



City of Wilsonville, Oregon
Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2018

**CITY OF WILSONVILLE,
OREGON**

**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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, 2018

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INTRODUCTORY SECTION

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





December 10, 2018

**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, 2018.

This report presents the financial position of the City as of June 30, 2018, 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, 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.

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.

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 3.8%, as of June 2018, for the Portland-Vancouver-Hillsboro metropolitan area, dropping slightly from 3.9 % in July of 2017. This compares to the downward trend in the unemployment rate nation-wide, which was 4.0% in June of 2018, dropping from 4.3% in June of 2017. The West Region consumer price index was reported at 3.6% as of June 2018.

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 15,966 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 2018.

TABLE 1
TEN LARGEST EMPLOYERS
(as of July 2018)

Employer	Type of Business	2017-18	
		Number of Employees	Percentage of total City employment*
Mentor Graphics Corporation	CAD software systems	976	6.1%
Sysco Portland Inc.	Warehouse & distribution center	568	3.6%
Rockwell Collins	Aerospace technology	531	3.3%
Coca Cola Bottling Company	Beverage distribution	378	2.4%
Precision Interconnect	Medical & Technical Equipment	320	2.0%
Southern Wine & Spirits	Beverage distribution	300	1.9%
Costco	Wholesale retail	291	1.8%
Fred-Meyer	Grocer	274	1.7%
Dealer Spike	Web Hosting	254	1.6%
DWFritz Automation Inc.	Manufacturing	249	1.6%
		4,141	25.9%

*Total employment for FY 2017-18 was 15,966
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% 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
2008-09	17,940	6.25%	376,660	2.62%	3,784,182	2.69%
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%
2017-18	24,315	2.42%	413,000	1.98%	4,141,000	1.59%

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 has 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 fiscal year 2012 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 260 residential construction permits in fiscal year 2018. While robust, it is down from the peak of 465 issued in FY2013. 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. The commercial building activity, while less than last fiscal year, included 256 permits resulting in a value of \$40,275,136 construction.

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

The table below compares the real market value of Clackamas County to the City, and compares the real market 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
2008-09	60,008	23.4%	3,741	26.4%	2,196	6.9%
2009-10	54,458	-9.2%	3,558	-4.9%	2,333	6.3%
2010-11	48,904	-10.2%	3,121	-12.3%	2,461	5.5%
2011-12	45,749	-6.5%	2,905	-6.9%	2,503	1.7%
2012-13	44,030	-3.8%	2,918	0.4%	2,551	1.9%
2013-14	45,905	4.3%	3,081	5.6%	2,633	3.2%
2014-15	45,905	0.0%	3,488	13.2%	2,758	4.8%
2015-16	56,348	22.7%	3,887	11.4%	2,972	7.8%
2016-17	63,521	12.7%	4,393	13.0%	3,173	6.7%
2017-18	69,874	10.0%	4,455	1.4%	3,453	8.8%

Source: Clackamas and Washington County Assessors’ Offices

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

LONG-TERM FINANCIAL PLANNING

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

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

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wilsonville for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2017. 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 21st 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



Cathy Rodocker
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, 2017

Christopher P. Morill

Executive Director/CEO

**CITY OF WILSONVILLE,
OREGON**
June 30, 2018

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, 2020
Charolette Lehan	Councilor	December 31, 2018
Kristin Akervall	Councilor	December 31, 2020

Principal Officials

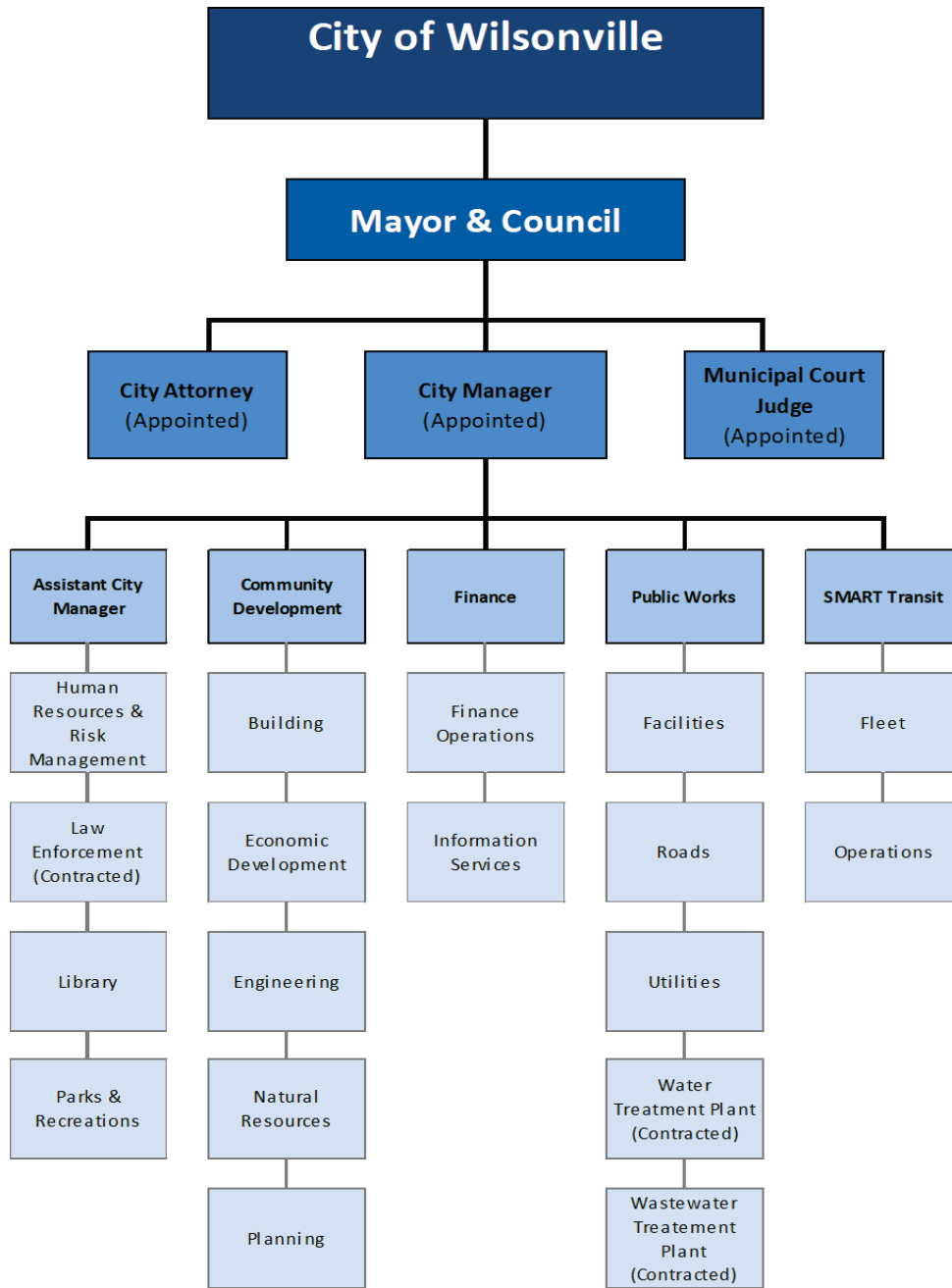
Bryan Cosgrove	City Manager
Barbara Jacobson	City Attorney
Cathy Rodocker	Finance Director
Karen Veliz	City Recorder

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**



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, 2018, 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 did not audit the financial statements of Willamette Intake Facilities Commission, a joint venture of the City of Gladstone, which represents 1 percent and 1 percent, respectively, of the assets and net position of the business-type activities respectively. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Willamette Intake Facilities Commission, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 2018, 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 discussed in Note 4 to the financial statements, the City of Wilsonville adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to these matters.

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 and schedule of revenues, expenditures and changes in fund balance – budget and actual, as listed in the table of contents under required supplementary information, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis, the schedule of other postemployment benefit plans, and schedule of 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 schedule of revenues, expenditures and changes in fund balance – budget and actual, as listed in the table of contents under required supplementary information, are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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.

Supplementary and 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 December 10, 2018 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Wilsonville, Oregon's 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 December 10, 2018, 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
December 10, 2018

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CITY OF WILSONVILLE, OREGON
Management's Discussion and Analysis
For the Year Ended June 30, 2018

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, 2018. 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 \$428.2 million (net position). Of this amount, \$63.2 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 \$7.1 million in governmental activities and \$13.0 million in business type activities for a total increase of \$20.0 million.
- The City's total debt outstanding decreased \$5.6 million or 8.0% during the current fiscal year. No debt was refinanced or acquired during the fiscal year.
- For its governmental activities, the City received \$25.1 million in tax revenue, a decrease of approximately \$0.7 million (or 0.3%) over the prior year. General purpose property taxes increased \$0.6 million. Property taxes collected for debt, exclusively for urban renewal in the current year, decreased \$0.7 million. Other tax revenue decreased \$0.5 million.
- For its business-type activities, the City recognized \$27.8 million in program revenue including \$20.7 million in charges for services (an increase of 6.5% over prior year) and \$7.1 million in capital grants and contributions (an increase of 14.2% from prior year).
- At the close of the current fiscal year, the City's governmental funds report a combined fund balance of \$74.4 million, a decrease of \$1.7 million over the prior fiscal year. Of the total fund balance reported, \$66.6 million is considered nonspendable, restricted, committed or assigned. The remaining \$7.8 million is available for spending at the government's discretion.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following discussion and analysis is intended to serve as an introduction to the City of Wilsonville's basic financial statements. The City of Wilsonville's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information, combining statements and budgetary schedules which follow the financial section. Additionally, there are a variety of statistical tables and special reports 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 19 individual governmental funds as of June 30, 2018, 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 Street 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 \$428.2 million at the close of the most recent fiscal year. This is a \$19.6 million increase (4.8%) in net position over prior year's \$408.7 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	
	2018	2017	2018	2017	2018	2017
Assets						
Current and other assets	\$ 83.0	\$ 82.8	\$ 66.3	\$ 46.4	\$ 149.3	\$ 129.2
Capital assets	237.2	229.5	140.1	137.0	377.3	366.5
Total assets	320.2	312.3	206.4	183.4	526.6	495.7
Deferred Outflows of Resources						
Pension outflow	4.8	8.2	0.3	0.6	5.1	8.8
OPEB outflow	0.1	-	-	-	0.1	-
Deferred charge on refunding	-	-	0.1	0.2	0.1	0.2
Total deferred outflow of resources	4.9	8.2	0.4	0.8	5.3	9.0
Liabilities						
Other liabilities	9.0	7.1	6.1	4.6	15.1	11.7
Noncurrent liabilities	42.7	46.9	32.4	36.3	75.1	83.2
Total liabilities	51.7	54.0	38.5	40.9	90.2	94.9
Deferred Inflows of Resources						
Pension inflow	1.3	1.0	0.1	0.1	1.4	1.1
Lease inflow	-	-	12.1	-	12.1	-
Total deferred inflow of resources	1.3	1.0	12.2	0.1	13.5	1.1
Net position						
Net investment in capital assets	208.6	198.2	105.1	98.6	313.7	296.8
Restricted	33.9	34.6	17.2	17.4	51.1	52.0
Unrestricted	29.6	32.7	33.8	27.2	63.4	59.9
Total net position	\$ 272.1	\$ 265.5	\$ 156.1	\$ 143.2	\$ 428.2	\$ 408.7

The City's \$428.2 million net position consists of three parts. The largest portion of the City's net position, at \$313.7 million (73.3% 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.

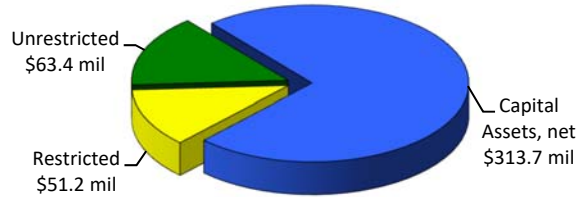
Restricted net position totals \$51.1 million (or 11.9% of total net position) and represents cash and investments that are legally restricted for capital expansion or debt service.

The remaining \$63.4 million (or 14.8%) is unrestricted and is available for meeting the City's ongoing obligations. The City's net pension liability decreased 16.7% from \$16.8 million to \$14.0 million. A liability in the amount of \$0.5 million was recorded this year upon implementing GASB 75 for non-pension related, other post-employment benefits (OPEB). The overall change in unrestricted net position is an increase of \$3.5 million, up 5.8%.

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The following chart displays the three components of net position as of June 30, 2018.

CHART 1
CITY OF WILSONVILLE – NET POSITION FOR FISCAL YEARS ENDING JUNE 30, 2018
(in millions)



Statement of Activities

As indicated in Table 2 below, total net position of the City increased by \$19.5 million, which is down 30.1% from the prior year change in net position of \$27.9 million. Descriptions of significant activities follow the table below.

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

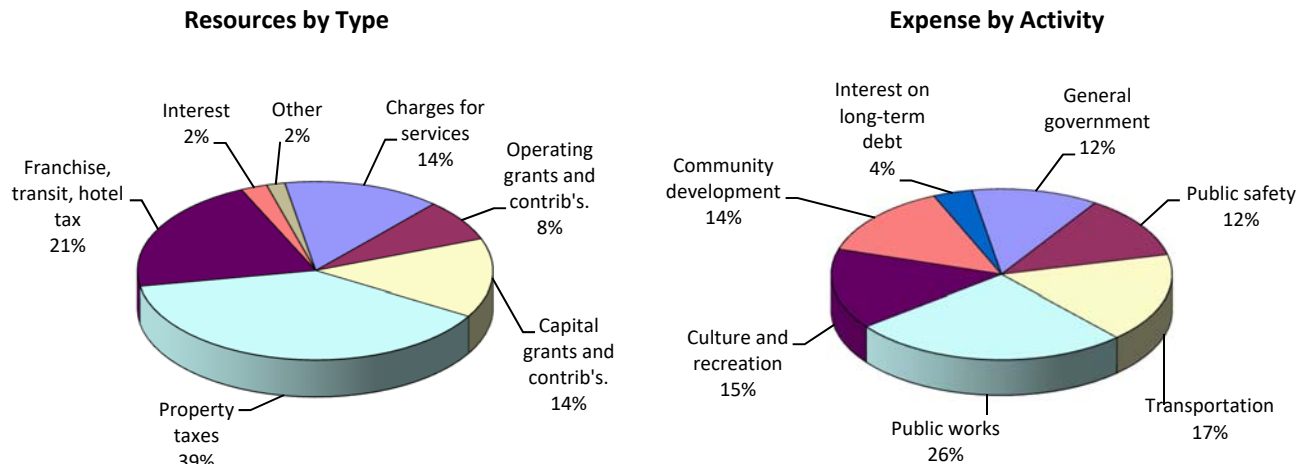
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues						
Program revenues:						
Charges for services	\$ 6.0	\$ 5.9	\$ 20.7	\$ 19.4	\$ 26.7	\$ 25.3
Operating grants and contributions	3.2	3.0	-	-	3.2	3.0
Capital grants and contributions	6.0	15.8	7.1	6.2	13.1	22.0
General revenues:						
Property taxes	16.2	16.3	-	-	16.2	16.3
Franchise, transit, hotel tax	8.8	9.4	-	-	8.8	9.4
Interest	1.0	0.7	0.6	0.3	1.6	1.0
Other	0.7	0.6	1.2	0.1	1.9	0.7
Total revenues	<u>41.9</u>	<u>51.7</u>	<u>29.6</u>	<u>26.0</u>	<u>71.5</u>	<u>77.7</u>
Expenses						
Governmental activities:						
General government	4.2	4.0	-	-	4.2	4.0
Public safety	4.2	4.3	-	-	4.2	4.3
Transportation	5.9	5.6	-	-	5.9	5.6
Public works	9.2	8.8	-	-	9.2	8.8
Culture and recreation	5.3	4.8	-	-	5.3	4.8
Community development	4.8	5.1	-	-	4.8	5.1
Interest on long-term debt	1.3	1.3	-	-	1.3	1.3
Business-type activities:						
Water	-	-	7.1	6.6	7.1	6.6
Sewer	-	-	6.9	6.9	6.9	6.9
Stormwater	-	-	2.1	2.0	2.1	2.0
Street lighting	-	-	0.4	0.4	0.4	0.4
Total expenses	<u>34.9</u>	<u>33.9</u>	<u>16.6</u>	<u>15.9</u>	<u>51.4</u>	<u>49.8</u>
Increase in net position before transfers	7.1	17.8	13.0	10.1	20.0	27.9
Transfers	-	1.2	-	(1.2)	-	-
Change in net position	7.1	19.0	13.0	8.9	20.0	27.9
Beginning net position	265.5	246.5	143.2	134.3	408.7	380.8
Prior period adjustment	(0.5)	-	-	-	(0.5)	-
Ending net position	<u>\$ 272.1</u>	<u>\$ 265.5</u>	<u>\$ 156.2</u>	<u>\$ 143.2</u>	<u>\$ 428.2</u>	<u>\$ 408.7</u>

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Governmental activities – The total change in net position for governmental activities is \$7.1 million, which is a decrease of \$11.9 million over the prior year change in net position. The change is comprised of the following variances:

- Charges for services – incrementally up only 1.7% primarily due to an increase in Road Maintenance fees.
- Operating grants and contributions – increased 6.7% (\$0.2 million), the result of the completion of a federally funded transportation grant program.
- Capital grants and contributions – decreased 62.0% (\$9.8 million) over prior year mainly due to reduction in developer contributions, down \$5.8 million and in road system development charges (SDCs), down \$2.0 million. Additionally, a one-time \$1.0 library capital grant was received in the prior year.
- General revenues – decreased 1.1% (\$0.3 million) over prior year with property tax revenue down \$0.1 million as well as franchise and hotel taxes, down \$0.6 million. These were offset by an increase of investment revenue, up \$0.3 million, and an increase of \$0.1 million in other revenues.
- Total governmental activity expense – incrementally up only 2.9% in the current year (\$1.0 million).
- Transfers – decreased \$1.2 million into governmental activities do mostly from a one-time, prior property acquisition for a public works facility funded in part from business-type activities.
- Change in accounting principle – a one-time decrease in net position of \$0.4 million from a change in accounting principle related to implementing the new Government Accounting Standard 75 regarding Other Post-Employment Benefits (OPEB).

CHART 2
GOVERNMENTAL ACTIVITIES REVENUES AND EXPENSES
FOR FISCAL YEAR ENDING JUNE 30, 2018



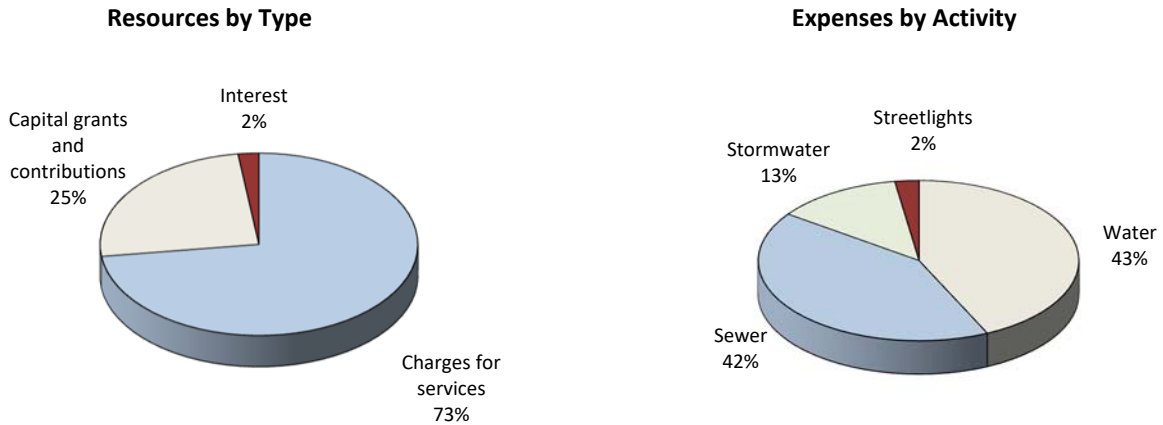
**Public safety includes law enforcement and municipal court. The City does not provide fire service.*

Business-type activities – Business-type activities generated a \$13.0 million increase to the City's total net position, which is \$4.1 million more than prior year's change. Financial highlights include:

- Total revenue across all funds increased \$3.5 million made up of a charges for services increase of \$1.3 million, a \$0.9 million increase in capital grants and contributions from developers, an increase of \$1.0 million in other revenues and a \$0.3 million increase in interest revenue.
- Total expenses across all funds increased \$0.7 million, with \$0.5 million from water fund activities and \$.01 from both stormwater and street lighting activities.

CITY OF WILSONVILLE, OREGON
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CHART 3
BUSINESS-TYPE ACTIVITIES REVENUES AND EXPENSES
FOR FISCAL YEAR ENDING JUNE 30, 2018



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 \$74.4 million, a decrease of \$1.7 million over the prior year. Approximately, 10.5% (\$7.8 million) of the ending fund balance constitutes unassigned fund balance, with remaining amounts either assigned (\$27.6 million), committed (\$4.6 million), restricted (\$34.1 million), or in a non-spendable form (\$0.3 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 \$8.6 million, while total fund balance reached \$18.9 million. Total fund revenues exceeded fund expenditures by \$2.7 million (up 28.6% over prior year). Fund revenues were up 5.9% over prior year while expenditures increased only 1.8% resulting in the net change for the year. Net other financing sources (uses) was responsible for an increase of \$0.2 million of the total change in fund balance.

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 \$5.0 million, down 9.2% (or \$0.6 million) from prior year taxes. The decrease was in part due to a one-time local area business corporate restructuring which increased revenues in the prior year. Fund expenditures were down roughly 7.7% (or \$0.5 million) mainly the result of increased spending on capital outlay bus purchases in the prior year. The ending fund balance closed the year at \$3.6 million, consistent with the 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 \$3.9 million dollars in revenue. The ending fund balance of \$9.3 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 \$5.2 million dollars in revenue. The ending fund balance of \$11.8 million will be used for the repayment of future debt.

The Street Capital Projects Fund accounts for the construction or reconstruction of capital projects related to transportation. Capital expenditures increased \$6.2 million over the prior year primarily due to increased construction on the Kinsman Road extension (Barber to Boeckman) as well as an increase of private development SDC improvements. The ending fund balance closed the year at \$0.8 million, versus the prior year ending fund balance amount of \$0.7 million.

Proprietary Funds

The Water Fund ended the year with a \$6.2 million increase in net position. Operating revenues exceeded operating and non-operating expenses by \$2.4 million contributing 38.7% of that increase. Capital contributions from developers totaling \$2.8 million in addition to net non-operating revenue of \$1.0 million was responsible for the remaining 61.3%. The fund ended the fiscal year with a \$66.4 million net position, with \$17.0 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 \$3.5 million increase in net position. Operating revenues exceeded operating and non-operating expense by \$2.4 million, contributing 68.4% of that increase. Capital contributions from developers totaling \$1.9 million offset by net non-operating expense of \$0.8 million was responsible for the remaining 31.6%. Non-operating expense includes interest expense of \$1.2 million associated with outstanding debt. The fund ended the fiscal year with a \$53.9 million net position, with \$14.1 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 \$2.8 million increase in net position. Operating revenues exceeded operating and non-operating expense by \$0.8 million, contributing 27.8% of that increase. Capital contributions from developers totaling \$2.0 million was responsible for the remaining 72.2%. The fund ended the fiscal year with a \$30.5 million net position, with \$1.4 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 twice during the fiscal year 2018. Final budgeted expense amounts for personnel services, materials & services, and transfers out, differ from the original budget by supplemental appropriations of \$892,775, or 4.0%, with amounts funded through contingency. The major changes in these appropriations are as follows:

- Personnel services was increased \$211,890 for revised salary and wage scales. At the time that the FY 2017/18 budget was prepared, labor negotiations were underway and labor contracts had not been ratified by City Council.
- Materials & services was decreased \$5,000 as a result of a decrease to the Library Program of \$35,000 which was partially offset by an increase to the Parks Maintenance program of \$30,000.
- Transfers out to other funds was increased by \$675,885 to reflect funding for the following capital improvement projects: Frog Pond/Advance road planning, Coffee Creek planning area, fiber connectivity, annual City facilities repairs, HVAC replacements, City Hall flooring replacement, and PWPO building seismic upgrade.

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Final budget compared to actual results:

General Fund actual revenues, excluding other financing sources, totaled \$14.6 million and exceeded budgeted revenue amounts by \$0.6 million, or 3.9%. Property taxes comprise 74.4% of revenues and are generated from a permanent tax rate of \$2.5206 per \$1,000 of assessed value. Year-to-year property tax 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 \$0.1 million.

General Fund actual expenditures, excluding other financing uses and budgeted contingency, came in under budget, by \$2.3 million, or 15.7%. Personnel service related expense incurred a positive budgetary variance of \$0.4 million resulting from benefit savings and unfilled positions. Materials and service related expense incurred a positive budgetary variance of \$1.8 million, with notable budget savings generated in the Law Enforcement (\$1.0 million) and the Administration program (\$0.4 million). Transfer-out expense to other funds incurred a positive budget variance of \$1.4 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 \$377.3 million in capital assets compared to \$366.5 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 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	
	2018	2017	2018	2017	2018	2017
Land	\$ 85.9	\$ 85.8	\$ 1.8	\$ 1.8	\$ 87.7	\$ 87.6
Intangibles	12.4	11.9	5.6	5.3	18.0	17.2
Buildings and improvements	18.0	18.5	27.5	28.7	45.5	47.2
Land improvements	6.8	7.3	23.8	24.3	30.6	31.6
Machinery and equipment	4.6	5.6	6.1	6.4	10.7	12.0
Infrastructure	93.2	92.7	67.2	66.1	160.4	158.8
Construction in progress	16.3	7.7	8.1	4.4	24.4	12.1
Total	<u>\$ 237.2</u>	<u>\$ 229.5</u>	<u>\$ 140.1</u>	<u>\$ 137.0</u>	<u>\$ 377.3</u>	<u>\$ 366.5</u>

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

Governmental activities

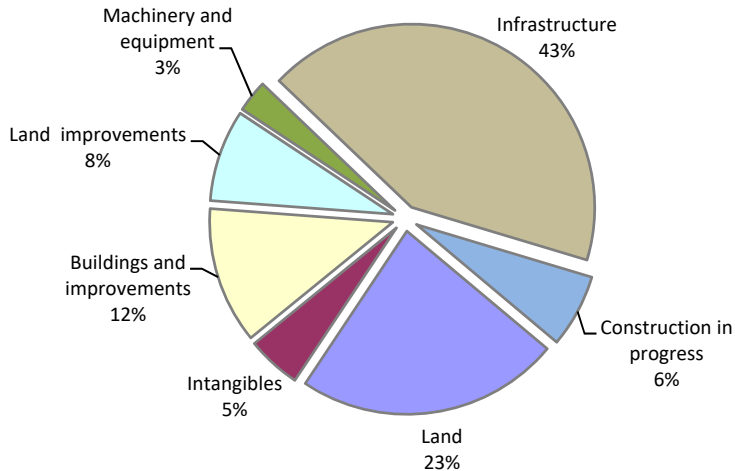
- Various contributed land, easements, sidewalks and road improvements \$9.0 million

Business-type activities

- Various contributed land, easements, sewer, water, and stormwater lines \$4.0 million

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**CHART 4 - CAPITAL ASSETS – TOTAL
AS OF JUNE 30, 2018**



DEBT OUTSTANDING

During the current fiscal year all scheduled debt payments were met. At year-end, the City had \$65.1 million in debt outstanding compared to \$70.7 million in the prior year. Of this balance, \$5.8 million is due on amortizing debt within one year. The table below reflects the outstanding debt at June 30, 2018. Additional information can be found in the Notes on pages 70-74.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Full faith and credit bonds:						
Revenue backed	\$ -	\$ -	\$ 32.1	\$ 34.5	\$ 32.1	\$ 34.5
Tax increment bonds	30.9	33.1	-	-	30.9	33.1
Revenue debt:						
Revenue bonds	-	-	2.1	3.1	2.1	3.1
Total	\$ 30.9	\$ 33.1	\$ 34.2	\$ 37.6	\$ 65.1	\$ 70.7

Governmental activities outstanding debt decreased \$2.2 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 \$32.1 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 \$2.1 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.

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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 2018-19 budget was approved by the City Council on June 6, 2018 in the total amount of \$185.8 million, including \$77.7 million in ending fund balances, \$36.0 million in inter-fund transfers, and \$5.5 million in debt service. Also included, the City's operating budget of \$42.0 million and a capital projects budget of \$24.6 million. The City's Urban Renewal Agency (a blended component unit) approved an additional \$5.1 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 2018-19 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.

Compared to prior year, the City has seen a more moderate level of growth with regards to commercial and residential development. Revenues earned by the inspection and permit fees for the Building Fund are restricted by state statute; however, activity reflects growth in the community that will eventually be reflected in the assessed value of the tax rolls and increased utility revenues.

The City's public transit system is funded by a payroll tax paid by Wilsonville businesses and is based on total payroll or self-employment income. Payroll taxes continue to increase as the local economy grows with new businesses relocating to the City. Transit taxes are anticipated at approximately \$5.0 million in the next budget year.

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Management's Discussion and Analysis
For the Year Ended June 30, 2018

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 2018-19, with no additional increases scheduled.
- Sewer rates will remain constant for fiscal year 2018-19. An updated rate study is expected to be completed during FY 2018-19 and the results will be present to the City Council.
- Stormwater rates will increase 6.5% on January 1, 2019. 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 will increase 4.5% on November 1, 2018, from \$7.62 per month to \$7.96.

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, 2018 the amount of reserve set aside in governmental activities total \$74.4 million. Fund balances reserved as non-spendable, restricted, committed or assigned total \$66.6 million, and \$7.8 million is provided for ongoing operations of the City. Within the business-type activities \$17.2 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 rodocker@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, 2018

	Governmental	Business-Type	
	Activities	Activities	Total
	<hr/>	<hr/>	<hr/>
ASSETS			
Cash and investments	\$ 73,883,858	\$ 31,641,500	\$ 105,525,358
Receivables (net of allowances for uncollectibles)	3,415,747	2,888,423	6,304,170
Internal balances	564,556	(564,556)	-
Inventories	-	76,265	76,265
Prepays	252,878	-	252,878
Restricted cash and investments	4,903,885	17,465,070	22,368,955
Notes receivable	-	1,465,465	1,465,465
Lease receivable	-	12,131,204	12,131,204
Investment in joint ventures	-	1,245,699	1,245,699
Net OPEB asset	33,450	2,123	35,573
Capital assets:			
Land, non-depreciable assets, and construction in progress	114,322,206	15,474,894	129,797,100
Building, improvements, and other capital assets (net of accumulated depreciation)	122,842,290	124,594,647	247,436,937
Total assets	<hr/>	<hr/>	<hr/>
	320,218,870	206,420,734	526,639,604
DEFERRED OUTFLOWS OF RESOURCES			
Pension outflow	4,829,462	309,548	5,139,010
OPEB outflow	75,513	4,816	80,329
Deferred charge on refunding	-	111,711	111,711
Total deferred outflow of resources	<hr/>	<hr/>	<hr/>
	4,904,975	426,075	5,331,050
LIABILITIES			
Accounts payable	5,009,278	2,174,237	7,183,515
Other accrued liabilities	502,954	30,957	533,911
Unearned revenue	181,892	188,329	370,221
Deposits	649,266	22,182	671,448
Interest payable	99,359	100,289	199,648
Noncurrent liabilities:			
Due within one year	2,570,184	3,592,769	6,162,953
Due in more than one year	42,687,325	32,382,459	75,069,784
Total liabilities	<hr/>	<hr/>	<hr/>
	51,700,258	38,491,222	90,191,480
DEFERRED INFLOWS OF RESOURCES			
Pension inflow	1,281,272	82,124	1,363,396
OPEB inflow	42,866	2,737	45,603
Lease inflow	-	12,131,204	12,131,204
Total deferred inflow of resources	<hr/>	<hr/>	<hr/>
	1,324,138	12,216,065	13,540,203
NET POSITION			
Net investment in capital assets	208,625,892	105,132,403	313,758,295
Restricted for:			
Capital projects	12,482,946	17,465,070	29,948,016
Debt service	21,374,874	-	21,374,874
Unrestricted	29,615,737	33,542,049	63,157,786
Total net position	<hr/>	<hr/>	<hr/>
	\$ 272,099,449	\$ 156,139,522	\$ 428,238,971

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, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 4,158,416	\$ 981,778	\$ 87,093	\$ -
Public safety	4,172,469	372,895	-	-
Transportation	5,944,015	313,060	213,096	25,789
Public works	9,253,043	1,612,232	1,562,484	4,763,940
Culture and recreation	5,281,097	340,306	1,346,530	1,175,167
Community development	4,786,608	2,389,728	22,183	-
Interest on long-term debt	1,271,504	-	-	-
Total governmental activities	34,867,152	6,009,999	3,231,386	5,964,896
Business-type activities:				
Water	7,123,560	9,278,151	-	2,849,845
Sewer	6,913,352	8,091,969	-	1,913,638
Stormwater	2,088,836	2,802,125	-	1,965,243
Street lighting	447,464	519,886	-	370,068
Total business-type activities	16,573,212	20,692,131	-	7,098,794
Total government	\$ 51,440,364	\$ 26,702,130	\$ 3,231,386	\$ 13,063,690

General revenues:

- Property taxes, levied for general purposes
- Property taxes, levied for debt service
- Franchise, transit and hotel taxes
- Investment revenue
- Other revenues
- Gain on disposal of capital assets
- Subtotal general revenues

Transfers

- Total general revenues and transfers
- Change in net position

Net position--beginning

Prior period restatement

Net position--ending

Continued on page 43.

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

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

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (3,089,545)	\$ -	\$ (3,089,545)
(3,799,574)	-	(3,799,574)
(5,392,070)	-	(5,392,070)
(1,314,387)	-	(1,314,387)
(2,419,094)	-	(2,419,094)
(2,374,697)	-	(2,374,697)
(1,271,504)	-	(1,271,504)
<u>(19,660,871)</u>	<u>-</u>	<u>(19,660,871)</u>
-	5,004,436	5,004,436
-	3,092,255	3,092,255
-	2,678,532	2,678,532
-	442,490	442,490
-	<u>11,217,713</u>	<u>11,217,713</u>
<u>(19,660,871)</u>	<u>11,217,713</u>	<u>(8,443,158)</u>
7,103,352	-	7,103,352
9,125,819	-	9,125,819
8,838,506	-	8,838,506
988,791	632,311	1,621,102
603,441	514,893	1,118,334
33,873	641,211	675,084
<u>26,693,782</u>	<u>1,788,415</u>	<u>28,482,197</u>
<u>36,873</u>	<u>(36,873)</u>	<u>-</u>
<u>26,730,655</u>	<u>1,751,542</u>	<u>28,482,197</u>
7,069,784	12,969,255	20,039,039
265,498,459	143,200,326	408,698,785
(468,794)	(30,059)	(498,853)
<u>\$ 272,099,449</u>	<u>\$ 156,139,522</u>	<u>\$ 428,238,971</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.

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.

CITY OF WILSONVILLE, OREGON
Governmental Funds
Balance Sheet
June 30, 2018

	<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	\$ 18,508,646	\$ 2,425,952	\$ 8,698,425
Receivables:			
Interest	23,602	-	6,650
Accounts	555,615	1,381,648	-
Property taxes	442,115	-	289,262
Prepays	252,878	-	-
Advances to other funds	805,990	-	-
Restricted cash and investments	243,199	-	603,025
Total assets	<u>\$ 20,832,045</u>	<u>\$ 3,807,600</u>	<u>\$ 9,597,362</u>
LIABILITIES			
Accounts payable	\$ 1,111,212	\$ 117,246	\$ -
Other accrued liabilities	262,628	97,425	-
Deposits	31,500	-	-
Advances from other funds	-	-	-
Unearned revenue	170,814	-	-
Development charge payable	-	-	-
Total liabilities	<u>1,576,154</u>	<u>214,671</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	<u>400,306</u>	<u>-</u>	<u>265,485</u>
FUND BALANCES			
Nonspendable	252,878	-	-
Restricted	211,699	-	9,331,877
Committed	2,523,900	1,044,500	-
Assigned	7,240,462	2,548,429	-
Unassigned	8,626,646	-	-
Total fund balances	<u>18,855,585</u>	<u>3,592,929</u>	<u>9,331,877</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 20,832,045</u>	<u>\$ 3,807,600</u>	<u>\$ 9,597,362</u>

Continued on page 43.

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

<u>Debt Service</u> <u>Urban Renewal</u> <u>West Side Plan</u>	<u>Street</u> <u>Capital</u> <u>Projects</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u>
\$ 9,085,113	\$ 1,291,655	\$ 32,470,958	\$ 72,480,749
2,185	-	52,053	84,490
-	-	356,746	2,294,009
305,638	-	-	1,037,015
-	-	-	252,878
-	-	-	805,990
2,717,903	-	1,339,758	4,903,885
<u>\$ 12,110,839</u>	<u>\$ 1,291,655</u>	<u>\$ 34,219,515</u>	<u>\$ 81,859,016</u>
\$ -	\$ 235,217	\$ 2,051,541	\$ 3,515,216
-	-	127,093	487,146
-	-	617,766	649,266
-	241,434	-	241,434
-	-	11,078	181,892
-	-	1,461,654	1,461,654
-	476,651	4,269,132	6,536,608
275,446	-	389	941,626
-	-	-	252,878
11,835,393	-	12,690,550	34,069,519
-	-	1,076,200	4,644,600
-	815,004	16,995,800	27,599,695
-	-	(812,556)	7,814,090
<u>11,835,393</u>	<u>815,004</u>	<u>29,949,994</u>	<u>74,380,782</u>
<u>\$ 12,110,839</u>	<u>\$ 1,291,655</u>	<u>\$ 34,219,515</u>	<u>\$ 81,859,016</u>

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CITY OF WILSONVILLE, OREGON
Reconciliation of Total Governmental Fund Balances
to Net Assets of Governmental Activities
June 30, 2018

Total fund balances - governmental funds	\$	74,380,782
 <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 \$7,466,603		236,253,333
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:		
Net other post employment benefits (OPEB) asset		32,228
Property taxes earned but unavailable		941,626
Deferred outflows of resources		4,723,641
Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.		(671,723)
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.		1,851,631
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Net pension liability		(12,634,132)
Other post employment benefits (OPEB) liability		(489,681)
Notes and bonds		(30,913,709)
Interest on long-term debt		(99,359)
Deferred inflows of resources		(1,275,188)
Net Position of Governmental Activities	<u>\$</u>	<u>272,099,449</u>

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

CITY OF WILSONVILLE, OREGON
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ending June 30, 2018

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>
		<u>Transit</u>	<u>Urban Renewal Year 2000 Plan</u>
REVENUES			
Taxes	\$ 10,865,714	\$ 5,040,713	\$ 3,825,016
Intergovernmental	2,177,842	238,885	-
Licenses and permits	173,723	-	-
Charges for services	764,285	199,277	-
System development fees	-	-	-
Fines and forfeitures	292,405	-	-
Investment revenue	188,150	46,985	104,508
Other revenues	155,560	39,244	-
Total revenues	<u>14,617,679</u>	<u>5,565,104</u>	<u>3,929,524</u>
EXPENDITURES			
Current operating:			
General government	2,394,105	430,201	-
Public safety	4,150,844	-	-
Transportation	-	4,947,569	-
Public works	714,787	72,959	-
Culture and recreation	4,504,246	-	-
Community development	-	-	-
Debt service:			
Principal	-	-	345,000
Interest	-	-	249,214
Capital outlay	146,623	-	-
Total expenditures	<u>11,910,605</u>	<u>5,450,729</u>	<u>594,214</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,707,074</u>	<u>114,375</u>	<u>3,335,310</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	56,000	-	-
Transfers out	(1,161,509)	(134,257)	(3,000,000)
Total other financing sources (uses)	<u>(1,105,509)</u>	<u>(134,257)</u>	<u>(3,000,000)</u>
Net change in fund balance	1,601,565	(19,882)	335,310
Fund balances--beginning	17,254,020	3,612,811	8,996,567
Fund balances--ending	<u>\$ 18,855,585</u>	<u>\$ 3,592,929</u>	<u>\$ 9,331,877</u>

Continued on page 47.

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

<u>Debt Service</u>		<u>Street</u>	<u>Other</u>	<u>Total</u>
<u>Urban Renewal</u>		<u>Capital</u>	<u>Governmental</u>	<u>Governmental</u>
<u>West Side Plan</u>		<u>Projects</u>	<u>Funds</u>	<u>Funds</u>
\$ 5,061,499	\$ -	\$ 207,483	\$ 25,000,425	
-	146,000	1,645,110	4,207,837	
-	-	1,559,669	1,733,392	
-	-	2,442,175	3,405,737	
-	-	3,134,124	3,134,124	
-	-	-	292,405	
118,038	15,000	488,477	961,158	
-	-	180,425	375,229	
<u>5,179,537</u>	<u>161,000</u>	<u>9,657,463</u>	<u>39,110,307</u>	
-	241,219	712,064	3,777,589	
-	-	-	4,150,844	
-	-	-	4,947,569	
-	-	1,006,289	1,794,035	
-	-	-	4,504,246	
-	478,201	4,477,823	4,956,024	
1,834,776	-	-	2,179,776	
1,027,375	-	1,926	1,278,515	
-	6,999,188	6,271,463	13,417,274	
<u>2,862,151</u>	<u>7,718,608</u>	<u>12,469,565</u>	<u>41,005,872</u>	
<u>2,317,386</u>	<u>(7,557,608)</u>	<u>(2,812,102)</u>	<u>(1,895,565)</u>	
-	7,682,532	4,838,618	12,577,150	
-	(2,667)	(8,091,816)	(12,390,249)	
-	<u>7,679,865</u>	<u>(3,253,198)</u>	<u>186,901</u>	
2,317,386	122,257	(6,065,300)	(1,708,664)	
9,518,007	692,747	36,015,294	76,089,446	
<u>\$ 11,835,393</u>	<u>\$ 815,004</u>	<u>\$ 29,949,994</u>	<u>\$ 74,380,782</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, 2018

Net change in fund balances-total governmental funds \$ (1,708,664)

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	\$ 12,239,656	
Less current year depreciation	(7,466,603)	
		4,773,053

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

Contributions from outside parties	2,572,899	
Capitalized overhead costs	818,857	
Cost of capital assets sold or disposed	(353,441)	
Transfers to/from business-type activities	(147,629)	
		2,890,686

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

Property taxes		67,240
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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		2,179,776
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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		7,011
Compensated absences		(46,002)
OPEB expense		25,451
Pension expense		(1,151,374)

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.

		32,607
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Change in Net Position of Governmental Activities		\$ 7,069,784
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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, 2018

	Business-type Activities - Enterprise Funds					Governmental
	Water	Sewer	Stormwater	Street Lighting	Totals	Activities Fleet Internal Service Fund
ASSETS						
Current assets:						
Cash and investments	\$ 13,660,277	\$ 14,171,847	\$ 2,574,925	\$ 1,234,451	\$ 31,641,500	\$ 1,403,109
Receivables:						
Interest	71,993	102,772	7,960	-	182,725	-
Utility Customers	1,126,220	797,994	282,616	49,457	2,256,287	-
Other	319,575	129,836	-	-	449,411	233
Advances from other funds	543,227	-	-	-	543,227	-
Inventories	76,265	-	-	-	76,265	-
Total current assets	<u>15,797,557</u>	<u>15,202,449</u>	<u>2,865,501</u>	<u>1,283,908</u>	<u>35,149,415</u>	<u>1,403,342</u>
Noncurrent assets:						
Restricted cash and investments	5,288,672	8,949,399	3,226,999	-	17,465,070	-
Notes receivable	1,465,465	-	-	-	1,465,465	-
Lease receivable	12,131,204	-	-	-	12,131,204	-
Investment in joint ventures	1,245,699	-	-	-	1,245,699	-
Net OPEB Asset - RHIA	1,115	796	212	-	2,123	1,222
Capital assets, net	48,267,791	61,864,125	25,837,684	4,099,941	140,069,541	911,163
Total noncurrent assets	<u>68,399,946</u>	<u>70,814,320</u>	<u>29,064,895</u>	<u>4,099,941</u>	<u>172,379,102</u>	<u>912,385</u>
Total assets	<u>84,197,503</u>	<u>86,016,769</u>	<u>31,930,396</u>	<u>5,383,849</u>	<u>207,528,517</u>	<u>2,315,727</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension outflow	164,512	113,192	31,844	-	309,548	178,561
OPEB Outflow	2,542	1,786	488	-	4,816	2,773
Deferred charge on refunding	111,711	-	-	-	111,711	-
Total deferred outflows	<u>278,765</u>	<u>114,978</u>	<u>32,332</u>	<u>-</u>	<u>426,075</u>	<u>181,334</u>
LIABILITIES						
Current liabilities:						
Accounts payable	924,587	937,071	255,569	57,010	2,174,237	32,408
Accrued compensated absences	18,505	2,616	648	-	21,769	13,048
Other accrued liabilities	14,849	7,630	8,478	-	30,957	15,808
Unearned revenue	188,329	-	-	-	188,329	-
Deposits	22,182	-	-	-	22,182	-
Interest payable	9,267	91,022	-	-	100,289	-
Bonded debt - current	1,721,000	1,850,000	-	-	3,571,000	-
Total current liabilities	<u>2,898,719</u>	<u>2,888,339</u>	<u>264,695</u>	<u>57,010</u>	<u>6,108,763</u>	<u>61,264</u>
Noncurrent liabilities:						
Compensated absences	14,828	8,480	-	-	23,308	31,351
Advances to other funds	-	-	1,107,783	-	1,107,783	-
Net OPEB Liability - CIS	17,319	11,921	3,353	-	32,593	18,802
Net pension liability	446,893	307,484	86,502	-	840,879	485,063
Bonded debt	2,516,782	28,968,897	-	-	31,485,679	-
Total noncurrent liabilities	<u>2,995,822</u>	<u>29,296,782</u>	<u>1,197,638</u>	<u>-</u>	<u>33,490,242</u>	<u>535,216</u>
Total liabilities	<u>5,894,541</u>	<u>32,185,121</u>	<u>1,462,333</u>	<u>57,010</u>	<u>39,599,005</u>	<u>596,480</u>
DEFERRED INFLOWS OF RESOURCES						
Pension inflow	43,646	30,030	8,448	-	82,124	47,373
OPEB inflow	1,447	1,012	278	-	2,737	1,577
Lease inflow	12,131,204	-	-	-	12,131,204	-
Total deferred inflows	<u>12,176,297</u>	<u>31,042</u>	<u>8,726</u>	<u>-</u>	<u>12,216,065</u>	<u>48,950</u>
NET POSITION						
Net investment in capital assets	44,141,720	31,045,228	25,837,684	4,099,941	105,124,573	911,163
Restricted for capital projects	5,288,672	8,949,399	3,226,999	-	17,465,070	-
Restricted for debt service	-	-	-	-	-	-
Unrestricted	16,975,038	13,920,957	1,426,986	1,226,898	33,549,879	940,468
Total net position	<u>\$ 66,405,430</u>	<u>\$ 53,915,584</u>	<u>\$ 30,491,669</u>	<u>\$ 5,326,839</u>	<u>\$ 156,139,522</u>	<u>\$ 1,851,631</u>

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

CITY OF WILSONVILLE, OREGON

Proprietary Funds

Statement of Revenues, Expenses, and Changes in Net Position

For the year ended June 30, 2018

	Business-type Activities - Enterprise Funds					Governmental
	Water	Sewer	Stormwater	Street	Totals	Fleet Internal
				Lighting		Service Fund
OPERATING REVENUES:						
Charges for services	\$ 9,278,151	\$ 8,091,969	\$ 2,802,125	\$ 519,886	\$ 20,692,131	\$ 1,263,295
Other revenues	31,521	129,633	6,585	-	167,739	1,764
Total operating revenues	<u>9,309,672</u>	<u>8,221,602</u>	<u>2,808,710</u>	<u>519,886</u>	<u>20,859,870</u>	<u>1,265,059</u>
OPERATING EXPENSES:						
Personnel services	591,317	313,549	133,374	-	1,038,240	576,116
Support services	607,399	460,692	496,973	-	1,565,064	-
Contractual services	1,648,969	2,203,245	32,015	-	3,884,229	-
Utilities	532,706	335,344	3,100	326,851	1,198,001	58,072
Repairs and maintenance	376,045	31,179	154,039	-	561,263	31,539
Other operating expenses	1,416,353	517,006	192,127	4,806	2,130,292	500,266
Depreciation	1,729,105	1,962,504	1,022,874	115,807	4,830,290	114,611
Total operating expenses	<u>6,901,894</u>	<u>5,823,519</u>	<u>2,034,502</u>	<u>447,464</u>	<u>15,207,379</u>	<u>1,280,604</u>
Operating income (loss)	<u>2,407,778</u>	<u>2,398,083</u>	<u>774,208</u>	<u>72,422</u>	<u>5,652,491</u>	<u>(15,545)</u>
NONOPERATING REVENUES (EXPENSES):						
Interest revenue - Lease	174,484	-	-	-	174,484	-
Lease revenue	172,670	-	-	-	172,670	-
Investment revenue	207,745	300,703	103,210	20,653	632,311	27,629
Equity in net loss of joint venture	(4,700)	-	-	-	(4,700)	-
Interest expense	(214,357)	(1,157,529)	(8,437)	-	(1,380,323)	-
Amortization of bond premium (discount)	(2,609)	67,696	-	-	65,087	-
Disposition of capital assets	641,211	-	(45,897)	-	595,314	22,923
Total nonoperating						
revenues (expenses)	<u>974,444</u>	<u>(789,130)</u>	<u>48,876</u>	<u>20,653</u>	<u>254,843</u>	<u>50,552</u>
Net income (loss) before contributions						
and transfers	<u>3,382,222</u>	<u>1,608,953</u>	<u>823,084</u>	<u>93,075</u>	<u>5,907,334</u>	<u>35,007</u>
Capital contributions - infrastructure	1,337,796	806,923	1,559,350	517,696	4,221,765	-
Capital contributions - grants and fees	1,512,049	1,106,715	405,893	-	3,024,657	-
Transfers out	(15,685)	(15,682)	(5,067)	(148,067)	(184,501)	(2,400)
Change in net position	<u>6,216,382</u>	<u>3,506,909</u>	<u>2,783,260</u>	<u>462,704</u>	<u>12,969,255</u>	<u>32,607</u>
Net position--beginning	60,205,026	50,419,660	27,711,505	4,864,135	143,200,326	1,836,365
Prior period adjustment	(15,978)	(10,985)	(3,096)	-	(30,059)	(17,341)
Net position--ending	<u>\$ 66,405,430</u>	<u>\$ 53,915,584</u>	<u>\$ 30,491,669</u>	<u>\$ 5,326,839</u>	<u>\$ 156,139,522</u>	<u>\$ 1,851,631</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, 2018

	Business-type Activities - Enterprise Funds					Governmental
	Water	Sewer	Stormwater	Street Lighting	Totals	Activities
						Fleet Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 9,023,627	\$ 7,943,709	2,760,748	\$ 516,764	\$ 20,244,848	\$ 1,272,499
Payments to suppliers	(3,383,923)	(2,599,462)	(139,391)	(274,648)	(6,397,424)	(609,985)
Payments to employees	(530,785)	(306,507)	(179,657)	-	(1,016,949)	(559,154)
Internal activity--payments for services	(607,399)	(460,692)	(496,973)	-	(1,565,064)	-
Other receipts	31,521	129,633	6,585	-	167,739	1,764
Net cash provided by operating activities	4,533,041	4,706,681	1,951,312	242,116	11,433,150	105,124
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers to other funds	(15,685)	(15,682)	(5,067)	(148,067)	(184,501)	(2,400)
Cash received from non-operating activities	347,154	-	-	-	347,154	-
Net cash (used for) noncapital financing activities	331,469	(15,682)	(5,067)	(148,067)	162,653	(2,400)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from the sale of capital assets	-	-	-	-	-	23,063
Interfund loan activity	178,920	-	(499,390)	-	(320,470)	-
Capital contributions - grants and fees	1,512,049	1,106,715	405,893	-	3,024,657	-
Purchases of capital assets	(1,236,358)	(1,061,509)	(2,038,367)	-	(4,336,234)	(150,017)
Principal paid on capital debt	(1,677,000)	(1,780,000)	-	-	(3,457,000)	-
Interest paid on capital debt	(158,274)	(1,163,462)	(8,437)	-	(1,330,173)	-
Net cash used by capital and related financing activities	(1,380,663)	(2,898,256)	(2,140,301)	-	(6,419,220)	(126,954)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	186,207	254,546	100,444	20,654	561,851	27,629
Net increase in cash and investments	3,670,054	2,047,289	(93,612)	114,703	5,391,280	3,399
Balances--beginning of the year	15,278,895	21,073,957	5,895,536	1,119,748	43,368,136	1,399,710
Balances--end of the year	\$ 18,948,949	\$ 23,121,246	\$ 5,801,924	\$ 1,234,451	\$ 49,106,570	\$ 1,403,109
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	\$ 2,407,778	\$ 2,398,083	\$ 774,208	\$ 72,422	\$ 5,652,491	\$ (15,545)
Adjustments to reconcile operating income to net cash provided by operating activities:						-
Depreciation expense	1,729,105	1,962,504	1,022,874	115,807	4,830,290	114,611
Change in assets and liabilities:						
Receivables, net	(216,165)	(148,259)	(41,377)	(3,123)	(408,924)	9,204
Inventories	(38,360)	-	-	-	(38,360)	-
Net OPEB asset	(1,115)	(796)	(212)	-	(2,123)	(1,222)
Deferred outflows for OPEB	(19)	(15)	(4)	-	(38)	(21)
Deferred outflows for pension	109,736	93,821	76,086	-	279,643	155,846
Accounts payable	424,430	489,174	235,491	57,010	1,206,105	(22,689)
Accrued compensated absences	14,559	(5,905)	648	-	9,302	4,470
Other accrued liabilities	1,194	(1,863)	6,399	-	5,730	2,581
Deferred revenue	165,415	-	-	-	165,415	-
Deposits	(888)	-	-	-	(888)	-
Net OPEB liability	(1,182)	(836)	(226)	-	(2,244)	(1,291)
Net pension liability	(72,501)	(84,575)	(117,905)	-	(274,981)	(148,263)
Deferred inflows related to OPEB	1,447	1,012	278	-	2,737	1,577
Deferred inflows related to pension	9,607	4,336	(4,948)	-	8,995	5,866
Net cash provided by operating activities	\$ 4,533,041	\$ 4,706,681	\$ 1,951,312	\$ 242,116	\$ 11,433,150	\$ 105,124
Schedule of non-cash capital activities:						
Capital contributions	\$ 1,337,796	\$ 806,923	\$ 1,559,350	\$ 517,696	\$ 4,221,765	\$ -
Equity in net loss of joint venture	(4,700)	-	-	-	(4,700)	-

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, 2018

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, 2018

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.
- ***Streets Capital Projects Fund***
Accounts for financial resources used for the acquisition or construction of major capital facilities for the Water Capital Projects Fund. 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, 2018

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, 2018

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 non-operating items. Operating revenues and expenses generally result from providing services, and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's 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 non-operating revenues and expenses.

Internal Service funds also distinguish operating revenues and expenses from non-operating 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 non-operating 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, 2018

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.

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.

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2018

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. The City Council has committed through a budgetary resolution specific amounts in various operating funds for expenditures of a non-recurring nature and for cash flow purposes. 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

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Fund balance by classification for the year ended June 30, 2018 is as follows:

Fund balances	General	Transit	Urban Renewal Year 2000 Plan Debt Service	Urban Renewal West Side Plan Debt Service	Street Capital Projects	Other Governmental Funds	Total Governmental
Nonspendable:							
Prepays	\$ 252,878	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 252,878
Restricted:							
Bond covenants	-	-	603,025	2,717,903	-	-	3,320,928
Capital projects	-	-	-	-	-	12,690,550	12,690,550
Debt service	-	-	8,728,852	9,117,490	-	-	17,846,342
PEG Communication	211,699	-	-	-	-	-	211,699
Total Restricted	211,699	-	9,331,877	11,835,393	-	12,690,550	34,069,519
Committed:							
Future needs	2,523,900	1,044,500	-	-	-	1,076,200	4,644,600
Assigned:							
Computer, software, fiber	1,901,700	-	-	-	-	-	1,901,700
Emergency management	225,000	-	-	-	-	-	225,000
Facilities and park improvements	2,850,000	-	-	-	-	-	2,850,000
Planning support - Coffee Creek	263,762	-	-	-	-	-	263,762
Interfund loans - infrastructure	-	-	-	-	-	-	-
Capital projects	-	-	-	-	815,004	-	815,004
Street maintenance and improve	-	-	-	-	-	-	-
Capital asset needs - buses	-	965,262	-	-	-	-	965,262
Operational support	2,000,000	1,583,167	-	-	-	16,995,800	20,578,967
Total Assigned	7,240,462	2,548,429	-	-	815,004	16,995,800	27,599,695
Unassigned	8,626,646	-	-	-	-	(812,556)	7,814,090
	<u>\$ 18,855,585</u>	<u>\$ 3,592,929</u>	<u>\$ 9,331,877</u>	<u>\$ 11,835,393</u>	<u>\$ 815,004</u>	<u>\$ 29,949,994</u>	<u>\$ 74,380,782</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
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June 30, 2018

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, 2018, City Council approved three supplemental budget resolutions that increased expenditure appropriations. The Urban Renewal Agency Board 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, 2018, no excess expenditures over appropriations were recorded.

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2018

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, 2018:

Petty cash	\$	1,070
Deposits with financial institutions		2,121,822
Investments:		
Commercial paper and corporate bonds	\$	35,397,791
US agency/State of Oregon obligations		49,364,354
Local government investment pool		41,009,277
Total Investments		<u>125,771,421</u>
Total pooled cash and investments	\$	<u>127,894,313</u>

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

Cash and investments	\$	105,525,358
Restricted assets - cash and investments		22,368,955
	\$	<u>127,894,313</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, 2017 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, 2018 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)*
\$ 49,364,354	\$ 35,397,791	\$ 41,009,277

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, 2018, the deposits with various financial institutions had a bank value of \$4,556,654. Of these deposits, \$500,000 was covered by federal depository insurance.

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2018

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. During FY2017-18, there were no downgrading of investments from the time of purchase. The State of Oregon Local Government Investment Pool is not rated.

At June 30, 2018, the City's investments were rated as follows:

	Commercial Paper And Corporate Bonds	Municipal and US Agency Corporations	Local Govt Investment Pool
AAA	\$ 1,722,543	\$ 38,287,281	\$ -
AA3	6,404,136	-	-
AA2	9,472,905	-	-
AA1	2,492,350	-	-
A3	4,482,015	-	-
A2	3,297,302	-	-
A1	7,526,540	-	-
Unrated	-	11,077,073	41,009,277
	<u>\$ 35,397,791</u>	<u>\$ 49,364,354</u>	<u>\$ 41,009,277</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, 2018 are as follows:

	Less than 6 Months	6-12 Months	12-18 Months	Total
Commercial Paper and Corporate Bonds	\$ 10,481,295	\$ 15,349,876	\$ 9,566,620	\$ 35,397,791
Municipal and US Agency Corporations	15,727,448	16,342,066	17,294,840	49,364,354
Local Govt Investment Pool	41,009,277	-	-	41,009,277
	<u>\$ 67,218,020</u>	<u>\$ 31,691,942</u>	<u>\$ 26,861,460</u>	<u>\$ 125,771,421</u>

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

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Uncollectible Receivables

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Water sales	\$ -	\$ 78,958
Sewer sales	-	62,169
Street light fees	-	3,645
Stormwater fees	-	13,709
Road maintenance fees	8,668	-
Total allowance for uncollectibles	<u>\$ 8,668</u>	<u>\$ 158,479</u>

Receivables

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

	<u>Interest</u>	<u>Accounts</u>	<u>Taxes</u>	<u>Other</u>	<u>Total</u>
General Fund	\$ 23,602	\$ 555,615	\$ 442,115	\$ -	\$ 1,021,332
Transit Fund	-	1,381,648	-	-	1,381,648
Urban Renewal Year 2000 Debt Service	6,650	-	289,262	-	295,912
Urban Renewal West Side Debt Service	2,185	-	305,638	-	307,823
Other non-major governmental funds	52,053	356,746	-	-	408,799
Water	71,993	1,126,220	-	319,575	1,517,788
Sewer	102,772	797,994	-	129,836	1,030,602
Stormwater	7,960	282,616	-	-	290,576
Street Lighting	-	49,457	-	-	49,457
Fleet Internal Service Fund	-	-	-	233	233
Total by receivable	<u>\$ 267,215</u>	<u>\$ 4,550,296</u>	<u>\$ 1,037,015</u>	<u>\$ 449,644</u>	<u>\$ 6,304,170</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:

	<u>Deferred Inflow</u>	<u>Unearned</u>
Delinquent property taxes receivable:		
General Fund	\$ 400,306	\$ -
Urban Renewal Year 2000 Plan Debt Service Fund	265,485	-
Urban Renewal West Side Plan Debt Service Fund	275,446	-
Urban Renewal Coffee Creek Debt Service Fund	389	-
Cash collected prior to meeting revenue recognition:		
Operations (General Fund)	-	170,814
Operations (Building Inspection Fund)	-	11,078
Total	<u>\$ 941,626</u>	<u>\$ 181,892</u>

Unearned revenue in the proprietary funds was for customer payments made in advance to be used for future utility bills. Unearned revenue totaled \$188,329 for the Water Fund.

CITY OF WILSONVILLE, OREGON
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June 30, 2018

Capital Assets

Capital asset activity for governmental activities, including the internal service Fleet Fund, for the year ended June 30, 2018 was as follows:

<u>Description</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Land	\$ 85,744,694	\$ 132,171	\$ -	\$ 85,876,865
Works of art	599,838	-	-	599,838
Easements	11,321,121	185,511	-	11,506,632
Construction In Progress	7,681,852	8,693,974	(36,955)	16,338,871
Total non-depreciable	<u>105,347,505</u>	<u>9,011,656</u>	<u>(36,955)</u>	<u>114,322,206</u>
Buildings & improvements	27,136,546	303,494	-	27,440,040
Land improvement	11,363,030	-	-	11,363,030
Machinery & equipment	4,134,235	398,257	(48,680)	4,483,812
Vehicles	6,453,021	129,219	(466,034)	6,116,206
Software	738,868	51,001	(179,837)	610,032
Infrastructure	200,083,686	5,501,609	-	205,585,295
Total depreciable	<u>249,909,386</u>	<u>6,383,580</u>	<u>(694,551)</u>	<u>255,598,415</u>
Accumulated depreciation				
Buildings & improvements	(8,633,840)	(789,255)	-	(9,423,095)
Land improvement	(4,074,960)	(500,116)	-	(4,575,076)
Machinery & equipment	(2,797,294)	(473,302)	41,750	(3,228,846)
Vehicles	(2,617,031)	(544,665)	436,154	(2,725,542)
Software	(355,159)	(120,700)	138,585	(337,274)
Infrastructure	(107,313,116)	(5,153,176)	-	(112,466,292)
Total accumulated depreciation	<u>(125,791,400)</u>	<u>(7,581,214)</u>	<u>616,489</u>	<u>(132,756,125)</u>
Governmental activities capital assets, net	<u>\$ 229,465,491</u>	<u>\$ 7,814,022</u>	<u>\$ (115,017)</u>	<u>\$ 237,164,496</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	\$ 225,674
Public safety	7,576
Transportation	722,045
Public works	6,126,125
Culture and recreation	491,170
Community development	8,624
Total depreciation for governmental activities	<u>\$ 7,581,214</u>

The capital asset ending balance of \$237,164,496 less related debt of \$30,913,708, plus unspent bond proceeds of \$2,375,104 is equal to the net position amount invested in capital assets of \$208,625,892.

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

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Capital asset activity for business-type activities for the year ended June 30, 2018 was as follows:

<u>Description</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Land	\$ 1,812,159	\$ -	\$ -	\$ 1,812,159
Easements	5,268,036	297,005	-	5,565,041
Construction In Progress	4,388,504	3,709,190	-	8,097,694
Total non-depreciable	<u>11,468,699</u>	<u>4,006,195</u>	<u>-</u>	<u>15,474,894</u>
Buildings & improvements	41,344,626	414,336	(1,033,677)	40,725,285
Land improvement	26,136,911	3,450	-	26,140,361
Machinery & equipment	8,467,777	27,055	(8,157)	8,486,675
Vehicles	54,281	-	-	54,281
Software	15,610	-	-	15,610
Infrastructure	128,170,182	4,061,065	-	132,231,247
Total depreciable	<u>204,189,387</u>	<u>4,505,906</u>	<u>(1,041,834)</u>	<u>207,653,459</u>
Accumulated depreciation				
Buildings & improvements	(12,659,842)	(1,036,267)	426,392	(13,269,717)
Land improvement	(1,779,675)	(540,357)	-	(2,320,032)
Machinery & equipment	(2,082,179)	(371,354)	6,254	(2,447,279)
Vehicles	(14,693)	(4,874)	-	(19,567)
Software	(6,603)	(4,082)	-	(10,685)
Infrastructure	(62,118,176)	(2,873,356)	-	(64,991,532)
Total accumulated depreciation	<u>(78,661,168)</u>	<u>(4,830,290)</u>	<u>432,646</u>	<u>(83,058,812)</u>
Business type activities, net	<u>\$ 136,996,918</u>	<u>\$ 3,681,811</u>	<u>\$ (609,188)</u>	<u>\$ 140,069,541</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	\$ 1,729,105
Sewer	1,962,504
Stormwater	1,022,874
Street lighting	<u>115,807</u>
Total depreciation for business-type activities	<u>\$ 4,830,290</u>

The capital asset ending balance of \$140,069,541, as noted above, less related debt of \$34,148,000, and less \$908,679 from unamortized bond premiums/discount, plus \$111,711 from unamortized bond defeasement, is equal to the net position amount invested in capital assets of \$105,124,573 as displayed on the Statement of Net Position.

Joint Venture

The City has entered into a joint venture with the Tualatin Valley Water District and the cities of Sherwood, Tigard, Hillsboro, and Beaverton. The Willamette Intake Facility (WIF) was established to provide treatment and distribution of water. The financial statements may be obtained from Tualatin Valley Water District, Finance Department, 1850 SW 170th Avenue, Beaverton, OR 97003.

The Willamette Intake Facilities Commission (the Commission or WIF) was organized in April 2018 under Oregon Revised Statute (ORS) 190 and was established by an agreement between the cities of Wilsonville, Hillsboro, Tigard, Beaverton, Sherwood, and Tualatin Valley Water District (the District). The Commission is governed by a six-member

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2018

board, with one representative appointed by each member jurisdiction. The purpose of the Commission is to provide for the ownership, management, and operation of the Willamette intake facilities which are used to withdraw and transmit water to the parties. The Commission is managed by Tualatin Valley Water District.

Expenses are allocated on a unit basis by the Commission. Each joint venturer's apportioned share of the general administration expenses is determined by the following formula: 25% of the administrative costs for the fiscal year is divided evenly among the Commission's membership; the remainder is divided among the Commission membership according to their percentage share of the capacity ownership in the intake facilities.

Operations, maintenance, and repair expenses that are a result of use of the facilities are allocated based on each party's proportionate use of the WIF. Operations, maintenance, and repair expenses unrelated to usage will be allocated based on each party's proportionate ownership of the WIF.

The following percentages of ownership were in effect at June 30, 2018:

Tualatin Valley Water District	39.40%
City of Wilsonville	16.67%
City of Sherwood	6.47%
City of Tigard	10.00%
City of Hillsboro	24.13%
City of Beaverton	3.33%

The City's investment in joint ventures is summarized as follows:

<u>Joint Venture</u>	<u>Balance, June 30, 2017</u>	<u>Operating Loss Before Contributions</u>	<u>City Contribution</u>	<u>Balance, June 30, 2018</u>
<u>Willamette Intake Facility</u>	<u>\$ -</u>	<u>\$ (4,700)</u>	<u>\$ 1,250,399</u>	<u>\$ 1,245,699</u>

Leases

On March 21, 2018, the City (as lessor) entered into the Ground Lease for Raw Water Pipeline with the City of Hillsboro and the Tualatin Valley Water District (as lessees). The City is leasing to the lessee land to construct, operate, and maintain a pipeline and necessary appurtenances for the transportation of raw water from the Willamette River to a treatment facility outside the City.

The terms of the lease are retroactive to July 1, 2016 and the lease terminates on June 30, 2115, a period of 99 years. Rents agreed to under the lease are \$173,577 annually for a total of \$17,184,127 during the life of the lease. The City established a discount rate of 3.27 percent for the life of the lease which results in a present value of \$12,303,874 at lease inception. Terms of the lease require the lessees to make ten annual payments of \$173,577 from July 1, 2016 through July 1, 2025 with a balloon payment of \$15,448,357 due July 1, 2026. For fiscal year 2017-2018 principal and interest payments of \$172,670 and \$174,484 were recognized respectively. At June 30, 2018, the lease receivable balance is \$12,131,204.

Interfund Transfers

Interfund transfers are used to pay contribute toward the cost of capital projects and provide operational resources. The interfund transfer activity for fiscal year ended June 30, 2018 is noted in the following table:

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

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<u>Transfers Out</u>	<u>Transfers In</u>			<u>Total</u>
	<u>General Fund</u>	<u>Street Cap Fund</u>	<u>Other Government</u>	
General Fund	\$ -	\$ -	\$ 1,161,509	\$ 1,161,509
Transit Fund	6,400	-	127,857	134,257
UR Debt Service - Year 2000	-	-	3,000,000	3,000,000
Street Capital Fund	-	-	2,667	2,667
Other Governmental	20,800	7,682,532	388,484	8,091,816
Enterprise Funds	26,400	-	158,101	184,501
Internal Service Fund	2,400	-	-	2,400
	<u>\$ 56,000</u>	<u>\$ 7,682,532</u>	<u>\$ 4,838,618</u>	<u>\$ 12,577,150</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, 2018 is \$805,990.

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, 2018 is \$301,793.

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, 2018 is \$241,434.

In June 2018, the General Fund loaned \$3,000,000 to the Urban Renewal Year 2000 CIP Fund per City Resolution 2695. The loan was paid back from proceeds in the Urban Renewal Year 2000 Debt Service Fund. The overnight funding strategy enabled to the Urban Renewal CIP Fund to access property tax revenue for construction projects.

Long-Term Obligations

In the following tables, long-term debt information is presented separately with respect to governmental and business-type activities. The following table presents current year changes in those obligations and the current portions due for each issue. The internal service Fleet Fund predominately serves the governmental funds. Accordingly, at year end, \$44,399 of the total Fleet Fund's compensated absences is included in the table presented below. Claims and judgments, pension and OPEB liabilities, and compensated absences are liquidated within each operating fund.

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2018

Government-Type Activities

	Balance			Balance		Due In
	June 30, 2017	Increase	Decrease	June 30, 2018		Subsequent Year
GOVERNMENTAL ACTIVITIES						
Tax Increment						
Urban Renewal, Year 2000 District						
Series 2010 Bonds	\$ 5,860,000	\$ -	\$ (345,000)	\$ 5,515,000	\$	345,000
Urban Renewal, West Side District						
Series 2009 Bonds	6,935,000	-	(455,000)	6,480,000		475,000
Series 2011 Long-Term	3,915,000	-	(210,000)	3,705,000		220,000
Series 2012 Long-Term	6,460,000	-	(340,000)	6,120,000		350,000
Series 2013 Long-Term	5,980,000	-	(285,000)	5,695,000		295,000
Series 2015A-Taxable	3,478,705	-	(395,510)	3,083,195		406,163
Series 2015B-Non-Taxable	464,768	-	(149,255)	315,513		154,856
Total West Side District	<u>27,233,473</u>	-	<u>(1,834,765)</u>	<u>25,398,708</u>		<u>1,901,019</u>
Total Notes and Bonds	<u>33,093,473</u>	-	<u>(2,179,765)</u>	<u>30,913,708</u>		<u>2,246,019</u>
Compensated absences	665,651	705,691	(655,219)	716,123		324,165
Net OPEB liability	-	508,493	-	508,483		-
Net pension liability	15,638,799	-	(2,519,604)	13,119,195		-
Total Governmental Activities	<u>\$ 49,397,922</u>	<u>\$ 1,214,184</u>	<u>\$ (5,354,588)</u>	<u>\$ 45,257,509</u>		<u>\$ 2,570,184</u>

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, 2018 is \$5,515,000.

Year Ending	Principal	Interest
June 30,		
2019	\$ 360,000	\$ 234,388
2020	370,000	219,088
2021	390,000	203,363
2022	405,000	186,788
2023	420,000	169,575
2024-2025	<u>3,570,000</u>	<u>284,750</u>
	<u>\$ 5,515,000</u>	<u>\$ 1,297,950</u>

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2018

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, 2018 is \$6,480,000.

Year Ending		
June 30,	Principal	Interest
2019	\$ 475,000	\$ 305,883
2020	500,000	281,996
2021	525,000	256,883
2022	550,000	230,545
2023	575,000	202,983
2024-2025	3,855,000	94,448
	<u>\$ 6,480,000</u>	<u>\$ 1,372,738</u>

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, 2018 is \$3,705,000.

Year Ending		
June 30,	Principal	Interest
2019	\$ 220,000	\$ 163,020
2020	225,000	153,340
2021	235,000	143,440
2022	245,000	133,100
2023	260,000	122,320
2024-2025	2,520,000	296,560
	<u>\$ 3,705,000</u>	<u>\$ 1,011,780</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, 2018 is \$6,120,000.

Year Ending		
June 30,	Principal	Interest
2019	\$ 350,000	\$ 201,960
2020	360,000	190,410
2021	375,000	178,530
2022	385,000	166,155
2023	400,000	153,450
2024-2027	4,250,000	477,840
	<u>\$ 6,120,000</u>	<u>\$ 1,368,345</u>

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2018

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, 2018 is \$5,695,000.

Year Ending June 30,	Principal	Interest
2019	\$ 295,000	\$ 199,325
2020	305,000	189,000
2021	315,000	178,325
2022	330,000	167,300
2023	340,000	155,750
2024-2028	4,110,000	592,025
	<u>\$ 5,695,000</u>	<u>\$ 1,481,725</u>

West Side District-Series 2015A

In July 2015, the City issued Urban Renewal tax-exempt bonds with an interest rate of 2.63% in the total amount of \$4,250,000. The final maturity will be in June 2025. The principal balance outstanding on the bonds at June 30, 2018 is \$3,083,195.

Year Ending June 30,	Principal	Interest
2019	\$ 406,163	\$ 78,180
2020	416,920	67,422
2021	428,331	56,012
2022	439,867	44,475
2023	451,714	32,628
2024-2025	940,200	28,485
	<u>\$ 3,083,195</u>	<u>\$ 307,202</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, 2018 is \$315,513.

Year Ending June 30,	Principal	Interest
2019	\$ 154,856	\$ 9,546
2020	160,657	3,744
	<u>\$ 315,513</u>	<u>\$ 13,290</u>

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2018

Business-Type Activities

	<u>Balance</u>			<u>Balance</u>	<u>Due In</u>
	<u>June 30, 2017</u>	<u>Increase</u>	<u>Decrease</u>	<u>June 30, 2018</u>	<u>Subsequent Year</u>
BUSINESS-TYPE ACTIVITIES					
Water Revenue Bonds					
Series 2016	\$ 3,080,000	\$ -	\$ (1,007,000)	\$ 2,073,000	\$ 1,026,000
Full Faith and Credit Bonds					
Water Series 2007	2,840,000	-	(670,000)	2,170,000	695,000
Sewer Series 2011	<u>31,685,000</u>	<u>-</u>	<u>(1,780,000)</u>	<u>29,905,000</u>	<u>1,850,000</u>
Total Notes and Bonds	<u>37,605,000</u>	<u>-</u>	<u>(3,457,000)</u>	<u>34,148,000</u>	<u>3,571,000</u>
Compensated absences	35,775	45,711	(36,409)	45,077	21,769
Net OPEB liability	-	32,593	-	32,593	-
Net pension liability	<u>1,115,860</u>	<u>-</u>	<u>(274,981)</u>	<u>840,879</u>	<u>-</u>
Total Business-type Activities	<u>\$ 38,756,635</u>	<u>\$ 78,304</u>	<u>\$ (3,768,390)</u>	\$ 35,066,549	<u>\$ 3,592,769</u>
				Unamortized bond premium	908,679
				Due in current year	<u>(3,592,769)</u>
				Total noncurrent liabilities	<u>\$ 32,382,459</u>

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 \$1,373,000 remains outstanding. Water system development revenues are responsible \$1,750,000 of the debt, of which \$700,000 remains outstanding. At June 30, 2018 the outstanding balance is \$2,073,000.

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
<u>June 30,</u>		
2019	\$ 1,026,000	\$ 41,045
2020	<u>1,047,000</u>	<u>20,731</u>
	<u>\$ 2,073,000</u>	<u>\$ 61,776</u>

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2018

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, 2018 is \$2,170,000. The full faith and credit of the City is pledged, however management intends to repay the debt from water operating revenues.

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 695,000	\$ 70,166
2020	725,000	42,831
2021	750,000	14,438
	<u>\$ 2,170,000</u>	<u>\$ 127,435</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, 2018 is \$31,685,000. The full faith and credit of the City is pledged, however management intends to repay the debt from a combination of sewer operating revenues and sewer system development charges. Sewer operating revenues are responsible for 26,640,000 of the issued debt, of which \$21,455,000 remains outstanding. Sewer system development revenues are responsible \$11,700,000 of the debt, of which 8,450,000 remains outstanding. At June 30, 2018 the outstanding balance is \$29,905,000.

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
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>\$ 29,905,000</u>	<u>\$ 8,344,138</u>

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2018

Restricted Assets

The balances of the restricted asset accounts as of June 30, 2018 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	-	5,216,595
Sewer	-	8,603,792
Stormwater	-	3,226,999
Oregon Dept of Transportation Cash Accounts:		
Account #11033: Barber Street and Kinsman Rd		
Sewer Operatons	-	209,591
Water SDC	-	50,047
Sewer SDC	-	136,016
Street SDC	466,205	-
Account #11034: I-5 & Wilsonville Rd		
Parks SDC	94,422	-
UR Year 2000 CIP	5,336	-
UR Program Income	156,029	-
Deposits:		
CD Fund - Villebois Parks	195,840	-
CD Fund - CD Deposits	62,555	-
CD Fund - Retainage	359,371	-
General Fund - Parks Reservation Deposits	31,500	-
Water Fund - Deposits	-	21,230
Water SDC - Deposits	-	800
Grants and contributions:		
General Fund - PEG Fees	211,699	-
	\$ 4,903,885	\$ 17,465,070

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 December 10, 2018, the date on which the financial statements were available to be issued.

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2018

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, 2018 the foregone property tax revenue is \$71,562.

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.

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2018

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:

Police and Fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for Police and Fire members is age 60 or age 53 with 25 years of retirement credit.

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, 2015 actuarial valuation. The City contribution rates in effect for the fiscal year ended June 30, 2018 were 20.73 for Tier One/Two members and 13.46 percent for OPSRP general service members. City contributions for the year ended June 30, 2018 were \$1,535,018, 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 \$577,624, on behalf of the employees.

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2018

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

At June 30, 2018, the City reported a liability of \$13,960,074 for its proportionate share of the OPERS net pension liability. The net pension liability was measured by OPERS as of June 30, 2018, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2015 rolled forward to June 30, 2018. 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, 2017, the City's proportion was 0.1036%, down 7.17% from its proportion of 0.1116% measured as of June 30, 2016.

For the year ended June 30, 2018, the City recognized pension expense of \$1,178,480. At June 30, 2018, 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	\$ 675,115	\$ -
Change of assumptions	2,544,672	-
Net difference between projected and actual earnings on investments	143,821	-
Changes in proportionate share	112,943	1,141,368
Differences between City's contributions and City's proportionate share of system contributions	166,642	222,028
Contributions subsequent to the measurement date	1,495,817	-
Total	\$ 5,139,010	\$ 1,363,396

Deferred outflows of resources related to pensions of \$1,495,817 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, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

Year Ending	Amount
June 30:	
2019	\$ 348,333
2020	1,488,255
2021	937,866
2022	(483,117)
2023	(11,540)
Total	\$ 2,279,797

Actuarial Methods and Assumptions:

The employer contribution rates effective July 1, 2017, through June 30, 2019, 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.

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2018

Valuation Date	December 31, 2015
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. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2018

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 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)	\$23,790,515	\$13,960,074	\$5,740,005

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 Allocation	Compound Annual Return (Geometric)
Core Fixed Income	8.00%	4.10%
Short-Term Bonds	8.00	3.65
Bank / Leveraged Loans	3.00	5.69
High Yield Bonds	1.00	6.67
Large/Mid Cap US Equities	15.75	7.96
Small Cap US Equities	1.31	8.93
Micro Cap US Equities	1.31	9.37
Developed Foreign Equities	13.13	8.34
Emerging Foreign Equities	4.12	10.56
Non-US Small Cap Equities	1.88	9.01
Private Equities	17.50	11.60
Real Estate (Property)	10.00	6.48
Real Estate (REITS)	2.50	8.74
Hedge Fund of Funds (Diversified)	2.50	4.94
Hedge Fund – Event driven	0.63	7.07
Timber	1.88	6.60
Farmland	1.88	7.11
Infrastructure	3.75	8.31
Commodities	1.88	6.07
Assumed Inflation - Mean		2.50

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2018

Changes in Plan Provisions Subsequent to Measurement Date

On July 28, 2017, subsequent to the June 30, 2017 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. This change will affect employer contribution rates beginning July 1, 2019.

OPSRP Individual Account Program

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

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

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

Money Purchase Retirement Plan

The City provides a money purchase retirement plan and trust created under Internal Revenue Code Section 414(h) for the benefit of eligible employees. Under the plan, the City contributes 3% of the employee's compensation into the trust. Eligible employees are those who have worked at least six months, are not covered by a collective bargaining agreement, and are not municipal court judges. At June 30, 2018, 66 participants were included the plan and 41 were active participants. Total assets, including non-active participants, held by the trust were \$1,592,227. Participant's interests in the plan vest ratably over a five-year period. Benefits commence within a reasonable time after termination of employment. The amounts accumulated under the plan, including investment earnings, are excluded from the financial statements of the City.

Deferred Compensation Plan

The City has a deferred compensation trust plan created in accordance with Internal Revenue Code Section 457. The trust hold assets for the exclusive benefit of plan participants and their beneficiaries. Participation in the plan is voluntary. The amounts accumulated under the plan, including investment earnings, are excluded from the financial statements of the City.

Roth IRA

The City has a Roth IRA plan created in accordance with Internal Revenue Code Section 408. The trust hold assets for the exclusive benefit of plan participants and their beneficiaries. Participation in the plan is voluntary. The amounts accumulated under the plan, including investment earnings, are excluded from the financial statements of the City.

Other Post-Employment Benefits (OPEB)

The other postemployment benefits (OPEB) asset, deferred outflows of resources, liability, and deferred inflows of resources as reported on the government wide statement of net position is a combination of two separate OPEB plans. The City provides an implicit rate subsidy for retiree health insurance premiums, and contributes to the Oregon Public Employees Retirement Systems' (OPERS) Retiree Health Insurance Account (RHIA), a cost-sharing multiple-employer defined health insurance benefit plan. The amounts reported on the financial statements relate to the plans as follows:

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2018

	Implicit Rate Subsidy Plan	OPERS RHIA Plan	Total OPEB on Financial Statements
Net OPEB Asset	\$ -	\$ 35,573	\$ 35,573
Deferred Outflows of Resources:			
Contributions After the Measurement Date	36,390	43,939	80,329
Total OPEB Liability	541,076	-	541,076
Deferred Inflows of Resources:			
Change in Proportionate Share	-	(2,325)	(2,325)
Change in Assumptions	(26,803)	-	(26,803)
Difference in Earnings	-	(16,475)	(16,475)
OPEB Expense (Income)	15,903	(44,609)	(28,706)
(Included in program expense on Statement of Activities)			

General Information about the Implicit Rate Subsidy OPEB Plan

Plan description. The City participates in a defined benefit OPEB plan that provides OPEB for all employees that retire from active service with a pension benefit payable immediately from Oregon PERS. This is a multi-employer OPEB plan that is sponsored and administered by City County Insurance Services (CIS). CIS issues a publicly available financial report that can be obtained at <https://www.cisoregon.org>.

Benefits provided. Retirees and their dependents under age 65 are allowed to continue the health care coverages received prior to retirement. Premiums for retirees are tiered and based upon the premium rates available to active employees. The retiree is responsible for any portion of the premiums not paid by the Employer. The implicit employer subsidy is measured as the expected health care cost per retiree and dependent, less the gross premiums charged by the insurance carrier for that coverage. The subsidy is only measured for retirees and their spouses younger than age 65, at which point such retirees and spouses typically become eligible for Medicare.

Employees covered by benefit terms. At June 30, 2018, a total of 144 active employees and 4 retired employees or beneficiaries.

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2016.

Actuarial assumptions. The total OPEB liability as of July 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	July 1, 2016
Measurement date	June 30, 2017
Discount rate	3.58 percent, based on a 20 year general bond obligation yield index published by The Bond Buyer.
Inflation	2.50 percent
Salary increases	3.50 percent, including inflation
Health care cost trends	6.00 percent for 2018, fluctuating between 5.00 percent and 6.25 percent through 2063
Mortality rates	RP-2000 healthy white collar male and female mortality tables, set back one year for males. Mortality is projected on a generational basis using Scale BB for males and females.
Actuarial cost method	Entry Age Normal

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2018

Changes in Net OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2017	\$552,220
Changes for the year:	
Service cost	41,320
Interest on total OPEB liability	16,389
Effect of changes to benefit terms	-
Effect of economic / demographic gains or losses	-
Effect of assumptions changes or inputs	(31,589)
Benefit payments	(37,264)
Net change	(11,144)
Balance as of June 30, 2018	\$541,076

Changes in assumptions reflect a change in the discount rate from 2.85 percent in 2017 to 3.58 percent in 2018.

Sensitivity of the net OPEB liability to changes in the discount rate. The following table presents the OPEB liability of the City as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58 percent) or 1-percentage-point higher (4.58 percent) than the current discount rate:

	1% Decrease (2.58%)	Discount Rate (3.58%)	1% Increase (4.58%)
Net OPEB liability (asset)	\$584,068	\$541,076	\$501,376

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following table presents the OPEB liability of the City as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rate Current (Blended)	1% Increase
Net OPEB liability (asset)	\$485,624	\$541,076	\$606,750

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the City recognized OPEB expense of \$15,903. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of	Deferred Inflows of
Change of assumptions	\$ -	\$ 26,803
Contributions subsequent to the measurement date	36,390	-
Total	\$ 36,390	\$ 26,803

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2018

Deferred outflows of resources related to OPEB of \$36,390 resulting from the City’s contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended	Amount
<u>June 30:</u>	
2019	\$ (4,786)
2020	(4,786)
2021	(4,786)
2022	(4,786)
2023	(4,786)
Thereafter	<u>(2,873)</u>
Total	<u>\$ (26,803)</u>

General Information about the OPERS RHIA OPEB Plan

Plan description. The City contributes to the Oregon Public Employees Retirement Systems’ (OPERS) Retiree Health Insurance Account (RHIA) for each of its eligible employees. RHIA a cost-sharing multiple-employer defined benefit postemployment 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. ORS 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants hired after August 29, 2003. 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/.

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

Contributions. OPERS funding policy provides for employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2015 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2017. The City’s contribution rates for the period were 0.50% for Tier One/Tier Two members, and 0.43% for OPSRP members. The City’s contributions to OPERS RHIA for the fiscal year ended June 30, 2018 was approximately \$41,894. Employees are not required to contribute to the RHIA plan.

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

At June 30, 2018, the City reported an asset of \$35,572 for its proportionate share of the collective OPEB asset. The collective net OPEB asset was measured as of June 30, 2017, and the total OPEB asset used to calculate the collective net asset was determined by an actuarial valuation as of December 31, 2015 rolled forward to June 30, 2017. The City’s proportion of the collective net OPEB asset was based on a projection of the City’s long-term contributions to the RHIA

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2018

plan relative to the projected contributions of all participating municipalities, actuarially determined. At June 30, 2017, the City's proportion was 0.0852 percent, which was a decrease of 0.0118 from its proportion measured as of June 30, 2016 (0.0970 percent).

For the year ended June 30, 2018, the City recognized OPEB income from this plan of \$44,609. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on investments	\$ -	\$ 16,475
Changes in proportionate share	-	2,325
Contributions subsequent to the measurement date	43,939	-
Total	\$ 43,939	\$ 18,800

Deferred outflows of resources related to OPEB of \$41,894 resulting from the City's contributions subsequent to the measurement date will be recognized as either a reduction of the net OPEB liability or an increase in the net OPEB asset in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended	Amount
June 30:	
2019	\$ (4,980)
2020	(4,980)
2021	(4,722)
2022	(4,118)
2023	-
Thereafter	-
Total	\$ (18,800)

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of December 31, 20X8, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	December 31, 2015
Measurement date	June 30, 2017
Experience study	2014, published September 23, 2015
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.50 percent
Long-term expected rate of return	7.50 percent
Discount rate	7.50 percent
Projected salary increases	3.50 percent
Retiree healthcare participation	Healthy retirees: 38% Disabled retirees: 20%
Healthcare cost trend rate	Not applicable

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2018

Mortality rates

Healthy retirees and beneficiaries:

RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation.

Active members:

Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.

Disabled retirees:

Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality table.

Sensitivity of the City's proportionate share of the net OPEB liability (asset) to changes in the discount rate. The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 7.50%, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease <u>(6.50%)</u>	Current Discount Rate <u>(7.50%)</u>	1% Increase <u>(8.50%)</u>
City's proportionate share of the net pension liability (asset)	\$4,959	\$(35,372)	\$(70,046)

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

Changes in Plan Provisions Subsequent to Measurement Date. The OPERS Board lowered the Assumed Rate of Return from 7.50% to 7.20% on July 28, 2017. This change is effective January 1, 2018, and will decrease the net OPEB asset or increase the net OPEB liability in future periods.

Change in Accounting Principle

In implementing GASB Statement No. 75, the City has restated beginning net position in order to recognize the correct Total OPEB Liability for the City's Implicit Rate Subsidy plan and to recognize the City's proportionate share of the Net OPEB Liability of the Oregon Public Employees Retirement Systems (OPERS) at June 30, 2017. The City had previously been exempt from reporting a Net OPEB Obligation in accordance with GASB Statement No. 45, paragraph 13.a.(2) related to the Implicit Rate Subsidy plan.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net position - beginning (as reported)	\$ 265,498,459	\$ 143,200,326	\$ 408,698,785
Cumulative effect of change in accounting principle	468,794	30,059	498,853
Net position - beginning (as restated)	<u>\$ 265,029,665</u>	<u>\$ 143,170,267</u>	<u>\$ 408,199,932</u>

CITY OF WILSONVILLE, OREGON
Notes to Basic Financial Statements

June 30, 2018

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 75, "Financial Reporting for Postemployment Benefits Other Than Pensions". This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures related to postemployment benefits other than pensions. The requirements of this statement are effective for financial statements for fiscal years beginning after June 15, 2017.

GASB Statement 82, "Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73." This statement clarifies certain pension related issues raised in the aforementioned statements. The requirements of this statement are effective for the financial statement for the fiscal years beginning after June 15, 2016.

GASB Statement 87, "Leases". This statement establishes new standards for accounting and financial reporting for leases by governments. The requirements of this statement are effective for financial statements for fiscal years beginning after December 15, 2019.

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF WILSONVILLE, OREGON
Required Supplemental Other Postemployment Benefit Plans Information
For the year ended June 30, 2018

Schedule of Funding Progress and Employer Contributions
Other Postemployment Benefit Plans

Actuarial Valuation Date	Actuarial Value of Assets	Funding Progress			Covered Payroll	UAAL as a Percentage of Covered Payroll
		Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio		
7/1/2016	\$ -	\$ 541,076	\$ 541,076	0%	\$ 9,634,817	5.6%

Notes:

Select actuarial assumptions used: 60% of future male retirees and 35% of future female retirees electing coverage are assumed to cover a spouse as well; males are assumed to be two years older than their female spouses.

CITY OF WILSONVILLE, OREGON
Required Supplemental Pension Information
For the year ended June 30, 2018

Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)

Oregon Public Employees Retirement System
 Last Five 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 payroll	City's proportionate share of the net pension (asset)/liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of total pension (asset)/liability
2014	0.11398347	\$ 5,816,743	\$ 8,216,318	70.8%	92.0%
2015	0.11398347	(2,583,680)	8,598,801	-30.0%	103.6%
2016	0.12604368	7,236,749	8,784,354	82.4%	91.9%
2017	0.11160605	16,754,659	9,227,258	181.6%	80.5%
2018	0.10356109	13,960,074	8,775,960	159.1%	83.1%

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 Five Fiscal Years ¹

Fiscal Year Ended June 30	Contractually required contributions	Actual contribution	Contribution deficiency (excess)	City's covered payroll	Actual contributions as a percentage of covered payroll
2014	\$ 937,892	\$ (937,892)	\$ -	\$ 8,598,801	10.9%
2015	967,083	(967,083)	-	8,784,354	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%
2018	1,495,817	(1,495,817)	-	9,634,817	15.5%

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, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 10,480,123	\$ 10,480,123	\$ 10,865,714	\$ 385,591
Intergovernmental	2,136,596	2,136,596	2,177,842	41,246
Licenses and permits	174,510	174,510	173,723	(787)
Charges for services	685,400	685,400	764,285	78,885
Fines and forfeitures	286,000	286,000	292,405	6,405
Investment revenue	115,000	115,000	188,150	73,150
Other revenues	164,650	164,650	149,530	(15,120)
Total revenues	<u>14,042,279</u>	<u>14,042,279</u>	<u>14,611,649</u>	<u>569,370</u>
EXPENDITURES				
Administration	1,600,620	1,620,139	1,269,436	350,703
Finance	1,431,961	1,467,981	1,297,628	170,353
Information Systems	1,292,510	1,297,370	977,188	320,182
Legal	559,560	572,560	545,292	27,268
Human Resources	763,583	775,863	698,191	77,672
Law Enforcement	4,949,105	4,949,105	3,949,241	999,864
Municipal Court	209,274	212,754	201,603	11,151
Public Works Administration	502,100	511,870	468,697	43,173
Building Maintenance	983,566	998,966	936,263	62,703
Parks Maintenance	1,286,490	1,340,800	1,302,819	37,981
Parks & Recreation	1,548,228	1,575,588	1,402,906	172,682
Library	1,938,586	1,949,477	1,877,688	71,789
Contingency	10,310,626	9,643,182	-	9,643,182
Total expenditures	<u>27,376,209</u>	<u>26,915,655</u>	<u>14,926,952</u>	<u>11,988,703</u>
Deficiency of revenues under expenditures	<u>(13,333,930)</u>	<u>(12,873,376)</u>	<u>(315,303)</u>	<u>12,558,073</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from interfund loan	3,406,020	3,406,020	3,406,020	-
Payment of interfund loan	(3,000,000)	(3,000,000)	(3,000,000)	-
Transfers in	2,938,612	3,153,943	3,072,347	(81,596)
Transfers out	(1,889,863)	(2,565,748)	(1,161,509)	1,404,239
Total other financing sources (uses)	<u>1,454,769</u>	<u>994,215</u>	<u>2,316,858</u>	<u>1,322,643</u>
Net change in fund balances	(11,879,161)	(11,879,161)	2,001,555	13,880,716
Fund balances--beginning	<u>14,403,061</u>	<u>14,403,061</u>	<u>16,048,040</u>	<u>1,644,979</u>
Fund balances--ending	<u>\$ 2,523,900</u>	<u>\$ 2,523,900</u>	<u>\$ 18,049,595</u>	<u>\$ 15,525,695</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, 2018

	<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	\$ 4,891,700	\$ 4,891,700	\$ 5,040,713	\$ 149,013
Intergovernmental	733,832	733,832	238,885	(494,947)
Charges for services	213,580	213,580	199,277	(14,303)
Investment revenue	15,000	15,000	46,985	31,985
Other revenues	14,000	14,000	39,244	25,244
Total revenues	<u>5,868,112</u>	<u>5,868,112</u>	<u>5,565,104</u>	<u>(303,008)</u>
EXPENDITURES				
Transit	5,724,162	5,811,672	4,947,569	864,103
Contingency	1,059,640	872,130	-	872,130
Total expenditures	<u>6,783,802</u>	<u>6,683,802</u>	<u>4,947,569</u>	<u>1,736,233</u>
Excess (deficiency) of revenues over (under) expenditures	(915,690)	(815,690)	617,535	1,433,225
OTHER FINANCING SOURCES (USES)				
Transfers out	(549,560)	(649,560)	(637,417)	12,143
Net change in fund balances	(1,465,250)	(1,465,250)	(19,882)	1,445,368
Fund balances--beginning	2,509,750	2,509,750	3,612,811	1,103,061
Fund balances--ending	<u>\$ 1,044,500</u>	<u>\$ 1,044,500</u>	<u>\$ 3,592,929</u>	<u>\$ 2,548,429</u>

CITY OF WILSONVILLE, OREGON
Notes to Required Supplemental Information
For the year ended June 30, 2018

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	\$ 2,001,555	\$ (19,882)
<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.	(399,990)	-
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.	(3,016,347)	503,160
<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.	3,016,347	(503,160)
Net change in fund balance - GAAP basis	\$ 1,601,565	\$ (19,882)

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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.

Urban Renewal - Coffee Creek

Accounts for the payment of principal and interest on Urban Renewal Coffee Creek Plan Bonds. Resources are provided from tax increment proceeds and interest earnings.

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.

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 Capital Projects

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

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, 2018

	Combined Nonmajor Special Revenue Funds	Urban Renewal Coffee Creek Debt Service	Combined Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 10,380,966	\$ 206,404	\$ 21,883,588	\$ 32,470,958
Receivables:				
Interest	-	10	52,043	52,053
Accounts	339,104	1,579	16,063	356,746
Restricted cash and investments	617,766	-	721,992	1,339,758
Total assets	<u>\$ 11,337,836</u>	<u>\$ 207,993</u>	<u>\$ 22,673,686</u>	<u>\$ 34,219,515</u>
LIABILITIES				
Accounts payable	\$ 345,826	\$ -	\$ 1,705,715	\$ 2,051,541
Other accrued liabilities	127,093	-	-	127,093
Deposits	617,766	-	-	617,766
Unearned revenue	11,078	-	-	11,078
Development charge payable	-	-	1,461,654	1,461,654
Total liabilities	<u>1,101,763</u>	<u>-</u>	<u>3,167,369</u>	<u>4,269,132</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	389	-	389
FUND BALANCES				
Restricted	-	207,604	12,482,946	12,690,550
Committed	1,076,200	-	-	1,076,200
Assigned	9,159,873	-	7,835,927	16,995,800
Unassigned	-	-	(812,556)	(812,556)
Total fund balances	<u>10,236,073</u>	<u>207,604</u>	<u>19,506,317</u>	<u>29,949,994</u>
Total liabilities and fund balances	<u>\$ 11,337,836</u>	<u>\$ 207,993</u>	<u>\$ 22,673,686</u>	<u>\$ 34,219,515</u>

CITY OF WILSONVILLE, OREGON

Nonmajor Special Revenue Funds

Combining Balance Sheet

June 30, 2018

	Building Inspection	Community Development	Road Operating	Road Maintenance Regulatory	Total
ASSETS					
Cash and investments	\$ 3,985,623	\$ 2,272,578	\$ 1,408,095	\$ 2,714,670	\$ 10,380,966
Receivables:					
Accounts	-	19,683	150,692	168,729	339,104
Restricted cash and investments	-	617,766	-	-	617,766
Total assets	<u>\$ 3,985,623</u>	<u>\$ 2,910,027</u>	<u>\$ 1,558,787</u>	<u>\$ 2,883,399</u>	<u>\$ 11,337,836</u>
LIABILITIES					
Accounts payable	\$ 204,944	\$ 2,853	\$ 138,029	\$ -	\$ 345,826
Other accrued liabilities	51,918	67,427	7,748	-	127,093
Deposits	-	617,766	-	-	617,766
Unearned revenue	11,078	-	-	-	11,078
Total liabilities	<u>267,940</u>	<u>688,046</u>	<u>145,777</u>	<u>-</u>	<u>1,101,763</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Committed	227,800	674,600	173,800	-	1,076,200
Assigned	3,489,883	1,547,381	1,239,210	2,883,399	9,159,873
Total fund balances	<u>3,717,683</u>	<u>2,221,981</u>	<u>1,413,010</u>	<u>2,883,399</u>	<u>10,236,073</u>
Total liabilities and fund balances	<u>\$ 3,985,623</u>	<u>\$ 2,910,027</u>	<u>\$ 1,558,787</u>	<u>\$ 2,883,399</u>	<u>\$ 11,337,836</u>

CITY OF WILSONVILLE, OREGON

Nonmajor Capital Project Funds

Combining Balance Sheet

June 30, 2018

	Building Projects	Park Projects	Street Development Charges	Washington County Transportation Development Tax
ASSETS				
Cash and investments	\$ 900,077	\$ 214,419	\$ 4,459,457	\$ 333,440
Receivables:				
Interest	-	-	21,711	-
Accounts	4,400	1,520	-	-
Restricted cash and investments	-	-	466,205	-
Total assets	\$ 904,477	\$ 215,939	\$ 4,947,373	\$ 333,440
LIABILITIES				
Accounts payable	\$ 694,855	\$ 25,949	\$ -	\$ -
Development charge payable	-	-	-	-
Total liabilities	694,855	25,949	-	-
FUND BALANCES				
Restricted	-	-	4,947,373	333,440
Assigned	209,622	189,990	-	-
Unassigned	-	-	-	-
Total fund balances	209,622	189,990	4,947,373	333,440
Total liabilities and fund balances	\$ 904,477	\$ 215,939	\$ 4,947,373	\$ 333,440

Continued on page 103.

Park Development Charges	Urban Renewal Year 2000 Capital Projects	Urban Renewal Year 2000 Program Income	Urban Renewal West Side Capital Projects	Urban Renewal West Side Program Income	Total
\$ 7,073,858	\$ 3,427,293	\$ 2,197,584	\$ 649,365	\$ 2,628,095	\$ 21,883,588
25,728	-	-	-	4,604	52,043
8,125	-	2,018	-	-	16,063
94,422	5,336	-	-	156,029	721,992
<u>\$ 7,202,133</u>	<u>\$ 3,432,629</u>	<u>\$ 2,199,602</u>	<u>\$ 649,365</u>	<u>\$ 2,788,728</u>	<u>\$ 22,673,686</u>
\$ -	\$ 244,968	\$ 71,299	\$ 267	\$ 668,377	\$ 1,705,715
-	-	-	1,461,654	-	1,461,654
-	<u>244,968</u>	<u>71,299</u>	<u>1,461,921</u>	<u>668,377</u>	<u>3,167,369</u>
7,202,133	-	-	-	-	12,482,946
-	3,187,661	2,128,303	-	2,120,351	7,835,927
-	-	-	(812,556)	-	(812,556)
<u>7,202,133</u>	<u>3,187,661</u>	<u>2,128,303</u>	<u>(812,556)</u>	<u>2,120,351</u>	<u>19,506,317</u>
<u>\$ 7,202,133</u>	<u>\$ 3,432,629</u>	<u>\$ 2,199,602</u>	<u>\$ 649,365</u>	<u>\$ 2,788,728</u>	<u>\$ 22,673,686</u>

CITY OF WILSONVILLE, OREGON
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2018

	Combined Nonmajor Special Funds	Urban Renewal Coffee Creek Debt Service	Combined Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ -	\$ 207,483	\$ -	\$ 207,483
Intergovernmental	1,562,485	-	82,625	1,645,110
Licenses and permits	1,556,210	-	3,459	1,559,669
Charges for services	2,442,175	-	-	2,442,175
System development fees	-	-	3,134,124	3,134,124
Investment revenue	142,761	121	345,595	488,477
Other revenues	29,125	-	151,300	180,425
Total revenues	<u>5,732,756</u>	<u>207,604</u>	<u>3,717,103</u>	<u>9,657,463</u>
EXPENDITURES				
Current operating:				
General government	686,088	-	25,976	712,064
Public works	1,006,289	-	-	1,006,289
Community development	2,717,385	-	1,760,438	4,477,823
Debt service:				
Interest	1,926	-	-	1,926
Capital outlay	98,049	-	6,173,414	6,271,463
Total expenditures	<u>4,509,737</u>	<u>-</u>	<u>7,959,828</u>	<u>12,469,565</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,223,019</u>	<u>207,604</u>	<u>(4,242,725)</u>	<u>(2,812,102)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	293,700	-	4,544,918	4,838,618
Transfers out	(1,175,506)	-	(6,916,310)	(8,091,816)
Total other financing sources (uses)	<u>(881,806)</u>	<u>-</u>	<u>(2,371,392)</u>	<u>(3,253,198)</u>
Net change in fund balances	341,213	207,604	(6,614,117)	(6,065,300)
Fund balances--beginning	9,894,860	-	26,120,434	36,015,294
Fund balances--ending	<u>\$ 10,236,073</u>	<u>\$ 207,604</u>	<u>\$ 19,506,317</u>	<u>\$ 29,949,994</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, 2018

	Building Inspections	Community Development	Road Operating	Road Maintenance Regulatory	Total
REVENUES					
Intergovernmental	\$ -	\$ -	\$ 1,562,485	\$ -	\$ 1,562,485
Licenses and permits	1,024,071	532,139	-	-	1,556,210
Charges for services	9,200	823,943	-	1,609,032	2,442,175
Investment revenue	51,181	38,658	19,528	33,394	142,761
Other revenues	1,881	24,855	2,389	-	29,125
Total revenues	1,086,333	1,419,595	1,584,402	1,642,426	5,732,756
EXPENDITURES					
Current operating:					
General government	172,689	419,891	93,508	-	686,088
Public works	21,432	85,728	899,129	-	1,006,289
Community development	1,117,322	1,600,063	-	-	2,717,385
Debt service:					
Interest	-	-	1,926	-	1,926
Capital outlay	22,747	7,158	68,144	-	98,049
Total expenditures	1,334,190	2,112,840	1,062,707	-	4,509,737
Excess (deficiency) of revenues over (under) expenditures	(247,857)	(693,245)	521,695	1,642,426	1,223,019
OTHER FINANCING USES					
Transfers in	-	293,700	-	-	293,700
Transfers out	(25,664)	(14,400)	(552,384)	(583,058)	(1,175,506)
Net change in fund balances	(273,521)	(413,945)	(30,689)	1,059,368	341,213
Fund balances--beginning	3,991,204	2,635,926	1,443,699	1,824,031	9,894,860
Fund balances--ending	\$ 3,717,683	\$ 2,221,981	\$ 1,413,010	\$ 2,883,399	\$ 10,236,073

CITY OF WILSONVILLE, OREGON

Nonmajor Capital Projects Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

For the year ended June 30, 2018

	Building Projects	Park Projects	Street Development Charges	Washington County Transportation Development Tax
REVENUES				
Intergovernmental	\$ 82,625	\$ -	\$ -	\$ -
Licenses and permits	-	3,459	-	-
System development fees	-	-	1,958,957	-
Investment revenue	18,618	3,140	124,014	6,100
Other revenues	-	-	-	-
Total revenues	<u>101,243</u>	<u>6,599</u>	<u>2,082,971</u>	<u>6,100</u>
EXPENDITURES				
Current operating:				
General government	6,741	19,235	-	-
Community development	38,791	152,778	3,243	-
Capital outlay	1,807,178	604,785	-	-
Total expenditures	<u>1,852,710</u>	<u>776,798</u>	<u>3,243</u>	<u>-</u>
Excess (deficiencies) of revenues over (under) expenditures	<u>(1,751,467)</u>	<u>(770,199)</u>	<u>2,079,728</u>	<u>6,100</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	770,085	774,833	-	-
Transfers out	-	-	(6,194,000)	-
Total other financing sources (uses)	<u>770,085</u>	<u>774,833</u>	<u>(6,194,000)</u>	<u>-</u>
Net change in fund balances	(981,382)	4,634	(4,114,272)	6,100
Fund balances--beginning	<u>1,191,004</u>	<u>185,356</u>	<u>9,061,645</u>	<u>327,340</u>
Fund balances--ending	<u>\$ 209,622</u>	<u>\$ 189,990</u>	<u>\$ 4,947,373</u>	<u>\$ 333,440</u>

Continued on page 107.

Park Development Charges	Urban Renewal Year 2000 Projects	Urban Renewal Year 2000 Program Income	Urban Renewal West Side Capital Projects	Urban Renewal West Side Program Income	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 82,625
-	-	-	-	-	3,459
1,175,167	-	-	-	-	3,134,124
95,220	21,689	27,821	13,968	35,025	345,595
-	-	151,300	-	-	151,300
<u>1,270,387</u>	<u>21,689</u>	<u>179,121</u>	<u>13,968</u>	<u>35,025</u>	<u>3,717,103</u>
-	-	-	-	-	25,976
2,027	654,446	8,980	812,875	87,298	1,760,438
-	988,467	67,214	66,903	2,638,867	6,173,414
<u>2,027</u>	<u>1,642,913</u>	<u>76,194</u>	<u>879,778</u>	<u>2,726,165</u>	<u>7,959,828</u>
<u>1,268,360</u>	<u>(1,621,224)</u>	<u>102,927</u>	<u>(865,810)</u>	<u>(2,691,140)</u>	<u>(4,242,725)</u>
-	3,000,000	-	-	-	4,544,918
<u>(722,310)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,916,310)</u>
<u>(722,310)</u>	<u>3,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,371,392)</u>
546,050	1,378,776	102,927	(865,810)	(2,691,140)	(6,614,117)
6,656,083	1,808,885	2,025,376	53,254	4,811,491	26,120,434
<u>\$ 7,202,133</u>	<u>\$ 3,187,661</u>	<u>\$ 2,128,303</u>	<u>\$ (812,556)</u>	<u>\$ 2,120,351</u>	<u>\$ 19,506,317</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

- Urban Renewal - Year 2000 Plan
- Urban Renewal - West Side Plan
- Urban Renewal - Coffee Creek 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, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses and permits	\$ 724,000	\$ 724,000	\$ 532,139	\$ (191,861)
Charges for services	660,400	800,400	823,943	23,543
Investment revenue	20,000	20,000	38,658	18,658
Other revenues	500	500	24,855	24,355
Total revenues	<u>1,404,900</u>	<u>1,544,900</u>	<u>1,419,595</u>	<u>(125,305)</u>
EXPENDITURES				
Community Development Administration	933,698	960,138	787,591	172,547
Engineering	1,490,268	1,560,268	1,133,954	426,314
Planning	958,539	1,038,672	982,134	56,538
Contingency	1,570,657	1,920,195	-	1,920,195
Total expenditures	<u>4,953,162</u>	<u>5,479,273</u>	<u>2,903,679</u>	<u>2,575,594</u>
Deficiency of revenues under expenditures	<u>(3,548,262)</u>	<u>(3,934,373)</u>	<u>(1,484,084)</u>	<u>2,450,289</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,519,152	2,905,263	1,630,936	(1,274,327)
Transfers out	<u>(560,797)</u>	<u>(560,797)</u>	<u>(560,797)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,958,355</u>	<u>2,344,466</u>	<u>1,070,139</u>	<u>(1,274,327)</u>
Net change in fund balances	(1,589,907)	(1,589,907)	(413,945)	1,175,962
Fund balances--beginning	<u>2,264,507</u>	<u>2,264,507</u>	<u>2,635,926</u>	<u>371,419</u>
Fund balances--ending	<u>\$ 674,600</u>	<u>\$ 674,600</u>	<u>\$ 2,221,981</u>	<u>\$ 1,547,381</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, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses and permits	\$ 1,273,660	\$ 1,273,660	\$ 1,024,071	\$ (249,589)
Charges for service	9,200	9,200	9,200	-
Investment revenue	35,000	35,000	51,181	16,181
Other revenues	-	-	1,881	1,881
Total revenues	<u>1,317,860</u>	<u>1,317,860</u>	<u>1,086,333</u>	<u>(231,527)</u>
EXPENDITURES				
Building Inspection	1,313,743	1,331,353	1,105,168	226,185
Contingency	<u>3,250,145</u>	<u>3,246,535</u>	-	<u>3,246,535</u>
Total expenditures	<u>4,563,888</u>	<u>4,577,888</u>	<u>1,105,168</u>	<u>3,472,720</u>
Deficiency of revenues under expenditures	<u>(3,246,028)</u>	<u>(3,260,028)</u>	<u>(18,835)</u>	<u>3,241,193</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	40,777	54,777	47,518	(7,259)
Transfers out	<u>(429,740)</u>	<u>(429,740)</u>	<u>(302,204)</u>	<u>127,536</u>
Total other financing sources (uses)	<u>(388,963)</u>	<u>(374,963)</u>	<u>(254,686)</u>	<u>120,277</u>
Net change in fund balances	(3,634,991)	(3,634,991)	(273,521)	3,361,470
Fund balances--beginning	<u>3,862,791</u>	<u>3,862,791</u>	<u>3,991,204</u>	<u>128,413</u>
Fund balances--ending	<u>\$ 227,800</u>	<u>\$ 227,800</u>	<u>\$ 3,717,683</u>	<u>\$ 3,489,883</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, 2018

	<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	\$ 1,432,078	\$ 1,432,078	\$ 1,562,485	\$ 130,407
Investment revenue	10,000	10,000	19,528	9,528
Other revenues	2,000	2,000	2,389	389
Total revenues	<u>1,444,078</u>	<u>1,444,078</u>	<u>1,584,402</u>	<u>140,324</u>
EXPENDITURES				
Road Operating	879,091	889,401	866,991	22,410
Debt Expense	81,550	81,550	81,446	104
Contingency	772,722	466,231	-	466,231
Total expenditures	<u>1,733,363</u>	<u>1,437,182</u>	<u>948,437</u>	<u>488,745</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(289,285)</u>	<u>6,896</u>	<u>635,965</u>	<u>629,069</u>
OTHER FINANCING USES				
Transfers out	<u>(801,610)</u>	<u>(1,097,791)</u>	<u>(666,654)</u>	<u>431,137</u>
Net change in fund balances	<u>(1,090,895)</u>	<u>(1,090,895)</u>	<u>(30,689)</u>	<u>1,060,206</u>
Fund balances--beginning	<u>1,264,695</u>	<u>1,264,695</u>	<u>1,443,699</u>	<u>179,004</u>
Fund balances--ending	<u>\$ 173,800</u>	<u>\$ 173,800</u>	<u>\$ 1,413,010</u>	<u>\$ 1,239,210</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, 2018

	<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	\$ 868,182	\$ 868,182	\$ 1,609,032	\$ 740,850
Investment revenue	12,000	12,000	33,394	21,394
Total revenues	<u>880,182</u>	<u>880,182</u>	<u>1,642,426</u>	<u>762,244</u>
EXPENDITURES				
Contingency	<u>1,340,606</u>	<u>1,340,606</u>	-	<u>1,340,606</u>
Excess of revenues over expenditures	(460,424)	(460,424)	1,642,426	2,102,850
OTHER FINANCING USES				
Transfers out	<u>(1,115,000)</u>	<u>(1,115,000)</u>	<u>(583,058)</u>	<u>531,942</u>
Net change in fund balances	(1,575,424)	(1,575,424)	1,059,368	2,634,792
Fund balances--beginning	<u>1,575,424</u>	<u>1,575,424</u>	<u>1,824,031</u>	<u>248,607</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,883,399</u>	<u>\$ 2,883,399</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, 2018

	<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	\$ 4,075,000	\$ 4,075,000	\$ 3,825,016	\$ (249,984)
Investment revenue	35,000	35,000	104,508	69,508
Total revenues	<u>4,110,000</u>	<u>4,110,000</u>	<u>3,929,524</u>	<u>(180,476)</u>
EXPENDITURES				
Debt service:				
Principal	7,740,000	7,740,000	3,345,000	4,395,000
Interest	890,247	890,247	249,214	641,033
Contingency	2,500,000	2,500,000	-	2,500,000
Total expenditures	<u>11,130,247</u>	<u>11,130,247</u>	<u>3,594,214</u>	<u>7,536,033</u>
Excess (deficiency) of revenues over (under) expenditures	(7,020,247)	(7,020,247)	335,310	7,355,557
Fund balances--beginning	9,009,397	9,009,397	8,996,567	(12,830)
Fund balances--ending	<u>\$ 1,989,150</u>	<u>\$ 1,989,150</u>	<u>\$ 9,331,877</u>	<u>\$ 7,342,727</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, 2018

	<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	\$ 5,080,000	\$ 5,080,000	\$ 5,061,499	\$ (18,501)
Investment revenue	115,000	115,000	118,038	3,038
Total revenues	<u>5,195,000</u>	<u>5,195,000</u>	<u>5,179,537</u>	<u>(15,463)</u>
EXPENDITURES				
Debt service:				
Principal	1,834,765	1,834,765	1,834,776	(11)
Interest	1,032,000	1,032,000	1,027,375	4,625
Contingency	8,714,267	8,714,267	-	8,714,267
Total expenditures	<u>11,581,032</u>	<u>11,581,032</u>	<u>2,862,151</u>	<u>8,718,881</u>
Excess (deficiency) of revenues over (under) expenditures	(6,386,032)	(6,386,032)	2,317,386	8,703,418
Fund balances--beginning	<u>9,286,032</u>	<u>9,286,032</u>	<u>9,518,007</u>	<u>231,975</u>
Fund balances--ending	<u>\$ 2,900,000</u>	<u>\$ 2,900,000</u>	<u>\$ 11,835,393</u>	<u>\$ 8,935,393</u>

CITY OF WILSONVILLE, OREGON
Urban Renewal - Coffee Creek Plan Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2018

	<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	\$ 53,000	\$ 53,000	\$ 207,483	\$ 154,483
Investment revenue	265	265	121	(144)
Total revenues	<u>53,265</u>	<u>53,265</u>	<u>207,604</u>	<u>154,339</u>
EXPENDITURES				
Contingency	53,265	53,265	-	53,265
Total expenditures	<u>53,265</u>	<u>53,265</u>	<u>-</u>	<u>53,265</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	207,604	207,604
Fund balances--beginning	-	-	-	-
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 207,604</u>	<u>\$ 207,604</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, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 245,000	\$ 245,000	\$ 146,000	\$ (99,000)
Investment revenue	12,000	12,000	15,000	3,000
Total revenues	<u>257,000</u>	<u>257,000</u>	<u>161,000</u>	<u>(96,000)</u>
EXPENDITURES				
Capital outlay	7,471,008	12,095,923	6,999,188	5,096,735
Contingency	1,110,466	1,110,466	-	1,110,466
Total expenditures	<u>8,581,474</u>	<u>13,206,389</u>	<u>6,999,188</u>	<u>6,207,201</u>
Deficiency of revenues under expenditures	<u>(8,324,474)</u>	<u>(12,949,389)</u>	<u>(6,838,188)</u>	<u>6,111,201</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	8,183,439	13,118,809	7,603,012	(5,515,797)
Transfers out	(873,944)	(1,184,399)	(722,087)	462,312
Total other financing sources (uses)	<u>7,309,495</u>	<u>11,934,410</u>	<u>6,880,925</u>	<u>(5,053,485)</u>
Net change in fund balances	(1,014,979)	(1,014,979)	42,737	1,057,716
Fund balances--beginning	1,014,979	1,014,979	1,013,701	(1,278)
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	\$ 1,056,438	<u>\$ 1,056,438</u>

Adjustment from budgetary basis to generally accepted accounting basis:

Repayment of interfund loan reduces receivable on GAAP basis	\$ (241,434)
Fund balances - generally accepted accounting principles basis	<u>815,004</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, 2018

	<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	\$ 1,239,375	\$ 1,239,375	\$ 82,625	\$ (1,156,750)
Investment revenue	2,000	2,000	18,618	16,618
Total revenues	<u>1,241,375</u>	<u>1,241,375</u>	<u>101,243</u>	<u>(1,140,132)</u>
EXPENDITURES				
Capital outlay	2,562,075	3,254,223	1,807,178	1,447,045
Contingency	189,175	189,175	-	189,175
Total expenditures	<u>2,751,250</u>	<u>3,443,398</u>	<u>1,807,178</u>	<u>1,636,220</u>
Deficiency of revenues under expenditures	<u>(1,509,875)</u>	<u>(2,202,023)</u>	<u>(1,705,935)</u>	<u>496,088</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,353,300	2,079,983	770,085	(1,309,898)
Transfers out	(30,600)	(65,135)	(45,532)	19,603
Total other financing sources (uses)	<u>1,322,700</u>	<u>2,014,848</u>	<u>724,553</u>	<u>(1,290,295)</u>
Net change in fund balances	<u>(187,175)</u>	<u>(187,175)</u>	<u>(981,382)</u>	<u>(794,207)</u>
Fund balances--beginning	<u>187,175</u>	<u>187,175</u>	<u>1,191,004</u>	<u>1,003,829</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 209,622</u>	<u>\$ 209,622</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, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses and permits	\$ 2,000	\$ 2,000	\$ 3,459	\$ 1,459
Investment revenue	700	700	3,140	2,440
Other revenues	500	500	-	(500)
Total revenues	3,200	3,200	6,599	3,399
EXPENDITURES				
Capital outlay	4,167,516	4,490,121	604,785	3,885,336
Contingency	136,065	136,065	-	136,065
Total expenditures	4,303,581	4,626,186	604,785	4,021,401
Deficiency of revenues under expenditures	(4,300,381)	(4,622,986)	(598,186)	4,024,800
OTHER FINANCING SOURCES (USES)				
Transfers in	4,736,913	5,060,278	774,833	(4,285,445)
Transfers out	(495,543)	(496,303)	(172,013)	324,290
Total other financing sources (uses)	4,241,370	4,563,975	602,820	(3,961,155)
Net change in fund balances	(59,011)	(59,011)	4,634	63,645
Fund balances--beginning	59,011	59,011	185,356	126,345
Fund balances--ending	\$ -	\$ -	\$ 189,990	\$ 189,990

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, 2018

	<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	\$ 4,210,374	\$ 4,210,374	\$ 1,958,957	\$ (2,251,417)
Investment revenue	40,000	40,000	124,014	84,014
Total revenues	<u>4,250,374</u>	<u>4,250,374</u>	<u>2,082,971</u>	<u>(2,167,403)</u>
EXPENDITURES				
Materials and services	16,220	16,220	3,243	12,977
Contingency	3,940,848	3,033,552	-	3,033,552
Total expenditures	<u>3,957,068</u>	<u>3,049,772</u>	<u>3,243</u>	<u>3,046,529</u>
Excess (deficiency) of revenues over (under) expenditures	293,306	1,200,602	2,079,728	879,126
OTHER FINANCING USES				
Transfers out	(6,055,319)	(10,262,247)	(6,194,000)	4,068,247
Net change in fund balances	(5,762,013)	(9,061,645)	(4,114,272)	4,947,373
Fund balances--beginning	5,762,013	9,061,645	9,061,645	-
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,947,373</u>	<u>\$ 4,947,373</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, 2018

	<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				
System Development Charges	\$ 1,051,290	\$ 1,051,290	\$ -	\$ (1,051,290)
Investment revenue	4,000	4,000	6,100	2,100
EXPENDITURES				
Contingency	1,509,903	1,509,903	-	1,509,903
Excess (deficiency) of revenues over (under) expenditures	(454,613)	(454,613)	6,100	460,713
Fund balances--beginning	454,613	454,613	327,340	(127,273)
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 333,440</u>	<u>\$ 333,440</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, 2018

	<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				
System development fees	\$ 1,742,364	\$ 1,742,364	\$ 1,175,167	\$ (567,197)
Investment revenue	40,000	40,000	95,220	55,220
Total revenues	<u>1,782,364</u>	<u>1,782,364</u>	<u>1,270,387</u>	<u>(511,977)</u>
EXPENDITURES				
Materials and services	3,928	3,928	2,027	1,901
Contingency	3,953,666	3,630,301	-	3,630,301
Total expenditures	<u>3,957,594</u>	<u>3,634,229</u>	<u>2,027</u>	<u>3,632,202</u>
Excess (deficiency) of revenues over (under) expenditures	(2,175,230)	(1,851,865)	1,268,360	3,120,225
OTHER FINANCING USES				
Transfers out	<u>(4,370,838)</u>	<u>(4,694,203)</u>	<u>(722,310)</u>	<u>3,971,893</u>
Net change in fund balances	(6,546,068)	(6,546,068)	546,050	7,092,118
Fund balances--beginning	<u>6,546,068</u>	<u>6,546,068</u>	<u>6,656,083</u>	<u>110,015</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,202,133</u>	<u>\$ 7,202,133</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, 2018

	<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	\$ 20,000	\$ 20,000	\$ 21,689	\$ 1,689
EXPENDITURES				
Materials and services	627,446	717,446	654,446	63,000
Capital outlay	1,188,000	1,438,590	988,467	450,123
Contingency	2,865,172	2,524,582	-	2,524,582
Total expenditures	<u>4,680,618</u>	<u>4,680,618</u>	<u>1,642,913</u>	<u>3,037,705</u>
Excess (deficiency) of revenues over (under) expenditures	(4,660,618)	(4,660,618)	(1,621,224)	3,039,394
OTHER FINANCING SOURCES				
Issuance of debt	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>-</u>
Net change in fund balances	(1,660,618)	(1,660,618)	1,378,776	3,039,394
Fund balances--beginning	<u>1,660,618</u>	<u>1,660,618</u>	<u>1,808,885</u>	<u>148,267</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,187,661</u>	<u>\$ 3,187,661</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, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment revenue	\$ 15,000	\$ 15,000	\$ 27,821	\$ 12,821
Other revenues	94,400	94,400	151,300	56,900
Total revenues	<u>109,400</u>	<u>109,400</u>	<u>179,121</u>	<u>69,721</u>
EXPENDITURES				
Materials and services	50,500	50,500	8,980	41,520
Capital outlay	70,000	70,000	67,214	2,786
Contingency	1,981,135	1,981,135	-	1,981,135
Total expenditures	<u>2,101,635</u>	<u>2,101,635</u>	<u>76,194</u>	<u>2,025,441</u>
Excess (deficiency) of revenues over (under) expenditures	(1,992,235)	(1,992,235)	102,927	2,095,162
Fund balances--beginning	<u>1,992,235</u>	<u>1,992,235</u>	<u>2,025,376</u>	<u>33,141</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,128,303</u>	<u>\$ 2,128,303</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, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment revenue	\$ 13,500	\$ 13,500	\$ 13,968	\$ 468
EXPENDITURES				
Materials and services	954,278	954,278	908,889	45,389
Capital outlay	-	67,000	66,903	97
Contingency	869,932	802,932	-	802,932
Total expenditures	<u>1,824,210</u>	<u>1,824,210</u>	<u>975,792</u>	<u>848,418</u>
Deficiency of revenues under expenditures	(1,810,710)	(1,810,710)	(961,824)	848,886
Net change in fund balances	(1,810,710)	(1,810,710)	(961,824)	848,886
Fund balances--beginning	<u>1,810,710</u>	<u>1,810,710</u>	<u>1,610,922</u>	<u>(199,788)</u>
Fund balances--ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>649,098</u>	<u><u>\$ 649,098</u></u>
Adjustment from budgetary basis to generally accepted accounting basis:				
Development charge payable			<u>(1,461,654)</u>	
Fund balances - generally accepted accounting principles basis			<u><u>\$ (812,556)</u></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, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment revenue	\$ 45,000	\$ 45,000	\$ 35,025	\$ (9,975)
EXPENDITURES				
Materials and services	-	125,000	87,298	37,702
Capital outlay	2,400,000	3,020,765	2,638,867	381,898
Contingency	2,346,129	1,600,364	-	1,600,364
Total expenditures	<u>4,746,129</u>	<u>4,746,129</u>	<u>2,726,165</u>	<u>2,019,964</u>
Excess (deficiency) of revenues over (under) expenditures	(4,701,129)	(4,701,129)	(2,691,140)	2,009,989
Fund balances--beginning	<u>4,701,129</u>	<u>4,701,129</u>	<u>4,811,491</u>	<u>110,362</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,120,351</u>	<u>\$ 2,120,351</u>

**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, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 8,236,000	\$ 8,236,000	\$ 9,278,151	\$ 1,042,151
Fines and forfeitures	19,500	19,500	18,284	(1,216)
Investment revenue	80,000	80,000	132,714	52,714
Other revenues	12,000	12,000	13,237	1,237
Total revenues	<u>8,347,500</u>	<u>8,347,500</u>	<u>9,442,386</u>	<u>1,094,886</u>
EXPENDITURES				
Water Operating	1,436,547	1,449,297	1,272,444	176,853
Water Treatment	3,356,418	3,606,418	3,365,644	240,774
Debt service:				
Principal	1,700,000	1,700,000	1,677,000	23,000
Interest	170,000	170,000	153,347	16,653
Contingency	10,260,795	9,616,794	-	9,616,794
Total expenditures	<u>16,923,760</u>	<u>16,542,509</u>	<u>6,468,435</u>	<u>10,074,074</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,576,260)</u>	<u>(8,195,009)</u>	<u>2,973,951</u>	<u>11,168,960</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from interfund loan	183,550	183,550	183,253	(297)
Transfers in	350,000	350,000	350,000	-
Transfers out	(1,294,648)	(1,675,899)	(997,207)	678,692
Total other financing sources (uses)	<u>(761,098)</u>	<u>(1,142,349)</u>	<u>(463,954)</u>	<u>678,395</u>
Net change in fund balances	(9,337,358)	(9,337,358)	2,509,997	11,847,355
Fund balances--beginning	<u>10,210,358</u>	<u>10,210,358</u>	<u>11,231,518</u>	<u>1,021,160</u>
Fund balances--ending	<u>\$ 873,000</u>	<u>\$ 873,000</u>	<u>\$ 13,741,515</u>	<u>\$ 12,868,515</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, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 255,923	\$ 255,923	\$ 138,491	\$ (117,432)
Investment revenue	650	650	1,921	1,271
Lease revenue	-	-	347,154	347,154
Total revenues	<u>256,573</u>	<u>256,573</u>	<u>487,566</u>	<u>230,993</u>
EXPENDITURES				
Capital outlay	1,589,183	2,109,717	1,024,649	1,085,068
Contingency	75,829	75,829	-	75,829
Total expenditures	<u>1,665,012</u>	<u>2,185,546</u>	<u>1,024,649</u>	<u>1,160,897</u>
Deficiency of revenues under expenditures	<u>(1,408,439)</u>	<u>(1,928,973)</u>	<u>(537,083)</u>	<u>1,391,890</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,563,076	2,145,104	1,025,481	(1,119,623)
Transfers out	<u>(197,939)</u>	<u>(259,433)</u>	<u>(139,323)</u>	<u>120,110</u>
Total other financing sources (uses)	<u>1,365,137</u>	<u>1,885,671</u>	<u>886,158</u>	<u>(999,513)</u>
Net change in fund balances	(43,302)	(43,302)	349,075	392,377
Fund balances--beginning	<u>43,302</u>	<u>43,302</u>	<u>43,270</u>	<u>(32)</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 392,345</u>	<u>\$ 392,345</u>

CITY OF WILSONVILLE, OREGON
Water Development Charges Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2018

	<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	\$ 2,890,907	\$ 2,890,907	\$ 1,470,077	\$ (1,420,830)
Investment revenue	40,000	40,000	68,777	28,777
Total revenues	<u>2,930,907</u>	<u>2,930,907</u>	<u>1,538,854</u>	<u>(1,392,053)</u>
EXPENDITURES				
Materials and services	9,793	9,793	1,585	8,208
Contingency	6,774,695	6,573,918	-	6,573,918
Total expenditures	<u>6,784,488</u>	<u>6,583,711</u>	<u>1,585</u>	<u>6,582,126</u>
Excess of revenues over expenditures	<u>(3,853,581)</u>	<u>(3,652,804)</u>	<u>1,537,269</u>	<u>5,190,073</u>
OTHER FINANCING USES				
Transfers out	<u>(1,258,224)</u>	<u>(1,459,001)</u>	<u>(953,488)</u>	<u>505,513</u>
Net change in fund balances	(5,111,805)	(5,111,805)	583,781	5,695,586
Fund balances--beginning	<u>5,111,805</u>	<u>5,111,805</u>	<u>4,632,814</u>	<u>(478,991)</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,216,595</u>	<u>\$ 5,216,595</u>

CITY OF WILSONVILLE, OREGON

Water Fund

Reconciliation of Budgetary Revenues and Expenditures to GAAP

For the year ended June 30, 2018

	<u>Revenues</u>	<u>Expenditures</u>
Budgetary Basis:		
Water Operating Fund	\$ 9,442,386	\$ 6,468,435
Water Capital Projects Fund	487,566	1,024,649
Water Development Charges Fund	1,538,854	1,585
Total	<u>11,468,806</u>	<u>7,494,669</u>
 Adjustments:		
Interest from interfund loan	4,333	-
Decrease in notes receivable	(96,014)	-
Collection on notes receivable	(505)	-
Joint venture equity gain from transfer of asset	641,211	-
Payment of bond principal	-	(1,677,000)
Expenditures capitalized	-	(1,144,905)
Support services	-	607,399
Depreciation expense	-	1,729,105
Pension expense	-	46,842
OPEB expense	-	(869)
Bond issuance cost	-	2,609
Amortization of bond defeasance	-	61,010
Equity loss in joint venture	-	4,700
Revenues and expenses	<u>\$ 12,017,831</u>	<u>\$ 7,123,560</u>
 GAAP Basis:		
Operating	\$ 9,309,672	\$ 6,901,894
Nonoperating	1,196,110	221,666
Capital contributions - grants and fees	1,512,049	-
Total - page 51	<u>\$ 12,017,831</u>	<u>\$ 7,123,560</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, 2018

	<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	\$ 7,933,000	\$ 7,933,000	\$ 8,091,969	\$ 158,969
Fines and forfeitures	-	-	103,521	103,521
Investment revenue	84,000	84,000	182,349	98,349
Other revenues	27,300	27,300	26,112	(1,188)
Total revenues	<u>8,044,300</u>	<u>8,044,300</u>	<u>8,403,951</u>	<u>359,651</u>
EXPENDITURES				
Sewer Operating	890,389	896,919	737,507	159,412
Sewer Pretreatment	128,149	130,069	113,305	16,764
Sewer Treatment	2,575,313	2,630,526	2,532,035	98,491
Debt service:				
Principal	1,800,000	1,800,000	1,780,000	20,000
Interest	1,180,000	1,180,000	1,157,529	22,471
Contingency	11,332,492	10,768,519	-	10,768,519
Total expenditures	<u>17,906,343</u>	<u>17,406,033</u>	<u>6,320,376</u>	<u>11,085,657</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,862,043)</u>	<u>(9,361,733)</u>	<u>2,083,575</u>	<u>11,445,308</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	600,000	600,000	600,000	-
Transfers out	(2,270,100)	(2,770,410)	(958,133)	1,812,277
Total other financing sources (uses)	<u>(1,670,100)</u>	<u>(2,170,410)</u>	<u>(358,133)</u>	<u>1,812,277</u>
Net change in fund balances	(11,532,143)	(11,532,143)	1,725,442	13,257,585
Fund balances--beginning	12,250,543	12,250,543	12,760,247	509,704
Fund balances--ending	<u>\$ 718,400</u>	<u>\$ 718,400</u>	<u>\$ 14,485,689</u>	<u>\$ 13,767,289</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, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment revenue	\$ 200	\$ 200	\$ (68)	\$ (268)
EXPENDITURES				
Capital outlay	3,619,884	4,433,814	958,056	3,475,758
Contingency	88,465	88,465	-	88,465
Total expenditures	3,708,349	4,522,279	958,056	3,564,223
Deficiency of revenues under expenditures	(3,708,149)	(4,522,079)	(958,124)	3,563,955
OTHER FINANCING SOURCES (USES)				
Transfers in	4,077,568	4,985,831	1,065,056	(3,920,775)
Transfers out	(385,077)	(479,410)	(107,000)	372,410
Total other financing sources (uses)	3,692,491	4,506,421	958,056	(3,548,365)
Net change in fund balances	(15,658)	(15,658)	(68)	15,590
Fund balances--beginning	15,658	15,658	15,616	(42)
Fund balances--ending	\$ -	\$ -	\$ 15,548	\$ 15,548

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, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
System development fees	\$ 2,152,412	\$ 2,152,412	\$ 1,106,715	\$ (1,045,697)
Investment revenue	50,000	50,000	118,422	68,422
Total revenues	<u>2,202,412</u>	<u>2,202,412</u>	<u>1,225,137</u>	<u>(977,275)</u>
EXPENDITURES				
Materials and services	6,325	6,325	3,943	2,382
Contingency	7,694,189	7,286,236	-	7,286,236
Total expenditures	<u>7,700,514</u>	<u>7,292,561</u>	<u>3,943</u>	<u>7,288,618</u>
Excess (deficiency) of revenues over (under) expenditures	(5,498,102)	(5,090,149)	1,221,194	6,311,343
OTHER FINANCING USES				
Transfers out	(2,945,464)	(3,353,417)	(1,180,337)	2,173,080
Net change in fund balances	(8,443,566)	(8,443,566)	40,857	8,484,423
Fund balances--beginning	8,443,566	8,443,566	8,562,935	119,369
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,603,792</u>	<u>\$ 8,603,792</u>

CITY OF WILSONVILLE, OREGON

Sewer Fund

Reconciliation of Budgetary Revenues and Expenditures to GAAP

For the year ended June 30, 2018

	<u>Revenues</u>	<u>Expenditures</u>
Budgetary Basis:		
Sewer Operating Fund	\$ 8,403,951	\$ 6,320,376
Sewer Capital Projects Fund	(68)	958,056
Sewer Development Charges Fund	<u>1,225,137</u>	<u>3,943</u>
Total	9,629,020	7,282,375
 Adjustments:		
Principal payment on credit facility	-	(1,780,000)
Expenditures capitalized	-	(957,470)
Support services	-	460,692
Depreciation expense	-	1,962,504
Pension expense	-	13,582
OPEB expense	-	(635)
Bond issuance cost	<u>67,696</u>	<u>-</u>
Revenues and expenses	<u>\$ 9,696,716</u>	<u>\$ 6,981,048</u>
 GAAP Basis:		
Operating	\$ 8,221,602	\$ 5,823,519
Nonoperating	368,399	1,157,529
Capital contributions - grants and fees	<u>1,106,715</u>	<u>-</u>
Total - page 51	<u>\$ 9,696,716</u>	<u>\$ 6,981,048</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, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 2,667,192	\$ 2,667,192	\$ 2,802,125	\$ 134,933
Investment revenue	12,000	12,000	41,721	29,721
Other revenues	-	-	6,585	6,585
Total revenues	<u>2,679,192</u>	<u>2,679,192</u>	<u>2,850,431</u>	<u>171,239</u>
EXPENDITURES				
Stormwater Maintenance	683,544	689,774	568,257	121,517
Debt service:				
Principal	497,500	497,500	499,390	(1,890)
Interest	10,500	10,500	8,437	2,063
Contingency	1,143,965	912,085	-	912,085
Total expenditures	<u>2,335,509</u>	<u>2,109,859</u>	<u>1,076,084</u>	<u>1,033,775</u>
Excess of revenues over expenditures	343,683	569,333	1,774,347	1,205,014
OTHER FINANCING USES				
Transfers out	(1,714,079)	(1,939,729)	(1,570,780)	368,949
Net change in fund balances	(1,370,396)	(1,370,396)	203,567	1,573,963
Fund balances--beginning	1,507,196	1,507,196	2,131,424	624,228
Fund balances--ending	<u>\$ 136,800</u>	<u>\$ 136,800</u>	<u>\$ 2,334,991</u>	<u>\$ 2,198,191</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, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment revenue	\$ 10,000	\$ 10,000	\$ 11,939	\$ 1,939
EXPENDITURES				
Capital outlay	1,495,684	2,494,440	1,846,318	648,122
Contingency	46,093	46,093	-	46,093
Total expenditures	1,541,777	2,540,533	1,846,318	694,215
Deficiency of revenues under expenditures	(1,531,777)	(2,530,533)	(1,834,379)	696,154
OTHER FINANCING SOURCES (USES)				
Transfers in	1,412,978	1,684,094	1,114,092	(570,002)
Transfers out	(229,048)	(322,613)	(186,360)	136,253
Total other financing sources (uses)	1,183,930	1,361,481	927,732	(433,749)
Net change in fund balances	(347,847)	(1,169,052)	(906,647)	262,405
Fund balances--beginning	347,847	1,169,052	1,172,462	3,410
Fund balances--ending	\$ -	\$ -	\$ 265,815	\$ 265,815

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, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
System development fees	\$ 853,419	\$ 853,419	\$ 405,893	\$ (447,526)
Investment revenue	25,000	25,000	49,550	24,550
Total revenues	<u>878,419</u>	<u>878,419</u>	<u>455,443</u>	<u>(422,976)</u>
EXPENDITURES				
Materials and services	2,652	2,652	1,685	967
Contingency	3,080,877	3,035,411	-	3,035,411
Total expenditures	<u>3,083,529</u>	<u>3,038,063</u>	<u>1,685</u>	<u>3,036,378</u>
Excess (deficiency) of revenues over (under) expenditures	(2,205,110)	(2,159,644)	453,758	2,613,402
OTHER FINANCING USES				
Transfers out	(198,272)	(243,738)	(42,685)	201,053
Net change in fund balances	(2,403,382)	(2,403,382)	411,073	2,814,455
Fund balances--beginning	2,403,382	2,403,382	2,815,926	412,544
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,226,999</u>	<u>\$ 3,226,999</u>

CITY OF WILSONVILLE, OREGON

Stormwater Fund

Reconciliation of Budgetary Revenues and Expenditures to GAAP

For the year ended June 30, 2018

	<u>Revenues</u>	<u>Expenditures</u>
Budgetary Basis:		
Stormwater Operating Fund	\$ 2,850,431	\$ 1,076,084
Stormwater Capital Projects Fund	11,939	1,846,318
Stormwater Development Charges Fund	455,443	1,685
Total	<u>3,317,813</u>	<u>2,924,087</u>
Adjustments:		
Interfund loan payment	-	(499,390)
Expenditures capitalized	-	(1,854,674)
Support services	-	496,973
Depreciation expense	-	1,022,874
Pension expense	-	(46,767)
OPEB Expense	-	(164)
Disposition of fixed assets	-	45,897
	<u>-</u>	<u>45,897</u>
Revenues and expenses	<u>\$ 3,317,813</u>	<u>\$ 2,088,836</u>
GAAP Basis:		
Operating	\$ 2,808,710	\$ 2,034,502
Nonoperating	103,210	54,334
Capital contributions - grants and fees	405,893	-
Total - page 51	<u>\$ 3,317,813</u>	<u>\$ 2,088,836</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, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 487,500	\$ 487,500	\$ 519,886	\$ 32,386
Investment revenue	10,000	10,000	20,653	10,653
Total revenues	<u>497,500</u>	<u>497,500</u>	<u>540,539</u>	<u>43,039</u>
EXPENDITURES				
Street Lighting	356,090	356,090	331,657	24,433
Contingency	689,349	285,990	-	285,990
Total expenditures	<u>1,045,439</u>	<u>642,080</u>	<u>331,657</u>	<u>310,423</u>
Excess (deficiency) of revenues over (under) expenditures	(547,939)	(144,580)	208,882	353,462
OTHER FINANCING USES				
Transfers out	<u>(107,750)</u>	<u>(511,109)</u>	<u>(148,067)</u>	<u>363,042</u>
Net change in fund balances	(655,689)	(655,689)	60,815	716,504
Fund balances--beginning	<u>726,989</u>	<u>726,989</u>	<u>1,166,083</u>	<u>439,094</u>
Fund balances--ending	<u><u>\$ 71,300</u></u>	<u><u>\$ 71,300</u></u>	<u><u>\$ 1,226,898</u></u>	<u><u>\$ 1,155,598</u></u>

CITY OF WILSONVILLE, OREGON
Street Lighting Fund
Reconciliation of Budgetary Revenues and Expenditures to GAAP
For the year ended June 30, 2018

	<u>Revenues</u>	<u>Expenditures</u>
Budgetary Basis:		
Street Lighting Fund	\$ 540,539	\$ 331,657
 Adjustments:		
Depreciation expense	<u>-</u>	<u>115,807</u>
Revenues and expenses	<u>\$ 540,539</u>	<u>\$ 447,464</u>
 GAAP Basis:		
Operating	\$ 519,886	\$ 447,464
Nonoperating	<u>20,653</u>	<u>-</u>
Total - page 51	<u>\$ 540,539</u>	<u>\$ 447,464</u>

CITY OF WILSONVILLE, OREGON
Reconciliation of Budgetary Fund Balance to
GAAP - Net Position
For the year ended June 30, 2018

	<u>Total Water</u>	<u>Total Sewer</u>	<u>Total Stormwater</u>	<u>Total Street Lighting</u>
Fund balances - budget basis:				
Operating Fund	\$ 13,741,515	\$ 14,485,689	\$ 2,334,991	\$ 1,226,898
Capital Projects Fund	392,345	15,548	265,815	-
Development Charges Fund	5,216,595	8,603,792	3,226,999	-
Total fund balances - budget basis	<u>19,350,455</u>	<u>23,105,029</u>	<u>5,827,805</u>	<u>1,226,898</u>
Adjustments:				
Notes receivable	1,465,465	-	-	-
Investment in joint venture	1,245,699	-	-	-
Bond premium	5,218	(913,897)	-	-
Pension	(326,027)	(224,322)	(63,106)	-
OPEB	(15,109)	(10,351)	(2,931)	-
Capital assets, net	48,267,791	61,864,125	25,837,684	4,099,941
Debt payable	(4,131,289)	(29,905,000)	-	-
Advances to other funds	543,227	-	-	-
Advances from other funds	-	-	(1,107,783)	-
Total GAAP Net Position - page 51	<u>\$ 66,405,430</u>	<u>\$ 53,915,584</u>	<u>\$ 30,491,669</u>	<u>\$ 5,326,839</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, 2018

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 1,310,630	\$ 1,310,630	\$ 1,263,295	\$ (47,335)
Investment revenue	10,700	10,700	27,629	16,929
Other revenues	-	-	24,828	24,828
Total revenues	<u>1,321,330</u>	<u>1,321,330</u>	<u>1,315,752</u>	<u>(5,578)</u>
EXPENDITURES				
Fleet	1,413,059	1,429,779	1,303,518	126,261
Contingency	933,598	916,878	-	916,878
Total expenditures	<u>2,346,657</u>	<u>2,346,657</u>	<u>1,303,518</u>	<u>1,043,139</u>
Excess (deficiency) of revenues over (under) expenditures	(1,025,327)	(1,025,327)	12,234	1,037,561
OTHER FINANCING SOURCES (USES)				
Sale of capital asset	-	-	-	-
Transfers out	(2,400)	(2,400)	(2,400)	-
Total other financing (uses)	<u>(2,400)</u>	<u>(2,400)</u>	<u>(2,400)</u>	<u>-</u>
Net change in fund balances	(1,027,727)	(1,027,727)	9,834	1,037,561
Fund balances--beginning	<u>1,090,827</u>	<u>1,090,827</u>	<u>1,300,893</u>	<u>210,066</u>
Fund balances--ending	<u>\$ 63,100</u>	<u>\$ 63,100</u>	<u>1,310,727</u>	<u>\$ 1,247,627</u>
Adjustment from budgetary basis to generally accepted accounting basis:				
Deferred pensions asset / liability			(485,063)	
Deferred pensions outflows / inflows			131,188	
Deferred OPEB asset / liability			(17,580)	
Deferred OPEB outflows / inflows			1,196	
Capital assets			911,163	
Fund balances - generally accepted accounting principles basis			<u>\$ 1,851,631</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			
	2018	2017	2016	2015
Governmental Activities				
Net investment in capital assets	\$ 208,625,892	\$ 198,234,157	\$ 191,785,289	\$ 190,498,824
Restricted	33,857,820	34,559,642	24,178,890	18,600,322
Unrestricted	29,615,737	32,704,660	30,593,354	27,891,356
Total governmental activities net position	<u>\$ 272,099,449</u>	<u>\$ 265,498,459</u>	<u>\$ 246,557,533</u>	<u>\$ 236,990,502</u>
Business-type activities				
Net investment in capital assets	\$ 105,124,573	\$ 98,590,872	\$ 95,953,234	\$ 90,879,589
Restricted	17,465,070	17,427,504	14,116,057	11,297,463
Unrestricted	33,549,879	27,181,950	24,217,849	20,519,909
Total business-type activities net position	<u>\$ 156,139,522</u>	<u>\$ 143,200,326</u>	<u>\$ 134,287,140</u>	<u>\$ 122,696,961</u>
Primary government				
Net investment in capital assets	\$ 313,750,465	\$ 296,825,029	\$ 287,738,523	\$ 281,378,413
Restricted	51,322,890	51,987,146	38,294,947	29,897,785
Unrestricted	63,165,616	59,886,610	54,811,203	48,411,265
Total primary government net position	<u>\$ 428,238,971</u>	<u>\$ 408,698,785</u>	<u>\$ 380,844,673</u>	<u>\$ 359,687,463</u>

Continued on page 149.

Fiscal Year					
2014	2013	2012	2011	2010	2009
\$ 182,563,852	\$ 172,030,623	\$ 155,303,313	\$ 150,438,791	\$ 148,408,001	\$ 145,226,430
15,999,315	16,256,180	19,949,141	19,192,234	21,247,738	20,870,117
27,912,417	26,960,064	25,930,589	24,134,580	20,569,991	20,101,537
<u>\$ 226,475,584</u>	<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>
\$ 84,456,922	\$ 72,601,965	\$ 69,393,857	\$ 69,381,064	\$ 65,194,932	\$ 68,333,124
9,135,299	11,686,021	7,273,385	8,255,338	9,160,631	8,534,673
17,811,579	18,660,595	15,624,285	12,461,233	12,704,478	9,904,816
<u>\$ 111,403,800</u>	<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>
\$ 267,020,774	\$ 244,632,588	\$ 224,697,170	\$ 219,819,855	\$ 213,602,933	\$ 213,559,554
25,134,614	27,942,201	27,222,526	27,447,572	30,408,369	29,404,790
45,723,996	45,620,659	41,554,874	36,595,813	33,274,469	30,006,353
<u>\$ 337,879,384</u>	<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>

CITY OF WILSONVILLE, OREGON

Changes in Net Position

Last Ten Fiscal Years

	Fiscal Year			
	2018	2017	2016	2015
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 981,778	\$ 907,951	\$ 860,828	\$ 781,845
Public safety	372,895	315,465	264,370	325,135
Transportation	313,060	322,769	206,506	605,178
Public works	1,612,232	883,416	703,448	685,471
Culture and recreations	340,306	307,572	316,880	223,759
Community development	2,389,728	3,225,297	3,444,984	3,149,667
Operating grants and contributions	3,231,386	3,008,721	3,069,041	2,724,209
Capital grants and contributions	5,964,896	15,804,150	12,794,101	10,294,361
Total governmental activities program revenues	<u>15,206,281</u>	<u>24,775,341</u>	<u>21,660,158</u>	<u>18,789,625</u>
Business-type activities:				
Charges for services:				
Water	9,278,151	8,288,220	8,380,163	7,743,119
Sewer	8,091,969	8,113,623	7,846,877	7,752,314
Stormwater	2,802,125	2,534,577	2,186,329	1,557,938
Streetlights	519,886	498,652	476,299	447,388
Operating grants and contributions	-	-	-	31,203
Capital grants and contributions	7,098,794	6,214,042	8,803,299	9,361,910
Total business-type activities program revenues	<u>27,790,925</u>	<u>25,649,114</u>	<u>27,692,967</u>	<u>26,893,872</u>
Total primary government program revenues	<u>\$ 42,997,206</u>	<u>\$ 50,424,455</u>	<u>\$ 49,353,125</u>	<u>\$ 45,683,497</u>
Expenses				
Governmental activities:				
General government	\$ 4,158,416	\$ 3,994,533	\$ 4,643,949	\$ 2,092,293
Public safety	4,172,469	4,349,339	4,124,760	3,766,895
Transportation	5,944,015	5,556,409	6,377,195	4,579,693
Public works	9,253,043	8,791,797	9,607,460	7,796,401
Culture and recreation	5,281,097	4,830,866	5,454,466	3,697,116
Community development	4,786,608	5,146,814	6,219,709	4,066,015
Interest on long-term debt	1,271,504	1,347,667	1,439,098	1,363,650
Total governmental activities expenses	<u>34,867,152</u>	<u>34,017,425</u>	<u>37,866,637</u>	<u>27,362,063</u>
Business-type activities:				
Water	7,123,560	6,608,032	6,814,839	6,468,041
Sewer	6,913,352	6,870,481	6,952,213	6,924,783
Stormwater	2,088,836	2,013,681	2,286,788	1,928,310
Streetlights	447,464	424,171	381,140	388,565
Total business-type activities	<u>16,573,212</u>	<u>15,916,365</u>	<u>16,434,980</u>	<u>15,709,699</u>
Total primary government expenses	<u>\$ 51,440,364</u>	<u>\$ 49,933,790</u>	<u>\$ 54,301,617</u>	<u>\$ 43,071,762</u>

Continued on page 151.

		Fiscal Year									
		2014	2013	2012	2011	2010	2009				
\$	797,639	\$	653,034	\$	611,014	\$	587,408	\$	550,187	\$	680,409
	325,251		427,345		480,649		533,887		365,082		356,710
	275,561		330,707		313,431		364,041		1,394,463		1,388,163
	714,558		644,332		670,839		646,979		624,647		633,589
	190,180		219,645		184,036		162,036		152,498		160,454
	3,057,239		2,594,270		2,663,637		2,328,205		1,359,674		1,794,304
	2,647,055		4,498,701		2,525,535		2,486,094		2,064,880		2,232,036
	15,488,068		14,372,709		6,816,917		4,718,798		4,644,661		1,708,482
	<u>23,495,551</u>		<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>
	6,784,658		6,830,022		5,564,931		5,056,627		4,969,233		5,393,190
	7,198,881		6,224,907		5,559,439		5,110,099		4,547,155		4,208,502
	1,392,150		1,164,818		972,101		953,103		937,249		924,072
	421,986		388,128		381,615		374,855		375,483		380,989
	4,721		4,474		3,948		-		30,634		-
	8,321,936		8,803,248		4,843,011		3,384,992		1,976,536		2,061,757
	<u>24,124,332</u>		<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>47,619,883</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>
\$	2,783,098	\$	2,728,128	\$	2,715,431	\$	3,857,483	\$	2,303,475	\$	2,648,401
	3,931,951		3,836,302		3,767,419		3,758,486		3,536,948		3,211,057
	4,973,506		5,008,045		4,665,878		4,421,328		5,228,701		5,011,679
	10,160,489		8,632,592		7,890,575		7,973,978		8,166,407		7,586,798
	3,819,439		3,684,702		2,324,820		2,210,216		2,474,430		1,967,497
	4,748,107		4,771,245		3,615,081		3,814,630		3,483,069		3,813,327
	1,635,091		1,657,706		1,585,132		1,532,853		1,399,271		1,129,551
	<u>32,051,681</u>		<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>
	9,219,979		6,022,898		6,492,487		5,929,144		5,470,193		5,813,041
	5,424,747		5,069,866		6,759,615		3,991,549		3,990,851		3,852,727
	2,850,421		1,742,041		1,820,865		1,772,143		3,038,784		2,201,863
	341,942		337,426		329,931		333,589		328,009		311,587
	<u>17,837,089</u>		<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>49,888,770</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>

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

	Fiscal Year			
	2018	2017	2016	2015
Net (Expense)/Revenue				
Governmental activities	\$ (19,660,871)	\$ (9,242,084)	\$ (9,242,084)	\$ (16,206,479)
Business-type activities	11,217,713	9,732,749	9,733,576	11,257,987
Total primary government net expenses	<u>\$ (8,443,158)</u>	<u>\$ 490,665</u>	<u>\$ 491,492</u>	<u>\$ (4,948,492)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes:				
Property taxes, levied for general purposes	\$ 7,103,352	\$ 6,545,482	\$ 6,235,290	\$ 5,819,519
Property taxes, levied for debt service	9,125,819	9,790,844	9,259,675	8,903,324
Franchise, transit and hotel taxes	8,838,506	9,357,994	8,269,638	7,918,080
Interest and investment earnings	988,791	651,078	444,296	269,137
Other revenues	603,441	591,159	647,292	970,257
Transfers in (out)	36,873	1,246,453	80,062	(243,120)
Gain (loss) on disposition of capital assets	33,873	-	837,257	-
Total governmental activities	<u>26,730,655</u>	<u>28,183,010</u>	<u>25,773,510</u>	<u>23,637,197</u>
Business-type activities:				
Investment revenue	632,311	337,245	291,896	103,623
Other revenues	514,893	89,645	120,358	91,255
Transfers in (out)	(36,873)	(1,246,453)	(80,062)	243,120
Gain (loss) on disposition of capital assets	641,211	-	-	-
Total business-type activities	<u>1,751,542</u>	<u>(819,563)</u>	<u>332,192</u>	<u>437,998</u>
Total primary government	<u>\$ 28,482,197</u>	<u>\$ 27,363,447</u>	<u>\$ 26,105,702</u>	<u>\$ 24,075,195</u>
Change in Net Position				
Governmental activities	\$ 7,069,784	\$ 18,940,926	\$ 16,531,426	\$ 7,430,718
Business-type activities	12,969,255	8,913,186	10,065,768	11,695,985
Total primary government	<u>\$ 20,039,039</u>	<u>\$ 27,854,112</u>	<u>\$ 26,597,194</u>	<u>\$ 19,126,703</u>

Continued on page 153.

Fiscal Year					
2014	2013	2012	2011	2010	2009
\$ (8,572,438)	\$ (8,556,130)	\$ (6,577,977)	\$ (12,298,278)	\$ (15,436,209)	\$ (16,414,163)
11,184,173	6,287,243	10,243,366	1,922,147	8,453	789,292
<u>\$ 2,611,735</u>	<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>
\$ 5,427,603	\$ 5,149,667	\$ 5,127,828	\$ 4,972,375	\$ 4,843,914	\$ 4,650,115
7,903,772	7,533,683	6,779,063	6,599,440	7,053,024	6,947,574
7,517,049	7,153,920	6,906,126	6,679,236	6,681,467	6,120,632
292,755	278,195	387,203	382,004	563,385	1,170,778
522,988	689,869	478,413	616,198	386,794	368,873
(1,879,320)	(163,533)	22,440	22,440	22,000	22,000
-	-	14,643	9,708	(86,729)	(223,052)
<u>19,784,847</u>	<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>
173,556	204,594	267,623	169,176	235,283	493,062
115,100	45,561	26,562	37,607	65,692	41,683
1,879,320	163,533	(22,440)	(22,440)	(22,000)	(22,000)
-	-	-	-	-	-
<u>2,167,976</u>	<u>413,688</u>	<u>271,745</u>	<u>184,343</u>	<u>278,975</u>	<u>512,745</u>
<u>\$ 21,952,823</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>
\$ 11,212,409	\$ 12,085,671	\$ 13,137,739	\$ 6,983,123	\$ 4,027,646	\$ 2,642,757
13,352,149	6,700,931	10,515,111	2,106,490	287,428	1,302,037
<u>\$ 24,564,558</u>	<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>

CITY OF WILSONVILLE, OREGON

Fund Balance, Governmental Funds

Last Ten Fiscal Years

	Fiscal Year			
	2018	2017	2016	2015
General Fund				
Unreserved	\$ -	\$ -	\$ -	\$ -
Nonspendable	252,878	208,756	568,959	90,266
Restricted	211,699	176,671	182,000	180,464
Committed	2,523,900	2,371,400	2,206,000	4,119,000
Assigned	7,240,462	6,940,362	6,557,262	8,304,112
Unassigned	8,626,646	7,556,831	6,782,665	2,587,696
Total general fund	<u>18,855,585</u>	<u>17,254,020</u>	<u>16,296,886</u>	<u>15,281,538</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
Restricted	33,857,820	34,559,642	24,178,890	18,125,118
Committed	2,120,700	2,034,500	1,924,000	1,304,000
Assigned	20,359,233	22,236,762	21,993,167	13,424,953
Unassigned	(812,556)	-	-	(68,904)
Total all other governmental funds	<u>55,525,197</u>	<u>58,835,426</u>	<u>48,096,717</u>	<u>32,805,876</u>
Total governmental funds	<u>\$ 74,380,782</u>	<u>\$ 76,089,446</u>	<u>\$ 64,393,603</u>	<u>\$ 48,087,414</u>

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

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Fiscal Year					
2014	2013	2012	2011	2010	2009
\$ -	\$ -	\$ -	\$ -	\$ 12,948,430	\$ 12,004,578
262,760	179,474	154,591	278,160	-	-
120,886	255,602	220,623	198,176	-	-
4,034,000	3,000,000	660,000	630,000	-	-
6,098,472	6,103,072	7,729,767	7,449,762	-	-
4,406,127	5,253,764	5,240,118	4,938,489	-	-
<u>14,922,245</u>	<u>14,791,912</u>	<u>14,005,099</u>	<u>13,494,587</u>	<u>12,948,430</u>	<u>12,004,578</u>
-	-	-	-	-	25,841
-	-	-	-	8,175,337	8,197,863
-	-	-	-	12,460,845	15,493,538
-	-	-	-	8,421,698	5,368,409
-	-	-	-	-	12,115
18,255	655	31,330	60	-	-
18,017,255	17,856,439	20,970,793	20,003,844	-	-
1,899,000	815,000	430,000	450,000	-	-
12,335,197	11,510,687	13,245,593	14,690,925	-	-
-	(250,764)	(902,056)	(926,791)	-	-
<u>32,269,707</u>	<u>29,932,017</u>	<u>33,775,660</u>	<u>34,218,038</u>	<u>29,057,880</u>	<u>29,097,766</u>
<u>\$ 47,191,952</u>	<u>\$ 44,723,929</u>	<u>\$ 47,780,759</u>	<u>\$ 47,712,625</u>	<u>\$ 42,006,310</u>	<u>\$ 41,102,344</u>

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

	Fiscal Year			
	2018	2017	2016	2015
Revenues				
Taxes	\$ 25,000,425	\$ 25,653,427	\$ 23,693,885	\$ 22,602,987
Intergovernmental	4,207,837	5,536,923	4,465,312	5,079,524
Licenses and permits	1,733,392	2,588,458	2,968,225	2,611,263
Charges for services	3,405,737	2,553,068	2,196,831	2,253,473
System development fees	3,134,124	5,604,943	4,383,098	3,509,264
Fines and forfeitures	292,405	237,009	187,448	244,535
Investment revenue	961,158	639,103	433,401	261,716
Developer reimbursements	-	-	-	-
Other revenues	375,229	332,185	400,764	763,420
Total Revenues	<u>39,110,307</u>	<u>43,145,116</u>	<u>38,728,964</u>	<u>37,326,182</u>
Expenditures				
Current operating				
General government	3,777,589	3,512,075	3,560,827	3,298,854
Public safety	4,150,844	4,327,101	4,064,863	3,800,732
Transportation*	4,947,569	4,577,860	4,696,751	4,583,528
Public works*	1,794,035	1,624,270	1,555,703	1,694,904
Culture and recreation	4,504,246	4,048,067	3,901,408	3,652,486
Community development	4,956,024	5,002,126	5,108,684	5,023,609
Debt service				
Principal	2,179,776	2,098,994	2,387,532	3,015,000
Interest	1,278,515	1,359,752	1,438,344	1,445,624
Capital outlay	<u>13,417,274</u>	<u>6,214,049</u>	<u>5,780,331</u>	<u>10,398,686</u>
Total expenditures	<u>41,005,872</u>	<u>32,764,294</u>	<u>32,494,443</u>	<u>36,913,423</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,895,565)</u>	<u>10,380,822</u>	<u>6,234,521</u>	<u>412,759</u>
Other financing sources (uses)				
Sale of capital assets	-	-	4,941,165	7,430
Issuance of debt	-	-	5,000,000	-
Proceeds of interfund loan	-	-	-	-
Payment of interfund loan	-	-	-	-
Transfers in	12,577,150	5,645,468	5,585,275	10,669,422
Transfers out	(12,390,249)	(4,330,447)	(5,454,772)	(10,194,149)
Refinanced debt	-	-	-	-
Total other financing sources (uses)	<u>186,901</u>	<u>1,315,021</u>	<u>10,071,668</u>	<u>482,703</u>
Net change in fund balance	<u>\$ (1,708,664)</u>	<u>\$ 11,695,843</u>	<u>\$ 16,306,189</u>	<u>\$ 895,462</u>
Debt service as a percentage of noncapital expenditures				
	12.02%	12.45%	16.33%	18.37%

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

Continued on page 157.

		Fiscal Year									
		2014	2013	2012	2011	2010	2009				
\$	20,822,581	\$	19,821,949	\$	18,687,975	\$	18,301,829	\$	18,563,276	\$	17,537,478
	4,040,465		7,912,876		4,572,155		3,442,467		3,667,223		2,862,897
	2,590,587		2,095,744		1,754,771		1,698,896		741,206		817,600
	2,387,261		1,967,389		2,159,615		2,029,357		3,137,518		3,628,028
	2,937,790		2,856,439		2,034,016		2,472,380		2,558,287		1,060,695
	247,534		351,077		404,950		460,326		293,007		287,000
	287,606		271,444		361,238		360,167		563,524		1,170,779
	-		-		981,390		1,053,423		-		-
	1,294,611		743,195		321,441		482,929		1,132,553		381,987
	<u>34,608,435</u>		<u>36,020,113</u>		<u>31,277,551</u>		<u>30,301,774</u>		<u>30,656,594</u>		<u>27,746,464</u>
	3,193,887		3,119,706		2,978,116		2,889,297		2,702,120		2,736,250
	3,932,008		3,830,566		3,759,006		3,752,705		3,564,996		3,209,673
	4,420,600		4,305,685		4,163,757		4,101,501		4,760,206		4,531,414
	1,571,556		1,543,999		2,317,533		2,230,352		2,195,740		1,990,580
	3,328,472		3,194,630		2,311,199		2,180,547		2,053,931		1,748,050
	4,574,487		4,929,877		3,772,696		3,867,838		3,529,006		3,762,140
	8,537,000		16,173,000		11,241,000		23,051,000		2,702,000		5,215,176
	1,614,615		1,637,230		1,645,515		1,500,455		1,349,746		1,120,132
	5,818,786		13,441,567		8,790,979		9,539,960		7,876,482		8,019,700
	<u>36,991,411</u>		<u>52,176,260</u>		<u>40,979,801</u>		<u>53,113,655</u>		<u>30,734,227</u>		<u>32,333,115</u>
	<u>(2,382,976)</u>		<u>(16,156,147)</u>		<u>(9,702,250)</u>		<u>(22,811,881)</u>		<u>(77,633)</u>		<u>(4,586,651)</u>
	24,646		5,004		479,770		-		959,599		-
	4,500,000		12,500,000		8,000,000		31,500,000		-		31,000,000
	4,500,000		-		-		-		-		-
	(4,500,000)		-		-		-		-		-
	3,991,874		6,840,052		5,997,837		3,622,326		4,460,740		5,104,170
	(3,665,521)		(6,245,739)		(4,707,223)		(3,597,846)		(4,438,740)		(5,082,170)
	-		-		-		-		-		(26,500,000)
	<u>4,850,999</u>		<u>13,099,317</u>		<u>9,770,384</u>		<u>31,524,480</u>		<u>981,599</u>		<u>4,522,000</u>
\$	<u>2,468,023</u>	\$	<u>(3,056,830)</u>	\$	<u>68,134</u>	\$	<u>8,712,599</u>	\$	<u>903,966</u>	\$	<u>(64,651)</u>
	34.86%		39.30%		37.17%		52.88%		28.13%		40.66%

CITY OF WILSONVILLE, OREGON

Program Revenues by Function

Last Ten Fiscal Years

	Fiscal Year			
	2018	2017	2016	2015
Program Revenues				
Governmental activities:				
General government	\$ 1,068,871	\$ 1,000,986	\$ 860,828	\$ 791,935
Public safety	372,895	315,465	264,370	325,135
Transportation*	551,945	1,311,216	1,124,864	2,234,120
Public works*	7,938,656	14,738,840	12,616,868	9,355,847
Culture and recreation	2,862,003	4,183,537	3,348,244	2,931,921
Community development	2,411,911	3,225,297	3,444,984	3,150,667
Subtotal governmental activities	<u>15,206,281</u>	<u>24,775,341</u>	<u>21,660,158</u>	<u>18,789,625</u>
Business-type activities:				
Water	12,127,996	10,874,464	11,502,425	11,464,685
Sewer	10,005,607	10,038,798	10,498,307	10,694,262
Stormwater	4,767,368	3,873,007	4,496,671	3,791,354
Streetlights	889,954	862,845	1,195,564	943,571
Subtotal business-type activities	<u>27,790,925</u>	<u>25,649,114</u>	<u>27,692,967</u>	<u>26,893,872</u>
Total primary government	<u>\$ 42,997,206</u>	<u>\$ 50,424,455</u>	<u>\$ 49,353,125</u>	<u>\$ 45,683,497</u>

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

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Fiscal Year					
2014	2013	2012	2011	2010	2009
\$ 822,639	\$ 653,034	\$ 611,014	\$ 587,408	\$ 632,343	\$ 695,136
325,251	451,065	576,200	633,017	462,852	457,135
1,317,171	3,305,284	1,062,785	963,213	2,159,116	2,435,814
15,614,308	14,582,252	7,316,025	5,870,786	5,218,171	2,674,287
2,358,943	2,154,838	2,036,397	1,444,819	1,323,936	897,471
3,057,239	2,594,270	2,663,637	2,328,205	1,359,674	1,794,304
<u>23,495,551</u>	<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>
8,932,423	11,567,221	7,751,248	6,656,443	5,504,540	6,444,390
11,554,572	8,194,564	7,094,096	6,559,246	4,973,346	4,705,275
2,978,437	3,052,480	1,987,464	1,263,932	1,982,921	1,354,206
658,900	601,332	492,237	400,055	375,483	464,639
<u>24,124,332</u>	<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>\$ 47,619,883</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>

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
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
17-18	16,161,919	450,412	5,040,713	3,347,381	25,000,425	173,723	1,559,669	1,733,392

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
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%
17-18	3,343,712,129	1,972,171	209,336,606	67,650,130	3,622,671,036	4.8858	4,942,413,960	73.3%

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
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
17-18	2.0194	-	2.8664	4.8858
17-18*	2.5206	-	-	2.5206

*without urban renewal restatement of rates

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
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
17-18	2.5278	0.0099	1.7741	7.8900	0.5921	0.2905	0.4569	18.4271

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:

City of Wilsonville, Adopted Budget
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

		2017-18		
Taxpayer	Type of Business	Assessed Taxes	Assessed Value	Percent of City AV*
Mentor Graphics Corporation	CAD software systems	\$ 1,053,550	\$ 56,252,951	1.6%
Argyle Capital LLC	Shopping center	985,761	54,442,930	1.5%
Mentor A Siemens Business	Electronis design automation	978,596	36,666,771	1.0%
Truamerica Multifamily LLC	Commercial properties	919,282	50,475,851	1.4%
Jackson Square Properties LLC	Real estate investment	896,807	47,883,853	1.3%
LIPT Ash Meadows Lane LLC	Apartments	884,118	47,208,561	1.3%
Swire Pacific Holdings Inc (Coca-Cola)	Bottling & distribution center	779,287	43,782,240	1.2%
Parkway Woods Business Park LLC	Commercial properties	725,266	40,758,927	1.1%
Sysco/Continental Food Service	Warehouse & distribution center	627,798	33,792,595	0.9%
Fred Meyer Stores Inc.	Grocery retail	617,067	33,077,214	0.9%
		<u>\$ 8,467,532</u>	<u>\$ 444,341,893</u>	<u>12.3%</u>

		2008-09		
Taxpayer	Type of Business	Assessed Taxes	Assessed Value	Percent of City AV**
Xerox Corporation	Document solutions and services	\$ 1,445,902	\$ 84,363,328	3.6%
Mentor Graphics Corporation	CAD software systems	937,453	52,779,827	2.3%
Argyle Capital LLC	Shopping center	735,579	41,646,330	1.8%
Goodman Financial Services Inc.	Apartment rental properties	579,889	32,209,074	1.4%
BIT Holdings	Hollywood entertainment properties	502,677	27,920,462	1.2%
CH Realty III/Portland Industrial	Commercial properties	480,804	26,907,192	1.2%
Flir Systems Inc.	Thermal imaging & infrared cameras	475,249	26,621,772	1.1%
Villebois Apartments LLC	Apartment rental properties	423,684	26,507,847	1.1%
Senior Parnters Portfolio LLC	Commercial properties	412,926	23,532,904	1.0%
SPM-Wilsonville LLC	Town center shopping center	412,189	22,894,419	1.0%
		<u>\$ 6,406,352</u>	<u>\$ 365,383,155</u>	<u>15.7%</u>

**Total City assessed valuation base for 2017-18 was \$3,622,671,036

**Total City assessed valuation base for 2008-09 was \$2,333,248,746

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
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%	304,291	12,645,972	94.45%
13-14	13,665,828	12,956,170	94.81%	251,990	13,208,160	96.65%
14-15	15,144,759	14,347,394	94.74%	230,489	14,577,883	96.26%
15-16	15,931,672	15,120,068	94.91%	192,116	15,312,184	96.11%
16-17	16,815,942	16,233,453	96.54%	121,071	16,354,524	97.26%
17-18	16,724,648	15,894,916	95.04%	-	15,894,916	95.04%

Sources: Tax Turnover reports from Washington and Clackamas Counties

CITY OF WILSONVILLE, OREGON

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year	Governmental Activities		Business-Type Activities				Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Urban Renewal Revenue Bonds and Notes Payable	Water Revenue Bonds	Sewer FF&C Bonds	Water FF&C Bonds	Unamortized Bond Premium			
08-09	\$ 2,170,000	\$ 38,629,000	\$ 9,751,301	\$ 3,980,611	\$ 7,395,000	\$ -	\$ 61,925,912	8.50%	3,452
09-10	1,900,000	36,197,000	9,028,910	8,473,842	6,895,000	-	62,494,752	8.92%	3,468
10-11	1,620,000	44,926,000	8,271,519	9,300,995	6,380,000	1,353,922	71,852,436	10.15%	3,971
11-12	1,325,000	41,980,000	7,484,128	42,660,378	5,845,000	1,319,505	100,614,011	12.49%	5,143
12-13	1,015,000	38,617,000	6,661,737	41,425,913	5,285,000	1,247,649	94,252,299	10.64%	4,594
13-14	695,000	34,900,000	5,814,346	39,161,448	4,710,000	1,175,793	86,456,587	9.17%	4,012
14-15	355,000	32,225,000	4,936,955	36,836,986	4,110,000	1,103,940	79,567,881	N/A	3,620
15-16	-	35,192,467	4,059,000	33,410,000	3,490,000	1,038,853	77,190,320	N/A	3,375
16-17	-	33,093,473	3,080,000	31,685,000	2,840,000	973,766	71,672,239	N/A	3,019
17-18	-	30,913,708	2,073,000	29,905,000	2,170,000	908,679	65,970,387	N/A	2,713

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 174.

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
08-09	17,940	\$ 2,333,248,746	\$ 2,170,000	\$ 181,690	\$ 1,988,310	0.09%	\$ 110.83
09-10	18,020	2,460,780,015	1,900,000	171,832	1,728,168	0.07%	95.90
10-11	18,095	2,502,778,594	1,620,000	159,580	1,460,420	0.06%	80.71
11-12	19,565	2,550,754,301	1,325,000	132,649	1,192,351	0.05%	60.94
12-13	20,515	2,632,847,863	1,015,000	99,149	915,851	0.03%	44.64
13-14	21,550	2,757,989,248	695,000	66,599	628,401	0.02%	29.16
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%	-
17-18	24,315	3,622,671,036	-	-	-	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
08-09	\$ 260,000	\$ 110,110	\$ 370,110	\$ 32,333,115	1.14%
09-10	270,000	99,450	369,450	30,734,227	1.20%
10-11	280,000	87,975	367,975	53,113,655	0.69%
11-12	295,000	75,935	370,935	40,979,801	0.91%
12-13	310,000	62,660	372,660	52,176,260	0.71%
13-14	340,000	33,360	373,360	36,991,411	1.01%
14-15	355,000	17,040	372,040	36,913,423	1.01%
15-16	-	-	-	32,494,443	0.00%
16-17	-	-	-	32,764,294	0.00%
17-18	-	-	-	41,005,872	0.00%

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			
	2018	2017	2016	2015
Total real market value	\$ 4,942,413,960	\$ 4,392,659,037	\$ 3,886,914,557	\$ 2,972,397,516
Legal Debt Margin:				
Debt limitation:				
3 percent of total real market value	\$ 148,272,419	\$ 131,779,771	\$ 116,607,437	\$ 89,171,925
Debt applicable to limitation:				
General obligation bonded debt	-	-	-	355,000
Less: Amount available for repayment of general obligation bonds	-	-	-	(105,969)
Total debt applicable to limitation	-	-	-	249,031
Legal Debt Margin	\$ 148,272,419	\$ 131,779,771	\$ 116,607,437	\$ 88,922,894
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.28%

Continued on page 169.

Fiscal Year					
2014	2013	2012	2011	2010	2009
<u>\$ 2,757,989,248</u>	<u>\$ 2,632,847,863</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>\$ 82,739,677</u>	<u>\$ 78,985,436</u>	<u>\$ 87,532,013</u>	<u>\$ 93,624,938</u>	<u>\$ 106,740,628</u>	<u>\$ 112,229,883</u>
695,000	1,015,000	1,015,000	1,620,000	1,900,000	2,170,000
<u>(66,599)</u>	<u>(99,149)</u>	<u>(99,149)</u>	<u>(152,857)</u>	<u>(171,832)</u>	<u>(181,690)</u>
628,401	915,851	915,851	1,467,143	1,728,168	1,988,310
<u>\$ 82,111,276</u>	<u>\$ 78,069,585</u>	<u>\$ 86,616,162</u>	<u>\$ 92,157,795</u>	<u>\$ 105,012,460</u>	<u>\$ 110,241,573</u>
0.76%	1.16%	1.05%	1.57%	1.62%	1.77%

CITY OF WILSONVILLE, OREGON
Computation of Direct and Overlapping Debt
Governmental Activities
June 30, 2018

Jurisdiction	Debt Outstanding	Percentage Applicable to Government¹	Amount Applicable to Government
Direct:			
City of Wilsonville	\$ 30,913,708	100.00%	\$ 30,913,708
Overlapping:			
Clackamas County	138,185,000	6.24%	8,625,231
Clackamas County ESD	22,100,000	6.83%	1,508,878
Clackamas County School District No. 3J	220,711,862	36.60%	80,788,928
Clackamas County School District No. 86	57,353,536	13.26%	7,603,645
Clackamas County Community College	123,948,913	8.48%	10,514,834
Metro	223,905,000	1.64%	3,669,355
Northwest Regional ESD	3,928,490	0.26%	10,230
Port of Portland	60,339,399	1.51%	913,599
Portland Community College	543,076,466	0.21%	1,116,565
Washington County	245,420,761	0.52%	1,275,206
Tualatin Valley Fire & Rescue	42,705,000	5.74%	2,451,011
Washington County School District No. 88J	334,320,749	6.43%	21,484,120
Total Overlapping	<u>2,015,995,176</u>	<u>6.94%</u>	<u>139,961,602</u>
Total Debt	<u>\$ 2,046,908,884</u>	<u>8.35%</u>	<u>\$ 170,875,310</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 Ratio
				Principal	Interest	Total	
08-09	\$ 4,434,702	\$ 3,002,684	\$ 1,432,018	\$ 480,000	\$ 170,055	\$ 650,055	2.20
09-10	4,679,410	3,079,923	1,599,487	500,000	198,622	698,622	2.29
10-11	5,236,715	2,789,694	2,447,021	520,000	214,972	734,972	3.33
11-12	5,918,493	3,199,350	2,719,143	540,000	924,245	1,464,245	1.86
12-13	6,589,574	2,934,756	3,654,818	1,160,000	1,428,245	2,588,245	1.41
13-14	7,403,678	3,164,425	4,239,253	2,190,000	1,390,851	3,580,851	1.18
14-15	7,834,506	3,749,250	4,085,256	2,250,000	1,333,321	3,583,321	1.14
15-16	8,064,204	3,401,123	4,663,081	2,310,000	1,272,521	3,582,521	1.30
16-17	8,306,491	3,933,277	4,373,214	1,725,000	1,210,900	2,935,900	1.49
17-18	8,521,214	3,597,924	4,923,290	1,780,000	1,215,212	2,995,212	1.64

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

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

Senior Lien Covenant
1.10 Coverage Requirement

Fiscal Year	Gross Revenues¹	Operating Expenses²	Net Revenues	Debt Service	Coverage Ratio
08-09	\$ 5,657,790	\$ 3,434,003	\$ 2,223,787	\$ 1,277,651	1.74
09-10	5,080,737	3,255,695	1,825,042	1,113,151	1.64
10-11	5,651,584	3,482,606	2,168,978	1,112,951	1.95
11-12	5,984,517	3,308,532	2,675,985	1,112,551	2.41
12-13	9,462,945	3,643,826	5,819,119	1,115,951	5.21
13-14	6,854,317	4,084,122	2,770,195	1,111,045	2.49
14-15	7,837,271	4,203,953	3,633,318	1,109,170	3.28
15-16	8,622,562	3,976,168	4,646,394	1,087,170	4.27
16-17	8,458,119	4,531,308	3,926,811	1,068,521	3.67
17-18	9,997,498	4,379,292	5,618,206	1,068,831	5.26

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			Debt	Combined
Charges ³	Account	w/ SDC &	Coverage		Service ⁴	Coverage
(SDCs)	Transfer (to) from	Stabilization	Ratio			(1.25 ratio) ⁵
\$ 350,000	\$ -	\$ 2,573,787	2.01	\$ 773,948	-	-
350,000	-	2,175,042	1.95	775,083	-	-
350,000	-	2,518,978	2.26	770,544	-	-
350,000	-	3,025,985	2.72	770,331	-	-
350,000	-	6,169,119	5.53	774,253	-	-
350,000	-	3,120,195	2.81	767,404	-	-
350,000	-	3,983,318	3.59	769,785	-	-
350,000	-	4,996,394	4.60	766,300	-	-
350,000	-	4,276,811	4.00	771,853	-	-
350,000	-	5,968,206	5.58	766,443	-	-

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
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%
17-18	24,315	N/A	N/A	N/A	N/A	9,802	3.80%

Sources:

¹ Center for Population Research and Census, PSU; www.pdx.edu/prc/population-reports-estimates

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, 2018

Customer	Account Type	Percentage of Total Consumption
Coca Cola Bottling	Commercial	9.84%
Oregon Department of Corrections	Public	4.23%
Bridge Creek Apartments	Multi-Family	1.91%
Canyon Creek Apartments	Multi-Family	1.80%
Boulder Creek Apartments	Multi-Family	1.65%
Fujimi Corporation	Commercial	1.43%
Parkway Woods Business Park	Multi-Family	1.33%
Domaine at Villebois	Multi-Family	1.26%
Berkshire Court Apartments	Multi-Family	1.24%
Wilsonville Summit Apts	Multi-Family	1.22%
Village at Main Street Phase II	Multi-Family	1.18%
Terene at the Grove	Multi-Family	1.11%
Hathaway Court Apartments	Multi-Family	1.10%
Ash Meados Lane, LLC	Multi-Family	1.08%
Village at Main Street Phase I	Multi-Family	0.96%

Source: City Utility Database

CITY OF WILSONVILLE, OREGON

Principal Employers

Current year and nine years ago

		2017-18	
Employer	Type of Business	Number of Employees	Percentage of total City employment*
Mentor Graphics Corporation	CAD software systems	976	6.1%
Sysco Portland Inc.	Warehouse & distribution center	568	3.6%
Rockwell Collins	Aerospace technology	531	3.3%
Coca Cola Bottling Company	Beverage distribution	378	2.4%
Precision Interconnect	Medical & Technical Equipment	320	2.0%
Southern Wine & Spirits	Beverage distribution	300	1.9%
Costco	Wholesale retail	291	1.8%
Fred-Meyer	Grocer	274	1.7%
Dealer Spike	Web Hosting	254	1.6%
DWFritz Automation Inc.	Manufacturing	249	1.6%
		4,141	25.9%

		2008-09	
Employer	Type of Business	Number of Employees	Percentage of total City employment**
Xerox Corporation	Color Printers	1,563	10.7%
Mentor Graphics Corporation	CAD software systems	1,110	7.6%
Precision Interconnect	Electronic machinery	654	4.5%
Sysco Portland Inc.	Warehouse & distribution center	582	4.0%
Hollywood Entertainment Corp.	Video rental distribution center	356	2.4%
Flir Systems Inc.	Thermal imaging/infrared equipment	352	2.4%
Fry's Electronics	Retail	309	2.1%
InFocus Corporation	Data/Video Projectors	309	2.1%
Rite Aid Distribution Center	Retail & distribution center	275	1.9%
Orepac Building Products	Forest products	198	1.4%
		5,708	39.1%

* Total city employment for 2017-18 was 15,966

** 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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government										
Administration	5.00	5.00	5.00	5.00	4.50	4.50	6.00	6.00	5.00	5.00
Finance	9.50	9.31	9.20	9.40	8.90	9.15	8.90	8.90	8.85	8.80
Information Systems ⁵	5.50	5.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Geographic Information Systems	-	-	1.50	1.50	1.50	1.50	1.50	1.50	1.00	1.00
Legal	3.70	3.70	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Human Resources/Risk Management	3.60	3.35	3.35	2.85	2.85	2.85	2.85	2.85	2.82	2.82
	27.30	26.86	25.05	24.75	23.75	24.00	25.25	25.25	23.67	23.62
Community Development										
Administration ¹	4.00	3.50	4.50	4.50	4.50	5.50	6.50	6.00	8.40	8.40
Engineering	11.50	9.50	9.50	9.00	9.00	9.00	10.00	10.00	11.00	11.00
Building Inspections	8.80	5.60	5.60	5.60	5.60	5.10	5.10	5.10	6.35	6.35
Planning	8.60	7.60	7.60	7.60	8.00	8.00	7.00	7.50	8.50	8.50
Stormwater/Natural Resources ¹	-	3.00	3.00	2.00	2.00	3.00	3.00	3.00	1.00	1.00
	32.90	29.20	30.20	28.70	29.10	30.60	31.60	31.60	35.25	35.25
Public Works										
Administration	4.50	3.50	3.50	3.50	3.50	4.50	5.50	5.50	5.00	5.00
Buildings Maintenance	5.75	5.75	5.75	5.50	5.50	4.25	4.25	4.25	3.25	4.75
Parks Maintenance ³	-	-	-	-	-	7.25	7.00	7.00	7.00	6.00
Roads	4.05	4.05	4.05	4.05	4.05	3.75	3.75	3.75	3.75	3.25
Water Distribution and Sales	5.38	5.67	5.38	4.88	4.88	5.33	4.58	4.58	4.33	4.33
Stormwater Maintenance	2.69	2.69	1.94	1.94	1.84	1.84	1.84	1.84	1.84	1.84
Wastewater Collection ²	2.63	2.63	2.13	2.13	2.13	1.83	8.16	8.16	8.16	7.83
Industrial Pretreatment	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
	26.00	25.29	23.75	23.00	22.90	29.75	36.08	36.08	34.33	34.00
Transportation										
SMART Transit	38.13	37.50	37.00	36.07	35.74	36.44	36.19	35.69	35.29	34.29
Fleet	8.00	6.60	6.60	6.60	6.50	6.50	7.00	7.00	7.00	7.00
	46.13	44.10	43.60	42.67	42.24	42.94	43.19	42.69	42.29	41.29
Parks & Recreation										
General Services ⁴	9.20	9.20	4.10	4.05	4.05	8.10	8.00	8.00	7.70	7.97
Senior Programs ⁴	-	-	4.10	4.05	4.05	-	-	-	-	-
Parks Maintenance ³	8.25	8.25	8.25	8.25	8.25	-	-	-	-	-
	17.45	17.45	16.45	16.35	16.35	8.10	8.00	8.00	7.70	7.97
Library										
	16.36	16.46	16.46	16.46	16.46	16.46	16.26	16.26	16.26	12.12
	16.36	16.46	16.46	16.46	16.46	16.46	16.26	16.26	16.26	12.12
Public Safety										
Municipal Court	1.65	1.65	1.70	1.50	2.00	2.00	2.00	2.00	2.00	2.00
	1.65	1.65	1.70	1.50	2.00	2.00	2.00	2.00	2.00	2.00
Total Full-time equivalents	167.79	161.01	157.21	153.43	152.80	153.85	146.12	145.62	145.24	144.13

¹ In FY2010-11, two FTE moved from Community Development Administration to Stormwater/Natural Resources.

² In FY2012-13, Wastewater Treatment (now contracted) was removed from Wastewater Collection.

³ In FY2013-14, Parks Maintenance was moved from Public Works to Parks & Recreation

⁴ In FY2013-14, Community Services was split into General Services and Senior Programs, and then recombined in FY2016-17.

⁵ In FY2016-17, Information Systems and GIS were combined.

Source: City's Adopted Budget for relevant year.

CITY OF WILSONVILLE, OREGON

Operating Indicators by Function

Last Ten Fiscal Years

Function/Program	Fiscal Year			
	2018	2017	2016	2015
Governmental activities:				
General				
Total Employment	15,966	17,387	16,755	14,358
Reported Wages	\$ 1,008,142,574	\$ 1,110,516,400	\$ 927,719,494	\$ 904,800,000
Transportation				
Ridership	290,910	304,976	343,793	362,891
Cost Per Passenger	\$ 18.76	\$ 16.69	\$ 12.30	\$ 11.30
Culture and Recreation				
Library physical item circulation	400,499	439,474	452,232	490,000
Library e-book/downloadable circulation	34,391	26,770	24,346	21,793
Library volunteer hours	11,551	11,795	12,750	12,725
Library program attendance	25,373	25,969	32,044	33,165
Meals served on site for seniors	5,779	5,055	5,537	8,000
Home-delivered meals for seniors	7,899	6,950	6,175	5,550
Community Development				
Number of commercial permits	256	313	313	257
Value of commercial permits	\$ 40,275,136	\$ 51,468,385	\$ 26,994,232	\$ 10,451,251
Number of residential permits	260	334	181	343
Value of residential permits	\$ 45,432,937	\$ 73,465,000	\$ 42,901,061	\$ 76,208,732
Business-type activities:				
Water				
Annual Water Usage (Gallons)	1,042,139,032	1,043,103,204	1,061,466,604	1,005,932,092
Average Daily Water Usage (Gallons)	2,855,175	2,857,817	2,908,128	2,755,978

Source: Various City Departments

Continued on page 179.

		Fiscal Year					
2014	2013	2012	2011	2010	2009		
	16,300	14,518	14,450	13,555	13,809	14,612	
\$	868,470,652	\$ 798,177,084	\$ 809,713,768	\$ 778,783,722	\$ 756,210,456	\$ 682,405,944	
	374,408	351,374	370,526	344,723	306,421	312,309	
\$	10.44	\$ 10.91	\$ 8.92	\$ 8.62	\$ 9.42	\$ 9.52	
	490,163	504,332	518,290	507,074	509,008	491,908	
	17,175	11,263	9,489	7,916	N/A	N/A	
	11,987	11,540	12,929	12,556	12,512	12,061	
	28,681	26,776	29,360	N/A	N/A	N/A	
	7,942	6,500	6,208	6,193	7,505	6,439	
	4,403	6,500	6,362	6,185	6,617	6,021	
	79	281	235	322	181	269	
\$	8,949,456	\$ 65,866,867	\$ 44,406,434	\$ 60,461,916	\$ 20,490,409	\$ 20,681,082	
	57	465	443	63	45	74	
\$	11,166,176	\$ 60,817,484	\$ 51,818,359	\$ 9,300,787	\$ 8,664,297	\$ 12,692,759	
	911,433,512	945,427,120	832,927,920	839,998,016	884,517,480	947,572,384	
	2,497,078	2,590,211	2,281,994	2,301,364	2,423,336	2,596,089	

CITY OF WILSONVILLE, OREGON

Capital Asset Statistics by Function

Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities:										
General Government										
Acreage in city limits	5,046	4,858	4,755	4,746	4,746	4,746	4,746	4,746	4,746	4,746
Public Works										
Number of city maintained parks	12	12	12	13	12	11	10	10	10	10
Number of partially city maintained parks	8	1	1	1	1	1	1	1	1	1
Park acreage*	225	187	187	187	187	185	201	201	201	201
Open space Acreage*	28	28	28	28	28	28	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	17	10	10	10	10	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)	11	5	5	5	5	5	5	5	5	5
Number of bridges	14	8	8	8	8	8	8	8	8	6
Number of tennis courts	2	2	2	2	2	2	2	2	2	2
Number of basketball courts	6	5	5	5	5	5	5	5	5	5
Number of skate parks	2	1	1	1	1	1	1	1	1	1
Number of dog exercise areas	2	1	1	1	1	1	1	1	1	1
Number of water features	4	4	4	4	4	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	78	73	70	67	66	66	66	65.6
Signal lighted intersections	23	27	27	27	27	27	24	24	23	N/A
Freeway interchanges	3	3	3	3	3	3	3	3	3	N/A
Number of bridges	4	4	4	4	4	4	4	4	4	N/A
Number of foot bridges	1	1	1	1	1	1	1	1	1	N/A
Business-type activities:										
Water										
Water storage capacity (millions of gallons)	10	10	10	10	10.2	10.2	10.2	10.2	10.2	10.2
Miles of public water lines	121	119	110	107	90	85	85	77	76	76
Number of reservoirs	4	4	4	4	4	4	4	4	4	N/A
Number of wells	8	8	8	8	8	8	8	8	N/A	N/A
Sewer										
Miles of public sanitary sewer lines	85	84	80	76	73	73	73	73	72	72
Number of lift stations	9	9	8	8	8	8	8	8	N/A	N/A
Stormwater										
Miles of public stormwater lines	77	75	68	67	70	66	65	65	65	59
Public stormwater catchbasins	2,230	2,200	1,862	1,862	1,862	1,862	1,823	1,823	1,673	N/A
Public manholes	2,238	2,109	1,863	1,731	1,727	1,727	1,723	1,723	N/A	N/A
Number of detention ponds	10	10	10	10	10	10	10	10	N/A	N/A
Streetlights										
Number of streetlights (estimate)	3,591	2,740	2,630	2,379	2,379	2,311	2,268	2,213	2,206	2,066
Number of streetlight poles	2,573	2,383	2,383	2,214	2,214	2,144	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***

The Honorable Mayor and City Council
City of Wilsonville, Oregon

We have audited the basic financial statements of City of Wilsonville, Oregon, as of and for the year ended June 30, 2018 and have issued our report thereon dated December 10, 2018. 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 the 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 grant agreements, 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 the City of Wilsonville, Oregon 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*.

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 of 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
December 10, 2018