(1,473,394)</u>	<u>60,171</u>
Net income (loss) before contributions and transfers	<u>1,715,228</u>	<u>1,126,985</u>	<u>(77,215)</u>	<u>101,944</u>	<u>2,866,942</u>	<u>(15,418)</u>
Capital contributions - infrastructure	1,255,283	1,132,576	1,748,174	719,265	4,855,298	-
Capital contributions - grants and fees	1,866,979	1,518,854	562,168	-	3,948,001	-
Transfers out	(12,000)	(12,000)	(2,400)	(53,662)	(80,062)	(2,400)
Change in net position	<u>4,825,490</u>	<u>3,766,415</u>	<u>2,230,727</u>	<u>767,547</u>	<u>11,590,179</u>	<u>(17,818)</u>
Net position--beginning	51,420,463	43,767,413	23,848,355	3,660,730	122,696,961	1,781,054
Net position--ending	<u>\$ 56,245,953</u>	<u>\$ 47,533,828</u>	<u>\$ 26,079,082</u>	<u>\$ 4,428,277</u>	<u>\$ 134,287,140</u>	<u>\$ 1,763,236</u>

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

**CITY OF WILSONVILLE, OREGON**

**Proprietary Funds**

**Statement of Cash Flows**

*For the year ended June 30, 2016*

	Business-type Activities - Enterprise Funds					Governmental
	Water	Sewer	Stormwater	Street Lighting	Totals	Fleet Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers	\$ 8,114,376	\$ 7,805,906	2,144,422	\$ 473,958	\$ 18,538,662	\$ 1,293,533
Payments to suppliers	(3,418,694)	(3,082,667)	1,241,005	(308,072)	(5,568,428)	(554,304)
Payments to employees	(502,572)	(298,424)	(267,891)	-	(1,068,887)	(532,864)
Internal activity--payments for services	(596,454)	(445,934)	(257,966)	-	(1,300,354)	-
Other receipts	57,740	62,618	-	-	120,358	8,913
Net cash provided by operating activities	<u>3,654,396</u>	<u>4,041,499</u>	<u>2,859,570</u>	<u>165,886</u>	<u>10,721,351</u>	<u>215,278</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Transfers to other funds	(12,000)	(12,000)	(2,400)	(53,662)	(80,062)	(2,400)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Proceeds from the sale of capital assets	-	-	-	-	-	52,282
Proceeds from issuance of debt	4,059,000	-	-	-	4,059,000	-
Capital contributions - grants and fees	1,866,979	1,518,854	562,168	-	3,948,001	-
Purchases of capital assets	(311,979)	(326,061)	(679,507)	(48,041)	(1,365,588)	(83,674)
Principal paid on capital debt	(5,570,000)	(2,310,000)	-	-	(7,880,000)	-
Interest paid on capital debt	(342,470)	(1,278,957)	(10,000)	-	(1,631,427)	-
Net cash used by capital and related financing activities	<u>(298,470)</u>	<u>(2,396,164)</u>	<u>(127,339)</u>	<u>(48,041)</u>	<u>(2,870,014)</u>	<u>(31,392)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest received	82,267	134,242	20,247	6,785	243,541	10,541
Net increase in cash and investments	3,426,193	1,767,577	2,750,078	70,968	8,014,816	192,027
Balances--beginning of the year	9,573,413	17,687,250	1,904,761	942,259	30,107,683	1,365,476
Balances--end of the year	<u>\$ 12,999,606</u>	<u>\$ 19,454,827</u>	<u>\$ 4,654,839</u>	<u>\$ 1,013,227</u>	<u>\$ 38,122,499</u>	<u>\$ 1,557,503</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>						
Operating income (loss)	\$ 2,027,310	\$ 2,206,995	\$ 10,872	\$ 95,159	\$ 4,340,336	\$ (75,589)
Adjustments to reconcile operating income to net cash provided by operating activities:						
Cash flows reported in other categories:						
Depreciation expense	1,691,783	1,945,286	1,091,264	97,620	4,825,953	87,128
Pension expense	211,736	112,840	99,967	-	424,543	206,218
Change in assets and liabilities:						
Receivables, net	(275,557)	(40,970)	(41,907)	(2,341)	(360,775)	(4,494)
Prepaid assets	580	-	-	-	580	-
Inventories	9,769	-	-	-	9,769	-
Accounts payable	(24,701)	(186,022)	93,631	(24,552)	(141,644)	(3,357)
Accrued compensated absences	(8,792)	2,749	1,884	-	(4,159)	2,751
Other accrued liabilities	(8)	621	(121)	-	492	2,621
Deferred revenue	20,701	-	-	-	20,701	-
Deposits	1,575	-	-	-	1,575	-
Net cash provided by operating activities	<u>\$ 3,654,396</u>	<u>\$ 4,041,499</u>	<u>\$ 2,859,570</u>	<u>\$ 165,886</u>	<u>\$ 10,721,351</u>	<u>\$ 215,278</u>
Noncash capital contribution activities:						
Capital assets from developers	\$ 1,255,283	\$ 1,132,576	\$ 1,748,174	\$ 719,265	\$ 4,855,298	\$ -

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

**NOTES TO  
BASIC FINANCIAL STATEMENTS**

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## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). GAAP statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The financial statements have incorporated all applicable GASB pronouncements.

### ***Reporting Entity***

The City of Wilsonville, Oregon is a municipal corporation, incorporated in 1968. The City operates under a Council-City Manager form of government. The governing body consists of four elected council members and a mayor. The mayor and council members are each elected to serve a four-year term. The City Manager administers policies and coordinates the activities of the City. The heads of the various departments, formed to provide various services, are under the direct supervision of the City Manager.

The accompanying financial statements present the City and its component unit (Urban Renewal Agency), an entity for which the City is considered to be financially responsible for.

### ***Blended Component Unit***

The City has included the financial operations of its Urban Renewal Agency as a blended component unit in the basic financial statements. The Agency is a legally separate entity which is governed by a board comprised of the members of the City Council as stipulated by the Agency's bylaws. The City Council has the ability to impose its will on the Agency as determined on the basis of budget adoption, taxing authority, and funding for the Agency. Complete financial statements for the Agency can be obtained from the Finance Director of the City, 29799 SW Town Center Loop E., Wilsonville, OR 97070-0220, or can be viewed at the City's web page: <http://www.ci.wilsonville.or.us>.

### ***Basic Financial Statements***

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

Government-wide financial statements display information about the reporting government as a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

The Statement of Net Position presents all the assets, liabilities and deferred inflows and outflows of the City with the difference reported as net position.

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

Fund financial statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, proprietary, or fiduciary. Currently, the City has governmental and proprietary type funds. Major individual governmental funds, major individual enterprise funds, and the internal service fund are reported as separate columns in the fund financial statements. Non-major funds are consolidated into a single column within each fund type in the financial section of the basic financial statements and are detailed in the supplemental information.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule include charges between the City's business-type activities/ enterprise funds, as well as some special revenue funds, and the General Fund. The City allocates charges as reimbursement for services provided by the General Fund in support of those functions based on levels of service provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. These charges are included in direct program expenses.

### ***Basis of Presentation***

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

There are stated minimum criteria for the determination of major funds: percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category, or the governmental and enterprise funds combined. The City electively added funds as major funds, those funds which either had debt outstanding or specific community focus. Non-major funds are combined in a column in the fund financial statements and detailed in the combining section.

The City reports the following major governmental funds:

- *General Fund*  
Accounts for all the financial operations of the City except those required to be accounted for in another fund. Principal sources of revenue are property taxes, franchise fees, licenses, state and county shared revenues, and charges for administrative services from other funds. Primary expenditures are for general government, police protection, and culture and recreation.
- *Transit Fund*  
Accounts for payroll taxes collected from the local business community, federal transit grants and use of these resources to operate the City's mass transit program.
- *Urban Renewal Year 2000 Plan Debt Service Fund*  
Accounts for the payment of principal and interest on Urban Renewal Year 2000 Plan Bonds. Resources are provided from tax increment proceeds and interest earnings.
- *Urban Renewal West Side Plan Debt Service Fund*  
Accounts for the payment of principal and interest on Urban Renewal Year 2000 Plan Bonds. Resources are provided from tax increment proceeds and interest earnings.
- *Urban Renewal West Side Plan Capital Projects Fund*  
Accounts for financial resources used for the acquisition or construction of major capital facilities for Urban Renewal West Side Capital Projects. Resources are provided from bond proceeds.

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

- *Special Revenue Funds*  
Used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- *Debt Service Funds*  
Used to account for debt service appropriations for the payment of principal and interest on general obligation bonds.
- *Capital Projects Funds*  
Accounts for financial resources used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

The City reports each of its five proprietary funds as major funds. The proprietary funds include four enterprise funds and one internal service fund. The enterprise funds are used to account for the acquisition, operation, and maintenance of water, sewer, stormwater and street lighting facilities. The City reports its Fleet Fund as an Internal Service Fund. Internal service funds account for those activities and services furnished internally to other organizational units within the City on a cost reimbursement basis. Charges are made to the various departments to support these activities. The City's sole internal service fund is for fleet services.

The City reports the following proprietary funds:

- *Water Fund*  
Water Operating Fund (budgetary basis financial statements only)  
Water Capital Projects Fund (budgetary basis financial statements only)  
Water Development Charges Fund (budgetary basis financial statements only)
- *Sewer Fund*  
Sewer Operating Fund (budgetary basis financial statements only)  
Sewer Capital Projects Fund (budgetary basis financial statements only)  
Sewer Development Charges Fund (budgetary basis financial statements only)
- *Stormwater Fund*  
Stormwater Operating Fund (budgetary basis financial statements only)  
Stormwater Capital Projects Water Fund (budgetary basis financial statements only)  
Stormwater Development Charges Fund (budgetary basis financial statements only)
- *Street Lighting Fund*  
Street Lighting Fund
- *Fleet Fund*  
Fleet Fund

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

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus.

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

Governmental funds financial statements are presented on a modified accrual basis of accounting with a current financial resource measurement focus. This focus concentrates on the fund's resources available for spending currently or in the near future. Only transactions and events affecting the fund's current financial resources during the period are reported. Similar to the connection between an economic resource measurement focus and full accrual accounting, a current financial resource measurement focus is inseparable from a modified accrual basis of accounting. Under modified accrual accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Property taxes, franchise fees, licenses and permits, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered susceptible to accrual as revenue of the current period. All other revenues are considered to be measurable and available only when cash is received by the City.

An accrual arises in the Governmental Funds Balance Sheet when potential revenue does not meet the earned and available criteria for recognition in the current period. Unavailable deferred revenue consists primarily of uncollected property taxes and assessments not deemed available to finance operation of the current period. In the government-wide Statement of Activities, with a full accrual basis of accounting, revenue is recognized as soon as it is earned regardless of its availability. Thus, the deferred inflow created on the Governmental Fund Balance Sheet for unavailable deferred revenue is eliminated. Unearned revenues arise outside the scope of measurement focus and basis of accounting, such as when the City receives resources before it has a legal claim to them. An example of this would be when grant monies are received prior to the incurrence of qualifying expenditures.

Similar to the way its revenues are recorded, governmental funds only record those expenditures that affect current financial resources. Principal and interest on general long-term debt are recorded as fund liabilities only when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Vested compensated absences are recorded as expenditures only to the extent that they are expected to be liquidated with expendable financial resources, such as, any unused reimbursable leave outstanding at the time of an employee's resignation or retirement. However, in the government-wide financial statements, with a full accrual basis of accounting, all expenditures affecting the economic resource status of the government are recognized. Thus, the expense and related accrued liability for long-term portions of debt and compensated absences are included.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements, reconciliation is provided to explain the differences between the governmental fund statements and the governmental column of the government-wide presentation. This reconciliation is part of the financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

Internal Service funds also distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services to other organizational units within the City. The principal operating revenues of the City's Fleet Fund are payment for services rendered to maintain both vehicles and motorized equipment. Operating expenses for the Fleet Fund include the cost of fuel, supplies and parts to maintain the City's assets, and the administrative expenses, overheads and depreciation on capital assets including the amortization of intangible assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

## ***Assets, Liabilities, and Equity***

### **Cash and Investments**

Cash and cash equivalents include cash on hand, demand deposits, short-term investments with original or remaining maturities of three months or less when purchased, and cash and investments in the City-wide investment pool. Investments, including equity in pooled cash and investments are stated at fair value.

### **Receivables and Payables**

Activity between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Recorded property taxes receivable that are collected within 60 days after year-end are considered measurable and available and, therefore, are recognized as revenue. The remaining balance is recorded as a deferred inflow of resource because it is not deemed available to finance operations of the current period. An allowance for doubtful accounts is not deemed necessary, as uncollectible taxes become a lien on the property. Property taxes are levied and become a lien on July 1. Collection dates are November 15, February 15, and May 15 following the lien date. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Receivables of the enterprise funds are recognized as revenue when earned, including services provided but not billed. Receivables in governmental and enterprise funds are stated net of any allowance for uncollectible accounts.

### **Inventories and Prepaids**

Inventories of materials and supplies in the enterprise funds are stated at cost on a first-in, first-out basis and charged to expenses as used. Prepaids in the governmental funds are stated at cost and charged to expenditures in the period consumed.

### **Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, pathways, streetlights, etc.) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are charged to expenditures as purchased in the governmental fund statements and capitalized in the proprietary fund statements. Capital assets are recorded at historical cost or estimated historical cost. Donated assets are recorded at estimated fair market value as of the date of the donation.

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

Depreciation on exhaustible assets, including intangible assets with definite useful lives, is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position. Depreciation is calculated using the straight-line method over the following estimated useful lives:

<b><u>Asset</u></b>	<b><u>Years</u></b>
Buildings and improvements	25-40
Improvements other than buildings	10-20
Machinery and equipment	5-15
Vehicles	5-10
Utility systems	25-50
Infrastructure	20-40
Software	5-10

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

### **Accrued Compensated Absences and Sick Pay**

Accumulated vested vacation pay is accrued as it is earned. For governmental funds, a liability for these amounts is reported only when it has matured, for example, when an employee resigns or retires. The non-current portion (the amount estimated to be used in subsequent fiscal years) is maintained separately and represents a reconciling item between the fund-level and government-wide presentations. Only the current portion is reported in the governmental funds, and is calculated based on historical trends. In business-type/enterprise and internal service funds, both the current and long-term liabilities are recorded.

Sick leave pay, which does not vest, is recognized in all funds when leave is taken.

### **Long-Term Debt**

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources while

discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### **Deferred Outflows/Inflows of Resources**

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

### **Net Position Flow Assumption**

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

### **Fund Balance Flow Assumptions**

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

### **Fund Balance**

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. These fund balance categories are:

- *Nonspendable*: Includes resources that are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for resale.
- *Restricted*: Includes resources that are restricted by external creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- *Committed*: Includes amounts that can only be used for the specific purposes as adopted by a resolution of the City Council. Commitments may be established, modified, or rescinded by similar resolution.
- *Assigned*: Represents amounts that reflect the City’s intended use of resources. Authority to classify portion of fund balance as assigned is explicitly granted to the City Council, City Manager, and the Finance Director as part of the yearly budget resolution passed and approved by the City of Wilsonville, City Council.
- *Unassigned*: Total fund balance in the General Fund in excess of nonspendable, restricted, committed, and assigned balance. This classification is also used to report any deficit fund balance amounts in other governmental funds.

Fund balance by classification for the year ended June 30, 2016 is as follows:

<b>Fund balances</b>	<b>General</b>	<b>Transit</b>	<b>Urban Renewal Year 2000 Plan Debt Service</b>	<b>Urban Renewal West Side Plan Debt Service</b>	<b>Urban Renewal Westside Plan Capital Projects</b>	<b>Other Governmental Funds</b>	<b>Total Governmental</b>
<b>Nonspendable:</b>							
Prepays	\$ 568,959	\$ 375	\$ -	\$ -	\$ -	\$ 285	\$ 569,619
<b>Restricted:</b>							
Bond covenants	-	-	2,714,528	591,463	-	-	3,305,991
Capital projects	-	-	-	-	-	12,148,270	12,148,270
Debt service	-	-	3,837,889	4,886,740	-	-	8,724,629
PEG Communication	182,000	-	-	-	-	-	182,000
<b>Total Restricted</b>	<b>182,000</b>	<b>-</b>	<b>6,552,417</b>	<b>5,478,203</b>	<b>-</b>	<b>12,148,270</b>	<b>24,360,890</b>
<b>Committed:</b>							
Unanticipated future needs	2,206,000	986,000	-	-	-	938,000	4,130,000
<b>Assigned:</b>							
Computer, software, fiber	925,500	-	-	-	-	500,000	1,425,500
Emergency management	225,000	-	-	-	-	-	225,000
Facilities and park improvements	1,498,000	-	-	-	-	-	1,498,000
Planning support - Coffee Creek	1,908,762	-	-	-	-	-	1,908,762
Capital projects	-	-	-	-	1,579,402	10,881,835	12,461,237
Street maintenance and improvements	-	-	-	-	-	2,290,548	2,290,548
Capital asset needs - buses	-	756,788	-	-	-	-	756,788
Operational support	2,000,000	1,011,679	-	-	-	4,972,915	7,984,594
<b>Total Assigned</b>	<b>6,557,262</b>	<b>1,768,467</b>	<b>-</b>	<b>-</b>	<b>1,579,402</b>	<b>18,645,298</b>	<b>28,550,429</b>
<b>Unassigned</b>	<b>6,782,665</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,782,665</b>
	<b>\$ 16,296,886</b>	<b>\$ 2,754,842</b>	<b>\$ 6,552,417</b>	<b>\$ 5,478,203</b>	<b>\$ 1,579,402</b>	<b>\$ 31,731,853</b>	<b>\$ 64,393,603</b>

### **Net Pension Liability**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflow of resources related to pensions and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and addition to/deductions from OPER's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payment (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### **Use of Estimates**

In preparing the City's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## **2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

### ***Budgetary Information***

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

Each April, the City Manager submits a proposed budget to the Budget Committee (consisting of the City Council and an equal number of citizens of the City). The City is required to budget all funds. The City's budget is prepared for each fund on the modified accrual basis of accounting with Proprietary Fund types adjusted for year-end accrued compensated absences. For all fund types, inter-fund loans are budgeted as sources and uses in accordance with state budget laws. Estimated receipts and expenditures are budgeted for by fund and object. Information on the past two years' actual revenues and expenditures and current-year estimates are included in the budget document.

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

The City Council legally adopts the budget by resolution before July 1, as per ORS 294.456. The program level is the legal level of budgetary control. The budget is adopted and monitored at the program level for each fund as displayed below.

<b><u>General Fund</u></b>			
Administration	Finance	Information Services	Geographical Information Services
Legal	Human Resources	Public Works Administration	Building Maintenance
Parks Maintenance	Parks and Recreation	Senior Programs	Library
Law Enforcement	Municipal Court	Transfers to Other Funds	Contingency
<b><u>Building Inspection Fund</u></b>			
Building Inspection	Transfers to Other Funds	Contingency	
<b><u>Community Development Fund</u></b>			
CD Administration	Engineering	Planning	Natural Resources/Stormwater Mgmt
Transfers to Other Funds	Contingency		
<b><u>Transit Fund</u></b>			
Transit	Transfers to Other Funds	Contingency	
<b><u>Road Operating Fund</u></b>			
Road Operating	Transfers to Other Funds	Contingency	
<b><u>Road Maintenance Fund</u></b>			
Transfer to Other Funds	Contingency		
<b><u>Water Operating Fund</u></b>			
Water Distributions and Sales	Water Treatment	Debt Service	Transfers to Other Funds
Contingency			
<b><u>Sewer Operating Fund</u></b>			
Sewer Collection	Sewer Treatment	Sewer Pretreatment	Debt Service
Transfers to Other Funds	Contingency		
<b><u>Street Lighting Operating Fund</u></b>			
Street Lighting	Transfers to Other Funds	Contingency	
<b><u>Stormwater Fund</u></b>			
Natural Resources/Stormwater Mgmt	Stormwater Maintenance	Transfers to Other Funds	Contingency
<b><u>Fleet Service Fund</u></b>			
Fleet	Transfers to Other Funds	Contingency	
<b><u>Debt Service Fund</u></b>			
Debt Service	Contingency		
<b><u>Water, Sewer, Street, Stormwater, Building and Parks Capital Projects Fund</u></b>			
Capital Projects	Transfers to Other Funds	Contingency	
<b><u>Water, Sewer, Street, Stormwater and Parks Development Charges</u></b>			
Materials & Services	Transfers to Other Funds	Contingency	

The City Council may change the budget throughout the year by transferring appropriations between levels of control and by adopting supplemental budgets as authorized by Oregon Revised Statutes. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings the public, publications in newspapers, and approval by the City Council. Expenditure appropriations may not be legally over-expended except in the case of grant receipts that could not be reasonably estimated at the time the budget was adopted and for debt service on new debt issued during the budget year. During the fiscal year ended June 30, 2016, City Council approved three supplemental budget resolutions that increased expenditure appropriations. The Urban Renewal Agency Board also approved three supplemental budget resolutions during the fiscal year.

***Excess of Expenditures over Appropriations***

According to Oregon statute, the budget is monitored at the level of adopted appropriation. A fund that has identifiable programs are adopted and monitored at the program level. Funds that do not have identifiable programs are monitored at the major category level. The below listed programs and or funds had expenditures in excess of adopted appropriations. The over expenditures were all funded through available fund balances.

Enterprise Funds:	
Water Operating Fund	
Debt Service	\$ 2,898

### 3. DETAILED NOTES ON ALL FUNDS

#### ***Pooled Deposits and Investments***

The City maintains a cash management pool for its cash and investments in which each fund participates. Interest earnings are distributed monthly based on average daily balances.

Petty cash		\$	1,270
Deposits with financial institutions			1,826,257
Investments:			
Commercial paper and corporate bonds	\$	27,888,526	
US agency/State of Oregon obligations		27,170,177	
Local government investment pool		45,748,718	
Total Investments			<u>100,807,421</u>
Total pooled cash and investments			<u>\$ 102,634,948</u>

Cash and investments are reflected on the combined balance sheet as follows:

Cash and investments	\$	81,059,853
Restricted assets - cash and investments		21,575,095
	\$	<u>102,634,948</u>

The City participates in the State of Oregon Local Investment Pool (LGIP or Pool) which is an open-ended, no-load diversified portfolio created under ORS 294.805 to 294.895 and is not registered with the U.S. Securities and Exchange Commission as an investment company. The State Treasurer is the investment officer for the Pool and is responsible for all funds in the Pool. These funds must be invested and managed, like that of a prudent investor, exercising reasonable care, skill, and caution. Investments in the fund are further governed by portfolio guidelines issued by the Oregon Short-term Funds Board, which establish diversification percentages and specify the types and maturities of investments.

The Oregon Audits Division of the Secretary of State's Office audits the Pool annually. The Division's report on the Pool as of and for the year ended June 30, 2016 was unmodified and may be obtained at the Oregon State Treasury, 350 Winter St. NE, Ste 100, Salem, OR 97310.

The City's position in the Pool at June 30, 2016 is stated at cost which approximates fair value. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of an asset. Level 1 inputs are quoted prices in active markets for identical assets and include the Municipal and US Agency Corporations investments. Level 2 inputs are quoted prices for similar assets in inactive markets and include the Commercial Paper and Corporate Bonds. Investments in the Local Government Investment Pool have also been categorized as Level 2.

<b>Municipal and US Agency Corporations (Level 1)</b>	<b>Commercial Paper And Corporate Bonds (Level 2)</b>	<b>Local Govt Investment Pool (Level 2)*</b>
\$ 27,170,177	\$ 27,888,526	\$ 45,748,718

\*Per the Local Government Investment Pool CAFR for year ending June 30, 2016

#### ***Deposits***

The City's cash is pooled with the Urban Renewal Agency's cash. For deposits in excess of federal depository insurance (currently limited to balances less than \$250,000) Oregon Revised Statute 295 requires a multiple financial institution collateral pool for balances in excess of FDIC insurance. As a result, all balances over the \$250,000 FDIC limit are collateralized. At June 30, 2016, the deposits with various financial institutions had a book value of \$1,826,257 and a bank value of \$2,820,703. Of these deposits, \$471,470 was covered by federal depository insurance.

**Cash and Investments**

The City’s investment policy specifies various goals and procedures that enhance opportunities for a prudent and systematic approach to investment-related activities. The City has delegated investment responsibilities to the Finance Director, who is primarily responsible for implementing the investment policy. The investment risk as outlined by the City’s investment policy and Oregon Revised Statutes authorize the Finance Director to invest primarily in general obligations of the US Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers’ acceptances, high ranking corporate indebtedness, and the State of Oregon Local Government Investment Pool (LGIP).

**Credit Risk**

As required by the City’s investment policy, which adheres to the State of Oregon statutes, at the time of purchase all investments were rated A1 through AAA by the Moody’s Investor Services or Standard and Poor’s reporting agencies. Due to recent downgrades by the rating agencies, however, some of the investments are now rated lower than when originally purchased. The State of Oregon Local Government Investment Pool is not rated.

At June 30, 2016, the City’s investments were rated as follows:

	<b>Municipal and US Agency Corporations</b>	<b>Commercial Paper And Corporate Bonds</b>	<b>Local Govt Investment Pool</b>
AAA	\$ 25,636,867	\$ 4,339,169	\$ -
AA3	-	8,001,255	-
AA2	-	6,520,505	-
AA1	-	-	-
A3	-	2,004,060	-
A2	1,533,310	2,007,330	-
A1	-	5,016,207	-
Unrated	-	-	45,748,718
	<u>\$ 27,170,177</u>	<u>\$ 27,888,526</u>	<u>\$ 45,748,718</u>

**Concentration of Credit Risk**

The City’s investment policy, as it relates to investing outside of the LGIP, does not allow for an investment in any single corporate entity and its affiliates or subsidiaries that is in excess of five percent of the City’s total investments (ORS 294.035). Additionally at the time of the purchase, the policy requires the maximum investments in aggregate for all commercial paper and corporate bonds to be limited to 35% of the total investment portfolio.

**Interest Rate Risk**

The City’s investment policy explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates. For commercial paper and corporate bonds, the maximum maturity is 18 months. The City intends to hold all investment until maturity.

Using the segmented time distribution method, investments maturities as of June 30, 2016 are as follows:

	<u>Less than 6 Months</u>	<u>6-12 Months</u>	<u>12-18 Months</u>	<u>Total</u>
Commercial Paper and Corporate Bonds	\$ 6,521,680	\$ 9,491,877	\$ 11,874,969	\$ 27,888,526
Municiple and US Agency Corporations	6,062,002	17,069,935	4,038,240	27,170,177
Local Govt Investment Pool	45,748,718	-	-	45,748,718
	<u>\$ 58,332,400</u>	<u>\$ 26,561,812</u>	<u>\$ 15,913,209</u>	<u>\$ 100,807,421</u>

**Receivables**

Receivables as of year-end for the City’s individual major funds and non-major funds in the aggregate, net of applicable allowances for uncollectible accounts are as follows:

	<u>Interest</u>	<u>Accounts</u>	<u>Taxes</u>	<u>Other</u>	<u>Notes</u>	<u>Total</u>
General Fund	\$ 45,549	\$ 1,011,644	\$ 389,592	\$ -	\$ -	\$ 1,446,785
Transit Fund	10,414	1,447,118	-	-	-	1,457,532
Urban Renewal Year 2000 Debt Service	3,488	-	276,916	-	-	280,404
Urban Renewal West Side Debt Service	4,154	-	251,084	-	-	255,238
Other non-major governmental funds	60,435	225,642	-	-	-	286,077
Water	28,636	867,197	-	362,989	1,170,863	2,429,685
Sewer	74,147	719,293	-	69,173	1,964	864,577
Stormwater	2,997	221,108	-	-	-	224,105
Street Lighting	-	44,360	-	-	-	44,360
Fleet Internal Service Fund	1,904	-	-	14,600	-	16,504
Total by receivable	<u>\$ 231,724</u>	<u>\$ 4,536,362</u>	<u>\$ 917,592</u>	<u>\$ 446,762</u>	<u>\$ 1,172,827</u>	<u>\$ 7,305,267</u>

**Uncollectible Receivables**

Receivables of the City’s activities are reported net of uncollectible amounts. Total uncollectible amounts related to receivables of the current period are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Water sales	\$ -	\$ 89,855
Sewer sales	-	71,737
Street light fees	-	5,274
Stormwater fees	-	13,871
Road maintenance fees	10,894	-
Total allowance for uncollectibles	<u>\$ 10,894</u>	<u>\$ 180,737</u>

**Unavailable/Unearned Revenues**

Governmental funds, under the modified accrual basis of accounting, accrue deferred revenue for revenue amounts unearned or unavailable. Government-wide reporting, as well as in proprietary funds, uses full accrual account and report only unearned revenue. Unavailable revenue (deferred inflows) results in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Unearned revenue result in connection with resources that have been received, but not yet earned.

At the end of the current fiscal year, the various components of unavailable (deferred inflow) and unearned revenue in the governmental funds were as follows:

	<u>Deferred Inflow</u>	<u>Unearned</u>
Delinquent property taxes receivable:		
General Fund	\$ 353,878	\$ -
Urban Renewal Year 2000 Plan Debt Service Fund	253,407	-
Urban Renewal West Side Plan Debt Service Fund	226,196	-
Cash collected prior to meeting revenue recognition:		
Operations (General Fund)	-	141,453
Operations (Building Inspection Fund)	-	52,226
Total	<u>\$ 833,481</u>	<u>\$ 193,679</u>

The sole component of unearned revenue in the proprietary funds existed in the Water Fund for \$33,965 for the on-account payments made by customers to be used as payment on future utility bills.

**Capital Assets**

Capital asset activity for governmental activities, including the internal service Fleet Fund, for the year ended June 30, 2016 was as follows:

<u>Description</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Land	\$ 87,567,230	\$ 83,000	\$ (4,156,835)	\$ 83,493,395
Works of art	551,988	-	-	551,988
Easements	6,139,364	4,029,226	-	10,168,590
Construction In Progress	9,389,937	3,312,562	(2,611,810)	10,090,689
Total non-depreciable	<u>103,648,519</u>	<u>7,424,788</u>	<u>(6,768,645)</u>	<u>104,304,662</u>
Buildings & improvements	26,732,313	404,233		27,136,546
Land improvement	9,478,436	1,711,330	(1,800)	11,187,966
Machinery & equipment	3,650,459	449,174	(79,149)	4,020,484
Vehicles	5,471,289	178,372	(434,075)	5,215,586
Software	500,612	257,375		757,987
Infrastructure	185,399,401	3,966,131		189,365,532
Total depreciable	<u>231,232,510</u>	<u>6,966,615</u>	<u>(515,024)</u>	<u>237,684,101</u>
Accumulated depreciation				
Buildings & improvements	(7,104,728)	(764,722)	-	(7,869,450)
Land improvement	(3,276,229)	(397,665)	78	(3,673,816)
Machinery & equipment	(2,264,223)	(331,468)	72,191	(2,523,500)
Vehicles	(2,246,022)	(424,882)	431,075	(2,239,829)
Software	(283,725)	(42,541)	-	(326,266)
Infrastructure	(98,138,533)	(4,647,917)	-	(102,786,450)
Total accumulated depreciation	<u>(113,313,460)</u>	<u>(6,609,195)</u>	<u>503,344</u>	<u>(119,419,311)</u>
Governmental activities capital assets, net	<u>\$ 221,567,569</u>	<u>\$ 7,782,208</u>	<u>\$ (6,780,325)</u>	<u>\$ 222,569,452</u>

Changes in capital assets per the previous table are net of transfers between functional programs. Total depreciation expense includes amortization of intangible assets. Depreciation expense was charged to functions as follows:

General government	\$ 94,012 <sup>1</sup>
Public safety	6,583
Transportation	578,066
Public works	5,438,684
Culture and recreation	488,048
Community development	3,802
Total depreciation for governmental activities	<u>\$ 6,609,195</u>

The capital asset ending balance of \$222,569,452 as noted on prior page, less related debt of \$35,192,468, plus unspent bond proceeds of \$4,408,305 is equal to the net position amount invested in capital assets of \$191,785,289 as displayed on the Statement of Net Position.

Capital asset activity for business-type activities for the year ended June 30, 2016 was as follows:

Description	Beginning			Ending Balance
	Balance	Increases	Decreases	
Land	\$ 1,812,159	\$ -	\$ -	\$ 1,812,159
Easements	4,942,153	115,493	-	5,057,646
Construction In Progress	1,162,690	964,588	-	2,127,278
Total non-depreciable	<u>7,917,002</u>	<u>1,080,081</u>	-	<u>8,997,083</u>
Buildings & improvements	41,344,626	-	-	41,344,626
Land improvement	26,136,911	-	-	26,136,911
Machinery & equipment	8,303,170	154,188	-	8,457,358
Vehicles	13,094	730	-	13,824
Software	9,400	6,210	-	15,610
Infrastructure	121,786,253	4,826,546	-	126,612,799
Total depreciable	<u>197,593,454</u>	<u>4,987,674</u>	-	<u>202,581,128</u>
Accumulated depreciation				
Buildings & improvements	(10,587,394)	(1,036,224)	-	(11,623,618)
Land improvement	(698,961)	(540,357)	-	(1,239,318)
Machinery & equipment	(1,420,144)	(332,079)	-	(1,752,223)
Vehicles	(9,875)	(1,338)	-	(11,213)
Software	(4,723)	(940)	-	(5,663)
Infrastructure	(56,313,805)	(2,915,015)	-	(59,228,820)
Total accumulated depreciation	<u>(69,034,902)</u>	<u>(4,825,953)</u>	-	<u>(73,860,855)</u>
Business type activities, net	<u>\$ 136,475,554</u>	<u>\$ 1,241,802</u>	<u>\$ -</u>	<u>\$ 137,717,356</u>

Total depreciation expense includes amortization of intangible assets. Depreciation expense for business-type activities is charged to functions as follows:

Water	\$ 1,691,783
Sewer	1,945,286
Stormwater	1,091,264
Street lighting	97,620
Total depreciation for business-type activities	<u>\$ 4,825,953</u>

The capital asset ending balance of \$137,717,357 as noted on the prior age, less related debt of \$40,959,000, and less \$1,038,854 from unamortized bond premiums/discount, plus \$233,731 from unamortized bond defeasement, is equal to the net position amount invested in capital assets of \$95,953,234 as displayed on the Statement of Net Position.

#### **Interfund Transfers**

Interfund transfers are used to pay administrative services, contribute toward the cost of capital projects, and provide operational resources. The interfund transfer activity for fiscal year ended June 30, 2016 is as follows:

	<u>Transfers From Other Fund</u>	<u>Transfers To Other Funds</u>
Governmental Funds:		
General Fund	\$ 56,000	\$ 830,168
Transit Fund	-	6,400
Urban Renewal Year 2000 Debt Service Fund	-	2,000,000
Other Governmental Funds	5,529,275	2,618,204
Total Governmental Funds	<u>5,585,275</u>	<u>5,454,772</u>
Proprietary Funds:		
Enterprise Funds:		
Water Fund	-	12,000
Sewer Fund	-	12,000
Stormwater Fund	-	2,400
Streetlight Fund	-	53,662
Total Enterprise Funds	<u>-</u>	<u>80,062</u>
Fleet Internal Service Fund	-	2,400
Fixed asset related transfer	(48,041)	-
Total transfer activity	<u>\$ 5,537,234</u>	<u>\$ 5,537,234</u>

On the Statement of Activities, interfund transfers between the same activity types are eliminated leaving only transfers between activity types remaining. Statement of Activity transfers also include capital asset transfers between governmental activities and business-type activities. On the Proprietary Fund Statement of Revenues, Expenses, and changes in Net Position, capital assets transfers are reported as a capital contribution.

#### ***Interfund Receivables and Payables***

Interfund receivables and payables are used to make short-term and long-term interfund loans between funds. Due to/from amounts are short term financing, paid within one year, and advances are for longer term financing. The City had no due to/from amounts and two interfund advances as follows:

In July 2015, the General Fund loaned \$2,000,000 to the Stormwater Capital Fund per City Resolution 2538. This advance is being fully amortized over five years bearing an interest rate of .50% per annum. The outstanding balance at June 30, 2016 is \$1,603,980. Interest and principal payments on the loan are as follows:

<u>Year Ending, June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 398,000	\$ 8,020	\$ 406,020
2018	399,990	6,030	406,020
2019	401,990	4,030	406,020
2020	404,000	2,020	406,020
	<u>\$ 1,603,980</u>	<u>\$ 20,100</u>	<u>\$ 1,624,080</u>

In April 2016, the General Fund loaned \$2,000,000 to the Urban Renewal Year 2000 CIP Fund per City Resolution 2579. The loan was paid back from proceeds in the Urban Renewal Year 2000 Debt Service fund. This overnight funding strategy enabled the Urban Renewal CIP Funds to access property tax revenues for construction projects.

#### ***Long Term Obligations***

In the following tables, long-term debt information is presented separately with respect to governmental and business-type activities. The following table presents current year changes in those obligations and the current portions due for each issue. The internal service Fleet Fund predominately serves the governmental funds. Accordingly, at year end, \$35,580 of the total Fleet Fund's compensated absences is included in the table presented below. Also, for the governmental activities, claims and judgments, and compensated absences are generally liquidated within each operating fund.

### Government-Type Activities

	Balance			Balance June 30, 2016	Due In Subsequent Year
	June 30, 2015	Increase	Decrease		
<b>GOVERNMENTAL ACTIVITIES</b>					
Compensated absences	\$ 624,120	\$ 572,278	\$ (599,000)	\$ 597,398	\$ 285,388
Tax Increment					
Urban Renewal, Year 2000 District					
Series 2010 Bonds	6,505,000	-	(315,000)	6,190,000	330,000
Urban Renewal, West Side District					
Series 2009 Bonds	7,785,000	-	(415,000)	7,370,000	435,000
Series 2011 Long-Term	4,305,000	-	(190,000)	4,115,000	200,000
Series 2012 Long-Term	7,110,000	-	(320,000)	6,790,000	330,000
Series 2013 Long-Term	6,520,000	-	(265,000)	6,255,000	275,000
Series 2015A-Taxable	-	4,250,000	(386,158)	3,863,842	385,137
Series 2015B-Non-Taxable	-	750,000	(141,375)	608,625	143,857
Total Notes and Bonds	32,225,000	5,000,000	(2,032,533)	35,192,468	2,098,994
Total Governmental Activities	\$ 33,204,120	\$ 5,572,278	\$ (2,631,533)	\$ 35,789,866	\$ 2,384,382

### Urban Renewal Tax Increment

#### Year 2000 Plan District, Series 2010

In December 2010, the City issued Urban Renewal revenue bonds with an interest rate of 4.35% in the total amount of \$8,000,000. The final maturity will be in June 2025. The principal balance outstanding on the bonds at June 30, 2016 is \$6,190,000.

Year Ending June 30,	Principal	Interest
2017	\$ 330,000	\$ 263,075
2018	345,000	249,050
2019	360,000	234,388
2020	370,000	219,088
2021	390,000	203,363
2022-2025	4,395,000	641,111
Totals	\$ 6,190,000	\$ 1,810,075

#### West Side District-Series 2009

In February 2009, the City issued Urban Renewal revenue bonds for the Urban Renewal West Side District. The issue, in the amount of \$10,000,000, carries an interest rate of 4.9%. The final maturity will be December 2023. The balance outstanding as of June 30, 2016 is \$7,370,000.

Year Ending June 30,	Principal	Interest
2017	\$ 435,000	\$ 350,473
2018	455,000	326,668
2019	475,000	305,883
2020	500,000	281,996
2021	525,000	256,883
2022-2024	4,980,000	527,976
Totals	\$ 7,370,000	\$ 2,049,879

*West Side District-Series 2011*

In June 2011, the Agency converted a short-term, interest only line of credit to long-term debt. The issue, in the amount of \$5,000,000, carries an interest rate of 4.65%. The final maturity will be June 2026. The balance outstanding at June 30, 2016 is \$4,115,000.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 200,000	\$ 181,060
2018	210,000	172,260
2019	220,000	163,020
2020	225,000	153,340
2021	235,000	143,440
2022-2026	3,025,000	551,980
Totals	<u>\$ 4,115,000</u>	<u>\$ 1,365,100</u>

*West Side District-Series 2012*

In June 2012, the Agency converted a short-term, interest only line of credit to long-term debt. The issue, in the amount of \$8,000,000, carries an interest rate of 3.40%. The final maturity will be June 2027. The balance outstanding at June 30, 2016 is \$6,790,000.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 330,000	\$ 224,070
2018	340,000	213,180
2019	350,000	201,960
2020	360,000	190,410
2021	375,000	178,530
2022-2026	2,060,000	699,270
2027-2028	2,975,000	98,175
Totals	<u>\$ 6,790,000</u>	<u>\$ 1,805,595</u>

*West Side District-Series 2013*

In June 2013, the Agency issued to long-term debt. The issue, in the amount of \$7,000,000, carries an interest rate of 3.499%. The final maturity will be June 2028. The balance outstanding at June 30, 2016 is \$6,255,000.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 275,000	\$ 218,925
2018	285,000	209,300
2019	295,000	199,325
2020	305,000	189,000
2021	315,000	178,325
2022-2026	1,760,000	717,325
2027-2028	3,020,000	197,750
Totals	<u>\$ 6,255,000</u>	<u>\$ 1,909,950</u>

*West Side District-Series 2015A*

In July 2015, the City issued Urban Renewal tax-exempt bonds with an interest rate of 2.63% in the total amount of \$4,250,000. The final maturity will be in June 2025. The principal balance outstanding on the bonds at June 30, 2016 is \$3,863,842.

Year Ending June 30,	Principal	Interest
2017	\$ 385,137	\$ 99,205
2018	395,510	88,832
2019	406,163	78,180
2020	416,920	67,422
2021	428,331	56,012
2022-2025	1,831,781	105,588
	<u>\$ 3,863,842</u>	<u>\$ 495,239</u>

*West Side District-Series 2015B*

In July 2015, the City issued Urban Renewal taxable bonds with an interest rate of 3.65% in the total amount of \$750,000. The final maturity will be in June 2020. The principal balance outstanding on the bonds at June 30, 2016 is \$608,625.

Year Ending June 30,	Principal	Interest
2017	\$ 143,857	\$ 20,544
2018	149,255	15,146
2019	154,856	9546
2020	160,657	3,744
Totals	<u>\$ 608,625</u>	<u>\$ 48,980</u>

**Business-Type Activities**

	Balance			Balance		Due In
	June 30, 2015	Increase	Decrease	June 30, 2016	Subsequent Year	
<b>BUSINESS-TYPE ACTIVITIES</b>						
Compensated absences	\$ 51,835	\$ 50,680	\$ (54,839)	\$ 47,676	\$ 19,927	
Water Revenue Bonds						
Series 2006	4,950,000	-	(4,950,000)	-	-	
Series 2016	-	4,059,000		4,059,000	979,000	
Full Faith and Credit Bonds						
Water Series 2007	4,110,000	-	(620,000)	3,490,000	650,000	
Sewer Series 2006	635,000	-	(635,000)	-	-	
Sewer Series 2011	35,085,000	-	(1,675,000)	33,410,000	1,725,000	
Total Notes and Bonds	<u>44,780,000</u>	<u>4,059,000</u>	<u>(7,880,000)</u>	<u>40,959,000</u>	<u>3,354,000</u>	
Total Business-type Activities	<u>\$ 44,831,835</u>	<u>\$ 4,109,680</u>	<u>\$ (7,934,839)</u>	<u>41,006,676</u>	<u>\$ 3,373,927</u>	
				Unamortized bond premium	1,038,854	
				Due in current year	(3,373,927)	
				Total noncurrent liabilities	<u>\$ 38,671,603</u>	

## Revenue Bonds

### *Water System Revenue Refunding Bonds, Series 2016*

In April 2016 the City issued \$4,059,000 to advance refund the Series 2006 Water System Revenue Bonds. The current debt interest rate is 1.98%. Final maturity is June 1, 2020. Water operating revenues and a portion of water system development charges are pledged to repay the debt. At June 30, 2016 the outstanding balance is \$4,059,000.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 979,000	\$ 88,182
2018	1,007,000	60,984
2019	1,026,000	41,045
2020	1,047,000	20,731
Totals	<u>\$ 4,059,000</u>	<u>\$ 210,942</u>

## Full Faith and Credit Bonds

### *Full Faith and Credit Revenue Refunding Bonds, Series 2007*

In December 2007 the City issued \$7,875,000 to refinance a debt issued in 2000. The original debt was used to construct a water treatment plant facility. The current debt interest rate is 3.85%. Final maturity is December 1, 2020. The outstanding balance at June 30, 2016 is \$3,490,000. The full faith and credit of the City is pledged, however management intends to repay the debt from water operating revenues.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 650,000	\$ 121,853
2018	670,000	96,443
2019	695,000	70,166
2020	725,000	42,831
2021	750,000	14,438
Totals	<u>\$ 3,490,000</u>	<u>\$ 345,730</u>

### *Full Faith and Credit Revenue Refunding Bonds, Series 2011*

In December 2011 the City issued \$38,940,000 to finance the Waste Water Treatment Plant rehabilitation project. The current debt interest rate is 3.45%. Final maturity is December 1, 2031. The outstanding balance at June 30, 2016 is \$33,410,000. The full faith and credit of the City is pledged, however management intends to repay the debt from water operating revenues.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 1,725,000	\$ 1,215,213
2018	1,780,000	1,163,463
2019	1,850,000	1,092,263
2020	1,925,000	1,018,263
2021	1,980,000	960,511
2022-2026	11,040,000	3,671,850
2027-2031	13,110,000	1,601,250
Totals	<u>\$ 33,410,000</u>	<u>\$ 10,722,813</u>

### **Restricted Cash and Investments**

The balances of the restricted cash and investment accounts are as follows:

	<u>Governmental</u>	<u>Business-type</u>
<b>Debt service reserves:</b>		
Urban Renewal (Yr 2000 Plan) - 2010 B of A	\$ 603,025	\$ -
Urban Renewal (West Side Plan) - 2009 Issue	796,835	-
Urban Renewal (West Side Plan) - 2011 Issue	373,920	-
Urban Renewal (West Side Plan) - 2012 Issue	549,848	-
Urban Renewal (West Side Plan) - 2013 Issue	497,300	-
Urban Renewal (West Side Plan) - 2015 Issue	425,000	-
Urban Renewal (West Side Plan) - 2015 Issue	75,000	-
<b>System development charges:</b>		
Water	-	3,285,976
Sewer	-	8,328,844
Stormwater	-	1,954,372
<b>Oregon Dept of Transportation Cash Accounts:</b>		
Account #11033: Barber Street and Kinsman Rd		
Sewer Operations	-	529,360
Street SDC	2,848,861	-
UR Westside CIP	672,613	-
UR Westside Debt	14,704	-
Account #11034: I-5 & Wilsonville Rd		
Parks SDC	142,465	-
Urban Renewal CIP (Year 2000 Plan)	3,515	-
<b>Deposits:</b>		
CD Fund -Villebois Parks	204,442	-
CD Fund -CD Deposits	42,511	-
General Fund-Parks Reservation Deposits	27,000	-
Water Fund-Deposits	-	17,505
<b>Grants and contributions:</b>		
General Fund - PEG Fees	182,000	-
	<u>\$ 7,459,038</u>	<u>\$ 14,116,057</u>

#### **4. OTHER INFORMATION**

##### ***Risk Management***

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is a member of CIS Employee Benefits, a public entity risk pool currently operating a common risk management and insurance program. The City pays an annual premium to CIS Employee Benefits for insurance coverage. Based on the experience of the City and CIS Employee Benefits, the City may be liable for an additional premium of up to approximately 20% of its initial premium or it may receive a refund. The City has never had to pay an additional premium. Predetermined limits and deductible amounts are stated in the policy.

##### ***Subsequent Events***

Management has evaluated subsequent events through November 15, 2016, the date on which the financial statements were available to be issued.

### ***Contingent Liabilities***

The City is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. Management intends to vigorously contest these matters and does not believe their ultimate resolution will have a material effect upon the City's financial position, results of operations, or cash flows.

### ***Property Tax Limitation***

The State of Oregon has a constitutional limit on property taxes for governmental operations. Under the limitation, tax revenue is separated into those for public schools and those for local governments other than public schools. The limitation specifies a maximum rate for all local government operations of \$10.00 per \$1,000 of real market value, while schools are similarly limited to a \$5.00 maximum rate. Local government taxes in the City currently do not exceed the \$10.00 rate limit; however, this limitation may affect the availability of future tax revenues for the City.

In May 1997, voters approved Measure 50 which rolled back assessed values to 90% of 1995-96 and limits future increases of taxable assessed values to 3% per year except for major improvements. Tax rates are now fixed and not subject to change. Voters may approve local initiatives above the fixed rate provided a majority approves at either (1) a general election in an even numbered year, or (2) at any other election in which at least 50% of registered voters cast a ballot.

### ***Pension Plan***

The City Oregon Public Employees Retirement System (OPERS) is a cost-sharing multiple employer defined benefit plan. Qualified employees of the City are provided with pensions through OPERS. 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). OPSRP consists of the Pension Program (defined benefit) and the Individual Account Program (defined contribution). Beginning January 1, 2004, PERS active Tier One and Tier Two members became members of the Individual Account Program (IAP) of OPSRP. PERS members retain their existing Defined Benefit Plan accounts, but member contributions are now deposited into the member's IAP account, not into the member's Defined Benefit Plan account. OPERS issues a publicly available financial report that can be obtained at <http://www.oregon.gov/pers/>.

### **Benefits provided under ORS Chapter 238 – Tier One/ Tier Two**

*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 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

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

*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 (including PERS judge members) for disability benefits regardless of the length of PERS-covered

service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (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 in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

#### Benefits provided under Chapter 238A - OPSRP Pension Program (OPSRP Defined Benefit)

*Pension Benefits:* This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age: General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

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 in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

#### 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. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

Employer contribution rates during the period were based on the December 31, 2013 actuarial valuation. The City contribution rates in effect for the fiscal year ended June 30, 2016 were 16.59 for Tier One/Two members and 10.55 percent for OPSRP general service members. City contributions for the year ended June 30, 2016 were \$1,265,859, excluding amounts to fund employer specific liabilities.

Members of PERS are required to contribute 6% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The employer is allowed to pay any or all of the employees' contribution in addition to the required employer's contribution. The City has elected to contribute all of the 6% contribution, for a total of \$554,933, on behalf of the employees.

#### Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows

At June 30, 2016, the City reported a liability of \$7,236,749 for its proportionate share of the OPERS net pension liability. The net pension liability was measured by OPERS as of June 30, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to June 30, 2015. 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, 2015, the City's proportion was 0.1260%, up 10.53% from its proportion of 0.1140% measured as of June 30, 2014.

For the year ended June 30, 2016, the City recognized pension expense of \$7,071,667. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 390,242	\$ -
Change of assumptions	-	-
Net difference between projected and actual earnings on investments	-	1,516,987
Changes in proportionate share	207,063	-
Differences between City's contributions and City's proportionate share of system contributions	-	419,590
Contributions subsequent to the measurement date	1,207,398	-
<b>Total</b>	<u>\$ 1,804,703</u>	<u>\$ 1,936,577</u>

Deferred outflows of resources related to pensions of \$1,207,398 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 ended June 30, 2017. Other amounts reported as deferred inflows (outflows) of resources related to pensions will be recognized in the pension expense as follows:

Year Ending June 30:	Amount
2017	\$ 686,836
2018	686,836
2019	686,836
2020	(698,924)
2021	(22,312)
Total	<u>\$ 1,339,272</u>

Actuarial Valuations:

The employer contribution rates effective July 1, 2015, through June 30, 2017, were set by OPERS using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2013
Experience Study Report	2014, published September 2015
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	2.75 percent
Investment rate of return	7.75 percent
Projected salary increases	3.75 percent overall payroll growth; salaries for individuals are assumed to grow at 3.75 percent plus assumed rates of merit/longevity increases based on service
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation.  Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.  Disabled retirees: Mortality rates are a percentage (65% for males, 90% for females) of the RP-2000 static combined disabled mortality sex-distinct table.

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 2014 Experience Study which reviewed experience for the four-year period ending on December 31, 2014.

Discount Rate

The discount rate used to measure the total pension liability was 7.75 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.75, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
City's proportionate share of the net pension liability (asset)	\$17,465,625	\$7,236,749	(\$1,383,506)

#### Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013 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 is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	7.20%	4.50%
Short-Term Bonds	8.00	3.70
Intermediate-Term Bonds	3.00	4.10
High Yield Bonds	1.80	6.66
Large Cap US Equities	11.65	7.20
Mid Cap US Equities	3.88	7.30
Small Cap US Equities	2.27	7.45
Developed Foreign Equities	14.21	6.90
Emerging Foreign Equities	5.49	7.40
Private Equity	20.00	8.26
Opportunity Funds/Absolute Return	5.00	6.01
Real Estate (Property)	13.75	6.51
Real Estate (REITS)	2.50	6.76
Commodities	1.25	6.07
Assumed Inflation - Mean		2.75

#### Individual Account Program

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

Upon retirement, a member of the OPSRP Individual Account Program (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 balances. 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.

### **Money Purchase Retirement Plan**

The City provides a money purchase retirement plan and trust created under Internal Revenue Code Section 414(h) for the benefit of eligible employees. Under the plan, the City contributes 3% of the employee's compensation into the trust. Eligible employees are those who have worked at least six months, are not covered by a collective bargaining agreement, and are not municipal court judges. At June 30, 2016, 41 participants were active in the plan including 30 active participants that are fully vested interest. Total assets, including non-active participants, held by the trust were \$1,328,719.56 including \$909,065 for fully vested participants. Participant's interests in the plan vest ratably over a five-year period. Benefits commence within a reasonable time after termination of employment.

### **Deferred Compensation Plans**

The City has three deferred compensation trust plans created in accordance with Internal Revenue Code Section 457. The trusts hold assets for the exclusive benefit of plan participants and their beneficiaries.

### **Other Post-Employment Benefits (OPEB)**

#### **City Healthcare Plan**

Plan Description: As required by ORS 243.303, the City provides retirees the same group health and dental insurance as provided to current employees from the date of retirement to the age of 65 when retirees and spouses typically become eligible for Medicare. The City, however, does not pay directly for any portion of its retiree's health care or life insurance coverages.

The City's defined benefit postemployment healthcare plan is administered by City County Insurance Services (CIS), an agent multiple-employer healthcare provider. All medical or dental coverages offered by the City to its employees and retirees are community rated. CIS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to CIS, 1212 Court Street NE, Salem, OR 97301, or by accessing the CIS website at [www.cisoregon.org](http://www.cisoregon.org).

The City implemented GASB 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension* prospectively beginning in fiscal year June 30, 2009. GASB 45 paragraph 13.a.(2) offers an exemption from measuring an implicit subsidy under certain conditions for employers participating in community rated health care coverages. A qualified independent review, completed in August 2011, has determined that the City's health care coverages are community rated and a GASB 45 valuation is not required based on this exemption.

#### **Retirement Health Insurance Account Plan**

Plan Description: The City contributes to the Oregon Public Employees Retirement Systems' (OPERS) Retiree Health Insurance Account (RHIA), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the Oregon Public Employees Retirement Board (OPERB). RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. The plan, which was established under Oregon Revised Statutes 238.420, provides a payment of up to \$60 per month towards the costs of health insurance for eligible PERS retirees. RHIA post-employment benefits are set by state statute. A comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700 or by accessing the PERS web site at [www.oregon.gov/PERS/](http://www.oregon.gov/PERS/).

Funding Policy: Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members an 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 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 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.

Participating employers are contractually required to contribute at a rate assessed bi-annually by the OPERB, currently 0.53% of annual covered payroll for Tier 1/Tier 2, and .45% for OPSRP. The OPERB sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The City's contributions to PERS' RHIA for the fiscal years ended June 30, 2016, 2015, 2014 were approximately \$41,662, \$47,958, and \$45,750 which equaled the required contributions for that year.

***Encumbrance Accounting***

All year end outstanding encumbrances lapse at year-end and are reappropriated as required to the subsequent year.

***GASB Pronouncements Implemented***

GASB Statement 72, "Fair Value Measurement and Application". This Statement requires most investments be measured at fair value. The requirements of this statement are effective for financial statements for fiscal years beginning after June 15, 2015.

GASB Statement 76, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments." This Statement replaces the current four-level GAAP hierarchy with a new two-level hierarchy of authoritative sources. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2015.

**REQUIRED SUPPLEMENTARY INFORMATION**

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**CITY OF WILSONVILLE, OREGON**  
**Required Supplemental Pension Information**  
*For the year ended June 30, 2016*

**Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)**  
Oregon Public Employees Retirement System  
Last Three Fiscal Years <sup>1</sup>

Fiscal Year Ended June 30	City's proportion of the net pension (asset/liability)	City's proportionate share of the net pension (asset) / liability	City's covered employee payroll	City's proportionate share of net pension (asset) / liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of total pension (asset)/liability
2014	0.1140 %	\$ 5,816,743	\$ 8,598,801	67.65 %	91.97 %
2015	0.1140	(2,583,680)	8,784,354	(29.41)	103.59
2016	0.1260	7,236,749	9,227,258	78.43	91.88

<sup>1</sup> 10-year trend information required by GASB Statement 68 will be presented prospectively as it becomes available.

**Schedule of the the City's Contributions**  
Oregon Public Employees Retirement System  
Last Three Fiscal Years <sup>1</sup>

Fiscal Year Ended June 30	Contractually required contributions	Actual contribution	Contribution deficiency (excess)	Covered payroll	Actual contribution as % of covered payroll
2014	\$ 937,892	\$ (937,892)	\$ -	\$ 8,598,801	10.91%
2015	967,083	(967,083)	-	8,784,354	11.01
2016	1,207,398	(1,207,398)	-	9,227,258	13.09

<sup>1</sup> 10-year trend information required by GASB Statement 68 will be presented prospectively as it becomes available.

**CITY OF WILSONVILLE, OREGON**  
**General Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
*For the year ended June 30, 2016*

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 9,310,271	\$ 9,310,271	\$ 9,820,720	\$ 510,449
Intergovernmental	1,874,227	1,874,227	2,001,507	127,280
Licenses and permits	161,900	161,900	167,124	5,224
Charges for services	539,940	569,440	661,915	92,475
Fines and forfeitures	250,000	250,000	187,448	(62,552)
Investment revenue	72,000	72,000	133,836	61,836
Other revenues	161,305	161,305	216,377	55,072
Total revenues	<u>12,369,643</u>	<u>12,399,143</u>	<u>13,188,927</u>	<u>789,784</u>
<b>EXPENDITURES</b>				
Administration	1,615,672	1,668,969	1,472,429	196,540
Finance	1,304,567	1,333,087	1,207,948	125,139
Information Systems	710,305	823,545	681,124	142,421
Geographic Information Systems	228,683	229,773	215,788	13,985
Legal	509,055	518,665	488,563	30,102
Human Resources	611,092	616,862	615,022	1,840
Law Enforcement	4,355,151	4,355,151	3,899,290	455,861
Municipal Court	215,255	215,255	165,573	49,682
Public Works Administration	465,081	475,121	426,075	49,046
Building Maintenance	960,441	992,911	804,338	188,573
Parks Maintenance	1,141,840	1,162,550	1,068,303	94,247
Parks & Recreation General Services	1,167,674	1,216,554	1,114,461	102,093
Library	1,764,937	1,803,967	1,719,813	84,154
Contingency	9,272,304	8,776,864	-	8,776,864
Total expenditures	<u>24,322,057</u>	<u>24,189,274</u>	<u>13,878,727</u>	<u>10,310,547</u>
Deficiency of revenues under expenditures	<u>(11,952,414)</u>	<u>(11,790,131)</u>	<u>(689,800)</u>	<u>11,100,331</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from interfund loan	4,441,020	4,441,020	2,406,020	(2,035,000)
Payment of interfund loan	(6,035,000)	(6,035,000)	(4,000,000)	2,035,000
Transfers in	2,846,307	2,875,909	2,525,316	(350,593)
Transfers out	(1,128,591)	(1,320,476)	(830,168)	490,308
Total other financing sources (uses)	<u>123,736</u>	<u>(38,547)</u>	<u>101,168</u>	<u>139,715</u>
Net change in fund balances	<u>(11,828,678)</u>	<u>(11,828,678)</u>	<u>(588,632)</u>	<u>11,240,046</u>
Fund balances--beginning	<u>14,034,678</u>	<u>14,034,678</u>	<u>15,281,538</u>	<u>1,246,860</u>
Fund balances--ending	<u>\$ 2,206,000</u>	<u>\$ 2,206,000</u>	<u>\$ 14,692,906</u>	<u>\$ 12,486,906</u>

**CITY OF WILSONVILLE, OREGON**  
**Transit Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
*For the year ended June 30, 2016*

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 4,576,000	\$ 4,576,000	\$ 4,638,597	\$ 62,597
Intergovernmental	959,915	959,915	918,358	(41,557)
Charges for services	210,001	210,001	190,235	(19,766)
Investment revenue	17,000	17,000	23,390	6,390
Other revenues	14,000	14,000	16,282	2,282
Total revenues	<u>5,776,916</u>	<u>5,776,916</u>	<u>5,786,862</u>	<u>9,946</u>
<b>EXPENDITURES</b>				
Transit	5,308,255	5,433,578	5,116,747	316,831
Contingency	<u>1,233,804</u>	<u>1,108,481</u>	<u>-</u>	<u>1,108,481</u>
Total expenditures	<u>6,542,059</u>	<u>6,542,059</u>	<u>5,116,747</u>	<u>1,425,312</u>
Excess (deficiency) of revenues over (under) expenditures	(765,143)	(765,143)	670,115	1,435,258
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(528,741)</u>	<u>(528,741)</u>	<u>(500,347)</u>	<u>28,394</u>
Net change in fund balances	(1,293,884)	(1,293,884)	169,768	1,463,652
Fund balances--beginning	<u>2,279,884</u>	<u>2,279,884</u>	<u>2,585,074</u>	<u>305,190</u>
Fund balances--ending	<u><u>\$ 986,000</u></u>	<u><u>\$ 986,000</u></u>	<u><u>\$ 2,754,842</u></u>	<u><u>\$ 1,768,842</u></u>

**CITY OF WILSONVILLE, OREGON**  
**Notes to Required Supplemental Information**  
*For the year ended June 30, 2016*

**1. Budget to GAAP Reconciliation**

Sections of Oregon Revised Statements (Oregon Budget Law) require most transactions be budgeted on the modified accrual basis of accounting. However, there are certain transactions where statutory budget requirements conflict with generally accepted accounting principles (GAAP).

The following discusses the differences between the budget basis and GAAP basis of accounting for the General Fund and the Transit Fund.

	<b>General Fund</b>	<b>Transit Fund</b>
Net change in fund balance - budget basis	\$ (588,632)	\$ 169,768
 <i>Budgeted resources not qualifying as revenues or other financing sources under GAAP:</i>		
Repayment of interfund loans are treated as transfers on a budgetary basis and as receivable on a GAAP basis.	(2,396,020)	-
Indirect and other cost reimbursements received are reported as revenues or other financing sources on a budget basis. Such receipts are reclassified as a reduction of expenditures on a GAAP basis.	(799,316)	493,948
 <i>Budgeted expenditures not qualifying as expenditures or other financing uses under GAAP:</i>		
Interfund loans are treated as transfers on a budgetary basis and as receivable on a GAAP basis.	4,000,000	-
Indirect and other costs reimbursed are reported as expenditures on a budget basis. Such disbursements are reclassified as a reduction of revenues and other financing sources on a GAAP basis.	799,316	(493,948)
Net change in fund balance - GAAP basis	\$ 1,015,348	\$ 169,768

## **OTHER SUPPLEMENTARY INFORMATION**

- **Combining Statements - Nonmajor  
Governmental Funds**
- **Budgetary Comparison Schedules**
- **Other Financial Schedules**



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# COMBINING STATEMENTS

## Non-Major Governmental Funds

### Special Revenue Funds

Special revenue funds are used to account for specific revenues that are restricted to expenditure for particular purposes.

#### ***Building Inspections***

Accounts for the administrative and enforcement of building codes.

#### ***Community Development***

Accounts for activities related to civil engineering, planning, urban renewal management, stormwater management and natural resources.

#### ***Road Operating***

Accounts for revenues from gasoline tax apportionments from the State of Oregon that are used for the repair and maintenance associated with streets.

#### ***Road Maintenance Regulatory***

Accounts for a special fee on commercial and residential dwellings to be used for major road repairs and reconstruction.

### Debt Service Fund

Debt service funds are used to account for the debt sold to finance designated street and utility improvements and/or major projects.

#### ***Debt Service***

Accounts for the accumulation of resources and payment of principal and interest on general obligation, local improvement, and other long-term debt.

### Capital Project Funds

Capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

#### ***Street Capital Projects***

Accounts for the construction or reconstruction of streets, sidewalks and bike-paths that are paid from issuance of debt, system development charges, grants, and interest earnings.

#### ***Building Projects***

Accounts for acquisition and development and redevelopment of public facilities. Improvements are paid from grants, interfund transfers, and issuance of debt.

#### ***Park Projects***

Accounts for acquisition and development of parks and open spaces that are paid from system development charges, donations, grants, and transfers from operating funds.

#### ***Street Development Charges***

Accounts for collection of system development charges from new residential and commercial construction. Proceeds are used to pay for parks infrastructure expansion.

#### ***Park Development Charges***

Accounts for collection of system development charges from new residential and commercial construction. Proceeds are used to pay for parks infrastructure expansion.

#### ***Urban Renewal Year 2000 Plan Capital Projects Fund***

Accounts for acquisition, construction, and improvements within the district that are financed from the issuance of debt and interest earnings.

#### ***Urban Renewal - Year 2000 Plan Program Income***

Accounts for the less restricted, non bond proceed, income related to the Year 2000 Urban Renewal District. Includes revenue such as reimbursements, loan repayments, and land sales.

#### ***Urban Renewal - West Side Plan Program Income***

Accounts for the less restricted, non bond proceed, income related to the West Side Urban Renewal District. Includes revenue such as reimbursements, loan repayments, and land sales.

**CITY OF WILSONVILLE, OREGON**

**Nonmajor Governmental Funds**

**Combining Balance Sheet**

*June 30, 2016*

	<b>Combined Nonmajor Special Revenue Funds</b>	<b>Combined Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>			
Cash and investments	\$ 9,184,656	\$ 20,538,059	\$ 29,722,715
Receivables:			
Interest	24,720	35,715	60,435
Accounts	186,282	39,360	225,642
Prepays	285	-	285
Restricted cash and investments	246,953	2,994,840	3,241,793
Total assets	<u>\$ 9,642,896</u>	<u>\$ 23,607,974</u>	<u>\$ 33,250,870</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 492,291	\$ 577,869	\$ 1,070,160
Other accrued liabilities	149,678	-	149,678
Unearned revenue	52,226	-	52,226
Total liabilities	<u>941,148</u>	<u>577,869</u>	<u>1,519,017</u>
<b>FUND BALANCES</b>			
Nonspendable	285	-	285
Restricted	-	12,148,270	12,148,270
Committed	938,000	-	938,000
Assigned	7,763,463	10,881,835	18,645,298
Total fund balances	<u>8,701,748</u>	<u>23,030,105</u>	<u>31,731,853</u>
Total liabilities and fund balances	<u>\$ 9,642,896</u>	<u>\$ 23,607,974</u>	<u>\$ 33,250,870</u>

**CITY OF WILSONVILLE, OREGON**

**Nonmajor Special Revenue Funds**

**Combining Balance Sheet**

*June 30, 2016*

	<b>Building Inspection</b>	<b>Community Development</b>	<b>Road Operating</b>	<b>Road Maintenance Regulatory</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and investments	\$ 4,022,130	\$ 2,841,226	\$ 1,158,353	\$ 1,162,947	\$ 9,184,656
Receivables:					
Interest	15,133	8,580	1,007	-	24,720
Accounts	150	-	120,655	65,477	186,282
Prepays	175	110	-	-	285
Restricted cash and investments	-	246,953	-	-	246,953
<b>Total assets</b>	<b>\$ 4,037,588</b>	<b>\$ 3,096,869</b>	<b>\$ 1,280,015</b>	<b>\$ 1,228,424</b>	<b>\$ 9,642,896</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 385,250	\$ 58,751	\$ 48,290	\$ -	\$ 492,291
Other accrued liabilities	78,062	63,015	8,601	-	149,678
Deposits	-	246,953	-	-	246,953
Unearned revenue	52,226	-	-	-	52,226
<b>Total liabilities</b>	<b>515,538</b>	<b>368,719</b>	<b>56,891</b>	<b>-</b>	<b>941,148</b>
<b>FUND BALANCES</b>					
Nonspendable	175	110	-	-	285
Committed	152,000	625,000	161,000	-	938,000
Assigned	3,369,875	2,103,040	1,062,124	1,228,424	7,763,463
<b>Total fund balances</b>	<b>3,522,050</b>	<b>2,728,150</b>	<b>1,223,124</b>	<b>1,228,424</b>	<b>8,701,748</b>
<b>Total liabilities and fund balances</b>	<b>\$ 4,037,588</b>	<b>\$ 3,096,869</b>	<b>\$ 1,280,015</b>	<b>\$ 1,228,424</b>	<b>\$ 9,642,896</b>

**CITY OF WILSONVILLE, OREGON**

**Nonmajor Capital Project Funds**

**Combining Balance Sheet**

*June 30, 2016*

	<b>Street Capital Projects</b>	<b>Building Projects</b>	<b>Park Projects</b>	<b>Street Development Charges</b>
<b>ASSETS</b>				
Cash and investments	\$ 1,484,633	\$ 214,921	\$ 63,473	\$ 3,796,227
Receivables:				
Interest	280	-	-	17,389
Accounts	-	-	-	-
Restricted cash and investments	-	-	-	2,848,861
<b>Total assets</b>	<b>\$ 1,484,913</b>	<b>\$ 214,921</b>	<b>\$ 63,473</b>	<b>\$ 6,662,477</b>
 <b>LIABILITIES</b>				
Accounts payable	\$ 513,632	\$ 29,645	\$ 5,062	\$ -
<b>Total liabilities</b>	<b>513,632</b>	<b>29,645</b>	<b>5,062</b>	<b>-</b>
 <b>FUND BALANCES</b>				
Restricted	-	-	-	6,662,477
Assigned	971,281	185,276	58,411	-
<b>Total fund balances</b>	<b>971,281</b>	<b>185,276</b>	<b>58,411</b>	<b>6,662,477</b>
<b>Total liabilities and     fund balances</b>	<b>\$ 1,484,913</b>	<b>\$ 214,921</b>	<b>\$ 63,473</b>	<b>\$ 6,662,477</b>

Continued on page 93.

<b>Park Development Charges</b>	<b>Urban Renewal Year 2000 Capital Projects</b>	<b>Urban Renewal Year 2000 Program Income</b>	<b>Urban Renewal West Side Program Income</b>	<b>Total</b>
\$ 5,332,064	\$ 2,841,328	\$ 1,861,821	\$ 4,943,592	\$ 20,538,059
11,265	-	2,244	4,537	35,715
-	-	39,360	-	39,360
142,464	3,515	-	-	2,994,840
<u>\$ 5,485,793</u>	<u>\$ 2,844,843</u>	<u>\$ 1,903,425</u>	<u>\$ 4,948,129</u>	<u>\$ 23,607,974</u>
\$ -	\$ 15,940	\$ 13,590	\$ -	\$ 577,869
-	15,940	13,590	-	577,869
5,485,793	-	-	-	12,148,270
-	2,828,903	1,889,835	4,948,129	10,881,835
<u>5,485,793</u>	<u>2,828,903</u>	<u>1,889,835</u>	<u>4,948,129</u>	<u>23,030,105</u>
<u>\$ 5,485,793</u>	<u>\$ 2,844,843</u>	<u>\$ 1,903,425</u>	<u>\$ 4,948,129</u>	<u>\$ 23,607,974</u>

**CITY OF WILSONVILLE, OREGON**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
*For the year ended June 30, 2016*

	<b>Combined Nonmajor Special Funds</b>	<b>Debt Service Fund</b>	<b>Combined Nonmajor Capital Project Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>				
Taxes	\$ -	\$ 282,710	\$ -	\$ 282,710
Intergovernmental	1,339,901	-	205,546	1,545,447
Licenses and permits	2,799,751	-	1,350	2,801,101
Charges for services	1,344,681	-	-	1,344,681
System development fees	-	-	4,383,098	4,383,098
Investment revenue	61,248	1,262	111,856	174,366
Other revenues	917	-	157,188	158,105
Total revenues	<u>5,546,498</u>	<u>283,972</u>	<u>4,859,038</u>	<u>10,689,508</u>
<b>EXPENDITURES</b>				
Current operating:				
General government	527,108	-	78,855	605,963
Public works	875,714	-	-	875,714
Community development	2,452,166	-	1,451,537	3,903,703
Debt service:				
Principal	-	355,000	-	355,000
Interest	-	17,040	-	17,040
Capital outlay	1,753	-	2,888,073	2,889,826
Total expenditures	<u>3,856,741</u>	<u>372,040</u>	<u>4,418,465</u>	<u>8,647,246</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,689,757</u>	<u>(88,068)</u>	<u>440,573</u>	<u>2,042,262</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	243,000	-	5,286,275	5,529,275
Transfers out	(796,693)	-	(1,821,511)	(2,618,204)
Total other financing sources (uses)	<u>(553,693)</u>	<u>-</u>	<u>8,405,929</u>	<u>7,852,236</u>
Net change in fund balances	1,136,064	(88,068)	8,846,502	9,894,498
Fund balances--beginning	<u>7,565,684</u>	<u>88,068</u>	<u>14,183,603</u>	<u>21,837,355</u>
Fund balances--ending	<u>\$ 8,701,748</u>	<u>\$ -</u>	<u>\$ 23,030,105</u>	<u>\$ 31,731,853</u>

**CITY OF WILSONVILLE, OREGON**  
**Nonmajor Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
*For the year ended June 30, 2016*

	<b>Building Inspections</b>	<b>Community Development</b>	<b>Road Operating</b>	<b>Road Maintenance Regulatory</b>	<b>Total</b>
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ -	\$ 1,339,901	\$ -	\$ 1,339,901
Licenses and permits	1,538,088	1,261,663	-	-	2,799,751
Charges for services	-	645,233	-	699,448	1,344,681
Investment revenue	27,445	20,015	7,681	6,107	61,248
Other revenues	-	253	664	-	917
<b>Total revenues</b>	<b>1,565,533</b>	<b>1,927,164</b>	<b>1,348,246</b>	<b>705,555</b>	<b>5,546,498</b>
<b>EXPENDITURES</b>					
Current operating:					
General government	85,882	363,916	77,310	-	527,108
Public works	-	71,206	804,508	-	875,714
Community development	879,696	1,572,470	-	-	2,452,166
Capital outlay	-	-	1,753	-	1,753
<b>Total expenditures</b>	<b>965,578</b>	<b>2,007,592</b>	<b>883,571</b>	<b>-</b>	<b>3,856,741</b>
Excess (deficiency) of revenues over (under) expenditures	599,955	(80,428)	464,675	705,555	1,689,757
<b>OTHER FINANCING USES</b>					
Transfers in	-	243,000	-	-	243,000
Transfers out	(3,200)	(14,400)	(565,990)	(213,103)	(796,693)
<b>Net change in fund balances</b>	<b>596,755</b>	<b>148,172</b>	<b>(101,315)</b>	<b>492,452</b>	<b>1,136,064</b>
Fund balances--beginning	2,925,295	2,579,978	1,324,439	735,972	7,565,684
Fund balances--ending	<b>\$ 3,522,050</b>	<b>\$ 2,728,150</b>	<b>\$ 1,223,124</b>	<b>\$ 1,228,424</b>	<b>\$ 8,701,748</b>

**CITY OF WILSONVILLE, OREGON**  
**Nonmajor Capital Projects Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
*For the year ended June 30, 2016*

	<b>Street Capital Projects</b>	<b>Building Projects</b>	<b>Park Projects</b>	<b>Street Development Charges</b>
<b>REVENUES</b>				
Intergovernmental	\$ 205,546	\$ -	\$ -	\$ -
Licenses and permits	-	-	1,350	-
System development fees	-	-	-	2,578,879
Investment revenue	5,789	1,388	8	40,136
Other revenues	1,853	-	-	60,698
Total revenues	<u>213,188</u>	<u>1,388</u>	<u>1,358</u>	<u>2,679,713</u>
<b>EXPENDITURES</b>				
Current operating:				
General government	64,754	-	14,101	-
Community development	773,484	12,334	63,626	147,445
Capital outlay	1,895,159	205,204	465,367	-
Total expenditures	<u>2,733,397</u>	<u>217,538</u>	<u>543,094</u>	<u>147,445</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(2,520,209)</u>	<u>(216,150)</u>	<u>(541,736)</u>	<u>2,532,268</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	-	-
Transfers in	2,525,998	217,538	542,739	-
Transfers out	-	-	-	(1,330,872)
Total other financing sources (uses)	<u>2,525,998</u>	<u>217,538</u>	<u>542,739</u>	<u>(1,330,872)</u>
Net change in fund balances	5,789	1,388	1,003	1,201,396
Fund balances--beginning	965,492	183,888	57,408	5,461,081
Fund balances--ending	<u>\$ 971,281</u>	<u>\$ 185,276</u>	<u>\$ 58,411</u>	<u>\$ 6,662,477</u>

Continued on page 97.

<b>Park Development Charges</b>	<b>Urban Renewal Year 2000 Projects</b>	<b>Urban Renewal Year 2000 Program Income</b>	<b>Urban Renewal West Side Program Income</b>	<b>Total</b>
\$ -	\$ -	\$ -	\$ -	\$ 205,546
-	-	-	-	1,350
1,804,219	-	-	-	4,383,098
33,327	12,681	11,563	6,964	111,856
-	73	94,564	-	157,188
<u>1,837,546</u>	<u>12,754</u>	<u>106,127</u>	<u>6,964</u>	<u>4,859,038</u>
-	-	-	-	78,855
5,441	441,670	7,537	-	1,451,537
-	322,343	-	-	2,888,073
<u>5,441</u>	<u>764,013</u>	<u>7,537</u>	<u>-</u>	<u>4,418,465</u>
<u>1,832,105</u>	<u>(751,259)</u>	<u>98,590</u>	<u>6,964</u>	<u>440,573</u>
-	-	-	4,941,165	4,941,165
-	2,000,000	-	-	5,286,275
<u>(490,639)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,821,511)</u>
<u>(490,639)</u>	<u>2,000,000</u>	<u>-</u>	<u>4,941,165</u>	<u>8,405,929</u>
1,341,466	1,248,741	98,590	4,948,129	8,846,502
4,144,327	1,580,162	1,791,245	-	14,183,603
<u>\$ 5,485,793</u>	<u>\$ 2,828,903</u>	<u>\$ 1,889,835</u>	<u>\$ 4,948,129</u>	<u>\$ 23,030,105</u>

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

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**Governmental Funds**

***Special Revenue Funds***

- Community Development Fund
- Building Inspection Fund
- Road Operating
- Road Maintenance Regulatory

***Debt Service Funds***

- Debt Service
- Urban Renewal - Year 2000 Plan
- Urban Renewal - West Side Plan

***Capital Project Funds***

- Street
- Building
- Park
- Street Development
- Park Development
- Urban Renewal - Year 2000 Plan
- Urban Renewal - Year 2000 Plan Program Income
- Urban Renewal - West Side Plan
- Urban Renewal - West Side Plan Program Income

**CITY OF WILSONVILLE, OREGON**

**Community Development Fund**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**

**Budget and Actual**

*For the year ended June 30, 2016*

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Licenses and permits	\$ 669,200	\$ 669,200	\$ 1,261,663	\$ 592,463
Charges for services	714,803	744,803	645,233	(99,570)
Investment revenue	12,000	12,000	20,015	8,015
Other revenues	-	-	253	253
Total revenues	<u>1,396,003</u>	<u>1,426,003</u>	<u>1,927,164</u>	<u>501,161</u>
<b>EXPENDITURES</b>				
Community Development Administration	748,510	765,380	615,003	150,377
Engineering	1,280,925	1,303,815	1,223,216	80,599
Planning	957,037	1,013,237	915,239	97,998
Stormwater Management	137,150	140,530	138,868	1,662
Contingency	<u>1,182,381</u>	<u>1,422,990</u>	-	<u>1,422,990</u>
Total expenditures	<u>4,306,003</u>	<u>4,645,952</u>	<u>2,892,326</u>	<u>1,753,626</u>
Deficiency of revenues under expenditures	<u>(2,910,000)</u>	<u>(3,219,949)</u>	<u>(965,162)</u>	<u>2,254,787</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,833,926	2,143,875	1,562,857	(581,018)
Transfers out	<u>(457,066)</u>	<u>(457,066)</u>	<u>(449,523)</u>	<u>7,543</u>
Total other financing sources (uses)	<u>1,376,860</u>	<u>1,686,809</u>	<u>1,113,334</u>	<u>(573,475)</u>
Net change in fund balances	(1,533,140)	(1,533,140)	148,172	1,681,312
Fund balances--beginning	<u>2,158,140</u>	<u>2,158,140</u>	<u>2,579,978</u>	<u>421,838</u>
Fund balances--ending	<u>\$ 625,000</u>	<u>\$ 625,000</u>	<u>\$ 2,728,150</u>	<u>\$ 2,103,150</u>

**CITY OF WILSONVILLE, OREGON**

**Building Inspection Fund**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**

**Budget and Actual**

*For the year ended June 30, 2016*

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Licenses and permits	\$ 1,118,115	\$ 1,118,115	\$ 1,538,088	\$ 419,973
Investment revenue	14,000	14,000	27,445	13,445
Total revenues	<u>1,132,115</u>	<u>1,132,115</u>	<u>1,565,533</u>	<u>433,418</u>
<b>EXPENDITURES</b>				
Building Inspection	756,758	805,808	780,279	25,529
Contingency	<u>2,711,644</u>	<u>2,662,594</u>	-	<u>2,662,594</u>
Total expenditures	<u>3,468,402</u>	<u>3,468,402</u>	<u>780,279</u>	<u>2,688,123</u>
Deficiency of revenues under expenditures	<u>(2,336,287)</u>	<u>(2,336,287)</u>	<u>785,254</u>	<u>3,121,541</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(202,508)</u>	<u>(202,508)</u>	<u>(188,499)</u>	<u>14,009</u>
Total other financing sources (uses)	<u>(202,508)</u>	<u>(202,508)</u>	<u>(188,499)</u>	<u>14,009</u>
Net change in fund balances	(2,538,795)	(2,538,795)	596,755	3,135,550
Fund balances--beginning	<u>2,690,795</u>	<u>2,690,795</u>	<u>2,925,295</u>	<u>234,500</u>
Fund balances--ending	<u>\$ 152,000</u>	<u>\$ 152,000</u>	<u>\$ 3,522,050</u>	<u>\$ 3,370,050</u>

**CITY OF WILSONVILLE, OREGON**  
**Road Operating Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
*For the year ended June 30, 2016*

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 1,285,390	\$ 1,285,390	\$ 1,339,901	\$ 54,511
Investment revenue	7,000	7,000	7,681	681
Other revenues	-	-	664	664
Total revenues	<u>1,292,390</u>	<u>1,292,390</u>	<u>1,348,246</u>	<u>55,856</u>
<b>EXPENDITURES</b>				
Road Operating	814,968	822,288	711,652	110,636
Contingency	847,806	656,036	-	656,036
Total expenditures	<u>1,662,774</u>	<u>1,478,324</u>	<u>711,652</u>	<u>766,672</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(370,384)</u>	<u>(185,934)</u>	<u>636,594</u>	<u>822,528</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(709,741)</u>	<u>(894,191)</u>	<u>(737,909)</u>	<u>156,282</u>
Net change in fund balances	(1,080,125)	(1,080,125)	(101,315)	978,810
Fund balances--beginning	<u>1,241,125</u>	<u>1,241,125</u>	<u>1,324,439</u>	<u>83,314</u>
Fund balances--ending	<u>\$ 161,000</u>	<u>\$ 161,000</u>	<u>\$ 1,223,124</u>	<u>\$ 1,062,124</u>

**CITY OF WILSONVILLE, OREGON**  
**Road Maintenance Regulatory Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
*For the year ended June 30, 2016*

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 710,000	\$ 710,000	\$ 699,448	\$ (10,552)
Investment revenue	1,600	1,600	6,107	4,507
Total revenues	711,600	711,600	705,555	(6,045)
EXPENDITURES				
Contingency	693,483	693,483	-	693,483
Excess of revenues over expenditures	18,117	18,117	705,555	687,438
OTHER FINANCING USES				
Transfers out	(710,000)	(710,000)	(213,103)	496,897
Net change in fund balances	(691,883)	(691,883)	492,452	1,184,335
Fund balances--beginning	691,883	691,883	735,972	44,089
Fund balances--ending	\$ -	\$ -	\$ 1,228,424	\$ 1,228,424

**CITY OF WILSONVILLE, OREGON**  
**Debt Service Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
*For the year ended June 30, 2016*

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 320,595	\$ 320,595	\$ 282,710	\$ (37,885)
Investment revenue	1,084	1,084	1,262	178
Total revenues	<u>321,679</u>	<u>321,679</u>	<u>283,972</u>	<u>(37,707)</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	355,000	355,000	355,000	-
Interest	17,303	17,303	17,040	263
Contingency	9,587	9,587	-	9,587
Total expenditures	<u>381,890</u>	<u>381,890</u>	<u>372,040</u>	<u>9,850</u>
Deficiency of revenues under expenditures	(60,211)	(60,211)	(88,068)	(27,857)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	35,000	35,000	-	(35,000)
Transfers out	<u>(35,000)</u>	<u>(35,000)</u>	-	35,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(60,211)	(60,211)	(88,068)	(27,857)
Fund balances--beginning	<u>60,211</u>	<u>60,211</u>	<u>88,068</u>	<u>27,857</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF WILSONVILLE, OREGON**  
**Urban Renewal - Year 2000 Plan Debt Service Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
*For the year ended June 30, 2016*

	<b>Budgeted Amounts</b>		<b>Actual Amounts Budgetary Basis</b>	<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes	\$ 4,120,000	\$ 4,120,000	\$ 4,127,385	\$ 7,385
Investment revenue	20,000	20,000	32,457	12,457
Total revenues	<u>4,140,000</u>	<u>4,140,000</u>	<u>4,159,842</u>	<u>19,842</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	2,330,000	2,330,000	2,315,000	15,000
Interest	276,963	276,963	276,545	418
Contingency	2,547,882	2,547,882	-	2,547,882
Total expenditures	<u>5,154,845</u>	<u>5,154,845</u>	<u>2,591,545</u>	<u>2,563,300</u>
Excess (deficiency) of revenues over (under) expenditures	(1,014,845)	(1,014,845)	1,568,297	2,583,142
Fund balances--beginning	<u>3,714,845</u>	<u>3,714,845</u>	<u>3,909,906</u>	<u>195,061</u>
Fund balances--ending	<u>\$ 2,700,000</u>	<u>\$ 2,700,000</u>	<u>\$ 5,478,203</u>	<u>\$ 2,778,203</u>

**CITY OF WILSONVILLE, OREGON**  
**Urban Renewal - West Side Plan Debt Service Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
*For the year ended June 30, 2016*

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 4,452,465	\$ 4,452,465	\$ 4,824,473	\$ 372,008
Investment revenue	21,000	21,000	47,790	26,790
Total revenues	<u>4,473,465</u>	<u>4,473,465</u>	<u>4,872,263</u>	<u>398,798</u>
EXPENDITURES				
Debt service:				
Principal	3,439,873	3,439,873	1,717,532	1,722,341
Interest	1,143,548	1,143,548	1,144,759	(1,211)
Contingency	1,835,947	1,835,947	-	1,835,947
Total expenditures	<u>6,419,368</u>	<u>6,419,368</u>	<u>2,862,291</u>	<u>3,557,077</u>
Excess (deficiency) of revenues over (under) expenditures	(1,945,903)	(1,945,903)	2,009,972	3,955,875
Fund balances--beginning	<u>4,529,324</u>	<u>4,529,324</u>	<u>4,542,445</u>	<u>13,121</u>
Fund balances--ending	<u>\$ 2,583,421</u>	<u>\$ 2,583,421</u>	<u>\$ 6,552,417</u>	<u>\$ 3,968,996</u>

**CITY OF WILSONVILLE, OREGON**

**Street Capital Projects Fund**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**

**Budget and Actual**

*For the year ended June 30, 2016*

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 192,000	\$ 192,000	\$ 205,546	\$ 13,546
Investment revenue	4,788	4,788	5,789	1,001
Other revenues	104,420	104,420	1,853	(102,567)
Total revenues	<u>301,208</u>	<u>301,208</u>	<u>213,188</u>	<u>(88,020)</u>
<b>EXPENDITURES</b>				
Capital outlay	4,518,200	4,807,777	1,895,159	2,912,618
Contingency	1,017,024	1,017,024	-	1,017,024
Total expenditures	<u>5,535,224</u>	<u>5,824,801</u>	<u>1,895,159</u>	<u>3,929,642</u>
Deficiency of revenues under expenditures	<u>(5,234,016)</u>	<u>(5,523,593)</u>	<u>(1,681,971)</u>	<u>3,841,622</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	5,073,530	5,526,812	2,525,998	(3,000,814)
Transfers out	<u>(804,765)</u>	<u>(968,470)</u>	<u>(838,238)</u>	<u>130,232</u>
Total other financing sources (uses)	<u>4,268,765</u>	<u>4,558,342</u>	<u>1,687,760</u>	<u>(2,870,582)</u>
Net change in fund balances	(965,251)	(965,251)	5,789	971,040
Fund balances--beginning	<u>965,251</u>	<u>965,251</u>	<u>965,492</u>	<u>241</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 971,281</u>	<u>\$ 971,281</u>

**CITY OF WILSONVILLE, OREGON**  
**Building Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
*For the year ended June 30, 2016*

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 1,011,200	\$ 1,011,200	\$ -	\$ (1,011,200)
Investment revenue	920	920	1,388	468
Total revenues	<u>1,012,120</u>	<u>1,012,120</u>	<u>1,388</u>	<u>(1,010,732)</u>
<b>EXPENDITURES</b>				
Capital outlay	1,228,500	1,288,500	205,204	1,083,296
Contingency	184,865	184,865	-	184,865
Total expenditures	<u>1,413,365</u>	<u>1,473,365</u>	<u>205,204</u>	<u>1,268,161</u>
Deficiency of revenues under expenditures	<u>(401,245)</u>	<u>(461,245)</u>	<u>(203,816)</u>	<u>257,429</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	244,300	304,300	217,538	(86,762)
Transfers out	(27,000)	(27,000)	(12,334)	14,666
Total other financing sources (uses)	<u>217,300</u>	<u>277,300</u>	<u>205,204</u>	<u>(72,096)</u>
Net change in fund balances	(183,945)	(183,945)	1,388	185,333
Fund balances--beginning	183,945	183,945	183,888	(57)
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 185,276</u>	<u>\$ 185,276</u>

**CITY OF WILSONVILLE, OREGON**

**Park Capital Projects Fund**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**

**Budget and Actual**

*For the year ended June 30, 2016*

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 960,000	\$ 960,000	\$ -	\$ (960,000)
Licenses and permits	2,000	2,000	1,350	(650)
Investment revenue	320	320	8	(312)
Other revenues	500	500	-	(500)
Total revenues	<u>962,820</u>	<u>962,820</u>	<u>1,358</u>	<u>(961,462)</u>
<b>EXPENDITURES</b>				
Capital outlay	2,283,100	2,838,695	465,367	2,373,328
Contingency	71,531	71,531	-	71,531
Total expenditures	<u>2,354,631</u>	<u>2,910,226</u>	<u>465,367</u>	<u>2,444,859</u>
Deficiency of revenues under expenditures	<u>(1,391,811)</u>	<u>(1,947,406)</u>	<u>(464,009)</u>	<u>1,483,397</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,537,589	2,180,395	542,739	(1,637,656)
Transfers out	<u>(207,252)</u>	<u>(294,463)</u>	<u>(77,727)</u>	<u>216,736</u>
Total other financing sources (uses)	<u>1,330,337</u>	<u>1,885,932</u>	<u>465,012</u>	<u>(1,420,920)</u>
Net change in fund balances	(61,474)	(61,474)	1,003	62,477
Fund balances--beginning	<u>61,474</u>	<u>61,474</u>	<u>57,408</u>	<u>(4,066)</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,411</u>	<u>\$ 58,411</u>

**CITY OF WILSONVILLE, OREGON**  
**Street Development Charges Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
*For the year ended June 30, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>Budgetary</u> <u>Basis</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<b>REVENUES</b>				
System development fees	\$ 3,178,866	\$ 3,178,866	\$ 2,578,879	\$ (599,987)
Investment revenue	26,030	26,030	40,136	14,106
Other revenues	-	-	60,698	60,698
Total revenues	<u>3,204,896</u>	<u>3,204,896</u>	<u>2,679,713</u>	<u>(525,183)</u>
<b>EXPENDITURES</b>				
Materials and services	15,900	155,420	147,445	7,975
Contingency	<u>4,512,334</u>	<u>4,310,552</u>	-	<u>4,310,552</u>
Total expenditures	<u>4,528,234</u>	<u>4,465,972</u>	<u>147,445</u>	<u>4,318,527</u>
Excess (deficiency) of revenues over (under) expenditures	(1,323,338)	(1,261,076)	2,532,268	3,793,344
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(2,932,789)</u>	<u>(2,995,051)</u>	<u>(1,330,872)</u>	<u>1,664,179</u>
Net change in fund balances	(4,256,127)	(4,256,127)	1,201,396	5,457,523
Fund balances--beginning	<u>4,256,127</u>	<u>4,256,127</u>	<u>5,461,081</u>	<u>1,204,954</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,662,477</u>	<u>\$ 6,662,477</u>

**CITY OF WILSONVILLE, OREGON**  
**Park Development Charges Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
*For the year ended June 30, 2016*

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
System development fees	\$ 769,022	\$ 769,022	\$ 1,804,219	\$ 1,035,197
Investment revenue	17,850	17,850	33,327	15,477
Total revenues	<u>786,872</u>	<u>786,872</u>	<u>1,837,546</u>	<u>1,050,674</u>
<b>EXPENDITURES</b>				
Materials and services	3,850	8,350	5,441	2,909
Contingency	1,936,900	1,336,684	-	1,336,684
Total expenditures	<u>1,940,750</u>	<u>1,345,034</u>	<u>5,441</u>	<u>1,339,593</u>
Excess (deficiency) of revenues over (under) expenditures	(1,153,878)	(558,162)	1,832,105	2,390,267
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(1,340,389)</u>	<u>(1,936,105)</u>	<u>(490,639)</u>	<u>1,445,466</u>
Net change in fund balances	(2,494,267)	(2,494,267)	1,341,466	3,835,733
Fund balances--beginning	<u>2,494,267</u>	<u>2,494,267</u>	<u>4,144,327</u>	<u>1,650,060</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,485,793</u>	<u>\$ 5,485,793</u>

**CITY OF WILSONVILLE, OREGON**  
**Urban Renewal - Year 2000 Plan Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
*For the year ended June 30, 2016*

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment revenue	\$ 7,200	\$ 7,200	\$ 12,681	\$ 5,481
Other revenues	-	-	73	73
Total revenues	<u>7,200</u>	<u>7,200</u>	<u>12,754</u>	<u>5,554</u>
<b>EXPENDITURES</b>				
Materials and services	593,790	598,790	441,670	157,120
Capital outlay	469,650	716,193	322,343	393,850
Contingency	<u>2,369,735</u>	<u>2,118,192</u>	-	<u>2,118,192</u>
Total expenditures	<u>3,433,175</u>	<u>3,433,175</u>	<u>764,013</u>	<u>2,669,162</u>
Excess (deficiency) of revenues over (under) expenditures	(3,425,975)	(3,425,975)	(751,259)	2,674,716
<b>OTHER FINANCING SOURCES</b>				
Issuance of debt	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	-
Net change in fund balances	(1,425,975)	(1,425,975)	1,248,741	2,674,716
Fund balances--beginning	<u>1,425,975</u>	<u>1,425,975</u>	<u>1,580,162</u>	<u>154,187</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,828,903</u>	<u>\$ 2,828,903</u>

**CITY OF WILSONVILLE, OREGON**  
**Urban Renewal - Year 2000 Plan Program Income Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
*For the year ended June 30, 2016*

	<b>Budgeted Amounts</b>		<b>Actual Amounts Budgetary Basis</b>	<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Investment revenue	\$ 15,000	\$ 15,000	\$ 11,563	\$ (3,437)
Other revenues	94,400	94,400	94,564	164
Total revenues	<u>109,400</u>	<u>109,400</u>	<u>106,127</u>	<u>(3,273)</u>
<b>EXPENDITURES</b>				
Materials and services	50,100	50,100	7,537	42,563
Contingency	<u>1,524,208</u>	<u>1,524,208</u>	-	<u>1,524,208</u>
Total expenditures	<u>1,574,308</u>	<u>1,574,308</u>	<u>7,537</u>	<u>1,566,771</u>
Excess (deficiency) of revenues over (under) expenditures	(1,464,908)	(1,464,908)	98,590	1,563,498
Fund balances--beginning	<u>1,464,908</u>	<u>1,464,908</u>	<u>1,791,245</u>	<u>326,337</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,889,835</u>	<u>\$ 1,889,835</u>

**CITY OF WILSONVILLE, OREGON**  
**Urban Renewal - West Side Plan Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
*For the year ended June 30, 2016*

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Investment revenue	\$ 8,500	\$ 8,500	\$ 21,562	\$ 13,062
<b>EXPENDITURES</b>				
Materials and services	1,407,035	1,432,035	966,448	465,587
Capital outlay	2,423,718	3,321,212	2,168,275	1,152,937
Contingency	1,207,387	284,893	-	284,893
Total expenditures	<u>5,038,140</u>	<u>5,038,140</u>	<u>3,134,723</u>	<u>1,903,417</u>
Deficiency of revenues under expenditures	(5,029,640)	(5,029,640)	(3,113,161)	1,916,479
<b>OTHER FINANCING SOURCES</b>				
Issuance of debt	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>-</u>
Net change in fund balances	(29,640)	(29,640)	1,886,839	1,916,479
Fund balances--beginning	<u>29,640</u>	<u>29,640</u>	<u>858,623</u>	<u>828,983</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>2,745,462</u>	<u>\$ 2,745,462</u>
Adjustment from budgetary basis to generally accepted accounting basis:				
Development charge payable			<u>(1,166,060)</u>	
Fund balances - generally accepted accounting principles basis			<u>\$ 1,579,402</u>	

**CITY OF WILSONVILLE, OREGON**  
**Urban Renewal - Westside Plan Program Income Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
*For the year ended June 30, 2016*

	<b>Budgeted Amounts</b>		<b>Actual Amounts Budgetary Basis</b>	<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Investment revenue	\$ -	\$ -	\$ 6,964	\$ 6,964
<b>EXPENDITURES</b>				
Contingency	-	4,941,165	-	4,941,165
Excess (deficiency) of revenues over (under) expenditures	-	(4,941,165)	6,964	4,948,129
<b>OTHER FINANCING SOURCES</b>				
Sale of capital assets	-	4,941,165	4,941,165	-
Net change in fund balances	-	-	4,948,129	4,948,129
Fund balances--beginning	-	-	-	-
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,948,129</u>	<u>\$ 4,948,129</u>

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

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**Proprietary Funds**

***Enterprise Funds***

- Water Operating
- Water Capital Projects
- Water Development Charges
- Water Fund Reconciliation of Budgetary Revenues  
and Expenditures to GAAP
  
- Sewer Operating
- Sewer Capital Projects
- Sewer Development Charges
- Sewer Fund Reconciliation of Budgetary Revenues  
and Expenditures to GAAP
  
- Stormwater Operating
- Stormwater Capital Projects
- Stormwater Development Charges
- Stormwater Fund Reconciliation of Budgetary Revenues  
and Expenditures to GAAP
  
- Street Lighting
- Street Lighting Fund Reconciliation of Budgetary Revenues  
and Expenditures to GAAP
  
- Reconciliation of Budgetary Fund Balances to GAAP Basis - Net Position

***Internal Service Fund***

- Fleet Internal Service Fund

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**CITY OF WILSONVILLE, OREGON**  
**Water Operating Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
*For the year ended June 30, 2016*

	<b>Budgeted Amounts</b>		<b>Actual Amounts Budgetary Basis</b>	<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Charges for services	\$ 7,353,500	\$ 7,353,500	\$ 8,380,163	\$ 1,026,663
Fines and forfeitures	-	-	18,870	18,870
Investment revenue	33,000	33,000	74,930	41,930
Other revenues	-	-	38,870	38,870
Total revenues	<u>7,386,500</u>	<u>7,386,500</u>	<u>8,512,833</u>	<u>1,126,333</u>
<b>EXPENDITURES</b>				
Water Operating	1,297,976	1,333,686	1,256,518	77,168
Water Treatment	2,694,641	2,805,641	2,611,629	194,012
Debt service:				-
Principal	1,535,000	5,570,000	5,570,000	-
Interest	337,583	337,583	340,481	(2,898)
Contingency	6,819,666	6,633,413	-	6,633,413
Total expenditures	<u>12,684,866</u>	<u>16,680,323</u>	<u>9,778,628</u>	<u>6,901,695</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,298,366)</u>	<u>(9,293,823)</u>	<u>(1,265,795)</u>	<u>8,028,028</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	-	4,059,000	4,059,000	-
Transfers in	350,000	350,000	350,000	-
Transfers out	(1,320,000)	(1,383,543)	(698,626)	684,917
Total other financing sources (uses)	<u>(970,000)</u>	<u>3,025,457</u>	<u>3,710,374</u>	<u>684,917</u>
Net change in fund balances	(6,268,366)	(6,268,366)	2,444,579	8,712,945
Fund balances--beginning	<u>7,029,366</u>	<u>7,029,366</u>	<u>7,814,063</u>	<u>784,697</u>
Fund balances--ending	<u>\$ 761,000</u>	<u>\$ 761,000</u>	<u>\$ 10,258,642</u>	<u>\$ 9,497,642</u>

**CITY OF WILSONVILLE, OREGON**  
**Water Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
*For the year ended June 30, 2016*

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 48,120	\$ 119,560	\$ 71,440
Investment revenue	315	315	204	(111)
Total revenues	<u>315</u>	<u>48,435</u>	<u>119,764</u>	<u>71,329</u>
<b>EXPENDITURES</b>				
Capital outlay	881,792	1,056,792	304,784	752,008
Contingency	74,472	74,472	-	74,472
Total expenditures	<u>956,264</u>	<u>1,131,264</u>	<u>304,784</u>	<u>826,480</u>
Deficiency of revenues under expenditures	<u>(955,949)</u>	<u>(1,082,829)</u>	<u>(185,020)</u>	<u>897,809</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	999,337	1,196,492	310,632	(885,860)
Transfers out	(109,194)	(179,469)	(125,407)	54,062
Total other financing sources (uses)	<u>890,143</u>	<u>1,017,023</u>	<u>185,225</u>	<u>(831,798)</u>
Net change in fund balances	(65,806)	(65,806)	205	66,011
Fund balances--beginning	65,806	65,806	42,697	(23,109)
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,902</u>	<u>\$ 42,902</u>

**CITY OF WILSONVILLE, OREGON**  
**Water Development Charges Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
*For the year ended June 30, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>Budgetary</u> <u>Basis</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<b>REVENUES</b>				
System development fees	\$ 2,349,799	\$ 2,349,799	\$ 1,504,082	\$ (845,717)
Investment revenue	13,900	13,900	17,030	3,130
Total revenues	<u>2,363,699</u>	<u>2,363,699</u>	<u>1,521,112</u>	<u>(842,587)</u>
<b>EXPENDITURES</b>				
Materials and services	9,600	9,600	6,697	2,903
Contingency	4,422,273	4,288,661	-	4,288,661
Total expenditures	<u>4,431,873</u>	<u>4,298,261</u>	<u>6,697</u>	<u>4,291,564</u>
Excess of revenues over expenditures	<u>(2,068,174)</u>	<u>(1,934,562)</u>	<u>1,514,415</u>	<u>3,448,977</u>
<b>OTHER FINANCING USES</b>				
Transfers out	(599,016)	(732,628)	(488,022)	244,606
Net change in fund balances	(2,667,190)	(2,667,190)	1,026,393	3,693,583
Fund balances--beginning	<u>2,667,190</u>	<u>2,667,190</u>	<u>2,256,787</u>	<u>(410,403)</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,283,180</u>	<u>\$ 3,283,180</u>

**CITY OF WILSONVILLE, OREGON**

**Water Fund**

**Reconciliation of Budgetary Revenues and Expenditures to GAAP**

*For the year ended June 30, 2016*

	<u>Revenues</u>	<u>Expenditures</u>
<b>Budgetary Basis:</b>		
Water Operating Fund	\$ 8,512,833	\$ 9,778,628
Water Capital Projects Fund	119,764	304,784
Water Development Charges Fund	1,521,112	6,697
Total	<u>10,153,709</u>	<u>10,090,109</u>
 Adjustments:		
Increase in notes receivable	238,534	-
Collection on notes receivable	4,803	-
Payment of bond principal	-	(5,570,000)
Expenditures capitalized	-	(269,008)
Support services	-	596,454
Depreciation expense	-	1,691,783
Pension expense	-	211,736
Bond issuance cost	-	2,609
Amortization of bond defeasance	-	61,010
Disposition of fixed assets	-	146
Revenues and expenses	<u>\$ 10,397,046</u>	<u>\$ 6,814,839</u>
 <b>GAAP Basis:</b>		
Operating	\$ 8,557,463	\$ 6,410,593
Nonoperating	92,164	404,246
Capital contributions - grants and fees	1,747,419	-
Total - page 51	<u>\$ 10,397,046</u>	<u>\$ 6,814,839</u>

**CITY OF WILSONVILLE, OREGON**  
**Sewer Operating Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
*For the year ended June 30, 2016*

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>Budgetary</u> <u>Basis</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<b>REVENUES</b>				
Charges for services	\$ 7,650,000	\$ 7,650,000	\$ 7,846,877	\$ 196,877
Fines and forfeitures	-	-	10,168	10,168
Investment revenue	43,000	43,000	117,052	74,052
Other revenues	25,000	25,000	52,450	27,450
Total revenues	<u>7,718,000</u>	<u>7,718,000</u>	<u>8,026,547</u>	<u>308,547</u>
<b>EXPENDITURES</b>				
Sewer Operating	770,887	777,017	773,918	3,099
Sewer Pretreatment	122,627	122,627	101,992	20,635
Sewer Treatment	2,530,435	2,530,435	2,307,795	222,640
Debt service:				
Principal	2,310,000	2,310,000	2,310,000	-
Interest	1,278,957	1,278,957	1,272,520	6,437
Contingency	7,628,596	7,516,531	-	7,516,531
Total expenditures	<u>14,641,502</u>	<u>14,535,567</u>	<u>6,766,225</u>	<u>7,769,342</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,923,502)</u>	<u>(6,817,567)</u>	<u>1,260,322</u>	<u>8,077,889</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	600,000	600,000	600,000	-
Transfers out	(2,840,852)	(2,946,787)	(650,112)	2,296,675
Total other financing sources (uses)	<u>(2,240,852)</u>	<u>(2,346,787)</u>	<u>(50,112)</u>	<u>2,296,675</u>
Net change in fund balances	(9,164,354)	(9,164,354)	1,210,210	10,374,564
Fund balances--beginning	9,848,654	9,848,654	10,425,174	576,520
Fund balances--ending	<u>\$ 684,300</u>	<u>\$ 684,300</u>	<u>\$ 11,635,384</u>	<u>\$ 10,951,084</u>

**CITY OF WILSONVILLE, OREGON**

**Sewer Capital Projects Fund**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**

**Budget and Actual**

*For the year ended June 30, 2016*

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment revenue	\$ 85	\$ 85	\$ 76	\$ (9)
EXPENDITURES				
Capital outlay	3,544,919	3,629,824	279,168	3,350,656
Contingency	49,980	49,980	-	49,980
Total expenditures	3,594,899	3,679,804	279,168	3,400,636
Deficiency of revenues under expenditures	(3,594,814)	(3,679,719)	(279,092)	3,400,627
OTHER FINANCING SOURCES (USES)				
Transfers in	3,927,644	4,033,579	346,801	(3,686,778)
Transfers out	(349,323)	(370,353)	(67,634)	302,719
Total other financing sources (uses)	3,578,321	3,663,226	279,167	(3,384,059)
Net change in fund balances	(16,493)	(16,493)	75	16,568
Fund balances--beginning	16,493	16,493	15,483	(1,010)
Fund balances--ending	\$ -	\$ -	\$ 15,558	\$ 15,558

**CITY OF WILSONVILLE, OREGON**  
**Sewer Development Charges Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
*For the year ended June 30, 2016*

	<b>Budgeted Amounts</b>		<b>Actual Amounts Budgetary Basis</b>	<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
System development fees	\$ 1,238,251	\$ 1,238,251	\$ 1,519,276	\$ 281,025
Investment revenue	34,620	34,620	52,575	17,955
Total revenues	<u>1,272,871</u>	<u>1,272,871</u>	<u>1,571,851</u>	<u>298,980</u>
<b>EXPENDITURES</b>				
Materials and services	6,200	6,200	5,318	882
Contingency	5,571,190	5,571,190	-	5,571,190
Total expenditures	<u>5,577,390</u>	<u>5,577,390</u>	<u>5,318</u>	<u>5,572,072</u>
Excess (deficiency) of revenues over (under) expenditures	(4,304,519)	(4,304,519)	1,566,533	5,871,052
<b>OTHER FINANCING USES</b>				
Transfers out	(2,175,791)	(2,175,791)	(743,301)	1,432,490
Net change in fund balances	(6,480,310)	(6,480,310)	823,232	7,303,542
Fund balances--beginning	6,480,310	6,480,310	7,497,962	1,017,652
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,321,194</u>	<u>\$ 8,321,194</u>

**CITY OF WILSONVILLE, OREGON**

**Sewer Fund**

**Reconciliation of Budgetary Revenues and Expenditures to GAAP**

*For the year ended June 30, 2016*

	<u>Revenues</u>	<u>Expenditures</u>
<b>Budgetary Basis:</b>		
Sewer Operating Fund	\$ 8,026,547	\$ 6,766,225
Sewer Capital Projects Fund	76	279,168
Sewer Development Charges Fund	<u>1,571,851</u>	<u>5,318</u>
Total	9,598,474	7,050,711
 Adjustments:		
Collection on notes receivable	(422)	-
Principal payment on credit facility	-	(2,310,000)
Expenditures capitalized	-	(269,751)
Support services	-	445,934
Depreciation expense	-	1,945,286
Pension expense	-	112,840
Bond issuance cost	74,462	-
Disposition of fixed assets	<u>-</u>	<u>51,655</u>
Revenues and expenses	<u>\$ 9,672,514</u>	<u>\$ 7,026,675</u>
 <b>GAAP Basis:</b>		
Operating	\$ 7,909,495	\$ 5,702,500
Nonoperating	244,165	1,324,175
Capital contributions - grants and fees	<u>1,518,854</u>	<u>-</u>
Total - page 51	<u>\$ 9,672,514</u>	<u>\$ 7,026,675</u>

**CITY OF WILSONVILLE, OREGON**  
**Stormwater Operating Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
*For the year ended June 30, 2016*

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 2,027,000	\$ 2,027,000	\$ 2,186,329	\$ 159,329
Investment revenue	1,000	1,000	4,708	3,708
Total revenues	<u>2,028,000</u>	<u>2,028,000</u>	<u>2,191,037</u>	<u>163,037</u>
<b>EXPENDITURES</b>				
Stormwater Management	274,166	274,166	212,578	61,588
Stormwater Maintenance	574,361	579,801	457,749	122,052
Debt service:				
Principal	-	396,020	396,020	-
Interest	-	10,000	10,000	-
Contingency	389,797	364,377	-	364,377
Total expenditures	<u>1,238,324</u>	<u>1,624,364</u>	<u>1,076,347</u>	<u>548,017</u>
Excess of revenues over expenditures	789,676	403,636	1,114,690	711,054
<b>OTHER FINANCING USES</b>				
Transfers out	(996,389)	(610,349)	(337,837)	272,512
Net change in fund balances	(206,713)	(206,713)	776,853	983,566
Fund balances--beginning	<u>376,713</u>	<u>376,713</u>	<u>489,896</u>	<u>113,183</u>
Fund balances--ending	<u>\$ 170,000</u>	<u>\$ 170,000</u>	<u>\$ 1,266,749</u>	<u>\$ 1,096,749</u>

**CITY OF WILSONVILLE, OREGON**

**Stormwater Capital Projects Fund**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**

**Budget and Actual**

*For the year ended June 30, 2016*

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Investment revenue	\$ 50	\$ 50	\$ 6,711	\$ 6,661
<b>EXPENDITURES</b>				
Capital outlay	1,513,712	1,501,712	558,782	942,930
Contingency	774,729	774,729	-	774,729
Total expenditures	<u>2,288,441</u>	<u>2,276,441</u>	<u>558,782</u>	<u>1,717,659</u>
Deficiency of revenues under expenditures	<u>(2,288,391)</u>	<u>(2,276,391)</u>	<u>(552,071)</u>	<u>1,724,320</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from interfund loan	2,000,000	2,000,000	2,000,000	-
Transfers in	495,809	481,139	169,197	(311,942)
Transfers out	<u>(217,826)</u>	<u>(215,156)</u>	<u>(174,950)</u>	<u>40,206</u>
Total other financing sources (uses)	<u>2,277,983</u>	<u>2,265,983</u>	<u>1,994,247</u>	<u>(271,736)</u>
Net change in fund balances	(10,408)	(10,408)	1,442,176	1,452,584
Fund balances--beginning	10,408	10,408	10,376	(32)
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,452,552</u>	<u>\$ 1,452,552</u>

**CITY OF WILSONVILLE, OREGON**  
**Stormwater Development Charges Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
*For the year ended June 30, 2016*

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
System development fees	\$ 514,520	\$ 514,520	\$ 562,168	\$ 47,648
Investment revenue	7,410	7,410	11,825	4,415
Total revenues	<u>521,930</u>	<u>521,930</u>	<u>573,993</u>	<u>52,063</u>
<b>EXPENDITURES</b>				
Materials and services	2,600	2,600	1,707	893
Contingency	1,699,669	1,699,669	-	1,699,669
Total expenditures	<u>1,702,269</u>	<u>1,702,269</u>	<u>1,707</u>	<u>1,700,562</u>
Excess (deficiency) of revenues over (under) expenditures	(1,180,339)	(1,180,339)	572,286	1,752,625
<b>OTHER FINANCING USES</b>				
Transfers out	(195,809)	(195,809)	(91,726)	104,083
Net change in fund balances	(1,376,148)	(1,376,148)	480,560	1,856,708
Fund balances--beginning	1,376,148	1,376,148	1,473,812	97,664
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,954,372</u>	<u>\$ 1,954,372</u>

**CITY OF WILSONVILLE, OREGON**

**Stormwater Fund**

**Reconciliation of Budgetary Revenues and Expenditures to GAAP**

*For the year ended June 30, 2016*

	<u>Revenues</u>	<u>Expenditures</u>
<b>Budgetary Basis:</b>		
Stormwater Operating Fund	\$ 2,191,037	\$ 1,076,347
Stormwater Capital Projects Fund	6,711	558,782
Stormwater Development Charges Fund	573,993	1,707
Total	<u>2,771,741</u>	<u>1,636,836</u>
Adjustments:		
Interfund loan payment	-	(396,020)
Expenditures capitalized	-	(504,556)
Support services	-	257,966
Depreciation expense	-	1,091,264
Pension expense	-	99,967
Disposition of fixed assets	-	101,331
Revenues and expenses	<u>\$ 2,771,741</u>	<u>\$ 2,286,788</u>
<b>GAAP Basis:</b>		
Operating	\$ 2,186,329	\$ 2,175,457
Nonoperating	23,244	111,331
Capital contributions - grants and fees	562,168	-
Total - page 51	<u>\$ 2,771,741</u>	<u>\$ 2,286,788</u>

**CITY OF WILSONVILLE, OREGON**  
**Street Lighting Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
*For the year ended June 30, 2016*

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 435,000	\$ 435,000	\$ 476,299	\$ 41,299
Investment revenue	5,000	5,000	6,785	1,785
Total revenues	<u>440,000</u>	<u>440,000</u>	<u>483,084</u>	<u>43,084</u>
<b>EXPENDITURES</b>				
Street Lighting	278,318	318,818	283,520	35,298
Contingency	<u>536,692</u>	<u>409,067</u>	-	<u>409,067</u>
Total expenditures	<u>815,010</u>	<u>727,885</u>	<u>283,520</u>	<u>444,365</u>
Excess (deficiency) of revenues over (under) expenditures	(375,010)	(287,885)	199,564	487,449
<b>OTHER FINANCING USES</b>				
Transfers out	<u>(459,020)</u>	<u>(546,145)</u>	<u>(101,703)</u>	<u>444,442</u>
Net change in fund balances	(834,030)	(834,030)	97,861	931,891
Fund balances--beginning	<u>890,030</u>	<u>890,030</u>	<u>959,726</u>	<u>69,696</u>
Fund balances--ending	<u><u>\$ 56,000</u></u>	<u><u>\$ 56,000</u></u>	<u><u>\$ 1,057,587</u></u>	<u><u>\$ 1,001,587</u></u>

**CITY OF WILSONVILLE, OREGON**  
**Street Lighting Fund**  
**Reconciliation of Budgetary Revenues and Expenditures to GAAP**  
*For the year ended June 30, 2016*

	<u>Revenues</u>	<u>Expenditures</u>
<b>Budgetary Basis:</b>		
Street Lighting Fund	\$ 483,084	\$ 283,520
 Adjustments:		
Depreciation expense	-	97,620
Loss on disposition of fixed assets	-	-
Revenues and expenses	<u>\$ 483,084</u>	<u>\$ 381,140</u>
 <b>GAAP Basis:</b>		
Operating	\$ 476,299	\$ 381,140
Nonoperating	6,785	-
Total - page 51	<u>\$ 483,084</u>	<u>\$ 381,140</u>

**CITY OF WILSONVILLE, OREGON**  
**Reconciliation of Budgetary Fund Balance to**  
**GAAP - Net Position**  
*For the year ended June 30, 2016*

	<u>Total Water</u>	<u>Total Sewer</u>	<u>Total Stormwater</u>	<u>Total Street Lighting</u>
Fund balances - budget basis:				
Operating Fund	\$ 10,258,642	\$ 11,635,384	\$ 1,266,749	\$ 1,057,587
Capital Projects Fund	42,902	15,558	1,452,552	-
Development Charges Fund	3,283,180	8,321,194	1,954,372	-
Total fund balances - budget basis	<u>13,584,724</u>	<u>19,972,136</u>	<u>4,673,673</u>	<u>1,057,587</u>
Adjustments:				
Interfund advances receivable				
Notes receivable	4,803	1,964	-	-
Development charge payable	1,166,060	-	-	-
Bond premium	10,436	(1,049,290)	-	-
Pension	(255,296)	(142,550)	(125,215)	-
Capital assets, net	49,050,495	62,161,568	23,134,604	3,370,690
Debt payable	(7,315,269)	(33,410,000)	-	-
Advances from other funds	-	-	(1,603,980)	-
Total GAAP Net Position - page 51	<u>\$ 56,245,953</u>	<u>\$ 47,533,828</u>	<u>\$ 26,079,082</u>	<u>\$ 4,428,277</u>

**CITY OF WILSONVILLE, OREGON**

**Fleet Fund**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**

**Budget and Actual**

*For the year ended June 30, 2016*

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 1,298,027	\$ 1,298,027	\$ 1,298,027	\$ -
Investment revenue	5,000	5,000	10,889	5,889
Other revenues	-	-	8,913	8,913
<b>Total revenues</b>	<b>1,303,027</b>	<b>1,303,027</b>	<b>1,317,829</b>	<b>14,802</b>
<b>EXPENDITURES</b>				
Fleet	1,315,417	1,330,527	1,172,857	157,670
Contingency	1,094,947	1,079,837	-	1,079,837
<b>Total expenditures</b>	<b>2,410,364</b>	<b>2,410,364</b>	<b>1,172,857</b>	<b>1,237,507</b>
Excess (deficiency) of revenues over (under) expenditures	(1,107,337)	(1,107,337)	144,972	1,252,309
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital asset	-	-	52,282	52,282
Transfers out	(2,400)	(2,400)	(2,400)	-
<b>Total other financing (uses)</b>	<b>(2,400)</b>	<b>(2,400)</b>	<b>49,882</b>	<b>52,282</b>
Net change in fund balances	(1,109,737)	(1,109,737)	194,854	1,304,591
Fund balances--beginning	1,172,737	1,172,737	1,284,447	111,710
Fund balances--ending	<u>\$ 63,000</u>	<u>\$ 63,000</u>	1,479,301	<u>\$ 1,416,301</u>
Adjustment from budgetary basis to generally accepted accounting basis:				
Deferred pensions outflows / inflows			(259,459)	
Capital assets			543,394	
Fund balances - generally accepted accounting principles basis			<u>\$ 1,763,236</u>	

# STATISTICAL SECTION





## Statistical Section

This part of the City of Wilsonville's comprehensive annual 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.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	<b>138</b>
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.	<b>148</b>
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	<b>156</b>
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.	<b>166</b>
<b>Operating Information</b> These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the city provides and the activities it performs.	<b>170</b>

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

**CITY OF WILSONVILLE, OREGON**

**Net Position by Component**

*Last Ten Fiscal Years*

	Fiscal Year			
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Governmental Activities				
Net investment in capital assets	\$ 191,785,289	\$ 190,498,824	\$ 182,563,852	\$ 172,030,623
Restricted	24,178,890	18,600,322	15,999,315	16,256,180
Unrestricted	30,593,354	27,891,356	27,912,417	26,960,064
Total governmental activities net position	<u>\$ 246,557,533</u>	<u>\$ 236,990,502</u>	<u>\$ 226,475,584</u>	<u>\$ 215,246,867</u>
Business-type activities				
Net investment in capital assets	\$ 95,953,234	\$ 90,879,589	\$ 84,456,922	\$ 72,601,965
Restricted	14,116,057	11,297,463	9,135,299	11,686,021
Unrestricted	24,217,849	20,519,909	17,811,579	18,660,595
Total business-type activities net position	<u>\$ 134,287,140</u>	<u>\$ 122,696,961</u>	<u>\$ 111,403,800</u>	<u>\$ 102,948,581</u>
Primary government				
Net investment in capital assets	\$ 287,738,523	\$ 281,378,413	\$ 267,020,774	\$ 244,632,588
Restricted	38,294,947	29,897,785	25,134,614	27,942,201
Unrestricted	54,811,203	48,411,265	45,723,996	45,620,659
Total primary government net position	<u>\$ 380,844,673</u>	<u>\$ 359,687,463</u>	<u>\$ 337,879,384</u>	<u>\$ 318,195,448</u>

Continued on page 139.

		Fiscal Year					
2012	2011	2010	2009	2008	2007		
\$ 155,303,313	\$ 150,438,791	\$ 148,408,001	\$ 145,226,430	\$ 142,514,681	\$ 112,210,377		
19,949,141	19,192,234	21,247,738	20,870,117	22,132,604	28,263,091		
25,930,589	24,134,580	20,569,991	20,101,537	18,908,042	17,069,299		
<u>\$ 201,183,043</u>	<u>\$ 193,765,605</u>	<u>\$ 190,225,730</u>	<u>\$ 186,198,084</u>	<u>\$ 183,555,327</u>	<u>\$ 157,542,767</u>		
\$ 69,393,857	\$ 69,381,064	\$ 65,194,932	\$ 68,333,124	\$ 65,371,937	\$ 57,252,903		
7,273,385	8,255,338	9,160,631	8,534,673	9,177,950	10,429,078		
15,624,285	12,461,233	12,704,478	9,904,816	10,920,689	10,081,324		
<u>\$ 92,291,527</u>	<u>\$ 90,097,635</u>	<u>\$ 87,060,041</u>	<u>\$ 86,772,613</u>	<u>\$ 85,470,576</u>	<u>\$ 77,763,305</u>		
\$ 224,697,170	\$ 219,819,855	\$ 213,602,933	\$ 213,559,554	\$ 207,886,618	\$ 169,463,280		
27,222,526	27,447,572	30,408,369	29,404,790	31,310,554	38,692,169		
41,554,874	36,595,813	33,274,469	30,006,353	29,828,731	27,150,623		
<u>\$ 293,474,570</u>	<u>\$ 283,863,240</u>	<u>\$ 277,285,771</u>	<u>\$ 272,970,697</u>	<u>\$ 269,025,903</u>	<u>\$ 235,306,072</u>		

**CITY OF WILSONVILLE, OREGON**

**Changes in Net Position**

*Last Ten Fiscal Years*

	Fiscal Year			
	2016	2015	2014	2013
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	\$ 860,828	\$ 781,845	\$ 797,639	\$ 653,034
Public safety	264,370	325,135	325,251	427,345
Transportation	206,506	605,178	275,561	330,707
Public works	703,448	685,471	714,558	644,332
Culture and recreations	316,880	223,759	190,180	219,645
Community development	3,444,984	3,149,667	3,057,239	2,594,270
Operating grants and contributions	3,069,041	2,724,209	2,647,055	4,498,701
Capital grants and contributions	12,794,101	10,294,361	15,488,068	14,372,709
Total governmental activities program revenues	<u>21,660,158</u>	<u>18,789,625</u>	<u>23,495,551</u>	<u>23,740,743</u>
Business-type activities:				
Charges for services:				
Water	8,380,163	7,743,119	6,784,658	6,830,022
Sewer	7,846,877	7,752,314	7,198,881	6,224,907
Stormwater	2,186,329	1,557,938	1,392,150	1,164,818
Streetlights	476,299	447,388	421,986	388,128
Operating grants and contributions	-	31,203	4,721	4,474
Capital grants and contributions	8,803,299	9,361,910	8,321,936	8,803,248
Total business-type activities program revenues	<u>27,692,967</u>	<u>26,893,872</u>	<u>24,124,332</u>	<u>23,415,597</u>
Total primary government program revenues	<u>\$ 49,353,125</u>	<u>\$ 45,683,497</u>	<u>\$ 47,619,883</u>	<u>\$ 47,156,340</u>
<b>Expenses</b>				
Governmental activities:				
General government	\$ 4,643,949	\$ 2,092,293	\$ 2,783,098	\$ 2,728,128
Public safety	4,124,760	3,766,895	3,931,951	3,836,302
Transportation	6,377,195	4,579,693	4,973,506	5,008,045
Public works	9,607,460	7,796,401	10,160,489	8,632,592
Culture and recreation	5,454,466	3,697,116	3,819,439	3,684,702
Community development	6,219,709	4,066,015	4,748,107	4,771,245
Interest on long-term debt	1,439,098	1,363,650	1,635,091	1,657,706
Total governmental activities expenses	<u>37,866,637</u>	<u>27,362,063</u>	<u>32,051,681</u>	<u>30,318,720</u>
Business-type activities:				
Water	6,814,839	6,468,041	9,219,979	6,022,898
Sewer	6,952,213	6,924,783	5,424,747	5,069,866
Stormwater	2,286,788	1,928,310	2,850,421	1,742,041
Streetlights	381,140	388,565	341,942	337,426
Total business-type activities	<u>16,434,980</u>	<u>15,709,699</u>	<u>17,837,089</u>	<u>13,172,231</u>
Total primary government expenses	<u>\$ 54,301,617</u>	<u>\$ 43,071,762</u>	<u>\$ 49,888,770</u>	<u>\$ 43,490,951</u>

Continued on page 141.

Fiscal Year						
2012	2011	2010	2009	2008	2007	
\$ 611,014	\$ 587,408	\$ 550,187	\$ 680,409	\$ 680,409	\$ 634,259	
480,649	533,887	365,082	356,710	356,710	391,233	
313,431	364,041	1,394,463	1,388,163	1,388,163	1,147,816	
670,839	646,979	624,647	633,589	633,589	669,400	
184,036	162,036	152,498	160,454	160,454	147,707	
2,663,637	2,328,205	1,359,674	1,794,304	1,794,304	2,571,583	
2,525,535	2,486,094	2,064,880	2,232,036	2,232,036	1,568,798	
6,816,917	4,718,798	4,644,661	1,708,482	1,708,482	24,572,641	
<u>14,266,058</u>	<u>11,827,448</u>	<u>11,156,092</u>	<u>8,954,147</u>	<u>8,954,147</u>	<u>31,703,437</u>	
5,564,931	5,056,627	4,969,233	5,393,190	5,393,190	5,309,720	
5,559,439	5,110,099	4,547,155	4,208,502	4,208,502	4,252,771	
972,101	953,103	937,249	924,072	924,072	855,001	
381,615	374,855	375,483	380,989	380,989	371,580	
3,948	-	30,634	-	-	-	
4,843,011	3,384,992	1,976,536	2,061,757	2,061,757	6,633,934	
<u>17,325,045</u>	<u>14,879,676</u>	<u>12,836,290</u>	<u>12,968,510</u>	<u>12,968,510</u>	<u>17,423,006</u>	
<u>\$ 31,591,103</u>	<u>\$ 26,707,124</u>	<u>\$ 23,992,382</u>	<u>\$ 21,922,657</u>	<u>\$ 21,922,657</u>	<u>\$ 49,126,443</u>	
\$ 2,715,431	\$ 3,857,483	\$ 2,303,475	\$ 2,648,401	\$ 2,648,401	\$ 2,485,385	
3,767,419	3,758,486	3,536,948	3,211,057	3,211,057	3,001,569	
4,665,878	4,421,328	5,228,701	5,011,679	5,011,679	3,819,281	
7,890,575	7,973,978	8,166,407	7,586,798	7,586,798	7,884,280	
2,324,820	2,210,216	2,474,430	1,967,497	1,967,497	1,860,681	
3,615,081	3,814,630	3,483,069	3,813,327	3,813,327	4,022,866	
1,585,132	1,532,853	1,399,271	1,129,551	1,129,551	1,722,989	
<u>26,564,336</u>	<u>27,568,974</u>	<u>26,592,301</u>	<u>25,368,310</u>	<u>25,368,310</u>	<u>24,797,051</u>	
6,492,487	5,929,144	5,470,193	5,813,041	5,813,041	5,552,777	
6,759,615	3,991,549	3,990,851	3,852,727	3,852,727	3,578,437	
1,820,865	1,772,143	3,038,784	2,201,863	2,201,863	1,787,975	
329,931	333,589	328,009	311,587	311,587	276,241	
<u>15,402,898</u>	<u>12,026,425</u>	<u>12,827,837</u>	<u>12,179,218</u>	<u>12,179,218</u>	<u>11,195,430</u>	
<u>\$ 41,967,234</u>	<u>\$ 39,595,399</u>	<u>\$ 39,420,138</u>	<u>\$ 37,547,528</u>	<u>\$ 37,547,528</u>	<u>\$ 35,992,481</u>	

Continued on pages 144 and 145.

**CITY OF WILSONVILLE, OREGON**  
**Changes in Net Position - Continued**  
*Last Ten Fiscal Years*

	Fiscal Year			
	2016	2015	2014	2013
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (16,206,479)	\$ (8,572,438)	\$ (8,556,130)	\$ (6,577,977)
Business-type activities	11,257,987	11,184,173	6,287,243	10,243,366
Total primary government net expenses	<u>\$ (4,948,492)</u>	<u>\$ 2,611,735</u>	<u>\$ (2,268,887)</u>	<u>\$ 3,665,389</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities:				
Taxes				
Property taxes, levied for general purposes	\$ 6,235,290	\$ 5,819,519	\$ 5,427,603	\$ 5,149,667
Property taxes, levied for debt service	9,259,675	8,903,324	7,903,772	7,533,683
Franchise, transit and hotel taxes	8,269,638	7,918,080	7,517,049	7,153,920
Interest and investment earnings	444,296	269,137	292,755	278,195
Other revenues	647,292	970,257	522,988	689,869
Transfers	80,062	(243,120)	(1,879,320)	(163,533)
Gain (loss) on disposition of capital assets	837,257	-	-	-
Total governmental activities	<u>25,773,510</u>	<u>23,637,197</u>	<u>19,784,847</u>	<u>20,641,801</u>
Business-type activities:				
Investment revenue	291,896	103,623	173,556	204,594
Other revenues	120,358	91,255	115,100	45,561
Transfers	(80,062)	243,120	1,879,320	163,533
Gain (loss) on disposition of capital assets	-	-	-	-
Total business-type activities	<u>332,192</u>	<u>437,998</u>	<u>2,167,976</u>	<u>413,688</u>
Total primary government	<u>\$ 26,105,702</u>	<u>\$ 24,075,195</u>	<u>\$ 21,952,823</u>	<u>\$ 21,055,489</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 9,567,031	\$ 15,064,759	\$ 11,228,717	\$ 14,063,824
Business-type activities	11,590,179	11,622,171	8,455,219	10,657,054
Total primary government	<u>\$ 21,157,210</u>	<u>\$ 26,686,930</u>	<u>\$ 19,683,936</u>	<u>\$ 24,720,878</u>

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Fiscal Year					
2012	2011	2010	2009	2008	2007
\$ (12,298,278)	\$ (15,741,526)	\$ (15,436,209)	\$ (16,414,163)	\$ 6,906,386	\$ (12,902,120)
1,922,147	2,853,251	8,453	789,292	6,227,576	4,291,245
<u>\$ (10,376,131)</u>	<u>\$ (12,888,275)</u>	<u>\$ (15,427,756)</u>	<u>\$ (15,624,871)</u>	<u>\$ 13,133,962</u>	<u>\$ (8,610,875)</u>
\$ 5,127,828	\$ 4,972,375	\$ 4,843,914	\$ 4,650,115	\$ 4,507,213	\$ 4,364,739
6,779,063	6,599,440	7,053,024	6,947,574	6,066,111	5,023,395
6,906,126	6,679,236	6,681,467	6,120,632	5,250,229	4,772,969
387,203	382,004	563,385	1,170,778	1,936,619	2,495,667
478,413	616,198	386,794	368,873	313,359	289,210
22,440	22,440	22,000	22,000	22,400	22,400
14,643	9,708	(86,729)	(223,052)	1,010,243	21,422
<u>19,715,716</u>	<u>19,281,401</u>	<u>19,463,855</u>	<u>19,056,920</u>	<u>19,106,174</u>	<u>16,989,802</u>
267,623	169,176	235,283	493,062	982,010	931,154
26,562	37,607	65,692	41,683	480,214	29,988
(22,440)	(22,440)	(22,000)	(22,000)	(22,400)	(22,400)
-	-	-	-	39,871	-
<u>271,745</u>	<u>184,343</u>	<u>278,975</u>	<u>512,745</u>	<u>1,479,695</u>	<u>938,742</u>
<u>\$ 19,987,461</u>	<u>\$ 19,465,744</u>	<u>\$ 19,742,830</u>	<u>\$ 19,569,665</u>	<u>\$ 20,585,869</u>	<u>\$ 17,928,544</u>
\$ 7,417,438	\$ 3,539,875	\$ 4,027,646	\$ 2,642,757	\$ 26,012,560	\$ 4,087,682
2,193,892	3,037,594	287,428	1,302,037	7,707,271	5,229,987
<u>\$ 9,611,330</u>	<u>\$ 6,577,469</u>	<u>\$ 4,315,074</u>	<u>\$ 3,944,794</u>	<u>\$ 33,719,831</u>	<u>\$ 9,317,669</u>

**CITY OF WILSONVILLE, OREGON**  
**Fund Balance, Governmental Funds**  
*Last Ten Fiscal Years*

	<u>2016</u>	<u>2015</u>	<u>Fiscal Year 2014</u>	<u>2013</u>	<u>2012</u>
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	568,959	90,266	262,760	179,474	154,591
Restricted	182,000	180,464	120,886	255,602	220,623
Committed	2,206,000	4,119,000	4,034,000	3,000,000	660,000
Assigned	6,557,262	8,304,112	6,098,472	6,103,072	7,729,767
Unassigned	6,782,665	2,587,696	4,406,127	5,253,764	5,240,118
Total general fund	<u>16,296,886</u>	<u>15,281,538</u>	<u>14,922,245</u>	<u>14,791,912</u>	<u>14,005,099</u>
All Other Governmental Funds					
Reserved	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Permanent fund	-	-	-	-	-
Nonspendable	285	20,709	18,255	655	31,330
Restricted	12,148,270	18,125,118	18,017,255	17,856,439	20,970,793
Committed	938,000	1,304,000	1,899,000	815,000	430,000
Assigned	18,645,298	13,424,953	12,335,197	11,510,687	13,245,593
Unassigned	-	(68,904)	-	(250,764)	(902,056)
Total all other governmental funds	<u>31,731,853</u>	<u>32,805,876</u>	<u>32,269,707</u>	<u>29,932,017</u>	<u>33,775,660</u>
Total governmental funds	<u>\$ 48,028,739</u>	<u>\$ 48,087,414</u>	<u>\$ 47,191,952</u>	<u>\$ 44,723,929</u>	<u>\$ 47,780,759</u>

Note: Effective Fiscal Year 2011 this schedule was modified due to the implementation of GASB54.

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	<b>2011</b>	<b>2010</b>	<b>Fiscal Year 2009</b>	<b>2008</b>	<b>2007</b>
\$	-	\$ -	\$ -	\$ -	\$ -
	-	12,948,430	12,004,578	10,095,293	9,544,337
	278,160	-	-	-	-
	198,176	-	-	-	-
	630,000	-	-	-	-
	7,449,762	-	-	-	-
	4,938,489	-	-	-	-
	<u>13,494,587</u>	<u>12,948,430</u>	<u>12,004,578</u>	<u>10,095,293</u>	<u>9,544,337</u>
	-	-	25,841	30,145	34,198
	-	8,175,337	8,197,863	8,905,249	7,560,104
	-	12,460,845	15,493,538	17,282,245	21,664,881
	-	8,421,698	5,368,409	4,842,189	6,555,242
	-	-	12,115	11,874	11,390
	60	-	-	-	-
	20,003,844	-	-	-	-
	450,000	-	-	-	-
	14,690,925	-	-	-	-
	(926,791)	-	-	-	-
	<u>34,218,038</u>	<u>29,057,880</u>	<u>29,097,766</u>	<u>31,071,702</u>	<u>35,825,815</u>
\$	<u>47,712,625</u>	<u>\$ 42,006,310</u>	<u>\$ 41,102,344</u>	<u>\$ 41,166,995</u>	<u>\$ 45,370,152</u>

**CITY OF WILSONVILLE, OREGON**  
**Changes in Fund Balances of Governmental Funds**  
*Last Ten Fiscal Years*

	<u>2016</u>	<u>2015</u>	<u>Fiscal Year 2014</u>	<u>2013</u>	<u>2012</u>
<b>Revenues</b>					
Taxes	\$ 23,693,885	\$ 22,602,987	\$ 20,822,581	\$ 19,821,949	\$ 18,687,975
Intergovernmental	4,465,312	5,079,524	4,040,465	7,912,876	4,572,155
Licenses and permits	2,968,225	2,611,263	2,590,587	2,095,744	1,754,771
Charges for services	2,196,831	2,253,473	2,387,261	1,967,389	2,159,615
System development fees	4,383,098	3,509,264	2,937,790	2,856,439	2,034,016
Fines and forfeitures	187,448	244,535	247,534	351,077	404,950
Special assessments	-	-	-	-	-
Investment revenue	433,401	261,716	287,606	271,444	361,238
Developer Reimbursement	-	-	-	-	981,390
Other revenues	400,764	763,420	1,294,611	743,195	321,441
Total Revenues	<u>38,728,964</u>	<u>37,326,182</u>	<u>34,608,435</u>	<u>36,020,113</u>	<u>31,277,551</u>
<b>Expenditures</b>					
Current operating					
General government	3,560,827	3,298,854	3,193,887	3,119,706	2,978,116
Public safety	4,064,863	3,800,732	3,932,008	3,830,566	3,759,006
Transportation*	4,696,751	4,583,528	4,420,600	4,305,685	4,163,757
Public works*	1,555,703	1,694,904	1,571,556	1,543,999	2,317,533
Culture and recreation	3,901,408	3,652,486	3,328,472	3,194,630	2,311,199
Community development	5,108,684	5,023,609	4,574,487	4,929,877	3,772,696
Debt service					
Principal	2,387,532	3,015,000	8,537,000	16,173,000	11,241,000
Interest	1,438,344	1,445,624	1,614,615	1,637,230	1,645,515
Capital outlay	5,780,331	10,398,686	5,818,786	13,441,567	8,790,979
Total expenditures	<u>32,494,443</u>	<u>36,913,423</u>	<u>36,991,411</u>	<u>52,176,260</u>	<u>40,979,801</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,234,521</u>	<u>412,759</u>	<u>(2,382,976)</u>	<u>(16,156,147)</u>	<u>(9,702,250)</u>
<b>Other financing sources (uses)</b>					
Sale of capital assets	4,941,165	7,430	24,646	5,004	479,770
Issuance of debt	5,000,000	-	4,500,000	12,500,000	8,000,000
Proceeds of interfund loan	-	-	4,500,000	-	-
Payment of interfund loan	-	-	(4,500,000)	-	-
Transfers in	5,585,275	10,669,422	3,991,874	6,840,052	5,997,837
Transfers out	(5,454,772)	(10,194,149)	(3,665,521)	(6,245,739)	(4,707,223)
Refinanced Debt	-	-	-	-	-
Total other financing sources (uses)	<u>10,071,668</u>	<u>482,703</u>	<u>4,850,999</u>	<u>13,099,317</u>	<u>9,770,384</u>
Net change in fund balance	<u>\$ 16,306,189</u>	<u>\$ 895,462</u>	<u>\$ 2,468,023</u>	<u>\$ (3,056,830)</u>	<u>\$ 68,134</u>
Debt service as a percentage of noncapital expenditures					
	14.03%	16.02%	41.68%	40.19%	37.76%

\*Fleet was moved from a Public Works function to a Transportation function in 2006-07.

Continued on page 147.

	Fiscal Year				
	2011	2010	2009	2008	2007
\$	18,301,829	\$ 18,563,276	\$ 17,537,478	\$ 15,705,805	\$ 14,131,618
	3,442,467	3,667,223	2,862,897	3,839,498	2,991,919
	1,698,896	741,206	817,600	1,552,387	1,728,532
	2,029,357	3,137,518	3,628,028	3,335,662	3,081,490
	2,472,380	2,558,287	1,060,695	1,657,905	1,654,877
	460,326	293,007	287,000	330,149	317,579
	-	-	-	207,017	207,017
	360,167	563,524	1,170,779	1,936,617	2,495,671
	1,053,423	-	-	-	-
	482,929	1,132,553	381,987	259,347	245,509
	<u>30,301,774</u>	<u>30,656,594</u>	<u>27,746,464</u>	<u>28,824,387</u>	<u>26,854,212</u>
	2,889,297	2,702,120	2,736,250	2,460,157	2,431,499
	3,752,705	3,564,996	3,209,673	2,997,046	2,832,369
	4,101,501	4,760,206	4,531,414	3,468,681	3,160,327
	2,230,352	2,195,740	1,990,580	2,078,855	2,039,136
	2,180,547	2,053,931	1,748,050	1,488,135	1,532,199
	3,867,838	3,529,006	3,762,140	4,076,353	4,156,031
	23,051,000	2,702,000	5,215,176	6,610,552	2,528,157
	1,500,455	1,349,746	1,120,132	1,720,249	1,646,971
	<u>9,539,960</u>	<u>7,876,482</u>	<u>8,019,700</u>	<u>17,857,695</u>	<u>18,370,106</u>
	<u>53,113,655</u>	<u>30,734,227</u>	<u>32,333,115</u>	<u>42,757,723</u>	<u>38,696,795</u>
	<u>(22,811,881)</u>	<u>(77,633)</u>	<u>(4,586,651)</u>	<u>(13,933,336)</u>	<u>(11,842,583)</u>
	-	959,599	-	1,507,779	-
	31,500,000	-	31,000,000	8,200,000	8,000,000
	-	-	-	4,200,000	-
	-	-	-	(4,200,000)	-
	3,622,326	4,460,740	5,104,170	5,311,338	3,490,961
	(3,597,846)	(4,438,740)	(5,082,170)	(5,288,938)	(3,468,561)
	-	-	(26,500,000)	-	-
	<u>31,524,480</u>	<u>981,599</u>	<u>4,522,000</u>	<u>9,730,179</u>	<u>8,022,400</u>
\$	<u>8,712,599</u>	<u>\$ 903,966</u>	<u>\$ (64,651)</u>	<u>\$ (4,203,157)</u>	<u>\$ (3,820,183)</u>
	52.45%	16.85%	39.59%	32.03%	20.17%

**CITY OF WILSONVILLE, OREGON**

**Program Revenues by Function**

*Last Ten Fiscal Years*

	<u>2016</u>	<u>2015</u>	<u>Fiscal Year 2014</u>	<u>2013</u>	<u>2012</u>
<b>Program Revenues</b>					
Governmental activities:					
General government	\$ 860,828	\$ 791,935	\$ 822,639	\$ 653,034	\$ 611,014
Public safety	264,370	325,135	325,251	451,065	576,200
Transportation*	1,124,864	2,234,120	1,317,171	3,305,284	1,062,785
Public works*	12,616,868	9,355,847	15,614,308	14,582,252	7,316,025
Culture and recreation	3,348,244	2,931,921	2,358,943	2,154,838	2,036,397
Community development	3,444,984	3,150,667	3,057,239	2,594,270	2,663,637
Subtotal governmental activities	<u>21,660,158</u>	<u>18,789,625</u>	<u>23,495,551</u>	<u>23,740,743</u>	<u>14,266,058</u>
Business-type activities:					
Water	11,502,425	11,464,685	8,932,423	11,567,221	7,751,248
Sewer	10,498,307	10,694,262	11,554,572	8,194,564	7,094,096
Stormwater	4,496,671	3,791,354	2,978,437	3,052,480	1,987,464
Streetlights	1,195,564	943,571	658,900	601,332	492,237
Subtotal business-type activities	<u>27,692,967</u>	<u>26,893,872</u>	<u>24,124,332</u>	<u>23,415,597</u>	<u>17,325,045</u>
Total primary government	<u>\$ 49,353,125</u>	<u>\$ 45,683,497</u>	<u>\$ 47,619,883</u>	<u>\$ 47,156,340</u>	<u>\$ 31,591,103</u>

\*Fleet was moved from a Public Works function to a Transportation function in 2006-07.

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		Fiscal Year			
2011	2010	2009	2008	2007	
\$ 587,408	\$ 632,343	\$ 695,136	\$ 635,487	\$ 607,723	
633,017	462,852	457,135	507,524	462,394	
963,213	2,159,116	2,435,814	1,579,076	2,035,873	
5,870,786	5,218,171	2,674,287	25,399,653	4,629,313	
1,444,819	1,323,936	897,471	997,114	1,385,476	
2,328,205	1,359,674	1,794,304	2,584,583	2,429,342	
<u>11,827,448</u>	<u>11,156,092</u>	<u>8,954,147</u>	<u>31,703,437</u>	<u>11,550,121</u>	
6,656,443	5,504,540	6,444,390	7,315,083	7,022,001	
6,559,246	4,973,346	4,705,275	5,965,237	5,962,187	
1,263,932	1,982,921	1,354,206	3,494,106	1,827,386	
400,055	375,483	464,639	648,580	490,520	
<u>14,879,676</u>	<u>12,836,290</u>	<u>12,968,510</u>	<u>17,423,006</u>	<u>15,302,094</u>	
<u>\$ 26,707,124</u>	<u>\$ 23,992,382</u>	<u>\$ 21,922,657</u>	<u>\$ 49,126,443</u>	<u>\$ 26,852,215</u>	

**CITY OF WILSONVILLE, OREGON**  
**General Governmental Revenues**  
**Taxes, Licenses and Permits Breakdown**  
*Last Ten Fiscal Years*

Fiscal Year	Taxes					Licenses and Permits		
	Property Tax	Hotel/ Motel Tax	Transit Tax	Franchise Taxes	Total	Business Licenses	Construction Permits	Total
06-07	\$ 9,358,648	\$ 267,651	\$ 2,543,971	\$ 1,961,348	\$ 14,131,618	\$ 136,398	\$ 1,592,134	\$ 1,728,532
07-08	10,455,577	275,369	2,792,901	2,181,958	15,705,805	150,147	1,402,239	1,552,386
08-09	11,416,846	218,608	3,412,030	2,489,994	17,537,478	146,831	670,769	817,600
09-10	11,881,810	193,106	3,781,052	2,707,308	18,563,276	118,090	619,492	737,582
10-11	11,622,593	214,109	3,893,919	2,571,208	18,301,829	148,304	1,550,593	1,698,897
11-12	11,781,849	208,890	4,048,569	2,648,667	18,687,975	127,587	1,627,184	1,754,771
12-13	12,668,030	242,369	3,990,885	2,920,665	19,821,949	127,817	1,967,928	2,095,744
13-14	13,305,532	272,866	4,342,353	2,901,830	20,822,581	159,029	2,431,558	2,590,587
14-15	14,684,907	258,374	4,597,118	3,062,588	22,602,987	187,655	2,611,344	2,798,999
15-16	15,424,246	469,972	4,638,597	3,161,069	23,693,884	167,124	2,801,101	2,968,225

Source: City Financial Database

**CITY OF WILSONVILLE, OREGON**

**Assessed Value of Property**

*Last Ten Fiscal Years*

<b>Fiscal Year</b>	<b>Real Property</b>	<b>Manufactured Structures</b>	<b>Personal Property</b>	<b>Public Utility</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Real Market Value (RMV)</b>	<b>Assesed value as a percentage of RMV</b>
06-07	\$ 1,849,153,556	\$ 5,070,954	\$ 148,056,561	\$ 51,751,100	\$ 2,054,032,171	\$ 5.0961	\$ 2,958,936,921	69.4%
07-08	1,990,701,518	3,804,826	148,204,758	53,135,980	2,195,847,082	5.3894	3,426,298,443	64.1%
08-09	2,118,528,768	2,587,776	154,814,762	57,317,440	2,333,248,746	5.5930	3,740,996,089	62.4%
09-10	2,238,849,237	2,109,242	146,408,186	73,413,350	2,460,780,015	5.3797	3,558,020,924	69.2%
10-11	2,297,751,878	1,477,037	138,643,379	64,906,300	2,502,778,594	5.1626	3,120,831,254	80.2%
11-12	2,356,793,428	1,488,886	127,983,237	64,488,750	2,550,754,301	5.1756	2,905,321,351	87.8%
12-13	2,431,588,350	1,443,509	140,544,804	59,271,200	2,632,847,863	5.5302	2,917,733,750	90.2%
13-14	2,553,479,774	1,354,850	142,768,534	60,386,090	2,757,989,248	5.3660	3,081,155,412	89.5%
14-15	2,751,369,393	1,453,131	155,535,544	64,039,448	2,972,397,516	5.5056	3,487,874,937	85.2%
15-16	2,924,835,960	1,522,105	178,004,859	68,411,660	3,172,774,584	5.4071	3,886,914,557	81.6%

*Source: Assessment and Taxation Rolls, Clackamas and Washington Counties*

**CITY OF WILSONVILLE, OREGON**  
**Consolidated Tax Rates - Direct and Overlapping Governments**  
*Last Ten Fiscal Years*

**City Direct Rates <sup>1</sup>**

	<b>Fiscal Year</b>	<b>Basic Rate</b>	<b>Exempt Bond Rate</b>	<b>Urban Renewal Agency</b>	<b>Total Direct Rate</b>
	06-07	2.1437	0.1802	2.7722	5.0961
	07-08	2.0873	0.1594	3.1427	5.3894
	08-09	2.0464	0.1500	3.3966	5.5930
	09-10	2.0295	0.1423	3.2079	5.3797
	10-11	2.0598	0.1399	2.9629	5.1626
	11-12	2.0590	0.1372	2.9794	5.1756
	12-13	1.9953	0.1292	3.4057	5.5302
	13-14	2.0173	0.1233	3.2254	5.3660
	14-15	2.0126	0.1211	3.3719	5.5056
	15-16	1.9930	0.1050	3.3091	5.4071
without urban renewal restatement of rates	15-16	2.5206	0.1327	-	2.6533

**Overlapping Rates <sup>1</sup>**

<b>Fiscal Year</b>	<b>Clackamas County</b>	<b>Clackamas County Urban Renewal Agency</b>	<b>Tualatin Valley Fire and Rescue</b>	<b>School Districts</b>	<b>Clackamas County Community College</b>	<b>Clackamas ESD</b>	<b>Other <sup>2</sup></b>	<b>Total Direct and Overlapping</b>
06-07	2.0016	0.1254	1.5848	7.8161	0.6034	0.3029	0.3209	17.8512
07-08	2.2303	0.0943	1.6017	7.5705	0.5957	0.2937	0.4656	18.2412
08-09	2.1864	0.1045	1.5529	7.2654	0.5834	0.2864	0.4319	18.0039
09-10	2.5131	0.1584	1.5976	7.7230	0.5589	0.2849	0.4680	18.6836
10-11	2.5444	0.1578	1.6040	8.0149	0.5553	0.2896	0.4439	18.7725
11-12	2.5480	0.1382	1.6510	8.0141	0.5404	0.2900	0.3556	18.7129
12-13	2.4683	0.1467	1.5967	7.8467	0.5347	0.2798	0.4287	18.8318
13-14	2.5055	0.0065	1.6016	7.8649	0.5489	0.2887	0.5150	18.6971
14-15	2.5029	0.0073	1.5838	7.6623	0.5476	0.2881	0.5065	18.6041
15-16	2.4791	0.0078	1.7887	7.7532	0.5798	0.2849	0.4502	18.7508

Rates are per \$1,000 of assessed value.

<sup>1</sup> Starting in 2003, urban renewal rates are separately stated. City and overlapping rates are reduced for the effect of the separately stated urban renewal rates

<sup>2</sup> Other includes: Port of Portland, Metro, and Vector Control

**Sources:**

*Taxation Rolls, Clackamas and Washington Counties*  
*Rates are for tax code 003-023 within Clackamas County*  
*Rates are net of reallocation due to urban renewal*

**CITY OF WILSONVILLE, OREGON**

**Principal Tax Payers**

*Current year and nine years ago*

		<b>2015-16</b>		
<b>Taxpayer</b>	<b>Type of Business</b>	<b>Assessed Taxes</b>	<b>Assessed Value</b>	<b>Percent of City AV*</b>
Mentor Graphics Corporation	CAD software systems	\$ 1,258,359	\$ 67,537,514	2.1%
Xerox Corporation	Color printers	1,177,929	65,302,377	2.1%
Argyle Capital LLC	Commercial Property	909,603	52,220,340	1.6%
Truamerica Multifamily LLC	Commercial Property	840,614	46,192,554	1.5%
Jackson Square Properties LLC	Commercial Property	821,670	43,820,510	1.4%
Jory Trail at The Grove SPE LLC	Apartments	809,318	43,161,778	1.4%
LBA RV-Company XXI LP	Commercial Property	608,297	32,822,787	1.0%
Coca-Cola Bottling Company	Bottling & Distribution Center	603,624	33,606,532	1.1%
Fred Meyer Stores Inc.	Grocery retail	589,774	31,601,800	1.0%
Sysco/Continental Food Service	Warehouse & Distribution Center	582,812	32,430,821	1.0%
		<b>\$ 8,201,998</b>	<b>\$ 448,697,013</b>	<b>14.1%</b>

		<b>2006-07</b>		
<b>Taxpayer</b>	<b>Type of Business</b>	<b>Assessed Taxes</b>	<b>Assessed Value</b>	<b>Percent of City AV**</b>
Xerox Corporation	Color Printers	\$ 1,317,450	\$ 78,711,435	3.8%
Mentor Graphics Corporation	CAD Software Systems	838,304	47,798,161	2.3%
Argyle Capital LLC	Shopping Center	640,830	38,928,490	1.9%
BIT Holdings	Hollywood Entertainment Properties	579,459	32,578,961	1.6%
Goodman Financial Services Inc.	Apartment Rental Properties	541,393	30,360,140	1.5%
Nike USA	Athletic wear distribution	457,789	27,366,557	1.3%
Villebois LLC	Property development	444,495	14,178,493	0.7%
Trammell Crow Services, Inc	Commerical Property	423,948	24,131,948	1.2%
Flir Systems Inc	Thermal imaging & infrared cameras	392,522	21,256,717	1.0%
Senior Partners Portfolio LLC	Commerical Property	386,949	24,986,188	1.2%
		<b>\$ 6,023,139</b>	<b>\$ 340,297,090</b>	<b>16.6%</b>

\*Total City assessed valuation base for 2014-15 was \$ 2,972,397,516

\*\*Total City assessed valuation base for 2006-07 was \$2,054,032,171.

*Sources: Clackamas and Washington Counties Assessor's Offices*

**CITY OF WILSONVILLE, OREGON**

**Property Tax Levies and Collections**

*Last Ten Fiscal Years*

<b>Fiscal Year</b>	<b>Total Tax Levy</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collected in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
06-07	\$ 9,661,412	\$ 9,403,305	97.33%	\$ 254,659	\$ 9,657,964	99.96%
07-08	10,870,774	10,505,261	96.64%	359,340	10,864,601	99.94%
08-09	11,933,979	11,432,862	95.80%	476,202	11,909,064	99.79%
09-10	12,235,865	11,466,269	93.71%	368,057	11,834,326	96.72%
10-11	11,983,119	11,222,902	93.66%	340,959	11,563,861	96.50%
11-12	12,205,591	11,477,423	94.03%	310,609	11,788,032	96.58%
12-13	13,388,794	12,341,681	92.18%	286,558	12,628,239	94.32%
13-14	13,665,828	12,956,170	94.81%	209,015	13,165,185	96.34%
14-15	15,144,759	14,347,394	94.74%	153,610	14,501,004	95.75%
15-16	15,931,672	15,120,068	94.91%	-	15,120,068	94.91%

*Sources: Tax Turnover reports from Washington and Clackamas Counties*

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**CITY OF WILSONVILLE, OREGON**  
**Ratios of Outstanding Debt by Type**  
*Last Ten Fiscal Years*

<b>Governmental Activities</b>				
<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Special Assessment Bonds and Notes Payable</b>	<b>Urban Renewal Revenue Bonds and Notes Payable</b>	<b>Certificates of Participation</b>
06-07	\$ 2,680,000	\$ 230,000	\$ 36,917,000	\$ 97,691
07-08	2,430,000	-	39,059,000	25,139
08-09	2,170,000	-	38,629,000	-
09-10	1,900,000	-	36,197,000	-
10-11	1,620,000	-	44,926,000	-
11-12	1,325,000	-	41,980,000	-
12-13	1,015,000	-	38,617,000	-
13-14	695,000	-	34,900,000	-
14-15	355,000	-	32,225,000	-
15-16	-	-	35,192,467	-

Note: Details regarding the City's outstanding debt can be found in the Notes to Basic Financial Statements

\* Personal Income and population data can be found in the demographic statistics on page 166.

Continued on page 157.

**Business-Type Activities**

	<b>Water Revenue Bonds</b>	<b>Sewer FF&amp;C Bonds</b>	<b>Water FF&amp;C Bonds</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income*</b>	<b>Per Capita*</b>
\$	11,401,083	\$ 4,934,149	\$ 7,966,029	\$ 64,225,952	10.82%	\$ 3,890
	10,598,692	4,467,380	7,875,000	64,455,211	10.01%	3,817
	9,751,301	3,980,611	7,395,000	61,925,912	8.99%	3,558
	9,028,910	8,473,842	6,895,000	62,494,752	8.58%	3,484
	8,271,519	9,300,995	6,380,000	70,498,514	10.06%	3,912
	7,484,128	42,660,378	5,845,000	99,294,506	14.02%	5,487
	6,661,737	41,425,913	5,285,000	93,004,650	N/A	4,754
	5,814,346	39,161,448	4,710,000	85,280,794	N/A	4,157
	4,936,955	36,836,986	4,110,000	78,463,941	N/A	3,641
	4,059,000	33,410,000	3,490,000	76,151,467	N/A	3,465

**CITY OF WILSONVILLE, OREGON**  
**Ratio of Net General Obligation Bonded Debt**  
**To Assessed Value and Net General Obligation Bonded Debt Per Capita**  
*Last Ten Fiscal Years*

<b>Fiscal Year</b>	<b>Population<sup>1</sup></b>	<b>*Assessed Value<sup>2</sup></b>	<b>Gross Bonded Debt</b>	<b>Less Debt Service Money Available<sup>3</sup></b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt Per Capita</b>
06-07	16,510	\$ 2,054,032,171	\$ 2,680,000	\$ 222,951	\$ 2,457,049	0.12%	\$ 148.82
07-08	16,885	2,195,847,082	2,430,000	198,772	2,231,228	0.10%	132.14
08-09	17,405	2,333,248,746	2,170,000	181,690	1,988,310	0.09%	114.24
09-10	17,940	2,460,780,015	1,900,000	171,832	1,728,168	0.07%	96.33
10-11	18,020	2,502,778,594	1,620,000	159,580	1,460,420	0.06%	81.04
11-12	18,095	2,550,754,301	1,325,000	132,649	1,192,351	0.05%	65.89
12-13	19,565	2,632,847,863	1,015,000	99,149	915,851	0.03%	46.81
13-14	20,515	2,757,989,248	695,000	66,599	628,401	0.02%	30.63
14-15	21,980	2,972,397,516	355,000	105,969	249,031	0.01%	11.33
15-16	22,870	3,172,774,584	-	-	-	0.00%	-

\* Includes Urban Renewal Increment

<sup>1</sup> From table *Demographic Statistics*

<sup>2</sup> From table *Assessed Value of Property*

<sup>3</sup> Ending fund balances

**CITY OF WILSONVILLE, OREGON**  
**Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt**  
**to Total General Governmental Expenditures**

*Last Ten Fiscal Years*

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest <sup>1</sup></b>	<b>Total Debt Service</b>	<b>Total General Governmental Expenditures <sup>2</sup></b>	<b>Ratio of Debt Service to Governmental Expenditures</b>
05-06	\$ 230,000	\$ 138,910	\$ 368,910	\$ 38,696,795	0.95%
06-07	240,000	129,710	369,710	42,757,723	0.86%
07-08	250,000	120,110	370,110	32,333,115	1.14%
08-09	260,000	110,110	370,110	30,734,227	1.20%
09-10	270,000	99,450	369,450	53,113,655	0.70%
10-11	280,000	87,975	367,975	40,979,801	0.90%
11-12	295,000	75,935	370,935	52,176,260	0.71%
12-13	310,000	62,660	372,660	36,991,411	1.01%
13-14	340,000	33,360	373,360	36,913,423	1.01%
14-15	355,000	17,040	372,040	36,913,423	1.01%
15-16	-	-	-	N/A	N/A

<sup>1</sup> Excludes bond issuance and other costs

<sup>2</sup> Totals from *Changes in Fund Balance of Governmental Funds* table

**CITY OF WILSONVILLE, OREGON**

**Computation of Legal Debt Margin**

*Last ten fiscal years*

	Fiscal Year				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Total real market value	<u>\$ 3,886,914,557</u>	<u>\$ 2,972,397,516</u>	<u>\$ 2,757,989,248</u>	<u>\$ 2,632,847,863</u>	<u>\$ 2,917,733,750</u>
Legal Debt Margin:					
Debt limitation:					
3 percent of total real market value	<u>\$ 116,607,437</u>	<u>\$ 89,171,925</u>	<u>\$ 82,739,677</u>	<u>\$ 78,985,436</u>	<u>\$ 87,532,013</u>
Debt applicable to limitation:					
General obligation bonded debt	-	355,000	695,000	1,015,000	1,015,000
Less: Amount available for repayment of general obligation bonds	<u>-</u>	<u>(105,969)</u>	<u>(66,599)</u>	<u>(99,149)</u>	<u>(99,149)</u>
Total debt applicable to limitation	<u>-</u>	<u>249,031</u>	<u>628,401</u>	<u>915,851</u>	<u>915,851</u>
Legal Debt Margin	<u>\$ 116,607,437</u>	<u>\$ 88,922,894</u>	<u>\$ 82,111,276</u>	<u>\$ 78,069,585</u>	<u>\$ 86,616,162</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.28%	0.76%	1.16%	1.05%

Continued on page 161.

Fiscal Year				
<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>\$ 3,120,831,254</u>	<u>\$ 3,558,020,924</u>	<u>\$ 3,740,996,089</u>	<u>\$ 3,426,298,443</u>	<u>\$ 2,958,936,921</u>
<u>\$ 93,624,938</u>	<u>\$ 106,740,628</u>	<u>\$ 112,229,883</u>	<u>\$ 102,788,953</u>	<u>\$ 88,768,108</u>
1,620,000	1,900,000	2,170,000	2,430,000	2,680,000
<u>(152,857)</u>	<u>(171,832)</u>	<u>(181,690)</u>	<u>(198,772)</u>	<u>(222,951)</u>
<u>1,467,143</u>	<u>1,728,168</u>	<u>1,988,310</u>	<u>2,231,228</u>	<u>2,457,049</u>
<u>\$ 92,157,795</u>	<u>\$ 105,012,460</u>	<u>\$ 110,241,573</u>	<u>\$ 100,557,725</u>	<u>\$ 86,311,059</u>
1.57%	1.62%	1.77%	2.17%	2.77%

**CITY OF WILSONVILLE, OREGON**  
**Computation of Direct and Overlapping Debt**  
**Governmental Activities**  
*June 30, 2016*

<b>Jurisdiction</b>	<b>Debt Outstanding</b>	<b>Percentage Applicable to Government<sup>1</sup></b>	<b>Amount Applicable to Government</b>
Direct:			
City of Wilsonville	\$ 36,900,000	100.00%	\$ 36,900,000
Overlapping:			
Clackamas County	103,175,136	6.01%	6,203,508
Clackamas County ESD	22,960,637	6.60%	1,514,392
Clackamas County School District No. 3J	241,545,453	34.54%	83,418,930
Clackamas County School District No. 86	66,658,030	13.40%	8,935,176
Clackamas County Community College	88,991,012	8.22%	7,316,485
Metro	228,690,000	1.65%	3,768,354
Northwest Regional ESD	4,340,000	0.27%	11,735
Port of Portland	63,760,760	1.52%	966,103
Portland Community College	426,855,000	0.22%	924,568
Washington County	80,419,570	0.53%	423,731
Tualatin Valley Fire & Rescue	53,000,000	5.74%	3,042,677
Washington County School District No. 88J	99,865,170	6.87%	6,857,641
Total Overlapping	<u>1,480,260,768</u>		<u>123,383,300</u>
Total Debt	<u>\$ 1,517,160,768</u>		<u>\$ 160,283,300</u>

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

<sup>1</sup>The percentage applicable to government is determined on the assessed value of the overlapping districts. The numerator is the City's assessed value and the denominator is the assessed value of the overlapping district.

Source: Oregon State Treasury, Debt Management Division

<http://www.oregon.gov/treasury/Divisions/DebtManagement/Pages/Overlapping-Debt-Request.aspx>

**CITY OF WILSONVILLE, OREGON**

**Revenue Bond Coverage**

**Sewer Fund**

*Last Ten Fiscal Years*

Fiscal Year	Gross Revenues <sup>1</sup>	Operating Expenses <sup>2</sup>	Net Revenue Available for Debt Service	Debt Service Requirements <sup>3</sup>			Coverage
				Principal	Interest	Total	
06-07	\$ 5,066,725	\$ 2,587,239	\$ 2,479,486	\$ 415,000	\$ 199,530	\$ 614,530	4.03
07-08	4,980,834	2,510,902	2,469,932	460,000	189,017	649,017	3.81
08-09	4,789,267	2,665,793	2,123,474	480,000	170,055	650,055	3.27
09-10	4,979,409	2,883,911	2,095,498	500,000	198,622	698,622	3.00
10-11	5,544,145	2,521,736	3,022,409	520,000	214,972	734,972	4.11
11-12	6,623,862	2,686,945	3,936,917	540,000	924,245	1,464,245	2.69
12-13	7,192,162	2,526,259	4,665,903	1,160,000	1,428,245	2,588,245	1.80
13-14	8,105,552	2,862,090	5,243,462	2,190,000	1,390,851	3,580,851	1.46
14-15	8,469,499	3,305,323	5,164,176	2,250,000	1,333,321	3,583,321	1.44
15-16	8,079,198	1,084,193	6,995,005	2,310,000	1,272,521	3,582,521	1.95

<sup>1</sup> Total revenues includes interest and applicable system development charges

<sup>2</sup> Total operating expenses exclusive of depreciation and amortization

<sup>3</sup> Includes principal and interest of revenue bonds and note payable, excludes refunded bonds

Note: There is no pledged revenue coverage requirement for the bonds outstanding as of April 2006.

**CITY OF WILSONVILLE, OREGON**

**Revenue Bond Coverage**

**Water Fund**

*Last Ten Fiscal Years*

<b>1.10 Coverage Requirement</b>
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<b>Fiscal Year</b>	<b>Gross Revenues<sup>1</sup></b>	<b>Operating Expenses<sup>2</sup></b>	<b>Net Revenues</b>	<b>Debt Service<sup>5</sup></b>	<b>Coverage Test</b>
06-07	\$ 6,020,525	\$ 2,235,682	\$ 3,784,843	\$ 1,272,455	2.97
07-08	6,219,203	3,051,970	3,167,233	1,270,011	2.49
08-09	5,519,892	3,134,288	2,385,604	1,277,651	1.87
09-10	5,086,008	3,044,334	2,041,674	1,113,151	1.83
10-11	5,092,813	3,180,505	1,912,308	1,112,951	1.72
11-12	5,700,484	2,906,300	2,794,184	1,112,551	2.51
12-13	6,880,192	3,473,667	3,406,525	1,113,459	3.06
13-14	6,836,067	3,781,662	3,054,405	1,108,389	2.76
14-15	7,801,054	4,080,616	3,720,438	1,106,420	3.36
15-16	8,649,627	4,718,810	3,930,817	1,087,170	3.62

<sup>1</sup> Gross revenues include all revenues from operations and interest. It excludes system development charges, bond proceeds, and taxes.

<sup>2</sup> Operating expenses include costs of operating and maintaining the water system. It excludes depreciation, capital expenditures, debt service payments, and franchise fees.

<sup>3</sup> System Development Charges are amounts used for debt and funding rate stabilization account.

<sup>4</sup> Debt service reported on a cash basis.

<sup>5</sup> There is no pledged revenue coverage requirement for Junior Lien Debt outstanding as of December 2007.

Continued on page 165.

Senior Lien Covenant				Junior Lien Covenant		
1.25 Coverage Requirement						
System	Rate	Net				
Development	Stabilization	Revenues				Combined
Charges <sup>3</sup>	Account	w/ SDC &	Coverage	Debt		Coverage
(SDCs)	Transfer (to) from	Stabilization	Test	Service <sup>4</sup>		(1.25 test) <sup>5</sup>
\$ 350,000	\$ -	\$ 4,134,843	3.25	\$ 822,908		1.97
350,000	-	3,517,233	2.77	964,673		
350,000	-	2,735,604	2.14	773,948		
350,000	-	2,391,674	2.15	775,083		
350,000	-	2,262,308	2.03	770,544		
350,000	-	3,144,184	2.83	770,331		
350,000	-	3,756,525	3.37	772,456		
350,000	-	3,404,405	3.07	765,559		
350,000	-	4,070,438	3.68	767,860		
350,000	-	4,280,817	3.94	764,311		

**CITY OF WILSONVILLE, OREGON**

**Demographic Statistics**

*Last Ten Fiscal Years*

<b>Fiscal Year</b>	<b>Population<sup>1</sup></b>	<b>Personal Income<sup>2</sup></b>	<b>*Per Capita Personal Income<sup>3</sup></b>	<b>Median Household Income<sup>4</sup></b>	<b>Median Age<sup>4</sup></b>	<b>School Enrollment<sup>5</sup></b>	<b>*Unemployment Rate<sup>6</sup></b>
05-06	16,510	\$ 593,517,990	\$ 35,949	\$ 54,480	38.1	8,080	5.00%
06-07	16,885	643,909,475	38,135	56,000	38.3	8,141	4.60%
07-08	17,405	688,559,205	39,561	61,220	39.0	8,332	5.50%
08-09	17,940	728,346,060	40,599	59,709	38.9	8,281	11.20%
09-10	18,020	700,599,580	38,879	57,816	36.1	8,373	10.60%
10-11	18,095	708,147,825	39,135	55,881	35.5	8,436	9.10%
11-12	19,565	805,451,920	41,168	55,316	35.4	8,441	7.70%
12-13	20,515	886,030,623	43,189	55,443	36.2	8,728	6.90%
13-14	21,550	942,330,855	43,728	56,430	36.4	9,010	6.00%
14-15	21,980	N/A	N/A	N/A	N/A	9,111	5.74%
15-16	22,870	N/A	N/A	N/A	N/A	9,531	5.04%

*Sources:*

<sup>1</sup> Center for Population Research and Census, PSU; [www.pdx.edu/prc/annualorpopulation.html](http://www.pdx.edu/prc/annualorpopulation.html)

<sup>2</sup> Estimation; Calculated, Population multiplied by Per Capita Personal Income.

<sup>3</sup> Bureau of Economic Analysis; <http://www.bea.gov>; for Portland, OR MSA

<sup>4</sup> United States Census Bureau; <http://factfinder.census.gov>

<sup>5</sup> Total combined enrollment for West Linn/Wilsonville School District.

<sup>6</sup> Bureau of Labor Statistics; <http://data.bls.gov>; for Portland, OR MSA

\*Portland Metropolitan Statistical Area (MSA)

N/A: Data was not available for this year

**CITY OF WILSONVILLE, OREGON**  
**Top Fifteen Water System Customers**  
*by units of consumption as of June 30, 2016*

<b>Customer</b>	<b>Account Type</b>	<b>Percentage of Total Consumption</b>
Oregon Department of Corrections	Public	5.64
Canyon Creek Aparments	Multi-Family	2.32
Berkshire Court Apartments	Multi-Family	1.87
Wilsonville Summit Apts	Multi-Family	1.72
Bridge Creek Apartments	Multi-Family	1.65
Boulder Creek Apartments	Multi-Family	1.62
Hathaway Court Apartments	Multi-Family	1.56
Jory Trail at the Grove	Multi-Family	1.53
KWDS	Multi-Family	1.5
Domaine at Villebois	Multi-Family	1.4
Terene at the Grove	Multi-Family	1.3
Wilsonville Holiday Inn	Commercial	1.17
Autumn Park Apartments	Multi-Family	1.09
Waste-Water Treatment Plant (CH2M Hill)	Public	1.05
Springridge	Multi-Family	0.93

*Source: City Utility Database*

**CITY OF WILSONVILLE, OREGON**

**Principal Employers**

*Current year and eight years ago*

		<b>2015-16</b>	
<b>Employer</b>	<b>Type of Business</b>	<b>Number of Employees</b>	<b>Percentage of total City employment*</b>
Mentor Graphics Corporation	CAD software systems	997	5.8%
Stream International Inc.	Customer and technical support	798	4.7%
Xerox Corporation	Copiers and printers	706	4.1%
Sysco Portland Inc.	Warehouse & distribution center	557	3.3%
Rockwell Collins	Aerospace technology	488	2.9%
Precision Interconnect	Medical & Technical Equipment	329	1.9%
Costco	Wholesale retail	305	1.8%
Southern Wine & Spirits	Beverage distribution	300	1.8%
Coca Cola Bottling Company	Beverage distribution	272	1.6%
Flir Systems Inc.	Thermal imaging/infrared equipment	249	1.5%
		<b>5,001</b>	<b>29.3%</b>

Southern Wine & Spirits                      Beverage distribution

		<b>2006-07</b>	
<b>Employer</b>	<b>Type of Business</b>	<b>Number of Employees</b>	<b>Percentage of total City employment**</b>
Xerox Corporation	Color Printers	1,666	11.0%
Mentor Graphics Corporation	CAD software systems	1,113	7.3%
Hollywood Entertainment	Video rental distribution	759	5.0%
Precision Interconnect	Electronic machinery	614	4.1%
Sysco Portland Inc.	Warehouse & distribution center	445	2.9%
Fry's Electronics	Retail	278	1.8%
Rite Aid Distribution Center	Retail & distribution center	266	1.8%
InFocus Corporation	Data/Video Projectors	250	1.6%
Nike USA, Inc.	Athletic wear distribution	240	1.6%
Oregon Glass Company	Misc. Manufacturers	230	1.5%
		<b>5,861</b>	<b>38.7%</b>

\* Total city employment for 2015-16 was 17,054

\*\*Total city employment for 2006-07 was 15,156

Source: City Business License Database

**CITY OF WILSONVILLE, OREGON**  
**Full-time Equivalent City Government Employees by Function/Program**  
*Last ten fiscal years*

Function/Program	Full-time equivalent employees based on adopted budget									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General Government</b>										
Administration	5.00	5.00	4.50	4.50	6.00	6.00	5.00	5.00	5.00	5.00
Finance	9.20	9.40	8.90	9.15	8.90	8.90	8.85	8.80	8.75	8.75
Information Systems	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Geographic Information Systems	1.50	1.50	1.50	1.50	1.50	1.50	1.00	1.00	1.00	1.00
Legal	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Human Resources/Risk Management	3.35	2.85	2.85	2.85	2.85	2.85	2.82	2.82	2.90	2.90
	<u>25.05</u>	<u>24.75</u>	<u>23.75</u>	<u>24.00</u>	<u>25.25</u>	<u>25.25</u>	<u>23.67</u>	<u>23.62</u>	<u>23.65</u>	<u>23.65</u>
<b>Community Development</b>										
Administration <sup>3</sup>	4.50	4.50	4.50	5.50	6.50	6.00	8.40	8.40	7.75	7.20
Engineering	9.50	9.00	9.00	9.00	10.00	10.00	11.00	11.00	11.00	10.00
Building Inspections	5.60	5.60	5.60	5.10	5.10	5.10	6.35	6.35	6.35	6.00
Planning	7.60	7.60	8.00	8.00	7.00	7.50	8.50	8.50	8.50	8.30
Stormwater/Natural Resources <sup>3</sup>	3.00	2.00	2.00	3.00	3.00	3.00	1.00	1.00	0.00	0.00
	<u>30.20</u>	<u>28.70</u>	<u>29.10</u>	<u>30.60</u>	<u>31.60</u>	<u>31.60</u>	<u>35.25</u>	<u>35.25</u>	<u>33.60</u>	<u>31.50</u>
<b>Public Works</b>										
Administration	3.50	3.50	3.50	4.50	5.50	5.50	5.00	5.00	5.00	5.00
Buildings Maintenance <sup>2</sup>	5.75	5.50	5.50	4.25	4.25	4.25	3.25	4.75	4.50	10.00
Parks Maintenance <sup>2</sup>	0.00	0.00	0.00	7.25	7.00	7.00	7.00	6.00	5.50	0.00
Roads	4.05	4.05	4.05	3.75	3.75	3.75	3.75	3.25	2.75	2.50
Water Distribution and Sales	5.38	4.88	4.88	5.33	4.58	4.58	4.33	4.33	4.00	4.00
Stormwater Maintenance	1.94	1.94	1.84	1.84	1.84	1.84	1.84	1.84	2.25	2.00
Wastewater Collection <sup>4</sup>	2.13	2.13	2.13	1.83	8.16	8.16	8.16	7.83	7.50	7.50
Industrial Pretreatment	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	<u>23.75</u>	<u>23.00</u>	<u>22.90</u>	<u>29.75</u>	<u>36.08</u>	<u>36.08</u>	<u>34.33</u>	<u>34.00</u>	<u>32.50</u>	<u>32.00</u>
<b>Transportation</b>										
SMART Transit	37.00	36.07	35.74	36.44	36.19	35.69	35.29	34.29	28.77	28.17
Fleet	6.60	6.60	6.50	6.50	7.00	7.00	7.00	7.00	5.50	5.50
	<u>43.60</u>	<u>42.67</u>	<u>42.24</u>	<u>42.94</u>	<u>43.19</u>	<u>42.69</u>	<u>42.29</u>	<u>41.29</u>	<u>34.27</u>	<u>33.67</u>
<b>Parks &amp; Recreation</b>										
General Services <sup>5</sup>	4.10	4.05	4.05	8.10	8.00	8.00	7.70	7.97	7.97	8.20
Senior Programs <sup>5</sup>	4.10	4.05	4.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Parks Maintenance <sup>2</sup>	8.25	8.25	8.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<u>16.45</u>	<u>16.35</u>	<u>16.35</u>	<u>8.10</u>	<u>8.00</u>	<u>8.00</u>	<u>7.70</u>	<u>7.97</u>	<u>7.97</u>	<u>8.20</u>
<b>Library</b>										
	16.46	16.46	16.46	16.46	16.26	16.26	16.26	12.12	12.12	14.44
	<u>16.46</u>	<u>16.46</u>	<u>16.46</u>	<u>16.46</u>	<u>16.26</u>	<u>16.26</u>	<u>16.26</u>	<u>12.12</u>	<u>12.12</u>	<u>14.44</u>
<b>Public Safety</b>										
Municipal Court	1.70	1.50	2.00	2.00	2.00	2.00	2.00	2.00	1.95	1.90
	<u>1.70</u>	<u>1.50</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>1.95</u>	<u>1.90</u>
Total Full-time equivalents	<u>157.21</u>	<u>153.43</u>	<u>152.80</u>	<u>153.85</u>	<u>146.12</u>	<u>145.62</u>	<u>145.24</u>	<u>144.13</u>	<u>133.94</u>	<u>130.92</u>

<sup>2</sup> Prior to FY2008, Building and Park Maintenance were reported as one program. In FY2013-14 Parks Maintenance was moved from Public Works to Parks & Recreation

<sup>3</sup> 2 FTE moved from Community Development Admin to renamed Stormwater/Natural Resources Program in 2010-11.

<sup>4</sup> Wastewater Treatment (now contracted) is removed from Wastewater Collection effective FY 2013.

<sup>5</sup> Community Services was split into General Services and Senior Programs in FY2013-14

Source: City's Adopted Budget for relevant year.

**CITY OF WILSONVILLE, OREGON**

**Operating Indicators by Function**

*Last Ten Fiscal Years*

Function/Program	Fiscal Year				
	2016	2015	2014	2013	2012
<b>Governmental activities:</b>					
<b>General</b>					
Total Employment	16,755	14,358	16,300	14,518	14,450
Reported Wages	\$ 927,719,494	\$ 904,800,000	\$ 868,470,652	\$ 798,177,084	\$ 809,713,768
<b>Transportation</b>					
Ridership	343,793	362,891	374,408	351,374	370,526
Cost Per Passenger	\$ 12.30	\$ 11.30	\$ 10.44	\$ 10.91	\$ 8.92
<b>Culture and Recreation</b>					
Library physical item circulation	452,232	490,000	490,163	515,595	518,290
Library e-book/downloadable circulation	24,346	19,000	17,175	11,263	9,489
Library volunteer hours	12,750	12,000	11,987	11,540	12,929
Library program attendance	32,044	29,600	28,681	26,776	29,360
Meals served on site for seniors	5,537	8,000	7,942	6,500	6,208
Home-delivered meals for seniors	6,175	5,550	4,403	6,500	6,362
<b>Community Development</b>					
Number of commercial permits	313	257	79	281	235
Value of commercial permits	\$ 26,994,232	\$ 10,451,251	\$ 8,949,456	\$ 65,866,867	\$ 44,406,434
Number of residential permits	181	343	57	465	443
Value of residential permits	\$ 42,901,061	\$ 76,208,732	\$ 11,166,176	\$ 60,817,484	\$ 51,818,359
<b>Business-type activities:</b>					
<b>Water</b>					
Annual Water Usage (Gallons)	1,061,466,604	1,005,932,092	911,433,512	945,427,120	832,927,920
Average Daily Water Usage (Gallons)	2,908,128	2,755,978	2,497,078	2,590,211	2,281,994

*Source: Various City Departments*

Continued on page 171.

Fiscal Year				
2011	2010	2009	2008	2007
13,555	13,809	14,612	15,143	15,156
\$ 778,783,722	\$ 756,210,456	\$ 682,405,944	\$ 846,333,721	\$ 770,900,133
344,723	306,421	312,309	295,266	285,827
\$ 8.62	\$ 9.42	\$ 9.52	\$ 8.92	\$ 8.40
507,074	509,008	491,908	490,042	492,979
7,916	N/A	N/A	N/A	N/A
12,556	12,512	12,061	11,008	10,626
N/A	N/A	N/A	N/A	N/A
6,193	7,505	6,439	6,935	7,610
6,185	6,617	6,021	6,400	6,727
322	181	269	214	233
\$ 60,461,916	\$ 20,490,409	\$ 20,681,082	\$ 41,083,420	\$ 16,041,835
63	45	74	175	410
\$ 9,300,787	\$ 8,664,297	\$ 12,692,759	\$ 22,466,225	\$ 49,770,593
839,998,016	884,517,480	947,572,384	947,421,288	1,013,785,344
2,301,364	2,423,336	2,596,089	2,595,675	2,777,494

**CITY OF WILSONVILLE, OREGON**

**Capital Asset Statistics by Function**

*Last Ten Fiscal Years*

Function/Program	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Governmental activities:</b>										
<b>General Government</b>										
Acreage in city limits	4,755	4,746	4,746	4,746	4,746	4,746	4,746	4,746	4,712	4,712
<b>Public Works</b>										
Number of city maintained parks	12	13	12	11	10	10	10	10	10	10
Number of partially city maintained parks	1	1	1	1	1	1	1	1	1	1
Park acreage*	187	187	187	185	201	201	201	201	201	201
Open space Acreage*	28	28	28	28	N/A	N/A	N/A	N/A	N/A	N/A
Number of soccer fields	3	3	3	3	3	3	3	3	3	3
Number of baseball fields	5	5	5	5	5	5	5	5	5	5
Number of playgrounds	10	10	10	9	8	8	8	8	8	8
Miles of trails (in undeveloped areas of parks)	10	10	10	9	9	9	9	9	9	9
Miles of paths (in developed areas of parks)	6	6	6	6	6	6	6	6	6	6
Miles of paths (in developed areas of parks)	5	5	5	5	5	5	5	5	5	5
Number of bridges	8	8	8	8	8	8	8	6	6	5
Number of tennis courts	2	2	2	2	2	2	2	2	2	2
Number of basketball courts	5	5	5	5	5	5	5	5	5	5
Number of skate parks	1	1	1	1	1	1	1	1	1	1
Number of dog exercise areas	1	1	1	1	1	1	1	1	1	1
Number of water features	4	4	4	3	3	3	3	3	3	3
Number of river docks	1	1	1	1	1	1	1	1	1	1
<b>Streets</b>										
Miles of streets	78	73	70	67	66	66	66	65.6	65.6	64.3
Signal lighted intersections	27	27	27	27	24	24	23	N/A	N/A	N/A
Freeway interchanges	3	3	3	3	3	3	3	N/A	N/A	N/A
Number of bridges	4	4	4	4	4	4	4	N/A	N/A	N/A
Number of foot bridges	1	1	1	1	1	1	1	N/A	N/A	N/A
<b>Business-type activities:</b>										
<b>Water</b>										
Water storage capacity (millions of gallons)	10	10	10.2	10.2	10.2	10.2	10.2	10.2	10.2	10.2
Miles of public water lines	110	107	90	85	85	77	76	76	76	73
Number of reservoirs	4	4	4	4	4	4	4	N/A	N/A	N/A
Number of wells	8	8	8	8	8	8	N/A	N/A	N/A	N/A
<b>Sewer</b>										
Miles of public sanitary sewer lines	80	76	73	73	73	73	72	72	72	67
Number of lift stations	8	8	8	8	8	8	N/A	N/A	N/A	N/A
<b>Stormwater</b>										
Miles of public stormwater lines	68	67	70	66	65	65	65	59	58	53
Public stormwater catchbasins	1,862	1,862	1,862	1,862	1,823	1,823	1,673	N/A	N/A	N/A
Public manholes	1,863	1,731	1,727	1,727	1,723	1,723	N/A	N/A	N/A	N/A
Number of detention ponds	10	10	10	10	10	10	N/A	N/A	N/A	N/A
<b>Streetlights</b>										
Number of streetlights (estimate)	2,630	2,379	2,379	2,311	2,268	2,213	2,206	2,066	2,052	1,971
Number of streetlight poles	2,383	2,214	2,214	2,144	N/A	N/A	N/A	N/A	N/A	N/A

\*Prior to 2013 Park Acreage and Open space Acreages were combined

Source: Various City Departments/Capital Assets

# COMPLIANCE SECTION

- **Independent Auditor's Report  
Required by Oregon State Regulations**



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## GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS  
475 Cottage Street NE, Suite 200, Salem, Oregon 97301  
(503) 581-7788

### ***INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS***

Honorable Mayor, Members of the City Council, and the City Manager  
City of Wilsonville  
29799 SW Town Center Loop East  
Wilsonville, Oregon 97070

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Wilsonville, Oregon as of and for the year ended June 30, 2016, and have issued our report thereon dated October 31, 2016.

#### ***Compliance and Other Matters***

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

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

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Highway revenues used for public highways, roads, and streets.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

In connection with our testing nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations except for expenditures exceeded appropriations as detailed in the notes to the financial statements.

***Internal Control Over Financial Reporting***

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

***Restriction on Use***

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

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

By:   
Ryan T. Pasquarella, A Shareholder  
October 31, 2016