

FISCAL YEAR

2021



City of Tualatin

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR FISCAL YEAR
ENDED

JUNE 30, 2021



CITY OF TUALATIN, OREGON

CITY OF TUALATIN, OREGON

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2021

Prepared by the City of Tualatin – Department of Finance

Don Hudson, Assistant City Manager/Finance Director

CITY OF TUALATIN, OREGON
TABLE OF CONTENTS
For the Year Ended June 30, 2021

	<u>Page</u>
INTRODUCTORY SECTION	
Council Members and Officers	i
Organizational Chart	ii
Letter of Transmittal	iii
Certificate of Achievement for Excellence in Financial Reporting	vii
 FINANCIAL SECTION	
Independent Auditor's Report	1
Management's Discussion and Analysis	4
 <u>Basic Financial Statements</u>	 16
Government-wide Financial Statements	
Statement of Net Position	17
Statement of Activities	18
Fund Financial Statements	
Governmental Funds	19
Balance Sheet – Governmental Funds	20
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	21
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Proprietary Funds	23
Statement of Net Position	24
Statement of Revenues, Expenses, and Changes in Net Position	25
Statement of Cash Flows	26
Notes to the Basic Financial Statements	27
 <u>Required Supplementary Information</u>	 59
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund	60
Building Fund	61
Transportation Development Tax Fund	62
Schedule of the City's Proportionate Share of the Net OPEB Liability	
Oregon Public Employees Retirement System, Retirement Health Insurance Account	63
Schedule of City OPEB Contributions	
Oregon Public Employees Retirement System, Retirement Health Insurance Account	64
Schedule of Changes in the City's Total OPEB Liability and Related Ratios	
Implicit Rate Subsidy Plan	65
Schedule of City OPEB Contributions	
Implicit Rate Subsidy Plan	66
Schedule of the City's Proportionate Share of the Net Pension (Asset)/Liability	67
Schedule of City Pension Plan Contributions	68
Notes to the Required Supplementary Information	69

<u>Other Supplementary Information</u>	70
Budgetary Comparison Schedule – Other Major Funds	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Transportation Project Fund	72
Tualatin City Services Building Fund	73
Combining Balance Sheet - Nonmajor Governmental Funds	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -	
Nonmajor Governmental Funds	75
Combining Balance Sheet - Nonmajor Special Revenue Funds	76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -	
Nonmajor Special Revenue Funds	77
Combining Balance Sheet - Nonmajor Capital Projects Funds	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -	
Nonmajor Capital Projects Funds	79
Budgetary Comparison Schedules	80
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Road Utility Fee Fund	81
Road Operating Fund	82
Core Area Parking District Fund	83
Tualatin Scholarship Fund	84
Economic Development Administration Fund	85
General Obligation Bond Fund	86
Park Development Fund	87
Leveton Tax Increment District Project Fund	88
Enterprise Funds:	89
Statement of Revenues, Expenditures, and Changes in Fund Balance	
Water Operations Combined	90
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Water Fund	91
Water Development Fund	92
Enterprise Bond Fund	93
Statement of Revenues, Expenditures, and Changes in Fund Balance	
Sewer Operations Combined	94
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Sewer Fund	95
Sewer Development Fund	96
Statement of Revenues, Expenditures, and Changes in Fund Balance	
Stormwater Operations Combined	97
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Stormwater Fund	98
Stormwater Development Fund	99
Internal Services Fund:	100
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	
Vehicle Replacement Fund	101
Other Financial Schedules	
Schedule of Property Tax Transactions and Outstanding Balances	102
Schedule of Water Operations 5 Year Historical Results	103

STATISTICAL SECTION

Introduction	104
Net Position by Component – Last Ten Fiscal Years	105
Changes in Net Position – Last Ten Fiscal Years	107
Fund Balances – Governmental Funds – Last Ten Fiscal Years	111
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years	113
Tax Revenue by Source, Governmental Funds – Last Ten Fiscal Years	115
Assessed and Estimated Value of Taxable Property – Last Ten Fiscal Years	116
Property Tax Rates – All Direct and Overlapping Governments – Last Ten Fiscal Years	117
Principal Property Taxpayers – Current Year and Nine Years Ago	118
Property Tax Levies and Collections - Last Ten Fiscal Years	119
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	120
Direct and Overlapping Governmental Activities Debt	121
Computation of Legal Debt Margin	122
Demographic and Economic Statistics – Last Ten Fiscal Years	123
Principal Employers - Current Year and Nine Years Ago	124
Schedule of Pledged Revenue Bond Coverage – Last Ten Fiscal Years	125
Full-Time Equivalent City Employees by Function – Last Ten Fiscal Years	126
Operating Indicators – Last Ten Fiscal Years	127
Capital Asset Statistics by Function – Last Ten Fiscal Years	128
INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS	129

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INTRODUCTORY SECTION

CITY OF TUALATIN, OREGON
CITY COUNCIL

City Council

Term Expires

Frank Bubenik, Mayor	December 31, 2022
Maria Reyes, Position No. 1	December 31, 2022
Christen Sacco, Position No. 2	December 31, 2024
Bridget Brooks, Position No. 3	December 31, 2022
Cyndy Hillier, Position No. 4	December 31, 2024
Nancy Grimes, Council President, Position No. 5	December 31, 2022
Valerie Pratt, Position No. 6	December 31, 2024

Administrative

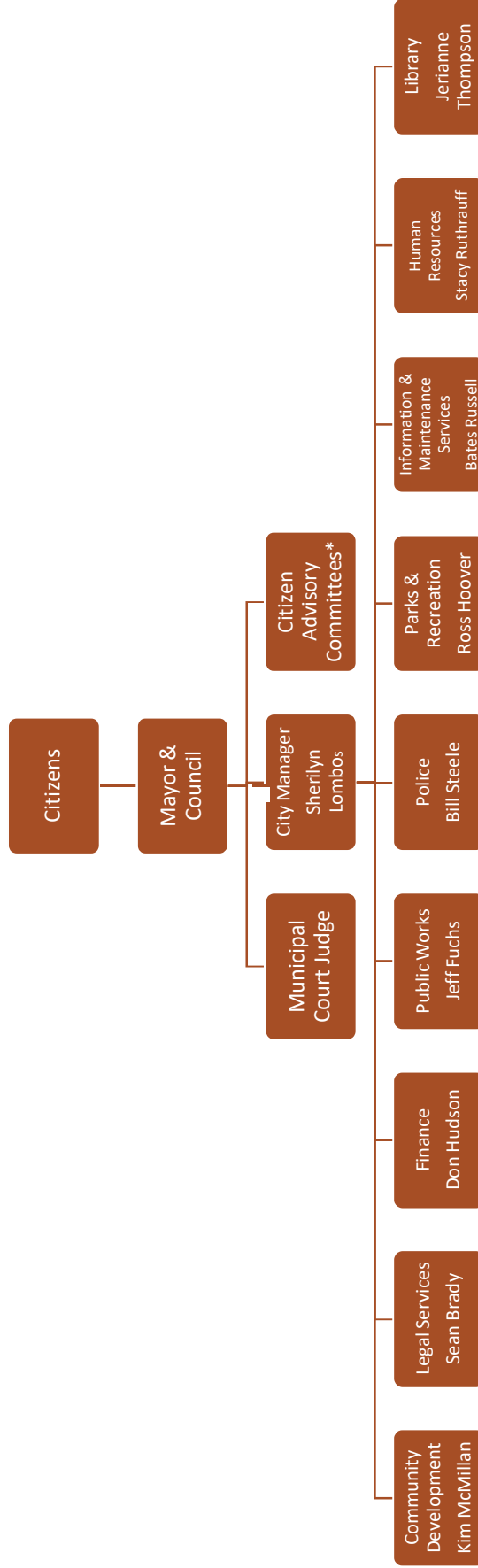
Sherilyn Lombos, City Manager
Sean T. Brady, City Attorney
Don Hudson, Assistant City Manager/Finance Director

City Offices
18880 SW Martinazzi Avenue
Tualatin, Oregon 97062

City Council members may be contacted at the above City Offices address.



CITY OF TUALATIN ORGANIZATION



* The Citizen Advisory Committees include the Tualatin Library Advisory Committee, the Tualatin Park Advisory Committee, the Tualatin Arts Advisory Committee, the Tualatin Planning Commission, the Core Area Parking District Board, the Architectural Review Board, and the Budget Advisory Committee



City of Tualatin

www.tualatinoregon.gov

January 28, 2022

Honorable Mayor, Members of the Council, and Residents of the City of Tualatin:

State law requires that all general-purpose local governments publish a complete set of financial statements within six months of the close of each fiscal year. These statements are presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City of Tualatin for the fiscal year ended June 30, 2021.

Management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Tualatin has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Tualatin's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Merina & Company, LLP, a firm of licensed certified public accountants, has audited the City of Tualatin's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Tualatin for the year ended June 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Tualatin's financial statements for the fiscal year ended June 30, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

In addition, the City is required to have an audit of expenditures of Federal awards performed in accordance with the United States Office of Management and Budget (OMB) Uniform Grant Guidance and the provisions of Government Auditing Standards. Reports on the City's compliance with applicable Federal laws and regulations for the year ended June 30, 2021 is issued separately. The report is available on the City's website, www.tualatinoregon.gov/finance.

Profile of the City of Tualatin

The City of Tualatin is located in Northwestern Oregon in the Portland metropolitan area, in the counties of Washington and Clackamas, just twelve miles south of Portland's city center. The City of Tualatin, incorporated in 1913, currently occupies a land area of 7.9 square miles and serves a population of 27,910. The City of Tualatin is empowered to levy a property tax on both real and personal properties located within its boundaries.

The City operates under the council-manager form of government. Policy-making and legislative authority are vested in a City Council consisting of the mayor and six other members. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City's manager. The City's manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City and for appointing the heads of the various departments. The Council is elected on a non-partisan basis. Council members serve four-year staggered terms, with three Council members elected every two years. The Mayor is elected to serve a four-year term.

The City provides a full range of services including: police protection, community planning and building inspection, engineering and economic development, the construction and maintenance of highways, streets and other infrastructure, community library services, recreational activities and cultural events.

Tualatin Valley Fire and Rescue District provides fire and emergency services to the community. The City is also part of Metro, the tri-county urban services district based in Portland, Oregon.

The annual budget serves as the foundation for the City's financial planning and control. All department heads of the City are required to submit requests for appropriation to the City Manager (who acts as the City Budget Officer). After the Budget Officer prepares the proposed budget, notice of the first budget committee meeting is published. The budget committee (consisting of the City Council and an equal number of appointed citizen members) reviews and approves the budget after which notice of the public hearing for the City Council to adopt the budget is published. The budget must be adopted making appropriations for the ensuing fiscal year by June 30th of the previous year. Changes to the adopted budget are governed by Local Budget Law in state statute and require City Council approval.

For financial reporting purposes, this report includes all funds of the City that are subject to appropriation by the City Council. For financial planning and control, the City prepares and adopts an annual budget in accordance with Oregon Revised Statutes Chapters 294.305 through 294.565. Budget-to-actual comparisons are provided in the report for each individual fund for which an appropriated annual budget has been adopted. The comparisons are presented as required or other supplementary information as appropriate to demonstrate compliance with the adopted budget.

Local economy

Factors which may be important in affecting financial conditions in the future for the City include:

The City's economy is linked with that of the entire Portland Metropolitan area, but is more insulated from economic downturns because of the high education and skill level of its population. Median household incomes within the City of Tualatin are significantly higher than for the state as a whole. Based on the 2015-2019 American Community Survey 5-Year Estimates from the U.S. Census Bureau, the City's median family income was \$85,772, the county's was \$82,215, while the state's was \$62,818. The release of the 2016-2020 American Community Survey 5-Year estimate has been delayed and was not available at the time of issuance.

Not unlike other communities across the country this year, the City's local businesses have been hit hard as they have struggled to cope with the impacts of the COVID-19 pandemic and executive orders. In response to the pandemic, the City distributed over \$1.35 million in small business grants between March 2020 and July 2021 to small business from the Economic Stabilization Fund. Over 75% of the grant funding went to retail, restaurant, services, hospitality, entertainment, and wellness classified business.

Given the State of Oregon's property tax limitations and the City's low permanent tax rate for operations, smart, balanced growth is important to the economic health of the community. Because of its location in the region, Tualatin continues to be an attractive location for development as new businesses continue to come to town, and a number of existing businesses have either begun, or are planning expansion of their existing locations. These developments have a positive effect on the community and help increase the assessed property values. Not only does this account for additional property tax revenue, but it also adds jobs to the community.

Development activity has continued within the City, contributing to increases in assessed value growth of approximately 4.5% for tax year 2020-21 and approximately 4.5% for tax year 2021-2022. It is anticipated that assessed value growth will be between 3% and 4% in the following year.

The City of Tualatin continues to be an active partner with numerous regional planning efforts that will have a future impact on Tualatin and our economic growth. While the potential costs and benefits of these plans are still unknown, future projects will be modeled for their financial impacts once the planning efforts near completion.

Another major regional planning effort is the Basalt Creek Concept Plan, adopted August 2018, which outlines a vision for future growth of 847 acres located in Washington County between the cities of Tualatin and Wilsonville. After years of planning (going back as far as 2004), the Basalt Creek Concept Plan was included in the Comprehensive Plan and a new Urban Planning Area Agreement was established between Tualatin and Washington County. Property owners are now able to annex into Tualatin, which is the first step for future development in the Basalt Creek area. The Basalt Creek Planning Area is expected to accommodate about 1,200 new housing units and 2,300 new jobs (mostly industrial, with some service jobs and few retail jobs).

Escalating PERS costs continue to put increased pressure on the City's personnel costs. However, the City was able to take minimize rate increases by participation in the PERS Employer Incentive Fund (EIF) program. The program, part of legislation passed by the State Legislature in 2017, and funded during the 2019 Legislative Session, allowed entities to set up side accounts that were eligible for 25% match. The City made a \$2,000,000 contribution to the program, paying off a transitional liability from the time that the City joined PERS and the remaining funds were put towards a side account, with 25% of that amount being matched by PERS. Side accounts help lower future increases in our PERS contribution rates. By participating in this program, the City's PERS rates recognized a 0.62% reduction in the 2021-2023 biennial contribution rates.

Awards and Acknowledgements

Annual Comprehensive Financial Reporting Award. 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 for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. This was the 29th consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Popular Annual Financial Reporting Award. The GFOA has given the City an Award for Outstanding Achievement in Popular Annual Financial Reporting for its Popular Annual Financial Report for the fiscal year ended June 30, 2020. This was the third year that the City published this report and achieved this prestigious award that recognizes conformance with the highest standards for preparation of state and local government popular reports. In order to receive this award, a government must publish a PAFR, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

Distinguished Budget Presentation Award. The GFOA presented a Distinguished Budget Presentation Award to the City for its annual budget for the year beginning July 1, 2020. This was the 8th consecutive year that the City has achieved this prestigious award. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device. This award is valid for a period of one year only. We will continue to submit future budgets to GFOA for the award.

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance Department. We would like to express our appreciation to members of other departments who assisted with contributions of information to be included in this report. Credit must also be given to the Mayor and the entire City Council for their unfailing support for maintaining the highest standards of professionalism in management of the City of Tualatin's and the Tualatin Development Commission's finances.

Respectfully submitted,

A blue ink signature of Don Hudson, consisting of a stylized 'D' followed by a series of loops and a long horizontal stroke.

Don Hudson
Finance Director

A blue ink signature of Matt Warner, featuring a stylized 'M' and 'W' with a long horizontal stroke.

Matt Warner
Assistant Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Tualatin
Oregon**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
City of Tualatin, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Tualatin, Oregon, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise City of Tualatin, Oregon's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Tualatin, Oregon, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

City of Tualatin, 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis 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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis, the schedule of the city's proportionate share of the net OPEB liability - Oregon public employees retirement system, retirement health insurance account, schedule of city OPEB contributions - Oregon public employees retirement system, retirement health insurance account, schedule of changes in the city's total OPEB liability and related ratios – implicit rate subsidy plan, schedule of city OPEB contributions – implicit rate subsidy plan, schedule of the city's proportionate share of the net pension (asset)/liability, and schedule of city pension plan contributions, 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.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Tualatin, Oregon's basic financial statements. The accompanying other supplementary information, as listed in the table of contents including the combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information, as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

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 January 28, 2022 on our consideration of City of Tualatin, 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 Tualatin, 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 Tualatin, 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 January 28, 2022, on our consideration of City of Tualatin, 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+Co
Tualatin, Oregon
January 28, 2022

CITY OF TUALATIN, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

As management of the City of Tualatin (the City), we offer readers of the City's Comprehensive Annual Financial Report this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021. The analysis focuses on significant financial issues, major financial activities, and resulting changes in financial position, budget variances and specific issues related to funds and the economic factors affecting the City.

We request readers to consider this information with the letter of transmittal in the Introductory Section following the Table of Contents.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows of resources totaled approximately \$237.4 million at June 30, 2021, and consisted of approximately \$77.0 million in cash and investments, \$147.6 million in capital assets and approximately \$12.8 million in other assets and deferred outflows of resources. Total assets and deferred outflows of resources increased by \$5.2 million from the previous fiscal year.
- The City's liabilities and deferred inflows of resources totaled \$63.4 million at June 30, 2021, consisting of approximately \$55.6 million in long-term obligations, \$4.9 million in accounts payable and other liabilities, and \$2.9 million in deferred inflows related to pensions and other post-employment benefit obligations.
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$174.0 million at the close of fiscal year 2021. Unrestricted net position totaled \$18.8 million, with the remainder of the City's net position reported as net investment in capital assets (\$134.1 million) and restricted for building and engineering, street and roadside maintenance, debt service, capital projects, transportation, urban renewal, and capital improvements (\$21.0 million).
- For its governmental activities, the City generated \$4.8 million in charges for services and received \$1.8 million in operating and capital grants and contributions. Direct expenses, including interest on long-term debt for governmental activities were \$34.6 million for the year, resulting in a net expense of \$28.0 million. \$23.6 million of general revenues received and \$3.2 million of transfers in resulted in an decrease in net position of \$1.2 million.
- For its business-type activities, the City generated \$20.2 million in charges for services and capital grants and contributions to fund direct expenses of \$16.3 million.

OVERVIEW OF FINANCIAL STATEMENTS

In addition to this discussion and analysis, the financial section of this annual report includes the *basic financial statements*, *required supplementary information*, and *other supplementary information*, including the *combining statements and schedules* of the nonmajor funds.

The basic financial statements also include *notes* that explain the information in the financial statements and provide additional details.

Each of these components serves an important purpose in providing information about the financial position and financial activities of the City of Tualatin.

CITY OF TUALATIN, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

Government-wide Financial Statements

The *government-wide financial statements* provide a broad overview of the City's finances, operations and general health as a whole. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Position. This statement presents information on all of the City of Tualatin's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as *net position*. In other words, this statement compares what the government *owns* to what it *owes* and, although there are differences and qualifiers, it is a loose parallel to what average citizens understand as "owner's equity" or "net worth".

Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other factors being equal, the extent by which assets exceed liabilities is a cushion to be called upon during stressful economic times.

Net position is comparable to owner's equity in for-profit businesses and this measure was developed to fill the void which existed before new accounting standards to measure the long-term viability of governmental units. Evaluation of the overall health of the City would extend to other non-financial factors such as the conditions of City infrastructure, in addition to the other financial information provided in this report.

The second government-wide statement is the Statement of Activities, which presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the changes 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).

The obvious advantage to such an approach is to nurture a long-term perspective by emphasizing the effects of yearly budget decisions on long-term goals. Such a perspective enforces the need to use sound financial policies such as maintaining adequate reserves and paying current costs from current revenues.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

Governmental activities at the City include general government, public safety, highways and streets, and culture and recreation.

The business-type activities include maintenance of water and sewer systems including pipes and lift stations. Water is purchased from the City of Portland. Clean Water Services and the City of Lake Oswego provide sewer treatment services; therefore, the City does not maintain treatment plants.

The government-wide financial statements include not only the City of Tualatin itself (*the primary government*), but also the Urban Renewal Agency of the City, the Tualatin Development Commission (the Commission). The Commission is a blended component unit and, in substance is part of the City's operations, although it is a legally separate entity. Separate financial statements of the Commission can be obtained from the City of Tualatin Finance Department at 18880 S.W. Martinazzi Avenue, Tualatin, Oregon, 97062-7092.

CITY OF TUALATIN, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated from specific activities or objectives. Fund financial statements focus on the most significant funds rather than the City as a whole. The use of fund financial statements is directly related to the budgeting process because some revenues are legally earmarked for certain kinds of expenditures. Fund financial statements ensure and demonstrate compliance with governmental finance-related laws and regulations.

In addition, the total amount of the budgeted appropriations for expenditures is considered in terms of the revenue available to fund the expenditures and the type of expenditures competing for the same dollars. The City of Tualatin's funds can be divided into two primary 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 focus on near-term *inflows* and *outflows*. Such information may be useful in evaluating a government's near-term financial requirements (current liabilities).

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains fourteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for those considered to be major funds. Data from the remaining governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in the report.

Proprietary funds are used to account for activities where the emphasis is placed on net position determination. The City maintains two different types of proprietary funds - enterprise funds and internal service funds. Enterprise funds report the same functions presented as business-type activities in the government-wide financial statements.

Enterprise funds account for the City's water utility, sewer utility and stormwater utility. All of the City's enterprise funds are major funds of the City, and they are reported separately in the proprietary fund financial statements in the basic financial statements.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for the costs of replacement of the City's vehicles.

Notes to the Financial Statements

The Notes to the Financial Statements are an integral part of the financial statements. These notes not only provide additional detail, but also are required to fully understand the financial data as presented, as well as the financial condition of the City as a whole. The notes offer information not only to lay readers and citizens, but also those interested in a detailed study of the City's financial operations.

CITY OF TUALATIN, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

The following is a comparison between the June 30, 2021 and 2020 Statements of Net Position:

Table 1 - Net Position as of June 30th

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 55,822,652	\$ 59,512,837	\$ 24,295,133	\$ 21,702,676	\$ 80,117,785	\$ 81,215,513
Capital assets	99,382,167	91,849,995	48,170,890	49,797,515	147,553,057	141,647,510
Total assets	155,204,819	151,362,832	72,466,023	71,500,191	227,670,842	222,863,023
Deferred outflows of resources	9,128,768	8,833,717	597,277	537,105	9,726,045	9,370,822
Long-term liabilities	51,662,123	47,911,152	3,927,284	4,095,756	55,589,407	52,006,908
Other liabilities	3,387,978	2,854,135	1,530,511	1,303,947	4,918,489	4,158,082
Total liabilities	55,050,101	50,765,287	5,457,795	5,399,703	60,507,896	56,164,990
Deferred inflows of resources	2,771,569	1,706,439	151,478	80,006	2,923,047	1,786,445
Net Position:						
Net investment in capital assets	88,344,914	86,795,235	45,767,242	46,962,956	134,112,156	133,758,191
Restricted	19,707,511	23,120,100	1,326,070	1,314,478	21,033,581	24,434,578
Unrestricted	(1,540,508)	(2,190,512)	20,360,715	18,280,153	18,820,207	16,089,641
Total net position	\$ 106,511,917	\$ 107,724,823	\$ 67,454,027	\$ 66,557,587	\$ 173,965,944	\$ 174,282,410

The City of Tualatin's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$174.0 million as of June 30, 2021. Of this amount, \$134.1 million, (77.1%) is the City's net investment in capital assets. These assets are not a source for repaying liabilities now, or in the future, since such assets represent the "business of the City". Other resources must be used to pay for outstanding liabilities, some of which are restricted to only certain uses. This requires the City to not only acquire those capital assets necessary to provide for City services, but to retain the ability to finance these acquisitions and provide maintenance for these assets.

An additional portion of net position (\$21.0 million) is restricted as to how it may be used by budgetary, legal and external factors. The unrestricted amount of \$18.8 million (10.8% of net position) can be used to meet on-going obligations. Of the \$63.4 million of liabilities and deferred inflows of resources at year-end for governmental and business-type activities, \$55.6 million are due in more than one year. For the government as a whole, and for the separate governmental and business-type activities, all three categories showed a positive net position balance for fiscal year 2020-21, as they did for 2019-20. For its governmental activities, the City has a negative balance in the unrestricted category of net position.

Total net position decreased by \$0.3 million during the fiscal year, primarily attributable to the issuance of long-term debt to finance the construction of capital improvements.

CITY OF TUALATIN, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

Statement of Activities

The following is a comparison between the June 30, 2021 and 2020 Statement of Activities:

Table 2 - Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 4,791,978	\$ 7,319,200	\$ 19,860,658	\$ 19,775,248	\$ 24,652,636	\$ 27,094,448
Operating grants and contributions	1,306,028	533,644	-	-	1,306,028	533,644
Capital grants and contributions	479,582	365,513	313,549	115,339	793,131	480,852
General revenues:						
Property taxes	13,767,393	13,278,929	-	-	13,767,393	13,278,929
Franchise fees	2,619,480	2,440,018	-	-	2,619,480	2,440,018
Public service taxes and revenue sharing	6,741,903	6,388,938	-	-	6,741,903	6,388,938
Interest and miscellaneous	483,383	2,313,010	217,361	726,573	700,744	3,039,583
Total revenues	30,189,747	32,639,252	20,391,568	20,617,160	50,581,315	53,256,412
Expenses:						
General government	10,333,739	9,813,476	-	-	10,333,740	9,813,476
Public safety	10,956,022	10,905,816	-	-	10,956,022	10,905,816
Highways and streets	6,540,062	6,755,745	-	-	6,540,062	6,755,745
Culture and recreation	6,089,919	6,453,498	-	-	6,089,919	6,453,498
Interest on long-term debt	677,481	757,327	-	-	677,480	757,327
Water Operations	-	-	6,043,124	5,786,256	6,043,124	5,786,256
Sewer Operations	-	-	8,656,337	8,830,709	8,656,337	8,830,709
Stormwater Operations	-	-	1,601,097	1,575,023	1,601,097	1,575,023
Total expenses	34,597,223	34,685,862	16,300,558	16,191,988	50,897,781	50,877,850
Change in net position before transfers	(4,407,476)	(2,046,610)	4,091,010	4,425,172	(316,466)	2,378,562
Transfers	3,194,570	5,426,650	(3,194,570)	(5,426,650)	-	-
Change in net position	(1,212,906)	3,380,040	896,440	(1,001,478)	(316,466)	2,378,562
Net position - beginning	107,724,823	104,344,783	66,557,587	67,559,065	174,282,410	171,903,848
Net position - ending	\$ 106,511,917	\$ 107,724,823	\$ 67,454,027	\$ 66,557,587	\$ 173,965,944	\$ 174,282,410

Governmental activities decreased the City's net position by \$1.2 million in fiscal year 2020-21, as compared to a \$3.4 million increase in the prior fiscal year. Revenue, excluding transfers, decreased by \$2.4 million and expenses, excluding transfers, remained stable with a \$0.1 million decrease. Key elements of this change, as illustrated in Table 2 above, is primarily the result of decreased charges for services, primarily building fees and permits, as well as a reduction in system development charges.

Business-Type activities total revenues, excluding transfers, decreased approximately \$0.3 million from fiscal year 2019-2020, due mainly to decreases in investment earnings.

Business-Type activities expenses, excluding transfers, remained consistent with an approximate \$0.2 million increase when compared to prior year.

The government-wide financial statements highlight some of the most important factors about the governmental funds, particularly the General Fund. The primary revenues for governmental funds are taxes, fees and licenses, and intergovernmental revenues. The two largest sources of revenues for the City of Tualatin's General Fund are property taxes and franchise fees.

CITY OF TUALATIN, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

The State of Oregon does not have a sales tax and there has been a long history of its citizens opposing one. This puts great stress on property taxes, franchise fees, and other revenue in the governmental sector. Property taxes are limited several ways by State law.

- Local governments' total share of property taxes cannot exceed \$10 per thousand of taxable assessed value; for school districts, the limit is \$5 per thousand.
- In 1998, taxpayers voted for a measure which limited assessed value increases from one year to the next to the lower of a 3% increase or the market value unless additional improvements or modifications have been made to a property.
- As a result of the same property tax reform measure, each local government was assigned a permanent tax rate. The City's rate is \$2.2665 per \$1,000 assessed value.

The City's permanent tax rate is relatively low in contrast to comparable cities in the State. The City has been able to maintain services by budgeting conservatively and providing quality services with lean budgets. The charts showing governmental expenses versus governmental activities demonstrate the funding challenges that Tualatin and other cities face.

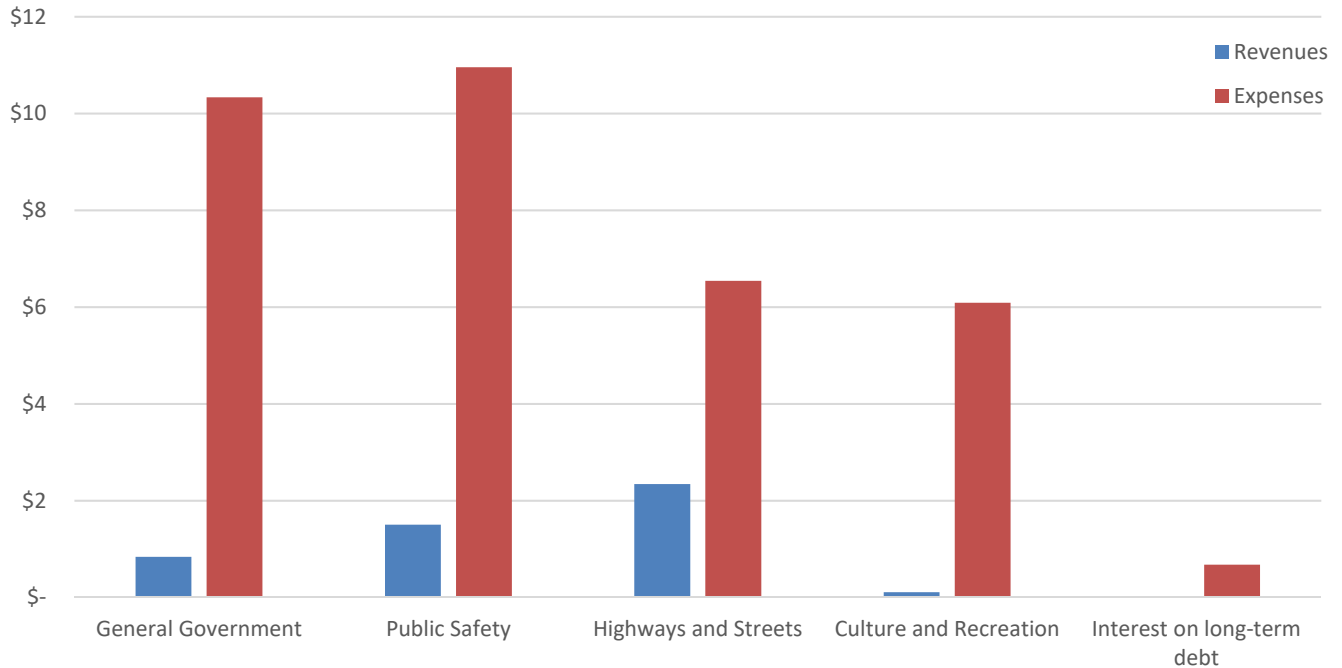
Some of the important factors, which make allocation of resources difficult include:

- Governmental resources are restricted in many ways: budgeting, legal and by public opinion.
- Programs funded by general resources typically result in hard choices, such as more police or a better library. Those services which are seen as most important and necessary are almost always least able or likely to assess charges for cost recovery even for direct services.

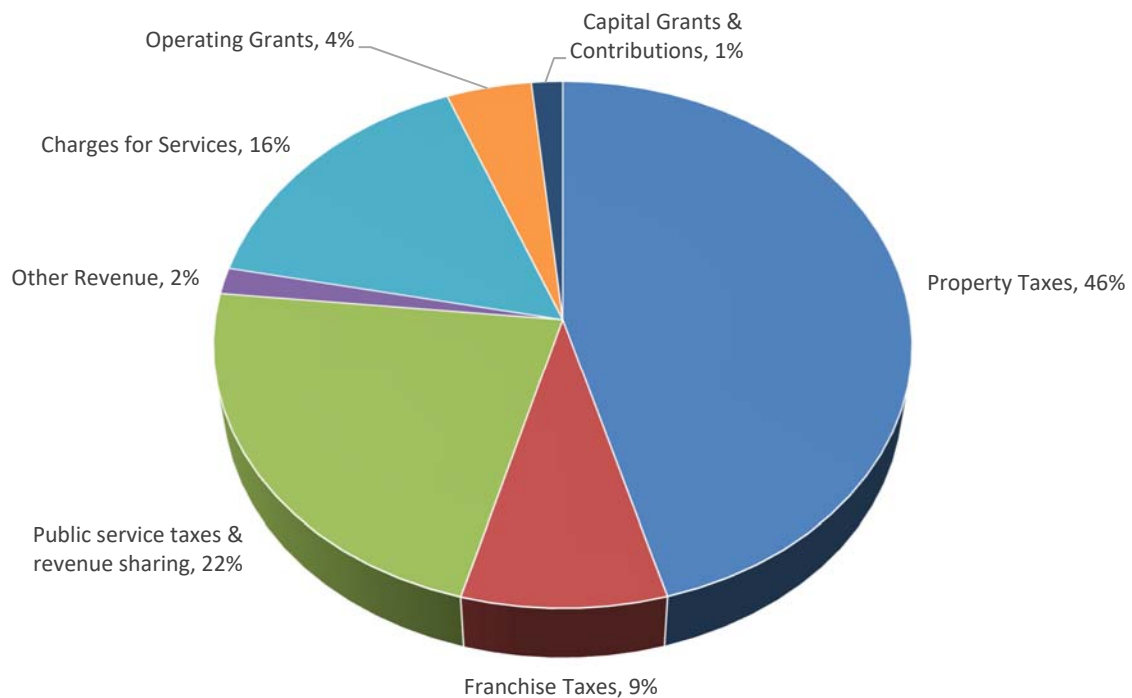
As build-out of the City occurs, it is likely to become more difficult to handle the inevitable rise in the cost of services. Regional transportation issues and the high development in the southwestern part of Washington County will continue to present challenges to the high quality of life that the citizens of Tualatin have experienced in the past. Concept plans that the City is currently working on for the area between the Cities of Tualatin and Wilsonville will be vital to the City's long-term fiscal health.

CITY OF TUALATIN, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

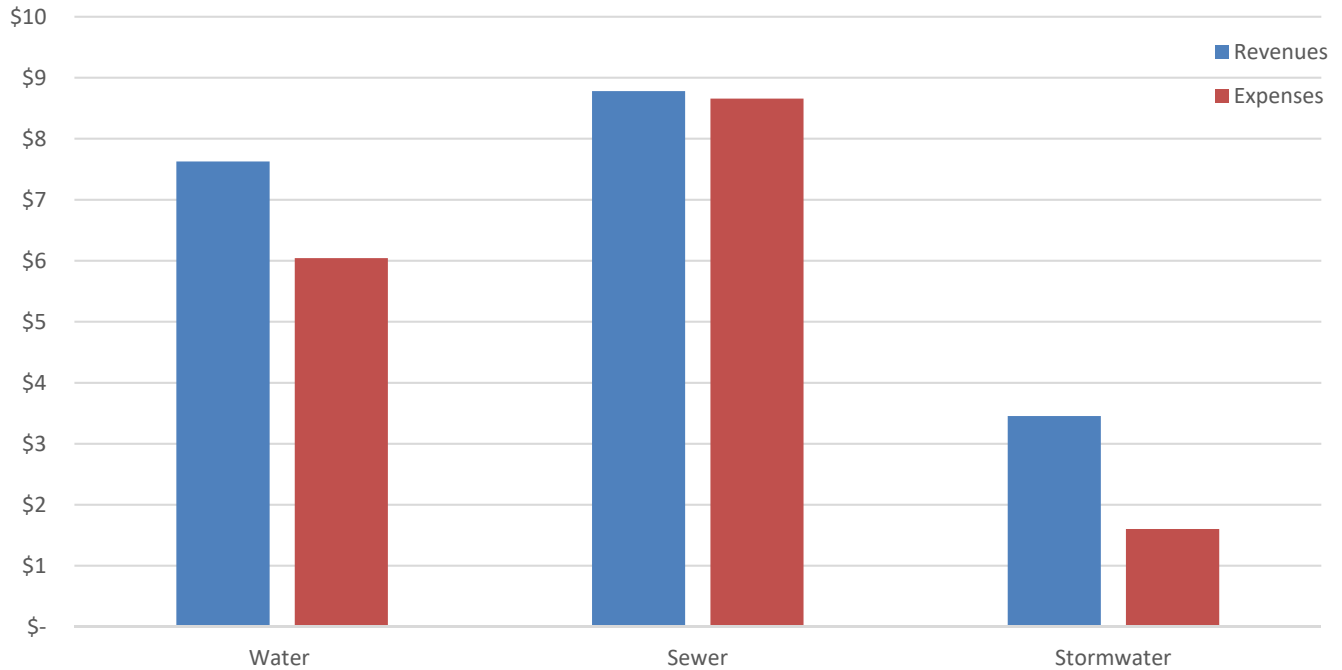
Expenses and Program Revenues - Governmental Activities
(in millions)



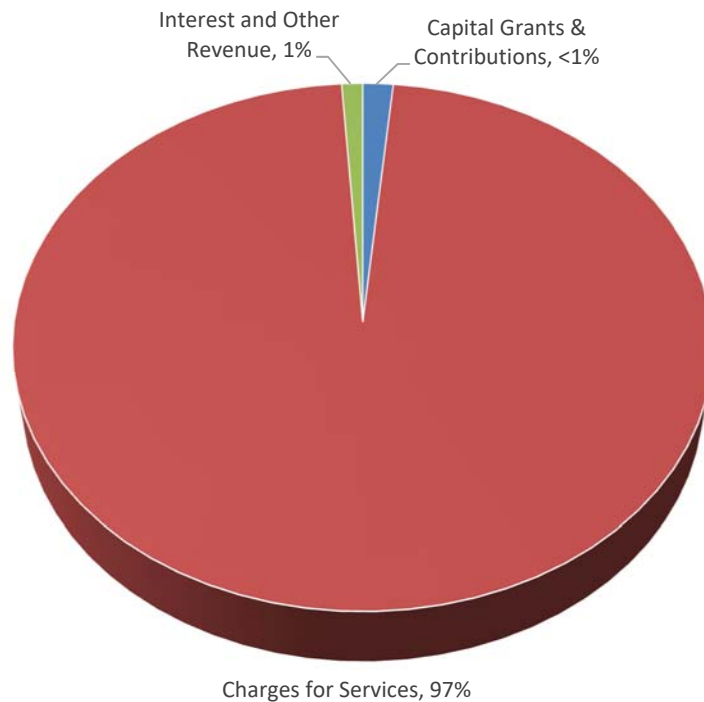
Revenues by Source - Governmental Activities



Expenses and Program Revenues - Business-type Activities
(in millions)



Revenues by Source - Business-type Activities



CITY OF TUALATIN, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved 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 June 30, 2021, the City's governmental funds reported a combined ending fund balance of \$51.5 million, a decrease of \$4.5 million when compared to the prior year. Unassigned fund balance combined with committed fund balance as of June 30, 2021, was \$30.9 million and is available for spending at the City's discretion.

General Fund

The general fund is the chief operating fund of the City. At June 30, 2021, the total fund balance was \$13.3 million, of which \$13.3 million is considered unassigned, reflecting an increase of \$1.7 million from the prior year. As a matter of course, the City strives to have enough reserves at the end of the fiscal year to provide cash for the first five months of operations, at which time the first installment of property taxes are received. The fund balance increase was primarily due federal funds received for small business assistant grants and Coronavirus Relief Funds related to the global pandemic.

Building Fund

This special revenue fund accounts for activities of the Building Division, which is responsible for reviewing building plans and issuing building permits for all structural, mechanical and plumbing applications within the City. At June 30, 2021, total fund balance decreased by \$0.8 million. The City's building fund continues to be funded by charges for services and licenses and permits. The revenue of this fund is dependent on the building activity and timing of when projects require permits.

Transportation Project Fund

This capital project fund accounts for expenditures on high priority transportation projects throughout the City that are financed by the City's Series 2018 Transportation Bonds. Resources for the fund include general obligation bond proceeds and interest revenue. At June 30, 2021, total fund balance was approximately \$16.5 million, a decrease of approximately \$3.8 million. The decrease is attributable to project costs on the Tualatin Moving Forward transportation projects. The fund balance will continue to decline as projects continue.

Transportation Development Tax Fund

This special revenue fund accounts for the collection and use of the transportation development tax. At June 30, 2021, total fund balance was approximately \$11.7 million, reflecting an increase of approximately \$0.3 million from the prior year. The increase is attributable to additional development in the City resulting in the collection of additional fees & charges.

Tualatin City Services Building Fund

This capital project fund accounts for the project costs associated with the construction and improvements to the City's Tualatin Service Center Building. The decrease in fund balance in the current year is attributable to additional project costs related to the construction/improvement of the Tualatin City Services Building. As the full project nears completion, the fund balance will continue to decline.

CITY OF TUALATIN, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

General Fund Budgetary Highlights

The original appropriated budget for the general fund for fiscal year 2021 amounted to \$27.5 million, including \$3.7 million for contingencies. There were amendments to the adopted budget during the year to appropriate contingency funds to cover unforeseen expenditures related to the City's cleanup efforts in response to a significant storm in the Spring of 2021 as well as amendments to receive additional grant funding related to the COVID-19 global pandemic.

The General Fund resources exceeded final budgeted levels by approximately \$0.3 million due to additional property tax received in excess of the budgeted amount because of assessed value being higher than expected. This favorable variance in revenue, in conjunction with an overall decrease in expenditures of \$0.5 million resulted in a fund balance increase of \$1.7 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2021, the City had invested \$147.6 million in capital assets, net of depreciation, in a range of asset types, including land, buildings, improvements and infrastructure, and machinery and equipment.

The following is a comparison of capital assets as of June 30, 2021 and 2020:

CITY OF TUALATIN'S NET CAPITAL ASSETS

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 14,237,913	\$ 13,899,656	\$ 880,144	\$ 880,144	\$ 15,118,057	\$ 14,779,800
Construction in Progress	7,184,018	4,700,611	282,841	317,954	7,466,859	5,018,565
Buildings	27,472,411	20,161,515	367,755	367,755	27,840,166	20,529,270
Machinery and Equipment	5,808,803	6,231,339	1,802,027	2,036,605	7,610,830	8,267,944
Utility System	-	-	85,219,484	84,905,934	85,219,484	84,905,934
Improvements & Infrastructure	147,662,971	146,074,883	-	-	147,662,971	146,074,883
Accumulated Depreciation	(102,983,949)	(99,218,008)	(40,381,361)	(38,710,877)	(143,365,310)	(137,928,885)
Total net assets	<u>\$ 99,382,167</u>	<u>\$ 91,849,996</u>	<u>\$ 48,170,890</u>	<u>\$ 49,797,515</u>	<u>\$ 147,553,057</u>	<u>\$ 141,647,511</u>

Net capital assets increased by \$5.9 million due primarily to the completion of the Tualatin City Services Building, which was offset by accumulated depreciation on the City's assets. This investment in capital assets includes land, construction in progress, improvements, machinery and equipment and infrastructure. The governmental infrastructure category consists primarily of roads, signals and lighting. Capital assets in the business-type activities include water and sewer lines, lift stations and other portions of utility systems.

Additional information about the City's capital assets is presented in Note 4 of the Notes to the Financial Statements.

Debt Outstanding

As of the end of the fiscal year, the City had \$28.3 million in long-term bonded debt obligations outstanding, an increase of approximately \$1.6 million from the prior year. The increase is primarily attributable to the issuance of \$4.6 million financing agreement to partially fund the construction of an addition to an existing building on the City's operations facility site. The increase was offset by the payment of outstanding principal on the Series 2018 General Obligation and Refunding bonds for transportation improvement projects.

CITY OF TUALATIN, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

CITY OF TUALATIN'S DEBT SERVICE
Year Ended June 30, 2021

	Beginning	Additions	Principal Paid	Ending
Governmental:				
General Obligation Bonds	\$ 23,337,672	\$ -	\$ (2,201,808)	\$ 21,135,864
Full faith and credit obligations	483,580	4,600,000	(392,288)	4,691,292
Total Governmental	<u>\$ 23,821,252</u>	<u>\$ 4,600,000</u>	<u>\$ (2,594,096)</u>	<u>\$ 25,827,156</u>
Business-type:				
Full Faith & Credit	\$ 2,957,497	\$ -	\$ (455,499)	\$ 2,501,998
Total Bonds Payable	<u>\$ 26,778,749</u>	<u>\$ 4,600,000</u>	<u>\$ (3,049,595)</u>	<u>\$ 28,329,154</u>

The State of Oregon mandates a general obligation debt limit of 3 percent of true market value of taxable property within City boundaries. The City's general obligation debt outstanding at June 30, 2021 was \$21.1 million, which is well below the \$148 million maximum limitation.

Additional information about the City's outstanding debt is presented in Note 6 of the Notes to the Financial Statements.

Economic Factors and Next Year's Budget

During the preparation of the budget for the ensuing fiscal year, the long-term impacts of the local economy were examined, in conjunction with business decisions made by the City, while regarding the economic impact of the COVID-19 related shutdown. Taking all this into consideration, the City of Tualatin budget increased 0.889% over the adopted 2020-2021 budget, to \$135.2 million.

Factors affecting financial conditions in the future include:

- The City continues to experience strong development activity, which will help drive increases in assessed value and property tax revenue in future years. With the City's low permanent tax rate of \$2.2665 per thousand of assessed value, though, future adjustments to maintain service levels of city services to our residents may be necessary.
- Personnel costs continue to increase as a result of cost of living expenses and escalating medical and retirement costs. The Public Employee Retirement System (PERS) sets the retirement contribution rates biannually. Fiscal Year 2020-21 was the second year of the current biennium rates. The rates for the current biennium are as follows: Tier I/II employee at 26.75%, Oregon Public Service Retirement Plan (OPSRP) general employees at 17.89% and OPSRP Police/Fire employees at 22.52%. PERS rates for the next biennium, beginning July 1, 2021, will increase to the following rates, respectively: 26.85%, 20.13%, and 24.49%. These increases were expected and have been factored into forecasts by the City.
- Business-Type Activities are funded through water, sewer, and stormwater rates and system development charges. The City has the ability to increase rates to keep pace with growing costs as well as increasing demands on the systems. The City generally increases water rates annually. Sewer and surface water management rates are set by Clean Water Services and are generally increased annually in July. The City also collects a local service fee for sewer and surface water management that, if needed, can be adjusted.
- Uncertainties about future economic changes and financial impacts are common in all cities. To deal with the swings in the economy and to plan for future capital expansion, the City routinely sets aside portions of its fund balances for contingencies and emergency situations.

CITY OF TUALATIN, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2021

Requests for Information

The City's financial statements are designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability of the resources it receives and expends. If you have questions about this report, or need additional information, contact the Finance Department at City of Tualatin, 18880 SW Martinazzi Avenue, Tualatin, OR 97062-7092.

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BASIC FINANCIAL STATEMENTS

BASIC FINANCIAL STATEMENTS

The basic financial statements include interrelated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements
 - Governmental Funds
 - Proprietary Funds

In addition, the notes to the basic financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CITY OF TUALATIN, OREGON
STATEMENT OF NET POSITION
June 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 54,677,268	\$ 22,329,221	\$ 77,006,489
Restricted cash and cash equivalents	30,000	-	30,000
Due from other governments	372,788	42,730	415,518
Accounts receivable	253,870	1,810,048	2,063,918
Property taxes receivable	236,614	-	236,614
Accrued interest receivable	61,677	20,196	81,873
Inventories	144,259	90,415	234,674
OPEB asset	46,176	2,523	48,699
Capital assets not being depreciated:			
Land	14,237,913	880,144	15,118,057
Construction in progress	7,184,018	282,841	7,466,859
Capital assets, net of accumulated depreciation:			
Buildings	16,920,900	13,819	16,934,719
Machinery, equipment, and vehicles	2,391,033	585,070	2,976,103
Infrastructure	58,648,303	46,409,016	105,057,319
TOTAL ASSETS	155,204,819	72,466,023	227,670,842
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	98,350	98,350
Deferred outflows of resources - OPEB	156,288	8,541	164,829
Deferred outflows of resources - pension	8,972,480	490,386	9,462,866
TOTAL DEFERRED OUTFLOWS OF RESOURCES	9,128,768	597,277	9,726,045
LIABILITIES			
Accounts payable and other current liabilities	2,533,142	1,497,830	4,030,972
Deposits	394,264	11,200	405,464
Retainage payable	384,031	-	384,031
Unearned revenue	28,888	14,102	42,990
Interest Payable	47,653	7,379	55,032
Noncurrent liabilities:			
Due within one year	3,380,185	494,459	3,874,644
Due in more than one year	48,281,938	3,432,825	51,714,763
TOTAL LIABILITIES	55,050,101	5,457,795	60,507,896
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pension	2,619,985	143,193	2,763,178
Deferred inflows of resources - OPEB	151,584	8,285	159,869
TOTAL DEFERRED INFLOWS OF RESOURCES	2,771,569	151,478	2,923,047
NET POSITION			
Net investment in capital assets	88,344,914	45,767,242	134,112,156
Restricted for:			
Building and engineering	1,353,274	-	1,353,274
Street and roadside maintenance	2,801,796	-	2,801,796
Debt service payments	142,465	-	142,465
Capital projects	61,547	-	61,547
Transportation	11,652,657	-	11,652,657
Urban renewal projects	3,695,772	-	3,695,772
Capital improvements	-	1,326,070	1,326,070
Unrestricted	(1,540,508)	20,360,715	18,820,207
TOTAL NET POSITION	\$ 106,511,917	\$ 67,454,027	\$ 173,965,944

The accompanying notes are an integral part of the basic financial statements

CITY OF TUALATIN, OREGON
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net Expense Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
GOVERNMENTAL ACTIVITIES							
General government	\$ 10,333,739	\$ 839,211	\$ 1,131,898	\$ 426,188	\$ (7,936,442)	\$ -	\$ (7,936,442)
Public safety	10,956,022	1,502,036	46,929	-	(9,407,057)	-	(9,407,057)
Highways and streets	6,540,062	2,342,771	-	53,394	(4,143,897)	-	(4,143,897)
Culture and recreation	6,089,919	107,960	127,201	-	(5,854,758)	-	(5,854,758)
Interest on long-term debt	677,481	-	-	-	(677,481)	-	(677,481)
TOTAL GOVERNMENTAL ACTIVITIES	34,597,223	4,791,978	1,306,028	479,582	(28,019,635)	-	(28,019,635)
BUSINESS-TYPE ACTIVITIES							
Water Operations	6,043,124	7,626,402	-	121,600	-	1,704,878	1,704,878
Sewer Operations	8,656,337	8,779,501	-	35,974	-	159,138	159,138
Stormwater Operations	1,601,097	3,454,755	-	155,975	-	2,009,633	2,009,633
TOTAL BUSINESS-TYPE ACTIVITIES	16,300,558	19,860,658	-	313,549	-	3,873,649	3,873,649
TOTAL GOVERNMENT	\$ 50,897,781	\$ 24,652,636	\$ 1,306,028	\$ 793,131	(28,019,635)	3,873,649	(24,145,986)
GENERAL REVENUES:							
Property taxes					13,767,393	-	13,767,393
Franchise taxes					2,619,480	-	2,619,480
Public service taxes and revenue sharing					6,741,903	-	6,741,903
Interest and investment earnings					306,037	134,669	440,706
Miscellaneous revenues					177,346	82,692	260,038
TRANSFERS					3,194,570	(3,194,570)	-
TOTAL GENERAL REVENUES AND TRANSFERS					26,806,729	(2,977,209)	23,829,520
CHANGE IN NET POSITION					(1,212,906)	896,440	(316,466)
NET POSITION - beginning					107,724,823	66,557,587	174,282,410
NET POSITION - ending					\$ 106,511,917	\$ 67,454,027	\$ 173,965,944

The accompanying notes are an integral part of the basic financial statements

FUND FINANCIAL STATEMENTS

Major Governmental Funds

General Fund

The General Fund accounts for the financial operations of the City that are not accounted for in any other fund. Principal sources of revenue are property taxes, franchise fees, and state and county shared revenue. Primary expenditures are for culture and recreation, general government and public safety.

Building Fund

The Building Fund accounts for revenues from various fees collected from building for construction of buildings and expended for services rendered primarily in the City's building division.

Transportation Project Fund

The Transportation Project Fund accounts for the proceeds of the City's Transportation Bond to finance high priority transportation projects throughout the City.

Transportation Development Tax Fund

The Transportation Development Tax Fund accounts for the collection and use of the transportation development tax.

Tualatin City Services Building Fund

The Tualatin City Services Building Fund accounts for the expenditures related to the construction of the Tualatin City Services Building.

CITY OF TUALATIN, OREGON
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2021

	General Fund	Building Fund	Transportation Project Fund	Transportation Development Tax Fund	Tualatin City Services Building Fund	Other Governmental	Total Governmental
ASSETS							
Cash and investments	\$ 14,667,948	\$ 1,495,074	\$ 16,971,611	\$ 11,658,597	\$ 1,202,286	\$ 7,949,331	\$ 53,944,847
Due from other governments	314,607	-	-	-	-	58,181	372,788
Accounts receivable	106,568	-	-	-	-	147,302	253,870
Property taxes receivable	191,487	-	-	-	-	45,127	236,614
Accrued interest receivable	13,258	1,386	27,390	10,581	1,121	7,276	61,012
Inventories	72,778	-	-	-	-	71,481	144,259
Restricted cash and cash equivalents	30,000	-	-	-	-	-	30,000
TOTAL ASSETS	\$ 15,396,646	\$ 1,496,460	\$ 16,999,001	\$ 11,669,178	\$ 1,203,407	\$ 8,278,698	\$ 55,043,390
LIABILITIES							
Accounts payable and other current liabilities	\$ 1,548,631	\$ 107,973	\$ 411,446	\$ 2,929	\$ 172,940	\$ 289,223	\$ 2,533,142
Deposits	359,051	35,213	-	-	-	-	394,264
Retainage payable	-	-	44,063	13,592	317,396	8,980	384,031
Unearned revenue	8,888	-	-	-	-	20,000	28,888
TOTAL LIABILITIES	1,916,570	143,186	455,509	16,521	490,336	318,203	3,340,325
DEFERRED INFLOWS OF RESOURCES:							
Unavailable revenue - property tax revenue	146,809	-	-	-	-	38,307	185,116
TOTAL DEFERRED INFLOWS OF RESOURCES	146,809	-	-	-	-	38,307	185,116
FUND BALANCES							
Nonspendable:							
Inventory	72,778	-	-	-	-	71,481	144,259
Restricted for:							
Building and engineering	-	1,353,274	-	-	-	-	1,353,274
Street and roadside maintenance	-	-	-	-	-	2,801,796	2,801,796
Debt service payments	-	-	-	-	-	142,465	142,465
Capital projects	-	-	-	-	-	61,547	61,547
Transportation	-	-	-	11,652,657	-	-	11,652,657
Urban renewal projects	-	-	-	-	-	3,695,772	3,695,772
Committed to:							
Pavement maintenance and street lighting	-	-	-	-	-	895,077	895,077
Parking maintenance	-	-	-	-	-	203,803	203,803
Transportation	-	-	16,543,492	-	-	-	16,543,492
Assigned to:							
Scholarships	-	-	-	-	-	50,247	50,247
Capital projects	-	-	-	-	713,071	-	713,071
Unassigned:	13,260,489	-	-	-	-	-	13,260,489
TOTAL FUND BALANCES	13,333,267	1,353,274	16,543,492	11,652,657	713,071	7,922,188	51,517,949
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 15,396,646	\$ 1,496,460	\$ 16,999,001	\$ 11,669,178	\$ 1,203,407	\$ 8,278,698	
Amounts reported in the statement of net position are different because:							
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.							99,382,167
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.							
Deferred outflows of resources - pension						\$ 8,972,480	
Deferred outflows of resources - other postemployment benefit obligations						156,288	9,128,768
Internal service funds are used by management to charge the costs of the operations department to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the							733,086
Liabilities and deferred inflows of resources, including accrued liabilities and bonds payable are not due and payable in the current period and, therefore, are not reported in the funds:							
Unavailable revenue - property taxes						185,116	
Accrued compensated absences						(936,167)	
Accrued interest						(47,653)	
Net pension liability						(24,029,711)	
Net other postemployment obligation						(822,913)	
Long-term bonded debt obligations						(23,471,292)	
Bond premium						(2,355,864)	
Deferred inflows of resources - pension						(2,619,985)	
Deferred inflows of resources - other post employment obligation						(151,584)	(54,250,053)
Net position of governmental activities							<u>\$ 106,511,917</u>

The accompanying notes are an integral part of the basic financial statements

CITY OF TUALATIN, OREGON
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2021

	General Fund	Building Fund	Transportation Project Fund	Transportation Development Tax Fund	Tualatin City Services Building Fund	Other Governmental	Total Governmental
REVENUES							
Property taxes	\$ 10,932,643	\$ -	\$ -	\$ -	\$ -	\$ 2,845,912	\$ 13,778,555
Franchise fees	2,619,480	-	-	-	-	-	2,619,480
Charges for service	117,137	280,656	-	-	-	-	397,793
Licenses and permits	334,062	400,103	-	-	-	-	734,165
Intergovernmental	5,266,624	-	-	-	-	2,707,500	7,974,124
Fines and forfeitures	1,149,982	-	-	-	-	-	1,149,982
Fees and charges	62,725	5,662	-	704,071	-	1,737,580	2,510,038
Interest	84,057	4,906	64,054	68,876	20,615	58,092	300,600
Miscellaneous	259,233	800	-	-	15,998	1,687	277,718
TOTAL REVENUES	20,825,943	692,127	64,054	772,947	36,613	7,350,771	29,742,455
EXPENDITURES							
Current:							
General government	9,118,283	-	-	-	-	92,788	9,211,071
Public safety	8,523,151	977,690	-	-	-	-	9,500,841
Highways and streets	693,834	-	3,460	-	-	2,761,534	3,458,828
Culture and recreation	4,679,559	-	-	-	-	9,547	4,689,106
Capital outlay	880,399	-	3,822,179	441,632	6,487,907	612,529	12,244,646
Debt service:							
Principal	-	-	-	-	-	1,855,000	1,855,000
Interest	-	-	-	-	-	1,026,750	1,026,750
Issuance costs	-	-	-	-	42,800	-	42,800
TOTAL EXPENDITURES	23,895,226	977,690	3,825,639	441,632	6,530,707	6,358,148	42,029,042
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,069,283)	(285,563)	(3,761,585)	331,315	(6,494,094)	992,623	(12,286,587)
OTHER FINANCING SOURCES (USES)							
Proceeds from debt issuance	-	-	-	-	4,600,000	-	4,600,000
Transfers in	4,932,610	78,760	-	-	-	980,340	5,991,710
Transfers out	(197,000)	(583,350)	(86,030)	(31,800)	-	(1,898,960)	(2,797,140)
Sale of general capital assets	26,829	-	-	-	-	-	26,829
TOTAL OTHER FINANCING SOURCES (USES)	4,762,439	(504,590)	(86,030)	(31,800)	4,600,000	(918,620)	7,821,399
NET CHANGE IN FUND BALANCES	1,693,156	(790,153)	(3,847,615)	299,515	(1,894,094)	74,003	(4,465,188)
FUND BALANCES - beginning	11,640,111	2,143,427	20,391,107	11,353,142	2,607,165	7,848,185	55,983,137
FUND BALANCES - ending	\$ 13,333,267	\$ 1,353,274	\$ 16,543,492	\$ 11,652,657	\$ 713,071	\$ 7,922,188	\$ 51,517,949

The accompanying notes are an integral part of the basic financial statements

CITY OF TUALATIN, OREGON
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2021

Amounts reported in the statement of activities are different because:

Net change in fund balances		\$ (4,465,188)
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The statement of revenues, expenditures, and changes in fund balances 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 depreciation exceeded capital outlay in the current period.

Depreciation	\$ (4,877,605)	
Capital asset additions	<u>11,983,589</u>	7,105,984

Some revenue reported in the statement of activities do not provide current financial resources in the governmental funds.		415,026
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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.

Accrued interest expense	\$ 2,461	
Pension expense	(2,546,291)	
Net other postemployment benefit obligations	<u>(70,063)</u>	(2,613,893)

Internal service funds are used by management to charge the costs of the administrative services department to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

398,327

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This is the amount by which proceeds exceeded repayments.

(2,053,162)

Change in net position of governmental activities		<u><u>\$ (1,212,906)</u></u>
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FUND FINANCIAL STATEMENTS

Proprietary Funds

Enterprise Funds

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

Water Operations

Water Fund

The Water Fund accounts for the operation and maintenance of water facilities and services. The primary source of revenues consists of water sales and related charges.

Water Development Fund

The Water Development Fund accounts for system development fees charged on new construction. The proceeds are used to finance major expansions of the water system.

Enterprise Bond Fund

The Enterprise Bond Fund accounts for debt service financing for the water reservoir construction and other improvement to the water system.

Sewer Operations

Sewer Fund

The Sewer Fund accounts for the operation of the City's sewer system. The primary source of revenue consists of charges for sewer services.

Sewer Development Fund

The Sewer Development Fund accounts for the system development fees on new construction. The proceeds are used to finance major expansion of the sewer system.

Stormwater Operations

Stormwater Fund

The Stormwater Fund accounts for stormwater services for residents of the City. The principal revenue source is from user fees.

Stormwater Development Fund

The Stormwater Development Funds accounts for system development charges assessed to finance expansion of the stormwater system.

For Generally Accepted Accounting Principles purposes, these aforementioned funds are consolidated and included as three separate Enterprises funds.

Internal Service Funds

These funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Vehicle Replacement Fund

This Vehicle Replacement Fund accounts for City's transportation fleet, including the acquisition and replacement.

CITY OF TUALATIN, OREGON
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2021

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water Operations	Sewer Operations	Stormwater Operations	Total	Vehicle Replacement Fund
ASSETS					
Current Assets:					
Cash and investments	\$ 9,961,217	\$ 6,183,757	\$ 6,184,247	\$ 22,329,221	\$ 732,421
Accounts receivables, net	716,029	784,042	309,977	1,810,048	-
Intergovernmental receivable	-	42,730	-	42,730	-
Accrued interest receivable	8,877	5,661	5,658	20,196	665
Inventories	87,968	2,447	-	90,415	-
Total current assets	10,774,091	7,018,637	6,499,882	24,292,610	733,086
Noncurrent Assets:					
Net other post employment benefit asset	1,696	827	-	2,523	-
Capital assets not being depreciated:					
Land	773,389	97,922	8,833	880,144	-
Construction in progress	152,634	104,507	25,700	282,841	-
Capital assets, net of accumulated deprecation					
Buildings	13,819	-	-	13,819	-
Machinery, equipment, and vehicles	111,177	214,501	259,392	585,070	-
Infrastructure	28,112,934	14,434,783	3,861,299	46,409,016	-
Total noncurrent assets	29,165,649	14,852,540	4,155,224	48,173,413	-
TOTAL ASSETS	39,939,740	21,871,177	10,655,106	72,466,023	733,086
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	98,350	-	-	98,350	-
Deferred outflows of resources - OPEB	5,741	2,800	-	8,541	-
Deferred outflows of resources - pension	329,619	160,767	-	490,386	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	433,710	163,567	-	597,277	-
LIABILITIES					
Current Liabilities:					
Accounts payable	675,734	624,921	121,123	1,421,778	-
Accrued liabilities	47,718	28,334	-	76,052	-
Compensated absences	46,759	17,700	-	64,459	-
Deposits payable	11,200	-	-	11,200	-
Accrued interest payable	7,379	-	-	7,379	-
Bonds payable - due within one year	430,000	-	-	430,000	-
Unearned revenue	-	-	14,102	14,102	-
Total current liabilities	1,218,790	670,955	135,225	2,024,970	-
Noncurrent Liabilities:					
Bonds payable	2,071,998	-	-	2,071,998	-
Net OPEB liability	31,927	15,572	-	47,499	-
Net pension liability	882,770	430,558	-	1,313,328	-
Total noncurrent liabilities	2,986,695	446,130	-	3,432,825	-
TOTAL LIABILITIES	4,205,485	1,117,085	135,225	5,457,795	-
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources - pension	96,249	46,944	-	143,193	-
Deferred inflows of resources - OPEB	5,569	2,716	-	8,285	-
TOTAL DEFERRED INFLOWS OF RESOURCES	101,818	49,660	-	151,478	-
NET POSITION					
Net investment in capital assets	26,760,305	14,851,713	4,155,224	45,767,242	-
Restricted for capital improvements	1,326,070	-	-	1,326,070	-
Unrestricted	7,979,772	6,016,286	6,364,657	20,360,715	733,086
TOTAL NET POSITION	\$ 36,066,147	\$ 20,867,999	\$ 10,519,881	\$ 67,454,027	\$ 733,086

The accompanying notes are an integral part of the basic financial statements

CITY OF TUALATIN, OREGON
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2021

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water Operations	Sewer Operations	Stormwater Operations	Total	Vehicle Replacement Fund
OPERATING REVENUES					
Charges for service	\$ 7,558,417	\$ 8,680,437	\$ 3,454,755	\$ 19,693,609	\$ 392,890
Fees and charges	67,985	99,064	-	167,049	-
Miscellaneous	2,750	65,547	14,395	82,692	-
TOTAL OPERATING REVENUES	7,629,152	8,845,048	3,469,150	19,943,350	392,890
OPERATING EXPENSES					
Personal services	958,196	602,343	-	1,560,539	-
Materials and services	3,869,252	7,457,685	1,374,393	12,701,330	-
Depreciation	1,047,419	596,309	226,704	1,870,432	-
TOTAL OPERATING EXPENSES	5,874,867	8,656,337	1,601,097	16,132,301	-
OPERATING INCOME (LOSS)	1,754,285	188,711	1,868,053	3,811,049	392,890
NON-OPERATING REVENUES (EXPENSES)					
Interest income	60,650	35,362	38,657	134,669	5,437
Interest expense	(168,257)	-	-	(168,257)	-
TOTAL NON-OPERATING REVENUES (EXPENSE)	(107,607)	35,362	38,657	(33,588)	5,437
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	1,646,678	224,073	1,906,710	3,777,461	398,327
CAPITAL CONTRIBUTIONS	121,600	35,974	155,975	313,549	-
TRANSFERS	(968,180)	(1,202,435)	(1,023,955)	(3,194,570)	-
CHANGE IN NET POSITION	800,098	(942,388)	1,038,730	896,440	398,327
NET POSITION - beginning	35,266,049	21,810,387	9,481,151	66,557,587	334,759
NET POSITION - ending	\$ 36,066,147	\$ 20,867,999	\$ 10,519,881	\$ 67,454,027	\$ 733,086

The accompanying notes are an integral part of the basic financial statements

CITY OF TUALATIN, OREGON
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2021

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water Operations	Sewer Operations	Stormwater Operations	Total	Vehicle Replacement Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 7,490,298	\$ 8,972,630	\$ 3,447,055	\$ 19,909,983	\$ 392,890
Cash paid to employees and others for salaries/benefits	(830,521)	(449,676)	-	(1,280,197)	-
Cash paid to suppliers and others	(3,672,856)	(7,444,311)	(1,346,714)	(12,463,881)	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	2,986,921	1,078,643	2,100,341	6,165,905	392,890
CASH FLOWS FROM (USED FOR) NON-CAPITAL FINANCING ACTIVITIES					
Payment from (to) other funds	-	-	-	-	(211)
Transfers in (out)	(968,180)	(1,202,435)	(1,023,955)	(3,194,570)	-
Net cash provided (used) by non-capital financing activities	(968,180)	(1,202,435)	(1,023,955)	(3,194,570)	(211)
CASH FLOWS FROM (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	(25,490)	95,232	-	69,742	-
Debt principal payments	(455,499)	-	-	(455,499)	-
Interest paid	(169,640)	-	-	(169,640)	-
Deferred charge on refunding	24,588	-	-	24,588	-
NET CASH FROM (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(626,041)	95,232	-	(530,809)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	63,365	38,096	39,887	141,348	5,437
Net cash provided (used) by investing activities	63,365	38,096	39,887	141,348	5,437
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,456,065	9,536	1,116,273	2,581,874	398,116
CASH AND CASH EQUIVALENTS - beginning	8,505,152	6,174,221	5,067,974	19,747,347	334,305
CASH AND CASH EQUIVALENTS - ending	\$ 9,961,217	\$ 6,183,757	\$ 6,184,247	\$ 22,329,221	\$ 732,421
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating Income	\$ 1,754,285	\$ 188,711	\$ 1,868,053	\$ 3,811,049	\$ 392,890
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:					
Depreciation of capital assets	1,047,419	596,309	226,704	1,870,432	-
Change in assets and liabilities:					
Accounts receivable	(136,420)	127,582	(15,044)	(23,882)	-
Inventories	(2,342)	2,240	119	17	-
Accounts payable and accrued expenses	198,738	11,134	27,560	237,432	-
Deposits	(2,434)	-	-	(2,434)	-
Unearned revenue	-	-	(7,051)	(7,051)	-
Pension System	116,592	140,135	-	256,727	-
Accrued compensated absences	7,368	6,603	-	13,971	-
Other post employment benefits payable	3,715	5,929	-	9,644	-
Net cash provided (used) by operating activities	\$ 2,986,921	\$ 1,078,643	\$ 2,100,341	\$ 6,165,905	\$ 392,890
NON-CASH CAPITAL FINANCING ACTIVITIES					
Contributions of capital assets	\$ 121,600	\$ 35,974	\$ 155,975	\$ 313,549	\$ -
Total non-cash capital financing activities	\$ 121,600	\$ 35,974	\$ 155,975	\$ 313,549	\$ -

The accompanying notes are an integral part of the basic financial statements

CITY OF TUALATIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

1. Summary of Significant Accounting Policies

The financial statements of the City of Tualatin, Oregon (the City) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). GAAP statements require the application of all relevant Governmental Accounting Standards Board (GASB) pronouncements.

A. Reporting Entity

The City is a municipal corporation governed by an elected mayor and six-member governing council. The accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government.

Blended Component Unit. The Tualatin Development Commission (Commission) was formed to plan, direct, and manage the redevelopment of targeted areas of the City through tax increment financing. Pursuant to ORS 457.055, the City Council has been appointed governing body of the Commission and the City has operational responsibility for the activities of Commission. The Commission's funds are reported as governmental fund types.

Separately issued financial statements are available for the Commission. These reports may be obtained from the Finance Department of the City, 18880 S.W. Martinazzi Avenue, Tualatin, Oregon 97062.

B. Basis of Presentation

Government-wide statements

The Statement of Net Position and the Statement of Activities display information about the City and its blended component unit. These statements include all the financial activities of the City. Eliminations have been made to minimize the double-counting of internal activities; however, in the government-wide Statement of Activities, interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the governmental and business-type activities of the City. Governmental activities are financed through charges for services, property taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental and business-type activities, including its blended component unit. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. *Program revenues* include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not attributable to a specific program are reported as general revenues.

CITY OF TUALATIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

Fund financial statements

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

The City reports the following major governmental funds:

- *General Fund*
This is the City's primary operating fund. It accounts for all revenues and expenditures of the City, except those accounted for in another fund.
- *Building Fund*
This fund accounts for the City's building plan review, permitting, and inspection activities. The primary revenue source is charges for services and permit fees.
- *Transportation Project Fund*
This fund accounts for the proceeds of the city's Transportation Bond to finance transportation projects throughout the City.
- *Transportation Development Tax Fund*
This fund accounts for the expenditures of transportation capital improvements designed to accommodate growth. The primary source of revenue is from one-time charges on development within Washington and Clackamas counties.
- *Tualatin City Services Building Fund*
The Tualatin City Services Building Fund accounts for the expenditures related to the construction of the Tualatin City Services Building.

The City reports each of its three proprietary funds as major funds:

- *Water Operations*
This fund accounts for the operation and maintenance of water service and distribution facilities.
- *Sewer Operations*
This fund accounts for the operation and maintenance of the City's sewer service and collection system.
- *Stormwater Operations*
This fund accounts for the operation and maintenance of the City's surface water system.

The City also reports the following nonmajor fund types:

- *Special Revenue Funds*
These funds account for revenues and expenditures related to those required to be accounted for in another fund.
- *Debt Service Funds*
These funds account for the accumulation of resources for the payment of tax increment bond principal and interest.

CITY OF TUALATIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

- *Capital Projects Funds*

These funds account for the acquisition and construction of capital facilities other than those financed by Proprietary Funds.

C. Measurement Focus and Basis of Accounting

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

The government-wide financial statements and the proprietary funds financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they 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. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, franchise taxes, licenses, 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 to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

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

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is necessary to explain the adjustments needed to transform the fund based financial statements into the governmental column of the government-wide presentation. This reconciliation is part of the financial statements. Amounts reported as

CITY OF TUALATIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

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 principle ongoing operations. The principle operating revenues of the City's Water, Wastewater, and Stormwater Funds are charges to customers for sales and services. These 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. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Cash and Investments

Cash is considered to be cash on hand, demand deposits, and short-term investments with an original maturity of three months or less from the date of acquisition.

Investments consist of funds held in the Oregon State Treasurer's Local Government Investment Pool (LGIP), U.S. Government obligations and corporate bonds. Investments in the LGIP are stated at cost, which approximates fair value. The individual funds' and blended component unit's portion of the pool's fair value are presented as "Cash and Investments" in the basic financial statements.

The LGIP is administered by the Oregon State Treasury. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State who by law is made the custodian of, or has control of, any public funds. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short-Term Fund Board which is not registered with the U.S. Securities and Exchange Commission as an investment company. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP.

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 to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs including quoted prices for similar assets or liabilities in markets that are active; Level 3 inputs are significant unobservable inputs.

E. Receivables

Uncollected property taxes receivable collected within sixty days following year end are considered measurable and available and are recognized as revenues. All other uncollected property taxes receivable are offset by deferred revenue and, accordingly, have not been recorded as revenue. Property taxes are assessed and become a lien against the property as of July 1 each year and are payable in three installments on November 15, February 15, and May 15 following the lien date. Taxes unpaid and outstanding on May 16 are considered delinquent.

Assessments receivable are recognized at the time property owners are assessed for property improvements. Assessments receivable expected to be collected within sixty days following year end and are considered measurable and available and are recognized as revenue. All other assessments receivable are offset by unavailable revenue and, accordingly, have not been recorded as revenue.

CITY OF TUALATIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

Receivables for grants and state shared revenues, included in accounts receivable are recorded as revenues in governmental fund types as earned. Receivables of the proprietary fund types are recorded as revenues as earned, including services earned but not billed.

F. Inventories

Inventories for governmental fund types are stated at cost (average cost basis) and are charged to expenditures as they are used. Inventories in the enterprise funds are stated at the lower of cost (average cost basis) or market value and are charged to expenses as they are used, consistent with the consumption method.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, street lights, etc.) are reported in the applicable governmental or business-type activities column in the governmental-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 if actual cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more, and having useful lives 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 incurred for repairs and maintenance are expensed as incurred.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest costs were capitalized during the year ended June 30, 2021.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position and is provided on the straight-line basis over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings and improvements	25-40
Improvements	10-50
Infrastructure	20-50
Vehicles	5-10
Machinery and equipment	5-10
Utility Systems	25-50

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

H. Deferred Outflows/Inflows of Resource

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 assets that applies to future periods 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 assets that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time.

I. Pensions

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

J. Other post-employment benefits (OPEB)

OPERS - Retirement Health Insurance Account. For purposes of measuring the net OPEB liability/asset, deferred outflows of resources and deferred inflows of resources to OPEB, and OPEB expense, information about the fiduciary net position of the OPERS and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, OPERS recognizes benefit payments when due and payable in accordance with benefit terms. Investments are reported at fair value.

City of Tualatin – Implicit Subsidy Plan. For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources to OPEB, and OPEB expense, the City has relied on actuarial reports. The City allows retired employees to purchase health insurance at the same rates as active employees. The related expense is recognized as the City pays premiums or when claims are paid to health providers.

K. Compensated Absences

Accumulated vested vacation pay is accrued as it is earned. For governmental funds, accumulated vested vacation pay is maintained separately and represents a reconciling item between the fund-level and government-wide presentations. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it.

Funds used to liquidate accrued compensated absences included the general fund, building fund, and the operations fund.

L. Net Position

In the government-wide financial statements and proprietary funds financial statements, net position is reported in three categories: net investment in capital assets; restricted net position; and unrestricted net position. Net investment in capital assets represents capital assets less accumulated depreciation less outstanding principal of

CITY OF TUALATIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

related debt. Net investment in capital assets does not include the unspent proceeds of capital debt. Restricted net position represents net position restricted by parties outside of the City (such as creditors, grantors, contributors, laws, and regulations of other governments) and includes unspent proceeds of bonds issued to acquire or construct capital assets. The nonexpendable portion of permanent funds is reported as a component of restricted net position. The City's other restricted net position is temporarily restricted (ultimately expendable) assets. All other net position is considered unrestricted.

M. Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – non-spendable, restricted, committed, assigned and unassigned.

Non-Spendable – Includes amounts not immediately converted to cash, such as prepaid items and inventory.

Restricted – Includes amounts that are restricted by external creditors, grantors or contributors, or restricted by enabling legislation.

Committed – Includes amounts that have been committed by resolution by the City Council which is the City's "highest level of decision-making authority." Committed amounts may not be used for any other purpose unless the City Council removes the constraint by similar council action. Commitments of fund balance must be made prior to the end of the fiscal year.

Assigned – Includes amounts assigned for specific purposes by council action who authorizes, by resolution, the City Manager or Finance Director to assign fund balance. Assigned fund balance is also established by the Council through adoption or amendment of the budget as intended for specific purpose.

Unassigned – This is the residual classification used for those balances not assigned to another category in the General Fund. Deficit fund balance in other governmental funds are also presented as unassigned.

Use of restricted resources, when both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the City's policy to use committed resources first, then assigned, and then unassigned as they are needed.

N. Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted requires that management make estimates and assumptions which affect the reporting amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimated.

CITY OF TUALATIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

2. Cash and Investments

The City maintains a common cash and investment pool for all City funds. The types of investments in which the City may invest are restricted by State of Oregon statutes and a Council adopted investment policy. Authorized investments include U.S. Treasury obligations, U.S. Agency obligations, commercial paper, corporate bonds, the Oregon State Treasurer's Local Government Investment Pool, obligations of certain states and municipalities, bankers' acceptances, time deposits, certificates of deposits, and savings accounts.

At June 30, 2021, the City's cash and investments consist of the following:

	Fair Value Measurement				Weighted Average Maturity
	N/A	Level 1	Level 2	Total	
Cash on hand	\$ 1,675	\$ -	\$ -	\$ 1,675	-
Deposits with financial institution	391,042	-	-	391,042	-
Investments:					
Oregon State Treasurer's Local Government Investment Pool	47,382,874	-	-	47,382,874	-
U.S. Treasury	-	9,815,682	-	9,815,682	2.61
U.S. Agencies	-	-	17,373,749	17,373,749	2.91
Corporate Bonds	-	-	808,931	808,931	3.56
Municipal Bonds	-	-	1,262,536	1,262,536	2.89
Total pooled cash and investments	<u>\$ 47,775,591</u>	<u>\$ 9,815,682</u>	<u>\$ 19,445,216</u>	<u>\$ 77,036,489</u>	1.08

A. Interest rate risk

As a means of managing its exposure to fair value loss arising from increasing interest rates and to allow investment maturities to coincide with projected needs, the City's investment policy does not allow direct investment in securities maturing more than five years from the date of purchase. Investment maturity guidelines and actual maturities for the City's investments are as follows:

<u>Maturity</u>	<u>Minimum Maturity Guideline</u>	<u>Actual at June 30, 2021</u>
Less than 30 days	10%	62%
Less than 1 year	25%	75%
Less than 5 years	100%	100%

B. Credit risk

State statutes authorize the City of Tualatin to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, and the State Treasurer's Oregon Local Government Investment Pool, among others. The City has no investment policy that would further limit its investment choices. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations, but is not regulated by other laws,

CITY OF TUALATIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

organizations or regulations. The reported value of the Pool is the same as the fair value of Pool shares. Investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). The State Treasurer's Oregon Local Government Investment Pool is not registered with the SEC as an investment company and is unrated. There are no limitations or restrictions on withdrawals from the pool.

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

	U.S. and U.S. Agency Obligations	Municipal Bonds	Corporate Bonds	Total
<u>Rating by Standard & Poor's</u>				
AA+	\$ 27,189,431	\$ -	\$ -	\$ 27,189,431
AA	-	1,262,536	-	1,262,536
AA-	-	-	808,931	808,931
	<u>\$ 27,189,431</u>	<u>\$ 1,262,536</u>	<u>\$ 808,931</u>	<u>\$ 29,260,898</u>

C. Concentration of credit risk

All investments of the City shall be made in accordance with Oregon Revised Statutes: ORS 294.035 (Investment of surplus funds of political subdivisions; approved investments), ORS 294.040 (Restriction on investments under ORS 294.035), ORS 294.135 (Investment maturity dates), ORS 294.145 (Prohibited conduct for custodial officer), ORS 294.805 to 294.895 (Local Government Investment Pool). Any revisions or extensions of these sections of the ORS shall be assumed to be part of this investment policy immediately upon being enacted.

D. Custodial credit risk – deposits

Custodial credit risk is the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its deposits that are in the possession of an outside party. At June 30, 2021 the City has \$250,000 in deposits not exposed to custodial credit risk, as they are covered by FDIC insurance and the balance is covered by the Public Funds Collateralization Program (ORS 295.015) administered by the Oregon State Treasury.

3. Property Taxes and Assessments Receivable

Property taxes receivable, which have been collected within sixty days subsequent to year end, are considered measurable and available and are therefore recognized as revenue.

All other property taxes receivable are offset by deferred inflows and, accordingly, have not been recorded as revenue. Real and personal property taxes are levied as of July 1 of each fiscal year on values assessed as of that date. Property taxes attach as an enforceable lien on both real and personal property as of July 1 and are due and payable in three installments on November 15, February 15, and May 15. All property taxes are billed and collected by Clackamas and Washington Counties and remitted to the City.

Assessments receivable are amounts billed to property owners upon completion of the benefiting project.

CITY OF TUALATIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

Uncollected taxes and assessments are deemed to be substantially collectible or recoverable through liens. Therefore, no allowance for uncollectible accounts has been established.

4. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 13,899,656	\$ 338,257	\$ -	\$ 14,237,913
Construction in Progress	4,700,611	11,662,758	9,179,351	7,184,018
Total capital assets, not being depreciated	<u>18,600,267</u>	<u>12,001,015</u>	<u>9,179,351</u>	<u>21,421,931</u>
Capital assets, being depreciated				
Improvements & Infrastructure	146,074,883	1,588,089	-	147,662,972
Buildings	20,161,515	7,310,896	-	27,472,411
Machinery & Equipment	6,231,339	689,128	1,111,664	5,808,803
Total capital assets, being depreciated	<u>172,467,737</u>	<u>9,588,113</u>	<u>1,111,664</u>	<u>180,944,186</u>
Less accumulated depreciation for:				
Improvements & Infrastructure	(85,174,792)	(3,839,877)	-	(89,014,669)
Buildings	(9,942,265)	(609,246)	-	(10,551,511)
Machinery & Equipment	<u>(4,100,952)</u>	<u>(428,482)</u>	<u>(1,111,664)</u>	<u>(3,417,770)</u>
Total accumulated depreciation	<u>(99,218,009)</u>	<u>(4,877,605)</u>	<u>(1,111,664)</u>	<u>(102,983,950)</u>
Total capital assets, being depreciated, net	<u>73,249,728</u>	<u>4,710,508</u>	<u>-</u>	<u>77,960,236</u>
Total governmental activities capital assets	<u>\$ 91,849,995</u>	<u>\$16,711,523</u>	<u>\$ 9,179,351</u>	<u>\$ 99,382,167</u>

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

General government	\$ 777,710
Public safety	257,496
Highways and streets	2,933,219
Culture and recreation	<u>909,180</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 4,877,605</u>

CITY OF TUALATIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets, not being depreciated				
Land	\$ 880,144	\$ -	\$ -	\$ 880,144
Construction in Progress	317,954	129,997	165,110	282,841
Total capital assets, not being depreciated	<u>1,198,098</u>	<u>129,997</u>	<u>165,110</u>	<u>1,162,985</u>
Capital assets, being depreciated				
Improvements & Infrastructure	84,905,934	313,550	-	85,219,484
Buildings	367,755	-	-	367,755
Machinery & Equipment	2,036,605	-	234,578	1,802,027
Total capital assets, being depreciated	<u>87,310,294</u>	<u>313,550</u>	<u>234,578</u>	<u>87,389,266</u>
Less accumulated depreciation for:				
Improvements & Infrastructure	(37,065,406)	(1,745,062)	-	(38,810,468)
Buildings	(352,242)	(1,694)	-	(353,936)
Machinery & Equipment	(1,293,229)	(123,676)	(199,948)	(1,216,957)
Total accumulated depreciation	<u>(38,710,877)</u>	<u>(1,870,432)</u>	<u>(199,948)</u>	<u>(40,381,361)</u>
Total capital assets, being depreciated, net	<u>48,599,417</u>	<u>(1,556,882)</u>	<u>34,630</u>	<u>47,007,905</u>
Total business-type activities capital assets	<u>\$ 49,797,515</u>	<u>\$ (1,426,885)</u>	<u>\$ 199,740</u>	<u>\$ 48,170,890</u>
Business-type activities:			Depreciation	
Water			\$ 1,047,419	
Sewer			596,309	
Stormwater			226,704	
Total depreciation expense - business-type activities			<u>\$ 1,870,432</u>	

CITY OF TUALATIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

5. Interfund Receivables, Payables, and Transfers

A. Interfund Transfers

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as the debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfer activity for the year ended June 30, 2021, is as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Major Governmental Funds:		
General Fund	\$ 4,932,610	\$ 197,000
Building Fund	78,760	583,350
Transportation Project Fund	-	86,030
Transportation Development Tax Fund	-	31,800
Total Major Governmental Funds	<u>5,011,370</u>	<u>898,180</u>
Non-major Governmental Funds		
Road Utility Fee Fund	460,000	401,210
Road Operating Fund	323,340	1,305,680
Core Area Parking District Fund	-	33,960
Park Development Fund	197,000	79,510
Leveton Project Fund	-	78,600
Total Non-major Governmental Funds	<u>980,340</u>	<u>1,898,960</u>
Proprietary Funds		
Water Fund	17,186	1,961,600
Water Development Fund	-	50,231
Enterprise Bond Fund	1,026,465	-
Sewer Fund	164,240	1,305,215
Sewer Development Fund	-	61,460
Stormwater Fund	-	992,410
Stormwater Development Fund	-	31,545
Total Proprietary Funds	<u>1,207,891</u>	<u>4,402,461</u>
Total Government Wide	<u><u>\$ 7,199,601</u></u>	<u><u>\$ 7,199,601</u></u>

Interfund transfers are used to provide funds for debt service, contribute to the cost of capital projects and provide operational resources.

CITY OF TUALATIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

6. Long Term Debt Obligations

In the following paragraphs, 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. For the governmental activities, claims, judgments, compensated absences and net pension obligations are generally liquidated by the general fund. As compensated absences are due and payable on demand, they are considered due within one year.

	Beginning balance as of July 1, 2020	Additions	Reductions	Ending balance as of June 30, 2021	Due within one year
Governmental activities:					
General Obligation bonds					
Series 2018, Transportation & Refunding, interest at 3.00-5.00%, original issue of \$23,750,000, due 2028	\$ 20,635,000	\$ -	\$ (1,855,000)	\$ 18,780,000	\$ 2,050,000
Notes from direct borrowings					
Series 2013, Operations Warehouse, interest at 3.0%, original issue of \$1,100,000, due 2024	483,580	-	(115,516)	368,064	119,370
Series 2020, City Services Building, interest at 1.78% original issue of \$4,600,000, due 2035	-	4,600,000	(276,772)	4,323,228	274,648
Plus: Bond issuance premium	2,702,672	-	(346,808)	2,355,864	-
Long-term bonded debt obligations	23,821,252	4,600,000	(2,594,096)	25,827,156	2,444,018
Compensated absences	888,909	706,764	(659,506)	936,167	936,167
Other postemployment benefits	896,591	-	(27,502)	869,089	-
Net pension liability	22,304,400	1,725,311	-	24,029,711	-
Total governmental activities	<u>\$ 47,911,152</u>	<u>\$ 7,032,075</u>	<u>\$ (3,281,104)</u>	<u>\$ 51,662,123</u>	<u>\$ 3,380,185</u>
Business-type activities:					
Full Faith and Credit Obligations					
Series 2014, Full Faith and Credit Refunding, interest at 2.0-4.0%, original issue of \$4,300,000, due 2025	\$ 2,755,000	\$ -	\$ (415,000)	\$ 2,340,000	\$ 430,000
Plus: Bond issuance premium	202,497	-	(40,499)	161,998	-
Long-term bonded debt obligations	2,957,497	-	(455,499)	2,501,998	430,000
Compensated absences	50,488	51,691	(37,720)	64,459	64,459
Other postemployment benefits	42,037	5,462	-	47,499	-
Net pension liability	1,045,734	267,594	-	1,313,328	-
Total business-type activities	<u>\$ 4,095,756</u>	<u>\$ 324,747</u>	<u>\$ (493,219)</u>	<u>\$ 3,927,284</u>	<u>\$ 494,459</u>

CITY OF TUALATIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

Future Principal and Interest. Future maturities of bond principal and interest at June 30, 2021 are as follows:

Year	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 2,444,018	\$ 1,021,196	\$ 430,000	\$ 79,950	\$ 2,874,018	\$ 1,101,146
2023	2,647,565	914,148	450,000	62,350	3,097,565	976,498
2024	2,850,178	793,059	465,000	44,050	3,315,178	837,109
2025	2,934,577	664,275	490,000	24,950	3,424,577	689,225
2026	3,179,731	526,870	505,000	7,575	3,684,731	534,445
2027-2031	8,069,242	699,015	-	-	8,069,242	699,015
2032-2035	1,345,981	60,424	-	-	1,345,981	60,424
	<u>\$ 23,471,292</u>	<u>\$ 4,678,987</u>	<u>\$ 2,340,000</u>	<u>\$ 218,875</u>	<u>\$ 25,811,292</u>	<u>\$ 4,897,862</u>

In July 2020, the City entered into a \$4,600,000 financing agreement pursuant to ORS 271.390 to partially finance the construction of an addition to an existing building on the City's operations facility site, remodel of existing facilities, and related improvements. The financing agreement pays interest semiannually on December 15 and June 15, at an interest rate of 1.78%.

The Series 2018 General Obligation Bonds and Series 2014 Full Faith and Credit Refunding Bonds pledge the full faith and credit and taxing authority to pay the bonds. If the bonds are defaulted, by failure to make required principal or interest payments or other covenants, actions to enforce the financing agreement may take place for the amount of the obligations then outstanding to its satisfaction. However, the bonds shall not be subject to acceleration.

The City has pledged its full faith and credit and taxing authority to pay the outstanding principal, interest and other amounts due on direct borrowings related to governmental activities of \$4,691,292. The notes contains a provision that in an event of default, the outstanding balance shall bear interest at the default rate of 8.00% on the Series 2013 borrowing and 4.78% on the Series 2020 borrowing until such event of default is remedied, however, the amounts due are not subject to acceleration.

Legal debt margin

The City is subject to a debt limit that is 3% of the true cash value of all taxable property within the City boundaries. At June 30, 2021, that amount was \$148,311,760. As of June 30, 2021, the total outstanding debt applicable to the limit was \$18,636,816, which is 12.57% of the total debt limit.

7. Post Employment Benefits Other than Pensions

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

Financial Statement Presentation

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

CITY OF TUALATIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

	Implicit Rate Subsidy Plan	PERS RHIA Plan	Total OPEB on Financials
Net OPEB Asset	\$ -	\$ 48,699	\$ 48,699
Deferred Outflows of Resources			
Differences between expected and actual experience	16,743	-	16,743
Change in Assumptions	21,993	-	21,993
Difference in Earnings	-	5,416	5,416
Change in Proportionate Share	-	83,150	83,150
Contributions After MD	35,819	1,708	37,527
Total OPEB Liability	(916,588)	-	(916,588)
Deferred Inflows of Resources			
Differences between expected and actual experience	(29,673)	(4,978)	(34,651)
Difference in Earnings	-	-	-
Change in Assumptions	(122,058)	(2,589)	(124,647)
Change in Proportionate Share	-	(571)	(571)
OPEB Expense/(Income)*	81,887	35,160	117,047

*Included in program expenses on Statement of Activities

Implicit Rate Subsidy

Plan Description

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

The City's postemployment healthcare plan administrator issues a publicly available financial report that includes financial statements and required supplementary information for CIS. This report may be obtained by writing to CIS, 1212 Court Street NE, Salem, OR 97301, or by accessing the CIS website at www.cisoregon.org.

CITY OF TUALATIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

Benefits Provided

The plan provides eligible retirees and their dependents under age 65 the same health care coverage at the same premium rates as offered to active employees. The retiree is responsible for the premiums. As of the valuation date of July 1, 2020, the following employees were covered by the benefit terms:

Active employees	160
Eligible retirees	3
Spouses of ineligible retirees	<u>2</u>
Total participants	<u><u>165</u></u>

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

The City's net OPEB liability of \$916,588 was measured as of June 30, 2020, and was determined by an actuarial valuation as of July 1, 2020.

For the fiscal year ended June 30, 2021, the City recognized OPEB expense from this plan of \$81,887. At June 30, 2021, 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
Differences between expected and actual experience	\$ 16,743	\$ 29,673
Changes of assumptions	<u>21,993</u>	<u>122,058</u>
Total (prior to post-MD contributions)	38,736	151,731
Contributions subsequent to the MD	<u>35,819</u>	<u>-</u>
Total	<u><u>\$ 74,555</u></u>	<u><u>\$ 151,731</u></u>

CITY OF TUALATIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

Deferred outflows of resources related to OPEB of \$35,819 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	
2022	\$ (19,620)
2023	(19,620)
2024	(19,620)
2025	(19,620)
2026	(14,145)
Thereafter	(20,370)
Total	<u>\$ (112,995)</u>

Actuarial Assumptions and Other Inputs

The net OPEB liability in the July 1, 2020 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry age normal
Inflation	2.50%
Salary increases	3.50% overall payroll growth
Retiree healthcare participation	40% of eligible employees. 60% of male members and 35% of female members will elect spouse coverage.
Mortality	Pub-2010 General and Safety Employee and Healthy Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees and female safety employees.
Discount rate	2.21% (change from 3.50% in previous measurement period)
Healthcare cost trend rate	Medical and vision: 5.75% per year, decreasing to 4.00% Dental: -1.25% for 2020, 4.00% per year thereafter

The discount rates are based on a 20-Year general obligation bond yield index published by The Bond Buyer.

CITY OF TUALATIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

Changes in the Net OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2020	\$ 938,627
Changes for the year:	
Service cost	67,289
Interest on Total OPEB Liability	34,218
Effect of economic/demographic gains or losses	(33,577)
Effect of assumptions changes or inputs	(32,978)
Benefit payments	(56,991)
Balance as of June 30, 2021	<u>\$ 916,588</u>

Changes in assumptions is the result of the change in the discount rate from 3.50% to 2.21%.

Sensitivity of the Net OPEB Liability

The following presents the net OPEB liability of the City, as well as what the City's total liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

Discount Rate:

	1% Decrease (1.21%)	Current Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB Liability	\$ 994,167	\$ 916,588	\$ 844,140

Healthcare Cost Trend:

	1% Decrease	Current Health Care Trend Rates	1% Increase
Total OPEB Liability	\$ 804,938	\$ 916,588	\$ 1,049,874

PERS Retirement Health Insurance Account

Plan Description

The City contributes to the PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by PERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums for eligible retirees. ORS 238.420 established this trust fund. Authority to establish and amend the benefit

CITY OF TUALATIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants hired after August 29, 2003. PERS issues publicly available financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700, or online at: <https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

Benefits Provided

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

Contributions

PERS funding policy provides for employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2017 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. The City's contribution rates for the period were 0.06% for Tier One/Tier Two members, and 0.00% for OPSRP members. The City's total for the year ended June 30, 2021 contributions was \$1,708.

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

At June 30, 2021, the City reported an asset of \$48,699 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2020, and the net OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to June 30, 2020. The City's proportion of the net OPEB asset was based on the City's contributions to the RHIA program during the measurement period relative to contributions from all participating employers. At June 30, 2021, the City's proportionate share was 0.0239%, which is a decrease from its proportion of 0.1055% as of June 30, 2020.

For the year ended June 30, 2021, the City recognized OPEB expense from this plan of \$35,160. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

CITY OF TUALATIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 4,978
Changes of assumptions	-	2,589
Net difference between projected and actual earnings on investments	5,416	-
Changes in proportionate share	83,150	571
Differences between employer contributions and proportionate share of contributions	-	-
Total (prior to post-MD contributions)	88,566	8,138
Contributions subsequent to the MD	1,708	-
Total	\$ 90,274	\$ 8,138

Deferred outflows of resources related to OPEB of \$1,708 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	
2022	\$ 38,382
2023	38,335
2024	2,002
2025	1,709
2026	-
Thereafter	-
Total	\$ 80,428

Actuarial Methods and Assumptions

The net OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial methods and assumptions:

Valuation Date	December 31, 2018
Measurement Date	June 30, 2020
Experience Study Report	2018, published July 24, 2019
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal

CITY OF TUALATIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

Inflation rate	2.50 percent
Long-term expected rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increases	3.50 percent
Cost-of-living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.
Mortality	<p><i>Healthy retirees and beneficiaries:</i> Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><i>Active members:</i> Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><i>Disabled retirees:</i> Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial methods and assumptions:

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 2018 experience study which reviewed experience for the four-year period ending on December 31, 2018.

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 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	20-Year Annualized Geometric Mean
Core Fixed Income	9.60 %	4.07 %
Short-Term Bonds	9.60	3.68
Bank/Leveraged Loans	3.60	5.19
High Yield Bonds	1.20	5.74
Large/Mid Cap US Equities	16.17	6.30

CITY OF TUALATIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

Small Cap US Equities	1.35	6.68
Micro Cap US Equities	1.35	6.79
Developed Foreign Equities	13.48	6.91
Emerging Market Equities	4.24	7.69
Non-US Small Cap Equities	1.93	7.25
Private Equity	17.50	8.33
Real Estate (Property)	10.00	5.55
Real Estate (REITS)	2.50	6.69
Hedge Fund of Funds - Diversified	1.50	4.06
Hedge Fund - Event-driven	0.38	5.59
Timber	1.13	5.61
Farmland	1.13	6.12
Infrastructure	2.25	6.67
Commodities	1.13	3.79
Assumed Inflation - Mean		2.50 %

Discount Rate

The discount rate used to measure the total OPEB liability was 7.20% for the RHIA Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA 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 OPEB plan investments for the RHIA Plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

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 7.20%, 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 (6.20%) or 1-percentage-point higher (8.20%) than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
Total OPEB Liability	\$ (39,317)	\$ (48,699)	\$ (56,722)

OPEB Plan Fiduciary Net Position

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

8. Pension Plan

Employees of the City are provided with pensions through the Oregon Public Employees Retirement System (OPERS) a cost-sharing multiple-employer defined benefit pension plan, the Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The

CITY OF TUALATIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at <http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

Benefits provided

A. Tier One/Tier Two Retirement Benefit ORS Chapter 238

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 either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. Monthly payments must be a minimum of \$200 per month or the member will receive a lump-sum payment of the actuarial equivalent of benefits to which he or she is entitled.

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

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 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 member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits

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

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

Disability Benefits

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

for police 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 (COLA) changes. The COLA is capped at 2.0 percent.

B. OPSRP Pension Program (OPSRP DB)

Pension Benefits

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

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

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.

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

A member of the 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.

C. OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

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

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

Death Benefits

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

Recordkeeping

OPERS contracts with VOYA Financial to maintain IAP participant records.

Contributions

1. Employer 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, 2017 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. Effective January 1, 2020, Senate Bill 1049 required employers to pay contributions on re-employed PERS retirees' salary as if they were an active member, excluding IAP (6 percent) contributions. Employer contributions for the year ended June 30, 2021 were \$2,586,610, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2021 were 28.84 percent for Tier One/Tier Two General Service Member, 28.84 percent for Tier One/Tier Two Police, 24.61 percent for OPSRP Pension Program General Service Members, 28.84 percent for OPSRP Pension Program Police Members.

2. Employee Contributions

Beginning January 1, 2004, all employee contributions were placed in the OPSRP Individual Account Program (IAP), a defined contribution pension plan established by the Oregon Legislature. Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 or 7.0 percent of salary and are remitted by participating employers. The

CITY OF TUALATIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

contributions are either deducted from member salaries or paid by the employers on the members behalf. The IAP member accounts represent member contributions made on or after January 1, 2004, plus earnings allocations less disbursements for refunds, death benefits, and retirements. As permitted, the City has opted to pick-up the contributions on behalf of employees; contribution were \$743,911 for the year ended June 30, 2021.

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

At June 30, 2021, the City reported a liability of \$25,343,039 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018 rolled forward to June 30, 2020. 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 entities, actuarially determined. At June 30, 2021, the City's proportion was 0.11612761 percent, which decreased from its proportion of 0.13499056 percent measured as of June 30, 2020.

For the year ended June 30, 2021, the City recognized pension expense of \$5,257,767. At June 30, 2021, 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	\$ 1,115,400	\$ -
Changes in actuarial assumptions	1,360,081	47,654
Net difference between projected and actual earnings on investments	2,980,012	-
Changes in proportion	690,343	2,570,488
Differences between City contributions and proportionate share of contributions	730,420	145,036
Total (prior to post-measurement date contributions)	6,876,256	2,763,178
City contributions made subsequent to the measurement date	2,586,610	-
Total	<u>\$ 9,462,866</u>	<u>\$ 2,763,178</u>

Deferred outflows of resources related to pensions of \$2,586,610 resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	Pension Expense Amount
2022	\$ 695,920
2023	1,337,538
2024	1,270,685
2025	826,426
2026	(17,491)
Total	<u>\$ 4,113,078</u>

CITY OF TUALATIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

Actuarial assumptions

The employer contribution rates effective July 1, 2019, through June 30, 2021, were set using the entry age normal method.

For the ORS 238 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), and (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 ORS 238A OPSRP Pension Program 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 actuarially determined amount for funding a disability benefit component, and (3) 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.

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

CITY OF TUALATIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

Valuation Date	December 31, 2018
Measurement Date	June 30, 2020
Experience Study Report	2018, published July 24, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Long-Term Expected Rate of Return	7.20 percent
Discount Rate	7.20 percent
Projected Salary Increases	3.50 percent overall payroll growth
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision, blend based on service.
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active Members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</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 2018 Experience Study which reviewed experience for the four-year period ending on December 31, 2018.

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 2019 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.

CITY OF TUALATIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

Asset Class/Strategy	Assumed Asset Allocation		
	Low Range	High Range	Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	27.5%	37.5%	32.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternatives Portfolio	7.5%	17.5%	15.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Risk Parity	0.0%	2.5%	2.5%
Total			<u>100.0%</u>

Asset Class	Target Allocation	20-Year Annualized Geometric Mean
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equities	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.06%
Hedge Fund - Event-driven	0.38%	5.59%
Timber	1.12%	5.61%
Farmland	1.12%	6.12%
Infrastructure	2.24%	6.67%
Commodities	1.12%	3.79%
Total	<u>100.00%</u>	
Assumed Inflation - Mean		2.50%

CITY OF TUALATIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

Depletion Date Projection

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for PERS:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is our independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

Discount rate

The discount rate used to measure the total pension liability was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	<u>1% Decrease (6.20%)</u>	<u>Discount Rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
City's proportionate share of the net pension liability (asset)	\$ 37,632,320	\$ 25,343,039	\$ 15,037,907

CITY OF TUALATIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

Pension 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 During the Measurement Period

A legislative change that occurred during the measurement period affected the plan provisions reflected for financial reporting purposes. Senate Bill 1049, signed into law in June 2019, introduced a limit on the amount of annual salary included for the calculation of benefits. Beginning in 2020, annual salary in excess of \$195,000 (as indexed in future years) will be excluded when determining member benefits. As a result, future Tier 1/Tier 2 and OPSRP benefits for certain active members are now projected to be lower than prior to the legislation. Senate Bill 1049 was reflected in the June 30, 2019 Total Pension Liability as a reduction in liability.

Changes in Plan Provisions Subsequent to Measurement Date

There were no changes subsequent to the June 30, 2020 measurement period that require disclosure.

9. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued *Statement No. 98, The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. The City implemented Statement 98 for the year ending June 30, 2021.

10. Risk Management

The City is subject to the ordinary risks of loss to which similar entities are exposed. These risks are handled through the purchase of commercial insurance and participation in a worker's compensation self-insurance pool and a property/liability self-insurance pool. These pools are administered by the City/County Insurance Service Trust (CCIS). The City has no significant claims against it that are in excess of its coverage. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years. The City pays an annual premium to CCIS for its insurance coverage. Based on the experience of the City and pool, the City may be liable for an additional premium of up to approximately 20% of its initial premium or the City may receive a refund. The City has never had to pay an additional premium. Predetermined limits and deductible amounts are stated in the policy.

11. Contingencies and Commitments

Management of the City believes that total amount of liability, if any, which may arise from claims and lawsuits pending against the City beyond that, which is covered by insurance, would not have a material effect on the City's financial condition.

Federal and state grants are subject to audit by the grantor agencies and any adjustments may become a liability of the appropriate fund. Management believes that adjustments, if any, will not materially affect the City's financial position.

12. Subsequent Events

During March 2020, a global pandemic was declared by the World Health Organization related to the rapidly growing outbreak of a novel strain of coronavirus (COVID-19). The pandemic has significantly impacted the economic conditions in the U.S., accelerating during the first half of March, as federal, state and local governments react to the public health crisis, creating significant uncertainties in the U.S. economy. The situation is rapidly changing and additional impacts may arise that we are not aware of currently. While the disruption is currently expected to be temporary, there is uncertainty around the duration. The ultimate impact of the pandemic on the results of operations, financial position, liquidity or capital resources cannot be reasonably estimated at this time. The City was awarded \$6.18 million of American Rescue Plan Act funding, with the first distribution of \$3.09 million received in August 2021. The second distribution is expected in August 2022.

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REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements.

- Budgetary Comparison Schedules
 - General Fund
 - Building Fund
 - Transportation Development Tax Fund
- Schedule of the City's Proportionate Share of the Net OPEB Liability
Oregon Public Employees Retirement System, Retirement Health Insurance Account
- Schedule of City OPEB Contributions
Oregon Public Employees Retirement System, Retirement Health Insurance Account
- Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Implicit Rate Subsidy Plan
- Schedule of City OPEB Contributions
Implicit Rate Subsidy Plan
- Schedule of the City's Proportionate Share of the Net Pension (Asset)/Liability
- Schedule of City Pension Plan Contributions

CITY OF TUALATIN, OREGON
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	\$ 10,691,610	\$ 10,691,610	\$ 10,932,643	\$ 241,033
Franchise fees	2,325,000	2,325,000	2,619,480	294,480
Charges for service	237,750	237,750	117,137	(120,613)
Licenses and permits	346,500	346,500	334,062	(12,438)
Intergovernmental	3,649,530	5,241,839	5,266,624	24,785
Fines and forfeitures	1,158,120	1,158,120	1,149,982	(8,138)
Fees and charges	123,300	123,300	62,725	(60,575)
Interest	200,000	200,000	132,311	(67,689)
Miscellaneous	206,705	206,705	259,233	52,528
TOTAL REVENUES	18,938,515	20,530,824	20,874,197	343,373
EXPENDITURES				
City Council	138,515	138,515	80,194	58,321
Administration	1,414,905	1,455,920	1,432,476	23,444
Finance	1,185,755	1,210,920	1,163,199	47,721
Municipal Court	419,010	419,010	413,623	5,387
Legal	382,445	382,445	287,156	95,289
Information Services	1,371,820	1,708,464	1,700,312	8,152
Community Development	1,265,000	1,203,510	1,056,824	146,686
Engineering	854,815	854,815	693,834	160,981
Police	8,404,415	8,401,005	8,320,788	80,217
Parks and Recreation	1,256,575	1,308,525	1,095,878	212,647
Library	2,341,780	2,366,020	1,867,300	498,720
Maintenance Services	1,790,670	1,815,325	1,666,415	148,910
Parks Maintenance	2,004,165	2,400,565	2,014,382	386,183
Nondepartmental				
General Services	1,053,665	2,205,805	2,102,845	102,960
Contingency	3,651,380	3,256,380	-	3,256,380
TOTAL EXPENDITURES	27,534,915	29,127,224	23,895,226	5,231,998
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(8,596,400)	(8,596,400)	(3,021,029)	5,575,371
OTHER FINANCING SOURCES				
Transfers in	4,932,610	4,932,610	4,932,610	-
Transfers out	(459,000)	(459,000)	(197,000)	262,000
Sales of general capital assets	-	-	26,829	26,829
TOTAL OTHER FINANCING				
SOURCES (USES)	4,473,610	4,473,610	4,762,439	288,829
NET CHANGE IN FUND BALANCE	(4,122,790)	(4,122,790)	1,741,410	5,864,200
FUND BALANCES - beginning	10,889,720	10,889,720	11,549,023	659,303
FUND BALANCE - ending	\$ 6,766,930	\$ 6,766,930	13,290,433	\$ 6,523,503
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			42,834	
Fund balance - GAAP basis			\$ 13,333,267	

CITY OF TUALATIN, OREGON
BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for service	\$ 442,105	\$ 442,105	\$ 280,656	\$ (161,449)
Licenses and permits	541,530	541,530	400,103	(141,427)
Fees and charges	5,350	5,350	5,662	312
Interest	19,700	19,700	17,007	(2,693)
Miscellaneous	200	200	800	600
TOTAL REVENUES	1,008,885	1,008,885	704,228	(304,657)
EXPENDITURES				
Current:				
Personal Services	962,810	962,810	915,110	47,700
Materials and service	96,050	96,050	62,580	33,470
Contingency	246,330	246,330	-	246,330
TOTAL EXPENDITURES	1,305,190	1,305,190	977,690	327,500
EXCESS (DEFICIENCY) OF REVENUES	(296,305)	(296,305)	(273,462)	22,843
OTHER FINANCING SOURCES (USES)				
Transfers in	78,760	78,760	78,760	-
Transfers out	(583,350)	(583,350)	(583,350)	-
TOTAL OTHER FINANCING SOURCES (USES)	(504,590)	(504,590)	(504,590)	-
NET CHANGE IN FUND BALANCE	(800,895)	(800,895)	(778,052)	22,843
FUND BALANCE - beginning	1,313,230	1,313,230	2,126,959	813,729
FUND BALANCE - ending	\$ 512,335	\$ 512,335	1,348,907	\$ 836,572
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			4,367	
Fund balance - GAAP basis			\$ 1,353,274	

CITY OF TUALATIN, OREGON
TRANSPORTATION DEVELOPMENT TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fees and charges	\$ 950,000	\$ 950,000	\$ 704,071	(245,929)
Interest	166,000	166,000	116,079	(49,921)
TOTAL REVENUES	1,116,000	1,116,000	820,150	(295,850)
EXPENDITURES				
Capital outlay	835,000	835,000	441,632	393,368
Contingency	11,293,410	11,293,410	-	11,293,410
TOTAL EXPENDITURES	12,128,410	12,128,410	441,632	11,686,778
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(11,012,410)	(11,012,410)	378,518	11,390,928
OTHER FINANCING SOURCES (USES)				
Transfers out	(31,800)	(31,800)	(31,800)	-
TOTAL OTHER FINANCING SOURCES (USES)	(31,800)	(31,800)	(31,800)	-
NET CHANGE IN FUND BALANCE	(11,044,210)	(11,044,210)	346,718	11,390,928
FUND BALANCE - beginning	11,044,210	11,044,210	11,271,889	227,679
FUND BALANCE - ending	\$ -	\$ -	11,618,607	\$ 11,618,607
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			34,050	
Fund balance - GAAP basis			\$ 11,652,657	

CITY OF TUALATIN, OREGON
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
Oregon Public Employees Retirement System, Retirement Health Insurance Account
For the Last Ten Fiscal Years¹

Measurement Date June 30,	(a) City's proportion of the net OPEB liability (asset)	(b) City's proportionate share of the net OPEB liability (asset)	(c) Covered payroll	(b/c) City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2020	0.02390037%	\$ (48,699)	\$ 11,145,231	-0.44%	150.1%
2019	0.10545040%	(203,768)	11,063,578	-1.84%	144.4%
2018	0.10373181%	(115,793)	10,461,419	-1.11%	124.0%
2017	0.09990764%	(41,696)	9,876,439	-0.42%	108.9%

NOTES TO SCHEDULE

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

¹This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

Changes of Assumptions:

The PERS Board adopted assumption changes that were used to measure the June 30, 2018 total OPEB liability. The changes include lowering of the long-term expected rate of return to 7.20 percent. In addition, healthy retiree participation and healthy mortality assumptions were changes to reflect an updated trends and mortality improvement scale for all groups.

CITY OF TUALATIN, OREGON
SCHEDULE OF CITY OPEB CONTRIBUTIONS
Oregon Public Employees Retirement System, Retirement Health Insurance Account
For the Last Ten Fiscal Years¹

Year Ended June 30,	(a) Contractually determined contribution	(b) Contributions in relation to the actuarially required contribution	(a-b) Contribution deficiency (excess)	(c) Covered payroll	(b/c) Contributions as a percent of covered payroll
2021	\$ 1,708	\$ 1,708	\$ -	\$ 12,001,964	0.01%
2020	1,707	1,707	-	11,145,231	0.02%
2019	52,263	52,263	-	11,063,578	0.47%
2018	50,227	50,227	-	10,461,419	0.48%
2017	49,604	49,604	-	9,876,439	0.50%

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

¹This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

NOTES TO SCHEDULE

Actuarial Assumptions and Methods Used to Set the Actuarially Determined Contributions

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

CITY OF TUALATIN, OREGON
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS
Implicit Rate Subsidy Plan
For the Last Ten Fiscal Years¹

	2021	2020	2019	2018
Total OPEB Liability				
Service Interest	\$ 67,289	\$ 59,961	\$ 70,184	\$ 74,503
Interest	34,218	34,946	33,955	28,219
Changes of benefit terms	-	-	-	-
Differences between economic/demographic gains or losses	(33,577)	-	25,554	-
Changes of assumptions	(32,978)	28,559	(97,981)	(56,076)
Benefit payment	(56,992)	(55,231)	(78,520)	(89,531)
Net change in total OPEB liability	(22,040)	68,235	(46,808)	(42,885)
Total OPEB liability - beginning	938,628	870,393	917,201	960,086
Total OPEB liability - ending (a)	\$ 916,588	\$ 938,628	\$ 870,393	\$ 917,201
Covered-employee payroll	\$ 11,145,231	\$ 11,063,578	\$ 10,461,419	\$ 9,876,439
Total OPEB liability as a percentage of covered-employee payroll	8.22%	8.48%	8.32%	9.29%

NOTES TO SCHEDULE

The amounts presented for each fiscal year were actuarial determined at July 1 and rolled forward to the measurement date.

¹This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

CITY OF TUALATIN, OREGON
SCHEDULE OF CITY OPEB CONTRIBUTIONS
Implicit Rate Subsidy Plan
For the Last Ten Fiscal Years¹

Year Ended June 30,	(a) Actuarially determined contribution	(b) Contributions in relation to the actuarially required contribution	(a-b) Contribution deficiency (excess)	(c) Covered payroll	(b/c) Contributions as a percent of covered payroll
2021	\$ 35,819	\$ 35,819	\$ -	\$ 12,001,964	0.30%
2020	56,991	56,991	-	11,145,231	0.51%
2019	55,231	55,231	-	11,063,578	0.50%
2018	78,520	78,520	-	10,461,419	0.75%
2017	89,531	89,531	-	9,876,439	0.91%

The amounts presented for each fiscal year were actuarial determined at July 1 and rolled forward to the measurement date.

¹This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

NOTES TO SCHEDULE

Actuarial Assumptions and Methods Used to Set the Actuarially Determined Contributions

Actuarial valuation:	July 1, 2020	July 1, 2018	July 1, 2016
Effective:	June 30, 2020 and 2021	June 30, 2018 and 2019	June 30, 2016 and 2017
Actuarial cost method:	Entry Age Normal		
Amortization method:	Level percentage of payroll, closed		
Amortization period:	5.8 years	6.8 years	7.7 years
Asset valuation method:	Market value		
Remaining amortization periods:	20 years		
Actuarial assumptions:			
Inflation rate	2.50 percent		
Projected salary increases	3.50 percent		

CITY OF TUALATIN, OREGON

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY

For the Last Ten Fiscal Years¹

Measurement Date June 30,	(a) City's proportion of the net pension liability (asset)	(b) City's proportionate share of the net pension liability (asset)	(c) City's covered payroll	(b/c) City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.11612761%	\$ 25,343,039	\$ 11,145,231	227.39%	80.20%
2019	0.13499056%	23,350,134	11,063,578	211.05%	82.10%
2018	0.12576501%	19,051,743	10,461,419	182.11%	83.10%
2017	0.12527218%	16,886,737	9,876,439	170.98%	80.53%
2016	0.13985297%	20,995,178	10,203,939	205.76%	91.90%
2015	0.15443816%	8,867,007	9,786,025	90.61%	103.60%
2014	0.15665389%	(3,550,897)	9,628,201	-36.88%	91.97%

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

¹This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

NOTES TO SCHEDULE

Changes in Benefit Terms:

The 2013 Oregon Legislature made a series of changes to PERS that lowered projected future benefit payments from the System. These changes included reductions to future Cost of Living Adjustments (COLA) made through Senate Bills 822 and 861. Senate Bill 822 also required the contribution rates scheduled to be in effect from July 2013 to June 2015 to be reduced. The Oregon Supreme Court decision in *Moro v. State of Oregon*, issued on April 30, 2015, reversed a significant portion of the reductions the 2013 Oregon Legislature made to future System Cost of Living Adjustments (COLA) through Senate Bills 822 and 861. This reversal increased the total pension liability as of June 30, 2015 compared to June 30, 2014 total pension liability.

A legislative change that occurred after the December 31, 2017 valuation date affected the plan provisions reflected for financial reporting purposes. Senate Bill 1049, signed into law in June 2019, introduced a limit on the amount of annual salary included for the calculation of benefits. Beginning in 2020, annual salary in excess of \$195,000 (as indexed in future years) will be excluded when determining member benefits. As a result, future Tier 1/Tier 2 and OPSRP benefits for certain active members are now projected to be lower than prior to the legislation. Senate Bill 1049 was reflected in the June 30, 2019 Total Pension Liability as a reduction in liability.

Changes of Assumptions:

The PERS Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability and June 30, 2018 total pension liability. For June 30, 2016, the changes included the lowering of the long-term expected rate of return to 7.50 percent and lowering of the assumed inflation to 2.50 percent. For June 30, 2018, the long-term expected rate of return was lowered to 7.20 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay were updated.

CITY OF TUALATIN, OREGON
SCHEDULE OF CITY PENSION PLAN CONTRIBUTIONS
For the Last Ten Fiscal Years¹

Year Ended June 30,	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) City's covered payroll	(b/c) Contributions as a percent of covered payroll
2021	\$ 2,586,610	\$ 2,586,610	\$ -	\$ 12,001,964	21.55%
2020	2,492,755	3,492,755	(1,000,000)	11,145,231	31.34%
2019	2,062,929	2,062,929	-	11,063,578	18.65%
2018	1,992,599	1,992,599	-	10,461,419	19.05%
2017	1,510,197	1,510,197	-	9,876,439	15.29%
2016	1,471,213	1,471,213	-	10,203,939	14.42%
2015	1,439,922	1,439,922	-	9,786,025	14.71%
2014	1,458,300	1,458,300	-	10,217,980	14.27%

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

¹This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

NOTES TO SCHEDULE

Actuarial Assumptions and Methods Used to Set the Actuarially Determined Contributions

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

CITY OF TUALATIN
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2021

Stewardship, Compliance, and Accountability

On or before June 30 of each year, the City enacts a resolution approving the budget, appropriating the expenditures, and levying the property taxes. The City's budget is presented on the modified accrual basis of accounting which is the same basis as GAAP.

Prior to enacting this resolution, the proposed budget is presented to a budget committee. The budget committee presents the budget to the City Council for budget hearings prior to enactment of the resolution. The City budgets all funds as required by Oregon Local Budget Law.

The resolution authorizing appropriations for each fund sets the legal level of control by which expenditures cannot legally exceed appropriations. Total expenditures by department as established by the resolution are the legal level of control for the General Fund. Expenditure categories of personal services, materials and services, capital outlay, debt service transfers, and contingency are the legal level of control for all other funds. The detail budget document, however, is required to contain more specific information for the above mentioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers, and adoption by the City Council. Management may modify original and supplemental budgets by the use of appropriation transfers between the legal levels of control within a fund. Such transfers require approval by the City Council. Management may not amend the budget without seeking the approval of the Council. The City had appropriation transfers during the year-ended June 30, 2021. The city had a supplemental budget during the year-ended June 30, 2021. Appropriations lapse as of year-end.

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OTHER SUPPLEMENTARY INFORMATION

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedule - Major Governmental Funds
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Enterprise Funds
- Budgetary Comparison Schedules - Internal Service Fund
- Other Financial Schedules

MAJOR GOVERNMENTAL FUNDS

Capital Projects Fund

Transportation Project Fund

The Transportation Project Fund accounts for the proceeds of the City's Transportation Bond to finance high priority transportation projects throughout the City.

Tualatin City Services Building Fund

The Tualatin City Services Building Fund accounts for the expenditures related to the construction of the Tualatin City Services Building.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

These funds account for revenue derived from specific taxes or other earmarked revenue sources, which are legally restricted to expenditures for specified purposes. Funds included in this category are:

Road Utility Fee Fund

The Road Utility Fee Fund accounts for road utility fees from the property located within the City and business owners to maintain pavement maintenance and street lighting.

Road Operating Fund

The Road Operating Fund accounts for gas taxes received from the State of Oregon and Washington County for the operation and maintenance of the street system, traffic signals, bike paths and landscaping of roadside areas.

Core Area Parking District Fund

The Core Area Parking District Fund accounts for parking fees from the property located within the City and business owners to develop additional downtown parking areas and maintain existing parking areas.

Tualatin Scholarship Fund

The Tualatin Science and Technology Scholarship Fund accounts for scholarship awards.

Economic Development Administration Fund

The Urban Redevelopment Administration Fund accounts for the general operations of the City's Urban Renewal Agency, a component unit of the City of Tualatin.

Debt Service Funds

These funds are used to account for revenues and expenditures related to the servicing of general long-term debt:

General Obligation Bond Fund

The General Obligation Bond Fund accounts for the payment of principal and interest on general obligation bonds. Resources are provided by property taxes.

Capital Projects Funds

These funds are used to account for financial resources to be used for the acquisition or construction of major capital items and facilities. Funds included in this category are:

Park Development Fund

The Park Development Fund accounts for capital improvements to parks funded by system development charges.

Leveton Tax Increment District Project Fund

The Leveton Tax Increment District Project Fund accounts for the proceeds of tax or construction increment bonds which are used for the acquisition and construction of capital assets with the urban renewal district.

CITY OF TUALATIN, OREGON
TRANSPORTATION PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Interest	\$ 296,200	\$ 296,200	\$ 266,682	\$ (29,518)
TOTAL REVENUES	296,200	296,200	266,682	(29,518)
EXPENDITURES				
Current:				
Materials and service	10,000	10,000	3,460	6,540
Capital outlay	5,921,000	5,921,000	3,822,179	2,098,821
Contingency	13,996,800	13,996,800	-	13,996,800
TOTAL EXPENDITURES	19,927,800	19,927,800	3,825,639	16,102,161
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(19,631,600)	(19,631,600)	(3,558,957)	16,072,643
OTHER FINANCING SOURCES (USES)				
Transfers out	(86,030)	(86,030)	(86,030)	-
TOTAL OTHER FINANCING	(86,030)	(86,030)	(86,030)	-
NET CHANGE IN FUND BALANCE	(19,717,630)	(19,717,630)	(3,644,987)	16,072,643
FUND BALANCE - beginning	19,746,650	19,746,650	20,040,748	294,098
FUND BALANCE - ending	\$ 29,020	\$ 29,020	16,395,761	\$ 16,366,741
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			147,731	
Fund balance - GAAP basis			\$ 16,543,492	

CITY OF TUALATIN, OREGON
TUALATIN CITY SERVICES BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Interest	\$ 25,000	\$ 25,000	\$ 36,373	11,373
Miscellaneous	-	-	15,998	15,998
TOTAL REVENUES	25,000	25,000	52,371	27,371
EXPENDITURES				
Capital outlay	6,200,000	6,800,000	6,487,907	312,093
Debt service:				
Issuance costs	-	-	42,800	(42,800)
TOTAL EXPENDITURES	6,200,000	6,800,000	6,530,707	269,293
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(6,175,000)	(6,775,000)	(6,478,336)	296,664
OTHER FINANCING SOURCES (USES)				
Proceeds from debt issuance	4,000,000	4,000,000	4,600,000	600,000
Transfers in	200,000	200,000	-	(200,000)
TOTAL OTHER FINANCING				
SOURCES (USES)	4,200,000	4,200,000	4,600,000	400,000
NET CHANGE IN FUND BALANCE	(1,975,000)	(2,575,000)	(1,878,336)	696,664
FUND BALANCE - beginning	1,975,000	2,575,000	2,587,896	12,896
FUND BALANCE - ending	\$ -	\$ -	709,560	\$ 709,560
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			3,511	
Fund balance - GAAP basis			\$ 713,071	

CITY OF TUALATIN, OREGON
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2021

	Total Nonmajor Special Revenue Funds	General Obligation Bond Fund	Total Nonmajor Capital Projects Funds	Total
ASSETS				
Cash and investments	\$ 4,287,677	\$ 127,874	\$ 3,533,780	\$ 7,949,331
Due from other governments	50,527	7,654	-	58,181
Accounts receivable	147,302	-	-	147,302
Property taxes receivable	-	45,127	-	45,127
Accrued interest receivable	3,952	117	3,207	7,276
Inventories	71,481	-	-	71,481
TOTAL ASSETS	\$ 4,560,939	\$ 180,772	\$ 3,536,987	\$ 8,278,698
LIABILITIES				
Accounts payable and other current liabilities	\$ 211,451	\$ -	\$ 77,772	\$ 289,223
Retainage payable	-	-	8,980	8,980
Unearned revenue	20,000	-	-	20,000
TOTAL LIABILITIES	231,451	-	86,752	318,203
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property tax revenue	-	38,307	-	38,307
TOTAL DEFERRED INFLOWS OF RESOURCES	-	38,307	-	38,307
FUND BALANCES				
Nonspendable:				
Inventory	71,481	-	-	71,481
Restricted for:				
Street and roadside maintenance	2,801,796	-	-	2,801,796
Debt service payments	-	142,465	-	142,465
Capital projects	-	-	61,547	61,547
Urban renewal projects	307,084	-	3,388,688	3,695,772
Committed to:				
Pavement maintenance and street lighting	895,077	-	-	895,077
Parking maintenance	203,803	-	-	203,803
Assigned to:				
Scholarships	50,247	-	-	50,247
TOTAL FUND BALANCES	4,329,488	142,465	3,450,235	7,922,188
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 4,560,939	\$ 180,772	\$ 3,536,987	\$ 8,278,698

CITY OF TUALATIN, OREGON
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2021

	Total Nonmajor Special Revenue Funds	General Obligation Bond Fund	Total Nonmajor Capital Projects Funds	Total
REVENUES				
Property taxes	\$ -	\$ 2,845,912	\$ -	\$ 2,845,912
Intergovernmental	2,562,191	423	144,886	2,707,500
Fees and charges	1,705,039	-	32,541	1,737,580
Interest	25,659	13,042	19,391	58,092
Miscellaneous	1,687	-	-	1,687
TOTAL REVENUES	4,294,576	2,859,377	196,818	7,350,771
EXPENDITURES				
Current:				
General government	92,788	-	-	92,788
Highways and streets	2,761,534	-	-	2,761,534
Culture and recreation	2,500	-	7,047	9,547
Capital outlay	184,021	-	428,508	612,529
Debt service:				
Principal	-	1,855,000	-	1,855,000
Interest	-	1,026,750	-	1,026,750
TOTAL EXPENDITURES	3,040,843	2,881,750	435,555	6,358,148
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,253,733	(22,373)	(238,737)	992,623
OTHER FINANCING SOURCES (USES)				
Transfers in	783,340	-	197,000	980,340
Transfers out	(1,740,850)	-	(158,110)	(1,898,960)
TOTAL OTHER FINANCING SOURCES (USES)	(957,510)	-	38,890	(918,620)
NET CHANGE IN FUND BALANCES	296,223	(22,373)	(199,847)	74,003
FUND BALANCES - beginning	4,033,265	164,838	3,650,082	7,848,185
FUND BALANCES - ending	\$ 4,329,488	\$ 142,465	\$ 3,450,235	\$ 7,922,188

CITY OF TUALATIN, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2021

	Road Utility Fee Fund	Road Operating Fund	Core Area Parking District Fund	Tualatin Scholarship Fund	Economic Development Administration Fund	Total
ASSETS						
Cash and investments	\$ 776,410	\$ 2,881,665	\$ 203,948	\$ 50,201	\$ 375,453	\$ 4,287,677
Due from other governments	-	50,527	-	-	-	50,527
Accounts receivable	146,323	979	-	-	-	147,302
Accrued interest receivable	289	3,091	185	46	341	3,952
Inventories	-	71,481	-	-	-	71,481
TOTAL ASSETS	\$ 923,022	\$ 3,007,743	\$ 204,133	\$ 50,247	\$ 375,794	\$ 4,560,939
LIABILITIES						
Accounts payable and other current liabilities	\$ 27,945	\$ 114,466	\$ 330	\$ -	\$ 68,710	\$ 211,451
Unearned revenue	-	20,000	-	-	-	20,000
TOTAL LIABILITIES	27,945	134,466	330	-	68,710	231,451
FUND BALANCES						
Nonspendable:						
Inventory	-	71,481	-	-	-	71,481
Restricted for:						
Street and roadside maintenance	-	2,801,796	-	-	-	2,801,796
Urban renewal projects	-	-	-	-	307,084	307,084
Committed to:						
Pavement maintenance and street lighting	895,077	-	-	-	-	895,077
Parking maintenance	-	-	203,803	-	-	203,803
Assigned to:						
Scholarships	-	-	-	50,247	-	50,247
TOTAL FUND BALANCES	895,077	2,873,277	203,803	50,247	307,084	4,329,488
TOTAL LIABILITIES AND FUND BALANCES	\$ 923,022	\$ 3,007,743	\$ 204,133	\$ 50,247	\$ 375,794	\$ 4,560,939

CITY OF TUALATIN, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2021

	Road Utility Fee Fund	Road Operating Fund	Core Area Parking District Fund	Tualatin Scholarship Fund	Economic Development Administration Fund	Total
REVENUES						
Intergovernmental	\$ -	\$ 2,560,691	\$ -	\$ 1,500	\$ -	\$ 2,562,191
Fees and charges	1,638,699	-	66,340	-	-	1,705,039
Interest	2,162	18,357	1,257	271	3,612	25,659
Miscellaneous	-	1,687	-	-	-	1,687
TOTAL REVENUES	1,640,861	2,580,735	67,597	1,771	3,612	4,294,576
EXPENDITURES						
Current:						
General government	-	-	18,498	-	74,290	92,788
Highways and streets	1,330,184	1,431,350	-	-	-	2,761,534
Culture and recreation	-	-	-	2,500	-	2,500
Capital outlay	-	184,021	-	-	-	184,021
TOTAL EXPENDITURES	1,330,184	1,615,371	18,498	2,500	74,290	3,040,843
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	310,677	965,364	49,099	(729)	(70,678)	1,253,733
OTHER FINANCING SOURCES (USES)						
Transfers in	460,000	323,340	-	-	-	783,340
Transfers out	(401,210)	(1,305,680)	(33,960)	-	-	(1,740,850)
TOTAL OTHER FINANCING SOURCES (USES)	58,790	(982,340)	(33,960)	-	-	(957,510)
NET CHANGE IN FUND BALANCES	369,467	(16,976)	15,139	(729)	(70,678)	296,223
FUND BALANCES - beginning	525,610	2,890,253	188,664	50,976	377,762	4,033,265
FUND BALANCES - ending	\$ 895,077	\$ 2,873,277	\$ 203,803	\$ 50,247	\$ 307,084	\$ 4,329,488

CITY OF TUALATIN, OREGON
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
June 30, 2021

	Park Development Fund	Leveton Tax Increment District Project Fund	Total
ASSETS			
Cash and cash equivalents	\$ 148,164	\$ 3,385,616	\$ 3,533,780
Accrued interest receivable	135	3,072	3,207
TOTAL ASSETS	<u>\$ 148,299</u>	<u>\$ 3,388,688</u>	<u>\$ 3,536,987</u>
LIABILITIES			
Accounts payable and other current liabilities	\$ 77,772	\$ -	\$ 77,772
Retainage payable	8,980	-	8,980
TOTAL LIABILITIES	<u>86,752</u>	<u>-</u>	<u>86,752</u>
FUND BALANCES			
Restricted for:			
Capital projects	61,547	-	61,547
Urban renewal projects	-	3,388,688	3,388,688
TOTAL FUND BALANCES	<u>61,547</u>	<u>3,388,688</u>	<u>3,450,235</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 148,299</u>	<u>\$ 3,388,688</u>	<u>\$ 3,536,987</u>

CITY OF TUALATIN, OREGON
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2021

	Park Development Fund	Leveton Tax Increment District Project Fund	Total
REVENUES			
Intergovernmental	\$ 144,886	\$ -	\$ 144,886
Fees and charges	32,541	-	32,541
Interest	606	18,785	19,391
TOTAL REVENUES	178,033	18,785	196,818
EXPENDITURES			
Current:			
Culture and recreation	7,047	-	7,047
Capital outlay	428,508	-	428,508
TOTAL EXPENDITURES	435,555	-	435,555
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(257,522)	18,785	(238,737)
OTHER FINANCING SOURCES (USES)			
Transfers in	197,000	-	197,000
Transfers out	(79,510)	(78,600)	(158,110)
TOTAL OTHER FINANCING SOURCES (USES)	117,490	(78,600)	38,890
NET CHANGE IN FUND BALANCES	(140,032)	(59,815)	(199,847)
FUND BALANCES - beginning	201,579	3,448,503	3,650,082
FUND BALANCES - ending	\$ 61,547	\$ 3,388,688	\$ 3,450,235

BUDGETARY COMPARISON SCHEDULES

Pursuant to the provisions of Oregon Revised Statute, an individual schedule of revenues, expenditures, and changes in fund balances - budget and actual be displayed for each fund where legally adopted budgets are required.

Governmental Budgetary Comparison Schedules included the following:

- Nonmajor Special Revenue Funds
 - Road Utility Fee Fund
 - Road Operating Fund
 - Core Area Parking District Fund
 - Tualatin Scholarship Fund
 - Economic Development Administration Fund
- Nonmajor Debt Service Funds
 - General Obligation Bond Fund
- Nonmajor Capital Project Funds
 - Park Development Fund
 - Leveton Tax Increment District Project Fund

CITY OF TUALATIN, OREGON
ROAD UTILITY FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Fees and charges	\$ 1,637,855	\$ 1,637,855	\$ 1,638,699	\$ 844
Interest	2,500	2,500	2,842	342
TOTAL REVENUES	1,640,355	1,640,355	1,641,541	1,186
EXPENDITURES				
Current:				
Materials and service	1,658,875	1,658,875	1,330,184	328,691
Contingency	308,230	308,230	-	308,230
TOTAL EXPENDITURES	1,967,105	1,967,105	1,330,184	636,921
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(326,750)	(326,750)	311,357	638,107
OTHER FINANCING SOURCES (USES)				
Transfers in	460,000	460,000	460,000	-
Transfers out	(401,210)	(401,210)	(401,210)	-
TOTAL OTHER FINANCING SOURCES (USES)	58,790	58,790	58,790	-
NET CHANGE IN FUND BALANCE	(267,960)	(267,960)	370,147	638,107
FUND BALANCE - beginning	524,400	524,400	522,662	(1,738)
FUND BALANCE - ending	\$ 256,440	\$ 256,440	892,809	\$ 636,369
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			2,268	
Fund balance - GAAP basis			\$ 895,077	

CITY OF TUALATIN, OREGON
ROAD OPERATING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ 3,187,135	\$ 3,187,135	\$ 2,560,691	\$ (626,444)
Interest	39,730	39,730	30,827	(8,903)
Miscellaneous	-	-	1,687	1,687
TOTAL REVENUES	3,226,865	3,226,865	2,593,205	(633,660)
EXPENDITURES				
Current:				
Personal Services	632,265	632,265	623,108	9,157
Materials and service	1,051,045	1,051,045	808,242	242,803
Capital outlay	1,204,500	1,204,500	184,021	1,020,479
Contingency	629,205	629,205	-	629,205
TOTAL EXPENDITURES	3,517,015	3,517,015	1,615,371	1,901,644
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(290,150)	(290,150)	977,834	1,267,984
OTHER FINANCING SOURCES (USES)				
Transfers in	323,340	323,340	323,340	-
Transfers out	(1,305,680)	(1,305,680)	(1,305,680)	-
TOTAL OTHER FINANCING SOURCES (USES)	(982,340)	(982,340)	(982,340)	-
NET CHANGE IN FUND BALANCE	(1,272,490)	(1,272,490)	(4,506)	1,267,984
FUND BALANCE - beginning	2,648,525	2,648,525	2,869,367	220,842
FUND BALANCE - ending	\$ 1,376,035	\$ 1,376,035	2,864,861	\$ 1,488,826
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			8,416	
Fund balance - GAAP basis			\$ 2,873,277	

CITY OF TUALATIN, OREGON
CORE AREA PARKING DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Fees and charges	\$ 60,000	\$ 60,000	\$ 66,340	\$ 6,340
Interest	2,000	2,000	2,014	14
TOTAL REVENUES	62,000	62,000	68,354	6,354
EXPENDITURES				
Current:				
Materials and service	26,600	26,600	18,498	8,102
Contingency	10,440	10,440	-	10,440
TOTAL EXPENDITURES	37,040	37,040	18,498	18,542
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	24,960	24,960	49,856	24,896
OTHER FINANCING SOURCES (USES)				
Transfers out	(33,960)	(33,960)	(33,960)	-
TOTAL OTHER FINANCING				
SOURCES (USES)	(33,960)	(33,960)	(33,960)	-
NET CHANGE IN FUND BALANCE	(9,000)	(9,000)	15,896	24,896
FUND BALANCE - beginning	182,000	182,000	187,311	5,311
FUND BALANCE - ending	\$ 173,000	\$ 173,000	203,207	\$ 30,207
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			596	
Fund balance - GAAP basis			\$ 203,803	

CITY OF TUALATIN, OREGON
TUALATIN SCHOLARSHIP FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ 1,500	\$ 1,500	\$ 1,500	\$ -
Interest	750	750	489	(261)
TOTAL REVENUES	2,250	2,250	1,989	(261)
EXPENDITURES				
Current:				
Materials and service	2,500	2,500	2,500	-
TOTAL EXPENDITURES	2,500	2,500	2,500	-
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(250)	(250)	(511)	(261)
NET CHANGE IN FUND BALANCE	(250)	(250)	(511)	(261)
FUND BALANCE - beginning	50,960	50,960	50,611	(349)
FUND BALANCE - ending	\$ 50,710	\$ 50,710	50,100	\$ (610)
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			147	
Fund balance - GAAP basis			\$ 50,247	

CITY OF TUALATIN, OREGON
ECONOMIC DEVELOPMENT ADMINISTRATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Interest	\$ 3,300	\$ 3,300	\$ 3,875	\$ 575
TOTAL REVENUES	3,300	3,300	3,875	575
EXPENDITURES				
Current:				
Materials and service	76,550	76,550	74,290	2,260
Contingency	58,745	58,745	-	58,745
TOTAL EXPENDITURES	135,295	135,295	74,290	61,005
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(131,995)	(131,995)	(70,415)	61,580
NET CHANGE IN FUND BALANCE	(131,995)	(131,995)	(70,415)	61,580
FUND BALANCE - beginning	131,995	131,995	376,402	244,407
FUND BALANCE - ending	\$ -	\$ -	305,987	\$ 305,987
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			1,097	
Fund balance - GAAP basis			\$ 307,084	

CITY OF TUALATIN, OREGON
GENERAL OBLIGATION BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	\$ 2,787,750	\$ 2,787,750	\$ 2,845,912	\$ 58,162
Intergovernmental	-	-	423	423
Interest	20,000	20,000	13,761	(6,239)
TOTAL REVENUES	2,807,750	2,807,750	2,860,096	52,346
EXPENDITURES				
Debt service:				
Principal	1,855,000	1,855,000	1,855,000	-
Interest	1,026,750	1,026,750	1,026,750	-
TOTAL EXPENDITURES	2,881,750	2,881,750	2,881,750	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(74,000)	(74,000)	(21,654)	52,346
NET CHANGE IN FUND BALANCE	(74,000)	(74,000)	(21,654)	52,346
FUND BALANCE - beginning	149,000	149,000	163,746	14,746
FUND BALANCE - ending	\$ 75,000	\$ 75,000	142,092	\$ 67,092
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			373	
Fund balance - GAAP basis			\$ 142,465	

CITY OF TUALATIN, OREGON
PARK DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ 230,500	\$ 230,500	\$ 144,886	\$ (85,614)
Fees and charges	804,265	804,265	32,541	(771,724)
Interest	31,420	31,420	1,729	(29,691)
TOTAL REVENUES	1,066,185	1,066,185	179,156	(887,029)
EXPENDITURES				
Current:				
Materials and service	7,500	7,500	7,047	453
Capital outlay	1,152,000	1,152,000	428,508	723,492
TOTAL EXPENDITURES	1,159,500	1,159,500	435,555	723,945
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(93,315)	(93,315)	(256,399)	(163,084)
OTHER FINANCING SOURCES (USES)				
Transfers in	259,000	259,000	197,000	(62,000)
Transfers out	(79,510)	(79,510)	(79,510)	-
TOTAL OTHER FINANCING SOURCES (USES)	179,490	179,490	117,490	(62,000)
NET CHANGE IN FUND BALANCE	86,175	86,175	(138,909)	(225,084)
FUND BALANCE - beginning	2,094,740	2,094,740	200,023	(1,894,717)
FUND BALANCE - ending	\$ 2,180,915	\$ 2,180,915	61,114	\$ (2,119,801)
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			433	
Fund balance - GAAP basis			\$ 61,547	

CITY OF TUALATIN, OREGON
LEVETON TAX INCREMENT DISTRICT PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Interest	\$ 36,590	\$ 36,590	\$ 33,578	\$ (3,012)
TOTAL REVENUES	36,590	36,590	33,578	(3,012)
EXPENDITURES				
Capital outlay	1,750,000	1,750,000	-	1,750,000
Contingency	274,290	274,290	-	274,290
TOTAL EXPENDITURES	2,024,290	2,024,290	-	2,024,290
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,987,700)	(1,987,700)	33,578	2,021,278
OTHER FINANCING SOURCES (USES)				
Transfers out	(78,600)	(78,600)	(78,600)	-
TOTAL OTHER FINANCING SOURCES (USES)	(78,600)	(78,600)	(78,600)	-
NET CHANGE IN FUND BALANCE	(2,066,300)	(2,066,300)	(45,022)	2,021,278
FUND BALANCE - beginning	3,354,800	3,354,800	3,423,822	69,022
FUND BALANCE - ending	<u>\$ 1,288,500</u>	<u>\$ 1,288,500</u>	3,378,800	<u>\$ 2,090,300</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			9,888	
Fund balance - GAAP basis			<u>\$ 3,388,688</u>	

BUDGETARY COMPARISON SCHEDULES

Enterprise Funds

Pursuant to the provisions of Oregon Revised Statute, an individual schedule of revenues, expenditures, and changes in fund balances - budget and actual be displayed for each fund where legally adopted budgets are required.

Enterprise Budgetary Comparison schedules include the following:

- Water Operations
 - Water Fund
 - Water Development Fund
 - Enterprise Bond Fund
- Sewer Operations
 - Sewer Fund
 - Sewer Development Fund
- Stormwater Operations
 - Stormwater Fund
 - Stormwater Development Fund

CITY OF TUALATIN, OREGON
WATER OPERATIONS COMBINED
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2021

	Water Fund	Water Development Fund	Enterprise Bond Fund	Total Water Operations
REVENUES				
Charges for service	\$ 7,558,417	\$ -	\$ -	\$ 7,558,417
Fees and charges	19,150	48,835	-	67,985
Interest	76,614	12,988	2,908	92,510
Miscellaneous	2,750	-	-	2,750
TOTAL REVENUES	7,656,931	61,823	2,908	7,721,662
EXPENDITURES				
Current:				
Personal Services	830,520	-	-	830,520
Materials and service	3,439,601	-	495	3,440,096
Capital outlay	62,359	-	-	62,359
Debt service:				
Principal	-	-	807,288	807,288
Interest	-	-	185,551	185,551
TOTAL EXPENDITURES	4,332,480	-	993,334	5,325,814
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,324,451	61,823	(990,426)	2,395,848
OTHER FINANCING SOURCES (USES)				
Transfers in	17,186	-	1,026,465	1,043,651
Transfers out	(1,961,600)	(50,231)	-	(2,011,831)
TOTAL OTHER FINANCING SOURCES (USES)	(1,944,414)	(50,231)	1,026,465	(968,180)
NET CHANGE IN FUND BALANCE	1,380,037	11,592	36,039	1,427,668
FUND BALANCE - beginning	6,749,605	1,314,478	518,595	8,582,678
FUND BALANCE - ending	\$ 8,129,642	\$ 1,326,070	\$ 554,634	10,010,346
RECONCILIATION TO NET POSITION - GAAP BASIS				
Adjustment for unrealized gain (loss) on investments				29,093
Adjustment for compensated absences being accrued				(46,759)
Adjustment for other post employment benefit related deferred outflows of resources being accrued				5,741
Adjustment for other post employment benefit related deferred inflows of resources being accrued				(5,569)
Adjustment for net other post employment benefit liability being accrued				(30,231)
Adjustment for net pension liability being accrued				(882,770)
Adjustment for pension related deferred outflows of resources being accrued				329,619
Adjustment for pension related deferred inflows of resources being accrued				(96,249)
Adjustment for interest payable being accrued				(7,379)
Adjustment for capital assets not being depreciated				926,023
Adjustment for capital assets, net of accumulated depreciation				28,237,930
Adjustment for bonds payable, due within one year				(430,000)
Adjustment for long term bonds payable				(1,910,000)
Adjustment for bond premium				(161,998)
Adjustment for deferred charge on refunding				98,350
NET POSITION - GAAP BASIS				\$ 36,066,147

CITY OF TUALATIN, OREGON
WATER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for service	\$ 6,195,730	\$ 6,195,730	\$ 7,558,417	\$ 1,362,687
Fees and charges	26,500	26,500	19,150	(7,350)
Interest	98,530	98,530	76,614	(21,916)
Miscellaneous	2,200	2,200	2,750	550
TOTAL REVENUES	6,322,960	6,322,960	7,656,931	1,333,971
EXPENDITURES				
Current:				
Personal Services	855,180	855,180	830,520	24,660
Materials and service	3,909,040	3,909,040	3,439,601	469,439
Capital outlay	2,142,000	2,142,000	62,359	2,079,641
Contingency	1,330,170	1,330,170	-	1,330,170
TOTAL EXPENDITURES	8,236,390	8,236,390	4,332,480	3,903,910
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,913,430)	(1,913,430)	3,324,451	5,237,881
OTHER FINANCING SOURCES (USES)				
Transfers in	222,000	222,000	17,186	(204,814)
Transfers out	(1,961,600)	(1,961,600)	(1,961,600)	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,739,600)	(1,739,600)	(1,944,414)	(204,814)
NET CHANGE IN FUND BALANCE	(3,653,030)	(3,653,030)	1,380,037	5,033,067
FUND BALANCE - beginning	6,984,790	6,984,790	6,749,605	(235,185)
FUND BALANCE - ending	\$ 3,331,760	\$ 3,331,760	\$ 8,129,642	\$ 4,797,882

CITY OF TUALATIN, OREGON
WATER DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Fees and charges	\$ 300,000	\$ 300,000	\$ 48,835	\$ (251,165)
Interest	22,510	22,510	12,988	(9,522)
TOTAL REVENUES	322,510	322,510	61,823	(260,687)
EXPENDITURES				
Contingency	1,601,285	1,601,285	-	1,601,285
TOTAL EXPENDITURES	1,601,285	1,601,285	-	1,601,285
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,278,775)	(1,278,775)	61,823	1,340,598
OTHER FINANCING SOURCES (USES)				
Transfers out	(255,045)	(255,045)	(50,231)	204,814
TOTAL OTHER FINANCING SOURCES (USES)	(255,045)	(255,045)	(50,231)	204,814
NET CHANGE IN FUND BALANCE	(1,533,820)	(1,533,820)	11,592	1,545,412
FUND BALANCE - beginning	1,533,820	1,533,820	1,314,478	(219,342)
FUND BALANCE - ending	\$ -	\$ -	\$ 1,326,070	\$ 1,326,070

CITY OF TUALATIN, OREGON
ENTERPRISE BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Interest	\$ 7,770	\$ 7,770	\$ 2,908	\$ (4,862)
TOTAL REVENUES	7,770	7,770	2,908	(4,862)
EXPENDITURES				
Current:				
Materials and service	495	495	495	-
Debt service:				
Principal	819,535	819,535	807,288	12,247 *
Interest	206,935	206,935	185,551	21,384 *
TOTAL EXPENDITURES	1,026,965	1,026,965	993,334	33,631
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,019,195)	(1,019,195)	(990,426)	28,769
OTHER FINANCING SOURCES (USES)				
Transfers in	1,026,465	1,026,465	1,026,465	-
TOTAL OTHER FINANCING SOURCES (USES)	1,026,465	1,026,465	1,026,465	-
NET CHANGE IN FUND BALANCE	7,270	7,270	36,039	28,769
FUND BALANCE - beginning	518,000	518,000	518,595	595
FUND BALANCE - ending	\$ 525,270	\$ 525,270	\$ 554,634	\$ 29,364

* Appropriation level is debt service.

CITY OF TUALATIN, OREGON
SEWER OPERATIONS COMBINED
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2021

	<u>Sewer Fund</u>	<u>Sewer Development Fund</u>	<u>Total Sewer Operations</u>
REVENUES			
Charges for service	\$ 8,680,437	\$ -	\$ 8,680,437
Fees and charges	-	99,064	99,064
Interest	24,805	36,745	61,550
Miscellaneous	<u>65,547</u>	<u>-</u>	<u>65,547</u>
TOTAL REVENUES	<u>8,770,789</u>	<u>135,809</u>	<u>8,906,598</u>
EXPENDITURES			
Current:			
Personal Services	449,676	-	449,676
Materials and service	7,114,205	81,251	7,195,456
Capital outlay	<u>62,490</u>	<u>104,507</u>	<u>166,997</u>
TOTAL EXPENDITURES	<u>7,626,371</u>	<u>185,758</u>	<u>7,812,129</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,144,418</u>	<u>(49,949)</u>	<u>1,094,469</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	164,240	-	164,240
Transfers out	<u>(1,305,215)</u>	<u>(61,460)</u>	<u>(1,366,675)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,140,975)</u>	<u>(61,460)</u>	<u>(1,202,435)</u>
NET CHANGE IN FUND BALANCE	3,443	(111,409)	(107,966)
FUND BALANCE - beginning	<u>2,706,660</u>	<u>3,748,628</u>	<u>6,455,288</u>
FUND BALANCE - ending	<u>\$ 2,710,103</u>	<u>\$ 3,637,219</u>	6,347,322
RECONCILIATION TO NET POSITION - GAAP BASIS			
Adjustment for unrealized gain (loss) on investments			18,060
Adjustment for compensated absences being accrued			(17,700)
Adjustment for other post employment benefit related deferred outflows of resources being accrued			2,800
Adjustment for other post employment benefit related deferred inflows of resources being accrued			(2,716)
Adjustment for net other post employment benefit liability being accrued			(14,745)
Adjustment for net pension liability being accrued			(430,558)
Adjustment for pension related deferred outflows of resources being accrued			160,767
Adjustment for pension related deferred inflows of resources being accrued			(46,944)
Adjustment for capital assets not being depreciated			202,429
Adjustment for capital assets, net of accumulated depreciation			<u>14,649,284</u>
NET POSITION - GAAP BASIS			<u>\$ 20,867,999</u>

CITY OF TUALATIN, OREGON
SEWER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for service	\$ 8,800,095	\$ 8,800,095	\$ 8,680,437	\$ (119,658)
Interest	35,125	35,125	24,805	(10,320)
Miscellaneous	500,000	500,000	65,547	(434,453)
TOTAL REVENUES	9,335,220	9,335,220	8,770,789	(564,431)
EXPENDITURES				
Current:				
Personal Services	491,135	491,135	449,676	41,459
Materials and service	7,319,185	7,319,185	7,114,205	204,980
Capital outlay	500,000	500,000	62,490	437,510
Contingency	1,442,330	1,442,330	-	1,442,330
TOTAL EXPENDITURES	9,752,650	9,752,650	7,626,371	2,126,279
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(417,430)	(417,430)	1,144,418	1,561,848
OTHER FINANCING SOURCES (USES)				
Transfers in	164,240	164,240	164,240	-
Transfers out	(1,305,215)	(1,305,215)	(1,305,215)	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,140,975)	(1,140,975)	(1,140,975)	-
NET CHANGE IN FUND BALANCE	(1,558,405)	(1,558,405)	3,443	1,561,848
FUND BALANCE - beginning	2,341,535	2,341,535	2,706,660	365,125
FUND BALANCE - ending	\$ 783,130	\$ 783,130	\$ 2,710,103	\$ 1,926,973

CITY OF TUALATIN, OREGON
SEWER DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ 544,000	\$ 544,000	\$ -	\$ (544,000)
Fees and charges	600,000	600,000	99,064	(500,936)
Interest	59,570	59,570	36,745	(22,825)
TOTAL REVENUES	1,203,570	1,203,570	135,809	(1,067,761)
EXPENDITURES				
Current:				
Materials and service	576,000	576,000	81,251	494,749
Capital outlay	864,000	864,000	104,507	759,493
Contingency	3,673,540	3,673,540	-	3,673,540
TOTAL EXPENDITURES	5,113,540	5,113,540	185,758	4,927,782
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,909,970)	(3,909,970)	(49,949)	3,860,021
OTHER FINANCING SOURCES (USES)				
Transfers out	(61,460)	(61,460)	(61,460)	-
TOTAL OTHER FINANCING SOURCES (USES)	(61,460)	(61,460)	(61,460)	-
NET CHANGE IN FUND BALANCE	(3,971,430)	(3,971,430)	(111,409)	3,860,021
FUND BALANCE - beginning	3,971,430	3,971,430	3,748,628	(222,802)
FUND BALANCE - ending	\$ -	\$ -	\$ 3,637,219	\$ 3,637,219

CITY OF TUALATIN, OREGON
STORMWATER OPERATIONS COMBINED
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2021

	Stormwater Fund	Stormwater Development Fund	Total Stormwater Operations
REVENUES			
Charges for service	\$ 3,454,755	\$ -	\$ 3,454,755
Interest	51,612	5,303	56,915
Miscellaneous	14,395	-	14,395
TOTAL REVENUES	3,520,762	5,303	3,526,065
EXPENDITURES			
Current:			
Materials and service	1,368,835	-	1,368,835
Capital outlay	-	5,558	5,558
TOTAL EXPENDITURES	1,368,835	5,558	1,374,393
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,151,927	(255)	2,151,672
OTHER FINANCING SOURCES (USES)			
Transfers out	(992,410)	(31,545)	(1,023,955)
TOTAL OTHER FINANCING SOURCES (USES)	(992,410)	(31,545)	(1,023,955)
NET CHANGE IN FUND BALANCE	1,159,517	(31,800)	1,127,717
FUND BALANCE - beginning	4,664,292	554,586	5,218,878
FUND BALANCE - ending	\$ 5,823,809	\$ 522,786	6,346,595
RECONCILIATION TO NET POSITION - GAAP BASIS			
Adjustment for unrealized gain (loss) on investments			18,062
Adjustment for capital assets not being depreciated			34,533
Adjustment for capital assets, net of accumulated depreciation			4,120,691
NET POSITION - GAAP BASIS			\$ 10,519,881

CITY OF TUALATIN, OREGON
STORMWATER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for service	\$ 3,431,695	\$ 3,431,695	\$ 3,454,755	\$ 23,060
Interest	62,485	62,485	51,612	(10,873)
Miscellaneous	-	-	14,395	14,395
TOTAL REVENUES	3,494,180	3,494,180	3,520,762	26,582
EXPENDITURES				
Current:				
Materials and service	1,590,105	1,590,105	1,368,835	221,270
Capital outlay	590,000	590,000	-	590,000
Contingency	475,875	475,875	-	475,875
TOTAL EXPENDITURES	2,655,980	2,655,980	1,368,835	1,287,145
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	838,200	838,200	2,151,927	1,313,727
OTHER FINANCING SOURCES (USES)				
Transfers out	(992,410)	(992,410)	(992,410)	-
TOTAL OTHER FINANCING SOURCES (USES)	(992,410)	(992,410)	(992,410)	-
NET CHANGE IN FUND BALANCE	(154,210)	(154,210)	1,159,517	1,313,727
FUND BALANCE - beginning	4,165,635	4,165,635	4,664,292	498,657
FUND BALANCE - ending	\$ 4,011,425	\$ 4,011,425	\$ 5,823,809	\$ 1,812,384

CITY OF TUALATIN, OREGON
STORMWATER DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Fees and charges	\$ 30,000	\$ 30,000	\$ -	\$ (30,000)
Interest	8,670	8,670	5,303	(3,367)
TOTAL REVENUES	38,670	38,670	5,303	(33,367)
EXPENDITURES				
Capital outlay	170,000	170,000	5,558	164,442
Contingency	414,945	414,945	-	414,945
TOTAL EXPENDITURES	584,945	584,945	5,558	579,387
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(546,275)	(546,275)	(255)	546,020
OTHER FINANCING SOURCES (USES)				
Transfers out	(31,545)	(31,545)	(31,545)	-
TOTAL OTHER FINANCING SOURCES (USES)	(31,545)	(31,545)	(31,545)	-
NET CHANGE IN FUND BALANCE	(577,820)	(577,820)	(31,800)	546,020
FUND BALANCE - beginning	577,820	577,820	554,586	(23,234)
FUND BALANCE - ending	\$ -	\$ -	\$ 522,786	\$ 522,786

BUDGETARY COMPARISON SCHEDULES

Internal Service Funds

Pursuant to the provisions of Oregon Revised Statute, an individual schedule of revenues, expenditures, and changes in fund balances - budget and actual be displayed for each fund where legally adopted budgets are required.

Internal Service Budgetary Comparison schedules include the following:

- Vehicle Replacement Fund

CITY OF TUALATIN, OREGON
VEHICLE REPLACEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for service	\$ 392,875	\$ 392,875	\$ 392,890	\$ 15
Interest	4,925	4,925	5,694	769
TOTAL REVENUES	397,800	397,800	398,584	784
NET CHANGE IN FUND BALANCE	397,800	397,800	398,584	784
FUND BALANCE - beginning	332,000	332,000	332,363	363
FUND BALANCE - ending	\$ 729,800	\$ 729,800	730,947	\$ 1,147
 RECONCILIATION TO NET POSITION - GAAP BASIS				
Adjustment for unrealized gain (loss) on investments			2,139	
NET POSITION - GAAP BASIS			\$ 733,086	

OTHER FINANCIAL SCHEDULES

CITY OF TUALATIN, OREGON
SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES
For the Fiscal Year Ended June 30, 2021

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2020</u>	<u>Levy as Extended By Assessor</u>	<u>Discount</u>	<u>Interest</u>	<u>Adjustments</u>	<u>Collections</u>	<u>Uncollected Balance June 30, 2021</u>
2020-2021	\$ -	\$ 14,154,825	\$ (341,411)	\$ 3,252	\$ (76,382)	\$ (13,593,305)	\$ 146,979
2019-2020	150,698	-	17	4,593	(1,687)	(102,135)	51,486
2018-2019	52,243	-	4	3,633	191	(33,499)	22,572
2017-2018	19,210	-	1	2,384	(336)	(14,258)	7,001
2016-2017	6,556	-	-	1,014	(202)	(5,099)	2,269
2015-2016	1,860	-	-	162	(86)	(637)	1,299
Prior years	<u>6,598</u>	<u>-</u>	<u>2</u>	<u>149</u>	<u>(743)</u>	<u>(998)</u>	<u>5,008</u>
Totals	<u>\$ 237,165</u>	<u>\$ 14,154,825</u>	<u>\$ (341,387)</u>	<u>\$ 15,187</u>	<u>\$ (79,245)</u>	<u>\$ (13,749,931)</u>	<u>\$ 236,614</u>

Taxes receivable classified by fund:

General Fund	\$ 191,487
General Obligation Bond Fund	<u>45,127</u>
	<u>\$ 236,614</u>

CITY OF TUALATIN, OREGON
WATER FUND 5 YEAR HISTORICAL RESULTS
For the Fiscal Year Ended June 30, 2021

	2017	2018	2019	2020	2021
REVENUES:					
Charges for service	\$ 6,047,122	\$ 6,604,701	\$ 7,132,235	\$ 6,773,453	\$ 7,558,417
Fees and charges	43,685	25,444	31,052	26,868	19,150
Interest	57,830	99,486	160,473	139,399	76,614
Miscellaneous	17,049	601	7,305	352,861	2,750
Total revenues	6,165,686	6,730,232	7,331,065	7,292,581	7,656,931
EXPENDITURES:					
Current:					
Personal Services	551,385	522,726	638,853	810,544	830,520
Materials and service	2,669,474	2,737,432	2,959,293	3,495,769	3,439,601
Capital outlay	489,867	535,255	1,253,878	261,113	62,359
Total expenditures	3,710,726	3,795,413	4,852,024	4,567,426	4,332,480
Excess (deficiency) of revenues over expenditures	2,454,960	2,934,819	2,479,041	2,725,155	3,324,451
OTHER FINANCING SOURCES (USES)					
Internal loan proceeds	-	-	(335,000)	-	-
Transfers in	8,466	141,677	373,959	62,206	17,186
Transfers out	(2,006,705)	(2,183,730)	(2,080,970)	(2,854,270)	(1,961,600)
Total other financing sources (uses)	(1,998,239)	(2,042,053)	(2,042,011)	(2,792,064)	(1,944,414)
Net change in fund balances	456,721	892,766	437,030	(66,909)	1,380,037
FUND BALANCES, BEGINNING BUDGETARY BASIS	5,029,997	5,486,718	6,379,484	6,816,514	6,749,605
FUND BALANCES, ENDING BUDGETARY BASIS	<u>\$ 5,486,718</u>	<u>\$ 6,379,484</u>	<u>\$ 6,816,514</u>	<u>\$ 6,749,605</u>	<u>\$ 8,129,642</u>

STATISTICAL SECTION

STATISTICAL SECTION

The Statistical Section of the annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the overall financial health of the City of Tualatin.

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.

REVENUE CAPACITY

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

DEBT CAPACITY

These schedules 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.

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.

OPERATING INFORMATION

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

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

CITY OF TUALATIN
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	2021	2020	2019	2018
<i>Governmental activities</i>				
Net investment in capital assets	\$ 88,344,914	\$ 86,795,235	\$ 88,026,572	\$ 87,689,070
Restricted for special purposes	19,707,511	23,120,100	17,883,651	17,684,108
Unrestricted	(1,540,508)	(2,190,512)	(1,565,440)	(2,873,654)
<i>Total governmental activities</i>	<u>\$ 106,511,917</u>	<u>\$ 107,724,823</u>	<u>\$ 104,344,783</u>	<u>\$ 102,499,524</u>
<i>Business-type activities</i>				
Net investment in capital assets	\$ 45,767,242	\$ 46,962,956	\$ 47,494,937	\$ 48,401,428
Restricted for special purposes	1,326,070	1,314,478	5,429,897	5,665,182
Unrestricted	20,360,715	18,280,153	14,634,231	13,190,009
<i>Total business-type activities net position</i>	<u>\$ 67,454,027</u>	<u>\$ 66,557,587</u>	<u>\$ 67,559,065</u>	<u>\$ 67,256,619</u>
<i>Primary government</i>				
Net investment in capital assets	\$ 134,112,156	\$ 133,758,191	\$ 135,521,509	\$ 136,090,498
Restricted for special purposes	21,033,581	24,434,578	23,313,548	23,349,290
Unrestricted	18,820,207	16,089,641	13,068,791	10,316,355
<i>Total primary government net position</i>	<u>\$ 173,965,944</u>	<u>\$ 174,282,410</u>	<u>\$ 171,903,848</u>	<u>\$ 169,756,143</u>

2017 (restated)	2016	2015 (restated)	2014 (restated)	2013	2012
\$ 89,406,263	\$ 92,714,377	\$ 92,025,421	\$ 93,651,852	\$ 95,303,048	\$ 96,704,593
15,999,817	15,691,594	16,106,005	12,939,222	12,773,161	13,101,042
(1,224,674)	(299,018)	5,747,426	8,205,348	11,017,677	11,416,369
<u>\$ 104,181,406</u>	<u>\$ 108,106,953</u>	<u>\$ 113,878,852</u>	<u>\$ 114,796,422</u>	<u>\$ 119,093,886</u>	<u>\$ 121,222,004</u>
\$ 47,820,158	\$ 48,485,673	\$ 48,216,410	\$ 47,293,914	\$ 46,626,072	\$ 47,026,375
5,326,945	5,309,622	5,042,785	5,148,228	5,057,107	4,679,232
11,159,067	9,882,033	8,860,551	9,296,215	7,626,649	6,802,003
<u>\$ 64,306,170</u>	<u>\$ 63,677,328</u>	<u>\$ 62,119,746</u>	<u>\$ 61,738,357</u>	<u>\$ 59,309,828</u>	<u>\$ 58,507,610</u>
\$ 137,226,421	\$ 141,200,050	\$ 140,241,831	\$ 140,945,766	\$ 141,929,120	\$ 143,730,968
21,326,762	21,001,216	21,148,790	18,087,450	17,830,268	17,780,274
9,934,393	9,583,015	14,607,977	17,501,563	18,644,326	18,218,372
<u>\$ 168,487,576</u>	<u>\$ 171,784,281</u>	<u>\$ 175,998,598</u>	<u>\$ 176,534,779</u>	<u>\$ 178,403,714</u>	<u>\$ 179,729,614</u>

CITY OF TUALATIN
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2021	2020	2019	2018
Expenses				
<i>Governmental activities:</i>				
General government	\$ 10,333,739	\$ 9,813,476	\$ 9,307,642	\$ 8,820,817
Public Safety	10,956,022	10,905,816	9,618,099	9,395,927
Highways and streets	6,540,062	6,755,745	6,218,228	6,512,541
Culture and recreation	6,089,919	6,453,498	5,915,477	5,807,210
Interest on long-term debt	677,481	757,327	732,891	278,911
<i>Total governmental activities expenses</i>	<u>34,597,223</u>	<u>34,685,862</u>	<u>31,792,337</u>	<u>30,815,406</u>
<i>Business-type activities</i>				
Charges for services				
Water	6,043,124	5,786,256	6,150,565	4,588,472
Sewer	8,656,337	8,830,709	8,654,399	7,988,987
Stormwater	1,601,097	1,575,023	1,576,322	1,537,004
<i>Total business-type activities expenses</i>	<u>16,300,558</u>	<u>16,191,988</u>	<u>16,381,286</u>	<u>14,114,463</u>
<i>Total Expenses</i>	<u>\$ 50,897,781</u>	<u>\$ 50,877,850</u>	<u>\$ 48,173,623</u>	<u>\$ 44,929,869</u>
Program revenues				
<i>Governmental activities</i>				
Charges for services				
General government	\$ 839,211	\$ 2,005,357	\$ 1,328,911	\$ 1,828,717
Public Safety	1,502,036	1,361,646	1,766,201	1,347,548
Highways and streets	2,342,771	3,662,253	3,123,244	3,838,628
Culture and recreation	107,960	289,944	311,017	291,863
Operating grants and contributions	1,306,028	533,644	179,956	147,249
Capital grants and contributions	479,582	365,513	86,004	552,878
<i>Total governmental activities program revenues</i>	<u>6,577,588</u>	<u>8,218,357</u>	<u>6,795,333</u>	<u>8,006,883</u>
<i>Business-type activities</i>				
Charges for services				
Water	7,626,402	6,976,940	7,518,166	7,109,610
Sewer	8,779,501	9,328,325	8,624,206	8,480,478
Stormwater	3,454,755	3,469,983	3,154,990	2,905,264
Capital grants and contributions	313,549	115,339	336,979	1,778,004
<i>Total business-type activities program revenues</i>	<u>20,174,207</u>	<u>19,890,587</u>	<u>19,634,341</u>	<u>20,273,356</u>
<i>Total program revenues</i>	<u>\$ 26,751,795</u>	<u>\$ 28,108,944</u>	<u>\$ 26,429,674</u>	<u>\$ 28,280,239</u>
Net (expense)/revenues				
<i>Governmental activities</i>	<u>\$ (28,019,635)</u>	<u>\$ (26,467,505)</u>	<u>\$ (24,997,004)</u>	<u>\$ (22,808,523)</u>
<i>Business-type activities</i>	<u>3,873,649</u>	<u>3,698,599</u>	<u>3,253,055</u>	<u>6,158,893</u>
<i>Total net expenses</i>	<u>\$ (24,145,986)</u>	<u>\$ (22,768,906)</u>	<u>\$ (21,743,949)</u>	<u>\$ (16,649,630)</u>

	2017	2016	2015	2014	2013	2012
\$	8,601,383	\$ 9,588,149	\$ 6,057,498	\$ 8,405,978	\$ 8,325,468	\$ 7,400,702
	9,376,700	11,314,546	5,942,679	7,027,399	6,904,444	6,561,167
	5,766,575	5,336,161	4,586,849	3,853,744	3,843,497	3,746,471
	5,610,846	5,989,878	3,769,534	5,200,979	5,080,438	4,973,304
	306,991	353,882	317,574	332,382	376,864	380,608
	<u>29,662,495</u>	<u>32,582,616</u>	<u>20,674,134</u>	<u>24,820,482</u>	<u>24,530,711</u>	<u>23,062,252</u>
	4,536,689	4,666,131	4,973,697	4,354,918	4,252,446	4,353,652
	7,974,785	8,406,184	7,392,084	6,704,634	7,703,971	6,276,559
	<u>1,308,024</u>	<u>1,536,685</u>	<u>1,449,680</u>	<u>1,298,184</u>	<u>1,243,066</u>	<u>1,215,940</u>
	13,819,498	14,609,000	13,815,461	12,357,736	13,199,483	11,846,151
\$	<u><u>43,481,993</u></u>	<u><u>47,191,616</u></u>	<u><u>34,489,595</u></u>	<u><u>37,178,218</u></u>	<u><u>37,730,194</u></u>	<u><u>34,908,403</u></u>
\$	1,552,827	\$ 1,811,857	\$ 2,497,798	\$ 1,540,697	\$ 2,407,130	\$ 1,304,925
	1,400,454	1,255,128	1,583,770	1,496,395	1,496,395	1,666,113
	1,841,947	2,650,628	2,613,764	1,326,187	1,326,187	1,736,117
	201,798	290,094	279,051	227,660	227,660	179,021
	209,704	146,802	482,911	629,043	427,283	476,439
	30,210	455,604	-	-	-	-
	<u>5,236,940</u>	<u>6,610,113</u>	<u>7,457,294</u>	<u>5,219,982</u>	<u>5,884,655</u>	<u>5,362,615</u>
	6,270,314	6,463,535	6,116,285	5,321,434	5,512,366	5,523,032
	8,273,184	8,886,824	7,771,356	7,083,579	8,036,187	6,539,373
	2,726,287	2,608,638	2,320,189	1,941,824	1,887,080	1,775,519
	<u>45,280</u>	<u>648,420</u>	<u>827,464</u>	<u>491,274</u>	<u>124,076</u>	<u>348,375</u>
	17,315,065	18,607,417	17,035,294	14,838,111	15,559,709	14,186,299
\$	<u><u>22,552,005</u></u>	<u><u>25,217,530</u></u>	<u><u>24,492,588</u></u>	<u><u>20,058,093</u></u>	<u><u>21,444,364</u></u>	<u><u>19,548,914</u></u>
\$	(24,425,555)	\$ (25,972,503)	\$ (13,216,840)	\$ (19,600,500)	\$ (18,646,056)	\$ (17,699,637)
	<u>3,495,567</u>	<u>3,998,417</u>	<u>3,219,833</u>	<u>2,480,375</u>	<u>2,360,226</u>	<u>2,340,148</u>
\$	<u><u>(20,929,988)</u></u>	<u><u>(21,974,086)</u></u>	<u><u>(9,997,007)</u></u>	<u><u>(17,120,125)</u></u>	<u><u>(16,285,830)</u></u>	<u><u>(15,359,489)</u></u>

CITY OF TUALATIN
CHANGES IN NET POSITION (Continued)
LAST TEN FISCAL YEARS

	2021	2020	2019	2018
General revenues and other changes in net position				
Governmental activities				
Taxes and assessments	\$ 20,509,296	\$ 19,667,867	\$ 19,073,250	\$ 15,363,366
Licenses and permits	2,619,480	2,440,018	2,429,676	2,366,393
Miscellaneous	483,383	2,313,010	1,833,807	725,044
Transfers	3,194,570	5,426,650	3,505,530	3,496,958
Total governmental activities	26,806,729	29,847,545	26,842,263	21,951,761
Business-type activities				
Miscellaneous	217,361	726,573	554,921	311,671
Transfers	(3,194,570)	(5,426,650)	(3,505,530)	(3,496,958)
Total business-type activities	(2,977,209)	(4,700,077)	(2,950,609)	(3,185,287)
Total	<u>\$ 23,829,520</u>	<u>\$ 25,147,468</u>	<u>\$ 23,891,654</u>	<u>\$ 18,766,474</u>
Change in net position				
Governmental activities	\$ (1,212,906)	\$ 3,380,040	\$ 1,845,259	\$ (856,762)
Business-type activities	896,440	(1,001,478)	302,446	2,973,606
Total	<u>\$ (316,466)</u>	<u>\$ 2,378,562</u>	<u>\$ 2,147,705</u>	<u>\$ 2,116,844</u>

Continued from previous page

2017	2016	2015	2014	2013	2012
\$ 14,680,977	\$ 15,397,943	\$ 14,298,091	\$ 12,725,359	\$ 12,462,040	\$ 12,547,363
2,192,857	2,197,426	2,213,242	2,135,959	2,071,040	2,205,176
524,761	404,888	929,624	287,931	331,603	379,396
3,101,413	2,586,832	2,316,940	153,787	1,653,255	1,516,783
20,500,008	20,587,089	19,757,897	15,303,036	16,517,938	16,648,718
234,688	145,997	89,399	101,941	95,247	77,727
(3,101,413)	(2,586,832)	(2,316,940)	(153,787)	(1,653,255)	(1,516,783)
(2,866,725)	(2,440,835)	(2,227,541)	(51,846)	(1,558,008)	(1,439,056)
\$ 17,633,283	\$ 18,146,254	\$ 17,530,356	\$ 15,251,190	\$ 14,959,930	\$ 15,209,662
\$ (3,925,547)	\$ (5,385,414)	\$ 6,541,057	\$ (4,297,464)	\$ (2,128,118)	\$ (1,050,919)
628,842	1,557,582	992,292	2,428,529	802,218	901,092
\$ (3,296,705)	\$ (3,827,832)	\$ 7,533,349	\$ (1,868,935)	\$ (1,325,900)	\$ (149,827)

CITY OF TUALATIN
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2021	2020	2019	2018
General Fund				
Reserved / Nonspendable	\$ 72,778	\$ 75,102	\$ 76,094	\$ 79,900
Unreserved / Unassigned	13,260,489	11,565,009	13,341,945	10,528,381
Total general fund	<u>\$ 13,333,267</u>	<u>\$ 11,640,111</u>	<u>\$ 13,418,039</u>	<u>\$ 10,608,281</u>
 All other governmental funds				
Unreserved, reported in:				
Capital projects funds	\$ -	\$ -	\$ (156,399)	\$ -
Nonspendable				
Inventory	71,481	66,569	46,001	44,697
Restricted for:				
Building and engineering	1,353,274	2,143,427	2,061,501	2,013,372
Street and roadside maintenance	2,801,796	2,823,684	2,265,867	1,617,439
Debt service payments	142,465	164,838	124,465	63,195
Capital projects	61,547	2,808,744	-	1,284,846
Transportation	11,652,657	11,353,142	9,555,456	8,753,112
Urban renewal projects	3,695,772	3,826,265	3,876,362	3,952,144
Committed to:				
Pavement maintenace and street lighting	895,077	525,610	399,869	310,272
Parking maintenance	203,803	188,664	163,114	134,595
Transportation	16,543,492	20,391,107	22,101,883	-
Assigned to:				
Scholarships	50,247	50,976	51,111	51,233
Capital projects	713,071	-	-	-
Total all other governmental funds	<u>\$ 38,184,682</u>	<u>\$ 44,343,026</u>	<u>\$ 40,489,230</u>	<u>\$ 18,224,905</u>

2017	2016	2015	2014	2013	2012
\$ 137,060 9,918,282	\$ 116,121 8,347,295	\$ 81,795 7,474,727	\$ 97,206 6,971,206	\$ 78,833 6,625,950	\$ 70,154 6,421,650
<u>\$ 10,055,342</u>	<u>\$ 8,463,416</u>	<u>\$ 7,556,522</u>	<u>\$ 7,068,412</u>	<u>\$ 6,704,783</u>	<u>\$ 6,491,804</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17,807	24,138	36,164	39,484	37,235	34,920
1,814,179	1,857,722	1,744,129	1,797,858	1,830,952	1,526,018
2,185,622	2,545,434	1,040,146	536,670	834,061	605,858
76,598	93,706	285,945	275,241	267,171	398,174
1,208,148	1,093,230	3,246,367	1,361,175	1,232,131	623,276
6,698,728	5,936,282	5,439,306	3,768,251	3,080,265	2,701,857
4,016,542	4,165,220	4,304,445	5,154,360	5,482,914	7,094,642
437,794	137,129	54,279	161,357	574,753	1,097,706
159,361	149,356	146,188	134,680	127,049	187,915
-	-	-	-	-	-
50,878	50,729	50,804	50,547	50,579	50,745
-	-	-	-	2,028,522	2,310,656
<u>\$ 16,665,657</u>	<u>\$ 16,052,946</u>	<u>\$ 16,347,773</u>	<u>\$ 13,279,623</u>	<u>\$ 15,545,632</u>	<u>\$ 16,631,767</u>

CITY OF TUALATIN
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2021	2020	2019	2018
REVENUES				
Property taxes	\$ 13,778,555	\$ 13,261,634	\$ 12,941,472	\$ 10,290,120
Licenses and permits	734,165	1,344,072	1,101,399	946,352
Fees and charges	2,510,038	3,697,521	3,250,503	4,328,619
Intergovernmental	7,974,124	6,875,452	6,515,075	5,156,715
Franchise tax	2,619,480	2,440,018	2,429,676	2,366,393
Charges for services	397,793	1,285,186	884,675	979,223
Fines and forfeitures	1,149,982	1,168,796	1,441,208	1,085,542
Miscellaneous	578,318	2,352,861	1,897,113	779,469
Total Revenue	29,742,455	32,425,540	30,461,121	25,932,433
EXPENDITURES				
Current operating:				
General government	9,211,071	9,091,557	7,716,624	7,074,509
Public safety	9,500,841	10,179,605	8,913,301	8,630,413
Highways & Streets	3,458,828	3,747,083	3,187,568	3,415,760
Culture and recreation	4,689,106	5,324,619	4,824,486	4,714,764
Capital outlay	12,244,646	4,630,847	4,544,686	2,417,056
Debt service				
Interest	1,026,750	1,108,611	970,362	198,406
Principal	1,855,000	1,695,000	5,900,000	765,000
Issuance Costs	42,800	-	-	-
Total expenditures	42,029,042	35,777,322	36,057,027	27,215,908
REVENUES OVER (UNDER)				
EXPENDITURES	(12,286,587)	(3,351,782)	(5,595,906)	(1,283,475)
OTHER FINANCING SOURCES (USES)				
Transfers in	5,991,710	10,317,149	6,244,182	5,455,597
Transfers out	(2,797,140)	(4,890,499)	(2,738,652)	(2,064,187)
Sale of general capital assets	26,829	1,000	18,170	4,252
Bond and notes issued	4,600,000	-	23,750,000	-
Bonds and note premium	-	-	3,396,289	-
Loan proceeds	-	-	-	-
Total other financing sources (uses)	7,821,399	5,427,650	30,669,989	3,395,662
NET CHANGE IN FUND BALANCES	\$ (4,465,188)	\$ 2,075,868	\$ 25,074,083	\$ 2,112,187
Debt service as a percentage of noncapital expenditures ¹	9.73%	8.98%	21.36%	3.78%

¹ Series 2005 and 2006 General Obligation Bonds were refunded in fiscal year 2019, resulting in a significant increase in Debt Service as a percentage of non-capital expenditures.

2017	2016	2015	2014	2013	2012
\$ 9,888,927	\$ 9,528,110	\$ 9,171,688	\$ 8,738,296	\$ 8,438,011	\$ 8,259,442
854,097	4,034,429	4,854,016	2,096,220	2,926,323	2,620,698
2,181,130	-	-	-	-	-
4,896,115	5,901,009	5,141,871	3,968,177	4,043,726	4,190,756
2,192,857	2,197,426	2,213,242	2,135,959	2,071,040	2,205,176
846,896	994,699	790,191	1,267,023	960,510	754,994
1,147,883	1,008,765	1,359,978	1,256,196	1,224,329	1,371,896
574,006	437,286	897,349	512,718	698,074	751,752
22,581,911	24,101,724	24,428,335	19,974,589	20,362,013	20,154,714
6,602,167	5,946,162	6,089,223	7,071,708	7,073,285	6,609,300
8,296,042	8,053,048	7,651,922	6,798,353	6,689,136	6,345,089
2,558,647	2,031,604	2,249,123	1,056,047	1,054,388	1,103,448
4,470,485	4,207,790	3,936,035	4,429,718	4,304,274	4,201,940
1,630,065	4,114,432	1,915,307	3,507,138	2,224,530	4,295,957
230,125	259,338	286,719	312,863	348,621	380,448
735,000	700,000	675,000	650,000	845,000	765,000
-	-	-	-	-	-
24,522,531	25,312,374	22,803,329	23,825,827	22,539,234	23,701,182
(1,940,620)	(1,210,650)	1,625,006	(3,851,238)	(2,177,221)	(3,546,468)
6,205,313	5,815,263	3,521,120	4,382,439	3,187,850	3,404,503
(2,083,479)	(3,606,061)	(1,589,920)	(3,533,527)	(1,883,785)	(2,224,061)
23,423	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,100,000	-	-
4,145,257	2,209,202	1,931,200	1,948,912	1,304,065	1,180,442
\$ 2,204,637	\$ 998,552	\$ 3,556,206	\$ (1,902,326)	\$ (873,156)	\$ (2,366,026)
4.08%	4.48%	4.59%	4.71%	5.82%	5.87%

CITY OF TUALATIN
TAX REVENUE BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
June 30, 2021

Fiscal Year	Property ¹	Special Assessments ²	Total
2021	13,778,555	-	13,778,555
2020	13,261,634	-	13,261,634
2019	12,941,472	-	12,941,472
2018	10,290,120	-	10,290,120
2017	9,888,927	-	9,888,927
2016	9,528,110	-	9,528,110
2015	9,171,688	-	9,171,688
2014	8,738,296	-	8,738,296
2013	8,438,011	87,036	8,525,047
2012	8,259,442	87,036	8,346,478

¹ Includes current and prior property tax revenue and interest earned; deducts write offs for general property taxes and tax increment revenues.

² Special assessment billings are for local improvement district assessments which are paid to the City by the benefited property owners over a ten to fifteen year period.

Source: Washington and Clackamas Counties

CITY OF TUALATIN
ASSESSED AND ESTIMATED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
June 30, 2021

Fiscal Year Ended June 30,	Real Property		Personal Property*		Public Utility Property		Total		Total Direct Tax Rate	Ratio of Total Assessed to Total Estimated Actual Value
	Assessed	Estimated	Assessed	Estimated	Assessed	Estimated	Assessed	Estimated		
	Value	Value	Value	Value	Value	Value	Value	Value		
2021	4,503,738,975	7,342,103,986	292,338,161	301,182,318	147,648,200	147,876,205	4,943,725,336	7,791,162,509	2.8579	63%
2020	4,347,546,566	6,789,031,578	278,847,699	285,007,689	102,359,700	102,554,212	4,728,753,965	7,176,593,479	2.8744	66%
2019	4,146,931,416	6,404,471,950	279,932,764	284,383,404	94,181,800	94,349,571	4,521,045,980	6,783,204,925	2.8858	67%
2018	3,905,253,670	5,776,077,086	256,221,457	258,768,137	98,743,157	100,330,069	4,260,218,284	6,135,175,292	2.4962	69%
2017	3,727,438,870	5,200,586,098	243,045,300	244,279,660	99,593,076	100,673,639	4,070,077,246	5,545,539,397	2.5060	73%
2016	3,577,897,121	4,723,504,068	237,766,065	238,156,855	88,163,700	99,093,453	3,903,826,886	5,060,754,376	2.5162	77%
2015	3,403,125,302	4,405,515,513	213,357,477	213,747,197	95,219,900	101,133,802	3,711,702,679	4,720,396,512	2.5345	79%
2014	3,257,830,943	4,002,490,680	198,872,324	199,275,785	75,207,720	83,074,370	3,531,910,987	4,284,840,835	2.5482	82%
2013	3,138,684,805	3,808,264,330	191,518,337	191,822,756	71,574,586	78,819,910	3,401,777,728	4,078,906,996	2.5589	83%
2012	3,068,906,152	3,893,021,654	190,156,648	190,515,810	77,667,490	80,231,026	3,336,730,290	4,163,768,490	2.5639	80%

* Tax limitation Measure 50 results in a larger difference between market assessed value than were reportable in previous years.

** Assessed value includes assessed value in the Urban Renewal Area.

Source: Washington County and Clackamas County Assessors

CITY OF TUALATIN

PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

June 30, 2021

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
City of Tualatin:										
General Government	\$ 2.27	\$ 2.27	\$ 2.27	\$ 2.27	\$ 2.27	\$ 2.27	\$ 2.27	\$ 2.27	\$ 2.27	\$ 2.27
G.O. Bond	0.59	0.61	0.62	0.23	0.24	0.25	0.27	0.28	0.29	0.30
Total City	2.86	2.87	2.89	2.50	2.51	2.52	2.54	2.55	2.56	2.56
OVERLAPPING RATES:										
Washington County										
Washington County	2.96	2.96	2.96	2.96	2.96	2.84	2.84	2.97	2.97	2.97
School District										
NW Regional ESD*	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
Portland Community College	0.68	0.69	0.69	0.61	0.68	0.59	0.72	0.73	0.67	0.60
Tigard-Tualatin School District #23J	7.79	7.78	7.75	7.77	7.45	7.46	7.46	7.41	7.41	7.44
	8.62	8.62	8.59	8.52	8.28	8.20	8.33	8.29	8.23	8.19
Special District										
Tualatin Soil & Water District	0.09	0.08	0.07	0.08	-	-	-	-	-	-
Tualatin Valley Fire & Rescue	2.12	2.07	2.08	2.08	2.10	2.11	1.89	1.91	1.91	1.93
Port of Portland	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07
Metro Service District	0.59	0.66	0.47	0.41	0.40	0.38	0.46	0.47	0.40	0.32
Tri-Met Transport District	-	-	-	-	-	-	-	-	-	0.06
Tigard Tualatin Aquatic	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09
	2.95	2.98	2.79	2.72	2.65	2.65	2.51	2.53	2.48	2.46
Total Overlapping	14.53	14.56	14.34	14.21	13.90	13.69	13.68	13.79	13.68	13.63
TOTAL	\$ 17.39	\$ 17.43	\$ 17.22	\$ 16.70	\$ 16.40	\$ 16.21	\$ 16.22	\$ 16.34	\$ 16.24	\$ 16.19

These rates are based on the tax code area of Tualatin which has the highest percentage of the City's Assessed Value (Tax Code 023.76). Rates within the City differ somewhat according to the other tax code categories which apply.

Source: Washington and Clackamas Counties

CITY OF TUALATIN
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
June 30, 2021

Taxpayer	2021			2012		
	Assessed Value	Rank	% of Total City Taxable Assessed Value	Assessed Value	Rank	% of Total City Taxable Assessed Value
Lam Research Corporation ²	\$ 243,263,385	1	5.14%	86,924,360	2	2.63%
Portland General Electric	161,146,000	2	3.41%	-		0.00%
BV Centercal LLC	139,944,375	3	2.96%	96,519,514	1	2.92%
Campbell Soup Supply Company, LLC ³	65,955,950	4	1.39%	34,776,630	4	1.05%
Pacific Realty Associates	55,320,670	5	1.17%	-		0.00%
JAЕ Oregon, Inc	52,758,180	6	1.12%	26,128,580	5	0.79%
Tuala Northeast LLC	53,227,820	7	1.13%	38,481,817	3	1.17%
Mohawk St Property LLC	43,543,758	8	0.92%	-		0.00%
CR Rivercrest Meadows Communities LLC	34,150,210	9	0.72%	24,670,930	6	0.75%
KW Hedges Creek LLC	34,113,880	10	0.72%	24,644,680	7	0.75%
Zian Limited Partnership	-	-	-	24,419,570	8	0.74%
Legacy Health Systems	-	-	-	23,700,313	9	0.72%
Fujimi Corporation	-	-	-	23,282,220	10	0.71%
	<u>\$ 883,424,228</u>		<u>18.68%</u>	<u>\$ 403,548,614</u>		<u>12.23%</u>

¹ Source: Washington and Clackamas County Assessor's records

² Lam Research Corporation previously operated as Novellus Systems Inc.

³ Campbell Soup Supply Company, LLC previously reported as Pacific Foods of Oregon, Inc.

⁴ Measure 50 rolled back the assessed value of each unit of property for the tax year 1977-98 to its 1995-96 "real market value", less 10%. Measure 50 limits any increase in assessed value, excluding major improvements, to 3% per year for the tax years after 1997-98.

CITY OF TUALATIN
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
June 30, 2021

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collections	Delinquent Tax Collections	Total Tax Collections	Percent Total Tax Collections To Tax Levy	Outstanding Delinquent Taxes	Percent Delinquent Taxes To Tax Levy
2021	14,154,825	13,593,305	96.03%	156,626	13,749,931	97.14%	236,614	1.67%
2020	13,670,472	13,109,854	95.90%	133,090	13,242,944	96.87%	237,165	1.73%
2019	13,106,253	12,576,052	95.95%	357,628	12,933,680	98.68%	213,276	1.63%
2018	10,653,398	10,169,033	95.45%	116,839	10,285,872	96.55%	503,436	4.73%
2017	10,220,443	9,755,289	95.45%	132,106	9,887,395	96.74%	494,085	4.83%
2016	9,828,855	9,388,370	95.52%	141,990	9,530,360	96.96%	455,867	4.64%
2015	9,414,934	8,993,693	95.53%	176,099	9,169,792	97.40%	413,423	4.39%
2014	9,024,595	8,581,851	95.09%	184,734	8,766,585	97.14%	426,995	4.73%
2013	8,725,937	8,319,844	95.35%	144,560	8,464,404	97.00%	413,077	4.73%
2012	8,576,510	8,148,078	95.00%	151,847	8,299,925	96.78%	432,429	5.04%

Source: Washington County and Clackamas County Assessors

CITY OF TUALATIN
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
June 30, 2021

Fiscal Year	Governmental Activities				Percentage of Estimated Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total			
2021	\$ 18,780,000	\$ (143,184)	\$ 18,636,816	0.24%	668	
2020	20,635,000	(164,838)	20,470,162	0.29%	753	
2019	22,330,000	(124,465)	22,205,535	0.33%	818	
2018	4,480,000	(63,195)	4,416,805	0.07%	164	
2017	5,245,000	(76,598)	5,168,402	0.09%	192	
2016	5,980,000	(93,706)	5,886,294	0.12%	219	
2015	6,680,000	(104,996)	6,575,004	0.14%	247	
2014	7,355,000	(95,209)	7,259,791	0.17%	270	
2013	8,005,000	(88,093)	7,916,907	0.19%	299	
2012	8,630,000	(80,897)	8,549,103	0.21%	327	

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

CITY OF TUALATIN**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT****June 30, 2021**

Jurisdiction	General Obligation Debt Outstanding	Percent Applicable Inside City of Tualatin	Amount Applicable Inside City of Tualatin
City of Tualatin	\$ 18,636,816	100.0000%	\$ 18,636,816
Clackamas County	125,400,000	1.2725% *	1,595,715
Clackamas County District 3J (West Linn/Wilsonville)	348,463,289	1.0480%	3,651,895
Clackamas County School District 7J (Lake Oswego)	255,972,910	1.7416%	4,458,024
Clackamas County ESD	23,805,136	0.4661%	110,956
Clackamas Community College	84,925,428	1.4957%	1,270,230
Clackamas Soil & Water Conservation	6,144,000	1.2725%	78,182
Metro	920,585,000	2.3621%	21,745,138
Portland Community College	545,535,000	2.6253%	14,321,930
Washington County	196,818,344	6.3639%	12,525,323
Rivergrove Water District 14J	469,858	0.1113%	523
Tualatin Valley Fire and Rescue District	17,325,000	7.8065%	1,352,476
Washington County School District 23J (Tigard-Tualatin)	322,883,542	34.2483%	110,582,124
Washington County School District 88J (Sherwood)	312,546,518	16.0183%	50,064,639
Subtotal overlapping debt			221,757,155
Direct and overlapping debt			<u><u>\$ 240,393,971</u></u>

Overlapping debt percentage is determined by the percentage of assessed value of the overlapping district that is within the City limits of Tualatin applied.

Source: Municipal Debt Management, State of Oregon

*The percentage of the City of Tualatin in Clackamas County is very small, as is the property-tax backed debt, and produces an immaterial amount.

CITY OF TUALATIN
COMPUTATION OF LEGAL DEBT MARGIN
June 30, 2021

ORS 287.004 provides a debt limit of 3% of true cash value of all taxable property within the City boundaries:

True Cash Value	\$ 4,943,725,336
Rate	<u>x 3%</u>
Debt limit	148,311,760
Debt applicable to limit	<u>18,636,816</u>
	<u><u>\$ 129,674,944</u></u>

Legal debt margin

Fiscal year ended June 30,	Debt Margin as a Percentage of Debt Limit	Debt limit	Debt applicable to limit	Legal debt margin
2021	87.43%	148,311,760	18,636,816	129,674,944
2020	85.57%	141,862,619	20,470,162	121,392,457
2019	83.63%	135,631,379	22,205,535	113,425,844
2018	96.54%	127,806,549	4,416,805	123,389,744
2017	95.77%	122,102,317	5,168,402	116,933,915
2016	94.97%	117,114,807	5,886,294	111,228,513
2015	94.10%	111,351,080	6,575,004	104,776,076
2014	93.15%	105,957,330	7,259,791	98,697,539
2013	92.24%	102,053,332	7,916,907	94,136,425
2012	91.46%	100,101,909	8,549,103	91,552,806

Cash value stated above is equal to that value which is "taxable assessed value" as defined by Oregon law.
This value is not the same value as market value, but is the value used for levy purposes.

CITY OF TUALATIN
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
June 30, 2020

Fiscal Year	Population	Taxable Personal Income	Per Capita Personal Income
2021	27,910	*	*
2020	27,195	*	*
2019	27,135	1,087,409	40,074
2018	26,935	1,124,454	41,747
2017	26,960	1,033,535	38,336
2016	26,840	942,049	35,099
2015	26,590	910,673	34,249
2014	26,925	848,143	31,500
2013	26,510	785,646	29,636
2012	26,170	750,529	28,679

(in thousands)

* Information unavailable at this time.

Source: State of Oregon
Department of Revenue Research and Statistical Reports

CITY OF TUALATIN
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
June 30, 2021

Employer	2021			2012		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Lam Research Corporation	2,486	1	8.40%	650	2	3.22%
Legacy Meridian Park Hospital	990	2	3.34%	905	1	4.49%
Bay Club Oregon	580	3	1.96%	-	-	-
Nortek Air Solutions	522	4	1.76%	-	-	-
Pacific Foods of Oregon	510	5	1.72%	280	7	1.39%
Amazon.com Services LLC	494	6	1.67%	-	-	-
Portland General Electric	478	7	1.61%	-	-	-
Metro West Ambulance	430	8	1.45%	-	-	-
Pacific Furniture Industries	375	9	1.27%	-	-	-
Creganna Medical	350	10	1.18%	-	-	-
United Parcel Services	-	-	-	512	3	2.54%
Huntair	-	-	-	460	4	2.28%
Columbia Corrugated	-	-	-	300	5	1.49%
DPI Northwest	-	-	-	300	5	1.49%
Milgard Windows	-	-	-	275	8	1.36%
Fred Meyer	-	-	-	228	9	1.13%
Prologix Distribution Services	-	-	-	212	10	1.05%
	<u>7,215</u>			<u>4,122</u>		
Total City employment			<u>29,610</u>			

Information derived from Business License data provided to the City of Tualatin.

CITY OF TUALATIN**SCHEDULE OF PLEDGED REVENUE BOND COVERAGE****LAST TEN FISCAL YEARS****June 30, 2021**

SPECIAL ASSESSMENT BONDS

Fiscal Year Ended June 30,	Assessment Principal Collections	Debt Service Requirements			Percent Coverage
		Principal	Interest	Total	
2021	-	-	-	-	0.00%
2020	-	-	-	-	0.00%
2019	-	-	-	-	0.00%
2018	-	-	-	-	0.00%
2017	-	-	-	-	0.00%
2016	-	-	-	-	0.00%
2015	-	-	-	-	0.00%
2014	-	-	-	-	0.00%
2013	92,441	220,000	10,340	230,340	40.13%
2012	97,691	160,000	17,860	177,860	54.93%

As of June 30, 2006, only two parcels had assessments. In 1997 the only outstanding assessment had been previously paid. In 1999 of the four land parcels outstanding, two were redeemed in full.

CITY OF TUALATIN
FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
June 30, 2021

Function	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General government	44.75	45.75	45.75	41.75	40.10	40.85	39.60	36.85	36.25	33.38
Public safety	51.00	51.00	51.00	51.00	51.00	51.00	50.00	50.50	50.50	48.63
Highways and streets	16.80	16.00	16.00	18.75	18.75	18.50	18.50	18.50	18.50	18.50
Culture and recreation	34.45	35.45	35.40	35.28	34.65	33.50	33.50	32.38	31.13	30.13
Sewer	4.60	4.00	4.00	3.75	3.75	3.50	2.50	2.50	2.50	2.50
Water	7.60	7.00	7.00	6.50	6.50	6.00	5.00	5.00	5.00	5.00
Total	<u>159.20</u>	<u>159.20</u>	<u>159.15</u>	<u>157.03</u>	<u>154.75</u>	<u>153.35</u>	<u>149.10</u>	<u>145.73</u>	<u>143.88</u>	<u>138.14</u>

Data from current and previous budgets

CITY OF TUALATIN
OPERATING INDICATORS
LAST TEN FISCAL YEARS
June 30, 2021

Function	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Police										
Arrests	897	927	907	996	1,042	871	951	1,259	964	772
Traffic violations	2,937	3,340	3,098	3,393	2,958	2,880	3,794	3,971	4,305	4,847
Municipal Court cases	8,518	8,890	10,556	8,139	8,070	6,219	9,724	9,000	10,895	11,430
Building activity										
Permits issued	1,413	1,283	1,614	1,396	1,512	1,663	1,354	1,053	1,114	1,124
Estimated value (000's)	\$ 54,596	\$ 185,027	\$ 113,881	\$ 78,507	\$ 87,937	\$ 90,451	\$ 86,340	\$ 63,672	\$ 86,594	\$ 49,925
Planning applications	185	192	203	210	270	261	249	218	149	178
Library circulation	321,693	475,359	597,851	627,402	640,474	637,116	677,279	705,222	790,066	766,848
Water connections	6,937	6,908	6,905	6,823	6,762	6,873	6,823	6,689	6,753	6,779
Sewer connections	6,748	6,736	6,713	6,628	6,615	6,582	6,702	6,568	6,632	6,435

Data acquired from various City of Tualatin departments.

CITY OF TUALATIN
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
June 30, 2021

Function	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Public safety										
Patrol units	18	18	18	18	18	18	18	18	18	18
Highways and streets										
Miles of streets	79	79	79	79	79	79	78	78	77	77
Culture and recreation										
Number of parks	11	11	11	11	11	11	11	11	11	11
Acreage	322	322	322	322	315	295	289	289	289	285
*Sewage disposal										
Max daily capacity	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Water										
Max daily capacity	14	14	14	14	13	13	13	13	13	13
Fire hydrants	1,041	1,041	1,041	1,030	1,024	1,017	1,005	1,005	1,005	1,001

*Sewage treatment for The City of Tualatin is provided by Clean Water Services (CWS) of Washington County.
For a small portion of the City (east of I-5 and north of the Tualatin River) the service is provided by City of Lake Oswego.

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**INDEPENDENT AUDITORS REPORT REQUIRED
BY OREGON STATE REGULATION**

**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 Tualatin, Oregon

We have audited the basic financial statements of City of Tualatin, Oregon, as of and for the year ended June 30, 2021 and have issued our report thereon dated January 28, 2022. 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.

Report on Compliance

As part of obtaining reasonable assurance about whether City of Tualatin, 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 162-10-0000 through 162-10-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, as set forth below, noncompliance with which could have a direct and material effect on the financial statements:

- 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Minimum Standards for Audits of Oregon Municipal Corporations*.

Internal Control Over OAR 162-10-0230

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

expressing an opinion on the effectiveness of City of Tualatin, Oregon's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Tualatin, 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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+Co
Tualatin, Oregon
January 28, 2022

