



# Oregon City, Oregon

Comprehensive Annual Financial Report  
for the Fiscal Year Ended June 30, 2015



*About our cover*

**Celebrating 100 years of Elevator Service!**

THE OREGON CITY MUNICIPAL ELEVATOR is a 130-foot-tall, public elevator tower rising from an underground tunnel in downtown Oregon City to connect with the city's second level atop a bluff to the east. In May of 1912, the City Commission placed a ballot measure before the voters asking if the City should be authorized to issue bonds for "A Public Elevator at the Bluff." The original elevator, constructed of steel and wood, was placed into service on December 3, 1915, a day on which almost the entire population of Oregon City (3,869 persons) rode the elevator. The current elevator was dedicated on May 5, 1955. This historic landmark remains free to the public and continues to be staffed by elevator operators.

CITY OF OREGON CITY, OREGON  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For the Fiscal Year Ended June 30, 2015

Prepared by

City of Oregon City  
Finance Department

Available at: [www.orcity.org](http://www.orcity.org)



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# **INTRODUCTORY SECTION**





December 29, 2015

Honorable Mayor, Members of the City Commission  
and Citizens of the City of Oregon City, Oregon

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Oregon City (the City) for the fiscal year ended June 30, 2015.

State statutes require that the City issue a complete set of audited financial statements within six months of the close of each fiscal year. The statements must be presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited, by a firm of licensed certified public accountants, in accordance with auditing standards generally accepted in the United States of America. This report meets statutory requirements as well as standards prescribed by the Oregon Secretary of State.

We believe the report is accurate in all material respects and presented in a manner designed to fairly set forth the financial position and results of operations of the City. Management assumes full responsibility for the completeness and reliability of the information contained in the report based upon a comprehensive framework of internal control that has been established for that purpose. The internal control structure has been designed to provide reasonable, but not absolute, assurance that assets are safeguarded against loss or unauthorized use, and that financial records can be relied upon to produce financial statements that are fairly presented. The concept of reasonable assurance recognizes that the cost of maintaining the control structure should not exceed the benefits likely to be derived and that the evaluation of cost and benefits requires estimates and judgments by management.

The City's financial statements were audited by Merina & Company, LLP, a firm of independent certified public accountants. The auditors have issued an unmodified or "clean" opinion on the financial statements for the fiscal year ended June 30, 2015. The independent auditor's report is presented at the front of the Financial Section of the 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. MD&A complements this transmittal letter and should be read in conjunction with it.

## **PROFILE OF THE CITY**

Oregon City is the county seat of Clackamas County in Northwest Oregon, 13 miles south of Portland, Oregon at the confluence of the Willamette and Clackamas Rivers. The City was established in 1829 and incorporated in 1844, becoming the capital of the Oregon Territory in 1894. It currently encompasses 9.2 square miles and has a current estimated population of 34,594.

The City operates under the provisions of its own charter and applicable state law with a council-manager form of government. The elected officials consist of the Mayor and four Commissioners. All positions have term limits and no person may hold office for more than two terms of four years in any ten year period. The Mayor and Commission vote on all ordinances and legislative matters, set policies for the City, and hire the City Manager. The City Manager is appointed by the City Commission to oversee the delivery of public services and is responsible for all administration and management.

The City provides a full range of municipal services to the community which include police protection, traffic control, transportation system improvements and maintenance, water, wastewater and stormwater utilities, planning, zoning and building regulation and inspections, economic development support, a community library, a municipal court and parks and recreation. Fire protection is provided separately by Clackamas County Fire District #1.

The Downtown Urban Renewal Agency (also known as the Oregon City Urban Renewal Commission) is a blended component unit of the City and is presented as a special revenue fund in this report.

Under state law, the City is required to adopt a balanced budget by July 1 for the fiscal year July 1 through June 30. The City has elected to operate with a biennial budget that spans two financial reporting periods. The budget sets forth the City Commission's goals and objectives, and identifies the resources necessary to accomplish those goals and objectives. The legal level of budgetary control is by department (Policy and Administration, Police, and Public Works, for example). Each department is budgeted separately within each fund and the object classifications of personal services, materials and services, and capital outlay are grouped together. Requirements not specific to a department, such as transfers and contingency, are budgeted separately within each fund. Appropriations lapse at the conclusion of each budget period, and incomplete projects must be re-appropriated in the following period as part of the adoption process.

## **ECONOMIC CONDITION AND OUTLOOK**

Oregon City's economy is linked with that of the entire Portland Metropolitan area, Clackamas County, and statewide economic trends. Clackamas County is located just south and east of the City of Portland and, together with neighboring Multnomah, Washington, and Yamhill counties, comprises the Portland Metropolitan Statistical Area. Together, these four counties include over 46.7 percent of the population of the State of Oregon according to U.S. Census estimates.

Fiscal Year 2015 continued to provide some positive signs that the local, regional and national economies may be on a path towards economic recovery. The county saw job gains for two years in a row, and Oregon overall is currently growing 1% faster than the average US state. Even though growth trends are improving in Oregon, however, the state and the region still has not fully recovered from the recession. Job growth in Oregon remained relatively strong throughout 2014, and was revised upward for 2015 and 2016. As of June 2015, the unemployment rate in Oregon City was 5.5%, significantly lower than the state average of 7.0%.

As the county seat, Oregon City is home to several Clackamas County facilities that serve the region. Government and education are the top employers in the City, constituting over 30% of all employment within City limits. The City is also home to Clackamas Community College, which was founded in 1966 and is now one of the largest community colleges in the state of Oregon. Providence Willamette Falls Medical Center (formerly Willamette Falls Hospital), a 243,000 square foot acute care hospital operated by Providence Health & Services, also operates in Oregon City. And the City is home to Benchmade Knife Company, Inc., premier manufacturer of world-class sports cutlery and edged tools.

Oregon City's real property market value and assessed value has steadily increased after seeing declines since 2009; the assessed (or taxable) value, however, remains significantly lower than the real market value. Expectations call for continued slow growth over the next year. The median home value in the area is \$274,000, an increase of more than 6.0% over the past year.

Most funds in the City are on fairly sound financial footing. The City's leadership, with support from the community, has continuously taken steps to provide sustainable City resources. Management closely monitors financial position and operations, particularly in the General Fund and business funds, to ensure continued sustainability.

## **LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES**

Long-term financial plans are developed for each major operating fund of the organization. Revenue and expenditure estimates are updated as more information becomes available. The plans are presented in six-year or longer formats. Capital project budgets are included in the financial plans to ensure that adequate revenue sources are projected to be available for both the construction projects and the related operating costs that may be incurred when the projects are

completed.

The City continues to be an active participant with regional partners, including Metro, Clackamas County, and the State of Oregon, in planning projects that will have a positive impact on future economic growth. The most significant project in the region is the Willamette Falls Legacy Project. It is focused around redevelopment of the site of the abandoned Blue Heron paper mill. It provides great potential for public access to and use of the Willamette Falls, as well as opportunities to continue to reinvigorate the City's economy, culture, and ecological health.

In May 2014, Measure 3-435 was approved by voters authorizing up to \$6 million in bonds for renovation and expansion of the community's library. Proceeds from these borrowings were received in the current fiscal year, adding \$6 million to the City's long term debt for the Library Expansion Project with a two story addition centered behind the existing historic Carnegie building.

As part of its strategic plan, the Commission along with the Urban Renewal Agency continues to revitalize the downtown area including offering business outreach, adaptive reuse and rehabilitation grants, storefront improvement grants, and completion of a downtown alleyway project which replaces underground utilities and repaves alleyways behind Main Street.

Every two years, the City Commission and executive staff participate in a biennial goal setting process and develop the City Commission Goals and Priorities. The Commission emphasized two goals as the highest priorities for the City: 1) Maintain an Environment for Successful Economic Development and 2) Address Critical Facility Needs. Major highlights from the City Commission Goals include ongoing support for the Willamette Falls Legacy Project; it is one of the most important undertakings in our City's history. The 23-acre former industrial site along the Willamette River represents an opportunity to reconnect our community with Willamette Falls and to reclaim and repurpose a significant portion of the City's original downtown footprint. The City Commission's commitment to address critical facility needs is evident in its planned community facility projects including the Library expansion, a funding strategy for a new Police and Court facility, the allocation of additional resources to parks maintenance, and planning for improvements to the Public Works Operations Center.

## **RELEVANT FINANCIAL POLICIES**

The following financial policies are expected to have long-term effects on the City's financial position.

### **Revenue Policy**

- ❖ The City will strive to maintain a diversified and stable revenue system to protect the city from fluctuations in any one revenue source
- ❖ One-time revenues should not be used for ongoing expenditures, but instead for one-time expenditures
- ❖ All City funds shall be safely invested to provide first, preservation of capital and a sufficient level of liquidity to meet cash flow needs and second, to provide the maximum yield possible
- ❖ Utility rates will be set at levels sufficient to cover operating expenses, meet debt obligations, and provide adequate levels of working capital
- ❖ The City will periodically review and revise user fees to recover the costs of those services to the extent possible
- ❖ The City will estimate its annual revenues objectively, analytically and conservatively

### **Budget Policy**

- ❖ The City shall prepare, present, adopt and amend its operating budget in accordance with Oregon Local Budget Law
- ❖ The City shall establish contingency reserves to provide for unanticipated expenditures of a nonrecurring nature and to meet unexpected increases in service delivery costs; these funds may not be directly disbursed from the contingency reserve but only in accordance with local budget law in the State of Oregon

## Reserve Policy

- ❖ The City will maintain an unallocated and unappropriated fund balance or retained earnings to provide working capital until sufficient revenues arrive to fund current operations
- ❖ It is the intent of the City to use surpluses generated to accomplish three goals: meet reserve policies, avoid future debt, and reduce outstanding debt

## AWARDS AND ACKNOWLEDGEMENTS

For the third year, the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Oregon City, Oregon, for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards and satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to the GFOA for consideration.

The City also received the GFOA's Distinguished Budget Presentation Award for its biennial budget document for the 2013-2015 biennium. To qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report could not have been accomplished without the efficient and dedicated services of the Finance Department. In addition, we would like to express our appreciation to members of the other City departments and divisions who assisted and contributed to its preparation. Finally, we would like to thank the Mayor and City Commissioners for their continued support in our efforts to improve the City's financial management and reporting. Without that support, this report would not have been possible.

Respectfully submitted,



Wyatt Parno, CPA  
Finance Director

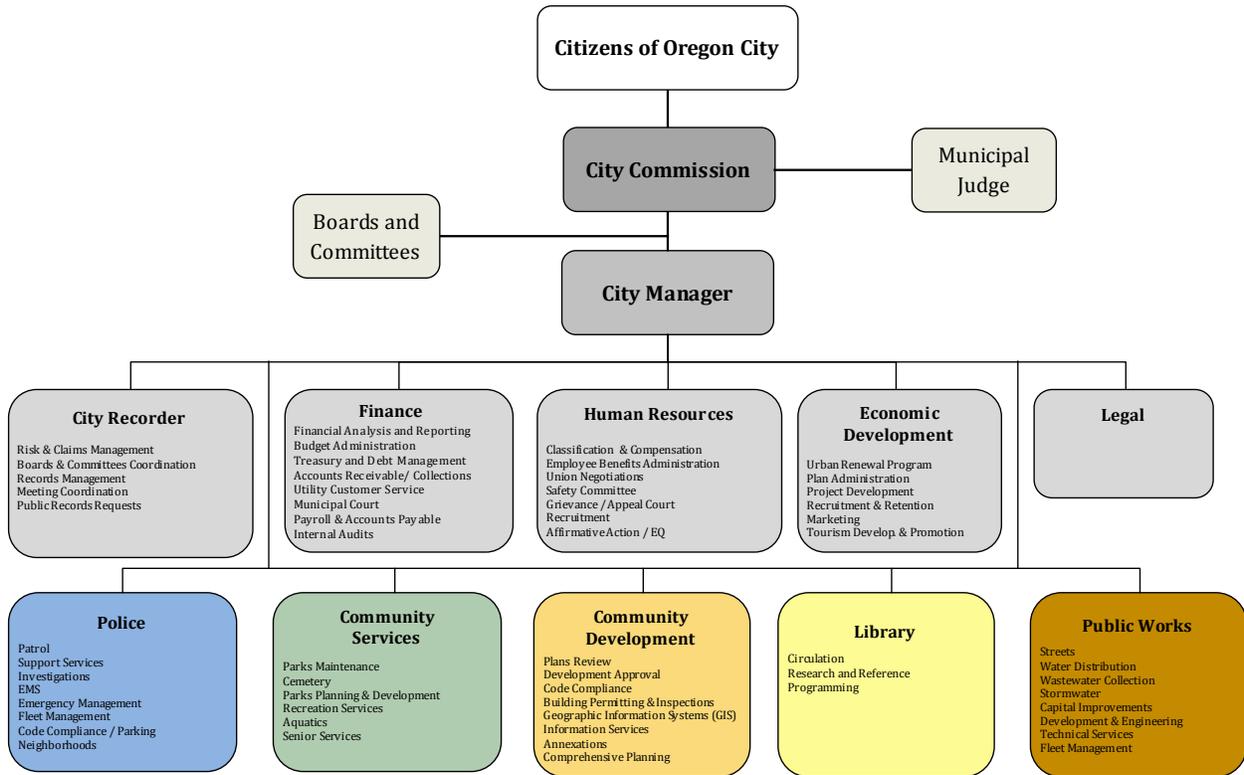
**ELECTED OFFICIALS**

<u>Name</u>	<u>Term Expires</u>
Mayor Dan Holladay	December 31, 2018
Commission Members	
Brian Shaw	December 31, 2018
Rocky Smith, Jr.	December 31, 2016
Carol Pauli	December 31, 2016
Renate Mengelberg	December 31, 2016

**MANAGEMENT TEAM**

<u>Name</u>	<u>Position</u>
Tony Konkol III	Interim City Manager
Scott Archer	Community Services Director
James Band	Chief of Police
Maureen Cole	Library Director
Kattie Riggs	City Recorder
John Lewis	Public Works Director
Jim Loeffler	Human Resources Director
Wyatt Parno	Finance Director
Eric Underwood	Economic Development Manager

**CITY OF OREGON CITY, OREGON**  
**ORGANIZATION CHART**  
**JUNE 30, 2015**





Government Finance Officers Association

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

Presented to

**City of Oregon City  
Oregon**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO



# FINANCIAL SECTION



## **INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and City Commissioners  
City of Oregon City, Oregon  
Oregon City, Oregon

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Oregon City, Oregon (the City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Change in Accounting Principle**

As discussed in Note 4(C) to the financial statements, the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to these matters.

## **Other Matters**

### *Required Supplementary Information*

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

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

The budgetary comparison schedules, as listed in the table of contents under required supplementary information, are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial

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

#### *Other Information*

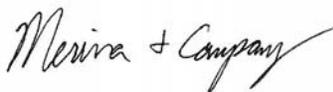
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a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

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

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

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

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 29, 2015, 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.



Merina & Company, LLP  
West Linn, Oregon  
December 29, 2015



As management of the City of Oregon City, Oregon (the "City"), we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015. Information in this Management's Discussion and Analysis (MD&A) is based on currently known facts, decisions and conditions. Please read it in conjunction with the transmittal letter, the basic financial statements and the accompanying notes to the financial statements, which are also included in this report.

## **FINANCIAL HIGHLIGHTS**

### ***GOVERNMENT-WIDE***

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows by \$191.05 million (reported as net position). Within the net position, \$25.77 million (unrestricted net position) may be used to meet the City's obligations to citizens and creditors.
- Total assets total \$238.51 million, an increase of \$2.99 million. Governmental type activities provided an increase of \$5.84 million offset by business-type activities which decreased \$2.85 million.
- The City's liabilities totaled \$43.38 million at June 30, 2015 consisting of \$37.56 million in long-term liabilities and \$5.82 million in accounts payable and other liabilities. The City's total outstanding bonded debt increased by \$3.72 million. Major components contributing to the net increase were the issuance of \$6.0 million in Library General Obligation bonds to finance the library expansion project, offset by \$2.28 million in bond payments.
- For its governmental activities, the City generated \$8.89 million in charges for services and \$5.76 million in operating and capital grants and contributions. Direct expenses, including interest on long-term debt for governmental activities were \$27.03 million for the year, resulting in a net expense of \$12.38 million. After an additional \$19.84 million of general revenues received, \$7.88 million of transfers in and a -\$19.05 million restatement for implementation of GASB 68, governmental activities resulted in a \$3.70 million decrease in net position.
- For its business-type activities, the City generated \$16.68 million in charges for services and \$2.71 million in operating and capital grants and contributions to fund direct expenses of \$13.89 million. After other general revenues of \$99,323, transfers out of \$7.88 million, and a -\$1.00 million restatement of net position for implementation of GASB 68, business type net position decreased by \$3.28 million.

### ***FUND LEVEL***

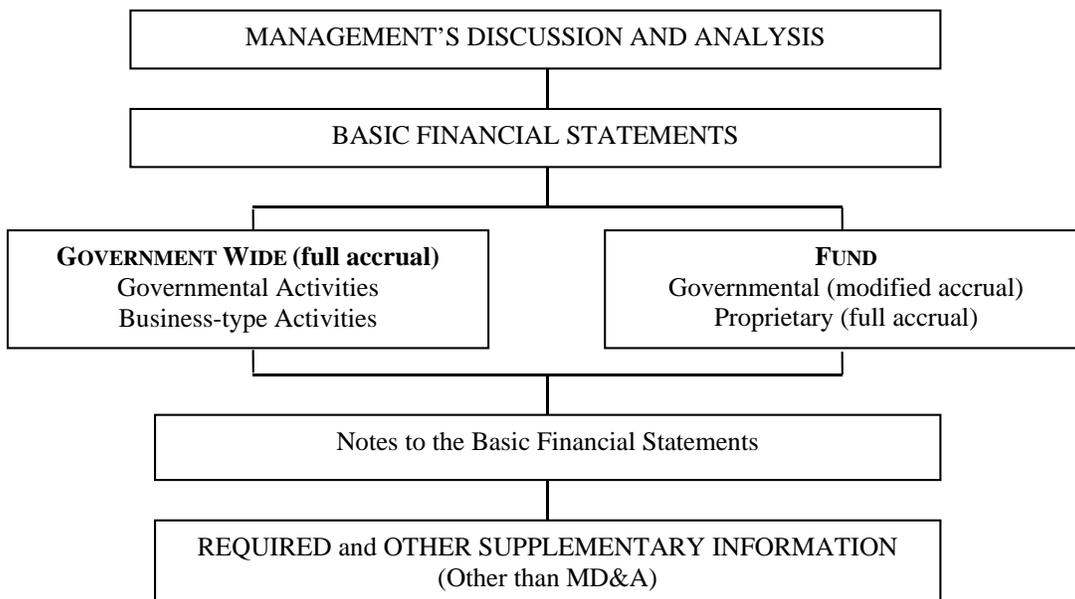
- The City's governmental funds report a combined fund balance of \$46.49 million, a \$14.84 million increase over the prior fiscal year. Of the total fund balance reported, \$40.36 million is considered nonspendable, restricted, committed or assigned. The remaining \$6.13 million is available for spending at the City's discretion.
- The proprietary funds, those used to account for programs which the City charges for the services it provides, reported combined net position of \$81.17 million, a decrease of \$3.28 million over the prior year which is attributed to funds transferred out to a restricted capital projects fund to Governmental Activities to accumulate funds for the expansion of the Public Works facility. The decrease from the transfer is offset by an increase in revenues of \$1.56 million in charges for services it provides and an increase in capital grants and contributions of approximately \$926,000.
- Analysis of changes in net position and fund balances is further discussed later on in this MD&A.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

In addition to this discussion and analysis, the financial section of the annual report contains the basic financial statements and notes to those financial statements, required supplementary information and other supplementary

information, including the combining statements and schedules of nonmajor funds. The following chart illustrates how the various divisions of the financial section are arranged relative to one another.

**FINANCIAL SECTION COMPONENTS**



***GOVERNMENT-WIDE FINANCIAL STATEMENTS***

The government-wide statements are designed to report information about the City as a whole using accounting methods similar to those used by private-sector companies.

The statements include not only the City itself (known as the primary government) but also a legally separate urban renewal agency for which the City is financially accountable. The Statement of Net Position includes all of the City's assets (land, buildings, infrastructure such as streets, traffic signals, utility lines and bridges, etc.), deferred inflows and outflows, and liabilities (including general obligation long term debt), with the difference reported as net position.

The Statement of Activities presents information showing how the government's net position changed during the year. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will result in cash inflows or outflows in a future fiscal period. Examples of such items include earned but uncollected property taxes (future inflow), and earned but unused compensated absences (future outflow).

The net position provides a measure of the City's financial health or position. The two government-wide statements report the City's net position and how they have changed.

The government-wide financial statements can be found on pages 28 and 29 of this report. The statements are divided into two categories and distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

*Governmental activities* – Most of the City's basic services are included here, such as Police, Parks, Library, Planning and Zoning, Building, Traffic Control and Improvements, Street Construction and Maintenance, Parking and Code

Enforcement, and General Administration (City Commission, City Manager, City Recorder, Legal, Finance, Human Resources, and Information Services).

Business-type activities – The City charges fees to customers to cover the costs of certain services it provides. The City's Water, Wastewater and Stormwater Utilities are included here.

### ***FUND FINANCIAL STATEMENTS***

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental, proprietary and fiduciary.

The City closed unnecessary funds in fiscal year 2015 to increase transparency in financial reporting. Residual balances were closed to the General Fund. The City established two new funds and reallocated closing fund resources from the General fund to new and existing funds to ensure proper segregation of restricted resources. These financial statements contains historical information on all of these 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 statements, governmental funds financials place emphasis on available financial resources, rather than upon net income determination. Therefore, unlike the government-wide financial statements, governmental fund financial statements focus on the acquisition and use of current spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term requirements.

The City maintains 12 individual governmental funds. Information is presented separately in the governmental funds' Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances for those funds that are considered significant (major) to the City taken as a whole. The remaining governmental funds are reported as a combined total. The four major governmental funds for the year ended June 30, 2015 are:

General Fund - This fund is used to account for all of the financial resources of the City, which are not accounted for in any other fund. Principal sources of revenue are property taxes, franchise fees, state shared revenues, court related fines and charges, and transfers from other funds for administrative services. Principal expenditures are for public safety, culture and recreation, and general services.

Downtown Urban Renewal Agency Fund – Accounts for the activity of the Downtown Urban Renewal Agency. Property taxes are the primary revenue source. Expenditures are primarily for urban renewal projects.

System Development Fund – Accounts for the collection of transportation, water, wastewater, stormwater and parks development charges and their use for related capital projects.

Community Facilities Capital Projects Fund – Accounts for money set aside for construction of city facilities including the expansion of the Library and building of public safety and public works facilities; funded by transfers from other funds.

The governmental fund financial statements can be found on pages 30 through 33 in the basic financial statements. Summary fund data by fund-type for the nonmajor governmental funds is provided in the form of combining statements starting on page 84. Individual fund data for each of these nonmajor governmental funds is provided as Supplementary Information on pages 96 through 120.

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 financial decisions. Both the governmental funds Balance Sheet and

the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City adopts a biennial appropriated budget for all governmental funds. The current budget period is July 1, 2013 through June 30, 2015. To demonstrate compliance with the budget, a budgetary comparison schedule has been provided as Required Supplementary Information for the General Fund on page 72 and for the major special revenue fund on page 73. Additional budgetary compliance with other governmental funds is included in Other Supplementary Information.

***Proprietary funds*** - Proprietary funds are used to account for activities where the emphasis is placed on net income determination. The City maintains a total of 6 proprietary funds either enterprise funds or internal service funds.

***Enterprise funds*** - Used to account for water utility, wastewater utility, and stormwater utility activities. Enterprise funds are used to report the same functions presented as business-type activities in the governmental-wide financial statements.

***Internal service funds*** - Used as an accounting device to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for Fleet Maintenance and Utility Customer Service. Because internal service funds predominantly benefit business-type functions rather than governmental, their assets and liabilities have been included with business-type activities in the government-wide financial statements.

The proprietary fund financial statements can be found on pages 34 through 40 in the basic financial statements. The enterprise funds, of which water, wastewater, and stormwater are considered to be major funds of the City, are reported separately in the proprietary fund financial statements in the basic financial statements. The remaining enterprise funds are reported as a combined total. All internal service funds are combined into a separate single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the nonmajor enterprise funds and internal service funds is provided in the form of combining statements, pages 122 through 126 and 140 through 142, respectively, of this report.

The City also adopts a biennial appropriated budget for all proprietary funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided for the enterprise funds as Supplementary Information on pages 129 through 138 and for the internal services funds, pages 144 through 145.

***Fiduciary funds*** - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support City programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City maintains one Agency Fund for the Pioneer Community Center. The Statement of Changes in Assets and Liabilities for the Fiduciary Fund can be found on page 147.

#### **NOTES TO THE BASIC FINANCIAL STATEMENTS**

The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. They are an integral part of the basic financial statements and should be read in conjunction with them. The notes to the financial statements can be found starting on page 42 of this report.

#### **OTHER INFORMATION**

***Required Supplementary Information*** - In addition to the basic financial statements and accompanying notes, this report presents certain supplementary information required by financial reporting standards. Required Supplementary Information can be found starting on page 72.

***Other Supplementary Information*** - The report presents combining and individual fund statements and schedules as well as other financial schedules starting on page 81.

The report also includes statistical information including financial trends, and demographic and economic information. The Statistical Section starts on page 156.

**GOVERNMENT WIDE FINANCIAL ANALYSIS**

**STATEMENT OF NET POSITION**

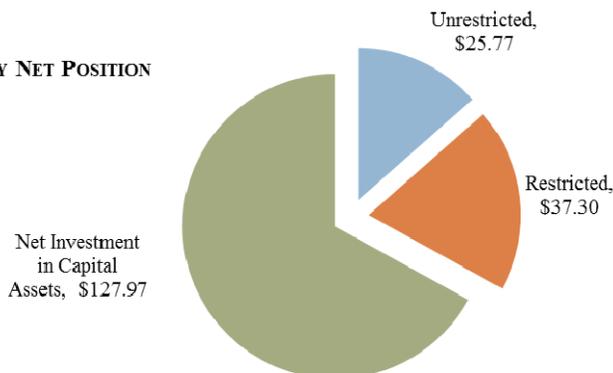
As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$191.050 million at the close of this year. This is a decrease of \$6.976 million from the prior year consisting of a decrease of \$20.044 million from a restatement of beginning net position due to the implementation of GASB Statement No. 68 and an increase of \$13.068 million from operations.

**TABLE 1**  
**NET POSITION AS OF JUNE 30**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 53,235,783	\$ 51,206,143	\$ 23,464,023	\$ 26,861,325	\$ 76,699,806	\$ 78,067,468
Capital assets	99,842,414	96,031,322	61,963,791	61,414,942	161,806,205	157,446,264
Total assets	153,078,197	147,237,465	85,427,814	88,276,267	238,506,011	235,513,732
Deferred outflows of resources	820,654	-	285,707	114,418	1,106,361	114,418
Long term liabilities	35,521,292	30,326,481	2,037,375	2,459,711	37,558,667	32,786,192
Other liabilities	4,358,256	3,330,704	1,461,216	1,477,369	5,819,472	4,808,073
Total liabilities	39,879,548	33,657,185	3,498,591	3,937,080	43,378,139	37,594,265
Deferred inflows of resources	4,142,177	7,788	1,042,136	-	5,184,313	7,788
Net position:						
Net investment in capital assets	68,357,522	83,949,562	59,613,791	58,464,942	127,971,313	142,414,504
Restricted for:						
Debt service	69,805	48,780	-	-	69,805	48,780
Public works	2,301,110	10,664,980	-	-	2,301,110	10,664,980
Culture and recreation	871,643	917,822	-	-	871,643	917,822
Planning and building	915,944	581,117	-	-	915,944	581,117
Construction	33,145,717	-	-	6,656,608	33,145,717	6,656,608
Unrestricted	4,215,385	17,410,231	21,559,003	19,332,055	25,774,388	36,742,286
Total net position	<b>\$ 109,877,126</b>	<b>\$ 113,572,492</b>	<b>\$ 81,172,794</b>	<b>\$ 84,453,605</b>	<b>\$ 191,049,920</b>	<b>\$ 198,026,097</b>

The largest portion of the City's net position reflects its investment of \$127.97 million or 66.98% in capital assets (e.g., land, buildings, improvements, equipment, and infrastructure, net of accumulated depreciation) less any related outstanding debt used to acquire those assets. Although the City's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot, nor are expected to, be used to liquidate these liabilities or for future spending.

**Chart 1**  
**OREGON CITY NET POSITION**  
 (IN MILLIONS)



**CITY OF OREGON CITY, OREGON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

An additional portion of the City's net position, \$37.30 million, or approximately 19.52%, represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted net position totaling \$25.77 million or approximately 13.49%. As of June 30, 2015, the City had positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities. The City's overall net position decrease of \$6.98 million during the fiscal year is explained in the government and business-type activities discussions below.

**STATEMENT OF ACTIVITIES**

As with the Statement of Net Position, the City reports governmental activities on a consolidated basis. A summary of the Statement of Activities is shown in Table 2 below.

**TABLE 2**  
**CHANGES IN NET POSITION**  
**FISCAL YEARS ENDED JUNE 30**

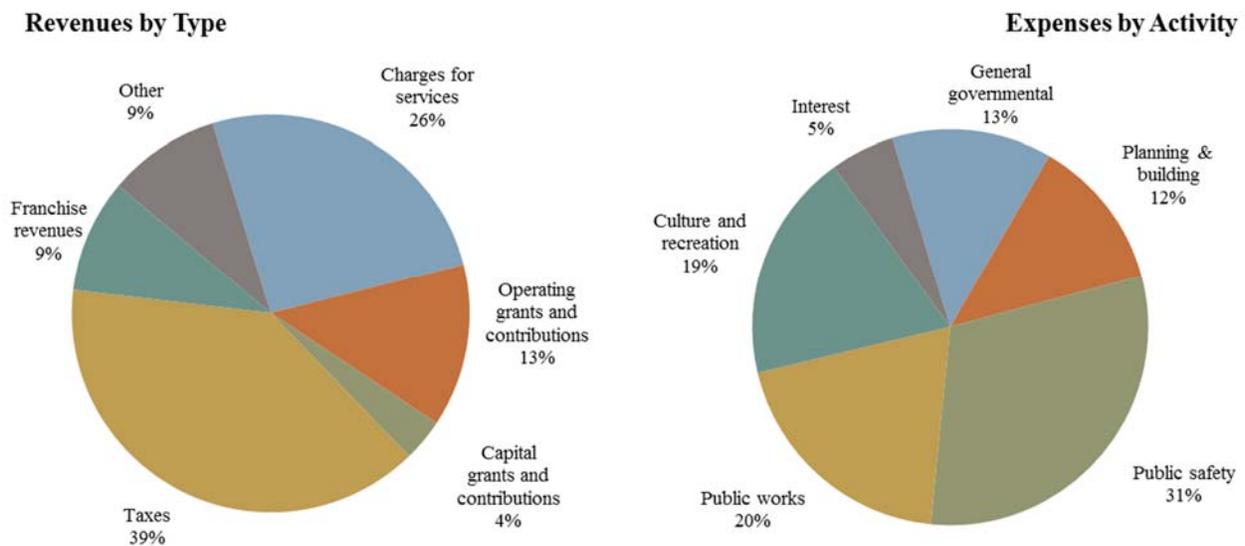
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Revenues</b>						
Program revenues						
Charges for services	\$ 8,893,470	\$ 7,560,546	\$ 16,679,974	\$ 15,115,035	\$ 25,573,444	\$ 22,675,581
Operating grants and contributions	4,570,141	4,987,749	278,178	277,591	4,848,319	5,265,340
Capital grants and contributions	1,192,708	2,064,858	2,430,291	1,504,337	3,622,999	3,569,195
General revenues						
Property taxes	13,490,590	12,859,315	-	-	13,490,590	12,859,315
Franchise taxes	3,199,473	2,759,690	-	-	3,199,473	2,759,690
Other	3,151,485	2,936,616	99,323	94,778	3,250,808	3,031,394
<i>Total revenues</i>	<u>34,497,867</u>	<u>33,168,774</u>	<u>19,487,766</u>	<u>16,991,741</u>	<u>53,985,633</u>	<u>50,160,515</u>
<b>Expenses</b>						
General governmental	3,528,340	6,615,088	-	-	3,528,340	6,615,088
Public safety	8,309,944	8,018,198	-	-	8,309,944	8,018,198
Public works	5,319,822	4,983,309	-	-	5,319,822	4,983,309
Culture and recreation	5,072,036	4,900,341	-	-	5,072,036	4,900,341
Planning and building	3,382,547	3,309,773	-	-	3,382,547	3,309,773
Interest on long-term debt	1,417,462	1,395,499	-	-	1,417,462	1,395,499
Water	-	-	4,518,351	4,768,673	4,518,351	4,768,673
Wastewater	-	-	6,791,908	6,481,198	6,791,908	6,481,198
Stormwater	-	-	1,771,529	1,908,836	1,771,529	1,908,836
Fleet	-	-	805,419	805,630	805,419	805,630
<i>Total expenses</i>	<u>27,030,151</u>	<u>29,222,208</u>	<u>13,887,207</u>	<u>13,964,337</u>	<u>40,917,358</u>	<u>43,186,545</u>
<b>Changes in net position before transfers</b>	7,467,716	3,946,566	5,600,559	3,027,404	13,068,275	6,973,970
Transfers	7,884,435	1,197,283	(7,884,435)	(1,197,283)	-	-
<b>Changes in net position</b>	<u>15,352,151</u>	<u>5,143,849</u>	<u>(2,283,876)</u>	<u>1,830,121</u>	<u>13,068,275</u>	<u>6,973,970</u>
Beginning net position, as originally reported	113,572,492	108,428,643	84,453,605	82,623,484	198,026,097	191,052,127
Restatement per GASB 68 implementation	(19,047,517)	-	(996,935)	-	(20,044,452)	-
Beginning net position, as restated	<u>94,524,975</u>	<u>108,428,643</u>	<u>83,456,670</u>	<u>82,623,484</u>	<u>177,981,645</u>	<u>191,052,127</u>
<b>Net position - ending</b>	<b>\$ 109,877,126</b>	<b>\$ 113,572,492</b>	<b>\$ 81,172,794</b>	<b>\$ 84,453,605</b>	<b>\$ 191,049,920</b>	<b>\$ 198,026,097</b>

**GOVERNMENTAL ACTIVITIES**

Governmental activities decreased the City's net position by \$3.70 million; a restatement for implementation of GASB 68 decreased beginning net position by \$19.05 million offset by an increase of \$15.35 million from operations. Increases in revenues from charges for services account for approximately \$1.33 million of the increase as a result of various new programs, such as safety classes and the City's right-of-way program. Property taxes accounted for approximately \$632,000 of the increase. A total of \$7.07 million were transferred in to a restricted capital projects fund from Business-Type Activities, specifically Water, Wastewater, and Stormwater, to accumulate funds for the expansion of the Public Works facility. The combining of various system development funds into one capital projects fund also resulted in transfers in from Business-Type Activities of approximately \$6.64 million. Lastly, governmental expenses decreased by \$2.78 million for implementation of GASB 68. The effects of GASB 68 implementation is further explained in the Notes to the Financial Statements.

The revenues and expenses charted in the following pie charts include all program and general revenues for governmental activities (such as property taxes, franchise taxes, charges for services, operating and capital grants and contributions) as well as all governmental expenses for the various services reported under governmental activities as described above.

**GOVERNMENTAL ACTIVITIES REVENUES AND EXPENSES**

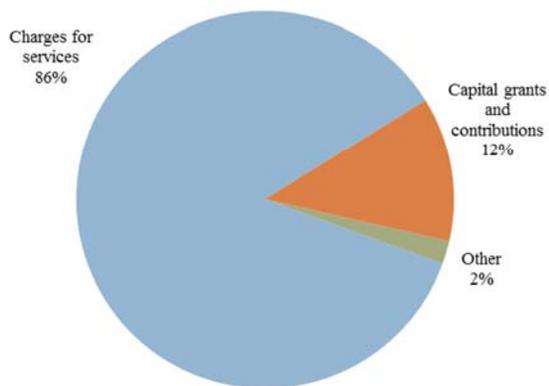


**BUSINESS-TYPE ACTIVITIES**

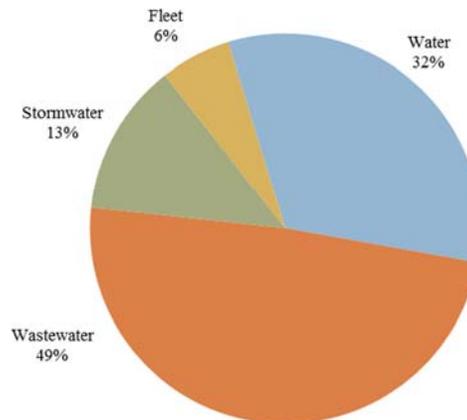
Business-type activities decreased the City's net position by \$3.28 million. The City can only use these assets to finance the continuing operations of Water, Wastewater, Stormwater and Fleet operations. The decrease of net position is attributed to funds transferred out to a restricted capital projects fund to Governmental Activities, specifically Water, Wastewater, and Stormwater, to accumulate funds for the expansion of the Public Works facility. The transfer to the restricted capital projects fund was offset by an increase in revenues of \$1.56 million in charges for services it provides and an increase in capital grants and contributions of approximately \$926,000.

**BUSINESS-TYPE ACTIVITIES REVENUES AND EXPENSES**

**Revenues by Type**



**Expenses by Activity**



**FINANCIAL ANALYSIS OF MAJOR FUNDS**

**GOVERNMENTAL FUNDS**

Major governmental funds include the General, Downtown URA, System Development, and Community Facilities Capital Projects Funds.

- General Fund ending fund balance increased due to various new programs, including safety classes and the City's right-of-way program as well as increased property tax revenues. Additionally, \$1.24 million were transferred in from the closure of various governmental funds.
- The Downtown URA Fund continued construction on capital projects such as the Amtrak Station and Phase II of McLoughlin Boulevard, resulting in a decrease in fund balance of \$85,000.
- A System Development and Community Facilities Capital Projects Fund were established during the fiscal year from consolidation of funds. The System Development Fund received transfers of \$15.47 million from the closure of various system development funds; fund balance is restricted for construction related to increased capacity. The Community Facilities Capital Projects Fund received transfers in of \$16.89 million from the consolidation of various capital projects funds. Funds are restricted for the construction of a public works facility (\$7.07 million), expansion of the city's library (\$9.74 million) and a public safety facility (\$80,000).

**PROPRIETARY FUNDS**

Major proprietary funds include the Water, Wastewater, and Stormwater Funds. All three major proprietary funds had significant increases to the net position mainly due to transfers from reallocations of closed fund resources as well as programmed utility rate increases.

- The net position increase for the Water Fund was \$11.93 million due to the transfers of Water SDC capital assets and cash from the Water Rate Stabilization Funds.
- The net position increase for the Wastewater Fund was \$6.41 million due to the transfers of Wastewater SDC capital assets and cash from the HOPP Sewer Funds.
- The net position increase for the Stormwater Fund was \$3.58 million due to the transfer of Stormwater SDC capital assets.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Oregon Budget Law requires that any fund closures transfer to the General Fund even if a new fund is created. The biennial budget was amended in 2015 to accommodate the closing of unnecessary funds and the creation of two new funds. The impact to the General Fund was an estimated increase for the biennium in transfers in of \$43.03 million and transfers out of \$41.11 million. Actual transfers in totaled \$37.63 million for the biennium while transfers out were \$38.14 million, both less than anticipated.

Total expenditures for the biennium were \$4.53 million less than budgeted. This is mainly due to contingency, which resulted in a variance of \$2.68 million as a result of the transfers in of closed funds discussed above. Additionally, the City underspent across all functions, primarily due to personnel vacancies across numerous departments.

Revenues exceeded the biennial budget by \$2.28 million. This is mainly due to higher than anticipated property taxes as well as new program revenues such as the City's right-of-way ordinance. Local budget law (ORS 294.100 and 294.435(4)) requires local governments to stay within the appropriations set for the fiscal year. There were no expense categories in the General Fund which exceeded appropriations.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

*CAPITAL ASSETS*

At June 30, 2015, the City had approximately \$161.81 million invested in a broad range of capital assets, including land, buildings and improvements, equipment, roads, bridges, water and sewer lines. Capital assets comprise approximately 68% of all City assets. Of that total, infrastructure is the largest component of both governmental and business-type activities. Infrastructure includes road improvements, sidewalks, stormwater systems, sewer lines, and water lines. Within governmental activities, the second largest component is currently land.

**TABLE 3**  
**CAPITAL ASSETS, NET OF DEPRECIATION**  
**AS OF JUNE 30**

	Governmental Activities		Business-type Activities		Total Government-wide	
	2015	2014	2015	2014	2015	2014
Land	\$ 11,239,116	\$ 9,438,166	\$ 1,681,195	\$ 1,681,195	\$ 12,920,311	\$ 11,119,361
Construction in progress	1,396,710	385,262	457,163	204,690	1,853,873	589,952
Equipment	1,008,470	987,550	1,835,927	2,142,627	2,844,397	3,130,177
Buildings and improvements	2,010,419	1,231,476	10,863,679	10,414,839	12,874,098	11,646,315
Infrastructure	84,187,699	83,988,868	47,125,827	46,971,591	131,313,526	130,960,459
<b>Total</b>	<b>\$ 99,842,414</b>	<b>\$ 96,031,322</b>	<b>\$ 61,963,791</b>	<b>\$ 61,414,942</b>	<b>\$ 161,806,205</b>	<b>\$ 157,446,264</b>

Major capital asset activities during the fiscal year are highlighted below. Additional information on the City's capital assets can be found in Note 2.C starting on pages 54 of this report.

- ❖ Oregon City roadway reconstruction, \$1,822,000
- ❖ Property purchase for future Police Station, \$1,801,000
- ❖ Ermatinger House restoration, \$751,000
- ❖ Library expansion, \$609,000

**CITY OF OREGON CITY, OREGON**  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**DEBT ADMINISTRATION**

At the end of the current fiscal year, the City had total debt outstanding of approximately \$33.83 million. Of this amount, \$31.48 million represents outstanding debt for the governmental funds while \$2.35 million is for business-type activities. Of the City's total debt outstanding, \$30.83 represents long term debt while \$300,000 is from short-term borrowings.

On January 1, 2015, the City issued \$6.00 million of voter-approved General Obligation Bonds in order to renovate and expand the Oregon City Library at Carnegie Center. Principal payments of \$2.28 million were made during the year.

Outstanding bonds totaling \$6.66 million are voter approved general obligation bonds which are paid by ad-valorem tax on all taxable property in the City. PERS pension bonds in the amount of \$14.59 million are limited tax obligation funds that are payable from various City funds that have personal services. Urban Renewal bonds totaling \$10.24 million are also paid from tax increment ad-valorem taxes.

The City's bonded debt for business-type activities includes one sewer revenue bond. The total amount of sewer bonds outstanding is \$2.35 million at June 30, 2015. All of the business-type activity bonds are paid from net revenues of sewer system. The City paid the final water bond payment in 2015.

In addition to long term debt outstanding, the City has a \$300,000 short-term loan from a developer for financing planned capital projects. Loan proceeds have not been used to finance the project as of June 30, 2015. The loan will be repaid in fiscal year 2016.

The City maintained an AA underlying rating with stable outlook by Standard & Poor's for general obligation debt. The outstanding sewer revenue bond has bond insurance provided by Financial Guaranty Insurance Company (FGIC) and this raises the rating to the highest level, AAA.

The City is subject to a debt limit in which general obligation debt issues are limited to three percent of real market value of all taxable property within the City's boundaries. The City was below the legal debt limit.

**TABLE 4**  
**LONG-TERM DEBT OUTSTANDING AS OF JUNE 30**

	Governmental Activities		Business-type Activities		Total Government-wide	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds	\$ 6,657,772	\$ 1,095,000	\$ -	\$ -	\$ 6,657,772	\$ 1,095,000
Limited Obligation Bonds	14,590,000	15,085,000	-	-	14,590,000	15,085,000
Revenue Bonds	-	-	2,350,000	2,950,000	2,350,000	2,950,000
Tax Increment Bonds	10,237,120	10,986,760	-	-	10,237,120	10,986,760
Total Issued Debt Outstanding	31,484,892	27,166,760	2,350,000	2,950,000	33,834,892	30,116,760
Compensated Absences	612,930	579,533	140,469	137,138	753,399	716,671
Total Long Term Debt	<b>\$ 32,097,822</b>	<b>\$ 27,746,293</b>	<b>\$ 2,490,469</b>	<b>\$ 3,087,138</b>	<b>\$ 34,588,291</b>	<b>\$ 30,833,431</b>

Additional information on the City's debt can be found in Notes 2.E, 3.F, and 3.G on pages 55-58 of this report.

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

During the preparation of the budget for the ensuing fiscal year, the long-term impacts of the local economy were examined in conjunction with business decisions made by the City. The City adopted its first biennial budget for the biennium beginning July 1, 2013 and ending June 30, 2015. This budget was amended throughout the biennium for a revised total appropriations of \$259.74 million. The City's adopted budget for the subsequent biennium, beginning July 1, 2015 and ending June 30, 2017 reflects total appropriations of \$165.08 million. The following are the major

assumptions used in developing the 2015-17 biennial budget:

- ❖ The City's population is estimated at 34,594 and will grow 1.0% annually
- ❖ The City's tax rate remains at \$4.4090, lower than the City's permanent levy rate of \$5.0571
- ❖ Assessed values, the basis of property tax revenues, are expected to grow by 4% annually
- ❖ Charges for services are scheduled to increase between 2.0% and 3.0% depending on previously approved indexing schedules
- ❖ Interest rates on investments are 0.54% based on actual rates and are not projected to increase in the biennium
- ❖ The average increase for the cost of goods and contracts is projected at 3.0% annually
- ❖ Cost of Living increases were proposed for all employees in the amount of 2.0% to 3.0%
- ❖ Health benefit costs will increase by 12.0% in 2016 and an additional 5.0% in 2017 based on current claims and premiums projections prepared by the City's benefits broker
- ❖ Public Employees Retirement System (PERS) contributions are forecasted to increase by 5.0%
- ❖ Capital projects and equipment costs are projected to increase by 2.0% annually

#### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report should be addressed to the Finance Director at P.O. Box 3040, Oregon City, Oregon 97045-0304.



## BASIC FINANCIAL STATEMENTS

**CITY OF OREGON CITY, OREGON**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2015**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash and investments	\$ 48,536,306	\$ 10,805,132	\$ 59,341,438
Accounts receivable	1,277,574	1,663,486	2,941,060
Property taxes receivable	827,972	-	827,972
Assessment liens receivable	962,687	161,360	1,124,047
Notes receivable	952,276	-	952,276
Internal balances	(1,547,857)	1,547,857	-
Inventories	-	124,027	124,027
Net pension asset	2,138,772	538,098	2,676,870
Other assets	88,053	-	88,053
Investment in South Fork Water Board	-	8,624,063	8,624,063
Non-depreciable capital assets	12,635,826	2,138,358	14,774,184
Other capital assets, net of depreciation	87,206,588	59,825,433	147,032,021
<b>Total Assets</b>	<b>153,078,197</b>	<b>85,427,814</b>	<b>238,506,011</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	-	79,238	79,238
Deferred resources related to pensions	820,654	206,469	1,027,123
<b>Total Deferred Outflows of Resources</b>	<b>820,654</b>	<b>285,707</b>	<b>1,106,361</b>
<b>LIABILITIES</b>			
Accounts payable	1,137,851	760,055	1,897,906
Accrued payroll liabilities	435,829	108,604	544,433
Deposits payable	370,116	-	370,116
Accrued interest payable	155,164	25,463	180,627
Unearned revenue	12,658	-	12,658
Noncurrent liabilities:			
Due within one year:			
Loan Payable	186,000	114,000	300,000
Long-term debt	1,938,052	425,000	2,363,052
Accrued compensated absences	122,586	28,094	150,680
Due in more than one year:			
Long-term debt	29,546,840	1,925,000	31,471,840
Accrued compensated absences	490,344	112,375	602,719
Other post employment benefits	5,484,108	-	5,484,108
<b>Total Liabilities</b>	<b>39,879,548</b>	<b>3,498,591</b>	<b>43,378,139</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred resources related to pensions	4,142,177	1,042,136	5,184,313
<b>NET POSITION</b>			
Net investment in capital assets	68,357,522	59,613,791	127,971,313
Restricted for:			
Debt service	69,805	-	69,805
Public works	2,301,110	-	2,301,110
Culture and recreation	871,643	-	871,643
Planning and building	915,944	-	915,944
Construction	33,145,717	-	33,145,717
Unrestricted	4,215,385	21,559,003	25,774,388
<b>Total Net Position</b>	<b>\$ 109,877,126</b>	<b>\$ 81,172,794</b>	<b>\$ 191,049,920</b>

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

**CITY OF OREGON CITY, OREGON**  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2015

FUNCTIONS/PROGRAMS	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals
<b>Governmental activities:</b>							
General government	\$ 3,528,340	\$ 1,380,937	\$ -	\$ -	\$ (2,147,403)	\$ -	\$ (2,147,403)
Public safety	8,309,944	925,225	154,276	-	(7,230,443)	-	(7,230,443)
Public works	5,319,822	3,363,184	2,112,528	570,715	726,605	-	726,605
Culture and recreation	5,072,036	917,908	2,243,337	621,993	(1,288,798)	-	(1,288,798)
Planning and building	3,382,547	2,306,216	60,000	-	(1,016,331)	-	(1,016,331)
Interest on long-term debt	1,417,462	-	-	-	(1,417,462)	-	(1,417,462)
Total Governmental activities	27,030,151	8,893,470	4,570,141	1,192,708	(12,373,832)	-	(12,373,832)
<b>Business-type activities:</b>							
Water	4,518,351	6,021,672	278,178	869,464	-	2,650,963	2,650,963
Wastewater	6,791,908	7,961,224	-	875,127	-	2,044,443	2,044,443
Stormwater	1,771,529	2,495,762	-	685,700	-	1,409,933	1,409,933
Fleet	805,419	201,316	-	-	-	(604,103)	(604,103)
Total Business-type activities	13,887,207	16,679,974	278,178	2,430,291	-	5,501,236	5,501,236
Total Activities	\$ 40,917,358	\$ 25,573,444	\$ 4,848,319	\$ 3,622,999	(12,373,832)	5,501,236	(6,872,596)
<b>General revenues:</b>							
Property taxes					13,490,590	-	13,490,590
Franchise taxes					3,199,473	-	3,199,473
Intergovernmental revenues not restricted for specific purposes					911,419	-	911,419
Unrestricted investment earnings					228,512	99,191	327,703
Gain on sale of capital assets					302,450	-	302,450
Miscellaneous					1,709,104	132	1,709,236
Total General revenues					19,841,548	99,323	19,940,871
Transfers					7,884,435	(7,884,435)	-
Change in net position					15,352,151	(2,283,876)	13,068,275
Beginning net position, as originally reported					113,572,492	84,453,605	198,026,097
Restatement per GASB 68 implementation					(19,047,517)	(996,935)	(20,044,452)
Beginning net position, as restated					94,524,975	83,456,670	177,981,645
Ending net position					\$ 109,877,126	\$ 81,172,794	\$ 191,049,920

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

**CITY OF OREGON CITY, OREGON**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

	General	Downtown Urban Renewal	System Development	Community Facilities Capital Projects	Other Governmental Funds	Total
<b>ASSETS</b>						
Cash and investments	\$ 6,107,857	\$ 3,424,235	\$ 15,544,111	\$ 17,032,745	\$ 6,427,358	\$ 48,536,306
Receivables:						
Accounts	734,477	7,500	54,560	-	481,037	1,277,574
Property taxes	672,772	136,594	-	-	18,606	827,972
Assessment liens	-	-	962,687	-	-	962,687
Notes	383,100	-	-	-	569,176	952,276
Prepaid insurance	44,476	-	-	-	-	44,476
Due from other funds	61,313	-	-	-	-	61,313
Deposits	14,502	-	-	4,000	25,075	43,577
<b>TOTAL ASSETS</b>	<b>\$ 8,018,497</b>	<b>\$ 3,568,329</b>	<b>\$ 16,561,358</b>	<b>\$ 17,036,745</b>	<b>\$ 7,521,252</b>	<b>\$ 52,706,181</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 500,445	\$ 9,713	\$ 60,923	\$ 142,018	\$ 424,752	\$ 1,137,851
Accrued payroll	327,328	-	-	-	108,501	435,829
Deposits payable	3,500	-	63,445	-	303,171	370,116
Unearned revenue	12,658	-	-	-	-	12,658
Due to other funds	-	1,609,170	-	-	-	1,609,170
<b>TOTAL LIABILITIES</b>	<b>843,931</b>	<b>1,618,883</b>	<b>124,368</b>	<b>142,018</b>	<b>836,424</b>	<b>3,565,624</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	985,401	119,231	962,687	-	585,507	2,652,826
<b>FUND BALANCES</b>						
Non-spendable	58,978	-	-	-	-	58,978
Restricted for:						
Debt service	-	-	-	-	69,805	69,805
Public works capital construction projects	-	-	15,474,303	7,071,009	2,301,110	24,846,422
Culture and recreation capital construction project	-	-	-	9,743,567	871,643	10,615,210
Planning and building	-	-	-	-	915,944	915,944
Public safety facility	-	-	-	80,151	-	80,151
Committed to:						
Public works	-	1,830,215	-	-	-	1,830,215
Culture and recreation	-	-	-	-	-	-
Planning and building	-	-	-	-	14,474	14,474
Debt service	-	-	-	-	1,926,345	1,926,345
Unassigned	6,130,187	-	-	-	-	6,130,187
<b>TOTAL FUND BALANCES</b>	<b>6,189,165</b>	<b>1,830,215</b>	<b>15,474,303</b>	<b>16,894,727</b>	<b>6,099,321</b>	<b>46,487,731</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 8,018,497</b>	<b>\$ 3,568,329</b>	<b>\$ 16,561,358</b>	<b>\$ 17,036,745</b>	<b>\$ 7,521,252</b>	<b>\$ 52,706,181</b>

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

**CITY OF OREGON CITY, OREGON****RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
JUNE 30, 2015**

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Fund Balances - Combined Balance Sheet	\$	46,487,731
The Statement of Net Position reports receivables at their net realizable value. However, receivables not available to pay for current period expenditures are deferred in governmental funds.		2,652,826
Capital assets are not financial resources in governmental funds, but are reported in the Statement of Net Position at their net depreciable value.		
Cost		130,927,290
Accumulated depreciation		(31,084,876)
All liabilities are reported in the Statement of Net Position. However, if they are not due and payable in the current period, they are not recorded in governmental funds.		
Compensated absences payable		(612,930)
Other post employment benefits		(5,484,108)
Accrued interest payable		(155,164)
Loan payable		(186,000)
Long-term debt payable		(31,484,892)
Long-term assets relating to pensions are prepaid or are not financial resources in governmental funds, but are reported in the Statement of Net Position at their net amortized value		
Net pension asset		2,138,772
Deferred inflows related to pensions		(4,142,177)
Deferred outflows related to pensions		820,654
Net Position of Governmental Activities	\$	<u>109,877,126</u>

**CITY OF OREGON CITY, OREGON**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES –  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015

	General Fund	Downtown Urban Renewal	System Development	Community Facilities Capital Projects	Other Governmental Funds	Total
<b>REVENUES</b>						
Property taxes	\$ 10,975,619	\$ 2,195,520	\$ -	\$ -	\$ 289,068	\$ 13,460,207
Franchise taxes	2,812,991	-	-	-	386,483	3,199,474
Assessments and other taxes	-	-	-	-	27,545	27,545
Licenses and permits	142,411	-	-	-	1,753,997	1,896,408
Charges for services	1,351,878	-	-	-	3,382,374	4,734,252
System development charges	-	-	-	-	1,684,627	1,684,627
Intergovernmental	1,248,847	-	-	-	4,451,003	5,699,850
Fines and forfeitures	904,222	-	-	-	167,910	1,072,132
Interest income	72,097	21,349	-	-	134,492	227,938
Miscellaneous	346,438	58,278	-	-	1,809,304	2,214,020
<b>TOTAL REVENUES</b>	<b>17,854,503</b>	<b>2,275,147</b>	<b>-</b>	<b>-</b>	<b>14,086,803</b>	<b>34,216,453</b>
<b>EXPENDITURES</b>						
General government	4,935,738	-	-	-	69,618	5,005,356
Public safety	7,734,791	-	-	-	351,459	8,086,250
Public works	-	742,575	-	-	2,184,705	2,927,280
Culture and recreation	2,924,673	-	-	-	1,753,173	4,677,846
Planning and building	-	-	-	-	3,362,390	3,362,390
Debt service						
Principal	-	749,640	-	-	932,228	1,681,868
Interest	-	543,751	-	-	869,221	1,412,972
Capital outlay	511,937	324,078	-	-	5,406,917	6,242,932
<b>TOTAL EXPENDITURES</b>	<b>16,107,139</b>	<b>2,360,044</b>	<b>-</b>	<b>-</b>	<b>14,929,711</b>	<b>33,396,894</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,747,364</b>	<b>(84,897)</b>	<b>-</b>	<b>-</b>	<b>(842,908)</b>	<b>819,559</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	36,980,412	-	15,474,303	16,894,727	6,313,719	75,663,161
Proceeds from issuance of debt	-	-	-	-	6,000,000	6,000,000
Proceeds from sale of assets	-	-	-	-	302,500	302,500
Transfers out	(36,734,571)	-	-	-	(31,210,721)	(67,945,292)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>245,841</b>	<b>-</b>	<b>15,474,303</b>	<b>16,894,727</b>	<b>(18,594,502)</b>	<b>14,020,369</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>1,993,205</b>	<b>(84,897)</b>	<b>15,474,303</b>	<b>16,894,727</b>	<b>(19,437,410)</b>	<b>14,839,928</b>
<b>FUND BALANCE, beginning of year</b>	<b>4,195,960</b>	<b>1,915,112</b>	<b>-</b>	<b>-</b>	<b>25,536,731</b>	<b>31,647,803</b>
<b>FUND BALANCE, end of year</b>	<b>\$ 6,189,165</b>	<b>\$ 1,830,215</b>	<b>\$ 15,474,303</b>	<b>\$ 16,894,727</b>	<b>\$ 6,099,321</b>	<b>\$ 46,487,731</b>

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

**CITY OF OREGON CITY, OREGON**  
**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2015**

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Net Change in Fund Balances - Total Governmental Funds	\$ 14,839,928
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds defer revenues that do not provide current financial resources. However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received.	(338,244)
Governmental funds do not report expenditures for unpaid compensated absences, unpaid payroll, interest expense or arbitrage since they do not require the use of current financial resources. However, the Statement of Activities reports such expenses when incurred, regardless of when settlement ultimately occurs.	
Accrued compensated absences	(33,397)
Accrued interest payable	(4,489)
Other post employment benefits	(1,198,373)
Adjustment to net pension asset	2,779,766
Capital outlays are reported as expenditures in governmental funds. However, the Statement of Activities allocates the cost of capital outlay over their estimated useful lives as depreciation expense.	
Capital outlay expenditures	6,251,885
Depreciation	(3,110,516)
Difference between gain of sale on land and proceeds from sale	(50)
Contribution of capital assets	669,773
Proceeds from the issuance of long-term debt provide current financial resources to governmental funds and are reported as revenues. In the same way, repayments of long-term debt use current financial resources and are reported as expenditures in governmental funds. However, neither the receipt of debt proceeds nor the payment of debt principal affect the Statement of Activities, but are reported as increases and decreases in noncurrent liabilities in the Statement of Net Position.	
Proceeds from issuance of bonds	(6,000,000)
Proceeds from issuance of loan	(186,000)
Debt principal paid	1,681,868
Change in Net Position of Governmental Activities	\$ 15,352,151

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

**CITY OF OREGON CITY, OREGON**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
**JUNE 30, 2015**

	<u>Water</u>	<u>Wastewater</u>	<u>Stormwater</u>	<u>Other Enterprise Funds</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and investments	\$ 2,815,384	\$ 3,412,440	\$ 834,991	\$ -
Accounts receivable, net of allowance	610,098	793,936	258,338	-
Inventories	124,027	-	-	-
Due from other funds	-	-	-	-
Total Current Assets	<u>3,549,509</u>	<u>4,206,376</u>	<u>1,093,329</u>	<u>-</u>
<b>Noncurrent Assets</b>				
Assessment liens receivable	-	161,360	-	-
Investment in South Fork Water Board	8,624,063	-	-	-
Nondepreciable capital assets	458,140	453,071	1,227,147	-
Other capital assets, net of depreciation	30,076,500	17,733,380	11,661,653	-
Net pension asset	210,017	113,363	137,631	-
Total Noncurrent Assets	<u>39,368,720</u>	<u>18,461,174</u>	<u>13,026,431</u>	<u>-</u>
Total Assets	<u>42,918,229</u>	<u>22,667,550</u>	<u>14,119,760</u>	<u>-</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	-	79,238	-	-
Deferred resources related to pensions	80,583	43,497	52,810	-
Total Deferred Outflows of Resources	<u>80,583</u>	<u>122,735</u>	<u>52,810</u>	<u>-</u>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	292,238	407,461	45,367	-
Accrued payroll liabilities	38,335	24,213	29,591	-
Accrued interest payable	-	25,463	-	-
Current portion of long-term liabilities				
Loan payable	-	114,000	-	-
Long-term debt	-	425,000	-	-
Accrued compensated absences	11,784	6,007	7,118	-
Total Current Liabilities	<u>342,357</u>	<u>1,002,144</u>	<u>82,076</u>	<u>-</u>
<b>Noncurrent Liabilities</b>				
Long-term debt	-	1,925,000	-	-
Accrued compensated absences	47,136	24,028	28,471	-
Total Noncurrent Liabilities	<u>47,136</u>	<u>1,949,028</u>	<u>28,471</u>	<u>-</u>
Total Liabilities	<u>389,493</u>	<u>2,951,172</u>	<u>110,547</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred resources related to pensions	406,740	219,549	266,552	-
<b>NET POSITION:</b>				
Net investment in capital assets	30,534,640	15,836,451	12,888,800	-
Unrestricted	11,667,939	3,783,113	906,671	-
Total Net Position	<u>\$ 42,202,579</u>	<u>\$ 19,619,564</u>	<u>\$ 13,795,471</u>	<u>\$ -</u>

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

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<b>Total Enterprise Funds</b>	<b>Total Internal Service Funds</b>	<b>Total Proprietary Funds</b>
\$ 7,062,815	\$ 3,742,317	\$ 10,805,132
1,662,372	1,114	1,663,486
124,027	-	124,027
-	1,547,857	1,547,857
<hr/> 8,849,214	<hr/> 5,291,288	<hr/> 14,140,502
161,360	-	161,360
8,624,063	-	8,624,063
2,138,358	-	2,138,358
59,471,533	353,900	59,825,433
461,011	77,087	538,098
<hr/> 70,856,325	<hr/> 430,987	<hr/> 71,287,312
79,705,539	5,722,275	85,427,814
79,238	-	79,238
176,890	29,579	206,469
<hr/> 256,128	<hr/> 29,579	<hr/> 285,707
745,066	14,989	760,055
92,139	16,465	108,604
25,463	-	25,463
114,000	-	114,000
425,000	-	425,000
24,909	3,185	28,094
<hr/> 1,426,577	<hr/> 34,639	<hr/> 1,461,216
1,925,000	-	1,925,000
99,635	12,740	112,375
<hr/> 2,024,635	<hr/> 12,740	<hr/> 2,037,375
3,451,212	47,379	3,498,591
<hr/> 892,841	<hr/> 149,295	<hr/> 1,042,136
59,259,891	353,900	59,613,791
16,357,723	5,201,280	21,559,003
<hr/> <b>\$ 75,617,614</b>	<hr/> <b>\$ 5,555,180</b>	<hr/> <b>\$ 81,172,794</b>

# CITY OF OREGON CITY, OREGON

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUNDS YEAR ENDED JUNE 30, 2015

	<u>Water</u>	<u>Wastewater</u>	<u>Stormwater</u>	<u>Other Enterprise Funds</u>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 5,995,617	\$ 7,961,224	\$ 2,460,166	\$ -
Licenses and permits	-	-	35,596	-
<b>Total Operating Revenues</b>	<b>5,995,617</b>	<b>7,961,224</b>	<b>2,495,762</b>	<b>-</b>
<b>OPERATING EXPENSES</b>				
Personal services	1,105,912	714,386	867,755	-
Materials and services	2,479,010	4,399,964	564,187	19,852
Depreciation	448,454	849,757	178,248	505,265
<b>Total Operating Expenses</b>	<b>4,033,376</b>	<b>5,964,107</b>	<b>1,610,190</b>	<b>525,117</b>
<b>OPERATING INCOME (LOSS)</b>	<b>1,962,241</b>	<b>1,997,117</b>	<b>885,572</b>	<b>(525,117)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
System development revenue	194,063	264,111	-	654,438
Investment revenue	11,872	9,008	3,994	31,401
Interest expense	(4,877)	(150,508)	-	-
Increase in equity of South Fork Water Board	278,178	-	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>479,236</b>	<b>122,611</b>	<b>3,994</b>	<b>685,839</b>
<b>NET INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>				
	2,441,477	2,119,728	889,566	160,722
Capital contributions	301,605	410,590	605,484	-
Transfers in	10,335,029	4,744,218	2,584,686	186,000
Transfers out	(1,151,370)	(866,618)	(499,513)	(24,860,717)
<b>CHANGE IN NET POSITION</b>	<b>11,926,741</b>	<b>6,407,918</b>	<b>3,580,223</b>	<b>(24,513,995)</b>
Beginning net position, as originally reported	30,664,936	13,421,671	10,470,240	24,513,995
Restatement per GASB 68 implementation	(389,098)	(210,025)	(254,992)	-
Beginning net position, as restated	30,275,838	13,211,646	10,215,248	24,513,995
<b>Ending net position</b>	<b>\$ 42,202,579</b>	<b>\$ 19,619,564</b>	<b>\$ 13,795,471</b>	<b>\$ -</b>

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

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<b>Enterprise Funds Total</b>	<b>Total Internal Service Funds</b>	<b>Proprietary Funds Total</b>
\$ 16,417,007	\$ 227,371	\$ 16,644,378
35,596	132	35,728
16,452,603	227,503	16,680,106
2,688,053	459,999	3,148,052
7,463,013	530,945	7,993,958
1,981,724	608,088	2,589,812
12,132,790	1,599,032	13,731,822
4,319,813	(1,371,529)	2,948,284
1,112,612	-	1,112,612
56,275	42,916	99,191
(155,385)	-	(155,385)
278,178	-	278,178
1,291,680	42,916	1,334,596
5,611,493	(1,328,613)	4,282,880
1,317,679	-	1,317,679
17,849,933	1,670,350	19,520,283
(27,378,218)	(26,500)	(27,404,718)
(2,599,113)	315,237	(2,283,876)
79,070,842	5,382,763	84,453,605
(854,115)	(142,820)	(996,935)
78,216,727	5,239,943	83,456,670
\$ 75,617,614	\$ 5,555,180	\$ 81,172,794

**CITY OF OREGON CITY, OREGON**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2015**

	<u>Water</u>	<u>Wastewater</u>	<u>Stormwater</u>	<u>Other Enterprise Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Collected from customers	\$ 5,978,941	\$ 7,854,588	\$ 2,494,833	\$ -
Paid to suppliers	(2,416,984)	(4,311,511)	(604,175)	(86,639)
Paid to employees	(1,372,641)	(857,031)	(1,041,671)	-
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>2,189,316</u>	<u>2,686,046</u>	<u>848,987</u>	<u>(86,639)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Transfers in	492,242	680,721	-	186,000
Transfers out	(1,151,370)	(866,618)	(499,513)	(7,969,747)
<i>Net Cash Provided by (Used in) Non-Capital Financing Activities</i>	<u>(659,128)</u>	<u>(185,897)</u>	<u>(499,513)</u>	<u>(7,783,747)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	(679,882)	(487,982)	(207,968)	(111,071)
Proceeds from disposal of capital assets	-	-	-	-
Principal paid on contracts/bonds payable	(195,000)	(405,000)	-	-
Proceeds from debt	-	114,000	-	-
Contribution of capital	-	-	-	-
System development revenue	194,063	266,353	-	799,621
Interest paid	(4,485)	(121,588)	-	-
Principal received on interfund loan receivable	-	-	-	-
<i>Net Cash Provided by (Used in) Capital and Related Financing Activities</i>	<u>(685,304)</u>	<u>(634,217)</u>	<u>(207,968)</u>	<u>688,550</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	11,872	9,008	3,994	31,401
<i>Increase in Cash and Investments</i>	<u>856,756</u>	<u>1,874,940</u>	<u>145,500</u>	<u>(7,150,435)</u>
<b>CASH AND INVESTMENTS, Beginning of year</b>	<u>1,958,628</u>	<u>1,537,500</u>	<u>689,491</u>	<u>7,150,435</u>
<b>CASH AND INVESTMENTS, End of year</b>	<u>\$ 2,815,384</u>	<u>\$ 3,412,440</u>	<u>\$ 834,991</u>	<u>\$ -</u>
<b>RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 1,962,241	\$ 1,997,117	\$ 885,572	\$ (525,117)
Depreciation	448,454	849,757	178,248	505,265
<i>Change in assets and liabilities:</i>				
Accounts receivable	(16,676)	(106,636)	(929)	-
Inventory	(12,997)	-	-	-
Accounts payable and accrued liabilities	81,252	93,144	(35,023)	(66,787)
Pension asset	(682,834)	(368,578)	(447,488)	-
Deferred outflows - pensions	3,136	1,693	2,055	-
Deferred inflows - pensions	406,740	219,549	266,552	-
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>\$ 2,189,316</u>	<u>\$ 2,686,046</u>	<u>\$ 848,987</u>	<u>\$ (86,639)</u>
<b>NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Increase in equity of South Fork Water Board	\$ 278,178	\$ -	\$ -	\$ -
Capital Contributions	<u>301,605</u>	<u>410,590</u>	<u>605,484</u>	<u>-</u>
	<u>\$ 579,783</u>	<u>\$ 410,590</u>	<u>\$ 605,484</u>	<u>\$ -</u>

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

<b>Total Enterprise Funds</b>	<b>Total Internal Service Funds</b>	<b>Total Proprietary Funds</b>
\$ 16,328,362	\$ 236,824	\$ 16,565,186
(7,419,309)	(555,556)	(7,974,865)
(3,271,343)	(554,785)	(3,826,128)
<u>5,637,710</u>	<u>(873,517)</u>	<u>4,764,193</u>
1,358,963	1,670,350	3,029,313
(10,487,248)	(26,500)	(10,513,748)
(9,128,285)	1,643,850	(7,484,435)
(1,486,903)	(343,089)	(1,829,992)
-	9,000	9,000
(600,000)	-	(600,000)
114,000	-	114,000
-	-	-
1,260,037	-	1,260,037
(126,073)	-	(126,073)
-	386,964	386,964
(838,939)	52,875	(786,064)
56,275	42,916	99,191
(4,273,239)	866,124	(3,407,115)
11,336,054	2,876,193	14,212,247
<u>\$ 7,062,815</u>	<u>\$ 3,742,317</u>	<u>\$ 10,805,132</u>
\$ 4,319,813	\$ (1,371,529)	\$ 2,948,284
1,981,724	608,088	2,589,812
(124,241)	9,321	(114,920)
(12,997)	-	(12,997)
72,586	(19,206)	53,380
(1,498,900)	(250,637)	(1,749,537)
6,884	1,151	8,035
892,841	149,295	1,042,136
<u>\$ 5,637,710</u>	<u>\$ (873,517)</u>	<u>\$ 4,764,193</u>
\$ 278,178	\$ -	\$ 278,178
1,317,679	-	1,317,679
<u>\$ 1,595,857</u>	<u>\$ -</u>	<u>\$ 1,595,857</u>

**CITY OF OREGON CITY, OREGON**  
STATEMENT OF NET POSITION – FIDUCIARY FUND  
JUNE 30, 2015

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	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 16,065
	<hr/>
Total Assets	16,065
<b>LIABILITIES</b>	
Due to others	16,065
	<hr/>
Total Liabilities	<u>\$ 16,065</u>

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

## NOTES TO BASIC FINANCIAL STATEMENTS

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Oregon City, Oregon (the City) have been prepared in conformity 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. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

**A. The Financial Reporting Entity**

The City of Oregon City, Oregon is a municipal corporation governed by an elected mayor and four commission members who comprise the City Commission. The City Commission exercises supervisory responsibilities over the City operations, but day-to-day management control is the responsibility of a city manager. All significant activities and organizations for which the City is financially accountable are included in the financial statements for the year ended June 30, 2015.

In defining the City of Oregon City for financial reporting purposes, management considers: all funds, organizations, institutions, agencies, departments, and offices that are legally part of the City (the primary government) and organizations for which the City is financially accountable. As defined by accounting principles generally accepted in the United States of America, the financial reporting entity consists of the primary government, as well as its component units. Component units can be defined as legally separate entities 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.

Based on component unit criteria, the City of Oregon City's financial statements include the Oregon City Urban Renewal Commission as a blended component unit. The City Commission and Board of Directors of Oregon City Urban Renewal Commission are composed of the same individuals. The separately issued financial statements of the Oregon City Urban Renewal Commission may be obtained from the Commission, 625 Center Street, Oregon City, Oregon 97045.

There are certain governmental agencies and various service districts which provide services within the City. These agencies have independently elected governing boards and the City is not financially accountable for these organizations. Therefore, financial information for these agencies is not included in the accompanying basic financial statements.

**B. Basic Financial Statements**

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

*Government-wide financial statements* display information about the reporting government as a whole. Eliminations have been made to minimize the double counting of internal activities. These statements focus on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Position and the Statement of Activities. Fiduciary funds are excluded from the government-wide statements.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule include certain services provided between funds at market or near-market rates, which are treated as revenues and expenses, and net residual amounts between government and business-like activities, which are presented as internal balances. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

The City does not currently use an indirect cost allocation system. Administrative service fees are charged by the General Fund and the Community Development Fund to the other operating funds to address services provided (e.g. general administration, financial services, geographic information systems, etc.).

*Fund financial statements* display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, enterprise or fiduciary. Currently, the City has general, special revenue, internal service, capital projects, debt service and enterprise type funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are consolidated into a single column within each fund type in the financial section of the basic financial statements and are detailed in the other supplementary information.

### **C. Basis of Presentation**

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

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

The City closed unnecessary funds in fiscal year 2015 to increase transparency in financial reporting. Residual balances were closed to the General Fund. The City established two new funds and reallocated closing fund resources from the General fund to new and existing funds to ensure proper segregation of restricted resources. These financial statements contains historical information on all of these funds. An asterisk (\*) denotes a fund that was closed during the year.

The City reports the following major governmental funds:

*General Fund* - Accounts for the City's legislative activities and administration, human resources, finance, information technology, police department, municipal court, and parks and recreation. The primary revenue sources are property taxes, franchise fees, fines and forfeitures, and intergovernmental revenues.

*Downtown Urban Renewal Agency Fund* – Accounts for the activity of the Downtown Urban Renewal Agency. Property taxes are the primary revenue source. Expenditures are primarily for urban renewal projects.

*System Development Fund* – Accounts for the collection of transportation, water, wastewater, stormwater and parks development charges and their use for related capital projects.

## CITY OF OREGON CITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2015

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*Community Facilities Capital Projects Fund* – Accounts for money set aside for construction of city facilities including the expansion of the Library and building of public safety and public works facilities; funded by transfers from other funds.

The City's proprietary funds mainly account for the water, wastewater, and stormwater operations. The City reports the following major proprietary funds:

*Water Fund* – Accounts for the operation of the City's water system. Customer charges are the primary revenue source.

*Wastewater Fund* – Accounts for the operation of the City's sanitary sewer collection system. Customer charges are the primary revenue source.

*Stormwater Fund* – Accounts for the operation of the City's storm drain activity. Customer charges are the primary revenue source.

Additionally, the City reports nonmajor funds within the governmental fund types:

### *Special Revenue Funds*

The special revenue funds account for revenue derived from specific tax or other earmarked revenue sources, including state gas tax, grants and funds set aside to finance particular functions or activities. Funds included in this category are:

\**Police Service Reserve Fund* - This fund is used to account for money set aside for police service costs. Transfers in are the primary revenue source.

*Library Fund* – This fund accounts for the operation of the library. Proceeds from the Clackamas County Library Levy are the primary revenue source.

\**City Clean-up Fund* - This fund accounts for specific maintenance projects. Garbage franchise fees are the primary source of revenue.

\**Downtown Parking Fund* - This fund accounts for the revenues and expenditures associated with parking in the downtown area. Parking fees are the primary revenue source.

\**Business Development Fund* – This fund is used to account for business licenses revenue and related expenditures.

\**Economic Improvement District* – This fund accounts for the collection and expenditure of amounts assessed against properties within the City.

\**Oregon City Enhancement Fund* – This fund accounts for special projects funded by franchise fee revenue.

*Community Development Fund* – This fund accounts for personnel costs and other expenditures related to planning and development services. Licenses and charges for service are the primary revenue sources.

\**Code Enforcement Fund* – This fund is used to track expenditures related to code enforcement. Transfers from other funds are the primary revenue source.

*Building Fund* – This fund is used to account for building inspection and related expenditures. Licenses are the primary revenue source.

*Engineering Fund* – This fund is used to provide engineering review and construction monitoring for private development within the City. Licenses and permits are the primary revenue source.

*Street Fund* – This fund is used to account for the use of State gas tax revenue for street-related purposes.

\**Civic Improvement Trust Fund* - This fund is used to account for resources set aside for civic improvements. Assessments and charges for services are the primary revenue sources.

\**Cable TV Systems Improvement Fund* – This fund is used to provide improvements to the cable TV system. Franchise fees are the primary revenue source.

\**Parks and Recreation Trust Fund* – This fund accounts for donations and investment earnings designated for specific park related projects.

#### *Capital Projects Funds*

The capital projects funds account for resources set aside for the acquisition and construction of major capital projects other than those being financed by proprietary funds. Fund included in this category is:

\**Public Works Building Reserve* – This fund accounts for money set aside for construction of a new public works center.

\**Police Building Reserve Fund* – This fund is used to account for money set aside for construction of a new police building. Transfers from other funds are the primary revenue source.

\**Street Development Fund* – Accounts for revenues from motor vehicle fee apportionments from the State of Oregon and expenditures as specified under Article IX, Section 3 of the Constitution of the State of Oregon.

\**Upgrade Streets Annexed Fund* - This fund is used to pay for certain street improvements. For the current year, interest earnings were the primary revenue source.

\**Pavement Maintenance Utility Fund* – This fund is used to account for the transportation utility fee revenue. Street-related capital outlay is the primary use of this revenue.

\**Library Reserve* – This fund accounts for money set aside for construction of a new public library.

\**Parks Development Fund* – This fund accounts for the collection and use of park system development charges.

\**Ermatinger House Preservation* – This fund accounts for money set aside for the preservation of the Ermatinger House.

#### *Debt Service Funds*

*PERS Debt Service Fund* - This fund is used to account for resources set aside for future use in meeting required employer contributions to the Public Employees Retirement System (PERS). During the current year, debt principal and interest were paid from the fund.

*Fire Bond Debt Service fund* - This fund accounts for principal and interest paid on general obligation bonds. Property taxes are the primary revenue source.

Additionally, the City reports nonmajor funds within the proprietary fund types:

#### *Enterprise Funds*

The specific nonmajor enterprise funds and their purposes are as follows.

\**Water System Development Fund* – Accounts for the collection of water system development charges (SDC's) and their use for related capital projects.

\**Wastewater System Development Fund* – This fund accounts for the collection of sewer SDC's and their use for related capital projects.

\**Stormwater System Development Fund* – This fund accounts for the collection of storm drain SDC's and their use for related capital projects.

## CITY OF OREGON CITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2015

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*\*Water and Sewer Rate Stabilization Funds* – These funds were established in the 2003-04 fiscal year to set aside resources for future use. By setting aside money each year the City intends to stabilize the water and sewer rates charged to customers. Transfers from other funds are the primary revenue source.

*\*HOPP Sewer Construction Fund* - This fund was used to account for the construction of sewer facilities in prior years, and the collection of assessments. During the current year the fund had minimal activity.

*\*Endowment Care Fund* – This fund is used to account for customer charges designated for perpetual care of gravesites. Transfers to the Cemetery Fund to help cover operating costs are the primary expenditures.

*Water Revenue Bond Fund* – This fund was used to account for the acquisition of capital assets through proceeds from revenue bonds issued in prior years. For the current year the fund had only minimal activity; this fund is not budgeted.

### *Internal Service Funds*

The City has two internal service funds which provide services to other City departments, primarily the enterprise funds. Therefore, the internal service funds are combined with the enterprise funds in the government-wide financial statement. Internal charges are the primary revenue source for all funds. Expenditures are for the purposes as described below.

*Fleet Maintenance Fund* - This fund accounts for the current operating costs of City owned vehicles and accumulated resources to be used for vehicle and equipment replacement.

*Utility Customer Service Fund* - This fund accounts for the cost of providing utility billing services.

### *Agency Fund*

The City has one agency fund. Agency funds are used to account for assets held by the City as an agent for other governmental units, other organizations, or individuals.

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

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

The government-wide and proprietary fund financial statements are accounted for using an economic resources measurement focus, whereby all assets and liabilities are included in the Statement of Net Position. The increases and decreases in the net position are presented in the government-wide Statement of Activities and in the proprietary fund Statement of Revenues, Expenses and Changes in Net Position.

These funds use the accrual basis of accounting whereby revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Amounts reported as program revenues in the Statement of Activities include (1) fines, fees and 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. Grants and contributions not restricted are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Operating revenues and operating expenses are intermediate components within the proprietary fund Statement of Revenues, Expenses and Changes in Net Position, and include only those transactions that constitute their principal, ongoing activities exclusive of investing or financing transactions. Significant operating revenues include charges for services and miscellaneous income. Significant operating expenses include personnel, materials and supplies, outside services, and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Interfund activity consists of transfers, services provided and/or used, reimbursements, advances and loans. As a general rule, the effect of interfund activity has been eliminated from the governmental-wide financial statements. Exceptions to this general rule include interfund services provided and/or used. Interfund services provided and/or used are accounted for as revenues and expenses since the elimination of such revenues and expenses would distort the direct costs and program revenues reported for the various functions.

The governmental fund financial statements are accounted for using a current financial resources measurement focus, whereby only current assets and current liabilities generally are included in the balance sheet, and the statement of revenues, expenditures and changes in fund balances present increases and decreases in those net current assets. These funds use the modified accrual basis of accounting whereby revenues are recorded only when susceptible to accrual (both measurable and available). "Measurable" means that the amount of the transaction can be determined. "Available" is defined as being collectible within the current period or soon enough thereafter (60 days) to be used to liquidate liabilities of the current period. Expenditures other than interest on noncurrent obligations, are recorded when the fund liability is incurred.

Real and personal property taxes are levied as of July 1 for each fiscal year on values assessed as of January 1. Property taxes are an enforceable lien on both real and personal property as of July 1 and are due and payable in installments on November 15, February 15 and May 15. All property taxes are billed and collected by Clackamas County and remitted to the City. In the governmental fund financial statements, property taxes are reflected as revenues in the fiscal period for which they were levied, provided they are due, or past due and receivable within the current period, and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60 days). Otherwise, they are reported as deferred revenues.

Intergovernmental revenues are recognized as revenues when all eligibility requirements are met. There are, however, essentially two types of intergovernmental revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, all eligibility requirements are determined to be met when the underlying expenditures are recorded. In the other, monies are virtually unrestricted as to the purpose of the expenditure and are usually revocable only for failure to comply with prescribed requirements; therefore, all eligibility requirements are determined to be met at the time of receipt, or earlier, if the susceptible accrual criteria are met.

Licenses and permits, charges for services, fines and forfeitures and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available. Special assessments receivable and repayment of revolving loans are offset by deferred revenues.

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 basic financial statements.

## **E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

### *Cash and Investments*

Cash and cash equivalents include cash on hand, demand deposits, short-term investments with original or remaining maturities of three months or less when purchased. Investments consist of funds held in the Oregon State Treasurer's Local Government Investment Pool (LGIP). These amounts are carried at fair value. The individual funds' portion of the cash pool is presented as "Cash and Investments" in the basic financial statements. For purposes of the Statement of Cash Flows, the proprietary funds consider cash and cash equivalents to include the cash and investment common pool. These amounts have the general characteristics of demand deposit accounts in that the proprietary funds may deposit additional cash at any time and also may withdraw cash at any time without prior notice or penalty.

## CITY OF OREGON CITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2015

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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. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP.

The City has adopted ORS 294.840 as its investment policy.

### *Receivables and Revenues*

Receivables for state, county and local shared revenues, included in accounts receivable, are recorded as revenue in the governmental funds as earned. Receivables of the enterprise funds are recorded as revenue as earned. Property taxes receivable for the governmental fund types, which have been collected within sixty days subsequent to year end, are considered measurable and available and are recognized as revenues. All other property taxes are offset by unavailable property tax revenues and, accordingly, have not been recorded as revenue. Property taxes receivable by the City represent the City's allocated share of delinquent property taxes and other amounts to be collected from property owners within Clackamas County, Oregon.

Assessment liens in the governmental fund types are recognized as receivables at the time property owners are assessed for property improvements. All assessments receivable are offset by an unavailable revenue account and, accordingly, have not been recorded as revenue; assessment revenue is recognized upon collection.

### *Deferred Inflows/Outflows of Resources*

In addition to assets, the statement of financial position will report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

As required by GASB Statements No. 68 and 71 the City reports deferred outflows of resources for pension-related amounts: payments since the measurement date, changes in assumptions, and for the difference between future payments of deferred revenues' projected and actual earnings. The City also reports the deferred charge on refunding as a deferred outflow of resources. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The governmental funds report unavailable revenues from property taxes and assessment liens as deferred inflows of resources. These items arise only under a modified accrual basis of accounting and accordingly, are reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

As required by GASB Statement No. 68 the City reports deferred inflows of resources for pension-related amounts: differences between projected and actual investment earnings and changes in employer proportion and differences between employer contributions and the City's proportionate share of contributions.

### *Inventory and Prepaids*

Inventory in the proprietary funds is stated at cost (first-in, first-out basis) and is charged to expense as used. The purchases method is used for inventory for governmental funds. In both government-wide and fund financial statements, certain payments to vendors reflect costs applicable to future City accounting periods and are recorded as prepaid expenses.

*Capital Assets*

Capital assets are stated at cost or estimated historical cost. Donated assets are recorded at fair market value at date of donation. Estimated fair market value of donated assets is determined based on engineering estimates of current cost or price indexed cost. Capital assets include land, right-of-way (included with land), buildings, improvements, equipment, infrastructure and other tangible and intangible assets costing over \$5,000 used in operations that have initial useful lives extending beyond a single reporting period. Infrastructure are those capital assets that are stationary in nature and can be preserved for a significantly greater number of years than most other capital assets. Infrastructure reported in governmental activities consists of roads, bridges, sidewalks and traffic and lighting systems. Infrastructure reported in business-type activities consists of water, stormwater and wastewater collection systems.

All capital assets, except for infrastructure in governmental activities prior to July 1, 1980, have been capitalized in the government-wide and proprietary fund financial statements. In accordance with the current financial resources measurement focus, capital assets are not capitalized in the governmental fund financial statements. Purchased capital assets are valued at cost when historical records are available and at estimated historical cost if no historical records exist. Historical cost is measured by the cash or cash equivalent price of obtaining an asset, including ancillary charges necessary to place the asset into its intended location and condition for use.

Donated capital assets are reported at their estimated fair value at the time of acquisition plus ancillary charges, if any. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Amounts expended for maintenance and repairs are charged to expenditures/expenses in the appropriate funds as incurred and are not capitalized.

Capital assets are depreciated unless they are inexhaustible in nature (e.g., land and right-of-ways). Depreciation is an accounting process to allocate the cost of capital assets to expense in a systematic and rational manner to those periods expected to benefit from the use of capital assets. Depreciation is not intended to represent an estimate in the decline of fair market value, nor are capital assets, net of accumulated depreciation, intended to represent an estimate of the current condition of the assets, or the maintenance requirements needed to maintain the assets at their current level of condition.

Depreciation is computed over the estimated useful lives of the capital assets. All estimates of useful lives are based on actual experience by City departments with identical or similar capital assets. Depreciation is calculated on the straight-line basis, except for infrastructure and improvements other than buildings reported in the governmental activities column of the government-wide financial statements, which are calculated using a composite depreciation method. The estimated useful lives of the various categories of assets are as follows:

Buildings and improvements	40 years
Water and Sewer Systems	20 - 50 years
Infrastructure	20 - 50 years
Equipment	10 - 20 years

Upon disposal of capital assets, cost and accumulated depreciation are removed from the accounts and, if appropriate, a gain or loss on the disposal is recognized.

*Long-Term Debt*

Long-term debt directly related and expected to be paid from the enterprise funds is recorded in these funds. All other unmatured long-term debt is recorded on the Statement of Net Position. Repayment of general bonded debt will be made from debt service funds. Payment of vacation liabilities will be made primarily from the General Fund, Street Development Fund, Water Fund and Wastewater Fund.

## CITY OF OREGON CITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2015

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### *Accrued Compensated Absences*

Accumulated vested vacation pay is accrued in the enterprise funds as it is earned by employees. In governmental fund types, the amounts, if any, expected to be liquidated with expendable available resources are accrued as liabilities of the funds and the amount payable from future resources is recorded on the Statement of Net Position. Sick pay, which does not vest, is recorded in all funds when leave is taken. Compensated absences payable are recorded as liabilities in the governmental funds only if they have matured (i.e., there are unpaid amounts still outstanding after an employee's termination). In the past, compensated absences and other postemployment benefits have been paid by the fund resulting in the underlying liability, or each fund that reports personnel expenses (General, Library, Building, Community Development, Code Enforcement, Engineering, Water, Wastewater, Stormwater funds.)

### *Other Postemployment Benefit Obligations*

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting and Financial Reporting by Employers for the Postemployment Benefits Other Than Pensions (OPEB), the City's net OPEB obligation is recognized as a long-term liability in the government-wide financial statements and in the proprietary fund statements, the amount of which is actuarially determined. The annual required contribution is recognized on an accrual basis in accordance with actuarial standards. The General Fund liquidates the long-term portions of other postemployment benefits.

### *Pension Obligations – Oregon Public Employees Retirement System (PERS)*

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 PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. 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. The long term portion of pension liabilities are expected to be paid in future years from future resources. In prior years, these liabilities have been liquidated primarily by the governmental and enterprise funds for which the employees who earned the benefits were assigned.

### *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. Restricted net position represent net position restricted by parties outside of the City (such as creditors, grantors, contributors, laws, and regulations of other governments) and includes funds restricted for payment of debt or to acquire or construct capital assets. All other net position is considered unrestricted.

### *Fund Balance*

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Governmental Fund type fund balances are reported in the following classifications.

Nonspendable includes resources that cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for resale.

Restricted includes resources with constraints placed on their use either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed resources exist when the City Commission takes formal action such as adoption of an ordinance that places specific constraints on how the resources may be used. The City Commission can modify or rescind the commitment at any time through passage of an additional ordinance.

Assigned when resources are constrained by the City's intent to use them for a specific purpose, but are neither restricted nor committed. Intent is expressed when the City Commission approves which resources should be "reserved" during the adoption of the annual budget. The City's Finance Director uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the City's Annual Financial Report.

Unassigned is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

### *Fund Balance Flow Assumptions*

The City may fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which resources are considered to have been applied. 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 needed. When components of restricted fund balance can be used for the same purpose, committed fund balance is depleted second, followed by assigned fund balance. Unassigned fund balance is applied last.

### *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reporting amounts of certain assets, liabilities, revenues and expenses as of and for the year ended June 30, 2015. Actual results may differ from such estimates.

**NOTE 2: DETAILED NOTES ON ALL FUNDS**

**A. Cash and Investments**

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the Statement of Net Position as part of Cash and Investments.

<b>Cash</b>	
Petty cash	\$ 3,591
Deposits with financial institutions	11,000,583
<b>Investments</b>	
Local Government Investment Pool	48,337,264
Total Cash	<u>\$ 59,341,438</u>

*Deposits*

The City's deposits with various financial institutions had a book balance of \$11,000,583 and a bank balance of \$11,575,962. The difference is due to transactions in process. Bank deposits are secured to legal limits by federal deposit insurance. Any remaining amounts are secured in accordance with ORS 295 under a collateral program administered by the Oregon State Treasurer.

*Custodial Credit Risk - Deposits*

This is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City's deposits with financial institutions for up to \$250,000 each for the aggregate of all demand deposits and the aggregate of all time deposit and savings accounts at each financial institution. Deposits in excess of FDIC coverage are with institutions participating in the Oregon Public Funds Collateralization Program (PFCP). The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. As of June 30, 2015, \$10,750,583 of the City's bank balances were exposed to custodial credit risk as they were collateralized with securities held by the pledging financial institution's agent but not in the City's name.

*Investments*

The State Treasurer of the State of Oregon maintains the Oregon Short-Term Fund, of which the Local Government Investment Pool is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. The Oregon Short-Term Fund is the LGIP for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations.

The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). At June 30, 2015, the fair value of the position in the Oregon State Treasurer's Short-Term Investment Pool was approximately equal to the value of the pool shares. The investment in the Oregon Short-Term Fund is not subject to risk evaluation. LGIP is not rated for credit quality. Separate financial statements for the Oregon Short-Term Fund are available from the Oregon State Treasurer.

*Interest Rate Risk*

In accordance with its investment policy, the City manages its exposure to declines in fair value of its investments by limiting the weighted average maturity of its investments.

*Custodial Risk - Investments*

For an investment, this is the risk that, in the event of a failure of the counterparty, the City will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. The City's investment policy limits the types of investments that may be held to those specified by Oregon statutes and does not allow securities to be held by the counterparty. The City's policy is in compliance with State statutes.

The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Commission. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of, or has control of any fund. 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 has established diversification percentages and specifies the types and maturities of the investments.

The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. These investments within the LGIP must be invested and managed as a prudent investor would, exercising reasonable care, skill and caution. Professional standards indicate that the investments in external investment pools are not subject to custodial risk because they are not evidenced by securities that exist in physical or book entry form. Nevertheless, management does not believe that there is any substantial custodial risk related to investments in the LGIP.

A copy of the State's Comprehensive Annual Financial Report may be obtained online at [www.ost.state.or.us](http://www.ost.state.or.us) or by mail at the Oregon State Treasury, 350 Winter St. NE, Salem, Oregon 97310-0840.

**B. Receivables**

Receivables at June 30, 2015, consisted of the following:

<b>Governmental Activities</b>	<b>General</b>	<b>Other Governmental Funds</b>	<b>Total</b>
Accounts	\$ 734,477	\$ 543,097	\$ 1,277,574
Property taxes	672,772	155,200	827,972
Notes receivable - SFWB	383,100	569,176	952,276
Assessments	-	962,687	962,687
	<u>\$ 1,790,349</u>	<u>\$ 2,230,160</u>	<u>\$ 4,020,509</u>

<b>Business-type Activities</b>	<b>Water</b>	<b>Wastewater</b>	<b>Other Enterprise Funds</b>	<b>Internal Service Funds</b>	<b>Total</b>
Accounts	\$ 610,098	\$ 793,936	\$ 258,338	\$ 1,114	\$ 1,663,486
Assessments	-	161,360	-	-	161,360
	<u>\$ 610,098</u>	<u>\$ 955,296</u>	<u>\$ 258,338</u>	<u>\$ 1,114</u>	<u>\$ 1,824,846</u>

**CITY OF OREGON CITY, OREGON**  
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)  
YEAR ENDED JUNE 30, 2015

**C. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2015 is as follows:

<b>Governmental Activities</b>	<b>Balance July 1, 2014</b>	<b>Increases</b>	<b>Reclasses</b>	<b>Decreases</b>	<b>Balance June 30, 2015</b>
Nondepreciable capital assets					
Land	\$ 9,438,166	\$ 2,101,000	\$ -	\$ (300,050)	\$ 11,239,116
Construction In Progress	385,262	1,196,901	(185,348)	(105)	1,396,710
Total Non-depreciable	9,823,428	3,297,901	(185,348)	(300,155)	12,635,826
Depreciable capital assets					
Equipment	3,774,965	262,617	25,827	(48,971)	4,014,438
Buildings and Improvements	4,779,388	906,991	-	-	5,686,379
Infrastructure	105,676,977	2,754,149	159,521	-	108,590,647
Total Depreciable	114,231,330	3,923,757	185,348	(48,971)	118,291,464
Accumulated depreciation					
Equipment	(2,787,415)	(267,629)	-	49,076	(3,005,968)
Buildings and Improvements	(3,547,912)	(128,048)	-	-	(3,675,960)
Infrastructure	(21,688,109)	(2,714,839)	-	-	(24,402,948)
Total Accumulated Depreciation	(28,023,436)	(3,110,516)	-	49,076	(31,084,876)
Depreciable capital assets, net	86,207,894	813,241	185,348	105	87,206,588
Governmental capital assets, net	\$ 96,031,322	\$ 4,111,142	\$ -	\$ (300,050)	\$ 99,842,414
<b>Business-type Activities</b>	<b>Balance July 1, 2014</b>	<b>Increases</b>	<b>Reclasses</b>	<b>Decreases</b>	<b>Balance June 30, 2015</b>
Nondepreciable capital assets					
Land	\$ 1,681,195	\$ -	\$ -	\$ -	1,681,195
Construction In Progress	204,690	392,881	(140,399)	(9)	457,163
Total Non-depreciable	1,885,885	392,881	(140,399)	(9)	2,138,358
Depreciable capital assets					
Equipment	6,891,585	393,088	-	(180,891)	7,103,782
Buildings and Improvements	13,740,716	691,543	-	-	14,432,259
Infrastructure	75,490,202	1,670,158	140,399	-	77,300,759
Total Depreciable	96,122,503	2,754,789	140,399	(180,891)	98,836,800
Accumulated depreciation					
Equipment	(4,748,958)	(690,789)	-	171,891	(5,267,856)
Buildings and Improvements	(3,325,877)	(242,703)	-	-	(3,568,580)
Infrastructure	(28,518,611)	(1,656,320)	-	-	(30,174,931)
Total Accumulated Depreciation	(36,593,446)	(2,589,812)	-	171,891	(39,011,367)
Depreciable capital assets, net	59,529,057	164,977	140,399	(9,000)	59,825,433
Business-type capital assets, net	\$ 61,414,942	\$ 557,858	\$ -	\$ (9,009)	\$ 61,963,791

Depreciation expense for the year was charged to each function as follows:

Governmental Activities	
General government	\$ 97,820
Public safety	210,197
Public works	2,402,477
Culture and recreation	382,192
Planning and building	17,830
Depreciation, governmental activities	\$ 3,110,516
Business-type Activities	
Water	\$ 658,896
Wastewater	1,096,071
Stormwater	230,246
Fleet	604,599
Depreciation, business-type activities	\$ 2,589,812

#### D. Leases

Leases which meet certain criteria established by the GASB are classified as capital leases. When these leases are incurred, the assets and related liabilities are recorded at the lesser of the present value of minimum lease payments or the fair value of the lease. Leases, which do not meet the criteria of a capital lease, are classified as operating leases and related rental payments are charged to operations in their respective funds. Currently, all of the City's leases are classified as operating leases.

The City leases office space for the Community Development Department under a cancelable long term operating lease expiring on February 28, 2018. Total costs for such lease was \$134,649 for the year ended June 30, 2015.

According to the terms of the lease, in addition to minimum monthly lease payments, the City must pay as additional rent the proportionate share of building maintenance expenses, calculated annually. The future minimum lease payments for this operating lease are as follows:

Fiscal Year Ending June 30	Annual Base Lease Payments
2016	\$ 138,689
2017	142,849
2018	97,119
Total	\$ 378,657

#### E. Short Term Debt

The City has a \$300,000 loan payable issued in August 2014. The City received a request to expedite the timing of capital improvements that directly impacted planned development. The City and developer entered into an agreement whereby the developer loaned funds to the City to be repaid using funds that were programmed for completion of those improvements. Funds have not been used to finance the project as of June 30, 2015. The loan is to be repaid in the 2016 fiscal year.

	Outstanding July 1, 2014	Issued	Matured / Redeemed	Outstanding June 30, 2015	Due Within One Year
Governmental Activities	\$ -	\$ 186,000	\$ -	\$ 186,000	\$ 186,000
Business Type Activities	-	114,000	-	114,000	114,000
<b>Total Governmental</b>	<b>\$ -</b>	<b>\$ 300,000</b>	<b>\$ -</b>	<b>\$ 300,000</b>	<b>\$ 300,000</b>

**CITY OF OREGON CITY, OREGON**  
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)  
YEAR ENDED JUNE 30, 2015

**F. Long Term Debt – Bonds Payable**

The following table presents current year changes in long-term debt obligations and the current portions due for each issue. Information is presented separately for governmental and business-type activities by bond type. Under Oregon Revised Statutes, general obligation debt issues are limited to three percent of real market value of all taxable property within the City’s boundaries. The City’s outstanding general obligation debt of \$6.66 million is significantly below the debt limitation of \$89.0 million.

	<b>Outstanding July 1, 2014</b>	<b>Issued</b>	<b>Matured / Redeemed</b>	<b>Outstanding June 30, 2015</b>	<b>Due Within One Year</b>
<b>Governmental Activities</b>					
<b>Limited Obligation Bonds</b>					
PERS Limited Tax Pension Obligations, Series 2005, Issued September 28, 2005, interest rates from 4.21% to 5.00%	\$ 15,085,000	\$ -	\$ (495,000)	\$ 14,590,000	\$ 570,000
<b>General Obligation Bonds</b>					
Fire General Obligation Refund Bonds, Issued November 16, 2006, interest rates from 3.75% to 4.25%	1,095,000	-	(345,000)	750,000	365,000
Library General Obligation Bonds, Issued January 7, 2015, interest rate at 3.08%	-	6,000,000	(92,228)	5,907,772	233,412
<b>Tax Increment Bonds</b>					
Urban Renewal Commission Revenue Bonds, Series 2008A, issued July 18, 2008, interest rate at 4.95%	7,885,000	-	(405,000)	7,480,000	425,000
Urban Renewal Commission Revenue Bonds, Series 2013, issued January 31, 2013, Tax Exempt, interest rate at 3.05%	1,108,774	-	(123,197)	985,577	123,197
Urban Renewal Commission Revenue Bonds, Series 2013, issued January 31, 2013, Taxable, interest rate at 4.55%	1,992,986	-	(221,443)	1,771,543	221,443
<b>Total Governmental</b>	<b>\$ 27,166,760</b>	<b>\$ 6,000,000</b>	<b>\$ (1,681,868)</b>	<b>\$ 31,484,892</b>	<b>\$ 1,938,052</b>
<b>Business-type Activities</b>					
<b>Revenue Bonds</b>					
Water Revenue Refunding Bonds, Issued January 15, 2002, interest rates from 3.25% to 4.60%	\$ 195,000	\$ -	\$ (195,000)	\$ -	\$ -
Sewer Revenue Refunding Bonds, Issued July 3, 2007, interest rates from 4.25% to 5.00%	2,755,000	-	(405,000)	2,350,000	425,000
<b>Total Business-type</b>	<b>\$ 2,950,000</b>	<b>\$ -</b>	<b>\$ (600,000)</b>	<b>\$ 2,350,000</b>	<b>\$ 425,000</b>
<b>Total long-term debt</b>	<b>\$ 30,116,760</b>	<b>\$ 6,000,000</b>	<b>\$ (2,281,868)</b>	<b>\$ 33,834,892</b>	<b>\$ 2,363,052</b>

*Governmental Activities*

*Public Employee Retirement System (PERS) Unfunded Actuarial Liability Bonds:* During 2005-06, the City issued \$17,030,000 in bonds to fund its PERS actuarial liability. The bonds are limited tax obligations and are payable from ad valorem property taxes and any unrestricted taxes, fees, charges, and other revenues. They are not general obligation bonds. The bonds bear interest at rates varying between 4.21% and 5.00%. Semiannual payments of interest are due on December 1 and June 1 of each year, and annual payments of principal are due on June 1 of each year. The final payment is due June 1, 2028.

*Fire General Obligation Refunding Bonds:* The City issued \$4,000,000 of voter-approved General Obligation bonds dated November 16, 2006, to refund the City's Series 1998 bonds in order to obtain a benefit of a savings in total debt service requirements. General obligation bonds are direct obligations and pledge full faith and credit of the City. Interest rates on the bonds range from 3.75% to 4.25% and the final maturity date is June 1, 2017.

*Library General Obligation Bonds:* On January 7, 2015, the City issued \$6,000,000 of voter-approved General Obligation Bonds in order to renovate and expand the Oregon City Library at Carnegie Center. The interest rate on the bonds is 3.08% and the final payment is due June 1, 2034.

*Urban Renewal Commission Revenue Bonds, Series 2008:* On July 1, 2000, the Oregon City Urban Renewal Commission (URC) issued \$10,000,000 of Urban Renewal Tax Increment Revenue Bonds to provide financing for projects within the Oregon City Downtown Urban Renewal area. The bonds bear interest at 4.95%. Semiannual payments of interest are due on December 1 and June 1 of each year, and annual payments of principal are due on June 1 of each year and mature on June 1, 2023. The bonds are secured by and payable from the tax increment revenue of the Urban Renewal Commission. In addition, a covenant to maintain a Debt Service Reserve Account in an amount not less than the lesser of the following:

- a. Maximum annual debt service due on the Credit Facility; or
- b. 125% of the average amount of principal, interest and premium due on the Credit Facility; or
- c. 10% of the proceeds of the Credit Facility.

Oregon City and the URC were in compliance with all covenants at June 30, 2015.

*Urban Renewal Commission Revenue Bonds, Series 2013:* On January 31, 2013, the URC issued \$3,446,400 of Urban Renewal Tax Increment Revenue Bonds to refinance the URC's Line of Credit. Part of the bonds issued are tax exempt while part are taxable. Interest rate on the tax exempt bonds is 3.05% while the taxable bonds is 4.55%. The bonds mature on February 21, 2023.

*Business-type Activities*

*Water Revenue Refunding Bonds:* In 2002, the City issued \$1.975 million of Water Revenue Bonds to refund the January 15, 2002 Water Revenue Bonds and the April 1, 1993 Water System Revenue Refunding Bonds. This debt matured during the current fiscal year.

*Sewer Revenue Refunding Bonds:* In 2007, the City issued \$5.245 million to refund the October 15, 1997 Sewer System Revenue Refunding Bonds. These issues bear interest from 4.25% to 5.00%. The bond indenture agreements provide that the principal and interest payments be made exclusively from sewer system net revenues. The bonds are not general obligations of the City. In addition to a pledge by the City of the sewer system net revenues, the bonds are secured by a rate covenant by the City to maintain sufficient user fees and charges to ensure that the net revenues of the sewer system will at all times be in an amount not less than 125% of the debt service plus maintenance and operating expenses. The City was in compliance with the rate covenant at June 30, 2015.

**CITY OF OREGON CITY, OREGON**  
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)  
 YEAR ENDED JUNE 30, 2015

*Future Principal and Interest*

Future maturities of bond principal and interest at June 30, 2015, are as follows:

<b>Fiscal Year</b> <b>Ending June 30,</b>	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 1,938,052	\$ 1,419,470	\$ 425,000	\$ 101,850	\$ 2,363,052	\$ 1,521,320
2017	2,065,241	1,334,203	450,000	79,975	2,515,241	1,414,178
2018	1,792,651	1,242,986	470,000	56,975	2,262,651	1,299,961
2019	1,915,290	1,162,783	490,000	34,200	2,405,290	1,196,983
2020	2,048,164	1,076,734	515,000	11,588	2,563,164	1,088,322
2021-2025	13,988,404	3,546,198	-	-	13,988,404	3,546,198
2026-2030	6,196,065	811,872	-	-	6,196,065	811,872
2031-2035	1,541,025	120,458	-	-	1,541,025	120,458
	<u>\$ 31,484,892</u>	<u>\$ 10,714,704</u>	<u>\$ 2,350,000</u>	<u>\$ 284,588</u>	<u>\$ 33,834,892</u>	<u>\$ 10,999,292</u>

**G. Long Term Debt – Compensated Absences**

The City’s policy relating to compensated absences is described in Note 1. E. Changes in the liability for accrued compensated absences are as follows:

	<b>Outstanding</b> <b>July 1, 2014</b>	<b>Earned</b>	<b>Paid</b>	<b>Outstanding</b> <b>June 30, 2015</b>	<b>Due Within</b> <b>One Year</b>
Governmental Activities	\$ 579,533	\$ 565,073	\$ 531,676	\$ 612,930	\$ 122,586
Business-type Activities	137,138	125,266	121,933	140,471	28,094
	<u>\$ 716,671</u>	<u>\$ 690,339</u>	<u>\$ 653,609</u>	<u>\$ 753,401</u>	<u>\$ 150,680</u>

**H. Other Post Employment Benefits (OPEB) – Health Insurance**

*Plan Description*

The City follows GASB 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension*. The OPEB for the City includes an implicit rate subsidy for retiree health insurance continuation premiums and a stand-alone plan for employees meeting certain eligibility requirements. The City has not established an irrevocable trust (or equivalent arrangement) to account for the plan. The plan does not issue a separate report.

Implicit rate subsidy: As required by ORS 243.303, the City must offer retirees the same group health and dental insurance as provided to current employees from the date of retirement to the age when retirees and spouses typically become eligible for Medicare. The difference between retiree claims costs, which because of the effect of age is generally higher than plan members, and the amount of retiree healthcare premiums represents the implicit employer contribution.

Explicit rate subsidy: Based on negotiated union agreements, the City provides retiree health benefits to employees that retired from active service while eligible to receive a pension benefit from Oregon PERS meeting one of the following three criteria:

- Hired before July 1, 2005 for retirees represented by AFSCME
- Hired before November 17, 2005 for Management retirees
- Retired while represented by the Oregon City Police Employees’ Association

Retirees under 65 are eligible to receive the same medical and dental coverage as active employees. 50% or \$100, whichever is less, of the premiums for the medical plan are paid by the Employer for AFSCME retirees. 50% of the premiums for the medical plan are paid by the Employer for Police retirees. 100% of the premiums for the medical plan are paid by the Employer for Management retirees. The retiree is responsible for the dental premiums. No spousal or family coverage is paid for by the Employer (single premium amounts only). For Police retirees over age 65, 50% of the premiums for Medicare supplemental health care coverage are paid by the Employer for the retiree only. For Management retirees over age 65, the City pays 100% of the Medicare supplemental health care coverage. Coverage for AFSCME retirees ends when the retiree turns 65.

*Funding Policy*

The City funds the plan only to the extent of current year insurance premium requirements on a pay-as-you-go basis. At June 30, 2015, the City had 152 active employees and 25 retirees participating in the program with all insurance premium costs paid in full by the individual for management personally hired after November 17, 2005 and AFSCME personnel hired after July 1, 2005.

*Annual OPEB Cost and Net OPEB Obligation*

The City's annual other post-employment benefit cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance within the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City amortizes unfunded actuarial liabilities over fifteen years.

The following table shows the components of the City's annual OPEB cost for the fiscal year ending June 30, 2015, the amount actually contributed to the plans, and changes in the City's net OPEB obligation:

	<b>2015</b>
<b>Determination of Annual Required Contribution</b>	
Normal Cost at year end	\$ 651,836
Amortization of UAAL	1,352,897
Annual Required Contribution (ARC)	2,004,733
<b>Determination of Net OPEB Obligation</b>	
Annual Required Contribution	2,004,733
Interest on prior year Net OPEB Obligation	150,001
Adjustment to ARC	(515,322)
Annual OPEB Cost	1,639,412
Explicit Benefit Payments	(220,258)
Implicit Benefit Payments	(220,781)
Increase in Net OPEB Obligation	1,198,373
Net OPEB Obligation - beginning of year	4,285,735
Net OPEB Obligation - end of year	\$ 5,484,108

**CITY OF OREGON CITY, OREGON**  
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)  
 YEAR ENDED JUNE 30, 2015

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The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plans, and the net OPEB obligation for the last three fiscal years were as follows:

<u>Fiscal Year</u> <u>End</u>	<u>OPEB Cost</u>	<u>Percentage of</u> <u>Cost Contribution</u>	<u>Obligation</u>
6/30/2013	1,202,707	34.41%	3,052,492
6/30/2014	1,639,610	24.78%	4,285,735
6/30/2015	1,639,412	26.90%	5,484,108

*Funded Status and Funding Progress*

As of August 1, 2014, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$10,509,161, and the actuarial value of assets was \$-, resulting in an unfunded actuarial accrued liability (UAAL) of \$10,509,161. The covered payroll (annual payroll of active employees covered by the plan) was \$11,671,425 and the ratio of the UAAL to the covered payroll was 90.05%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presented immediately following the financial statements as required supplementary information presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

*Actuarial Methods and Assumptions*

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to the evaluation date. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the August 1, 2014 valuation, the projected unit cost method was used. The assumptions included a 3.5% investment rate of return (net of administrative expenses) and an annual healthcare cost rate of between 5.5% and 6.5%. The UAAL is being amortized over an initial period of 30 years.

**I. Other Post Employment Benefits (OPEB) – Retirement Health Insurance Account (RHIA)**

**Plan Description**

As a member of Oregon Public Employees Retirement System, the City contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by PERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (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 after January 1, 2004. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700.

### **Funding Policy**

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. An eligible surviving spouse or dependent of a deceased PERS retiree may receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating entities are contractually required to contribute to RHIA at a rate assessed each year by PERS, currently 0.59 percent of annual covered payroll for Tier 1/Tier 2, and 0.49 percent for OPSRP. The PERS Board of Trustees sets the employer contribution rate based on the annual required contribution (ARC) of the employers, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The City's contributions to RHIA for the fiscal years ended June 30, 2015, 2014 and 2013 were approximately \$63,100, \$57,500, and \$63,100 respectively which equals the required contributions for that year.

### **J. Public Employees Retirement System (PERS)**

#### **Plan Description**

The City contributes to two pension plans administered by the Oregon Public Employees Retirement System (PERS), a cost-sharing multiple-employer defined benefit pension plan. PERS is administered under Oregon Revised Statute Chapter 238, which establishes the Public Employees Retirement Board as the governing body of PERS. All benefits of PERS are established by the legislature pursuant to ORS Chapters 238 and 238A.

The Tier One/Tier Two Retirement Benefit Plan was created by ORS Chapter 238 and is closed to new members hired on or after August 29, 2003. The Pension Program provides benefits to members hired on or after August 29, 2003 and was created by ORS 238A. Both PERS plans provide retirement and disability benefits, post-employment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. Beginning January 1, 2004, all PERS member contributions go into the Individual Account Program (IAP), the defined contribution portion of the plan. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account.

PERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained by writing to PERS, PO Box 23700, Tigard, Oregon, 97281, by calling 503-598-7377 or on their website at [www.oregon.gov/pers/Pages/section/financial\\_reports/financials.aspx](http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx).

# CITY OF OREGON CITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2015

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## Benefits Provided

### 1. Tier One/Tier Two Retirement Benefit Plan

#### 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, 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. General Service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

#### Death Benefits

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

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

#### Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member 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 when determining the monthly benefit.

#### Benefit Changes

After retirement, members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

### 2. Pension Program (OPSRP)

#### Pension Benefits

The Pension Program provides benefits to members hired on or after August 29, 2003, a life pension funded by employer contributions. Benefits are calculated for members who attain normal retirement age by multiplying 1.5 percent 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 either the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, or, if the pension program is terminated, the date on which termination becomes effective.

Death Benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability Benefits

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit Changes After Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

3. *Individual Account Program (IAP)*

Pension Benefits

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

Upon retirement, a member of the IAP may receive the amounts in the 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

PERS contracts with VOYA Financial to maintain IAP participant records.

**Funding Policy**

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 both PERS Defined Benefit Plans. Employer contribution rates during the period were based on the December 31, 2011 actuarial valuation as subsequently modified by 2013 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2013. Employer contributions for the year ended June 30, 2015 were \$1,027,123, excluding amounts to fund employer specific liabilities. Members of PERS are required to contribute 6.00% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The City makes this contribution on behalf of its employees.

**CITY OF OREGON CITY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2015

The rates in effect for the fiscal year ended June 30, 2015 were 13.46% for Tier One/Tier Two General Service Member, 7.36% for OPSRP Pension Program General Service Members, and 6.0% for Individual Account Program. These rates are reported inclusive of the retiree healthcare rates disclosed in a separate note disclosure. The contribution requirements for plan members and the City are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

In 2006, the City issued pension bonds, the proceeds of which were used to finance a portion of its estimated unfunded actuarial liability. The current value of this prepayment is used to reduce the projected long term contribution to PERS.

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

At June 30, 2015, the City reported an asset of \$ 2,676,870 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2012 rolled forward to June 30, 2014. The City’s proportion of the net pension asset 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, 2015, the City’s proportion was 0.1181%, which was unchanged from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the City recognized pension expense (income) of (\$3,479,132). At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	5,165,273
Changes in proportion and differences between City contributions and proportionate share of contributions	-	19,039
City contributions subsequent to the measurement date	1,027,123	-
Total	<u>\$ 1,027,123</u>	<u>\$ 5,184,313</u>

Of the total reported as deferred outflows of resources related to pensions, \$1,027,123 resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. 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 ended June 30:</u>	
2016	\$ (1,295,457)
2017	(1,295,457)
2018	(1,295,457)
2019	(1,295,457)
2020	(2,485)
Thereafter	-

**Actuarial assumptions**

The employer contribution rates effective July 1, 2013, through June 30, 2015, were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years. The total pension liability in the December 31, 2012 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2012 rolled forward to June 30, 2014
Experience Study Report	2012, published September 18, 2013
Actuarial Cost Method	Entry Age Normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.75 percent
Investment Rate of Return	7.75 percent
Projected Salary Increases	3.75 percent overall payroll growth
Mortality	Health retirees and beneficiaries: PF-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the Active Members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage of the RP-2000 statistic combined disabled mortality sex-distinct table.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2012 Experience Study which reviewed experience for the four-year period ending on December 31, 2012.

**CITY OF OREGON CITY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2015

**Long-term expected rate of return**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compounded Annual Return (Geometric)
Core Fixed Income	7.20%	4.50%
Short-Term Bonds	8.00%	3.70%
Intermediate -Term Bonds	3.00%	4.10%
High Yield Bonds	1.80%	6.66%
Large Cap US Equities	11.65%	7.20%
Mid Cap US Equities	3.88%	7.30%
Small Cap US Equities	2.27%	7.45%
Developed Foreign Equities	14.21%	6.90%
Emerging Foreign Equities	5.49%	7.40%
Private Equities	20.00%	8.26%
Opportunity Funds/Absolute Return	5.00%	6.01%
Real Estate (Property)	13.75%	6.51%
Real Estate (REITS)	2.50%	6.76%
Commodities	1.25%	6.07%
Total	<u>100.00%</u>	
Assumed Inflation - Mean		2.75%

**Discount rate**

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

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

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

	1% Decrease (6.75%)	Discount Rate (7.75%)	1% Increase (8.75%)
City's proportionate share of the net pension liability (asset)	\$ 5,668,642	\$ (2,676,870)	\$ (9,735,215)

**Pension plan fiduciary net position**

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

**Changes in Plan Provisions Subsequent to Measurement Date**

The Oregon Supreme Court on April 30, 2015, ruled that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law was unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. OPERS will make restoration payments to those benefit recipients.

PERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire. This is a change in benefit terms subsequent to the measurement date of June 30, 2014, and has not been included in the net pension liability (asset) proportionate shares provided by OPERS.

**K. Deferred Compensation Plan**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section (IRC) 457. The Plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

In accordance with IRC 457, the City has transferred all of the Plan assets into trust accounts. The assets and income of the transferred plans are held for the exclusive benefit of the participants and their beneficiaries, and accordingly are not included in the City's financial statements.

**L. Transfers and Interfund Transactions**

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 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. Additionally, as discussed in Note 1.C, the City closed unnecessary funds during the year for improved financial reporting. Assets and liabilities were transferred out of the closed funds at their carrying values.

Interfund transfer activity for the year ended June 30, 2015, is as follows:

**CITY OF OREGON CITY, OREGON**  
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)  
 YEAR ENDED JUNE 30, 2015

<b>Fund</b>	<b>Transfers In</b>	<b>Transfers Out</b>
General	\$ 36,980,412	\$ 36,734,571
System Development	15,826,869	186,000
Community Facilities Capital Projects	16,894,727	-
Police Reserve	-	1,092,929
City Clean Up	-	257,789
Library	-	430,000
Downtown Parking	-	308,097
Business Development	-	13,919
Civic Improvement Trust	-	87,617
Economic Improvement District	-	5,142
Oregon City Metro Enhancement	1,430	180,355
Community Development	756,092	3,750
Code Enforcement	220,000	35,398
Building	88,000	57,000
Engineering	288,000	-
Street	1,624,434	332,600
Upgrade Streets Annexed	-	192,995
Cable TV	-	258,815
Street SDC	20,000	5,528,206
Transportation Utility	-	1,343,162
Ermatinger	50,000	30,379
Water	10,335,029	1,151,370
Wastewater	4,744,218	866,618
Water System Development	-	10,264,689
Wastewater System Development	186,000	5,957,650
Stormwater	2,584,686	499,513
Stormwater System Development	-	3,254,051
HOPP Sewer Construction	-	1,021,905
Water Bond	-	3,141,273
Water Rate Stabilization	-	492,242
Sewer Rate Stabilization	-	623,252
Endowment Care	-	105,655
Fleet (Maint & Equip)	779,350	25,000
Customer Service	891,000	1,500
Library Reserve	645,763	9,743,567
Public Works Building Reserve	1,100,000	7,571,009
Police Building Reserve	1,520,000	80,151
Parks and Recreation Trust	-	311,465
Parks System Development	-	3,346,376
Total Transfers	<u>\$ 95,536,010</u>	<u>\$ 95,536,010</u>

Amounts reported for governmental activities in the Statement of Activities recognizes revenues at their net realizable value when earned, regardless of when received. However, governmental funds defer revenues that do not provide current financial resources. The System Development fund received a transfer in of revenues that are reported as deferred in the fund financial statements.

Transfers reported in the government-wide statements	\$15,826,869
Deferred revenue transferred from proprietary funds	<u>(352,566)</u>
Amount reported in the governmental funds	<u>\$15,474,303</u>

The composition of interfund receivables and payables at June 30, 2015, is as follows:

<i>Receivable Fund</i>	<i>Payable Fund</i>	<i>Due at 6/30/15</i>
General Fund	Downtown URA	\$ 61,313
Fleet Maintenance	Downtown URA	1,547,857
Total Interfund Receivables/Payables		\$ 1,609,170

- The amount due to the General Fund from the Downtown URA and due to the Building Fund from Community Development resulted from a time lag between the dates goods and services were provided and the reimbursement occurred.
- At June 30, 2015, the Downtown URA Fund owed the Fleet Maintenance Fund \$1,547,857 resulting from a loan to the Urban Renewal Agency in 2009. Repayment is being made in five annual payments of \$386,964. The first payment was made during 2015; the final payment will be due in 2019.

**NOTE 3: OTHER INFORMATION**

**A. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The City purchases commercial insurance to minimize its exposure to these risks. There has been no reduction in commercial insurance coverage from the previous fiscal year. Settled claims have not exceeded coverage for any of the past three fiscal years. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

**B. Commitments and Contingencies**

The City is a defendant in various litigation proceedings. Management believes any losses arising from these actions will not materially affect the City's financial position as they are all insured. Following this paragraph are various commitments and contingencies that the City is involved with.

*Sewage Treatment* – The City has an agreement with the Tri-City Service District to treat sewage wastewater. The City processes and reviews all permit applications for hookup and inspection thereof; operates and maintains local collections facilities; bills and collects user charges, and bills and collects connection charges.

*Public Safety / 911 Communication Services* – The City has an arrangement with Clackamas County Department of Communications, also known as C-COM, to provide 9-1-1 emergency and non-emergency call taking service to the public.

**C. New Pronouncements**

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68. GASB Statement No. 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. GASB Statement No. 71 addresses an issue regarding application of the transition provisions of GASB Statement No. 68. The City implemented GASB Statement No. 68 and 71 in the year ending June 30, 2015. Additional information can be found in the notes entitled Pension Plan and Change in Accounting Principle.

**CITY OF OREGON CITY, OREGON**  
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)  
 YEAR ENDED JUNE 30, 2015

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**D. Subsequent Events**

Management has evaluated subsequent events through December 29, 2015, the date on which the financial statements were available to be issued.

**E. Joint Venture**

The South Fork Water Board (the Board) was created in 1915 by an Intergovernmental Cooperative Agreement between the cities of Oregon City and West Linn for operation and maintenance of water distribution systems. Ownership of assets is adjusted based on reevaluation of population and water usage. The City of Oregon City appoints 50% of the Board's Commission. The investment is reported using the equity method. Each City's share of assets, liabilities and net position is 50%.

The following is a summary of financial information on the joint venture as of and for the year ended June 30, 2015.

	<i><u>South Fork Water Board</u></i>	<i><u>Oregon City Portion</u></i>
Total assets	\$ 18,723,866	\$ 9,361,933
Total deferred outflows of resources	110,585	\$ 55,292
Total liabilities	1,040,325	520,163
Total deferred inflows of resources	545,998	\$ 272,999
Total equity	17,248,128	8,624,063
Long-term debt:		
Current portion	350,000	175,000
Long-term portion	232,874	116,437
Operating revenues	3,419,197	1,709,599
Operating expenses	2,576,512	1,288,256
Other non-operating revenue (expense), net	(10,515)	(5,258)
Capital Contributions	248,431	124,216
Change in net position	1,080,601	540,301

A copy of the financial statements of the South Fork Water Board may be obtained by writing to: South Fork Water Board, Oregon City City Hall, P.O. Box 3040, Oregon City, Oregon 97045-0304.

**F. Change in Accounting Principle**

Based on implementation of GASB Statement No. 68 and 71, the City restated the beginning net position for the Governmental Activities and Business-Type Activities. Net position has been restated as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net position - beginning (as originally reported)	\$ 113,572,492	\$ 84,453,605	\$ 198,026,097
Cumulative effect of change in accounting principle	(3,962,517)	(996,935)	(4,959,452)
Write off prepaid pension asset	(15,085,000)	-	(15,085,000)
Net position - beginning (as restated)	<u>\$ 94,524,975</u>	<u>\$ 83,456,670</u>	<u>\$ 177,981,645</u>

## REQUIRED SUPPLEMENTARY INFORMATION

*Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual :*

General Fund  
Major Special Revenue Fund – Downtown Urban Renewal

*Schedule of Funding Progress*

*Schedule of Proportionate Share of the Net Pension Liability*

*Schedule of Contributions*

*Notes to Required Supplementary Information*

**CITY OF OREGON CITY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**YEAR ENDED JUNE 30, 2015**

	<b>Biennial Budget</b>		<b>Actual</b>		<b>Biennial</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>FY 2014</b>	<b>FY 2015</b>		
<b>REVENUES</b>						
Property taxes	\$ 20,719,675	\$ 20,719,675	\$ 10,485,450	\$ 10,975,619	\$ 21,461,069	\$ 741,394
Franchise taxes	4,501,623	4,501,623	2,390,299	2,812,991	5,203,290	701,667
Licenses and permits	239,300	239,300	140,060	142,411	282,471	43,171
Charges for services	2,080,871	2,080,871	1,184,936	1,351,878	2,536,814	455,943
Intergovernmental	2,747,208	2,817,208	1,231,619	1,248,847	2,480,466	(336,742)
Fines and forfeitures	1,410,000	1,410,000	824,511	904,222	1,728,733	318,733
Interest income	138,158	138,158	106,874	72,097	178,971	40,813
Miscellaneous	461,960	461,960	430,229	346,438	776,667	314,707
<b>TOTAL REVENUES</b>	<b>32,298,795</b>	<b>32,368,795</b>	<b>16,793,978</b>	<b>17,854,503</b>	<b>34,648,481</b>	<b>2,279,686</b>
<b>EXPENDITURES</b>						
Policy & Administration	7,550,823	7,550,823	3,467,075	3,544,767	7,011,842	538,981
Police	15,598,059	15,643,059	7,504,799	7,769,151	15,273,950	369,109
Community Services	6,829,207	6,957,207	3,191,257	3,281,419	6,472,676	484,531
General Government	3,418,632	3,383,632	1,413,361	1,511,802	2,925,163	458,469
Contingency	628,860	2,680,860	-	-	-	2,680,860
<b>TOTAL EXPENDITURES</b>	<b>34,025,581</b>	<b>36,215,581</b>	<b>15,576,492</b>	<b>16,107,139</b>	<b>31,683,631</b>	<b>4,531,950</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,726,786)</b>	<b>(3,846,786)</b>	<b>1,217,486</b>	<b>1,747,364</b>	<b>2,964,850</b>	<b>6,811,636</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	1,242,000	44,269,494	649,356	36,980,412	37,629,768	(6,639,726)
Transfers out	(3,027,114)	(44,134,608)	(1,405,824)	(36,734,571)	(38,140,395)	5,994,213
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,785,114)</b>	<b>134,886</b>	<b>(756,468)</b>	<b>245,841</b>	<b>(510,627)</b>	<b>(645,513)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(3,511,900)</b>	<b>(3,711,900)</b>	<b>461,018</b>	<b>1,993,205</b>	<b>2,454,223</b>	<b>6,166,123</b>
<b>FUND BALANCE, beginning of year</b>	<b>3,511,900</b>	<b>3,711,900</b>	<b>3,734,942</b>	<b>4,195,960</b>	<b>3,734,942</b>	<b>23,042</b>
<b>FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,195,960</b>	<b>\$ 6,189,165</b>	<b>\$ 6,189,165</b>	<b>\$ 6,189,165</b>

**CITY OF OREGON CITY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – DOWNTOWN URBAN RENEWAL**  
**YEAR ENDED JUNE 30, 2015**

	<u>Budget Amounts</u>		<u>Actual</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Biennial</u>	
<b>REVENUES</b>						
Property Taxes	\$ 4,338,285	\$ 4,338,285	\$ 2,107,364	\$ 2,195,520	\$ 4,302,884	\$ (35,401)
Interest income	36,000	36,000	21,963	21,349	43,312	7,312
Miscellaneous income	351,000	351,000	58,077	58,278	116,355	(234,645)
<b>TOTAL REVENUES</b>	<b>4,725,285</b>	<b>4,725,285</b>	<b>2,187,404</b>	<b>2,275,147</b>	<b>4,462,551</b>	<b>(262,734)</b>
<b>EXPENDITURES</b>						
Materials and services	1,850,948	1,850,948	409,262	742,575	1,151,837	699,111
Debt Service						
Principal	1,866,244	1,866,244	729,640	1,136,604	1,866,244	-
Interest	1,236,636	1,236,636	576,519	543,751	1,120,270	116,366
Capital outlay	1,984,800	1,984,800	127,904	324,078	451,982	1,532,818
Contingency	1,247,903	1,247,903	-	-	-	1,247,903
<b>TOTAL EXPENDITURES</b>	<b>8,186,531</b>	<b>8,186,531</b>	<b>1,843,325</b>	<b>2,747,008</b>	<b>4,590,333</b>	<b>3,596,198</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(3,461,246)</b>	<b>(3,461,246)</b>	<b>344,079</b>	<b>(471,861)</b>	<b>(127,782)</b>	<b>3,333,464</b>
<b>FUND BALANCE, beginning of year</b>	<b>3,461,246</b>	<b>3,461,246</b>	<b>3,505,854</b>	<b>3,849,933</b>	<b>3,505,854</b>	<b>44,608</b>
<b>FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,849,933</b>	<b>\$ 3,378,072</b>	<b>\$ 3,378,072</b>	<b>\$ 3,378,072</b>
<b>RECONCILIATION TO FUND BALANCE - GAAP BASIS</b>						
Loan payable to Fleet Fund					(1,547,857)	
					<u>\$ 1,830,215</u>	

**CITY OF OREGON CITY, OREGON**  
**SCHEDULE OF FUNDING PROGRESS**  
**JUNE 30, 2015**

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<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets</b>	<b>Actuarial Accrued Liability</b>	<b>Unfunded Actuarial Accrued Liability (UAAL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>UAAL as a Percent of Covered Payroll</b>
8/1/2014	\$ -	\$ 10,509,161	10,509,161	0%	\$ 11,671,425	90.0%
8/1/2012	-	10,363,380	10,363,380	0%	10,634,177	97.5%
8/1/2010	-	8,607,793	8,607,793	0%	9,973,218	86.3%
8/1/2008	-	6,603,716	6,603,716	0%	8,997,944	73.4%

This schedule is presented to illustrate 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. Actuarial valuations are performed every two years; results are not available for odd-numbered years.

**CITY OF OREGON CITY, OREGON**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**FOR THE LAST TWO FISCAL YEARS**

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
2015	0.1181%	\$ (2,676,870)	\$ 11,671,425	(22.94%)	103.60%
2014	0.1181%	6,026,544	10,524,989	57.26%	91.97%

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

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 OREGON CITY, OREGON**  
**SCHEDULE OF CONTRIBUTIONS**  
**FOR THE LAST TWO 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
2015	\$ 1,027,122	\$ 1,027,122	\$ -	\$ 11,671,425	8.80%
2014	1,067,092	1,067,092	-	10,524,989	10.14%

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

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 1: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budget and Budgetary Accounting**

According to City Charter and Oregon Law (ORS 294), the City of Oregon City must prepare and adopt a balanced budget. Local Budget law allows governments to budget either on a one-year or a two-year cycle, as approved by the governing body. The Oregon City budget is prepared for a biennial (two-year) period.

A budget is prepared for each fund in accordance with the modified accrual basis of accounting for all funds. Appropriations are made at the department level for the General Fund and the object level for all other funds. Expenditures may not legally exceed appropriations. Appropriations lapse at the end of each budget period.

Budget amounts include original approved amounts and all subsequent appropriation transfers approved by the City Commission. After budget approval, the City Commission may approve supplemental appropriations if an occurrence, condition, or need exists which had not been ascertained at the time the budget was adopted. Management may not amend the budget. Unexpected additional resources may be added to the budget through the use of appropriation resolutions and require supplemental budget procedures in some cases. Original and supplemental budgets require hearings before the public and publication in newspapers or other notice. Original and supplemental budgets may be modified by the use of appropriation transfers between levels of control. The City adopted two supplemental budgets for the 2013-2015 biennial budget.

Oregon state law requires disclosure of fund expenditures in excess of budgeted appropriations. For the 2013-2015 biennium, there was one fund expenditure which exceeded budgeted appropriations. The Fleet Maintenance Fund, an internal service fund which provides fleet maintenance, repairs, and purchases to the other departments, overexpended total appropriations by \$4,274 mainly due to large, unforeseeable emergency repair expenses to Public Works equipment.

	<u>Appropriation</u>	<u>Expenditures</u>	<u>Overage</u>
Fleet Maintenance – Public Works	\$1,281,056	\$1,285,330	\$4,274

**NOTE 2: PENSIONS**

**A. Changes in Plan Provisions**

A summary of key changes in plan provisions are described in the Oregon Public Employees Retirement System’s GASB 68 Disclosure Information which can be found at: [http://www.oregon.gov/pers/EMP/docs/er\\_general\\_information/opers\\_gasb\\_68\\_disclosure\\_information\\_revised.pdf](http://www.oregon.gov/pers/EMP/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf)

**B. Changes of assumptions**

A summary of key changes implemented since the December 31, 2011 valuation are described in the Oregon Public Employees Retirement System’s GASB 68 Disclosure Information which can be found at: [http://www.oregon.gov/pers/EMP/docs/er\\_general\\_information/opers\\_gasb\\_68\\_disclosure\\_information\\_revised.pdf](http://www.oregon.gov/pers/EMP/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf) Additional details and a comprehensive list of changes in methods and assumptions can be found in the 2012 Experience Study for the System, which was published on September 18, 2013, and can be found at: <http://www.oregon.gov/pers/docs/2012%20Exp%20Study%20Updated.pdf>



## OTHER SUPPLEMENTARY INFORMATION

*Combining and Individual Fund Financial Statements  
and Schedules*

*Other Financial Schedules*

*Schedule of Revenues, Expenditures and Changes in  
Fund Balance – Budget and Actual –  
Major Capital Project Fund*

**CITY OF OREGON CITY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – SYSTEM DEVELOPMENT FUND**  
**YEAR ENDED JUNE 30, 2015**

	<u>Budget Amounts</u>		<u>Actual</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Biennial</u>	
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	18,000,000	-	15,474,303	15,474,303	(2,525,697)
<b>NET CHANGE IN FUND BALANCE</b>	-	18,000,000	-	15,474,303	15,474,303	(2,525,697)
<b>FUND BALANCE, beginning of year</b>	-	-	-	-	-	-
<b>FUND BALANCE, end of year</b>	\$ -	\$ 18,000,000	\$ -	\$ 15,474,303	\$ 15,474,303	\$ (2,525,697)

**CITY OF OREGON CITY, OREGON**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL – COMMUNITY FACILITIES CAPITAL PROJECTS FUND  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual			Variance
	Original	Final	FY 2014	FY 2015	Biennial	
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	19,332,000	-	16,894,727	16,894,727	(2,437,273)
<b>NET CHANGE IN FUND BALANCE</b>	-	19,332,000	-	16,894,727	16,894,727	(2,437,273)
<b>FUND BALANCE, beginning of year</b>	-	-	-	-	-	-
<b>FUND BALANCE, end of year</b>	\$ -	\$ 19,332,000	\$ -	\$ 16,894,727	\$ 16,894,727	\$ (2,437,273)

*Combining and Individual Fund Financial  
Statements and Schedules –  
Nonmajor Governmental Funds*

**CITY OF OREGON CITY, OREGON**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2015**

	<b>Special Revenue</b>			
	<b>Police Service Reserve</b>	<b>City Cleanup</b>	<b>Library</b>	<b>Downtown Parking</b>
<b>ASSETS</b>				
Cash and investments	\$ -	\$ -	\$ 905,765	\$ -
Receivables:				
Accounts	-	-	1,800	-
Property taxes	-	-	-	-
Notes	-	-	-	-
Deposits	-	-	1,345	-
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 908,910</b>	<b>\$ -</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ 10,816	\$ -
Accrued payroll	-	-	26,451	-
Deposits payable	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>37,267</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	-	-	-	-
<b>FUND BALANCES</b>				
Restricted for:				
Debt service	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	871,643	-
Planning and building	-	-	-	-
Committed to:				
Planning and building	-	-	-	-
Debt service	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>871,643</b>	<b>-</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 908,910</b>	<b>\$ -</b>

**Special Revenue**

<u>Business Development</u>	<u>Economic Improvement District</u>	<u>Oregon City Enhancement</u>	<u>Community Development</u>	<u>Code Enforcement</u>	<u>Building</u>	<u>Engineering</u>
\$ -	\$ -	\$ -	\$ 357,836	\$ -	\$ 816,961	\$ 383,616
-	-	-	30	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	8,068	-	15,662	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 365,934</u>	<u>\$ -</u>	<u>\$ 832,623</u>	<u>\$ 383,616</u>
\$ -	\$ -	\$ -	\$ 143,464	\$ -	\$ 99,389	\$ 52,448
-	-	-	21,753	-	18,007	14,097
-	-	-	-	-	-	302,597
-	-	-	165,217	-	117,396	369,142
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	200,717	-	715,227	-
-	-	-	-	-	-	14,474
-	-	-	-	-	-	-
-	-	-	200,717	-	715,227	14,474
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 365,934</u>	<u>\$ -</u>	<u>\$ 832,623</u>	<u>\$ 383,616</u>

**CITY OF OREGON CITY, OREGON**

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (Continued)

JUNE 30, 2015

	Special Revenue			
	Street	Civic Improvement Trust	Cable TV Systems Improvement	Parks & Recreation Trust
<b>ASSETS</b>				
Cash and investments	\$ 2,056,604	\$ -	\$ -	\$ -
Receivables:				
Accounts	391,908	-	-	-
Property taxes	-	-	-	-
Notes	-	-	-	-
Deposits	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 2,448,512</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 118,635	\$ -	\$ -	\$ -
Accrued payroll	28,193	-	-	-
Deposits payable	574	-	-	-
<b>TOTAL LIABILITIES</b>	<b>147,402</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	-	-	-	-
<b>FUND BALANCES</b>				
Restricted for:				
Debt service	-	-	-	-
Public works	2,301,110	-	-	-
Culture and recreation	-	-	-	-
Planning and building	-	-	-	-
Committed to:				
Planning and building	-	-	-	-
Debt service	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>2,301,110</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 2,448,512</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



**CITY OF OREGON CITY, OREGON**

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (Continued)

JUNE 30, 2015

	<u>Capital Projects</u>		<u>Debt Service</u>		<u>Total</u>
	<u>Public Works Building Reserve</u>	<u>PERS Debt Service</u>	<u>Fire Bond Debt Service</u>		
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 1,839,046	\$ 67,530		\$ 6,427,358
Receivables:					
Accounts	-	87,299	-		481,037
Property taxes	-	-	18,606		18,606
Notes	-	199,774	369,402		569,176
Deposits	-	-	-		25,075
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ 2,126,119</b>	<b>\$ 455,538</b>		<b>\$ 7,521,252</b>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -		\$ 424,752
Accrued payroll	-	-	-		108,501
Deposits payable	-	-	-		303,171
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>836,424</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	-	199,774	385,733		585,507
<b>FUND BALANCES</b>					
Restricted for:					
Debt service	-	-	69,805		69,805
Public works	-	-	-		2,301,110
Culture and recreation	-	-	-		871,643
Planning and building	-	-	-		915,944
Committed to:					
Planning and building	-	-	-		14,474
Debt service	-	1,926,345	-		1,926,345
<b>TOTAL FUND BALANCES</b>	<b>-</b>	<b>1,926,345</b>	<b>69,805</b>		<b>6,099,321</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ 2,126,119</b>	<b>\$ 455,538</b>		<b>\$ 7,521,252</b>



**CITY OF OREGON CITY, OREGON**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2015

	<b>Special Revenue</b>			
	<b>Police Service Reserve</b>	<b>City Cleanup</b>	<b>Library</b>	<b>Downtown Parking</b>
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Franchise taxes	-	215,104	-	-
Assessments and other taxes	-	-	-	-
Licenses and permits	248,500	-	-	-
Charges for services	-	-	46,565	362,091
System development charges	-	-	-	-
Intergovernmental	-	-	1,992,932	-
Fines and forfeitures	-	-	-	136,626
Interest income	4,355	531	4,589	1,020
Miscellaneous	-	-	2,309	-
<b>TOTAL REVENUES</b>	<b>252,855</b>	<b>215,635</b>	<b>2,046,395</b>	<b>499,737</b>
<b>EXPENDITURES</b>				
General government	-	-	-	-
Public safety	-	-	-	351,459
Public works	-	99,948	-	-
Culture and recreation	-	-	1,496,426	-
Planning and building	-	-	-	-
Debt service				
Principal	-	-	92,228	-
Interest	-	-	73,920	-
Capital outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>99,948</b>	<b>1,662,574</b>	<b>351,459</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>252,855</b>	<b>115,687</b>	<b>383,821</b>	<b>148,278</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	-
Proceeds from sales of bonds	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Transfers out	(1,092,929)	(257,789)	(430,000)	(308,097)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,092,929)</b>	<b>(257,789)</b>	<b>(430,000)</b>	<b>(308,097)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(840,074)</b>	<b>(142,102)</b>	<b>(46,179)</b>	<b>(159,819)</b>
<b>FUND BALANCE, beginning of year</b>	<b>840,074</b>	<b>142,102</b>	<b>917,822</b>	<b>159,819</b>
<b>FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 871,643</b>	<b>\$ -</b>

**Special Revenue**

<b>Business Development</b>	<b>Economic Improvement District</b>	<b>Oregon City Enhancement</b>	<b>Community Development</b>	<b>Code Enforcement</b>	<b>Building</b>	<b>Engineering</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	27,545	-	-	-	-	-
43,315	-	-	22,777	-	1,067,904	371,501
-	-	-	630,265	492	142,142	28,312
-	-	-	-	-	-	-
-	-	151,785	60,000	-	-	-
-	-	-	-	31,284	-	-
-	42	191	-	106	2,634	829
-	-	240	574	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
43,315	27,587	152,216	713,616	31,882	1,212,680	400,642
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	30,645	77,829	-	-	-	-
-	-	-	-	-	-	-
50,000	-	-	1,332,292	232,572	1,042,519	705,007
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
50,000	30,645	77,829	1,332,292	232,572	1,042,519	705,007
(6,685)	(3,058)	74,387	(618,676)	(200,690)	170,161	(304,365)
-	-	1,430	756,092	220,000	88,000	288,000
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(13,919)	(5,142)	(180,355)	(3,750)	(35,398)	(57,000)	-
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
(13,919)	(5,142)	(178,925)	752,342	184,602	31,000	288,000
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
(20,604)	(8,200)	(104,538)	133,666	(16,088)	201,161	(16,365)
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
20,604	8,200	104,538	67,051	16,088	514,066	30,839
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ -	\$ 200,717	\$ -	\$ 715,227	\$ 14,474

**CITY OF OREGON CITY, OREGON**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
NONMAJOR GOVERNMENTAL FUNDS (Continued)  
YEAR ENDED JUNE 30, 2015

	<b>Special Revenue</b>			
	<b>Street</b>	<b>Civic Improvement Trust</b>	<b>Cable TV Systems Improvement</b>	<b>Parks &amp; Recreation Trust</b>
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Franchise taxes	-	-	171,379	-
Assessments and other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	67,845	-	-	-
System development charges	-	-	-	-
Intergovernmental	1,940,744	20,000	-	-
Fines and forfeitures	-	-	-	-
Interest income	3,982	361	680	1,402
Miscellaneous	-	98,782	-	65,969
<b>TOTAL REVENUES</b>	<b>2,012,571</b>	<b>119,143</b>	<b>172,059</b>	<b>67,371</b>
<b>EXPENDITURES</b>				
General government	-	-	69,618	-
Public safety	-	-	-	-
Public works	1,527,687	77,474	-	-
Culture and recreation	-	-	-	17,706
Planning and building	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	300,647	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>1,828,334</b>	<b>77,474</b>	<b>69,618</b>	<b>17,706</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>184,237</b>	<b>41,669</b>	<b>102,441</b>	<b>49,665</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,624,434	-	-	-
Proceeds from sales of bonds	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Transfers out	(332,600)	(87,617)	(258,815)	(311,465)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,291,834</b>	<b>(87,617)</b>	<b>(258,815)</b>	<b>(311,465)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>1,476,071</b>	<b>(45,948)</b>	<b>(156,374)</b>	<b>(261,800)</b>
<b>FUND BALANCE, beginning of year</b>	<b>825,039</b>	<b>45,948</b>	<b>156,374</b>	<b>261,800</b>
<b>FUND BALANCE, end of year</b>	<b>\$ 2,301,110</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Capital Projects**

<b>Police Building Reserve</b>	<b>Street SDC</b>	<b>Upgrade Streets Annexed</b>	<b>Pavement Maintenance Utility</b>	<b>Library Reserve</b>	<b>Parks Development</b>	<b>Ermatinger House</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	2,104,662	-	-	-
-	1,190,678	-	-	-	493,949	-
-	66,042	-	-	4,500	-	215,000
-	-	-	-	-	-	-
297	23,221	956	3,782	17,761	14,701	1,678
-	45,956	-	-	-	30,673	-
297	1,325,897	956	2,108,444	22,261	539,323	216,678
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	260,558	-	110,564	-
-	188,822	-	-	50,219	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,501,001	478,176	-	1,953,563	609,069	-	564,461
1,501,001	666,998	-	2,214,121	659,288	110,564	564,461
(1,500,704)	658,899	956	(105,677)	(637,027)	428,759	(347,783)
1,520,000	20,000	-	-	645,763	-	50,000
-	-	-	-	6,000,000	-	-
-	302,500	-	-	-	-	-
(80,151)	(5,528,206)	(192,995)	(1,343,162)	(9,743,567)	(3,346,376)	(30,379)
1,439,849	(5,205,706)	(192,995)	(1,343,162)	(3,097,804)	(3,346,376)	19,621
(60,855)	(4,546,807)	(192,039)	(1,448,839)	(3,734,831)	(2,917,617)	(328,162)
60,855	4,546,807	192,039	1,448,839	3,734,831	2,917,617	328,162
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**CITY OF OREGON CITY, OREGON**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
NONMAJOR GOVERNMENTAL FUNDS (Continued)  
YEAR ENDED JUNE 30, 2015

	<u>Capital Projects</u>	<u>Debt Service</u>		<u>Total</u>
	<u>Public Works Building Reserve</u>	<u>PERS Debt Service</u>	<u>Fire Bond Debt Service</u>	
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ 289,068	\$ 289,068
Franchise taxes	-	-	-	386,483
Assessments and other taxes	-	-	-	27,545
Licenses and permits	-	-	-	1,753,997
Charges for services	-	-	-	3,382,374
System development charges	-	-	-	1,684,627
Intergovernmental	-	-	-	4,451,003
Fines and forfeitures	-	-	-	167,910
Interest income	32,654	18,359	361	134,492
Miscellaneous	-	1,441,667	123,134	1,809,304
<b>TOTAL REVENUES</b>	<b>32,654</b>	<b>1,460,026</b>	<b>412,563</b>	<b>14,086,803</b>
<b>EXPENDITURES</b>				
General government	-	-	-	69,618
Public safety	-	-	-	351,459
Public works	-	-	-	2,184,705
Culture and recreation	-	-	-	1,753,173
Planning and building	-	-	-	3,362,390
Debt service				
Principal	-	495,000	345,000	932,228
Interest	-	748,763	46,538	869,221
Capital outlay	-	-	-	5,406,917
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>1,243,763</b>	<b>391,538</b>	<b>14,929,711</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>32,654</b>	<b>216,263</b>	<b>21,025</b>	<b>(842,908)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,100,000	-	-	6,313,719
Proceeds from sales of bonds	-	-	-	6,000,000
Proceeds from sale of assets	-	-	-	302,500
Transfers out	(7,571,009)	-	-	(31,210,721)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(6,471,009)</b>	<b>-</b>	<b>-</b>	<b>(18,594,502)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(6,438,355)</b>	<b>216,263</b>	<b>21,025</b>	<b>(19,437,410)</b>
<b>FUND BALANCE, beginning of year</b>	<b>6,438,355</b>	<b>1,710,082</b>	<b>48,780</b>	<b>25,536,731</b>
<b>FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ 1,926,345</b>	<b>\$ 69,805</b>	<b>\$ 6,099,321</b>

*Schedules of Revenues, Expenditures and Changes  
in Fund Balance – Budget and Actual – Nonmajor  
Governmental Funds*

**CITY OF OREGON CITY, OREGON**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - POLICE SERVICE RESERVE FUND  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual			Variance
	Original	Final	FY 2014	FY 2015	Biennial	
<b>REVENUES</b>						
Licenses and permits	\$ 330,000	\$ 465,364	\$ 206,500	\$ 248,500	\$ 455,000	\$ (10,364)
Interest income	5,250	5,250	4,188	4,355	8,543	3,293
<b>TOTAL REVENUES</b>	335,250	470,614	210,688	252,855	463,543	(7,071)
<b>EXPENDITURES</b>						
Contingency	738,850	-	-	-	-	-
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(403,600)	470,614	210,688	252,855	463,543	(7,071)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	-	(1,100,000)	-	(1,092,929)	(1,092,929)	7,071
<b>NET CHANGE IN FUND BALANCE</b>	(403,600)	(629,386)	210,688	(840,074)	(629,386)	-
<b>FUND BALANCE, beginning of year</b>	403,600	629,386	629,386	840,074	629,386	-
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 840,074	\$ -	\$ -	\$ -

**CITY OF OREGON CITY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - CITY CLEAN-UP FUND**  
**YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual			Variance
	Original	Final	FY 2014	FY 2015	Biennial	
<b>REVENUES</b>						
Franchise Taxes	\$ 387,000	\$ 560,173	\$ 208,676	\$ 215,104	\$ 423,780	\$ (136,393)
Interest income	1,900	1,900	837	531	1,368	(532)
<b>TOTAL REVENUES</b>	<b>388,900</b>	<b>562,073</b>	<b>209,513</b>	<b>215,635</b>	<b>425,148</b>	<b>(136,925)</b>
<b>EXPENDITURES</b>						
Materials and services	248,073	248,073	124,737	99,948	224,685	23,388
Contingency	76,827	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>324,900</b>	<b>248,073</b>	<b>124,737</b>	<b>99,948</b>	<b>224,685</b>	<b>23,388</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>64,000</b>	<b>314,000</b>	<b>84,776</b>	<b>115,687</b>	<b>200,463</b>	<b>(113,537)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	(264,000)	(514,000)	(132,000)	(257,789)	(389,789)	124,211
<b>NET CHANGE IN FUND BALANCE</b>	<b>(200,000)</b>	<b>(200,000)</b>	<b>(47,224)</b>	<b>(142,102)</b>	<b>(189,326)</b>	<b>10,674</b>
<b>FUND BALANCE, beginning of year</b>	<b>200,000</b>	<b>200,000</b>	<b>189,326</b>	<b>142,102</b>	<b>189,326</b>	<b>(10,674)</b>
<b>FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 142,102</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**CITY OF OREGON CITY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - LIBRARY FUND**  
**YEAR ENDED JUNE 30, 2015**

	<b>Budget Amounts</b>		<b>Actual</b>			<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Biennial</b>	
<b>REVENUES</b>						
Charges for services	\$ 80,100	\$ 80,100	\$ 49,925	\$ 46,565	\$ 96,490	\$ 16,390
Intergovernmental	3,555,832	3,578,737	1,868,659	1,992,932	3,861,591	282,854
Interest income	4,000	4,000	5,236	4,589	9,825	5,825
Miscellaneous	-	-	4	2,309	2,313	2,313
<b>TOTAL REVENUES</b>	<b>3,639,932</b>	<b>3,662,837</b>	<b>1,923,824</b>	<b>2,046,395</b>	<b>3,970,219</b>	<b>307,382</b>
<b>EXPENDITURES</b>						
Personal services	2,130,729	2,130,729	1,046,946	1,036,606	2,083,552	47,177
Materials and services	954,300	967,205	376,714	459,820	836,534	130,671
Capital outlay	-	10,000	9,999	-	9,999	1
Principal	-	93,000	-	92,228	92,228	772
Interest	-	74,000	-	73,920	73,920	80
Contingency	322,745	155,745	-	-	-	155,745
<b>TOTAL EXPENDITURES</b>	<b>3,407,774</b>	<b>3,430,679</b>	<b>1,433,659</b>	<b>1,662,574</b>	<b>3,096,233</b>	<b>334,446</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>232,158</b>	<b>232,158</b>	<b>490,165</b>	<b>383,821</b>	<b>873,986</b>	<b>641,828</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	(920,000)	(920,000)	(442,897)	(430,000)	(872,897)	47,103
<b>NET CHANGE IN FUND BALANCE</b>	<b>(687,842)</b>	<b>(687,842)</b>	<b>47,268</b>	<b>(46,179)</b>	<b>1,089</b>	<b>688,931</b>
<b>FUND BALANCE, beginning of year</b>	<b>687,842</b>	<b>687,842</b>	<b>870,554</b>	<b>917,822</b>	<b>870,554</b>	<b>182,712</b>
<b>FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 917,822</b>	<b>\$ 871,643</b>	<b>\$ 871,643</b>	<b>\$ 871,643</b>

**CITY OF OREGON CITY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - DOWNTOWN PARKING FUND**  
**YEAR ENDED JUNE 30, 2015**

	<b>Budget Amounts</b>		<b>Actual</b>			<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Biennial</b>	
<b>REVENUES</b>						
Charges for services	\$ 570,350	\$ 960,715	\$ 320,455	\$ 362,091	\$ 682,546	\$ (278,169)
Intergovernmental	-	-	340	-	340	340
Fines and forfeitures	345,000	345,000	138,513	136,626	275,139	(69,861)
Interest income	1,000	1,000	837	1,020	1,857	857
Miscellaneous	1,600	1,600	60,676	-	60,676	59,076
<b>TOTAL REVENUES</b>	<b>917,950</b>	<b>1,308,315</b>	<b>520,821</b>	<b>499,737</b>	<b>1,020,558</b>	<b>(287,757)</b>
<b>EXPENDITURES</b>						
Personal services	611,621	611,621	281,815	271,301	553,116	58,505
Materials and services	206,269	206,269	73,371	80,158	153,529	52,740
Capital outlay	40,000	40,000	2,380	-	2,380	37,620
Contingency	9,635	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>867,525</b>	<b>857,890</b>	<b>357,566</b>	<b>351,459</b>	<b>709,025</b>	<b>148,865</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>50,425</b>	<b>450,425</b>	<b>163,255</b>	<b>148,278</b>	<b>311,533</b>	<b>(138,892)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	(190,000)	(590,000)	(95,660)	(308,097)	(403,757)	186,243
<b>NET CHANGE IN FUND BALANCE</b>	<b>(139,575)</b>	<b>(139,575)</b>	<b>67,595</b>	<b>(159,819)</b>	<b>(92,224)</b>	<b>47,351</b>
<b>FUND BALANCE, beginning of year</b>	<b>139,575</b>	<b>139,575</b>	<b>92,224</b>	<b>159,819</b>	<b>92,224</b>	<b>(47,351)</b>
<b>FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 159,819</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**CITY OF OREGON CITY, OREGON**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - BUSINESS DEVELOPMENT FUND  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual			Variance
	Original	Final	FY 2014	FY 2015	Biennial	
<b>REVENUES</b>						
Licenses and permits	\$ 100,000	\$ 132,397	\$ 42,834	\$ 43,315	\$ 86,149	\$ (46,248)
Interest income	100	100	-	-	-	(100)
<b>TOTAL REVENUES</b>	<b>100,100</b>	<b>132,497</b>	<b>42,834</b>	<b>43,315</b>	<b>86,149</b>	<b>(46,348)</b>
<b>EXPENDITURES</b>						
Materials and services	100,350	100,350	50,083	50,000	100,083	267
Contingency	13,575	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>113,925</b>	<b>100,350</b>	<b>50,083</b>	<b>50,000</b>	<b>100,083</b>	<b>267</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(13,825)</b>	<b>32,147</b>	<b>(7,249)</b>	<b>(6,685)</b>	<b>(13,934)</b>	<b>(46,081)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	-	(60,000)	-	(13,919)	(13,919)	46,081
<b>NET CHANGE IN FUND BALANCE</b>	<b>(13,825)</b>	<b>(27,853)</b>	<b>(7,249)</b>	<b>(20,604)</b>	<b>(27,853)</b>	<b>-</b>
<b>FUND BALANCE, beginning of year</b>	<b>13,825</b>	<b>27,853</b>	<b>27,853</b>	<b>20,604</b>	<b>27,853</b>	<b>-</b>
<b>FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,604</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**CITY OF OREGON CITY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – ECONOMIC IMPROVEMENT DISTRICT FUND**  
**YEAR ENDED JUNE 30, 2015**

	<b>Budget Amounts</b>		<b>Actual</b>			<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Biennial</b>	
<b>REVENUES</b>						
Assessments and other taxes	\$ 230,000	\$ 234,695	\$ 131,024	\$ 27,545	\$ 158,569	\$ (76,126)
Interest income	250	250	-	42	42	(208)
<b>TOTAL REVENUES</b>	<b>230,250</b>	<b>234,945</b>	<b>131,024</b>	<b>27,587</b>	<b>158,611</b>	<b>(76,334)</b>
<b>EXPENDITURES</b>						
Materials and services	230,000	230,000	127,879	30,645	158,524	71,476
Contingency	500	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>230,500</b>	<b>230,000</b>	<b>127,879</b>	<b>30,645</b>	<b>158,524</b>	<b>71,476</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(250)</b>	<b>4,945</b>	<b>3,145</b>	<b>(3,058)</b>	<b>87</b>	<b>(4,858)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	-	(10,000)	-	(5,142)	(5,142)	4,858
<b>NET CHANGE IN FUND BALANCE</b>	<b>(250)</b>	<b>(5,055)</b>	<b>3,145</b>	<b>(8,200)</b>	<b>(5,055)</b>	<b>-</b>
<b>FUND BALANCE, beginning of year</b>	<b>250</b>	<b>5,055</b>	<b>5,055</b>	<b>8,200</b>	<b>5,055</b>	<b>-</b>
<b>FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,200</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**CITY OF OREGON CITY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - OREGON CITY ENHANCEMENT FUND**  
**YEAR ENDED JUNE 30, 2015**

	<b>Budget Amounts</b>		<b>Actual</b>			<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Biennial</b>	
<b>REVENUES</b>						
Intergovernmental	\$ 240,000	\$ 365,813	\$ 133,011	\$ 151,785	\$ 284,796	\$ (81,017)
Interest income	1,000	1,000	209	191	400	(600)
Miscellaneous	-	-	-	240	240	240
<b>TOTAL REVENUES</b>	<b>241,000</b>	<b>366,813</b>	<b>133,220</b>	<b>152,216</b>	<b>285,436</b>	<b>(81,377)</b>
<b>EXPENDITURES</b>						
Materials and services	140,000	140,000	58,869	77,829	136,698	3,302
Contingency	45,414	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>185,414</b>	<b>140,000</b>	<b>58,869</b>	<b>77,829</b>	<b>136,698</b>	<b>3,302</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>55,586</b>	<b>226,813</b>	<b>74,351</b>	<b>74,387</b>	<b>148,738</b>	<b>(78,075)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	1,430	1,430	1,430
Transfers out	(110,000)	(310,000)	(53,000)	(180,355)	(233,355)	76,645
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(110,000)</b>	<b>(310,000)</b>	<b>(53,000)</b>	<b>(178,925)</b>	<b>(231,925)</b>	<b>78,075</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(54,414)</b>	<b>(83,187)</b>	<b>21,351</b>	<b>(104,538)</b>	<b>(83,187)</b>	<b>-</b>
<b>FUND BALANCE, beginning of year</b>	<b>54,414</b>	<b>83,187</b>	<b>83,187</b>	<b>104,538</b>	<b>83,187</b>	<b>-</b>
<b>FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 104,538</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**CITY OF OREGON CITY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – COMMUNITY DEVELOPMENT FUND**  
**YEAR ENDED JUNE 30, 2015**

	<b>Budget Amounts</b>		<b>Actual</b>			<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Biennial</b>	
<b>REVENUES</b>						
Licenses and permits	\$ 43,750	\$ 43,750	\$ 15,274	\$ 22,777	\$ 38,051	\$ (5,699)
Charges for services	1,686,250	1,686,250	505,299	630,265	1,135,564	(550,686)
Intergovernmental	695,000	695,000	650,946	60,000	710,946	15,946
Interest	2,000	2,000	-	574	574	(1,426)
<b>TOTAL REVENUES</b>	<b>2,427,000</b>	<b>2,427,000</b>	<b>1,171,519</b>	<b>713,616</b>	<b>1,885,135</b>	<b>(541,865)</b>
<b>EXPENDITURES</b>						
Personal services	1,532,690	1,532,690	699,907	741,911	1,441,818	90,872
Materials and services	2,096,595	2,096,595	890,268	590,381	1,480,649	615,946
Contingency	173,579	173,579	-	-	-	173,579
<b>TOTAL EXPENDITURES</b>	<b>3,802,864</b>	<b>3,802,864</b>	<b>1,590,175</b>	<b>1,332,292</b>	<b>2,922,467</b>	<b>880,397</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,375,864)</b>	<b>(1,375,864)</b>	<b>(418,656)</b>	<b>(618,676)</b>	<b>(1,037,332)</b>	<b>338,532</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	1,382,114	1,382,114	625,725	756,092	1,381,817	(297)
Transfers out	(191,250)	(191,250)	(143,349)	(3,750)	(147,099)	44,151
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,190,864</b>	<b>1,190,864</b>	<b>482,376</b>	<b>752,342</b>	<b>1,234,718</b>	<b>43,854</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(185,000)</b>	<b>(185,000)</b>	<b>63,720</b>	<b>133,666</b>	<b>197,386</b>	<b>382,386</b>
<b>FUND BALANCE, beginning of year</b>	<b>185,000</b>	<b>185,000</b>	<b>3,331</b>	<b>67,051</b>	<b>3,331</b>	<b>(181,669)</b>
<b>FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 67,051</b>	<b>\$ 200,717</b>	<b>\$ 200,717</b>	<b>\$ 200,717</b>

**CITY OF OREGON CITY, OREGON**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - CODE ENFORCEMENT FUND  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual			Variance
	Original	Final	FY 2014	FY 2015	Biennial	
<b>REVENUES</b>						
Charges for services	\$ 2,600	\$ 2,600	\$ 100	\$ 492	\$ 592	\$ (2,008)
Fines and forfeitures	20,000	116,749	13,470	31,284	44,754	(71,995)
Interest income	1,000	1,000	209	106	315	(685)
<b>TOTAL REVENUES</b>	<b>23,600</b>	<b>120,349</b>	<b>13,779</b>	<b>31,882</b>	<b>45,661</b>	<b>(74,688)</b>
<b>EXPENDITURES</b>						
Personal services	394,935	394,935	189,608	201,855	391,463	3,472
Materials and services	90,414	90,414	33,605	30,717	64,322	26,092
Contingency	3,251	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>488,600</b>	<b>485,349</b>	<b>223,213</b>	<b>232,572</b>	<b>455,785</b>	<b>29,564</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(465,000)</b>	<b>(365,000)</b>	<b>(209,434)</b>	<b>(200,690)</b>	<b>(410,124)</b>	<b>(45,124)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	390,000	390,000	170,000	220,000	390,000	-
Transfers out	(10,000)	(110,000)	(8,826)	(35,398)	(44,224)	65,776
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>380,000</b>	<b>280,000</b>	<b>161,174</b>	<b>184,602</b>	<b>345,776</b>	<b>65,776</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(85,000)</b>	<b>(85,000)</b>	<b>(48,260)</b>	<b>(16,088)</b>	<b>(64,348)</b>	<b>20,652</b>
<b>FUND BALANCE, beginning of year</b>	<b>85,000</b>	<b>85,000</b>	<b>64,348</b>	<b>16,088</b>	<b>64,348</b>	<b>(20,652)</b>
<b>FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,088</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**CITY OF OREGON CITY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - BUILDING FUND**  
**YEAR ENDED JUNE 30, 2015**

	<b>Budget Amounts</b>		<b>Actual</b>			<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Biennial</b>	
<b>REVENUES</b>						
Licenses and permits	\$ 1,880,325	\$ 1,880,325	\$ 725,777	\$ 1,067,904	\$ 1,793,681	\$ (86,644)
Charges for services	269,060	269,060	108,062	142,142	250,204	(18,856)
Interest income	2,000	2,000	3,351	2,634	5,985	3,985
<b>TOTAL REVENUES</b>	<b>2,151,385</b>	<b>2,151,385</b>	<b>837,190</b>	<b>1,212,680</b>	<b>2,049,870</b>	<b>(101,515)</b>
<b>EXPENDITURES</b>						
Personal services	1,400,519	1,400,519	522,346	545,695	1,068,041	332,478
Materials and services	867,675	867,675	444,232	496,824	941,056	(73,381)
Contingency	88,225	88,225	-	-	-	88,225
<b>TOTAL EXPENDITURES</b>	<b>2,356,419</b>	<b>2,356,419</b>	<b>966,578</b>	<b>1,042,519</b>	<b>2,009,097</b>	<b>347,322</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(205,034)</b>	<b>(205,034)</b>	<b>(129,388)</b>	<b>170,161</b>	<b>40,773</b>	<b>245,807</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	176,000	176,000	88,000	88,000	176,000	-
Transfers out	(114,000)	(114,000)	(57,000)	(57,000)	(114,000)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>62,000</b>	<b>62,000</b>	<b>31,000</b>	<b>31,000</b>	<b>62,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(143,034)</b>	<b>(143,034)</b>	<b>(98,388)</b>	<b>201,161</b>	<b>102,773</b>	<b>245,807</b>
<b>FUND BALANCE, beginning of year</b>	<b>143,034</b>	<b>143,034</b>	<b>612,454</b>	<b>514,066</b>	<b>612,454</b>	<b>469,420</b>
<b>FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 514,066</b>	<b>\$ 715,227</b>	<b>\$ 715,227</b>	<b>\$ 715,227</b>

**CITY OF OREGON CITY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - ENGINEERING FUND**  
**YEAR ENDED JUNE 30, 2015**

	<b>Budget Amounts</b>		<b>Actual</b>			<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Biennial</b>	
<b>REVENUES</b>						
Licenses and permits	\$ 253,800	\$ 253,800	\$ 147,965	\$ 371,501	\$ 519,466	\$ 265,666
Charges for services	121,200	121,200	55,494	28,312	83,806	(37,394)
Interest income	2,000	2,000	837	829	1,666	(334)
<b>TOTAL REVENUES</b>	<b>377,000</b>	<b>377,000</b>	<b>204,296</b>	<b>400,642</b>	<b>604,938</b>	<b>227,938</b>
<b>EXPENDITURES</b>						
Personal services	901,786	901,786	383,785	434,431	818,216	83,570
Materials and services	84,960	304,960	84,815	270,576	355,391	(50,431)
Contingency	3,254	3,254	-	-	-	3,254
<b>TOTAL EXPENDITURES</b>	<b>990,000</b>	<b>1,210,000</b>	<b>468,600</b>	<b>705,007</b>	<b>1,173,607</b>	<b>36,393</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(613,000)</b>	<b>(833,000)</b>	<b>(264,304)</b>	<b>(304,365)</b>	<b>(568,669)</b>	<b>264,331</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	570,000	790,000	282,000	288,000	570,000	(220,000)
Transfers out	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>570,000</b>	<b>790,000</b>	<b>282,000</b>	<b>288,000</b>	<b>570,000</b>	<b>(220,000)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(43,000)</b>	<b>(43,000)</b>	<b>17,696</b>	<b>(16,365)</b>	<b>1,331</b>	<b>44,331</b>
<b>FUND BALANCE, beginning of year</b>	<b>43,000</b>	<b>43,000</b>	<b>13,143</b>	<b>30,839</b>	<b>13,143</b>	<b>(29,857)</b>
<b>FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 30,839</b>	<b>\$ 14,474</b>	<b>\$ 14,474</b>	<b>\$ 14,474</b>

**CITY OF OREGON CITY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - STREET FUND**  
**YEAR ENDED JUNE 30, 2015**

	<u>Budget Amounts</u>		<u>Actual</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Biennial</u>	
<b>REVENUES</b>						
Charges for services	\$ 75,000	\$ 75,000	\$ 35,728	\$ 67,845	\$ 103,573	\$ 28,573
Intergovernmental	3,709,623	3,709,623	1,885,885	1,940,744	3,826,629	117,006
Interest income	6,000	6,000	3,560	3,982	7,542	1,542
<b>TOTAL REVENUES</b>	<b>3,790,623</b>	<b>3,790,623</b>	<b>1,925,173</b>	<b>2,012,571</b>	<b>3,937,744</b>	<b>147,121</b>
<b>EXPENDITURES</b>						
Personal services	2,200,557	2,200,557	994,204	994,415	1,988,619	211,938
Materials and services	1,108,640	1,263,640	608,817	533,272	1,142,089	121,551
Capital outlay	569,000	586,000	138,805	300,647	439,452	146,548
Contingency	137,291	2,337,291	-	-	-	2,337,291
<b>TOTAL EXPENDITURES</b>	<b>4,015,488</b>	<b>6,387,488</b>	<b>1,741,826</b>	<b>1,828,334</b>	<b>3,570,160</b>	<b>2,817,328</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(224,865)</b>	<b>(2,596,865)</b>	<b>183,347</b>	<b>184,237</b>	<b>367,584</b>	<b>2,964,449</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	365,118	2,600,118	215,541	1,624,434	1,839,975	(760,143)
Transfers out	(685,100)	(548,100)	(212,882)	(332,600)	(545,482)	2,618
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(319,982)</b>	<b>2,052,018</b>	<b>2,659</b>	<b>1,291,834</b>	<b>1,294,493</b>	<b>(757,525)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(544,847)</b>	<b>(544,847)</b>	<b>186,006</b>	<b>1,476,071</b>	<b>1,662,077</b>	<b>2,206,924</b>
<b>FUND BALANCE, beginning of year</b>	<b>544,847</b>	<b>544,847</b>	<b>639,033</b>	<b>825,039</b>	<b>639,033</b>	<b>94,186</b>
<b>FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 825,039</b>	<b>\$ 2,301,110</b>	<b>\$ 2,301,110</b>	<b>\$ 2,301,110</b>

**CITY OF OREGON CITY, OREGON**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - CIVIC IMPROVEMENT TRUST FUND  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual			Variance
	Original	Final	FY 2014	FY 2015	Biennial	
<b>REVENUES</b>						
Intergovernmental	\$ 40,000	\$ 40,000	\$ 19,060	\$ 20,000	\$ 39,060	\$ (940)
Interest income	-	-	209	361	570	570
Miscellaneous	122,000	295,805	77,002	98,782	175,784	(120,021)
<b>TOTAL REVENUES</b>	162,000	335,805	96,271	119,143	215,414	(120,391)
<b>EXPENDITURES</b>						
Materials and services	162,000	162,000	76,518	77,474	153,992	8,008
Contingency	6,000	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	168,000	162,000	76,518	77,474	153,992	8,008
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(6,000)	173,805	19,753	41,669	61,422	(112,383)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	-	(200,000)	-	(87,617)	(87,617)	112,383
<b>NET CHANGE IN FUND BALANCE</b>	(6,000)	(26,195)	19,753	(45,948)	(26,195)	-
<b>FUND BALANCE, beginning of year</b>	6,000	26,195	26,195	45,948	26,195	-
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 45,948	\$ -	\$ -	\$ -

**CITY OF OREGON CITY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - CABLE TV SYSTEMS IMPROVEMENT FUND**  
**YEAR ENDED JUNE 30, 2015**

	<u>Budget Amounts</u>		<u>Actual</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Biennial</u>	
<b>REVENUES</b>						
Franchise taxes	\$ 296,000	\$ 402,100	\$ 160,716	\$ 171,379	\$ 332,095	\$ (70,005)
Interest income	600	600	419	680	1,099	499
<b>TOTAL REVENUES</b>	296,600	402,700	161,135	172,059	333,194	(69,506)
<b>EXPENDITURES</b>						
Materials and services	120,000	120,000	63,183	69,618	132,801	(12,801)
Capital outlay	20,000	20,000	-	-	-	20,000
Contingency	193,900	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	333,900	140,000	63,183	69,618	132,801	7,199
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(37,300)	262,700	97,952	102,441	200,393	(62,307)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	(37,000)	(337,000)	(11,224)	(258,815)	(270,039)	66,961
<b>NET CHANGE IN FUND BALANCE</b>	(74,300)	(74,300)	86,728	(156,374)	(69,646)	4,654
<b>FUND BALANCE, beginning of year</b>	74,300	74,300	69,646	156,374	69,646	(4,654)
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 156,374	\$ -	\$ -	\$ -

**CITY OF OREGON CITY, OREGON**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - PARKS AND RECREATION TRUST FUND  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual			Variance
	Original	Final	FY 2014	FY 2015	Biennial	
<b>REVENUES</b>						
Interest income	\$ 2,500	\$ 2,500	\$ 1,256	\$ 1,402	\$ 2,658	\$ 158
Miscellaneous	82,500	218,305	70,933	65,969	136,902	(81,403)
<b>TOTAL REVENUES</b>	85,000	220,805	72,189	67,371	139,560	(81,245)
<b>EXPENDITURES</b>						
Materials and services	80,000	80,000	22,352	17,706	40,058	39,942
Capital outlay	-	15,000	12,232	-	12,232	2,768
Contingency	193,000	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	273,000	95,000	34,584	17,706	52,290	42,710
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(188,000)	125,805	37,605	49,665	87,270	(38,535)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	-	(350,000)	-	(311,465)	(311,465)	38,535
<b>NET CHANGE IN FUND BALANCE</b>	(188,000)	(224,195)	37,605	(261,800)	(224,195)	-
<b>FUND BALANCE, beginning of year</b>	188,000	224,195	224,195	261,800	224,195	-
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 261,800	\$ -	\$ -	\$ -

**CITY OF OREGON CITY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - POLICE BUILDING RESERVE FUND**  
**YEAR ENDED JUNE 30, 2015**

	<u>Budget Amounts</u>		<u>Actual</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Biennial</u>	
<b>REVENUES</b>						
Interest income	\$ -	\$ -	\$ 209	\$ 297	\$ 506	\$ 506
<b>EXPENDITURES</b>						
Materials and services	25,000	10,000	-	-	-	10,000
Capital outlay	-	1,501,001	-	1,501,001	1,501,001	-
Contingency	62,224	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>87,224</u>	<u>1,511,001</u>	<u>-</u>	<u>1,501,001</u>	<u>1,501,001</u>	<u>10,000</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(87,224)	(1,511,001)	209	(1,500,704)	(1,500,495)	10,506
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	40,000	1,540,000	20,000	1,520,000	1,540,000	-
Transfers out	-	(82,000)	-	(80,151)	(80,151)	1,849
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>40,000</u>	<u>1,458,000</u>	<u>20,000</u>	<u>1,439,849</u>	<u>1,459,849</u>	<u>1,849</u>
<b>NET CHANGE IN FUND BALANCE</b>	(47,224)	(53,001)	20,209	(60,855)	(40,646)	12,355
<b>FUND BALANCE, beginning of year</b>	<u>47,224</u>	<u>53,001</u>	<u>40,646</u>	<u>60,855</u>	<u>40,646</u>	<u>(12,355)</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,855</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF OREGON CITY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL – STREET DEVELOPMENT FUND  
YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual			Variance
	Original	Final	FY 2014	FY 2015	Biennial	
<b>REVENUES</b>						
System development charges	\$ 1,050,000	\$ 6,085,492	\$ 1,011,855	\$ 1,190,678	\$ 2,202,533	\$ (3,882,959)
Intergovernmental	430,000	430,000	224,705	66,042	290,747	(139,253)
Interest income	24,500	24,500	22,617	23,221	45,838	21,338
Miscellaneous income	36,500	36,500	46,799	45,956	92,755	56,255
<b>TOTAL REVENUES</b>	<b>1,541,000</b>	<b>6,576,492</b>	<b>1,305,976</b>	<b>1,325,897</b>	<b>2,631,873</b>	<b>(3,944,619)</b>
<b>EXPENDITURES</b>						
Materials and services	384,060	384,060	101,198	188,822	290,020	94,040
Capital outlay	2,446,175	2,446,175	197,829	478,176	676,005	1,770,170
Contingency	977,957	977,957	-	-	-	977,957
<b>TOTAL EXPENDITURES</b>	<b>3,808,192</b>	<b>3,808,192</b>	<b>299,027</b>	<b>666,998</b>	<b>966,025</b>	<b>2,842,167</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,267,192)</b>	<b>2,768,300</b>	<b>1,006,949</b>	<b>658,899</b>	<b>1,665,848</b>	<b>(1,102,452)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	20,000	20,000	40,000	40,000
Proceeds from sale of assets	-	-	-	302,500	302,500	302,500
Transfers out	(45,684)	(6,045,684)	(22,620)	(5,528,206)	(5,550,826)	494,858
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(45,684)</b>	<b>(6,045,684)</b>	<b>(2,620)</b>	<b>(5,205,706)</b>	<b>(5,208,326)</b>	<b>837,358</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(2,312,876)</b>	<b>(3,277,384)</b>	<b>1,004,329</b>	<b>(4,546,807)</b>	<b>(3,542,478)</b>	<b>(265,094)</b>
<b>FUND BALANCE, beginning of year</b>	<b>2,577,970</b>	<b>3,542,478</b>	<b>3,240,619</b>	<b>4,546,807</b>	<b>3,240,619</b>	<b>(301,859)</b>
Prior period adjustment	-	-	301,859	-	301,859	301,859
<b>FUND BALANCE, beginning of year, as restated</b>	<b>2,577,970</b>	<b>3,542,478</b>	<b>3,542,478</b>	<b>4,546,807</b>	<b>3,542,478</b>	<b>-</b>
<b>FUND BALANCE, end of year</b>	<b>\$ 265,094</b>	<b>\$ 265,094</b>	<b>\$ 4,546,807</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (265,094)</b>

**CITY OF OREGON CITY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - UPGRADE STREETS ANNEXED FUND**  
**YEAR ENDED JUNE 30, 2015**

	<u>Budget Amounts</u>		<u>Actual</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>FY 2014</u>	<u>FY 2015</u>	<u>Biennial</u>	
<b>REVENUES</b>						
Interest income	\$ 1,750	\$ 9,000	\$ 1,048	\$ 956	\$ 2,004	\$ (6,996)
<b>EXPENDITURES</b>						
Capital outlay	60,000	-	-	-	-	-
Contingency	132,750	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>192,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(191,000)	9,000	1,048	956	2,004	(6,996)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	<u>-</u>	<u>(200,000)</u>	<u>-</u>	<u>(192,995)</u>	<u>(192,995)</u>	<u>7,005</u>
<b>NET CHANGE IN FUND BALANCE</b>	(191,000)	(191,000)	1,048	(192,039)	(190,991)	9
<b>FUND BALANCE, beginning of year</b>	<u>191,000</u>	<u>191,000</u>	<u>190,991</u>	<u>192,039</u>	<u>190,991</u>	<u>(9)</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 192,039</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF OREGON CITY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL – PAVEMENT MAINTENANCE UTILITY FUND  
YEAR ENDED JUNE 30, 2015**

	<b>Budget Amounts</b>		<b>Actual</b>			<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Biennial</b>	
<b>REVENUES</b>						
Charges for services	\$ 3,693,281	\$ 5,080,210	\$ 2,033,790	\$ 2,104,662	\$ 4,138,452	\$ (941,758)
Interest income	6,800	6,800	4,398	3,782	8,180	1,380
Miscellaneous income	-	-	4,978	-	4,978	4,978
<b>TOTAL REVENUES</b>	<b>3,700,081</b>	<b>5,087,010</b>	<b>2,043,166</b>	<b>2,108,444</b>	<b>4,151,610</b>	<b>(935,400)</b>
<b>EXPENDITURES</b>						
Current						
Materials and services	613,240	613,240	250,900	260,558	511,458	101,782
Capital outlay	3,246,900	3,246,900	1,212,857	1,953,563	3,166,420	80,480
Contingency	162,289	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>4,022,429</b>	<b>3,860,140</b>	<b>1,463,757</b>	<b>2,214,121</b>	<b>3,677,878</b>	<b>182,262</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(322,348)</b>	<b>1,226,870</b>	<b>579,409</b>	<b>(105,677)</b>	<b>473,732</b>	<b>(753,138)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	(192,600)	(2,192,600)	(96,300)	(1,343,162)	(1,439,462)	753,138
<b>NET CHANGE IN FUND BALANCE</b>	<b>(514,948)</b>	<b>(965,730)</b>	<b>483,109</b>	<b>(1,448,839)</b>	<b>(965,730)</b>	<b>-</b>
<b>FUND BALANCE, beginning of year</b>	<b>514,948</b>	<b>965,730</b>	<b>965,730</b>	<b>1,448,839</b>	<b>965,730</b>	<b>-</b>
<b>FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,448,839</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**CITY OF OREGON CITY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – LIBRARY RESERVE FUND**  
**YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual			Variance
	Original	Final	FY 2014	FY 2015	Biennial	
<b>REVENUES</b>						
Intergovernmental revenue	\$ -	\$ 1,050,000	\$ 1,000,000	\$ 4,500	\$ 1,004,500	\$ (45,500)
Interest income	6,000	6,000	13,403	17,761	31,164	25,164
<b>TOTAL REVENUES</b>	<b>6,000</b>	<b>1,056,000</b>	<b>1,013,403</b>	<b>22,261</b>	<b>1,035,664</b>	<b>(20,336)</b>
<b>EXPENDITURES</b>						
Materials and services	-	50,800	-	50,219	50,219	581
Capital outlay	3,594,556	3,543,756	231,450	609,069	840,519	2,703,237
<b>TOTAL EXPENDITURES</b>	<b>3,594,556</b>	<b>3,594,556</b>	<b>231,450</b>	<b>659,288</b>	<b>890,738</b>	<b>2,703,818</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(3,588,556)</b>	<b>(2,538,556)</b>	<b>781,953</b>	<b>(637,027)</b>	<b>144,926</b>	<b>2,683,482</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	1,285,096	1,285,096	639,333	645,763	1,285,096	-
Proceeds from sale of bonds	-	6,000,000	-	6,000,000	6,000,000	-
Transfers out	-	(11,000,000)	-	(9,743,567)	(9,743,567)	1,256,433
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,285,096</b>	<b>(3,714,904)</b>	<b>639,333</b>	<b>(3,097,804)</b>	<b>(2,458,471)</b>	<b>1,256,433</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(2,303,460)</b>	<b>(6,253,460)</b>	<b>1,421,286</b>	<b>(3,734,831)</b>	<b>(2,313,545)</b>	<b>3,939,915</b>
<b>FUND BALANCE, beginning of year</b>	<b>2,303,460</b>	<b>6,253,460</b>	<b>2,313,545</b>	<b>3,734,831</b>	<b>2,313,545</b>	<b>(3,939,915)</b>
<b>FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,734,831</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**CITY OF OREGON CITY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL – PUBLIC WORKS BUILDING RESERVE FUND  
YEAR ENDED JUNE 30, 2015**

	<b>Budget Amounts</b>		<b>Actual</b>			<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Biennial</b>	
<b>REVENUES</b>						
Interest income	\$ -	\$ -	\$ 31,203	\$ 32,654	\$ 63,857	\$ 63,857
<b>EXPENDITURES</b>						
Materials and services	100,000	100,000	506	-	506	99,494
Capital outlay	7,382,692	6,882,692	-	-	-	6,882,692
<b>TOTAL EXPENDITURES</b>	<b>7,482,692</b>	<b>6,982,692</b>	<b>506</b>	<b>-</b>	<b>506</b>	<b>6,982,186</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(7,482,692)</b>	<b>(6,982,692)</b>	<b>30,697</b>	<b>32,654</b>	<b>63,351</b>	<b>7,046,043</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	2,200,000	2,200,000	1,100,000	1,100,000	2,200,000	-
Transfers out	-	(8,500,000)	-	(7,571,009)	(7,571,009)	928,991
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>2,200,000</b>	<b>(6,300,000)</b>	<b>1,100,000</b>	<b>(6,471,009)</b>	<b>(5,371,009)</b>	<b>928,991</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(5,282,692)</b>	<b>(13,282,692)</b>	<b>1,130,697</b>	<b>(6,438,355)</b>	<b>(5,307,658)</b>	<b>7,975,034</b>
<b>FUND BALANCE, beginning of year</b>	<b>5,282,692</b>	<b>13,282,692</b>	<b>5,307,658</b>	<b>6,438,355</b>	<b>5,307,658</b>	<b>(7,975,034)</b>
<b>FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,438,355</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**CITY OF OREGON CITY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - PARKS DEVELOPMENT FUND**  
**YEAR ENDED JUNE 30, 2015**

	<b>Budget Amounts</b>		<b>Actual</b>			<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Biennial</b>	
<b>REVENUES</b>						
System development charges	\$ 600,000	\$ 3,507,732	\$ 542,153	\$ 493,949	\$ 1,036,102	\$ (2,471,630)
Intergovernmental	200,000	200,000	150,000	-	150,000	(50,000)
Interest income	23,500	23,500	13,822	14,701	28,523	5,023
Miscellaneous income	350,000	350,000	13,881	30,673	44,554	(305,446)
<b>TOTAL REVENUES</b>	<b>1,173,500</b>	<b>4,081,232</b>	<b>719,856</b>	<b>539,323</b>	<b>1,259,179</b>	<b>(2,822,053)</b>
<b>EXPENDITURES</b>						
Materials and services	234,000	234,000	11,054	110,564	121,618	112,382
Capital outlay	1,760,000	1,760,000	26,597	-	26,597	1,733,403
Contingency	294,279	294,279	-	-	-	294,279
<b>TOTAL EXPENDITURES</b>	<b>2,288,279</b>	<b>2,288,279</b>	<b>37,651</b>	<b>110,564</b>	<b>148,215</b>	<b>2,140,064</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,114,779)</b>	<b>1,792,953</b>	<b>682,205</b>	<b>428,759</b>	<b>1,110,964</b>	<b>(681,989)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	(52,420)	(4,052,420)	(24,055)	(3,346,376)	(3,370,431)	681,989
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,167,199)</b>	<b>(2,259,467)</b>	<b>658,150</b>	<b>(2,917,617)</b>	<b>(2,259,467)</b>	<b>-</b>
<b>FUND BALANCE, beginning of year</b>	<b>1,167,199</b>	<b>2,259,467</b>	<b>2,259,467</b>	<b>2,917,617</b>	<b>2,259,467</b>	<b>-</b>
<b>FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,917,617</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**CITY OF OREGON CITY, OREGON**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL – ERMATINGER HOUSE PRESERVATION FUND  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual			Variance
	Original	Final	FY 2014	FY 2015	Biennial	
<b>REVENUES</b>						
Intergovernmental	\$ 140,000	\$ 140,000	\$ 5,000	\$ 215,000	\$ 220,000	\$ 80,000
Interest income	1,000	1,000	1,676	1,678	3,354	2,354
<b>TOTAL REVENUES</b>	141,000	141,000	6,676	216,678	223,354	82,354
<b>EXPENDITURES</b>						
Materials and services	531,000	531,000	15,981	564,461	580,442	(49,442)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(390,000)	(390,000)	(9,305)	(347,783)	(357,088)	32,912
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	150,000	150,000	100,000	50,000	150,000	-
Transfers out	-	(250,000)	-	(30,379)	(30,379)	219,621
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	150,000	(100,000)	100,000	19,621	119,621	219,621
<b>NET CHANGE IN FUND BALANCE</b>	(240,000)	(490,000)	90,695	(328,162)	(237,467)	252,533
<b>FUND BALANCE, beginning of year</b>	240,000	490,000	237,467	328,162	237,467	(252,533)
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 328,162	\$ -	\$ -	\$ -

**CITY OF OREGON CITY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - PERS DEBT SERVICE FUND**  
**YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual			Variance
	Original	Final	FY 2014	FY 2015	Biennial	
<b>REVENUES</b>						
Interest income	\$ 18,000	\$ 18,000	\$ 23,569	\$ 18,359	\$ 41,928	\$ 23,928
Miscellaneous income	2,334,347	2,334,347	1,409,191	1,441,667	2,850,858	516,511
<b>TOTAL REVENUES</b>	2,352,347	2,352,347	1,432,760	1,460,026	2,892,786	540,439
<b>EXPENDITURES</b>						
Materials and services	15,000	15,000	-	-	-	15,000
Debt service						
Principal	920,000	920,000	425,000	495,000	920,000	-
Interest	1,517,353	1,517,353	768,590	748,763	1,517,353	-
Contingency	1,585,947	1,585,947	-	-	-	1,585,947
<b>TOTAL EXPENDITURES</b>	4,038,300	4,038,300	1,193,590	1,243,763	2,437,353	1,600,947
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(1,685,953)	(1,685,953)	239,170	216,263	455,433	2,141,386
<b>FUND BALANCE, beginning of year</b>	1,685,953	1,685,953	1,470,912	1,710,082	1,470,912	(215,041)
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 1,710,082	\$ 1,926,345	\$ 1,926,345	\$ 1,926,345

**CITY OF OREGON CITY, OREGON**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - FIRE BOND DEBT SERVICE FUND  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual			Variance
	Original	Final	FY 2014	FY 2015	Biennial	
<b>REVENUES</b>						
Property taxes	\$ 528,615	\$ 528,615	\$ 288,773	\$ 289,068	\$ 577,841	\$ 49,226
Interest income	1,000	1,000	837	361	1,198	198
Miscellaneous income	246,268	246,268	123,134	123,134	246,268	-
<b>TOTAL REVENUES</b>	<b>775,883</b>	<b>775,883</b>	<b>412,744</b>	<b>412,563</b>	<b>825,307</b>	<b>49,424</b>
<b>EXPENDITURES</b>						
Debt service						
Principal	675,000	675,000	330,000	345,000	675,000	-
Interest	107,101	107,101	60,562	46,538	107,100	1
<b>TOTAL EXPENDITURES</b>	<b>782,101</b>	<b>782,101</b>	<b>390,562</b>	<b>391,538</b>	<b>782,100</b>	<b>1</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(6,218)</b>	<b>(6,218)</b>	<b>22,182</b>	<b>21,025</b>	<b>43,207</b>	<b>49,425</b>
<b>FUND BALANCE, beginning of year</b>	<b>37,000</b>	<b>37,000</b>	<b>26,598</b>	<b>48,780</b>	<b>26,598</b>	<b>(10,402)</b>
<b>FUND BALANCE, end of year</b>	<b>\$ 30,782</b>	<b>\$ 30,782</b>	<b>\$ 48,780</b>	<b>\$ 69,805</b>	<b>\$ 69,805</b>	<b>\$ 39,023</b>

*Combining and Individual Fund Financial  
Statements – Nonmajor Proprietary Funds –  
Enterprise Funds*

**CITY OF OREGON CITY, OREGON**

COMBINING STATEMENT OF NET POSITION - NONMAJOR PROPRIETARY FUNDS – ENTERPRISE FUNDS

JUNE 30, 2015

	<u>Water System Development</u>	<u>Wastewater System Development</u>	<u>Stormwater System Development</u>	<u>Water Rate Stabilization</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and investments	\$ -	\$ -	\$ -	\$ -
Total Current Assets	-	-	-	-
<b>Noncurrent Assets</b>				
Assessment liens receivable	-	-	-	-
Nondepreciable capital assets	-	-	-	-
Capital assets, net of depreciation	-	-	-	-
Total Noncurrent Assets	-	-	-	-
Total Assets	-	-	-	-
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	-	-	-	-
Deposits payable	-	-	-	-
Total Liabilities	-	-	-	-
<b>NET POSITION</b>				
Net investment in capital assets	-	-	-	-
Restricted for construction	-	-	-	-
Unrestricted	-	-	-	-
Total Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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<u>Sewer Rate Stabilization</u>	<u>HOPP Sewer</u>	<u>Endowment Care</u>	<u>Water Revenue Bond</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -

**CITY OF OREGON CITY, OREGON**

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -  
 NONMAJOR PROPRIETARY FUNDS – ENTERPRISE FUNDS  
 YEAR ENDED JUNE 30, 2015

	<b>Water System Development</b>	<b>Wastewater System Development</b>	<b>Stormwater System Development</b>	<b>Water Rate Stabilization</b>
<b>OPERATING EXPENSES</b>				
Materials and services	\$ 698	\$ 18,297	\$ 707	\$ -
Depreciation	134,054	106,203	51,998	-
Total Operating Expenses	134,752	124,500	52,705	-
<b>OPERATING INCOME (LOSS)</b>	(134,752)	(124,500)	(52,705)	-
<b>NONOPERATING REVENUES (EXPENSES)</b>				
System development charges	373,796	231,733	80,216	-
Investment revenue	15,318	12,492	2,826	-
	389,114	244,225	83,042	-
<b>NET INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	254,362	119,725	30,337	-
Transfers in	-	186,000	-	-
Transfers out	(10,264,689)	(5,957,650)	(3,254,051)	(492,242)
<b>CHANGE IN NET POSITION</b>	(10,010,327)	(5,651,925)	(3,223,714)	(492,242)
<b>NET POSITION, Beginning of year</b>	10,010,327	5,651,925	3,223,714	492,242
<b>NET POSITION, End of year</b>	\$ -	\$ -	\$ -	\$ -

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<b>Sewer Rate Stabilization</b>	<b>HOPP Sewer</b>	<b>Endowment Care</b>	<b>Water Revenue Bond</b>	<b>Total</b>
\$ -	\$ 150	\$ -	\$ -	\$ 19,852
-	140,111	-	72,899	505,265
-	140,261	-	72,899	525,117
-	(140,261)	-	(72,899)	(525,117)
-	(31,307)	-	-	654,438
-	234	531	-	31,401
-	(31,073)	531	-	685,839
-	(171,334)	531	(72,899)	160,722
-	-	-	-	186,000
(623,252)	(1,021,905)	(105,655)	(3,141,273)	(24,860,717)
(623,252)	(1,193,239)	(105,124)	(3,214,172)	(24,513,995)
623,252	1,193,239	105,124	3,214,172	24,513,995
\$ -	\$ -	\$ -	\$ -	\$ -

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**CITY OF OREGON CITY, OREGON**

COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY FUNDS – ENTERPRISE FUNDS  
 YEAR ENDED JUNE 30, 2015

	<b>Water System Development</b>	<b>Wastewater System Development</b>	<b>Stormwater System Development</b>	<b>Water Rate Stabilization</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Paid to suppliers	\$ (13,405)	\$ (57,413)	\$ (15,671)	\$ -
Paid to employees	-	-	-	-
<i>Net Cash Provided by (Used in) Operating Activities</i>	(13,405)	(57,413)	(15,671)	-
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Transfers in	-	186,000	-	-
Transfers out	(3,417,503)	(2,690,888)	(628,163)	(492,242)
<i>Net Cash Provided by (Used in) Non-Capital Financing Activities</i>	(3,417,503)	(2,504,888)	(628,163)	(492,242)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	-	(107,815)	(3,256)	-
System development revenue	441,916	294,925	94,087	-
<i>Net Cash Provided by Capital and Related Financing Activities</i>	441,916	187,110	90,831	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	15,318	12,492	2,826	-
<i>Increase in Cash and Investments</i>	(2,973,674)	(2,362,699)	(550,177)	(492,242)
<b>CASH AND INVESTMENTS, Beginning of year</b>	2,973,674	2,362,699	550,177	492,242
<b>CASH AND INVESTMENTS, End of year</b>	\$ -	\$ -	\$ -	\$ -
<b>RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (134,752)	\$ (124,500)	\$ (52,705)	\$ -
Depreciation	134,054	106,203	51,998	-
<i>Change in assets and liabilities</i>				
Accounts receivable	-	-	-	-
Accounts payable and accrued liabilities	(12,707)	(39,116)	(14,964)	-
<i>Net Cash Provided by (Used in) Operating Activities</i>	\$ (13,405)	\$ (57,413)	\$ (15,671)	\$ -

<u>Sewer Rate Stabilization</u>	<u>HOPP Sewer</u>	<u>Endowment Care</u>	<u>Water Revenue Bond</u>	<u>Totals</u>
\$ -	\$ (150)	\$ -	\$ -	\$ (86,639)
-	-	-	-	-
-	(150)	-	-	(86,639)
-	-	-	-	186,000
(623,252)	(12,044)	(105,655)	-	(7,969,747)
(623,252)	(12,044)	(105,655)	-	(7,783,747)
-	-	-	-	(111,071)
-	(31,307)	-	-	799,621
-	(31,307)	-	-	688,550
-	234	531	-	31,401
(623,252)	(43,267)	(105,124)	-	(7,150,435)
623,252	43,267	105,124	-	7,150,435
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
\$ -	\$ (140,261)	\$ -	\$ (72,899)	\$ (525,117)
-	140,111	-	72,899	505,265
-	-	-	-	-
-	-	-	-	(66,787)
<u>\$ -</u>	<u>\$ (150)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (86,639)</u>

*Schedules of Revenues, Expenditures and Changes in Fund  
Balance – Budget (Non-GAAP Basis) and Actual –  
Proprietary Funds – Enterprise Funds*

**CITY OF OREGON CITY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL - WATER FUND**  
**YEAR ENDED JUNE 30, 2015**

	<b>Biennial Budget</b>		<b>Actual</b>		<b>Biennial</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>FY 2014</b>	<b>FY 2015</b>		
<b>REVENUES</b>						
Charges for services	\$ 11,139,768	\$ 11,139,768	\$ 5,753,478	\$ 5,995,617	\$ 11,749,095	\$ 609,327
System development charges	700,000	700,000	239,444	194,063	433,507	(266,493)
Interest earnings	20,600	\$ 20,600	9,843	11,872	21,715	1,115
<b>Total Revenues</b>	<b>11,860,368</b>	<b>11,860,368</b>	<b>6,002,765</b>	<b>6,201,552</b>	<b>12,204,317</b>	<b>343,949</b>
<b>EXPENDITURES</b>						
Personal services	2,987,817	2,987,817	1,409,650	1,378,695	2,788,345	199,472
Materials and services	5,724,156	5,724,156	2,366,953	2,479,010	4,845,963	878,193
Debt service						
Principal	380,000	380,000	185,000	195,000	380,000	-
Interest	17,664	17,664	13,179	4,485	17,664	-
Capital outlay	924,500	941,500	531,268	679,882	1,211,150	(269,650)
Contingency	294,437	786,679	-	-	-	786,679
<b>Total Expenditures</b>	<b>10,328,574</b>	<b>10,837,816</b>	<b>4,506,050</b>	<b>4,737,072</b>	<b>9,243,122</b>	<b>1,594,694</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,531,794</b>	<b>1,022,552</b>	<b>1,496,715</b>	<b>1,464,480</b>	<b>2,961,195</b>	<b>1,938,643</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	492,242	-	492,242	492,242	-
Transfers out	(2,375,569)	(2,358,569)	(1,112,920)	(1,151,370)	(2,264,290)	94,279
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(2,375,569)</b>	<b>(1,866,327)</b>	<b>(1,112,920)</b>	<b>(659,128)</b>	<b>(1,772,048)</b>	<b>94,279</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(843,775)</b>	<b>(843,775)</b>	<b>383,795</b>	<b>805,352</b>	<b>1,189,147</b>	<b>2,032,922</b>
<b>FUND BALANCE, beginning of year</b>	<b>843,775</b>	<b>843,775</b>	<b>1,973,810</b>	<b>2,413,584</b>	<b>1,973,810</b>	<b>1,130,035</b>
Prior period adjustment	-	-	55,979	-	55,979	55,979
<b>FUND BALANCE, beginning of year, as restated</b>	<b>843,775</b>	<b>843,775</b>	<b>2,029,789</b>	<b>-</b>	<b>2,029,789</b>	<b>1,186,014</b>
<b>FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,413,584</b>	<b>\$ 3,218,936</b>	<b>3,218,936</b>	<b>\$ 3,218,936</b>

**RECONCILIATION TO NET POSITION - GAAP BASIS**

Adjustment for compensated absences accrual	(58,920)
Adjustment for capital assets, net of depreciation	30,076,500
Adjustment for capital assets not depreciated	458,140
Adjustment for interest in joint venture	8,624,063
Adjustment for net pension liability	210,017
Adjustment for deferred outflows relating to pensions	(326,157)
	<u>\$ 42,202,579</u>

**CITY OF OREGON CITY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL - WASTEWATER FUND**  
**YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual			Variance
	Original	Final	FY 2014	FY 2015	Biennial	
<b>REVENUES</b>						
Charges for services	\$ 11,899,750	\$ 13,399,750	\$ 6,740,750	\$ 7,961,224	\$ 14,701,974	\$ 1,302,224
System development charges	1,400,000	1,400,000	335,414	266,353	601,767	(798,233)
Miscellaneous	11,000	11,000	-	-	-	(11,000)
Interest earnings	10,000	10,000	6,282	9,008	15,290	5,290
<b>Total Revenues</b>	<b>13,320,750</b>	<b>14,820,750</b>	<b>7,082,446</b>	<b>8,236,585</b>	<b>15,319,031</b>	<b>498,281</b>
<b>EXPENDITURES</b>						
Personal services	1,812,744	1,812,744	808,211	861,633	1,669,844	142,900
Materials and services	7,886,424	9,386,424	3,855,411	4,399,964	8,255,375	1,131,049
Debt service						
Principal	795,000	795,000	390,000	405,000	795,000	-
Interest	261,063	261,063	139,475	121,588	261,063	-
Capital outlay	968,000	1,092,000	85,450	487,982	573,432	518,568
Contingency	313,154	1,036,406	-	-	-	1,036,406
<b>Total Expenditures</b>	<b>12,036,385</b>	<b>14,383,637</b>	<b>5,278,547</b>	<b>6,276,167</b>	<b>11,554,714</b>	<b>2,828,923</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,284,365</b>	<b>437,113</b>	<b>1,803,899</b>	<b>1,960,418</b>	<b>3,764,317</b>	<b>3,327,204</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Loan proceeds	-	114,000	-	114,000	114,000	-
Transfers in	20,000	743,252	10,000	680,721	690,721	(52,531)
Transfers out	(1,761,284)	(1,751,284)	(852,244)	(866,618)	(1,718,862)	32,422
<b>Total Other Financing Sources and Uses</b>	<b>(1,741,284)</b>	<b>(894,032)</b>	<b>(842,244)</b>	<b>(71,897)</b>	<b>(914,141)</b>	<b>(20,109)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(456,919)</b>	<b>(456,919)</b>	<b>961,655</b>	<b>1,888,521</b>	<b>2,850,176</b>	<b>3,307,095</b>
<b>FUND BALANCE, beginning of year</b>	<b>456,919</b>	<b>456,919</b>	<b>658,362</b>	<b>1,886,181</b>	<b>658,362</b>	<b>201,443</b>
Prior period adjustment	-	-	266,164	-	266,164	266,164
<b>FUND BALANCE, beginning of year, as restated</b>	<b>456,919</b>	<b>\$ 456,919</b>	<b>924,526</b>	<b>-</b>	<b>924,526</b>	<b>467,607</b>
<b>FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,886,181</b>	<b>\$ 3,774,702</b>	<b>3,774,702</b>	<b>\$ 3,774,702</b>

**RECONCILIATION TO NET POSITION - GAAP BASIS**

Adjustment for compensated absences accrual	(30,035)
Adjustment for interest expense accrual	(25,463)
Adjustment for capital assets, net of depreciation	17,733,380
Adjustment for capital assets not depreciated	453,071
Adjustment for unamortized deferred refunding costs	79,238
Adjustment for receivables deferred	161,360
Adjustment for bonds payable	(2,350,000)
Adjustment for loan payable	(114,000)
Adjustment for net pension liability	113,363
Adjustment for deferred outflows relating to pensions	(176,052)
	<u>\$ 19,619,564</u>

**CITY OF OREGON CITY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL – STORMWATER FUND**  
**YEAR ENDED JUNE 30, 2015**

	<b>Biennial Budget</b>		<b>Actual</b>		<b>Biennial</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>FY 2014</b>	<b>FY 2015</b>		
<b>REVENUES</b>						
Charges for services	\$ 4,562,035	\$ 4,562,035	\$ 2,358,245	\$ 2,460,166	\$ 4,818,411	\$ 256,376
Licenses and permits	101,500	101,500	28,671	35,596	64,267	(37,233)
Interest earnings	2,400	2,400	3,351	3,994	7,345	4,945
<b>Total Revenues</b>	<b>4,665,935</b>	<b>4,665,935</b>	<b>2,390,267</b>	<b>2,499,756</b>	<b>4,890,023</b>	<b>224,088</b>
<b>EXPENDITURES</b>						
Personal services	2,236,355	2,236,355	970,208	1,046,530	2,016,738	219,617
Materials and services	1,115,304	1,115,304	589,833	564,187	1,154,020	(38,716)
Capital outlay	588,500	598,500	96,537	207,969	304,506	293,994
Contingency	88,668	88,668	-	-	-	88,668
<b>Total Expenditures</b>	<b>4,028,827</b>	<b>4,038,827</b>	<b>1,656,578</b>	<b>1,818,686</b>	<b>3,475,264</b>	<b>563,563</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>637,108</b>	<b>627,108</b>	<b>733,689</b>	<b>681,070</b>	<b>1,414,759</b>	<b>787,651</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	(1,015,284)	(1,005,284)	(487,929)	(499,512)	(987,441)	17,843
<b>NET CHANGE IN FUND BALANCE</b>	<b>(378,176)</b>	<b>(378,176)</b>	<b>245,760</b>	<b>181,558</b>	<b>427,318</b>	<b>805,494</b>
<b>FUND BALANCE, beginning of year</b>	<b>378,176</b>	<b>378,176</b>	<b>551,416</b>	<b>836,813</b>	<b>551,416</b>	<b>173,240</b>
Prior period adjustment	-	-	39,637	-	39,637	39,637
<b>FUND BALANCE, beginning of year, as restated</b>	<b>378,176</b>	<b>378,176</b>	<b>591,053</b>	<b>836,813</b>	<b>591,053</b>	<b>212,877</b>
<b>FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 836,813</b>	<b>\$ 1,018,371</b>	<b>1,018,371</b>	<b>\$ 1,018,371</b>

**RECONCILIATION TO NET POSITION - GAAP BASIS**

Adjustment for compensated absences accrual	(35,589)
Adjustment for capital assets, net of depreciation	11,661,653
Adjustment for capital assets not depreciated	1,227,147
Adjustment for net pension liability	137,631
Adjustment for deferred outflows relating to pensions	(213,742)
	<u>\$ 13,795,471</u>

**CITY OF OREGON CITY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (NON-GAAP BASIS) AND ACTUAL - WATER SYSTEM DEVELOPMENT FUND  
YEAR ENDED JUNE 30, 2015**

	<b>Biennial Budget</b>		<b>Actual</b>		<b>Biennial</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>FY 2014</b>	<b>FY 2015</b>		
<b>REVENUES</b>						
System development charges	\$ 1,000,000	\$ 4,181,383	\$ 544,905	\$ 441,916	\$ 986,821	\$ (3,194,562)
Interest earnings	20,000	20,000	14,868	15,318	30,186	10,186
Total Revenues	1,020,000	4,201,383	559,773	457,234	1,017,007	(3,184,376)
<b>EXPENDITURES</b>						
Materials and services	128,200	128,200	14,483	698	15,181	113,019
Capital outlay	789,250	789,250	-	-	-	789,250
Contingency	1,661,197	1,661,197	-	-	-	1,661,197
Total Expenditures	2,578,647	2,578,647	14,483	698	15,181	2,563,466
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(1,558,647)	1,622,736	545,290	456,536	1,001,826	(620,910)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	(71,973)	(4,071,973)	(33,560)	(3,417,503)	(3,451,063)	620,910
<b>NET CHANGE IN FUND BALANCE</b>	(1,630,620)	(2,449,237)	511,730	(2,960,967)	(2,449,237)	-
<b>FUND BALANCE, beginning of year</b>	1,630,620	2,449,237	2,449,237	2,960,967	2,449,237	-
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 2,960,967	\$ -	\$ -	\$ -

**CITY OF OREGON CITY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL – WASTEWATER SYSTEM DEVELOPMENT FUND**  
**YEAR ENDED JUNE 30, 2015**

	<b>Biennial Budget</b>		<b>Actual</b>		<b>Biennial</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>FY 2014</b>	<b>FY 2015</b>		
<b>REVENUES</b>						
System development charges	\$ 516,000	\$ 3,324,877	\$ 307,051	\$ 294,925	\$ 601,976	\$ (2,722,901)
Interest earnings	20,000	20,000	12,356	12,492	24,848	4,848
Total Revenues	536,000	3,344,877	319,407	307,417	626,824	(2,718,053)
<b>EXPENDITURES</b>						
Materials and services	171,300	171,300	119,310	18,297	137,607	33,693
Capital outlay	1,055,750	1,241,750	20,131	107,815	127,946	1,113,804
Contingency	1,233,962	1,233,962	-	-	-	1,233,962
Total Expenditures	2,461,012	2,647,012	139,441	126,112	265,553	2,381,459
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(1,925,012)	697,865	179,966	181,305	361,271	(336,594)
<b>OTHER FINANCING SOURCES (USES)</b>						
Loan proceeds	-	186,000	-	186,000	186,000	-
Transfers out	(65,196)	(3,065,196)	(37,714)	(2,690,888)	(2,728,602)	336,594
Total Other Financing Sources and Uses	(65,196)	(2,879,196)	(37,714)	(2,504,888)	(2,542,602)	336,594
<b>NET CHANGE IN FUND BALANCE</b>	(1,990,208)	(2,181,331)	142,252	(2,323,583)	(2,181,331)	-
<b>FUND BALANCE, beginning of year</b>	1,990,208	2,181,331	2,181,331	2,323,583	2,181,331	-
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 2,323,583	\$ -	\$ -	\$ -

**CITY OF OREGON CITY, OREGON**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET (NON-GAAP BASIS) AND ACTUAL – STORMWATER SYSTEM DEVELOPMENT FUND  
 YEAR ENDED JUNE 30, 2015

	<b>Biennial Budget</b>		<b>Actual</b>		<b>Biennial</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>FY 2014</b>	<b>FY 2015</b>		
<b>REVENUES</b>						
System development charges	\$ 250,000	\$ 1,185,653	\$ 103,703	\$ 94,086	\$ 197,789	\$ (987,864)
Interest earnings	3,000	3,000	2,721	2,826	5,547	2,547
Total Revenues	253,000	1,188,653	106,424	96,912	203,336	(985,317)
<b>EXPENDITURES</b>						
Materials and services	225,220	225,220	1,865	698	2,563	222,657
Capital outlay	240,000	240,000	-	3,256	3,256	236,744
Contingency	123,325	123,325	-	-	-	123,325
Total Expenditures	588,545	588,545	1,865	3,954	5,819	582,726
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(335,545)	600,108	104,559	92,958	197,517	(402,591)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	(56,342)	(1,056,342)	(25,579)	(628,172)	(653,751)	402,591
<b>NET CHANGE IN FUND BALANCE</b>	(391,887)	(456,234)	78,980	(535,214)	(456,234)	-
<b>FUND BALANCE, beginning of year</b>	391,887	456,234	456,234	535,214	456,234	-
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 535,214	\$ -	\$ -	\$ -

**CITY OF OREGON CITY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL - WATER RATE STABILIZATION FUND**  
**YEAR ENDED JUNE 30, 2015**

	Budget Amounts		Actual			Variance
	Original	Final	FY 2014	FY 2015	Biennial	
<b>REVENUES</b>						
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>						
Contingency	492,242	-	-	-	-	-
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(492,242)	-	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	-	(492,242)	-	(492,242)	(492,242)	-
<b>NET CHANGE IN FUND BALANCE</b>	(492,242)	(492,242)	-	(492,242)	(492,242)	-
<b>FUND BALANCE, beginning of year</b>	492,242	492,242	492,242	492,242	492,242	-
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 492,242	\$ -	\$ -	\$ -

**CITY OF OREGON CITY, OREGON**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET (NON-GAAP BASIS) AND ACTUAL - SEWER RATE STABILIZATION FUND  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual			Variance
	Original	Final	FY 2014	FY 2015	Biennial	
<b>REVENUES</b>						
Total revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>						
Contingency	623,252	-	-	-	-	-
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(623,252)	-	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	-	(623,252)	-	(623,252)	(623,252)	-
<b>NET CHANGE IN FUND BALANCE</b>	(623,252)	(623,252)	-	(623,252)	(623,252)	-
<b>FUND BALANCE, beginning of year</b>	623,252	623,252	623,252	623,252	623,252	-
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 623,252	\$ -	\$ -	\$ -

**CITY OF OREGON CITY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL - HOPP SEWER CONSTRUCTION FUND**  
**YEAR ENDED JUNE 30, 2015**

	<b>Budget Amounts</b>		<b>Actual</b>			<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>Biennial</b>	
<b>REVENUES</b>						
Assessments and other taxes	\$ 26,800	\$ 80,300	\$ 23,898	\$ 16,119	\$ 40,017	\$ (40,283)
Interest income	-	-	208	234	442	442
Total Revenues	26,800	80,300	24,106	16,353	40,459	(39,841)
<b>EXPENDITURES</b>						
Materials and services	300	300	29	150	179	121
Contingency	6,500	-	-	-	-	-
Total Expenditures	6,800	300	29	150	179	121
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	20,000	80,000	24,077	16,203	40,280	(39,720)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	(24,000)	(124,000)	(12,000)	(59,470)	(71,470)	52,530
<b>NET CHANGE IN FUND BALANCE</b>	(4,000)	(44,000)	12,077	(43,267)	(31,190)	12,810
<b>FUND BALANCE, beginning of year</b>	4,000	44,000	31,190	43,267	31,190	(12,810)
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 43,267	\$ -	\$ -	\$ -

**CITY OF OREGON CITY, OREGON**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE –  
 BUDGET (NON-GAAP BASIS) AND ACTUAL - ENDOWMENT CARE FUND  
 YEAR ENDED JUNE 30, 2015

	Budget Amounts		Actual			Variance
	Original	Final	FY 2014	FY 2015	Biennial	
<b>REVENUES</b>						
Interest income	\$ 1,100	\$ 1,100	\$ 629	\$ 531	\$ 1,160	\$ 60
<b>EXPENDITURES</b>						
Contingency	105,570	-	-	-	-	-
Total Expenditures	105,570	-	-	-	-	-
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(104,470)	1,100	629	531	1,160	60
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	-	(110,000)	-	(105,655)	(105,655)	4,345
<b>NET CHANGE IN FUND BALANCE</b>	(104,470)	(108,900)	629	(105,124)	(104,495)	4,405
<b>FUND BALANCE, beginning of year</b>	104,470	108,900	104,495	105,124	104,495	(4,405)
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 105,124	\$ -	\$ -	\$ -

*Combining and Individual Fund Financial  
Statements – Nonmajor Proprietary Funds –  
Internal Service Funds*

**CITY OF OREGON CITY, OREGON**COMBINING STATEMENT OF NET POSITION – NONMAJOR PROPRIETARY FUNDS –  
INTERNAL SERVICE FUNDS  
JUNE 30, 2015

	<u>Fleet Maintenance</u>	<u>Customer Service</u>	<u>Total</u>
<b>Current Assets</b>			
Cash and investments	\$ 3,665,474	\$ 76,843	\$ 3,742,317
Accounts receivable	1,114	-	1,114
Due from other funds	<u>1,547,857</u>	<u>-</u>	<u>1,547,857</u>
Total Current Assets	5,214,445	76,843	5,291,288
<b>Noncurrent Assets</b>			
Capital assets, net of depreciation	347,250	6,650	353,900
Net pension asset	<u>-</u>	<u>77,087</u>	<u>77,087</u>
Total Assets	5,561,695	160,580	5,722,275
<b>Deferred Outflows of Resources</b>			
Deferred resources related to pensions	-	29,579	29,579
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	6,792	8,197	14,989
Accrued payroll liabilities	-	16,465	16,465
Current portion of long-term liabilities			
Accrued compensated absences	<u>-</u>	<u>3,185</u>	<u>3,185</u>
Total Current Liabilities	6,792	27,847	34,639
<b>Noncurrent Liabilities</b>			
Accrued compensated absences	<u>-</u>	<u>12,740</u>	<u>12,740</u>
Total Liabilities	<u>6,792</u>	<u>40,587</u>	<u>47,379</u>
<b>Deferred Inflows of Resources</b>			
Deferred resources related to pensions	-	149,295	149,295
<b>NET POSITION:</b>			
Net investment in capital assets	347,250	6,650	353,900
Restricted for:			
Unrestricted	<u>5,207,653</u>	<u>(6,373)</u>	<u>5,201,280</u>
Total Net Position	<u>\$ 5,554,903</u>	<u>\$ 277</u>	<u>\$ 5,555,180</u>

**CITY OF OREGON CITY, OREGON**  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION –  
 NONMAJOR PROPRIETARY FUNDS – INTERNAL SERVICE FUNDS  
 YEAR ENDED JUNE 30, 2015

	<u>Fleet Maintenance</u>	<u>Customer Service</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 201,316	\$ 26,055	\$ 227,371
Miscellaneous	132	-	132
	<u>201,448</u>	<u>26,055</u>	<u>227,503</u>
Total Operating Revenues	201,448	26,055	227,503
<b>OPERATING EXPENSES</b>			
Personal services	-	459,999	459,999
Materials and services	200,820	330,125	530,945
Depreciation	604,599	3,489	608,088
	<u>805,419</u>	<u>793,613</u>	<u>1,599,032</u>
Total Operating Expenses	805,419	793,613	1,599,032
<b>OPERATING INCOME (LOSS)</b>	(603,971)	(767,558)	(1,371,529)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment revenue	42,916	-	42,916
	<u>42,916</u>	<u>-</u>	<u>42,916</u>
<b>NET INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	(561,055)	(767,558)	(1,328,613)
Transfers in	779,350	891,000	1,670,350
Transfers out	(25,000)	(1,500)	(26,500)
	<u>754,350</u>	<u>889,500</u>	<u>1,643,850</u>
<b>CHANGE IN NET POSITION</b>	193,295	121,942	315,237
Beginning net position, as originally reported	5,361,608	21,155	5,382,763
Restatement per GASB 68 implementation	-	(142,820)	(142,820)
	<u>5,361,608</u>	<u>(121,665)</u>	<u>5,239,943</u>
Beginning net position, as restated	5,361,608	(121,665)	5,239,943
<b>Ending net position</b>	<u>\$ 5,554,903</u>	<u>\$ 277</u>	<u>\$ 5,555,180</u>

**CITY OF OREGON CITY, OREGON**

COMBINING STATEMENT OF CASH FLOWS – NONMAJOR PROPRIETARY FUNDS – INTERNAL SERVICE FUNDS

YEAR ENDED JUNE 30, 2015

	<b>Fleet Maintenance</b>	<b>Utility Customer Service</b>	<b>Totals</b>
<b><i>CASH FLOWS FROM OPERATING ACTIVITIES</i></b>			
Collected from customers	\$ 210,769	\$ 26,055	\$ 236,824
Paid to suppliers	(226,590)	(328,966)	(555,556)
Paid to employees	-	(554,785)	(554,785)
<i>Net Cash Provided by (Used in) Operating Activities</i>	(15,821)	(857,696)	(873,517)
<b><i>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</i></b>			
Transfers in	779,350	891,000	1,670,350
Transfers out	(25,000)	(1,500)	(26,500)
<i>Net Cash Provided by (Used in) Non-Capital Financing Activities</i>	754,350	889,500	1,643,850
<b><i>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</i></b>			
Acquisition of capital assets	(343,089)	-	(343,089)
Proceeds from sale of capital assets	9,000	-	9,000
Principal received on interfund loan receivable	386,964	-	386,964
<i>Net Cash Used in Capital and Related Financing Activities</i>	52,875	-	52,875
<b><i>CASH FLOWS FROM INVESTING ACTIVITIES</i></b>			
Interest on investments	42,916	-	42,916
<i>Increase in Cash and Investments</i>	834,320	31,804	866,124
<b><i>CASH AND INVESTMENTS, Beginning of year</i></b>	<b>2,831,154</b>	<b>45,039</b>	<b>2,876,193</b>
<b><i>CASH AND INVESTMENTS, End of year</i></b>	<b>\$ 3,665,474</b>	<b>\$ 76,843</b>	<b>\$ 3,742,317</b>
<b><i>RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES</i></b>			
Operating income (loss)	\$ (603,971)	\$ (767,558)	\$ (1,371,529)
Depreciation	604,599	3,489	608,088
<i>Change in assets and liabilities</i>			
Accounts receivable	9,321	-	9,321
Accounts payable and accrued liabilities	(25,770)	6,564	(19,206)
Pension asset	-	(250,637)	(250,637)
Deferred outflows - pensions	-	1,151	1,151
Deferred inflows - pensions	-	149,295	149,295
<i>Net Cash Provided by (Used in) Operating Activities</i>	<b>\$ (15,821)</b>	<b>\$ (857,696)</b>	<b>\$ (873,517)</b>

*Schedules of Revenues, Expenditures and Changes in Fund  
Balance – Budget (Non-GAAP Basis) and Actual –  
Proprietary Funds –Internal Service Funds*

**CITY OF OREGON CITY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS)  
AND ACTUAL - FLEET MAINTENANCE FUND  
YEAR ENDED JUNE 30, 2015**

	<b>Biennial Budget</b>		<b>Actual</b>		<b>Biennial</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>	<b>FY 2014</b>	<b>FY 2015</b>		
<b>REVENUES</b>						
Charges for services	\$ 296,500	\$ 296,500	\$ 221,351	\$ 201,316	\$ 422,667	\$ 126,167
Interest earnings	40,000	40,000	44,101	42,916	87,017	47,017
Total Revenues	336,500	336,500	265,452	244,232	509,684	173,184
<b>EXPENDITURES</b>						
Materials and services	260,756	260,756	217,250	200,820	418,070	(157,314)
Capital Outlay	972,300	1,020,300	524,171	343,089	867,260	153,040
Contingency	5,444	5,444	-	-	-	5,444
Total Expenditures	1,238,500	1,286,500	741,421	543,909	1,285,330	1,170
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(902,000)	(950,000)	(475,969)	(299,677)	(775,646)	174,354
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from sale of equipment	-	48,000	65,897	9,132	75,029	27,029
Note receivable payments	-	-	-	386,964	386,964	386,964
Transfers in	1,584,350	1,315,350	532,500	779,350	1,311,850	(3,500)
Transfers out	(50,000)	(50,000)	(25,000)	(25,000)	(50,000)	-
Total Other Financing Sources and Uses	1,534,350	1,313,350	573,397	1,150,446	1,723,843	410,493
<b>NET CHANGE IN FUND BALANCE</b>	632,350	363,350	97,428	850,769	948,197	584,847
<b>FUND BALANCE, beginning of year</b>	4,668,262	4,937,262	2,711,599	2,809,027	2,711,599	(2,225,663)
<b>FUND BALANCE, end of year</b>	\$ 5,300,612	\$ 5,300,612	\$ 2,809,027	\$ 3,659,796	3,659,796	\$ (1,640,816)

**RECONCILIATION TO NET POSITION - GAAP BASIS**

Adjustment for capital assets, net of depreciation	347,250
Adjustment for note receivable from other funds	1,547,857
	<u>\$ 5,554,903</u>

**CITY OF OREGON CITY, OREGON**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET (NON-GAAP BASIS)  
AND ACTUAL - UTILITY CUSTOMER SERVICE FUND  
YEAR ENDED JUNE 30, 2015

	Biennial Budget		Actual		Biennial	Variance
	Original	Final	FY 2014	FY 2015		
<b>REVENUES</b>						
Charges for services	\$ 36,300	\$ 36,300	\$ 12,539	\$ 26,055	\$ 38,594	\$ 2,294
Interest earnings	500	500	419	-	419	(81)
Total Revenues	36,800	36,800	12,958	26,055	39,013	2,213
<b>EXPENDITURES</b>						
Current						
Personal services	1,262,870	1,262,870	527,552	557,228	1,084,780	178,090
Materials and services	603,000	603,000	334,907	330,125	665,032	(62,032)
Contingency	25,069	25,069	-	-	-	25,069
Total Expenditures	1,890,939	1,890,939	862,459	887,353	1,749,812	141,127
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(1,854,139)	(1,854,139)	(849,501)	(861,298)	(1,710,799)	143,340
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	1,857,139	1,857,139	848,663	891,000	1,739,663	(117,476)
Transfers out	(3,000)	(3,000)	(1,500)	(1,500)	(3,000)	-
Total Other Financing Sources and Uses	1,854,139	1,854,139	847,163	889,500	1,736,663	(117,476)
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(2,338)	28,202	25,864	25,864
<b>FUND BALANCE, beginning of year</b>	-	-	7,668	23,979	7,668	7,668
Prior period adjustment	-	-	18,649	-	18,649	18,649
<b>FUND BALANCE, beginning of year, as restated</b>	-	-	26,317	-	26,317	26,317
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 23,979	\$ 52,181	52,181	\$ 52,181

**RECONCILIATION TO NET POSITION - GAAP BASIS**

Adjustment for compensated absences accrual	(15,925)
Adjustment for capital assets, net of depreciation	6,650
Adjustment for net pension liability	77,087
Adjustment for deferred outflows relating to pensions	(119,716)
	<u>\$ 277</u>

*Statement of Changes in Assets and Liabilities –  
Fiduciary Funds – Agency Fund*

**CITY OF OREGON CITY, OREGON**  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – FIDUCIARY FUNDS – AGENCY FUND  
 FOR THE YEAR ENDED JUNE 30, 2015

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	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2015</u>
<b>ASSETS</b>				
Cash and investments	\$ 26,522	\$ 48	\$ 10,505	\$ 16,065
<b>LIABILITIES</b>				
Due to others	\$ 26,522	\$ 48	\$ 10,505	\$ 16,065

*Other Financial Schedules*

**CITY OF OREGON CITY, OREGON**  
**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES**  
**YEAR ENDED JUNE 30, 2015**

City of Oregon City

<u>Tax Year</u>	<u>Uncollected Balances July 1, 2014</u>	<u>2014-2015 Levy</u>	<u>Interest, Discounts &amp; Adjustments</u>	<u>Turnovers</u>	<u>Uncollected Balances June 30, 2015</u>
2014-15	\$ -	\$ 11,576,491	\$ (309,915)	\$ (10,949,606)	\$ 316,970
2013-14	337,619	-	2,982	(201,144)	139,457
2012-13	142,993	-	6,614	(57,833)	91,774
2011-12	99,218	-	8,489	(49,277)	58,430
2010-11	56,329	-	4,178	(21,940)	38,567
2009-10 and prior	57,292	-	403	(11,515)	46,180
<b>Total</b>	<b>\$ 693,451</b>	<b>\$ 11,576,491</b>	<b>\$ (287,249)</b>	<b>\$ (11,291,315)</b>	<b>\$ 691,378</b>

Oregon City Urban Renewal Agency

<u>Tax Year</u>	<u>Uncollected Balances July 1, 2014</u>	<u>2014-2015 Levy</u>	<u>Interest, Discounts &amp; Adjustments</u>	<u>Turnovers</u>	<u>Uncollected Balances June 30, 2015</u>
2013-14	\$ -	\$ 2,254,016	\$ (60,341)	\$ (2,131,905)	\$ 61,770
2012-13	66,101	-	582	(39,454)	27,229
2011-12	29,967	-	1,386	(12,119)	19,234
2010-11	19,294	-	1,652	(9,584)	11,362
2009-10	11,514	-	811	(4,441)	7,884
2008-09 and Prior Years	11,375	-	85	(2,345)	9,115
<b>Total</b>	<b>\$ 138,251</b>	<b>\$ 2,254,016</b>	<b>\$ (55,825)</b>	<b>\$ (2,199,848)</b>	<b>\$ 136,594</b>

**CITY OF OREGON CITY, OREGON**  
**SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS**  
**YEAR ENDED JUNE 30, 2015**

<i>Fiscal Year</i>	<i>2015 Library General Obligation Bonds</i>			<i>2005 PERS UAL Bond</i>			<i>Fire General Obligation Refunding Bonds</i>			
	<i>Ending</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
<i>June 30,</i>										
2016	\$ 233,412	\$ 181,959	\$ 415,371	\$ 570,000	\$ 724,711	\$ 1,294,711	\$ 365,000	\$ 31,875	\$ 396,875	
2017	240,601	174,770	415,371	650,000	697,015	1,347,015	385,000	16,363	401,363	
2018	248,011	167,360	415,371	735,000	665,432	1,400,432	-	-	-	
2019	255,650	159,721	415,371	825,000	629,718	1,454,718	-	-	-	
2020	263,524	151,847	415,371	925,000	589,631	1,514,631	-	-	-	
2021	271,640	143,730	415,370	1,030,000	544,685	1,574,685	-	-	-	
2022	280,007	135,364	415,371	1,145,000	493,144	1,638,144	-	-	-	
2023	288,631	126,740	415,371	1,265,000	435,848	1,700,848	-	-	-	
2024	297,521	117,850	415,371	1,395,000	372,548	1,767,548	-	-	-	
2025	306,685	108,686	415,371	1,535,000	302,742	1,837,742	-	-	-	
2026	316,130	99,240	415,370	1,690,000	225,931	1,915,931	-	-	-	
2027	325,867	89,504	415,371	1,850,000	141,363	1,991,363	-	-	-	
2028	335,904	79,467	415,371	975,000	48,789	1,023,789	-	-	-	
2029	346,250	69,121	415,371	-	-	-	-	-	-	
2030	356,914	58,457	415,371	-	-	-	-	-	-	
2031	367,907	47,464	415,371	-	-	-	-	-	-	
2032	379,239	36,132	415,371	-	-	-	-	-	-	
2033	390,919	24,451	415,370	-	-	-	-	-	-	
2034	402,960	12,411	415,371	-	-	-	-	-	-	
	<u>\$ 5,907,772</u>	<u>\$ 1,984,274</u>	<u>\$ 7,892,046</u>	<u>\$ 14,590,000</u>	<u>\$ 5,871,557</u>	<u>\$ 20,461,557</u>	<u>\$ 750,000</u>	<u>\$ 48,238</u>	<u>\$ 798,238</u>	

<i>Fiscal Year</i>	<i>2008 Urban Renewal Revenue Bonds</i>			<i>2013 Urban Renewal Tax Exempt Bonds</i>			<i>2013 Urban Renewal Taxable Bonds</i>											
	<i>Ending</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>								
	<i>June 30,</i>																	
2016	\$	425,000	\$	370,260	\$	795,260	\$	123,197	\$	30,060	\$	153,257	\$	221,443	\$	80,605	\$	302,048
2017		445,000		349,222		794,222		123,197		26,303		149,500		221,443		70,530		291,973
2018		465,000		327,195		792,195		123,197		22,545		145,742		221,443		60,454		281,897
2019		490,000		304,178		794,178		123,197		18,788		141,985		221,443		50,378		271,821
2020		515,000		279,923		794,923		123,197		15,030		138,227		221,443		40,303		261,746
2021		540,000		254,430		794,430		123,197		11,272		134,469		221,443		30,227		251,670
2022		565,000		227,700		792,700		123,197		7,515		130,712		221,443		20,151		241,594
2023		4,035,000		199,733		4,234,733		123,198		3,757		126,955		221,442		10,076		231,518
2024		-		-		-		-		-		-		-		-		-
2025		-		-		-		-		-		-		-		-		-
2026		-		-		-		-		-		-		-		-		-
2027		-		-		-		-		-		-		-		-		-
2028		-		-		-		-		-		-		-		-		-
2029		-		-		-		-		-		-		-		-		-
2030		-		-		-		-		-		-		-		-		-
2031		-		-		-		-		-		-		-		-		-
2032		-		-		-		-		-		-		-		-		-
2033		-		-		-		-		-		-		-		-		-
2034		-		-		-		-		-		-		-		-		-
	\$	7,480,000	\$	2,312,641	\$	9,792,641	\$	985,577	\$	135,270	\$	1,120,847	\$	1,771,543	\$	362,724	\$	2,134,267

**CITY OF OREGON CITY, OREGON**  
**SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2015**

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<i>Fiscal Year</i>	<i>2007 Sewer Refunding Bond</i>			
	<i>Ending</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
<i>June 30,</i>				
2016	\$	425,000	\$ 101,850	\$ 526,850
2017		450,000	79,975	529,975
2018		470,000	56,975	526,975
2019		490,000	34,200	524,200
2020		515,000	11,588	526,588
2021		-	-	-
2022		-	-	-
2023		-	-	-
2024		-	-	-
2025		-	-	-
2026		-	-	-
2027		-	-	-
2028		-	-	-
2029		-	-	-
2030		-	-	-
2031		-	-	-
2032		-	-	-
2033		-	-	-
2034		-	-	-
	<u>\$</u>	<u>2,350,000</u>	<u>\$ 284,588</u>	<u>\$ 2,634,588</u>

# STATISTICAL SECTION



## STATISTICAL SECTION

This part of the City of Oregon City's annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	156
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	166
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	170
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	176
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the service the City provides and the activities it performs.	178

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

**CITY OF OREGON CITY, OREGON**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS - UNAUDITED**  
 (Accrual basis of accounting)

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	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Governmental activities:				
Net investment in capital assets	\$ 68,357,522	\$ 83,949,562	\$ 83,629,065	\$ 77,536,631
Restricted for special purposes	37,304,219	12,212,699	10,729,636	8,022,074
Unrestricted	<u>4,215,385</u>	<u>17,410,231</u>	<u>14,069,942</u>	<u>11,924,988</u>
Total governmental activities net position	109,877,126	113,572,492	108,428,643	97,483,693
Business-type activities				
Net investment in capital assets	59,613,791	58,464,942	59,233,749	59,094,066
Restricted for special purposes	-	6,656,608	6,158,956	2,831,608
Unrestricted	<u>21,559,003</u>	<u>19,332,055</u>	<u>17,230,779</u>	<u>17,236,052</u>
Total business-type activities net position	81,172,794	84,453,605	82,623,484	79,161,726
Total government				
Net investment in capital assets	127,971,313	142,414,504	142,862,814	136,630,697
Restricted for special purposes	37,304,219	18,869,307	16,888,592	10,853,682
Unrestricted	<u>25,774,388</u>	<u>36,742,286</u>	<u>31,300,721</u>	<u>29,161,040</u>
Total government net position	<u>\$ 191,049,920</u>	<u>\$ 198,026,097</u>	<u>\$ 191,052,127</u>	<u>\$ 176,645,419</u>

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<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
\$ 64,002,186	\$ 58,236,927	\$ 52,266,515	\$ 52,489,917	\$ 46,692,736	\$ 37,509,145
8,690,098	9,322,585	8,069,546	10,509,599	8,963,455	9,685,723
9,001,652	7,476,328	11,423,039	5,415,317	4,623,062	4,485,699
<u>81,693,936</u>	<u>75,035,840</u>	<u>71,759,100</u>	<u>68,414,833</u>	<u>60,279,253</u>	<u>51,680,567</u>
59,521,630	59,088,831	56,299,302	51,726,991	47,248,903	36,674,019
3,656,190	3,388,263	4,097,913	4,542,555	4,725,795	6,160,391
<u>14,732,506</u>	<u>15,029,532</u>	<u>16,843,089</u>	<u>17,963,055</u>	<u>17,429,057</u>	<u>18,237,018</u>
77,910,326	77,506,626	77,240,304	74,232,601	69,403,755	61,071,428
123,523,816	117,325,758	108,565,817	104,216,908	93,941,639	74,183,164
12,346,288	10,763,528	12,167,459	15,052,154	13,689,250	15,846,114
<u>23,734,158</u>	<u>24,563,180</u>	<u>28,266,128</u>	<u>23,378,372</u>	<u>22,052,119</u>	<u>22,722,717</u>
<u>\$ 159,604,262</u>	<u>\$ 152,652,466</u>	<u>\$ 148,999,404</u>	<u>\$ 142,647,434</u>	<u>\$ 129,683,008</u>	<u>\$ 112,751,995</u>

**CITY OF OREGON CITY, OREGON**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS- UNAUDITED**  
 (Accrual basis of accounting)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Expenses:</b>				
Governmental activities:				
General government	\$ 3,528,340	\$ 6,615,088	\$ 6,098,539	\$ 4,954,893
Public safety	8,309,944	8,018,198	7,586,591	6,950,927
Public works	5,319,822	4,983,309	4,974,819	4,581,017
Culture and recreation	5,072,036	4,900,341	4,415,999	4,094,079
Planning and building	3,382,547	3,309,773	3,539,149	2,900,939
Interest on long-term debt	1,417,462	1,395,499	1,427,119	1,471,875
Total governmental activities expenses	<u>27,030,151</u>	<u>29,222,208</u>	<u>28,042,216</u>	<u>24,953,730</u>
Business-type activities:				
Cemetery	-	-	-	-
Water	4,518,351	4,768,673	5,548,165	3,701,322
Wastewater	6,791,908	6,481,198	6,619,727	6,276,339
Stormwater	1,771,529	1,908,836	1,816,052	1,465,359
Fleet*	805,419	805,630	764,440	772,422
Total business-type activities expenses	<u>13,887,207</u>	<u>13,964,337</u>	<u>14,748,384</u>	<u>12,215,442</u>
Total City expenses	40,917,358	43,186,545	42,790,600	37,169,172
<b>Program Revenues:</b>				
Governmental activities:				
Fees, fines, and charges for services:				
General government	1,380,937	1,206,165	1,376,136	688,396
Public safety	925,225	791,005	851,775	1,173,466
Public works	3,363,184	3,081,373	2,344,068	2,178,369
Culture and recreation	917,908	881,299	879,090	703,773
Planning and building	2,306,216	1,600,704	2,698,387	2,280,275
Operating grants and contributions	4,570,141	4,987,749	4,335,678	4,962,382
Capital grants and contributions	1,192,708	2,064,858	9,014,649	12,407,691
Total governmental activities program revenues	<u>14,656,319</u>	<u>14,613,153</u>	<u>21,499,783</u>	<u>24,394,352</u>
Business-type activities:				
Fees, fines, and charges for services:				
Water	6,021,672	5,766,017	5,910,739	5,047,447
Wastewater	7,961,224	6,730,168	7,058,967	5,656,922
Stormwater	2,495,762	2,397,498	2,296,072	2,126,720
Fleet*	201,316	221,352	192,845	249,464
Operating grants and contributions	278,178	277,591	433,121	285,370
Capital grants and contributions	2,430,291	1,504,337	3,159,982	1,981,702
Total business-type activities program revenues	<u>19,388,443</u>	<u>16,896,963</u>	<u>19,051,725</u>	<u>15,347,625</u>
Total City program revenues	34,044,762	31,510,116	40,551,508	39,741,977
<b>Net (Expense)/Revenue</b>				
Governmental activities	(12,373,832)	(14,609,055)	(6,542,433)	(559,378)
Business-type activities	<u>5,501,236</u>	<u>2,932,626</u>	<u>4,303,341</u>	<u>3,132,183</u>
Total Net (Expense) Revenue	(6,872,596)	(11,676,429)	(2,239,092)	2,572,805

\* Fleet Expense was not separated from Water and Wastewater prior to 2009.

	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
\$	6,602,308	\$ 4,147,420	\$ 3,997,996	\$ 3,395,680	\$ 3,020,263	\$ 3,183,399
	6,636,771	5,983,518	5,890,321	8,750,458	8,428,716	7,991,770
	4,190,116	4,237,534	3,982,380	3,859,560	3,034,967	2,315,986
	3,918,282	3,764,770	3,609,200	2,999,388	3,300,015	2,882,385
	2,571,176	2,899,150	2,705,784	3,077,200	2,995,875	2,475,486
	1,507,431	1,470,061	1,420,316	1,081,331	1,105,298	1,257,308
	<u>25,426,084</u>	<u>22,502,453</u>	<u>21,605,997</u>	<u>23,163,617</u>	<u>21,885,134</u>	<u>20,106,334</u>
	-	-	37,028	-	-	-
	3,463,879	3,366,729	2,858,150	3,744,255	4,425,235	4,120,548
	5,649,086	5,729,268	5,307,689	6,012,314	6,466,840	6,040,036
	1,350,912	1,310,435	1,214,299	1,223,351	1,215,499	1,104,673
	586,190	694,038	1,182,338	-	-	-
	<u>11,050,067</u>	<u>11,100,470</u>	<u>10,599,504</u>	<u>10,979,920</u>	<u>12,107,574</u>	<u>11,265,257</u>
	36,476,151	33,602,923	32,205,501	34,143,537	33,992,708	31,371,591
	501,355	423,139	404,504	378,846	808,171	1,011,376
	831,180	681,394	857,637	899,300	924,510	861,226
	1,767,956	1,479,533	1,242,069	642,504	486,092	488,717
	761,933	751,528	744,151	722,343	789,115	755,800
	1,689,885	1,729,368	1,329,796	2,192,666	3,179,191	2,279,877
	6,838,159	3,166,053	3,547,308	5,682,509	4,822,382	2,454,669
	1,401,260	2,029,124	1,905,291	3,550,584	3,461,405	5,862,197
	<u>13,791,728</u>	<u>10,260,139</u>	<u>10,030,756</u>	<u>14,068,752</u>	<u>14,470,866</u>	<u>13,713,862</u>
	5,155,794	5,064,105	4,984,720	5,084,598	5,212,491	4,651,272
	4,987,032	4,988,010	4,629,499	4,800,655	5,690,300	5,239,814
	1,837,472	1,652,302	1,291,964	1,105,426	1,163,215	1,087,876
	328,759	249,389	295,258	-	-	-
	74,505	-	-	-	682,500	-
	1,533,679	1,443,719	3,225,976	3,996,847	5,872,921	1,620,925
	<u>13,917,240</u>	<u>13,397,524</u>	<u>14,427,417</u>	<u>14,987,526</u>	<u>18,621,427</u>	<u>12,599,887</u>
	27,708,968	23,657,663	24,458,173	29,056,278	33,092,293	26,313,749
	(11,634,356)	(12,242,314)	(11,575,241)	(9,094,865)	(7,414,268)	(6,392,472)
	<u>2,867,173</u>	<u>2,297,054</u>	<u>3,827,913</u>	<u>4,007,606</u>	<u>6,513,853</u>	<u>1,334,630</u>
	(8,767,183)	(9,945,260)	(7,747,328)	(5,087,259)	(900,415)	(5,057,842)

**CITY OF OREGON CITY, OREGON**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS - UNAUDITED (Continued)**  
 (Accrual basis of accounting)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>General Revenues and Other Changes in net position</b>				
Governmental activities				
Property taxes	\$ 13,490,590	\$ 12,859,315	\$ 11,667,767	\$ 11,229,599
Franchise taxes	3,199,473	2,759,690	2,455,771	1,885,683
Intergovernmental	911,419	871,419	834,538	769,855
Miscellaneous	1,709,104	1,802,430	1,255,497	122,903
Unrestricted investment earnings	228,512	262,767	323,109	223,083
Gain (loss) on disposition of assets	302,450	-	-	161,363
Transfers	7,884,435	1,197,283	950,701	1,956,649
Total governmental activities	<u>27,725,983</u>	<u>19,752,904</u>	<u>17,487,383</u>	<u>16,349,135</u>
Business-type activities				
Miscellaneous	132	-	20,090	335
Unrestricted investment earnings	99,191	94,778	89,028	75,531
Transfers	(7,884,435)	(1,197,283)	(950,701)	(1,956,649)
Total business-type activities	<u>(7,785,112)</u>	<u>(1,102,505)</u>	<u>(841,583)</u>	<u>(1,880,783)</u>
Total City General Revenues and Other Changes	<u>19,940,871</u>	<u>18,650,399</u>	<u>16,645,800</u>	<u>14,468,352</u>
<b>Changes in net position</b>				
Governmental activities	15,352,151	5,143,849	10,944,950	15,789,757
Business-type activities	(2,283,876)	1,830,121	3,461,758	1,251,400
Total changes in net position	<u>13,068,275</u>	<u>6,973,970</u>	<u>14,406,708</u>	<u>17,041,157</u>
Net position, July 1*				
Governmental activities	94,524,975	108,428,643	97,483,693	81,693,936
Business-type activities	83,456,670	82,623,484	79,161,726	77,910,326
	<u>177,981,645</u>	<u>191,052,127</u>	<u>176,645,419</u>	<u>159,604,262</u>
Net position, June 30				
Governmental activities	109,877,126	113,572,492	108,428,643	97,483,693
Business-type activities	81,172,794	84,453,605	82,623,484	79,161,726
Total Government	<u>\$ 191,049,920</u>	<u>\$ 198,026,097</u>	<u>\$ 191,052,127</u>	<u>\$ 176,645,419</u>

\* Beginning Net position as restated

<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
\$ 12,116,512	\$ 10,526,473	\$ 10,163,698	\$ 12,112,918	\$ 11,447,523	\$ 10,454,101
1,582,759	1,634,065	1,726,676	2,159,767	2,128,904	2,057,463
856,084	832,423	845,995	893,894	604,382	613,216
977,000	224,364	165,420	1,255,032	1,421,543	968,165
205,329	163,921	430,623	605,819	729,874	641,888
-	-	367,870	24,455	-	-
2,554,768	2,137,808	1,219,226	178,560	(319,272)	456,605
18,292,452	15,519,054	14,919,508	17,230,445	16,012,954	15,191,438
15,820	18,467	86,379	338,860	663,734	494,212
75,475	88,609	312,637	660,940	835,468	734,977
(2,554,768)	(2,137,808)	(1,219,226)	(178,560)	319,272	(456,605)
(2,463,473)	(2,030,732)	(820,210)	821,240	1,818,474	772,584
15,828,979	13,488,322	14,099,298	18,051,685	17,831,428	15,964,022
6,658,096	3,276,740	3,344,267	8,135,580	8,598,686	8,798,966
403,700	266,322	3,007,703	4,828,846	8,332,327	2,107,214
7,061,796	3,543,062	6,351,970	12,964,426	16,931,013	10,906,180
75,035,840	71,759,100	68,414,833	60,279,253	51,680,567	46,307,334
77,506,626	77,240,304	74,232,601	69,403,755	61,071,428	56,589,132
152,542,466	148,999,404	142,647,434	129,683,008	112,751,995	102,896,466
81,693,936	75,035,840	71,759,100	68,414,833	60,279,253	51,680,567
77,910,326	77,506,626	77,240,304	74,232,601	69,403,755	61,071,428
\$ 159,604,262	\$ 152,542,466	\$ 148,999,404	\$ 142,647,434	\$ 129,683,008	\$ 112,751,995

**CITY OF OREGON CITY, OREGON**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS - UNAUDITED**  
 (Modified accrual basis of accounting)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General fund				
Nonspendable	\$ 58,978	\$ 45,131	\$ -	\$ -
Unassigned	6,130,187	4,150,829	3,734,942	3,628,399
Total General fund	<u>6,189,165</u>	<u>4,195,960</u>	<u>3,734,942</u>	<u>3,628,399</u>
All other governmental funds				
Nonspendable	-	-	-	22,997
Restricted	36,527,532	11,346,021	10,503,824	6,869,809
Committed	3,771,034	16,105,822	10,972,633	8,570,907
Total all other governmental funds	<u>40,298,566</u>	<u>27,451,843</u>	<u>21,476,457</u>	<u>15,463,713</u>
Total Fund Balances	<u>\$ 46,487,731</u>	<u>\$ 31,647,803</u>	<u>\$ 25,211,399</u>	<u>\$ 19,092,112</u>

<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2,827,901	4,408,106	3,785,347	2,982,705	2,179,040	1,672,503	830,934
<u>2,827,901</u>	<u>4,408,106</u>	<u>3,785,347</u>	<u>2,982,705</u>	<u>2,179,040</u>	<u>1,672,503</u>	<u>830,934</u>
22,997	22,011	33,818	-	211,304	290,000	-
6,837,700	1,755,357	5,360,546	1,989,591	2,706,184	5,155,767	6,656,452
5,866,920	8,596,343	8,754,360	10,890,430	8,514,381	7,165,475	7,038,535
<u>12,727,617</u>	<u>10,373,711</u>	<u>14,148,724</u>	<u>12,880,021</u>	<u>11,431,869</u>	<u>12,611,242</u>	<u>13,694,987</u>
<u>\$ 15,555,518</u>	<u>\$ 14,781,817</u>	<u>\$ 17,934,071</u>	<u>\$ 15,862,726</u>	<u>\$ 13,610,909</u>	<u>\$ 14,283,745</u>	<u>\$ 14,525,921</u>

**CITY OF OREGON CITY, OREGON**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS - UNAUDITED**  
(Modified accrual basis of accounting)

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Revenues</b>				
Taxes and assessments	\$ 16,687,226	\$ 13,012,611	\$ 11,782,226	\$ 11,331,002
Licenses and permits	1,896,408	4,038,101	5,181,290	5,292,561
Charges for services	6,418,879	5,847,797	7,371,586	3,751,847
Intergovernmental	5,699,850	7,169,225	10,129,747	16,774,041
Fines and forfeitures	1,072,132	976,494	900,060	995,794
Miscellaneous	2,441,958	2,557,671	2,371,762	2,393,615
Total revenues	<u>34,216,453</u>	<u>33,601,899</u>	<u>37,736,671</u>	<u>40,538,860</u>
<b>Expenditures</b>				
Current operating:				
General government	5,005,356	4,865,177	4,944,688	4,114,633
Public safety	8,086,250	7,789,311	7,266,917	7,279,360
Public works	2,927,280	2,645,973	2,449,685	2,190,136
Culture and recreation	4,677,846	4,488,941	4,148,528	4,607,790
Planning and building	3,362,390	3,323,862	3,515,914	2,997,807
Capital outlay	6,242,932	2,359,201	7,783,356	14,820,397
Debt service				
Principal	1,681,868	1,484,640	4,501,400	955,000
Interest	1,412,972	1,405,671	1,403,999	1,480,593
Total expenditures	<u>33,396,894</u>	<u>28,362,776</u>	<u>36,014,487</u>	<u>38,445,716</u>
<b>Revenues Over (under)</b>				
<b>Expenditures</b>	819,559	5,239,123	1,722,184	2,093,144
<b>Other financing sources (uses)</b>				
Bond proceeds / loan payments	6,000,000	-	3,446,400	229,950
Proceeds from sale of assets	302,500	-	-	-
Transfers in	75,663,161	3,889,955	3,831,659	3,869,123
Transfers out	(67,945,292)	(2,692,672)	(2,880,958)	(2,655,623)
Loan to South Fork Water Board	-	-	-	-
Payment to PERS	-	-	-	-
Total other financing sources (uses)	<u>14,020,369</u>	<u>1,197,283</u>	<u>4,397,101</u>	<u>1,443,450</u>
<b>Net change in fund balances</b>	14,839,928	6,436,406	6,119,285	3,536,594
<b>Fund balances, beginning of year</b>	31,647,803	25,211,397	19,092,112	15,555,518
<b>Fund balances, end of year</b>	<u>\$ 46,487,731</u>	<u>\$ 31,647,803</u>	<u>\$ 25,211,397</u>	<u>\$ 19,092,112</u>
<b>Debt service as a percentage of noncapital expenditures</b>	<u>11.40%</u>	<u>11.11%</u>	<u>21.08%</u>	<u>10.31%</u>

<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
\$ 11,048,520	\$ 10,536,535	\$ 10,614,583	\$ 12,492,172	\$ 11,861,064	\$ 11,098,112
3,424,730	3,986,362	3,093,567	3,913,147	5,334,855	4,061,543
3,290,259	3,005,304	2,401,812	3,114,611	3,453,973	2,943,865
7,645,873	4,356,255	3,108,991	6,104,254	4,974,760	2,666,631
804,468	723,031	796,200	771,688	730,478	717,096
957,683	844,365	1,158,926	2,372,712	2,640,175	2,330,658
27,171,533	23,451,852	21,174,079	28,768,584	28,995,305	23,817,905
3,976,099	3,599,051	3,126,689	2,871,796	2,805,394	2,640,407
6,523,749	5,838,478	5,776,780	8,507,105	8,204,358	7,713,810
2,301,304	2,327,586	2,607,558	2,801,602	2,029,201	1,870,638
3,771,346	3,613,237	3,457,236	3,121,572	3,045,051	2,751,529
2,555,315	2,893,455	2,676,240	3,049,602	2,995,875	2,475,486
6,850,666	10,201,297	8,208,957	3,472,896	7,001,407	2,908,424
870,000	785,000	3,075,000	1,445,000	5,225,000	2,270,000
1,515,455	1,536,000	1,393,502	1,060,752	1,147,583	1,193,940
28,363,934	30,794,104	30,321,962	26,330,325	32,453,869	23,824,234
(1,192,401)	(7,342,252)	(9,147,883)	2,438,259	(3,458,564)	(6,329)
300,000	3,446,400	10,000,000	-	3,105,000	17,030,000
-	-	-	-	-	-
5,882,415	4,935,057	3,677,482	642,361	782,667	677,692
(3,327,647)	(2,797,250)	(2,458,257)	(828,801)	(1,101,939)	(913,540)
(2,282,874)	-	-	-	-	-
-	-	-	-	-	(17,030,000)
571,894	5,584,207	11,219,225	(186,440)	2,785,728	(235,848)
(620,507)	(1,758,045)	2,071,342	2,251,819	(672,836)	(242,177)
16,176,025	17,934,070	15,862,728	13,610,909	14,283,745	14,525,922
\$ 15,555,518	\$ 16,176,025	\$ 17,934,070	\$ 15,862,728	\$ 13,610,909	\$ 14,283,745
11.09%	11.27%	20.21%	10.96%	25.04%	16.56%

**CITY OF OREGON CITY, OREGON**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Real Property <sup>(2)</sup>		Personal Property		Total TAV	Total Estimated Actual Value <sup>(1)</sup>	Ratio of TAV to Estimated Actual Value	Direct Tax rate
	Taxable Assessed Value (TAV)	Estimated Actual Value <sup>(1)</sup>	Taxable Assessed Value (TAV)	Estimated Actual Value <sup>(1)</sup>				
2015	\$ 2,641,700,255	\$ 3,279,405,424	\$ 48,468,773	\$ 48,468,773	\$ 2,690,169,028	\$ 3,327,874,197	80.8%	\$5.1446
2014	2,512,945,173	2,917,509,392	50,536,919	50,536,919	2,563,482,092	2,968,046,311	86.4%	5.1492
2013	2,390,482,064	2,662,745,466	51,649,072	51,649,072	2,442,131,136	2,714,394,538	90.0%	4.9225
2012	2,314,042,412	2,764,046,403	54,423,529	54,423,529	2,368,465,941	2,818,469,932	84.0%	4.8773
2011	2,233,071,337	3,034,506,498	58,218,237	58,218,237	2,291,289,574	3,092,724,735	74.1%	4.9124
2010	2,141,810,013	3,360,145,095	55,128,998	55,128,998	2,196,939,011	3,415,274,093	64.3%	4.8971
2009	2,037,857,336	3,602,017,477	60,690,177	60,690,177	2,098,547,513	3,662,707,654	57.3%	4.9039
2008	1,912,982,242	3,473,589,374	57,672,876	57,672,876	1,970,655,118	3,531,262,250	55.8%	6.2323
2007	1,791,203,552	2,952,658,953	56,590,354	56,590,354	1,847,793,906	3,009,249,307	61.4%	6.2621
2006	1,676,864,779	2,459,378,771	52,343,402	52,343,402	1,729,208,181	2,511,722,173	68.8%	6.2143

<sup>(1)</sup> The State of Oregon calls Actual Value "Real Market Value"

<sup>(2)</sup> Includes Real Property, Manufactured Structures and Public Utility properties

Source: Clackamas County Tax Assessor

**CITY OF OREGON CITY, OREGON**  
**PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	City Direct Rates				Overlapping Rates						Total Direct and Overlapping
	General Operating	Bonded Debt	Urban Renewal Agency	Total Direct	Oregon City School District <sup>(1)</sup>	Clackamas Community College <sup>(1)</sup>	Education Service District <sup>(1)</sup>	Clackamas County <sup>(2)</sup>	Other Districts <sup>(3)</sup>	Total Overlapping	
2015	4.1990	0.1065	0.8391	5.1446	6.1101	0.6712	0.3500	3.0369	2.8672	13.0354	18.1800
2014	4.1982	0.1088	0.8422	5.1492	6.0942	0.6717	0.3500	3.0326	2.8801	13.0286	18.1778
2013	3.9558	0.1129	0.8538	4.9225	6.1042	0.6657	0.3443	3.2472	2.7260	13.0874	18.0099
2012	3.9695	0.1135	0.7943	4.8773	6.0882	0.6503	0.3456	3.2434	2.7035	13.0310	17.9083
2011	3.9607	0.1169	0.8348	4.9124	6.0726	0.6667	0.3444	3.2603	2.8127	13.1567	18.0691
2010	3.9709	0.1306	0.7956	4.8971	6.1470	0.6667	0.3444	3.2773	2.8559	13.2913	18.1884
2009	3.9688	0.1482	0.7869	4.9039	6.1561	0.7077	0.3443	2.7907	2.8142	12.8130	17.7169
2008	4.8283	0.1684	1.2356	6.2323	6.2301	0.7066	0.3454	2.6866	0.5894	10.5581	16.7904
2007	4.8259	0.1883	1.2479	6.2621	6.1055	0.6934	0.3456	2.4215	0.4487	10.0147	16.2768
2006	4.8332	0.1717	1.2094	6.2143	6.12	0.77	0.37	2.4790	0.4699	10.2089	16.4232

<sup>(1)</sup> Only have rounded 2-digit tax rates for the educational districts for 2006

<sup>(2)</sup> County includes County Library and 4-H County Extension

<sup>(3)</sup> Other includes Fire District, Port of Portland, Vector Control, Metro, Tri-Met

Source: Clackamas County Assessor and Tax Collector

**CITY OF OREGON CITY, OREGON**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	Type of Business	2014-2015			2005-2006		
		Assessed Value	Rank	Percentage of Total Value	Assessed Value	Rank	Percentage of Total Value
The Landing - 302 LLC	Real Estate	\$ 43,853,625	1	1.63%			
Comcast Corporation	Utility	23,997,300	2	0.89%			
Portland General Electric Company	Utility	22,223,000	3	0.83%	\$ 19,165,000	1	1.11%
Quantum Management	Apartments	21,376,055	4	0.79%	16,588,873	3	0.96%
Metropolitan Life Insurance Company	Retail	20,119,512	5	0.75%	14,612,877	4	0.85%
Trails End Oregon Investors LLC	Real Estate	18,752,307	6	0.70%			
Craig T Danielson	Real Estate	16,733,836	7	0.62%			
Investment Concepts Inc	Real Estate	14,681,594	8	0.55%			
Providence Health	Health Services	14,334,923	9	0.53%			
Northwest Natural Gas Co.	Utility	13,392,700	10	0.50%	12,320,900	8	0.71%
BHLP Refi LLC	Real Estate				10,201,052	9	0.59%
Blue Heron Paper Company*	Paper Manufacturer				17,547,499	2	1.01%
Qwest Corporation	Utility				12,847,700	7	0.74%
Pacific NW Development Group	Real Estate				14,177,427	5	0.82%
Park Place Development	Real Estate				13,336,934	6	0.77%
Deloitte & Touche LLP	Real Estate				9,699,862	10	0.56%
Subtotal - ten of the City's largest taxpayers		209,464,852		6.16%	140,498,124		8.12%
All other City taxpayers in Clackamas County		2,480,704,176		93.84%	1,588,710,057		91.88%
<i>Total City taxpayers</i>		<u>\$ 2,690,169,028</u>		<u>100.00%</u>	<u>\$ 1,729,208,181</u>		<u>100.00%</u>

Source: Clackamas County Tax Assessor

\* During FY 2012, Blue Heron closed its doors and liquidated its property.

**CITY OF OREGON CITY, OREGON**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>Total Extended Tax Levy</b>	<b>Current Tax Collections (Within Year)</b>	<b>Percent of Current Taxes Collected</b>	<b>Subsequent Years Collections</b>	<b>Total Tax Collections</b>	<b>Ratio of Total Tax Collections to Total Tax Levy</b>	<b>Outstanding Delinquent Taxes</b>	<b>Ratio of Delinquent Taxes to Total Tax Levy</b>
2015	\$ 11,576,491	\$ 10,996,578	94.99%	\$ -	\$ 10,996,578	94.99%	\$ 269,998	2.33%
2014	11,032,614	10,458,857	94.80%	137,834	10,596,691	96.05%	139,456	1.26%
2013	9,919,281	9,350,427	94.27%	201,459	9,551,886	96.30%	91,774	0.93%
2012	9,664,172	9,081,404	93.97%	257,550	9,338,954	96.63%	58,430	0.60%
2011	9,345,775	8,748,803	93.61%	261,609	9,010,412	96.41%	38,566	0.41%
2010	9,005,568	8,434,642	93.66%	284,714	8,719,356	96.82%	34,378	0.38%
2009	8,668,918	8,072,262	93.12%	369,022	8,441,284	97.37%	3,089	0.04%
2008	9,855,969	9,267,464	94.03%	337,002	9,604,466	97.45%	2,186	0.02%
2007	9,277,119	8,787,261	94.72%	251,330	9,038,591	97.43%	1,386	0.01%
2006	8,658,553	8,225,325	95.00%	207,927	8,433,252	97.40%	1,045	0.01%

Sources: Clackamas County Assessor and Tax Collector

**CITY OF OREGON CITY, OREGON**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt limit	\$ 75,351,665	\$ 90,277,479	\$ 105,937,868	\$ 109,881,230	\$ 102,458,223
Debt applicable to maximum limit	3,360,000	3,105,000	2,860,000	2,605,000	2,355,000
Legal debt margin available	<u>\$ 71,991,665</u>	<u>\$ 87,172,479</u>	<u>\$ 103,077,868</u>	<u>\$ 107,276,230</u>	<u>\$ 100,103,223</u>
Debt applicable to the maximum limit as a percentage of debt limit	4.67%	3.56%	2.77%	2.43%	2.35%
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit	\$ 92,781,742	\$ 84,554,098	\$ 81,431,836	\$ 89,041,389	\$ 99,836,226
Debt applicable to maximum limit	2,050,000	1,750,000	1,425,000	1,095,000	6,657,772
Legal debt margin available	<u>\$ 90,731,742</u>	<u>\$ 82,804,098</u>	<u>\$ 80,006,836</u>	<u>\$ 87,946,389</u>	<u>\$ 93,178,454</u>
Debt applicable to the maximum limit as a percentage of debt limit	2.26%	2.11%	1.78%	1.25%	7.15%

**Legal debt margin calculation for fiscal year ended June 30, 2015**

Total property real market value	\$ 3,327,874,197
	<u>3%</u>
Debt limit (3% of total property real market value) <sup>(1)</sup>	99,836,226
Amount of debt applicable to debt limit:	
Total bonded debt	33,834,892
Less debt excluded from debt limit:	
Water revenue bonds	-
Sewer revenue bonds	(2,350,000)
Urban renewal bonds	(10,237,120)
Limited obligation bonds <sup>(2)</sup>	<u>(14,590,000)</u>
Net amount of debt applicable to limit	<u>6,657,772</u>
Legal debt margin - amount available for future indebtedness	<u>\$ 93,178,454</u>
Percentage of City's indebtedness to total allowed	7.15%

<sup>(1)</sup> Pursuant to Oregon Revised Statutes 287A.050, outstanding general obligation debt is limited to three percent of real market value.

<sup>(2)</sup> Limited obligation bonds were included in debt applicable to maximum limit in 2012.

Sources: Annual financial statements and Clackamas County Assessor and Tax Collector

**CITY OF OREGON CITY, OREGON**  
**RATIO OF OUTSTANDING DEBT BY TYPE AND DEBT PER CAPITA**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Governmental Activities				Business-type Activities		Total primary government	Percentage of personal income <sup>(1)</sup>	Per capita <sup>(1)</sup>
	Oregon City		Urban Renewal		Water revenue bonds	Sewer revenue bonds			
	General obligation bonds	Limited obligation bonds	Tax increment bonds	Line of credit					
2015	\$6,657,772	\$14,590,000	\$ 10,237,120	\$ -	\$ -	\$ 2,350,000	\$33,834,892	N/A	N/A
2014	1,095,000	15,085,000	10,986,760	-	195,000	2,755,000	30,116,760	1.90%	870
2013	1,425,000	15,510,000	11,716,400	-	380,000	3,145,000	32,176,400	2.13%	982
2012	1,750,000	15,875,000	8,635,000	3,446,400	560,000	3,520,000	33,786,400	2.41%	1,040
2011	2,050,000	16,180,000	8,985,000	3,446,400	730,000	3,880,000	35,271,400	2.65%	1,095
2010	2,335,000	16,430,000	9,320,000	3,446,400	890,000	4,220,000	36,641,400	2.92%	1,145
2009	2,605,000	16,630,000	9,635,000	-	1,045,000	4,545,000	34,460,000	2.90%	1,131
2008	2,860,000	16,785,000	2,300,000	-	1,195,000	4,860,000	28,000,000	2.26%	921
2007	3,105,000	16,895,000	3,390,000	-	1,340,000	5,840,000	30,570,000	2.56%	1,017
2006	3,360,000	17,030,000	5,120,000	-	1,680,000	6,155,000	33,345,000	2.95%	1,129

<sup>(1)</sup> Personal Income and population data can be found in the demographic statistics on page 176.

Source: Annual Financial Reports

## CITY OF OREGON CITY, OREGON

### RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA LAST TEN FISCAL YEARS

<b>Fiscal Year Ended June 30,</b>	<b>Population</b> <sup>(1)</sup>	<b>Total Assessed Value</b> <sup>(2)</sup>	<b>Gross Bonded Debt</b> <sup>(3)</sup>	<b>Less Debt Service Fund</b> <sup>(4)</sup>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt per Capita</b>
2015	34,594	\$ 2,690,169,028	\$21,247,772	\$ 69,805	\$21,177,967	0.79%	\$ 612
2014	34,622	2,563,482,092	16,180,000	48,780	16,131,220	0.63%	466
2013	32,782	2,442,131,136	16,935,000	26,598	16,908,402	0.69%	516
2012	32,500	2,368,465,941	17,625,000	37,517	17,587,483	0.74%	541
2011	32,220	2,291,289,574	18,230,000	39,201	18,190,799	0.79%	565
2010	31,995	2,196,939,011	18,765,000	35,249	18,729,751	0.85%	585
2009	30,470	2,098,547,513	19,235,000	8,387	19,226,613	0.92%	631
2008	30,405	1,970,655,118	19,645,000	7,730	19,637,270	1.00%	646
2007	30,060	1,847,793,906	20,000,000	4,042	19,995,958	1.08%	665
2006	29,540	1,729,208,181	3,360,000	35,509	3,324,491	0.19%	113

<sup>(1)</sup> Portland State University, Annual Population Statistics

<sup>(2)</sup> Clackamas County Tax Assessor

<sup>(3)</sup> June 30 principal balance, annual financial statements

<sup>(4)</sup> Amount available for repayment of general long-term debt, annual financial statements

**CITY OF OREGON CITY, OREGON**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2015**

<b>Jurisdiction</b>	<b>Estimated Actual Value Overlapping Districts</b>	<b>Debt Outstanding Governmental Activities</b>	<b>Percentage Applicable to City <sup>(1)</sup></b>	<b>Amount Applicable to Governmental Activities</b>
Direct:				
City of Oregon City	\$ 3,327,874,197	\$ 31,484,892	100.0000%	\$ 31,484,892
Overlapping:				
Clackamas County	53,076,860,113	98,780,000	6.5932%	6,512,716
Clackamas County Fire District #1	21,700,527,978	-	0.0000%	2,805,997
Oregon City School District No. 62	5,894,165,601	87,499,141	56.4834%	49,422,490
Clackamas Community College	38,741,861,484	66,116,012	12.2385%	8,091,632
Metro	215,408,649,968	193,205,000	1.7877%	3,453,888
Clackamas County Education Service District	50,340,306,466	-	0.0000%	-
Total Overlapping:	<u>385,162,371,610</u>	<u>445,600,153</u>		<u>70,286,723</u>
<i>Total Bonded Debt</i>	<u>\$ 388,490,245,807</u>	<u>\$ 477,085,045</u>		<u>\$ 101,771,615</u>

Overlapping governments are those that overlap the geographic boundaries of the City. This schedule calculates the portion of the outstanding debt of those overlapping governments that is taxed to the residents and businesses of the City.

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

<sup>(2)</sup> Net Direct Debt includes all City tax-supported debt. Urban Renewal Tax Increment Bonds are excluded from direct debt.

Source: Oregon State Treasury (including percentage applicable to the City)

**CITY OF OREGON CITY, OREGON**  
**PLEDGED REVENUE COVERAGE – WATER REVENUE BOND**  
**LAST TEN FISCAL YEARS**

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<b>Fiscal Year Ended June 30,</b>	<b>Gross Revenue <sup>(1)</sup></b>	<b>Operating Expenses <sup>(2)</sup></b>	<b>Net Revenue Available for Debt Service</b>	<b>Debt Service Requirements</b>			<b>Coverage (1.25 Required)</b>
				<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2015	\$6,658,786	\$ 4,737,770	\$ 1,921,016	\$ 195,000	\$ 4,485	\$ 199,485	9.63
2014	6,562,539	5,460,018	1,102,521	185,000	13,179	198,179	5.56
2013	6,836,904	5,025,376	1,811,528	180,000	21,663	201,663	8.98
2012	6,291,012	3,987,057	2,303,955	170,000	27,576	197,576	11.66
2011	5,957,795	3,649,194	2,308,601	160,000	36,318	196,318	11.76
2010	5,856,254	4,087,478	1,768,776	155,000	43,051	198,051	8.93
2009	5,557,416	3,783,130	1,774,286	150,000	49,345	199,345	8.90
2008	5,976,255	3,720,957	2,255,298	145,000	55,245	200,245	11.26
2007	7,682,804	3,933,092	3,749,712	340,000	66,045	406,045	9.23
2006	5,888,420	3,673,757	2,214,663	325,000	81,058	406,058	5.45

Source: Annual Financial Reports

<sup>(1)</sup> Revenue includes charges for services, system development charges, and interest earnings

<sup>(2)</sup> Operating expenses include personal services, materials and services, debt service and capital outlay

This bond was paid off in current year.

**CITY OF OREGON CITY, OREGON**  
**PLEDGED REVENUE COVERAGE – SEWER REVENUE BOND**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Gross Revenue <sup>(1)</sup>	Operating Expenses <sup>(2)</sup>	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage (1.25 Required)
				Principal	Interest	Total	
2015	\$ 8,544,002	\$ 6,402,279	2,141,723	\$405,000	\$ 121,588	526,588	4.07
2014	7,411,854	5,376,666	2,035,188	390,000	139,475	529,475	3.84
2013	7,321,846	6,082,419	1,239,427	375,000	156,219	531,219	2.33
2012	5,990,869	4,710,538	1,280,331	360,000	168,013	528,013	2.42
2011	5,295,459	4,187,322	1,108,137	340,000	186,713	526,713	2.10
2010	5,251,020	3,989,577	1,261,443	325,000	200,844	525,844	2.40
2009	4,945,650	3,764,828	1,180,822	315,000	214,444	529,444	2.23
2008	5,366,699	3,896,646	1,470,053	980,000	189,918	1,169,918	1.26
2007	6,085,065	3,904,598	2,180,467	315,000	303,680	618,680	3.52
2006	5,142,522	3,531,004	1,611,518	348,674	330,995	679,669	2.37

Source: Annual Financial Reports

<sup>(1)</sup> Revenue includes charges for services, system development charges, and interest earnings

<sup>(2)</sup> Operating expenses include personal services, materials and services, debt service and capital outlay

**CITY OF OREGON CITY, OREGON**  
 POPULATION STATISTICS  
 LAST TEN FISCAL YEARS

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<b>Fiscal Year Ended June 30,</b>	<b>Population <sup>(1)</sup></b>	<b>Personal income <sup>(2)</sup> (in thousands)</b>	<b>Per capita personal income <sup>(2)</sup></b>	<b>School enrollment <sup>(3)</sup></b>	<b>County unemployment rate <sup>(4)</sup></b>
2015	34,594	N/A	N/A	7,994	5.0%
2014	34,622	1,585,480	45,794	8,013	5.7%
2013	32,782	1,510,922	46,090	8,000	7.9%
2012	32,500	1,400,848	43,103	8,071	8.3%
2011	32,220	1,331,105	41,313	8,167	10.5%
2010	31,995	1,254,588	39,212	8,165	10.1%
2009	30,470	1,186,380	38,936	8,206	10.7%
2008	30,405	1,237,088	40,687	8,252	5.2%
2007	30,060	1,191,969	39,653	8,051	4.6%
2006	29,540	1,129,137	38,224	7,935	5.4%

<sup>(1)</sup> Center for Population Research and Census, School of Urban and Public Affairs,  
 Portland State University

<sup>(2)</sup> Bureau of Economic Analysis, Metropolitan Statistical Area to  
 Portland-Vancouver-Hillsboro, OR-WA

<sup>(3)</sup> Oregon Department of Education

<sup>(4)</sup> Oregon Employment Department for Clackamas County. City-level data not available

**CITY OF OREGON CITY, OREGON**  
**PRINCIPAL EMPLOYERS**  
**JUNE 30, 2015**

<b>Employer</b>	<b>Type of Business</b>	<b>2015</b>		
		<b>Employees</b>	<b>Rank</b>	<b>Percentage of total City employment</b>
Clackamas County	Government	1,983	1	13.77%
Clackamas Community College	Education	913	2	6.34%
Oregon City School District	Education	867	3	6.02%
Providence Health	Health Services	789	4	5.48%
Fred Meyer	Retail	279	5	1.94%
City of Oregon City	Government	236	6	1.64%
Home Depot	Retail	208	7	1.44%
Benchmade Knife Co., Inc	Manufacturing	179	8	1.24%
Safeway	Retail	137	9	0.95%
Orchard Orthopedic Solutions Oregon, Inc	Health Services	106	10	0.74%
<b>Total</b>		<b>5,697</b>		<b>39.56%</b>

\*Historical number of employee data from nine years ago is not available.

Source: City of Oregon City - Business Licenses

**CITY OF OREGON CITY, OREGON**  
**OPERATING INDICATORS BY FUNCTION**  
**LAST TEN FISCAL YEARS**

<i>Function</i>	<b>Fiscal Year</b>									
	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
General government										
Number of job applications processed	1,472	1,001	1,162	1,016	1,275	1,350	1,425	750	1,650	825
Number of positions filled	80	57	78	47	17	18	19	10	22	11
Public Safety										
Calls for service	23,465	26,970	26,441	27,144	26,612	24,914	26,256	24,768	26,322	26,635
Number of arrests	1,682	1,517	1,614	1,515	1,371	1,289	1,068	1,140	1,272	1,299
Municipal court cases processed	6,024	6,268	5,977	5,737	5,202	4,508	5,731	5,144	5,516	5,571
Public Works										
Hundred cubic feet of water consumed (Million)	1.4	1.5	1.5	1.5	1.4	1.5	1.5	1.5	1.6	1.4
Number of water customers (Average)	10,445	10,248	10,262	9,913	9,873	9,787	9,758	9,671	9,435	9,225
Culture and recreation										
Pioneer Community Center (Senior Center)										
People transportation provided for	7,811	7,810	8,940	10,537	10,774	10,373	9,505	10,970	10,826	10,106
Meals on Wheels delivered	29,716	27,173	29,588	30,057	30,158	27,648	24,027	23,452	31,007	32,574
Congregate meals served at Center	7,973	8,731	10,716	11,252	10,381	9,464	7,061	6,486	6,333	6,328
Swimming Pool										
Number of visits per year	151,715	141,295	121,600	120,434	125,043	121,462	102,553	69,531	66,051	73,774

Source: City of Oregon City Finance department

**CITY OF OREGON CITY, OREGON**  
**CAPITAL ASSETS BY FUNCTION**  
**LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Governmental activities:										
General government										
City-owned building facilities	1	1	1	1	1	1*	0	0	0	0
Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	34	34	34	N/A						
Public Works										
Buildings and facilities	1	1	1	1	1	1	1	1	1	1
Miles of streets	136	136	136	136	N/A	N/A	N/A	N/A	N/A	N/A
Miles of sidewalks	135	135	135	135	N/A	N/A	N/A	N/A	N/A	N/A
Miles of right-of-ways	1,125	1,125	1,125	1,125	N/A	N/A	N/A	N/A	N/A	N/A
Culture and recreation										
Buildings and facilities	6	6	6	6	6	6	6	6	6	6
Library building	1	1	1	1	1	1	1	1	1	1
Swimming pool	1	1	1	1	1	1	1	1	1	1
Parks	25	25	25	25	25	25	25	25	25	25
Community development										
See note										
Business-type activities:										
Water										
Miles of water mains	169	167	167	167	154	N/A	N/A	N/A	N/A	N/A
Reservoirs	5	5	5	5	5	5	5	5	5	5
Fire hydrants	1,458	1,430	1,430	1,430	1,430	N/A	N/A	N/A	N/A	N/A
Sewer										
Miles of sewer lines	132	132	132	132	N/A	N/A	N/A	N/A	N/A	N/A
Pump stations	12	12	12	12	13	N/A	N/A	N/A	N/A	N/A
Stormwater										
Drainage basins	23	22	22	22	22	22	22	22	22	22
Detention ponds	79	53	53	53	53	53	53	53	53	53
Catch basins (approximately)	4,202	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400
Miles of streams	31	30	30	30	30	30	30	30	30	30

Note: No capital asset indicators are available for development services functions.

\*2009 and prior City Hall and the Police station shared a facility

Some historical data for the fiscal years 2006 - 2012 is not available.

Source: City of Oregon City Finance department

**CITY OF OREGON CITY, OREGON**  
**CITY GOVERNMENT EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**

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<b>Fiscal Year</b> <b>Ended</b> <b>June 30,</b>	<b>Function / Program</b>								
	<b>General</b> <b>Government</b>	<b>Public</b> <b>Safety</b>	<b>Public</b> <b>Works</b>	<b>Culture and</b> <b>Recreation</b>	<b>Planning and</b> <b>Building</b>	<b>Water</b>	<b>Storm Drain</b>	<b>Sewer</b>	<b>Total</b>
2015	19.87	56.50	15.11	43.77	11.54	13.27	10.37	14.75	185.18
2014	18.87	56.50	15.22	43.77	12.34	13.24	10.35	14.69	184.98
2013	18.65	53.63	13.75	43.33	11.26	13.50	10.23	15.20	179.55
2012	18.15	52.64	13.05	42.48	12.12	12.79	9.68	14.63	175.54
2011	17.27	52.90	12.92	42.47	11.44	12.63	9.85	13.45	172.93
2010	14.67	51.25	12.37	41.55	13.62	12.60	8.80	13.36	168.22
2009	13.29	48.66	12.58	36.78	14.62	12.02	8.44	12.89	159.28
2008	12.83	48.56	11.41	35.97	15.59	11.76	8.85	13.98	158.95
2007	12.47	45.85	8.67	35.96	17.08	10.85	8.06	13.41	152.35
2006	13.26	42.91	9.03	34.63	17.92	11.10	8.07	13.11	150.03

Source: City of Oregon City Finance department

# **REGULATORY SECTION**



**INDEPENDENT AUDITOR'S REPORT  
REQUIRED BY OREGON STATE REGULATION**

We have audited the basic financial statements of the City of Oregon City, Oregon (City), as of and for the year ended June 30, 2015 and have issued our report thereon dated December 29, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

**Compliance**

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 the Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement 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:

- Deposits of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions, and repayments.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Highway revenues used for public highways, roads, and streets.
- Authorized investment of surplus funds. (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, and 279C).
- Accountability for collecting or receiving money by elected officials. The City does not have any elected officials collecting or receiving money.

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 the Oregon

Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*. With the following exceptions:

	<u>Appropriation</u>	<u>Expenditures</u>	<u>Overage</u>
Fleet Maintenance – Public Works	\$1,281,056	\$1,285,330	\$4,274

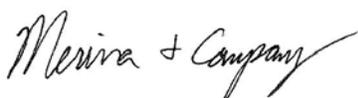
### **OAR 162-10-0230 Internal Control**

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

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

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

This report is intended solely for the information and use of the Honorable Mayor and City Commissioners, Oregon Secretary of State Audits Division, and management, and is not intended to be and should not be used by anyone other than these specified parties.



Merina & Company, LLP  
West Linn, Oregon  
December 29, 2015

Oregon City  
Municipal  
Elevator  
1915

