



City of Wilsonville, Oregon Comprehensive Annual Financial Report

for the Fiscal Year Ended June 30, 2017

**CITY OF WILSONVILLE,
OREGON**

COMPREHENSIVE

ANNUAL

FINANCIAL

REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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, 2017

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INTRODUCTORY SECTION

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



October 31, 2017

**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, 2017.

This report presents the financial position of the City as of June 30, 2017, 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 increased incrementally, with the addition of one new information technology position, additional park operations and maintenance staff, and additional public works maintenance staff. These additions are funded from a variety of sources, including property tax revenue and monthly utility charges. 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 23.

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 and the Mayor elected in November 2016, while the remaining two other Council positions are up for election in 2018.

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 of 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 22% of the labor force, as of June 30, 2017.

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 3.9%, as of June 2017, for the Portland-Vancouver-Hillsboro metropolitan area, dropping from 5.1% in June of 2016. This compares to the downward trend in the unemployment rate nation-wide, which was 4.4% in June of 2017, dropping from 4.9% in June of 2016. The local price index shows signs of inflation; the Portland-Salem consumer price index shows prices increased about 4.42%¹ from June of 2016 to June of 2017. This same increasing trend is seen nation-wide, although at a slower increase – the nation-wide trend in the price index increased about 2.2% 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 17,387 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 2017.

¹ CPI – All Urban Consumers for Portland-Salem. The CPI represents all goods and services purchased for consumption, arranged into eight major groups: 1) Food and Beverage; 2) Housing; 3) Apparel; 4) Transportation; 5) Medical Care; 6) Recreation; 7) Education and Communication; and 8) Other Goods and Services (such as tobacco products, services, etc.)

TABLE 1
TEN LARGEST EMPLOYERS
(as of July 2017)

Employer	Type of Business	2016-17	
		Number of Employees	Percentage of total City employment*
Mentor Graphics Corporation	CAD software systems	986	5.7%
Stream International Inc.	Customer and technical support	798	4.6%
Xerox Corporation	Copiers and printers	687	4.0%
Sysco Portland Inc.	Warehouse & distribution center	545	3.1%
Rockwell Collins	Aerospace technology	475	2.7%
Coca Cola Bottling Company	Beverage distribution	366	2.1%
Precision Interconnect	Medical & Technical Equipment	359	2.1%
Costco	Wholesale retail	292	1.7%
Southern Wine & Spirits	Beverage distribution	283	1.6%
Fred-Meyer	Grocer	261	1.5%
		5,052	29.1%

*Total employment for FY 2016-17 was 17,387
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 36.4% in that time frame, compared to the population growth state-wide, at approximately 9%. 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
2007-08	17,405	3.08%	372,270	1.42%	3,739,359	1.47%
2008-09	17,940	3.07%	376,660	1.18%	3,784,182	1.20%
2009-10	18,020	0.45%	379,845	0.85%	3,815,775	0.83%
2010-11	18,095	0.42%	376,780	-0.81%	3,837,300	0.56%
2011-12	19,565	8.12%	378,480	0.45%	3,857,625	0.53%
2012-13	20,515	4.86%	381,680	0.85%	3,883,735	0.68%
2013-14	21,550	5.05%	386,080	1.15%	3,919,020	0.91%
2014-15	21,980	2.00%	391,525	1.41%	3,962,710	1.11%
2015-16	22,870	4.05%	397,385	1.50%	4,013,845	1.29%
2016-17	23,740	3.80%	404,980	1.91%	4,076,350	1.56%

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 expansion in residential, commercial, and industrial developments. 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 also has progressed with 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.

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.

The City is expected to maintain a healthy growth rate for the foreseeable future, as home construction continues in many areas of the City. The City issued 334 residential construction permits in fiscal year 2017. While robust, it is down from the peak of 465 issued in fiscal year 2013. These numbers contrast to the low point of 45 issued during the recession, in fiscal year 2010. 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.

However, the growth in real market value not 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 value 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 the 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
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%
2016-17	63,521	12.7%	4,393	13.0%	3,403	7.3%

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 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, 2016. 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 20th 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, 2016

Executive Director/CEO

**CITY OF WILSONVILLE,
OREGON**
June 30, 2017

ELECTED OFFICIALS

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Tim Knapp	Mayor	December 31, 2020
Scott Starr	Council President	December 31, 2018
Susie Stevens	Councilor	December 31, 2018
Charolette Lehan	Councilor	December 31, 2020
Kristin Akervall	Councilor	December 31, 2020

Principal Officials

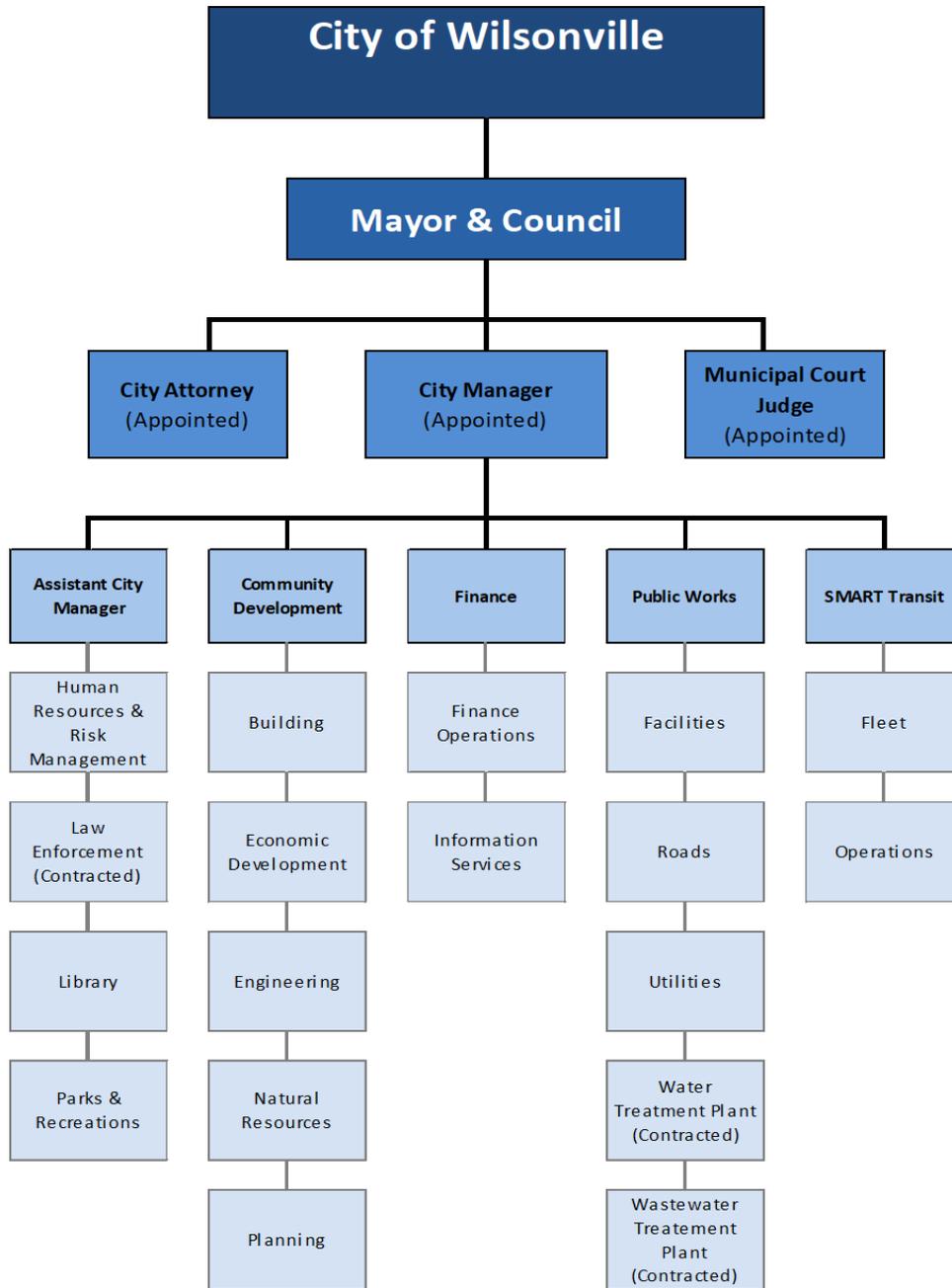
Bryan Cosgrove	City Manager
Barbara Jacobson	City Attorney
Susan Cole	Finance Director
Karen Veliz	City Recorder

Mailing Address

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

www.ci.wilsonville.or.us

CITY OF WILSONVILLE, OREGON
Organizational Chart



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**

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Wilsonville, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Wilsonville, Oregon as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise City of Wilsonville, Oregon's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

City of Wilsonville, Oregon's 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 City of Wilsonville, Oregon, as of June 30, 2017, 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.

Change in Accounting Principle

As described in Note 4 to the financial statements, in 2017, the City adopted new accounting guidance, GASB Statement No. 77, Tax Abatement Disclosures. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis schedule and required supplementary information, as listed in the table of contents, 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 management's discussion and analysis and schedule net pension liability, as listed in the table of contents under 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 schedules of revenues, expenditures, and changes in fund balances, as listed in the table of contents under required supplementary information, are 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, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Wilsonville, Oregon's basic financial statements. The introductory section, other supplementary information, 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, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2017 on our consideration of City of Wilsonville, Oregon's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is issued separately and is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Wilsonville, Oregon's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated November 21, 2017, on our consideration of City of Wilsonville, Oregon's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



For Merina & Company, LLP
West Linn, Oregon
November 21, 2017

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CITY OF WILSONVILLE, OREGON
Management's Discussion and Analysis
For the Year Ended June 30, 2017

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, 2017. We encourage readers to consider the information presented here in conjunction with the letter of transmittal at the front of this report and with the City's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows by \$408.7 million (net position). Of this amount, \$59.9 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 \$19.0 million in governmental activities and \$8.9 million in business type activities for a total increase of \$27.9 million.
- The City's total debt outstanding decreased \$5.5 million or 7.2% during the current fiscal year. No debt was refinanced or acquired during the fiscal year.
- For its governmental activities, the City received \$25.7 million in tax revenue, up approximately \$1.9 million (or 8.0%) over the prior year. General purpose property taxes increased \$0.3 million. Property taxes collected for debt, exclusively for urban renewal in the current year, increased \$0.5 million. Other tax revenue increased \$1.1 million.
- For its business-type activities, the City recognized \$25.6 million in program revenue including \$19.4 million in charges for services (up 2.7% over prior year) and \$6.2 million in capital contributions (a 29.6% decrease from prior year).
- At the close of the current fiscal year, the City's governmental funds report a combined fund balance of \$76.1 million, an \$11.7 million increase over the prior fiscal year. Of the total fund balance reported, \$68.5 million is considered nonspendable, restricted, committed or assigned. The remaining \$7.6 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, 2017, 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 and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$408.7 million at the close of the most recent fiscal year. This is a \$27.9 million increase (7.3%) in net position over prior year's \$380.8 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	
	2017	2016	2017	2016	2017	2016
Assets						
Current and other assets	\$ 82.8	\$ 70.4	\$ 46.4	\$ 40.1	\$ 129.2	\$ 110.5
Capital assets	229.5	222.6	137.0	137.7	366.5	360.3
Total assets	312.3	293.0	183.4	177.8	495.7	470.8
Deferred Outflows of Resources						
Pension outflow	8.2	1.7	0.6	0.1	8.8	1.8
Deferred charge on refunding	-	-	0.2	0.2	0.2	0.2
Total deferred outflow of resources	8.2	1.7	0.8	0.3	9.0	2.0
Liabilities						
Other liabilities	4.6	10.5	1.2	1.8	5.8	12.3
Noncurrent liabilities	49.4	35.8	39.7	42.0	89.1	77.8
Total liabilities	54.0	46.3	40.9	43.8	94.9	90.1
Deferred Inflows of Resources						
Pension inflow	1.0	1.8	0.1	0.3	1.1	1.9
Net position						
Net investment in capital assets	198.2	191.8	98.6	95.9	296.8	287.7
Restricted	34.6	24.2	17.4	14.1	52.0	38.3
Unrestricted	32.7	30.6	27.2	24.2	59.9	54.8
Total net position	\$ 265.5	\$ 246.6	\$ 143.2	\$ 134.2	\$ 408.7	\$ 380.8

The City's \$408.7 million net position consists of three parts. The largest portion of the City's net position, at \$296.8 million (72.6% of the total), 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.

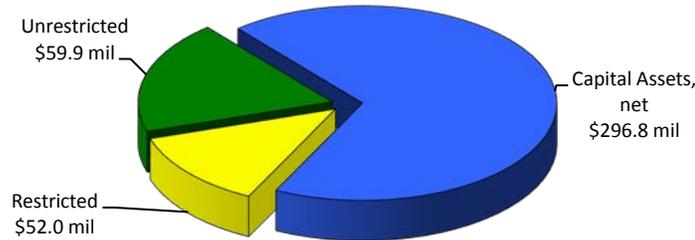
Restricted net position totals \$52.0 million (or 12.7% of total net position) and represents cash and investments that are legally restricted for capital expansion or debt service.

The remaining \$59.9 million (or 14.7%) is unrestricted and is available for meeting the City's ongoing obligations. The City's net pension liability rose 131.5% over prior year from \$7.2 million to \$16.8 million, the result from an Oregon Supreme Court decision (*Moro v. Oregon*). The increased liability, however, is largely offset as a deferred outflow of resources, thus mitigating any current year change in total net position. The overall change in unrestricted net position is an increase of \$5.1 million, up 9.3%.

The following chart displays the three components of net position as of June 30, 2017.

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CHART 1
CITY OF WILSONVILLE – NET POSITION FOR FISCAL YEARS ENDING JUNE 30, 2017
(in millions)



Statement of Activities

As indicated in Table 2 below, total net position of the City increased by \$27.9 million, which is up 32.2% from the prior year change in net position of \$21.1 million. Descriptions of significant activities follow the table below.

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

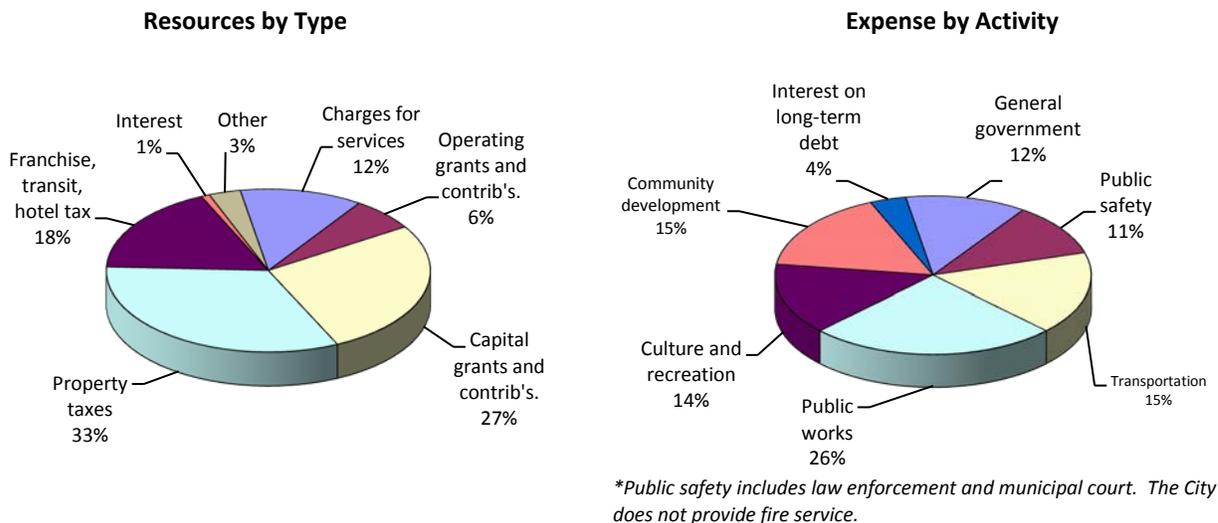
	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues:						
Charges for services	\$ 5.9	\$ 5.8	\$ 19.4	\$ 18.9	\$ 25.3	\$ 24.7
Operating grants and contributions	3.0	3.1	-	-	3.0	3.1
Capital grants and contributions	15.8	12.8	6.2	8.8	22.0	21.6
General revenues:						
Property taxes	16.3	15.5	-	-	16.3	15.5
Franchise, transit, hotel tax	9.4	8.3	-	-	9.4	8.3
Interest	0.7	0.4	0.3	0.3	1.0	0.7
Other	0.6	1.4	0.1	0.1	0.7	1.5
Total revenues	51.7	47.3	26.0	28.1	77.7	75.4
Expenses						
Governmental activities:						
General government	4.0	4.7	-	-	4.0	4.7
Public safety	4.3	4.1	-	-	4.3	4.1
Transportation	5.6	6.4	-	-	5.6	6.4
Public works	8.8	9.6	-	-	8.8	9.6
Culture and recreation	4.8	5.5	-	-	4.8	5.5
Community development	5.1	6.2	-	-	5.1	6.2
Interest on long-term debt	1.3	1.4	-	-	1.3	1.4
Business-type activities:						
Water	-	-	6.6	6.8	6.6	6.8
Sewer	-	-	6.9	6.9	6.9	6.9
Stormwater	-	-	2.0	2.3	2.0	2.3
Street lighting	-	-	0.4	0.4	0.4	0.4
Total expenses	33.9	37.9	15.9	16.4	49.8	54.3
Increase in net position before transfers	17.8	9.4	10.1	11.7	27.9	21.1
Transfers	1.2	0.1	(1.2)	(0.1)	-	-
Increase in net position	19.0	9.5	8.9	11.6	27.9	21.1
Beginning net position	246.5	237.0	134.3	122.7	380.8	359.7
Ending net position	\$ 265.5	\$ 246.5	\$ 143.2	\$ 134.3	\$ 408.7	\$ 380.8

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Governmental activities – The total change in net position for governmental activities is \$19.0 million, which is an increase of \$9.5 million over the prior year, matching the prior year increase of \$9.5 million. The increase is the net result of the following variances:

- Charges for services – incrementally up 1.7% with increases in Transportation and Public Works program revenue offset by decreases in the Community Development and Culture and Recreation programs.
- Operating grants and contributions – decreased 3.2% (\$0.1 million), the result of the completions of a federally funded transportation grant program.
- Capital grants and contributions – increased 23.4% (\$3.0 million) over prior year mainly due to an increase in developer contributions, up \$0.7 million, and road system development contributions, up \$2.1 million.
- General revenues – increased 5.4% (\$1.4 million) over prior year with increases in property tax revenue up \$0.8 million from increases in assessed values, an improving economy, and new construction. Franchise and hotel taxes, up \$1.1 million, and investment revenue, up \$0.3 million, also contributed to the increase with offset reductions in miscellaneous other category.
- Total governmental activity expense – decreased \$4.0 million or 10.6% in the current year largely the result of Government Accounting Standards Board Statement No. 68, accounting related to pensions. Under GASB 68 certain changes in the net pension liability are included in pension expense in the period of the change while others are required to be reported as deferred outflows of deferred inflows. In the current year, a major Oregon Supreme Court decision (*Moro v. Oregon*) affected the City's net pension liability and related deferred Inflows/Outflows as reported on the Statement of Net Position, as well as the treatment of current pension expense as reported here on the Statement of Activities.
- Transfers – increased \$1.1 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, 2017

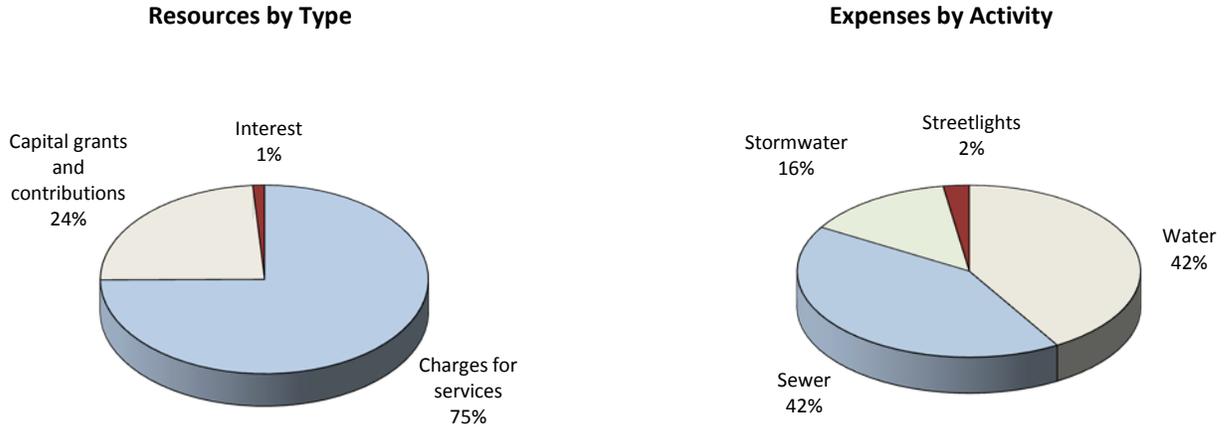


Business-type activities – Business-type activities generated an \$8.9 million increase to the City's total net position, down \$2.7 million from last year's gain. Financial highlights include:

- Total revenue across all funds decreased \$2.1 million with the charges for services increase of \$0.5 million offset by a \$2.6 million reduction in capital grants and contributions from developers.
- Total expenses across all funds decreased \$0.5 million from reduced pension expense in the current year over prior year.

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CHART 3
BUSINESS-TYPE ACTIVITIES REVENUES AND EXPENSES
FOR FISCAL YEAR ENDING JUNE 30, 2017



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 \$76.1 million, an increase of \$11.7 million over the prior year. Approximately, 9.9% (\$7.6 million) of the ending fund balance constitutes unassigned fund balance, with remaining amounts either assigned (\$29.2 million), committed (\$4.4 million), restricted (\$34.7 million), or in a non-spendable form (\$0.2 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 \$7.6 million, while total fund balance reached \$17.3 million. Total fund revenues exceeded fund expenditures by \$2.1 million (up 17.5% over prior year). Fund revenues were up 4.6% over prior year while expenditures increased only 2.6% resulting in the increased differential for the year. Other financing uses (net), including an increase in transfers-out of one-time General Fund funded capital improvement projects, were responsible for the overall total net change in fund balance amount of \$1.0 million.

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 \$5.6 million, up 34.5% (or \$1.4 million) from prior year taxes. The large increase was in part due to one-time local area business corporate restructuring. Fund expenditures were up roughly 5.2% (or \$0.3 million) mainly the result of increased spending on capital outlay bus purchases. The ending fund balance closed the year at \$3.6 million, up \$0.9 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 property revenue generated from incremental assessed value within the district and provided \$4.1 million dollars in revenue. The ending fund balance of \$9.0 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 property revenue generated from incremental assessed value within the district and provided \$5.7 million dollars in revenue. The ending fund balance of \$9.5 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 decreased \$3.1 million over the prior year primarily due to the close out of the Barber Street extension project which was substantially completed in the prior year. The ending fund balance closed the year at \$0.1 million, versus the prior year ending fund balance amount of \$1.6 million.

Proprietary Funds

The Water Fund ended the year with a \$4.0 million increase in net position. Operating revenues exceeded operating and non-operating expenses by \$2.0 million contributing 50.0% of that increase. Capital contributions from developers totaling \$2.6 million offset by transfers-out of \$0.5 million and net non-operating expenses of \$0.1 million was responsible for the remaining 50.0%. The fund ended the fiscal year with a \$60.2 million net position, with \$13.2 million of that amount unrestricted and the remaining balance restricted for or invested (net) in capital assets.

The Sewer Fund ended the year with a \$2.9 million increase in net position. Operating revenues exceeded operating and non-operating expense by \$2.4 million, contributing 82.8% of that increase. Capital contributions from developers totaling \$1.9 million offset by transfers-out of \$0.5 million and net non-operating expense of \$1.0 million was responsible for the remaining 17.2%. Non-operating expense includes interest expense of \$1.2 million associated with outstanding debt. The fund ended the fiscal year with a \$50.4 million net position, with \$11.2 million of that amount unrestricted and the remaining balance restricted for or invested (net) in capital assets.

The Stormwater Fund ended the year with a \$1.6 million increase in net position. Operating revenues exceeded operating and non-operating expense by \$0.5 million, contributing 31.3% of that increase. Capital contributions from developers totaling \$1.3 million plus net non-operating revenue of 0.5 offset by transfers-out of \$0.3 million was responsible for the remaining 68.7%. The fund ended the fiscal year with a \$27.7 million net position, with \$1.6 million of that amount unrestricted and the remaining balance restricted for or invested (net) in capital assets.

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 2017. Final budgeted expense amounts for personnel services, materials & services, capital outlay, and transfers-out, differ from the original budget by supplemental appropriations of \$567,770, or 3.0%, with amounts funded through contingency. The major changes in these appropriations are as follows:

- Materials & services was increased \$155,000 including \$35,000 for special projects in the Administration Program area; \$15,500 for consultant fees and office furniture in Finance; and \$105,000 for Fiber Business Plan, Strategic Plan, and Payment Card Industry (PCI) compliance remediation in the Information Systems Program.
- Capital Outlay was increased \$49,645 split out between Parks and Recreation and the Building Maintenance programs in the General Fund with additional contributory amounts budgeted in Road Operations, Water Operations, and Sewer Operation Funds for the purchase of a new truck with swap loader attachment.
- Transfers-out to other funds increased to reflect funding for the following capital improvement projects: Coffee Creek Area planning, Frog Pond master planning, fiber connectivity project, Citywide signage and way-finding plan, community center remodel, City facilities repairs, and annual play structure replacement costs.

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Final budget compared to actual results:

General Fund actual revenues, excluding other financing sources, totaled \$13.8 million and exceeded budgeted revenue amounts by \$0.8 million, or 6.1%. Property taxes comprise 74.9% 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 \$0.5 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 into the General Fund.

General Fund actual expenditures, excluding other financing uses and budgeted contingency, came in under budget, by \$1.9 million, or 13.4%. A key variance included salary and benefit cost savings across departments of approximately \$0.7 million resulting from benefit savings and unfilled positions. Across all departments, materials and service related expense incurred a positive budgetary variance of \$1.2 million with notable cost savings generated in the Law Enforcement (\$0.3 million) and the Parks and Recreation program (\$0.2 million). Transfer-out expense to other funds incurred a positive budget variance of \$0.8 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

At year-end, the City had \$366.3 million in capital assets compared to \$360.3 million in the prior year. 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 66-67.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Land	\$ 85.7	\$ 83.5	\$ 1.8	\$ 1.8	\$ 87.5	\$ 85.3
Intangibles	11.9	10.7	5.3	5.1	17.2	15.8
Buildings and improvements	18.5	19.1	28.6	29.7	47.1	48.8
Land improvements	7.3	7.6	24.3	24.9	31.6	32.5
Machinery and equipment	5.6	5.0	6.4	6.7	12.0	11.7
Infrastructure	92.7	86.6	66.1	67.4	158.8	154.0
Construction in progress	7.7	10.1	4.4	2.1	12.1	12.2
Total	\$ 229.4	\$ 222.6	\$ 136.9	\$ 137.7	\$ 366.3	\$ 360.3

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

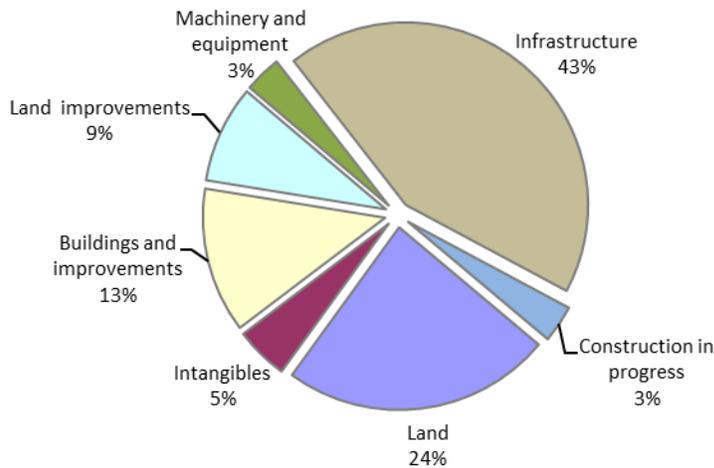
Governmental activities

- Various contributed land, easements, sidewalks and road improvements \$9.6 million
- Transit bus purchases, \$1.3 million
- \$6 million of street projects completed and transferred from construction in progress to infrastructure

Business-type activities

- Various contributed land, easements, sewer, water, and stormwater lines \$1.5 million

**CHART 4 - CAPITAL ASSETS – TOTAL
AS OF JUNE 30, 2017**



DEBT OUTSTANDING

During the current fiscal year all scheduled debt payments were met. At year-end, the City had \$70.7 million in debt outstanding compared to \$76.2 million in the prior year. Of this balance, \$5.6 million is due on amortizing debt within one year. The table below reflects the outstanding debt at June 30, 2017. Additional information can be found in the Notes on pages 68-72.

TABLE 4 - OUTSTANDING DEBT AT FISCAL YEARS-END JUNE 30
(in millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Full faith and credit bonds:						
Revenue backed	\$ -	\$ -	\$ 34.5	\$ 36.9	\$ 34.5	\$ 36.9
Tax increment bonds	33.1	35.2	-	-	33.1	35.2
Revenue debt:						
Revenue bonds	-	-	3.1	4.1	3.1	4.1
Total	\$ 33.1	\$ 35.2	\$ 37.6	\$ 41.0	\$ 70.7	\$ 76.2

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Governmental activities outstanding debt decreased \$2.1 million during the current fiscal year due to annual principal payments. Governmental activity debt is exclusively tax increment debt related to the City's urban renewal districts. The City's tax increment debt is privately placed and has not been rated.

Business-type activities outstanding debt decreased \$3.4 million during the current fiscal year due to annual principal payments. Outstanding business-type debt includes \$34.5 million full faith and credit, general obligation limited tax (GOLT) debt related to the financing of capital improvements to the City's sanitary sewer system and \$3.1 in revenue backed bonds related to the financing of water system improvements. Moody's Investors Service, Inc. has rated the City's full faith and credit, general obligation limited tax issuance at Aa2.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City of Wilsonville is in a strong financial position and continues to grow and expand its infrastructure. The fiscal year 2017-18 budget was approved by the City Council on June 19, 2017 in the total amount of \$174.1 million, including \$77.8 million in ending fund balances, \$30.8 million in inter-fund transfers, and \$5.4 million in debt service. Also included, the City's operating budget of \$39.2 million and a capital projects budget of \$20.9 million. The City's Urban Renewal Agency (a blended component unit) approved an additional \$3.8 million capital projects budget. The combined budgets reflect that the City is growing and is dedicated to investing in its infrastructure while ensuring that it is able to maintain high quality services to the public. The following economic factors were considered in developing the fiscal year 2017-18 budget.

Property taxes are a prime resource for the General Fund. 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 Law Enforcement, Municipal Court, Library, and Parks and Recreation. Fire service is provided by Tualatin Valley Fire and Rescue, which is a separate special district. 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.

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.

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.

The City continues to experience robust commercial and residential development, up 9.2% and 17.1% respectively over prior year. Next year's building activity, however, is expected to cool slightly bringing a more moderate level of growth. 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.

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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 anticipated at approximately \$4.9 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 remain constant for fiscal year 2017-18, with no additional increases scheduled.
- Sewer rates will remain constant for fiscal year 2017-18. An updated rate study is expected to be completed during FY 2017-18 and the results will be present to the City Council.
- Stormwater rates will increase 7.0% on January 1, 2018. 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.
- Road maintenance fees were restructured and increased towards the end of Fiscal Year 2016-17 and the full effect of the increase will hit during Fiscal Year 2017-18. An additional increase is scheduled for November, 2017, and annually each November thereafter.

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, 2017 the amount of reserve set aside in governmental activities total \$76.1 million. Fund balances reserved as non-spendable, restricted, committed or assigned total \$68.5 million, and \$7.6 million is provided for ongoing operations of the City. Within the business-type activities \$17.4 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. Financial information for current and prior years is also available at 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, 2017

	Governmental	Business-Type	
	Activities	Activities	Total
	<hr/>	<hr/>	<hr/>
ASSETS			
Cash and investments	\$ 70,973,920	\$ 25,940,632	\$ 96,914,552
Receivables (net of allowances for uncollectibles)	4,336,226	2,312,521	6,648,747
Internal balances	885,026	(885,026)	-
Inventories	-	37,905	37,905
Prepays	213,278	-	213,278
Restricted cash and investments	6,408,800	17,427,504	23,836,304
Notes receivable	-	1,561,983	1,561,983
Capital assets:			
Land, non-depreciable assets, and construction in progress	105,347,505	11,468,699	116,816,204
Building, improvements, and other capital assets (net of accumulated depreciation)	124,117,986	125,528,219	249,646,205
Total assets	<hr/> <u>312,282,741</u>	<hr/> <u>183,392,437</u>	<hr/> <u>495,675,178</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension outflow	8,257,537	589,191	8,846,728
Deferred charge on refunding	-	172,721	172,721
Total deferred outflow of resources	<hr/> <u>8,257,537</u>	<hr/> <u>761,912</u>	<hr/> <u>9,019,449</u>
LIABILITIES			
Accounts payable	1,901,025	968,132	2,869,157
Other accrued liabilities	2,146,445	25,227	2,171,672
Unearned revenue	219,427	22,914	242,341
Deposits	245,710	23,070	268,780
Interest payable	106,370	111,149	217,519
Noncurrent liabilities:			
Due within one year	2,480,055	3,420,941	5,900,996
Due in more than one year	46,917,867	36,309,461	83,227,328
Total liabilities	<hr/> <u>54,016,899</u>	<hr/> <u>40,880,894</u>	<hr/> <u>94,897,793</u>
DEFERRED INFLOWS OF RESOURCES			
Pension inflow	<hr/> <u>1,024,920</u>	<hr/> <u>73,129</u>	<hr/> <u>1,098,049</u>
NET POSITION			
Net investment in capital assets	198,234,157	98,590,872	296,825,029
Restricted for:			
Capital projects	16,045,068	17,427,504	33,472,572
Debt service	18,514,574	-	18,514,574
Unrestricted	32,704,660	27,181,950	59,886,610
Total net position	<hr/> <u>\$ 265,498,459</u>	<hr/> <u>\$ 143,200,326</u>	<hr/> <u>\$ 408,698,785</u>

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, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 3,994,533	\$ 907,951	\$ 93,035	\$ -
Public safety	4,349,339	315,465	-	-
Transportation	5,556,409	322,769	235,414	753,033
Public works	8,791,797	883,416	1,410,061	12,445,363
Culture and recreation	4,830,866	307,572	1,270,211	2,605,754
Community development	5,146,814	3,225,297	-	-
Interest on long-term debt	1,347,667	-	-	-
Total governmental activities	34,017,425	5,962,470	3,008,721	15,804,150
Business-type activities:				
Water	6,608,032	8,288,220	-	2,586,244
Sewer	6,870,481	8,113,623	-	1,925,175
Stormwater	2,013,681	2,534,577	-	1,338,430
Street lighting	424,171	498,652	-	364,193
Total business-type activities	15,916,365	19,435,072	-	6,214,042
Total government	\$ 49,933,790	\$ 25,397,542	\$ 3,008,721	\$ 22,018,192

General revenues:

Property taxes, levied for general purposes

Property taxes, levied for debt service

Franchise, transit and hotel taxes

Investment revenue

Other revenues

Subtotal general revenues

Transfers

Total general revenues and transfers

Change in net position

Net position--beginning

Net position--ending

Continued on page 39.

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

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

Governmental Activities	Business-Type Activities	Total
\$ (2,993,547)	\$ -	\$ (2,993,547)
(4,033,874)	-	(4,033,874)
(4,245,193)	-	(4,245,193)
5,947,043	-	5,947,043
(647,329)	-	(647,329)
(1,921,517)	-	(1,921,517)
(1,347,667)	-	(1,347,667)
<u>(9,242,084)</u>	<u>-</u>	<u>(9,242,084)</u>
-	4,266,432	4,266,432
-	3,168,317	3,168,317
-	1,859,326	1,859,326
-	438,674	438,674
-	<u>9,732,749</u>	<u>9,732,749</u>
<u>(9,242,084)</u>	<u>9,732,749</u>	<u>490,665</u>
6,545,482	-	6,545,482
9,790,844	-	9,790,844
9,357,994	-	9,357,994
651,078	337,245	988,323
591,159	89,645	680,804
<u>26,936,557</u>	<u>426,890</u>	<u>27,363,447</u>
<u>1,246,453</u>	<u>(1,246,453)</u>	<u>-</u>
<u>28,183,010</u>	<u>(819,563)</u>	<u>27,363,447</u>
18,940,926	8,913,186	27,854,112
<u>246,557,533</u>	<u>134,287,140</u>	<u>380,844,673</u>
<u>\$ 265,498,459</u>	<u>\$ 143,200,326</u>	<u>\$ 408,698,785</u>

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FUND FINANCIAL STATEMENTS

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, 2017

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>
		<u>Transit</u>	<u>Urban Renewal Year 2000 Plan</u>
ASSETS			
Cash and investments	\$ 15,520,434	\$ 1,627,909	\$ 8,355,797
Receivables:			
Interest	28,107	-	11,578
Accounts	843,031	2,101,155	-
Property taxes	406,035	-	279,866
Prepays	208,756	-	-
Advances to other funds	1,205,980	-	-
Restricted cash and investments	208,171	-	603,025
Total assets	<u>\$ 18,420,514</u>	<u>\$ 3,729,064</u>	<u>\$ 9,250,266</u>
LIABILITIES			
Accounts payable	\$ 350,503	\$ 36,405	\$ -
Other accrued liabilities	240,023	79,848	-
Deposits	31,500	-	-
Advances from other funds	-	-	-
Unearned revenue	179,593	-	-
Development charge payable	-	-	-
Total liabilities	<u>801,619</u>	<u>116,253</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	<u>364,875</u>	<u>-</u>	<u>253,699</u>
FUND BALANCES			
Nonspendable	208,756	-	-
Restricted	176,671	-	8,996,567
Committed	2,371,400	1,046,200	-
Assigned	6,940,362	2,566,611	-
Unassigned	7,556,831	-	-
Total fund balances	<u>17,254,020</u>	<u>3,612,811</u>	<u>8,996,567</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,420,514</u>	<u>\$ 3,729,064</u>	<u>\$ 9,250,266</u>

Continued on page 43.

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

Debt Service	Capital Projects	Other	
Urban Renewal	Urban Renewal	Governmental	Total
West Side Plan	Westside Plan	Funds	Governmental
\$ 6,694,448	\$ 1,188,620	\$ 36,187,002	\$ 69,574,210
12,023	-	50,569	102,277
-	-	305,915	3,250,101
288,510	-	-	974,411
-	-	4,522	213,278
-	-	-	1,205,980
2,778,826	670,677	2,148,101	6,408,800
<u>\$ 9,773,807</u>	<u>\$ 1,859,297</u>	<u>\$ 38,696,109</u>	<u>\$ 81,729,057</u>
\$ -	\$ 248,375	\$ 1,210,645	\$ 1,845,928
-	-	255,679	575,550
-	-	214,210	245,710
-	-	320,954	320,954
-	-	39,834	219,427
-	1,557,668	-	1,557,668
-	1,806,043	2,041,322	4,765,237
255,800	-	-	874,374
-	-	4,522	213,278
9,518,007	-	16,045,068	34,736,313
-	-	988,300	4,405,900
-	53,254	19,616,897	29,177,124
-	-	-	7,556,831
<u>9,518,007</u>	<u>53,254</u>	<u>36,654,787</u>	<u>76,089,446</u>
<u>\$ 9,773,807</u>	<u>\$ 1,859,297</u>	<u>\$ 38,696,109</u>	<u>\$ 81,729,057</u>

CITY OF WILSONVILLE, OREGON
Reconciliation of Total Governmental Fund Balances
to Net Assets of Governmental Activities
June 30, 2017

Total fund balances - governmental funds	\$	76,089,446
 <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.		228,589,594
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Net pension liability		(15,005,473)
Property taxes earned but unavailable		874,374
Deferred outflows of resources		7,923,130
Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.		(625,722)
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.		1,836,365
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		(33,093,473)
Interest on long-term debt		(106,370)
Deferred inflows of resources		(983,413)
Net Position of Governmental Activities	<u>\$</u>	<u>265,498,458</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, 2017

	General	Special Revenue	Debt Service
		Transit	Urban Renewal Year 2000 Plan
REVENUES			
Taxes	\$ 10,339,897	\$ 5,552,582	\$ 4,055,840
Intergovernmental	2,050,515	988,447	-
Licenses and permits	186,811	-	-
Charges for services	669,324	179,887	-
System development fees	-	-	-
Fines and forfeitures	237,009	-	-
Investment revenue	152,059	19,851	55,599
Other revenues	172,839	26,603	-
Total revenues	<u>13,808,454</u>	<u>6,767,370</u>	<u>4,111,439</u>
EXPENDITURES			
Current operating:			
General government	2,336,198	418,210	-
Public safety	4,327,101	-	-
Transportation	-	4,577,860	-
Public works	644,991	86,709	-
Culture and recreation	4,048,067	-	-
Community development	-	-	-
Debt service:			
Principal	-	-	330,000
Interest	-	-	263,075
Capital outlay	349,243	820,222	-
Total expenditures	<u>11,705,600</u>	<u>5,903,001</u>	<u>593,075</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,102,854</u>	<u>864,369</u>	<u>3,518,364</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	56,000	-	-
Transfers out	(1,201,720)	(6,400)	-
Total other financing sources (uses)	<u>(1,145,720)</u>	<u>(6,400)</u>	<u>-</u>
Net change in fund balance	957,134	857,969	3,518,364
Fund balances--beginning	16,296,886	2,754,842	5,478,203
Fund balances--ending	<u>\$ 17,254,020</u>	<u>\$ 3,612,811</u>	<u>\$ 8,996,567</u>

Continued on page 47.

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

Debt Service	Capital Projects	Other	Total
Urban Renewal	Urban Renewal	Governmental	Governmental
West Side Plan	West Side Plan	Funds	Funds
\$ 5,705,108	\$ -	\$ -	\$ 25,653,427
-	-	2,497,961	5,536,923
-	-	2,401,647	2,588,458
-	-	1,703,857	2,553,068
-	-	5,604,943	5,604,943
-	-	-	237,009
123,753	15,122	272,719	639,103
-	-	132,743	332,185
<u>5,828,861</u>	<u>15,122</u>	<u>12,613,870</u>	<u>43,145,116</u>
-	-	757,667	3,512,075
-	-	-	4,327,101
-	-	-	4,577,860
-	-	892,570	1,624,270
-	-	-	4,048,067
-	1,276,223	3,725,903	5,002,126
1,768,994	-	-	2,098,994
1,094,277	-	2,400	1,359,752
-	265,047	4,779,537	6,214,049
<u>2,863,271</u>	<u>1,541,270</u>	<u>10,158,077</u>	<u>32,764,294</u>
<u>2,965,590</u>	<u>(1,526,148)</u>	<u>2,455,793</u>	<u>10,380,822</u>
-	-	5,589,468	5,645,468
-	-	(3,122,327)	(4,330,447)
-	-	2,467,141	1,315,021
<u>2,965,590</u>	<u>(1,526,148)</u>	<u>4,922,934</u>	<u>11,695,843</u>
6,552,417	1,579,402	31,731,853	64,393,603
<u>\$ 9,518,007</u>	<u>\$ 53,254</u>	<u>\$ 36,654,787</u>	<u>\$ 76,089,446</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, 2017

Net change in fund balances-total governmental funds \$ 11,695,843

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	\$ 4,990,157	
Less current year depreciation	(6,429,372)	(1,439,215)

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

Contributions from outside parties	8,355,174	
Capitalized overhead costs	544,753	
Cost of capital assets sold or disposed	(831,005)	
Transfers to/from business-type activities	(66,169)	8,002,753

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

Property taxes		40,893
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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		2,098,994
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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		12,083
Compensated absences		(63,903)
Pension expense		(1,479,652)

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.

73,129

Change in Net Position of Governmental Activities		\$ 18,940,925

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

FUND FINANCIAL STATEMENTS

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, 2017

	Business-type Activities - Enterprise Funds					Governmental
	Water	Sewer	Stormwater	Street Lighting	Totals	Activities
						Fleet Internal Service Fund
ASSETS						
Current assets:						
Cash and investments	\$ 10,574,825	\$ 11,166,449	\$ 3,079,610	\$ 1,119,748	\$ 25,940,632	\$ 1,399,710
Interest receivable	50,455	56,615	5,194	-	112,264	-
Customer receivable, net	308,056	681,710	241,239	46,335	1,277,340	-
Other receivables	825,056	97,861	-	-	922,917	9,437
Due from other funds	722,147	-	-	-	722,147	-
Inventories	37,905	-	-	-	37,905	-
Total current assets	<u>12,518,444</u>	<u>12,002,635</u>	<u>3,326,043</u>	<u>1,166,083</u>	<u>29,013,205</u>	<u>1,409,147</u>
Noncurrent assets:						
Restricted cash and investments	4,704,070	9,907,508	2,815,926	-	17,427,504	-
Notes receivable	1,561,983	-	-	-	1,561,983	-
Capital assets, net	48,031,931	61,958,196	23,308,739	3,698,052	136,996,918	875,897
Total noncurrent assets	<u>54,297,984</u>	<u>71,865,704</u>	<u>26,124,665</u>	<u>3,698,052</u>	<u>155,986,405</u>	<u>875,897</u>
Total assets	<u>66,816,428</u>	<u>83,868,339</u>	<u>29,450,708</u>	<u>4,864,135</u>	<u>184,999,610</u>	<u>2,285,044</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension outflow	274,248	207,013	107,930	-	589,191	334,407
Deferred charge on refunding	172,721	-	-	-	172,721	-
Total deferred outflows	<u>446,969</u>	<u>207,013</u>	<u>107,930</u>	<u>-</u>	<u>761,912</u>	<u>334,407</u>
LIABILITIES						
Current liabilities:						
Accounts payable	500,158	447,896	20,078	-	968,132	55,097
Accrued compensated absences	12,406	6,535	-	-	18,941	11,492
Other accrued liabilities	13,655	9,493	2,079	-	25,227	13,227
Unearned revenue	22,914	-	-	-	22,914	-
Deposits	23,070	-	-	-	23,070	-
Interest payable	14,194	96,955	-	-	111,149	-
Bonded debt - current	1,677,000	1,725,000	-	-	3,402,000	-
Total current liabilities	<u>2,263,397</u>	<u>2,285,879</u>	<u>22,157</u>	<u>-</u>	<u>4,571,433</u>	<u>79,816</u>
Noncurrent liabilities:						
Compensated absences	6,368	10,466	-	-	16,834	28,437
Due to other funds	-	-	1,607,173	-	1,607,173	-
Net pension liability	519,394	392,059	204,407	-	1,115,860	633,326
Bonded debt	4,235,173	30,941,594	-	-	35,176,767	-
Total noncurrent liabilities	<u>4,760,935</u>	<u>31,344,119</u>	<u>1,811,580</u>	<u>-</u>	<u>37,916,634</u>	<u>661,763</u>
Total liabilities	<u>7,024,332</u>	<u>33,629,998</u>	<u>1,833,737</u>	<u>-</u>	<u>42,488,067</u>	<u>741,579</u>
DEFERRED INFLOWS OF RESOURCES						
Pension inflow	34,039	25,694	13,396	-	73,129	41,507
NET POSITION						
Net investment in capital assets	42,292,479	29,291,602	23,308,739	3,698,052	98,590,872	875,897
Restricted for capital projects	4,704,070	9,907,508	2,815,926	-	17,427,504	-
Unrestricted	13,208,477	11,220,550	1,586,840	1,166,083	27,181,950	960,468
Total net position	<u>\$ 60,205,026</u>	<u>\$ 50,419,660</u>	<u>\$ 27,711,505</u>	<u>\$ 4,864,135</u>	<u>\$ 143,200,326</u>	<u>\$ 1,836,365</u>

CITY OF WILSONVILLE, OREGON
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
For the year ended June 30, 2017

	Business-type Activities - Enterprise Funds				Totals	Governmental
	Water	Sewer	Stormwater	Street Lighting		Fleet Internal Service Fund
OPERATING REVENUES:						
Charges for services	\$ 8,288,220	\$ 8,113,623	\$ 2,534,577	\$ 498,652	\$ 19,435,072	\$ 1,258,370
Other revenues	31,271	58,374	-	-	89,645	6,436
Total operating revenues	<u>8,319,491</u>	<u>8,171,997</u>	<u>2,534,577</u>	<u>498,652</u>	<u>19,524,717</u>	<u>1,264,806</u>
OPERATING EXPENSES:						
Personal services	560,559	370,491	143,365	-	1,074,415	611,771
Support services	597,308	463,309	271,380	-	1,331,997	-
Contractual services	1,639,620	2,145,344	91,731	-	3,876,695	-
Utilities	479,123	349,241	4,433	313,393	1,146,190	73,936
Repairs and maintenance	256,519	22,557	135,460	-	414,536	30,962
Other operating expenses	1,099,869	427,317	296,848	7,778	1,831,812	411,933
Depreciation	1,688,850	1,949,018	1,059,445	103,000	4,800,313	95,186
Total operating expenses	<u>6,321,848</u>	<u>5,727,277</u>	<u>2,002,662</u>	<u>424,171</u>	<u>14,475,958</u>	<u>1,223,788</u>
Operating income (loss)	<u>1,997,643</u>	<u>2,444,720</u>	<u>531,915</u>	<u>74,481</u>	<u>5,048,759</u>	<u>41,018</u>
NONOPERATING REVENUES (EXPENSES):						
Investment revenue	136,725	134,495	53,709	12,316	337,245	11,977
Interest expense	(259,033)	(1,210,900)	(11,019)	-	(1,480,952)	-
Amortization of bond premium (discount)	(2,609)	67,696	-	-	65,087	-
Disposition of capital assets	(24,542)	-	-	-	(24,542)	22,534
Total nonoperating revenues (expenses)	<u>(149,459)</u>	<u>(1,008,709)</u>	<u>42,690</u>	<u>12,316</u>	<u>(1,103,162)</u>	<u>34,511</u>
Net income (loss) before contributions and transfers	<u>1,848,184</u>	<u>1,436,011</u>	<u>574,605</u>	<u>86,797</u>	<u>3,945,597</u>	<u>75,529</u>
Capital contributions - infrastructure	405,480	400,199	493,646	430,361	1,729,686	-
Capital contributions - grants and fees	2,180,764	1,524,976	844,784	-	4,550,524	-
Transfers out	(475,355)	(475,354)	(280,612)	(81,300)	(1,312,621)	(2,400)
Change in net position	<u>3,959,073</u>	<u>2,885,832</u>	<u>1,632,423</u>	<u>435,858</u>	<u>8,913,186</u>	<u>73,129</u>
Net position--beginning	56,245,953	47,533,828	26,079,082	4,428,277	134,287,140	1,763,236
Net position--ending	<u>\$ 60,205,026</u>	<u>\$ 50,419,660</u>	<u>\$ 27,711,505</u>	<u>\$ 4,864,135</u>	<u>\$ 143,200,326</u>	<u>\$ 1,836,365</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, 2017

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water	Sewer	Stormwater	Street Lighting	Totals	Fleet Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 8,019,565	\$ 8,124,481	2,514,446	\$ 496,677	\$ 19,155,169	\$ 1,263,533
Payments to suppliers	(3,607,339)	(2,709,465)	(699,808)	(321,172)	(7,337,784)	(507,633)
Payments to employees	(535,346)	(306,943)	(167,292)	-	(1,009,581)	(526,456)
Internal activity--payments for services	(597,308)	(463,309)	(271,380)	-	(1,331,997)	-
Other receipts	31,271	58,374	-	-	89,645	6,436
Net cash provided by operating activities	<u>3,310,843</u>	<u>4,703,138</u>	<u>1,375,966</u>	<u>175,505</u>	<u>9,565,452</u>	<u>235,880</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers to other funds	(1,197,502)	(475,354)	(280,612)	(81,300)	(2,034,768)	(2,400)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from the sale of capital assets	-	-	-	-	-	25,628
Capital contributions - grants and fees	2,180,764	1,524,976	844,784	-	4,550,524	-
Purchases of capital assets	(289,348)	(1,345,445)	(739,934)	-	(2,374,727)	(430,782)
Principal paid on capital debt	(1,629,000)	(1,725,000)	-	-	(3,354,000)	-
Interest paid on capital debt	(211,374)	(1,215,212)	(11,019)	-	(1,437,605)	-
Net cash used by capital and related financing activities	<u>51,042</u>	<u>(2,760,681)</u>	<u>93,831</u>	<u>-</u>	<u>(2,615,808)</u>	<u>(405,154)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	114,906	152,027	51,512	12,316	330,761	13,881
Net increase in cash and investments	2,279,289	1,619,130	1,240,697	106,521	5,245,637	(157,793)
Balances--beginning of the year	12,999,606	19,454,827	4,654,839	1,013,227	38,122,499	1,557,503
Balances--end of the year	<u>\$ 15,278,895</u>	<u>\$ 21,073,957</u>	<u>\$ 5,895,536</u>	<u>\$ 1,119,748</u>	<u>\$ 43,368,136</u>	<u>\$ 1,399,710</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	\$ 1,997,643	\$ 2,444,720	\$ 531,915	\$ 74,481	\$ 5,048,759	\$ 41,018
Adjustments to reconcile operating income to net cash provided by operating activities:						
Cash flows reported in other categories:						
Depreciation expense	1,688,850	1,949,018	1,059,445	103,000	4,800,313	95,186
Pension expense	23,889	68,188	(15,342)	-	76,735	80,966
Change in assets and liabilities:						
Receivables, net	(294,046)	10,859	(20,131)	(1,976)	(305,294)	5,163
Inventories	25,390	-	-	-	25,390	-
Accounts payable	(126,493)	233,957	(169,567)	-	(62,103)	12,288
Accrued compensated absences	1,324	(4,640)	(8,585)	-	(11,901)	4,349
Due to other funds	-	-	3,193	-	3,193	-
Other accrued liabilities	(188)	1,036	(4,962)	-	(4,114)	(3,090)
Deferred revenue	(11,051)	-	-	-	(11,051)	-
Deposits	5,525	-	-	-	5,525	-
Net cash provided by operating activities	<u>\$ 3,310,843</u>	<u>\$ 4,703,138</u>	<u>\$ 1,375,966</u>	<u>\$ 175,505</u>	<u>\$ 9,565,452</u>	<u>\$ 235,880</u>
Schedule of non-cash capital activities:						
Capital contributions	\$ 405,480	\$ 400,199	\$ 493,646	\$ 430,361	\$ 1,729,686	\$ -

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

**NOTES TO
BASIC FINANCIAL STATEMENTS**

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CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2017

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.

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2017

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 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.

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2017

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.

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2017

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.

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2017

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 acquisition 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:

<u>Asset</u>	<u>Years</u>
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.

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2017

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.

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2017

Fund balance by classification for the year ended June 30, 2017 is as follows:

Fund balances	General	Transit	Urban Renewal Year 2000 Plan Debt Service	Urban Renewal West Side Plan Debt Service	Urban Renewal West Side Capital Projects	Other Governmental Funds	Total Governmental
Nonspendable:							
Prepays	\$ 208,756	\$ -	\$ -	\$ -	\$ -	\$ 4,522	\$ 213,278
Restricted:							
Bond covenants	-	-	603,025	2,714,528	-	-	3,317,553
Capital projects	-	-	-	-	-	16,045,068	16,045,068
Debt service	-	-	8,393,542	6,803,479	-	-	15,197,021
PEG Communication	176,671	-	-	-	-	-	176,671
Total Restricted	176,671	-	8,996,567	9,518,007	-	16,045,068	34,736,313
Committed:							
Unanticipated future needs	2,371,400	1,046,200	-	-	-	988,300	4,405,900
Assigned:							
Computer, software, fiber	1,659,100	-	-	-	-	500,000	2,159,100
Emergency management	225,000	-	-	-	-	-	225,000
Facilities and park improvements	1,247,500	-	-	-	-	-	1,247,500
Planning support - Coffee Creek	1,808,762	-	-	-	-	-	1,808,762
Interfund loans - infrastructure	-	-	-	-	-	-	-
Capital projects	-	-	-	-	53,254	-	53,254
Street maintenance and improve	-	-	-	-	-	-	-
Capital asset needs - buses	-	756,788	-	-	-	-	756,788
Operational support	2,000,000	1,809,823	-	-	-	19,116,897	22,926,720
Total Assigned	6,940,362	2,566,611	-	-	53,254	19,616,897	29,177,124
Unassigned	7,556,831	-	-	-	-	-	7,556,831
	<u>\$ 17,254,020</u>	<u>\$ 3,612,811</u>	<u>\$ 8,996,567</u>	<u>\$ 9,518,007</u>	<u>\$ 53,254</u>	<u>\$ 36,654,787</u>	<u>\$ 76,089,446</u>

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.

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2017

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.

General Fund

Administration	Finance	Information Services	Legal
Human Resources	Public Works Administration	Building Maintenance	Parks Maintenance
Parks and Recreation	Library	Law Enforcement	Municipal Court
Transfers to Other Funds	Contingency		

Building Inspection Fund

Building Inspection	Transfers to Other Funds	Contingency
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Community Development Fund

CD Administration	Engineering	Planning	Transfers to Other Funds
Contingency			

Transit Fund

Transit	Transfers to Other Funds	Contingency
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Road Operating Fund

Road Operating	Debt Service	Transfers to Other Funds	Contingency
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Road Maintenance Fund

Transfer to Other Funds	Contingency
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Water Operating Fund

Water Distributions and Sales	Water Treatment	Debt Service	Transfers to Other Funds
Contingency			

Sewer Operating Fund

Sewer Collection	Sewer Treatment	Sewer Pretreatment	Debt Service
Transfers to Other Funds	Contingency		

Street Lighting Operating Fund

Street Lighting	Transfers to Other Funds	Contingency
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Stormwater Fund

Stormwater Maintenance	Debt Service	Transfers to Other Funds	Contingency
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Fleet Service Fund

Fleet	Transfers to Other Funds	Contingency
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Water, Sewer, Street, Stormwater, Building and Parks Capital Projects Fund

Capital Projects	Transfers to Other Funds	Contingency
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Water, Sewer, Street, Stormwater and Parks Development Charges

Materials & Services	Transfers to Other Funds	Contingency
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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 before 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, 2017, 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. For the period ending June 30, 2017, no excess expenditures over appropriations were recorded.

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2017

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.

Cash and investments are comprised of the following at June 30, 2017:

Petty cash	\$	1,070
Deposits with financial institutions		2,363,074
Investments:		
Commercial paper and corporate bonds	\$	37,016,254
US agency/State of Oregon obligations		38,203,169
Local government investment pool		43,167,285
Total Investments		<u>118,386,708</u>
Total pooled cash and investments	\$	<u><u>120,750,852</u></u>

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

Cash and investments	\$	96,914,548
Restricted assets - cash and investments		23,836,304
	\$	<u><u>120,750,852</u></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 pool at June 30, 2017 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.

US Agency Corporations (Level 1)	Commercial Paper And Corporate Bonds (Level 2)	Local Government Investment Pool (Level 2)*
\$ 39,534,749	\$ 35,684,674	\$ 43,168,285

*Per the Local Government Investment Pool CAFR for year ending June 30, 2017

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, 2017, the deposits with various financial institutions had a book value of \$2,363,074 and a bank value of \$2,814,953. Of these deposits, \$500,000 was covered by federal depository insurance.

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2017

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, 2017, the City's investments were rated as follows:

	Commercial Paper And Corporate Bonds	Municipal and US Agency Corporations	Local Govt Investment Pool
AAA	\$ 1,331,580	\$ 27,960,985	\$ -
AA3	9,007,070	-	-
AA2	11,329,999	-	-
AA1	1,992,760	-	-
A3	2,505,650	-	-
A2	2,003,160	-	-
A1	8,846,035	-	-
Unrated	-	10,242,184	43,168,285
	<u>\$ 37,016,254</u>	<u>\$ 38,203,169</u>	<u>\$ 43,168,285</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 investments until maturity.

Using the segmented time distribution method, investment maturities as of June 30, 2017 are as follows:

	Less than 6 Months	6-12 Months	12-18 Months	Total
Commercial Paper and Corporate Bonds	\$ 12,831,974	\$ 13,655,405	\$ 10,528,875	\$ 37,016,254
Municipal and US Agency Corporations	7,005,730	16,467,910	14,729,529	38,203,169
Local Govt Investment Pool	43,168,285	-	-	43,168,285
	<u>\$ 63,005,989</u>	<u>\$ 30,123,315</u>	<u>\$ 25,258,404</u>	<u>\$ 118,387,708</u>

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2017

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:

	Governmental Activities	Business-type Activities
Water sales	\$ -	\$ 75,840
Sewer sales	-	60,994
Street light fees	-	3,616
Stormwater fees	-	13,291
Road maintenance fees	8,051	-
Total allowance for uncollectibles	<u>\$ 8,051</u>	<u>\$ 153,739</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:

	Interest	Accounts	Taxes	Other	Notes	Total
General Fund	\$ 28,107	\$ 843,031	\$ 406,035	\$ -	\$ -	\$ 1,277,173
Transit Fund	-	2,101,155	-	-	-	2,101,155
Urban Renewal Year 2000 Debt Service	11,578	-	279,866	-	-	291,444
Urban Renewal West Side Debt Service	12,023	-	288,510	-	-	300,533
Other non-major governmental funds	50,569	305,915	-	-	-	356,484
Water	50,455	308,056	-	825,056	722,147	1,905,714
Sewer	56,615	681,710	-	97,861	-	836,186
Stormwater	5,194	241,239	-	-	-	246,433
Street Lighting	-	46,335	-	-	-	46,335
Fleet Internal Service Fund	-	-	-	9,437	-	9,437
Total by receivable	<u>\$ 214,541</u>	<u>\$ 4,527,441</u>	<u>\$ 974,411</u>	<u>\$ 932,354</u>	<u>\$ 722,147</u>	<u>\$ 7,370,894</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 accounting 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 results 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:

	Deferred Inflow	Unearned
Delinquent property taxes receivable:		
General Fund	\$ 364,875	\$ -
Debt Service Fund	-	-
Urban Renewal Year 2000 Plan Debt Service Fund	253,699	-
Urban Renewal West Side Plan Debt Service Fund	255,800	-
Cash collected prior to meeting revenue recognition:		
Operations (General Fund)	-	179,593
Operations (Building Inspection Fund)	-	39,834
Total	<u>\$ 874,374</u>	<u>\$ 219,427</u>

The sole component of unearned revenue in the proprietary funds was for customer payments made in advance to be used for future utility bills. Unearned revenue totaled \$22,914 for the Water Fund.

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2017

Capital Assets

Capital asset activity for governmental activities, including the internal service Fleet Fund, for the year ended June 30, 2017 was as follows:

<u>Description</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Land	\$ 83,493,395	\$ 2,251,299	\$ -	\$ 85,744,694
Works of art	551,988	47,850	-	599,838
Easements	10,168,590	1,152,531	-	11,321,121
Construction In Progress	10,090,689	6,149,144	(8,557,981)	7,681,852
Total non-depreciable	<u>104,304,662</u>	<u>9,600,824</u>	<u>(8,557,981)</u>	<u>105,347,505</u>
Buildings & improvements	27,136,546	-	-	27,136,546
Land improvement	11,187,966	175,064	-	11,363,030
Machinery & equipment	4,020,484	173,924	(60,173)	4,134,235
Vehicles	5,215,586	1,334,072	(96,637)	6,453,021
Software	757,987	-	(19,119)	738,868
Infrastructure	189,365,532	10,718,154	-	200,083,686
Total depreciable	<u>237,684,101</u>	<u>12,401,214</u>	<u>(175,929)</u>	<u>249,909,386</u>
Accumulated depreciation				
Buildings & improvements	(7,869,450)	(764,390)	-	(8,633,840)
Land improvement	(3,673,816)	(401,144)	-	(4,074,960)
Machinery & equipment	(2,523,500)	(319,337)	45,543	(2,797,294)
Vehicles	(2,239,829)	(470,745)	93,543	(2,617,031)
Software	(326,266)	(42,276)	13,383	(355,159)
Infrastructure	(102,786,450)	(4,526,666)	-	(107,313,116)
Total accumulated depreciation	<u>(119,419,311)</u>	<u>(6,524,558)</u>	<u>152,469</u>	<u>(125,791,400)</u>
Governmental activities capital assets, net	<u>\$ 222,569,452</u>	<u>\$ 15,477,480</u>	<u>\$ (8,581,441)</u>	<u>\$ 229,465,491</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	\$ 100,396
Public safety	6,583
Transportation	648,930
Public works	5,215,298
Culture and recreation	475,696
Community development	77,655
Total depreciation for governmental activities	<u>\$ 6,524,558</u>

The capital asset ending balance of \$229,465,491 less related debt of \$33,093,473, plus unspent bond proceeds of \$1,862,139 is equal to the net position amount invested in capital assets of \$198,234,157 as displayed on the Statement of Net Position.

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2017

Capital asset activity for business-type activities for the year ended June 30, 2017 was as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance
Land	\$ 1,812,159	\$ -	\$ -	\$ 1,812,159
Easements	5,057,646	210,390	-	5,268,036
Construction In Progress	2,127,278	2,261,226	-	4,388,504
Total non-depreciable	<u>8,997,083</u>	<u>2,471,616</u>	<u>-</u>	<u>11,468,699</u>
Buildings & improvements	41,344,626	-	-	41,344,626
Land improvement	26,136,911	-	-	26,136,911
Machinery & equipment	8,457,358	10,419	-	8,467,777
Vehicles	13,824	40,457	-	54,281
Software	15,610	-	-	15,610
Infrastructure	126,612,799	1,557,383	-	128,170,182
Total depreciable	<u>202,581,128</u>	<u>1,608,259</u>	<u>-</u>	<u>204,189,387</u>
Accumulated depreciation				
Buildings & improvements	(11,623,618)	(1,036,224)	-	(12,659,842)
Land improvement	(1,239,318)	(540,357)	-	(1,779,675)
Machinery & equipment	(1,752,223)	(329,956)	-	(2,082,179)
Vehicles	(11,213)	(3,480)	-	(14,693)
Software	(5,663)	(940)	-	(6,603)
Infrastructure	(59,228,820)	(2,889,356)	-	(62,118,176)
Total accumulated depreciation	<u>(73,860,855)</u>	<u>(4,800,313)</u>	<u>-</u>	<u>(78,661,168)</u>
Business type activities, net	<u>\$ 137,717,356</u>	<u>\$ (720,438)</u>	<u>\$ -</u>	<u>\$ 136,996,918</u>

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

Depreciation expense for business-type activities is charged to functions as follows:

Water	\$ 1,688,850
Sewer	1,949,018
Stormwater	1,059,445
Street lighting	<u>103,000</u>
Total depreciation for business-type activities	<u>\$ 4,800,313</u>

The capital asset ending balance of \$136,996,918, as noted above, less related debt of \$37,605,000, and less \$973,767 from unamortized bond premiums/discount, plus \$172,721 from unamortized bond defeasement, is equal to the net position amount invested in capital assets of \$98,590,872 as displayed on the Statement of Net Position.

Interfund Transfers, Receivables and Payables

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, 2017 is noted in the following table:

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2017

<u>Transfers Out</u>	<u>Transfers In</u>		
	<u>General Fund</u>	<u>Other Government</u>	<u>Total</u>
General Fund	\$ -	\$ 1,201,720	\$ 1,201,720
Transit Fund	6,400	-	6,400
Other Governmental	20,800	3,101,527	3,122,327
Enterprise Funds	26,400	1,286,221	1,312,621
Internal Service Fund	2,400	-	2,400
	<u>\$ 56,000</u>	<u>\$ 5,589,468</u>	<u>\$ 5,645,468</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 three 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 0.50% per annum. The outstanding balance at June 30, 2017 is \$1,205,980.

In July 2016, the Water Operating Fund loaned \$500,000 to the Stormwater Capital Fund per City Resolution 2591. This advanced is being fully amortized over five years bearing an interest rate of 0.60% per annum. The outstanding balance at June 30, 2017 is \$401,193.

In July 2016, the Water Operating Fund loaned \$400,000 to the Road Capital Fund per City Resolution 2590. This advance is being fully amortized over five years bearing an interest rate of 0.60% per annum. The outstanding balance at June 30, 2017 is \$320,954.

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, \$39,929 of the total Fleet Fund's compensated absences is included in the table presented on the following page. Also, for the governmental activities, claims and judgments, and compensated absences are generally liquidated within each operating fund.

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2017

Government-Type Activities

	Balance			Balance	Due In
	June 30, 2016	Increase	Decrease	June 30, 2017	Subsequent Year
GOVERNMENTAL ACTIVITIES					
Tax Increment					
Urban Renewal, Year 2000 District					
Series 2010 Bonds	\$ 6,190,000	\$ -	\$ (330,000)	\$ 5,860,000	\$ 345,000
Urban Renewal, West Side District					
Series 2009 Bonds	7,370,000	-	(435,000)	6,935,000	455,000
Series 2011 Long-Term	4,115,000	-	(200,000)	3,915,000	210,000
Series 2012 Long-Term	6,790,000	-	(330,000)	6,460,000	340,000
Series 2013 Long-Term	6,255,000	-	(275,000)	5,980,000	285,000
Series 2015A-Taxable	3,863,842	-	(385,137)	3,478,705	385,137
Series 2015B-Non-Taxable	608,625	-	(143,857)	464,768	160,657
Total Notes and Bonds	35,192,468	-	(2,098,994)	33,093,473	2,180,794
Compensated absences	597,398	608,112	(539,860)	665,650	299,261
Net pension liability	\$ 6,718,286	\$ 8,920,513	\$ -	15,638,799	\$ -
Total Governmental Activities	\$ 42,508,152	\$ 9,528,625	\$ (2,638,854)	\$ 49,397,922	\$ 2,480,055

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, 2017 is \$5,860,000.

Year Ending	Principal	Interest
June 30,		
2018	\$ 345,000	\$ 249,050
2019	360,000	234,388
2020	370,000	219,088
2021	390,000	203,363
2022	405,000	186,788
2023-2025	3,990,000	454,325
	<u>\$ 5,860,000</u>	<u>\$ 1,547,002</u>

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, 2017 is \$6,935,000.

Year Ending	Principal	Interest
June 30,		
2018	\$ 455,000	\$ 328,668
2019	475,000	305,883
2020	500,000	281,996
2021	525,000	256,883
2022	550,000	230,545
2023-2025	4,430,000	297,431
	<u>\$ 6,935,000</u>	<u>\$ 1,701,406</u>

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2017

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, 2017 is \$3,915,000.

Year Ending June 30,	Principal	Interest
2018	\$ 210,000	\$ 172,260
2019	220,000	163,020
2020	225,000	153,340
2021	235,000	143,440
2022	245,000	133,100
2023-2025	2,780,000	418,880
	<u>\$ 3,915,000</u>	<u>\$ 1,184,040</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, 2017 is \$6,460,000.

Year Ending June 30,	Principal	Interest
2018	\$ 340,000	\$ 213,180
2019	350,000	201,960
2020	360,000	190,410
2021	375,000	178,530
2022	385,000	166,155
2023-2027	4,650,000	631,290
	<u>\$ 6,460,000</u>	<u>\$ 1,581,525</u>

West Side District-Series 2013

In June 2013, the Agency converted a short-term, interest only line of credit 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, 2017 is \$5,980,000.

Year Ending June 30,	Principal	Interest
2018	\$ 285,000	\$ 209,300
2019	295,000	199,325
2020	305,000	189,000
2021	315,000	178,325
2022	330,000	167,300
2023-2027	1,820,000	655,725
2028	2,630,000	92,050
	<u>\$ 5,980,000</u>	<u>\$ 1,691,025</u>

CITY OF WILSONVILLE, OREGON
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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, 2017 is \$3,478,705.

Year Ending June 30,	Principal	Interest
2018	\$ 395,510	\$ 88,832
2019	406,163	78,180
2020	416,920	67,422
2021	428,331	56,012
2022	439,867	44,475
2023-2025	1,391,914	61,113
	<u>\$ 3,478,705</u>	<u>\$ 396,034</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, 2017 is \$464,768.

Year Ending June 30,	Principal	Interest
2018	\$ 149,255	\$ 15,146
2019	154,856	9,546
2020	160,657	3,744
	<u>\$ 464,768</u>	<u>\$ 28,436</u>

Business-Type Activities

	Balance June 30, 2016	Increase	Decrease	Balance June 30, 2017	Due In Subsequent Year
BUSINESS-TYPE ACTIVITIES					
Water Revenue Bonds					
Series 2016	\$ 4,059,000	\$ -	\$ (979,000)	\$ 3,080,000	\$ 1,007,000
Full Faith and Credit Bonds					
Water Series 2007	3,490,000	-	(650,000)	2,840,000	670,000
Sewer Series 2011	33,410,000	-	(1,725,000)	31,685,000	1,725,000
Total Notes and Bonds	40,959,000	-	(3,354,000)	37,605,000	3,402,000
Compensated absences	47,676	41,059	(52,960)	35,775	18,941
Net pension liability	518,463	597,397	-	1,115,860	-
Total Business-type Activities	<u>\$ 41,525,139</u>	<u>\$ 638,456</u>	<u>\$ (3,406,960)</u>	<u>\$ 38,756,635</u>	<u>\$ 3,420,941</u>

Unamortized bond premium	973,767
Due in current year	(3,420,941)
Total noncurrent liabilities	<u>\$ 36,309,461</u>

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Revenue Bonds

Water System Revenue Refunding Bonds, Series 2016

In April 2016 the City issued \$4,950,000 to advance refund the Series 2006 Water System Revenue Bonds. The original bond issue was for the financing of a water treatment plant on the Willamette River. The current debt interest rate is 1.98%. Final maturity is June 1, 2020. Water operating revenues are responsible for \$3,200,000 of the issued debt, of which \$2,030,000 remains outstanding. Water system development revenues are responsible \$1,750,000 of the debt, of which \$1,050,000 remains outstanding. At June 30, 2017 the outstanding balance is \$3,080,000.

Year Ending		
June 30,	Principal	Interest
2018	\$ 1,007,000	\$ 60,984
2019	1,026,000	41,045
2020	1,047,000	20,731
	<u>\$ 3,080,000</u>	<u>\$ 122,760</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, 2017 is \$2,840,000. The full faith and credit of the City is pledged, however management intends to repay the debt from water operating revenues.

Year Ending		
June 30,	Principal	Interest
2018	\$ 670,000	\$ 96,443
2019	695,000	70,166
2020	725,000	42,831
2021	750,000	14,438
	<u>\$ 2,840,000</u>	<u>\$ 223,878</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, 2017 is \$31,685,000. The full faith and credit of the City is pledged, however management intends to repay the debt from water operating revenues.

Year Ending		
June 30,	Principal	Interest
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	960,513
2022	2,060,000	881,311
2023-2027	11,410,000	3,302,788
2028-2031	10,680,000	1,089,000
	<u>\$ 31,685,000</u>	<u>\$ 9,507,600</u>

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Restricted Assets

The balances of the restricted asset accounts as of June 30, 2017 are as follows:

	Governmental	Business-type
Debt service reserves:		
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	-
System development charges:		
Water	-	4,632,814
Sewer	-	8,562,935
Stormwater	-	2,815,926
Oregon Dept of Transportation Cash Accounts:		
Account #11033: Barber Street and Kinsman Rd		
Sewer Operatons	-	529,360
Water SDC	-	49,026
Sewer SDC	-	815,213
Street SDC	1,816,397	-
UR Westside CIP	665,475	-
UR Westside Debt	60,923	-
Account #11034: I-5 & Wilsonville Rd		
Parks SDC	106,595	-
UR Year 2000 CIP	5,223	-
Westside CIP	5,202	-
UR Program Income	5,676	-
Deposits:		
CD Fund -Villebois Parks	184,960	-
CD Fund -CD Deposits	29,250	-
General Fund-Parks Reservation Deposits	31,500	-
Water Fund-Deposits	-	22,230
Grants and contributions:		
General Fund - Donations	-	-
General Fund - PEG Fees	176,671	-
Community Development - inspection program	-	-
	\$ 6,408,800	\$ 17,427,504

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 21, 2017, the date on which the financial statements were available to be issued.

CITY OF WILSONVILLE, OREGON
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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.

Tax Abatement

The City has authorized tax exempt status for five low income apartment complexes: Autumn Park Apartments, Charleston Apartments, Creekside Woods, Rain Garden Apartments and Wiedemann Apartments. All properties are required to meet State and Federal funding requirements which include annual physical inspections and an annual audit of financial activity and programmatic compliance. The property tax exemption may be removed if the property is being used for any purpose other than the provision of low income housing, or if the property is no longer eligible under the stated provisions of ORS 307.540 to 307.548. Section E of the renewal application requires the applicant to acknowledge compliance with the requirements annually. For fiscal year ending June 30, 2017 the foregone property tax revenue is \$78,045.

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.

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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, 2017 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, 2017 were \$1,174,918, 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, 2017, the City reported a liability of \$16,754,659 for its proportionate share of the OPERS net pension liability. The net pension liability was measured by OPERS as of June 30, 2016, and the total pension liability used to

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calculate the net pension asset was determined by an actuarial valuation as of December 31, 2014 rolled forward to June 30, 2016. 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, 2016, the City's proportion was 0.1116%, down 11.43% from its proportion of 0.1260% measured as of June 30, 2015.

For the year ended June 30, 2016, the City recognized pension expense of \$1,637,357. At June 30, 2017, 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	\$ 554,317	\$ -
Change of assumptions	3,573,366	-
Net difference between projected and actual earnings on investments	3,310,018	-
Changes in proportionate share	160,003	777,240
Differences between City's contributions and City's proportionate share of system contributions	107,944	320,809
Contributions subsequent to the measurement date	1,141,080	-
Total	\$ 8,846,728	\$ 1,098,049

Deferred outflows of resources related to pensions of \$1,141,080 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, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

Year Ending June 30:	Amount
2016	\$ 1,131,179
2017	1,131,179
2018	2,359,069
2019	1,763,514
2020	222,657
Total	\$ 6,607,599

Actuarial Methods and Assumptions:

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.

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Valuation Date	December 31, 2014
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	2.50 percent
Investment rate of return	7.50 percent
Projected salary increases	3.50 percent overall payroll growth
Cost of Living Adjustments (COLA)	Blend of 2% COLA and graded COLA (1.25%/0.15%)
Mortality	<p>Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation.</p> <p>Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.</p> <p>Disabled retirees: Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality table.</p>

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 7.50 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 7.50, as well as what the City's proportionate share of the net pension liability (asset) would be if it were

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calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
City's proportionate share of the net pension liability (asset)	\$27,053,189	\$16,754,659	\$8,146,891

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption 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	8.00%	4.00%
Short-Term Bonds	8.00	3.61
Intermediate-Term Bonds	3.00	5.42
High Yield Bonds	1.00	6.20
Large/Mid Cap US Equities	15.75	6.70
Small Cap US Equities	1.31	6.99
Micro Cap US Equities	1.31	7.01
Developed Foreign Equities	13.13	6.73
Emerging Foreign Equities	4.12	7.25
Non-US Small Cap Equities	1.88	7.22
Private Equities	17.50	7.97
Real Estate (Property)	10.00	5.84
Real Estate (REITS)	2.50	6.69
Hedge Fund of Funds (Diversified)	2.50	4.64
Hedge Fund – Event driven	0.63	6.72
Timber	1.88	5.85
Farmland	1.88	6.37
Infrastructure	3.75	7.13
Commodities	1.88	4.58
Assumed Inflation - Mean		2.50

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

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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, 2017, 76 participants were included the plan and 25 active participants that have a fully vested interest. Total assets, including non-active participants, held by the trust were \$1,420,927 including \$1,366,697 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 two 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.

Changes in Plan Provisions Subsequent to Measurement Date

On July 28, 2017, subsequent to the June 30, 2016 measurement date, the OSPERS Board lowered the assumed rate to 7.2 percent. The current assumed rate is 7.5 percent and has been in effect for member transactions since January 1, 2016. The new rate will take effect January 1, 2018. The effect on the City has not been determined.

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.

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

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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/.

Funding Policy: Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and 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, 2017, 2016, 2015 were approximately \$39,330, \$41,662, and \$44,175 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 77, "Tax Abatement Disclosures". This statement requires state and local governments to disclose information about tax abatement agreements. The requirements of this statement are effective for financial statements for fiscal years beginning after December 15, 2015.

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF WILSONVILLE, OREGON
Required Supplemental Pension Information
For the year ended June 30, 2017

Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)
Oregon Public Employees Retirement System
Last Four Fiscal Years ¹

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	\$ 8,216,318	70.8 %	92.0 %
2015	0.1140	(2,583,680)	8,598,801	(30.0)	103.6
2016	0.1260	7,236,749	8,784,354	82.4	91.9
2017	0.1116	16,754,659	9,227,258	181.6	80.5

¹ 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 Four Fiscal Years ¹

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	10.9 %
2015	967,083	(967,083)	-	8,598,801	11.0
2016	1,207,398	(1,207,398)	-	9,227,258	13.1
2017	1,141,080	(1,141,080)	-	8,775,960	13.0

¹ 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, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 9,797,570	\$ 9,797,570	\$ 10,339,897	\$ 542,327
Intergovernmental	1,926,760	1,926,760	2,050,515	123,755
Licenses and permits	172,100	172,100	186,811	14,711
Charges for services	639,500	639,500	669,324	29,824
Fines and forfeitures	210,000	210,000	237,009	27,009
Investment revenue	75,000	75,000	152,059	77,059
Other revenues	183,050	183,050	164,818	(18,232)
Total revenues	<u>13,003,980</u>	<u>13,003,980</u>	<u>13,800,433</u>	<u>796,453</u>
EXPENDITURES				
Administration	1,336,425	1,456,425	1,313,762	142,663
Finance	1,372,571	1,388,071	1,227,933	160,138
Information Systems	1,012,190	1,117,190	799,759	317,431
Geographic Information Systems	231,124	231,124	198,500	32,624
Legal	553,236	553,236	429,023	124,213
Human Resources	694,129	694,129	647,581	46,548
Law Enforcement	4,443,964	4,443,964	4,146,246	297,718
Municipal Court	206,630	206,630	180,855	25,775
Public Works Administration	475,277	475,277	453,441	21,836
Building Maintenance	980,296	1,024,031	877,829	146,202
Parks Maintenance	1,343,163	1,349,073	1,219,316	129,757
Parks & Recreation	1,617,522	1,532,522	1,096,679	435,843
Library	1,868,412	1,868,412	1,823,557	44,855
Contingency	9,226,468	8,747,853	-	8,747,853
Total expenditures	<u>25,361,407</u>	<u>25,087,937</u>	<u>14,414,481</u>	<u>10,673,456</u>
Deficiency of revenues under expenditures	<u>(12,357,427)</u>	<u>(12,083,957)</u>	<u>(614,048)</u>	<u>11,469,909</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from interfund loan	1,406,020	1,406,020	406,020	(1,000,000)
Payment of interfund loan	(1,000,000)	(1,000,000)	-	1,000,000
Transfers in	3,166,238	3,255,393	2,764,882	(490,511)
Transfers out	(1,672,650)	(2,035,275)	(1,201,720)	833,555
Total other financing sources (uses)	<u>1,899,608</u>	<u>1,626,138</u>	<u>1,969,182</u>	<u>343,044</u>
Net change in fund balances	<u>(10,457,819)</u>	<u>(10,457,819)</u>	<u>1,355,134</u>	<u>11,812,953</u>
Fund balances--beginning	<u>12,829,219</u>	<u>12,829,219</u>	<u>14,692,906</u>	<u>1,863,687</u>
Fund balances--ending	<u>\$ 2,371,400</u>	<u>\$ 2,371,400</u>	<u>\$ 16,048,040</u>	<u>\$ 13,676,640</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, 2017

	<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	\$ 4,722,810	\$ 4,722,810	\$ 5,552,582	\$ 829,772
Intergovernmental	1,185,875	1,185,875	988,447	(197,428)
Charges for services	214,080	214,080	179,887	(34,193)
Investment revenue	15,000	15,000	19,851	4,851
Other revenues	14,000	14,000	26,603	12,603
Total revenues	<u>6,151,765</u>	<u>6,151,765</u>	<u>6,767,370</u>	<u>615,605</u>
EXPENDITURES				
Transit	6,251,017	6,251,017	5,398,082	852,935
Contingency	<u>815,614</u>	<u>815,614</u>	-	<u>815,614</u>
Total expenditures	<u>7,066,631</u>	<u>7,066,631</u>	<u>5,398,082</u>	<u>1,668,549</u>
Excess (deficiency) of revenues over (under) expenditures	(914,866)	(914,866)	1,369,288	2,284,154
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(603,375)</u>	<u>(603,375)</u>	<u>(511,319)</u>	<u>92,056</u>
Net change in fund balances	(1,518,241)	(1,518,241)	857,969	2,376,210
Fund balances--beginning	<u>2,564,441</u>	<u>2,564,441</u>	<u>2,754,842</u>	<u>190,401</u>
Fund balances--ending	<u>\$ 1,046,200</u>	<u>\$ 1,046,200</u>	<u>\$ 3,612,811</u>	<u>\$ 2,566,611</u>

CITY OF WILSONVILLE, OREGON
Notes to Required Supplemental Information
For the year ended June 30, 2017

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.

	General Fund	Transit Fund
Net change in fund balance - budget basis	\$ 1,355,134	\$ 857,969
<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.	(398,000)	-
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.	(2,708,882)	504,919
<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.	-	-
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.	2,708,882	(504,919)
Net change in fund balance - GAAP basis	\$ 957,134	\$ 857,969

OTHER SUPPLEMENTARY INFORMATION

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

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.

Washington County Transportation Development Tax

Accounts for collection of Washington County development tax from new residential and commercial construction. Proceeds are used to pay for development within Washington County portion of Wilsonville.

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, 2017

	Combined Nonmajor Special Revenue Funds	Combined Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$ 10,362,651	\$ 25,824,351	\$ 36,187,002
Receivables:			
Interest	1,773	48,796	50,569
Accounts	230,915	75,000	305,915
Prepays	4,522	-	4,522
Restricted cash and investments	214,210	1,933,891	2,148,101
Total assets	<u>\$ 10,814,071</u>	<u>\$ 27,882,038</u>	<u>\$ 38,696,109</u>
LIABILITIES			
Accounts payable	\$ 425,100	\$ 785,545	\$ 1,210,645
Other accrued liabilities	240,067	15,612	255,679
Deposits	214,210	-	214,210
Due to other funds	-	320,954	320,954
Unearned revenue	39,834	-	39,834
Total liabilities	<u>919,211</u>	<u>1,122,111</u>	<u>2,041,322</u>
FUND BALANCES			
Nonspendable	4,522	-	4,522
Restricted	-	16,045,068	16,045,068
Committed	988,300	-	988,300
Assigned	8,902,038	10,714,859	19,616,897
Total fund balances	<u>9,894,860</u>	<u>26,759,927</u>	<u>36,654,787</u>
Total liabilities and fund balances	<u>\$ 10,814,071</u>	<u>\$ 27,882,038</u>	<u>\$ 38,696,109</u>

CITY OF WILSONVILLE, OREGON

Nonmajor Special Revenue Funds

Combining Balance Sheet

June 30, 2017

	Building Inspection	Community Development	Road Operating	Road Maintenance Regulatory	Total
ASSETS					
Cash and investments	\$ 4,518,901	\$ 2,764,244	\$ 1,363,137	\$ 1,716,369	\$ 10,362,651
Receivables:					
Interest	1,773	-	-	-	1,773
Accounts	300	-	122,953	107,662	230,915
Prepays	-	4,522	-	-	4,522
Restricted cash and investments	-	214,210	-	-	214,210
Total assets	\$ 4,520,974	\$ 2,982,976	\$ 1,486,090	\$ 1,824,031	\$ 10,814,071
LIABILITIES					
Accounts payable	\$ 327,539	\$ 64,767	\$ 32,794	\$ -	\$ 425,100
Other accrued liabilities	162,397	68,073	9,597	-	240,067
Deposits	-	214,210	-	-	214,210
Unearned revenue	39,834	-	-	-	39,834
Total liabilities	529,770	347,050	42,391	-	919,211
FUND BALANCES					
Nonspendable	-	4,522	-	-	4,522
Committed	163,400	652,700	172,200	-	988,300
Assigned	3,827,804	1,978,704	1,271,499	1,824,031	8,902,038
Total fund balances	3,991,204	2,635,926	1,443,699	1,824,031	9,894,860
Total liabilities and fund balances	\$ 4,520,974	\$ 2,982,976	\$ 1,486,090	\$ 1,824,031	\$ 10,814,071

CITY OF WILSONVILLE, OREGON

Nonmajor Capital Project Funds

Combining Balance Sheet

June 30, 2017

	Street Capital Projects	Building Projects	Park Projects	Street Development Charges
ASSETS				
Cash and investments	\$ 1,418,419	\$ 1,308,637	\$ 322,744	\$ 7,220,076
Receivables:				
Interest	-	-	-	25,172
Accounts	75,000	-	-	-
Restricted cash and investments	-	-	-	1,816,397
Total assets	\$ 1,493,419	\$ 1,308,637	\$ 322,744	\$ 9,061,645
LIABILITIES				
Accounts payable	\$ 479,718	\$ 117,633	\$ 137,388	\$ -
Other accrued liabilities	-	-	-	-
Due to other funds	320,954	-	-	-
Total liabilities	800,672	117,633	137,388	-
FUND BALANCES				
Restricted	-	-	-	9,061,645
Assigned	692,747	1,191,004	185,356	-
Total fund balances	692,747	1,191,004	185,356	9,061,645
Total liabilities and fund balances	\$ 1,493,419	\$ 1,308,637	\$ 322,744	\$ 9,061,645

Continued on page 93.

Washington County Transportation Development Tax	Park Development Charges	Urban Renewal Year 2000 Capital Projects	Urban Renewal Year 2000 Program Income	Urban Renewal West Side Program Income	Total
\$ 326,931	\$ 6,526,273	\$ 1,852,357	\$ 2,040,988	\$ 4,807,926	\$ 25,824,351
409	23,215	-	-	-	48,796
-	-	-	-	-	75,000
-	106,595	5,223	-	5,676	1,933,891
<u>\$ 327,340</u>	<u>\$ 6,656,083</u>	<u>\$ 1,857,580</u>	<u>\$ 2,040,988</u>	<u>\$ 4,813,602</u>	<u>\$ 27,882,038</u>
\$ -	\$ -	\$ 48,695	\$ -	\$ 2,111	\$ 785,545
-	-	-	15,612	-	15,612
-	-	-	-	-	320,954
<u>-</u>	<u>-</u>	<u>48,695</u>	<u>15,612</u>	<u>2,111</u>	<u>1,122,111</u>
327,340	6,656,083	-	-	-	16,045,068
-	-	1,808,885	2,025,376	4,811,491	10,714,859
<u>327,340</u>	<u>6,656,083</u>	<u>1,808,885</u>	<u>2,025,376</u>	<u>4,811,491</u>	<u>26,759,927</u>
<u>\$ 327,340</u>	<u>\$ 6,656,083</u>	<u>\$ 1,857,580</u>	<u>\$ 2,040,988</u>	<u>\$ 4,813,602</u>	<u>\$ 27,882,038</u>

CITY OF WILSONVILLE, OREGON
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2017

	Combined Nonmajor Special Funds	Combined Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental	\$ 1,406,961	\$ 1,091,000	\$ 2,497,961
Licenses and permits	2,274,198	127,449	2,401,647
Charges for services	1,703,857	-	1,703,857
System development fees	-	5,604,943	5,604,943
Investment revenue	68,053	204,666	272,719
Other revenues	5,810	126,933	132,743
Total revenues	<u>5,458,879</u>	<u>7,154,991</u>	<u>12,613,870</u>
EXPENDITURES			
Current operating:			
General government	621,011	136,656	757,667
Public works	892,570	-	892,570
Community development	2,369,325	1,356,578	3,725,903
Debt service:			
Interest	2,400	-	2,400
Capital outlay	22,252	4,757,285	4,779,537
Total expenditures	<u>3,907,558</u>	<u>6,250,519</u>	<u>10,158,077</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,551,321</u>	<u>904,472</u>	<u>2,455,793</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	267,000	5,322,468	5,589,468
Transfers out	(625,209)	(2,497,118)	(3,122,327)
Total other financing sources (uses)	<u>(358,209)</u>	<u>2,825,350</u>	<u>2,467,141</u>
Net change in fund balances	1,193,112	3,729,822	4,922,934
Fund balances--beginning	<u>8,701,748</u>	<u>23,030,105</u>	<u>31,731,853</u>
Fund balances--ending	<u>\$ 9,894,860</u>	<u>\$ 26,759,927</u>	<u>\$ 36,654,787</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, 2017

	Building Inspections	Community Development	Road Operating	Road Maintenance Regulatory	Total
REVENUES					
Intergovernmental	\$ -	\$ -	\$ 1,406,961	\$ -	\$ 1,406,961
Licenses and permits	1,477,251	796,947	-	-	2,274,198
Charges for services	-	823,651	-	880,206	1,703,857
Investment revenue	17,309	22,692	13,067	14,985	68,053
Other revenues	-	284	5,526	-	5,810
Total revenues	1,494,560	1,643,574	1,425,554	895,191	5,458,879
EXPENDITURES					
Current operating:					
General government	109,403	423,756	87,852	-	621,011
Public works	20,085	80,339	792,146	-	892,570
Community development	888,870	1,480,455	-	-	2,369,325
Debt service:					
Interest	-	-	2,400	-	2,400
Capital outlay	3,848	3,848	14,556	-	22,252
Total expenditures	1,022,206	1,988,398	896,954	-	3,907,558
Excess (deficiency) of revenues over (under) expenditures	472,354	(344,824)	528,600	895,191	1,551,321
OTHER FINANCING USES					
Transfers in	-	267,000	-	-	267,000
Transfers out	(3,200)	(14,400)	(308,025)	(299,584)	(625,209)
Net change in fund balances	469,154	(92,224)	220,575	595,607	1,193,112
Fund balances--beginning	3,522,050	2,728,150	1,223,124	1,228,424	8,701,748
Fund balances--ending	\$ 3,991,204	\$ 2,635,926	\$ 1,443,699	\$ 1,824,031	\$ 9,894,860

CITY OF WILSONVILLE, OREGON
Nonmajor Capital Projects Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2017

	Street Capital Projects	Building Projects	Park Projects	Street Development Charges
REVENUES				
Intergovernmental	\$ 91,000	\$ 1,000,000	\$ -	\$ -
Licenses and permits	-	-	127,449	-
System development fees	-	-	-	3,999,189
Investment revenue	10,867	5,728	425	49,904
Other revenues	-	-	-	35
Total revenues	<u>101,867</u>	<u>1,005,728</u>	<u>127,874</u>	<u>4,049,128</u>
EXPENDITURES				
Current operating:				
General government	67,027	62,287	7,342	-
Community development	532,627	24,913	174,343	3,729
Capital outlay	1,806,826	2,002,619	333,613	-
Total expenditures	<u>2,406,480</u>	<u>2,089,819</u>	<u>515,298</u>	<u>3,729</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(2,304,613)</u>	<u>(1,084,091)</u>	<u>(387,424)</u>	<u>4,045,399</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,394,525	2,089,819	514,369	-
Transfers out	(368,446)	-	-	(1,646,231)
Total other financing sources (uses)	<u>2,026,079</u>	<u>2,089,819</u>	<u>514,369</u>	<u>(1,646,231)</u>
Net change in fund balances	(278,534)	1,005,728	126,945	2,399,168
Fund balances--beginning	971,281	185,276	58,411	6,662,477
Fund balances--ending	<u>\$ 692,747</u>	<u>\$ 1,191,004</u>	<u>\$ 185,356</u>	<u>\$ 9,061,645</u>

Continued on page 97.

Washington County Transportation Development Tax	Park Development Charges	Urban Renewal Year 2000 Projects	Urban Renewal Year 2000 Program Income	Urban Renewal West Side Program Income	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,091,000
-	-	-	-	-	127,449
-	1,605,754	-	-	-	5,604,943
3,585	49,659	29,090	15,181	40,227	204,666
-	-	-	126,898	-	126,933
<u>3,585</u>	<u>1,655,413</u>	<u>29,090</u>	<u>142,079</u>	<u>40,227</u>	<u>7,154,991</u>
-	-	-	-	-	136,656
-	2,682	555,246	6,538	56,500	1,356,578
-	-	493,862	-	120,365	4,757,285
<u>-</u>	<u>2,682</u>	<u>1,049,108</u>	<u>6,538</u>	<u>176,865</u>	<u>6,250,519</u>
<u>3,585</u>	<u>1,652,731</u>	<u>(1,020,018)</u>	<u>135,541</u>	<u>(136,638)</u>	<u>904,472</u>
323,755	-	-	-	-	5,322,468
<u>-</u>	<u>(482,441)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,497,118)</u>
<u>323,755</u>	<u>(482,441)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,825,350</u>
327,340	1,170,290	(1,020,018)	135,541	(136,638)	3,729,822
-	5,485,793	2,828,903	1,889,835	4,948,129	23,030,105
<u>\$ 327,340</u>	<u>\$ 6,656,083</u>	<u>\$ 1,808,885</u>	<u>\$ 2,025,376</u>	<u>\$ 4,811,491</u>	<u>\$ 26,759,927</u>

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

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
- Washington County Transportation 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, 2017

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses and permits	\$ 1,100,198	\$ 1,100,198	\$ 796,947	\$ (303,251)
Charges for services	594,400	774,500	823,651	49,151
Investment revenue	12,000	12,000	22,692	10,692
Other revenues	500	500	284	(216)
Total revenues	<u>1,707,098</u>	<u>1,887,198</u>	<u>1,643,574</u>	<u>(243,624)</u>
EXPENDITURES				
Community Development Administration	771,542	771,542	544,247	227,295
Engineering	1,348,000	1,348,000	1,126,999	221,001
Planning	1,007,074	1,040,074	829,960	210,114
Stormwater Management	141,683	141,683	140,188	1,495
Contingency	1,673,763	2,049,006	-	2,049,006
Total expenditures	<u>4,942,062</u>	<u>5,350,305</u>	<u>2,641,394</u>	<u>2,708,911</u>
Deficiency of revenues under expenditures	<u>(3,234,964)</u>	<u>(3,463,107)</u>	<u>(997,820)</u>	<u>2,465,287</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,981,238	2,209,381	1,424,091	(785,290)
Transfers out	<u>(525,479)</u>	<u>(525,479)</u>	<u>(518,495)</u>	<u>6,984</u>
Total other financing sources (uses)	<u>1,455,759</u>	<u>1,683,902</u>	<u>905,596</u>	<u>(778,306)</u>
Net change in fund balances	(1,779,205)	(1,779,205)	(92,224)	1,686,981
Fund balances--beginning	<u>2,431,905</u>	<u>2,431,905</u>	<u>2,728,150</u>	<u>296,245</u>
Fund balances--ending	<u>\$ 652,700</u>	<u>\$ 652,700</u>	<u>\$ 2,635,926</u>	<u>\$ 1,983,226</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, 2017

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses and permits	\$ 1,604,935	\$ 1,604,935	\$ 1,477,251	\$ (127,684)
Investment revenue	15,000	15,000	17,309	2,309
Total revenues	<u>1,619,935</u>	<u>1,619,935</u>	<u>1,494,560</u>	<u>(125,375)</u>
EXPENDITURES				
Building Inspection	821,701	846,701	815,504	31,197
Contingency	<u>3,382,653</u>	<u>3,357,653</u>	-	<u>3,357,653</u>
Total expenditures	<u>4,204,354</u>	<u>4,204,354</u>	<u>815,504</u>	<u>3,388,850</u>
Deficiency of revenues under expenditures	<u>(2,584,419)</u>	<u>(2,584,419)</u>	<u>679,056</u>	<u>3,263,475</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(227,463)</u>	<u>(227,463)</u>	<u>(209,902)</u>	<u>17,561</u>
Total other financing sources (uses)	<u>(227,463)</u>	<u>(227,463)</u>	<u>(209,902)</u>	<u>17,561</u>
Net change in fund balances	(2,811,882)	(2,811,882)	469,154	3,281,036
Fund balances--beginning	<u>2,975,282</u>	<u>2,975,282</u>	<u>3,522,050</u>	<u>546,768</u>
Fund balances--ending	<u>\$ 163,400</u>	<u>\$ 163,400</u>	<u>\$ 3,991,204</u>	<u>\$ 3,827,804</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, 2017

	<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>
REVENUES				
Intergovernmental	\$ 1,328,925	\$ 1,328,925	\$ 1,406,961	\$ 78,036
Investment revenue	6,000	6,000	13,067	7,067
Other revenues	1,500	1,500	5,526	4,026
Total revenues	<u>1,336,425</u>	<u>1,336,425</u>	<u>1,425,554</u>	<u>89,129</u>
EXPENDITURES				
Road Operating	869,766	875,676	707,518	168,158
Debt Expense	81,500	81,500	81,446	54
Contingency	532,132	526,222	-	526,222
Total expenditures	<u>1,483,398</u>	<u>1,483,398</u>	<u>788,964</u>	<u>694,434</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(146,973)</u>	<u>(146,973)</u>	<u>636,590</u>	<u>783,563</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(644,033)</u>	<u>(644,033)</u>	<u>(416,015)</u>	<u>228,018</u>
Net change in fund balances	(791,006)	(791,006)	220,575	1,011,581
Fund balances--beginning	<u>963,206</u>	<u>963,206</u>	<u>1,223,124</u>	<u>259,918</u>
Fund balances--ending	<u>\$ 172,200</u>	<u>\$ 172,200</u>	<u>\$ 1,443,699</u>	<u>\$ 1,271,499</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, 2017

	<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>
REVENUES				
Charges for services	\$ 710,000	\$ 710,000	\$ 880,206	\$ 170,206
Investment revenue	2,000	2,000	14,985	12,985
Total revenues	<u>712,000</u>	<u>712,000</u>	<u>895,191</u>	<u>183,191</u>
EXPENDITURES				
Contingency	<u>690,600</u>	<u>690,600</u>	-	<u>690,600</u>
Excess of revenues over expenditures	21,400	21,400	895,191	873,791
OTHER FINANCING USES				
Transfers out	<u>(950,000)</u>	<u>(950,000)</u>	<u>(299,584)</u>	<u>650,416</u>
Net change in fund balances	(928,600)	(928,600)	595,607	1,524,207
Fund balances--beginning	<u>928,600</u>	<u>928,600</u>	<u>1,228,424</u>	<u>299,824</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,824,031</u>	<u>\$ 1,824,031</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, 2017

	<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	\$ 4,120,000	\$ 4,120,000	\$ 4,055,840	\$ (64,160)
Investment revenue	20,000	20,000	55,599	35,599
Total revenues	<u>4,140,000</u>	<u>4,140,000</u>	<u>4,111,439</u>	<u>(28,561)</u>
EXPENDITURES				
Debt service:				
Principal	4,830,000	4,830,000	330,000	4,500,000
Interest	763,075	763,075	263,075	500,000
Contingency	2,500,000	2,500,000	-	2,500,000
Total expenditures	<u>8,093,075</u>	<u>8,093,075</u>	<u>593,075</u>	<u>7,500,000</u>
Excess (deficiency) of revenues over (under) expenditures	(3,953,075)	(3,953,075)	3,518,364	7,471,439
Fund balances--beginning	<u>5,530,943</u>	<u>5,530,943</u>	<u>5,478,203</u>	<u>(52,740)</u>
Fund balances--ending	<u>\$ 1,577,868</u>	<u>\$ 1,577,868</u>	<u>\$ 8,996,567</u>	<u>\$ 7,418,699</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, 2017

	<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	\$ 5,055,823	\$ 5,055,823	\$ 5,705,108	\$ 649,285
Investment revenue	23,000	23,000	123,753	100,753
Total revenues	<u>5,078,823</u>	<u>5,078,823</u>	<u>5,828,861</u>	<u>750,038</u>
EXPENDITURES				
Debt service:				
Principal	2,768,994	2,768,994	1,768,994	1,000,000
Interest	1,094,277	1,094,277	1,094,277	-
Contingency	4,831,903	4,831,903	-	4,831,903
Total expenditures	<u>8,695,174</u>	<u>8,695,174</u>	<u>2,863,271</u>	<u>5,831,903</u>
Excess (deficiency) of revenues over (under) expenditures	(3,616,351)	(3,616,351)	2,965,590	6,581,941
Fund balances--beginning	<u>6,488,537</u>	<u>6,488,537</u>	<u>6,552,417</u>	<u>63,880</u>
Fund balances--ending	<u>\$ 2,872,186</u>	<u>\$ 2,872,186</u>	<u>\$ 9,518,007</u>	<u>\$ 6,645,821</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, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 115,000	\$ 115,000	\$ 91,000	\$ (24,000)
Investment revenue	2,500	2,500	10,867	8,367
Other revenues	240,000	240,000	-	(240,000)
Total revenues	<u>357,500</u>	<u>357,500</u>	<u>101,867</u>	<u>(255,633)</u>
EXPENDITURES				
Capital outlay	4,809,067	6,163,367	1,806,826	4,356,541
Contingency	1,104,430	1,104,430	-	1,104,430
Total expenditures	<u>5,913,497</u>	<u>7,267,797</u>	<u>1,806,826</u>	<u>5,460,971</u>
Deficiency of revenues under expenditures	<u>(5,555,997)</u>	<u>(6,910,297)</u>	<u>(1,704,959)</u>	<u>5,205,338</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from interfund loan	400,000	400,000	400,000	-
Transfers in	5,388,424	6,845,839	2,315,479	(4,530,360)
Transfers out	(1,217,999)	(1,321,114)	(968,100)	353,014
Total other financing sources (uses)	<u>4,570,425</u>	<u>5,924,725</u>	<u>1,747,379</u>	<u>(4,177,346)</u>
Net change in fund balances	(985,572)	(985,572)	42,420	1,027,992
Fund balances--beginning	<u>985,572</u>	<u>985,572</u>	<u>971,281</u>	<u>(14,291)</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,013,701</u>	<u>\$ 1,013,701</u>
Adjustment from budgetary basis to generally accepted accounting basis:				
Interfund loan treated as receivable on a GAAP basis			\$ (400,000)	
Repayment of interfund loan reduces receivable on GAAP basis			79,046	
Fund balances - generally accepted accounting principles basis			<u>692,747</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, 2017

	<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				
Intergovernmental	\$ 850,000	\$ 850,000	\$ 1,000,000	\$ 150,000
Investment revenue	1,000	1,000	5,728	4,728
Total revenues	<u>851,000</u>	<u>851,000</u>	<u>1,005,728</u>	<u>154,728</u>
EXPENDITURES				
Capital outlay	3,501,500	3,539,900	2,002,619	1,537,281
Contingency	212,488	212,488	-	212,488
Total expenditures	<u>3,713,988</u>	<u>3,752,388</u>	<u>2,002,619</u>	<u>1,749,769</u>
Deficiency of revenues under expenditures	<u>(2,862,988)</u>	<u>(2,901,388)</u>	<u>(996,891)</u>	<u>1,904,497</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,770,500	2,808,900	2,089,819	(719,081)
Transfers out	(92,400)	(92,400)	(87,200)	5,200
Total other financing sources (uses)	<u>2,678,100</u>	<u>2,716,500</u>	<u>2,002,619</u>	<u>(713,881)</u>
Net change in fund balances	<u>(184,888)</u>	<u>(184,888)</u>	<u>1,005,728</u>	<u>1,190,616</u>
Fund balances--beginning	<u>184,888</u>	<u>184,888</u>	<u>185,276</u>	<u>388</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,191,004</u>	<u>\$ 1,191,004</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, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses and permits	\$ 2,000	\$ 2,000	\$ 127,449	\$ 125,449
Investment revenue	-	-	425	425
Other revenues	500	500	-	(500)
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>127,874</u>	<u>125,374</u>
EXPENDITURES				
Capital outlay	1,936,500	2,669,775	333,613	2,336,162
Contingency	256,803	256,803	-	256,803
Total expenditures	<u>2,193,303</u>	<u>2,926,578</u>	<u>333,613</u>	<u>2,592,965</u>
Deficiency of revenues under expenditures	<u>(2,190,803)</u>	<u>(2,924,078)</u>	<u>(205,739)</u>	<u>2,718,339</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,157,838	3,009,947	514,369	(2,495,578)
Transfers out	(198,323)	(317,157)	(181,685)	135,472
Total other financing sources (uses)	<u>1,959,515</u>	<u>2,692,790</u>	<u>332,684</u>	<u>(2,360,106)</u>
Net change in fund balances	<u>(231,288)</u>	<u>(231,288)</u>	<u>126,945</u>	<u>358,233</u>
Fund balances--beginning	<u>231,288</u>	<u>231,288</u>	<u>58,411</u>	<u>(172,877)</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 185,356</u>	<u>\$ 185,356</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, 2017

	<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>
REVENUES				
System development fees	\$ 4,185,810	\$ 4,185,810	\$ 3,999,189	\$ (186,621)
Investment revenue	30,000	30,000	49,904	19,904
Other revenues	-	-	35	35
Total revenues	<u>4,215,810</u>	<u>4,215,810</u>	<u>4,049,128</u>	<u>(166,682)</u>
EXPENDITURES				
Materials and services	16,059	16,059	3,729	12,330
Contingency	<u>6,885,704</u>	<u>5,790,589</u>	-	5,790,589
Total expenditures	<u>6,901,763</u>	<u>5,806,648</u>	<u>3,729</u>	<u>5,802,919</u>
Excess (deficiency) of revenues over (under) expenditures	(2,685,953)	(1,590,838)	4,045,399	5,636,237
OTHER FINANCING USES				
Transfers out	<u>(3,538,299)</u>	<u>(4,633,414)</u>	<u>(1,646,231)</u>	<u>2,987,183</u>
Net change in fund balances	(6,224,252)	(6,224,252)	2,399,168	8,623,420
Fund balances--beginning	<u>6,224,252</u>	<u>6,224,252</u>	<u>6,662,477</u>	<u>438,225</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,061,645</u>	<u>\$ 9,061,645</u>

CITY OF WILSONVILLE, OREGON
Washington County Transportation Development Tax Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2017

	<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				
Investment revenue	\$ -	\$ -	\$ 3,585	\$ 3,585
EXPENDITURES				
Contingency	400,000	400,000	-	400,000
Excess (deficiency) of revenues over (under) expenditures	(400,000)	(400,000)	3,585	403,585
OTHER FINANCING USES				
Transfers in	400,000	400,000	323,755	(76,245)
Net change in fund balances	-	-	327,340	327,340
Fund balances--beginning	-	-	-	-
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 327,340</u>	<u>\$ 327,340</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, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
System development fees	\$ 1,882,710	\$ 1,882,710	\$ 1,605,754	\$ (276,956)
Investment revenue	26,000	26,000	49,659	23,659
Total revenues	<u>1,908,710</u>	<u>1,908,710</u>	<u>1,655,413</u>	<u>(253,297)</u>
EXPENDITURES				
Materials and services	3,889	3,889	2,682	1,207
Contingency	4,025,338	3,240,104	-	3,240,104
Total expenditures	<u>4,029,227</u>	<u>3,243,993</u>	<u>2,682</u>	<u>3,241,311</u>
Excess (deficiency) of revenues over (under) expenditures	(2,120,517)	(1,335,283)	1,652,731	2,988,014
OTHER FINANCING USES				
Transfers out	<u>(2,012,213)</u>	<u>(2,797,447)</u>	<u>(482,441)</u>	<u>2,315,006</u>
Net change in fund balances	(4,132,730)	(4,132,730)	1,170,290	5,303,020
Fund balances--beginning	<u>4,132,730</u>	<u>4,132,730</u>	<u>5,485,793</u>	<u>1,353,063</u>
Fund balances--ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,656,083</u></u>	<u><u>\$ 6,656,083</u></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, 2017

	<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				
Investment revenue	\$ 7,500	\$ 7,500	\$ 29,090	\$ 21,590
EXPENDITURES				
Materials and services	525,270	648,870	555,246	93,624
Capital outlay	583,560	796,060	493,862	302,198
Contingency	1,566,791	1,230,691	-	1,230,691
Total expenditures	<u>2,675,621</u>	<u>2,675,621</u>	<u>1,049,108</u>	<u>1,626,513</u>
Excess (deficiency) of revenues over (under) expenditures	(2,668,121)	(2,668,121)	(1,020,018)	1,648,103
Fund balances--beginning	<u>2,668,121</u>	<u>2,668,121</u>	<u>2,828,903</u>	<u>160,782</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,808,885</u>	<u>\$ 1,808,885</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, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment revenue	\$ 7,000	\$ 7,000	\$ 15,181	\$ 8,181
Other revenues	94,400	94,400	126,898	32,498
Total revenues	<u>101,400</u>	<u>101,400</u>	<u>142,079</u>	<u>40,679</u>
EXPENDITURES				
Materials and services	50,000	50,000	6,538	43,462
Contingency	<u>1,924,045</u>	<u>1,924,045</u>	-	<u>1,924,045</u>
Total expenditures	<u>1,974,045</u>	<u>1,974,045</u>	<u>6,538</u>	<u>1,967,507</u>
Excess (deficiency) of revenues over (under) expenditures	(1,872,645)	(1,872,645)	135,541	2,008,186
Fund balances--beginning	<u>1,872,645</u>	<u>1,872,645</u>	<u>1,889,835</u>	<u>17,190</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,025,376</u>	<u>\$ 2,025,376</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, 2017

	<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>
REVENUES				
Investment revenue	\$ 12,000	\$ 12,000	\$ 15,122	\$ 3,122
EXPENDITURES				
Materials and services	949,545	949,545	884,615	64,930
Capital outlay	612,500	612,500	265,047	347,453
Contingency	1,005,757	1,005,757	-	1,005,757
Total expenditures	<u>2,567,802</u>	<u>2,567,802</u>	<u>1,149,662</u>	<u>1,418,140</u>
Deficiency of revenues under expenditures	(2,555,802)	(2,555,802)	(1,134,540)	1,421,262
OTHER FINANCING SOURCES				
Issuance of debt	1,000,000	1,000,000	-	(1,000,000)
Net change in fund balances	(1,555,802)	(1,555,802)	(1,134,540)	421,262
Fund balances--beginning	<u>1,555,802</u>	<u>1,555,802</u>	<u>2,745,462</u>	<u>1,189,660</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>1,610,922</u>	<u>\$ 1,610,922</u>
Adjustment from budgetary basis to generally accepted accounting basis:				
Development charge payable			<u>(1,557,668)</u>	
Fund balances - generally accepted accounting principles basis			<u>\$ 53,254</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, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment revenue	\$ 10,000	\$ 10,000	\$ 40,227	\$ 30,227
EXPENDITURES				
Materials and services	-	56,500	56,500	-
Capital outlay	484,000	484,000	120,365	363,635
Contingency	4,476,000	4,419,500	-	4,419,500
Total expenditures	<u>4,960,000</u>	<u>4,960,000</u>	<u>176,865</u>	<u>4,783,135</u>
Excess (deficiency) of revenues over (under) expenditures	(4,950,000)	(4,950,000)	(136,638)	4,813,362
Fund balances--beginning	<u>4,950,000</u>	<u>4,950,000</u>	<u>4,948,129</u>	<u>(1,871)</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,811,491</u>	<u>\$ 4,811,491</u>

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

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, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 7,552,582	\$ 7,595,582	\$ 8,288,220	\$ 692,638
Fines and forfeitures	12,000	12,000	19,271	7,271
Investment revenue	45,000	45,000	96,840	51,840
Other revenues	12,000	12,000	12,000	-
Total revenues	<u>7,621,582</u>	<u>7,664,582</u>	<u>8,416,331</u>	<u>751,749</u>
EXPENDITURES				
Water Operating	1,402,353	1,447,126	1,295,742	151,384
Water Treatment	2,861,875	2,941,875	2,652,143	289,732
Debt service:				
Principal	1,600,000	1,600,000	1,629,000	(29,000)
Interest	278,000	278,000	198,023	79,977
Contingency	7,417,784	7,204,876	-	7,204,876
Total expenditures	<u>13,560,012</u>	<u>13,471,877</u>	<u>5,774,908</u>	<u>7,696,969</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,938,430)</u>	<u>(5,807,295)</u>	<u>2,641,423</u>	<u>8,448,718</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from interfund loan	183,500	183,500	183,253	(247)
Payment of interfund loan	(900,000)	(900,000)	(900,000)	-
Transfers in	350,000	350,000	350,000	-
Transfers out	(2,217,668)	(2,348,803)	(1,301,800)	1,047,003
Total other financing sources (uses)	<u>(2,584,168)</u>	<u>(2,715,303)</u>	<u>(1,668,547)</u>	<u>1,046,756</u>
Net change in fund balances	(8,522,598)	(8,522,598)	972,876	9,495,474
Fund balances--beginning	<u>9,319,698</u>	<u>9,319,698</u>	<u>10,258,642</u>	<u>938,944</u>
Fund balances--ending	<u>\$ 797,100</u>	<u>\$ 797,100</u>	<u>\$ 11,231,518</u>	<u>\$ 10,434,418</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, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 7,303	\$ 7,303
Investment revenue	-	-	368	368
Total revenues	-	-	7,671	7,671
EXPENDITURES				
Capital outlay	1,647,950	1,844,650	281,039	1,563,611
Contingency	65,769	65,769	-	65,769
Total expenditures	1,713,719	1,910,419	281,039	1,629,380
Deficiency of revenues under expenditures	(1,713,719)	(1,910,419)	(273,368)	1,637,051
OTHER FINANCING SOURCES (USES)				
Transfers in	1,874,124	2,105,209	395,535	(1,709,674)
Transfers out	(203,102)	(237,487)	(121,799)	115,688
Total other financing sources (uses)	1,671,022	1,867,722	273,736	(1,593,986)
Net change in fund balances	(42,697)	(42,697)	368	43,065
Fund balances--beginning	42,697	42,697	42,902	205
Fund balances--ending	\$ -	\$ -	\$ 43,270	\$ 43,270

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, 2017

	<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>
REVENUES				
System development fees	\$ 2,199,448	\$ 2,199,448	\$ 1,782,340	\$ (417,108)
Investment revenue	15,000	15,000	34,117	19,117
Total revenues	<u>2,214,448</u>	<u>2,214,448</u>	<u>1,816,457</u>	<u>(397,991)</u>
EXPENDITURES				
Materials and services	9,696	9,696	4,465	5,231
Contingency	4,909,126	4,809,176	-	4,809,176
Total expenditures	<u>4,918,822</u>	<u>4,818,872</u>	<u>4,465</u>	<u>4,814,407</u>
Excess of revenues over expenditures	<u>(2,704,374)</u>	<u>(2,604,424)</u>	<u>1,811,992</u>	<u>4,416,416</u>
OTHER FINANCING USES				
Transfers out	<u>(1,151,842)</u>	<u>(1,251,792)</u>	<u>(462,358)</u>	<u>789,434</u>
Net change in fund balances	<u>(3,856,216)</u>	<u>(3,856,216)</u>	<u>1,349,634</u>	<u>5,205,850</u>
Fund balances--beginning	<u>3,856,216</u>	<u>3,856,216</u>	<u>3,283,180</u>	<u>(573,036)</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,632,814</u>	<u>\$ 4,632,814</u>

CITY OF WILSONVILLE, OREGON

Water Fund

Reconciliation of Budgetary Revenues and Expenditures to GAAP

For the year ended June 30, 2017

	<u>Revenues</u>	<u>Expenditures</u>
Budgetary Basis:		
Water Operating Fund	\$ 8,416,331	\$ 5,774,908
Water Capital Projects Fund	7,671	281,039
Water Development Charges Fund	1,816,457	4,465
Total	<u>10,240,459</u>	<u>6,060,412</u>
 Adjustments:		
Interest from interfund loan	5,400	-
Increase in notes receivable	391,608	-
Collection on notes receivable	(487)	-
Payment of bond principal	-	(1,629,000)
Expenditures capitalized	-	(221,589)
Support services	-	597,308
Depreciation expense	-	1,688,850
Pension expense	-	23,890
Bond issuance cost	-	2,609
Amortization of bond defeasance	-	61,010
Disposition of fixed assets	-	24,542
Revenues and expenses	<u>\$ 10,636,980</u>	<u>\$ 6,608,032</u>
 GAAP Basis:		
Operating	\$ 8,319,491	\$ 6,321,848
Nonoperating	136,725	286,184
Capital contributions - grants and fees	2,180,764	-
Total - page 51	<u>\$ 10,636,980</u>	<u>\$ 6,608,032</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, 2017

	<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>
REVENUES				
Charges for services	\$ 7,764,750	\$ 7,782,250	\$ 8,113,623	\$ 331,373
Fines and forfeitures	-	-	32,432	32,432
Investment revenue	58,050	58,050	75,196	17,146
Other revenues	25,000	25,000	25,942	942
Total revenues	<u>7,847,800</u>	<u>7,865,300</u>	<u>8,247,193</u>	<u>381,893</u>
EXPENDITURES				
Sewer Operating	831,946	851,219	676,509	174,710
Sewer Pretreatment	126,332	126,332	121,268	5,064
Sewer Treatment	2,553,107	2,553,107	2,444,602	108,505
Debt service:				
Principal	1,675,000	1,675,000	1,725,000	(50,000)
Interest	1,265,463	1,265,463	1,210,900	54,563
Contingency	7,686,905	7,269,931	-	7,269,931
Total expenditures	<u>14,138,753</u>	<u>13,741,052</u>	<u>6,178,279</u>	<u>7,562,773</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,290,953)</u>	<u>(5,875,752)</u>	<u>2,068,914</u>	<u>7,944,666</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	600,000	600,000	600,000	-
Transfers out	(3,867,017)	(4,282,218)	(1,544,051)	2,738,167
Total other financing sources (uses)	<u>(3,267,017)</u>	<u>(3,682,218)</u>	<u>(944,051)</u>	<u>2,738,167</u>
Net change in fund balances	(9,557,970)	(9,557,970)	1,124,863	10,682,833
Fund balances--beginning	10,260,270	10,260,270	11,635,384	1,375,114
Fund balances--ending	<u>\$ 702,300</u>	<u>\$ 702,300</u>	<u>\$ 12,760,247</u>	<u>\$ 12,057,947</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, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment revenue	\$ -	\$ -	\$ 58	\$ 58
EXPENDITURES				
Capital outlay	5,199,262	5,721,262	1,287,475	4,433,787
Contingency	87,854	87,854	-	87,854
Total expenditures	5,287,116	5,809,116	1,287,475	4,521,641
Deficiency of revenues under expenditures	(5,287,116)	(5,809,116)	(1,287,417)	4,521,699
OTHER FINANCING SOURCES (USES)				
Transfers in	5,735,552	6,295,822	1,365,022	(4,930,800)
Transfers out	(463,920)	(502,190)	(77,547)	424,643
Total other financing sources (uses)	5,271,632	5,793,632	1,287,475	(4,506,157)
Net change in fund balances	(15,484)	(15,484)	58	15,542
Fund balances--beginning	15,484	15,484	15,558	74
Fund balances--ending	\$ -	\$ -	\$ 15,616	\$ 15,616

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, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
System development fees	\$ 1,893,414	\$ 1,893,414	\$ 1,526,940	\$ (366,474)
Investment revenue	40,000	40,000	59,241	19,241
Total revenues	<u>1,933,414</u>	<u>1,933,414</u>	<u>1,586,181</u>	<u>(347,233)</u>
EXPENDITURES				
Materials and services	6,262	6,262	2,365	3,897
Contingency	6,183,527	6,038,458	-	6,038,458
Total expenditures	<u>6,189,789</u>	<u>6,044,720</u>	<u>2,365</u>	<u>6,042,355</u>
Excess (deficiency) of revenues over (under) expenditures	(4,256,375)	(4,111,306)	1,583,816	5,695,122
OTHER FINANCING USES				
Transfers out	<u>(3,515,458)</u>	<u>(3,660,527)</u>	<u>(1,342,075)</u>	<u>2,318,452</u>
Net change in fund balances	(7,771,833)	(7,771,833)	241,741	8,013,574
Fund balances--beginning	<u>7,771,833</u>	<u>7,771,833</u>	<u>8,321,194</u>	<u>549,361</u>
Fund balances--ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 8,562,935</u></u>	<u><u>\$ 8,562,935</u></u>

CITY OF WILSONVILLE, OREGON

Sewer Fund

Reconciliation of Budgetary Revenues and Expenditures to GAAP

For the year ended June 30, 2017

	<u>Revenues</u>	<u>Expenditures</u>
Budgetary Basis:		
Sewer Operating Fund	\$ 8,247,193	\$ 6,178,279
Sewer Capital Projects Fund	58	1,287,475
Sewer Development Charges Fund	<u>1,586,181</u>	<u>2,365</u>
Total	9,833,432	7,468,119
Adjustments:		
Collection on notes receivable	(1,964)	-
Principal payment on credit facility	-	(1,725,000)
Expenditures capitalized	-	(1,285,459)
Support services	-	463,309
Depreciation expense	-	1,949,018
Pension expense	-	68,190
Bond issuance cost	<u>67,696</u>	<u>-</u>
Revenues and expenses	<u>\$ 9,899,164</u>	<u>\$ 6,938,177</u>
GAAP Basis:		
Operating	\$ 8,171,997	\$ 5,727,277
Nonoperating	202,191	1,210,900
Capital contributions - grants and fees	<u>1,524,976</u>	<u>-</u>
Total - page 51	<u>\$ 9,899,164</u>	<u>\$ 6,938,177</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, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 2,374,518	\$ 2,374,518	\$ 2,534,577	\$ 160,059
Investment revenue	5,000	5,000	16,117	11,117
Total revenues	<u>2,379,518</u>	<u>2,379,518</u>	<u>2,550,694</u>	<u>171,176</u>
EXPENDITURES				
Stormwater Management	343,859	343,859	145,997	197,862
Stormwater Maintenance	657,649	657,649	436,950	220,699
Debt service:				
Principal	497,500	497,500	496,807	693
Interest	10,520	10,520	11,020	(500)
Contingency	502,263	296,870	-	296,870
Total expenditures	<u>2,011,791</u>	<u>1,806,398</u>	<u>1,090,774</u>	<u>715,624</u>
Excess of revenues over expenditures	367,727	573,120	1,459,920	886,800
OTHER FINANCING USES				
Transfers out	(872,718)	(1,078,111)	(595,245)	482,866
Net change in fund balances	(504,991)	(504,991)	864,675	1,369,666
Fund balances--beginning	<u>703,591</u>	<u>703,591</u>	<u>1,266,749</u>	<u>563,158</u>
Fund balances--ending	<u>\$ 198,600</u>	<u>\$ 198,600</u>	<u>\$ 2,131,424</u>	<u>\$ 1,932,824</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, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment revenue	\$ 2,000	\$ 2,000	\$ 15,792	\$ 13,792
EXPENDITURES				
Capital outlay	1,425,800	2,039,955	708,414	1,331,541
Contingency	410,306	32,541	-	32,541
Total expenditures	1,836,106	2,072,496	708,414	1,364,082
Deficiency of revenues under expenditures	(1,834,106)	(2,070,496)	(692,622)	1,377,874
OTHER FINANCING SOURCES (USES)				
Proceeds from interfund loan	500,000	500,000	500,000	-
Transfers in	680,889	939,973	323,806	(616,167)
Transfers out	(497,872)	(520,566)	(411,274)	109,292
Total other financing sources (uses)	683,017	919,407	412,532	(506,875)
Net change in fund balances	(1,151,089)	(1,151,089)	(280,090)	870,999
Fund balances--beginning	1,151,089	1,151,089	1,452,552	301,463
Fund balances--ending	\$ -	\$ -	\$ 1,172,462	\$ 1,172,462

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, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
System development fees	\$ 746,923	\$ 746,923	\$ 844,784	\$ 97,861
Investment revenue	7,200	7,200	21,800	14,600
Total revenues	<u>754,123</u>	<u>754,123</u>	<u>866,584</u>	<u>112,461</u>
EXPENDITURES				
Materials and services	2,626	2,626	813	1,813
Contingency	2,534,148	2,480,457	-	2,480,457
Total expenditures	<u>2,536,774</u>	<u>2,483,083</u>	<u>813</u>	<u>2,482,270</u>
Excess (deficiency) of revenues over (under) expenditures	(1,782,651)	(1,728,960)	865,771	2,594,731
OTHER FINANCING USES				
Transfers out	(140,052)	(193,743)	(4,217)	189,526
Net change in fund balances	(1,922,703)	(1,922,703)	861,554	2,784,257
Fund balances--beginning	1,922,703	1,922,703	1,954,372	31,669
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,815,926</u>	<u>\$ 2,815,926</u>

CITY OF WILSONVILLE, OREGON

Stormwater Fund

Reconciliation of Budgetary Revenues and Expenditures to GAAP

For the year ended June 30, 2017

	<u>Revenues</u>	<u>Expenditures</u>
Budgetary Basis:		
Stormwater Operating Fund	\$ 2,550,694	\$ 1,090,774
Stormwater Capital Projects Fund	15,792	708,414
Stormwater Development Charges Fund	866,584	813
Total	<u>3,433,070</u>	<u>1,800,001</u>
Adjustments:		
Interfund loan payment	-	(496,807)
Expenditures capitalized	-	(604,995)
Support services	-	271,380
Depreciation expense	-	1,059,445
Pension expense	-	(15,343)
Revenues and expenses	<u>\$ 3,433,070</u>	<u>\$ 2,013,681</u>
GAAP Basis:		
Operating	\$ 2,534,577	\$ 2,002,662
Nonoperating	53,709	11,019
Capital contributions - grants and fees	844,784	-
Total - page 51	<u>\$ 3,433,070</u>	<u>\$ 2,013,681</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, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 460,000	\$ 460,000	\$ 498,652	\$ 38,652
Investment revenue	-	-	12,316	12,316
Total revenues	<u>460,000</u>	<u>460,000</u>	<u>510,968</u>	<u>50,968</u>
EXPENDITURES				
Street Lighting	351,721	351,721	321,171	30,550
Contingency	<u>373,327</u>	<u>268,377</u>	-	<u>268,377</u>
Total expenditures	<u>725,048</u>	<u>620,098</u>	<u>321,171</u>	<u>298,927</u>
Excess (deficiency) of revenues over (under) expenditures	(265,048)	(160,098)	189,797	349,895
OTHER FINANCING USES				
Transfers out	<u>(490,520)</u>	<u>(595,470)</u>	<u>(81,301)</u>	<u>514,169</u>
Net change in fund balances	(755,568)	(755,568)	108,496	864,064
Fund balances--beginning	<u>825,968</u>	<u>825,968</u>	<u>1,057,587</u>	<u>231,619</u>
Fund balances--ending	<u><u>\$ 70,400</u></u>	<u><u>\$ 70,400</u></u>	<u><u>\$ 1,166,083</u></u>	<u><u>\$ 1,095,683</u></u>

CITY OF WILSONVILLE, OREGON
Street Lighting Fund
Reconciliation of Budgetary Revenues and Expenditures to GAAP
For the year ended June 30, 2017

	Revenues	Expenditures
Budgetary Basis:		
Street Lighting Fund	\$ 510,968	\$ 321,171
 Adjustments:		
Depreciation expense	-	103,000
Revenues and expenses	\$ 510,968	\$ 424,171
 GAAP Basis:		
Operating	\$ 498,652	\$ 424,171
Nonoperating	12,316	-
Total - page 51	\$ 510,968	\$ 424,171

CITY OF WILSONVILLE, OREGON
Reconciliation of Budgetary Fund Balance to
GAAP - Net Position
For the year ended June 30, 2017

	<u>Total Water</u>	<u>Total Sewer</u>	<u>Total Stormwater</u>	<u>Total Street Lighting</u>
Fund balances - budget basis:				
Operating Fund	\$ 11,231,518	\$ 12,760,247	\$ 2,131,424	\$ 1,166,083
Capital Projects Fund	43,270	15,616	1,172,462	-
Development Charges Fund	4,632,814	8,562,935	2,815,926	-
Total fund balances - budget basis	<u>15,907,602</u>	<u>21,338,798</u>	<u>6,119,812</u>	<u>1,166,083</u>
Adjustments:				
Notes receivable	1,561,983	-	-	-
Bond premium	7,827	(981,594)	-	-
Pension	(279,185)	(210,740)	(109,873)	-
Capital assets, net	48,031,931	61,958,196	23,308,739	3,698,052
Debt payable	(5,747,279)	(31,685,000)	-	-
Advances to other funds	722,147	-	-	-
Advances from other funds	-	-	(1,607,173)	-
Total GAAP Net Position - page 51	<u>\$ 60,205,026</u>	<u>\$ 50,419,660</u>	<u>\$ 27,711,505</u>	<u>\$ 4,864,135</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, 2017

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 1,258,370	\$ 1,258,370	\$ 1,258,370	\$ -
Investment revenue	5,000	5,000	11,977	6,977
Other revenues	-	-	6,436	6,436
Total revenues	<u>1,263,370</u>	<u>1,263,370</u>	<u>1,276,783</u>	<u>13,413</u>
EXPENDITURES				
Fleet	1,643,915	1,643,915	1,478,419	165,496
Contingency	1,016,987	1,016,987	-	1,016,987
Total expenditures	<u>2,660,902</u>	<u>2,660,902</u>	<u>1,478,419</u>	<u>1,182,483</u>
Excess (deficiency) of revenues over (under) expenditures	(1,397,532)	(1,397,532)	(201,636)	1,195,896
OTHER FINANCING SOURCES (USES)				
Sale of capital asset	-	-	25,628	25,628
Transfers out	(2,400)	(2,400)	(2,400)	-
Total other financing (uses)	<u>(2,400)</u>	<u>(2,400)</u>	<u>23,228</u>	<u>25,628</u>
Net change in fund balances	(1,399,932)	(1,399,932)	(178,408)	1,221,524
Fund balances--beginning	<u>1,458,032</u>	<u>1,458,032</u>	<u>1,479,301</u>	<u>21,269</u>
Fund balances--ending	<u>\$ 58,100</u>	<u>\$ 58,100</u>	1,300,893	<u>\$ 1,242,793</u>
Adjustment from budgetary basis to generally accepted accounting basis:				
Deferred pensions outflows / inflows			(340,426)	
Capital assets			875,898	
Fund balances - generally accepted accounting principles basis			<u>\$ 1,836,365</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.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	138
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.	148
Debt Capacity 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.	156
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the city's financial activities take place.	166
Operating Information 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.	170

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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Governmental Activities				
Net investment in capital assets	\$ 198,234,157	\$ 191,785,289	\$ 190,498,824	\$ 182,563,852
Restricted	34,559,642	24,178,890	18,600,322	15,999,315
Unrestricted	32,704,660	30,593,354	27,891,356	27,912,417
Total governmental activities net position	<u>\$ 265,498,459</u>	<u>\$ 246,557,533</u>	<u>\$ 236,990,502</u>	<u>\$ 226,475,584</u>
Business-type activities				
Net investment in capital assets	\$ 98,590,872	\$ 95,953,234	\$ 90,879,589	\$ 84,456,922
Restricted	17,427,504	14,116,057	11,297,463	9,135,299
Unrestricted	27,181,950	24,217,849	20,519,909	17,811,579
Total business-type activities net position	<u>\$ 143,200,326</u>	<u>\$ 134,287,140</u>	<u>\$ 122,696,961</u>	<u>\$ 111,403,800</u>
Primary government				
Net investment in capital assets	\$ 296,825,029	\$ 287,738,523	\$ 281,378,413	\$ 267,020,774
Restricted	51,987,146	38,294,947	29,897,785	25,134,614
Unrestricted	59,886,610	54,811,203	48,411,265	45,723,996
Total primary government net position	<u>\$ 408,698,785</u>	<u>\$ 380,844,673</u>	<u>\$ 359,687,463</u>	<u>\$ 337,879,384</u>

Continued on page 139.

Fiscal Year					
2013	2012	2011	2010	2009	2008
\$ 172,030,623	\$ 155,303,313	\$ 150,438,791	\$ 148,408,001	\$ 145,226,430	\$ 142,514,681
16,256,180	19,949,141	19,192,234	21,247,738	20,870,117	22,132,604
26,960,064	25,930,589	24,134,580	20,569,991	20,101,537	18,908,042
<u>\$ 215,246,867</u>	<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>
\$ 72,601,965	\$ 69,393,857	\$ 69,381,064	\$ 65,194,932	\$ 68,333,124	\$ 65,371,937
11,686,021	7,273,385	8,255,338	9,160,631	8,534,673	9,177,950
18,660,595	15,624,285	12,461,233	12,704,478	9,904,816	10,920,689
<u>\$ 102,948,581</u>	<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>
\$ 244,632,588	\$ 224,697,170	\$ 219,819,855	\$ 213,602,933	\$ 213,559,554	\$ 207,886,618
27,942,201	27,222,526	27,447,572	30,408,369	29,404,790	31,310,554
45,620,659	41,554,874	36,595,813	33,274,469	30,006,353	29,828,731
<u>\$ 318,195,448</u>	<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>

CITY OF WILSONVILLE, OREGON

Changes in Net Position

Last Ten Fiscal Years

	Fiscal Year			
	2017	2016	2015	2014
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 907,951	\$ 860,828	\$ 781,845	\$ 797,639
Public safety	315,465	264,370	325,135	325,251
Transportation	322,769	206,506	605,178	275,561
Public works	883,416	703,448	685,471	714,558
Culture and recreations	307,572	316,880	223,759	190,180
Community development	3,225,297	3,444,984	3,149,667	3,057,239
Operating grants and contributions	3,008,721	3,069,041	2,724,209	2,647,055
Capital grants and contributions	15,804,150	12,794,101	10,294,361	15,488,068
Total governmental activities program revenues	<u>24,775,341</u>	<u>21,660,158</u>	<u>18,789,625</u>	<u>23,495,551</u>
Business-type activities:				
Charges for services:				
Water	8,288,220	8,380,163	7,743,119	6,784,658
Sewer	8,113,623	7,846,877	7,752,314	7,198,881
Stormwater	2,534,577	2,186,329	1,557,938	1,392,150
Streetlights	498,652	476,299	447,388	421,986
Operating grants and contributions	-	-	31,203	4,721
Capital grants and contributions	6,214,042	8,803,299	9,361,910	8,321,936
Total business-type activities program revenues	<u>25,649,114</u>	<u>27,692,967</u>	<u>26,893,872</u>	<u>24,124,332</u>
Total primary government program revenues	<u>\$ 50,424,455</u>	<u>\$ 49,353,125</u>	<u>\$ 45,683,497</u>	<u>\$ 47,619,883</u>
Expenses				
Governmental activities:				
General government	\$ 3,994,533	\$ 4,643,949	\$ 2,092,293	\$ 2,783,098
Public safety	4,349,339	4,124,760	3,766,895	3,931,951
Transportation	5,556,409	6,377,195	4,579,693	4,973,506
Public works	8,791,797	9,607,460	7,796,401	10,160,489
Culture and recreation	4,830,866	5,454,466	3,697,116	3,819,439
Community development	5,146,814	6,219,709	4,066,015	4,748,107
Interest on long-term debt	1,347,667	1,439,098	1,363,650	1,635,091
Total governmental activities expenses	<u>34,017,425</u>	<u>37,866,637</u>	<u>27,362,063</u>	<u>32,051,681</u>
Business-type activities:				
Water	6,608,032	6,814,839	6,468,041	9,219,979
Sewer	6,870,481	6,952,213	6,924,783	5,424,747
Stormwater	2,013,681	2,286,788	1,928,310	2,850,421
Streetlights	424,171	381,140	388,565	341,942
Total business-type activities	<u>15,916,365</u>	<u>16,434,980</u>	<u>15,709,699</u>	<u>17,837,089</u>
Total primary government expenses	<u>\$ 49,933,790</u>	<u>\$ 54,301,617</u>	<u>\$ 43,071,762</u>	<u>\$ 49,888,770</u>

Continued on page 141.

Fiscal Year						
2013	2012	2011	2010	2009	2008	
\$ 653,034	\$ 611,014	\$ 587,408	\$ 550,187	\$ 680,409	\$ 680,409	
427,345	480,649	533,887	365,082	356,710	356,710	
330,707	313,431	364,041	1,394,463	1,388,163	1,388,163	
644,332	670,839	646,979	624,647	633,589	633,589	
219,645	184,036	162,036	152,498	160,454	160,454	
2,594,270	2,663,637	2,328,205	1,359,674	1,794,304	1,794,304	
4,498,701	2,525,535	2,486,094	2,064,880	2,232,036	2,232,036	
14,372,709	6,816,917	4,718,798	4,644,661	1,708,482	1,708,482	
<u>23,740,743</u>	<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>	
6,830,022	5,564,931	5,056,627	4,969,233	5,393,190	5,393,190	
6,224,907	5,559,439	5,110,099	4,547,155	4,208,502	4,208,502	
1,164,818	972,101	953,103	937,249	924,072	924,072	
388,128	381,615	374,855	375,483	380,989	380,989	
4,474	3,948	-	30,634	-	-	
8,803,248	4,843,011	3,384,992	1,976,536	2,061,757	2,061,757	
<u>23,415,597</u>	<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>\$ 47,156,340</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>	
\$ 2,728,128	\$ 2,715,431	\$ 3,857,483	\$ 2,303,475	\$ 2,648,401	\$ 2,648,401	
3,836,302	3,767,419	3,758,486	3,536,948	3,211,057	3,211,057	
5,008,045	4,665,878	4,421,328	5,228,701	5,011,679	5,011,679	
8,632,592	7,890,575	7,973,978	8,166,407	7,586,798	7,586,798	
3,684,702	2,324,820	2,210,216	2,474,430	1,967,497	1,967,497	
4,771,245	3,615,081	3,814,630	3,483,069	3,813,327	3,813,327	
1,657,706	1,585,132	1,532,853	1,399,271	1,129,551	1,129,551	
<u>30,318,720</u>	<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>	
6,022,898	6,492,487	5,929,144	5,470,193	5,813,041	5,813,041	
5,069,866	6,759,615	3,991,549	3,990,851	3,852,727	3,852,727	
1,742,041	1,820,865	1,772,143	3,038,784	2,201,863	2,201,863	
337,426	329,931	333,589	328,009	311,587	311,587	
<u>13,172,231</u>	<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>\$ 43,490,951</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>	

Continued on pages 142 and 143.

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

	Fiscal Year			
	2017	2016	2015	2014
Net (Expense)/Revenue				
Governmental activities	\$ (9,242,084)	\$ (9,242,084)	\$ (16,206,479)	\$ (8,572,438)
Business-type activities	9,732,749	9,733,576	11,257,987	11,184,173
Total primary government net expenses	<u>\$ 490,665</u>	<u>\$ 491,492</u>	<u>\$ (4,948,492)</u>	<u>\$ 2,611,735</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes, levied for general purposes	\$ 6,545,482	\$ 6,235,290	\$ 5,819,519	\$ 5,427,603
Property taxes, levied for debt service	9,790,844	9,259,675	8,903,324	7,903,772
Franchise, transit and hotel taxes	9,357,994	8,269,638	7,918,080	7,517,049
Interest and investment earnings	651,078	444,296	269,137	292,755
Other revenues	591,159	647,292	970,257	522,988
Transfers	1,246,453	80,062	(243,120)	(1,879,320)
Gain (loss) on disposition of capital assets		837,257	-	-
Total governmental activities	<u>28,183,010</u>	<u>25,773,510</u>	<u>23,637,197</u>	<u>19,784,847</u>
Business-type activities:				
Investment revenue	337,245	291,896	103,623	173,556
Other revenues	89,645	120,358	91,255	115,100
Transfers	(1,246,453)	(80,062)	243,120	1,879,320
Gain (loss) on disposition of capital assets	-	-	-	-
Total business-type activities	<u>(819,563)</u>	<u>332,192</u>	<u>437,998</u>	<u>2,167,976</u>
Total primary government	<u>\$ 27,363,447</u>	<u>\$ 26,105,702</u>	<u>\$ 24,075,195</u>	<u>\$ 21,952,823</u>
Change in Net Position				
Governmental activities	\$ 18,940,926	\$ 16,531,426	\$ 7,430,718	\$ 11,212,409
Business-type activities	8,913,186	10,065,768	11,695,985	13,352,149
Total primary government	<u>\$ 27,854,112</u>	<u>\$ 26,597,194</u>	<u>\$ 19,126,703</u>	<u>\$ 24,564,558</u>

Continued on page 143.

Fiscal Year					
2013	2012	2011	2010	2009	2008
\$ (8,556,130)	\$ (6,577,977)	\$ (12,298,278)	\$ (15,436,209)	\$ (16,414,163)	\$ 6,906,386
6,287,243	10,243,366	1,922,147	8,453	789,292	6,227,576
<u>\$ (2,268,887)</u>	<u>\$ 3,665,389</u>	<u>\$ (10,376,131)</u>	<u>\$ (15,427,756)</u>	<u>\$ (15,624,871)</u>	<u>\$ 13,133,962</u>
\$ 5,149,667	\$ 5,127,828	\$ 4,972,375	\$ 4,843,914	\$ 4,650,115	\$ 4,507,213
7,533,683	6,779,063	6,599,440	7,053,024	6,947,574	6,066,111
7,153,920	6,906,126	6,679,236	6,681,467	6,120,632	5,250,229
278,195	387,203	382,004	563,385	1,170,778	1,936,619
689,869	478,413	616,198	386,794	368,873	313,359
(163,533)	22,440	22,440	22,000	22,000	22,400
-	14,643	9,708	(86,729)	(223,052)	1,010,243
<u>20,641,801</u>	<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>
204,594	267,623	169,176	235,283	493,062	982,010
45,561	26,562	37,607	65,692	41,683	480,214
163,533	(22,440)	(22,440)	(22,000)	(22,000)	(22,400)
-	-	-	-	-	39,871
<u>413,688</u>	<u>271,745</u>	<u>184,343</u>	<u>278,975</u>	<u>512,745</u>	<u>1,479,695</u>
<u>\$ 21,055,489</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>
\$ 12,085,671	\$ 13,137,739	\$ 6,983,123	\$ 4,027,646	\$ 2,642,757	\$ 26,012,560
6,700,931	10,515,111	2,106,490	287,428	1,302,037	7,707,271
<u>\$ 18,786,602</u>	<u>\$ 23,652,850</u>	<u>\$ 9,089,613</u>	<u>\$ 4,315,074</u>	<u>\$ 3,944,794</u>	<u>\$ 33,719,831</u>

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

	<u>2017</u>	<u>2016</u>	<u>Fiscal Year 2015</u>	<u>2014</u>	<u>2013</u>
General Fund					
Unreserved	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable	208,756	568,959	90,266	262,760	179,474
Restricted	176,671	182,000	180,464	120,886	255,602
Committed	2,371,400	2,206,000	4,119,000	4,034,000	3,000,000
Assigned	6,940,362	6,557,262	8,304,112	6,098,472	6,103,072
Unassigned	7,556,831	6,782,665	2,587,696	4,406,127	5,253,764
Total general fund	<u>17,254,020</u>	<u>16,296,886</u>	<u>15,281,538</u>	<u>14,922,245</u>	<u>14,791,912</u>
All Other Governmental Funds					
Reserved	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Permanent fund	-	-	-	-	-
Nonspendable	4,522	660	20,709	18,255	655
Restricted	34,559,642	24,178,890	18,125,118	18,017,255	17,856,439
Committed	2,034,500	1,924,000	1,304,000	1,899,000	815,000
Assigned	22,236,762	21,993,167	13,424,953	12,335,197	11,510,687
Unassigned	-	-	(68,904)	-	(250,764)
Total all other governmental funds	<u>58,835,426</u>	<u>48,096,717</u>	<u>32,805,876</u>	<u>32,269,707</u>	<u>29,932,017</u>
Total governmental funds	<u>\$ 76,089,446</u>	<u>\$ 64,393,603</u>	<u>\$ 48,087,414</u>	<u>\$ 47,191,952</u>	<u>\$ 44,723,929</u>

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

Continued on page 145.

	2012	2011	Fiscal Year 2010	2009	2008
\$	-	-	\$ 12,948,430	\$ 12,004,578	\$ 10,095,293
	154,591	278,160	-	-	-
	220,623	198,176	-	-	-
	660,000	630,000	-	-	-
	7,729,767	7,449,762	-	-	-
	5,240,118	4,938,489	-	-	-
	<u>14,005,099</u>	<u>13,494,587</u>	<u>12,948,430</u>	<u>12,004,578</u>	<u>10,095,293</u>
	-	-	-	25,841	30,145
	-	-	8,175,337	8,197,863	8,905,249
	-	-	12,460,845	15,493,538	17,282,245
	-	-	8,421,698	5,368,409	4,842,189
	-	-	-	12,115	11,874
	31,330	60	-	-	-
	20,970,793	20,003,844	-	-	-
	430,000	450,000	-	-	-
	13,245,593	14,690,925	-	-	-
	(902,056)	(926,791)	-	-	-
	<u>33,775,660</u>	<u>34,218,038</u>	<u>29,057,880</u>	<u>29,097,766</u>	<u>31,071,702</u>
\$	<u><u>47,780,759</u></u>	<u><u>47,712,625</u></u>	<u><u>\$ 42,006,310</u></u>	<u><u>\$ 41,102,344</u></u>	<u><u>\$ 41,166,995</u></u>

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

	<u>2017</u>	<u>2016</u>	<u>Fiscal Year 2015</u>	<u>2014</u>	<u>2013</u>
Revenues					
Taxes	\$ 25,653,427	\$ 23,693,885	\$ 22,602,987	\$ 20,822,581	\$ 19,821,949
Intergovernmental	5,536,923	4,465,312	5,079,524	4,040,465	7,912,876
Licenses and permits	2,588,458	2,968,225	2,611,263	2,590,587	2,095,744
Charges for services	2,553,068	2,196,831	2,253,473	2,387,261	1,967,389
System development fees	5,604,943	4,383,098	3,509,264	2,937,790	2,856,439
Fines and forfeitures	237,009	187,448	244,535	247,534	351,077
Special assessments	-	-	-	-	-
Investment revenue	639,103	433,401	261,716	287,606	271,444
Developer Reimbursement	-	-	-	-	-
Other revenues	332,185	400,764	763,420	1,294,611	743,195
Total Revenues	<u>43,145,116</u>	<u>38,728,964</u>	<u>37,326,182</u>	<u>34,608,435</u>	<u>36,020,113</u>
Expenditures					
Current operating					
General government	3,512,075	3,560,827	3,298,854	3,193,887	3,119,706
Public safety	4,327,101	4,064,863	3,800,732	3,932,008	3,830,566
Transportation*	4,577,860	4,696,751	4,583,528	4,420,600	4,305,685
Public works*	1,624,270	1,555,703	1,694,904	1,571,556	1,543,999
Culture and recreation	4,048,067	3,901,408	3,652,486	3,328,472	3,194,630
Community development	5,002,126	5,108,684	5,023,609	4,574,487	4,929,877
Debt service					
Principal	2,098,994	2,387,532	3,015,000	8,537,000	16,173,000
Interest	1,359,752	1,438,344	1,445,624	1,614,615	1,637,230
Capital outlay	6,214,049	5,780,331	10,398,686	5,818,786	13,441,567
Total expenditures	<u>32,764,294</u>	<u>32,494,443</u>	<u>36,913,423</u>	<u>36,991,411</u>	<u>52,176,260</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,380,822</u>	<u>6,234,521</u>	<u>412,759</u>	<u>(2,382,976)</u>	<u>(16,156,147)</u>
Other financing sources (uses)					
Sale of capital assets	-	4,941,165	7,430	24,646	5,004
Issuance of debt	-	5,000,000	-	4,500,000	12,500,000
Proceeds of interfund loan	-	-	-	4,500,000	-
Payment of interfund loan	-	-	-	(4,500,000)	-
Transfers in	5,645,468	5,585,275	10,669,422	3,991,874	6,840,052
Transfers out	(4,330,447)	(5,454,772)	(10,194,149)	(3,665,521)	(6,245,739)
Refinanced Debt	-	-	-	-	-
Total other financing sources (uses)	<u>1,315,021</u>	<u>10,071,668</u>	<u>482,703</u>	<u>4,850,999</u>	<u>13,099,317</u>
Net change in fund balance	<u>\$ 11,695,843</u>	<u>\$ 16,306,189</u>	<u>\$ 895,462</u>	<u>\$ 2,468,023</u>	<u>\$ (3,056,830)</u>
Debt service as a percentage					
of noncapital expenditures	12.45%	16.33%	18.37%	34.86%	39.30%

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

Continued on page 147.

	Fiscal Year				
	2012	2011	2010	2009	2008
\$	18,687,975	\$ 18,301,829	\$ 18,563,276	\$ 17,537,478	\$ 15,705,805
	4,572,155	3,442,467	3,667,223	2,862,897	3,839,498
	1,754,771	1,698,896	741,206	817,600	1,552,387
	2,159,615	2,029,357	3,137,518	3,628,028	3,335,662
	2,034,016	2,472,380	2,558,287	1,060,695	1,657,905
	404,950	460,326	293,007	287,000	330,149
	-	-	-	-	207,017
	361,238	360,167	563,524	1,170,779	1,936,617
	981,390	1,053,423	-	-	-
	321,441	482,929	1,132,553	381,987	259,347
	<u>31,277,551</u>	<u>30,301,774</u>	<u>30,656,594</u>	<u>27,746,464</u>	<u>28,824,387</u>
	2,978,116	2,889,297	2,702,120	2,736,250	2,460,157
	3,759,006	3,752,705	3,564,996	3,209,673	2,997,046
	4,163,757	4,101,501	4,760,206	4,531,414	3,468,681
	2,317,533	2,230,352	2,195,740	1,990,580	2,078,855
	2,311,199	2,180,547	2,053,931	1,748,050	1,488,135
	3,772,696	3,867,838	3,529,006	3,762,140	4,076,353
	11,241,000	23,051,000	2,702,000	5,215,176	6,610,552
	1,645,515	1,500,455	1,349,746	1,120,132	1,720,249
	<u>8,790,979</u>	<u>9,539,960</u>	<u>7,876,482</u>	<u>8,019,700</u>	<u>17,857,695</u>
	<u>40,979,801</u>	<u>53,113,655</u>	<u>30,734,227</u>	<u>32,333,115</u>	<u>42,757,723</u>
	<u>(9,702,250)</u>	<u>(22,811,881)</u>	<u>(77,633)</u>	<u>(4,586,651)</u>	<u>(13,933,336)</u>
	479,770	-	959,599	-	1,507,779
	8,000,000	31,500,000	-	31,000,000	8,200,000
	-	-	-	-	4,200,000
	-	-	-	-	(4,200,000)
	5,997,837	3,622,326	4,460,740	5,104,170	5,311,338
	(4,707,223)	(3,597,846)	(4,438,740)	(5,082,170)	(5,288,938)
	-	-	-	(26,500,000)	-
	<u>9,770,384</u>	<u>31,524,480</u>	<u>981,599</u>	<u>4,522,000</u>	<u>9,730,179</u>
\$	<u>68,134</u>	<u>\$ 8,712,599</u>	<u>\$ 903,966</u>	<u>\$ (64,651)</u>	<u>\$ (4,203,157)</u>
	37.17%	52.88%	28.13%	40.66%	33.64%

CITY OF WILSONVILLE, OREGON

Program Revenues by Function

Last Ten Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>Fiscal Year 2015</u>	<u>2014</u>	<u>2013</u>
Program Revenues					
Governmental activities:					
General government	\$ 1,000,986	\$ 860,828	\$ 791,935	\$ 822,639	\$ 653,034
Public safety	315,465	264,370	325,135	325,251	451,065
Transportation*	1,311,216	1,124,864	2,234,120	1,317,171	3,305,284
Public works*	14,738,840	12,616,868	9,355,847	15,614,308	14,582,252
Culture and recreation	4,183,537	3,348,244	2,931,921	2,358,943	2,154,838
Community development	3,225,297	3,444,984	3,150,667	3,057,239	2,594,270
Subtotal governmental activities	<u>24,775,341</u>	<u>21,660,158</u>	<u>18,789,625</u>	<u>23,495,551</u>	<u>23,740,743</u>
Business-type activities:					
Water	10,874,464	11,502,425	11,464,685	8,932,423	11,567,221
Sewer	10,038,798	10,498,307	10,694,262	11,554,572	8,194,564
Stormwater	3,873,007	4,496,671	3,791,354	2,978,437	3,052,480
Streetlights	862,845	1,195,564	943,571	658,900	601,332
Subtotal business-type activities	<u>25,649,114</u>	<u>27,692,967</u>	<u>26,893,872</u>	<u>24,124,332</u>	<u>23,415,597</u>
Total primary government	<u>\$ 50,424,455</u>	<u>\$ 49,353,125</u>	<u>\$ 45,683,497</u>	<u>\$ 47,619,883</u>	<u>\$ 47,156,340</u>

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

Continued on page 149.

	Fiscal Year				
<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	
\$ 611,014	\$ 587,408	\$ 632,343	\$ 695,136	\$ 635,487	
576,200	633,017	462,852	457,135	507,524	
1,062,785	963,213	2,159,116	2,435,814	1,579,076	
7,316,025	5,870,786	5,218,171	2,674,287	25,399,653	
2,036,397	1,444,819	1,323,936	897,471	997,114	
2,663,637	2,328,205	1,359,674	1,794,304	2,584,583	
<u>14,266,058</u>	<u>11,827,448</u>	<u>11,156,092</u>	<u>8,954,147</u>	<u>31,703,437</u>	
7,751,248	6,656,443	5,504,540	6,444,390	7,315,083	
7,094,096	6,559,246	4,973,346	4,705,275	5,965,237	
1,987,464	1,263,932	1,982,921	1,354,206	3,494,106	
492,237	400,055	375,483	464,639	648,580	
<u>17,325,045</u>	<u>14,879,676</u>	<u>12,836,290</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>\$ 49,126,443</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
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
16-17	16,295,433	476,687	5,552,582	3,328,725	25,653,427	186,811	2,401,647	2,588,458

Source: City Financial Database

CITY OF WILSONVILLE, OREGON

Assessed Value of Property

Last Ten Fiscal Years

Fiscal Year	Real Property	Manufactured Structures	Personal Property	Public Utility	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Real Market Value (RMV)	Assesed value as a percentage of RMV
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%
16-17	3,135,553,612	1,653,415	199,338,607	66,466,388	3,403,012,022	5.3121	4,392,659,037	77.5%

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 ¹

Fiscal Year	Basic Rate	Exempt Bond Rate	Urban Renewal Agency	Total Direct Rate
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
16-17	1.9717	-	3.3404	5.3121
without urban renewal restatement of rates	16-17	2.5206	-	2.5206

Overlapping Rates ¹

Fiscal Year	Clackamas County	Clackamas County Urban Renewal Agency	Tualatin Valley Fire and Rescue	School Districts	Clackamas County Community College	Clackamas ESD	Other ²	Total Direct and Overlapping
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
16-17	2.4546	0.0092	1.7657	7.7558	0.5714	0.2817	0.4569	18.6074

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

¹ 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

² 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

		2016-17		
Taxpayer	Type of Business	Assessed Taxes	Assessed Value	Percent of City AV*
Mentor Graphics Corporation	CAD software systems	\$ 1,432,199	\$ 78,002,631	2.3%
Argyle Capital LLC	Commercial Property	923,373	52,608,050	1.5%
Truamerica Multifamily LLC	Commercial Property	861,241	47,578,331	1.4%
Jackson Square Properties LLC	Commercial Property	839,847	45,135,125	1.3%
LIPT Ash Meadows Lane LLC	Apartments	827,222	44,456,631	1.3%
Coca-Cola Bottling Company	Bottling & Distribution Center	825,466	45,925,888	1.3%
Parkway Woods Business Park LLC	Commercial Property	783,864	43,594,719	1.3%
Fred Meyer Stores Inc.	Grocery retail	589,843	31,822,679	0.9%
Sysco/Continental Food Service	Warehouse & Distribution Center	567,455	31,746,904	0.9%
Indcor Properties	Commercial Property	541,183	30,097,289	0.9%
		\$ 8,191,693	\$ 450,968,247	13.3%

		2007-08		
Taxpayer	Type of Business	Assessed Taxes	Assessed Value	Percent of City AV**
Xerox Corporation	Color Printers	\$ 1,393,164	\$ 80,680,238	3.7%
Mentor Graphics Corporation	CAD Software Systems	877,565	48,824,089	2.2%
Argyle Capital LLC	Shopping Center	724,754	40,433,390	1.8%
BIT Holdings	Hollywood Entertainment Properties	611,999	33,556,323	1.5%
Goodman Financial Services Inc.	Apartment Rental Properties	570,420	31,720,945	1.4%
Villebois LLC	Property development	469,603	29,015,025	1.3%
CH Realty III/ Portland Industrial	Commerical Property	450,308	24,855,906	1.1%
Flir Systems Inc	Thermal imaging & infrared cameras	416,932	23,164,743	1.1%
Senior Partners Portfolio LLC	Commerical Property	405,073	25,735,774	1.2%
SPM-Wilsonville LLC	Town Center Shopping Center	400,783	21,971,316	1.0%
		\$ 6,320,601	\$ 359,957,749	16.3%

*Total City assessed valuation base for 2016-17 was \$ 3,403,002,022

**Total City assessed valuation base for 2007-08 was \$2,195,847,082

Sources: Clackamas and Washington Counties Assessor's Offices

CITY OF WILSONVILLE, OREGON

Property Tax Levies and Collections

Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Collected within the Fiscal Year of the Levy		Collected in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%	314,620	11,792,043	96.61%
12-13	13,388,794	12,341,681	92.18%	300,215	12,641,896	94.42%
13-14	13,665,828	12,956,170	94.81%	237,847	13,194,017	96.55%
14-15	15,144,759	14,347,394	94.74%	202,997	14,550,391	96.08%
15-16	15,931,672	15,120,068	94.91%	151,143	15,271,211	95.85%
16-17	16,815,942	16,233,453	96.54%	-	16,233,453	96.54%

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

Governmental Activities				
Fiscal Year	General Obligation Bonds	Special Assessment Bonds and Notes Payable	Urban Renewal Revenue Bonds and Notes Payable	Certificates of Participation
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	-
16-17	-	-	33,093,473	-

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

Water Revenue Bonds	Sewer FF&C Bonds	Water FF&C Bonds	Total Primary Government	Percentage of Personal Income*	Per Capita*
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
3,080,000	31,685,000	2,840,000	70,698,473	N/A	3,091

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

Fiscal Year	Population¹	*Assessed Value²	Gross Bonded Debt	Less Debt Service Money Available³	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
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%	-
16-17	23,740	3,403,012,022	-	-	-	0.00%	-

* Includes Urban Renewal Increment

¹ From table *Demographic Statistics*

² From table *Assessed Value of Property*

³ 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

Fiscal Year	Principal	Interest ¹	Total Debt Service	Total General Governmental Expenditures ²	Ratio of Debt Service to Governmental Expenditures
07-08	250,000	120,110	370,110	30,734,227	1.20%
08-09	260,000	110,110	370,110	53,113,655	0.70%
09-10	270,000	99,450	369,450	40,979,801	0.90%
10-11	280,000	87,975	367,975	52,176,260	0.71%
11-12	295,000	75,935	370,935	36,991,411	1.00%
12-13	310,000	62,660	372,660	36,913,423	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
16-17	-	-	-	N/A	N/A

¹ Excludes bond issuance and other costs

² 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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total real market value	\$ 4,392,659,037	\$ 3,886,914,557	\$ 2,972,397,516	\$ 2,757,989,248	\$ 2,632,847,863
Legal Debt Margin:					
Debt limitation:					
3 percent of total real market value	\$ 131,779,771	\$ 116,607,437	\$ 89,171,925	\$ 82,739,677	\$ 78,985,436
Debt applicable to limitation:					
General obligation bonded debt	-	-	355,000	695,000	1,015,000
Less: Amount available for repayment of general obligation bonds	-	-	(105,969)	(66,599)	(99,149)
Total debt applicable to limitation	-	-	249,031	628,401	915,851
Legal Debt Margin	\$ 131,779,771	\$ 116,607,437	\$ 88,922,894	\$ 82,111,276	\$ 78,069,585
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.28%	0.76%	1.16%

Continued on page 161.

Fiscal Year				
<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
<u>\$ 2,917,733,750</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>\$ 87,532,013</u>	<u>\$ 93,624,938</u>	<u>\$ 106,740,628</u>	<u>\$ 112,229,883</u>	<u>\$ 102,788,953</u>
1,015,000	1,620,000	1,900,000	2,170,000	2,430,000
<u>(99,149)</u>	<u>(152,857)</u>	<u>(171,832)</u>	<u>(181,690)</u>	<u>(198,772)</u>
<u>915,851</u>	<u>1,467,143</u>	<u>1,728,168</u>	<u>1,988,310</u>	<u>2,231,228</u>
<u>\$ 86,616,162</u>	<u>\$ 92,157,795</u>	<u>\$ 105,012,460</u>	<u>\$ 110,241,573</u>	<u>\$ 100,557,725</u>
1.05%	1.57%	1.62%	1.77%	2.17%

CITY OF WILSONVILLE, OREGON
Computation of Direct and Overlapping Debt
Governmental Activities
June 30, 2017

Jurisdiction	Debt Outstanding	Percentage Applicable to Government¹	Amount Applicable to Government
Direct:			
City of Wilsonville	\$ 33,093,473	100.00%	\$ 33,093,473
Overlapping:			
Clackamas County	156,730,136	6.10%	9,568,218
Clackamas County ESD	22,820,637	6.67%	1,523,141
Clackamas County School District No. 3J	229,668,066	35.41%	81,322,476
Clackamas County School District No. 86	60,820,573	13.53%	8,229,449
Clackamas County Community College	128,273,913	8.33%	10,690,348
Metro	202,735,000	1.63%	3,313,501
Northwest Regional ESD	4,465,137	0.25%	11,324
Port of Portland	62,108,214	1.51%	936,157
Portland Community College	389,260,000	0.20%	782,023
Washington County	258,870,277	0.50%	1,300,305
Tualatin Valley Fire & Rescue	48,820,000	5.84%	2,851,137
Washington County School District No. 88J	220,719,911	6.27%	13,842,229
Total Overlapping	<u>1,785,291,864</u>		<u>134,370,308</u>
Total Debt	<u>\$ 1,818,385,337</u>		<u>\$ 167,463,781</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.

¹The 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 ¹	Operating Expenses ²	Net Revenue Available for Debt Service	Debt Service Requirements ³			Coverage
				Principal	Interest	Total	
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
16-17	9,833,432	4,532,219	5,301,213	1,725,000	1,210,900	2,935,900	1.81

¹ Total revenues includes interest and applicable system development charges

² Total operating expenses exclusive of depreciation and amortization

³ 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

1.10 Coverage Requirement

Fiscal Year	Gross Revenues¹	Operating Expenses²	Net Revenues	Debt Service⁵	Coverage Test
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
16-17	8,458,119	3,952,350	4,505,769	1,840,374	2.45

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

² Operating expenses include costs of operating and maintaining the water system.

It excludes depreciation, capital expenditures, debt service payments, and franchise fees.

³ System Development Charges are amounts used for debt and funding rate stabilization account.

⁴ Debt service reported on a cash basis.

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

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Senior Lien Covenant				Junior Lien Covenant	
1.25 Coverage Requirement					
System	Rate	Net			
Development	Stabilization	Revenues	Coverage	Debt	Combined
Charges ³	Account	w/ SDC &	Test	Service ⁴	Coverage
(SDCs)	Transfer (to) from	Stabilization			(1.25 test) ⁵
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	
350,000	-	4,855,769	2.64	1,827,023	

CITY OF WILSONVILLE, OREGON

Demographic Statistics

Last Ten Fiscal Years

Fiscal Year	Population¹	Personal Income²	*Per Capita Personal Income³	Median Household Income⁴	Median Age⁴	School Enrollment⁵	*Unemployment Rate⁶
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%
16-17	23,740	N/A	N/A	N/A	N/A	9,679	3.90%

Sources:

¹ Center for Population Research and Census, PSU; www.pdx.edu/prc/annualorpopulation.html

² Estimation; Calculated, Population multiplied by Per Capita Personal Income.

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

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

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

⁶ 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, 2017

Customer	Account Type	Percentage of Total Consumption
Oregon Department of Corrections	Public	4.83
Bridge Creek Apartments	Multi-Family	2.19
Canyon Creek Aparments	Multi-Family	2.16
Boulder Creek Apartments	Multi-Family	2.06
Parkway Woods Business Park	Multi-Family	1.89
Fujimi Corporation	Commercial	1.64
Berkshire Court Apartments	Multi-Family	1.50
Wilsonville Summit Apts	Multi-Family	1.37
Hathaway Court Apartments	Multi-Family	1.27
Terene at the Grove	Multi-Family	1.24
Coca Cola Bottling	Commercial	1.17
Village at Main Street	Multi-Family	1.17
Wilsonville Holiday Inn	Commercial	1.10
KWDS	Multi-Family	1.09
Autumn Park Apartments	Multi-Family	1.04

Source: City Utility Database

CITY OF WILSONVILLE, OREGON

Principal Employers

Current year and eight years ago

		2016-17	
Employer	Type of Business	Number of Employees	Percentage of total City employment*
Mentor Graphics Corporation	CAD software systems	986	5.7%
Stream International Inc.	Customer and technical support	798	4.6%
Xerox Corporation	Copiers and printers	687	4.0%
Sysco Portland Inc.	Warehouse & distribution center	545	3.1%
Rockwell Collins	Aerospace technology	475	2.7%
Coca Cola Bottling Company	Beverage distribution	366	2.1%
Precision Interconnect	Medical & Technical Equipment	359	2.1%
Costco	Wholesale retail	292	1.7%
Southern Wine & Spirits	Beverage distribution	283	1.6%
Fred-Meyer	Grocer	261	1.5%
		5,052	29.1%

		2008-09	
Employer	Type of Business	Number of Employees	Percentage of total City employment**
Xerox Corporation	Color Printers	1,563	10.3%
Mentor Graphics Corporation	CAD software systems	1,110	7.3%
Precision Interconnect	Electronic machinery	654	4.3%
Sysco Portland Inc.	Warehouse & distribution center	582	3.8%
Hollywood Entertainment Corp.	Video rental distribution center	356	2.3%
Flir Systems Inc.	Thermal imaging/infrared equipment	352	2.3%
Fry's Electronics	Retail	309	2.0%
InFocus Corporation	Data/Video Projectors	309	2.0%
Rite Aid Distribution Center	Retail & distribution center	275	1.8%
Orepac Building Products	Forest products	198	1.3%
		5,708	37.7%

* Total city employment for 2016-17 was 17,387

**Total city employment for 2008-09 was 14,612

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									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Government										
Administration	5.00	5.00	5.00	4.50	4.50	6.00	6.00	5.00	5.00	5.00
Finance	9.31	9.20	9.40	8.90	9.15	8.90	8.90	8.85	8.80	8.75
Information Systems ⁶	5.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Geographic Information Systems	0.00	1.50	1.50	1.50	1.50	1.50	1.50	1.00	1.00	1.00
Legal	3.70	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Human Resources/Risk Management	3.35	3.35	2.85	2.85	2.85	2.85	2.85	2.82	2.82	2.90
	26.86	25.05	24.75	23.75	24.00	25.25	25.25	23.67	23.62	23.65
Community Development										
Administration ³	3.50	4.50	4.50	4.50	5.50	6.50	6.00	8.40	8.40	7.75
Engineering	9.50	9.50	9.00	9.00	9.00	10.00	10.00	11.00	11.00	11.00
Building Inspections	5.60	5.60	5.60	5.60	5.10	5.10	5.10	6.35	6.35	6.35
Planning	7.60	7.60	7.60	8.00	8.00	7.00	7.50	8.50	8.50	8.50
Stormwater/Natural Resources ³	3.00	3.00	2.00	2.00	3.00	3.00	3.00	1.00	1.00	0.00
	29.20	30.20	28.70	29.10	30.60	31.60	31.60	35.25	35.25	33.60
Public Works										
Administration	3.50	3.50	3.50	3.50	4.50	5.50	5.50	5.00	5.00	5.00
Buildings Maintenance ²	5.75	5.75	5.50	5.50	4.25	4.25	4.25	3.25	4.75	4.50
Parks Maintenance ²	0.00	0.00	0.00	0.00	7.25	7.00	7.00	7.00	6.00	5.50
Roads	4.05	4.05	4.05	4.05	3.75	3.75	3.75	3.75	3.25	2.75
Water Distribution and Sales	5.67	5.38	4.88	4.88	5.33	4.58	4.58	4.33	4.33	4.00
Stormwater Maintenance	2.69	1.94	1.94	1.84	1.84	1.84	1.84	1.84	1.84	2.25
Wastewater Collection ⁴	2.63	2.13	2.13	2.13	1.83	8.16	8.16	8.16	7.83	7.50
Industrial Pretreatment	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	25.29	23.75	23.00	22.90	29.75	36.08	36.08	34.33	34.00	32.50
Transportation										
SMART Transit	37.50	37.00	36.07	35.74	36.44	36.19	35.69	35.29	34.29	28.77
Fleet	6.60	6.60	6.60	6.50	6.50	7.00	7.00	7.00	7.00	5.50
	44.10	43.60	42.67	42.24	42.94	43.19	42.69	42.29	41.29	34.27
Parks & Recreation										
General Services ⁵	9.20	4.10	4.05	4.05	8.10	8.00	8.00	7.70	7.97	7.97
Senior Programs ⁵	0.00	4.10	4.05	4.05	0.00	0.00	0.00	0.00	0.00	0.00
Parks Maintenance ²	8.25	8.25	8.25	8.25	0.00	0.00	0.00	0.00	0.00	0.00
	17.45	16.45	16.35	16.35	8.10	8.00	8.00	7.70	7.97	7.97
Library										
	16.46	16.46	16.46	16.46	16.46	16.26	16.26	16.26	12.12	12.12
	16.46	16.46	16.46	16.46	16.46	16.26	16.26	16.26	12.12	12.12
Public Safety										
Municipal Court	1.65	1.70	1.50	2.00	2.00	2.00	2.00	2.00	2.00	1.95
	1.65	1.70	1.50	2.00	2.00	2.00	2.00	2.00	2.00	1.95
Total Full-time equivalents	161.01	157.21	153.43	152.80	153.85	146.12	145.62	145.24	144.13	133.94

² 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

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

⁴ Wastewater Treatment (now contracted) is removed from Wastewater Collection effective FY 2013.

⁵ Community Services was split into General Services and Senior Programs in FY2013-14 and recombined in FY16-17

⁶ Information Systems and GIS were combined in 2016-2017

Source: City's Adopted Budget for relevant year.

CITY OF WILSONVILLE, OREGON

Operating Indicators by Function

Last Ten Fiscal Years

Function/Program	Fiscal Year				
	2017	2016	2015	2014	2013
Governmental activities:					
General					
Total Employment	17,387	16,755	14,358	16,300	14,518
Reported Wages	\$ 1,110,516,400	\$ 927,719,494	\$ 904,800,000	\$ 868,470,652	\$ 798,177,084
Transportation					
Ridership	304,976	343,793	362,891	374,408	351,374
Cost Per Passenger	\$ 16.69	\$ 12.30	\$ 11.30	\$ 10.44	\$ 10.91
Culture and Recreation					
Library physical item circulation	439,474	452,232	490,000	490,163	515,595
Library e-book/downloadable circulation	26,770	24,346	19,000	17,175	11,263
Library volunteer hours	11,795	12,750	12,000	11,987	11,540
Library program attendance	25,969	32,044	29,600	28,681	26,776
Meals served on site for seniors	5,055	5,537	8,000	7,942	6,500
Home-delivered meals for seniors	6,950	6,175	5,550	4,403	6,500
Community Development					
Number of commercial permits	313	313	257	79	281
Value of commercial permits	\$ 51,468,385	\$ 26,994,232	\$ 10,451,251	\$ 8,949,456	\$ 65,866,867
Number of residential permits	334	181	343	57	465
Value of residential permits	\$ 73,465,000	\$ 42,901,061	\$ 76,208,732	\$ 11,166,176	\$ 60,817,484
Business-type activities:					
Water					
Annual Water Usage (Gallons)	1,043,103,204	1,061,466,604	1,005,932,092	911,433,512	945,427,120
Average Daily Water Usage (Gallons)	2,857,817	2,908,128	2,755,978	2,497,078	2,590,211

Source: Various City Departments

Continued on page 171.

Fiscal Year				
2012	2011	2010	2009	2008
14,450	13,555	13,809	14,612	15,143
\$ 809,713,768	\$ 778,783,722	\$ 756,210,456	\$ 682,405,944	\$ 846,333,721
370,526	344,723	306,421	312,309	295,266
\$ 8.92	\$ 8.62	\$ 9.42	\$ 9.52	\$ 8.92
518,290	507,074	509,008	491,908	490,042
9,489	7,916	N/A	N/A	N/A
12,929	12,556	12,512	12,061	11,008
29,360	N/A	N/A	N/A	N/A
6,208	6,193	7,505	6,439	6,935
6,362	6,185	6,617	6,021	6,400
235	322	181	269	214
\$ 44,406,434	\$ 60,461,916	\$ 20,490,409	\$ 20,681,082	\$ 41,083,420
443	63	45	74	175
\$ 51,818,359	\$ 9,300,787	\$ 8,664,297	\$ 12,692,759	\$ 22,466,225
832,927,920	839,998,016	884,517,480	947,572,384	947,421,288
2,281,994	2,301,364	2,423,336	2,596,089	2,595,675

CITY OF WILSONVILLE, OREGON

Capital Asset Statistics by Function

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental activities:										
General Government										
Acreage in city limits	4,858	4,755	4,746	4,746	4,746	4,746	4,746	4,746	4,746	4,712
Public Works										
Number of city maintained parks	12	12	13	12	11	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	187	185	201	201	201	201	201
Open space Acreage*	28	28	28	28	28	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	10	9	9	9	9	9	9
Miles of trails (in undeveloped 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	8	6	6
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	4	3	3	3	3	3	3
Number of river docks	1	1	1	1	1	1	1	1	1	1
Streets										
Miles of streets	78	78	73	70	67	66	66	66	65.6	65.6
Signal lighted intersections	27	27	27	27	27	24	24	23	N/A	N/A
Freeway interchanges	3	3	3	3	3	3	3	3	N/A	N/A
Number of bridges	4	4	4	4	4	4	4	4	N/A	N/A
Number of foot bridges	1	1	1	1	1	1	1	1	N/A	N/A
Business-type activities:										
Water										
Water storage capacity (millions of gallons)	10	10	10	10.2	10.2	10.2	10.2	10.2	10.2	10.2
Miles of public water lines	119	110	107	90	85	85	77	76	76	76
Number of reservoirs	4	4	4	4	4	4	4	4	N/A	N/A
Number of wells	8	8	8	8	8	8	8	N/A	N/A	N/A
Sewer										
Miles of public sanitary sewer lines	84	80	76	73	73	73	73	72	72	72
Number of lift stations	9	8	8	8	8	8	8	N/A	N/A	N/A
Stormwater										
Miles of public stormwater lines	75	68	67	70	66	65	65	65	59	58
Public stormwater catchbasins	2,200	1,862	1,862	1,862	1,862	1,823	1,823	1,673	N/A	N/A
Public manholes	2,109	1,863	1,731	1,727	1,727	1,723	1,723	N/A	N/A	N/A
Number of detention ponds	10	10	10	10	10	10	10	N/A	N/A	N/A
Streetlights										
Number of streetlights (estimate)	2,740	2,630	2,379	2,379	2,311	2,268	2,213	2,206	2,066	2,052
Number of streetlight poles	2,383	2,383	2,214	2,214	2,144	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**

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

We have audited the basic financial statements of City of Wilsonville, Oregon, as of and for the year ended June 30, 2017 and have issued our report thereon dated November 21, 2017. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the *Minimum Standards of Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether City of Wilsonville, Oregon'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 the Oregon Administrative Rules 162 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts:

- Deposits of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions, and repayments.
- 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, and 279C).
- Accountability for collecting or receiving money by elected officials. The City does not have any elected officials collecting or receiving money.

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. In connection with our testing, nothing came to our attention that caused us to believe City of Wilsonville was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in the Oregon Administrative Rules 162-10-

000 through 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations* except as follows:

1. The City's aggregate Local Government Investment Pool (LGIP) balance exceeded LGIP limitations for fiscal year 2016-2017 for one month out of the year.

OAR 162-10-0230 Internal Control

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

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

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

Purpose of this Report

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



For Merina & Company, LLP
West Linn, Oregon
November 21, 2017