

City of Tigard

# Comprehensive Annual Financial Report

FISCAL YEAR ENDED JUNE 30, 2014



13125 SW Hall Boulevard | Tigard, OR 97223 | [www.tigard-or.gov](http://www.tigard-or.gov)

*City of Tigard*  
OREGON

# Comprehensive Annual Financial Report

**For fiscal year ended June 30, 2014**

Prepared by:

Financial and Information Services Department

# City of Tigard, Oregon

## Table of Contents

### INTRODUCTORY SECTION

Letter of Transmittal .....	5
Certificate of Achievement for Excellence in Financial Reporting .....	13
Organization Chart.....	14
Principal Officials .....	15

### FINANCIAL SECTION

Independent Auditors' Report .....	17
Management's Discussion and Analysis .....	21

#### Basic Financial Statements:

Government-Wide Financial Statements	
Statement of Net Position.....	37
Statement of Activities.....	38
Fund Financial Statements	
Major Governmental Funds:	
Balance Sheet.....	39
Statement of Revenues, Expenditures, and Changes in Fund Balance .....	40
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities .....	41
Proprietary Funds:	
Statement of Net Position.....	42
Statement of Revenues, Expenses, and Changes in Fund Net Position .....	43
Statement of Cash Flows.....	44
Pension Trust Fund:	
Statement of Plan Net Position .....	45
Statement of Changes in Plan Net Position.....	45
Notes to Basic Financial Statements .....	47

#### Required Supplementary Information:

Schedules of Revenues and Expenditures – Budget and Actual:	
General Fund.....	74
Gas Tax Fund .....	75
Notes to Required Supplemental Information – Budget to GAAP Reconciliation.....	76

#### Other Supplementary Information:

Nonmajor Governmental Funds Combining Statements:	
Combining Balance Sheet .....	78
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	79
Special Revenue Funds:	
Combining Balance Sheet – Nonmajor Special Revenue Funds .....	81
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance .....	82
Schedules of Revenues and Expenditures – Budget and Actual:	
City Gas Tax Fund .....	83
Electrical Inspection Fund .....	84
Building Fund .....	85
Criminal Forfeiture Fund .....	86
Urban Forestry Fund .....	87
Library Fund .....	88
Debt Service Funds:	
Combining Balance Sheet – Nonmajor Debt Service Funds .....	90
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance .....	91
Schedules of Revenues and Expenditures – Budget and Actual:	
Bancroft Bond Debt Service Fund .....	92
General Obligation Debt Service Fund .....	93
Urban Renewal Agency Debt Service Fund .....	94

# City of Tigard, Oregon

## Table of Contents, Continued

### FINANCIAL SECTION, Continued

Other Supplementary Information, Continued:

Capital Projects Funds:	
Combining Balance Sheet – Nonmajor Capital Projects Funds .....	96
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds .....	97
Schedule of Revenues and Expenditures – Budget and Actual:	
Facility Fund .....	98
Transportation Development Tax Fund .....	99
Traffic Impact Fee Fund .....	100
Underground Utility Fund .....	101
Street Maintenance Fee Fund .....	102
Parks Capital Fund .....	103
Parks Bond Fund .....	104
Parks SDC Fund .....	105
Transportation CIP Fund .....	106
Urban Renewal Agency Capital Projects Fund .....	107
Proprietary Funds:	
Enterprise Funds:	
Schedules of Revenues and Expenditures – Budget and Actual:	
Sanitary Sewer Fund .....	109
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses – Sanitary Sewer Fund .....	110
Stormwater Fund .....	111
Water Quality and Quantity Fund .....	112
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses – Stormwater Funds .....	113
Water Fund .....	114
Water SDC Fund .....	115
Water CIP Fund .....	116
Water Debt Service Fund .....	117
Reconciliation of Budgetary Revenues and Expenditures to Proprietary Revenues and Expenses – Water Funds .....	118
Reconciliation of Budgetary Fund Balances to Generally Accepted Accounting Principles Basis Net Position .....	119
Internal Service Funds:	
Combining Statement of Net Position .....	121
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position .....	122
Combining Statement of Cash Flows .....	123
Schedules of Revenues and Expenditures – Budget and Actual:	
Central Service Fund .....	124
Fleet/Property Management Fund .....	125
Insurance Fund .....	126
Other Schedules:	
Schedule of Property Tax Transactions and Outstanding Balances .....	128
Schedule of Bond and Bond Interest Transactions .....	129
Schedule of Future Debt Service Requirements of Bancroft Improvement Bonds .....	130
Schedule of Future Debt Service Requirements of General Obligation Bonds .....	131
Schedule of Future Debt Service Requirements of Water Revenue Bonds .....	132
Schedule of Future Debt Service Requirements of Safe Drinking Water Revolving Loan Funds .....	133

# City of Tigard, Oregon

## Table of Contents, Continued

### STATISTICAL SECTION

Net Position by Component .....	136
Changes in Net Position .....	138
Fund Balances of Governmental Funds .....	142
Changes in Fund Balances of Governmental Funds .....	143
Government – Wide Revenues .....	145
Government – Wide Expenses by Function .....	146
General Governmental Revenues by Sources .....	147
General Governmental Expenses by Function .....	148
Market Value and Assessed Value of Taxable Property .....	149
Property Tax Rates – Direct and Overlapping Governments .....	150
Principal Property Taxpayers .....	151
Property Tax Levies and Collections .....	152
Special Assessment Collection .....	153
Ratio of Annual Debt Service Expenditures for Long-Term Debt to Total Governmental Expenditures .....	154
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita .....	155
Computation of Direct and Overlapping General Obligation Debt .....	156
Computation of Legal Debt Margin .....	157
Ratio Debt by Type .....	158
Computation of Water Revenue Bonds Debt Coverage .....	159
Demographics Statistics .....	160
Principal Employers .....	161
Property Value and Construction .....	162
Full-time Equivalent City Government Employees by Function .....	163
Operating Indicators by Function/Program .....	164
Capital Assets Statistics by Function .....	165

### AUDIT COMMENTS AND DISCLOSURE REQUIREMENTS

Independent Auditor’s Report Required by Oregon State Regulations .....	167
---	-----

# **Introductory Section**



## City of Tigard

*December 16, 2014*

**Citizens of Tigard  
Honorable Mayor  
Members of the City Council**

It is our pleasure to submit to you the Comprehensive Annual Financial Report of the City of Tigard, Oregon, for the fiscal year ended June 30, 2014.

Oregon Revised Statutes (ORS) 297.425 requires that every municipal corporation publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants.

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

The city's financial statements were audited by Talbot, Korvola & Warwick, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the city for the fiscal year ended June 30, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by the management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the city's basic financial statements for the fiscal year ended June 30, 2014, are fairly presented, in all material respects, in conformity with GAAP. The independent auditor's report is included in the financial section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The city's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

The City of Tigard is located in southeast Washington County, 15 minutes from downtown Portland, Oregon and along major highways, Interstate 5 and Highway 217. The city is included in the Metro urban growth boundary and Tigard's closest neighboring cities include Beaverton, Lake Oswego, Tualatin, Durham, Portland, and King City. A state highway, 99W, runs north and south through the eastern portion of the city and is a major transportation corridor leading to the City of Portland. There is also a major greenway called Fanno Creek that connects neighborhoods to the natural environment and several of the city's parks. The incorporated area of the city represents 12.2 square miles and has a population of 50,444. The city has experienced a steady growth since its incorporation in 1961.

The city can extend its corporate limits by annexation which is permitted by state statute. In fiscal year 2014 the city annexed approximately 12.21 acres. In 2012 and 2013 the city annexed nearly 500 acres of land west of the city that was largely farmland. Planning for development in that area, known as River Terrace, began in earnest during fiscal year 2014 and is expected to be wrapped up by the end of fiscal year 2015.

The city is governed by an elected mayor and four council members who comprise the City Council. The city's charter established the Mayor/Council form of government. Each member of the City Council is elected at-large to serve a four-year term. The mayor presides at council meetings and is elected at-large for a four-year term. The mayor and council provide community leadership, develop policies to guide the city in delivering services and achieving community goals, and encourage citizen awareness and involvement.

The city council appoints a city manager, who is the chief administrative officer of the city. The city manager is responsible for ensuring council policies are implemented using resources appropriated by the council to achieve desired service results in the community.

The city provides a full range of municipal services. These services include police, municipal court, community planning and development, parks, library, capital improvement planning, administration and central services, street maintenance, water, and other general public works activities. The city owns and maintains the wastewater and storm drainage system within the city limits under an agreement with Clean Water Services. Fire protection is provided by Tualatin Valley Fire and Rescue.

The city maintains budgetary controls to ensure compliance with legal provisions in the annual appropriated budget adopted by the City Council. Activities of all funds are included in the annual adopted budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by program within each individual fund.

As demonstrated by the statements and schedules included in the financial section of this report, the city continues meeting its responsibility for sound financial management.

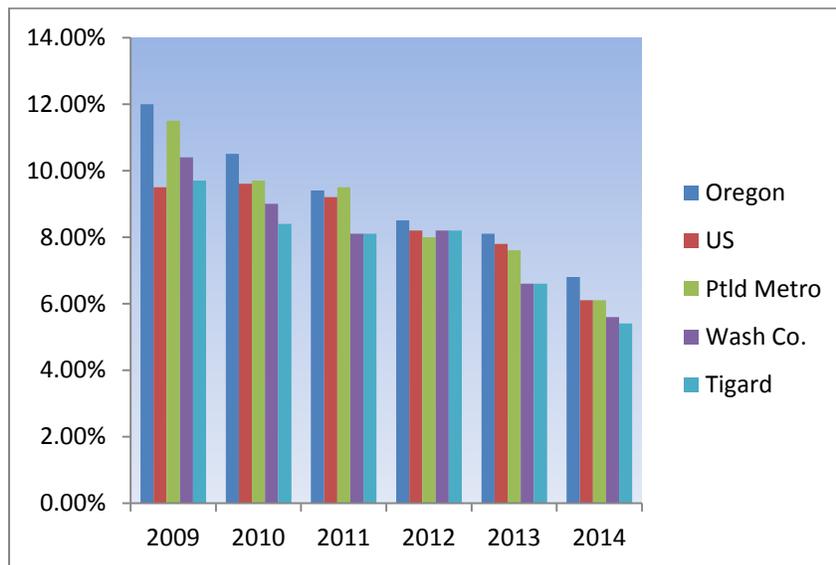
## **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Tigard operates.

## Local economy

The city's location in the Portland metropolitan area provides citizens with many diverse employment opportunities. Unemployment data is reported specifically for Tigard as well as Washington County and the Portland Metro area.

The chart below shows a six-year comparison of unemployment rates for the state and local areas as well as the U.S. At 5.4 percent the City of Tigard is 0.7 percent lower than the Portland Metro area as a whole and 1.4 percent lower than the State of Oregon at 6.8 percent.



Wholesale trade, retail trade, and the service industry all play a large role in Tigard's economy. Retail trade has the most establishments; and the retail and service industries employ the most people. The city has within its boundaries one of the largest shopping malls in the region, Washington Square. The mall has five major department stores and more than 140 specialty shops that occupy over 1.3 million square feet.

### Summary of Economic Data

Number of Businesses, as of March 2014.	2,915
Median Household Income (estimated 2012)	\$62,576
Primary Economic Sector (receipts/sales)	Wholesale Trade
General Fund Permanent Tax Rate	\$2.51310 per \$1000 of assessed value
Total Assessed Value (2013)	\$5,444,702,020

### Ten Largest Employers (as of March 2014)

Employer	Product or service	Employment
Capital One Services	Financial services	861
Tigard - Tualatin School District	Local school district	779
Nordstrom	Retail department store	422
Macy's	Retail department store	404
Oregon Public Employees Retirement	Public retirement system	396
Costco Wholesale Corporation	Box store	273
City of Tigard	Local government	257
Cheesecake Factory	Restaurant	250
Home Depot	Box store	241
Gerber Legendary Blades	Manufacturing	232

### Long-term financial planning

The city has developed a comprehensive long-term financial forecast every year since the 1980's. By forecasting and anticipating financial trends, the city can develop strategies to respond to emerging financial trends. The city forecasts operating fund revenues and expenditures over a five-year period. The forecast is adjusted as each year's final results are known and as budgets are prepared for the following year. In addition, the city also prepares a five-year Capital Improvement Plan (CIP) that is also updated every year. The CIP is developed through a process separate from, but parallel to the budget process. The impact on future operating and maintenance costs are projected from the CIP and then incorporated in the long-term financial forecast.

### Relevant financial policies

The City of Tigard has an important responsibility to its citizens to carefully account for public funds, manage municipal finances wisely, and plan adequate funding of services and facilities desired and needed by the public.

In support of this effort, the city has established a set of fiscal policies to ensure that the public's trust is upheld. With such fiscal policies, the city has established the framework under which it will conduct its fiscal affairs, ensuring that it is and will continue to be capable of funding and providing outstanding local government services.

The goals of Tigard's fiscal policies are:

- To enhance the City Council's policy-making ability by providing accurate information on program and operating costs.
- To assist sound management of the city government by providing accurate and timely information on current and anticipated financial conditions.
- To provide sound principles to guide important decisions of the council and management which have significant fiscal impact.

- To set forth operational principles, which minimize the cost and financial risk of the city's government consistent with services, desired by the public.
- To employ revenue policies which prevent undue or unbalanced reliance on any one source, distribute the cost of municipal services fairly, and provide adequate funds to operate desired programs.
- To provide and maintain essential public facilities, utilities, infrastructure and capital equipment.
- To protect and enhance the city's credit rating.
- To insure that all surplus cash is prudently invested in accordance with the investment policy adopted by the council to protect city funds and realize a reasonable rate of return.

## **Major initiatives**

The Tigard City Council meets periodically to establish goals. Council goals comprise high-priority tasks or programs that the City Council intends to complete or initiate during the year, though attainment of these goals may take several years. The goals are based on the city's Vision Task Force goals, departmental needs, and City Council priorities. In the goal setting meeting, the City Council reviews information and develops its annual and long-term goals. Council goals set the priorities for city government and are incorporated into departmental work plans. For 2014 council established goals for the city as follows:

<b>Goal/Milestone</b>	<b>Estimated Timeline</b>
<b>Water</b>	
Lake Oswego-Tigard Water Partnership (LOTWP) <ul style="list-style-type: none"> <li>• Negotiate/proceed with water purchase from Lake Oswego</li> <li>• Renegotiate LOTWP Intergovernmental Agreement (IGA) to reflect structure and management post-construction (evaluate future of partnership roles)</li> <li>• LOTWP bond sale (#2)</li> <li>• Monitor progress of construction and budget; LOTWP projects operational</li> </ul>	Winter 2013  Early 2014  Spring 2014 Through mid-2015
Develop Willamette River Water Sources <ul style="list-style-type: none"> <li>• Rewrite WRWC member contract</li> <li>• Continue to consider other sources</li> <li>• Develop “roadmap” for Tigard’s future water decisions through 2026</li> </ul>	Mid-2014
Intergovernmental Water Board <ul style="list-style-type: none"> <li>• Work on next governance agreements with Tigard Water District, Durham and King City</li> </ul>	End of 2014
Communicate with Tigard residents about rate impacts/outreach regarding potential increases	2015 and beyond
<b>River Terrace</b>	
Park land acquisition (strategy, funding, land dedication)	Mid-2014
Complete Community Plan, zoning, adopted master plans	June 2014
Building permits issued; development begins	June 2014
Service delivery planning	For 2014-15 budget
<b>Tigard Triangle</b>	
Complete Triangle Strategic Plan	Fall 2014
Adopt zoning, street and design standards	December 2014
Begin implementing plan strategies	December 2014
<b>Southwest Corridor</b>	
Determine modes and alignment for study in federal EIS process	Fall 2013
Determine regional route segments	July 2014
Participate in federal EIS process (regional partner, financial)	Mid-2014
<b>Recreation</b> (Evaluate options and resources to create a pilot recreation program)	
Complete demand analysis for recreation opportunities	Spring 2014
Compare recreation inventory with demand analysis to identify needs/gaps	Spring 2014
Council decision on city role (direct delivery provider, contract/partnerships with others, funding source)	In time for 2014-15 budget
Implement a new recreation effort based on role	Fall 2014

<b>Goal/Milestone</b>	<b>Estimated Timeline</b>
<b>Economic Development</b>	
Develop and adopt strategic priorities, resources, design program	End of 2013
Data collection and understanding the economic base	Underway 2014
<b>Community Engagement</b>	
Redesign community survey effort to include regular two-way communication efforts (based on Fall, 2013 survey results)	December 2013
Continue 3-4 quarterly open forums to engage residents/neighborhood groups	During 2014
Community education efforts; develop fiscal report card (Blue Ribbon Task Force recommendation)	Ongoing in 2014
Develop Tigard's community identity	Ongoing in 2014
<b>Downtown</b>	
Urban renewal ballot measure: Tigard voters clarify authority/projects	November 2013
Strategy for redevelopment of city-owned property	December 2013
Resolve composition of CCDA	December 2013
Main St./Green St. Construction	January 2014
Continue Downtown Plaza Site acquisition and design approval (contingent on site acquisition)	Spring 2014
Continue Tigard St. Trail negotiation, design and development	Through June 2014
Finalize downtown redevelopment opportunities	June 2014
Advance options for rail crossing "trade" for Ash Avenue at-grade crossing	Through 2014
Explore Pacific Highway Urban Renewal District options	Late 2014
<b>Growth/Annexation</b>	
Successfully complete River Terrace Community Plan	See above
Reconsider and agree to annexation policy: reauthorize financial incentives as needed; consider islands and remainder of Bull Mountain; incentives for voluntary annexation; timeline for Washington County	February 2014
Develop planning and timeline together with Washington County for future annexations (Bull Mountain, Metzger)	Before June 2014
Update annexation fiscal analysis from 2004	Begin mid-2014
Consider annexation of urban reserves for employment land	Late 2014
<b>Finance</b>	
Represent Tigard at the regional, state and federal level to advocate for tax reform and other funding opportunities	1st and 2nd Q 2014
Review city facilities strategy and develop options for repair and replacement	Mid-2014
Seek voter-approved measure for major investment (capital, parks, etc.)	Prepare for 2015

With the passage of Tigard's Urban Renewal ballot measure, the city established a funding base to implement the Tigard Downtown Improvement Plan. The formation of the City Center Development Agency (CCDA, an urban renewal district) sends a clear message that the city is now financially committed to carrying out its Downtown Plan and will be in a position to support investments there.

Although it will take time for tax revenues to accumulate under the tax increment financing process, it is anticipated that enough funding will be available for \$22 million in public improvements for downtown. The implementation of all of the projects such as streets, parks, plazas, a public market and performing arts center will take up to 20 years to accomplish but citizens are already seeing improvements. As noted above, the City Council has added downtown redevelopment to their current goals. To further that goal, and as noted in the subsequent event note, the CCDA borrowed \$1.3 million to purchase a key property in downtown Tigard in September 2014.

## Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Tigard for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2013. This was the 29th consecutive year that the city has received this esteemed award. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

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

In addition, the city also received the GFOA's Distinguished Budget Presentation Award for its annual budget for fiscal year 2013-2014. This was the 26th consecutive year that the city has received this prestigious award. In order to qualify for the Distinguished Budget Presentation Award, the city's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device. The city has submitted its fiscal year 2014-2015 budget document and believes that it meets the Distinguished Budget Presentation Award's requirements.

The preparation of this report was made possible by the dedicated service of the staff of the Financial and Information Services department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. Special recognition should be given to the financial operations staff for their work in preparing this document. Credit also must be given to the mayor and City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Tigard's finances.

Respectfully submitted,



**Marty Wine**  
City Manager



**Toby LaFrance**  
Director of Financial and  
Information Services



Government Finance Officers Association

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

Presented to

**City of Tigard  
Oregon**

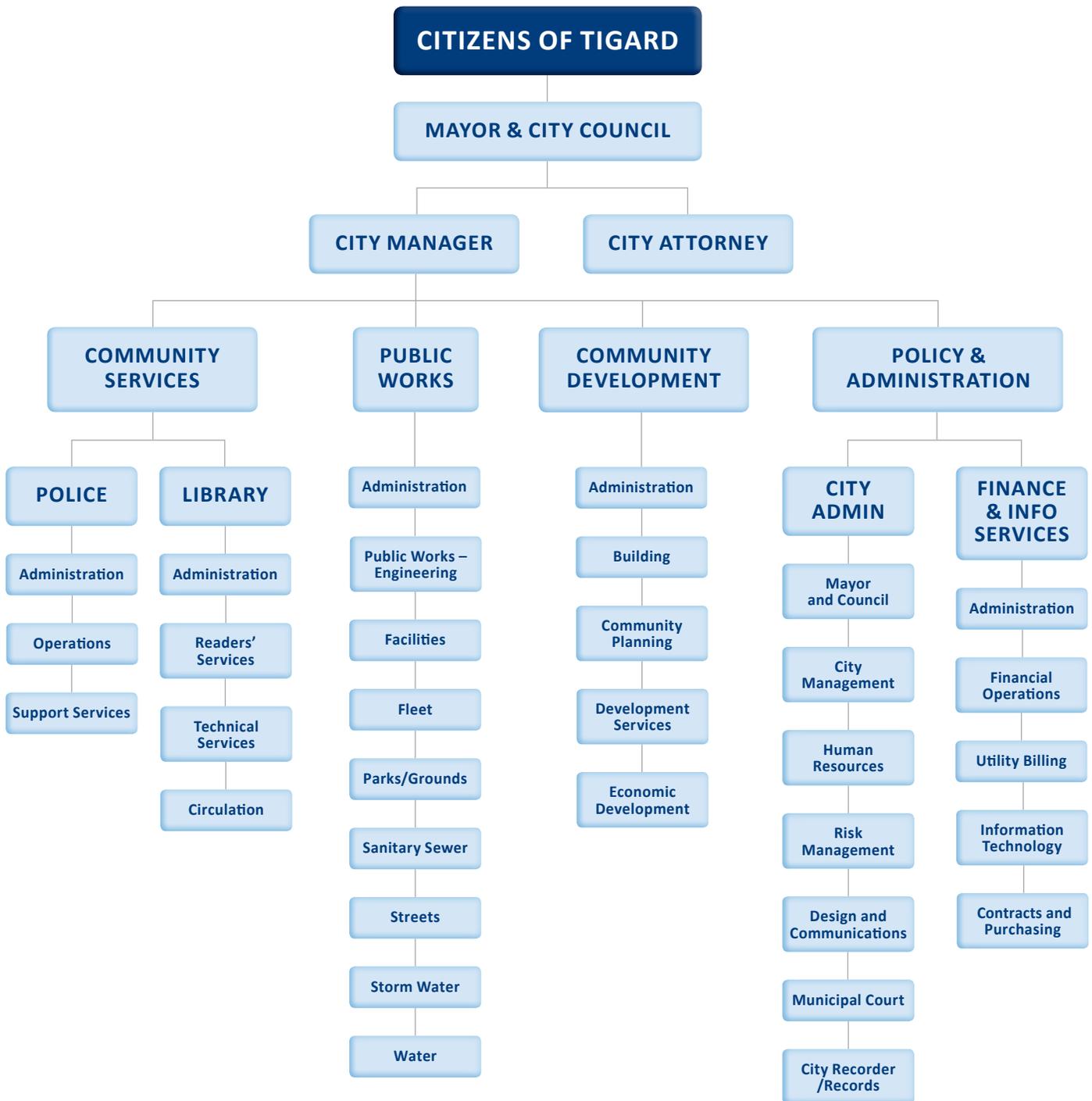
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO

# Citywide Organization Chart

## *by program*



**City of Tigard**  
OREGON

**PRINCIPAL OFFICIALS AS OF JUNE 30, 2014**

**ELECTED OFFICIALS**

<b>Name</b>	<b>Term Expires</b>
Mayor John Cook	December 31, 2014
Councilor Gretchen Buehner	December 31, 2014
Councilor Marland Henderson	December 31, 2016
Councilor Jason Snider	December 31, 2016
Councilor Mark Woodard	December 31, 2014

**APPOINTED OFFICIALS**

<b>Name</b>
<b>Marty Wine</b> <i>City Manager</i>
<b>Toby LaFrance</b> <i>Director of Financial and Information Services</i>

***All may be reached at:***  
13125 SW Hall Boulevard  
Tigard, OR 97223

**LEGAL COUNSEL**

Jordan Ramis PC  
Two Centerpointe Drive, 6<sup>th</sup> Floor  
Lake Oswego, OR 97035

# Financial Section



Talbot, Korvola  
& Warwick, LLP

Certified Public Accountants  
& Consultants

*ACHIEVE MORE*

4800 Meadows Road, Suite 200  
Lake Oswego, Oregon 97035-4293

P 503.274.2849  
F 503.274.2853

[www.tkw.com](http://www.tkw.com)

## INDEPENDENT AUDITOR'S REPORT

City Council  
City of Tigard  
Tigard, 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 Tigard, Oregon (the City) as of and for the year ended June 30, 2014, 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, 2014, 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.

## **OTHER MATTERS**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying budgetary comparison information for the General Fund and Gas Tax Fund, as listed in the Table of Contents as Required Supplementary Information, is not a required part of the basic financial statements and is presented for purposes of additional analysis, and 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This 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 procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Required Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**OTHER MATTERS (Continued)**

***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 other schedules, as listed in the Table of Contents as Other Supplementary Information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Other Supplementary Information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections, as listed in the Table of Contents, 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.

**OTHER REPORTING REQUIRED BY OREGON MINIMUM STANDARDS**

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 16, 2014, 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.

**TALBOT, KORVOLA & WARWICK, LLP**

By:   
\_\_\_\_\_  
Timothy R. Gillette, Partner

Lake Oswego, Oregon  
December 16, 2014

*This page left blank intentionally.*

# Management's Discussion and Analysis

As management of the City of Tigard, we offer readers this narrative overview and analysis of the financial activities of the City of Tigard for the fiscal year ended June 30, 2014. It focuses on significant financial issues, major financial activities, and resulting changes in financial positions, as well as economic factors affecting the city. This Management's Discussion and Analysis (MD&A) is based on currently known facts, decisions, and conditions that existed as of the date of the independent auditor's report.

We encourage readers to consider the information presented here in conjunction with the transmittal letter at the front of this report and the city's financial statements which follow this discussion and analysis.

## Financial Highlights

- The assets of the city exceeded its liabilities at the close of the most recent fiscal year by \$319.7 million (net position). Of this amount, \$33.4 million (unrestricted net position) may be used to meet the city's ongoing obligations to citizens and creditors.
- The city's net position increased \$9.9 million over the course of this year's operations. Within this total the net position of our business-type activities increased by \$4.6 million or 4.5 percent, and net position of our governmental activities increased by \$5.3 million or 2.6 percent.
- During the fiscal year, the city generated \$39.8 million in taxes, charges for services, and other revenues for governmental programs while incurring expenses from governmental activities totaling \$35.5 million, for an increase in net position of \$5.3 million.
- In the city's business-type activities, revenues increased by about \$1.2 million, while expenses increased by about \$0.2 million. The city increased water rates by 14 percent, sewer rates by 3 percent and stormwater fees by 8.7 percent.
- As of the close of fiscal year 2014, the city's governmental funds reported combined ending fund balances of \$29.1 million, virtually the same as the prior year. During fiscal year 2013-2014 the city worked on getting revenues to align with expenditures in the governmental funds.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$11.5 million, up \$1.8 million over the prior year. The fund balance in the General Fund is approaching its pre-recession level.
- The city's total debt decreased by \$2.8 million during fiscal year 2014. The city paid \$2.8 million of normal annual debt service payments on the general obligation bonds, long-term notes, and Bancroft improvement bonds.

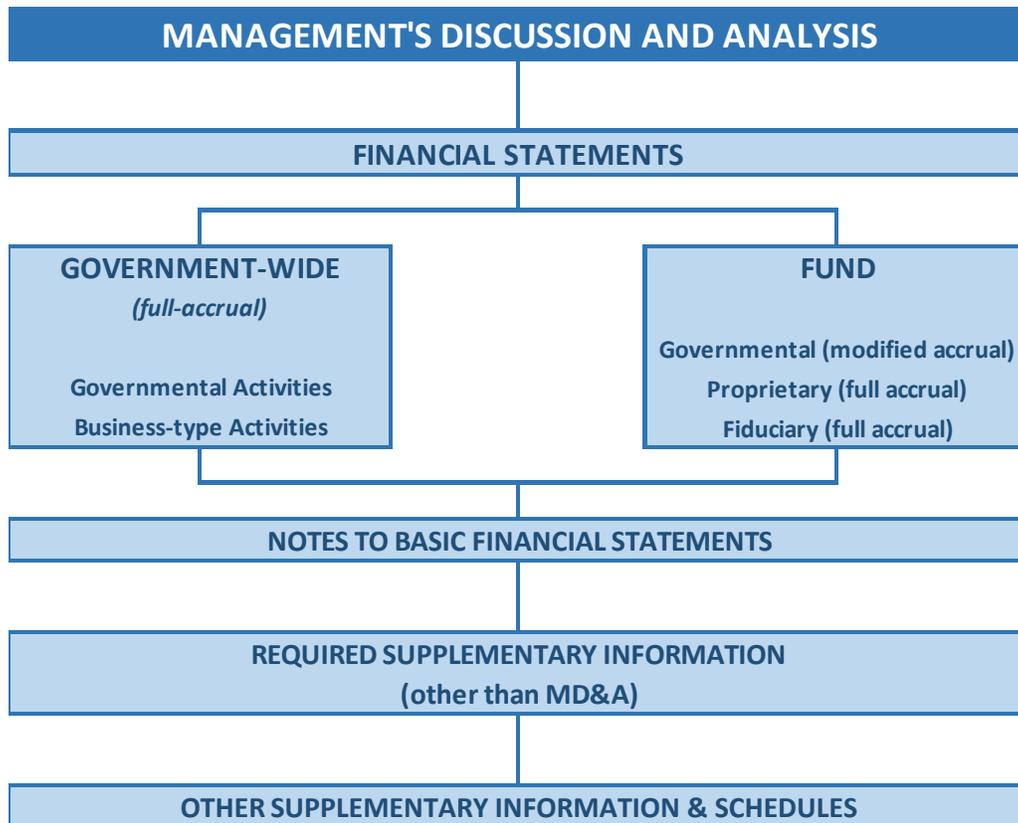


## Overview of the Financial Statements

In addition to this discussion and analysis, the financial section of this annual report contains the basic financial statements, required supplementary information, and the combining statements of the non-major funds and schedules demonstrating legal compliance.

The basic financial statements also include notes that explain the information in the financial statements and provide more details. The statements are followed by the required supplementary information section that supports the information in the financial statements.

### Required Elements of the Comprehensive Annual Financial Report



## Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the city's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the city's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the city is improving or deteriorating.

The Statement of Activities presents information showing how the city's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in a future fiscal period. Examples of such items include earned, but uncollected property taxes, and earned, but unused compensated absences.

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

The governmental activities of the city include the following:

- Community services, police, library, and social services
- Public works, including parks and recreation
- Community development, current and long-range planning
- Policy and administration

The business-type activities of the city include the following:

- Sanitary sewer
- Stormwater
- Water

The government-wide financial statements can be found on pages 37-38 of this report.

**Fund Financial Statements** are designed to display compliance with finance-related legal requirements demonstrated by the use of fund accounting. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. The funds of the city can be divided into the following categories: governmental funds, proprietary funds, and a fiduciary fund.

**Governmental Funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of available resources, as well as on balances of available resources at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial capability.

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 city's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The city maintains 21 individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances for those funds that are considered significant (major) to the city taken as a whole. These financial statements report two major funds: General Fund and Gas Tax Fund. Data from the other 19 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The city adopts an annual appropriated budget for all of its governmental funds. A budgetary comparison statement has been provided for each fund individually to demonstrate compliance with their budgets.

The basic governmental fund financial statements can be found on pages 39-41 of this report.

**Proprietary Funds** are used to account for a government's business-type activities. The city maintains two different types of proprietary funds - enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the governmental-wide financial statements. The city uses enterprise funds to account for its sanitary sewer, stormwater, and water operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the city's various functions. The city uses internal service funds to account for fleet and property maintenance, risk management, design and communication, finance and accounting, and other management services.

The city reports all three of the enterprise funds as major funds. These funds are the Sanitary Sewer Fund, the Stormwater Fund, (which consists of the budgetary Stormwater and the Water Quality/Quantity Funds), and the Water Fund, (which includes the budgetary Water, Water SDC, Water CIP and Water Debt Service Funds). However, for budgetary and legal purposes these funds are accounted for separately. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided as other supplementary information.

The city also adopts an annual appropriated budget for all proprietary funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided for the enterprise funds as other supplementary information on pages 109-119 of this report. Budgetary comparisons for the internal service funds are provided on pages 121-126 of this report.

The proprietary fund financial statements can be found on pages 42-44 in the basic financial statements.

**Fiduciary Funds** are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs. The city has a pension trust fund that accounts for employee defined contribution plans. The accounting used for the fiduciary fund is much like that used for the proprietary funds.

No budget is adopted for the fiduciary fund in accordance with Oregon Local Budget Law.

The fiduciary fund financial statements can be found on page 45 in the basic financial statements.

**Notes to the Basic Financial Statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 47-72 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and business-type funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 78-126 of this report.

## Government-wide Financial Analysis

**Net position:** As noted earlier, net position may serve over time as a useful indicator of the city's financial position. In the case of the city, assets exceeded liabilities by \$319.7 million at June 30, 2014.

The largest portion of the city's net position (82.8 percent) reflects its investment in capital assets (e.g., land, buildings, roads, sewers, stormwater facilities, etc.) less any related debt used to acquire those assets that is still outstanding. None of these capital assets, including the city infrastructure, are available for future spending. Although the city's investment in 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 capital assets themselves cannot be used to liquidate these liabilities.

### NET POSITION AS OF FISCAL YEAR-END (in millions)

	Governmental Activities		Business-type Activities		Total	
	FY 13-14	FY 12-13	FY 13-14	FY 12-13	FY 13-14	FY 12-13
<b>Assets</b>						
Current and other assets	\$ 37.3	\$ 37.3	\$ 96.2	\$ 122.0	\$ 133.5	\$ 159.3
Net capital assets	210.4	207.3	130.5	95.2	340.9	302.5
<b>Total assets</b>	<b>247.7</b>	<b>244.6</b>	<b>226.7</b>	<b>217.2</b>	<b>474.4</b>	<b>461.8</b>
<b>Liabilities</b>						
Other liabilities	4.7	4.8	12.6	7.1	17.3	11.9
Outstanding long-term liabilities	30.1	32.3	107.3	107.9	137.4	140.2
<b>Total liabilities</b>	<b>34.8</b>	<b>37.1</b>	<b>119.9</b>	<b>115.0</b>	<b>154.7</b>	<b>152.1</b>
<b>Net position</b>						
Net investment in capital assets	185.2	181.2	79.6	74.0	264.8	255.2
Restricted	10.9	12.0	10.6	9.8	21.5	21.8
Unrestricted	16.7	14.3	16.7	18.5	33.4	32.8
<b>Total net position</b>	<b>\$ 212.8</b>	<b>\$ 207.5</b>	<b>\$ 106.9</b>	<b>\$ 102.3</b>	<b>\$ 319.7</b>	<b>\$ 309.8</b>

The city's net position increased by \$9.9 million during the fiscal year. About \$4.5 million of the increase was attributable to the increase in water rates and decrease in transfers-out in that service. The other \$5.4 million of the increase was due to overall revenues exceeding expenses.

The revenues and expenses shown on the next table explain changes in net position for fiscal year 2014.

## Changes in Net Position

(in millions)

	Governmental Activities		Business-type Activities		Total	
	FY 13-14	FY 12-13	FY 13-14	FY 12-13	FY 13-14	FY 12-13
<b>Revenues</b>						
Program Revenues						
Charges for services	\$ 6.2	\$ 7.0	\$ 20.4	\$ 18.7	\$ 26.6	\$ 25.7
Operating grants/contributions	6.3	6.9	-	-	6.3	6.9
Capital grants/contributions	1.8	2.2	1.1	1.7	2.9	3.9
<b>Total Program revenues</b>	<b>14.3</b>	<b>16.1</b>	<b>21.5</b>	<b>20.4</b>	<b>35.8</b>	<b>36.5</b>
Taxes	21.3	21.2	-	-	21.3	21.2
Interest	0.4	0.3	0.3	0.1	0.7	0.4
Other	3.8	2.8	0.1	0.2	3.9	3.0
<b>Total General revenues</b>	<b>25.5</b>	<b>24.3</b>	<b>0.4</b>	<b>0.3</b>	<b>25.9</b>	<b>24.6</b>
<b>Total revenues</b>	<b>39.8</b>	<b>40.4</b>	<b>21.9</b>	<b>20.7</b>	<b>61.7</b>	<b>61.1</b>
<b>Expenses</b>						
Community services	20.0	19.1	-	-	20.0	19.1
Public works	8.4	8.6	-	-	8.4	8.6
Community development	4.3	4.0	-	-	4.3	4.0
Policy and administration	1.7	1.3	-	-	1.7	1.3
Interest on long-term debt	1.1	1.2	-	-	1.1	1.2
Sewer	-	-	2.6	2.1	2.6	2.1
Storm water	-	-	2.0	2.0	2.0	2.0
Water	-	-	11.7	12.0	11.7	12.0
<b>Total expenses</b>	<b>35.5</b>	<b>34.2</b>	<b>16.3</b>	<b>16.1</b>	<b>51.8</b>	<b>50.3</b>
Transfers in (out)	1.0	0.1	(1.0)	(0.1)	-	-
<b>Changes in net position</b>	<b>5.3</b>	<b>6.3</b>	<b>4.6</b>	<b>4.5</b>	<b>9.9</b>	<b>10.8</b>
<b>Beginning net position</b>	<b>207.5</b>	<b>201.2</b>	<b>102.3</b>	<b>97.8</b>	<b>309.8</b>	<b>299.0</b>
<b>Ending net position</b>	<b>\$ 212.8</b>	<b>\$ 207.5</b>	<b>\$ 106.9</b>	<b>\$ 102.3</b>	<b>\$ 319.7</b>	<b>\$ 309.8</b>

## Revenues – Governmental Activities

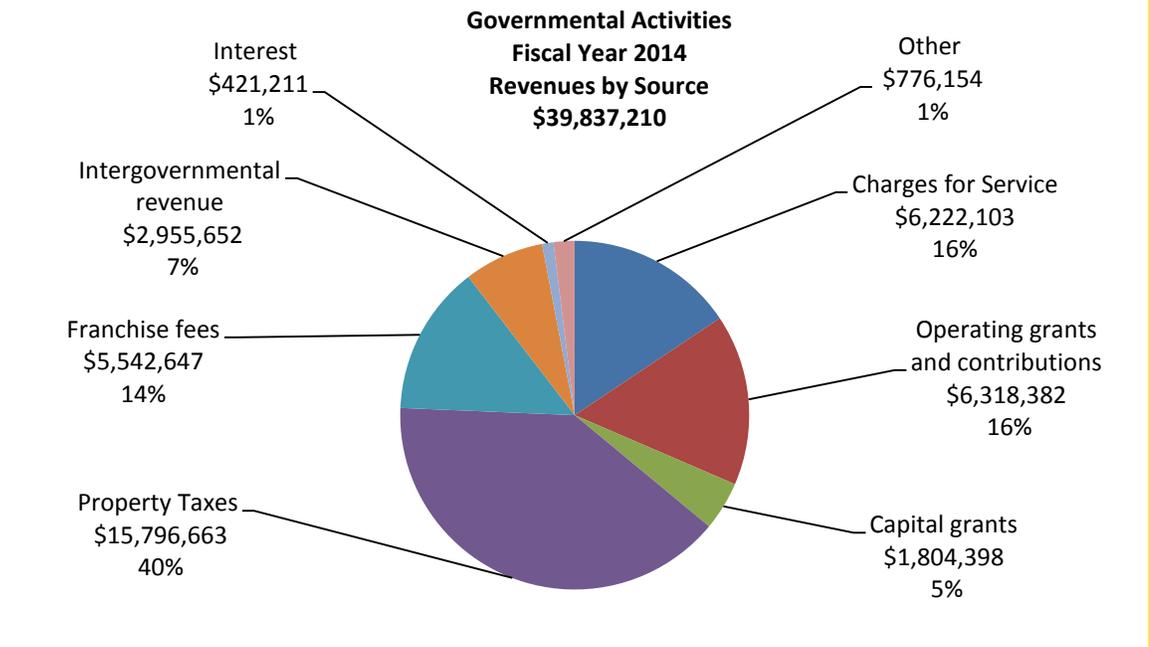
Property taxes continue to be a major source of revenue for the funding of city programs. Oregon has a “rate-based” system in which property taxes are expressed in a dollar amount per thousand dollars of assessed value. The City of Tigard’s permanent tax rate is \$2.5131 per thousand dollars of assessed value. The money raised by this levy is available for general purposes.

The permanent rate is multiplied by the assessed value each year to arrive at the tax authority for that year. Assessed value growth is limited to a maximum 3 percent per year, plus a pro-rated share of new construction and annexations. Assessed value cannot exceed real market value. The city has begun to see a significant number of properties whose assessed value is at or near real market value. For this reason, growth in the city’s property taxes levied for general purposes was less than 3 percent for fiscal year 2014. These tax revenues are recorded in the General Fund and are available for any legal expense.

General Obligation (GO) debt service levies are calculated to produce enough tax revenues that (when combined with other resources such as interest earnings and fund balance) will be enough to pay debt service due on these voter-approved bonds. On November 2, 2010, voters approved a bond measure in the amount of \$17.0 million for acquisition and development of park land. These bonds were sold on February 3, 2011 to Wells Fargo Bank, National Association. Also on that date, the city refunded \$9.0 million of outstanding general obligation bonds that were approved on May 21, 2002, by voters to build a new library. Taxes collected through the tax levy will repay this bonded debt.

Property taxes constitute 39.7 percent of total governmental revenues. Intergovernmental revenue, charges for services, franchise fees and other revenues make up the bulk of the city’s governmental revenue:

- Franchise fees are charged to public utilities for the use of the public right-of-way. Franchised activities paying the fee include electricity, natural gas, telecommunications, cable television, water, sewer and solid waste haulers. Franchise fee revenue totaled \$5.5 million in fiscal year 2014.
- Operating grants and contributions constitutes a significant amount of funding for the city in the amount of \$6.3 million. This category includes the city’s share of the Washington County Cooperative Library Services (WCCLS) tax levy, along with state and county gas tax revenues.
- Intergovernmental revenue is another significant revenue category and totals \$3.0 million. These revenue sources include state shared revenues such as cigarette tax, liquor tax, and revenue sharing. In addition, this category also includes the city’s portion of the county-wide hotel/motel tax.
- Charges for service includes a variety of land use planning and permit fees, library fines, and other miscellaneous types of fees and charges - \$6.2 million.



### Revenues - Business-type Activities

Charges for services represent 93.1 percent of total revenues and are composed of fees that are charged to all users for services provided such as water, sanitary sewer, and stormwater. The sanitary and stormwater fees are established by Clean Water Services (CWS) and are set by the agency each year. The city council, through an intergovernmental agreement with other water system participants, sets the water rates.

The city is continuing to pursue efforts to secure a long-term water source to meet future demands over the next 50 years. In August 2008 the city entered into an intergovernmental agreement with the City of Lake Oswego in which the City of Tigard will share the cost of upgrading and expanding Lake Oswego’s water treatment plant in return for a long-term water contract. The city conducted a water rate study during fiscal year 2010. The city council approved rate increases of 7% on October 1, 2010 and 30.5 % on January 1, 2011, along with 14% increases on January 1, 2012, 2013, and 2014.

Sanitary rates have been traditionally adjusted by CWS annually with the increase in revenues being dedicated to debt service requirements for treatment plant expansions made by the agency.

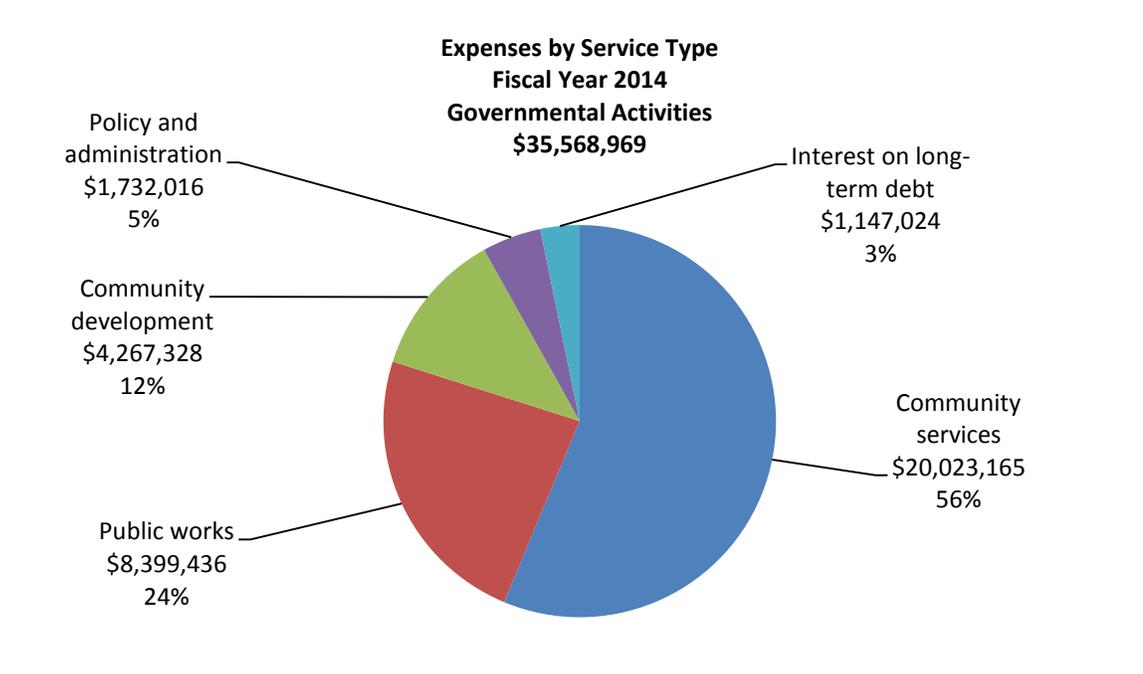
Stormwater rates increased approximately 8.7% in fiscal year 2014.

## Expenses - Governmental Activities

Expenses related to governmental activities are shown in the chart below and are expressed as a percent of total expenses for all governmental activities.

The majority of the expenses (56.3 percent) relate to the city library and police department within the community services activity.

Overall, expenses in governmental activities increased by \$1.3 million over the previous fiscal year. The majority of this increase can be attributed to increases in personal services salaries and benefits.

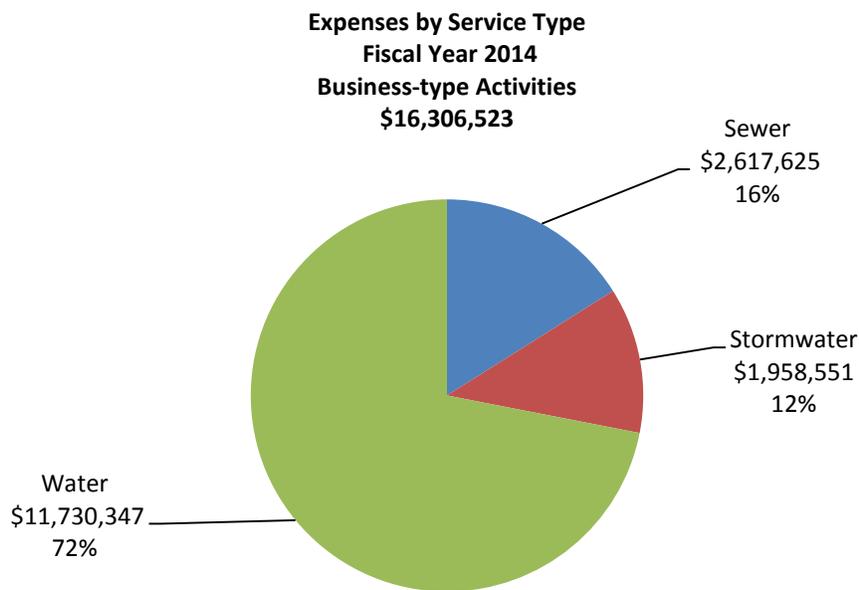


## Expenses - Business-type Activities

The majority of the expenses (71.9 percent) relate to the drinking water service provider activity. Currently the city does not have its own water source, so it has to purchase water from other agencies. This water purchase expense is a major portion of the total water expenses. In addition, interest on the revenue bond debt issued to fund the water partnership was \$3.1 million in fiscal year 2014. Expenses in the water division were unchanged compared to last year.

Sanitary sewer expenses increased slightly from the previous year. Financial forecasting shows that current expenses are not sustainable given current revenues. The city is conducting a rate review to determine the necessary steps to make the Sewer Fund sustainable.

Stormwater expenses decreased only slightly from the previous fiscal year. There has been no major growth or expansion of the stormwater system, but the city is also analyzing needs in this system to determine if current revenues are sufficient to cover needed repairs and improvements in the near future.



## Financial Analysis of the City's Funds

As noted earlier, the city uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### ***Governmental Funds***

The focus of the city's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the city's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the city's net resources available for spending at the end of the fiscal year.

As of the end of the fiscal year 2014, the city's governmental funds reported combined ending fund balances of \$29.1 million, unchanged from the prior year. Most of that fund balance, \$12.5 million, is reported as restricted for various purposes. In addition, \$3.1 million is reported as committed for street maintenance and improvements and \$1.3 million is committed for urban forestry.

### ***General Fund***

The General Fund is the chief operating fund of the city. At the end of the fiscal year 2014, the unassigned fund balance was \$11.5 million that can be used for funding of city programs. This is an increase of approximately \$1.8 million which is primarily due to increasing revenues and relatively flat expenditures. The city is cautiously optimistic that the local economy is improving.

### ***Gas Tax Fund***

This fund records shared revenues from state and county taxes on the sale and use of motor vehicle fuel. The majority of the revenue comes from a flat per-gallon tax on gasoline. Funds are restricted for construction, reconstruction, improvement, repair, maintenance, operation, and use of public highways, roads, streets, and roadside rest areas. This revenue source can also be used for street lighting and cleaning, storm drainage, traffic control devices, and cost of administration.

At the end of fiscal year 2014, the fund balance was \$1.0 million, a decrease of \$0.8 million from the prior year. Revenues of about \$3.2 million were used to fund street maintenance, street lighting and debt service on transportation bonds. This fund is being monitored as resources are not increasing as fast as requirements. The Oregon legislature has been reviewing possible changes to the state gas tax as electric cars and more fuel-efficient gasoline cars reduce the amount of revenue available to local governments.

### ***Proprietary Funds***

The city's proprietary funds include the Sanitary Sewer, Stormwater, Water, and Internal Services Funds.

The unrestricted net position of the business-type activities which include the Sanitary Sewer, Stormwater, and Water Funds at the end of the year amounted to \$16.7 million, a decrease of \$1.8 million from the prior year. The decrease in unrestricted net position is largely due to the increase in net investment in capital assets. The portion of net position reported as a net investment in capital assets increased by \$5.6 million this year. The total increase in net position for these funds was \$4.6 million, which is included in net investment in capital assets.

The factors concerning the finances of the funds have already been addressed in the discussion of the city's business-type activities.

## General Fund Budgetary Highlights

The city council approved three budget amendments to the adopted General Fund budget. Total increase in appropriations was \$303,146. The overall change to the budget in the General Fund after these three amendments was less than one percent and had no significant effect on future services or liquidity.

The city budgeted the General Fund with the anticipation that ending fund balance would decrease by approximately \$1.8 million. However the financial forecast also recognizes that departments do not spend 100% of the budget, and so an increase in ending fund balance was expected. Actual results show the ending fund balance increased by almost \$1.7 million. This difference was caused by expenditures, including transfers out, that were \$2.3 million lower than budget and \$1.1 million of unspent contingency.

For expenditures, the variance was primarily due to a conservative approach to the budget. The variance represents approximately 5% of expenditures, which is in line with the city's forecasting assumption that departments will spend approximately 95% of their budgets. In the financial forecast this ending fund balance is used to cushion the continuing issue of expenditures growing at a faster rate than revenues.



## Capital Asset and Debt Administration

### Capital Assets

#### Governmental Activities

The city's investment in capital assets for its governmental activities as of June 30, 2014, amounts to \$210.4 million (net of accumulated depreciation). This investment in capital assets primarily includes land, buildings, machinery and equipment, office equipment and infrastructure. The infrastructure includes roads, curbs and sidewalks, signage, streetlights and right-of-ways. The total increase in the city's investment in governmental activities capital assets was \$3.2 million, approximately 1.5 percent. The city added assets primarily in the parks area as money from the parks bonds issued in fiscal year 2011 is spent. Expenditures on capital assets were higher than overall depreciation expense, leading to the increase in net capital assets.

#### Business-type Activities

The city's investment in capital assets for its business-type activities as of June 30, 2014, amounts to \$130.5 million (net of accumulated depreciation). In addition to machinery, equipment and vehicles, the capital assets include the sanitary sewer collection system, stormwater, and water systems. Total increase in the city's investment in business-type activities capital assets was \$35.3 million or 37%. This is primarily due to work being done on the city's water partnership with the City of Lake Oswego.

**Capital Assets at Year-end**  
(net of depreciation-in millions)

	Governmental Activities		Business-type Activities		Total	
	FY 13-14	FY 12-13	FY 13-14	FY 12-13	FY 13-14	FY 12-13
Land	\$ 24.9	\$ 24.6	\$ 5.2	\$ 5.2	\$ 30.1	\$ 29.8
Construction in progress	5.4	3.2	65.7	29.0	71.1	32.2
Buildings and building improv.	15.8	16.1	0.8	0.9	16.6	17.0
Land improvements	2.1	0.6	-	-	2.1	0.6
Sewer system	-	-	14.4	14.6	14.4	14.6
Storm drainage system	-	-	9.8	10.0	9.8	10.0
Water system	-	-	34.0	35.2	34.0	35.2
Machinery and equipment	1.4	1.4	0.3	-	1.7	1.4
Autos and trucks	0.7	0.6	0.3	0.3	1.0	0.9
Infrastructure	160.1	160.8	-	-	160.1	160.8
<b>Total capital assets</b>	<b>\$ 210.4</b>	<b>\$ 207.3</b>	<b>\$ 130.5</b>	<b>\$ 95.2</b>	<b>\$ 340.9</b>	<b>\$ 302.5</b>

Additional information on the city's capital assets can be found in the notes on pages 59-60 of this report.

## Debt Outstanding

As of year-end, the city had four types of long-term debt currently outstanding, two of which are governmental and two are business-type. The governmental debt includes general obligation bonds (\$27.1 million) secured by the city's authority to levy property taxes and assessment bonds (\$.4 million) secured by installment payment contracts with property owners. For the business-type activity, the city issued revenue bonds during fiscal year 2012 with a par value of \$97.7 million. The proceeds from these bonds are being used to fund water capital projects, primarily the costs associated with the Tigard/Lake Oswego Water Partnership. The city is making interest-only payments on these bonds until fiscal year 2017. The city also has an outstanding loan payable that is part of a grant and low interest loan package provided to the city to make improvements to one of the city's water reservoirs. These funds were part of the American Recovery and Reinvestment Act (ARRA). The outstanding loan balance is \$2.2 million.

The most recent bond rating for general obligation issues occurred during fiscal year 2011. The city received a rating of Aa2 and AA from Moody's and Standard & Poor's, respectively, for general obligations of the city. In March 2014 Standard & Poor's upgraded the city's rating to AA+ based on their opinion that the city is "strong" in the areas of local economy, management conditions, budgetary flexibility, budgetary performance and liquidity.

Existing debt levels have no direct impact on current or future city operations.

During fiscal year 2012, in anticipation of issuing water revenue bonds, the city received a revenue bond rating of A1 from Moody's and AA- from Standard & Poor's.

The State of Oregon limits the amount of general obligation debt that cities can issue to 3 percent of the real market value of all taxable property within the city limits. The city's total outstanding general obligation debt is significantly below the 3 percent limit of \$164 million.

Additional information on the city's debt can be found on pages 61-64 of this report.

### OUTSTANDING DEBT AT FISCAL YEAR-END

(in millions)

	Totals		Total Percentage Change
	FY 13-14	FY 12-13	
<b>Governmental Activities:</b>			
General obligation	\$ 27.1	\$ 28.8	-5.9%
Local improvement	0.4	0.9	-55.6%
<b>Total outstanding debt - Governmental</b>	<b>\$ 27.5</b>	<b>\$ 29.7</b>	<b>-7.4%</b>
<b>Business-type Activities:</b>			
Note payable	\$ 2.2	\$ 2.3	-4.3%
Revenue bonds	104.9	105.4	-0.5%
<b>Total outstanding debt - Business-type</b>	<b>\$ 107.1</b>	<b>\$ 107.7</b>	<b>-0.6%</b>

## Economic Factors

The unemployment rate for the Washington County area was 5.6 percent at the end of the fiscal year, June 30, 2014. This is a decrease from the same period last year, when the rate was 6.6 percent. The rate is also 0.5 percent lower than the national average of 6.1 percent for June 2014.

The City of Tigard issues licenses for businesses operating within the city limits. As of March 31, 2014, there were 2,915 businesses licensed in the city. The U.S. Economic Census, which takes place every five years, provides data on industry sales within the city. Wholesale trade is generating the most dollars in shipments, sales, and receipts. Retail trade employed the most people, and also ranks second in the amount of dollars generated.

Anecdotal evidence indicates the economy in Washington County is improving. As noted above, the unemployment rate has decreased for the third straight year, and has decreased from a high of 10.4 percent at June 30, 2009 to 5.6 percent as of June 30, 2014. In addition, revenue that is an indicator of development, such as building permits and growth impact fees, has held steady after increasing an average of 49% in fiscal year 2013 over fiscal year 2012. In fiscal years 2012 and 2013 the City of Tigard annexed approximately 500 acres of rural land. Planning is underway to prepare zoning so the land can be developed primarily for residential uses, and developers are expressing a desire to begin building houses as soon as possible.

The City of Tigard has developed a comprehensive long-term financial forecast every year since the 1980's. This forecast allows the city to project expected revenues and expenditures for each of its funds to help anticipate financial requirements. The comprehensive long-term financial forecast continues to be central to Tigard's financial management strategy. By forecasting and anticipating financial trends, Tigard can develop strategies to respond to these emerging financial trends.

The current forecast shows that in the short-term the city's financial condition is stable in most funds. The fiscal year 2014 budget continued addressing a projected General Fund deficit that had been forecasted to occur earlier than what is now projected. Managers are aware of the continuing issue of flat revenues and increasing expenditure rates and are managing their budgets with that in mind.

More adjustments were made to the forecast model during the fiscal year 2015 budget preparation, taking into account the city never spends 100% of its appropriations. The city produced a "hold-the-line" budget for fiscal year 2015, similar to the budget that was prepared for fiscal year 2014.

The sluggish economy has affected the city's urban renewal agency, which relies on tax-increment financing to fund downtown projects. As noted in the financial statements' subsequent event note, the agency obtained its first commercial loan in September 2014 to purchase land in the downtown area for redevelopment.

## Requests for Information

This financial report is designed to provide a general overview of the City of Tigard's finances for all those with an interest in the city's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to:

**City of Tigard**  
***Financial and Information Services Director***  
**13125 SW Hall Blvd.**  
**Tigard, Oregon 97223**

# **Basic Financial Section**

**CITY OF TIGARD, OREGON**  
**STATEMENT OF NET POSITION**  
*June 30, 2014*

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 19,984,111	\$ 24,347,970	\$ 44,332,081
Accounts receivable	3,390,847	4,008,223	7,399,070
Property taxes receivable	740,392	-	740,392
Assessment liens receivable	542,206	-	542,206
Prepaid expenses	632,479	599,814	1,232,293
Property held for resale	-	445,042	445,042
Inventory	54,986	84,722	139,708
Restricted cash and investments	11,921,332	66,757,266	78,678,598
<b>Capital assets:</b>			
Land and construction in process	30,284,331	70,980,515	101,264,846
Other capital assets (net of accumulated depreciation)	180,126,501	59,538,713	239,665,214
<b>Total Assets</b>	<b>247,677,185</b>	<b>226,762,265</b>	<b>474,439,450</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	2,769,433	10,643,192	13,412,625
Customer deposits	1,112,973	38,241	1,151,214
Due to others	559,591	-	559,591
Due to (from) other activities	200,000	(200,000)	-
Unearned revenue	59,661	-	59,661
Accrued interest payable	88,173	2,005,124	2,093,297
<b>Due within one year:</b>			
Notes payable	-	95,150	95,150
Bonds payable	2,069,065	470,602	2,539,667
Accrued compensated absences	920,905	111,941	1,032,846
Special assessment bonded debt w/ gov. commit	72,100	-	72,100
Capital lease	13,592	-	13,592
<b>Due in more than one year:</b>			
Notes payable	-	2,105,957	2,105,957
Bonds payable	24,990,106	104,426,084	129,416,190
Accrued compensated absences	306,968	37,314	344,282
Special assessment bonded debt w/ gov. commit	373,656	-	373,656
Capital lease	44,482	-	44,482
Net OPEB obligation	1,261,111	128,451	1,389,562
<b>Total Liabilities</b>	<b>34,841,816</b>	<b>119,862,056</b>	<b>154,703,872</b>
<b>NET POSITION</b>			
Net investment in capital assets	185,242,899	79,627,259	264,870,158
<b>Restricted for:</b>			
Capital projects	8,731,812	3,910,001	12,641,813
Debt service	2,147,352	6,641,441	8,788,793
Community development	2,080,034	-	2,080,034
Public safety	182,978	-	182,978
Unrestricted	14,450,292	16,721,508	31,171,800
<b>Total Net Position</b>	<b>\$ 212,835,367</b>	<b>\$ 106,900,209</b>	<b>\$ 319,735,576</b>

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

**CITY OF TIGARD, OREGON**  
**STATEMENT OF ACTIVITIES**  
*for the year ended June 30, 2014*

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position - Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>GOVERNMENTAL ACTIVITIES</b>							
Community services	\$ 20,023,165	\$ 1,872,350	\$ 3,082,904	\$ -	\$ (15,067,910)	\$ -	\$ (15,067,910)
Public works	8,399,436	2,519,515	3,184,827	1,804,398	(890,696)	-	(890,696)
Community development	4,267,328	1,765,005	50,651	-	(2,451,672)	-	(2,451,672)
Policy and administration	1,732,016	65,233	-	-	(1,666,783)	-	(1,666,783)
Interest on long-term debt	1,147,024	-	-	-	(1,147,024)	-	(1,147,024)
<b>Total governmental activities</b>	<b>35,568,969</b>	<b>6,222,103</b>	<b>6,318,382</b>	<b>1,804,398</b>	<b>(21,224,086)</b>	<b>-</b>	<b>(21,224,086)</b>
<b>BUSINESS-TYPE ACTIVITIES</b>							
Sewer	2,617,625	1,727,206	-	63,262	-	(827,157)	(827,157)
Stormwater	1,958,551	2,733,346	-	160,973	-	935,768	935,768
Water	11,730,347	15,985,607	-	887,111	-	5,142,371	5,142,371
<b>Total business-type activities</b>	<b>16,306,523</b>	<b>20,446,159</b>	<b>-</b>	<b>1,111,346</b>	<b>-</b>	<b>5,250,982</b>	<b>5,250,982</b>
<b>Total</b>	<b>\$ 51,875,492</b>	<b>\$ 26,668,262</b>	<b>\$ 6,318,382</b>	<b>\$ 2,915,744</b>	<b>(21,224,086)</b>	<b>5,250,982</b>	<b>(15,973,104)</b>
General Revenues:							
Property taxes, levied for general purposes					13,499,588	-	13,499,588
Property taxes, levied for debt service					2,297,075	-	2,297,075
Franchise fees					5,542,647	-	5,542,647
Unrestricted intergovernmental revenues					2,955,652	-	2,955,652
Interest earnings					421,211	270,415	691,626
Miscellaneous					776,154	144,767	920,921
<b>Total general revenues</b>					<b>25,492,327</b>	<b>415,182</b>	<b>25,907,509</b>
Transfers between Governmental and Business-type Activities					1,017,893	(1,017,893)	-
Change in net position					5,286,134	4,648,271	9,934,405
<b>Net position--beginning</b>					<b>207,549,233</b>	<b>102,251,938</b>	<b>309,801,171</b>
<b>Net position--ending</b>					<b>\$ 212,835,367</b>	<b>\$ 106,900,209</b>	<b>\$ 319,735,576</b>

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

CITY OF TIGARD, OREGON  
GOVERNMENTAL FUNDS - BALANCE SHEET  
June 30, 2014

	General Fund	Gas Tax Fund	Other Gov. Funds	Total Gov. Funds
<b>ASSETS</b>				
Cash and investments	\$ 11,305,327	\$ 1,446,242	\$ 17,306,721	\$ 30,058,290
Accounts receivable	2,663,413	263,855	442,331	3,369,599
Due from other funds	604,795	-	-	604,795
Property taxes receivable	625,334	-	115,058	740,392
Assessment liens receivable	-	-	542,206	542,206
Prepaid items	508,374	3,670	12,385	524,429
<b>Total Assets</b>	<b>\$ 15,707,243</b>	<b>\$ 1,713,767</b>	<b>\$ 18,418,701</b>	<b>\$ 35,839,711</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 1,915,885	\$ 103,207	\$ 374,104	\$ 2,393,196
Customer deposits	119,218	625,290	368,465	1,112,973
Due to others	530,350	-	29,241	559,591
Due to enterprise fund	-	-	200,000	200,000
Due to other funds	-	-	604,795	604,795
Unearned revenue	-	-	59,661	59,661
<b>Total Liabilities</b>	<b>2,565,453</b>	<b>728,497</b>	<b>1,636,266</b>	<b>4,930,216</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
<b>Unavailable revenues:</b>				
Property taxes	575,103	-	105,140	680,243
Franchise fees	134,697	-	-	134,697
Municipal court receivable	448,916	-	-	448,916
Assessment liens	-	-	533,035	533,035
<b>Total Deferred Inflows of Resources</b>	<b>1,158,716</b>	<b>-</b>	<b>638,175</b>	<b>1,796,891</b>
<b>FUND BALANCES</b>				
<b>Nonspendable:</b>				
Prepaid expense	508,374	3,670	12,385	524,429
<b>Restricted for:</b>				
Street maintenance and improvements	-	981,600	2,228,979	3,210,579
Debt service	-	-	1,518,201	1,518,201
Park improvements	-	-	4,460,982	4,460,982
Underground utilities	-	-	576,579	576,579
Building inspection	-	-	2,080,034	2,080,034
Police services	-	-	182,978	182,978
Library improvements	-	-	474,648	474,648
<b>Committed for:</b>				
Street maintenance and improvements	-	-	3,107,372	3,107,372
Urban forestry	-	-	1,349,861	1,349,861
<b>Assigned to:</b>				
City facilities	-	-	905,166	905,166
<b>Unassigned:</b>	11,474,700	-	(752,925)	10,721,775
<b>Total fund balances</b>	<b>11,983,074</b>	<b>985,270</b>	<b>16,144,260</b>	<b>29,112,604</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 15,707,243</b>	<b>\$ 1,713,767</b>	<b>\$ 18,418,701</b>	
Amounts reported as governmental activities in the Statement of Net Position are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$84,168,259.				210,410,832
Other long-term assets are not available to pay for current-period expenditures and, therefore are unavailable in the funds:				
Property taxes earned but not available				680,243
Franchise fees earned but not available				134,697
Municipal court receivable				448,916
Assessment liens				533,035
Internal service funds are used by management to charge the cost of administrative functions as well as fleet and property management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of activities.				
				1,133,195
Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.				
				(943,448)
Long-term liabilities - not reported in the funds:				
Bonds, notes payable and other liabilities, not due and payable in current period				(27,504,927)
Capital lease obligation				(58,074)
Accrued interest payable, not due and payable in the current period				(88,173)
Net OPEB obligation				(1,023,533)
<b>Net Position of Governmental Activities</b>	<b>\$</b>			<b>212,835,367</b>

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

**CITY OF TIGARD, OREGON**  
**GOVERNMENTAL FUNDS -**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
*for the year ended June 30, 2014*

	General Fund	Gas Tax Fund	Other Gov. Funds	Total Gov. Funds
<b>REVENUES</b>				
Taxes	\$ 13,216,208	\$ 2,979,235	\$ 2,627,006	\$ 18,822,449
City gas tax	-	-	638,852	638,852
Franchise fees	5,542,647	-	-	5,542,647
Special assessments	-	-	258,831	258,831
Licenses and permits	1,357,704	5,593	1,735,578	3,098,875
Intergovernmental revenues	6,032,359	-	354,602	6,386,961
Charges for services	2,747,937	-	3,189,952	5,937,889
Fines and forfeitures	860,914	-	68,379	929,293
Interest earnings	185,343	65,168	173,710	424,221
Miscellaneous	118,443	135,589	58,783	312,815
<b>Total revenues</b>	<b>30,061,555</b>	<b>3,185,585</b>	<b>9,105,693</b>	<b>42,352,833</b>
<b>EXPENDITURES</b>				
<i>Current operating:</i>				
Community services	19,409,836	-	10,499	19,420,335
Public works	5,051,835	1,862,350	-	6,914,185
Community development	2,836,409	-	1,383,072	4,219,481
Policy and administration	701,172	-	-	701,172
<i>Debt service:</i>				
Principal	-	455,225	1,990,768	2,445,993
Interest	-	151,153	1,027,484	1,178,637
<i>Capital outlay</i>				
	-	-	7,657,993	7,657,993
<b>Total expenditures</b>	<b>27,999,252</b>	<b>2,468,728</b>	<b>12,069,816</b>	<b>42,537,796</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>2,062,303</b>	<b>716,857</b>	<b>(2,964,123)</b>	<b>(184,963)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	100,000	6,320,053	6,420,053
Transfers out	(239,906)	(1,643,466)	(4,363,895)	(6,247,267)
<b>Total other financing sources (uses)</b>	<b>(239,906)</b>	<b>(1,543,466)</b>	<b>1,956,158</b>	<b>172,786</b>
Net change in fund balances	1,822,397	(826,609)	(1,007,965)	(12,177)
<b>Fund balances - beginning of the year</b>	<b>10,160,677</b>	<b>1,811,879</b>	<b>17,152,225</b>	<b>29,124,781</b>
<b>Fund balances - end of year</b>	<b>\$ 11,983,074</b>	<b>\$ 985,270</b>	<b>\$ 16,144,260</b>	<b>\$ 29,112,604</b>

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

**CITY OF TIGARD, OREGON**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
*for the year ended June 30, 2014*

Net change in fund balances--total governmental funds		\$ (12,177)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlay exceeded depreciation in the current period.		
Expenditures for capital assets	7,815,815	
Contributed capital	-	
Less current year depreciation	(4,602,646)	3,213,169
In the Statement of Activities, the loss on the disposition of capital assets is reported. The loss is not a use of current resources and thus is not reported in the funds.		
	(56,096)	(56,096)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes	46,549	
Long-term receivables	(16,257)	
Grants	(163,373)	
Franchise Fee	2,933	
Municipal court receivable	119,123	
Assessment liens	(292,274)	(303,299)
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Principal payments	2,442,983	2,442,983
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Increase in compensated absences	(66,704)	
Decrease in accrued interest and unamortized bond premium on debt	31,613	
Increase in net OPEB obligation	(159,473)	(194,564)
Internal service funds are used by management to charge the cost of administrative functions as well as fleet and property management to individual funds. The net revenue of internal service funds is reported with governmental activities.		
Change in Net Position - Internal Service Funds		196,118
Change in Net Position of Governmental Activities		\$ 5,286,134

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

**CITY OF TIGARD, OREGON**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
*June 30, 2014*

	Business-type Activities - Enterprise Funds				Governmental Activities
	Sanitary Sewer	Stormwater	Water	Totals	Internal Service Funds
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and investments	\$ 4,990,508	\$ 4,504,155	\$ 14,853,307	\$ 24,347,970	\$ 1,847,153
Accounts receivable	1,401,296	393,613	2,213,314	4,008,223	21,245
Loan to CCDA	200,000	-	-	200,000	-
Prepaid expenses	580,172	3,005	16,637	599,814	108,050
Property held for resale	185,021	260,021	-	445,042	-
Inventory	8,985	8,986	66,751	84,722	54,986
Restricted cash and investments	-	-	66,757,266	66,757,266	-
<b>Total current assets</b>	<b>7,365,982</b>	<b>5,169,780</b>	<b>83,907,275</b>	<b>96,443,037</b>	<b>2,031,434</b>
<b>Noncurrent assets:</b>					
Capital assets:					
Land and construction in process	1,953,768	300,299	68,726,448	70,980,515	-
Other capital assets (net of accumulated depreciation)	14,565,464	10,264,196	34,709,053	59,538,713	-
<b>Total noncurrent assets</b>	<b>16,519,232</b>	<b>10,564,495</b>	<b>103,435,501</b>	<b>130,519,228</b>	<b>-</b>
<b>Total assets</b>	<b>23,885,214</b>	<b>15,734,275</b>	<b>187,342,776</b>	<b>226,962,265</b>	<b>2,031,434</b>
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued liabilities	1,641,427	108,892	8,892,873	10,643,192	376,236
Customer deposits	-	8,833	29,408	38,241	-
Accrued interest payable	-	-	2,005,124	2,005,124	-
Accrued compensated absences	20,947	15,261	75,733	111,941	213,319
Current portion of unamortized bond premium	-	-	470,602	470,602	-
Current portion of note payable	-	-	95,150	95,150	-
<b>Total current liabilities</b>	<b>1,662,374</b>	<b>132,986</b>	<b>11,568,890</b>	<b>13,364,250</b>	<b>589,555</b>
<b>Noncurrent liabilities:</b>					
Accrued compensated absences	6,982	5,087	25,245	37,314	71,106
Note payable - long-term portion	-	-	2,105,957	2,105,957	-
Revenue bonds payable - long-term portion	-	-	104,426,084	104,426,084	-
Net OPEB obligation	30,209	33,902	64,340	128,451	237,578
<b>Total noncurrent liabilities</b>	<b>37,191</b>	<b>38,989</b>	<b>106,621,626</b>	<b>106,697,806</b>	<b>308,684</b>
<b>Total liabilities</b>	<b>1,699,565</b>	<b>171,975</b>	<b>118,190,516</b>	<b>120,062,056</b>	<b>898,239</b>
<b>NET POSITION</b>					
Net investment in capital assets	16,519,232	10,564,495	52,543,532	79,627,259	-
Restricted for capital projects	-	-	3,910,001	3,910,001	-
Restricted for debt service	-	-	6,641,441	6,641,441	-
Unrestricted	5,666,417	4,997,805	6,057,286	16,721,508	1,133,195
<b>Total net position</b>	<b>\$ 22,185,649</b>	<b>\$ 15,562,300</b>	<b>\$ 69,152,260</b>	<b>\$ 106,900,209</b>	<b>\$ 1,133,195</b>

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

**CITY OF TIGARD, OREGON**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
*for the year ended June 30, 2014*

	Business-type Activities -Enterprise Funds				Governmental Activities
	Sanitary Sewer	Stormwater	Water	Totals	Internal Service Funds
<b>OPERATING REVENUES</b>					
Charges for services	\$ 1,727,206	\$ 2,733,346	\$ 15,985,607	\$ 20,446,159	\$ 7,977,919
Miscellaneous	35,525	15,096	94,146	144,767	115,881
<b>Total operating revenues</b>	<b>1,762,731</b>	<b>2,748,442</b>	<b>16,079,753</b>	<b>20,590,926</b>	<b>8,093,800</b>
<b>OPERATING EXPENSES</b>					
Salaries and wages	480,196	575,851	1,225,170	2,281,217	4,775,398
Contracted services	8,298	378,465	3,600,264	3,987,027	1,032,137
General, administrative and other	1,518,415	548,711	2,548,678	4,615,804	2,090,147
Depreciation	610,716	455,524	1,304,007	2,370,247	-
<b>Total operating expenses</b>	<b>2,617,625</b>	<b>1,958,551</b>	<b>8,678,119</b>	<b>13,254,295</b>	<b>7,897,682</b>
<b>Operating income (loss)</b>	<b>(854,894)</b>	<b>789,891</b>	<b>7,401,634</b>	<b>7,336,631</b>	<b>196,118</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Investment revenue	-	-	270,415	270,415	-
Interest expense	-	-	(3,052,228)	(3,052,228)	-
System development revenue	15,761	4,875	832,111	852,747	-
<b>Total non-operating revenues (expenses)</b>	<b>15,761</b>	<b>4,875</b>	<b>(1,949,702)</b>	<b>(1,929,066)</b>	<b>-</b>
<b>Net income before contributions (loss)</b>	<b>(839,133)</b>	<b>794,766</b>	<b>5,451,932</b>	<b>5,407,565</b>	<b>196,118</b>
Capital contributions	47,501	156,098	55,000	258,599	-
Transfers in	542,107	-	58,751	600,858	-
Transfers out	(107,931)	(455,033)	(1,055,787)	(1,618,751)	-
<b>Change in net position</b>	<b>(357,456)</b>	<b>495,831</b>	<b>4,509,896</b>	<b>4,648,271</b>	<b>196,118</b>
<b>Net position--beginning of year</b>	<b>22,543,105</b>	<b>15,066,469</b>	<b>64,642,364</b>	<b>102,251,938</b>	<b>937,077</b>
<b>Net position--end of year</b>	<b>\$ 22,185,649</b>	<b>\$ 15,562,300</b>	<b>\$ 69,152,260</b>	<b>\$ 106,900,209</b>	<b>\$ 1,133,195</b>

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

CITY OF TIGARD, OREGON  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 for the year ended June 30, 2014

	Business-type Activities - Enterprise Funds				Governmental Activities
	Sanitary Sewer	Stormwater	Water	Totals	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 10,455,521	\$ 2,697,798	\$ 16,008,375	\$ 29,161,694	\$ 7,974,641
Payments to suppliers	(9,165,096)	(1,057,155)	(1,072,472)	(11,294,723)	(3,148,250)
Payments to employees	(474,455)	(565,966)	(1,184,244)	(2,224,665)	(4,742,874)
Other receipts	-	15,096	94,146	109,242	100,042
Internal activity-payments to other funds	(633,042)	-	-	(633,042)	-
<b>Net cash provided (used) by operating activities</b>	<b>182,928</b>	<b>1,089,773</b>	<b>13,845,805</b>	<b>15,118,506</b>	<b>183,559</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers to other funds	(107,931)	(455,033)	(1,055,787)	(1,618,751)	-
Proceeds from other funds	-	-	58,751	58,751	-
<b>Net cash (used) by noncapital financing activities</b>	<b>(107,931)</b>	<b>(455,033)</b>	<b>(997,036)</b>	<b>(1,560,000)</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
System development revenue	15,761	4,875	832,111	852,747	-
Payments on notes	-	-	(562,985)	(562,985)	-
Interest expense	-	-	(3,053,844)	(3,053,844)	-
Transfers in for capital assets	542,107	-	-	542,107	-
Disposition of capital assets	(578,383)	-	-	(578,383)	-
Acquisition of capital assets	(1,286,906)	(185,519)	(35,918,109)	(37,390,534)	-
<b>Net cash (used) by capital and related financing activities</b>	<b>(1,307,421)</b>	<b>(180,644)</b>	<b>(38,702,827)</b>	<b>(40,190,892)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest earnings	-	-	270,415	270,415	-
<b>Net increase (decrease) in cash and investments</b>	<b>(1,232,424)</b>	<b>454,096</b>	<b>(25,583,643)</b>	<b>(26,361,971)</b>	<b>183,559</b>
<b>Cash and investments--beginning of the year</b>	<b>6,222,932</b>	<b>4,050,059</b>	<b>107,194,216</b>	<b>117,467,207</b>	<b>1,663,594</b>
<b>Cash and investments--end of the year</b>	<b>\$ 4,990,508</b>	<b>\$ 4,504,155</b>	<b>\$ 81,610,573</b>	<b>\$ 91,105,236</b>	<b>\$ 1,847,153</b>

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Operating income (loss)	\$ (854,894)	\$ 789,891	\$ 7,401,634	\$ 7,336,631	\$ 196,118
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
<i>Cash flows reported in other categories:</i>					
Depreciation expense	610,716	455,524	1,304,007	2,370,247	-
<i>Change in assets and liabilities:</i>					
Receivables	(21,629)	(35,547)	18,868	(38,308)	(3,170)
Prepaid expenses	-	-	(3,331)	(3,331)	(7,953)
Inventory	(8,985)	(8,986)	(15,770)	(33,741)	(18,786)
Accounts payable and accrued liabilities	451,978	(120,994)	5,095,571	5,426,555	773
Unearned revenue	-	-	-	-	(15,948)
Accrued compensated absences	646	4,788	30,733	36,167	(5,782)
Customer deposits	-	-	3,900	3,900	-
OPEB obligation	5,096	5,097	10,193	20,386	38,307
<b>Net cash provided (used) by operating activities</b>	<b>\$ 182,928</b>	<b>\$ 1,089,773</b>	<b>\$ 13,845,805</b>	<b>\$ 15,118,506</b>	<b>\$ 183,559</b>

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

**CITY OF TIGARD, OREGON**  
**STATEMENT OF PLAN NET POSITION**  
**PENSION TRUST FUND**  
*June 30, 2014*

<b>ASSETS</b>	
Cash and cash equivalents	\$ 5,554,625
Corporate bonds	501,254
Corporate stocks	17,064,904
<b>Total Assets</b>	<b>23,120,783</b>
<b>Net Position of Assets Held in Trust for Pension Benefits</b>	<b>\$ 23,120,783</b>

**STATEMENT OF CHANGES IN PLAN NET POSITION**  
**PENSION TRUST FUND**  
*for the year ended June 30, 2014*

<b>ADDITIONS</b>	
Contributions - employer	\$ 1,244,072
Contributions - employee	202,791
Investment income	3,049,113
<b>Total Additions</b>	<b>4,495,976</b>
<b>DEDUCTIONS</b>	
Benefit payments and withdrawals	1,466,799
<b>Increase in Net Position</b>	<b>3,029,177</b>
<b>Net Position of Assets Held in Trust for Pension Benefits</b>	
<b>- Beginning of Year</b>	<b>20,091,606</b>
<b>End of Year</b>	<b>\$ 23,120,783</b>

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

# **Notes to Basic Financial Statements**

# City of Tigard, Oregon

## Notes to Basic Financial Statements

### 1. Summary of Significant Accounting Policies:

The City of Tigard, under its Charter of 1961, is governed by an elected mayor and four council members who comprise the City Council. The City Council appoints a City Manager, who acts as the administrative head of government for the city.

The accompanying financial statements present the city and its component unit. The activities of the Tigard City Center Development Agency (the agency) are included in the city's financial statements as a blended component unit. The agency is a legally separate entity, which is governed by a board comprised of the City Council, as stipulated in the bylaws. The Council has the ability to impose its will on the agency as determined on the basis of budget adoption, taxing authority, and funding. The purpose of the agency is to undertake urban renewal projects and activities pursuant to the city's downtown redevelopment plan. The financial results of the agency are reported herein as a debt service fund and a capital projects fund. The agency also prepares a separate component unit financial report that may be obtained from the agency's administrative offices at 13125 SW Hall Blvd., Tigard, Oregon 97223.

The financial statements of the city have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). GAAP statements include all relevant GASB pronouncements. The city applies the provisions of all applicable GASB statements that define requirements and the reporting model for the annual financial reports of state and local governments. The city has recorded capital and certain other long-term assets and liabilities in the Statement of Net Position, reported all revenues and the cost of providing services under the accrual basis of accounting in the Statement of Activities, and uses the direct method of reporting cash flows.

#### Basic Financial Statements

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize 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 city as a whole. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided by one fund and charged to another have been eliminated in the Statement of Activities with the exception of transfers between governmental activities and business-type 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 year. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is 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

# City of Tigard, Oregon

## Notes to Basic Financial Statements

### 1. Summary of Significant Accounting Policies (continued):

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.

Indirect expenses are recovered through internal service fund charges. These indirect expenses are allocated based on a full-cost approach, thereby allocating indirect expenses among functions with the objective of allocating all expenses. Taxes and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and the pension trust fund, even though the pension trust fund is excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Fund financial statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, proprietary, or fiduciary.

Currently, the city has governmental, proprietary, and fiduciary fund types. Non-major funds are combined into a single column in the basic financial statements and are detailed in the supplementary information.

#### **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 comprises its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses.

Professional standards set forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenditures/expenses or either fund category or the governmental and enterprise combined) for the determination of major funds. The city may also elect to add major funds that city officials believe are particularly useful to financial statement users. The city has elected to include the Gas Tax Fund as a major fund in the current financial statements for consistency. Non-major funds are combined in a column in the fund financial statements and detailed as supplementary information in the financial report.

#### **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.

The government-wide, proprietary fund and fiduciary fund financial statements are presented on a full accrual basis of accounting with an economic resource measurement focus. An economic resource focus concentrates on an entity or fund's net position. All transactions and events that

# City of Tigard, Oregon

## Notes to Basic Financial Statements

### 1. Summary of Significant Accounting Policies (continued):

affect the total economic resources (net position) during the period are reported. An economic resources measurement focus is inextricably connected with full-accrual accounting. Under the full accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash inflows and outflows.

Governmental funds financial statements are presented on a modified accrual basis of accounting with a current financial resource measurement focus. This measurement focus concentrates on the fund's resources available for spending currently or in the near future. Only transactions and events affecting the fund's current financial resources during the period are reported.

Similar to the connection between an economic resource measurement focus and full accrual accounting, a current financial resource measurement focus is inseparable from a modified accrual basis of accounting. Under modified accrual accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the city considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Property taxes, intergovernmental and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered susceptible to accrual as revenue of the current period. All other revenues are considered to be measurable and available only when cash is received by the city.

A deferred inflow of resources, shown as unavailable revenue, arises in the governmental funds balance sheet when potential revenue does not meet both the measurable and available criteria for recognition in the current year. This unavailable revenue consists primarily of uncollected property taxes and assessments not deemed available to finance operation of the current period. In the government-wide Statement of Activities, with a full accrual basis of accounting, revenue must be recognized as soon as it is earned regardless of its availability. Thus, the liability created on the governmental fund balance sheet for unavailable revenue is eliminated.

Similar to the way revenues are recorded, governmental funds only record those expenditures that affect current financial resources. Principal and interest on general long-term debt is recorded as a fund liability only when due, or to the extent that it is expected to be liquidated with expendable financial resources. However, in the government-wide financial statements with full accrual basis of accounting, all expenditures affecting the economic resource status of the government must be recognized. Thus, the expense and related accrued liability for long-term portions of debt, interest, other postemployment benefits and compensated absences must be included.

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.

# City of Tigard, Oregon

## Notes to Basic Financial Statements

### 1. Summary of Significant Accounting Policies (continued):

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services, and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the city's Sanitary Sewer, Storm Sewer and Water Funds are charges to customers for sales and services. The Sanitary Sewer, Storm Sewer and Water Funds recognize fees intended to recover the cost of connecting new customers to the city's utility systems as non-operating revenues. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and overheads, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The fiduciary fund accounts for the resources held by the city in a custodial capacity, on behalf of the employees of the city.

When both restricted and unrestricted resources are available for use, it is the city's policy to use restricted resources first, then unrestricted resources as they are needed.

### **Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Equity**

#### **Cash and Investments**

Investments included in cash and investments are stated at fair value (generally based on quoted market prices).

For purposes of the Statement of Cash Flows, the city considers the proprietary funds' cash and investments, and the amounts in the Oregon State Treasurer's Investment Pool, to be cash equivalents.

Some cash and investments are classified as restricted because their use is limited by parties external to the city. Restrictions may be imposed by creditors, other governments, laws and/or enabling legislation. When both restricted and unrestricted resources are available for use, it is the city's policy to use restricted resources first and then unrestricted resources as they are needed.

#### **Receivables and Payables**

Property taxes are levied and become a lien on July 1. Collection dates are November 15, February 15, and May 15 following the lien date. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

# City of Tigard, Oregon

## Notes to Basic Financial Statements

### 1. Summary of Significant Accounting Policies (continued):

The city also has receivables outstanding for assessments on private property. These assessments include street and sidewalk improvements, sewer line installations and deferral of certain impact fees (system development charges).

Proprietary fund receivables are recorded as revenue when earned, including services earned but not billed. The receivables of proprietary funds include billing for residential and commercial customers utilizing the city's water, sewer and storm water management services.

Many of the city's receivables, including property taxes, assessments and proprietary fund receivables are deemed to be substantially collectible. Tax and assessments receivable can be recovered through foreclosure on the subject property. Services can be disconnected if proprietary fund receivables remain unpaid. Accordingly, no allowance for doubtful accounts is deemed necessary for these receivables.

Under State of Oregon statutes, municipal court receivables are valid for ten years and are then renewable for another ten years. According to city policy, these receivables are turned over to an external collection agency after approximately 180 days. Historical collection percentages average about 20%. Accordingly, municipal court receivables of \$2.6 million have an allowance for doubtful accounts of \$2.0 million. Of the remaining \$0.6 million, approximately \$0.2 million are being collected on behalf of the State of Oregon and Washington County, and are therefore shown as "Due to Others".

Accounts payable to vendors and contractors include general accounts payable, retainage payable, deposits payable and other accrued liabilities not included in short-term or long-term liabilities.

### **Inventories**

Inventories of parts, materials and supplies are stated at cost on the first-in, first-out basis, in the proprietary funds. The consumption method is used in accounting for inventory for all funds on the budgetary basis. The consumption method is used for the government-wide presentation as well as the proprietary funds and business-type activities.

### **Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, pathways, street lights, etc.) are reported in the applicable governmental or business type activities columns in the government-wide financial statements, and in the proprietary fund statements.

Capital assets are charged to expenditures as purchased or constructed in the governmental fund statements, and capitalized in the proprietary fund statements. Capital assets are recorded at historical cost or estimated historical cost. Donated assets are recorded at estimated fair market value as of the date of the donation.

Capital assets are defined by the city as assets with an initial, individual cost of \$5,000 or more, and an estimated useful life of greater than one year. Additions or improvements and other capital

# City of Tigard, Oregon

## Notes to Basic Financial Statements

### 1. Summary of Significant Accounting Policies (continued):

outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Other costs for repairs and maintenance are expensed as incurred.

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

Asset	Years
Buildings and improvements	25-40
Improvements other than buildings	10-20
Machinery and equipment	5-10
Vehicles	5-10
Utility systems	25-40
Infrastructure	20-40

### Accrued Compensated Absences and Sick Pay

It is the city's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave, since the city does not have a policy to pay any amounts when employees separate from the city. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. As of June 30, 2014 there was \$306,968 in accrued compensated absences in the government-wide financial statements and \$37,314 in the proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only when it has matured, for example, as result of employee resignations or retirements.

### Interfund Transfers

The city utilizes three types of interfund transfers. The first type is transfers received for services provided. These transfers are based on a cost allocation plan and are reflected as expenses of the appropriate activity in the government-wide statements. The second type of transfer is a transfer of resources. Typically, this transfer is made to close out funds that are no longer needed for financial reporting. The third type of transfer is a transfer for direct costs that can be specifically identified and billed directly to the benefiting fund. These types of transfers are reflected as expenses of the appropriate activity in the basic financial statements.

### Long-term Debt

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs, which are immaterial, are treated as period costs in the year of issue.

# City of Tigard, Oregon

## Notes to Basic Financial Statements

### 1. Summary of Significant Accounting Policies (continued):

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while premiums and discounts on debt issuances are reported as other financing sources and uses, respectively. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### Fund Balance

In the fund financial statements, the fund balance for governmental funds is reported in a hierarchy of classifications based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Fund balance is reported as nonspendable when the resources 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, deposits and assets held for resale.

Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the City Council passes an ordinance that places specific constraints on how the resources may be used. The City Council can modify or rescind the ordinance at any time through passage of an additional ordinance.

Resources that are constrained by the government's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. The city has not established a policy regarding the assignment of funds, so this category of fund balance represents the residual amounts not otherwise reported as nonspendable, restricted or committed in governmental funds outside of the General Fund.

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

The Urban Renewal Agency Capital Projects Fund reported a deficit balance of \$752,925 at June 30, 2014. This deficit is due to loans from the General Fund and the Sewer Fund that have been spent on activities in the downtown urban renewal district. This deficit will be liquidated with future revenues.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the city considers restricted amounts to have been spent. Likewise, when an expenditure is incurred for purposes for which either committed or assigned fund balance is available, the city considers committed or assigned amounts to have been spent.

# City of Tigard, Oregon

## Notes to Basic Financial Statements

### 1. Summary of Significant Accounting Policies (continued):

#### Use of Estimates

In preparing the city's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

#### Budget

A budget is prepared for each fund, except for the Pension Trust Fund, essentially in accordance with the modified accrual basis of accounting used by governmental funds, which is in accordance with the legal requirements of Oregon Local Budget Law.

The resolution authorizing appropriations sets the maximum level of expenditures for each fund and may not legally be over expended. Appropriations lapse at the end of each fiscal year. Appropriations are made at the major program level for each fund, for example, Community Services, Public Works, Community Development, Policy and Administration, Debt Service, Capital Improvements and Contingency. The detail budget document is required to contain more detailed information for the above-mentioned expenditure categories.

After budget approval, the City Council may approve supplemental budgeted appropriations if an occurrence, condition, or need exists which had not been ascertained at the time the budget was adopted. A supplemental budget may require hearings before the public, publications in newspapers and approval by the City Council. Original and supplemental budgets may be modified by the use of appropriations transfers between the levels of control. Such transfers require approval by the City Council. Management may not amend the budget without Council approval.

For GAAP presentation, the transfers from non-operating funds for services provided by the internal service funds and the General Fund are considered revenues and expenses/expenditures, as appropriate, but may be considered to be interfund transfers for budgetary purposes.

#### Fund Types:

The city's financial operations are accounted for in the following funds:

#### **GOVERNMENTAL FUNDS**

Governmental funds finance most governmental functions of the city. The acquisition, use and balances of the city's expendable financial resources and the related liabilities, excluding those accounted for in proprietary funds, are accounted for through governmental funds. The measurement focus is upon determination of changes in current financial resources, rather than upon net position determination. The following are the city's major governmental funds:

# City of Tigard, Oregon

## Notes to Basic Financial Statements

### 1. Summary of Significant Accounting Policies (continued):

**General Fund** - This fund accounts for the city's general operations. It is used to account for all transactions not specifically required to be accounted for in the city's other funds.

**Gas Tax Fund** - This fund records shared revenues from the State and County taxes on the sale and use of motor vehicle fuel. Funds are used for construction, reconstruction, improvement, repair, maintenance, operation and use of public highways, roads, streets, and roadside rest areas.

Monies may also be used for street lighting and cleaning, storm drainage, traffic control devices and administration costs.

### PROPRIETARY FUNDS

Proprietary funds are used to account for the acquisition, operation and maintenance of sewer, storm drainage, and water systems in the city. These funds are entirely or predominantly self-supported through user charges to customers. The measurement focus is upon net income determination, rather than upon determination of changes in current financial resources. The following are the city's major proprietary funds:

#### Enterprise Funds:

**Sanitary Sewer Fund** - This fund accounts for the city's sewer utility operations.

**Storm Sewer Fund** – This fund accounts for the city's storm drainage operations which consists of the following two budgetary funds: Storm Sewer Fund and Water Quality/Quantity Fund.

**Water Fund** - This fund accounts for the city's water operations which consists of the following four budgetary funds: Water Fund, Water SDC Fund, Water CIP Fund and Water Debt Service Fund.

Additionally, the city reports a fiduciary fund type to account for the city's Pension Trust Fund.

### NONMAJOR GOVERNMENTAL FUNDS

Other governmental funds include the following governmental fund types:

**Special Revenue** funds account for restricted or committed revenues for specific purposes.

**Debt Service** funds account for the accumulation of resources to pay principal and interest on the city's long-term obligations.

**Capital Projects** funds account for the accumulation of resources for construction or acquisition of facilities and equipment.

**City of Tigard, Oregon**  
**Notes to Basic Financial Statements**

**2. Cash and Investments:**

The city maintains a cash and investment pool that is available for use by all funds except the Pension Trust Fund. Each fund type's portion of this pool is displayed on the combined balance sheet as "cash and investments". The investments of the Pension Trust Fund are held separately from those of other city funds.

Cash and investments, restricted and unrestricted, are comprised of the following at June 30, 2014:

	Primary Government	Fiduciary Activities
Cash on hand	\$ 7,910	\$ -
Cash held by Department of Finance, Washington County	43,095	-
Deposits with financial institutions	14,248,707	5,554,625
Investments	108,710,967	17,566,158
<b>Total cash and investments, restricted and unrestricted</b>	<b>\$ 123,010,679</b>	<b>\$ 23,120,783</b>

**Deposits**

Deposits with financial institutions include bank demand deposits and time deposit accounts. The total bank balance is \$20,063,397. Of these deposits, \$500,000 was covered by federal depository insurance and \$19,563,397 was collateralized in accordance with Oregon statutes.

**Custodial credit risk – deposits.** In the case of deposits, this is the risk that in the event of bank failure, the city's deposits may not be returned to it. The Federal Depository Insurance Corporation (FDIC) provides deposit insurance up to \$250,000 for each institution.

Institutions with deposits in excess of FDIC coverage participate in the Oregon Public Funds Collateralization Program (PFCP) as defined in Oregon Revised Statutes (ORS) 295. This provides additional protection for public funds in the event of a bank loss, although it does not guarantee 100% protection. The Office of the State Treasurer categorizes the financial institutions in Oregon. Based on that categorization, banks must pledge collateral valued at between 10% and 110% of their public fund deposits. 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. The Office of the State Treasurer maintains a list of qualified financial institutions for the deposit of public funds in excess of FDIC insurance. The financial institutions holding city deposits are all on the State Treasurer's list.

**Investments**

State statutes authorize the city to invest primarily in general obligations of the U.S. government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, certain commercial paper and corporate bonds and the State of Oregon Local Government Investment Pool.

## City of Tigard, Oregon

### Notes to Basic Financial Statements

#### 2. Cash and Investments (continued):

**Interest rate risk.** In accordance with its investment policy, the city manages its exposure to declines in fair value by limiting the individual maturities in its investment portfolio to eighteen months or less.

The city does have a provision in its investment policy that up to twenty percent of the portfolio can have maturities from eighteen months to thirty-six months.

**Custodial credit risk – investments.** For an investment, this is the risk that, in the event of failure of the counterparty, the city will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the city’s investments, except for the investment in the Local Government Investment Pool, are held in safekeeping by the financial institution in the city’s name.

The city participates in the Oregon State Treasurer’s Local Government Investment Pool (LGIP), an open-ended; no-load diversified portfolio created under ORS 294.805 to 294.895 that is not registered with the U.S. Securities and Exchange Commission as an investment company. The LGIP is administered by the State Treasurer and the Oregon Investment Council with the advice of the Oregon Short-Term Fund Board. These funds must be invested and managed, as a prudent investor would, exercising reasonable care, skill and caution. The Oregon Audits Division of the Secretary of State’s Office audits the LGIP annually. Value of pool shares approximates fair value.

The city employees participate in a defined contribution pension plan. These funds are recorded in the city’s Pension Trust Fund. The balance at June 30, 2014 is \$23,120,783. This balance is not included in the government-wide or fund financial statements, but is shown separately on page 45.

As of June 30, 2014, the city had the following investments:

Investment Type	Fair Value	Cost	% of Portfolio
State Treasurer's Local Government Investment Pool	\$ 85,446,094	\$ 85,446,094	78.60%
Money Markets	5,873,108	5,873,108	5.40%
U.S. Government Securities	9,804,414	9,833,953	9.02%
Non-US Securities	1,671,131	1,677,447	1.54%
Certificates of Deposit	247,000	247,000	0.23%
Corporate Bonds	5,669,220	5,825,723	5.21%
<b>Total Investments</b>	<b>\$ 108,710,967</b>	<b>\$ 108,903,325</b>	<b>100.00%</b>

**Concentration of credit risk:** The city’s policy for investing in individual issuers varies depending on the type of investments. Agency securities are restricted to no more than 90 percent of the total portfolio. Municipal bonds are restricted to no more than 25 percent of the total portfolio. No more the 35 percent of the total portfolio of investments may be invested in corporate bonds. Investments in corporate bonds of any one issuer may not exceed 5 percent of the investment portfolio.

## City of Tigard, Oregon

### Notes to Basic Financial Statements

#### 2. Cash and Investments (continued):

**Credit risk:** The city's policy, which adheres to State of Oregon law, is to limit its Corporate and Municipal investments to the following: Issuers within Oregon must be rated "A" (bonds) or A-2 / P-2 (commercial paper) or better by Standard and Poor's, Moody's Investors Service or any other nationally recognized statistical rating organization. Issuers not in Oregon must be rated AA / Aa (bonds) or A-1 / P-1 (commercial paper) or better.

At June 30, 2014, the city's investments were rated as follows:

Investment Type	Highest Rating from Moody's Investors Service or Standard & Poor's Corporation			
	Total	Aaa / AAA	Aa / AA	Not Rated
LGIP	\$ 85,446,094	\$ -	\$ -	\$ 85,446,094
Money Markets	5,873,108	-	-	5,873,108
US Government Securities	9,804,414	9,804,414	-	-
Non-US Securities	1,671,131	-	1,671,131	-
Municipal Bonds	-	-	-	-
Certificates of Deposit	247,000	-	-	247,000
Corporate Bonds	5,669,220	5,669,220	-	-
<b>Total</b>	<b>\$ 108,710,967</b>	<b>\$ 15,473,634</b>	<b>\$ 1,671,131</b>	<b>\$ 91,566,202</b>

The city has a formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates. At June 30, 2014, the concentration of those maturities included the Local Government Investment Pool, Money Markets, and investments with average maturities of twelve months or less at 92.55% of the total portfolio. Investments with maturities between twelve and eighteen months made up 1.39% of the portfolio and investments with maturities between eighteen and thirty-six months were 6.06% of the total portfolio.

#### 3. Assessment Liens Receivable:

Assessment liens receivable represent the uncollected amounts levied against benefited property for the cost of local improvements. Because the assessments are liens against the benefited property, an allowance for uncollectible amounts is not deemed necessary. Substantially all assessments are payable over a period of 10 to 20 years. Assessments bear interest from 5.2 to 9.4 percent. At June 30, 2014, the portion of the assessments receivable balance that represents delinquent accounts is insignificant.

City of Tigard, Oregon  
Notes to Basic Financial Statements

4. Capital Assets:

Capital asset activity for governmental activities for the year ended June 30, 2014 was as follows:

	Balances June 30, 2013	Additions	Deletions	Transfers	Balances June 30, 2014
<b>Non-depreciable</b>					
Land	\$ 24,553,392	\$ 75,000	\$ -	\$ 265,270	\$ 24,893,662
Construction in progress	3,236,689	5,288,876	-	(3,134,896)	5,390,669
<b>Total non-depreciable</b>	<b>27,790,081</b>	<b>5,363,876</b>	<b>-</b>	<b>(2,869,626)</b>	<b>30,284,331</b>
<b>Depreciable</b>					
Building and improvements	22,593,868	7,454	-	391,988	22,993,310
Land improvements	6,203,480	-	-	1,485,565	7,689,045
Machinery and equipment	2,395,158	31,825	-	-	2,426,983
Autos and trucks	2,359,692	369,720	(152,265)	-	2,577,147
Office equipment	2,077,799	258,000	-	80,987	2,416,786
Infrastructure	223,495,463	1,784,940	-	911,086	226,191,489
<b>Total depreciable</b>	<b>259,125,460</b>	<b>2,451,939</b>	<b>(152,265)</b>	<b>2,869,626</b>	<b>264,294,760</b>
<b>Accumulated depreciation</b>					
Building and improvements	(6,502,120)	(750,275)	-	-	(7,252,395)
Land improvements	(5,573,407)	(29,995)	-	-	(5,603,402)
Machinery and equipment	(1,949,662)	(153,264)	-	-	(2,102,926)
Autos and trucks	(1,821,733)	(175,581)	96,169	-	(1,901,145)
Office equipment	(1,214,994)	(120,751)	-	-	(1,335,745)
Infrastructure	(62,599,866)	(3,372,780)	-	-	(65,972,646)
<b>Total accumulated depreciation</b>	<b>(79,661,782)</b>	<b>(4,602,646)</b>	<b>96,169</b>	<b>-</b>	<b>(84,168,259)</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 207,253,759</b>	<b>\$ 3,213,169</b>	<b>\$ (56,096)</b>	<b>\$ -</b>	<b>\$ 210,410,832</b>

Depreciation expense for governmental activities is charged to functions as follows:

Community services	\$ 456,739
Public works	3,922,028
Community development	7,306
Policy and administration	216,573
<b>Total depreciation for governmental activities</b>	<b>\$ 4,602,646</b>

City of Tigard, Oregon  
Notes to Basic Financial Statements

4. Capital Assets (continued):

Capital assets activity for business-type activities for the year ended June 30, 2014, was as follows:

	Balances June 30, 2013	Additions	Deletions	Transfers	Balances June 30, 2014
<b>Non-depreciable</b>					
Land	\$ 5,237,285	\$ -	\$ -	\$ -	\$ 5,237,285
Construction in progress	28,971,925	37,390,532	-	(619,227)	65,743,230
<b>Total non-depreciable</b>	<b>34,209,210</b>	<b>37,390,532</b>	<b>-</b>	<b>(619,227)</b>	<b>70,980,515</b>
<b>Depreciable</b>					
Buildings and improvements	2,010,974	-	-	-	2,010,974
Sewer System	23,964,815	47,500	-	311,804	24,324,119
Storm drainage system	16,931,538	156,098	-	-	17,087,636
Water system	61,168,674	55,000	-	-	61,223,674
Equipment	1,533,130	-	-	307,423	1,840,553
Auto and trucks	1,794,383	-	-	-	1,794,383
<b>Total depreciable</b>	<b>107,403,514</b>	<b>258,598</b>	<b>-</b>	<b>619,227</b>	<b>108,281,339</b>
<b>Accumulated depreciation</b>					
Buildings and improvements	(1,103,190)	(47,684)	-	-	(1,150,874)
Sewer system	(9,419,028)	(558,103)	-	-	(9,977,131)
Storm drainage system	(6,877,910)	(445,605)	-	-	(7,323,515)
Water system	(25,952,238)	(1,254,919)	-	-	(27,207,157)
Equipment	(1,533,130)	(16,615)	-	-	(1,549,745)
Auto and trucks	(1,486,883)	(47,321)	-	-	(1,534,204)
<b>Total accumulated depreciation</b>	<b>(46,372,379)</b>	<b>(2,370,247)</b>	<b>-</b>	<b>-</b>	<b>(48,742,626)</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 95,240,345</b>	<b>\$ 35,278,883</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$130,519,228</b>

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

Sanitary sewer	\$ 610,716
Storm sewer	455,524
Water	1,304,007
<b>Total depreciation for business-type activities</b>	<b>\$ 2,370,247</b>

City of Tigard, Oregon  
Notes to Basic Financial Statements

5. Long-term Debt and Other Debt:

Governmental Activities

**GENERAL OBLIGATION BONDS PAYABLE**

Bond transactions for the year ended June 30, 2014, and future maturities of bond principal, are as follows:

**Library Bonds:** In fiscal year 2010-2011 the city issued \$8,655,000 of general obligation bonds for a current refunding of bonds originally issued in 2002 to build a new library. Interest rates on the new bonds range from 3% to 4% on specific maturities.

**Parks Bonds:** In fiscal year 2010-2011 the city issued \$17,000,000 of general obligation bonds. Funds were used to purchase and develop parks. Interest rates range from 3% to 4.75% on specific maturities.

**Transportation Bonds:** In fiscal year 2009-2010 the city issued \$7,250,000 of full faith and credit Build America Bonds. Funds were used for street improvements. Interest rate is 4.35%.

Bonds payable transactions for the year are as follows:

	Original Issue	Outstanding June 30, 2013	Matured and Redeemed	Outstanding June 30, 2014
Library bonds	\$ 8,655,000	\$ 7,520,000	\$ 645,000	\$ 6,875,000
Parks bonds	17,000,000	15,980,000	645,000	15,335,000
Transportation bonds	7,250,000	5,305,000	695,000	4,610,000
		<b>\$ 28,805,000</b>	<b>\$ 1,985,000</b>	<b>26,820,000</b>
			Unamortized bond premium	<b>239,171</b>
				<b>\$ 27,059,171</b>
			Due within one year	<b>\$ 2,069,065</b>
			Due in more than one year	<b>24,990,106</b>
				<b>\$ 27,059,171</b>

**City of Tigard, Oregon**  
**Notes to Basic Financial Statements**

**5. Long-term Debt and Other Debt (continued):**

Future maturities of bond principal and interest are as follows:

Fiscal Year Ending June 30	Principal and Premium	Interest
2015	\$ 2,069,065	\$ 1,065,236
2016	2,128,022	993,933
2017	2,186,947	920,560
2018	2,255,840	845,043
2019	2,324,703	763,313
2020-2024	8,459,894	2,555,412
2025-2029	5,213,972	1,297,825
2030-2031	2,420,728	173,375
<b>Total</b>	<b>\$ 27,059,171</b>	<b>\$ 8,614,697</b>

**LOCAL IMPROVEMENT DISTRICT BONDS**

Interest rates from 3.9% to 7.25%; payable first from assessments to benefited properties and second, from the general credit of the city. Original amount of \$1,307,969 for 69<sup>th</sup> Avenue Local Improvement District and original amount of \$1,947,678 for Dartmouth Street Local Improvement District.

Fiscal Year Due	Amount Due	Paid and Called During Year	Outstanding June 30, 2014	Future Interest
2014	\$ 457,983	\$ (457,983)	\$ -	\$ -
2015	72,100	-	72,100	31,034
2016	77,400	-	77,400	25,713
2017	83,100	-	83,100	20,000
2018	89,200	-	89,200	13,866
2019	95,800	-	95,800	7,279
2020	28,156	-	28,156	1,021
<b>Total</b>	<b>\$ 903,739</b>	<b>\$ (457,983)</b>	<b>\$ 445,756</b>	<b>\$ 98,913</b>

**City of Tigard, Oregon**  
**Notes to Basic Financial Statements**

5. **Long-term Debt and Other Debt (continued):**

**CAPITAL LEASE**

The city entered into a lease/purchase agreement in fiscal year 2012-2013 to purchase a piece of street equipment. This lease agreement qualifies as a capital lease for accounting purposes, and has been capitalized in accordance with accounting principles generally accepted in the United State of America. The asset was acquired at the purchase price of \$71,091. The balance outstanding at June 30, 2014 is \$58,074 and has an effective interest rate of 4.4%. Future minimum lease payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest
2015	\$ 13,592	\$ 2,564
2016	14,192	1,964
2017	14,818	1,337
2018	15,472	683
<b>Total</b>	<b>\$ 58,074</b>	<b>\$ 6,548</b>

**Business-type Activities**

**NOTE PAYABLE**

In fiscal year 2009-2010 the city was awarded \$4,796,000 in federal funds under the American Recovery and Reinvestment Act (ARRA). These funds were distributed to the city as a loan, with 50% constituting an ARRA Forgivable Loan and 50% a low-interest loan under the Safe Drinking Water Revolving Loan Fund program. These ARRA funds were used to develop a city water reservoir. In fiscal year 2011-2012 the city drew down the funds that are considered the loan portion. Transactions for the year are as follows:

Fiscal Year Due	Amount Due	Paid and Called during Year	Outstanding June 30, 2014	Future Interest
2014	\$ 92,379	\$ (92,379)	\$ -	\$ -
2015	95,150	-	95,150	66,033
2016	98,005	-	98,005	63,179
2017	100,945	-	100,945	60,239
2018	103,973	-	103,973	57,210
2019	107,092	-	107,092	54,091
2020-2024	585,623	-	585,623	220,292
2025-2029	678,899	-	678,899	127,017
2030-2032	431,420	-	431,420	25,353
<b>Total</b>	<b>\$ 2,293,486</b>	<b>\$ (92,379)</b>	<b>\$ 2,201,107</b>	<b>\$ 673,414</b>

**City of Tigard, Oregon**  
**Notes to Basic Financial Statements**

5. Long-term Debt and Other Debt (continued):

**WATER PROJECT FINANCING**

Water Revenue Bonds: In fiscal year 2011-2012 the city issued \$97,720,000 of revenue bonds to be used to fund capital projects for the water system. The primary use of these bond proceeds will be to fund the Lake Oswego/Tigard Water Partnership project. City of Tigard’s City Council has authorized up to \$160 million in bonds to be issued to fund this project. Principal payments are deferred until fiscal year 2016-2017, at which time the city anticipates having the new water source on line and fully operating.

Revenue from the water system is pledged for repayment of these bonds. Interest rates on the bonds range from 3% to 5% on specific maturities. The bonds were sold at a premium for a total of \$105,837,891. Future maturities of bond principal and premium and interest are as follows:

Fiscal Year Ending June 30,	Principal and Premium	Interest
2015	\$ 470,602	\$ 4,719,850
2016	470,602	4,719,850
2017	2,254,664	4,691,800
2018	2,311,898	4,625,050
2019	2,383,812	4,546,050
2020-2024	13,110,541	21,413,575
2025-2029	15,867,476	18,394,500
2030-2034	19,625,469	14,298,125
2035-2039	24,447,787	9,038,750
2040-2043	23,953,835	2,453,625
<b>Total</b>	<b>\$ 104,896,686</b>	<b>\$ 88,901,175</b>

**Other Long-term Obligations**

Accrued compensated absences and applicable changes during the year ended June 30, 2014 are as follows:

	Balances June 30, 2013	Additions	Retirements	Balances June 30, 2014	Due in one year
<b>GOVERNMENTAL ACTIVITIES</b>					
Compensated absences	\$ 1,166,953	\$ 1,564,667	\$ (1,503,747)	\$ 1,227,873	\$ 920,905
<b>BUSINESS-TYPE ACTIVITIES</b>					
Compensated absences	\$ 113,089	\$ 151,357	\$ (115,191)	\$ 149,255	\$ 111,941

Expenditures for liquidating compensated absences liabilities are recorded in the General, Special Revenue, Enterprise, and Internal Service Funds.

City of Tigard, Oregon  
Notes to Basic Financial Statements

6. Transfers:

Interfund transfers are used to provide funds for debt service, contribute toward the cost of capital projects and provide operational resources. Transfers for fiscal year ended June 30, 2014 are as follows:

	Governmental Activities			Business-type Activities		Total Transfers Out
	Gas Tax	Nonmajor Funds	Internal Service	Sewer	Water	
<b>GOVERNMENTAL ACTIVITIES</b>						
General	\$ -	\$ 203,961	\$ 8,485	\$ -	\$ 27,460	\$ 239,906
Gas Tax	-	1,643,466	-	-	-	1,643,466
Nonmajor funds	100,000	3,927,435	292,194	44,376	-	4,364,005
<b>BUSINESS-TYPE ACTIVITIES</b>						
Sewer	-	94,518	-	-	13,413	107,931
Stormwater	-	216,902	7,522	212,731	17,878	455,033
Water	-	233,771	537,016	285,000	-	1,055,787
<b>Total transfers in</b>	<b>\$ 100,000</b>	<b>\$ 6,320,053</b>	<b>\$ 845,217</b>	<b>\$ 542,107</b>	<b>\$ 58,751</b>	<b>7,866,128</b>

**RECONCILIATION**

*Transferred to governmental funds from:*

Sewer Fund (net)	50,142
Stormwater Fund	224,424
Water Fund	770,787

*Transferred from governmental funds to enterprise funds:*

From General Fund to Water Fund	(27,460)
From Nonmajor funds to Water Fund	-

**Total transfers per Statement of Activities \$ 1,017,893**

These transfers have been eliminated in the government-wide statement of activities other than the net effect between governmental activities and business-type activities.

City of Tigard, Oregon  
Notes to Basic Financial Statements

7. Other Post-Employment Benefits (OPEB):

Plan Description

The city is required by Oregon Revised Statute 243.303 to provide retirees (if they elect) with group health and dental insurance coverage from the date of retirement age to age 65 at the same rates as provided to current city employees. The Governmental Accounting Standards Board Statement Number 45 is applicable to the city due to the resulting implicit rate subsidy. This single-employer “plan” is not a stand-alone plan and there are no separately issued financial statements. The city does not provide any explicit employee benefits related to this plan.

Funding Policy

The city funds the plan only to the extent of current-year insurance premium requirements on a pay-as-you-go basis. The city has not established an irrevocable trust to accumulate assets to fund the cost of the net OPEB obligation that arises from the implicit subsidy. As of the actuarial report date August 1, 2012, 3 retirees and 9 spouses were participating in the plan. The premium rates are established each year through negotiation with the various insurance carriers.

Annual OPEB Cost and Net OPEB Obligation

The city’s annual OPEB cost is calculated based on the Annual Required Contribution (ARC) of the city, an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period of 15 years. The following schedule shows the components of the city’s annual OPEB cost for the year, the amount actually contributed to the plan and the changes in the city’s OPEB obligation to the plan:

Annual Required Contribution (ARC)	\$	395,015
Interest on prior year net OPEB contribution		40,999
Adjustment to ARC		(140,850)
<b>Annual OPEB cost</b>		<b>295,164</b>
Implicit benefit payments		(76,998)
<b>Increase in net OPEB obligation</b>		<b>218,166</b>
<b>Net OPEB obligation - beginning of the year</b>		<b>1,171,396</b>
<b>Net OPEB obligation - end of the year</b>	<b>\$</b>	<b>1,389,562</b>

# City of Tigard, Oregon

## Notes to Basic Financial Statements

### 7. Other Post-Employment Benefits (OPEB) (continued):

The city's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for FY 2013-14, 2012-13 and 2011-12 were as follows:

Fiscal Year Ended June 30,	Annual OPEB Cost	% of Annual OPEB Cost Contributions	Net OPEB Obligation
2012	\$ 301,167	26%	\$ 932,180
2013	318,937	25%	1,171,395
2014	295,164	26%	1,389,562

### Funding Status and Funding Progress

As of August 1, 2012, the most recent actuarial valuation, the plan was zero percent funded as the plan is funded on a pay-as-you-go basis. The actuarial liability for benefits was \$1,844,990 and also equaled the unfunded actuarial liability (UAAL).

Schedule of Funding Progress:

Actuarial Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability	Unfunded Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Payroll
8/1/2006	\$ -	\$ 1,678,262	\$ 1,678,262	0%	\$ 14,077,852	11.9%
8/1/2008	-	1,725,443	1,725,443	0%	16,248,354	10.6%
8/1/2010	-	1,824,386	1,824,386	0%	17,783,627	10.3%
8/1/2012	-	1,844,990	1,844,990	0%	17,803,391	10.4%

The plan's actuarial valuation involves estimates of amounts and assumptions about the probability of events far into the future, such as, future employment, mortality and healthcare cost trends. Amounts determined about the funding status of the plan and the annual required contributions are subject to periodic revision as actual results for each period are compared with past expectations and new assumptions are made about the future.

### Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan and include the health benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the city and plan members. The actuarial methods and assumptions include techniques that are designed to reduce the effects of short-term volatility in actuarial results consistent with the long term perspective of the calculations.

In the August 1, 2012 valuation, the projected unit credit cost method was used. The investment return for the city was assumed to be 3.5% to reflect the long-term annual investment returns for the Oregon Local Government Investment Pool and comparable investment vehicles. Medical and

## City of Tigard, Oregon

### Notes to Basic Financial Statements

#### 7. Other Post-Employment Benefits (OPEB) (continued):

vision premium increases were assumed to be 7.25% in the first year, 6.5% in the second year, 6.0% in the third year, 5.75% for years four through six, 6.0% for year seven, 6.5% for year eight, 6.75% for years nine through 13; 6.5% for years 14 through 21; 6.25% for year 22, 6% for years 23 through 26, 5.75% for years 27 through 34 and 5.5% thereafter. Dental premium increases were assumed to be 5.25% per year. The UAAL is being amortized as a level percentage of payroll over a rolling period of 15 years. A general inflation rate of 2.75% per year was used to develop other economic assumptions.

#### 8. Retirement Health Insurance Account (RHIA):

##### Plan Description

As a member of Oregon Public Employees Retirement System (OPERS) 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 OPERS. 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. OPERS 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, PO 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 Retirement Health Insurance Account 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 cities are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.59 percent of annual covered payroll for Tier 1/Tier 2, and 0.49 percent for OPSRP. The OPERS 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

**City of Tigard, Oregon**  
**Notes to Basic Financial Statements**

**8. Retirement Health Insurance Account (RHIA) (continued):**

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 years ended June 30, 2014 and 2013, were included with contributions to PERS for pension costs.

**9. Retirement Plans:**

The city contributes to retirement plans on behalf of all eligible employees. At June 30, 2014, the following employee groups were covered by the following retirement plans:

Group	Retirement Plan
Management/Professional Staff (non-union)	International City Managers Association Retirement Corp. (ICMARC) Money Purchase Plan
Oregon Public Employees Union Employees	ICMARC Money Purchase Plan
Tigard Police Officers	State of Oregon Public Employees Retirement System (OPERS)

**Oregon Public Employees Retirement Systems (OPERS)**

**Plan Description**

The city contributes to two pension plans administered by the Oregon Public Employees Retirement System (OPERS). The Oregon Public Employees Retirement Fund applies to the city’s contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OSPSRP) is a hybrid successor plan to the OPERF and consists of two programs: The Pension Program, the defined benefit portion of the plan, applies to sworn police officers hired after August 29, 2003. 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. As of 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.

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. PERS is administered under Oregon Revised Statute Chapter 238, which establishes the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly-available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to PERS, PO Box 23700, Tigard, OR 97281-3700 or by calling (503) 598-7377.

## City of Tigard, Oregon

### Notes to Basic Financial Statements

#### 9. Retirement Plans (continued):

##### Funding Policy

Members of PERS are required to contribute 6% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The employer is allowed to pay any or all of the employees' contribution in addition to the required employer's contribution. For the fiscal year ended June 30, 2014, the city contributed all of the 6% contribution on behalf of the employees covered under PERS. The city is required under ORS 238.225 to contribute at an actuarially-determined rate for the qualifying employees under the OPSRP plan and the Tier 1 and Tier 2 plan. The PERS Tier 1 and Tier 2 and the OPSRP rates in effect for the fiscal year ended June 30, 2014 were 15.37% and 9.17% respectively. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

##### Annual Pension Cost

The city's contributions to PERS for the years ending June 30, 2014, 2013 and 2012 were \$1,114,106, \$1,049,123 and \$1,040,634 respectively, which equaled the required contribution for each of these years.

##### ICMARC Plans

The city contributes to defined contribution, single employer retirement plans at a specified percent of gross salary depending on the employment group, for all employees who are not covered under the Police Pension Plan. Employees may make contributions to these plans. The city is required to make contributions to these plans under authority of City Council resolution and the plan documents.

Employees become eligible to participate in the plans after six months of service and vest immediately. Employees may withdraw funds upon retirement or termination of employment.

Contributions to the plans are made to a fiduciary. Since the plans are administered by the city, the assets, equity and operations of the plans are accounted for in the General Employees Pension Plan Fund, a pension trust fund. The plans invest in various money market and equity mutual funds.

Required and actual contributions to the plan were \$1,244,072 for the year ended June 30, 2014. Contributions are calculated as a percentage of gross payroll. The contributions range from 10 to 11 percent for all eligible employees participating in the plans.

##### Deferred Compensation Plans

The city offers certain employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans permit employees to defer a portion of their salary until future years. Contributions for the plans are made to fiduciaries that hold the funds in trust for the plans' participants. The deferred compensation plans are not considered city funds and are excluded from the city's financial statements.

## City of Tigard, Oregon

### Notes to Basic Financial Statements

#### 10. Transactions with Clean Water Services of Washington County:

The city collects charges for treatment of city sewage and stormwater on behalf of the Clean Water Services of Washington County and remits all collections to Clean Water Services, except for 16.31% of sewer service charges collected, 3.98% of sewer connection charges collected and 75% of stormwater service charges collected, in accordance with an agreement between the city and Clean Water Services. Payments of \$10,233,736 were made to Clean Water Services during fiscal year 2014 under this agreement.

The net amount retained by the city is reported as revenue in the enterprise funds in the proprietary funds Statement of Revenues, Expenses and Changes in Fund Net Position. Revenues are reported net because the city acts in a fiduciary capacity on behalf of Clean Water Services.

#### 11. 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 others; and natural disasters. The city purchases commercial insurance to deal with substantially all these risks with nominal deductibles. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

#### 12. Commitments:

The city had several contracts outstanding at year-end. Many of these contracts are recurring services or providers of supplies. These contracts may be terminated at any time without cause provided the contractually-required notification is provided.

The biggest commitment at year-end was an intergovernmental agreement with the City of Lake Oswego for the Lake Oswego/Tigard Water Partnership. The city's share of the project is currently estimated at approximately \$132 million. As stated in Note 5, the city issued \$97.7 million in revenue bonds during fiscal year 2012 to partially fund the project. The city plans to issue additional bonds in fiscal year 2015. This is a multi-year project that is anticipated to be complete in fiscal year 2016.

Other significant contracts outstanding at June 30, 2014 include \$500,000 for improvements to the intersection of 72<sup>nd</sup> and Dartmouth Streets, and a \$1,250,000 contract for pavement overlay in fiscal year 2015.

In June 2014 the contractor working on the Main Street Sewer encountered difficulties with the project, including an excavation failure of a stormwater pipe that collapsed and had to be repaired. The city and the contractor disagreed as to the cause of the failure, leading to the contractor stopping work on the project. In order to complete the project in conjunction with the repaving of Main Street, on June 24, 2014 the City Council awarded another contract to a different contractor in the amount of \$329,000. The construction work was completed subsequent to June 30, 2014, and the city reached a settlement agreement in the amount of \$70,000 with the original contractor in September 2014.

**City of Tigard, Oregon**  
**Notes to Basic Financial Statements**

**13. Subsequent events:**

On September 2, 2014, the City Center Development Agency (the city's urban renewal agency, a blended component unit of the city) borrowed \$1.3 million from US Bank to buy property located in the downtown area. On September 5, 2014 the agency purchased the property located at 9110 SW Burnham Street in Tigard. The city has assumed a lease agreement as the lessor that extends through July 31, 2018 with the option of two additional extensions of three years each.

# **Required Supplementary Information**

**CITY OF TIGARD, OREGON**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
*for the year ended June 30, 2014*

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 13,020,535	\$ 13,020,535	\$ 13,216,208	\$ 195,673
Licenses and permits	900,135	900,135	1,357,704	457,569
Intergovernmental revenue	5,575,381	5,885,985	6,032,359	146,374
Charges for services	3,230,653	3,230,653	2,747,937	(482,716)
Fines and forfeitures	1,098,783	1,098,783	860,914	(237,869)
Franchise fees	5,601,400	5,601,400	5,542,647	(58,753)
Interest earnings	103,722	103,722	185,343	81,621
Miscellaneous	24,902	73,754	118,443	44,689
<b>Total revenues</b>	<b>29,555,511</b>	<b>29,914,967</b>	<b>30,061,555</b>	<b>146,588</b>
<b>EXPENDITURES</b>				
Community services	20,048,141	20,159,474	19,409,836	749,638
Public works	5,396,382	5,365,765	5,051,835	313,930
Community development	3,094,988	3,260,448	2,836,409	424,039
Policy and administration	802,516	802,516	701,172	101,344
<b>Total expenditures</b>	<b>29,342,027</b>	<b>29,588,203</b>	<b>27,999,252</b>	<b>1,588,951</b>
<b>Change in fund balance</b>				
<b>before other financing sources (uses)</b>	<b>213,484</b>	<b>326,764</b>	<b>2,062,303</b>	<b>1,735,539</b>
<b>Other financing sources (uses)</b>				
Interfund loan	(361,000)	(361,000)	(361,000)	-
Repayment of interfund loan	361,000	361,000	206,049	(154,951)
Transfer out	(916,292)	(973,292)	(239,906)	733,386
<b>Total other financing sources (uses)</b>	<b>(916,292)</b>	<b>(973,292)</b>	<b>(394,857)</b>	<b>578,435</b>
Contingency	(1,200,000)	(1,135,780)	-	1,135,780
Reserve for future expenditure	(6,254,045)	(6,374,545)	-	6,374,545
<b>Change in fund balance</b>	<b>(8,156,853)</b>	<b>(8,156,853)</b>	<b>1,667,446</b>	<b>9,824,299</b>
<b>Fund balance - beginning of the year</b>	<b>8,156,853</b>	<b>8,156,853</b>	<b>9,710,833</b>	<b>1,553,980</b>
<b>Fund balance - end of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>11,378,279</b>	<b>\$ 11,378,279</b>
Interfund loans are treated as transfers on a budgetary basis and as receivables on a GAAP basis			604,795	
<b>Fund balance - GAAP basis</b>			<b>\$ 11,983,074</b>	

**CITY OF TIGARD, OREGON**  
**GAS TAX FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
*for the year ended June 30, 2014*

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Grants	\$ 636,600	\$ 636,600	\$ -	\$ (636,600)
State gas tax	2,910,855	2,910,855	2,797,766	(113,089)
County gas tax	199,397	199,397	181,469	(17,928)
Licenses and permits	2,602	2,602	5,593	2,991
Interest earnings	55,732	55,732	65,168	9,436
Miscellaneous	60,297	60,297	135,589	75,292
Total revenues	3,865,483	3,865,483	3,185,585	(679,898)
<b>EXPENDITURES</b>				
Public works	2,244,308	2,244,308	1,862,350	381,958
Debt Service	606,378	606,378	606,378	-
Total expenditures	2,850,686	2,850,686	2,468,728	381,958
<b>Change in fund balance</b>				
before other financing sources (uses)	<b>1,014,797</b>	<b>1,014,797</b>	<b>716,857</b>	<b>(297,940)</b>
<b>Other financing sources (uses)</b>				
Transfer in	100,000	100,000	100,000	-
Transfer out	(2,554,452)	(1,949,402)	(1,643,466)	305,936
Repayment of interfund loan	-	-	151,941	151,941
Total other financing sources (uses)	<b>(2,454,452)</b>	<b>(1,849,402)</b>	<b>(1,391,525)</b>	<b>457,877</b>
Contingency	(35,000)	(35,000)	-	35,000
Reserve for future expenditure	(2,008)	(657,058)	-	657,058
Change in fund balance	<b>(1,476,663)</b>	<b>(1,526,663)</b>	<b>(674,668)</b>	<b>851,995</b>
<b>FUND BALANCE BEGINNING OF YEAR</b>	<b>1,476,663</b>	<b>1,526,663</b>	<b>1,659,938</b>	<b>133,275</b>
<b>FUND BALANCE END OF YEAR</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 985,270</b>	<b>\$ 985,270</b>

**CITY OF TIGARD, OREGON**  
**NOTES TO REQUIRED SUPPLEMENTAL INFORMATION**  
**BUDGET TO GAAP RECONCILIATION**  
*for the year ended June 30, 2014*

Sections of Oregon Revised Statutes (Oregon Budget Law) require most transactions be budgeted on the modified accrual basis of accounting. However, there are certain transactions where statutory budget requirements conflict with generally accepted accounting principles (GAAP).

The following discusses the differences between the budget basis and GAAP basis of accounting for the General Fund and the Gas Tax Fund:

	<b>General Fund</b>	<b>Gas Tax Fund</b>
Net change in fund balance - budget basis	\$ 1,667,446	\$ (674,668)
Budgeted expenditures not qualifying as expenditures or other financing sources under GAAP:		
Interfund loans are treated as transfers on a budgetary basis. Such expenditures are reclassified as receivables on a GAAP basis.		
Repayment	(206,049)	(151,941)
Additional loan	361,000	-
<b>Net change in fund balance - GAAP basis</b>	<b>\$ 1,822,397</b>	<b>\$ (826,609)</b>

# **Other Supplementary Information**

**CITY OF TIGARD, OREGON**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
*June 30, 2014*

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
<b>ASSETS</b>				
Cash and investments	\$ 6,262,345	\$ 1,499,112	\$ 9,545,264	\$ 17,306,721
Accounts receivable	125,745	-	316,586	442,331
Property tax receivable	-	115,058	-	115,058
Assessment liens receivable	-	533,182	9,024	542,206
Prepaid Expenses	12,385	-	-	12,385
<b>Total assets</b>	<b>\$ 6,400,475</b>	<b>\$ 2,147,352</b>	<b>\$ 9,870,874</b>	<b>\$ 18,418,701</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 106,268	\$ -	\$ 267,836	\$ 374,104
Customer deposits	368,465	-	-	368,465
Due to other governments	29,241	-	-	29,241
Due to other funds	-	-	804,795	804,795
Unearned revenue	59,661	-	-	59,661
<b>Total liabilities</b>	<b>563,635</b>	<b>-</b>	<b>1,072,631</b>	<b>1,636,266</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
<b>Unavailable revenues:</b>				
Property taxes	-	105,140	-	105,140
Assessment liens	-	524,011	9,024	533,035
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>629,151</b>	<b>9,024</b>	<b>638,175</b>
<b>FUND BALANCES</b>				
<b>Non-spendable:</b>				
Prepaid expense	12,385	-	-	12,385
<b>Restricted for:</b>				
Street maintenance and improvements	-	-	2,228,979	2,228,979
Debt service	-	1,518,201	-	1,518,201
Park improvements	-	-	4,460,982	4,460,982
Underground utilities	-	-	576,579	576,579
Building inspection	2,080,034	-	-	2,080,034
Police services	182,978	-	-	182,978
Library improvements	474,648	-	-	474,648
<b>Committed for:</b>				
Street maintenance and improvements	1,736,934	-	1,370,438	3,107,372
Urban forestry	1,349,861	-	-	1,349,861
<b>Assigned to:</b>				
City facilities	-	-	905,166	905,166
<b>Unassigned</b>				
	-	-	(752,925)	(752,925)
<b>Total fund balances</b>	<b>5,836,840</b>	<b>1,518,201</b>	<b>8,789,219</b>	<b>16,144,260</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 6,400,475</b>	<b>\$ 2,147,352</b>	<b>\$ 9,870,874</b>	<b>\$ 18,418,701</b>

**CITY OF TIGARD, OREGON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
*for the year ended June 30, 2014*

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
<b>REVENUES</b>				
Taxes	\$ -	\$ 2,627,006	\$ -	\$ 2,627,006
City gas tax	638,852	-	-	638,852
Special assessments	-	258,831	-	258,831
Licenses and permits	1,735,578	-	-	1,735,578
Intergovernmental revenues	9,895	-	344,707	354,602
Charges for services	145,987	-	3,043,965	3,189,952
Fines and forfeitures	68,379	-	-	68,379
Interest earnings	15,774	137,227	20,709	173,710
Miscellaneous revenues	41,261	-	17,522	58,783
<b>Total revenues</b>	<b>2,655,726</b>	<b>3,023,064</b>	<b>3,426,903</b>	<b>9,105,693</b>
<b>EXPENDITURES</b>				
Community services	10,499	-	-	10,499
Community development	1,383,072	-	-	1,383,072
Debt service	319,390	3,056,852	-	3,376,242
Capital outlay	-	-	7,657,993	7,657,993
<b>Total expenditures</b>	<b>1,712,961</b>	<b>3,056,852</b>	<b>7,657,993</b>	<b>12,427,806</b>
<b>Changes in fund balance before other financing sources (uses)</b>	<b>942,765</b>	<b>(33,788)</b>	<b>(4,231,090)</b>	<b>(3,322,113)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfer in	180,000	-	6,140,053	6,320,053
Operating transfer out	(396,425)	(3,752)	(3,963,718)	(4,363,895)
Resources provided by other funds	-	-	357,990	357,990
<b>Total other financing sources (uses)</b>	<b>(216,425)</b>	<b>(3,752)</b>	<b>2,534,325</b>	<b>2,314,148</b>
<b>Changes in fund balance</b>	<b>726,340</b>	<b>(37,540)</b>	<b>(1,696,765)</b>	<b>(1,007,965)</b>
<b>Fund Balance - Beginning of the year</b>	<b>5,110,500</b>	<b>1,555,741</b>	<b>10,485,984</b>	<b>17,152,225</b>
<b>Fund Balance - End of the year</b>	<b>\$ 5,836,840</b>	<b>\$ 1,518,201</b>	<b>\$ 8,789,219</b>	<b>\$ 16,144,260</b>

# Special Revenue Funds

The balance sheet and statement of revenues, expenditures and changes in fund balance of the non-major special revenue funds are reported in the combining governmental fund statements. Fund statements for the major special revenue funds are reporting in basic financial statements.

Schedules of revenues, expenditures and changes in fund balance — budget and actual — are also presented here for each individual special revenue fund.

## **Major Special Revenue Fund:**

**Gas Tax Fund** – This fund records shared revenues from the State of Oregon and Washington County taxes on sale of motor vehicle fuel. The city uses these revenues to fund various construction, reconstruction, improvements, repairs, maintenance and operation of public highways, roads and streets.

## **Non-major Special Revenue Funds:**

**City Gas Tax Fund** – This fund accounts for revenues generated from Tigard’s local gas tax and funds projects for transportation improvements.

**Electrical Inspection Fund** – This fund accounts for fees charged for permits, plan check fees and inspection of electrical improvements.

**Building Fund** – This fund accounts for fees charged for building inspection and plan review activities.

**Criminal Forfeiture Fund** – This fund accounts for funds and property seized from criminals.

**Urban Forestry Fund** – This fund accounts for funds collected from developers in lieu of preserving trees, which the city can use to plant trees in public right-of-way and other public properties.

**Library Fund** – This fund accounts for the amounts received from several donations and bequests for various special projects and artwork.

CITY OF TIGARD, OREGON  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
June 30, 2014

	City Gas Tax Fund	Electrical Inspection Fund	Building Fund	Criminal Forfeiture Fund	Urban Forestry Fund	Library Fund	Total
<b>ASSETS</b>							
Cash and investments	\$ 1,611,700	\$ 149,502	\$ 2,084,117	\$ 215,853	\$ 1,666,936	\$ 534,237	\$ 6,262,345
Accounts receivable	125,234	-	-	439	-	72	125,745
Prepaid expense	-	-	12,385	-	-	-	12,385
<b>Total assets</b>	<b>\$ 1,736,934</b>	<b>\$ 149,502</b>	<b>\$ 2,096,502</b>	<b>\$ 216,292</b>	<b>\$ 1,666,936</b>	<b>\$ 534,309</b>	<b>\$ 6,400,475</b>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ 60	\$ 103,709	\$ 2,499	\$ -	\$ -	\$ 106,268
Unearned revenue	-	-	-	-	-	59,661	59,661
Due to other governments	-	603	(2,180)	30,818	-	-	29,241
Customer deposits	-	24,702	26,691	(3)	317,075	-	368,465
<b>Total liabilities</b>	<b>-</b>	<b>25,365</b>	<b>128,220</b>	<b>33,314</b>	<b>317,075</b>	<b>59,661</b>	<b>563,635</b>
<b>FUND BALANCE</b>							
<b>Non-spendable:</b>							
Prepaid expense	-	-	12,385	-	-	-	12,385
<b>Restricted for:</b>							
Building inspection	-	124,137	1,955,897	-	-	-	2,080,034
Police services	-	-	-	182,978	-	-	182,978
Library improvements	-	-	-	-	-	474,648	474,648
<b>Committed for:</b>							
Street maintenance & improvements	1,736,934	-	-	-	-	-	1,736,934
Urban forestry	-	-	-	-	1,349,861	-	1,349,861
<b>Total fund balances</b>	<b>1,736,934</b>	<b>124,137</b>	<b>1,968,282</b>	<b>182,978</b>	<b>1,349,861</b>	<b>474,648</b>	<b>5,836,840</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,736,934</b>	<b>\$ 149,502</b>	<b>\$ 2,096,502</b>	<b>\$ 216,292</b>	<b>\$ 1,666,936</b>	<b>\$ 534,309</b>	<b>\$ 6,400,475</b>

**CITY OF TIGARD, OREGON**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
*for the year ended June 30, 2014*

	City Gas Tax Fund	Electrical Inspection Fund	Building Fund	Criminal Forfeiture Fund	Urban Forestry Fund	Library Fund	Total
<b>REVENUES</b>							
City gas tax	\$ 638,852	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 638,852
Licenses and permits	-	177,886	1,557,692	-	-	-	1,735,578
Intergovernmental	-	-	9,895	-	-	-	9,895
Fines and forfeitures	-	-	-	68,379	-	-	68,379
Tree replacement revenue	-	-	-	-	145,987	-	145,987
Miscellaneous revenues	24,479	-	16,782	-	-	-	41,261
Interest earnings	14,913	-	857	4	-	-	15,774
<b>Total revenues</b>	<b>678,244</b>	<b>177,886</b>	<b>1,585,226</b>	<b>68,383</b>	<b>145,987</b>	<b>-</b>	<b>2,655,726</b>
<b>EXPENDITURES</b>							
Community services	-	-	-	10,499	-	-	10,499
Community development	-	-	1,383,072	-	-	-	1,383,072
Debt service payments	319,390	-	-	-	-	-	319,390
<b>Total expenditures</b>	<b>319,390</b>	<b>-</b>	<b>1,383,072</b>	<b>10,499</b>	<b>-</b>	<b>-</b>	<b>1,712,961</b>
<b>Changes in fund balance before other financing sources (uses)</b>	<b>358,854</b>	<b>177,886</b>	<b>202,154</b>	<b>57,884</b>	<b>145,987</b>	<b>-</b>	<b>942,765</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Operating transfer in	-	-	180,000	-	-	-	180,000
Operating transfer out	(169,673)	(181,763)	-	(394)	(44,595)	-	(396,425)
<b>Total other financing sources (uses)</b>	<b>(169,673)</b>	<b>(181,763)</b>	<b>180,000</b>	<b>(394)</b>	<b>(44,595)</b>	<b>-</b>	<b>(216,425)</b>
<b>Changes in fund balance</b>	<b>189,181</b>	<b>(3,877)</b>	<b>382,154</b>	<b>57,490</b>	<b>101,392</b>	<b>-</b>	<b>726,340</b>
<b>Fund balance - Beginning of the year</b>	<b>1,547,753</b>	<b>128,014</b>	<b>1,586,128</b>	<b>125,488</b>	<b>1,248,469</b>	<b>474,648</b>	<b>5,110,500</b>
<b>Fund balance - End of the year</b>	<b>\$ 1,736,934</b>	<b>\$ 124,137</b>	<b>\$ 1,968,282</b>	<b>\$ 182,978</b>	<b>\$ 1,349,861</b>	<b>\$ 474,648</b>	<b>\$ 5,836,840</b>

**CITY OF TIGARD, OREGON**  
**CITY GAS TAX FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
*for the year ended June 30, 2014*

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
City gas tax	\$ 720,877	\$ 720,877	\$ 638,852	\$ (82,025)
State grants	3,142	3,142	-	(3,142)
Recovered expenditures	31,735	31,735	24,479	(7,256)
Interest earnings	34,584	34,584	14,913	(19,671)
<b>Total revenues</b>	<b>790,338</b>	<b>790,338</b>	<b>678,244</b>	<b>(112,094)</b>
<b>EXPENDITURES</b>				
Debt service payments	319,390	319,390	319,390	-
<b>Changes in fund balance before other financing (uses)</b>	<b>470,948</b>	<b>470,948</b>	<b>358,854</b>	<b>(112,094)</b>
<b>OTHER FINANCING (USES)</b>				
Transfers out	(1,003,778)	(1,003,778)	(169,673)	834,105
Contingency	(50,000)	(50,000)	-	50,000
Reserve for future expenditure	(906,169)	(906,169)	-	906,169
<b>Total other financing (uses)</b>	<b>(1,959,947)</b>	<b>(1,959,947)</b>	<b>(169,673)</b>	<b>1,790,274</b>
<b>Change in fund balance</b>	<b>(1,488,999)</b>	<b>(1,488,999)</b>	<b>189,181</b>	<b>1,678,180</b>
<b>Fund balance - Beginning of the year</b>	<b>1,488,999</b>	<b>1,488,999</b>	<b>1,547,753</b>	<b>58,754</b>
<b>Fund balance - End of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,736,934</b>	<b>\$ 1,736,934</b>

**CITY OF TIGARD, OREGON**  
**ELECTRICAL INSPECTION FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
*for the year ended June 30, 2014*

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Licenses and permits	\$ 174,837	\$ 174,837	\$ 177,886	\$ 3,049
Interest earnings	1,207	1,207	-	(1,207)
<b>Total revenues</b>	<b>176,044</b>	<b>176,044</b>	<b>177,886</b>	<b>1,842</b>
<b>OTHER FINANCING (USES)</b>				
Transfer out	(181,795)	(181,795)	(181,763)	32
Contingency	(50,000)	(50,000)	-	50,000
Reserve for future expenditure	(62,263)	(62,263)	-	62,263
<b>Total other financing (uses)</b>	<b>(294,058)</b>	<b>(294,058)</b>	<b>(181,763)</b>	<b>112,295</b>
<b>Change in fund balance</b>	<b>(118,014)</b>	<b>(118,014)</b>	<b>(3,877)</b>	<b>114,137</b>
<b>Fund balance - Beginning of the year</b>	<b>118,014</b>	<b>118,014</b>	<b>128,014</b>	<b>10,000</b>
<b>Fund balance - End of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 124,137</b>	<b>\$ 124,137</b>

**CITY OF TIGARD, OREGON**  
**BUILDING FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
*for the year ended June 30, 2014*

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Licenses and permits	\$ 1,233,117	\$ 1,233,117	\$ 1,557,692	\$ 324,575
Intergovernmental	8,281	8,281	9,895	1,614
Miscellaneous	10,090	10,090	16,782	6,692
Interest earnings	19,782	19,782	857	(18,925)
<b>Total revenues</b>	<b>1,271,270</b>	<b>1,271,270</b>	<b>1,585,226</b>	<b>313,956</b>
<b>EXPENDITURES</b>				
Community development	1,516,579	1,525,079	1,383,072	142,007
<b>Change in fund balance before other financing sources (uses)</b>	<b>(245,309)</b>	<b>(253,809)</b>	<b>202,154</b>	<b>455,963</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	180,000	180,000	180,000	-
Contingency	(200,000)	(191,500)	-	191,500
Reserve for future expenditure	(955,352)	(955,352)	-	955,352
<b>Total other financing sources (uses)</b>	<b>(975,352)</b>	<b>(966,852)</b>	<b>180,000</b>	<b>1,146,852</b>
<b>Change in fund balance</b>	<b>(1,220,661)</b>	<b>(1,220,661)</b>	<b>382,154</b>	<b>1,602,815</b>
<b>Fund balance - Beginning of the year</b>	<b>1,220,661</b>	<b>1,220,661</b>	<b>1,586,128</b>	<b>365,467</b>
<b>Fund balance - End of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,968,282</b>	<b>\$ 1,968,282</b>

**CITY OF TIGARD, OREGON**  
**CRIMINAL FORFEITURE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
*for the year ended June 30, 2014*

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Interest earnings	\$ 1,892	\$ 1,892	\$ 4	\$ (1,888)
Forfeitures	43,000	43,000	68,379	25,379
<b>Total revenues</b>	<b>44,892</b>	<b>44,892</b>	<b>68,383</b>	<b>23,491</b>
<b>EXPENDITURES:</b>				
Community services	50,000	50,000	10,499	39,501
<b>Change in fund balance before other financing (uses)</b>	<b>(5,108)</b>	<b>(5,108)</b>	<b>57,884</b>	<b>62,992</b>
<b>OTHER FINANCING (USES)</b>				
Transfer out	(401)	(401)	(394)	7
Reserve for future expenditure	(36,060)	(36,060)	-	36,060
<b>Total other financing (uses)</b>	<b>(36,461)</b>	<b>(36,461)</b>	<b>(394)</b>	<b>36,067</b>
<b>Change in fund balance</b>	<b>(41,569)</b>	<b>(41,569)</b>	<b>57,490</b>	<b>99,059</b>
<b>Fund balance - Beginning of the year</b>	<b>41,569</b>	<b>41,569</b>	<b>125,488</b>	<b>83,919</b>
<b>Fund balance - End of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 182,978</b>	<b>\$ 182,978</b>

**CITY OF TIGARD, OREGON**  
**URBAN FORESTRY FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
*for the year ended June 30, 2014*

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Tree replacement revenue	\$ 25,000	\$ 25,000	\$ 145,987	\$ 120,987
Interest earnings	4,060	4,060	-	(4,060)
<b>Total revenues</b>	<b>29,060</b>	<b>29,060</b>	<b>145,987</b>	<b>116,927</b>
<b>OTHER FINANCING (USES)</b>				
Transfer out	(156,229)	(156,229)	(44,595)	111,634
Reserve for future expenditure	(924,380)	(924,380)	-	924,380
<b>Total other financing (uses)</b>	<b>(1,080,609)</b>	<b>(1,080,609)</b>	<b>(44,595)</b>	<b>1,036,014</b>
<b>Change in fund balance</b>	<b>(1,051,549)</b>	<b>(1,051,549)</b>	<b>101,392</b>	<b>1,152,941</b>
<b>Fund balance - Beginning of the year</b>	<b>1,051,549</b>	<b>1,051,549</b>	<b>1,248,469</b>	<b>196,920</b>
<b>Fund balance - End of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,349,861</b>	<b>\$ 1,349,861</b>

CITY OF TIGARD, OREGON  
LIBRARY FUND  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
*for the year ended June 30, 2014*

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>OTHER FINANCING (USES)</b>				
Transfer out	\$ (100,000)	\$ (100,000)	\$ -	\$ 100,000
Reserve for future expenditure	(374,398)	(374,398)	-	374,398
<b>Change in fund balance</b>	<b>(474,398)</b>	<b>(474,398)</b>	<b>-</b>	<b>474,398</b>
<b>Fund balance - Beginning of the year</b>	<b>474,398</b>	<b>474,398</b>	<b>474,648</b>	<b>250</b>
<b>Fund balance - End of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 474,648</b>	<b>\$ 474,648</b>

# Debt Service Funds

The balance sheet and statement of revenues, expenditures and changes in fund balance of the non-major debt service funds are reported in the combining non-major governmental fund statements.

Schedules of revenues, expenditures and changes in fund balance — budget and actual — are also presented here for each debt service fund.

## **Non-major Debt Service Funds:**

**Bancroft Debt Service Fund** – This fund accounts for payment of Bancroft improvement bond principal and interest. The source of revenue is the collection of assessments against benefitted property and interest earnings.

**General Obligation Debt Service Fund** – This fund accounts for payment of general obligation bond principal and interest. The source of revenue is from property taxes and interest earnings.

**Urban Renewal Agency Debt Service Fund** – This fund accounts for payment of the Tigard Urban Renewal Agency debt. The source of revenue is from property taxes and interest earnings.

**CITY OF TIGARD, OREGON**  
**NONMAJOR DEBT SERVICE FUNDS**  
**COMBINING BALANCE SHEET**  
*June 30, 2014*

	<b>Bancroft Bond Debt Service Fund</b>	<b>General Obligation Debt Service Fund</b>	<b>Urban Renewal Agency Debt Service Fund</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and investments	\$ 142,144	\$ 523,648	\$ 833,320	\$ 1,499,112
Property taxes receivable	-	99,865	15,193	115,058
Assessment liens receivable	533,182	-	-	533,182
<b>Total assets</b>	<b>\$ 675,326</b>	<b>\$ 623,513</b>	<b>\$ 848,513</b>	<b>\$ 2,147,352</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues:				
Assessment liens	\$ 524,011	\$ -	\$ -	524,011
Property taxes	-	91,185	13,955	105,140
<b>Total deferred inflows of resources</b>	<b>524,011</b>	<b>91,185</b>	<b>13,955</b>	<b>629,151</b>
<b>Fund Balance restricted for debt service</b>	<b>151,315</b>	<b>532,328</b>	<b>834,558</b>	<b>1,518,201</b>
<b>Total deferred inflows and fund balances</b>	<b>\$ 675,326</b>	<b>\$ 623,513</b>	<b>\$ 848,513</b>	<b>\$ 2,147,352</b>

**CITY OF TIGARD, OREGON**  
**NONMAJOR DEBT SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
*for the year ended June 30, 2014*

	Bancroft Bond Debt Service Fund	General Obligation Debt Service Fund	Urban Renewal Agency Debt Service Fund	Total
<b>REVENUES</b>				
Taxes	\$ -	\$ 2,297,075	\$ 329,931	\$ 2,627,006
Collection of Bonded Assessments	258,831	-	-	258,831
Interest earnings	74,915	34,196	28,116	137,227
<b>Total revenues</b>	<b>333,746</b>	<b>2,331,271</b>	<b>358,047</b>	<b>3,023,064</b>
<b>EXPENDITURES</b>				
Debt service	502,152	2,193,700	361,000	3,056,852
<b>Change in fund balance before other financing (uses):</b>	<b>(168,406)</b>	<b>137,571</b>	<b>(2,953)</b>	<b>(33,788)</b>
<b>OTHER FINANCING (USES)</b>				
Transfers out	(3,752)	-	-	(3,752)
<b>Change in fund balance</b>	<b>(172,158)</b>	<b>137,571</b>	<b>(2,953)</b>	<b>(37,540)</b>
<b>Fund balance - Beginning of the year</b>	<b>323,473</b>	<b>394,757</b>	<b>837,511</b>	<b>1,555,741</b>
<b>Fund balance - End of the year</b>	<b>\$ 151,315</b>	<b>\$ 532,328</b>	<b>\$ 834,558</b>	<b>\$ 1,518,201</b>

CITY OF TIGARD, OREGON  
 BANCROFT BOND DEBT SERVICE FUND  
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
 for the year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Collection of bonded assessments	\$ 120,000	\$ 120,000	\$ 258,831	\$ 138,831
Interest earnings	37,468	37,468	74,915	37,447
<b>Total revenues</b>	<b>157,468</b>	<b>157,468</b>	<b>333,746</b>	<b>176,278</b>
<b>EXPENDITURES</b>				
Debt service	499,997	499,997	502,152	(2,155)
<b>Change in fund balance before other financing (uses)</b>	<b>(342,529)</b>	<b>(342,529)</b>	<b>(168,406)</b>	<b>174,123</b>
<b>OTHER FINANCING (USES)</b>				
Transfer out	(3,821)	(3,821)	(3,752)	69
Reserve for future expenditure	(65,042)	(65,042)	-	65,042
<b>Total other financing (uses)</b>	<b>(68,863)</b>	<b>(68,863)</b>	<b>(3,752)</b>	<b>65,111</b>
<b>Change in fund balance</b>	<b>(411,392)</b>	<b>(411,392)</b>	<b>(172,158)</b>	<b>239,234</b>
<b>Fund balance - Beginning of the year</b>	<b>411,392</b>	<b>411,392</b>	<b>323,473</b>	<b>(87,919)</b>
<b>Fund balance - End of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 151,315</b>	<b>\$ 151,315</b>

**CITY OF TIGARD, OREGON**  
**GENERAL OBLIGATION DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
*for the year ended June 30, 2014*

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 2,317,508	\$ 2,317,508	\$ 2,297,075	\$ (20,433)
Interest earnings	4,612	4,612	34,196	29,584
<b>Total revenues</b>	<b>2,322,120</b>	<b>2,322,120</b>	<b>2,331,271</b>	<b>9,151</b>
<b>EXPENDITURES:</b>				
Debt service	2,193,701	2,193,701	2,193,700	1
Reserve for future expenditure	588,285	588,285	-	588,285
<b>Total expenditures</b>	<b>2,781,986</b>	<b>2,781,986</b>	<b>2,193,700</b>	<b>588,286</b>
<b>Change in fund balance</b>	<b>(459,866)</b>	<b>(459,866)</b>	<b>137,571</b>	<b>597,437</b>
<b>Fund balance - Beginning of the year</b>	<b>459,866</b>	<b>459,866</b>	<b>394,757</b>	<b>(65,109)</b>
<b>Fund balance - End of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 532,328</b>	<b>\$ 532,328</b>

**CITY OF TIGARD, OREGON**  
**URBAN RENEWAL AGENCY DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
*for the year ended June 30, 2014*

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 300,940	\$ 300,940	\$ 329,931	\$ 28,991
Interest earnings	-	-	28,116	28,116
<b>Total revenues</b>	<b>300,940</b>	<b>300,940</b>	<b>358,047</b>	<b>57,107</b>
<b>EXPENDITURES:</b>				
Debt service	361,000	361,000	361,000	-
Reserve for future expenditure	666,388	666,388	-	(666,388)
<b>Total expenditures</b>	<b>1,027,388</b>	<b>1,027,388</b>	<b>361,000</b>	<b>(666,388)</b>
<b>Change in fund balance</b>	<b>(726,448)</b>	<b>(726,448)</b>	<b>(2,953)</b>	<b>723,495</b>
<b>Fund balance - Beginning of the year</b>	<b>726,448</b>	<b>726,448</b>	<b>837,511</b>	<b>111,063</b>
<b>Fund balance - End of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 834,558</b>	<b>\$ 834,558</b>

# Capital Project Funds

Combining statements for all individual non-major projects funds are reported here. The combined totals are reported in the combining non-major governmental fund statements.

Schedules of revenues, expenditures and changes in fund balance— budget and actual — are also presented here for each capital projects fund.

## **Non-major Capital Projects Funds:**

**Facility Fund** – This fund accounts for monies set aside for future major city facility improvements.

**Transportation Development Tax Fund** – This fund accounts for traffic impact fees collected on roads within the city’s urban service areas. This fund replaced TIF starting July 1, 2009.

**Traffic Impact Fee Fund** – This fund accounts for traffic impact fees collected on roads within the city’s urban service areas prior to July 1, 2009. Funds will be used for highways and transit capital improvements approved in the city’s Capital Improvement Plan (CIP).

**Underground Utility Fund** – This fund accounts for monies received from developers for future underground utility improvements.

**Street Maintenance Fee Fund** – This fund tracks the revenues and expenditures for the Street Maintenance Fee. This fee provides revenue designated for use in the maintenance of existing streets.

**Parks Capital Fund** – This fund accounts for system development charges for major improvements to recreational facilities within the city.

**Parks Bond Fund** – This fund was created after voters approved a \$17 million parks bond for purchase of land and green spaces to be used for parks.

**Parks SDC Fund** – This fund tracks the revenues associated with the collection of Parks System Development Charges. These funds are used to fund the acquisition, development and expansion of additional recreation spaces and facilities that are included in the city’s Park Master Plan.

**Transportation Capital Improvement Project Fund**– This fund tracks all capital improvement projects that are funded with transportation revenues; including Gas Tax, Traffic Impact Fees and Transportation Development Tax.

**Urban Renewal Agency** – This fund was established in FY 2007–08 for the creation of a new urban renewal agency to improve downtown Tigard.

CITY OF TIGARD, OREGON  
CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
June 30, 2014

	Facility Fund	Transportation Development Tax Fund	Traffic Impact Fee Fund	Underground Utility Fund	Street Maintenance Fee Fund	Parks Capital Fund	Parks Bond Fund	Parks SDC Fund	Transportation CIP Fund	Urban Renewal Agency Capital Projects Fund	Total
<b>ASSETS</b>											
Cash and investments	\$ 912,958	\$ 1,474,749	\$ 506,899	\$ 576,579	\$ 1,193,795	\$ 591,232	\$ 2,395,068	\$ 1,568,420	\$ 322,917	\$ 2,647	\$ 9,545,264
Accounts receivable	-	-	-	-	241,126	460	-	-	-	75,000	316,586
Assessments liens receivable	-	-	9,024	-	-	-	-	-	-	-	9,024
<b>Total assets</b>	<b>\$ 912,958</b>	<b>\$ 1,474,749</b>	<b>\$ 515,923</b>	<b>\$ 576,579</b>	<b>\$ 1,434,921</b>	<b>\$ 591,692</b>	<b>\$ 2,395,068</b>	<b>\$ 1,568,420</b>	<b>\$ 322,917</b>	<b>\$ 77,647</b>	<b>\$ 9,870,874</b>
<b>LIABILITIES</b>											
Accounts payable and accrued liabilities	\$ 7,792	\$ -	\$ -	\$ -	\$ 64,483	\$ 94,198	\$ -	\$ -	\$ 75,586	\$ 25,777	\$ 267,836
Interfund loans	-	-	-	-	-	-	-	-	-	804,795	804,795
<b>Total liabilities</b>	<b>7,792</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>64,483</b>	<b>94,198</b>	<b>-</b>	<b>-</b>	<b>75,586</b>	<b>830,572</b>	<b>1,072,631</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>											
Unavailable revenue - assessment liens	-	-	9,024	-	-	-	-	-	-	-	9,024
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>9,024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,024</b>
<b>FUND BALANCES (DEFICIT)</b>											
<i>Restricted for:</i>											
Street maintenance and improvements	-	1,474,749	506,899	-	-	-	-	-	247,331	-	2,228,979
Park improvements	-	-	-	-	-	497,494	2,395,068	1,568,420	-	-	4,460,982
Underground utilities	-	-	-	576,579	-	-	-	-	-	-	576,579
<i>Committed for:</i>											
Street maintenance and improvements	-	-	-	-	1,370,438	-	-	-	-	-	1,370,438
<i>Assigned to:</i>											
City facilities	905,166	-	-	-	-	-	-	-	-	-	905,166
<i>Unassigned</i>	-	-	-	-	-	-	-	-	-	(752,925)	(752,925)
<b>Total fund balances (deficit)</b>	<b>905,166</b>	<b>1,474,749</b>	<b>506,899</b>	<b>576,579</b>	<b>1,370,438</b>	<b>497,494</b>	<b>2,395,068</b>	<b>1,568,420</b>	<b>247,331</b>	<b>(752,925)</b>	<b>8,789,219</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 912,958</b>	<b>\$ 1,474,749</b>	<b>\$ 515,923</b>	<b>\$ 576,579</b>	<b>\$ 1,434,921</b>	<b>\$ 591,692</b>	<b>\$ 2,395,068</b>	<b>\$ 1,568,420</b>	<b>\$ 322,917</b>	<b>\$ 77,647</b>	<b>\$ 9,870,874</b>

CITY OF TIGARD, OREGON  
 CAPITAL PROJECTS FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 for the year ended June 30, 2014

	Facility Fund	Transportation Development Tax Fund	Traffic Impact Fee Fund	Underground Utility Fund	Street Maintenance Fee Fund	Parks Capital Fund	Parks Bond Fund	Parks SDC Fund	Transportation CIP Fund	Urban Renewal Agency Capital Projects Fund	Total
<b>REVENUES:</b>											
Charges for services	\$ -	\$ 517,727	\$ 33,339	\$ 46,617	\$ 2,008,333	\$ -	\$ -	\$ 437,949	\$ -	\$ -	\$ 3,043,965
Intergovernmental revenue	-	-	-	-	-	127,999	-	-	116,708	100,000	344,707
Interest earnings	139	1,411	1,588	-	-	-	17,571	-	-	-	20,709
Miscellaneous revenues	-	-	-	-	5,000	11,652	-	-	-	870	17,522
<b>Total revenues</b>	<b>139</b>	<b>519,138</b>	<b>34,927</b>	<b>46,617</b>	<b>2,013,333</b>	<b>139,651</b>	<b>17,571</b>	<b>437,949</b>	<b>116,708</b>	<b>100,870</b>	<b>3,426,903</b>
<b>EXPENDITURES:</b>											
Capital projects	64,867	-	-	-	1,660,180	2,104,416	-	-	3,218,069	610,461	7,657,993
<b>Change in fund balance before other financing sources</b>	<b>(64,728)</b>	<b>519,138</b>	<b>34,927</b>	<b>46,617</b>	<b>353,153</b>	<b>(1,964,765)</b>	<b>17,571</b>	<b>437,949</b>	<b>(3,101,361)</b>	<b>(509,591)</b>	<b>(4,231,090)</b>
<b>OTHER FINANCING SOURCES (USES)</b>											
Transfers in	318,707	-	-	-	-	2,545,223	-	-	3,276,123	-	6,140,053
Transfers out	(19,036)	(875,840)	(359,140)	(37,593)	(206,928)	(98,594)	(1,537,761)	(828,826)	-	-	(3,963,718)
Resources provided by other funds	-	-	-	-	-	-	-	-	-	357,990	357,990
<b>Total other financing sources (uses)</b>	<b>299,671</b>	<b>(875,840)</b>	<b>(359,140)</b>	<b>(37,593)</b>	<b>(206,928)</b>	<b>2,446,629</b>	<b>(1,537,761)</b>	<b>(828,826)</b>	<b>3,276,123</b>	<b>357,990</b>	<b>2,534,325</b>
<b>Change in fund balance</b>	<b>234,943</b>	<b>(356,702)</b>	<b>(324,213)</b>	<b>9,024</b>	<b>146,225</b>	<b>481,864</b>	<b>(1,520,190)</b>	<b>(390,877)</b>	<b>174,762</b>	<b>(151,601)</b>	<b>(1,696,765)</b>
<b>Fund balance - Beginning of the year</b>	<b>670,223</b>	<b>1,831,451</b>	<b>831,112</b>	<b>567,555</b>	<b>1,224,213</b>	<b>15,630</b>	<b>3,915,258</b>	<b>1,959,297</b>	<b>72,569</b>	<b>(601,324)</b>	<b>10,485,984</b>
<b>Fund balance - End of the year</b>	<b>\$ 905,166</b>	<b>\$ 1,474,749</b>	<b>\$ 506,899</b>	<b>\$ 576,579</b>	<b>\$ 1,370,438</b>	<b>\$ 497,494</b>	<b>\$ 2,395,068</b>	<b>\$ 1,568,420</b>	<b>\$ 247,331</b>	<b>\$ (752,925)</b>	<b>\$ 8,789,219</b>

**CITY OF TIGARD, OREGON**  
**FACILITY FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
**for the year ended June 30, 2014**

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Interest earnings	\$ 3,212	\$ 3,212	\$ 139	\$ (3,073)
<b>EXPENDITURES</b>				
Capital projects	747,585	747,585	64,867	682,718
<b>Change in fund balance before other financing sources (uses)</b>	<b>(744,373)</b>	<b>(744,373)</b>	<b>(64,728)</b>	<b>679,645</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	1,104,576	1,104,576	318,707	(785,869)
Transfer out	(19,384)	(19,384)	(19,036)	348
Contingency	(50,000)	(50,000)	-	50,000
Reserve for future expenditure	(1,042,776)	(1,042,776)	-	1,042,776
<b>Total other financing sources (uses)</b>	<b>(7,584)</b>	<b>(7,584)</b>	<b>299,671</b>	<b>307,255</b>
<b>Change in fund balance</b>	<b>(751,957)</b>	<b>(751,957)</b>	<b>234,943</b>	<b>986,900</b>
<b>Fund balance - Beginning of the year</b>	<b>751,957</b>	<b>751,957</b>	<b>670,223</b>	<b>(81,734)</b>
<b>Fund balance - End of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 905,166</b>	<b>\$ 905,166</b>

**CITY OF TIGARD, OREGON**  
**TRANSPORTATION DEVELOPMENT TAX FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
*for the year ended June 30, 2014*

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 176,678	\$ 176,678	\$ 517,727	\$ 341,049
Interest earnings	11,279	11,279	1,411	(9,868)
<b>Total revenues</b>	<b>187,957</b>	<b>187,957</b>	<b>519,138</b>	<b>331,181</b>
<b>OTHER FINANCING (USES)</b>				
Transfer out	(779,724)	(1,504,774)	(875,840)	628,934
Contingency	(250,000)	(250,000)	-	250,000
Reserve for future expenditure	(52,422)	(52,422)	-	52,422
<b>Total other financing (uses)</b>	<b>(1,082,146)</b>	<b>(1,807,196)</b>	<b>(875,840)</b>	<b>931,356</b>
<b>Change in fund balance</b>	<b>(894,189)</b>	<b>(1,619,239)</b>	<b>(356,702)</b>	<b>1,262,537</b>
<b>Fund balance - Beginning of the year</b>	<b>894,189</b>	<b>1,619,239</b>	<b>1,831,451</b>	<b>212,212</b>
<b>Fund balance - End of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,474,749</b>	<b>\$ 1,474,749</b>

**CITY OF TIGARD, OREGON**  
**TRAFFIC IMPACT FEE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
*for the year ended June 30, 2014*

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ -	\$ -	\$ 33,339	\$ 33,339
Interest earnings	4,000	4,000	1,588	(2,412)
<b>Total revenues</b>	<b>4,000</b>	<b>4,000</b>	<b>34,927</b>	<b>30,927</b>
<b>OTHER FINANCING (USES)</b>				
Transfers out	(768,307)	(818,307)	(359,140)	459,167
Contingency	(8,147)	(8,147)	-	8,147
<b>Total other financing (uses)</b>	<b>(776,454)</b>	<b>(826,454)</b>	<b>(359,140)</b>	<b>467,314</b>
<b>Change in fund balance</b>	<b>(772,454)</b>	<b>(822,454)</b>	<b>(324,213)</b>	<b>498,241</b>
<b>Fund balance - Beginning of the year</b>	<b>772,454</b>	<b>822,454</b>	<b>831,112</b>	<b>8,658</b>
<b>Fund balance - End of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 506,899</b>	<b>\$ 506,899</b>

**CITY OF TIGARD, OREGON**  
**UNDERGROUND UTILITY FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
*for the year ended June 30, 2014*

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 15,629	\$ 15,629	\$ 46,617	\$ 30,988
Interest earnings	7,160	7,160	-	(7,160)
<b>Total revenues</b>	<b>22,789</b>	<b>22,789</b>	<b>46,617</b>	<b>23,828</b>
<b>OTHER FINANCING (USES)</b>				
Transfer out	(252,089)	(252,089)	(37,593)	214,496
Contingency	(50,000)	(50,000)	-	50,000
Reserve for future expenditure	(275,882)	(275,882)	-	275,882
<b>Total other financing (uses)</b>	<b>(577,971)</b>	<b>(577,971)</b>	<b>(37,593)</b>	<b>540,378</b>
<b>Change in fund balance</b>	<b>(555,182)</b>	<b>(555,182)</b>	<b>9,024</b>	<b>564,206</b>
<b>Fund balance - Beginning of the year</b>	<b>555,182</b>	<b>555,182</b>	<b>567,555</b>	<b>12,373</b>
<b>Fund balance - End of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 576,579</b>	<b>\$ 576,579</b>

**CITY OF TIGARD, OREGON**  
**STREET MAINTENANCE FEE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
*for the year ended June 30, 2014*

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 1,941,234	\$ 1,941,234	\$ 2,008,333	\$ 67,099
Interest earnings	2,043	2,043	-	(2,043)
Miscellaneous	-	-	5,000	5,000
<b>Total revenues</b>	<b>1,943,277</b>	<b>1,943,277</b>	<b>2,013,333</b>	<b>70,056</b>
<b>EXPENDITURES</b>				
Capital projects	1,660,000	1,725,000	1,660,180	64,820
<b>Change in fund balance before other financing (uses)</b>	<b>283,277</b>	<b>218,277</b>	<b>353,153</b>	<b>134,876</b>
<b>OTHER FINANCING (USES)</b>				
Transfer out	(208,883)	(208,883)	(206,928)	1,955
Contingency	(200,000)	(135,000)	-	135,000
Reserve for future expenditure	(981,311)	(981,311)	-	981,311
<b>Total other financing (uses)</b>	<b>(1,390,194)</b>	<b>(1,325,194)</b>	<b>(206,928)</b>	<b>1,118,266</b>
<b>Change in fund balance</b>	<b>(1,106,917)</b>	<b>(1,106,917)</b>	<b>146,225</b>	<b>1,253,142</b>
<b>Fund balance - Beginning of the year</b>	<b>1,106,917</b>	<b>1,106,917</b>	<b>1,224,213</b>	<b>117,296</b>
<b>Fund balance - End of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,370,438</b>	<b>\$ 1,370,438</b>

**CITY OF TIGARD, OREGON**  
**PARKS CAPITAL FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
*for the year ended June 30, 2014*

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 163,074	\$ 163,074	\$ 127,999	\$ (35,075)
Interest earnings	3,015	3,015	-	(3,015)
Miscellaneous	-	-	11,652	11,652
<b>Total revenues</b>	<b>166,089</b>	<b>166,089</b>	<b>139,651</b>	<b>(26,438)</b>
<b>EXPENDITURES</b>				
Capital projects	7,584,647	7,674,277	2,104,416	5,569,861
<b>Change in fund balance before other financing sources (uses)</b>	<b>(7,418,558)</b>	<b>(7,508,188)</b>	<b>(1,964,765)</b>	<b>5,543,423</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	7,421,573	7,511,203	2,545,223	(4,965,980)
Transfer out	(100,397)	(100,397)	(98,594)	1,803
Reserve for future expenditure	(42,097)	(42,097)	-	42,097
<b>Total other financing sources (uses)</b>	<b>7,279,079</b>	<b>7,368,709</b>	<b>2,446,629</b>	<b>(4,922,080)</b>
<b>Change in fund balance</b>	<b>(139,479)</b>	<b>(139,479)</b>	<b>481,864</b>	<b>621,343</b>
<b>Fund balance - Beginning of the year</b>	<b>139,479</b>	<b>139,479</b>	<b>15,630</b>	<b>(123,849)</b>
<b>Fund balance - End of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 497,494</b>	<b>\$ 497,494</b>

CITY OF TIGARD, OREGON  
PARKS BOND FUND  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
for the year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Interest earnings	\$ 4,020	\$ 4,020	\$ 17,571	\$ 13,551
<b>OTHER FINANCING (USES)</b>				
Transfer out	(4,876,088)	(4,413,008)	(1,537,761)	2,875,247
Reserve for future expenditure	-	(463,080)	-	463,080
<b>Total other financing (uses)</b>	<b>(4,876,088)</b>	<b>(4,876,088)</b>	<b>(1,537,761)</b>	<b>3,338,327</b>
<b>Change in fund balance</b>	<b>(4,872,068)</b>	<b>(4,872,068)</b>	<b>(1,520,190)</b>	<b>3,351,878</b>
<b>Fund balance - Beginning of the year</b>	<b>4,872,068</b>	<b>4,872,068</b>	<b>3,915,258</b>	<b>(956,810)</b>
<b>Fund balance - End of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,395,068</b>	<b>\$ 2,395,068</b>

**CITY OF TIGARD, OREGON**  
**PARKS SDC FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
*for the year ended June 30, 2014*

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 257,825	\$ 663,905	\$ 437,949	\$ (225,956)
Interest earnings	19,782	19,782	-	(19,782)
<b>Total revenues</b>	<b>277,607</b>	<b>683,687</b>	<b>437,949</b>	<b>(245,738)</b>
<b>OTHER FINANCING (USES)</b>				
Transfer out	(2,065,005)	(2,510,715)	(828,826)	1,681,889
Contingency	(75,000)	(35,370)	-	35,370
Reserve for future expenditure	(11,034)	(11,034)	-	11,034
<b>Total other financing (uses)</b>	<b>(2,151,039)</b>	<b>(2,557,119)</b>	<b>(828,826)</b>	<b>1,728,293</b>
<b>Change in fund balance</b>	<b>(1,873,432)</b>	<b>(1,873,432)</b>	<b>(390,877)</b>	<b>1,482,555</b>
<b>Fund balance - Beginning of the year</b>	<b>1,873,432</b>	<b>1,873,432</b>	<b>1,959,297</b>	<b>85,865</b>
<b>Fund balance - End of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,568,420</b>	<b>\$ 1,568,420</b>

CITY OF TIGARD, OREGON  
TRANSPORTATION CIP FUND  
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL  
for the year ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental revenue	\$ -	\$ -	\$ 116,708	\$ 116,708
<b>EXPENDITURES:</b>				
Capital projects	5,677,081	5,747,081	3,218,069	2,529,012
<b>Change in fund balance before other financing sources (uses)</b>	<b>(5,677,081)</b>	<b>(5,747,081)</b>	<b>(3,101,361)</b>	<b>2,645,720</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	5,677,081	5,747,081	3,276,123	(2,470,958)
Reserve for future expenditures	(200,369)	(200,369)	-	200,369
<b>Total other financing sources (uses)</b>	<b>5,476,712</b>	<b>5,546,712</b>	<b>3,276,123</b>	<b>(2,270,589)</b>
<b>Change in fund balance</b>	<b>(200,369)</b>	<b>(200,369)</b>	<b>174,762</b>	<b>375,131</b>
<b>Fund balance - Beginning of the year</b>	<b>200,369</b>	<b>200,369</b>	<b>72,569</b>	<b>(127,800)</b>
<b>Fund balance - End of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 247,331</b>	<b>\$ 247,331</b>

**CITY OF TIGARD, OREGON**  
**URBAN RENEWAL AGENCY CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
*for the year ended June 30, 2014*

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Intergovernmental Revenue	\$ -	\$ 100,000	\$ 100,000	\$ -
Miscellaneous	-	-	870	870
<b>Total revenues</b>	<b>-</b>	<b>100,000</b>	<b>100,870</b>	<b>870</b>
<b>EXPENDITURES</b>				
Capital projects	581,000	681,000	610,461	70,539
<b>Change in fund balance before other financing sources</b>	<b>(581,000)</b>	<b>(581,000)</b>	<b>(509,591)</b>	<b>71,409</b>
<b>OTHER FINANCING SOURCES</b>				
Debt proceeds	361,000	361,000	361,000	-
<b>Change in fund balance</b>	<b>(220,000)</b>	<b>(220,000)</b>	<b>(148,591)</b>	<b>71,409</b>
<b>Fund balance - Beginning of the year</b>	<b>220,000</b>	<b>220,000</b>	<b>200,461</b>	<b>(19,539)</b>
<b>Fund balance - End of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>51,870</b>	<b>\$ 51,870</b>
Reconciliation of budgetary fund balance to GAAP basis fund balance:				
Budgeted resources not qualifying as revenues or other financing sources under GAAP:				
Interfund loans are treated as revenue on a budgetary basis. Transfers in are reclassified as payables on a GAAP basis.			(804,795)	
<b>Fund balance - GAAP basis</b>			<b>\$ (752,925)</b>	

# Enterprise Funds

For GAAP reporting purposes, the city reports three proprietary funds as major funds. These funds are the Sanitary Sewer Fund, the Storm Sewer Fund (which consists of the Storm Sewer Fund and the Water Quality/Quantity Fund) and the Water Fund (which includes the Water Fund, Water SDC Fund, Water CIP Fund and Water Debt Service Fund). However, for budgetary and legal purposes, these funds are accounted for separately as listed below.

All of the city's enterprise funds meet the criteria for major fund reporting and are reported in the basic financial statements.

Schedules or revenues and changes in fund net assets — budget and actual are presented here for each individual enterprise fund as required by Oregon regulations.

## **Major Enterprise Funds:**

**Sanitary Sewer Fund** – This fund accounts for the city's sewer utility operations.

**Stormwater Fund** – This fund accounts for the city's storm drainage operations.

**Water Quality/Quantity Fund** – This fund accounts for the fees charged to new development for the additional impact on the stormwater system.

**Water Fund** – This fund accounts for the city's water operations.

**Water SDC Fund** – This fund accounts for the water impact fees charged to new development.

**Water CIP Fund** – This fund tracks capital improvements for the water system.

**Water Debt Service Fund** – This fund tracks debt service on the water revenue bonds and long-term note.

**CITY OF TIGARD, OREGON**  
**SANITARY SEWER FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
*for the year ended June 30, 2014*

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 1,484,277	\$ 1,484,277	\$ 1,727,206	\$ 242,929
Connection fees	25,750	25,750	15,761	(9,989)
Intergovernmental revenue	408,050	408,050	-	(408,050)
Miscellaneous	128,788	128,788	65,858	(62,930)
Interest earnings	100,333	100,333	-	(100,333)
<b>Total revenues</b>	<b>2,147,198</b>	<b>2,147,198</b>	<b>1,808,825</b>	<b>(338,373)</b>
<b>EXPENDITURES</b>				
Public works	1,973,373	1,931,303	1,732,462	198,841
Capital projects	4,944,653	5,924,653	1,555,614	4,369,039
<b>Total expenditures</b>	<b>6,918,026</b>	<b>7,855,956</b>	<b>3,288,076</b>	<b>4,567,880</b>
<b>Change in fund balance before other financing sources (uses)</b>	<b>(4,770,828)</b>	<b>(5,708,758)</b>	<b>(1,479,251)</b>	<b>4,229,507</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	936,000	1,391,000	542,107	(848,893)
Transfers out	(230,149)	(230,149)	(107,931)	122,218
Contingency	(400,000)	(220,000)	-	220,000
Reserve for future expenditure	(1,387,142)	(1,429,212)	-	1,429,212
<b>Total other financing sources (uses)</b>	<b>(1,081,291)</b>	<b>(488,361)</b>	<b>434,176</b>	<b>922,537</b>
<b>Change in fund balance</b>	<b>(5,852,119)</b>	<b>(6,197,119)</b>	<b>(1,045,075)</b>	<b>5,152,044</b>
<b>Fund balance - Beginning of the year</b>	<b>5,852,119</b>	<b>6,197,119</b>	<b>6,275,392</b>	<b>78,273</b>
<b>Fund balance - End of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,230,317</b>	<b>\$ 5,230,317</b>

**CITY OF TIGARD, OREGON**  
**SANITARY SEWER FUND**  
**RECONCILIATION OF BUDGETARY REVENUES AND EXPENDITURES**  
**TO PROPRIETARY REVENUES AND EXPENSES**  
*for the year ended June 30, 2014*

	Operating and Non-Operating Revenues	Expenditures / Expenses
<b>Budgetary basis</b>	<b>\$ 2,350,932</b>	<b>\$ 3,396,007</b>
Unavailable revenue	(30,333)	-
Contributed capital	47,501	-
Change in accrued compensated absences	-	646
Expenditures capitalized	-	(1,286,909)
Depreciation expense	-	610,716
Net OPEB obligation	-	5,096
<b>Operating and non-operating revenue and expenses - GAAP basis</b>	<b>\$ 2,368,100</b>	<b>\$ 2,725,556</b>

**CITY OF TIGARD, OREGON**  
**STORMWATER FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
*for the year ended June 30, 2014*

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 2,053,830	\$ 2,329,830	\$ 2,733,346	\$ 403,516
Miscellaneous	-	-	15,096	15,096
Interest earnings	7,936	7,936	-	(7,936)
<b>Total revenues</b>	<b>2,061,766</b>	<b>2,337,766</b>	<b>2,748,442</b>	<b>410,676</b>
<b>EXPENDITURES</b>				
Public works	1,442,387	1,554,457	1,448,387	106,070
Capital projects	1,165,375	1,165,375	230,273	935,102
<b>Total expenditures</b>	<b>2,607,762</b>	<b>2,719,832</b>	<b>1,678,660</b>	<b>1,041,172</b>
<b>Change in fund balance before other financing (uses)</b>	<b>(545,996)</b>	<b>(382,066)</b>	<b>1,069,782</b>	<b>1,451,848</b>
<b>OTHER FINANCING (USES)</b>				
Transfers out	(478,916)	(598,916)	(412,071)	186,845
Contingency	(100,000)	(57,930)	-	57,930
Reserve for future expenditures	(1,271,735)	(1,477,735)	-	1,477,735
<b>Total other financing (uses)</b>	<b>(1,850,651)</b>	<b>(2,134,581)</b>	<b>(412,071)</b>	<b>1,722,510</b>
<b>Change in fund balance</b>	<b>(2,396,647)</b>	<b>(2,516,647)</b>	<b>657,711</b>	<b>3,174,358</b>
<b>Fund balance - Beginning of the year</b>	<b>2,396,647</b>	<b>2,516,647</b>	<b>2,881,278</b>	<b>364,631</b>
<b>Fund balance - End of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,538,989</b>	<b>\$ 3,538,989</b>

**CITY OF TIGARD, OREGON**  
**WATER QUALITY/QUANTITY FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
*for the year ended June 30, 2014*

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 4,250	\$ 4,250	\$ 4,875	\$ 625
Interest earnings	15,102	15,102	-	(15,102)
<b>Total revenues</b>	<b>19,352</b>	<b>19,352</b>	<b>4,875</b>	<b>(14,477)</b>
<b>OTHER FINANCING (USES)</b>				
Transfers out	(943,659)	(943,659)	(42,962)	900,697
Reserve for future expenditures	(318,062)	(318,062)	-	318,062
<b>Total other financing (uses)</b>	<b>(1,261,721)</b>	<b>(1,261,721)</b>	<b>(42,962)</b>	<b>1,218,759</b>
<b>Change in fund balance</b>	<b>(1,242,369)</b>	<b>(1,242,369)</b>	<b>(38,087)</b>	<b>1,204,282</b>
<b>Fund balance - Beginning of the year</b>	<b>1,242,369</b>	<b>1,242,369</b>	<b>1,291,131</b>	<b>48,762</b>
<b>Fund balance - End of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,253,044</b>	<b>\$ 1,253,044</b>

**CITY OF TIGARD, OREGON**  
**STORMWATER FUNDS**  
**RECONCILIATION OF BUDGETARY REVENUES AND EXPENDITURES**  
**TO PROPRIETARY REVENUES AND EXPENSES**  
*for the year ended June 30, 2014*

	Operating and Non-operating Revenues	Expenditures/ Expenses
Stormwater	\$ 2,748,442	\$ 2,090,731
Water Quality / Quantity	4,875	42,962
<b>Total, budgetary basis</b>	<b>2,753,317</b>	<b>2,133,693</b>
Contributed capital	156,098	-
Change in accrued compensated absences	-	4,788
Expenditures capitalized	-	(185,517)
Depreciation expense	-	455,524
Net OPEB obligation	-	5,096
<b>Operating and non-operating revenue and expenses - GAAP basis</b>	<b>\$ 2,909,415</b>	<b>\$ 2,413,584</b>

**CITY OF TIGARD, OREGON**  
**WATER FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
*for the year ended June 30, 2014*

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 14,253,371	\$ 14,253,371	\$ 15,985,607	\$ 1,732,236
Interest earnings	30,644	30,644	-	(30,644)
Miscellaneous	-	-	39,819	39,819
<b>Total revenues</b>	<b>14,284,015</b>	<b>14,284,015</b>	<b>16,025,426</b>	<b>1,741,411</b>
<b>EXPENDITURES</b>				
Public works	8,139,852	8,351,852	7,239,686	1,112,166
<b>Change in fund balance before other financing sources (uses)</b>	<b>6,144,163</b>	<b>5,932,163</b>	<b>8,785,740</b>	<b>2,853,577</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	58,751	58,751	58,751	-
Transfers out	(5,735,926)	(5,785,926)	(5,318,083)	467,843
Contingency	(500,000)	(238,000)	-	238,000
Reserve for future expenditure	(9,668,491)	(9,668,491)	-	9,668,491
<b>Total other financing sources (uses)</b>	<b>(15,845,666)</b>	<b>(15,633,666)</b>	<b>(5,259,332)</b>	<b>10,374,334</b>
<b>Change in fund balance</b>	<b>(9,701,503)</b>	<b>(9,701,503)</b>	<b>3,526,408</b>	<b>13,227,911</b>
<b>Fund balance - Beginning of the year</b>	<b>9,701,503</b>	<b>9,701,503</b>	<b>12,707,092</b>	<b>3,005,589</b>
<b>Fund balance - End of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,233,500</b>	<b>\$ 16,233,500</b>

**CITY OF TIGARD, OREGON**  
**WATER SDC FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
*for the year ended June 30, 2014*

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
System development charges	\$ 361,575	\$ 361,575	\$ 832,111	\$ 470,536
Interest earnings	233	233	-	(233)
<b>Total revenues</b>	<b>361,808</b>	<b>361,808</b>	<b>832,111</b>	<b>470,303</b>
<b>OTHER FINANCING (USES)</b>				
Operating transfer out	(165)	(1,027,165)	(162)	1,027,003
Contingency	(100,000)	(100,000)	-	100,000
Reserve for future expenditure	(1,887,547)	(1,887,547)	-	1,887,547
<b>Total other financing (uses)</b>	<b>(1,987,712)</b>	<b>(3,014,712)</b>	<b>(162)</b>	<b>3,014,550</b>
<b>Change in fund balance</b>	<b>(1,625,904)</b>	<b>(2,652,904)</b>	<b>831,949</b>	<b>3,484,853</b>
<b>Fund balance - Beginning of the year</b>	<b>1,625,904</b>	<b>2,652,904</b>	<b>3,078,052</b>	<b>425,148</b>
<b>Fund balance - End of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,910,001</b>	<b>\$ 3,910,001</b>

**CITY OF TIGARD, OREGON**  
**WATER CIP FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
*for the year ended June 30, 2014*

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ -	\$ 54,327	\$ 54,327
Interest earnings	13,096	13,096	234,774	221,678
<b>Total revenues</b>	<b>13,096</b>	<b>13,096</b>	<b>289,101</b>	<b>276,005</b>
<b>EXPENDITURES</b>				
Capital projects	75,862,443	76,254,443	34,747,400	41,507,043
<b>Change in fund balance before other financing sources (uses)</b>	<b>(75,849,347)</b>	<b>(76,241,347)</b>	<b>(34,458,299)</b>	<b>41,783,048</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfer in	702,443	1,779,443	203,278	(1,576,165)
Operating transfers out	(546,672)	(831,672)	(821,854)	9,818
Reserve for future expenditures	(8,538,152)	(8,938,152)	-	8,938,152
<b>Total other financing sources (uses)</b>	<b>(8,382,381)</b>	<b>(7,990,381)</b>	<b>(618,576)</b>	<b>7,371,805</b>
<b>Change in fund balance</b>	<b>(84,231,728)</b>	<b>(84,231,728)</b>	<b>(35,076,875)</b>	<b>49,154,853</b>
<b>Fund balance - Beginning of the year</b>	<b>84,231,728</b>	<b>84,231,728</b>	<b>83,276,924</b>	<b>(954,804)</b>
<b>Fund balance - End of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 48,200,049</b>	<b>\$ 48,200,049</b>

**CITY OF TIGARD, OREGON**  
**WATER DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
*for the year ended June 30, 2014*

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Interest earnings	\$ -	\$ -	\$ 35,641	\$ 35,641
<b>EXPENDITURES</b>				
Debt Service	4,881,034	4,881,034	4,881,033	1
<b>Change in fund balance before other financing sources (uses)</b>	<b>(4,881,034)</b>	<b>(4,881,034)</b>	<b>(4,845,392)</b>	<b>35,642</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfer in	4,881,034	4,881,034	4,881,033	(1)
Reserve for future expenditure	(6,763,142)	(6,763,142)	-	6,763,142
<b>Total other financing sources (uses)</b>	<b>(1,882,108)</b>	<b>(1,882,108)</b>	<b>4,881,033</b>	<b>6,763,141</b>
<b>Change in fund balance</b>	<b>(6,763,142)</b>	<b>(6,763,142)</b>	<b>35,641</b>	<b>6,798,783</b>
<b>Fund balance - Beginning of the year</b>	<b>6,763,142</b>	<b>6,763,142</b>	<b>6,605,800</b>	<b>(157,342)</b>
<b>Fund balance - End of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,641,441</b>	<b>\$ 6,641,441</b>

**CITY OF TIGARD, OREGON**  
**WATER FUNDS**  
**RECONCILIATION OF BUDGETARY REVENUES AND EXPENDITURES**  
**TO PROPRIETARY REVENUES AND EXPENSES**  
*for the year ended June 30, 2014*

	Operating and Non-operating Revenues	Expenditures / Expenses
Water	\$ 16,084,177	\$ 7,239,686
Water SDC	832,111	-
Water CIP	289,101	34,747,400
Water Debt Service	35,641	4,881,033
<b>Total, budgetary basis</b>	<b>17,241,030</b>	<b>46,868,119</b>
Contributed capital	55,000	-
Elimination of intra-water transfers	-	1,055,788
Change in accrued compensated absences	-	30,732
Expenditures capitalized	-	(34,653,899)
Principal payments	-	(92,379)
Change in accrued interest	-	(1,617)
Amortization of water revenue bond premium	-	(470,602)
Interest capitalized	-	(1,264,208)
Depreciation expense	-	1,304,007
Net OPEB Obligation	-	10,193
<b>Operating and non-operating revenue and expenses - GAAP basis</b>	<b>\$ 17,296,030</b>	<b>\$ 12,786,134</b>

**CITY OF TIGARD, OREGON**  
**ENTERPRISE FUNDS**  
**RECONCILIATION OF BUDGETARY FUND BALANCE TO**  
**GENERALLY ACCEPTED ACCOUNTING PRINCIPLES BASIS NET POSITION**  
*June 30, 2014*

	Total Sanitary Sewer	Total Stormwater	Total Water
Sanitary Sewer Fund	\$ 5,230,317	\$ -	\$ -
Stormwater Fund	-	3,538,989	-
Water Quality /Quantity Fund	-	1,253,044	-
Water Fund	-	-	16,233,500
Water SDC Fund	-	-	3,910,001
Water CIP Fund	-	-	48,200,049
Water Debt Service Fund	-	-	6,641,441
<b>Fund balance - budget basis</b>	<b>5,230,317</b>	<b>4,792,033</b>	<b>74,984,991</b>
<b><i>Adjustments from budgetary basis to generally accepted accounting principles basis:</i></b>			
Capital assets, net	16,519,232	10,564,495	103,435,501
Sewer Funds Payable	(21,780)	-	-
Assets held for resale	185,021	260,021	-
Unavailable revenue	130,997	-	-
Accrued vacation payable	(27,929)	(20,347)	(100,975)
Long-term debt	-	-	(109,102,917)
Interfund loans	200,000	-	-
OPEB Obligation	(30,209)	(33,902)	(64,340)
<b>Total Net Position - GAAP basis</b>	<b>\$ 22,185,649</b>	<b>\$ 15,562,300</b>	<b>\$ 69,152,260</b>

# Internal Service Funds

Combining statements for internal service funds are reported here. The combined totals are reported alongside the enterprise funds in the basic financial statements.

Schedules of revenues, expenses and changes in fund net assets — budget and actual — are presented here for each internal service fund as required by Oregon regulations.

## **Internal Service Funds:**

**Central Services Fund** – This fund accounts for the central administrative functions within the city.

**Fleet/Property Management Fund** – This fund accounts for all activity related to the fleet maintenance and property management divisions in the city.

**Insurance Fund** – Records refunds of prior years' workers' compensation premiums and other insurance related revenues, and helps pay for higher deductibles that lowers overall insurance costs for the city.

**CITY OF TIGARD, OREGON**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
*June 30, 2014*

	Central Services Fund	Fleet/Property Management Fund	Insurance Fund	Total
<b>ASSETS</b>				
Cash and investments	\$ 836,390	\$ 152,171	\$ 858,592	\$ 1,847,153
Accounts Receivable	19,092	2,153	-	21,245
Prepaid Expense	108,050	-	-	108,050
Inventory	-	54,986	-	54,986
<b>Total assets</b>	<b>963,532</b>	<b>209,310</b>	<b>858,592</b>	<b>2,031,434</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	297,169	79,067	-	376,236
Accrued compensated absences	241,190	43,235	-	284,425
Net OPEB obligation	222,569	15,009	-	237,578
<b>Total liabilities</b>	<b>760,928</b>	<b>137,311</b>	<b>-</b>	<b>898,239</b>
<b>NET POSITION</b>				
Net position, unrestricted	\$ 202,604	\$ 71,999	\$ 858,592	\$ 1,133,195

**CITY OF TIGARD, OREGON**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN FUND NET POSITION**  
*for the year ended June 30, 2014*

	Central Services Fund	Fleet/Property Management Fund	Insurance Fund	Total
<b>OPERATING REVENUES</b>				
Charges for services	\$ 6,493,303	\$ 1,484,616	\$ -	\$ 7,977,919
Miscellaneous	64,408	3,784	47,689	115,881
<b>Total operating revenues</b>	<b>6,557,711</b>	<b>1,488,400</b>	<b>47,689</b>	<b>8,093,800</b>
<b>OPERATING EXPENSES</b>				
Salaries and wages	4,311,411	463,988	-	4,775,398
Contracted services	639,824	388,008	4,305	1,032,137
General, administrative and other	1,434,513	640,575	15,059	2,090,147
<b>Total operating expenses</b>	<b>6,385,748</b>	<b>1,492,571</b>	<b>19,364</b>	<b>7,897,682</b>
<b>Net income (loss)</b>	<b>171,964</b>	<b>(4,171)</b>	<b>28,325</b>	<b>196,118</b>
<b>Net position - Beginning of year</b>	<b>30,640</b>	<b>76,170</b>	<b>830,267</b>	<b>937,077</b>
<b>Net position - End of year</b>	<b>\$ 202,604</b>	<b>\$ 71,999</b>	<b>\$ 858,592</b>	<b>\$ 1,133,195</b>

**CITY OF TIGARD, OREGON**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
*for the year ended June 30, 2014*

	Central Services Fund	Fleet/Property Management Fund	Insurance Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 6,492,145	\$ 1,482,496	\$ -	\$ 7,974,641
Payments to suppliers	(2,090,840)	(1,038,046)	(19,364)	(3,148,250)
Payments to employees	(4,284,497)	(458,377)	-	(4,742,874)
Other receipts	48,460	3,784	47,798	100,042
<b>Net cash provided (used) by operating activities</b>	<b>165,268</b>	<b>(10,143)</b>	<b>28,434</b>	<b>183,559</b>
<b>Net increase in cash and investments</b>	<b>165,268</b>	<b>(10,143)</b>	<b>28,434</b>	<b>183,559</b>
<b>Cash and investments--beginning of the year</b>	<b>671,122</b>	<b>162,314</b>	<b>830,158</b>	<b>1,663,594</b>
<b>Cash and investments--end of the year</b>	<b>\$ 836,390</b>	<b>\$ 152,171</b>	<b>\$ 858,592</b>	<b>\$ 1,847,153</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 171,964	\$ (4,171)	\$ 28,325	\$ 196,118
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>				
<b>CHANGE IN ASSETS AND LIABILITIES</b>				
Receivables	(1,159)	(2,120)	109	(3,170)
Prepays	(7,953)	-	-	(7,953)
Inventory	-	(18,786)	-	(18,786)
Accounts payable	(8,550)	9,323	-	773
Unearned revenue	(15,948)	-	-	(15,948)
Accrued compensated absences	(7,316)	1,534	-	(5,782)
Net OPEB obligation	34,230	4,077	-	38,307
<b>Net cash provided (used) by operating activities</b>	<b>\$ 165,268</b>	<b>\$ (10,143)</b>	<b>\$ 28,434</b>	<b>\$ 183,559</b>

**CITY OF TIGARD, OREGON**  
**CENTRAL SERVICES FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
*for the year ended June 30, 2014*

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 5,782,248	\$ 5,861,585	\$ 5,647,565	\$ (214,020)
Interest earnings	593	593	-	(593)
Miscellaneous	-	-	64,408	64,408
<b>Total revenues</b>	<b>5,782,841</b>	<b>5,862,178</b>	<b>5,711,973</b>	<b>(150,205)</b>
<b>EXPENDITURES:</b>				
Policy and administration	6,494,508	6,634,845	6,351,517	283,328
<b>Change in fund balance before other financing sources (uses)</b>	<b>(711,667)</b>	<b>(772,667)</b>	<b>(639,544)</b>	<b>133,123</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfer in	861,205	861,205	845,738	(15,467)
Contingency	(340,000)	(279,000)	-	279,000
Reserve for future expenditures	(8,886)	(8,886)	-	8,886
<b>Total other financing sources (uses)</b>	<b>512,319</b>	<b>573,319</b>	<b>845,738</b>	<b>272,419</b>
<b>Change in fund balance</b>	<b>(199,348)</b>	<b>(199,348)</b>	<b>206,194</b>	<b>405,542</b>
<b>Fund balance - Beginning of the year</b>	<b>199,348</b>	<b>199,348</b>	<b>218,979</b>	<b>19,631</b>
<b>Fund balance - End of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>425,173</b>	<b>\$ 425,173</b>
<i>Reconciliation of budgetary fund balance to GAAP basis net position:</i>				
Net OPEB obligation			(222,569)	
<b>Total net position, GAAP basis</b>			<b>\$ 202,604</b>	

**CITY OF TIGARD, OREGON**  
**FLEET/PROPERTY MANAGEMENT FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
*for the year ended June 30, 2014*

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 1,639,836	\$ 1,639,836	\$ 1,484,616	\$ (155,220)
Miscellaneous	-	14,868	3,784	(11,084)
<b>Total revenues</b>	<b>1,639,836</b>	<b>1,654,704</b>	<b>1,488,400</b>	<b>(166,304)</b>
<b>EXPENDITURES</b>				
Public works	1,698,713	1,725,713	1,488,494	237,219
<b>Change in fund balance before other financing (uses)</b>	<b>(58,877)</b>	<b>(71,009)</b>	<b>(94)</b>	<b>70,915</b>
<b>OTHER FINANCING (USES)</b>				
Contingency	(25,000)	(12,868)	-	12,868
Reserve for future expenditures	(2,635)	(2,635)	-	2,635
<b>Total other financing (uses)</b>	<b>(27,635)</b>	<b>(15,503)</b>	<b>-</b>	<b>15,503</b>
<b>Change in fund balance</b>	<b>(86,512)</b>	<b>(86,512)</b>	<b>(94)</b>	<b>86,418</b>
<b>Fund balance - Beginning of the year</b>	<b>86,512</b>	<b>86,512</b>	<b>87,102</b>	<b>590</b>
<b>Fund balance - End of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>87,008</b>	<b>\$ 87,008</b>
<b>Reconciliation of budgetary fund balance to GAAP basis net position:</b>				
Net OPEB obligation			(15,009)	
<b>Total net position, GAAP basis</b>			<b>\$ 71,999</b>	

**CITY OF TIGARD, OREGON**  
**INSURANCE FUND**  
**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL**  
*for the year ended June 30, 2014*

	Budgeted Amounts		Actual Amounts	Variance with final budget
	Original	Final		
<b>REVENUES</b>				
Interest earnings	\$ 7,810	\$ 7,810	\$ -	\$ (7,810)
Recovered expenditures	14,000	14,000	47,689	33,689
<b>Total revenues</b>	<b>21,810</b>	<b>21,810</b>	<b>47,689</b>	<b>25,879</b>
<b>EXPENDITURES</b>				
Policy and administration	50,000	50,000	18,843	31,157
<b>Change in fund balance before other financing (uses)</b>	<b>(28,190)</b>	<b>(28,190)</b>	<b>28,846</b>	<b>57,036</b>
<b>OTHER FINANCING (USES)</b>				
Operating transfer out	(531)	(531)	(521)	10
Contingency	(10,000)	(10,000)	-	10,000
Reserve for future expenditures	(738,051)	(738,051)	-	738,051
<b>Total other financing (uses)</b>	<b>(748,582)</b>	<b>(748,582)</b>	<b>(521)</b>	<b>748,061</b>
<b>Change in fund balance</b>	<b>(776,772)</b>	<b>(776,772)</b>	<b>28,325</b>	<b>805,097</b>
<b>Fund balance - Beginning of the year</b>	<b>776,772</b>	<b>776,772</b>	<b>830,267</b>	<b>53,495</b>
<b>Fund balance - End of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 858,592</b>	<b>\$ 858,592</b>

# **Other Supplementary Schedules**

**CITY OF TIGARD, OREGON**  
**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES**  
*For the fiscal year ended June 30, 2014*

	Property Taxes Receivable June 30, 2013	Add Levy as Extended by Assessor	Deduct Discounts Allowed	Add (Deduct) Adjustments	Add Interest	Deduct Collections	Property Taxes Receivable June 30, 2014
2013-2014	\$ -	\$ 16,326,904	\$ (430,150)	\$ (44,596)	\$ 4,345	\$ (15,532,675)	\$ 323,828
2012-2013	331,827	-	(1,583)	(7,180)	11,063	(173,729)	160,397
2011-2012	169,468	-	16	3,662	9,676	(65,128)	117,694
2010-2011	115,389	-	2	3,868	11,621	(55,553)	75,327
2009-2010	69,273	-	2	(3,138)	5,006	(17,974)	53,169
2008 - 2009	6,903	-	1	(1,377)	1,003	(2,945)	3,584
2007 - 2008 and prior	11,751	-	0	(2,799)	1,077	(2,936)	6,393
	<b>\$ 704,611</b>	<b>\$ 16,326,904</b>	<b>\$ (431,712)</b>	<b>\$ (51,560)</b>	<b>\$ 43,791</b>	<b>\$ (15,850,940)</b>	<b>\$ 740,392</b>

	Cash Collections	Property Taxes Receivable June 30, 2014
Distributed as follows:		
GENERAL FUND		
Current	\$ 13,044,742	\$ 270,050
Prior years' levies	180,546	355,284
<b>Total General Fund</b>	<b>13,225,288</b>	<b>625,334</b>
DEBT SERVICE FUND		
Current	2,272,269	53,777
Prior years' levies	26,105	61,281
<b>Total Debt Service Funds</b>	<b>2,298,374</b>	<b>115,058</b>
<b>Total</b>	<b>\$ 15,523,662</b>	<b>\$ 740,392</b>

NOTE: Taxes revenue on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance is reported on the modified accrual basis.

**CITY OF TIGARD, OREGON**  
**SCHEDULE OF BOND AND BOND INTEREST TRANSACTIONS**  
*For the fiscal year ended June 30, 2014*

	Bond Transactions						Interest Transactions	
	Original Issue	Outstanding June 30, 2013	Additions	Matured/ Called	Paid	Outstanding June 30, 2014	Matured	Paid
<b>Bancroft Bonds</b>								
Issued June 27, 2002	\$ 1,307,969	\$ 512,856	\$ -	\$ 67,100	\$ (67,100)	\$ 445,756	\$ 36,547	\$ (36,547)
Issued December 3, 2003	1,947,678	390,883	-	390,883	(390,883)	-	7,622	(7,622)
		\$ 903,739	\$ -	\$ 457,983	\$ (457,983)	\$ 445,756	\$ 44,169	\$ (44,169)
<b>General Obligation Bonds</b>								
Issued February 3, 2011	\$ 8,655,000	\$ 7,520,000	\$ -	\$ 645,000	\$ (645,000)	\$ 6,875,000	\$ 256,825	\$ (256,825)
Issued June 21, 2010	7,250,000	5,305,000	-	695,000	(695,000)	4,610,000	230,768	(230,768)
Issued February 3, 2011	17,000,000	15,980,000	-	645,000	(645,000)	15,335,000	646,875	(646,875)
		\$ 28,805,000	\$ -	\$ 1,985,000	\$ (1,985,000)	\$ 26,820,000	\$ 1,134,468	\$ (1,134,468)
<b>Revenue Bonds</b>								
Issued May 1, 2012	\$ 97,720,000	\$ 97,720,000	\$ -	\$ -	\$ -	\$ 97,720,000	\$ 4,719,850	\$ (4,719,850)
<b>Long-term Note</b>								
Issued December 1, 2011	\$ 2,398,000	\$ 2,293,486	\$ -	\$ 92,379	\$ (92,379)	\$ 2,201,107	\$ 68,805	\$ (68,805)

**CITY OF TIGARD, OREGON**  
**SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS**  
**OF BANCROFT IMPROVEMENT BONDS**  
*For the fiscal year ended June 30, 2014*

<b>Fiscal Year of Maturity</b>	<b>Issued June 27, 2002 7.25%</b>	
	<b>Principal</b>	<b>Interest</b>
2014-2015	\$72,100	\$31,034
2015-2016	77,400	25,713
2016-2017	83,100	20,000
2017-2018	89,200	13,866
2018-2019	95,800	7,279
2020	28,156	1,021
<b>Total</b>	<b>\$445,756</b>	<b>\$98,913</b>

**CITY OF TIGARD, OREGON**  
**SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS**  
**OF GENERAL OBLIGATION BONDS**  
*For the fiscal year ended June 30, 2014*

Fiscal Year of Maturity	Total Debt Requirement	Issued: February 3, 2011 3.00% to 4.00%		Issued: June 21, 2010 4.35%		Issued: February 3, 2011 3.00% to 4.75%	
		Principal	Interest	Principal	Interest	Principal	Interest
2014-2015	\$ 2,045,000	\$ 665,000	\$ 237,175	\$ 715,000	\$ 200,535	\$ 665,000	\$ 627,526
2015-2016	2,105,000	685,000	216,925	735,000	169,432	685,000	607,576
2016-2017	2,165,000	705,000	196,075	755,000	137,460	705,000	587,025
2017-2018	2,235,000	730,000	174,550	780,000	104,618	725,000	565,875
2018-2019	2,305,000	755,000	148,500	800,000	70,688	750,000	544,125
2020-2024	8,380,000	3,335,000	273,500	825,000	35,888	4,220,000	2,246,025
2025-2029	5,170,000	-	-	-	-	5,170,000	1,297,825
2030-2031	2,415,000	-	-	-	-	2,415,000	173,375
	<b>\$ 26,820,000</b>	<b>\$ 6,875,000</b>	<b>\$ 1,246,725</b>	<b>\$ 4,610,000</b>	<b>\$ 718,621</b>	<b>\$ 15,335,000</b>	<b>\$ 6,649,352</b>

**CITY OF TIGARD, OREGON**  
**SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS**  
**OF WATER REVENUE BONDS**  
*For the fiscal year ended June 30, 2014*

Fiscal Year of Maturity	Total Requirements	Issued: May 1, 2012 3.00% to 5.00%	
		Principal	Interest
2014-2015	4,719,850	-	4,719,850
2015-2016	4,719,850	-	4,719,850
2016-2017	6,561,800	1,870,000	4,691,800
2017-2018	6,560,050	1,935,000	4,625,050
2018-2019	6,561,050	2,015,000	4,546,050
2020-2024	32,813,575	11,400,000	21,413,575
2025-2029	32,814,500	14,420,000	18,394,500
2030-2034	32,813,125	18,515,000	14,298,125
2035-2039	32,808,750	23,770,000	9,038,750
2040-2043	26,248,625	23,795,000	2,453,625
	\$ 186,621,175	\$ 97,720,000	\$ 88,901,175

**CITY OF TIGARD, OREGON**  
**SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS**  
**OF SAFE DRINKING WATER REVOLVING LOAN FUNDS**  
*For the fiscal year ended June 30, 2014*

Fiscal Year of Maturity	Total Requirements	Issued: May 1, 2012 3.00% to 5.00%	
		Principal	Interest
2014-2015	161,183	95,150	66,033
2015-2016	161,184	98,005	63,179
2016-2017	161,184	100,945	60,239
2017-2018	161,183	103,973	57,210
2018-2019	161,183	107,092	54,091
2020-2024	805,915	585,623	220,292
2025-2029	805,916	678,899	127,017
2030-2032	456,773	431,420	25,353
	\$ 2,874,521	\$ 2,201,107	\$ 673,414

# Statistical Section

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

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how financial performance has changed over time.	136–146
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the city’s most significant local revenue source, property taxes.	147–152
<b>Debt Capacity</b> These schedules contain 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.	153–153
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within the city’s financial activities take place.	160–162
<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 services the city provides and the activities it performs.	163–165

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented GASB Statement 34 in fiscal year 2003, implemented GASB Statement 44 in fiscal year 2006 and implemented GASB 54 in fiscal year 2011.

**CITY OF TIGARD, OREGON**  
**MISCELLANEOUS STATISTICAL DATA**  
*June 30, 2014*

Date of Incorporation	1961
Form of government	Mayor / Council with a City Manager as the administrative head of the government of the City
Area (Square Miles - incorporated area)	12.2
Miles of streets	150.00
Police protection:	
- Number of stations	1
- Number of sworn police officers	68
Education:	
- Attendance centers	17
- Number of teachers\FTE	644
- Number of students	12,718
Building Permits issued (2013-2014)	783
Recreation and culture:	
- Number of parks	20, totaling 255 acres
- Greenways	244 acres
- Number of libraries	1
- Number of volumes (estimated)	245,000
Employees:	
- Classified service (union)	172
- Unclassified (non-union)	85

Information obtained from the various departments of the City of Tigard, Oregon and Tigard/Tualatin School District #23-J - City student totals not available

**CITY OF TIGARD, OREGON**  
**NET POSITION BY COMPONENT**  
*for the last ten fiscal years*  
*(accrual basis of accounting)*

	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008
<b>GOVERNMENTAL ACTIVITIES</b>				
Net investment in capital assets	\$ 169,543,524	\$ 168,577,473	\$ 173,401,138	\$ 177,656,465
Restricted	1,367,179	2,812,994	1,490,484	1,992,734
Unrestricted	21,178,146	21,685,865	25,234,231	23,053,474
<b>Total governmental activities net position</b>	<b>192,088,849</b>	<b>193,076,332</b>	<b>200,125,853</b>	<b>202,702,673</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Invested in capital assets, net of related debt	51,861,963	58,058,208	64,000,824	68,398,209
Restricted	3,761,976	3,761,976	3,783,324	3,783,324
Unrestricted	20,374,983	20,480,106	18,463,817	15,826,866
<b>Total business-type activities net position</b>	<b>75,998,922</b>	<b>82,300,290</b>	<b>86,247,965</b>	<b>88,008,399</b>
<b>PRIMARY GOVERNMENT</b>				
Invested in capital assets, net of related debt	221,405,487	226,635,681	237,401,962	246,054,674
Restricted	5,129,155	6,574,970	5,273,808	5,776,058
Unrestricted	41,553,129	42,165,971	43,698,048	38,880,340
<b>Total primary government net position</b>	<b>\$ 268,087,771</b>	<b>\$ 275,376,622</b>	<b>\$ 286,373,818</b>	<b>\$ 290,711,072</b>

Source: Comprehensive Annual Financial Report of the City.

Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014
\$ 179,584,222	\$ 165,775,262	\$ 181,343,650	\$ 179,626,050	\$ 181,196,030	\$ 185,242,899
1,540,638	6,872,512	5,880,755	13,180,057	12,041,725	10,941,117
18,091,356	24,927,888	11,880,945	8,431,166	14,311,478	16,651,351
<b>199,216,216</b>	<b>197,575,662</b>	<b>199,105,350</b>	<b>201,237,273</b>	<b>207,549,233</b>	<b>212,835,367</b>
68,738,562	70,942,446	78,920,831	65,218,645	74,044,470	79,627,259
3,783,324	-	6,005,540	13,184,382	9,683,852	10,551,442
16,184,644	17,371,241	8,675,865	19,429,375	18,523,616	16,721,508
<b>88,706,530</b>	<b>88,313,687</b>	<b>93,602,236</b>	<b>97,832,402</b>	<b>102,251,938</b>	<b>106,900,209</b>
248,322,784	236,717,708	260,264,481	244,844,695	255,240,500	264,870,158
5,323,962	6,872,512	11,886,295	26,364,439	21,725,577	21,492,559
34,275,999	42,299,129	20,556,810	27,860,541	32,835,094	33,372,859
<b>\$ 287,922,745</b>	<b>\$ 285,889,349</b>	<b>\$ 292,707,586</b>	<b>\$ 299,069,675</b>	<b>\$ 309,801,171</b>	<b>\$ 319,735,576</b>

**CITY OF TIGARD, OREGON**  
**CHANGES IN NET POSITION**  
*for the last ten fiscal years*  
*(accrual basis of accounting)*

	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007
<b>EXPENSES</b>			
<b><i>Governmental activities</i></b>			
Community services	\$ 10,253,764	\$ 11,241,521	\$ 11,656,248
Public works	2,172,874	3,078,772	2,383,009
Community development	4,224,696	4,669,452	4,714,636
Policy and administration	6,166,577	7,447,828	4,398,213
Interest on long-term debt	716,899	935,359	153,319
<b>Total governmental activities expenses</b>	<b>23,534,810</b>	<b>27,372,932</b>	<b>23,305,425</b>
<b><i>Business-type activities</i></b>			
Sewer	1,297,582	1,454,150	1,461,458
Stormwater	1,374,459	1,391,158	1,533,391
Water	8,200,928	7,291,602	7,452,480
<b>Total business-type activities program expenses</b>	<b>10,872,969</b>	<b>10,136,910</b>	<b>10,447,329</b>
<b>Total primary government expenses</b>	<b>\$ 34,407,779</b>	<b>\$ 37,509,842</b>	<b>\$ 33,752,754</b>
<b>PROGRAM REVENUES</b>			
<b><i>Governmental activities</i></b>			
Charges for services:			
Community services	\$ 119,513	\$ 146,798	\$ 151,448
Public works	1,741,747	2,165,451	1,866,123
Community development	3,335,125	4,463,283	3,982,018
Policy and administration	908,053	1,015,976	1,146,301
Operating grants and contributions	285,888	133,509	1,537,714
Capital grants and contributions	-	-	2,596,223
<b>Total governmental activities program revenues</b>	<b>6,390,326</b>	<b>7,925,017</b>	<b>11,279,827</b>
<b><i>Business-type activities</i></b>			
Charges for services:			
Sewer	1,601,113	1,555,358	1,641,740
Stormwater	1,156,220	1,176,816	1,190,521
Water	7,762,153	6,953,809	6,336,186
Capital grants and contributions	-	6,077,864	3,886,120
<b>Total business-type activities program revenues</b>	<b>10,519,486</b>	<b>15,763,847</b>	<b>13,054,567</b>
<b>Total primary government program revenues</b>	<b>\$ 16,909,812</b>	<b>\$ 23,688,864</b>	<b>\$ 24,334,394</b>

Source: Comprehensive Annual Financial Report of the City.

Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014
\$ 13,678,913	\$ 18,365,997	\$ 19,832,642	\$ 19,987,961	\$ 20,025,191	\$ 19,085,777	\$ 20,023,165
2,373,710	2,468,981	8,563,893	10,911,875	12,489,448	8,585,063	8,399,436
5,186,834	7,238,839	4,846,494	4,159,289	4,709,751	3,988,011	4,267,328
3,992,478	5,997,644	1,511,956	1,825,398	2,117,198	1,339,254	1,732,016
354,664	526,825	548,987	1,214,420	1,125,259	1,226,774	1,147,024
<b>25,586,599</b>	<b>34,598,286</b>	<b>35,303,972</b>	<b>38,098,943</b>	<b>40,466,847</b>	<b>34,224,879</b>	<b>35,568,969</b>
1,963,223	1,597,413	1,379,105	1,386,597	1,743,929	2,114,054	2,617,625
1,585,105	1,920,640	2,061,622	1,667,699	1,649,715	2,045,399	1,958,551
6,792,833	7,624,478	7,880,598	6,996,463	7,807,706	11,989,337	11,730,347
<b>10,341,161</b>	<b>11,142,531</b>	<b>11,321,325</b>	<b>10,050,759</b>	<b>11,201,350</b>	<b>16,148,790</b>	<b>16,306,523</b>
<b>\$ 35,927,760</b>	<b>\$ 45,740,817</b>	<b>\$ 46,625,297</b>	<b>\$ 48,149,702</b>	<b>\$ 51,668,197</b>	<b>\$ 50,373,669</b>	<b>\$ 51,875,492</b>
\$ 168,232	\$ 180,425	\$ 232,384	\$ 1,008,691	\$ 1,191,417	\$ 2,252,945	\$ 1,872,350
1,377,855	952,652	1,751,341	2,096,677	1,915,631	2,120,366	2,519,515
2,331,834	1,249,995	1,490,701	1,747,617	1,684,287	2,579,329	1,765,005
1,524,653	1,463,736	108,940		84,065	105,755	65,233
739,171	153,447	199,506	6,516,004	6,952,717	6,924,053	6,318,382
3,103,521	199,112	305,398	230,500	1,049,774	2,173,900	1,804,398
<b>9,245,266</b>	<b>4,199,367</b>	<b>4,088,270</b>	<b>11,599,489</b>	<b>12,877,891</b>	<b>16,156,348</b>	<b>14,344,883</b>
2,322,462	1,348,750	1,117,987	1,021,840	1,025,732	1,203,187	1,727,206
1,593,097	1,484,627	1,872,545	2,178,298	2,402,189	2,629,694	2,733,346
7,002,872	7,417,827	7,834,978	9,065,554	11,895,044	14,907,664	15,985,607
136,331	834,660	1,022,045	4,583,764	2,871,726	1,675,987	1,111,346
<b>11,054,762</b>	<b>11,085,864</b>	<b>11,847,555</b>	<b>16,849,456</b>	<b>18,194,691</b>	<b>20,416,532</b>	<b>21,557,505</b>
<b>\$ 20,300,028</b>	<b>\$ 15,285,231</b>	<b>\$ 15,935,825</b>	<b>\$ 28,448,945</b>	<b>\$ 31,072,582</b>	<b>\$ 36,572,880</b>	<b>\$ 35,902,388</b>

**CITY OF TIGARD, OREGON**  
**CHANGES IN NET POSITION (CONTINUED)**  
*for the last ten fiscal years*  
*(accrual basis of accounting)*

	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007
<b>NET (EXPENSE) REVENUE</b>			
Governmental activities	\$ (17,144,484)	\$ (19,447,915)	\$ (12,025,598)
Business-type activities	716,899	5,626,937	2,607,238
<b>Total primary government net expenses</b>	<b>(16,427,585)</b>	<b>(13,820,978)</b>	<b>(9,418,360)</b>
<b>GENERAL REVENUES AND OTHER</b>			
<b>CHANGES IN NET POSITION</b>			
<b>Governmental activities:</b>			
Property taxes	10,273,332	10,804,524	11,552,817
Franchise fees	2,670,050	3,042,187	3,835,007
Restricted intergovernmental revenues (excluding grants)	3,447,895	3,288,530	-
Unrestricted intergovernmental revenues	1,430,206	1,863,706	1,836,291
Interest earnings	859,057	922,508	1,548,735
Miscellaneous	283,539	513,943	302,269
Transfers between Governmental and Business-type	-	-	-
<b>Total governmental activities</b>	<b>18,964,079</b>	<b>20,435,398</b>	<b>19,075,119</b>
<b>Business-type activities:</b>			
Interest earnings	604,977	580,004	1,050,352
Miscellaneous	135,092	94,427	147,310
Transfers between Governmental and Business-type	-	-	-
<b>Total business-type activities</b>	<b>740,069</b>	<b>674,431</b>	<b>1,197,662</b>
<b>Total primary government</b>	<b>19,704,148</b>	<b>21,109,829</b>	<b>20,272,781</b>
<b>CHANGES IN NET POSITION</b>			
Governmental activities	1,819,595	987,483	7,049,521
Business-type activities	386,586	6,301,368	3,804,900
<b>Total primary government</b>	<b>\$ 2,206,181</b>	<b>\$ 7,288,851</b>	<b>\$ 10,854,421</b>

Source: Comprehensive Annual Financial Report of the City.

Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014
\$ (16,341,333)	\$ (30,398,918)	\$ (31,215,702)	\$ (26,499,454)	\$ (27,588,956)	\$ (18,068,531)	\$ (21,224,086)
713,601	(56,667)	526,230	6,798,697	6,993,341	4,267,742	5,250,982
<b>(15,627,731)</b>	<b>(30,455,585)</b>	<b>(30,689,471)</b>	<b>(19,700,757)</b>	<b>(20,595,615)</b>	<b>(13,800,789)</b>	<b>(15,973,104)</b>
9,133,664	12,526,541	16,070,846	13,604,285	15,182,467	15,338,744	15,796,663
4,551,169	3,887,078	4,548,520	4,375,420	4,880,635	5,855,956	5,542,647
-	-	-	-	-	-	-
2,912,647	8,925,520	6,993,245	2,838,802	4,798,949	2,500,240	2,955,652
1,503,619	947,247	308,853	296,964	283,273	248,812	421,211
817,054	626,075	376,884	5,284,426	1,583,989	316,512	776,154
-	-	1,276,800	1,629,245	2,991,566	120,227	1,017,893
<b>18,918,153</b>	<b>26,912,461</b>	<b>29,575,148</b>	<b>28,029,142</b>	<b>29,720,879</b>	<b>24,380,491</b>	<b>26,510,220</b>
1,039,593	649,231	153,300	115,828	73,228	114,661	270,415
150,015	105,567	204,427	3,269	155,164	157,360	144,767
-	-	(1,276,800)	(1,629,245)	(2,991,566)	(120,227)	(1,017,893)
<b>1,189,608</b>	<b>754,798</b>	<b>(919,073)</b>	<b>(1,510,148)</b>	<b>(2,763,174)</b>	<b>151,794</b>	<b>(602,711)</b>
<b>20,107,761</b>	<b>27,667,259</b>	<b>28,656,075</b>	<b>26,518,994</b>	<b>26,957,705</b>	<b>24,532,285</b>	<b>25,907,509</b>
2,576,820	(3,486,457)	(1,640,554)	1,529,688	2,131,923	6,311,960	5,286,134
1,903,209	698,131	(392,843)	5,288,549	4,230,167	4,419,536	4,648,271
<b>\$ 4,480,029</b>	<b>\$ (2,788,325)</b>	<b>\$ (2,033,396)</b>	<b>\$ 6,818,237</b>	<b>\$ 6,362,090</b>	<b>\$ 10,731,496</b>	<b>\$ 9,934,405</b>

**CITY OF TIGARD, OREGON**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
for the last ten fiscal years  
*(modified accrual basis of accounting)*

	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014
<b>GENERAL FUND</b>										
Reserved	\$ 54,632	\$ 20,291	\$ 209,378	\$ -	\$ 419,488	\$ 273,726	\$ -	\$ -	\$ -	\$ -
Unreserved	8,131,112	8,368,793	9,716,643	10,794,057	7,338,828	7,067,526	-	-	-	-
Nonspendable	-	-	-	-	-	-	305,164	471,975	472,941	508,374
Unassigned	-	-	-	-	-	-	7,247,383	7,378,411	9,687,736	11,474,700
<b>Total General Fund</b>	<b>\$ 8,185,744</b>	<b>\$ 8,389,084</b>	<b>\$ 9,926,021</b>	<b>\$ 10,794,057</b>	<b>\$ 7,758,316</b>	<b>\$ 7,341,252</b>	<b>\$ 7,552,547</b>	<b>\$ 7,850,386</b>	<b>\$ 10,160,677</b>	<b>\$ 11,983,074</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>										
Reserved	\$ 4,821,174	\$ 2,719,998	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	9,253,467	10,208,277	13,445,092	12,481,406	11,097,739	8,094,802	-	-	-	-
Debt service funds	-	1,811,861	2,027,633	682,960	167,169	1,927,247	-	-	-	-
Capital projects funds	-	1,589,018	1,087,826	1,309,774	1,373,469	4,945,265	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	14,986	16,055
Restricted	-	-	-	-	-	-	16,855,664	15,568,787	14,859,784	12,504,001
Committed	-	-	-	-	-	-	2,263,088	3,217,309	4,020,435	4,457,233
Assigned	-	-	-	-	-	-	417,479	428,823	670,223	905,166
Unassigned	-	-	-	-	-	-	(382,937)	(498,110)	(601,324)	(752,925)
<b>Total all other governmental funds</b>	<b>\$ 14,074,641</b>	<b>\$ 16,329,154</b>	<b>\$ 16,560,551</b>	<b>\$ 14,474,140</b>	<b>\$ 12,638,377</b>	<b>\$ 14,967,314</b>	<b>\$ 19,153,294</b>	<b>\$ 18,716,809</b>	<b>\$ 18,964,104</b>	<b>\$ 17,129,530</b>

\*This schedule was modified with the implementation of GASB 54, effective fiscal year 2011, which affected the categories used to report fund balances.

Source: Comprehensive Annual Financial Report of the City.

**CITY OF TIGARD, OREGON**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
*for the last ten fiscal years*  
*(modified accrual basis of accounting)*

	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007	Fiscal Year 2008
<b>REVENUES</b>				
Taxes	\$ 10,334,295	\$ 10,817,886	\$ 11,553,044	\$ 12,137,977
City gas tax *	-	-	-	-
Franchise fees	2,670,050	3,042,187	3,835,007	4,551,169
Special assessments	373,141	1,421,765	163,379	120,678
Licenses and permits	4,442,222	4,852,719	3,011,348	1,871,841
Intergovernmental revenues	5,134,991	5,285,744	5,970,228	7,807,667
Charges for service	2,354,372	2,689,485	3,989,491	3,469,358
Fines and forfeitures	646,406	702,469	850,335	847,069
Interest earnings	836,359	903,637	1,507,065	1,475,808
Miscellaneous	280,411	502,951	283,712	747,532
<b>Total revenues</b>	<b>27,072,247</b>	<b>30,218,843</b>	<b>31,163,609</b>	<b>33,029,099</b>
<b>EXPENDITURES</b>				
<b>Current operating:</b>				
Community services	10,750,344	11,377,118	11,918,362	13,801,110
Public works	2,172,875	2,273,569	2,383,009	2,757,289
Community development	4,316,517	4,709,433	4,772,780	5,191,797
Policy and administration	4,334,147	4,564,400	4,717,967	397,510
Citywide support	-	-	23,000	-
<b>Debt service:</b>				
Principal	1,285,275	1,526,286	166,571	922,907
Interest	748,417	697,305	630,916	454,403
Refunded bonds	-	-	-	-
Refunding bond issuance cost	-	-	-	-
<b>Capital outlay</b>	4,106,999	2,352,123	3,543,422	6,319,092
<b>Total expenditures</b>	<b>27,714,574</b>	<b>27,500,234</b>	<b>28,156,027</b>	<b>29,844,108</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(642,327)</b>	<b>2,718,609</b>	<b>3,007,582</b>	<b>3,184,991</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from bond / long-term note	-	-	-	-
Operating transfers in	2,893,435	4,046,802	2,667,149	4,896,127
Operating transfers out	(2,893,435)	(4,046,802)	(2,667,149)	(9,299,491)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,403,364)</b>
<b>Net change in fund balances</b>	<b>\$ (642,327)</b>	<b>\$ 2,718,609</b>	<b>\$ 3,007,582</b>	<b>\$ (1,218,373)</b>
Debt services as a percentage of non-capital expenditures	9.43%	9.70%	3.35%	6.22%

\* City gas tax was broken out of intergovernmental beginning in fiscal year 2013

Source: Comprehensive Annual Financial Report of the City.

Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014
\$ 12,405,880	\$ 16,078,788	\$ 16,753,457	\$ 17,767,128	\$ 18,208,253	\$ 18,822,449
-	-	-	-	830,031	638,852
3,887,078	4,548,520	4,375,420	4,880,635	5,724,192	5,542,647
87,208	284,202	40,164	38,776	43,170	258,831
1,282,438	1,229,880	2,590,516	2,444,551	3,175,118	3,098,875
7,560,542	6,358,393	9,834,646	6,586,757	6,040,986	6,386,961
2,536,590	3,083,087	3,127,307	3,059,653	6,632,779	5,937,889
804,128	915,524	907,216	1,092,296	1,038,948	929,293
930,382	300,126	287,284	262,080	254,237	424,221
513,392	249,180	47,489	633,575	206,443	312,815
<b>30,007,640</b>	<b>33,047,700</b>	<b>37,963,499</b>	<b>36,765,451</b>	<b>42,154,157</b>	<b>42,352,833</b>
18,214,907	19,418,498	19,182,018	19,638,469	18,636,382	19,420,335
3,463,390	5,129,767	6,059,692	6,354,390	6,551,980	6,914,185
7,184,355	4,674,008	3,975,257	3,902,223	3,937,089	4,219,481
907,661	787,209	711,743	819,034	711,385	701,172
796,995	-	-	-	-	-
794,853	875,513	2,590,456	1,894,125	1,992,500	2,445,993
530,403	557,061	67,294	1,652,691	1,264,795	1,178,637
-	-	8,836,046	-	-	-
-	-	81,236	-	-	-
3,940,781	7,373,043	19,247,942	4,037,766	6,357,256	7,657,993
<b>35,833,344</b>	<b>38,815,099</b>	<b>60,751,684</b>	<b>38,298,698</b>	<b>39,451,387</b>	<b>42,537,796</b>
<b>(5,825,705)</b>	<b>(5,767,399)</b>	<b>(22,788,185)</b>	<b>(1,533,247)</b>	<b>2,702,770</b>	<b>(184,963)</b>
-	7,250,000	26,214,495	-	-	-
3,342,328	4,965,010	16,977,142	6,969,663	4,735,619	6,420,053
(2,357,267)	(3,688,210)	(16,006,177)	(5,575,062)	(4,880,803)	(6,247,267)
<b>985,061</b>	<b>8,526,800</b>	<b>27,185,460</b>	<b>1,394,601</b>	<b>(145,184)</b>	<b>172,786</b>
<b>\$ (4,840,644)</b>	<b>\$ 2,759,401</b>	<b>\$ 4,397,275</b>	<b>\$ (138,646)</b>	<b>\$ 2,557,586</b>	<b>\$ (12,177)</b>
4.34%	4.71%	8.88%	11.55%	10.84%	10.44%

**CITY OF TIGARD, OREGON  
GOVERNMENTAL REVENUES  
For the last ten fiscal years**

Fiscal Year Ended June 30	Program Revenues			General Revenues							Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Taxes	Franchise Fees	Intergovernmental Revenues	Interest Earnings	Donated Assets	Gain (Loss) on Disposition of Capital Assets	Miscellaneous	
2005	\$ 16,623,924	\$ 285,888	\$ -	\$ 10,273,332	\$ 2,670,050	\$ 4,878,101	\$ 1,464,034	\$ -	\$ -	\$ 418,631	\$ 36,613,960
2006	17,477,491	133,509	6,077,864	10,804,524	3,042,187	5,152,236	1,502,512	-	-	608,370	44,798,693
2007	7,145,890	1,537,714	2,596,223	11,552,817	3,835,007	1,836,291	2,599,087	-	-	449,579	31,552,608
2008	5,402,574	739,171	3,103,521	12,237,185	4,551,169	2,912,647	1,503,619	-	-	(2,286,467)	28,163,419
2009	3,846,808	153,447	199,112	12,526,541	3,887,078	8,925,520	947,247	-	-	626,075	31,111,828
2010	3,583,366	199,506	305,398	16,070,846	4,548,520	6,993,245	308,853	-	-	376,884	32,386,618
2011	4,852,985	6,516,004	230,500	13,604,285	4,375,420	2,838,802	296,964	-	-	5,284,426	37,999,386
2012	4,875,400	6,952,717	1,049,774	15,182,467	4,880,635	4,798,949	283,273	-	-	1,583,989	39,607,204
2013	7,058,395	6,924,053	2,173,900	15,338,744	5,855,956	2,500,240	248,812	-	-	316,508	40,416,608
2014	6,222,103	6,318,382	1,804,398	15,796,663	5,542,647	2,955,652	421,211	-	-	776,154	39,837,210

Source: Comprehensive Annual Financial Report of the City.

**CITY OF TIGARD, OREGON**  
**GOVERNMENTAL EXPENSES BY FUNCTION**  
*For the last ten fiscal years*

<b>Fiscal Year Ended June 30</b>	<b>Community Services</b>	<b>Public Works</b>	<b>Community Development</b>	<b>Policy and Administration</b>	<b>Interest on Long-Term Debt</b>	<b>Sewer</b>	<b>Stormwater</b>	<b>Water</b>	<b>Total</b>
2005	\$ 10,253,764	\$ 2,172,874	\$ 4,224,696	\$ 6,166,577	\$ 716,899	\$ 1,297,582	\$ 1,374,459	\$ 8,200,928	\$ 34,407,779
2006	11,241,521	3,078,772	4,669,452	7,447,828	935,359	1,454,150	1,391,158	7,291,602	37,509,842
2007	11,656,248	2,383,009	4,714,636	4,398,213	153,319	1,461,458	1,533,391	7,452,480	33,752,754
2008	13,678,913	2,373,710	2,373,710	3,992,478	526,825	1,963,223	1,585,105	6,792,833	33,286,797
2009	18,365,997	2,468,981	7,238,839	5,997,644	526,825	1,597,413	1,920,640	7,624,478	45,740,817
2010	19,832,642	8,563,893	4,846,494	1,511,956	548,987	1,379,105	2,061,622	7,880,598	46,625,297
2011	19,987,961	10,911,875	4,159,289	1,825,398	1,214,420	1,386,597	1,667,699	6,996,463	48,149,702
2012	20,025,189	12,489,448	4,709,750	2,117,198	1,125,259	1,743,929	1,649,718	7,807,706	51,668,197
2013	19,085,777	8,585,063	3,988,011	1,339,254	1,226,774	2,114,054	2,045,399	11,989,337	50,373,669
2014	20,023,165	8,399,436	4,267,328	1,732,016	1,147,024	2,617,625	1,958,551	11,730,347	51,875,492

Source: Comprehensive Annual Financial Report of the City.

**CITY OF TIGARD, OREGON**  
**GENERAL GOVERNMENTAL REVENUES BY SOURCES -**  
**BUDGETARY BASIS**  
*For the last ten fiscal years*

<b>Fiscal Year Ended June 30</b>	<b>Taxes</b>	<b>Franchise Fees</b>	<b>Licenses and Permits</b>	<b>Inter-governmental Revenues</b>	<b>Charges For Services</b>	<b>Fines and Forfeitures</b>	<b>Miscellaneous Revenues *</b>	<b>Total</b>
2005	\$ 10,334,295	\$ 2,670,050	\$ 4,442,222	\$ 5,134,991	\$ 1,743,493	\$ 646,406	\$ 1,489,909	\$ 26,461,366
2006	10,817,886	3,042,187	4,852,719	5,285,744	2,689,485	702,469	2,828,353	30,218,843
2007	11,553,044	3,835,007	3,011,348	5,970,228	3,989,491	850,335	1,954,156	31,163,609
2008	12,137,977	4,551,169	1,871,841	847,069	1,475,808	847,069	2,344,018	24,074,951
2009	12,405,880	3,887,078	1,282,438	7,560,542	2,536,590	804,128	1,530,983	30,007,640
2010	16,078,788	4,548,520	1,229,880	6,358,393	3,083,087	915,524	833,508	33,047,700
2011	16,753,457	4,375,420	2,590,516	9,834,646	3,127,307	907,216	374,937	37,963,499
2012	17,767,128	4,880,635	2,444,551	6,586,757	3,059,653	1,092,296	934,431	36,765,451
2013	18,208,253	5,724,192	3,175,118	6,871,017	6,632,779	1,038,948	503,850	42,154,157
2014	19,720,132	5,542,647	3,098,875	6,386,961	5,937,889	929,293	737,036	42,352,833

\* Includes special assessments collections, interest earnings, and private donations.

Information derived from Comprehensive Annual Financial Reports for all Governmental Fund Types

**CITY OF TIGARD, OREGON**  
**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION -**  
**BUDGETARY BASIS**  
*For the last ten fiscal years*

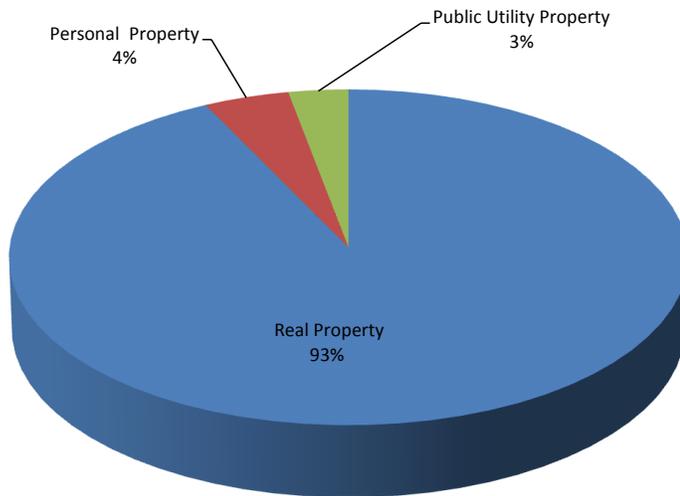
<b>Fiscal Year Ended June 30</b>	<b>Community Services</b>	<b>Public Works and Community Development</b>	<b>Policy and Administration</b>	<b>City-Wide Support Functions, Capital Projects and Other</b>	<b>Debt Service</b>	<b>Total</b>
2005	\$ 10,750,344	\$ 6,489,391	\$ 1,017,764	\$ 4,106,999	\$ 2,033,691	\$ 24,398,189
2006	11,377,118	3,983,002	4,564,400	2,352,123	2,223,591	24,500,234
2007	11,918,362	7,155,789	4,717,967	3,566,422	2,297,487	29,656,027
2008	13,801,110	7,949,086	397,510	6,319,092	1,377,310	29,844,108
2009	18,214,907	10,647,745	1,704,656	3,940,781	1,325,256	35,833,344
2010	19,418,498	9,803,775	787,209	7,373,043	1,432,574	38,815,099
2011	19,182,018	10,034,949	711,743	19,247,942	11,575,032	60,751,684
2012	19,638,468	10,256,613	819,034	4,037,766	3,546,816	38,298,697
2013	18,636,382	10,489,069	711,385	6,357,256	3,257,295	39,451,387
2014	19,420,335	11,133,666	701,172	7,657,993	3,624,630	42,537,796

Information derived from Comprehensive Annual Financial Reports for all Governmental Fund Types

**CITY OF TIGARD, OREGON**  
**MARKET VALUE AND ASSESSED VALUE OF TAXABLE PROPERTY**  
*For the last ten fiscal years*

FY Ended June 30	Assessed Value				Total Direct Tax Rate *	Estimated Real Market Value (RMV)	Assessed to Value as a % of RMV
	Real Property	Personal Property	Public Utility Property	Total Assessed Value			
2005	\$ 3,543,033,334	\$ 204,589,409	\$ 160,586,232	\$ 3,908,208,975	\$ 2.70	\$ 5,402,433,125	72.34%
2006	3,717,827,074	210,841,242	159,236,470	4,087,904,786	2.72	5,913,857,305	69.12%
2007	3,932,173,130	229,401,995	183,090,030	4,344,665,155	2.73	7,152,421,012	60.74%
2008	4,104,676,710	234,099,260	233,581,850	4,572,357,820	2.75	7,449,594,674	61.38%
2009	4,306,936,640	247,691,980	187,315,080	4,741,943,700	2.70	8,161,684,333	58.10%
2010	4,476,784,320	249,636,920	187,721,070	4,914,142,310	2.78	7,738,192,442	63.51%
2011	4,605,287,760	236,758,507	186,625,460	5,028,671,727	2.79	7,260,251,256	69.26%
2012	4,740,820,190	233,150,042	185,094,100	5,159,064,332	3.86	6,916,823,794	74.59%
2013	4,879,417,110	234,122,196	168,258,100	5,281,797,406	4.28	6,727,550,189	78.51%
2014	5,066,140,190	235,966,170	165,074,260	5,467,180,620	3.44	7,032,753,815	77.74%

**Assessed Value by Type for the fiscal year ended 2014**



\* per \$1,000 of assessed value/including phase in rates  
Source: Washington County Assessment and Taxation

**CITY OF TIGARD, OREGON**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
(Dollars per \$1,000 of Assessed Value rounded to the nearest cent)  
For the last ten fiscal years

FY Ended June 30	City of Tigard					Overlapping Rates										Total Direct & Overlapping Rates
	Direct Rates		Urban Renewal	Phase In	Total	Metzger Water District Combined	Washington County	Tigard/ Tualatin School District No. 23-J	Beaverton School District No. 48-J	Tualatin Valley Fire & Rescue District	Washington County Rural Fire District No. 2	Portland Community College	Hillsboro School District No. 1-J	Other Taxing Agencies		
	Perm Rate	Debt Svc														
2005	\$ 2.51	\$ 0.19	\$ -	\$ -	\$ 2.70	\$ 0.13	\$ 2.87	\$ 7.79	\$ 6.60	\$ 1.83	\$ 1.12	\$ 0.51	\$ -	\$ 0.62	\$ 24.17	
2006	2.51	0.21	-	-	2.72	-	2.84	7.85	7.98	1.82	1.12	0.50	-	0.63	25.46	
2007	2.51	0.22	-	-	2.73	-	2.45	7.67	6.29	1.82	1.12	0.49	-	0.60	23.17	
2008	2.51	0.23	0.01	-	2.75	-	2.44	7.59	6.74	1.56	1.12	0.28	-	0.61	23.09	
2009	2.51	0.18	0.01	-	2.70	-	2.39	7.52	6.56	1.54	1.12	0.50	-	0.70	23.03	
2010	2.51	0.21	0.06	-	2.78	-	2.98	7.65	6.88	1.89	1.69	0.63	-	0.75	25.25	
2011	2.51	0.21	0.07	-	2.79	-	2.98	7.37	6.78	1.88	1.69	0.64	-	0.81	24.94	
2012	2.51	0.45	0.06	0.83	3.85	-	2.97	7.44	6.86	1.92	1.69	0.60	7.47	1.88	34.68	
2013	2.51	0.44	0.06	1.27	4.28	-	2.96	7.38	6.77	1.91	1.69	0.66	7.50	0.72	33.87	
2014	2.51	0.44	0.06	0.43	3.44	-	2.96	7.41	8.05	1.91	1.69	0.73	7.41	0.78	34.38	

Taxes levied may be composed of three types of levies: (1) a base operating levy, (2) a special operating levy approved by the voters in the district and (3) a debt service levy. Each district with outstanding General Obligation bonded debt is required to levy taxes sufficient with other available funds, to meet principal and interest payments when due.

Assessment and tax rolls are prepared and maintained by Washington County for all taxing districts with territory in the County. The County collects all taxes against property in the County (except assessments for improvements charged to benefited property) and distributes taxes collected at least monthly. No charges are made to the taxing districts for these services.

NOTE: - Not all taxing districts are charged on each parcel of property, actual rates on tax bills are a combination of the above depending upon the location of the parcel and the school district and sewer and water district boundaries. Total overlapping tax rates for property in Tigard in 2014 ranged from \$13.31/\$1,000 to \$16.60/\$1,000.

Source: Washington County Department of Assessment and Taxation.

**CITY OF TIGARD, OREGON**  
**PRINCIPAL PROPERTY TAXPAYERS**  
*For current and nine years ago*

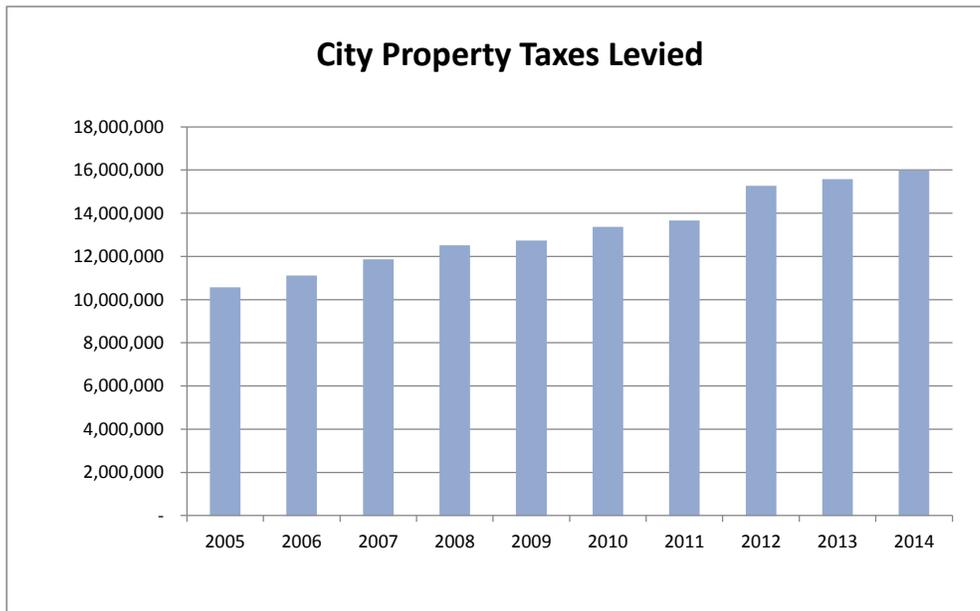
Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total City Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Assessed Value
Pacific Realty Associates	\$ 194,124,209	1	3.68%	\$ 149,069,426	1	3.81%
PPR Washington Square LLC	134,845,690	2	2.55%	81,987,770	2	2.10%
Lincoln Center LLC	84,397,524	3	1.60%	70,459,982	3	1.80%
Frontier Communications	39,391,000	4	0.75%	50,038,200	4	1.28%
Comcast Corporation	30,831,200	5	0.58%	-	-	0.00%
Portland General Electric	29,782,000	6	0.56%	27,993,097	6	0.72%
Macy's Department Stores Inc	24,644,860	7	0.47%	18,888,280	10	0.48%
Constance Robinson (Trust)	24,146,130	8	0.46%	20,747,710	9	0.53%
Arbor Heights/Holland Holdings	22,845,570	9	0.43%	-	-	0.00%
Sprint/Nextel Corp.	25,858,900	10	0.49%	-	-	0.00%
Northwest Natural Gas	-			22,926,300	7	0.59%
Calwest Industrial Holdings, LLC	-			31,848,060	5	0.81%
Nesbitt Portland Property LLC	-			21,297,560	8	0.54%
<b>Total</b>	<b>\$ 610,867,083</b>		<b>11.57%</b>	<b>\$ 495,256,385</b>		<b>12.66%</b>

Source: Washington County Assessment & Taxation records.

**CITY OF TIGARD, OREGON**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
*For the last ten fiscal years*

<b>FY Ended June 30</b>	<b>Total Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percent of Levy Collections</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Percent Total Tax Collections To Tax Levy</b>	<b>Outstanding Delinquent Taxes</b>	<b>Percent Delinquent Taxes To Tax Levy</b>
2005	\$ 10,568,724	\$ 10,032,595	94.93%	\$ 293,729	\$ 10,326,324	97.71%	\$ 330,296	3.13%
2006	11,115,136	10,571,115	95.11%	252,844	10,823,959	97.38%	310,629	2.79%
2007	11,871,043	11,514,034	96.99%	210,217	11,724,251	98.76%	346,648	2.92%
2008	12,515,279	11,895,526	95.05%	121,148	12,016,674	96.02%	425,546	3.40%
2009	12,732,804	12,005,730	94.29%	142,047	12,147,777	95.41%	531,172	4.17%
2010	13,371,853	12,625,421	94.42%	329,304	12,954,725	96.88%	572,298	4.28%
2011	13,656,156	12,928,269	94.67%	379,537	13,307,806	97.45%	555,725	4.07%
2012	15,262,018	14,519,683	95.14%	236,074	14,755,757	96.68%	722,358	4.73%
2013	15,577,974	14,874,217	95.48%	227,439	15,101,656	96.94%	690,493	4.43%
2014	15,986,743	15,209,062	95.14%	311,858	15,520,920	97.09%	740,392	4.63%

*Taxes are levied as of July 1 each year and are payable in three installments, without interest, on November 15, February 15 and May 15. Interest is charged at the rate of 1% per month on delinquent taxes. Tax liens are foreclosed after three year's delinquencies. Taxpayers receive a discount of 3% for payment in full by November 15 and 2% for payment of two thirds of the total taxes due.*



**CITY OF TIGARD, OREGON**  
**SPECIAL ASSESSMENT COLLECTIONS**  
*For the last ten fiscal years*

<b>FY Ended June 30</b>	<b>Current Assessments Due (1)</b>	<b>Assessments Collected (2)</b>	<b>Ratio of Collections to Amount Due</b>	<b>Assessments Added</b>	<b>Total Outstanding Assessments</b>
2005	\$ 598,804	\$ 373,141	62.31%	\$ -	\$ 3,074,031
2006	821,321	1,421,765	173.11%	-	1,639,875
2007	937,916	163,379	17.42%	-	1,461,838
2008	116,194	120,678	103.86%	-	1,266,871
2009	23,100	87,208	377.52%	-	1,178,745
2010	74,400	284,202	381.99%	-	968,943
2011	179,200	40,164	22.41%	-	854,377
2012	38,776	28,365	73.15%	-	826,012
2013	62,500	118,888	190.22%	196,615	903,739
2014	457,983	457,983	100.00%	96,450	542,206

(1) This amount is equal to the matured principal on Bancroft improvement bonds.

(2) Represents collections of current assessments for payment of Bancroft improvement bonds as well as assessment collections on projects for which such bonds have not been issued.

Source: City assessment records

**CITY OF TIGARD, OREGON**  
**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR LONG-TERM**  
**DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES**  
*For the last ten fiscal years*

<b>FY Ended June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>Total General Governmental Expenditures</b>	<b>Percent of Debt Service to Total General Expenditures</b>
2005	\$ 1,285,275	\$ 748,817	\$ 2,034,092	\$ 27,714,574	7.34%
2006	1,526,286	697,305	2,223,591	27,500,234	8.09%
2007	1,666,571	630,916	2,297,487	29,656,027	7.75%
2008	922,907	454,403	1,377,310	29,844,108	4.62%
2009	794,853	530,403	1,325,256	35,833,344	3.70%
2010	875,513	557,061	1,432,574	38,815,099	3.69%
2011	2,590,456	67,294	2,657,750	60,751,684	4.37%
2012	1,894,126	1,652,691	3,546,817	38,298,698	9.26%
2013	1,992,500	1,264,795	3,257,295	39,451,387	8.26%
2014	2,445,993	1,178,637	3,624,630	42,537,796	8.52%

**CITY OF TIGARD, OREGON**  
**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND**  
**NET BONDED DEBT PER CAPITA**  
*For the last ten fiscal years*

<b>FY Ended June 30</b>	<b>Population</b>	<b>Assessed Value</b>	<b>Gross General Obligation Bonded Debt Outstanding</b>	<b>Less Debt Service Monies Available</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt Per Capita</b>
2005	45,500	\$ 3,908,208,975	\$ 15,164,807	\$ 1,312,547	\$ 13,852,260	0.35%	\$ 304.45
2006	46,300	4,087,904,786	11,572,205	1,849,770	9,722,435	0.24%	209.99
2007	46,400	4,344,665,155	11,066,369	1,849,770	9,216,599	0.21%	198.63
2008	46,715	4,572,357,820	10,547,958	296,805	10,251,153	0.22%	219.44
2009	47,460	4,741,943,700	10,011,895	258,769	9,753,126	0.21%	205.50
2010	47,595	4,914,142,310	16,708,100	101,190	16,606,910	0.34%	348.92
2011	48,035	5,028,671,727	25,655,000	175,458	25,479,542	0.51%	530.44
2012	48,415	5,159,064,332	30,735,000	263,629	30,471,371	0.59%	629.38
2013	48,695	5,281,797,406	29,397,612	592,612	28,805,000	0.55%	591.54
2014	50,444	5,467,180,620	27,504,927	532,328	26,972,599	0.49%	534.70

Source: *City budget documents, Comprehensive Annual Financial Reports of the city and Washington Department of Assessment and Taxation.*

**CITY OF TIGARD, OREGON**  
**COMPUTATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT**  
*June 30, 2014*

<b>Jurisdiction</b>	<b>Net Debt Outstanding</b>	<b>Percent Applicable Inside City of Tigard *</b>	<b>Amount Applicable Inside City of Tigard</b>
Tigard/Tualatin School District #23-J	\$ 110,945,868	46.6400%	\$ 51,744,598
Metro	222,955,000	3.5800%	7,978,891
Beaverton School District #48	416,415,000	3.8800%	16,149,823
Portland Community College	167,875,000	4.4900%	7,532,719
Washington County	20,235,000	10.7200%	2,169,961
Tualatin Valley Fire & Rescue District	42,600,000	12.2200%	5,205,677
<b>Sub-Total of Overlapping Debt</b>	<b>981,025,868</b>		<b>90,781,669</b>
City of Tigard	27,504,927	100.0000%	27,504,927
<b>Total for Overlapping Debt</b>	<b>\$ 1,008,530,795</b>		<b>\$ 118,286,596</b>

\* The City of Tigard does not calculate this percentage; it is provided by the State of Oregon.

Source: Oregon State Treasury Debt Management Division

**CITY OF TIGARD, OREGON**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
*For the last ten fiscal years*

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ 162,072,994	\$ 122,637,144	\$ 130,339,955	\$ 137,170,735	\$ 142,258,311	\$ 147,424,269	\$ 150,860,152	\$ 154,771,930	\$ 158,453,922	\$ 164,015,419
Total net debt applicable to limit	12,060,540	9,289,259	9,724,836	10,547,958	10,011,895	16,708,100	32,300,000	30,735,000	28,800,576	26,820,000
<b>Legal debt margin</b>	<b>\$ 150,012,454</b>	<b>\$ 113,347,885</b>	<b>\$ 120,615,119</b>	<b>\$ 126,622,777</b>	<b>\$ 132,246,416</b>	<b>\$ 130,716,169</b>	<b>\$ 118,560,152</b>	<b>\$ 124,036,930</b>	<b>\$ 129,653,346</b>	<b>\$ 137,195,419</b>
Total net debt applicable to the limit as a percentage of debt limit	7.44%	7.57%	7.46%	7.69%	7.04%	11.33%	21.41%	19.86%	18.18%	16.35%

**Legal Debt Margin Calculation at June 30, 2014:**

True cash value (2013-2014)	\$ 5,467,180,620
Limit as a percent	3%
<b>Debt Limit (as a percent of real market value)</b>	<b>164,015,419</b>
<b>Debt applicable to limit:</b>	
Gross bonded debt	\$ 27,504,927
Excludable debt - Bancroft improvement bonds and bond premium	(684,927)
Debt subject to limitation	26,820,000
Legal debt margin - amount available for future indebtedness	137,195,419
Total net debt applicable to the limit as a percent of debt limit	16.35%

*Note: Pursuant to Oregon Revised Statutes 223.295 outstanding general obligation debt is limited to 3 percent of real market value*

*Source: Washington County Department of Assessment and Taxation*

**CITY OF TIGARD, OREGON**  
**RATIO OF DEBT BY TYPE**  
*For the last ten fiscal years*

FY Ended June 30	Population	Governmental Activities				Business-type Activities		Total Primary Government	(1) Percentage of Personal Income **	(2) Per Capita
		General Obligation Bonded Debt	Bancroft Bonded Debt	Capital Lease	Long-Term Note Payable Debt	Notes Payable Debt	Revenue Bonds *			
2005	45,500	\$ 15,164,807	\$ 3,104,267	\$ -	\$ 1,681,637	\$ -	\$ -	\$ 19,950,711	1.44%	\$ 447
2006	46,300	11,572,205	2,282,946	-	1,465,007	-	-	15,320,158	1.08%	330
2007	46,400	11,066,369	1,345,030	-	1,242,187	-	-	13,653,586	0.96%	294
2008	46,715	10,547,958	1,301,230	-	1,012,986	-	-	12,862,174	0.90%	275
2009	47,460	10,011,895	1,278,130	-	777,296	2,853,868	-	14,921,189	1.03%	314
2010	47,595	16,708,100	1,203,730	-	529,978	2,853,868	-	21,295,676	1.47%	447
2011	48,035	32,597,213	1,024,530	-	270,925	5,953,868	-	39,846,536	2.72%	830
2012	48,415	30,735,000	966,239	-	-	2,398,000	105,367,290	139,466,529	9.44%	2,881
2013	48,695	28,805,000	903,739	58,074	-	2,293,486	104,896,687	136,956,986	9.21%	2,813
2014	50,444	27,059,171	445,756	58,074	-	2,201,107	104,896,686	134,660,794	8.75%	2,670

\* Revenue bonds issued for improvements to the Tigard Water Service Area (TWSA) are liabilities of the City of Tigard, but were not issued as full faith and credit obligations. Debt service on these bonds will be paid by customers of TWSA, which includes residents in the cities of Tigard, Durham and King City, and an unincorporated area of Washington County.

\*\* Personal income is not available for the City of Tigard, so per capita income for Washington County is used

Sources: City budget documents, Comprehensive Annual Financial Reports of the city and Washington County Department of Assessment and Taxation.

**CITY OF TIGARD, OREGON**  
**COMPUTATION OF WATER REVENUE BONDS**  
**DEBT COVERAGE**  
*For the last three fiscal years (1)*

	2012	2013	2014
<b>Gross revenues \$</b>	<b>11,895,043</b>	<b>\$ 14,907,664</b>	<b>\$ 16,079,753</b>
<b>SDC-related:</b>			
SDC Fund interest earnings	3,590	4,746	-
Reimbursement fee receipts (2)	787,666	881,294	442,651
Improvement fee receipts (3)	376,412	660,425	389,460
<b>Total SDC-related</b>	<b>1,167,668</b>	<b>1,546,465</b>	<b>832,111</b>
<b>Operating expense:</b>			
Salaries and wages	1,134,988	1,131,531	1,225,170
Contracted services	163,385	249,857	400,972
Water purchases	2,904,433	3,177,982	3,199,292
General, admin and other	1,168,191	2,316,605	2,548,678
<b>Total operating expenses</b>	<b>5,370,997</b>	<b>6,875,975</b>	<b>7,374,112</b>
<b>Net revenues (including SDCs)</b>	<b>7,691,714</b>	<b>9,578,154</b>	<b>9,537,752</b>
<b>Net revenues (excluding SDCs)</b>	<b>6,524,046</b>	<b>8,031,689</b>	<b>8,705,641</b>
<b>Debt service - first lien bonds:</b>			
2012 bonds	-	3,539,888	4,719,850
2015 bonds (4)	-	-	-
<b>Debt service coverage - first lien bonds (excluding system development charges)</b>	<b>NA</b>	<b>2.27</b>	<b>1.84</b>

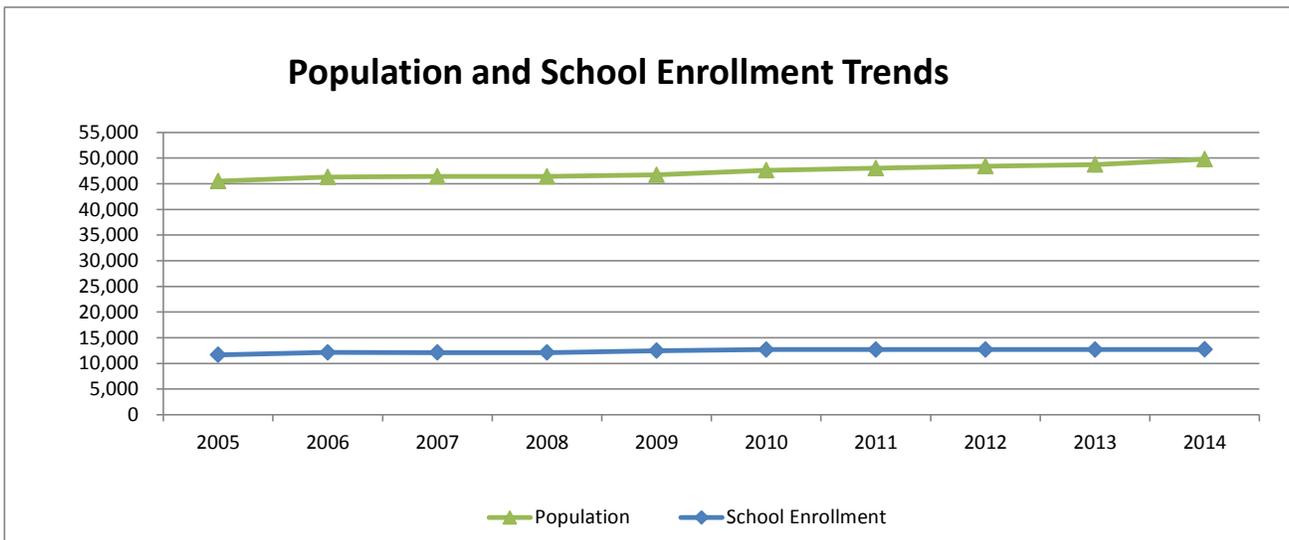
- (1) Revenue bonds were issued in May 2012. One of the debt covenants requires debt service coverage (Net revenues divided by debt service) to be a minimum of 1.1x.
- (2) Reimbursement fees may not be available to pay debt service on the 2012 Bonds until City Council takes action to authorize that use of those fees for the projects
- (3) Improvement fees have been approved for the projects related to the Lake Oswego-Tigard Water Partnership. Tigard anticipated approximately 85% of the 2012 bond proceeds to be used to finance projects related to the Partnership and approximately 15% of the 2012 bond proceeds to be used to finance projects that are not directly related to the partnership.
- (4) Debt service is projected to be issued in February 2015

**CITY OF TIGARD, OREGON  
DEMOGRAPHICS STATISTICS  
For the last ten fiscal years**

<b>FY Ended June 30</b>	<b>(1) Population</b>	<b>Assessed Value of Taxable Property Per Capita</b>	<b>(2) School Enrollment</b>	<b>(3) Per Capita Income</b>	<b>(3) Total Personal Income (thousands of dollars)</b>	<b>(4) Unemployment Rate Portland Metro Area</b>
2005	45,500	\$ 87,530	11,653	\$ N/A	\$ N/A	6.30%
2006	46,300	88,081	12,134	N/A	N/A	6.30%
2007	46,400	93,635	12,100	N/A	N/A	4.80%
2008	46,715	97,878	12,451	N/A	N/A	5.30%
2009	47,460	99,915	12,685	N/A	N/A	9.70%
2010	47,595	103,249	12,913	N/A	N/A	8.40%
2011	48,035	104,688	12,688	N/A	N/A	9.50%
2012	48,415	106,559	12,691	30,522	1,477,723	8.20%
2013	48,695	108,467	12,688	32,527	1,583,902	7.50%
2014	50,444	108,381	12,718	33,709	1,700,417	6.40%

*Sources of Information:*

- (1) State of Oregon, Department of Administrative Services
- (2) Tigard/Tualatin School District #23-J - City student totals not available
- (3) Washington State University - Northwest Income Indicators Project



**CITY OF TIGARD, OREGON**  
**PRINCIPAL EMPLOYERS**  
*For current year and nine years ago*

Employer	2014			2005		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Capital One	861	1	3.05%	-	-	-
Tigard - Tualatin School District	779	2	2.76%	-	-	-
Nordstrom	422	3	1.49%	502	2	2.18%
Macy's Department Stores Inc	404	4	1.43%	-	-	-
Oregon Public Employees Retirement	396	5	1.40%	461	3	2.01%
Costco Wholesale Corporation	273	6	0.97%	-	-	-
City of Tigard	257	7	0.91%	-	-	-
Cheesecake Factory	250	8	0.89%	-	-	-
Home Depot	241	9	0.85%	-	-	-
Gerber Legendary Blades	232	10	0.82%	-	-	-
Renaissance Credit Services	-		-	1,116	1	4.86%
Servicemaster Building Maintenance	-		-	250	4	1.09%
Rockwell Collins Flight Dynamics	-		-	249	5	1.08%
<b>Total</b>	<b>4,115</b>		<b>14.58%</b>	<b>2,578</b>		<b>11.22%</b>

Source: City of Tigard Adopted Budget and Tigard Chamber of Commerce.

**CITY OF TIGARD, OREGON**  
**PROPERTY VALUE AND CONSTRUCTION**  
*For the last ten fiscal years*

FY Ended June 30	Commercial Construction (1)		Residential Construction (1)	
	Number of Permits	Value	Number of Permits	Value
2005	11	\$ 49,645,891	325	\$ 96,002,190
2006	8	50,744,300	299	100,965,847
2007	9	50,512,736	231	67,798,361
2008	6	73,614,404	93	31,810,734
2009	4	1,944,775	42	9,324,154
2010	4	2,003,118	123	27,972,462
2011	5	837,655	113	28,150,102
2012	5	2,589,566	104	27,794,839
2013	8	20,053,155	174	41,954,242
2014	9	24,964,563	72	21,410,225

*(1) From City of Tigard Building Department. Multi-family permits are included in the number of permits issued for residential construction.*

**CITY OF TIGARD, OREGON**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION**  
*For the last ten fiscal years*

Function / Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>GOVERNMENTAL ACTIVITIES</b>										
<b>Community services</b>										
Police	77.00	78.00	80.00	93.00	93.00	90.10	90.10	91.10	84.50	84.50
Library	33.20	33.20	34.20	41.90	41.90	38.80	38.80	38.80	34.80	34.80
<b>Public works</b>										
Administration	7.85	7.60	7.60	8.85	8.85	9.35	9.75	8.75	9.00	9.20
Parks maintenance	10.75	10.75	10.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75
Street maintenance	8.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.25
Healthy Streams	-	-	-	-	-	-	-	-	1.00	-
Fleet maintenance	3.00	2.50	2.50	2.50	2.50	2.00	2.60	2.60	1.50	0.95
Property management	3.25	3.25	3.25	4.25	4.25	4.25	4.25	4.25	3.75	3.85
Engineering (a)	15.50	15.50	10.50	10.50	10.50	11.80	11.80	11.80	12.00	13.00
<b>Community development</b>										
Administration	3.00	3.00	2.00	3.00	3.00	2.00	2.00	3.00	2.00	2.00
Building inspection	18.30	18.80	19.80	17.80	6.20	6.24	7.20	8.10	7.80	8.80
Development Services	8.20	8.20	8.20	10.20	10.20	7.56	7.80	5.90	4.80	3.80
Community Planning	5.00	7.00	8.00	7.00	7.00	7.00	7.00	9.00	9.00	9.00
Development Engineering (b)	-	-	5.00	5.00	4.00	1.60	-	-	-	-
Economic Development (c)	-	-	-	1.00	1.00	1.00	1.00	1.50	1.00	2.00
<b>Policy and Administration</b>										
City management	3.80	3.80	3.80	5.30	5.30	4.50	4.50	4.20	4.00	4.00
Human resources	4.00	4.00	4.00	5.00	5.00	5.00	5.00	5.00	4.80	4.80
Information technology	6.00	7.00	8.00	7.00	7.00	7.00	7.00	7.00	6.30	5.80
Risk management	2.00	2.00	2.00	2.50	2.50	2.30	2.30	2.30	2.10	2.10
Finance administration	3.00	3.00	3.00	3.00	3.00	5.30	3.00	3.00	3.00	3.00
Financial operations	10.80	10.80	10.80	5.50	5.50	4.50	4.50	4.50	4.60	4.60
Utility Billing (d)				6.50	6.50	5.50	5.50	6.30	6.50	6.80
Design & Communication	7.30	7.30	7.30	4.50	4.50	3.05	3.05	3.25	3.05	3.05
Contracts & Purchasing (e)							2.30	2.30	1.80	2.00
City Recorder/Records (f)				3.00	3.00	3.25	3.25	3.35	4.15	4.15
Municipal court	3.00	3.00	3.00	3.25	3.25	3.50	3.75	3.75	3.65	3.65
<b>BUSINESS-TYPE ACTIVITIES</b>										
<b>Public works</b>										
Sanitary sewer	7.75	7.25	7.35	5.35	5.35	5.25	5.25	6.25	6.25	6.50
Stormwater	8.25	7.25	6.35	7.10	7.10	7.00	7.00	6.25	5.25	5.50
Water	16.25	16.50	17.30	16.30	16.30	13.00	12.00	12.75	12.50	12.00
<b>Total</b>	<b>265.20</b>	<b>266.70</b>	<b>271.70</b>	<b>296.05</b>	<b>283.45</b>	<b>267.60</b>	<b>267.45</b>	<b>271.75</b>	<b>255.85</b>	<b>256.85</b>

Source: City of Tigard Finance Department

- (a) Engineering was budgeted with Development Services until FY 2009-10.
- (b) Development Engineering was budgeted with Capital Construction & Transportation as Engineering until FY 2006-07.
- (c) Downtown Redevelopment was budgeted with Long range planning until FY 2008-09.
- (d) Utility Billing was budgeted with Financial operations until FY 2007-08.
- (e) Contracts & Purchasing was budgeted with Finance administration until FY 2010-2011.
- (f) City Recorder/Records was budgeted with Office services until FY 2008-09.

**CITY OF TIGARD, OREGON**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
*For the last ten fiscal years*

Functions/Programs	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>GOVERNMENTAL ACTIVITIES</b>										
<b>Community services</b>										
Police-number of traffic citations issued	6,006	6,800	6,979	6,383	6,925	9,101	7,021	8,308	8,939	7,177
Police-number of calls for service	53,754	51,062	51,000	51,377	50,115	51,158	49,358	52,226	52,420	48,840
Library-number of items in collection	125,570	143,500	156,500	176,210	193,710	216,110	237,110	244,154	250,454	245,000
Library-materials checked out each year	728,250	850,000	918,540	1,131,093	1,249,462	1,462,304	1,507,248	1,522,422	1,459,334	1,385,376
<b>Public works</b>										
Acres of park land maintained	176	176	180	184	189	189	233	243	248	253
Crack sealing completed annually (linear feet)	150,000	151,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000
Vehicles maintained to industry standard	144	148	150	153	158	160	149	149	148	157
<b>Community development</b>										
Number of inspections (Tigard)	21,000	19,550	23,000	23,500	7,778	8,700	9,990	10,000	12,500	12,382
Number of permits (all types) in Tigard	3,600	3,351	4,500	4,850	2,278	3,025	3,220	3,047	3,049	3,404
Number of development applications	430	374	507	450	508	370	370	381	357	341
<b>Policy and administration</b>										
Number of job applications	1,900	2,000	2,000	2,300	2,215	1,900	1,000	1,100	2,500	2,000
Laptops and computers to maintain	445	500	540	435	451	488	491	491	503	523
Insured value of city's real property (in millions)	39	41	46	74	78	82	82	82	82	82
Number of utility bills sent **	109,854	112,775	113,502	115,574	114,500	116,800	176,274	236,389	238,400	241,500
Average fine amount collected	78	97	90	94	90	90	126	126	140	140
<b>BUSINESS-TYPE ACTIVITIES</b>										
<b>Sewer</b>										
Miles of sewer lines cleaned (annual goal)	49	51	52	53	47	41	41	41	42	42
Miles of sewer lines video inspected (annual goal)	26	22	22	23	23	23	23	23	24	21
<b>Stormwater</b>										
Miles of stormwater lines cleaned	14	29	30	44	30	31	31	31	32	21
Number of water quality facilities***	62	70	73	75	78	72	90	90	125	126
Total number of catch basins cleaned	3,915	4,045	4,150	4,915	4,437	4,437	4,368	4,368	4,368	4,368
<b>Water</b>										
Number of accounts	17,022	17,300	17,400	17,870	17,900	17,900	18,129	18,265	18,350	18,350

\*\*City of Tigard started monthly utility billing in January 2011.

\*\*\*GIS data improvement

Source: City of Tigard Finance Department

**CITY OF TIGARD, OREGON**  
**CAPITAL ASSETS STATISTICS BY FUNCTION**  
*For the last ten fiscal years*

Functions/Programs	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>GOVERNMENTAL ACTIVITIES</b>										
<b>Community services</b>										
Police stations	1	1	1	1	1	1	1	1	1	1
Library buildings	1	1	1	1	1	1	1	1	1	1
<b>Public works</b>										
Number of parks	13	13	13	13	14	14	14	18	20	20
Acres of park and greenspaces	347.0	347.0	348.0	348.0	396.0	396.0	435.4	447.0	493.0	499.0
Miles of streets	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0	150.0
<b>Community development</b>										
See Note										
<b>Policy and administration</b>										
City-owned building facilities	5	5	5	5	5	5	5	5	5	5
<b>BUSINESS-TYPE ACTIVITIES</b>										
<b>Sewer</b>										
Total miles of sanitary sewer lines	148.0	152.8	160.4	160.4	161.0	162.8	164.5	166.1	166.9	166.9
<b>Stormwater</b>										
Total miles of stormwater lines*	113.0	116.6	130.9	131.0	131.0	131.0	131.0	131.0	126.0	130.0
Number of water quality facilities*	62	62	77	77	79	79	92	92	125	126
<b>Water</b>										
Water mains in miles	220	224	225.1	225.1	225.1	235.0	245.0	248.0	248.0	248.0
Number of reservoirs	13	13	13	13	13	13	13	13	13	13

Source: City of Tigard Finance Department

\* GIS data improvement

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

# **Audit Comments and Disclosure Requirements**



Talbot, Korvola  
& Warwick, LLP

Certified Public Accountants  
& Consultants

ACHIEVE MORE

4800 Meadows Road, Suite 200  
Lake Oswego, Oregon 97035-4293

P 503.274.2849  
F 503.274.2853

www.tkw.com

## INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

City Council  
City of Tigard  
Tigard, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tigard, Oregon (the City) as of and for the year ended June 30, 2014, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 16, 2014.

### 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 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:

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

**INDEPENDENT AUDITOR'S REPORT  
REQUIRED BY OREGON STATE REGULATIONS (Continued)**

Page 2

**COMPLIANCE (Continued)**

In connection with our testing, nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations* except as follows:

- The City had \$39 million of funds in the Local Government Investment Pool (LGIP) at June 30, 2014, in excess of the limitation set forth by ORS 294.810.
- The City had an over expenditure of \$2,155 in the Bancroft Bond Debt Service Fund.
- The Urban Renewal Agency Capital Projects Fund has a deficit fund balance on a GAAP basis of \$752,925 as of June 30, 2014 due to the treatment of interfund loans.

**OAR 162-10-0230 INTERNAL CONTROL**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting 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.

**RESTRICTION ON USE**

This report is intended solely for the information and use of the Audit Committee, City Council, 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.

*Talbot, Kowala & Warwick LLP*

Lake Oswego, Oregon  
December 16, 2014