



# **CITY OF TUALATIN OREGON**

## **Annual Comprehensive Financial Report**

**For Fiscal Year ended  
June 30, 2023**





**CITY OF TUALATIN, OREGON**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

Fiscal Year Ended June 30, 2023

Prepared by the City of Tualatin – Department of Finance

Don Hudson, Assistant City Manager/Finance Director

Matt Warner, Assistant Finance Director



**CITY OF TUALATIN, OREGON**  
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## **INTRODUCTORY SECTION**



***CITY OF TUALATIN, OREGON  
CITY COUNCIL***

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***City Council***

***Term Expires***

Frank Bubenik, Mayor	December 31, 2026
Maria Reyes, Position No. 1	December 31, 2026
Christen Sacco, Position No. 2	December 31, 2024
Bridget Brooks, Position No. 3	December 31, 2026
Cyndy Hillier, Position No. 4	December 31, 2024
Octavio Gonzalez, Position No. 5	December 31, 2026
Valerie Pratt, Council President, Position No. 6	December 31, 2024

***Administrative***

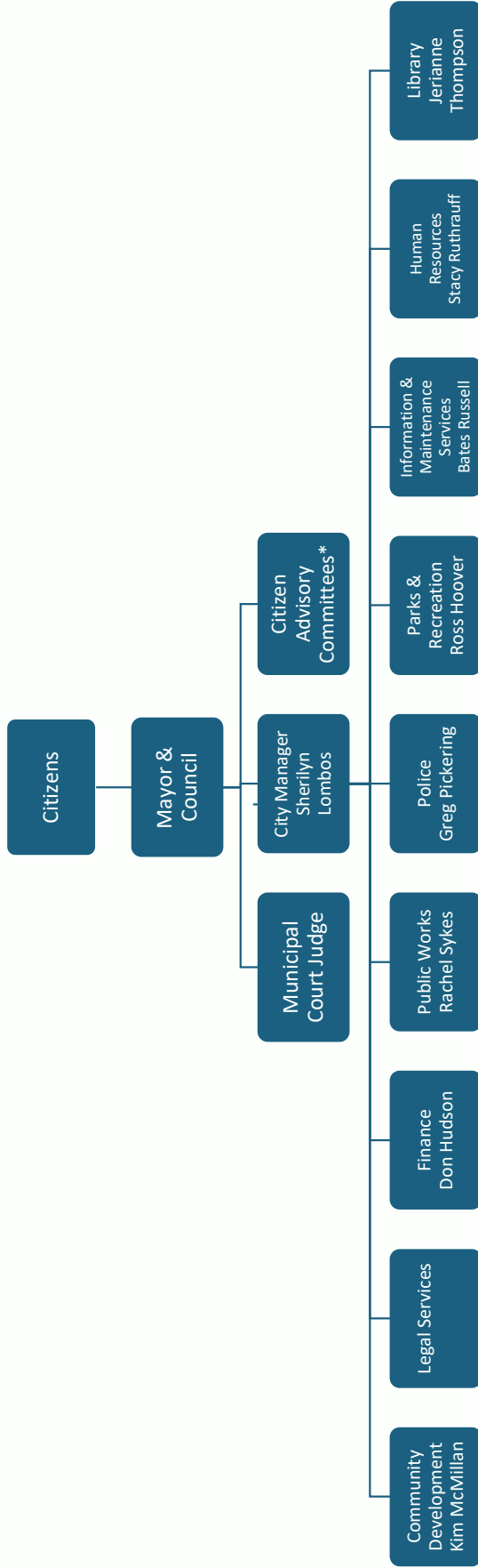
Sherilyn Lombos, City Manager  
*Vacant*, City Attorney  
Don Hudson, Assistant City Manager/Finance Director

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](http://www.tualatinoregon.gov)

May 2, 2024

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 (ACFR) of the City of Tualatin, Oregon for the fiscal year ended June 30, 2023.

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 of Tualatin'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.

SingerLewak, 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, 2023, 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, 2023, 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.

## **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 2018-2022 American Community Survey 5-Year Estimates from the U.S. Census Bureau, the City's median household income was \$109,500, the county's was \$100,121, while the state's was \$76,632.

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.

Although many employers have pivoted to remote work after the results of the coronavirus pandemic, the traffic volume and the gas taxes it generates have rebounded to pre-pandemic levels. Construction remains strong.

Development activity has continued within the City, contributing to increases in assessed value growth of approximately 5.0% for tax year 2022-23 and approximately 5.0% for tax year 2023-2024. 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.

The City's bond ratings remain strong. In April of 2023, the City received a rating of Aa1 on its General Obligation Bonds by Moody's Investor Services. This rating recognizes the City's financial stability, strong and improving resident wealth and income levels, healthy reserves driven by a steady history of small annual surpluses and financial flexibility.

During the fiscal year, the City sold \$15 million in general obligation bonds under a \$25 million authorization approved by voters in November 2022. The proceeds will be used to finance capital costs related to trails, natural areas, sports fields, parks and river access. Armed with a strong Aa1 rating from Moody's Investor Services, and favorable market timing, the bonds sold at a premium, netting the City a little over \$17.1 million for projects. The remaining \$10 million are planned to be sold in 2026.

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. Construction has now begun within the area on the development by Community Partners for Affordable Housing of a 116 unit multi-family development on a 4.66 acre site zoned High Density Residential. Additionally, construction has begun on a 62 acre site within the Basalt Creek Planning Area that will bring 400 single family attached and detached homes into the City. Once completed, 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 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 the employer contribution rate to PERS. By participating in this program, the City recognized a 0.62% reduction in the contribution for the 2021-2023 biennium and will recognize a 0.72% reduction in the 2023-2025 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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This was the 32<sup>nd</sup> 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 Comprehensive 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, 2022. This was the fifth consecutive 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, 2023. This was the 11th 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,



Don Hudson  
Finance Director



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, 2022

*Christopher P. Morill*

Executive Director/CEO

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## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of City Council  
City of Tualatin  
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 the City of Tualatin, Oregon (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tualatin, Oregon as of June 30, 2023, 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). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Emphasis of Matter**

As discussed in Note 11 to the basic financial statements, the beginning net position of the governmental activities, and the beginning fund balances of the American Rescue Plan fund, and the have been restated to correct a misstatement. Our opinions are not modified with respect to this matter.

#### **Responsibilities of Management for the Financial Statements**

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

Honorable Mayor and Members of City Council  
City of Tualatin, Oregon  
Independent Auditor's Report  
May 2, 2024

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, we

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

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

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 - 16 and the other "Required Supplementary Information", as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the management's discussion and analysis and the pension and OPEB schedules on pages 61 - 66, as listed in the table of contents under required supplementary information, in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The schedules of revenues, expenditures and changes in fund balance - budget to actual, as listed in the table of contents under required supplementary information, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 audited standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining financial statements and individual fund schedules 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 combining financial statements and individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Honorable Mayor and Members of City Council  
City of Tualatin, Oregon  
Independent Auditor's Report  
May 2, 2024

**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.

**Other Reporting Required by Oregon State Regulations**

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated May 2, 2024, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

*Singer Lewak LLP*

May 2, 2024

By:



Brad Bingenheimer, Partner



**CITY OF TUALATIN, OREGON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2023**

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As management of the City of Tualatin (the City), we offer readers of the City's Annual Comprehensive Financial Report this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2023. 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 \$272.2 million at June 30, 2023, and consisted of approximately \$98.3 million in cash and investments, \$159.4 million in capital assets and approximately \$14.5 million in other assets and deferred outflows of resources. Total assets and deferred outflows of resources increased by \$24.7 million from the previous fiscal year.
- The City's liabilities and deferred inflows of resources totaled \$80.7 million at June 30, 2023, consisting of approximately \$59.9 million in long-term obligations, \$12.8 million in accounts payable and other liabilities, and \$8.0 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 \$191.5 million at the close of fiscal year 2023. Unrestricted net position totaled \$17.2 million, with the remainder of the City's net position reported as net investment in capital assets (\$137.1 million) and restricted (\$37.3 million).
- For its governmental activities, the City generated \$9.2 million in charges for services and received \$3.4 million in operating and capital grants and contributions. Direct expenses, including interest on long-term debt for governmental activities were \$36.5 million for the year, resulting in a net expense of \$23.9 million. \$26.6 million of general revenues received and \$3.6 million of transfers in resulted in an increase in net position of \$6.4 million.
- For its business-type activities, the City generated \$24.4 million in charges for services and capital grants and contributions to fund direct expenses of \$18.2 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, 2023**

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**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, sewer and stormwater 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, 2023**

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**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, 2023**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Statement of Net Position**

The following is a comparison between the June 30, 2023 and 2022 Statements of Net Position:

**Table 1 - Net Position as of June 30th**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 73,933,667	\$ 60,179,682	\$ 30,244,606	\$ 26,871,617	\$ 104,178,273	\$ 87,051,299
Capital assets	112,071,053	102,225,048	47,344,950	47,486,865	159,416,003	149,711,913
Total assets	186,004,720	162,404,730	77,589,556	74,358,482	263,594,276	236,763,212
Deferred outflows of resources	8,038,560	10,041,616	572,399	656,608	8,610,959	10,698,224
Long-term liabilities	57,056,836	39,147,730	2,830,359	2,972,306	59,887,195	42,120,036
Other liabilities	11,127,688	4,645,957	1,684,141	1,427,476	12,811,829	6,073,433
Total liabilities	68,184,524	43,793,687	4,514,500	4,399,782	72,699,024	48,193,469
Deferred inflows of resources	7,550,975	13,623,459	427,349	731,411	7,978,324	14,354,870
Net Position:						
Net investment in capital assets	91,228,899	87,045,666	45,853,126	45,529,130	137,082,025	132,574,796
Restricted	31,549,668	23,298,531	5,731,496	1,512,487	37,281,164	24,811,018
Unrestricted	(4,470,786)	4,685,003	21,635,484	22,842,280	17,164,698	27,527,283
Total net position	\$ 118,307,781	\$ 115,029,200	\$ 73,220,106	\$ 69,883,897	\$ 191,527,887	\$ 184,913,097

The City of Tualatin’s assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$191.5 million as of June 30, 2023. Of this amount, \$137.1 million, (71.6%) 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.

The \$17.1 million increase in current and other assets is primarily a result of the sale of \$15.0 million in general obligation bonds for park improvement projects. The \$9.7 million increase in capital assets is primarily attributable to the construction of capital improvement projects within the Tualatin Moving Forward bond program funded by the Series 2018 Transportation General Obligation Bonds.

An additional portion of net position (\$37.3 million) is restricted as to how it may be used by budgetary, legal and external factors. The unrestricted amount of \$17.2 million (9.0% of net position) can be used to meet on-going obligations. Of the \$80.7 million of liabilities and deferred inflows of resources at year-end for governmental and business-type activities, \$60.0 million are due in more than one year.

Total net position increased by \$6.6 million during the fiscal year, primarily attributable to the payment of outstanding principal on long-term bonded debt in the governmental activities (\$3.0 million) and an increase in the net pension liability (\$3.9 million).

**CITY OF TUALATIN, OREGON**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**June 30, 2023**

**Statement of Activities**

The following is a comparison between the June 30, 2023 and 2022 Statement of Activities:

**Table 2 - Changes in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 9,243,680	\$ 10,598,749	\$ 23,840,356	\$ 23,515,214	\$ 33,084,036	\$ 34,113,963
Operating grants and contributions	771,076	3,256,692	-	-	771,076	3,256,692
Capital grants and contributions	2,614,776	305,433	533,906	100,000	3,148,682	405,433
General revenues:						
Property taxes	15,180,240	14,459,834	-	-	15,180,240	14,459,834
Franchise fees	2,913,434	2,703,505	-	-	2,913,434	2,703,505
Public service taxes and revenue sharing	6,898,808	6,719,037	-	-	6,898,808	6,719,037
Interest and miscellaneous	1,606,998	(297,902)	817,832	455,198	2,424,830	157,296
Total revenues	39,229,012	37,745,348	25,192,094	24,070,412	64,421,106	61,815,760
Expenses:						
General government	11,157,189	9,821,910	-	-	11,157,189	9,821,910
Public safety	10,452,673	9,758,499	-	-	10,452,673	9,758,499
Highways and streets	8,135,001	6,560,718	-	-	8,135,001	6,560,718
Culture and recreation	6,238,210	5,724,066	-	-	6,238,210	5,724,066
Interest on long-term debt	501,784	582,242	-	-	501,784	582,242
Water Operations	-	-	6,305,942	5,686,173	6,305,942	5,686,173
Sewer Operations	-	-	10,080,898	10,735,959	10,080,898	10,735,959
Stormwater Operations	-	-	1,843,112	1,999,040	1,843,112	1,999,040
Total expenses	36,484,857	32,447,435	18,229,952	18,421,172	54,714,809	50,868,607
Change in net position before transfers	2,744,155	5,297,913	6,962,142	5,649,240	9,706,297	10,947,153
Transfers	3,625,933	3,219,370	(3,625,933)	(3,219,370)	-	-
Change in net position	6,370,088	8,517,283	3,336,209	2,429,870	9,706,297	10,947,153
Net position - beginning	115,029,200	106,511,917	69,883,897	67,454,027	184,913,097	173,965,944
Restatement	(3,091,507)	-	-	-	(3,091,507)	-
Net position - beginning (restated)	111,937,693	106,511,917	69,883,897	67,454,027	181,821,590	173,965,944
Net position - ending	\$ 118,307,781	\$ 115,029,200	\$ 73,220,106	\$ 69,883,897	\$ 191,527,887	\$ 184,913,097

Governmental activities increased the City’s net position by \$6.4 million in fiscal year 2022-2023, as compared to an \$8.5 million increase in the prior fiscal year. Revenue, excluding transfers, increased by \$1.5 million and expenses, excluding transfers, increased by \$4.0 million. Key elements of this change, as illustrated in Table 2 above, is primarily the result of increased interest and miscellaneous revenue, primarily investment earnings, which increased approximately \$1.9 million over the prior year. Also adding to the increase in the governmental activities net position was contributed capital received in the current year of \$2.4 million. Lastly, beginning net position was restated on account of unspent American Rescue Plan grant revenue being reported as revenue in the prior year rather than deferred unearned revenue, accounting for \$3.1 million of the increase in net position (see note 11).

Business-Type activities total revenues, excluding transfers, increased approximately \$1.1 million from fiscal year 2021-2022, due mainly to increases in investment earnings of \$0.8 million in the current year.

Business-Type activities expenses, excluding transfers, remained relatively stable with a decrease of \$0.2 million when compared to prior year.

**CITY OF TUALATIN, OREGON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2023**

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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.

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.

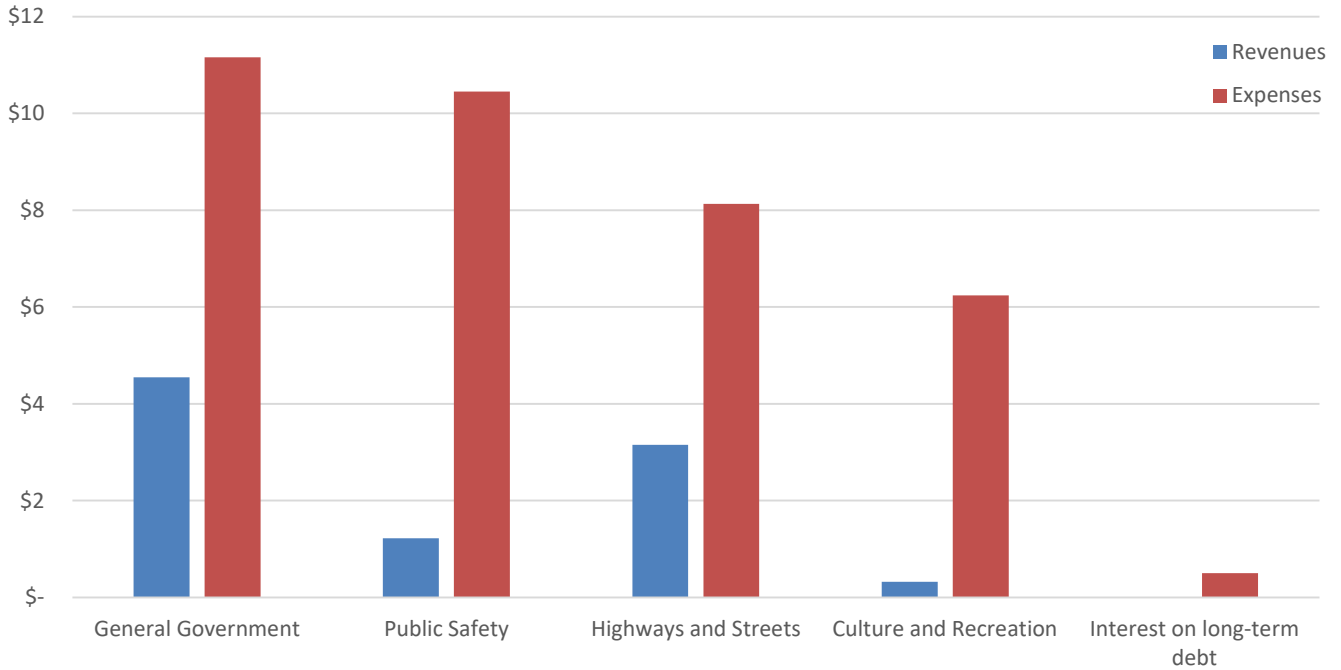
The City's permanent tax rate is relatively low in contrast to comparable cities in the State. The City has been able to maintain services by budgeting conservatively and providing quality services with lean budgets. The charts showing governmental expenses versus governmental activities demonstrate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

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

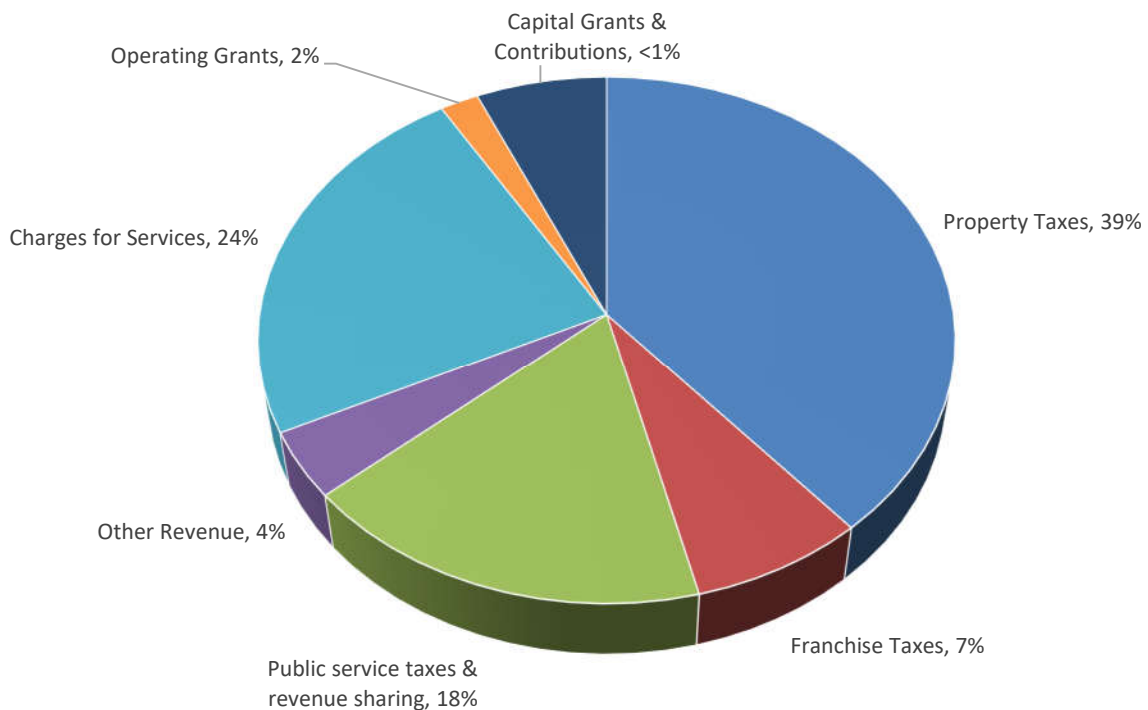
- Governmental resources are restricted in many ways: budgeting, legal and by public opinion.
- Programs funded by general resources typically result in hard choices, such as more police or a better library. Those services which are seen as most important and necessary are almost always least able or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

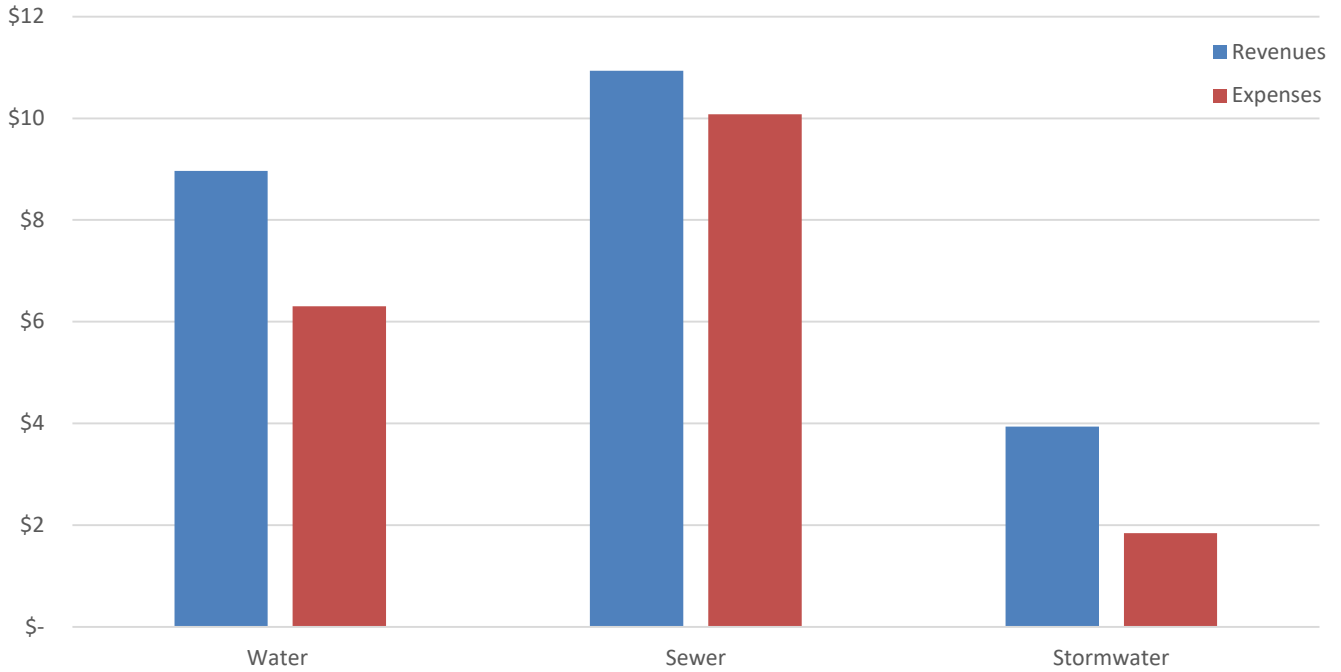
**Expenses and Program Revenues - Governmental Activities**  
**(in millions)**



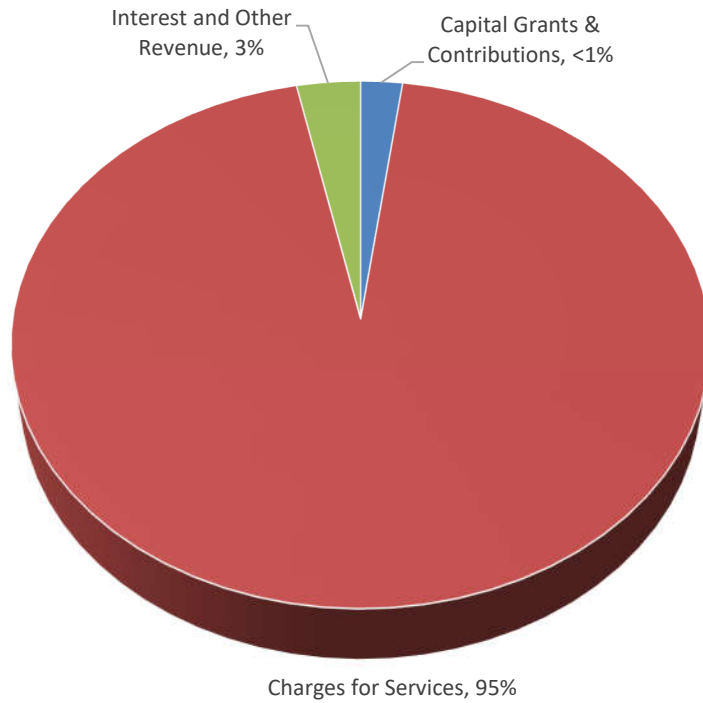
**Revenues by Source - Governmental Activities**



**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, 2023**

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**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, 2023, the City's governmental funds reported a combined ending fund balance of \$59.6 million, an increase of \$6.5 million when compared to the prior year. Unassigned fund balance combined with committed fund balance as of June 30, 2023, was \$17.3 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, 2023, the total fund balance was \$15.5 million, of which \$15.4 million is considered unassigned, reflecting an increase of \$1.2 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 to increased property tax revenue received as a result of increases in assessed value.

**Transportation Development Tax Fund**

This special revenue fund accounts for the collection and use of the transportation development tax. At June 30, 2023, total fund balance was approximately \$14.1 million, reflecting an increase of approximately \$1.4 million from the prior year. The increase is attributable to additional development in the City resulting in the collection of additional fees & charges as well as favorable investment earnings in the current year of \$0.3 million.

**American Rescue Plan Fund**

This special revenue fund accounts for the collection and use of the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF), a grant program established by the American Rescue Plan Act of 2021 (ARPA). At June 30, 2023, total fund balance was approximately \$22.8 thousand, reflecting an increase of \$52.0 thousand from the restated beginning fund balance. The increase is attributable to interest revenue received in FY23.

**Parks Project Fund**

This capital project fund accounts for expenditures of bond proceeds on parks improvement projects. This is a new fund in FY23. The ending fund balance at June 30, 2023 is \$14.7 million and represents the unspent proceeds of the April 2023 general obligation bond sale of \$15.0 million.

**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, 2023, total fund balance was approximately \$3.5 million, a decrease of approximately \$6.8 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.

**CITY OF TUALATIN, OREGON**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**June 30, 2023**

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**General Fund Budgetary Highlights**

The original appropriated budget for the general fund for fiscal year 2023 amounted to \$32.7 million, including \$4.3 million for contingencies. There were amendments to the adopted budget during the year to appropriate funds for several grants awarded during the year including funding for the Salem STEM partnership grant, the Metro Clean-up grant, and IT network grants.

The General Fund resources exceeded the original budgeted levels by approximately \$0.2 million due to additional property tax received in excess of the budgeted amount because of assessed value being higher than expected, as well as increases in franchise fees. This favorable variance in revenue, in conjunction with total expenditures remaining fairly consistent, increasing by \$1.5 million over the prior year resulted in a fund balance increase of \$1.4 million.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

As of June 30, 2023, the City had invested \$159.4 million in capital assets, net of depreciation, in a range of asset types, including land, buildings, improvements and infrastructure, machinery and equipment, and the right to use leased equipment.

The following is a comparison of capital assets as of June 30, 2023 and 2022:

**CITY OF TUALATIN'S NET CAPITAL ASSETS**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 17,715,671	\$ 14,500,035	\$ 938,443	\$ 938,443	\$ 18,654,114	\$ 15,438,478
Construction in Progress	11,943,258	6,098,331	2,035,550	1,124,744	13,978,808	7,223,075
Buildings	29,051,360	27,624,618	367,755	367,755	29,419,115	27,992,373
Machinery and Equipment	7,689,432	6,350,910	834,262	1,900,003	8,523,694	8,250,913
Right-to-use leased equipment	116,692	97,421	-	-	116,692	97,421
Utility System	-	-	86,607,771	85,395,082	86,607,771	85,395,082
Improvements & Infrastructure	159,643,594	155,743,323	-	-	159,643,594	155,743,323
Accumulated Depreciation	<u>(114,088,954)</u>	<u>(108,189,590)</u>	<u>(43,438,831)</u>	<u>(42,239,162)</u>	<u>(157,527,785)</u>	<u>(150,428,752)</u>
Total capital assets, net	<u>\$ 112,071,053</u>	<u>\$ 102,225,048</u>	<u>\$ 47,344,950</u>	<u>\$ 47,486,865</u>	<u>\$ 159,416,003</u>	<u>\$ 149,711,913</u>

Net capital assets increased by \$9.7 million due primarily to the continued work on several capital projects funded by the Tualatin Moving Forward bond program. The largest of such projects in the current year is the Boones Ferry Corridor sidewalk project (\$3.5 million) which is installing missing sidewalk segments to create continuous sidewalks and bike lanes. 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 5 of the Notes to the Financial Statements.

**CITY OF TUALATIN, OREGON**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS**  
**June 30, 2023**

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**Debt Outstanding**

As of the end of the fiscal year, the City had total bonded debt outstanding of \$30,945,000, which is backed by the full faith and credit of the City. The remainder of the City’s long-term obligations is comprised of \$3,893,253 in notes from direct borrowings, also backed by the City’s full faith and credit, and leases payable.

Outstanding Debt at Year-End  
June 30

	Governmental Activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 29,485,000	\$ 16,730,000	\$ -	\$ -	\$ 29,485,000	\$ 16,730,000
Full faith & credit refunding bonds	-	-	1,460,000	1,910,000	1,460,000	1,910,000
Loans, lease, other debts	3,965,199	4,375,146	-	-	3,965,199	4,375,146
	<u>\$ 33,450,199</u>	<u>\$ 21,105,146</u>	<u>\$ 1,460,000</u>	<u>\$ 1,910,000</u>	<u>\$ 34,910,199</u>	<u>\$ 23,015,146</u>

The City’s total debt increased by \$11,895,053 (51.6%) during the current fiscal year. The following are the reasons for the overall increase.

During the current year, the City issued \$15,000,000 in general obligation bonds to finance capital costs related to trails, natural areas, sports fields, parks and river access. The new issuance was offset by the regularly scheduled principal reductions on the existing outstanding debt.

The State of Oregon mandates a general obligation debt limit of 3 percent of true market value of taxable property within City boundaries. The current debt limitation for the City is \$163,153,500, which is significantly in excess of the City’s outstanding general obligation debt.

Additional information about the City’s outstanding debt is presented in Note 7 of the Notes to the Financial Statements.

**Economic Factors and Next Year’s Budget**

Factors affecting financial conditions in the future include:

- The governmental funds’ largest revenue sources are property taxes, franchise fees, fees for charges and services, and state shared revenues. The State does not have a sales tax, resulting in local government’s heavy reliance on property taxes and other self-generated revenues including franchise fees, business license, etc. In 2023, the City’s assessed value increased by 2.1% as a result of continued development within the City.
- 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.
- The City, along with local governments across the State, continues to pay larger sums of employee retirement costs of the State-run pension fund. The Public Employee Retirement System (PERS) sets the contribution rates biannually. Fiscal year 2022-23 was the second year of the current biennium rates. The rates for the current biennium are as follows: TierI/II employee at 26.85%, Oregon Public Service Retirement Plan (OPSRP) general employees at 20.13% and OPSRP Police/Fire employees at 24.49%. PERS rates for the next biennium, beginning July 1, 2023, will increase to the following rates, respectively: 28.01%, 21.43%,

**CITY OF TUALATIN, OREGON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**June 30, 2023**

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and 26.22%. These increases have been factored into forecasts by the City. Additionally, the City funded a PERS Side Account for \$1.01 million in 2019, which is helping to reduce and stabilize the impact of future increases to the City's pension contribution rates.

- 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.

**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.

## **BASIC FINANCIAL STATEMENTS**



**CITY OF TUALATIN, OREGON**  
**STATEMENT OF NET POSITION**  
**June 30, 2023**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 65,140,026	\$ 27,404,315	\$ 92,544,341
Restricted cash and cash equivalents	5,785,285	-	5,785,285
Due from other governments	773,420	335,470	1,108,890
Accounts receivable	340,684	2,245,098	2,585,782
Property taxes receivable	244,143	-	244,143
Accrued interest receivable	231,042	120,576	351,618
Lease Receivable	985,389	-	985,389
Due from other funds	15	-	15
Prepays	47,920	-	47,920
Inventories	144,831	123,466	268,297
OPEB asset	240,912	15,681	256,593
Capital assets not being depreciated:	29,658,929	2,973,994	32,632,923
Capital assets, net of accumulated depreciation:	82,412,124	44,370,956	126,783,080
<b>TOTAL ASSETS</b>	<b>186,004,720</b>	<b>77,589,556</b>	<b>263,594,276</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	-	49,175	49,175
OPEB related	177,273	11,539	188,812
Pension related	7,861,287	511,685	8,372,972
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>8,038,560</b>	<b>572,399</b>	<b>8,610,959</b>
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	3,399,588	1,590,945	4,990,533
Deposits	1,731,773	26,511	1,758,284
Due to other funds	-	15	15
Retainage payable	180,605	62,224	242,829
Unearned revenue	5,741,334	-	5,741,334
Interest Payable	74,388	4,446	78,834
Noncurrent liabilities:			
Due within one year	4,536,416	539,146	5,075,562
Due in more than one year	52,520,420	2,291,213	54,811,633
<b>TOTAL LIABILITIES</b>	<b>68,184,524</b>	<b>4,514,500</b>	<b>72,699,024</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related	6,302,441	410,221	6,712,662
OPEB related	263,145	17,128	280,273
Leases related	985,389	-	985,389
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>7,550,975</b>	<b>427,349</b>	<b>7,978,324</b>
<b>NET POSITION</b>			
Net investment in capital assets	91,228,899	45,853,126	137,082,025
Restricted for:			
Building and engineering	951,694	-	951,694
Street and roadside maintenance	3,761,445	-	3,761,445
Debt service payments	346,363	-	346,363
Capital projects	17,435,161	-	17,435,161
Urban renewal projects	3,028,808	-	3,028,808
Capital improvements	-	5,715,815	5,715,815
OPEB asset	240,912	15,681	256,593
Restricted assets	5,785,285	-	5,785,285
Unrestricted	(4,470,786)	21,635,484	17,164,698
<b>TOTAL NET POSITION</b>	<b>\$ 118,307,781</b>	<b>\$ 73,220,106</b>	<b>\$ 191,527,887</b>

*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, 2023**

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
<b>GOVERNMENTAL ACTIVITIES</b>							
General government	\$ 11,157,189	\$ 4,546,482	\$ 643,565	\$ 2,357,553	\$ (3,609,589)	\$ -	\$ (3,609,589)
Public safety	10,452,673	1,225,305	54,434	-	(9,172,934)	-	(9,172,934)
Highways and streets	8,135,001	3,150,462	-	257,223	(4,727,316)	-	(4,727,316)
Culture and recreation	6,238,210	321,431	73,077	-	(5,843,702)	-	(5,843,702)
Interest on long-term debt	501,784	-	-	-	(501,784)	-	(501,784)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>36,484,857</b>	<b>9,243,680</b>	<b>771,076</b>	<b>2,614,776</b>	<b>(23,855,325)</b>	<b>-</b>	<b>(23,855,325)</b>
<b>BUSINESS-TYPE ACTIVITIES</b>							
Water Operations	6,305,942	8,964,441	-	255,831	-	2,914,330	2,914,330
Sewer Operations	10,080,898	10,937,843	-	54,354	-	911,299	911,299
Stormwater Operations	1,843,112	3,938,072	-	223,721	-	2,318,681	2,318,681
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>18,229,952</b>	<b>23,840,356</b>	<b>-</b>	<b>533,906</b>	<b>-</b>	<b>6,144,310</b>	<b>6,144,310</b>
<b>TOTAL GOVERNMENT</b>	<b>\$ 54,714,809</b>	<b>\$ 33,084,036</b>	<b>\$ 771,076</b>	<b>\$ 3,148,682</b>	<b>(23,855,325)</b>	<b>6,144,310</b>	<b>(17,711,015)</b>
<b>GENERAL REVENUES:</b>							
Property taxes					15,180,240	-	15,180,240
Franchise taxes					2,913,434	-	2,913,434
Public service taxes and revenue sharing					6,898,808	-	6,898,808
Interest and investment earnings					1,339,156	492,812	1,831,968
Miscellaneous revenues					267,842	325,020	592,862
<b>TRANSFERS</b>					<b>3,625,933</b>	<b>(3,625,933)</b>	<b>-</b>
<b>TOTAL GENERAL REVENUES AND TRANSFERS</b>					<b>30,225,413</b>	<b>(2,808,101)</b>	<b>27,417,312</b>
<b>CHANGE IN NET POSITION</b>					<b>6,370,088</b>	<b>3,336,209</b>	<b>9,706,297</b>
NET POSITION - beginning					115,029,200	69,883,897	184,913,097
RESTATEMENT (see note)					(3,091,507)	-	(3,091,507)
NET POSITION - beginning, restated					111,937,693	69,883,897	181,821,590
<b>NET POSITION - ending</b>					<b>\$ 118,307,781</b>	<b>\$ 73,220,106</b>	<b>\$ 191,527,887</b>

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



**CITY OF TUALATIN, OREGON**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**June 30, 2023**

	General Fund	Transportation Development Tax Fund	American Rescue Plan Fund	Parks Project Fund	Transportation Project Fund	Other Governmental	Total Governmental
<b>ASSETS</b>							
Cash and investments	\$ 17,374,076	\$ 13,707,033	\$ -	\$ 14,727,067	\$ 4,495,784	\$ 12,987,612	\$ 63,291,572
Due from other governments	574,740	-	-	-	-	198,680	773,420
Accounts receivable	83,519	-	-	-	-	237,165	320,684
Property taxes receivable	193,931	-	-	-	-	50,212	244,143
Accrued interest receivable	101,376	60,210	-	-	4,269	57,067	222,922
Lease Receivable	985,389	-	-	-	-	-	985,389
Due from other funds	-	-	-	-	15	-	15
Prepays	47,920	-	-	-	-	-	47,920
Inventories	94,652	-	-	-	-	50,179	144,831
Restricted cash and cash equivalents	30,000	-	5,755,285	-	-	-	5,785,285
<b>TOTAL ASSETS</b>	<b>\$ 19,485,603</b>	<b>\$ 13,767,243</b>	<b>\$ 5,755,285</b>	<b>\$ 14,727,067</b>	<b>\$ 4,500,068</b>	<b>\$ 13,580,915</b>	<b>\$ 71,816,181</b>
<b>LIABILITIES</b>							
Accounts payable and other current liabilities	\$ 1,193,813	\$ 3,054	\$ -	\$ 27,695	\$ 883,988	\$ 1,291,038	\$ 3,399,588
Deposits	1,640,165	-	-	-	-	91,608	1,731,773
Retainage payable	-	-	-	-	177,083	3,522	180,605
Unearned revenue	8,888	-	5,732,446	-	-	-	5,741,334
<b>TOTAL LIABILITIES</b>	<b>2,842,866</b>	<b>3,054</b>	<b>5,732,446</b>	<b>27,695</b>	<b>1,061,071</b>	<b>1,386,168</b>	<b>11,053,300</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>							
Unavailable revenue - property tax revenue	163,926	-	-	-	-	43,173	207,099
Unavailable revenue - leases	985,389	-	-	-	-	-	985,389
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>1,149,315</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43,173</b>	<b>1,192,488</b>
<b>FUND BALANCES</b>							
Nonspendable:							
Inventory	94,652	-	-	-	-	50,179	144,831
Prepaid items	47,920	-	-	-	-	-	47,920
Restricted for:							
Building and engineering	-	-	-	-	-	951,694	951,694
Street and roadside maintenance	-	-	-	-	-	3,761,445	3,761,445
Debt service payments	-	-	-	-	-	346,363	346,363
Capital projects	-	13,764,189	-	14,699,372	3,438,997	2,056,672	33,959,230
Urban renewal projects	-	-	-	-	-	3,028,808	3,028,808
Committed to:							
ARPA	-	-	22,839	-	-	-	22,839
Pavement maintenance and street lighting	-	-	-	-	-	941,220	941,220
Parking maintenance	-	-	-	-	-	263,039	263,039
Parks capital and maintenance	-	-	-	-	-	702,071	702,071
Assigned to:							
Scholarships	-	-	-	-	-	50,083	50,083
Unassigned:	15,350,850	-	-	-	-	-	15,350,850
<b>TOTAL FUND BALANCES</b>	<b>15,493,422</b>	<b>13,764,189</b>	<b>22,839</b>	<b>14,699,372</b>	<b>3,438,997</b>	<b>12,151,574</b>	<b>59,570,393</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 19,485,603</b>	<b>\$ 13,767,243</b>	<b>\$ 5,755,285</b>	<b>\$ 14,727,067</b>	<b>\$ 4,500,068</b>	<b>\$ 13,580,915</b>	

Amounts reported in the statement of net position are different because:

The cost of capital assets (land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress) is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the City as a whole. 110,748,818

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	\$ 7,861,287	
Deferred outflows of resources - other postemployment benefit obligations	177,273	8,038,560

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 statement of net position. 3,198,809

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	207,099	
Accrued compensated absences	(948,675)	
Accrued interest	(74,388)	
Net pension liability	(17,740,512)	
Leases Payable	(71,946)	
Net other postemployment obligation	(688,568)	
Long-term bonded debt obligations	(33,378,253)	
Bond premium	(3,987,970)	
Deferred inflows of resources - pension	(6,302,441)	
Deferred inflows of resources - other post employment obligation	(263,145)	(63,248,799)

Net position of governmental activities **\$ 118,307,781**

*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, 2023**

	General Fund	Transportation Development Tax Fund	American Rescue Plan Fund	Parks Project Fund	Transportation Project Fund	Other Governmental	Total Governmental
<b>REVENUES</b>							
Property taxes	\$ 11,967,937	\$ -	\$ -	\$ -	\$ -	\$ 3,207,449	\$ 15,175,386
Franchise fees	2,913,434	-	-	-	-	-	2,913,434
Charges for service	269,712	-	-	-	-	770,797	1,040,509
Licenses and permits	480,951	-	-	-	-	851,895	1,332,846
Intergovernmental	4,577,183	-	450,568	-	-	2,995,230	8,022,981
Fines and forfeitures	837,058	-	-	-	-	-	837,058
Fees and charges	123,115	1,355,744	-	-	-	3,538,560	5,017,419
Interest	340,411	255,191	53,551	130,179	222,691	291,939	1,293,962
Miscellaneous	270,861	-	-	-	-	31,862	302,723
<b>TOTAL REVENUES</b>	<b>21,780,662</b>	<b>1,610,935</b>	<b>504,119</b>	<b>130,179</b>	<b>222,691</b>	<b>11,687,732</b>	<b>35,936,318</b>
<b>EXPENDITURES</b>							
Current:							
General government	9,598,030	-	-	-	-	91,114	9,689,144
Public safety	9,260,687	-	-	-	-	1,173,083	10,433,770
Highways and streets	847,624	-	412,668	-	2,746	3,832,040	5,095,078
Culture and recreation	5,401,369	-	-	-	-	975	5,402,344
Capital outlay	725,806	224,543	8,850	2,607,679	6,701,696	2,678,026	12,946,600
Debt service:							
Principal	-	-	-	-	-	2,245,000	2,245,000
Interest	-	-	-	-	-	835,500	835,500
Issuance costs	-	-	-	169,743	-	-	169,743
<b>TOTAL EXPENDITURES</b>	<b>25,833,516</b>	<b>224,543</b>	<b>421,518</b>	<b>2,777,422</b>	<b>6,704,442</b>	<b>10,855,738</b>	<b>46,817,179</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(4,052,854)</b>	<b>1,386,392</b>	<b>82,601</b>	<b>(2,647,243)</b>	<b>(6,481,751)</b>	<b>831,994</b>	<b>(10,880,861)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
General obligation bonds issued	-	-	-	15,000,000	-	-	15,000,000
Premium on general obligation bonds	-	-	-	2,346,615	-	-	2,346,615
Transfers in	5,307,330	-	-	-	-	968,750	6,276,080
Transfers out	(59,949)	(110,970)	(29,050)	-	(253,830)	(2,717,404)	(3,171,203)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>5,247,381</b>	<b>(110,970)</b>	<b>(29,050)</b>	<b>17,346,615</b>	<b>(253,830)</b>	<b>(1,748,654)</b>	<b>20,451,492</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,194,527</b>	<b>1,275,422</b>	<b>53,551</b>	<b>14,699,372</b>	<b>(6,735,581)</b>	<b>(916,660)</b>	<b>9,570,631</b>
FUND BALANCES - beginning	14,298,895	12,488,767	3,060,795	-	10,174,578	13,068,234	53,091,269
RESTATEMENT (see note)	-	-	(3,091,507)	-	-	-	(3,091,507)
FUND BALANCE - beginning, restated	14,298,895	12,488,767	(30,712)	-	10,174,578	13,068,234	49,999,762
<b>FUND BALANCES - ending</b>	<b>\$ 15,493,422</b>	<b>\$ 13,764,189</b>	<b>\$ 22,839</b>	<b>\$ 14,699,372</b>	<b>\$ 3,438,997</b>	<b>\$ 12,151,574</b>	<b>\$ 59,570,393</b>

*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, 2023**

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Amounts reported in the statement of activities are different because:

Net change in fund balances \$ 9,570,631

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	\$ (5,244,248)	
Capital asset additions	<u>12,878,603</u>	7,634,355

Some revenue reported in the statement of activities do not provide current financial resources in the governmental funds. 2,362,407

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	\$ (32,844)	
Pension expense	480,397	
Net other postemployment benefit obligations	<u>52,340</u>	499,893

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. 678,344

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. (14,375,542)

Change in net position of governmental activities \$ 6,370,088

**CITY OF TUALATIN, OREGON**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
**June 30, 2023**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water Operations	Sewer Operations	Stormwater Operations	Total	Vehicle Replacement Fund
<b>ASSETS</b>					
Current Assets:					
Cash and cash equivalents	\$ 3,851	\$ 1,951	\$ 2,505	\$ 8,307	\$ 560
Investments	12,703,745	6,432,294	8,259,969	27,396,008	1,847,894
Accounts receivables, net	960,188	935,472	349,438	2,245,098	20,000
Intergovernmental receivable	-	330,292	5,178	335,470	-
Accrued interest receivable	56,035	28,251	36,290	120,576	8,120
Inventories	120,679	2,787	-	123,466	-
Total current assets	<u>13,844,498</u>	<u>7,731,047</u>	<u>8,653,380</u>	<u>30,228,925</u>	<u>1,876,574</u>
Noncurrent Assets:					
Net other post employment benefit asset	10,430	5,251	-	15,681	-
Capital assets not being depreciated:	1,734,761	1,230,400	8,833	2,973,994	7,199
Capital assets, net of accumulated depreciation	26,776,534	13,448,247	4,146,175	44,370,956	1,315,036
Total noncurrent assets	<u>28,521,725</u>	<u>14,683,898</u>	<u>4,155,008</u>	<u>47,360,631</u>	<u>1,322,235</u>
<b>TOTAL ASSETS</b>	<u>42,366,223</u>	<u>22,414,945</u>	<u>12,808,388</u>	<u>77,589,556</u>	<u>3,198,809</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred charge on refunding	49,175	-	-	49,175	-
OPEB related	7,675	3,864	-	11,539	-
Pension related	340,334	171,351	-	511,685	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>397,184</u>	<u>175,215</u>	<u>-</u>	<u>572,399</u>	<u>-</u>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts payable	685,850	709,935	124,700	1,520,485	-
Accrued liabilities	43,022	27,438	-	70,460	-
Compensated absences	50,820	23,326	-	74,146	-
Retainage payable	15,035	47,189	-	62,224	-
Deposits payable	26,511	-	-	26,511	-
Due to other funds	-	15	-	15	-
Accrued interest payable	4,446	-	-	4,446	-
Bonds payable - due within one year	465,000	-	-	465,000	-
Total current liabilities	<u>1,290,684</u>	<u>807,903</u>	<u>124,700</u>	<u>2,223,287</u>	<u>-</u>
Noncurrent Liabilities:					
Bonds payable	1,075,999	-	-	1,075,999	-
Net OPEB liability	40,239	20,260	-	60,499	-
Total noncurrent liabilities	<u>1,884,267</u>	<u>406,946</u>	<u>-</u>	<u>2,291,213</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>3,174,951</u>	<u>1,214,849</u>	<u>124,700</u>	<u>4,514,500</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension related	272,848	137,373	-	410,221	-
OPEB related	11,392	5,736	-	17,128	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>284,240</u>	<u>143,109</u>	<u>-</u>	<u>427,349</u>	<u>-</u>
<b>NET POSITION</b>					
Net investment in capital assets	27,019,471	14,678,647	4,155,008	45,853,126	1,322,235
Restricted for:					
Capital improvements	1,396,899	3,739,023	579,893	5,715,815	-
OPEB asset and restricted assets	10,430	5,251	-	15,681	-
Unrestricted	10,877,416	2,809,281	7,948,787	21,635,484	1,876,574
<b>TOTAL NET POSITION</b>	<u>\$ 39,304,216</u>	<u>\$ 21,232,202</u>	<u>\$ 12,683,688</u>	<u>\$ 73,220,106</u>	<u>\$ 3,198,809</u>

*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, 2023**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water Operations	Sewer Operations	Stormwater Operations	Total	Vehicle Replacement Fund
<b>OPERATING REVENUES</b>					
Charges for service	\$ 8,615,391	\$ 9,840,416	\$ 3,821,591	\$ 22,277,398	\$ 857,960
Fees and charges	349,050	1,097,427	116,481	1,562,958	-
Miscellaneous	11,311	306,658	7,051	325,020	-
<b>TOTAL OPERATING REVENUES</b>	<b>8,975,752</b>	<b>11,244,501</b>	<b>3,945,123</b>	<b>24,165,376</b>	<b>857,960</b>
<b>OPERATING EXPENSES</b>					
Personal services	1,024,526	579,669	-	1,604,195	-
Materials and services	4,116,992	8,937,684	1,656,883	14,711,559	-
Depreciation	1,040,781	563,545	186,229	1,790,555	251,943
<b>TOTAL OPERATING EXPENSES</b>	<b>6,182,299</b>	<b>10,080,898</b>	<b>1,843,112</b>	<b>18,106,309</b>	<b>251,943</b>
<b>OPERATING INCOME (LOSS)</b>	<b>2,793,453</b>	<b>1,163,603</b>	<b>2,102,011</b>	<b>6,059,067</b>	<b>606,017</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Interest income	231,040	120,422	141,350	492,812	17,615
Interest expense	(123,643)	-	-	(123,643)	-
Sale of general capital assets	-	-	-	-	54,712
<b>TOTAL NON-OPERATING REVENUES (EXPENSE)</b>	<b>107,397</b>	<b>120,422</b>	<b>141,350</b>	<b>369,169</b>	<b>72,327</b>
<b>INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<b>2,900,850</b>	<b>1,284,025</b>	<b>2,243,361</b>	<b>6,428,236</b>	<b>678,344</b>
<b>CAPITAL CONTRIBUTIONS</b>	<b>255,831</b>	<b>54,354</b>	<b>223,721</b>	<b>533,906</b>	<b>-</b>
<b>TRANSFERS</b>	<b>(1,106,847)</b>	<b>(1,255,181)</b>	<b>(1,263,905)</b>	<b>(3,625,933)</b>	<b>1,468,138</b>
<b>CHANGE IN NET POSITION</b>	<b>2,049,834</b>	<b>83,198</b>	<b>1,203,177</b>	<b>3,336,209</b>	<b>2,146,482</b>
<b>NET POSITION - beginning</b>	<b>37,254,382</b>	<b>21,149,004</b>	<b>11,480,511</b>	<b>69,883,897</b>	<b>1,052,327</b>
<b>NET POSITION - ending</b>	<b>\$ 39,304,216</b>	<b>\$ 21,232,202</b>	<b>\$ 12,683,688</b>	<b>\$ 73,220,106</b>	<b>\$ 3,198,809</b>

*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, 2023**

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental</u>
	<u>Water</u>	<u>Sewer</u>	<u>Stormwater</u>	<u>Total</u>	<u>Activities</u>
	<u>Operations</u>	<u>Operations</u>	<u>Operations</u>		<u>Vehicle</u>
					<u>Replacement</u>
					<u>Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers	\$ 8,565,259	\$ 11,437,615	\$ 3,913,311	\$ 23,916,185	\$ 837,960
Cash paid to employees and others for salaries/benefits	(964,860)	(538,882)	-	(1,503,742)	-
Cash paid to suppliers and others	(3,837,169)	(8,996,495)	(1,645,664)	(14,479,328)	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>3,763,230</u>	<u>1,902,238</u>	<u>2,267,647</u>	<u>7,933,115</u>	<u>837,960</u>
<b>CASH FLOWS FROM (USED FOR) NON-CAPITAL FINANCING ACTIVITIES</b>					
Transfers in (out)	(1,106,847)	(1,255,181)	(1,263,905)	(3,625,933)	1,468,138
Net cash provided (used) by non-capital financing activities	<u>(1,106,847)</u>	<u>(1,255,181)</u>	<u>(1,263,905)</u>	<u>(3,625,933)</u>	<u>1,468,138</u>
<b>CASH FLOWS FROM (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchase of capital assets	(857,410)	(166,859)	(90,466)	(1,114,735)	(1,574,178)
Proceeds from the sale of assets	-	-	-	-	54,712
Debt principal payments	(490,499)	-	-	(490,499)	-
Interest paid	(100,555)	-	-	(100,555)	-
NET CASH FROM (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(1,448,464)</u>	<u>(166,859)</u>	<u>(90,466)</u>	<u>(1,705,789)</u>	<u>(1,519,466)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of investments	(12,743,735)	(6,324,491)	(8,413,200)	(27,481,426)	(2,457,568)
Proceeds from sale of investments	11,103,142	5,621,860	7,219,258	23,944,260	1,615,069
Interest received	236,844	119,921	153,996	510,761	34,451
Net cash provided (used) by investing activities	<u>(1,403,749)</u>	<u>(582,710)</u>	<u>(1,039,946)</u>	<u>(3,026,405)</u>	<u>(808,048)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(195,830)	(102,512)	(126,670)	(425,012)	(21,416)
CASH AND CASH EQUIVALENTS - beginning	199,681	104,463	129,175	433,319	21,976
CASH AND CASH EQUIVALENTS - ending	<u>\$ 3,851</u>	<u>\$ 1,951</u>	<u>\$ 2,505</u>	<u>\$ 8,307</u>	<u>\$ 560</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>					
Operating Income	\$ 2,793,453	\$ 1,163,603	\$ 2,102,011	\$ 6,059,067	\$ 606,017
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:					
Depreciation of capital assets	1,040,782	563,546	186,228	1,790,556	251,943
Change in assets and liabilities:					
Accounts receivable	(417,447)	193,114	(24,761)	(249,094)	(20,000)
Inventories	(25,692)	(340)	-	(26,032)	-
Accounts payable and accrued expenses	305,514	(58,472)	11,220	258,262	-
Deposits	6,954	-	-	6,954	-
Unearned revenue	-	-	(7,051)	(7,051)	-
Pension System	51,878	34,255	-	86,133	-
Accrued compensated absences	6,450	5,453	-	11,903	-
Other post employment benefits payable	1,338	1,079	-	2,417	-
Net cash provided (used) by operating activities	<u>\$ 3,763,230</u>	<u>\$ 1,902,238</u>	<u>\$ 2,267,647</u>	<u>\$ 7,933,115</u>	<u>\$ 837,960</u>
<b>NON-CASH CAPITAL FINANCING ACTIVITIES</b>					
Contributions of capital assets	\$ 255,831	\$ 54,354	\$ 223,721	\$ 533,906	\$ -
Total non-cash capital financing activities	<u>\$ 255,831</u>	<u>\$ 54,354</u>	<u>\$ 223,721</u>	<u>\$ 533,906</u>	<u>\$ -</u>

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

**CITY OF TUALATIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2023**

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**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.

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.

**CITY OF TUALATIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2023**

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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.
- *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.
- *American Rescue Plan Fund*  
This fund accounts for funds received from the US Department of Treasury through the American Rescue Plan Act, Coronavirus State and Local Fiscal Recovery funds.
- *Parks Project Fund*  
This fund accounts for the proceeds of the city's Parks Improvement Bond to finance projects throughout the city's Parks system.
- *Transportation Project Fund*  
This fund accounts for the proceeds of the city's Transportation Bond to finance transportation projects throughout the City.

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 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.
- *Capital Projects Funds*  
These funds account for the acquisition and construction of capital facilities other than those financed by Proprietary Funds.
- *Internal Service Funds*  
This fund accounts for the acquisition and replacement of City's motor vehicle pool.



**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 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.

**CITY OF TUALATIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2023**

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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 quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model derived valuations in which all significant inputs are observable. 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, 2023**

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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. Lease Receivables**

Lease receivables are recognized at the net present value of the leased assets at a borrowing rate either explicitly described in the agreement or implicitly determined by the City, reduced by principal payments.

**G. 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.

**H. 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, 2023.

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.

**I. 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.

**J. 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.

**K. 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.

**L. 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.

**M. Leases Payable**

In the government-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

**N. 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 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.

**O. 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.

**P. 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, 2023**

**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, 2023, 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	\$ 1,325	\$ -	\$ -	\$ 1,325	-
Deposits with financial institutions	(335,704)	-	-	(335,704)	-
Investments:					
Oregon State Treasurer's Local Government Investment Pool	22,390,675	-	-	22,390,675	-
U.S. Treasury	-	30,665,138	-	30,665,138	1.55
U.S. Agencies	-	-	31,154,425	31,154,425	1.13
Corporate Bonds	-	-	10,191,631	10,191,631	3.27
Municipal Bonds	-	-	4,262,136	4,262,136	3.08
 Total pooled cash and investments	 \$ 22,056,296	 \$ 30,665,138	 \$ 45,608,192	 \$ 98,329,626	 1.31

**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, 2023</u>
Less than 30 days	10%	25%
Less than 1 year	25%	58%
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, organizations or regulations. The reported value of the Pool is the same as the fair value of Pool shares.

**CITY OF TUALATIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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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>Rating by Standard &amp; Poor's</u>	<u>U.S. and U.S. Agency Obligations</u>	<u>Municipal Bonds</u>	<u>Corporate Bonds</u>	<u>Total</u>
AAA	\$ -	\$ 931,610	\$ -	\$ 931,610
AA+	40,952,564	-	1,018,079	41,970,643
AA	-	886,630	2,725,080	3,611,710
AA-	-	2,443,896	1,687,061	4,130,957
A+	-	-	505,496	505,496
A	-	-	2,848,821	2,848,821
A-	-	-	1,407,094	1,407,094
A-1+	20,866,999	-	-	20,866,999
	\$ 61,819,563	\$ 4,262,136	\$ 10,191,631	\$ 76,273,330

**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 finds 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, 2023 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.

**CITY OF TUALATIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2023**

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**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.

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

**4. Lease Receivables**

	Original Amount	Outstanding June 30, 2022	Additions	Decrease	Outstanding June 30, 2023
<b>Governmental Activities:</b>					
Cell Tower Lease, interest at 1.78%, principal and interest of \$2,575 monthly, due 2040	\$ 643,994	\$ 623,195	\$ -	\$ 21,143	\$ 602,052
Cell Tower Lease, interest at 4.25%, principal and interest of \$2,598 monthly, due 2035	414,447	399,098	-	15,761	383,337
	<u>\$ 1,058,441</u>	<u>\$ 1,022,293</u>	<u>\$ -</u>	<u>\$ 36,904</u>	<u>\$ 985,389</u>

Future maturities are as follows:

Fiscal Year	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 40,341	\$ 26,482
2025	43,808	25,273
2026	47,559	23,945
2027	51,523	22,490
2028	55,712	20,901
2029-33	350,100	75,342
2034-38	306,885	21,923
2039-40	89,461	1,477
	<u>\$ 985,389</u>	<u>\$ 217,833</u>

Deferred inflow of resources mirror the principal payment maturities described above.



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**5. Capital Assets**

Capital asset activity for the year ended June 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 14,500,035	\$ 3,215,636	\$ -	\$ 17,715,671
Construction in Progress	6,098,331	8,817,130	2,972,203	11,943,258
Total capital assets, not being depreciated	<u>20,598,366</u>	<u>12,032,766</u>	<u>2,972,203</u>	<u>29,658,929</u>
Capital assets, being depreciated				
Improvements & Infrastructure	155,743,323	3,900,271	-	159,643,594
Buildings	27,624,618	1,426,742	-	29,051,360
Machinery & Equipment	6,350,910	1,526,234	187,712	7,689,432
Right-to-use leased equipment	97,421	19,271	-	116,692
Total capital assets, being depreciated	<u>189,816,272</u>	<u>6,872,518</u>	<u>187,712</u>	<u>196,501,078</u>
Less accumulated depreciation for:				
Improvements & Infrastructure	(92,974,934)	(4,016,980)	-	(96,991,914)
Buildings	(11,406,354)	(901,790)	-	(12,308,144)
Machinery & Equipment	(3,788,036)	(1,142,983)	(187,712)	(4,743,307)
Right-to-use leased equipment	(20,266)	(25,323)	-	(45,589)
Total accumulated depreciation	<u>(108,189,590)</u>	<u>(6,087,076)</u>	<u>(187,712)</u>	<u>(114,088,954)</u>
Total capital assets, being depreciated, net	<u>81,626,682</u>	<u>785,442</u>	<u>-</u>	<u>82,412,124</u>
Total governmental activities capital assets	<u>\$102,225,048</u>	<u>\$12,818,208</u>	<u>\$ 2,972,203</u>	<u>\$ 112,071,053</u>

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

General government	\$ 1,241,241
Public safety	247,792
Highways and streets	3,068,733
Culture and recreation	938,425
Total depreciation/amortization expense - governmental activities	<u>\$ 5,496,191</u>

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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Business-type Activities</b>				
Capital assets, not being depreciated				
Land	\$ 938,443	\$ -	\$ -	\$ 938,443
Construction in Progress	1,124,744	936,506	25,700	2,035,550
Total capital assets, not being depreciated	<u>2,063,187</u>	<u>936,506</u>	<u>25,700</u>	<u>2,973,993</u>
Capital assets, being depreciated				
Improvements & Infrastructure	85,395,082	1,212,689	-	86,607,771
Buildings	367,755	-	-	367,755
Machinery & Equipment	1,900,003	46,200	1,111,941	834,262
Total capital assets, being depreciated	<u>87,662,840</u>	<u>1,258,889</u>	<u>1,111,941</u>	<u>87,809,788</u>
Less accumulated depreciation for:				
Improvements & Infrastructure	(40,555,849)	(1,768,092)	-	(42,323,941)
Buildings	(355,629)	(1,694)	-	(357,323)
Machinery & Equipment	(1,327,684)	(20,769)	(590,886)	(757,567)
Total accumulated depreciation	<u>(42,239,162)</u>	<u>(1,790,555)</u>	<u>(590,886)</u>	<u>(43,438,831)</u>
Total capital assets, being depreciated, net	<u>45,423,678</u>	<u>(531,666)</u>	<u>521,055</u>	<u>44,370,957</u>
Total business-type activities capital assets	<u>\$ 47,486,865</u>	<u>\$ 404,840</u>	<u>\$ 546,755</u>	<u>\$ 47,344,950</u>

**Business-type activities:**

	<u>De p r e c i a t i o n</u>
Water	\$ 1,040,781
Sewer	563,545
Stormwater	186,229
Total depreciation expense - business-type activities	<u>\$ 1,790,555</u>

**6. 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.

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Interfund transfer activity for the year ended June 30, 2023, is as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Major Governmental Funds:		
General Fund	\$ 5,307,330	\$ 59,949
Transportation Project Fund	-	253,830
Transportation Development Tax Fund	-	110,970
American Rescue Plan Fund	-	29,050
Total Major Governmental Funds	<u>5,307,330</u>	<u>453,799</u>
Non-major Governmental Funds		
Building Fund	75,000	522,838
Road Utility Fee Fund	499,990	422,189
Road Operating Fund	351,310	1,306,087
Core Area Parking District Fund	-	34,920
Parks Utility Fund	-	112,110
Park Development Fund	42,450	95,380
Economic Development Admin Fund	-	223,880
Total Non-major Governmental Funds	<u>968,750</u>	<u>2,717,404</u>
Proprietary Funds		
Water Fund	475,576	1,805,844
Water Development Fund	-	491,826
Enterprise Bond Fund	868,340	-
Sewer Fund	180,100	1,241,166
Sewer Development Fund	-	21,830
Stormwater Fund	-	1,044,227
Stormwater Development Fund	-	24,000
Total Proprietary Funds	<u>1,524,016</u>	<u>4,628,893</u>
Total Government Wide	<u><u>\$ 7,800,096</u></u>	<u><u>\$ 7,800,096</u></u>

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

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**7. 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, net pension obligations and other postemployment benefit 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, 2022	Additions	Reductions	Ending balance as of June 30, 2023	Due within one year
<b>Governmental activities:</b>					
General Obligation bonds					
Series 2018, Transportation & Refunding, interest at 3.00-5.00%, original issue of \$23,750,000, due 2028	\$ 16,730,000	\$ -	\$ (2,245,000)	\$ 14,485,000	\$ 2,440,000
Series 2023, Parks Improvements, interest at 5.00% original issue of \$15,000,000, due 2043	-	15,000,000	-	15,000,000	710,000
Notes from direct borrowings					
Series 2013, Operations Warehouse, interest at 3.0%, original issue of \$1,100,000, due 2024	248,966	-	(124,756)	124,210	124,210
Series 2020, City Services Building, interest at 1.78% original issue of \$4,600,000, due 2035	4,048,580	-	(279,537)	3,769,043	284,512
Plus: Bond issuance premium	2,009,057	2,346,615	(367,702)	3,987,970	-
Long-term bonded debt obligations	23,036,603	17,346,615	(3,016,995)	37,366,223	3,558,722
Leases	77,600	19,271	(24,925)	71,946	29,019
Compensated absences	897,099	997,084	(945,508)	948,675	948,675
Other postemployment benefits	931,317	-	(1,837)	929,480	-
Net pension liability	14,205,111	3,535,401	-	17,740,512	-
Total governmental activities	<u>\$ 39,147,730</u>	<u>\$ 21,898,371</u>	<u>\$ (3,989,265)</u>	<u>\$ 57,056,836</u>	<u>\$ 4,536,416</u>
<b>Business-type activities:</b>					
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	\$ 1,910,000	\$ -	\$ (450,000)	\$ 1,460,000	\$ 465,000
Plus: Bond issuance premium	121,498	-	(40,499)	80,999	-
Long-term bonded debt obligations	2,031,498	-	(490,499)	1,540,999	465,000
Compensated absences	62,243	89,070	(77,167)	74,146	74,146
Other postemployment benefits	54,057	6,442	-	60,499	-
Net pension liability	824,508	330,207	-	1,154,715	-
Total business-type activities	<u>\$ 2,972,306</u>	<u>\$ 425,719</u>	<u>\$ (567,666)</u>	<u>\$ 2,830,359</u>	<u>\$ 539,146</u>

Future Principal and Interest. Future maturities of bond principal and interest at June 30, 2023 are as follows:

Year	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 3,558,722	\$ 1,642,212	\$ 465,000	\$ 44,050	\$ 4,023,722	\$ 1,686,262
2025	3,839,577	1,378,775	490,000	24,950	4,329,577	1,403,725
2026	4,299,731	1,196,120	505,000	7,575	4,804,731	1,203,695
2027	3,424,977	990,624	-	-	3,424,977	990,624
2028	3,695,317	829,034	-	-	3,695,317	829,034
2029-2033	3,945,066	3,007,192	-	-	3,945,066	3,007,192
2034-2038	4,584,863	2,147,090	-	-	4,584,863	2,147,090
2039-2043	6,030,000	953,750	-	-	6,030,000	953,750
	<u>\$ 33,378,253</u>	<u>\$ 12,144,797</u>	<u>\$ 1,460,000</u>	<u>\$ 76,575</u>	<u>\$ 34,838,253</u>	<u>\$ 12,221,372</u>

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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 \$3,893,253. 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, 2023, that amount was \$155,346,652. As of June 30, 2023, the total outstanding debt applicable to the limit was \$18,560,745, which is 11.9% of the total debt limit.

**8. Leases Payable**

Right to use leased equipment are assets which the City leases for a term of more than one year. The value of the leases is determined by the net present value of the leases at the City’s incremental borrowing rate at the time of the lease agreement, amortized using the straight-line method over the term of the agreement.

The future principal and interest lease payments as of June 30, 2023, were as follows:

Fiscal Year	Principal	Interest
2024	\$ 29,019	\$ 1,346
2025	25,536	762
2026	14,253	306
2027	3,138	68
	\$ 71,946	\$ 2,482

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**9. 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:

	<u>Implicit Rate Subsidy Plan</u>	<u>PERS RHIA Plan</u>	<u>Total OPEB on Financials</u>
Net OPEB Asset	\$ -	\$ 256,593	\$ 256,593
Deferred Outflows of Resources			
Differences between expected and actual experience	76,258	-	76,258
Change in Assumptions	18,510	2,009	20,519
Difference in Earnings	-	-	-
Change in Proportionate Share	-	-	-
Contributions After MD	90,893	1,142	92,035
Total OPEB Liability	(989,979)	-	(989,979)
Deferred Inflows of Resources			
Differences between expected and actual experience	(21,865)	(6,953)	(28,818)
Difference in Earnings	-	(19,569)	(19,569)
Change in Assumptions	(190,393)	(8,553)	(198,946)
Change in Proportionate Share	-	(32,940)	(32,940)
OPEB Expense/(Income)*	78,500	(36,394)	42,106

\*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.

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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](http://www.cisoregon.org).

**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	150
Eligible retirees	7
Spouses of ineligible retirees	<u>3</u>
Total participants	<u><u>160</u></u>

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

The City’s total OPEB liability of \$989,979 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2022.

For the fiscal year ended June 30, 2023, the City recognized OPEB expense from this plan of \$78,500. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
	<u>                    </u>	<u>                    </u>
Differences between expected and actual experience	\$ 76,258	\$ 21,865
Changes of assumptions	18,510	190,393
Total (prior to post-MD contributions)	<u>94,768</u>	<u>212,258</u>
Contributions subsequent to the MD	<u>90,893</u>	<u>-</u>
Total	<u><u>\$ 185,661</u></u>	<u><u>\$ 212,258</u></u>

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Deferred outflows of resources related to OPEB of \$90,893 resulting from the City’s contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2024. 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>	
2023	\$ (25,396)
2024	(25,396)
2025	(19,921)
2026	(16,059)
2027	(11,220)
Thereafter	<u>(19,498)</u>
Total	<u>\$ (117,490)</u>

**Actuarial Assumptions and Other Inputs**

The total 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	2.40%
Salary increases	3.50% overall payroll growth
Retiree healthcare participation	35% 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	3.54%
Healthcare cost trend rate	Medical and vision: 4.25% per year, increasing to 6.75% Dental: -4.00% per year

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



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**Changes in the Total OPEB Liability**

	<b>Total OPEB Liability</b>
Balance as of June 30, 2022	\$ 985,374
Changes for the year:	
Service cost	81,351
Interest on Total OPEB Liability	22,545
Effect of economic/demographic gains or losses	74,107
Effect of assumptions changes or inputs	(127,168)
Benefit payments	(46,230)
Balance as of June 30, 2023	<u>\$ 989,979</u>

Changes in assumptions is the result of the change in the discount rate from 2.16% to 3.54%.

**Sensitivity of the Total OPEB Liability**

The following presents the total 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 (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

Discount Rate:

	<b>1% Decrease (2.54%)</b>	<b>Current Discount Rate (3.54%)</b>	<b>1% Increase (4.54%)</b>
Total OPEB Liability	\$ 1,067,169	\$ 989,979	\$ 918,564

Healthcare Cost Trend:

	<b>1% Decrease</b>	<b>Current Health Care Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 888,443	\$ 989,979	\$ 1,109,706

**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

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PERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums for eligible retirees. ORS 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants hired after August 29, 2003. PERS issues publicly available financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700, or online at: <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, 2019 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2021. The City's contribution rates for the period were 0.05% for Tier One/Tier Two members, and 0.00% for OPSRP members. The City's total contributions for the year ended June 30, 2023 was \$1,142.

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

At June 30, 2023, the City reported an asset of \$256,593 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020 rolled forward to June 30, 2022. 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, 2023, the City's proportionate share was 0.0722%, which is an increase from its proportion of 0.0638% as of June 30, 2022.

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For the year ended June 30, 2023, the City recognized OPEB income from this plan of \$36,394. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 6,953
Changes of assumptions	2,009	8,553
Net difference between projected and actual earnings on investments	-	19,569
Changes in proportionate share	-	32,940
Total (prior to post-MD contributions)	<u>2,009</u>	<u>68,015</u>
Contributions subsequent to the MD	<u>1,142</u>	<u>-</u>
 Total	 <u>\$ 3,151</u>	 <u>\$ 68,015</u>

Deferred outflows of resources related to OPEB of \$1,142 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense/(income) as follows:

<u>Year ended June 30:</u>	
2024	\$ (43,751)
2025	(16,173)
2026	(12,349)
2027	6,267
Total	<u>\$ (66,006)</u>

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**Actuarial Methods and Assumptions**

The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial methods and assumptions:

Valuation Date	December 31, 2020
Measurement Date	June 30, 2022
Experience Study Report	2020, published July 20, 2021
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Retire healthcare participation	Healthy retirees: 27.5% Disabled retirees: 15%
Mortality	<b>Healthy retirees and beneficiaries:</b> 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. <b>Active members:</b> Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. <b>Disabled retirees:</b> Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2020 experience study which reviewed experience for the four-year period ending on December 31, 2020.

**Long-Term Expected Rate of Return**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 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

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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.

<b>Asset Class/Strategy</b>	<b>Assumed Asset Allocation</b>		
	<b>Low Range</b>	<b>High Range</b>	<b>Target</b>
Debt Securities	15.0%	25.0%	20.0%
Public Equity	27.5%	35.0%	30.0%
Real Estate	7.5%	17.5%	12.5%
Private Equity	15.0%	27.5%	20.0%
Real Assets	2.5%	10.0%	7.5%
Diversifying Strategies	2.5%	10.0%	7.5%
Risk Parity	0.0%	3.5%	2.5%
Total			<u>100.0%</u>

<b>Asset Class</b>	<b>Target Allocation</b>	<b>20-Year Annualized Geometric Mean</b>
Global Equity	30.62 %	5.85 %
Private Equity	25.50	7.71
Core Fixed Income	23.75	2.73
Real Estate	12.25	5.66
Master Limited Partnerships	0.75	5.71
Infrastructure	1.50	6.26
Commodities	0.63	3.10
Hedge Fund of Funds - Multistrategy	1.25	5.11
Hedge Fund Equity - Hedge	0.63	5.31
Hedge Fund - Macro	5.62	5.06
US Cash	-2.50	1.76
Assumed Inflation - Mean		2.40 %

**Discount Rate**

The discount rate used to measure the total OPEB liability was 6.90% 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.

**CITY OF TUALATIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
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**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 6.90%, 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 (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

	<b>1% Decrease (5.90%)</b>	<b>Current Discount Rate (6.90%)</b>	<b>1% Increase (7.90%)</b>
Net OPEB Liability (Asset)	\$ (231,263)	\$ (256,593)	\$ (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.

**10. 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. The 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 pension program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available Annual Comprehensive 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.

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.

### **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 of that account.

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 ORS 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003. This portion of the 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.

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. The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.

### **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. Defined contribution plan - Individual Account Program (IAP)**

### **Pension Benefits**

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

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

### **Death Benefits**

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account 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, 2019 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2021. 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, 2023 were \$2,905,632, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2023 were 26.85 percent for Tier One/Tier Two General Service Member, 26.85 percent for Tier One/Tier Two Police, 20.13 percent for OPSRP Pension Program General Service Members, 24.49 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 percent of salary and are remitted by participating employers. The 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 \$777,627 for the year ended June 30, 2023.

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

At June 30, 2023, the City reported a liability of \$18,895,227 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020 rolled forward to June 30, 2022. 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, 2023, the City's proportion was 0.12340138 percent, which decreased from its proportion of 0.12559766 percent as of June 30, 2022.

**CITY OF TUALATIN**  
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**June 30, 2023**

For the year ended June 30, 2023, the City recognized pension expense of \$2,494,641. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 917,211	\$ 117,834
Changes in actuarial assumptions	2,964,763	27,086
Net difference between projected and actual earnings on investments	-	3,378,101
Changes in proportion	1,276,398	1,486,742
Differences between City contributions and proportionate share of contributions	308,968	1,702,899
Total (prior to post-measurement date contributions)	5,467,340	6,712,662
City contributions made subsequent to the measurement date	2,905,632	-
Total	<u>\$ 8,372,972</u>	<u>\$ 6,712,662</u>

Deferred outflows of resources related to pensions of \$2,905,632 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending June 30:</u>	<u>Pension Expense Amount</u>
2024	\$ (325,630)
2025	(788,823)
2026	(1,538,811)
2027	1,491,699
2028	(83,757)
Total	<u>\$ (1,245,322)</u>

**Actuarial assumptions**

The employer contribution rates effective July 1, 2021, through June 30, 2023, 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

**CITY OF TUALATIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2023**

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amortized over 16 years.

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2020
Measurement Date	June 30, 2022
Experience Study Report	2020, published July 20, 2020
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.40 percent
Long-Term Expected Rate of Return	6.90 percent
Discount Rate	6.90 percent
Projected Salary Increases	3.40 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><b>Healthy retirees and beneficiaries:</b> 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><b>Active Members:</b> 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><b>Disabled retirees:</b> 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 2020 Experience Study which reviewed experience for the four-year period ending on December 31, 2020.

**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 2021 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

**CITY OF TUALATIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2023**

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.

<b>Asset Class/Strategy</b>	<b>Assumed Asset Allocation</b>		
	<b>Low Range</b>	<b>High Range</b>	<b>Target</b>
Debt Securities	15.0%	25.0%	20.0%
Public Equity	27.5%	35.0%	30.0%
Real Estate	7.5%	17.5%	12.5%
Private Equity	15.0%	27.5%	20.0%
Real Assets	2.5%	10.0%	7.5%
Diversifying Strategies	2.5%	10.0%	7.5%
Risk Parity	0.0%	3.5%	2.5%
Total			<u>100.0%</u>

<b>Asset Class</b>	<b>Target Allocation</b>	<b>20-Year Annualized Geometric Mean</b>
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
Total	<u>100.00%</u>	
Assumed Inflation - Mean		2.40%

**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 6.90 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 6.90 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 (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	<u><b>1% Decrease (5.90%)</b></u>	<u><b>Discount Rate (6.90%)</b></u>	<u><b>1% Increase (7.90%)</b></u>
City's proportionate share of the net pension liability (asset)	\$ 33,509,051	\$ 18,895,227	\$ 6,664,131

**Pension plan fiduciary net position**

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

**11. Prior Period Restatement**

Subsequent to year ended June 30, 2022, the City made an adjustment related to its accounting for the federal funding received through the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF), a grant program established by the American Rescue Plan Act of 2021 (ARPA). During fiscal year 2022, the amounts received through this program were recognized as revenue when received, rather than as unearned revenue until eligible expenditures were identified and incurred. Accordingly, the change in fund balance of the American Rescue Plan Fund and the change in net position of the governmental activities were overstated by \$3,091,097. As a result, the City has restated beginning fund balance in the American Rescue Plan Fund and the beginning net position in the Governmental Activities in the amount of (\$3,091,507) as of July 1, 2022.

**12. 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 policies to minimize its exposure to these risks. There has been no reduction in commercial insurance coverage from the previous fiscal year. Workers compensation claims are insured through incurred loss retrospective policies and the City is self-insured for unemployment compensation claims.

**13. 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.

**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
  - Transportation Development Tax Fund
  - American Rescue Plan 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, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 11,642,355	\$ 11,642,355	\$ 11,967,937	\$ 325,582
Franchise fees	2,490,000	2,490,000	2,913,434	423,434
Charges for service	194,250	194,250	269,712	75,462
Licenses and permits	318,000	318,000	480,951	162,951
Intergovernmental	5,363,465	5,463,785	4,577,183	(886,602)
Fines and forfeitures	1,331,000	1,331,000	837,058	(493,942)
Fees and charges	130,400	130,400	123,115	(7,285)
Interest	138,140	138,140	566,091	427,951
Miscellaneous	158,555	158,555	270,861	112,306
<b>TOTAL REVENUES</b>	<b>21,766,165</b>	<b>21,866,485</b>	<b>22,006,342</b>	<b>139,857</b>
<b>EXPENDITURES</b>				
City Council	127,000	130,200	128,967	1,233
Administration	1,688,710	1,688,710	1,663,073	25,637
Finance	1,316,160	1,316,160	1,241,957	74,203
Municipal Court	492,440	496,340	496,321	19
Legal	483,510	483,510	272,778	210,732
Information Services	1,577,765	1,727,285	1,707,099	20,186
Community Development	1,168,905	1,168,905	1,085,013	83,892
Engineering	966,830	966,830	847,624	119,206
Police	9,296,745	9,296,745	8,915,578	381,167
Parks and Recreation	3,154,965	3,154,965	1,661,005	1,493,960
Library	2,440,410	2,442,910	2,387,866	55,044
Maintenance Services	2,440,365	2,458,665	2,400,496	58,169
Parks Maintenance	1,771,695	1,771,695	1,709,052	62,643
Nondepartmental				
General Services	1,515,915	1,515,915	1,316,687	199,228
Contingency	4,275,200	4,198,100	-	4,198,100
<b>TOTAL EXPENDITURES</b>	<b>32,716,615</b>	<b>32,816,935</b>	<b>25,833,516</b>	<b>6,983,419</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(10,950,450)</b>	<b>(10,950,450)</b>	<b>(3,827,174)</b>	<b>7,123,276</b>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	5,307,330	5,307,330	5,307,330	-
Transfers out	(59,950)	(59,950)	(59,949)	1
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>5,247,380</b>	<b>5,247,380</b>	<b>5,247,381</b>	<b>1</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(5,703,070)</b>	<b>(5,703,070)</b>	<b>1,420,207</b>	<b>7,123,277</b>
<b>FUND BALANCES - beginning</b>	<b>73,515,525</b>	<b>73,515,525</b>	<b>14,591,485</b>	<b>(58,924,040)</b>
<b>FUND BALANCE - ending</b>	<b>\$ 67,812,455</b>	<b>\$ 67,812,455</b>	<b>16,011,692</b>	<b>\$ (51,800,763)</b>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(518,270)	
<b>Fund balance - GAAP basis</b>			<b>\$ 15,493,422</b>	

**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, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Fees and charges	\$ 925,000	\$ 925,000	\$ 1,355,744	\$ 430,744
Interest	116,075	116,075	343,239	227,164
<b>TOTAL REVENUES</b>	<u>1,041,075</u>	<u>1,041,075</u>	<u>1,698,983</u>	<u>657,908</u>
<b>EXPENDITURES</b>				
Current:				
Capital outlay	1,750,000	1,750,000	224,543	1,525,457
Contingency	11,225,825	11,225,825	-	11,225,825
<b>TOTAL EXPENDITURES</b>	<u>12,975,825</u>	<u>12,975,825</u>	<u>224,543</u>	<u>12,751,282</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(11,934,750)</u>	<u>(11,934,750)</u>	<u>1,474,440</u>	<u>13,409,190</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(110,970)	(110,970)	(110,970)	-
<b>TOTAL OTHER FINANCING</b>	<u>(110,970)</u>	<u>(110,970)</u>	<u>(110,970)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(12,045,720)</u>	<u>(12,045,720)</u>	<u>1,363,470</u>	<u>13,409,190</u>
<b>FUND BALANCE - beginning</b>	<u>12,045,720</u>	<u>12,045,720</u>	<u>12,707,877</u>	<u>662,157</u>
<b>FUND BALANCE - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>14,071,347</u>	<u>\$ 14,071,347</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(307,158)	
<b>Fund balance - GAAP basis</b>			<u>\$ 13,764,189</u>	

**CITY OF TUALATIN, OREGON**  
**AMERICAN RESCUE PLAN FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**For the Fiscal Year Ended June 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 3,091,505	\$ 3,091,505	\$ 3,091,507	\$ 2
Interest	31,570	31,570	-	(31,570)
<b>TOTAL REVENUES</b>	<b>3,123,075</b>	<b>3,123,075</b>	<b>3,091,507</b>	<b>(31,568)</b>
<b>EXPENDITURES</b>				
Current:				
Personal Services	400,000	412,700	412,668	32
Materials and service	205,065	205,065	-	205,065
Capital outlay	3,000,000	3,000,000	8,850	2,991,150
Contingency	2,600,000	2,587,300	-	2,587,300
<b>TOTAL EXPENDITURES</b>	<b>6,205,065</b>	<b>6,205,065</b>	<b>421,518</b>	<b>5,783,547</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(3,081,990)</b>	<b>(3,081,990)</b>	<b>2,669,989</b>	<b>5,751,979</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(29,050)	(29,050)	(29,050)	-
<b>TOTAL OTHER FINANCING</b>	<b>(29,050)</b>	<b>(29,050)</b>	<b>(29,050)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(3,111,040)</b>	<b>(3,111,040)</b>	<b>2,640,939</b>	<b>5,751,979</b>
<b>FUND BALANCE - beginning</b>	<b>3,111,040</b>	<b>3,111,040</b>	<b>3,114,346</b>	<b>3,306</b>
<b>FUND BALANCE - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>5,755,285</b>	<b>\$ 5,755,285</b>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unearned revenue			(5,732,446)	
<b>Fund balance - GAAP basis</b>			<b>\$ 22,839</b>	

**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 Years<sup>1</sup>**

Year Ended June 30,	(a) City's proportion of the net OPEB liability (asset)	(b) City's proportionate share of the net OPEB liability (asset)	(c) City's 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
2023	0.07221159%	\$ (256,593)	\$ 12,794,942	-2.01%	194.6%
2022	0.06381987%	(219,158)	12,398,870	-1.77%	183.9%
2021	0.02390037%	(48,699)	12,001,964	-0.41%	150.1%
2020	0.10545040%	(203,768)	11,145,231	-1.83%	144.4%
2019	0.10373181%	(115,793)	11,063,578	-1.05%	124.0%
2018	0.09990764%	(41,696)	10,461,419	-0.40%	108.9%
2017	0.10113095%	27,463	9,876,439	0.28%	94.2%

**NOTES TO SCHEDULE**

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

<sup>1</sup>This 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**  
**Oregon Public Employees Retirement System, Retirement Health Insurance Account**  
**For the Last Ten Fiscal Years<sup>1</sup>**

Year Ended June 30,	(a) Contractually determined contribution	(b) Contributions in relation to the actuarially required contribution	(a-b) Contribution deficiency (excess)	(c) City's covered payroll	(b/c) Contributions as a percent of covered payroll
2023	\$ 1,142	\$ 1,142	\$ -	\$ 12,794,942	0.01%
2022	1,780	1,780	-	12,398,870	0.01%
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.

<sup>1</sup>This 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**

	December 31, 2019	December 31, 2017	December 31, 2015	December 31, 2013	December 31, 2011
Actuarial valuation:	December 31, 2019	December 31, 2017	December 31, 2015	December 31, 2013	December 31, 2011
Effective:	July 2021 - June 2023	July 2019 - June 2021	July 2017 - June 2019	July 2015 - June 2017	July 2013 - June 2015
Actuarial cost method:	Entry age Normal	Entry age Normal	Entry age Normal	Entry age Normal	Projected Unit Credit
Actuarial valuation method:	Market Value	Market Value	Market Value	Market Value	Market Value
Actuarial assumptions:					
Inflation rate	2.50 percent	2.50 percent	2.50 percent	2.75 percent	2.75 percent
Projected salary increases	3.50 percent	3.50 percent	3.50 percent	3.75 percent	3.75 percent
Investment rate of return	7.20 percent	7.20 percent	7.20 percent	7.75 percent	8.00 percent

**CITY OF TUALATIN, OREGON**  
**SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIO'S**  
**Implicit Rate Subsidy Plan**  
**For the Last Ten Fiscal Years<sup>1</sup>**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>						
Service Interest	\$ 81,351	\$ 78,980	\$ 67,289	\$ 59,961	\$ 70,184	\$ 74,503
Interest	22,545	21,608	34,218	34,946	33,955	28,219
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	74,107	-	(33,577)	-	25,554	-
Changes of assumptions	(127,168)	4,017	(32,978)	28,559	(97,981)	(56,076)
Benefit payment	<u>(46,230)</u>	<u>(35,819)</u>	<u>(56,992)</u>	<u>(55,231)</u>	<u>(78,520)</u>	<u>(89,531)</u>
<b>Net change in total OPEB liability</b>	4,605	68,786	(22,040)	68,235	(46,808)	(42,885)
<b>Total OPEB liability - beginning</b>	<u>985,374</u>	<u>916,588</u>	<u>938,628</u>	<u>870,393</u>	<u>917,201</u>	<u>960,086</u>
<b>Total OPEB liability - ending (a)</b>	<u>\$ 989,979</u>	<u>\$ 985,374</u>	<u>\$ 916,588</u>	<u>\$ 938,628</u>	<u>\$ 870,393</u>	<u>\$ 917,201</u>
Covered-employee payroll	\$ 12,794,942	\$ 12,001,964	\$ 11,145,231	\$ 11,063,578	\$ 10,461,419	\$ 9,876,439
Total OPEB liability as a percentage of covered-employee payroll	7.74%	8.21%	8.22%	8.48%	8.32%	9.29%

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

<sup>1</sup>This 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.

Note: There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan.

**CITY OF TUALATIN, OREGON**  
**SCHEDULE OF CONTRIBUTIONS**  
**Implicit Rate Subsidy Plan**  
**For the Last Ten Fiscal Years<sup>1</sup>**

Year Ended June 30,	(a) Actuarially determined contribution	(b) Contributions in relation to the actuarially required contribution	(a-b) Contribution deficiency (excess)	(c) City's covered payroll	(b/c) Contributions as a percent of covered payroll
2023	\$ 90,893	\$ 90,893	\$ -	\$ 12,794,942	0.71%
2022	46,230	46,230	-	12,398,870	0.37%
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.

<sup>1</sup>This 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 THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY**  
**For the Last Ten Fiscal Years**

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Year Ended 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
2023	0.12340138%	\$ 18,895,227	\$ 12,794,942	147.68%	84.50%
2022	0.12559766%	15,029,619	12,398,870	121.22%	87.60%
2021	0.11612761%	25,343,039	12,001,964	211.16%	75.80%
2020	0.13499056%	23,350,134	11,145,231	209.51%	80.20%
2019	0.12576501%	19,051,743	11,063,578	172.20%	82.10%
2018	0.12527218%	16,886,737	10,461,419	161.42%	83.10%
2017	0.13985297%	20,995,178	9,876,439	212.58%	80.50%
2016	0.15443816%	8,867,007	10,203,939	86.90%	91.90%
2015	0.15665389%	(3,550,897)	9,786,025	-36.29%	103.60%
2014	0.15665389%	7,994,278	9,628,201	83.03%	91.97%

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

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

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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
2023	\$ 2,905,632	\$ 2,905,632	\$ -	\$ 14,027,801	20.71%
2022	3,032,048	3,032,048	-	12,794,942	23.70%
2021	2,586,610	2,586,610	-	12,398,870	20.86%
2020	3,667,398	4,677,454	(1,010,056)	12,001,964	38.97%
2019	2,062,929	2,062,929	-	11,145,231	18.51%
2018	1,992,599	1,992,599	-	11,063,578	18.01%
2017	1,510,197	1,510,197	-	10,461,419	14.44%
2016	1,471,213	1,471,213	-	9,876,439	14.90%
2015	1,439,922	1,439,922	-	10,203,939	14.11%
2014	1,458,300	1,458,300	-	9,786,025	14.90%

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

**CITY OF TUALATIN**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2023**

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**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, 2023. The city had a supplemental budget during the year-ended June 30, 2023. Appropriations lapse as of year-end.

**Pension Liability (Asset) and Other Postemployment Benefits (OPEB) Liability (Asset)**

This information is intended to help users assess the City's retirement pension plan (OPERS) and OPEB plans' status on a going-concern basis, assess progress made in accumulating assets to pay benefits when due. OPERS publishes an independently audited ACFR that can be obtained at <https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

Additional details and a comprehensive list of changes for OPERS in methods and assumptions can be found in the 2020 Experience Study for OPERS which was published July 20, 2021 and can be found at <https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

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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.

##### **Parks Project Fund**

This fund accounts for the proceeds of the city's Parks Improvement Bond to finance projects throughout the city's Parks system.

### 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:

##### **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.

##### **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.

### **Parks Utility Fee Fund**

The Parks Utility Fee Fund accounts for parks utility fees from property within the City and provides management and renovation of parks, trails, greenways and natural areas including capital renovations and improvements of facilities and assets in the City Parks System.

### **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.

#### **Southwest Urban Renewal District Bond Fund**

The Southwest Urban Renewal District Bond Fund accounts for property taxes collected by the Southwest Urban Renewal District for payment of bond principal and interest.

### **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:

#### **Tualatin City Services Building Fund**

The Local Improvement District Fund accounts for improvements made to properties that will be assessed to property owners.

#### **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, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Interest	\$ 40,140	\$ 40,140	\$ 180,236	\$ 140,096
TOTAL REVENUES	40,140	40,140	180,236	140,096
<b>EXPENDITURES</b>				
Current:				
Materials and service	5,700	5,700	2,746	2,954
Capital outlay	7,686,000	7,686,000	6,701,696	984,304
Contingency	121,860	121,860	-	121,860
TOTAL EXPENDITURES	7,813,560	7,813,560	6,704,442	1,109,118
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,773,420)	(7,773,420)	(6,524,206)	1,249,214
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(253,830)	(253,830)	(253,830)	-
TOTAL OTHER FINANCING SOURCES (USES)	(253,830)	(253,830)	(253,830)	-
NET CHANGE IN FUND BALANCE	(8,027,250)	(8,027,250)	(6,778,036)	1,249,214
FUND BALANCE - beginning	8,027,250	8,027,250	10,228,244	2,200,994
FUND BALANCE - ending	\$ -	\$ -	3,450,208	\$ 3,450,208
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(11,211)	
Fund balance - GAAP basis			\$ 3,438,997	

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**CITY OF TUALATIN, OREGON**  
**PARKS PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**  
**For the Fiscal Year Ended June 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Interest	\$ -	\$ 90,165	\$ 122,030	\$ 31,865
TOTAL REVENUES	-	90,165	122,030	31,865
<b>EXPENDITURES</b>				
Current:				
Capital outlay	-	2,560,000	2,607,679	(47,679)
Debt service:				
Issuance costs	-	169,750	169,743	7
Contingency	-	14,707,030	-	14,707,030
TOTAL EXPENDITURES	-	17,436,780	2,777,422	14,659,358
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(17,346,615)	(2,655,392)	14,691,223
<b>OTHER FINANCING SOURCES (USES)</b>				
General obligation bonds issued	-	15,000,000	15,000,000	-
Premium on bonds issued	-	2,346,615	2,346,615	-
TOTAL OTHER FINANCING SOURCES (USES)	-	17,346,615	17,346,615	-
NET CHANGE IN FUND BALANCE	-	-	14,691,223	14,691,223
FUND BALANCE - beginning	-	-	-	-
FUND BALANCE - ending	\$ -	\$ -	\$ 14,691,223	\$ 14,691,223
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			8,149	
Fund balance - GAAP basis			\$ 14,699,372	

**CITY OF TUALATIN, OREGON**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2023**

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total
<b>ASSETS</b>				
Cash and investments	\$ 6,871,695	\$ 326,647	\$ 5,789,270	\$ 12,987,612
Due from other governments	187,438	11,242	-	198,680
Accounts receivable	237,165	-	-	237,165
Property taxes receivable	-	50,212	-	50,212
Accrued interest receivable	30,202	1,435	25,430	57,067
Inventories	50,179	-	-	50,179
<b>TOTAL ASSETS</b>	<b>\$ 7,376,679</b>	<b>\$ 389,536</b>	<b>\$ 5,814,700</b>	<b>\$ 13,580,915</b>
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	\$ 417,345	\$ -	\$ 873,693	\$ 1,291,038
Deposits	91,608	-	-	91,608
Retainage payable	-	-	3,522	3,522
<b>TOTAL LIABILITIES</b>	<b>508,953</b>	<b>-</b>	<b>877,215</b>	<b>1,386,168</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property tax revenue	-	43,173	-	43,173
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>43,173</b>	<b>-</b>	<b>43,173</b>
<b>FUND BALANCES</b>				
Nonspendable:				
Inventory	50,179	-	-	50,179
Restricted for:				
Building and engineering	951,694	-	-	951,694
Street and roadside maintenance	3,761,445	-	-	3,761,445
Debt service payments	-	346,363	-	346,363
Capital projects	-	-	2,056,672	2,056,672
Urban renewal projects	147,995	-	2,880,813	3,028,808
Committed to:				
Pavement maintenance and street lighting	941,220	-	-	941,220
Parks capital and maintenance	702,071	-	-	702,071
Parking maintenance	263,039	-	-	263,039
Assigned to:				
Scholarships	50,083	-	-	50,083
<b>TOTAL FUND BALANCES</b>	<b>6,867,726</b>	<b>346,363</b>	<b>4,937,485</b>	<b>12,151,574</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 7,376,679</b>	<b>\$ 389,536</b>	<b>\$ 5,814,700</b>	<b>\$ 13,580,915</b>

**CITY OF TUALATIN, OREGON**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended June 30, 2023**

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total
<b>REVENUES</b>				
Property taxes	\$ -	\$ 3,207,449	\$ -	\$ 3,207,449
Charges for service	770,797	-	-	770,797
Licenses and permits	851,895	-	-	851,895
Intergovernmental	2,994,705	525	-	2,995,230
Fees and charges	2,602,133	-	936,427	3,538,560
Interest	139,091	40,577	112,271	291,939
Miscellaneous	25,366	-	6,496	31,862
	<u>7,383,987</u>	<u>3,248,551</u>	<u>1,055,194</u>	<u>11,687,732</u>
<b>EXPENDITURES</b>				
Current:				
General government	91,114	-	-	91,114
Public safety	1,173,083	-	-	1,173,083
Highways and streets	3,832,040	-	-	3,832,040
Culture and recreation	500	-	475	975
Capital outlay	740,498	-	1,937,528	2,678,026
Debt service:				
Principal	-	2,245,000	-	2,245,000
Interest	-	835,500	-	835,500
	<u>5,837,235</u>	<u>3,080,500</u>	<u>1,938,003</u>	<u>10,855,738</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>1,546,752</u>	<u>168,051</u>	<u>(882,809)</u>	<u>831,994</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	926,300	-	42,450	968,750
Transfers out	(2,622,024)	-	(95,380)	(2,717,404)
	<u>(1,695,724)</u>	<u>-</u>	<u>(52,930)</u>	<u>(1,748,654)</u>
TOTAL OTHER FINANCING SOURCES (USES)				
	<u>(1,695,724)</u>	<u>-</u>	<u>(52,930)</u>	<u>(1,748,654)</u>
NET CHANGE IN FUND BALANCES				
	(148,972)	168,051	(935,739)	(916,660)
FUND BALANCES - beginning				
	<u>7,016,698</u>	<u>178,312</u>	<u>5,873,224</u>	<u>13,068,234</u>
FUND BALANCES - ending				
	<u><u>\$ 6,867,726</u></u>	<u><u>\$ 346,363</u></u>	<u><u>\$ 4,937,485</u></u>	<u><u>\$ 12,151,574</u></u>

**CITY OF TUALATIN, OREGON**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2023**

	<u>Building Fund</u>	<u>Road Utility Fee Fund</u>	<u>Road Operating Fund</u>	<u>Core Area Parking District Fund</u>
<b>ASSETS</b>				
Cash and investments	\$ 1,151,543	\$ 903,463	\$ 3,685,201	\$ 261,083
Due from other governments	3,225	-	163,489	-
Accounts receivable	-	166,662	979	1,327
Accrued interest receivable	5,058	3,879	16,295	1,147
Inventories	-	-	50,179	-
<b>TOTAL ASSETS</b>	<u><u>\$ 1,159,826</u></u>	<u><u>\$ 1,074,004</u></u>	<u><u>\$ 3,916,143</u></u>	<u><u>\$ 263,557</u></u>
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	116,524	132,784	104,519	518
Deposits	91,608	-	-	-
<b>TOTAL LIABILITIES</b>	<u>208,132</u>	<u>132,784</u>	<u>104,519</u>	<u>518</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Inventory	-	-	50,179	-
Restricted for:				
Building and engineering	951,694	-	-	-
Street and roadside maintenance	-	-	3,761,445	-
Urban renewal projects	-	-	-	-
Committed to:				
Pavement maintenance and street lighting	-	941,220	-	-
Parks capital and maintenance	-	-	-	-
Parking maintenance	-	-	-	263,039
Assigned to:				
Scholarships	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>951,694</u>	<u>941,220</u>	<u>3,811,624</u>	<u>263,039</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 1,159,826</u></u>	<u><u>\$ 1,074,004</u></u>	<u><u>\$ 3,916,143</u></u>	<u><u>\$ 263,557</u></u>

Tualatin Scholarship Fund	Parks Utility Fee Fund	Economic Development Administration Fund	Total
\$ 49,864	\$ 618,434	\$ 202,107	\$ 6,871,695
-	20,724	-	187,438
-	68,197	-	237,165
219	2,716	888	30,202
-	-	-	50,179
<u>\$ 50,083</u>	<u>\$ 710,071</u>	<u>\$ 202,995</u>	<u>\$ 7,376,679</u>
-	8,000	55,000	\$ 417,345
-	-	-	91,608
-	8,000	55,000	508,953
-	-	-	50,179
-	-	-	951,694
-	-	-	3,761,445
-	-	147,995	147,995
-	-	-	941,220
-	702,071	-	702,071
-	-	-	263,039
<u>50,083</u>	<u>-</u>	<u>-</u>	<u>50,083</u>
<u>50,083</u>	<u>702,071</u>	<u>147,995</u>	<u>6,867,726</u>
<u>\$ 50,083</u>	<u>\$ 710,071</u>	<u>\$ 202,995</u>	<u>\$ 7,376,679</u>

**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, 2023**

	<u>Building Fund</u>	<u>Road Utility Fee Fund</u>	<u>Road Operating Fund</u>
<b>REVENUES</b>			
Charges for service	\$ 770,797	\$ -	\$ -
Licenses and permits	851,895	-	-
Intergovernmental	-	-	2,994,705
Fees and charges	7,462	1,794,718	-
Interest	22,372	19,332	69,053
Miscellaneous	3,675	1,691	20,000
	<u>1,656,201</u>	<u>1,815,741</u>	<u>3,083,758</u>
<b>EXPENDITURES</b>			
Current:			
General government	-	-	-
Public safety	1,173,083	-	-
Highways and streets	-	2,291,142	1,531,954
Culture and recreation	-	-	-
Capital outlay	-	-	246,248
	<u>1,173,083</u>	<u>2,291,142</u>	<u>1,778,202</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>483,118</u>	<u>(475,401)</u>	<u>1,305,556</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	75,000	499,990	351,310
Transfers out	(522,838)	(422,189)	(1,306,087)
	<u>(447,838)</u>	<u>77,801</u>	<u>(954,777)</u>
NET CHANGE IN FUND BALANCES	35,280	(397,600)	350,779
FUND BALANCES - beginning	<u>916,414</u>	<u>1,338,820</u>	<u>3,460,845</u>
FUND BALANCES - ending	<u>\$ 951,694</u>	<u>\$ 941,220</u>	<u>\$ 3,811,624</u>



Core Area Parking District Fund	Tualatin Scholarship Fund	Parks Utility Fee Fund	Economic Development Administration Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ 770,797
-	-	-	-	851,895
-	-	-	-	2,994,705
83,640	-	716,313	-	2,602,133
4,800	1,002	11,466	11,066	139,091
-	-	-	-	25,366
<u>88,440</u>	<u>1,002</u>	<u>727,779</u>	<u>11,066</u>	<u>7,383,987</u>
19,214	-	-	71,900	91,114
-	-	-	-	1,173,083
-	-	8,944	-	3,832,040
-	500	-	-	500
-	-	494,250	-	740,498
<u>19,214</u>	<u>500</u>	<u>503,194</u>	<u>71,900</u>	<u>5,837,235</u>
<u>69,226</u>	<u>502</u>	<u>224,585</u>	<u>(60,834)</u>	<u>1,546,752</u>
-	-	-	-	926,300
<u>(34,920)</u>	<u>-</u>	<u>(112,110)</u>	<u>(223,880)</u>	<u>(2,622,024)</u>
<u>(34,920)</u>	<u>-</u>	<u>(112,110)</u>	<u>(223,880)</u>	<u>(1,695,724)</u>
34,306	502	112,475	(284,714)	(148,972)
<u>228,733</u>	<u>49,581</u>	<u>589,596</u>	<u>432,709</u>	<u>7,016,698</u>
<u>\$ 263,039</u>	<u>\$ 50,083</u>	<u>\$ 702,071</u>	<u>\$ 147,995</u>	<u>\$ 6,867,726</u>

**CITY OF TUALATIN, OREGON**  
**NONMAJOR DEBT SERVICE FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2023**

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	General Obligation Bond Fund	Southwest Urban Renewal District Bond Fund	Total
<b>ASSETS</b>			
Cash and investments	\$ 193,250	\$ 133,397	\$ 326,647
Due from other governments	10,934	308	11,242
Property taxes receivable	48,890	1,322	50,212
Accrued interest receivable	849	586	1,435
	<u>253,923</u>	<u>135,613</u>	<u>389,536</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 253,923</u></b>	<b><u>\$ 135,613</u></b>	<b><u>\$ 389,536</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property tax revenue	42,123	1,050	43,173
	<u>42,123</u>	<u>1,050</u>	<u>43,173</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b><u>42,123</u></b>	<b><u>1,050</u></b>	<b><u>43,173</u></b>
<b>FUND BALANCES</b>			
Restricted for:			
Debt service payments	211,800	134,563	346,363
	<u>211,800</u>	<u>134,563</u>	<u>346,363</u>
<b>TOTAL FUND BALANCES</b>	<b><u>211,800</u></b>	<b><u>134,563</u></b>	<b><u>346,363</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 253,923</u></b>	<b><u>\$ 135,613</u></b>	<b><u>\$ 389,536</u></b>

**CITY OF TUALATIN, OREGON**  
**NONMAJOR DEBT SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended June 30, 2023**

	General Obligation Bond Fund	Southwest Urban Renewal District Bond Fund	Total
<b>REVENUES</b>			
Property taxes	\$ 3,072,722	\$ 134,727	\$ 3,207,449
Intergovernmental	502	23	525
Interest	40,764	(187)	40,577
<b>TOTAL REVENUES</b>	<b>3,113,988</b>	<b>134,563</b>	<b>3,248,551</b>
<b>EXPENDITURES</b>			
Debt service:			
Principal	2,245,000	-	2,245,000
Interest	835,500	-	835,500
<b>TOTAL EXPENDITURES</b>	<b>3,080,500</b>	<b>-</b>	<b>3,080,500</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>33,488</b>	<b>134,563</b>	<b>168,051</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>33,488</b>	<b>134,563</b>	<b>168,051</b>
FUND BALANCES - beginning	178,312	-	178,312
FUND BALANCES - ending	<u>\$ 211,800</u>	<u>\$ 134,563</u>	<u>\$ 346,363</u>

**CITY OF TUALATIN, OREGON**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2023**

	Tualatin City Services Building Fund	Park Development Fund	Leveton Tax Increment District Project Fund	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 98,295	\$ 2,713,062	\$ 2,977,913	\$ 5,789,270
Accrued interest receivable	432	11,917	13,081	25,430
<b>TOTAL ASSETS</b>	<b>\$ 98,727</b>	<b>\$ 2,724,979</b>	<b>\$ 2,990,994</b>	<b>\$ 5,814,700</b>
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	-	767,034	106,659	\$ 873,693
Retainage payable	-	-	3,522	3,522
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>767,034</b>	<b>110,181</b>	<b>877,215</b>
<b>FUND BALANCES</b>				
Restricted for:				
Capital projects	98,727	1,957,945	-	2,056,672
Urban renewal projects	-	-	2,880,813	2,880,813
<b>TOTAL FUND BALANCES</b>	<b>98,727</b>	<b>1,957,945</b>	<b>2,880,813</b>	<b>4,937,485</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 98,727</b>	<b>\$ 2,724,979</b>	<b>\$ 2,990,994</b>	<b>\$ 5,814,700</b>

**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, 2023**

	Tualatin City Services Building Fund	Park Development Fund	Leveton Tax Increment District Project Fund	Total
<b>REVENUES</b>				
Fees and charges	\$ -	\$ 936,427	\$ -	936,427
Interest	16,170	35,565	60,536	112,271
Miscellaneous	6,496	-	-	6,496
<b>TOTAL REVENUES</b>	<u>22,666</u>	<u>971,992</u>	<u>60,536</u>	<u>1,055,194</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	-	475	-	475
Capital outlay	483,371	1,308,856	145,301	1,937,528
<b>TOTAL EXPENDITURES</b>	<u>483,371</u>	<u>1,309,331</u>	<u>145,301</u>	<u>1,938,003</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(460,705)</u>	<u>(337,339)</u>	<u>(84,765)</u>	<u>(882,809)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	42,450	-	42,450
Transfers out	-	(95,380)	-	(95,380)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>(52,930)</u>	<u>-</u>	<u>(52,930)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(460,705)	(390,269)	(84,765)	(935,739)
FUND BALANCES - beginning	559,432	2,348,214	2,965,578	5,873,224
FUND BALANCES - ending	<u>\$ 98,727</u>	<u>\$ 1,957,945</u>	<u>\$ 2,880,813</u>	<u>\$ 4,937,485</u>

## **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
  - Building Fund
  - Road Utility Fee Fund
  - Road Operating Fund
  - Core Area Parking District Fund
  - Tualatin Scholarship Fund
  - Parks Utility Fee Fund
  - Economic Development Administration Fund
  
- Nonmajor Debt Service Funds
  - General Obligation Bond Fund
  - Southwest Urban Renewal District Bond Fund
  
- Nonmajor Capital Project Funds
  - Tualatin City Services Building Fund
  - Park Development Fund
  - Leveton Tax Increment District Project Fund

**CITY OF TUALATIN, OREGON**  
**BUILDING FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Charges for service	\$ 442,400	\$ 442,400	\$ 770,797	\$ 328,397
Licenses and permits	541,925	541,925	851,895	309,970
Fees and charges	5,350	5,350	7,462	2,112
Interest	6,880	6,880	30,235	23,355
Miscellaneous	200	200	3,675	3,475
<b>TOTAL REVENUES</b>	<b>996,755</b>	<b>996,755</b>	<b>1,664,064</b>	<b>667,309</b>
<b>EXPENDITURES</b>				
Current:				
Personal Services	1,067,915	1,070,915	1,070,428	487
Materials and service	89,250	94,250	102,655	(8,405)
Contingency	252,000	244,000	-	244,000
<b>TOTAL EXPENDITURES</b>	<b>1,409,165</b>	<b>1,409,165</b>	<b>1,173,083</b>	<b>236,082</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(412,410)</b>	<b>(412,410)</b>	<b>490,981</b>	<b>903,391</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	75,000	75,000	75,000	-
Transfers out	(522,840)	(522,840)	(522,838)	2
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(447,840)</b>	<b>(447,840)</b>	<b>(447,838)</b>	<b>2</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(860,250)</b>	<b>(860,250)</b>	<b>43,143</b>	<b>903,393</b>
FUND BALANCE - beginning	980,180	980,180	934,356	(45,824)
FUND BALANCE - ending	<u>\$ 119,930</u>	<u>\$ 119,930</u>	977,499	<u>\$ 857,569</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(25,805)	
Fund balance - GAAP basis			<u>\$ 951,694</u>	

**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, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Fees and charges	\$ 1,770,035	\$ 1,770,035	\$ 1,794,718	\$ 24,683
Interest	14,875	14,875	18,418	3,543
Miscellaneous	-	-	1,691	1,691
<b>TOTAL REVENUES</b>	<u>1,784,910</u>	<u>1,784,910</u>	<u>1,814,827</u>	<u>29,917</u>
<b>EXPENDITURES</b>				
Current:				
Materials and service	2,345,910	2,345,910	2,291,142	54,768
Contingency	415,215	415,215	-	415,215
<b>TOTAL EXPENDITURES</b>	<u>2,761,125</u>	<u>2,761,125</u>	<u>2,291,142</u>	<u>469,983</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(976,215)</u>	<u>(976,215)</u>	<u>(476,315)</u>	<u>499,900</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	499,990	499,990	499,990	-
Transfers out	(422,200)	(422,200)	(422,189)	11
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>77,790</u>	<u>77,790</u>	<u>77,801</u>	<u>11</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(898,425)</u>	<u>(898,425)</u>	<u>(398,514)</u>	<u>499,911</u>
<b>FUND BALANCE - beginning</b>	<u>1,639,140</u>	<u>1,639,140</u>	<u>1,359,979</u>	<u>(279,161)</u>
<b>FUND BALANCE - ending</b>	<u>\$ 740,715</u>	<u>\$ 740,715</u>	<u>961,465</u>	<u>\$ 220,750</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>(20,245)</u>	
<b>Fund balance - GAAP basis</b>			<u>\$ 941,220</u>	



**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, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 2,736,160	\$ 2,736,160	\$ 2,994,705	\$ 258,545
Interest	25,560	25,560	91,966	66,406
Miscellaneous	-	-	20,000	20,000
<b>TOTAL REVENUES</b>	<b>2,761,720</b>	<b>2,761,720</b>	<b>3,106,671</b>	<b>344,951</b>
<b>EXPENDITURES</b>				
Current:				
Personal Services	695,280	695,280	578,881	116,399
Materials and service	1,150,425	1,150,425	953,073	197,352
Capital outlay	506,000	506,000	246,248	259,752
Contingency	548,675	548,675	-	548,675
<b>TOTAL EXPENDITURES</b>	<b>2,900,380</b>	<b>2,900,380</b>	<b>1,778,202</b>	<b>1,122,178</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(138,660)</b>	<b>(138,660)</b>	<b>1,328,469</b>	<b>1,467,129</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	351,310	351,310	351,310	-
Transfers out	(1,306,120)	(1,306,120)	(1,306,087)	33
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(954,810)</b>	<b>(954,810)</b>	<b>(954,777)</b>	<b>33</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,093,470)</b>	<b>(1,093,470)</b>	<b>373,692</b>	<b>1,467,162</b>
FUND BALANCE - beginning	2,813,340	2,813,340	3,520,513	707,173
FUND BALANCE - ending	<u>\$ 1,719,870</u>	<u>\$ 1,719,870</u>	3,894,205	<u>\$ 2,174,335</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(82,581)	
Fund balance - GAAP basis			<u>\$ 3,811,624</u>	

**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, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Fees and charges	\$ 68,000	\$ 68,000	\$ 83,640	\$ 15,640
Interest	2,000	2,000	6,616	4,616
<b>TOTAL REVENUES</b>	<b>70,000</b>	<b>70,000</b>	<b>90,256</b>	<b>20,256</b>
<b>EXPENDITURES</b>				
Current:				
Materials and service	29,400	29,400	19,214	10,186
Capital outlay	40,000	40,000	-	40,000
Contingency	14,625	14,625	-	14,625
<b>TOTAL EXPENDITURES</b>	<b>84,025</b>	<b>84,025</b>	<b>19,214</b>	<b>64,811</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(14,025)</b>	<b>(14,025)</b>	<b>71,042</b>	<b>85,067</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(34,920)	(34,920)	(34,920)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(34,920)</b>	<b>(34,920)</b>	<b>(34,920)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(48,945)</b>	<b>(48,945)</b>	<b>36,122</b>	<b>85,067</b>
FUND BALANCE - beginning	253,100	253,100	232,768	(20,332)
FUND BALANCE - ending	<u>\$ 204,155</u>	<u>\$ 204,155</u>	268,890	<u>\$ 64,735</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(5,851)	
Fund balance - GAAP basis			<u>\$ 263,039</u>	

**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, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Interest	\$ 500	\$ 500	\$ 1,252	\$ 752
TOTAL REVENUES	500	500	1,252	752
<b>EXPENDITURES</b>				
Current:				
Materials and service	500	500	500	-
TOTAL EXPENDITURES	500	500	500	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	752	752
<b>OTHER FINANCING SOURCES (USES)</b>				
NET CHANGE IN FUND BALANCE	-	-	752	752
FUND BALANCE - beginning	50,410	50,410	50,448	38
FUND BALANCE - ending	\$ 50,410	\$ 50,410	51,200	\$ 790
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(1,117)	
Fund balance - GAAP basis			\$ 50,083	

**CITY OF TUALATIN, OREGON**  
**PARKS UTILITY FEE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Fees and charges	\$ 678,440	\$ 678,440	\$ 716,313	\$ 37,873
Interest	3,480	3,480	16,087	12,607
<b>TOTAL REVENUES</b>	<b>681,920</b>	<b>681,920</b>	<b>732,400</b>	<b>50,480</b>
<b>EXPENDITURES</b>				
Current:				
Materials and service	9,600	9,600	8,944	656
Capital outlay	1,042,000	1,042,000	494,250	547,750
Contingency	132,690	132,690	-	132,690
<b>TOTAL EXPENDITURES</b>	<b>1,184,290</b>	<b>1,184,290</b>	<b>503,194</b>	<b>681,096</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(502,370)</b>	<b>(502,370)</b>	<b>229,206</b>	<b>731,576</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(112,110)	(112,110)	(112,110)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(112,110)</b>	<b>(112,110)</b>	<b>(112,110)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(614,480)</b>	<b>(614,480)</b>	<b>117,096</b>	<b>731,576</b>
<b>FUND BALANCE - beginning</b>	<b>614,480</b>	<b>614,480</b>	<b>598,833</b>	<b>(15,647)</b>
<b>FUND BALANCE - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>715,929</b>	<b>\$ 715,929</b>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(13,858)	
<b>Fund balance - GAAP basis</b>			<b>\$ 702,071</b>	

**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, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Interest	\$ 3,600	\$ 3,600	\$ 6,955	\$ 3,355
TOTAL REVENUES	3,600	3,600	6,955	3,355
<b>EXPENDITURES</b>				
Current:				
Materials and service	438,400	438,400	71,900	366,500
Contingency	30,230	30,230	-	30,230
TOTAL EXPENDITURES	468,630	468,630	71,900	396,730
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(465,030)	(465,030)	(64,945)	400,085
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(223,880)	(223,880)	(223,880)	-
TOTAL OTHER FINANCING SOURCES (USES)	(223,880)	(223,880)	(223,880)	-
NET CHANGE IN FUND BALANCE	(688,910)	(688,910)	(288,825)	400,085
FUND BALANCE - beginning	688,910	688,910	441,349	(247,561)
FUND BALANCE - ending	\$ -	\$ -	152,524	\$ 152,524
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(4,529)	
Fund balance - GAAP basis			\$ 147,995	

**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, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 3,022,850	\$ 3,022,850	\$ 3,072,722	\$ 49,872
Intergovernmental	-	-	502	502
Interest	7,650	7,650	42,216	34,566
<b>TOTAL REVENUES</b>	<u>3,030,500</u>	<u>3,030,500</u>	<u>3,115,440</u>	<u>84,940</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	2,245,000	2,245,000	2,245,000	-
Interest	835,500	835,500	835,500	-
<b>TOTAL EXPENDITURES</b>	<u>3,080,500</u>	<u>3,080,500</u>	<u>3,080,500</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(50,000)</u>	<u>(50,000)</u>	<u>34,940</u>	<u>84,940</u>
<b>NET CHANGE IN FUND BALANCE</b>	(50,000)	(50,000)	34,940	84,940
<b>FUND BALANCE - beginning</b>	<u>125,000</u>	<u>125,000</u>	<u>181,190</u>	<u>56,190</u>
<b>FUND BALANCE - ending</b>	<u>\$ 75,000</u>	<u>\$ 75,000</u>	216,130	<u>\$ 141,130</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>(4,330)</u>	
<b>Fund balance - GAAP basis</b>			<u>\$ 211,800</u>	

**CITY OF TUALATIN, OREGON**  
**SOUTHWEST URBAN RENEWAL DISTRICT BOND FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2023**

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	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 62,015	\$ 62,015	\$ 134,727	\$ 72,712
Intergovernmental	-	-	23	23
Interest	315	315	2,802	2,487
	<u>62,330</u>	<u>62,330</u>	<u>137,552</u>	<u>75,222</u>
TOTAL REVENUES				
	<u>62,330</u>	<u>62,330</u>	<u>137,552</u>	<u>75,222</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>62,330</u>	<u>62,330</u>	<u>137,552</u>	<u>75,222</u>
NET CHANGE IN FUND BALANCE	62,330	62,330	137,552	75,222
FUND BALANCE - beginning	-	-	-	-
FUND BALANCE - ending	<u>\$ 62,330</u>	<u>\$ 62,330</u>	137,552	<u>\$ 75,222</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>(2,989)</u>	
Fund balance - GAAP basis			<u>\$ 134,563</u>	

**CITY OF TUALATIN, OREGON**  
**TUALATIN CITY SERVICES BUILDING FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Interest	\$ 750	\$ 750	\$ 7,506	\$ 6,756
Miscellaneous	-	-	6,496	6,496
<b>TOTAL REVENUES</b>	<u>750</u>	<u>750</u>	<u>14,002</u>	<u>13,252</u>
<b>EXPENDITURES</b>				
Current:				
Capital outlay	<u>660,000</u>	<u>660,000</u>	<u>483,371</u>	<u>176,629</u>
<b>TOTAL EXPENDITURES</b>	<u>660,000</u>	<u>660,000</u>	<u>483,371</u>	<u>176,629</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(659,250)</u>	<u>(659,250)</u>	<u>(469,369)</u>	<u>189,881</u>
<b>NET CHANGE IN FUND BALANCE</b>	(659,250)	(659,250)	(469,369)	189,881
<b>FUND BALANCE - beginning</b>	<u>659,250</u>	<u>659,250</u>	<u>570,299</u>	<u>(88,951)</u>
<b>FUND BALANCE - ending</b>	<u>\$ -</u>	<u>\$ -</u>	100,930	<u>\$ 100,930</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>(2,203)</u>	
<b>Fund balance - GAAP basis</b>			<u>\$ 98,727</u>	



**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, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 1,581,005	\$ -	\$ (1,581,005)
Fees and charges	1,079,040	1,079,040	936,427	(142,613)
Interest	7,580	7,580	54,697	47,117
<b>TOTAL REVENUES</b>	<u>1,086,620</u>	<u>2,667,625</u>	<u>991,124</u>	<u>(1,676,501)</u>
<b>EXPENDITURES</b>				
Current:				
Materials and service	5,000	5,000	475	4,525
Capital outlay	2,500,850	4,081,855	1,308,856	2,772,999
<b>TOTAL EXPENDITURES</b>	<u>2,505,850</u>	<u>4,086,855</u>	<u>1,309,331</u>	<u>2,777,524</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,419,230)</u>	<u>(1,419,230)</u>	<u>(318,207)</u>	<u>1,101,023</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	42,450	42,450	42,450	-
Transfers out	(95,380)	(95,380)	(95,380)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(52,930)</u>	<u>(52,930)</u>	<u>(52,930)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,472,160)	(1,472,160)	(371,137)	1,101,023
<b>FUND BALANCE - beginning</b>	<u>1,516,950</u>	<u>1,516,950</u>	<u>2,389,878</u>	<u>872,928</u>
<b>FUND BALANCE - ending</b>	<u>\$ 44,790</u>	<u>\$ 44,790</u>	2,018,741	<u>\$ 1,973,951</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>(60,796)</u>	
<b>Fund balance - GAAP basis</b>			<u>\$ 1,957,945</u>	

**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, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Interest	\$ 10,000	\$ 10,000	\$ 75,382	\$ 65,382
TOTAL REVENUES	10,000	10,000	75,382	65,382
<b>EXPENDITURES</b>				
Current:				
Capital outlay	3,010,000	3,010,000	145,301	2,864,699
TOTAL EXPENDITURES	3,010,000	3,010,000	145,301	2,864,699
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,000,000)	(3,000,000)	(69,919)	2,930,081
NET CHANGE IN FUND BALANCE	(3,000,000)	(3,000,000)	(69,919)	2,930,081
FUND BALANCE - beginning	3,000,000	3,000,000	3,017,463	17,463
FUND BALANCE - ending	\$ -	\$ -	2,947,544	\$ 2,947,544
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(66,731)	
Fund balance - GAAP basis			\$ 2,880,813	

## **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, 2023**

	Water Fund	Water Development Fund	Enterprise Bond Fund	Total Water Operations
<b>REVENUES</b>				
Charges for service	\$ 8,615,391	\$ -	\$ -	\$ 8,615,391
Fees and charges	14,352	334,698	-	349,050
Interest	264,854	41,541	11,273	317,668
Miscellaneous	11,311	-	-	11,311
<b>TOTAL REVENUES</b>	<b>8,905,908</b>	<b>376,239</b>	<b>11,273</b>	<b>9,293,420</b>
<b>EXPENDITURES</b>				
Current:				
Personal Services	964,860	-	-	964,860
Materials and service	3,712,733	-	495	3,713,228
Capital outlay	1,011,980	-	-	1,011,980
Debt service:				
Principal	-	-	852,285	852,285
Interest	-	-	141,055	141,055
<b>TOTAL EXPENDITURES</b>	<b>5,689,573</b>	<b>-</b>	<b>993,835</b>	<b>6,683,408</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,216,335</b>	<b>376,239</b>	<b>(982,562)</b>	<b>2,610,012</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	475,576	-	868,340	1,343,916
Transfers out	(1,805,844)	(491,826)	-	(2,297,670)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,330,268)</b>	<b>(491,826)</b>	<b>868,340</b>	<b>(953,754)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>1,886,067</b>	<b>(115,587)</b>	<b>(114,222)</b>	<b>1,656,258</b>
<b>FUND BALANCE - beginning</b>	<b>9,632,344</b>	<b>1,512,486</b>	<b>557,753</b>	<b>11,702,583</b>
<b>FUND BALANCE - ending</b>	<b>\$ 11,518,411</b>	<b>\$ 1,396,899</b>	<b>\$ 443,531</b>	<b>13,358,841</b>
<b>RECONCILIATION TO NET POSITION - GAAP BASIS</b>				
Adjustment for unrealized gain (loss) on investments				(284,762)
Adjustment for compensated absences being accrued				(50,820)
Adjustment for other post employment benefit related deferred outflows of resources being accrued				7,675
Adjustment for other post employment benefit related deferred inflows of resources being accrued				(11,392)
Adjustment for net other post employment benefit liability being accrued				(29,809)
Adjustment for net pension liability being accrued				(768,029)
Adjustment for pension related deferred outflows of resources being accrued				340,334
Adjustment for pension related deferred inflows of resources being accrued				(272,848)
Adjustment for interest payable being accrued				(4,446)
Adjustment for capital assets not being depreciated				1,734,761
Adjustment for capital assets, net of accumulated depreciation				26,776,535
Adjustment for bonds payable, due within one year				(465,000)
Adjustment for long term bonds payable				(995,000)
Adjustment for bond premium				(80,999)
Adjustment for deferred charge on refunding				49,175
<b>NET POSITION - GAAP BASIS</b>				<b>\$ 39,304,216</b>

**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, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Charges for service	7,694,230	7,694,230	8,615,391	921,161
Fees and charges	26,500	26,500	14,352	(12,148)
Interest	69,445	69,445	264,854	195,409
Miscellaneous	2,200	2,200	11,311	9,111
<b>TOTAL REVENUES</b>	<b>7,792,375</b>	<b>7,792,375</b>	<b>8,905,908</b>	<b>1,113,533</b>
<b>EXPENDITURES</b>				
Current:				
Personal Services	959,055	965,055	964,860	195
Materials and service	3,978,900	3,978,900	3,712,733	266,167
Capital outlay	5,470,000	5,470,000	1,011,980	4,458,020
Contingency	1,832,085	1,826,085	-	1,826,085
<b>TOTAL EXPENDITURES</b>	<b>12,240,040</b>	<b>12,240,040</b>	<b>5,689,573</b>	<b>6,550,467</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(4,447,665)</b>	<b>(4,447,665)</b>	<b>3,216,335</b>	<b>7,664,000</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,598,000	1,598,000	475,576	(1,122,424)
Transfers out	(1,805,940)	(1,805,940)	(1,805,844)	96
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(207,940)</b>	<b>(207,940)</b>	<b>(1,330,268)</b>	<b>(1,122,328)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(4,655,605)</b>	<b>(4,655,605)</b>	<b>1,886,067</b>	<b>6,541,672</b>
<b>FUND BALANCE - beginning</b>	<b>8,352,520</b>	<b>8,352,520</b>	<b>9,632,344</b>	<b>1,279,824</b>
<b>FUND BALANCE - ending</b>	<b>\$ 3,696,915</b>	<b>\$ 3,696,915</b>	<b>\$ 11,518,411</b>	<b>\$ 7,821,496</b>

**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, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Fees and charges	250,000	250,000	334,698	84,698
Interest	7,050	7,050	41,541	34,491
<b>TOTAL REVENUES</b>	<b>257,050</b>	<b>257,050</b>	<b>376,239</b>	<b>119,189</b>
<b>EXPENDITURES</b>				
Contingency	52,810	52,810	-	52,810
<b>TOTAL EXPENDITURES</b>	<b>52,810</b>	<b>52,810</b>	<b>-</b>	<b>52,810</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>204,240</b>	<b>204,240</b>	<b>376,239</b>	<b>171,999</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(1,614,250)	(1,614,250)	(491,826)	1,122,424
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,614,250)</b>	<b>(1,614,250)</b>	<b>(491,826)</b>	<b>1,122,424</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,410,010)</b>	<b>(1,410,010)</b>	<b>(115,587)</b>	<b>1,294,423</b>
FUND BALANCE - beginning	1,410,010	1,410,010	1,512,486	102,476
FUND BALANCE - ending	\$ -	\$ -	\$ 1,396,899	\$ 1,396,899

**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, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Interest	2,625	2,625	11,273	8,648
<b>TOTAL REVENUES</b>	<b>2,625</b>	<b>2,625</b>	<b>11,273</b>	<b>8,648</b>
<b>EXPENDITURES</b>				
Current:				
Materials and service	495	495	495	-
Debt service:				
Principal	852,570	852,570	852,285	285 *
Interest	141,000	141,000	141,055	(55) *
<b>TOTAL EXPENDITURES</b>	<b>994,065</b>	<b>994,065</b>	<b>993,835</b>	<b>230</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(991,440)</b>	<b>(991,440)</b>	<b>(982,562)</b>	<b>8,878</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	868,575	868,575	868,340	(235)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>868,575</b>	<b>868,575</b>	<b>868,340</b>	<b>(235)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(122,865)</b>	<b>(122,865)</b>	<b>(114,222)</b>	<b>8,643</b>
FUND BALANCE - beginning	524,885	524,885	557,753	32,868
FUND BALANCE - ending	<u>\$ 402,020</u>	<u>\$ 402,020</u>	<u>\$ 443,531</u>	<u>\$ 41,511</u>

\* 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, 2023**

	<u>Sewer Fund</u>	<u>Sewer Development Fund</u>	<u>Total Sewer Operations</u>
<b>REVENUES</b>			
Charges for service	\$ 9,840,416	\$ -	\$ 9,840,416
Intergovernmental	-	-	-
Fees and charges	-	1,097,427	1,097,427
Interest	69,464	92,583	162,047
Miscellaneous	306,658	-	306,658
<b>TOTAL REVENUES</b>	<u>10,216,538</u>	<u>1,190,010</u>	<u>11,406,548</u>
<b>EXPENDITURES</b>			
Current:			
Personal Services	538,882	-	538,882
Materials and service	7,826,647	1,111,037	8,937,684
Capital outlay	339,143	-	339,143
<b>TOTAL EXPENDITURES</b>	<u>8,704,672</u>	<u>1,111,037</u>	<u>9,815,709</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,511,866</u>	<u>78,973</u>	<u>1,590,839</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	180,100	-	180,100
Transfers out	(1,241,166)	(21,830)	(1,262,996)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(1,061,066)</u>	<u>(21,830)</u>	<u>(1,082,896)</u>
<b>NET CHANGE IN FUND BALANCE</b>	450,800	57,143	507,943
<b>FUND BALANCE - beginning</b>	<u>2,900,830</u>	<u>3,681,880</u>	<u>6,582,710</u>
<b>FUND BALANCE - ending</b>	<u>\$ 3,351,630</u>	<u>\$ 3,739,023</u>	7,090,653
<b>RECONCILIATION TO NET POSITION - GAAP BASIS</b>			
Adjustment for unrealized gain (loss) on investments			(144,183)
Adjustment for compensated absences being accrued			(23,326)
Adjustment for other post employment benefit related deferred outflows of resources being accrued			3,864
Adjustment for other post employment benefit related deferred inflows of resources being accrued			(5,736)
Adjustment for net other post employment benefit liability being accrued			(15,009)
Adjustment for net pension liability being accrued			(386,686)
Adjustment for pension related deferred outflows of resources being accrued			171,351
Adjustment for pension related deferred inflows of resources being accrued			(137,373)
Adjustment for capital assets not being depreciated			1,230,400
Adjustment for capital assets, net of accumulated depreciation			<u>13,448,247</u>
<b>NET POSITION - GAAP BASIS</b>			<u>\$ 21,232,202</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, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Charges for service	\$ 9,697,125	\$ 9,697,125	\$ 9,840,416	\$ 143,291
Intergovernmental	1,126,700	1,126,700	-	(1,126,700)
Interest	24,160	24,160	69,464	45,304
Miscellaneous	-	-	306,658	306,658
<b>TOTAL REVENUES</b>	<b>10,847,985</b>	<b>10,847,985</b>	<b>10,216,538</b>	<b>(631,447)</b>
<b>EXPENDITURES</b>				
Current:				
Personal Services	542,860	542,860	538,882	3,978
Materials and service	7,954,660	7,954,660	7,826,647	128,013
Capital outlay	1,480,000	1,480,000	339,143	1,140,857
Contingency	1,637,345	1,637,345	-	1,637,345
<b>TOTAL EXPENDITURES</b>	<b>11,614,865</b>	<b>11,614,865</b>	<b>8,704,672</b>	<b>2,910,193</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(766,880)</b>	<b>(766,880)</b>	<b>1,511,866</b>	<b>2,278,746</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	231,100	231,100	180,100	(51,000)
Transfers out	(1,241,225)	(1,241,225)	(1,241,166)	59
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,010,125)</b>	<b>(1,010,125)</b>	<b>(1,061,066)</b>	<b>(50,941)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,777,005)</b>	<b>(1,777,005)</b>	<b>450,800</b>	<b>2,227,805</b>
<b>FUND BALANCE - beginning</b>	<b>1,897,700</b>	<b>1,897,700</b>	<b>2,900,830</b>	<b>1,003,130</b>
<b>FUND BALANCE - ending</b>	<b>\$ 120,695</b>	<b>\$ 120,695</b>	<b>\$ 3,351,630</b>	<b>\$ 3,230,935</b>

**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, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Fees and charges	\$ 600,000	\$ 1,300,000	\$ 1,097,427	\$ (202,573)
Interest	33,620	33,620	92,583	58,963
<b>TOTAL REVENUES</b>	<b>633,620</b>	<b>1,333,620</b>	<b>1,190,010</b>	<b>(143,610)</b>
<b>EXPENDITURES</b>				
Current:				
Materials and service	576,000	1,276,000	1,111,037	164,963
Contingency	3,371,090	3,371,090	-	3,371,090
<b>TOTAL EXPENDITURES</b>	<b>3,947,090</b>	<b>4,647,090</b>	<b>1,111,037</b>	<b>3,536,053</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(3,313,470)</b>	<b>(3,313,470)</b>	<b>78,973</b>	<b>3,392,443</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(72,830)	(72,830)	(21,830)	51,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(72,830)</b>	<b>(72,830)</b>	<b>(21,830)</b>	<b>51,000</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(3,386,300)</b>	<b>(3,386,300)</b>	<b>57,143</b>	<b>3,443,443</b>
<b>FUND BALANCE - beginning</b>	<b>3,386,300</b>	<b>3,386,300</b>	<b>3,681,880</b>	<b>295,580</b>
<b>FUND BALANCE - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,739,023</b>	<b>\$ 3,739,023</b>

**CITY OF TUALATIN, OREGON**  
**STORMWATER OPERATIONS COMBINED**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**For the Fiscal Year Ended June 30, 2023**

	Stormwater Fund	Stormwater Development Fund	Total Stormwater Operations
<b>REVENUES</b>			
Charges for service	\$ 3,821,591	\$ -	\$ 3,821,591
Fees and charges	25,717	90,764	116,481
Interest	186,357	13,402	199,759
Miscellaneous	7,051	-	7,051
<b>TOTAL REVENUES</b>	<b>4,040,716</b>	<b>104,166</b>	<b>4,144,882</b>
<b>EXPENDITURES</b>			
Current:			
Materials and service	1,575,612	-	1,575,612
Capital outlay	366,137	1,279	367,416
<b>TOTAL EXPENDITURES</b>	<b>1,941,749</b>	<b>1,279</b>	<b>1,943,028</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,098,967</b>	<b>102,887</b>	<b>2,201,854</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(1,044,227)	(24,000)	(1,068,227)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,044,227)</b>	<b>(24,000)</b>	<b>(1,068,227)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>1,054,740</b>	<b>78,887</b>	<b>1,133,627</b>
<b>FUND BALANCE - beginning</b>	<b>7,079,198</b>	<b>501,006</b>	<b>7,580,204</b>
<b>FUND BALANCE - ending</b>	<b>\$ 8,133,938</b>	<b>\$ 579,893</b>	<b>8,713,831</b>
<b>RECONCILIATION TO NET POSITION - GAAP BASIS</b>			
Adjustment for unrealized gain (loss) on investments			(185,151)
Adjustment for capital assets not being depreciated			8,833
Adjustment for capital assets, net of accumulated depreciation			4,146,175
<b>NET POSITION - GAAP BASIS</b>			<b>\$ 12,683,688</b>

**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, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Charges for service	\$ 3,769,410	\$ 3,769,410	\$ 3,821,591	\$ 52,181
Fees and charges	-	-	25,717	25,717
Interest	70,610	70,610	186,357	115,747
Miscellaneous	-	-	7,051	7,051
<b>TOTAL REVENUES</b>	<b>3,840,020</b>	<b>3,840,020</b>	<b>4,040,716</b>	<b>200,696</b>
<b>EXPENDITURES</b>				
Current:				
Materials and service	1,750,030	1,750,030	1,575,612	174,418
Capital outlay	1,245,000	1,245,000	366,137	878,863
Contingency	605,895	605,895	-	605,895
<b>TOTAL EXPENDITURES</b>	<b>3,600,925</b>	<b>3,600,925</b>	<b>1,941,749</b>	<b>1,659,176</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>239,095</b>	<b>239,095</b>	<b>2,098,967</b>	<b>1,859,872</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(1,044,260)	(1,044,260)	(1,044,227)	33
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,044,260)</b>	<b>(1,044,260)</b>	<b>(1,044,227)</b>	<b>33</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(805,165)</b>	<b>(805,165)</b>	<b>1,054,740</b>	<b>1,859,905</b>
<b>FUND BALANCE - beginning</b>	<b>6,724,685</b>	<b>6,724,685</b>	<b>7,079,198</b>	<b>354,513</b>
<b>FUND BALANCE - ending</b>	<b>\$ 5,919,520</b>	<b>\$ 5,919,520</b>	<b>\$ 8,133,938</b>	<b>\$ 2,214,418</b>

**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, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Fees and charges	\$ 10,000	\$ 10,000	\$ 90,764	\$ 80,764
Interest	4,440	4,440	13,402	8,962
<b>TOTAL REVENUES</b>	<b>14,440</b>	<b>14,440</b>	<b>104,166</b>	<b>89,726</b>
<b>EXPENDITURES</b>				
Current:				
Capital outlay	160,000	160,000	1,279	158,721
Contingency	360,230	360,230	-	360,230
<b>TOTAL EXPENDITURES</b>	<b>520,230</b>	<b>520,230</b>	<b>1,279</b>	<b>518,951</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(505,790)</b>	<b>(505,790)</b>	<b>102,887</b>	<b>608,677</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(24,000)	(24,000)	(24,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(24,000)</b>	<b>(24,000)</b>	<b>(24,000)</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(529,790)</b>	<b>(529,790)</b>	<b>78,887</b>	<b>608,677</b>
FUND BALANCE - beginning	529,790	529,790	501,006	(28,784)
FUND BALANCE - ending	\$ -	\$ -	\$ 579,893	\$ 579,893

## **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, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Charges for service	\$ 857,960	\$ 857,960	\$ 857,960	\$ -
Interest	8,990	8,990	40,626	31,636
<b>TOTAL REVENUES</b>	<u>866,950</u>	<u>866,950</u>	<u>898,586</u>	<u>31,636</u>
<b>EXPENDITURES</b>				
Capital outlay	245,000	245,000	106,040	138,960
<b>TOTAL EXPENDITURES</b>	<u>245,000</u>	<u>245,000</u>	<u>106,040</u>	<u>138,960</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	621,950	621,950	792,546	170,596
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales of general capital assets	-	-	54,712	54,712
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>54,712</u>	<u>54,712</u>
NET CHANGE IN FUND BALANCE	621,950	621,950	847,258	225,308
FUND BALANCE - beginning	730,000	730,000	1,070,738	340,738
FUND BALANCE - ending	<u>\$ 1,351,950</u>	<u>\$ 1,351,950</u>	1,917,996	<u>\$ 566,046</u>
<b>RECONCILIATION TO NET POSITION - GAAP BASIS</b>				
Adjustment for unrealized gain (loss) on investments			(41,422)	
Adjustment for capital assets not being depreciated			7,199	
Adjustment for capital assets, net of accumulated depreciation			1,315,036	
<b>NET POSITION - GAAP BASIS</b>			<u>\$ 3,198,809</u>	

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## **OTHER FINANCIAL SCHEDULES**



**CITY OF TUALATIN, OREGON**  
**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES**  
**For the Fiscal Year Ended June 30, 2023**

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2022</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, 2023</u>
2022-2023	\$ -	\$ 15,634,346	\$ (425,202)	\$ 2,064	\$ (75,973)	\$ (14,983,875)	\$ 151,360
2021-2022	148,599	-	(104)	4,206	(4,610)	(101,213)	46,878
2020-2021	48,789	-	(35)	2,644	976	(27,580)	24,794
2019-2020	25,227	-	(49)	2,556	3,343	(20,574)	10,503
2018-2019	8,745	-	12	1,223	6,951	(13,066)	3,865
2017-2018	2,267	-	1	204	(50)	(773)	1,649
Prior years	6,753	-	-	165	(831)	(993)	5,094
Totals	<u>\$ 240,380</u>	<u>\$ 15,634,346</u>	<u>\$ (425,377)</u>	<u>\$ 13,062</u>	<u>\$ (70,194)</u>	<u>\$ (15,148,074)</u>	<u>\$ 244,143</u>

Taxes receivable classified by fund:

General Fund	\$ 193,931
General Obligation Bond Fund	48,890
Southwest Urban Renewal District Bond Fund	<u>1,322</u>
	<u>\$ 244,143</u>

**CITY OF TUALATIN, OREGON**  
**WATER FUND 5 YEAR HISTORICAL RESULTS**  
**For the Fiscal Year Ended June 30, 2023**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>REVENUES:</b>					
Charges for service	\$ 7,132,235	\$ 6,773,453	\$ 7,558,417	\$ 7,682,391	\$ 8,615,391
Fees and charges	31,052	26,868	19,150	3,210	14,352
Interest	160,473	139,399	76,614	63,813	264,854
Miscellaneous	7,305	352,861	2,750	4,700	11,311
Total revenues	<u>7,331,065</u>	<u>7,292,581</u>	<u>7,656,931</u>	<u>7,754,114</u>	<u>8,905,908</u>
<b>EXPENDITURES:</b>					
Current:					
Personal Services	638,853	810,544	830,520	882,871	964,860
Materials and service	2,959,293	3,495,769	3,439,601	3,171,708	3,712,733
Capital outlay	1,253,878	261,113	62,359	363,383	1,011,980
Total expenditures	<u>4,852,024</u>	<u>4,567,426</u>	<u>4,332,480</u>	<u>4,417,962</u>	<u>5,689,573</u>
Excess (deficiency) of revenues over expenditures	<u>2,479,041</u>	<u>2,725,155</u>	<u>3,324,451</u>	<u>3,336,152</u>	<u>3,216,335</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Internal loan proceeds	(335,000)	-	-	-	-
Transfers in	373,959	62,206	17,186	112,478	475,576
Transfers out	(2,080,970)	(2,854,270)	(1,961,600)	(1,945,928)	(1,805,844)
Total other financing sources (uses)	<u>(2,042,011)</u>	<u>(2,792,064)</u>	<u>(1,944,414)</u>	<u>(1,833,450)</u>	<u>(1,330,268)</u>
Net change in fund balances	437,030	(66,909)	1,380,037	1,502,702	1,886,067
<b>FUND BALANCES, BEGINNING BUDGETARY BASIS</b>	<u>6,379,484</u>	<u>6,816,514</u>	<u>6,749,605</u>	<u>8,129,642</u>	<u>9,632,344</u>
<b>FUND BALANCES, ENDING BUDGETARY BASIS</b>	<u>\$ 6,816,514</u>	<u>\$ 6,749,605</u>	<u>\$ 8,129,642</u>	<u>\$ 9,632,344</u>	<u>\$ 11,518,411</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**

	2023	2022 (restated)	2021	2020
<b>Governmental activities</b>				
Net investment in capital assets	\$ 91,228,899	\$ 87,045,666	\$ 88,344,914	\$ 86,795,235
Restricted for special purposes	31,549,668	26,390,038	19,707,511	23,120,100
Unrestricted	(4,470,786)	(1,498,011)	(1,540,508)	(2,190,512)
<i>Total governmental activities</i>	<u>\$ 118,307,781</u>	<u>\$ 111,937,693</u>	<u>\$ 106,511,917</u>	<u>\$ 107,724,823</u>
<b>Business-type activities</b>				
Net investment in capital assets	\$ 45,853,126	\$ 45,529,130	\$ 45,767,242	\$ 46,962,956
Restricted for special purposes	5,731,496	1,512,487	1,326,070	1,314,478
Unrestricted	21,635,484	22,842,280	20,360,715	18,280,153
<i>Total business-type activities net position</i>	<u>\$ 73,220,106</u>	<u>\$ 69,883,897</u>	<u>\$ 67,454,027</u>	<u>\$ 66,557,587</u>
<b>Primary government</b>				
Net investment in capital assets	\$ 137,082,025	\$ 132,574,796	\$ 134,112,156	\$ 133,758,191
Restricted for special purposes	37,281,164	27,902,525	21,033,581	24,434,578
Unrestricted	17,164,698	21,344,269	18,820,207	16,089,641
<i>Total primary government net position</i>	<u>\$ 191,527,887</u>	<u>\$ 181,821,590</u>	<u>\$ 173,965,944</u>	<u>\$ 174,282,410</u>



2019	2018	2017 (restated)	2016	2015 (restated)	2014 (restated)
\$ 88,026,572	\$ 87,689,070	\$ 89,406,263	\$ 92,714,377	\$ 92,025,421	\$ 93,651,852
17,883,651	17,684,108	15,999,817	15,691,594	16,106,005	12,939,222
(1,565,440)	(2,873,654)	(1,224,674)	(299,018)	5,747,426	8,205,348
<u>\$ 104,344,783</u>	<u>\$ 102,499,524</u>	<u>\$ 104,181,406</u>	<u>\$ 108,106,953</u>	<u>\$ 113,878,852</u>	<u>\$ 114,796,422</u>
\$ 47,494,937	\$ 48,401,428	\$ 47,820,158	\$ 48,485,673	\$ 48,216,410	\$ 47,293,914
5,429,897	5,665,182	5,326,945	5,309,622	5,042,785	5,148,228
14,634,231	13,190,009	11,159,067	9,882,033	8,860,551	9,296,215
<u>\$ 67,559,065</u>	<u>\$ 67,256,619</u>	<u>\$ 64,306,170</u>	<u>\$ 63,677,328</u>	<u>\$ 62,119,746</u>	<u>\$ 61,738,357</u>
\$ 135,521,509	\$ 136,090,498	\$ 137,226,421	\$ 141,200,050	\$ 140,241,831	\$ 140,945,766
23,313,548	23,349,290	21,326,762	21,001,216	21,148,790	18,087,450
13,068,791	10,316,355	9,934,393	9,583,015	14,607,977	17,501,563
<u>\$ 171,903,848</u>	<u>\$ 169,756,143</u>	<u>\$ 168,487,576</u>	<u>\$ 171,784,281</u>	<u>\$ 175,998,598</u>	<u>\$ 176,534,779</u>

**CITY OF TUALATIN**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**

	2023	2022	2021	2020
<b>Expenses</b>				
<i>Governmental activities:</i>				
General government	\$ 11,157,189	\$ 9,821,910	\$ 10,333,739	\$ 9,813,476
Public Safety	10,452,673	9,758,499	10,956,022	10,905,816
Highways and streets	8,135,001	6,560,718	6,540,062	6,755,745
Culture and recreation	6,238,210	5,724,066	6,089,919	6,453,498
Interest on long-term debt	501,784	582,242	677,481	757,327
<i>Total governmental activities expenses</i>	<u>36,484,857</u>	<u>32,447,435</u>	<u>34,597,223</u>	<u>34,685,862</u>
<i>Business-type activities</i>				
Charges for services				
Water	6,305,942	5,686,173	6,043,124	5,786,256
Sewer	10,080,898	10,735,959	8,656,337	8,830,709
Stormwater	1,843,112	1,999,040	1,601,097	1,575,023
<i>Total business-type activities expenses</i>	<u>18,229,952</u>	<u>18,421,172</u>	<u>16,300,558</u>	<u>16,191,988</u>
<i>Total Expenses</i>	<u>\$ 54,714,809</u>	<u>\$ 50,868,607</u>	<u>\$ 50,897,781</u>	<u>\$ 50,877,850</u>
<b>Program revenues</b>				
<i>Governmental activities</i>				
Charges for services				
General government	\$ 4,546,482	\$ 4,880,066	\$ 839,211	\$ 2,005,357
Public Safety	1,225,305	1,341,304	1,502,036	1,361,646
Highways and streets	3,150,462	4,274,540	2,342,771	3,662,253
Culture and recreation	321,431	102,839	107,960	289,944
Operating grants and contributions	771,076	165,185	1,306,028	533,644
Capital grants and contributions	2,614,776	305,433	479,582	365,513
<i>Total governmental activities program revenues</i>	<u>12,629,532</u>	<u>11,069,367</u>	<u>6,577,588</u>	<u>8,218,357</u>
<i>Business-type activities</i>				
Charges for services				
Water	8,964,441	7,987,031	7,626,402	6,976,940
Sewer	10,937,843	11,559,860	8,779,501	9,328,325
Stormwater	3,938,072	3,968,323	3,454,755	3,469,983
Operating grants and contributions	-	-	-	-
Capital grants and contributions	533,906	100,000	313,549	115,339
<i>Total business-type activities program revenues</i>	<u>24,374,262</u>	<u>23,615,214</u>	<u>20,174,207</u>	<u>19,890,587</u>
<i>Total program revenues</i>	<u>\$ 37,003,794</u>	<u>\$ 34,684,581</u>	<u>\$ 26,751,795</u>	<u>\$ 28,108,944</u>
<b>Net (expense)/revenues</b>				
<i>Governmental activities</i>	<u>\$ (23,855,325)</u>	<u>\$ (21,378,068)</u>	<u>\$ (28,019,635)</u>	<u>\$ (26,467,505)</u>
<i>Business-type activities</i>	<u>6,144,310</u>	<u>5,194,042</u>	<u>3,873,649</u>	<u>3,698,599</u>
<i>Total net expenses</i>	<u>\$ (17,711,015)</u>	<u>\$ (16,184,026)</u>	<u>\$ (24,145,986)</u>	<u>\$ (22,768,906)</u>

	2019	2018	2017	2016	2015	2014
\$	9,307,642	\$ 8,820,817	\$ 8,601,383	\$ 9,588,149	\$ 6,057,498	\$ 8,405,978
	9,618,099	9,395,927	9,376,700	11,314,546	5,942,679	7,027,399
	6,218,228	6,512,541	5,766,575	5,336,161	4,586,849	3,853,744
	5,915,477	5,807,210	5,610,846	5,989,878	3,769,534	5,200,979
	732,891	278,911	306,991	353,882	317,574	332,382
	<u>31,792,337</u>	<u>30,815,406</u>	<u>29,662,495</u>	<u>32,582,616</u>	<u>20,674,134</u>	<u>24,820,482</u>
	6,150,565	4,588,472	4,536,689	4,666,131	4,973,697	4,354,918
	8,654,399	7,988,987	7,974,785	8,406,184	7,392,084	6,704,634
	1,576,322	1,537,004	1,308,024	1,536,685	1,449,680	1,298,184
	<u>16,381,286</u>	<u>14,114,463</u>	<u>13,819,498</u>	<u>14,609,000</u>	<u>13,815,461</u>	<u>12,357,736</u>
\$	<u>48,173,623</u>	<u>\$ 44,929,869</u>	<u>\$ 43,481,993</u>	<u>\$ 47,191,616</u>	<u>\$ 34,489,595</u>	<u>\$ 37,178,218</u>
\$	1,328,911	\$ 1,828,717	\$ 1,552,827	\$ 1,811,857	\$ 2,497,798	\$ 1,540,697
	1,766,201	1,347,548	1,400,454	1,255,128	1,583,770	1,496,395
	3,123,244	3,838,628	1,841,947	2,650,628	2,613,764	1,326,187
	311,017	291,863	201,798	290,094	279,051	227,660
	179,956	147,249	209,704	146,802	482,911	629,043
	86,004	552,878	30,210	455,604	-	-
	<u>6,795,333</u>	<u>8,006,883</u>	<u>5,236,940</u>	<u>6,610,113</u>	<u>7,457,294</u>	<u>5,219,982</u>
	7,518,166	7,109,610	6,270,314	6,463,535	6,116,285	5,321,434
	8,624,206	8,480,478	8,273,184	8,886,824	7,771,356	7,083,579
	3,154,990	2,905,264	2,726,287	2,608,638	2,320,189	1,941,824
	-	-	-	-	-	-
	336,979	1,778,004	45,280	648,420	827,464	491,274
	<u>19,634,341</u>	<u>20,273,356</u>	<u>17,315,065</u>	<u>18,607,417</u>	<u>17,035,294</u>	<u>14,838,111</u>
\$	<u>26,429,674</u>	<u>\$ 28,280,239</u>	<u>\$ 22,552,005</u>	<u>\$ 25,217,530</u>	<u>\$ 24,492,588</u>	<u>\$ 20,058,093</u>
\$	(24,997,004)	\$ (22,808,523)	\$ (24,425,555)	\$ (25,972,503)	\$ (13,216,840)	\$ (19,600,500)
	3,253,055	6,158,893	3,495,567	3,998,417	3,219,833	2,480,375
\$	<u>(21,743,949)</u>	<u>\$ (16,649,630)</u>	<u>\$ (20,929,988)</u>	<u>\$ (21,974,086)</u>	<u>\$ (9,997,007)</u>	<u>\$ (17,120,125)</u>

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

	2023	2022	2021	2020
<b>General revenues and other changes in net position</b>				
Governmental activities				
Taxes and assessments	\$ 22,079,048	\$ 24,270,378	\$ 20,509,296	\$ 19,667,867
Licenses and permits	2,913,434	2,703,505	2,619,480	2,440,018
Miscellaneous	1,606,998	(297,902)	483,383	2,313,010
Transfers	3,625,933	3,219,370	3,194,570	5,426,650
	<u>30,225,413</u>	<u>29,895,351</u>	<u>26,806,729</u>	<u>29,847,545</u>
Total governmental activities	30,225,413	29,895,351	26,806,729	29,847,545
Business-type activities				
Miscellaneous	817,832	455,198	217,361	726,573
Transfers	(3,625,933)	(3,219,370)	(3,194,570)	(5,426,650)
	<u>(2,808,101)</u>	<u>(2,764,172)</u>	<u>(2,977,209)</u>	<u>(4,700,077)</u>
Total business-type activities	(2,808,101)	(2,764,172)	(2,977,209)	(4,700,077)
Total	<u>\$ 27,417,312</u>	<u>\$ 27,131,179</u>	<u>\$ 23,829,520</u>	<u>\$ 25,147,468</u>
<b>Change in net position</b>				
Governmental activities	\$ 6,370,088	\$ 8,517,283	\$ (1,212,906)	\$ 3,380,040
Business-type activities	3,336,209	2,429,870	896,440	(1,001,478)
	<u>9,706,297</u>	<u>10,947,153</u>	<u>(316,466)</u>	<u>2,378,562</u>
Total	<u>\$ 9,706,297</u>	<u>\$ 10,947,153</u>	<u>\$ (316,466)</u>	<u>\$ 2,378,562</u>

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2019	2018	2017	2016	2015	2014
\$ 19,073,250	\$ 15,363,366	\$ 14,680,977	\$ 15,397,943	\$ 14,298,091	\$ 12,725,359
2,429,676	2,366,393	2,192,857	2,197,426	2,213,242	2,135,959
1,833,807	725,044	524,761	404,888	929,624	287,931
<u>3,505,530</u>	<u>3,496,958</u>	<u>3,101,413</u>	<u>2,586,832</u>	<u>2,316,940</u>	<u>153,787</u>
26,842,263	21,951,761	20,500,008	20,587,089	19,757,897	15,303,036
554,921	311,671	234,688	145,997	89,399	101,941
<u>(3,505,530)</u>	<u>(3,496,958)</u>	<u>(3,101,413)</u>	<u>(2,586,832)</u>	<u>(2,316,940)</u>	<u>(153,787)</u>
(2,950,609)	(3,185,287)	(2,866,725)	(2,440,835)	(2,227,541)	(51,846)
<u>\$ 23,891,654</u>	<u>\$ 18,766,474</u>	<u>\$ 17,633,283</u>	<u>\$ 18,146,254</u>	<u>\$ 17,530,356</u>	<u>\$ 15,251,190</u>
\$ 1,845,259	\$ (856,762)	\$ (3,925,547)	\$ (5,385,414)	\$ 6,541,057	\$ (4,297,464)
<u>302,446</u>	<u>2,973,606</u>	<u>628,842</u>	<u>1,557,582</u>	<u>992,292</u>	<u>2,428,529</u>
<u>\$ 2,147,705</u>	<u>\$ 2,116,844</u>	<u>\$ (3,296,705)</u>	<u>\$ (3,827,832)</u>	<u>\$ 7,533,349</u>	<u>\$ (1,868,935)</u>

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

	2023	2022	2021	2020
General Fund				
Nonspendable	\$ 142,572	\$ 93,395	\$ 72,778	\$ 75,102
Unassigned	15,350,850	14,205,500	13,260,489	11,565,009
Total general fund	<u>\$ 15,493,422</u>	<u>\$ 14,298,895</u>	<u>\$ 13,333,267</u>	<u>\$ 11,640,111</u>
All other governmental funds				
Unreserved, reported in:				
Capital projects funds	\$ -	\$ -	\$ -	\$ -
Nonspendable				
Inventory	50,179	51,740	71,481	66,569
Restricted for:				
Building and engineering	951,694	916,414	1,353,274	2,143,427
Street and roadside maintenance	3,761,445	3,409,105	2,801,796	2,823,684
Debt service payments	346,363	178,312	142,465	164,838
Capital projects	33,959,230	25,570,991	28,257,696	34,552,993
Urban renewal projects	3,028,808	3,398,287	3,695,772	3,826,265
Committed to:				
ARPA	22,839	3,060,795	-	-
Pavement maintenace and street lighting	941,220	1,338,820	895,077	525,610
Parking maintenance	263,039	228,733	203,803	188,664
Parks capital and maintenance	702,071	589,596	-	-
Assigned to:				
Scholarships	50,083	49,581	50,247	50,976
Capital projects	-	-	713,071	-
Total all other governmental funds	<u>\$ 44,076,971</u>	<u>\$ 38,792,374</u>	<u>\$ 38,184,682</u>	<u>\$ 44,343,026</u>

2019	2018	2017	2016	2015	2014
\$ 76,094	\$ 79,900	\$ 137,060	\$ 116,121	\$ 81,795	\$ 97,206
13,341,945	10,528,381	9,918,282	8,347,295	7,474,727	6,971,206
<u>\$ 13,418,039</u>	<u>\$ 10,608,281</u>	<u>\$ 10,055,342</u>	<u>\$ 8,463,416</u>	<u>\$ 7,556,522</u>	<u>\$ 7,068,412</u>
\$ (156,399)	\$ -	\$ -	\$ -	\$ -	\$ -
46,001	44,697	17,807	24,138	36,164	39,484
2,061,501	2,013,372	1,814,179	1,857,722	1,744,129	1,797,858
2,265,867	1,617,439	2,185,622	2,545,434	1,040,146	536,670
124,465	63,195	76,598	93,706	285,945	275,241
31,657,339	10,037,958	7,906,876	7,029,512	8,685,673	5,129,426
3,876,362	3,952,144	4,016,542	4,165,220	4,304,445	5,154,360
-	-	-	-	-	-
399,869	310,272	437,794	137,129	54,279	161,357
163,114	134,595	159,361	149,356	146,188	134,680
-	-	-	-	-	-
51,111	51,233	50,878	50,729	50,804	50,547
-	-	-	-	-	-
<u>\$ 40,489,230</u>	<u>\$ 18,224,905</u>	<u>\$ 16,665,657</u>	<u>\$ 16,052,946</u>	<u>\$ 16,347,773</u>	<u>\$ 13,279,623</u>

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

	2023	2022	2021	2020
<b>REVENUES</b>				
Property taxes	\$ 15,175,386	\$ 14,442,705	\$ 13,778,555	\$ 13,261,634
Licenses and permits	1,332,846	1,014,797	734,165	1,344,072
Fees and charges	5,017,419	7,731,979	2,510,038	3,697,521
Intergovernmental	8,022,981	10,399,301	7,974,124	6,875,452
Franchise tax	2,913,434	2,703,505	2,619,480	2,440,018
Charges for services	1,040,509	579,037	397,793	1,285,186
Fines and forfeitures	837,058	1,113,265	1,149,982	1,168,796
Miscellaneous	1,596,685	(255,315)	578,318	2,352,861
Total Revenue	<u>35,936,318</u>	<u>37,729,274</u>	<u>29,742,455</u>	<u>32,425,540</u>
<b>EXPENDITURES</b>				
Current operating:				
General government	9,689,144	8,721,424	9,211,071	9,091,557
Public safety	10,433,770	9,974,287	9,500,841	10,179,605
Highways & Streets	5,095,078	3,598,826	3,458,828	3,747,083
Culture and recreation	5,402,344	5,052,771	4,689,106	5,324,619
Capital outlay	12,946,600	9,066,425	12,244,646	4,630,847
Debt service				
Interest	835,500	934,000	1,026,750	1,108,611
Principal	2,245,000	2,050,000	1,855,000	1,695,000
Issuance Costs	169,743	-	42,800	-
Total expenditures	<u>46,817,179</u>	<u>39,397,733</u>	<u>42,029,042</u>	<u>35,777,322</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(10,880,861)	(1,668,459)	(12,286,587)	(3,351,782)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	6,276,080	6,754,456	5,991,710	10,317,149
Transfers out	(3,171,203)	(3,535,086)	(2,797,140)	(4,890,499)
Sale of general capital assets	-	22,409	26,829	1,000
Bond and notes issued	15,000,000	-	4,600,000	-
Bonds and note premium	2,346,615	-	-	-
Loan proceeds	-	-	-	-
Total other financing sources (uses)	<u>20,451,492</u>	<u>3,241,779</u>	<u>7,821,399</u>	<u>5,427,650</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 9,570,631</u>	<u>\$ 1,573,320</u>	<u>\$ (4,465,188)</u>	<u>\$ 2,075,868</u>
Debt service as a percentage of noncapital expenditures <sup>1</sup>	<u>9.07%</u>	<u>9.52%</u>	<u>9.59%</u>	<u>8.98%</u>

<sup>1</sup> Series 2005 and 2006 General Obligation Bonds were refunded in fiscal year 2019, resulting in a significant increase in Debt Service expenditures.



	2019	2018	2017	2016	2015	2014
\$	12,941,472	\$ 10,290,120	\$ 9,888,927	\$ 9,528,110	\$ 9,171,688	\$ 8,738,296
	1,101,399	946,352	854,097	4,034,429	4,854,016	2,096,220
	3,250,503	4,328,619	2,181,130	-	-	-
	6,515,075	5,156,715	4,896,115	5,901,009	5,141,871	3,968,177
	2,429,676	2,366,393	2,192,857	2,197,426	2,213,242	2,135,959
	884,675	979,223	846,896	994,699	790,191	1,267,023
	1,441,208	1,085,542	1,147,883	1,008,765	1,359,978	1,256,196
	1,897,113	779,469	574,006	437,286	897,349	512,718
	<u>30,461,121</u>	<u>25,932,433</u>	<u>22,581,911</u>	<u>24,101,724</u>	<u>24,428,335</u>	<u>19,974,589</u>
	7,716,624	7,074,509	6,602,167	5,946,162	6,089,223	7,071,708
	8,913,301	8,630,413	8,296,042	8,053,048	7,651,922	6,798,353
	3,187,568	3,415,760	2,558,647	2,031,604	2,249,123	1,056,047
	4,824,486	4,714,764	4,470,485	4,207,790	3,936,035	4,429,718
	4,544,686	2,417,056	1,630,065	4,114,432	1,915,307	3,507,138
	970,362	198,406	230,125	259,338	286,719	312,863
	5,900,000	765,000	735,000	700,000	675,000	650,000
	-	-	-	-	-	-
	<u>36,057,027</u>	<u>27,215,908</u>	<u>24,522,531</u>	<u>25,312,374</u>	<u>22,803,329</u>	<u>23,825,827</u>
	(5,595,906)	(1,283,475)	(1,940,620)	(1,210,650)	1,625,006	(3,851,238)
	6,244,182	5,455,597	6,205,313	5,815,263	3,521,120	4,382,439
	(2,738,652)	(2,064,187)	(2,083,479)	(3,606,061)	(1,589,920)	(3,533,527)
	18,170	4,252	23,423	-	-	-
	23,750,000	-	-	-	-	-
	3,396,289	-	-	-	-	-
	-	-	-	-	-	1,100,000
	<u>30,669,989</u>	<u>3,395,662</u>	<u>4,145,257</u>	<u>2,209,202</u>	<u>1,931,200</u>	<u>1,948,912</u>
\$	<u>25,074,083</u>	<u>\$ 2,112,187</u>	<u>\$ 2,204,637</u>	<u>\$ 998,552</u>	<u>\$ 3,556,206</u>	<u>\$ (1,902,326)</u>
	<u>21.36%</u>	<u>3.78%</u>	<u>4.08%</u>	<u>4.48%</u>	<u>4.59%</u>	<u>4.71%</u>

ce as a percentage of non-capital

**CITY OF TUALATIN**  
**TAX REVENUE BY SOURCE, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**June 30, 2023**

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<b>Fiscal Year</b>	<b>Property</b> <sup>1</sup>	<b>Special Assessments</b> <sup>2</sup>	<b>Total</b>
2023	15,175,386	-	15,175,386
2022	14,442,705	-	14,442,705
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

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

<sup>2</sup> 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, 2023**

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		
2023	4,849,273,013	8,968,915,670	298,621,289	296,373,026	290,555,700	291,105,859	5,438,450,002	9,556,394,555	2.8645	57%
2022	4,657,629,796	7,751,052,135	295,563,627	303,074,885	225,028,300	147,876,205	5,178,221,723	8,202,003,225	2.8645	63%
2021	4,503,738,975	7,342,103,986	292,338,161	301,182,318	147,648,200	102,554,212	4,943,725,336	7,745,840,516	2.8579	64%
2020	4,347,546,566	6,789,031,578	278,847,699	285,007,689	102,359,700	94,349,571	4,728,753,965	7,168,388,838	2.8744	66%
2019	4,146,931,416	6,404,471,950	279,932,764	284,383,404	94,181,800	100,330,069	4,521,045,980	6,789,185,423	2.8858	67%
2018	3,905,253,670	5,776,077,086	256,221,457	258,768,137	98,743,157	100,673,639	4,260,218,284	6,135,518,862	2.4962	69%
2017	3,727,438,870	5,200,586,098	243,045,300	244,279,660	99,593,076	99,093,453	4,070,077,246	5,543,959,211	2.5060	73%
2016	3,577,897,121	4,723,504,068	237,766,065	238,156,855	88,163,700	101,133,802	3,903,826,886	5,062,794,725	2.5162	77%
2015	3,403,125,302	4,405,515,513	213,357,477	213,747,197	95,219,900	83,074,370	3,711,702,679	4,702,337,080	2.5345	79%
2014	3,257,830,943	4,002,490,680	198,872,324	199,275,785	75,207,720	78,819,910	3,531,910,987	4,280,586,375	2.5482	83%

\* 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, 2023**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>City of Tualatin:</b>										
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	0.58	0.60	0.59	0.61	0.62	0.23	0.24	0.25	0.27	0.28
<b>Total City</b>	<b>2.85</b>	<b>2.86</b>	<b>2.86</b>	<b>2.87</b>	<b>2.89</b>	<b>2.50</b>	<b>2.51</b>	<b>2.52</b>	<b>2.54</b>	<b>2.55</b>
<b>OVERLAPPING RATES:</b>										
<b>Washington County</b>										
Washington County	3.00	3.01	2.96	2.96	2.96	2.96	2.96	2.84	2.84	2.97
	3.00	3.01	2.96	2.96	2.96	2.96	2.96	2.84	2.84	2.97
<b>School District</b>										
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	0.67	0.66	0.68	0.69	0.69	0.61	0.68	0.59	0.72	0.73
Tigard-Tualatin School District #23J	7.73	7.78	7.79	7.78	7.75	7.77	7.45	7.46	7.46	7.41
	8.55	8.60	8.62	8.62	8.59	8.52	8.28	8.20	8.33	8.29
<b>Special District</b>										
Tualatin Soil & Water District	0.06	0.08	0.09	0.08	0.07	0.08	-	-	-	-
Tualatin Valley Fire & Rescue	2.11	2.12	2.12	2.07	2.08	2.08	2.10	2.11	1.89	1.91
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	0.57	0.57	0.59	0.66	0.47	0.41	0.40	0.38	0.46	0.47
Tigard Tualatin Aquatic	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09
Urban Renewal - Tualatin	0.02	-	-	-	-	-	-	-	-	-
	2.92	2.93	2.95	2.98	2.79	2.72	2.65	2.65	2.51	2.53
<b>Total Overlapping</b>	<b>14.47</b>	<b>14.54</b>	<b>14.53</b>	<b>14.56</b>	<b>14.34</b>	<b>14.20</b>	<b>13.89</b>	<b>13.69</b>	<b>13.68</b>	<b>13.79</b>
<b>TOTAL</b>	<b>\$ 17.32</b>	<b>\$ 17.40</b>	<b>\$ 17.39</b>	<b>\$ 17.43</b>	<b>\$ 17.23</b>	<b>\$ 16.70</b>	<b>\$ 16.40</b>	<b>\$ 16.21</b>	<b>\$ 16.22</b>	<b>\$ 16.34</b>

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, 2023**

Taxpayer	2023			2014		
	Assessed Value	Rank	% of Total City Taxable Assessed Value	Assessed Value	Rank	% of Total City Taxable Assessed Value
Portland General Electric Co	\$ 220,164,000	1	4.05%	42,542,245	5	1.20%
Lam Research Corporation <sup>2</sup>	229,840,403	2	4.23%	93,080,900	2	2.64%
BV Centercal LLC	136,906,140	3	2.52%	108,523,100	1	3.07%
Campbell Soup Supply Company, LLC <sup>3</sup>	72,088,100	4	1.33%	51,555,660	3	1.46%
Pacific Realty Associates	56,980,210	5	1.05%	-	-	0.00%
Tuala Northeast LLC	54,824,650	6	1.01%	43,279,140	4	1.23%
JAE Oregon Inc	46,019,920	7	0.85%	27,632,450	7	0.78%
Mohawk St Property LLC	44,844,303	8	0.82%	-	-	0.00%
CR Rivercrest Meadows Communities LLC	35,174,710	9	0.65%	27,767,310	8	0.79%
KW Hedges Creek LLC	35,137,290	10	0.65%	-	-	0.00%
South Center Investors LLC	-	-	-	33,324,110	6	0.94%
SVF Hedges Creek Tualatin LLC	-	-	-	27,737,760	9	0.79%
Zian Limited Partnership	-	-	-	27,484,390	10	0.78%
	<u>\$ 931,979,726</u>		<u>17.14%</u>	<u>\$ 482,927,065</u>		<u>13.68%</u>

<sup>1</sup> Source: Washington and Clackamas County Assessor's records

<sup>2</sup> Lam Research Corporation previously operated as Novellus Systems Inc.

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

<sup>4</sup> 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, 2023**

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<b>Fiscal Year</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percent of Levy Collections</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Percent Total Tax Collections To Tax Levy</b>	<b>Outstanding Delinquent Taxes</b>	<b>Percent Delinquent Taxes To Tax Levy</b>
2023	15,634,346	14,983,875	95.84%	164,199	15,148,074	96.89%	244,143	1.56%
2022	14,842,331	14,257,556	96.06%	172,922	14,430,478	97.23%	240,380	1.62%
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%

Source: Washington County and Clackamas County Assessors

**CITY OF TUALATIN**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
**June 30, 2023**

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Fiscal Year	Governmental Activities			Business-type Activities		Total Outstanding Debt	Population	Debt Per Capita
	General Obligation Bonds (1)	Private Placement Notes	Leases	Full Faith and Credit Obligations	Water Revenue Bonds			
2023	33,472,970	3,893,253	29,019	1,540,999	-	38,936,241	27,910	1,395
2022	18,739,057	4,297,546	77,600	2,031,498	-	25,145,701	27,914	901
2021	21,135,864	4,691,292	-	2,501,998	-	28,329,154	27,910	1,015
2020	23,337,672	483,580	-	2,957,497	-	26,778,749	27,195	985
2019	25,379,480	595,701	-	3,392,996	-	29,368,177	27,135	1,082
2018	4,480,000	704,492	-	3,813,496	-	8,997,988	26,935	334
2017	5,245,000	810,039	-	4,223,995	-	10,279,034	26,960	381
2016	5,980,000	912,611	-	4,624,495	-	11,517,106	26,840	429
2015	6,680,000	1,011,988	-	4,664,995	345,000	12,701,983	26,590	478
2014	7,355,000	1,100,000	-	-	5,065,000	13,520,000	26,925	502

(1) Presented net of original issuance premiums

**CITY OF TUALATIN**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**LAST TEN FISCAL YEARS**  
**June 30, 2023**

<b>Governmental Activities</b>						
<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>	
2023	\$ 33,472,970	\$ (211,800)	\$ 33,261,170	0.35%	1,192	
2022	18,739,057	(178,312)	18,560,745	0.23%	665	
2021	21,135,864	(142,465)	20,993,399	0.27%	752	
2020	23,337,672	(164,838)	23,172,834	0.32%	852	
2019	25,379,480	(124,465)	25,255,015	0.37%	931	
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	

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, 2023**

<b>Jurisdiction</b>	<b>Governmental Activities Debt Outstanding</b>	<b>Percent Applicable Inside City of Tualatin</b>	<b>Amount Applicable Inside City of Tualatin</b>
City of Tualatin	\$ 37,366,223	100.0000%	\$ 37,366,223
Clackamas County	105,100,000	0.8776% *	922,358
Clackamas County District 3J (West Linn/Wilsonville)	488,595,822	1.0894%	5,322,763
Clackamas County School District 7J (Lake Oswego)	382,387,657	1.5263%	5,836,383
Clackamas County ESD	19,855,267	0.4355%	86,470
Clackamas Community College	127,080,045	0.9975%	1,267,623
Clackamas Soil & Water Conservation	5,416,000	0.8776%	47,531
Metro	822,713,920	2.1777%	17,916,241
Northwest Regional ESD	13,670,000	4.7983%	655,928
Portland Community College	669,475,000	2.4895%	16,666,580
Washington County	163,168,758	5.6818%	9,270,922
Rivergrove Water District 14J	3,319,891	0.1807%	5,999
Tualatin Valley Fire and Rescue District	55,780,000	6.8122%	3,799,845
Washington County School District 23J (Tigard-Tualatin)	298,969,280	30.9569%	92,551,621
Washington County School District 88J (Sherwood)	292,793,434	14.5692%	42,657,661
Subtotal overlapping debt			197,007,925
Direct and overlapping debt			<u>\$ 234,374,148</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, 2023**

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

True Cash Value	\$	5,438,450,002
Rate		x 3%
Debt limit		163,153,500
Debt applicable to limit		33,261,170
	\$	129,892,330

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
2023	79.61%	163,153,500	33,261,170	129,892,330
2022	88.05%	155,346,652	18,560,745	136,785,907
2021	85.85%	148,311,760	20,993,399	127,318,361
2020	83.67%	141,862,619	23,172,834	118,689,785
2019	81.38%	135,631,379	25,255,015	110,376,364
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

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, 2023**

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<b>Fiscal Year</b>	<b>Population</b>	<b>Taxable Personal Income</b>	<b>Per Capita Personal Income</b>
2023	27,910	*	*
2022	27,914	*	*
2021	27,910	1,341,686	48,072
2020	27,195	1,113,839	40,957
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

(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, 2023**

Employer	2023			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Lam Research Corporation	3,551	1	11.91%	669	2	3.14%
Legacy Meridian Park Hospital	1,100	2	3.69%	905	1	4.25%
Nortek Air Solutions	522	3	1.75%	-	-	-
Portland General Electric	478	4	1.60%	478	4	2.24%
Amazon.com Services LLC	369	5	1.24%	-	-	-
Pacific Foods of Oregon	350	6	1.17%	280	9	1.31%
Columbia Corrugated	327	7	1.10%	320	7	1.50%
United Parcel Services	312	8	1.05%	512	3	2.40%
Fred Meyer	308	9	1.03%	-	-	-
Ichor Systems Inc	286	10	0.96%	-	-	-
DES Group LLC	-	-	-	460	5	2.16%
Precision Wire Components	-	-	-	457	6	2.14%
DPI Northwest	-	-	-	300	8	1.41%
Milgard Windows	-	-	-	275	10	1.29%
	<u>7,603</u>			<u>4,656</u>		
Total City employment			<u>29,813</u>			

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

**CITY OF TUALATIN**  
**FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**  
**June 30, 2023**

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<b>Function</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
General government	45.75	44.75	44.75	45.75	45.75	41.75	40.85	39.60	36.85	36.25
Public safety	50.00	50.00	51.00	51.00	51.00	51.00	51.00	50.00	50.50	50.50
Highways and streets	16.66	16.66	16.80	16.00	16.00	18.75	18.50	18.50	18.50	18.50
Culture and recreation	34.40	34.35	34.45	35.45	35.40	35.28	33.50	33.50	32.38	31.13
Sewer	4.66	4.66	4.60	4.00	4.00	3.75	3.50	2.50	2.50	2.50
Water	7.68	7.68	7.60	7.00	7.00	6.50	6.00	5.00	5.00	5.00
Total	<u>159.15</u>	<u>158.10</u>	<u>159.20</u>	<u>159.20</u>	<u>159.15</u>	<u>157.03</u>	<u>153.35</u>	<u>149.10</u>	<u>145.73</u>	<u>143.88</u>

Data from current and previous budgets

**CITY OF TUALATIN**  
**OPERATING INDICATORS**  
**LAST TEN FISCAL YEARS**  
**June 30, 2023**

<b>Function</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Police										
Arrests	669	825	897	927	907	996	1,042	871	951	1,259
Traffic violations	2,054	2,347	2,937	3,340	3,098	3,393	2,958	2,880	3,794	3,971
Municipal Court cases	6,315	8,667	8,518	8,890	10,556	8,139	8,070	6,219	9,724	9,000
Building activity										
Permits issued	1,678	1,247	1,413	1,283	1,614	1,396	1,512	1,663	1,354	1,053
Estimated value (000's)	\$ 109,416	\$ 122,813	\$ 54,596	\$ 185,027	\$ 113,881	\$ 78,507	\$ 87,937	\$ 90,451	\$ 86,340	\$ 63,672
Planning applications	144	108	185	192	203	210	270	261	249	218
Library circulation	588,697	540,984	321,693	475,359	597,851	627,402	640,474	637,116	677,279	705,222
Water connections	6,935	6,924	6,937	6,908	6,905	6,823	6,762	6,873	6,823	6,689
Sewer connections	6,744	6,747	6,748	6,736	6,713	6,628	6,615	6,582	6,702	6,568

Data acquired from various City of Tualatin departments.

**CITY OF TUALATIN**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
**LAST TEN FISCAL YEARS**  
**June 30, 2023**

<b>Function</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Public safety										
Patrol units	18	18	18	18	18	18	18	18	18	18
Highways and streets										
Miles of streets	80	80	79	79	79	79	79	79	78	78
Culture and recreation										
Number of parks	12	12	11	11	11	11	11	11	11	11
Acreage	330	330	322	322	322	322	315	295	289	289
*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	14	14	13	13	13	13
Fire hydrants	1,045	1,045	1,041	1,041	1,041	1,030	1,024	1,017	1,005	1,005

\*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 REQUIRED BY  
OREGON STATE REGULATIONS**

Honorable Mayor and Members of the City Council  
City of Tualatin  
Tualatin, Oregon

We have audited the basic financial statements of the City of Tualatin, Oregon (the "City") as of and for the year ended June 30, 2023, and have issued our report thereon dated May 2, 2024. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

In connection with our testing nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except for the following:

Honorable Mayor and Members of the City Council  
City of Tualatin, Oregon  
Independent Auditor's Report Required by Oregon State Regulations  
May 2, 2024

Budgets legally required (ORS Chapter 294)

Expenditures in excess of appropriations occurred during the year ended June 30, 2023, as follows:

<u>Fund / Appropriation Category</u>	<u>Actual</u>	<u>Appropriations</u>	<u>Variance</u>
Building Fund / Materials and services	\$ 102,655	\$ 94,250	\$ 8,405
Parks Project Fund / Capital outlay	2,607,679	2,560,000	47,679

**OAR 162-010-0230 Internal Control**

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

**Restriction of Use**

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

*Singer Lewak LLP*

May 2, 2024

By:



Brad Bingenheimer, Partner

