
COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FISCAL YEAR ENDED
JUNE 30, 2015**

CITY OF WOOD VILLAGE, OREGON

CITY OF WOOD VILLAGE OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2015



Prepared by the
FINANCE DEPARTMENT

Peggy Jo Minter, Finance Director
William A. Peterson, City Manager

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INTRODUCTORY SECTION



Mayor
Patricia Smith

Council President
Mark Clark

Councilors
Stanley Dirks

Timothy Clark

Scott Harden

December 31, 2015

To the Honorable Mayor, City Council, and citizens of Wood Village:

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Wood Village, Oregon for the fiscal year ended June 30, 2015. This report is published to provide the City Council, city staff, citizens, and other readers with detailed information concerning the financial position and activities of the City. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City's management. To the best of my knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The State of Oregon requires an annual audit of the fiscal affairs of the City by independent public accountants. The City's financial statements have been audited by Merina & Company, LLC, a firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements included in this report are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Wood Village's financial statements for the fiscal year ended June 30, 2015 are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

The CAFR is presented in four sections: Introductory, Financial, Statistical, and Report Required by Statutes. The Introductory Section includes this letter of transmittal, the Certificate of Achievement for Excellence in Financial Reporting, the City's organizational chart and a list of principal officials. The Financial Section includes the independent auditors' report on the financial statements, the basic financial statements and accompanying notes, the combining and individual fund statements and schedules, and the Management's Discussion and Analysis (MD&A).

The MD&A immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis to accompany the basic financial statements. It complements this letter of transmittal and should be read in conjunction with it and the notes to the financial statements.

The Statistical Section includes selected financial and demographic information generally presented on a multi-year basis. Finally, the Report Required by Statutes contains the auditors' report on the City's internal control structure, and the City's compliance with applicable laws and regulations required by the State of Oregon.

City Profile

The City of Wood Village has a population of 3910 and encompasses one square mile of land located on the eastern edge of the Portland metropolitan area in Multnomah County. The City has all powers granted to municipal corporations by State statutes, including the power to issue debt, levy taxes on real property within its boundaries, and extend its corporate limits by annexation.

The City provides a full range of services as authorized in its charter and ordinances. These services include police and fire protection, street infrastructure construction and maintenance, parks, water, sanitary sewer, and storm water services, land use planning and zoning, and economic development.

The City is governed by a City Council comprised of a Mayor and four Councilors. The City Council exercises policy-making and legislative authority and is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the city administrator. The City Administrator is responsible for carrying out the day-to-day operations of the City and appointing the heads of various departments. All Council members are elected at large to serve a four year term, and the terms are staggered so that three Councilors are elected at one general election and two at the next general election. The Mayor is a member of the Council elected by its members for a two year term.

Factors Affecting the City's Financial Condition

Local Economy

The Portland Oregon regional economy has fully recovered from the great recession. By June 30, 2015, the Multnomah County business income tax returns indicated the highest level of total sales activities ever recorded in the region. In Wood Village, initiatives to continue to induce investments from private businesses did result in additional small business activities that have now occupied nearly all existing built space available in the community. The combination of a strong regional economy and local business uptick has positively impacted property values, recording a range of increases from about 3% to over 8% from the prior year.

In the 2014-2015 fiscal year commercial development continued with some businesses settling into Wood Village, but this was mainly due to the City Council's adoption of a business-friendly attitude of "meet or beat" other cities' offers to businesses, and extra focus and attention from the City staff.

The unemployment rate in the Portland metropolitan was 5.4% at the close of the fiscal year, with total jobs created on a consistent upswing and record total employment in the region. Continued employment expansion at Pressure Safe and the expected job expansion at a new business in Wood Village, GrovTec, are encouraging for new and additional jobs in Wood Village. Other regional economic activities include the construction of a Subaru parts warehouse on lands immediately south of Wood Village in Gresham, and a major expansion to the FedEx buildings in the Troutdale Reynolds Industrial Park to the north and east of the community. The additional job opportunities provide a needed stimulus to our community.

Interest rates on the City's investment in the State run Local Government Investment Pool dropped substantially as the economic downturn progressed. Interest rates have hovered about 0.054% at the LGIP and lower at banks in the area. The City has always been careful to maintain General Fund

reserves, even when economic times are good. Many of our major water and sewer capital projects have been completed within the past four years and of the loans that we had secured to cover those costs, all of them have been paid back early. We have actually added to the total reserve status as we progressed through the greatest recession in the last 50 years. While fluctuations in our balances in our enterprise funds result from cyclical capital investments, the overall operating cost of our local government is within available annual revenues in all funds.

Long-term Financial Planning

Wood Village remains committed to providing essential services and infrastructure to its residential and commercial population. The City of Wood Village is managed by fiscally conservative City officials who have always been careful with spending and keeping our debt ratio extremely low. While revenues generally come in higher than anticipated, expenditures are kept to reasonable levels and generally lower than revenues so we maintain our reserves for future requirements.

Over the next few years, it will be critical for the City Council and staff to address current and future operational needs. It will be challenging and require careful planning. The last large parcel of land (approximately 31 acres) in the City has recently been purchased by the Confederated Tribes of the Grand Ronde. Development will be decided in the near future, determining possible employment and revenue potentials for the long term. Urban Renewal and the investments in the Urban Renewal area will begin to change significantly as the investments by the Grand Ronde and other regional property owners begin in and around the Wood Village Town Center.

Over the past few years, the City completed most of our water and sewer infrastructure projects that will meet the usage requirements of existing customers as well as anticipated new customers. There is one major project for the sewer system, enlarging the Halsey Sewer line, coming this year. Beyond that, our future demands on water and sewer infrastructure will be mainly repairs and maintenance to keep them in optimal operations.

A major concern for the City is an inflow and infiltration (I & I) problem with the older segments of our sewer system. Because the City has older sewer lines and related systems (both City and resident owned) additional amounts of storm and ground water flow into sewer lines during winter months. This causes concern over potential sewer system overflows and substantially increases the City's cost of wastewater treatment. The City has been addressing the problem for many years, and the Halsey Sewer line work will substantially improve that section, but we anticipate that it will take many years of continued effort to abate the problem.

The long term trend for the Street and Storm Water fund is a concern. The primary state support through the State Gas Tax is not keeping up with the maintenance costs for roadways. Wood Village created a transportation utility fee that has provided an excellent gap financing, but longer term change in how transportation investments are funded is critical. The Oregon State legislature is very aware of the issue, and legislation will be introduced in 2016. Hopefully, updated systems will permit additional resources to be invested in the roadway and storm systems.

Financial Information

Internal Controls

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh the benefits, the City's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements.

City's Financial Policies

There were no unusual or outstanding financial policies were in place that significantly impacted the financial statements.

Budget Process

The annual budget is the basis for the City's financial planning and control. The budget process begins with the appointment of the budget officer and Budget Committee. The Budget Committee consists of the City Council and an equal number of citizen representatives. Budget recommendations are developed through late winter. The Committee approves the budget in early spring after public hearings are held and citizen input is considered. The Council adopts the budget prior to June 30. Once the budget is established, expenditures can only exceed the legal level of budgetary control, the department level, after approval from the City Council (within restrictions established in State statutes).

Cash Management

The City maintains a general checking account to fund daily operations. Cash in excess of daily operating needs is pooled and invested in the Oregon Short-Term Fund and, when yields are favorable, certain securities in accordance with the requirements of Oregon Revised Statutes. The City recently expanded its investment portfolio with a bond purchase to improve its interest income.

Further details on the City's budget process, cash and cash equivalents, risk management, and retirement program can be found in the notes to the financial statements.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Wood Village for its Comprehensive Annual Financial Report last year. This was the twelfth year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable

and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report would not have been possible without the dedicated services of staff within the Finance Department, as well as other City staff. I sincerely appreciate their efforts. I also extend appreciation to the Mayor, City Council, City Administrator, and Public Works Director whose continuing support is vital to the financial health of the City of Wood Village, Oregon.

Respectfully Submitted,



William A. Peterson
City Administrator



Peggy Jo Minter
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

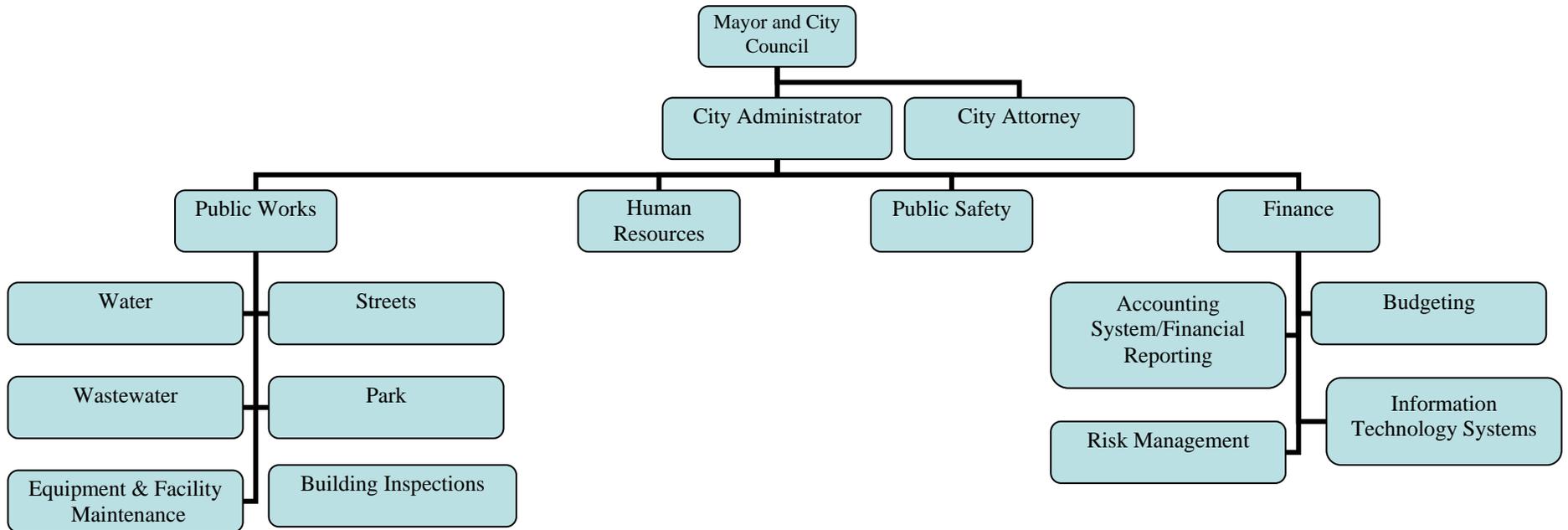
**City of Wood Village
Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

CITY OF WOOD VILLAGE ORGANIZATIONAL CHART



**CITY OF WOOD VILLAGE, OREGON
MAYOR AND CITY COUNCIL AND PRINCIPAL OFFICIALS**

Mayor and City Council as of June 30, 2015:

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Patricia Smith	Mayor	December 31, 2016
Timothy Clark	Council President	December 31, 2016
T. Scott Harden	Councilor	December 31, 2016
Bruce Nissen	Councilor	December 31, 2018
Jimmy Frank	Councilor	December 31, 2018

Principal Officials:

<u>Name</u>	<u>Position</u>
William A. Peterson	City Manager
Peggy Jo Minter	Finance Director
Scott Sloan	Public Works Director

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Wood Village, Oregon
Wood Village, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Wood Village, Oregon, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Wood Village, Oregon'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, and each major fund of the City of Wood Village, Oregon, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison statements for the General Fund and the Street Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

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

Other Matters

Required Supplementary Information

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

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

Other Information

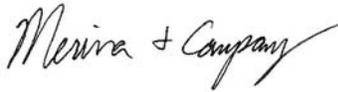
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wood Village, Oregon's basic financial statements. The introductory section, supplementary information, and statistical section are presented for purposes of additional analysis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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 31, 2015, on our consideration of the City of Wood Village, Oregon's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

A handwritten signature in cursive script that reads "Merina & Company".

Merina & Company, LLP
West Linn, Oregon
December 31, 2015

CITY OF WOOD VILLAGE, OREGON MANAGEMENT'S DISCUSSION AND ANALYSIS For the Fiscal Year Ended June 30, 2015

This Management's Discussion and Analysis is designed to be read in conjunction with the additional information provided in the Letter of Transmittal and the Basic Financial Statements included in the Comprehensive Annual Financial Report. In this document, Management of the City offers a narrative overview and analysis of the City's financial activities during the fiscal year. This presentation is providing a readable narrative description of the City's financial position, deviations from the approved budget, and individual fund issues and concerns.

Financial Highlights

The assets of the City exceeded its liabilities at the close of the fiscal year by \$11.991 million (net assets). Of this amount, \$4.221 million (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors. Pension liabilities are separately reported in this financial report, and the changes in the liability in the PERS system will have a significant long term impact on the financial condition of the City.

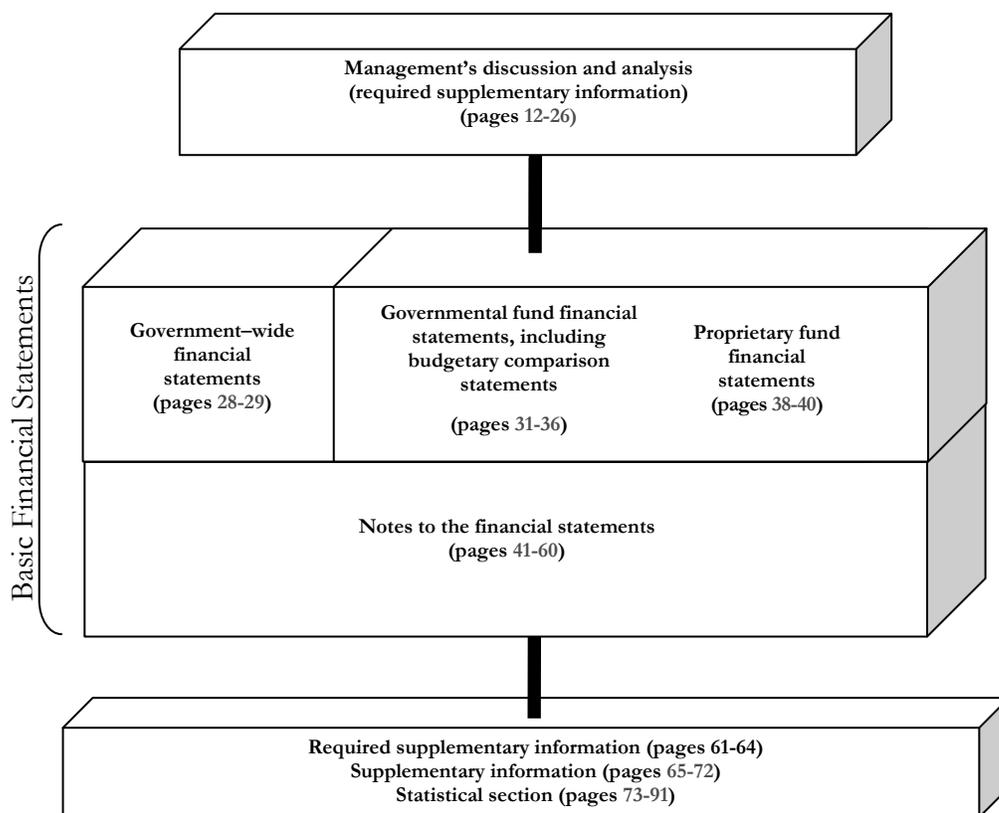
The results of operations for the year yielded a net assets increase of \$173 thousand for the City. The increase is primarily attributable to a reduction in general expenses in both the General Government funds of about \$223 thousand. Unrestricted net assets increased by \$40 thousand.

The City's capital assets, net of associated debt, increased over 2014 by \$145 thousand. This change is due to the recent completion of major water, sewer and street projects. Depreciation on existing capital assets was significant with \$182 thousand on governmental activity assets and \$372 thousand on business-type activity assets.

The City of Wood Village has met obligations, invested in infrastructure, and has retired all debt. We currently have no short or long term debt.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The financial section also contains supplementary information in addition to the basic financial statements. The graphic below is provided to help in understanding how the financial section is presented and to direct the reader to the pages where specific components can be found.



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 assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated leave).

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 include General Government (administration, finance, support services, land use planning and zoning, and economic development), Public Safety, Parks, Public Works, and Streets. The business-type activities include Water operations, and Sewer operations.

The City of Wood Village Urban Renewal Agency (URA) is included in the financial statements of Wood Village. The URA had tax increment revenues of \$59,468 in this audited fiscal period and expenditures of \$22,058, substantially less than \$200 thousand required for independent analysis, hence, allowing it to be reported as a component unit of this audit.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City are divided into two categories: governmental funds and proprietary funds.

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

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

This year the City maintained three governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Street Fund, and Urban Renewal Fund, all of which are considered major funds. Note must be made that while reported as a governmental fund for purposes of this audit, the Urban Renewal Agency is an independent governmental entity, and once significant increment is developed in the Agency boundaries, will be reported as a blended component unit of the City.

A budgetary comparison statement is also presented as part of the basic financial statements for the General Fund and Street Fund.

Both of the City's *proprietary funds* are classified as enterprise funds. Enterprise funds are used to report activity for which fees are charged to external customers with the intent of financing and recovering all costs associated with the provision of the service for which the fund is created.

The proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Fund and Sewer Fund.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Supplementary Information

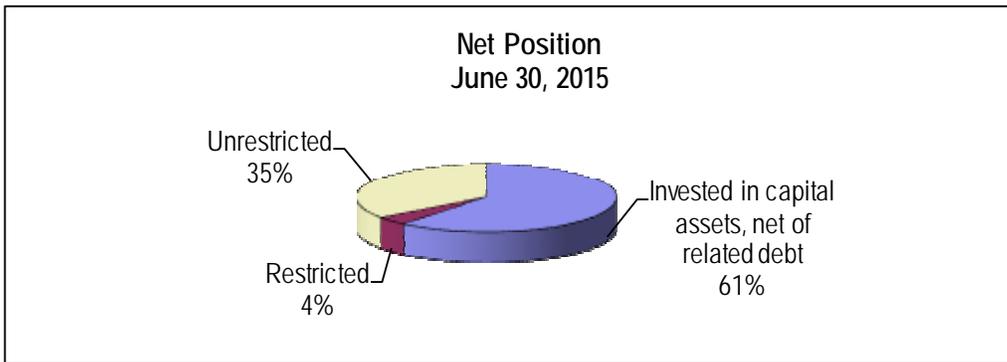
A budgetary comparison schedule is provided for the Urban Renewal Fund, and combining statements and budgetary schedules are presented for Water operations and Sewer operations, as supplementary information following the notes to the financial statements in the Financial Section.

Government-Wide Financial Analysis

As mentioned above, net position may serve over time as a useful indicator of a government's financial position. The table below shows a summary of net position at year end for the current and prior fiscal years:

City of Wood Village, Oregon
Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
ASSETS						
Current and other assets	\$ 4,154,885	\$ 3,818,375	\$ 1,456,704	\$ 1,398,153	\$ 5,611,589	\$ 5,216,528
Capital assets	2,189,988	2,096,204	5,110,332	5,059,465	7,300,320	7,155,669
Total assets	6,344,873	5,914,579	6,567,036	6,457,618	12,911,909	12,372,197
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Outflows related to pensions	\$ 36,584	\$ -	\$ 41,271	\$ -	\$ 77,855	\$ -
Total deferred outflows of resources	36,584	-	41,271	-	77,855	-
Total assets	\$ 6,381,457	\$ 5,914,579	\$ 6,608,307	\$ 6,457,618	\$ 12,989,764	\$ 12,372,197
LIABILITIES						
Current and other liabilities	329,384	312,332	174,509	228,956	503,893	541,288
Long-term liabilities	6,556	6,224	6,396	7,390	12,952	13,614
Total liabilities	335,940	318,556	180,905	236,346	516,845	554,902
DEFERRED INFLOWS OF RESOURCES						
Deferred amounts related to pensions	\$ 226,649	\$ -	\$ 255,683	\$ -	\$ 482,332	\$ -
Total deferred inflows of resources	226,649	-	255,683	-	482,332	-
Total liabilities	\$ 562,589	\$ 318,556	\$ 436,588	\$ 236,346	\$ 999,177	\$ 554,902
NET ASSETS						
Invested in capital assets, net of related debt	2,189,988	2,096,204	5,110,332	5,059,465	7,300,320	7,155,669
Restricted	469,469	400,370	-	-	469,469	400,370
Unrestricted	3,159,411	3,099,449	1,061,387	1,161,807	4,220,798	4,261,256
Total net assets	\$ 5,818,868	\$ 5,596,023	\$ 6,171,719	\$ 6,221,272	\$ 11,990,587	\$ 11,817,295



Approximately 61% of the City's net assets reflect an investment in capital assets (land, buildings, improvements, vehicles and equipment, and infrastructure, net of related debt). The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Another 4% of the government's net assets are subject to external restrictions on how they may be used. The remaining 35% of net assets, referred to as unrestricted, may be used to meet the ongoing obligations of the government to citizens and creditors.

The table on the next page provides summaries of the changes in net position:

City of Wood Village, Oregon
Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
REVENUES						
Program Revenues:						
Charges for services	\$ 411,357	\$ 306,550	1,647,396	\$ 1,592,450	\$ 2,058,753	\$ 1,899,000
Operating grants and contrib	-	6,133	-	-	-	6,133
Capital grants and contributi	52,304	-	-	-	52,304	-
General Revenues:						
Property taxes	899,298	777,986	-	-	899,298	777,986
Other taxes	613,351	557,020	-	-	613,351	557,020
Unrestricted grants and conf	331,748	320,323	-	-	331,748	320,323
Unrestricted interest and inv	18,607	31,472	5,450	5,926	-	37,398
Miscellaneous	-	4,561	-	197	-	4,758
Total revenues	2,326,665	2,004,045	1,652,846	1,598,573	3,955,454	3,602,618
EXPENSES						
General government	\$ 270,183	362,850	-	-	270,183	362,850
Public safety	870,906	846,910	-	-	870,906	846,910
Parks	134,033	121,890	-	-	134,033	121,890
Public works	87,917	152,036	-	-	87,917	152,036
Building Inspections	113,936	85,075	-	-	113,936	85,075
Streets	326,515	304,824	-	-	326,515	304,824
Urban Renewal	17,849	-	-	-	17,849	-
Interest on long-term debt	1,790	1,235	-	-	1,790	1,235
Water	-	-	582,054	628,317	582,054	628,317
Sewer	-	-	873,216	924,216	873,216	924,216
Total expenses	\$1,823,129	\$1,874,820	\$1,455,270	1,552,533	3,278,399	3,427,353
Excess (deficiency) before Transfers	503,536	129,225	197,576	46,040	677,055	175,265
Change in net position	503,536	129,225	197,576	46,040	677,055	175,265
Net position, beginning	5,315,332	5,479,441	5,974,143	6,175,232	11,289,475	11,654,674
Prior Period Adjustment		(12,643)				(12,643)
Net Position, ending	\$5,818,868	\$5,596,023	\$6,171,719	\$ 6,221,272	\$11,966,530	\$ 11,817,295

Governmental Activities

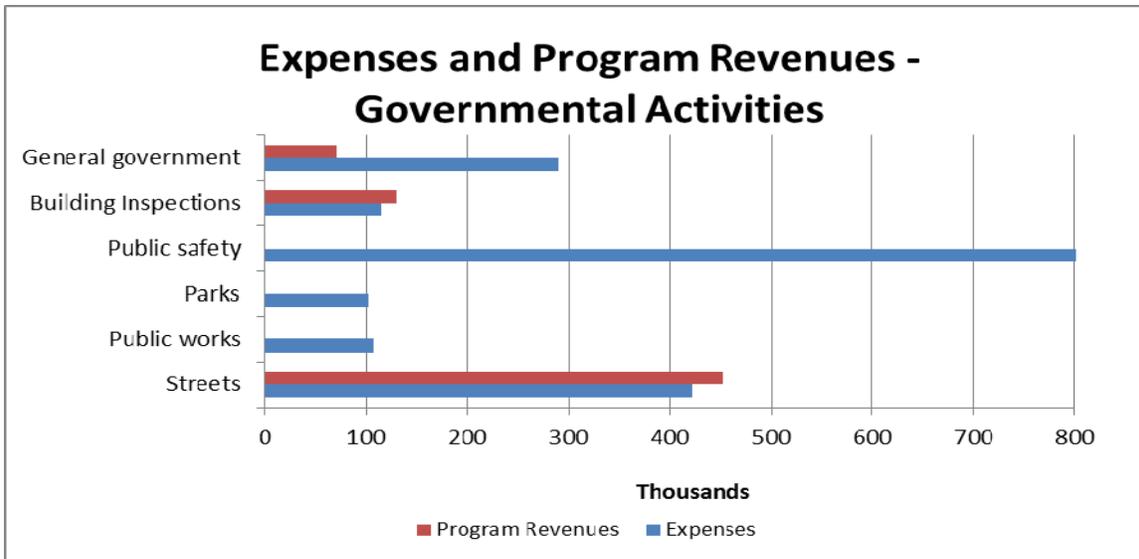
During the fiscal year, the City's total net assets increased by \$223 thousand. In evaluating the governmental activities and the financial health of our City, we look to the recurring annual revenues, exclusive of one time grants, debt proceeds or other single event revenues. Utilizing this measure, after funding operating costs for the current year, the City was able to increase unrestricted fund balances informally reserved for future operations of governmental activities by \$120 thousand.

Charges for services for general government activities increased over the last fiscal year. The primary source for this increase is the 2% COLA on the street utility fees and increased permit activity. Additional charges for services for general government activities include planning/zoning fees, and City Hall rental charges, lien search charges, and miscellaneous equipment use fees, all of which were about the same as in previous years.

General Fund revenues increased in total by about \$211 thousand from the preceding year. Franchise tax revenues from electric, gas and other utility companies remained stable. Motel tax revenues increased by about 15% to \$16 thousand indicating a return to more normal activity by travelers, and business income tax revenues collected by Multnomah County and shared with Cities in the county (a tax that applies to business *net* income) increased dramatically by about 8% this year over last. These revenues were the highest ever received, and they all combine to provide solid indicators that the economy in the community, and the county, is taking major steps to stabilize and recover.

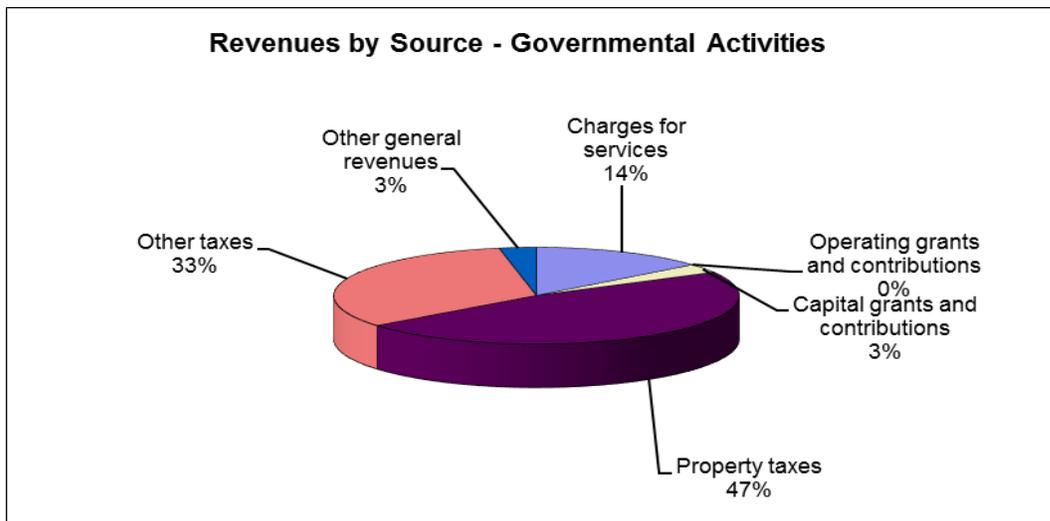
The City has carefully preserved governmental activities' reserves by holding down costs during recent years so we are in a better position than other local governments. We completed all operations at 97% of operating appropriations and operating revenues returned at 102% of projected operating revenues, resulting in a positive operating margin. When evaluating the total general government fiscal status, the total absence of debt has a major positive influence on the net outcome of our total operations.

Due to the prolonged recession, and with the continuing increased costs of public safety, and healthcare and retirement benefits, over which we have little or no control, City officials are pro-actively tightening our budgets even further in areas where we have the most control: direct personnel costs.



The previous graph shows the expenses of each governmental function compared to the program revenues generated specifically from operations. The general government activity, which includes planning, financial, legal, and property management generated essentially unchanged program revenues during the current year compared to the previous year. Operations are primarily funded from general revenues. The public safety function (Police, and Fire and Emergency Services) generates no program revenue because the City provides these services using contractual agreements. Property Tax revenues are insufficient by about \$117 thousand to cover Public Safety expenses. Most revenues for street activities have historically come from State shared gas taxes, and the Street Utility Fee allows the City to care for the roads in order to extend their useful life.

The following graph is a visual representation of the various sources of revenues used to support governmental activities during the current year:



Business-type Activities

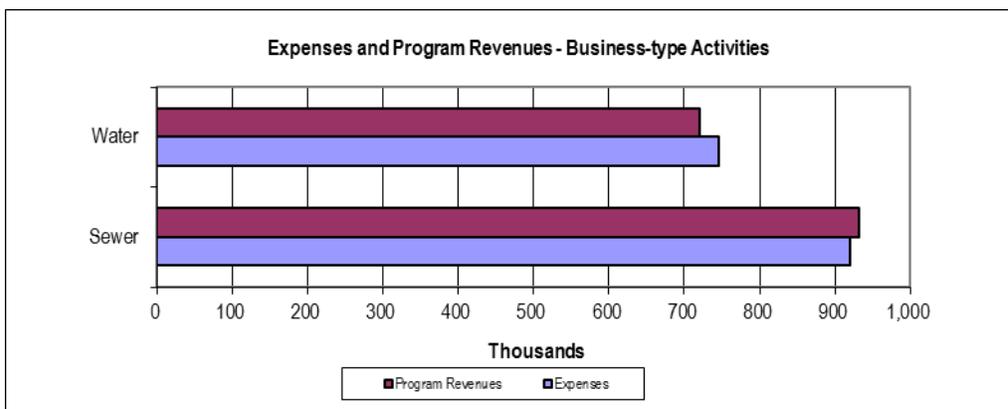
Business-type activities' net assets decreased \$50 thousand during the fiscal year.

Utility user rates were adjusted by 2% on January 1, 2015, allowing the increase to be reflected in half of the fiscal period covered by this report. With an increase and cost containment both the water fund and the sewer fund ran net operating gains. City management staff will continue to keep salary and materials expenses down while trying to optimize system operations and maintenance.

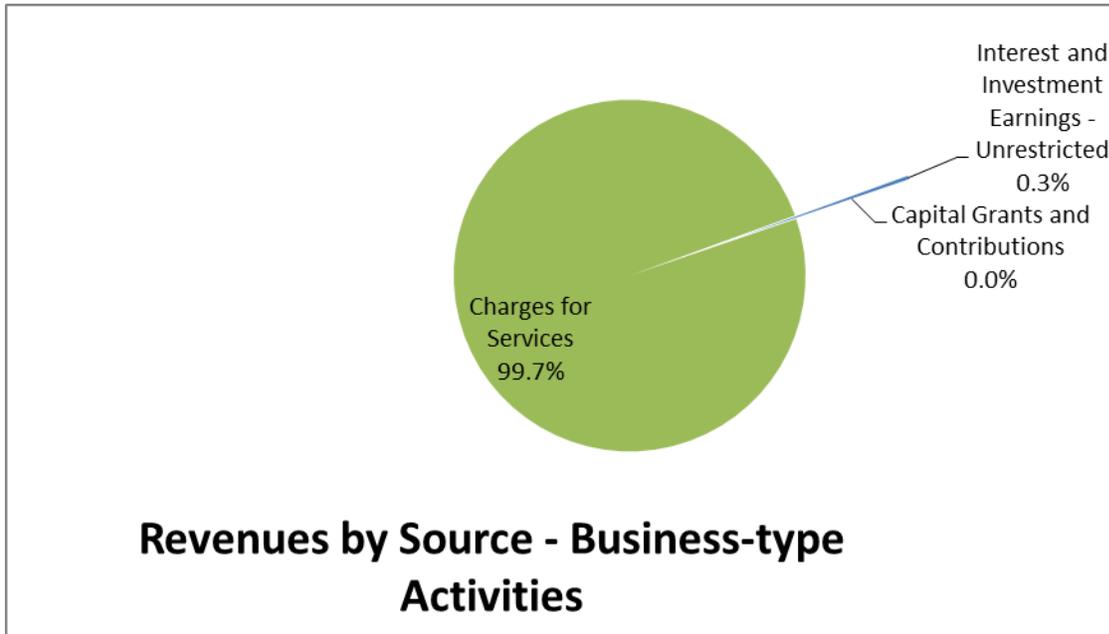
Water activities showed an overall increase in net assets of \$16 thousand. Water activity unrestricted net assets decreased by \$68 thousand and resulted in total net assets of \$3.01 million. Capital assets net of related debt rose \$84 thousand in the water fund.

The sewer function showed an increase in net assets of about \$65 thousand, for total net assets of \$3.17 million. Capital asset net of related debt decreased \$33 thousand in the sewer fund.

The following graph shows the program expenses including personnel services, materials and services, and overhead, compared to the program revenues generated by each business-type function during the year. Direct program expenses and expenditures for City overhead costs were \$1.66 million. One of the largest single program cost is for wastewater treatment in the sewer fund. The City has an agreement with a neighboring city, Gresham, to convey our wastewater to their treatment plant for processing. These costs charged us by Gresham are not under our direct control and are escalating due to additional federal regulations.



The next graph is a visual representation of the sources of revenues used to support business-type activities. As mentioned above, charges for services include one-time system development charges that are restricted for capital asset expansion projects and one time system connection charges for new customers.



Budget Highlights in the Water and Sewer Funds include:

- Capital outlay in the water system included completion of the work to eliminate lead based paint on the exterior of the water system reservoirs, modify and replace valves at the reservoir site, install the final increment of high flow fire hydrants on the City system, and upgrade system management capacity through additions to the System Control and Data Acquisition (SCADA) system.
- Sewer system capital outlay focused on the replacement of the Shea Lift Station, a small sewer lift that had become a major maintenance issue for our field personnel. While the completion of all work would extend into the next fiscal year, the majority of the pump replacement and system upgrade was completed in this period.
- The acquisition of a new backhoe was also a major addition to this fiscal period. While the utilities paid only a portion of the total cost of the system, the new equipment will provide significant improvement in the response capacity of the City.

Financial Analysis of the All Funds

The City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The financial statements of governmental funds show more detail than related governmental activities and focus on near-term inflows, outflows, and ending balances of spendable resources. The statements of proprietary funds show detail for each utility included in business-type activities, with the same focus used in government-wide reporting.

Combined fund balances for governmental funds increased by \$200 thousand during the fiscal year, due largely to increased revenues from franchises, motel taxes, Multnomah County Business Income tax, and our street utility, and careful expenditure control.

Formed two years ago, the transportation and storm water utility fee is a monthly fee on all occupancies in the community. The fee is calculated based on traffic generation from a land use, and is based on \$.99 per residential traffic movement generated at \$.27 per movement for commercial land uses. The overall utility generates approximately \$214,389 annually. This is not a sufficient revenue to alter the street fund status as a special revenue fund, as the gas tax remains a major revenue source to this activity, but it is sufficient to have made a major difference in the financial future for the General Fund.

The property tax remains the largest single revenue source in the General Fund. Due to the property tax structure in Oregon and the constitutional limits as well as statutory definitions of taxable values, the potential growth of the property tax has been slowed substantially. Total revenues in the property tax system increased by 6% from the immediately preceding year. We are anticipating property tax increases in the neighborhood of 5% in the FY15-16 and FY 16-17 years, absent another downturn.

Fund balances in the Street Fund are restricted or assigned for specific uses. These restrictions do not adversely affect the availability of fund resources for future use.

Combined net assets for proprietary funds decreased by \$50 thousand during the fiscal year. The cause of the net decrease is the impact of depreciation of major facilities. Viewed without the depreciation, the total net operating position for the utilities is positive.

General Fund Budgetary Highlights

Financial reporting standards require governments to discuss differences, if any between the original budget and the final amended budget in the General Fund. Oregon budget law requires budgetary authority to spend in each fund. Additionally, the law has restrictions on how budgets can be adjusted and requires that adjustments to any fund over certain legally restricted amounts come from a municipality's General Fund (through transfers if necessary).

Other significant differences between budget and actual expenses include:

- In the Building Services budget \$123,921 was budgeted for building inspections, but only \$113,936 was expended.
- Land acquisition was budgeted in the amount of \$500,000 in the event useable property became available, but it wasn't needed this year.
- Projects in the Street Fund for street improvements were budgeted at \$258,320, but due to bids coming in under, both were expended at a total of only \$158,966

In general, the major significant differences between final budgeted amounts and actual results in all funds were the increased revenue streams, careful expenditures in personnel and materials & services, and cost-savings on major projects. We expect revenues to continue to improve with a healthier economy, particularly property tax revenues and the Multnomah County Business Income Tax distribution.

Operating contingency can never be utilized for expenditures and can only be used through budget transfers to other expenditure lines. When utilized, the transfer is made by the City Council to the program or activity in which expenditure must be made. No such transfers were required in this period.

Capital Asset and Debt Administration

Capital Assets

As of year-end, the City had over \$7.3 million invested in a broad range of capital assets, including land, buildings, park facilities, streets, and water and sewer lines. This amount represents a net increase (including additions, deletions, and depreciation) of \$145 thousand from last year.

Business-type activities' capital assets before depreciation increased by approximately \$84 thousand in the water fund, and decreased by about \$33 thousand in the sewer fund.

The MD&A provides a summary of capital asset information. More detailed information is included in the notes to the financial statements in the Assets, Liabilities and Net Assets section on page 43 under the heading Capital Assets, and in the Detailed Notes on All Activities and Funds section on page 49 under the heading Capital Assets.

Long-term Debt

Wood Village has no outstanding debt. If we had any debt in our Governmental or Proprietary funds, The MD&A would provide a summary of long-term debt information. Since our government has no debt, there is no detailed information is included in the notes to the financial statements in the Summary of Significant Accounting Policies section

under the heading Long-term Debt, and in the Detailed Notes on All Activities and Funds section under the heading Long-term Liabilities.

Economic Factors and Next Year's Budgets and Rates

The economic recovery has been completed in the metropolitan area. Our local government worked through the recession of 2008 through 2014 with net additional operating margins adding to reserves and unrestricted assets, and the total employment and values for property in our region have surpassed the levels prior to the recession. This recovery, along with a significant reduction in the cost of fire contracting with Gresham Fire, permits our General Fund to be in the best condition we have experienced since 2008.

We anticipate a major sewer system upgrade with the replacement of a sewer interceptor line in Halsey, and the completion of our sewer master plan. With significant additional development pending in the Town Center, upgrades to System Development Charges will be necessary to assure the long term financial health of the systems. We are also anticipating the completion of a Parks Master Plan, and the requisite reinvestment in park systems and trails.

Both the Water and the Sewer Systems are now built to the capacity necessary to handle the predicted "build out" of the community. Major costs will be incurred for the replacement of system elements, and to continue the commitment to reduce the inflow and infiltration in the sewer system. Revenue sources are arriving at or above the budgeted amounts in the new fiscal year, and expenditures are below the budgeted amounts.

A water and sewer utility rate increase will occur on January 1, 2016 to cover continuing increases in operating expenses. Expenses will be cut as possible to keep revenues and expenditures in balance. Operating investments in personnel and system continuing maintenance will be contained to assure that operating revenues exceed operating costs for the systems, both water and sewer.

The Street fund activities will be modified in the years ahead to reflect the additional time and effort being expended to maintain the system and deal with the regional transportation system. The result of this modification will be a decreased operating margin in the street fund. It is believed that legislation will be initiated state wide in the year ahead to deal with the gasoline tax and system maintenance requirements not only in Wood Village, but statewide.

The multiyear projections of the financial status of the community identify the capacity to maintain operating margins in all funds other than the General Fund. The cost increases in Public Safety services, (fire, police, and emergency communications) occur at a higher cost percentage increase than the predicted revenue increases in the General Fund. The result will be the requirement to either further reduce General Fund expenditures, or develop additional resources in the 3 to five year projection period.

Requests for Information

This financial report is designed to provide a general overview of the City's finances and to show the City's accountability for the money it receives. Questions about the report or requests for additional financial information should be addressed to the Finance Director at the City of Wood Village, 2055 NE 238th Drive, Wood Village, Oregon 97060-1095.

Basic Financial Statements

BASIC FINANCIAL STATEMENTS

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

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

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

CITY OF WOOD VILLAGE, OREGON
STATEMENT OF NET POSITION
June 30, 2015

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 3,708,139	\$ 1,168,812	\$ 4,876,951
Property taxes receivable	58,256	-	58,256
Accounts receivable, net	207,660	160,553	368,213
Assessments receivable	55,196	-	55,196
Inventories	1,170	-	1,170
Prepaid Expenses	11,886	-	11,886
Other	-	339	339
Total current assets	4,042,307	1,329,704	5,372,011
Noncurrent assets:			
Net pension asset	112,578	127,000	239,578
Capital assets:			
Non-depreciable	260,390	89,902	350,292
Depreciable	1,929,598	5,020,430	6,950,028
Total noncurrent assets	2,302,566	5,237,332	7,539,898
Total assets	6,344,873	6,567,036	12,911,909
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	36,584	41,271	77,855
Total deferred outflows of resources	36,584	41,271	77,855
Total asset & deferred outflows of resources	\$ 6,381,457	\$ 6,608,307	\$ 12,989,764
LIABILITIES:			
Current liabilities:			
Accounts payable and accrued expenses	\$ 303,147	\$ 154,408	\$ 457,555
Deposits	100	370	470
Current accrued compensated absences	-	19,188	19,188
Unearned revenue - other	6,469	543	7,012
Current portion of accrued compensated absences	19,668	-	19,668
Total current liabilities	329,384	174,509	503,893
Noncurrent liabilities:			
Noncurrent portion of accrued compensated absences	6,556	6,396	12,952
Total noncurrent liabilities	6,556	6,396	12,952
Total liabilities	335,940	180,905	516,845
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	226,649	255,683	482,332
Total deferred inflows of resources	226,649	255,683	482,332
NET POSITION:			
Net investment in capital assets	2,189,988	5,110,332	7,300,320
Restricted for:			
Streets	430,919	-	430,919
Urban renewal agency	38,550	-	38,550
Unrestricted	3,159,411	1,061,387	4,220,798
Total net position	5,818,868	6,171,719	11,990,587
Total liabilities and net position	\$ 6,381,457	\$ 6,608,307	\$ 12,989,764

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

CITY OF WOOD VILLAGE, OREGON
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
Governmental activities:							
General government	\$ 270,183	\$ 186,579	\$ -	\$ 52,304	\$ (31,300)	\$ -	\$ (31,300)
Public safety	870,906	-	-	-	(870,906)	-	(870,906)
Public works	87,917	-	-	-	(87,917)	-	(87,917)
Streets	326,515	224,778	-	-	(101,737)	-	(101,737)
Building inspection	113,936	-	-	-	(113,936)	-	(113,936)
Urban Renewal Agency	17,849	-	-	-	(17,849)	-	(17,849)
Parks	134,033	-	-	-	(134,033)	-	(134,033)
Interest on long-term debt	1,790	-	-	-	(1,790)	-	(1,790)
Total governmental activities	1,823,129	411,357	-	52,304	(1,359,468)	-	(1,359,468)
Business type activities:							
Water Fund	582,054	717,906	-	-	-	135,852	135,852
Sewer Fund	873,216	929,490	-	-	-	56,274	56,274
Total business type activities	1,455,270	1,647,396	-	-	-	192,126	192,126
Total government	\$ 3,278,399	\$ 2,058,753	\$ -	\$ 52,304	(1,359,468)	192,126	(1,167,342)
General revenues:							
Taxes:							
Property taxes					899,298	-	899,298
Franchise taxes					292,487	-	292,487
Business income taxes					194,694	-	194,694
Motel taxes					126,170	-	126,170
Unrestricted grants and contributions					331,748	-	331,748
Interest and investment earnings					18,607	5,450	24,057
Total general revenues and transfers					1,863,004	5,450	1,868,454
Change in net position					503,536	197,576	701,112
Net position - beginning restated					5,315,332	5,974,143	11,289,475
Net position - ending					\$ 5,818,868	\$ 6,171,719	\$ 11,990,587

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

FUND FINANCIAL STATEMENTS

Major Governmental Funds

General Fund

The General Fund accounts for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes such activities as general government, public safety, library operations, parks and recreations, and vehicle replacement operations.

Street Fund

The Street Fund accounts for revenue derived from state, county and local fuel tax that is used for repair, maintenance and construction of streets and pathways. Transfers also come into this fund from the Enterprise and Traffic Development Fund for capital projects.

Urban Renewal Agency Fund

The Urban Renewal Agency Fund accounts for revenue derived from tax increment financing. The URA Fund is used to develop the identified portions of the City of Wood Village that will benefit from capital development.

CITY OF WOOD VILLAGE, OREGON
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2015

	<u>General Fund</u>	<u>Street Fund</u>	<u>Urban Renewal District Fund</u>	<u>Total Governmental</u>
ASSETS:				
Cash and cash equivalents	\$ 3,208,283	\$ 423,336	\$ 67,968	\$ 3,699,587
Property taxes receivable	55,649	-	2,607	58,256
Accounts receivable, net	187,831	19,829	-	207,660
Assessments receivable	55,196	-	-	55,196
Interest receivable	1,170	-	-	1,170
Prepaid expenses	11,886	-	-	11,886
Interfund loan receivable	29,884	-	-	29,884
	<u>3,549,899</u>	<u>443,165</u>	<u>70,575</u>	<u>4,063,639</u>
Total assets	<u>\$ 3,549,899</u>	<u>\$ 443,165</u>	<u>\$ 70,575</u>	<u>\$ 4,063,639</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES:				
Accounts payable and accrued expenses	\$ 281,440	\$ 12,246	\$ -	\$ 293,686
Deposits	100	-	-	100
Interfund payable	-	-	29,884	29,884
Unearned revenue - other	6,469	-	-	6,469
	<u>288,009</u>	<u>12,246</u>	<u>29,884</u>	<u>330,139</u>
Total liabilities	<u>288,009</u>	<u>12,246</u>	<u>29,884</u>	<u>330,139</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - property taxes	108,294	-	2,141	110,435
Unavailable revenue - special assessments	1,700	-	-	1,700
	<u>109,994</u>	<u>-</u>	<u>2,141</u>	<u>112,135</u>
Total deferred inflows of resources	<u>109,994</u>	<u>-</u>	<u>2,141</u>	<u>112,135</u>
FUND BALANCES:				
Nonspendable:				
Prepaid items	11,886	-	-	11,886
Restricted for:				
Streets	-	430,919	-	430,919
Urban renewal agency	-	-	38,550	38,550
Unassigned	3,140,010	-	-	3,140,010
	<u>3,151,896</u>	<u>430,919</u>	<u>38,550</u>	<u>3,621,365</u>
Total fund balances	<u>3,151,896</u>	<u>430,919</u>	<u>38,550</u>	<u>3,621,365</u>
Total liabilities, deferred inflows or resources and fund balances	<u>\$ 3,549,899</u>	<u>\$ 443,165</u>	<u>\$ 70,575</u>	<u>\$ 4,063,639</u>

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

CITY OF WOOD VILLAGE, OREGON
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO GOVERNMENTAL ACTIVITIES ON THE STATEMENT
OF NET POSITION
June 30, 2015

Total fund balances of governmental funds \$ 3,621,365

Total net assets reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:

Governmental capital assets	\$ 4,478,702	
Less: Accumulated depreciation	<u>(2,288,714)</u>	2,189,988

Assets not available to pay for current-period expenditures are deferred in the governmental funds, but are susceptible to full accrual on the statement of net position. 112,135

Internal service funds are used by management to charge the costs of the administrative services department to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. (909)

Pension related changes. (77,487)

Liabilities not due and payable in the current period are not reported in the governmental funds, but are reported on the statement of net position.

Accrued compensated absences		<u>(26,224)</u>
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Total net position of governmental position \$ 5,818,868

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

CITY OF WOOD VILLAGE, OREGON
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2015

	General Fund	Street Fund	Urban Renewal District Fund	Total Governmental
REVENUES:				
Property taxes	\$ 775,052	\$ -	\$ 59,468	\$ 834,520
Franchise taxes	292,487	-	-	292,487
Licenses, permits and fees	131,265	-	-	131,265
Intergovernmental	301,159	225,283	-	526,442
Assessments	13,329	-	-	13,329
Grants	52,304	-	-	52,304
Motel taxes	126,170	-	-	126,170
Charges for services	32,248	214,389	-	246,637
Interest revenue	16,711	1,674	222	18,607
Miscellaneous revenue	9,737	10,389	-	20,126
Total revenues	<u>1,750,462</u>	<u>451,735</u>	<u>59,690</u>	<u>2,261,887</u>
EXPENDITURES:				
Current:				
General government	290,425	-	-	290,425
Public safety	870,906	-	-	870,906
Public works	106,531	-	-	106,531
Streets	-	262,539	-	262,539
Building inspection	113,936	-	-	113,936
Urban Renewal Agency	-	-	19,127	19,127
Parks	101,780	-	-	101,780
Capital outlay	129,113	158,966	1,141	289,220
Debt service:				
Interest	-	-	1,790	1,790
Total expenditures	<u>1,612,691</u>	<u>421,505</u>	<u>22,058</u>	<u>2,056,254</u>
Net changes in fund balances	137,771	30,230	37,632	205,633
FUND BALANCES, BEGINNING	3,032,823	400,689	(12,619)	3,420,893
PRIOR PERIOD ADJUSTMENT	<u>(18,698)</u>	<u>-</u>	<u>13,537</u>	<u>(5,161)</u>
FUND BALANCES, ENDING	<u><u>\$ 3,151,896</u></u>	<u><u>\$ 430,919</u></u>	<u><u>\$ 38,550</u></u>	<u><u>\$ 3,621,365</u></u>

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

CITY OF WOOD VILLAGE, OREGON
GOVERNMENTAL FUNDS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2015

Amounts reported in the statement of activities are different because:

Net change in fund balances \$ 205,633

The statement of revenues, expenditures, and changes in fund balances report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Current year depreciation	(182,113)	
Loss on disposal of asset	(13,323)	
Capital asset additions	289,220	93,784

Some revenue reported in the statement of activities do not provide current financial resources in the governmental funds. 64,778

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:

Change in accrued compensated absences (1,328)

Governmental funds report pension contributions as expenditures. However, in the statements of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. 141,578

Internal service funds are used by management to charge the costs of the administrative services department to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. (909)

Change in net position of governmental activities \$ 503,536

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

CITY OF WOOD VILLAGE, OREGON
GENERAL FUND - BUDGETARY BASIS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ 769,729	\$ 769,729	\$ 775,052	\$ 5,323
Franchise taxes	274,887	274,887	292,487	17,600
Licenses, permits and fees	90,650	90,650	131,265	40,615
Intergovernmental	279,435	279,435	301,159	21,724
Assessments	13,597	13,597	13,329	(268)
Grants	120,625	120,625	52,304	(68,321)
Motel taxes	113,500	113,500	126,170	12,670
Charges for services	36,279	36,279	32,248	(4,031)
Interest revenue	20,000	20,000	14,921	(5,079)
Miscellaneous revenue	4,000	4,000	9,737	5,737
Total revenues	<u>1,722,702</u>	<u>1,722,702</u>	<u>1,748,672</u>	<u>25,970</u>
EXPENDITURES:				
General government	305,157	305,157	290,479	14,678
Public safety	880,751	880,751	870,906	9,845
Public works	118,424	118,424	106,531	11,893
Building inspection	123,921	123,921	113,936	9,985
Parks	127,068	127,068	101,780	25,288
Capital outlay	724,805	724,805	129,113	595,692
Total expenditures	<u>2,280,126</u>	<u>2,280,126</u>	<u>1,612,745</u>	<u>667,381</u>
Revenues over (under) expenditures	<u>(557,424)</u>	<u>(557,424)</u>	<u>135,927</u>	<u>693,351</u>
OTHER FINANCING SOURCES (USES):				
Interfund Loan proceeds (payments)	13,696	13,696	13,867	171
Prepaid items				
Total other financing sources (uses)	<u>13,696</u>	<u>13,696</u>	<u>13,867</u>	<u>171</u>
Net change in fund balance	(543,728)	(543,728)	149,794	693,522
FUND BALANCES, BEGINNING BUDGETARY BASIS	2,761,900	2,761,900	3,032,823	270,923
PRIOR PERIOD ADJUSTMENT	-	-	(60,551)	(60,551)
FUND BALANCES, ENDING BUDGETARY BASIS	<u>\$ 2,218,172</u>	<u>\$ 2,218,172</u>	3,122,066	<u>\$ 903,894</u>
Interfund loan receivable			29,884	
Compensated absences accrued for budget			(54)	
FUND BALANCES, ENDING			<u>\$ 3,151,896</u>	

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

CITY OF WOOD VILLAGE, OREGON
STREET FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 226,208	\$ 226,208	\$ 225,283	\$ (925)
Charges for services	219,300	219,300	214,389	(4,911)
Interest revenue	1,000	1,000	1,674	674
Miscellaneous revenue	1,000	1,000	10,389	9,389
Total revenues	<u>447,508</u>	<u>447,508</u>	<u>451,735</u>	<u>4,227</u>
EXPENDITURES:				
Personel services	153,099	153,099	139,574	13,525
Materials and service	165,595	165,595	123,965	41,630
Capital outlay	258,320	258,320	158,966	99,354
Contingency	131,994	131,994	-	131,994
Total expenditures	<u>709,008</u>	<u>709,008</u>	<u>422,505</u>	<u>286,503</u>
Net change in fund balance	(261,500)	(261,500)	29,230	290,730
Prepaid items				
FUND BALANCES, BEGINNING BUDGETARY BASIS	<u>351,500</u>	<u>351,500</u>	<u>400,689</u>	<u>49,189</u>
FUND BALANCES, ENDING BUDGETARY BASIS	<u>\$ 90,000</u>	<u>\$ 90,000</u>	429,919	<u>\$ 339,919</u>
Compensated absences accrued for budget			1,000	
FUND BALANCES, ENDING			<u>\$ 430,919</u>	

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

FUND FINANCIAL STATEMENTS

Proprietary Funds

Enterprise Funds

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

Water Fund

The Water Fund accounts for water services for residents of the City. The principal revenues source is from user fees. The primary expenditure is for system operations.

Sewer Fund

The Sewer Fund accounts for sewer services for residents of the City. The principal revenue source is from user fees. The primary expenditure is for system operations.

CITY OF WOOD VILLAGE, OREGON
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 June 30, 2015

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Total	Internal Service Fund
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 714,166	\$ 454,646	\$ 1,168,812	\$ 8,552
Accounts receivable, net	79,124	81,429	160,553	-
Prepaid Expenses	-	339	339	-
Total current assets	793,290	536,414	1,329,704	8,552
Noncurrent assets:				
Net pension asset	63,498	63,502	127,000	-
Capital assets, net	2,281,264	2,829,068	5,110,332	-
Total noncurrent assets	2,344,762	2,892,570	5,237,332	-
Total assets	3,138,052	3,428,984	6,567,036	8,552
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred amounts related to pensions	20,635	20,636	41,271	-
Total deferred outflows of resources	20,635	20,636	41,271	-
Total asset & deferred outflows of resources	\$ 3,158,687	\$ 3,449,620	\$ 6,608,307	\$ 8,552
LIABILITIES:				
Current liabilities:				
Accounts payable	\$ 10,223	\$ 144,185	\$ 154,408	\$ 9,461
Unearned revenue	543	-	543	-
Deposits	370	-	370	-
Current accrued compensated absences	10,189	8,999	19,188	-
Total current liabilities	21,325	153,184	174,509	9,461
Noncurrent liabilities:				
Noncurrent accrued compensated absences	3,396	3,000	6,396	-
Total non current liabilities	3,396	3,000	6,396	-
Total liabilities	24,721	156,184	180,905	9,461
DEFERRED INFLOWS OF RESOURCES:				
Deferred amounts related to pensions	127,838	127,845	255,683	-
Total deferred inflows of resources	127,838	127,845	255,683	-
NET POSITION:				
Net investment in capital assets	2,281,264	2,829,068	5,110,332	-
Restricted for:				
Capital projects	-	-	-	-
Debt service	-	-	-	-
Other purposes	-	-	-	-
Unrestricted	724,864	336,523	1,061,387	(909)
Total net position	3,006,128	3,165,591	6,171,719	(909)
Total liabilities, deferred inflows of resources, and net position	\$ 3,158,687	\$ 3,449,620	\$ 6,608,307	\$ 8,552

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

**CITY OF WOOD VILLAGE, OREGON
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN NET POSITION
 For the Fiscal Year Ended June 30, 2015**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Total	Internal Service Fund
OPERATING REVENUES:				
Charges for services	\$ 717,906	\$ 929,490	\$ 1,647,396	\$ -
Total operating revenues	717,906	929,490	1,647,396	-
OPERATING EXPENSES:				
Materials and services	94,090	345,759	439,849	909
Personnel services	322,603	321,019	643,622	-
Depreciation	165,361	206,438	371,799	-
Total operating expenses	582,054	873,216	1,455,270	909
Operating income (loss)	135,852	56,274	192,126	(909)
NON-OPERATING REVENUES (EXPENSES):				
Interest income	3,438	2,012	5,450	-
Total non-operating revenues (expenses)	3,438	2,012	5,450	-
Net income (loss) before transfers	139,290	58,286	197,576	(909)
Change in net position	139,290	58,286	197,576	(909)
NET POSITION, BEGINNING RESTATED	2,866,838	3,107,305	5,974,143	-
NET POSITION, ENDING	<u>\$ 3,006,128</u>	<u>\$ 3,165,591</u>	<u>\$ 6,171,719</u>	<u>\$ (909)</u>

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

CITY OF WOOD VILLAGE, OREGON
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2015

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activities</u>
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>	<u>Internal Service Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 712,588	\$ 934,159	\$ 1,646,747	\$ -
Cash paid to employees and others for salaries and benefits	(403,655)	(403,662)	(807,317)	-
Cash paid to suppliers and others	(186,119)	(295,565)	(481,684)	8,552
Net cash provided by (used for) operating activities	<u>122,814</u>	<u>234,932</u>	<u>357,746</u>	<u>8,552</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of capital assets	(249,227)	(173,439)	(422,666)	-
Net cash provided by (used for) capital and related financing activities	<u>(249,227)</u>	<u>(173,439)</u>	<u>(422,666)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	3,438	2,012	5,450	-
Net cash provided by investing activities	<u>3,438</u>	<u>2,012</u>	<u>5,450</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(122,975)	63,505	(59,470)	8,552
CASH AND CASH EQUIVALENTS, BEGINNING	<u>837,141</u>	<u>391,141</u>	<u>1,228,282</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 714,166</u>	<u>\$ 454,646</u>	<u>\$ 1,168,812</u>	<u>\$ 8,552</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES				
Operating Income	\$ 135,852	\$ 56,274	\$ 192,126	\$ (909)
Adjustments				
Depreciation and amortization	165,361	206,438	371,799	-
Decrease (increase) in:				
Accounts receivable and due from other funds	(3,183)	12,235	9,052	-
Prepays	-	(73)	(73)	-
Increase (decrease) in:				
Accounts payable and accrued expenses	(92,029)	50,194	(41,835)	9,461
Deposits	370	-	370	-
Net pension asset	(79,856)	(79,861)	(159,717)	-
Unearned revenue	(2,505)	(7,493)	(9,998)	-
Accrued compensated absences	(1,196)	(2,782)	(3,978)	-
Net cash provided by (used for) operating activities	<u>\$ 122,814</u>	<u>\$ 234,932</u>	<u>\$ 357,746</u>	<u>\$ 8,552</u>

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

CITY OF WOOD VILLAGE, OREGON
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015

Summary of Significant Accounting Policies

Financial Reporting Entity

The City of Wood Village, Oregon is a municipal corporation governed by a Mayor and Council. The Council is composed of five members, all of whom are elected for staggered terms of four years. The Mayor is appointed from within the Council and serves as chairperson and an additional voting member. The affairs of the City are conducted under the management of the City Administrator who is appointed by the Council.

The City qualifies as a primary government based on the criteria that it has a separately elected governing body, is a legally separate entity, and is fiscally independent. Accounting principles generally accepted in the United States of America require that these financial statements include all component units, if any. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement 61, are separate entities that are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. There is one blended component unit, the Wood Village Urban Renewal District, an entity for which the City is financially accountable, in accordance with GASB 61. The District, although a separate legal entity, is a part of the City's operations. It was organized to construct and administer capital improvements as outlined in the City's Urban Renewal Plan. The City Council serves as its governing board.

Basic Financial Statements

The basic financial statements include both government-wide and fund financial statements. The government-wide financial statements report information on the City as a whole. *Governmental activities*, which normally are 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.

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

Fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All of the City's funds are considered major by management.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they become 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 sixty days of the end of the current fiscal year.

Major revenue sources recognized under the City's availability policy include property taxes, franchise and public service taxes, business income taxes, motel taxes, assessments, as well as significant state shared revenues. Grant revenues are an exception to the policy and are recognized as soon as all eligibility requirements have been met. Interest income is considered susceptible to accrual and is recognized as revenue when earned. Licenses and permits and other revenue items are considered to be measurable and available when cash is received by the City. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as significant expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial operations of the City, except those required to be accounted for in other funds.

The *Street Fund* accounts primarily for State of Oregon shared gas tax revenues used to construct, maintain, and repair streets and other transportation systems.

The *Urban Renewal Fund* was organized to construct and administer capital improvements as outlined in the City's Urban Renewal Plan.

The City reports the following major enterprise funds:

The *Water Fund* accounts for the operation of the City's water system.

The *Sewer Fund* accounts for the operation of the City's sewer system.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges for goods and services between the government's enterprise functions and various other city functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* 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 enterprise funds are charges to customers for sales and services. Operating expenses for these funds include the cost of sales and services, including administration, and depreciation on capital assets. All revenues, such as grants or interest income and other expenses not meeting this definition are reported as nonoperating revenues and expenses.

Assets, Liabilities, and Net Assets or Equity

Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent and shares of the Oregon Short-Term Fund.

Receivables

Property taxes are assessed on all taxable property as of July 1, the beginning of the fiscal year, and become a lien against the property on that date. Property taxes are levied in October. Collection dates are November 15, February 15, and May 15. 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, but are deemed to be substantially collectible or recoverable through liens.

Accounts receivable consists of receivables from other governments and miscellaneous parties in the governmental funds and sewer and water fees receivable in the proprietary funds. There is no allowance for doubtful accounts because management believe these receivables are fully collectible.

Assessments receivable consists of local improvement district receivables. These receivables are off-set by unearned revenue because they are not scheduled to be received within 0 days of year end.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of five years or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend assets lives are not capitalized.

Accounting standards require the City to prospectively report and depreciate all infrastructure assets of governmental activities (primarily transportation systems) effective July 1, 2003. The City is not required to report infrastructure assets of governmental activities retroactively. The City's capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	25 - 40
Land improvements	10 - 20
Vehicles and equipment	5 - 10
Water and sewer systems infrastructure	40
Transportation system infrastructure	20

Compensated Absences

It is the City’s policy to permit employees to accumulate earned but unused vacation, holiday, and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not pay any amounts when employees separate from service. However, in certain circumstances for employees in the Oregon retirement system prior to 1992, sick leave may increase retirement benefits. Resulting liabilities will be reported in accordance with GASB 71. Vacation pay is accrued when earned in the government-wide and proprietary fund financial statements. An expense for these amounts is reported in the governmental funds if they have matured, for example, as a result of employee resignations and retirements.

Long-term Debt

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Estimates

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

Fund Equity

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

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

Restricted fund balance – Includes items that are restricted by external creditors, grantors or contributors, or restricted by legal constitutional provisions.

Committed fund balance – represents funds formally set aside by the City Council for a particular purpose. The use of these funds would be approved by City Council resolution. Commitments of fund balance must be made prior to the end of the fiscal year.

Assigned fund balance – Represents amounts that do not meet the criteria to be classified as restricted or committed and that are constrained by the expressed intent to use resources for specific purposes as authorized by the City Council in the Budget Document or by Resolution. Assignments of fund balance can be done at any time, including after the fiscal year end date. In accordance with the City’s adopted fund policy, amounts may be assigned by the City Manager within the budgetary authorizations of the prior fiscal period, or in accord with adopted City Council strategies for financing of specific activities.

Unassigned fund balance – This is the residual classification used for those balances not assigned to another category. While negative unassigned fund balances may be found in all the funds, a positive unassigned fund balance has only occurred in the General Fund.

There were no committed or assigned balances at June 30, 2015.

Use of Restricted Resources

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

Net Position

In the government-wide financial statements and proprietary funds financial statements, net position is reported in three categories: net investment in capital assets; restricted; and unrestricted. Net investment in capital assets represents capital assets less accumulated depreciation less outstanding principal of related debt. Net investment in capital assets does not include the unspent proceeds of capital debt. Restricted net position represents net position restricted by parties outside of the City (such as creditors, grantors, contributors, laws, and regulations of other governments) and includes unspent proceeds of bonds issued to acquire or construct capital assets. All other net position are considered unrestricted.

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be

recognized as an outflow of resources (expense/expenditure) until then. The City has deferred outflows related to pensions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has property taxes, assessments, and deferred inflows related to pension that fit into this classification.

Stewardship, Compliance and Accountability

Budgetary Information

The City prepares its budget in accordance with the legal requirements set forth in Oregon Local Budget Law. The City Council adopts the budget, makes appropriations, and declares the tax levy no later than June 30th of each year.

In accordance with State law, annual budgets are adopted for all funds. Budgets are prepared in accordance with the modified accrual basis of accounting for governmental fund types, except that accrued compensated absences are fully accrued and interfund loan activity is recorded as revenues and expenditures. Proprietary fund type budgets are prepared in accordance with the accrual basis of accounting, except for expenditures that are capitalized under accrual accounting are shown as expenses. Depreciation is not a budgetary expenditure.

The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Expenditure categories of personal services, materials and services, capital outlay, debt service, transfers, and contingency are the legal level of control for all funds other than the general fund, which is appropriated for by function. Expenses of the various funds were within authorized appropriations for the year ended June 30, 2015.

Detailed Notes on All Activities and Funds

Cash and Cash Equivalents

At year end, investments included in cash and cash equivalents consist of the following:

Demand Deposits	\$	436,804
Oregon State Local Government Investment Pool		<u>4,440,147</u>
Total	\$	<u>4,876,951</u>

Reported in the Basic Financial Statements as:

Government Activities	\$	3,708,139
Business-Type Activities		<u>1,168,812</u>
Total	\$	<u>4,876,951</u>

Investment Type	Fair Value	Investment Maturities (in months)		
		< 3 months	3-17 months	18-59 months
Local Government Investment Pool	\$4,440,147	\$ -	\$ -	\$ -
Investment Wells Fargo Savings	436,804	-	-	-
Total	\$4,876,951	\$ -	\$ -	\$ -

Interest rate risk

In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the maturity of its investments to twelve months or less.

Credit risk

State of Oregon statutes and the City's investment policy authorize the City to invest in U.S. Treasury obligations, certain U.S. Agency Securities, and the State Treasurer's Local Government Investment Pool (LGIP, also known as the Oregon Short-Term Fund).

The LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company. The State's investment policies are governed by Oregon Revised Statutes and the Oregon Investment Council. The State Treasurer is the investment officer for the Council and is responsible for all funds in the State Treasury.

LGIP funding policies provide that the weighted average credit quality ratings for the Pool's holdings are a minimum of AA, Aa2, or AA for Standard and Poor's, Moody's, or Fitch, respectively. As of yearend, the pool itself was not rated. Therefore, the City's investments in the pool are unrated.

Concentration of Credit Risk

The City's investment policy requires diversification to minimize the risk of loss resulting from over-concentration in securities with a single issuer. The policy does not set specific limits.

Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, the City of Wood Village's deposits may not be returned. The total bank balance per the bank statements was \$489,594, of which \$250,000 was covered by federal depository insurance. The remainder was covered by collateral held in a multiple financial institutions collateral pool administered by the State of Oregon Treasurer. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the 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. The government’s investment policy does not limit the amount of securities that can be held by counterparties. As of year-end, the City had approximately \$483 thousand in a local collateralized bank, the rest of the City’s investments are contained in the State Treasurer’s Local Government Investment Pool. Investments in the pool are not evidenced by securities. The fair value of the LGIP pool shares is equal to the City’s proportionate position in the pool.

Receivables

Receivables at year-end were as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Receivables, net</u>
Governmental activities			
General	\$ 187,831	\$ 55,649	\$ 243,480
Street	19,829	-	19,829
Urban Renewal	-	2,607	2,607
Total governmental activities	<u>\$ 207,660</u>	<u>\$ 58,256</u>	<u>\$ 265,916</u>
Business-type activities			
Water	\$ 79,124	-	\$ 79,124
Sewer	81,429	-	81,429
Total business-type activities	<u>\$ 160,553</u>	<u>\$ -</u>	<u>\$ 160,553</u>

Inter-fund Loans

The general fund has made periodic loans to the urban renewal fund since 2008 to provide for repayment of an urban renewal consulting study that was paid for by the general fund and to provide funding for operations until the urban renewal fund begins generating its own revenues. The principal balance outstanding at year end was \$28,989. Repayment terms are as follows:

	Principal	Interest	Total
2015-16	\$12,101	\$542	\$12,643
2016-17	\$12,122	\$521	\$12,643
2016-17	\$4,766	\$19	\$4,785
	<u>\$28,989</u>	<u>\$1,082</u>	<u>\$30,071</u>

Capital Assets

Capital asset activity during the fiscal year was as follows:

Primary Government	Beginning Balance	Additions	Deletions	Ending Balance
<i>Capital assets, not being depreciated:</i>				
Land	\$ 237,426	\$ -	\$ -	\$ 237,426
Construction in Progress	-	22,964	-	22,964
Total capital assets, not being depreciated	<u>237,426</u>	<u>22,964</u>	<u>-</u>	<u>260,390</u>
 <i>Capital assets, being depreciated:</i>				
Land Improvements	709,286	47,298	-	756,584
Infrastructure	1,866,490	131,183	-	1,997,673
Buildings and improvements	958,960	5,154	-	964,114
Vehicles	87,415	-	-	87,415
Equipment	343,228	82,621	(13,323)	412,526
Total capital assets, being depreciated	<u>3,965,379</u>	<u>266,256</u>	<u>(13,323)</u>	<u>4,218,312</u>
 <i>Less accumulated depreciation for:</i>				
Land Improvements	(622,312)	(36,403)	-	(658,715)
Infrastructure	(836,251)	(88,166)	-	(924,417)
Buildings and improvements	(288,137)	(24,338)	-	(312,475)
Vehicles	(85,540)	(1,022)	-	(86,562)
Equipment	(274,361)	(32,184)	-	(306,545)
Total accumulated depreciation	<u>(2,106,601)</u>	<u>(182,113)</u>	<u>-</u>	<u>(2,288,714)</u>
Total capital assets, being depreciated, net	<u>1,858,778</u>	<u>84,143</u>	<u>(13,323)</u>	<u>1,929,598</u>
Governmental activities capital assets, net	<u>\$ 2,096,204</u>	<u>\$ 107,107</u>	<u>\$ (13,323)</u>	<u>\$ 2,189,988</u>
 Governmental activities:				
General government				\$ 20,033
Streets				97,055
Public works				17,993
Parks				<u>47,032</u>
Total depreciation expense - governmental activities				<u>\$ 182,113</u>

Business-type Activity	Beginning Balance	Additions	Deletions	Ending Balance
<i>Capital assets, not being depreciated:</i>				
Land	\$ 26,826	\$ -	\$ -	\$ 26,826
Construction in progress	-	63,076	-	63,076
Total capital assets , not being depreciated	<u>26,826</u>	<u>63,076</u>	<u>-</u>	<u>89,902</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	5,084	30,098	-	35,182
Infrastructure	9,237,412	300,376	-	9,537,788
Buildings and improvements	393,425	27,142	-	420,567
Vehicles	123,996	-	-	123,996
Equipment	329,520	41,944	(39,970)	331,494
Total capital assets, being depreciated	<u>10,089,437</u>	<u>399,560</u>	<u>(39,970)</u>	<u>10,449,027</u>
<i>Less accumulated depreciation for:</i>				
Land improvements	(19,682)	(1,460)	-	(21,142)
Infrastructure	(4,626,775)	(331,360)	-	(4,958,135)
Buildings and improvements	(141,064)	(8,664)	-	(149,728)
Vehicles	(96,688)	(1,470)	-	(98,158)
Equipment	(172,589)	(28,845)	-	(201,434)
Total accumulated depreciation	<u>(5,056,798)</u>	<u>(371,799)</u>	<u>-</u>	<u>(5,428,597)</u>
Total capital assets, being depreciated, net	<u>5,032,639</u>	<u>27,761</u>	<u>(39,970)</u>	<u>5,020,430</u>
Business-type activities capital assets, net	<u>\$ 5,059,465</u>	<u>\$ 90,837</u>	<u>\$ (39,970)</u>	<u>\$ 5,110,332</u>
Business-type activities:				
Water				\$ 165,361
Sewer				<u>206,438</u>
Total depreciation expense - business-type activities				<u>\$ 371,799</u>

Long-term Liabilities

Long-term liability activity during the fiscal year was as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Other liabilities:					
Compensated absences	\$ 24,898	\$ 1,340	\$ 14	\$ 26,224	\$ 6,556
Governmental activities long-term liabilities	<u>\$ 24,898</u>	<u>\$ 1,340</u>	<u>\$ 14</u>	<u>\$ 26,224</u>	<u>\$ 6,556</u>

Business-type Activities

Other liabilities:

Compensated absences	\$ 29,562	\$ -	\$ 23,166	\$ 6,396	\$ -
Business-type activities long-term liabilities	<u>\$ 29,562</u>	<u>\$ -</u>	<u>\$ 23,166</u>	<u>\$ 6,396</u>	<u>\$ -</u>

Governmental activities include other liabilities of the General Fund, Street Fund and Urban Renewal Agency Fund. Liabilities for compensated absences have typically been liquidated by those funds.

Bonds Payable

No outstanding bonds are currently on the books.

Long Term Debt & Capital Construction

No long term debt is currently on the books of the City.

Other Information

Property Tax Limitation

The State of Oregon has a constitutional limit on property taxes for schools and non-school government operations. The limitation provides that property taxes for nonschool operations are limited to \$10.00 for each \$1,000 of property market value. Local government taxes in the City currently do not exceed the \$10.00 rate limit; however, this limitation may affect the availability of future tax revenues for the City. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt.

An additional limit reduces the amount of operating property tax revenues available. This reduction was accomplished by rolling property values for 1997-97 back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The Constitution also sets restrictive voter approval requirements for most tax and many fee increases and new bond issues.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance for risks of loss including coverage for workers' compensation, general liability, property damage, boiler and machinery, automobile liability, and auto physical damage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

Pension Plans

General Information about the Pension Plan

Plan description

Employees of the City are provided with pensions through the Oregon Public Employees Retirement System (OPERS) a cost-sharing multiple-employer defined benefit pension plan, the Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx.

Benefits provided

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

Pension Benefits

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer. General Service employees may retire after reaching age 55. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits

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

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

Disability Benefits

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

Benefit Changes

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

2. OPSRP Pension Program (OPSRP DB)

Pension Benefits

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

General Service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death Benefits

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

Disability Benefits

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

Benefit Changes After Retirement

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

3. OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

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

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

Death Benefits

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

lump-sum payment.

Recordkeeping

OPERS contracts with VOYA Financial to maintain IAP participant records.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2011 actuarial valuation as subsequently modified by 2013 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2013. Employer contributions for the year ended June 30, 2015 were \$77,855, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2015 were 9.97 percent for Tier One/Tier Two General Service Members, 9.11 percent for OPSRP Pension Program General Service Members, and 6 percent for OPSRP Individual Account Program.

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

At June 30, 2015, the City reported an asset of \$239,578 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2012 rolled forward to June 30, 2014. The City's proportion of the net pension asset was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2014, the City's proportion was 0.0106 percent, which was unchanged from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the City's recognized pension expense (income) of (\$224,283). At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	462,289
Changes in proportion and differences between City contributions and proportionate share of contributions	-	20,043
City contributions subsequent to the measurement date	<u>77,855</u>	<u>-</u>
Total	<u>\$ 77,855</u>	<u>\$ 482,332</u>

\$77,855 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2016	\$ (119,929)
2017	(119,929)
2018	(119,929)
2019	(119,929)
2020	(2,615)
Thereafter	-

Actuarial assumptions

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

accrued liabilities being amortized over 16 years. The total pension liability in the December 31, 2012 actuarial valuation was determined using the following actuarial assumptions:

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

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

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in

which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

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

Discount rate

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

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

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

	<u>1% Decrease (6.75%)</u>	<u>Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
City's proportionate share of the net pension liability (asset)	\$ 507,340	\$ (239,578)	\$ (871,296)

Pension plan fiduciary net position

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

Changes in Plan Provisions Subsequent to Measurement Date

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

OPERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire.

This is a change in benefit terms subsequent to the measurement date of June 30, 2014, and has not been included in the net pension liability (asset) proportionate shares provided by OPERS.

Subsequent Events

Since the end of the fiscal year on June 30, 2015, the economic situation has continued to improve. Total employment has reached record levels in the Portland Metropolitan area, and property values are rebounding to the pre-2008 levels. This rebound is reflected in the total increase in current property taxes received in this period, and will continue at a rate greater than the constitutional limit of 3%, our predictions at 5% for the next two fiscal periods.

Excellent bids received on key infrastructure investments both during this fiscal period, and in the subsequent period, have relieved the most stressed of our funds, the sewer fund. Trends for revenues and containments of costs will provide a year with an excess of operating revenues above operating costs, resulting in the predicted increase in unrestricted balances in all funds other than sewer, where capital investment will draw the balances to a minimum level. Management's Discussion and Analysis provides a more detailed projection of the relative status of each of the funds.

New Accounting Pronouncement – GASB Statement No. 68 & 71

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and

Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68. GASB Statement No. 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. GASB Statement No. 71 addresses an issue regarding application of the transition provisions of GASB Statement No. 68. The City implemented GASB Statement No. 68 and 71 in the year ending June 30, 2015. Additional information can be found in Pension Plan Note and Change in Accounting Principle Note.

Change in Accounting Principle and Prior Period Adjustment

Based on implementation of GASB Statement No. 68 and 71, the City restated the beginning net position for the Governmental Activities and Business-Type Activities for a change in accounting principle. The City also had a prior period adjustment due to interfund loan activity not recorded accurately in prior periods. Net position has been restated as follows:

	Governmental Activities	Business-Type Activities	Total
Net position - beginning (as originally reported)	\$ 5,596,023	\$ 6,221,272	\$ 11,817,295
Cumulative effect of change in accounting principle	(219,066)	(247,129)	(466,195)
Cumulative effect of prior period adjustment	(61,625)	-	(61,625)
Net position - beginning (as restated)	<u>\$ 5,315,332</u>	<u>\$ 5,974,143</u>	<u>\$ 11,289,475</u>

Required Supplementary Information

REQUIRED SUPPLEMENTARY INFORMATION

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

- Schedule of the Proportionate Share of the Net Pension Liability
- Schedule of Contributions

CITY OF WOOD VILLAGE, OREGON
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Last Two Fiscal Years

<u>Year Ended June 30,</u>	<u>(a) City's proportion of the net pension liability (asset)</u>	<u>(b) City's proportionate share of the net pension liability (asset)</u>	<u>(c) City's covered payroll</u>	<u>(b/c) City's proportion ate share of the net pension liability</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2015	0.01056940%	\$ (239,578)	\$ 815,545	-29.38%	103.60%
2014	0.01056940%	539,372	850,464	63.42%	91.97%

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

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

CITY OF WOOD VILLAGE, OREGON
SCHEDULE OF CONTRIBUTIONS
For the Last Two Fiscal Years

Year Ended June 30,	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) City's covered payroll	(b/c) Contributions as a percent of covered payroll
2015	\$ 77,855	\$ 77,855	-	\$815,545	9.55%
2014	73,178	73,178	-	850,464	8.60%

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

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

CITY OF WOOD VILLAGE, OREGON
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2015

Stewardship, Compliance and Accountability

Budgetary Information

The City prepares its budget in accordance with the legal requirements set forth in Oregon Local Budget Law. The City Council adopts the budget, makes appropriations, and declares the tax levy no later than June 30th of each year.

In accordance with State law, annual budgets are adopted for all funds. Budgets are prepared in accordance with the modified accrual basis of accounting for governmental fund types, except that accrued compensated absences are fully accrued. Proprietary fund type budgets are prepared in accordance with the accrual basis of accounting, except for expenditures that are capitalized or shown as expenses on a generally accepted accounting principles basis. Depreciation is not a budgetary expenditure.

The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Expenditure categories of personal services, materials and services, capital outlay, debt service, transfers, and contingency are the legal level of control for all program levels within the General Fund as well as all other funds.

Unexpected additional resources may be added to the budget through the use of a supplemental budget, a contingency transfer, or an appropriation of additional resources. These additions require the approval of the City Council.

Changes in Plan Provisions

A summary of key changes in plan provisions are described in the Oregon Public Employees Retirement System's GASB 68 Disclosure Information which can be found at: http://www.oregon.gov/pers/EMP/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf

Changes of assumptions

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

Supplementary Information

BUDGETARY COMPARISON SCHEDULES

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

Major Governmental Budgetary Comparison schedules not included in required supplemental information include the following:

- General Fund Schedule of Expenditures - Budgetary Basis
- Urban Renewal Agency Fund

CITY OF WOOD VILLAGE, OREGON
GENERAL FUND - BUDGETARY BASIS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget
	Original	Final		
Police operations: 004				
Materials and services	\$ 435,973	\$ 435,973	\$ 431,050	\$ 4,923
Subtotal	435,973	435,973	431,050	4,923
Administration: 002				
Personnel services	223,583	223,583	212,897	10,686
Materials and services	55,229	55,229	53,712	1,517
Capital outlay	12,000	12,000	10,861	1,139
Subtotal	290,812	290,812	277,470	13,342
Fire services: 004				
Materials and services	444,778	444,778	439,856	4,922
Capital outlay	7,500	7,500	-	7,500
Subtotal	452,278	452,278	439,856	12,422
Parks: 003+005				
Personnel services	90,083	90,083	75,081	15,002
Materials and services	36,985	36,985	26,699	10,286
Capital outlay	154,125	154,125	74,344	79,781
Subtotal	281,193	281,193	176,124	105,069
Public Works: 006				
Personnel services	114,039	114,039	101,047	12,992
Materials and services	4,385	4,385	5,484	(1,099)
Capital outlay	39,500	39,500	36,959	2,541
Subtotal	157,924	157,924	143,490	14,434
Permitting Services: 007				
Personnel services	62,847	62,847	56,036	6,811
Materials and services	61,074	61,074	57,900	3,174
Subtotal	123,921	123,921	113,936	9,985
Other - council: 001				
Capital outlay	4,000	4,000	2,345	1,655
Subtotal	4,000	4,000	2,345	1,655
Non-departmental: 009				
Materials and services	26,345	26,345	23,870	2,475
Capital outlay	507,680	507,680	4,604	503,076
Subtotal	534,025	534,025	28,474	505,551
Total expenditures	\$ 2,280,126	\$ 2,280,126	\$ 1,612,745	\$ 667,381

CITY OF WOOD VILLAGE, OREGON
URBAN RENEWAL AGENCY FUND - BUDGETARY BASIS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ 43,650	\$ 43,650	\$ 59,468	\$ 15,818
Interest revenue	-	-	222	222
Total revenues	<u>43,650</u>	<u>43,650</u>	<u>59,690</u>	<u>16,040</u>
EXPENDITURES:				
Personel services	11,423	11,423	10,362	1,061
Materials and service	2,348	11,848	9,145	2,703
Capital outlay	-	-	1,141	(1,141)
Contingency	28,192	18,692	-	18,692
Total expenditures	<u>41,963</u>	<u>41,963</u>	<u>20,648</u>	<u>21,315</u>
Revenues over (under) expenditures	<u>1,687</u>	<u>1,687</u>	<u>39,042</u>	<u>37,355</u>
OTHER FINANCING SOURCES (USES):				
Interfund Loan proceeds (payments)	<u>(13,696)</u>	<u>(13,696)</u>	<u>(13,867)</u>	<u>(171)</u>
Total other financing sources (uses)	<u>(13,696)</u>	<u>(13,696)</u>	<u>(13,867)</u>	<u>(171)</u>
Net change in fund balance	(12,009)	(12,009)	25,175	37,184
FUND BALANCES, BEGINNING BUDGETARY BASIS	22,000	22,000	(12,619)	(34,619)
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>55,498</u>	<u>55,498</u>
FUND BALANCES, ENDING BUDGETARY BASIS	<u>\$ 9,991</u>	<u>\$ 9,991</u>	68,054	<u>\$ 58,063</u>
Interfund loan payable			(29,884)	
Compensated absences accrued for budget			<u>380</u>	
FUND BALANCES, ENDING			<u>\$ 38,550</u>	

BUDGETARY COMPARISON SCHEDULES

Enterprise Funds

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

Enterprise Budgetary Comparison schedules include the following:

- Water Fund
- Sewer Fund

CITY OF WOOD VILLAGE, OREGON
WATER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
System development charges	\$ 51,920	\$ 51,920	\$ 16,530	\$ (35,390)
Charges for services	675,860	675,860	701,376	25,516
Interest revenue	10,500	10,500	3,438	(7,062)
Miscellaneous revenue	1,000	1,000	-	(1,000)
Total revenues	739,280	739,280	721,344	(17,936)
EXPENDITURES:				
Personel services	357,782	357,782	322,603	35,179
Materials and service	178,313	178,313	174,490	3,823
Capital outlay	264,495	264,495	248,683	15,812
Contingency	652,859	652,859	-	652,859
Total expenditures	1,453,449	1,453,449	745,776	707,673
Net change in fund balance	(714,169)	(714,169)	(24,432)	689,737
FUND BALANCE, BEGINNING BUDGETARY BASIS	767,975	767,975	793,001	25,026
FUND BALANCE, ENDING BUDGETARY BASIS	\$ 53,806	\$ 53,806	\$ 768,569	\$ 714,763
			<u>Revenues</u>	<u>Expenditures</u>
Total revenue and expenditures above			\$ 721,344	\$ 745,776
Expenditures capitalized			-	(249,227)
Change in pension obligation			-	(79,856)
Depreciation and amortization expense			-	165,361
Total revenues and expenses - generally accepted accounting principles			\$ 721,344	582,054
Change in net position				\$ 139,290

CITY OF WOOD VILLAGE, OREGON
SEWER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
System development charges	\$ 12,000	\$ 12,000	\$ 18,732	\$ 6,732
Charges for services	919,600	919,600	910,758	(8,842)
Interest revenue	4,500	4,500	2,012	(2,488)
Miscellaneous revenue	-	-	-	-
Total revenues	<u>936,100</u>	<u>936,100</u>	<u>931,502</u>	<u>(4,598)</u>
EXPENDITURES:				
Personel services	357,782	357,782	321,019	36,763
Materials and service	447,768	447,768	425,619	22,149
Capital outlay	400,492	400,492	173,439	227,053
Contingency	20,000	20,000	-	20,000
Total expenditures	<u>1,226,042</u>	<u>1,226,042</u>	<u>920,077</u>	<u>305,965</u>
Net change in fund balance	(289,942)	(289,942)	11,425	301,367
FUND BALANCE, BEGINNING BUDGETARY BASIS	<u>325,842</u>	<u>325,842</u>	<u>368,806</u>	<u>42,964</u>
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ 35,900</u>	<u>\$ 35,900</u>	<u>\$ 380,231</u>	<u>\$ 344,331</u>
			<u>Revenues</u>	<u>Expenditures</u>
Total revenue and expenditures above			\$ 931,502	\$ 920,077
Expenditures capitalized			-	(173,439)
Change in pension obligation			-	(79,860)
Depreciation and amortization expense			-	206,438
Total revenues and expenses - generally accepted accounting principles			<u>\$ 931,502</u>	<u>873,216</u>
Change in net position				<u>\$ 58,286</u>

BUDGETARY COMPARISON SCHEDULES
Internal Service Funds

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

- Internal Service Fund
 - Internal Service Fund

CITY OF WOOD VILLAGE, OREGON
INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES:				
Personnel services	-	-	-	-
Material services	\$ 263,626	\$ 263,626	\$ 909	\$ 262,717
Total expenditures	263,626	263,626	909	262,717
Revenues over (under) expenditures	(263,626)	(263,626)	(909)	262,717
Net change in fund balance	(263,626)	(263,626)	(909)	262,717
FUND BALANCE, BEGINNING BUDGETARY BASIS	-	-	-	-
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ (263,626)</u>	<u>\$ (263,626)</u>	<u>\$ (909)</u>	<u>\$ 262,717</u>

STATISTICAL SECTION

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

Included in the statistical section is information on:

Financial Trends – Schedules are included that contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity – Schedules are included that contain information to help the reader assess the City's most significant local revenue source, the property tax.

Debt Capacity – Schedules are included that present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information – Schedules are included to offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Operating Information – Schedules are included that 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.

CITY OF WOOD VILLAGE, OREGON
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Invested in capital assets, net of related debt	\$ 1,381,793	\$ 1,410,187	\$ 1,697,231	\$ 1,893,259	\$ 2,160,654	\$ 2,261,208	\$ 2,132,962	\$ 2,149,717	\$ 2,096,204	\$ 2,189,988
Restricted	270,027	337,051	334,297	346,398	362,533	331,394	205,026	299,537	400,370	469,469
Unrestricted	3,019,646	2,877,204	3,134,335	2,854,343	2,593,316	2,730,042	2,933,753	3,030,187	3,099,449	3,159,411
Total governmental activities net assets	\$ 4,671,466	\$ 4,624,442	\$ 5,165,863	\$ 5,094,000	\$ 5,116,503	\$ 5,322,644	\$ 5,271,741	\$ 5,479,441	\$ 5,596,023	\$ 5,818,868
Business-type activities										
Invested in capital assets, net of related debt	\$ 3,435,399	\$ 1,750,882	\$ 2,552,887	\$ 2,978,639	\$ 2,853,238	\$ 3,131,944	\$ 5,033,395	\$ 5,131,619	\$ 5,059,465	\$ 5,110,332
Restricted	453,584	205,865	182,905	199,342	199,342	-	-	-	-	-
Unrestricted	68,861	3,385,626	3,047,942	2,816,783	2,851,765	2,999,736	1,050,071	1,043,613	1,161,807	1,061,387
Total business-type activities net assets	\$ 3,957,844	\$ 5,342,373	\$ 5,783,734	\$ 5,994,764	\$ 5,904,345	\$ 6,131,680	\$ 6,083,466	\$ 6,175,232	\$ 6,221,272	\$ 6,171,719
Primary government										
Invested in capital assets, net of related debt	\$ 4,817,192	\$ 3,161,069	\$ 4,250,118	\$ 4,871,898	\$ 5,013,892	\$ 5,393,152	\$ 7,166,357	\$ 7,281,336	\$ 7,155,669	\$ 7,300,320
Restricted	723,611	542,916	517,202	545,740	561,875	331,394	205,026	299,537	400,370	469,469
Unrestricted	3,088,507	6,262,830	6,182,277	5,671,126	5,445,081	5,729,778	3,983,824	4,073,800	4,261,256	4,220,798
Total primary government net assets	\$ 8,629,310	\$ 9,966,815	\$ 10,949,597	\$ 11,088,764	\$ 11,020,848	\$ 11,454,324	\$ 11,355,207	\$ 11,654,673	\$ 11,817,295	\$ 11,990,587

CITY OF WOOD VILLAGE, OREGON
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	\$ 601,529	\$ 365,968	\$ 334,249	\$ 482,797	\$ 475,020	\$ 450,100	\$ 351,702	\$ 311,410	\$ 362,850	\$ 270,183
Public safety	577,099	644,167	681,765	724,562	751,031	771,216	803,045	830,106	846,910	870,906
Parks	83,156	98,359	130,983	164,642	98,610	113,607	145,081	156,146	121,890	134,033
Public Works	77,249	89,649	97,433	150,825	125,033	146,410	139,591	147,231	152,036	87,917
Building Inspections	-	-	-	126,359	61,178	89,408	97,710	88,673	85,075	113,936
Streets	195,425	202,553	231,184	243,220	280,441	271,092	317,760	266,887	304,824	326,515
Urban Renewal Agency	-	-	-	-	-	-	-	-	-	17,849
Interest on long-term debt	23,899	15,049	4,277	975	-	-	1,571	1,573	1,235	1,790
Total governmental activities expenses	1,558,357	1,415,745	1,479,891	1,893,380	1,791,313	1,841,833	1,856,460	1,802,026	1,874,820	1,823,129
Business-type activities:										
Water operations	472,314	400,138	469,071	510,878	561,176	536,112	590,562	579,183	628,317	582,054
Sewer operations	629,399	661,417	801,140	876,551	898,390	845,625	946,779	913,057	924,216	873,216
Total business-type activities expenses	1,101,713	1,061,555	1,270,211	1,387,429	1,459,566	1,381,737	1,537,341	1,492,240	1,552,533	1,455,270
Total primary government expenses	\$ 2,660,070	\$ 2,477,300	\$ 2,750,102	\$ 3,280,809	\$ 3,250,879	\$ 3,223,570	\$ 3,393,801	\$ 3,294,266	\$ 3,427,353	\$ 3,278,399
Program Revenues										
Governmental activities:										
Charges for services:										
General government:										
Inspection fees (permits), street fees	\$ 414,450	\$ 143,700	\$ 97,952	\$ 212,946	\$ 92,228	\$ 123,872	\$ 124,736	\$ 277,686	\$ 306,550	\$ 411,357
Other	78,529	35,633	-	-	-	-	-	-	-	-
Operating grants and contributions	142,297	139,356	232,702	130,857	139,675	176,021	5,091	71,953	6,133	-
Capital grants and contributions	16,775	-	-	-	139,000	82,500	-	-	-	52,304
Total governmental activities program revenues	652,051	318,689	330,654	343,803	370,903	382,393	129,827	349,639	312,683	463,661
Business-type activities:										
Charges for services:										
Water operations:										
User fees and other	551,655	685,928	706,683	649,610	637,989	661,439	622,866	678,528	675,337	715,356
Connection charges	141,317	146,051	26,000	5,506	-	-	-	-	-	2,550
Sewer operations:										
User fees and other	666,069	879,509	913,321	861,807	861,654	1,103,450	870,687	899,940	917,113	928,590
Connection charges	394,935	222,475	60,609	460	-	-	-	-	-	900
Operating grants and contributions	-	-	44,440	15,667	22,309	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	25,000	-	-	-	-
Total business-type activities program revenues	1,753,976	1,933,963	1,751,053	1,533,050	1,521,952	1,789,889	1,493,553	1,578,468	1,592,450	1,647,396
Total primary government program revenues	\$ 2,406,027	\$ 2,252,652	\$ 2,081,707	\$ 1,876,853	\$ 1,892,855	\$ 2,172,282	\$ 1,623,380	\$ 1,928,107	\$ 1,905,133	\$ 2,111,057

Net (expense)/revenue:										
Governmental activities	\$ (906,306)	\$ (1,097,056)	\$ (1,149,237)	\$ (1,549,577)	\$ (1,420,410)	\$ (1,459,440)	\$ (1,726,633)	\$ (1,452,387)	\$ (1,562,137)	\$ (1,359,468)
Business-type activities	652,263	872,408	480,842	145,621	62,386	408,152	(43,788)	86,228	39,917	192,126
Total primary government net expense	\$ (254,043)	\$ (224,648)	\$ (668,395)	\$ (1,403,956)	\$ (1,358,024)	\$ (1,051,288)	\$ (1,770,421)	\$ (1,366,159)	\$ (1,522,220)	\$ (1,167,342)

General Revenues and Other Changes in Net Assets

Governmental activities:

Taxes										
Property taxes	\$ 637,637	\$ 673,728	\$ 729,660	\$ 752,496	\$ 732,634	\$ 741,980	\$ 772,107	\$ 760,023	777,986	899,298
Franchise taxes	209,830	231,965	256,568	235,134	295,094	253,961	261,129	261,913	266,879	292,487
Business income taxes	135,154	157,595	185,669	124,694	117,534	128,072	160,225	163,639	180,486	194,694
Motel taxes	83,567	97,870	104,572	100,017	84,933	88,566	96,838	104,730	109,655	126,170
Unrestricted grants and contributions	79,181	82,004	178,630	108,283	103,164	348,437	358,053	312,771	320,323	331,748
Unrestricted interest and investment earnings	155,592	164,871	167,559	80,840	29,554	19,565	27,379	28,023	31,472	18,607
Miscellaneous	(65,040)	(358,000)	68,000	76,250	80,000	85,000	-	28,988	4,561	-
Transfers	-	-	-	-	-	-	-	-	-	-

Total governmental activities	1,235,921	1,050,033	1,690,658	1,477,714	1,442,913	1,665,581	1,675,731	1,660,087	1,691,362	1,863,004
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Business-type activities:

Unrestricted interest and investment earnings	45,780	154,121	28,608	141,510	(72,805)	(95,817)	965	5,538	6,123	5,450
Transfers	65,040	358,000	(68,000)	(76,250)	(80,000)	(85,000)	-	-	-	-

Total business-type activities	110,820	512,121	(39,392)	65,260	(152,805)	(180,817)	965	5,538	6,123	5,450
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Total primary government	\$ 1,346,741	\$ 1,562,154	\$ 1,651,266	\$ 1,542,974	\$ 1,290,108	\$ 1,484,764	\$ 1,676,696	\$ 1,665,625	\$ 1,697,485	\$ 1,868,454
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Change in Net Position

Governmental activities	\$ 329,615	\$ (47,023)	\$ 541,421	\$ (71,863)	\$ 22,503	\$ 206,141	\$ (50,902)	\$ 207,700	\$ 129,225	\$ 503,536
Business-type activities	763,083	1,384,529	441,450	210,881	(90,419)	227,335	(42,823)	91,766	46,040	197,576

Total primary government	\$ 1,092,698	\$ 1,337,506	\$ 982,871	\$ 139,018	\$ (67,916)	\$ 433,476	\$ (93,725)	\$ 299,466	\$ 175,265	\$ 701,112
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CITY OF WOOD VILLAGE, OREGON
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ended									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund:										
Unreserved	\$ 3,018,924	\$ 2,863,996	\$ 3,121,612	\$ 2,838,170	\$ 2,578,246	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable										
Prepays	-	-	-	-	-	1,180	793	930	1,936	11,886
Unassigned	-	-	-	-	-	2,672,713	2,865,284	2,971,483	3,030,887	3,140,010
Total general fund	\$ 3,018,924	\$ 2,863,996	\$ 3,121,612	\$ 2,838,170	\$ 2,578,246	\$ 2,673,893	\$ 2,866,077	\$ 2,972,413	\$ 3,032,823	\$ 3,151,896
All other governmental funds:										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 319	\$ -
Unreserved, reported in:										
Special revenue funds	70,046	123,259	97,855	97,179	102,986	-	-	-	-	-
Urban Renewal Agency Fund	-	-	-	-	-	-	-	-	-	-
Debt service funds	90,177	13,720	132,234	128,568	165,078	-	-	-	-	-
Restricted										
Streets	-	-	-	-	-	148,064	205,026	299,537	400,370	430,919
Urban Renewal Agency	-	-	-	-	-	-	-	-	-	38,550
Assigned										
Debt service	-	-	-	-	-	183,330	-	-	-	-
Unassigned	-	-	-	-	-	(47,599)	(38,390)	(35,338)	(12,619)	-
Total all other governmental funds	\$ 160,223	\$ 136,979	\$ 230,089	\$ 225,747	\$ 268,064	\$ 283,795	\$ 166,636	\$ 264,199	\$ 388,070	\$ 469,469

Note: Fund balance for the General fund increased primarily due to a reduction in general expenses in the general government funds.

CITY OF WOOD VILLAGE, OREGON
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ended									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Property taxes	\$ 637,618	\$ 673,992	\$ 725,794	\$ 743,756	\$ 733,930	\$ 743,711	\$ 742,240	\$ 764,583	\$ 787,907	\$ 834,520
Motel taxes	83,567	97,870	104,572	100,017	84,933	88,566	96,838	104,730	109,655	126,170
Franchise fees	209,830	231,965	256,568	235,134	295,094	253,961	261,129	261,913	266,879	292,487
Licenses and permits	479,521	143,700	59,013	164,728	57,549	85,066	87,743	69,429	68,554	131,265
Intergovernmental	370,296	375,579	589,475	352,310	489,233	721,894	518,278	544,446	500,809	526,442
Charges for services	11,858	25,913	33,774	23,550	25,479	27,501	32,030	43,511	29,409	32,248
Grants, donations	3,111	3,376	7,526	11,524	10,140	13,136	5,091	3,917	6,133	58,904
Special assessments	102,354	51,411	174,206	34,959	35,617	17,416	13,739	13,739	13,407	13,329
URA Interest								1,573	1,235	222
Interest	125,087	139,177	144,568	69,633	20,119	11,840	17,653	16,650	16,830	18,385
Street Utility Fee								164,746	211,596	214,389
Miscellaneous	1,600	9,720	5,165	24,668	9,200	38,394	4,963	28,988	4,561	13,526
Total revenues	2,024,842	1,752,703	2,100,661	1,760,279	1,761,294	2,001,485	1,779,704	2,018,225	2,016,975	2,261,887
Expenditures										
General government	588,736	332,812	323,076	460,682	445,651	445,599	316,640	308,346	343,485	290,425
Public safety	577,099	644,167	681,765	724,562	751,031	771,216	803,045	830,106	846,910	870,906
Parks	63,586	196,844	104,641	135,235	71,744	79,945	101,068	131,407	84,545	101,780
Public works	57,228	78,798	89,964	127,356	117,082	124,633	107,387	118,185	124,374	106,531
Building Inspectors	-	-	-	126,359	61,178	89,408	97,710	88,673	85,075	113,936
Streets	140,677	148,462	165,585	187,344	207,468	207,242	254,807	204,283	250,881	262,539
Urban Renewal Agency	-	-	-	-	-	-	-	-	-	19,127
Capital outlay	23,285	24,673	393,276	321,605	404,747	257,064	33,231	131,753	83,546	289,220
Debt service										
Principal	145,000	115,000	55,000	40,000	-	-	-	-	-	-
Interest	25,243	16,034	4,628	1,170	-	-	-	1,573	1,235	1,790
Total expenditures	1,620,854	1,556,790	1,817,935	2,124,313	2,058,901	1,975,107	1,713,888	1,814,326	1,820,051	2,056,254
Excess of revenues over (under) expenditures	403,988	195,913	282,726	(364,034)	(297,607)	26,378	65,816	203,899	196,924	205,633
Other financing sources (uses)										
Transfers in	80,960	131,000	153,000	151,250	180,000	195,000	283,330	-	-	-
Transfers out	(146,000)	(489,000)	(85,000)	(75,000)	(100,000)	(110,000)	(283,330)	-	-	-
Refunding bonds issued	-	-	-	-	-	-	-	-	-	-
Bonds issued	-	-	-	-	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-	-	-	-	-
Discount on bonds issued	-	-	-	-	-	-	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	-
Capital leases	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(65,040)	(358,000)	68,000	76,250	80,000	85,000	-	-	-	-
Net change in fund balances	\$ 338,948	\$ (162,087)	\$ 350,726	\$ (287,784)	\$ (217,607)	\$ 111,378	\$ 65,816	\$ 203,899	\$ 196,924	\$ 205,633
Debt service as a percentage of noncapital expenditures	12.1%	10.3%	6.1%	2.8%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%

CITY OF WOOD VILLAGE, OREGON
ASSESSED AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Fiscal Year Ended	Assessed Value ¹					Total Direct Tax Rate	Estimated Real Market Value (RMV)	Ratio of Total Assessed Value to Est Real Market Value (RMV)
	Real Property	Personal Property	Manufactured Property	Public Utility Property	Total			
2015 non-URA	\$ 240,454,430	\$ 15,997,290	\$ 3,320,880	\$ 7,101,500	\$ 266,874,100	3.1262	\$ 414,005,452	64.46%
2015 URA	40,555,850	686,010	1,385,690	2,120,800	44,748,350	3.1262	71,156,329	62.89%
2014 non-URA	231,835,300	16,053,640	3,377,220	6,381,990	257,648,150	3.1262	398,326,051	64.68%
2014 URA	38,784,220	651,820	1,401,320	1,409,800	42,247,160	3.1262	66,734,164	63.31%
2013 non-URA	222,443,340	17,846,940	3,473,880	5,927,200	249,691,360	3.1262	381,831,163	65.39%
2013 URA	37,906,410	644,700	1,475,740	1,055,000	41,081,850	3.1262	62,984,115	65.23%
2012	222,702,410	14,853,736	3,213,870	5,691,000	246,461,016	3.1262	394,766,277	62.43%
2011	220,519,270	16,925,154	4,332,180	5,436,870	247,213,474	3.1262	403,792,000	61.22%
2010	212,395,900	16,518,525	7,139,880	5,139,010	241,193,315	3.1262	415,753,383	58.01%
2009	220,977,830	17,453,861	6,544,480	3,745,900	248,722,071	3.1262	440,049,606	56.52%
2008	214,468,930	15,985,868	6,173,170	3,610,000	240,237,968	3.1262	416,487,077	57.68%
2007	197,222,650	14,674,441	6,305,160	3,114,600	221,316,851	3.1262	339,573,529	65.17%
2006	188,863,480	12,848,852	5,769,860	3,169,500	210,651,692	3.1262	304,454,635	69.19%

Source: Multnomah County Division of Assessment and Taxation.

¹ Properties are assessed annually by the County (residential properties) and the State (major commercial properties). Actual values are based on those assessments. Oregon voters approved Ballot Measure 50 in May of 1997. That amendment to the constitution established a base for property values (the assessed values shown) that can be increased by only three percent per year, regardless of actual values. New construction is valued equivalent to existing assessed properties by applying a changed property ratio to actual values of the construction as determined by the assessors.

CITY OF WOOD VILLAGE, OREGON
PROPERTY TAX RATES ¹
DIRECT AND OVERLAPPING ² GOVERNMENTS
Last Ten Fiscal Years

Fiscal Year Ended	Total	City of Wood Village ³	Port of Portland	Multnomah County ESD	Reynolds School District	Mt. Hood Community College	Metro Service District	Multnomah County	E. Multnomah Soil & Water	Tri-Met	Urban Renewal Rates
2015	16.35	3.13	0.07	0.45	5.84	0.48	0.39	5.53	0.09	-	0.37
2014	16.25	3.13	0.07	0.45	5.73	0.48	0.46	5.59	0.10	-	0.24
2013	16.47	3.13	0.07	0.45	5.95	0.49	0.47	5.63	0.10	-	0.18
2012	16.06	3.13	0.07	0.46	5.99	0.49	0.40	5.42	0.10	-	-
2011	15.73	3.13	0.07	0.46	5.60	0.49	0.41	5.38	0.10	0.09	-
2010	15.78	3.13	0.07	0.46	5.60	0.49	0.44	5.40	0.10	0.09	-
2009	15.92	3.13	0.07	0.46	5.81	0.49	0.40	5.39	0.09	0.08	-
2008	15.99	3.13	0.07	0.46	5.83	0.49	0.43	5.42	0.07	0.09	-
2007	15.80	3.13	0.07	0.46	5.95	0.49	0.28	5.29	0.03	0.10	-
2006	15.92	3.13	0.07	0.46	6.02	0.49	0.28	5.31	0.04	0.12	-

Source: Multnomah County Assessment and Taxation

1 In May of 1997 Oregon voters approved Ballot Measure 50 which established permanent tax rates for local taxing districts. Changes to permanent rates would require a state-wide majority vote to remove the effects of the measure from the Oregon constitution. Special levies, with certain restrictions, can be added to permanent rates by vote within each district.

2 Overlapping rates are the tax rates of various local and county governments that apply to property owners within the City of Wood Village. Not all overlapping rates apply to all City of Wood Village property owners.

3 The City of Wood Village tax is a single, non-combined tax rate of 3.1262 levied on all properties in the city.

CITY OF WOOD VILLAGE, OREGON
PRINCIPAL PROPERTY TAXPAYERS
June 30, 2015

	2015			2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Taxpayer						
Wood Village Garp (Town Ctr)	\$ 16,185,250	1	5.19%	\$ 6,880,170	5	3.3%
Walmart	13,358,870	2	4.29%	6,874,500	6	3.3%
Lowe's	11,685,720	3	3.75%	9,484,080	3	4.9%
Fred Meyer	11,062,410	4	3.55%	10,301,470	2	4.5%
Larane (Brashers)	7,622,210	5	2.45%	4,610,850	8	2.2%
McFadden (MKC)	5,941,040	6	1.91%	5,157,360	7	4.3%
WV Land (Ulmers)	5,551,100	7	1.78%	3,403,680	10	2.4%
Realty inc (Olinger)	5,312,120	8	1.70%			1.6%
Willamette Graystone	4,220,230	9	1.35%	9,142,010	4	0.0%
WV Green MHP	3,801,120	10	1.22%			0.0%
Merix Corp				23,880,260	1	11.3%
Proactive Properties				4,579,490	9	2.2%
Totals	\$ 84,740,070		27.2%	\$ 84,313,870		40.0%

Source: Multnomah County Division of Assessment and Taxation.

CITY OF WOOD VILLAGE, OREGON
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

<u>Fiscal Year Ended</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collections</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Total Tax Collections to Tax Levy</u>
2015-nonURA	\$ 793,272	\$ 754,315	95.09%	\$ 20,737	\$ 775,052	97.70%
2015 - URA	61,733	58,693	95.08%	775	59,468	96.33%
2014-nonURA	772,045	730,327	94.60%	17,366	747,693	96.85%
2014 - URA	43,846	41,477	94.60%	260	41,737	95.19%
2013-nonURA	767,627	724,672	94.40%	19,325	743,997	96.92%
2013 - URA	13,580	12,820	94.40%	294	13,114	96.57%
2012	770,257	720,596	93.55%	21,792	742,388	96.38%
2011	765,919	719,900	93.99%	23,810	743,710	97.10%
2010	754,316	708,712	93.95%	25,217	733,929	97.30%
2009	777,555	726,061	93.38%	17,695	743,756	95.65%
2008	751,031	707,627	94.22%	18,166	725,793	96.64%
2007	692,747	655,433	94.61%	18,560	673,993	97.29%
2006	658,607	621,537	94.37%	14,698	636,235	96.60%

Source: Multnomah County Division of Assessment and Taxation.

CITY OF WOOD VILLAGE, OREGON
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities		Business-Type Activities		Total Primary Government	Percentage of Estimated Actual Value of Taxable Property ¹	As a Per Capita Amount
	Special Assessment/Limited Tax Improvement Bonds	Refund Payable	Revenue Backed Loan	OECCD Loans			
2015	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -
2014	-	-	-	-	-	-	-
2013	-	-	-	-	-	-	-
2012	-	-	-	182,119	182,119	0.05%	47
2011	-	-	-	2,328,263	2,328,263	0.58%	599
2010	-	-	-	2,673,415	2,673,415	0.64%	689
2009	-	-	-	1,798,293	1,798,293	0.41%	575
2008	40,000	-	-	1,798,293	1,838,293	0.44%	593
2007	95,000	-	-	1,798,293	1,893,293	0.56%	611
2006	210,000	10,161	-	-	220,161	0.07%	76

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

¹ See the Schedule of Assessed and Estimated Actual Value of Taxable Property for estimated actual value data used in this calculation.

CITY OF WOOD VILLAGE, OREGON
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
June 30, 2015

Governmental Unit	Debt Outstanding ²	Percent Within City ¹	City's Estimated Share
Direct:			
City of Wood Village	\$ -	100.00%	\$ -
Overlapping:			
Mt. Hood Community College	68,037,680	1.32%	898,097
Port of Portland	692,585,875	0.40%	2,770,344
Multnomah County ESD	32,655,000	0.40%	130,620
Reynolds School District No. 7	110,640,116	4.74%	5,244,341
Metro	254,820,000	0.40%	1,019,280
Tri-Met Transportation District	683,460,876	0.40%	2,733,844
East Multnomah Soil & Water Conservation District	-	0.57%	-
Multnomah County	340,959,048	0.40%	1,363,836
<i>Total Overlapping</i>	<u>2,183,158,595</u>		<u>14,160,362</u>
Total Direct and Overlapping	<u>\$ 2,183,158,595</u>		<u>\$ 14,160,362</u>

Source: Multnomah County Tax Supervising and Conservation Commission.

¹ The percentage of overlapping debt applicable is determined using taxable assessed property values. Percentages were estimated by determining the portion of each overlapping government's taxable assessed value that is within the City's boundaries and dividing it by the overlapping government's total taxable assessed value.

² Figures for 2015 haven't been published yet. Figures shown here are from 2014

**CITY OF WOOD VILLAGE, OREGON
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years**

Legal Debt Margin Trend Information:

	Fiscal Year Ended									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 9,133,639	\$ 10,187,206	\$ 12,494,612	\$ 13,201,488	\$ 12,114,000	\$ 11,545,848	\$ 11,842,988	\$ 11,453,953	\$ 11,949,782	\$ 14,554,853
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 9,133,639</u>	<u>\$ 10,187,206</u>	<u>\$ 12,494,612</u>	<u>\$ 13,201,488</u>	<u>\$ 12,114,000</u>	<u>\$ 11,545,848</u>	<u>\$ 11,842,988</u>	<u>\$ 11,453,953</u>	<u>\$ 11,949,782</u>	<u>\$ 14,554,853</u>
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Capital project funds	-	-	-	-	-	-	-	-	-	-
Permanent funds	-	-	-	-	-	-	-	-	-	-
Total legal debt margin as a percentage of debt limit	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Legal Debt Margin Calculation for the Current Fiscal Year:

Taxable real market value (RMV)	<u>\$ 485,161,781</u>
Debt limit (3% of RMV) ²	\$ 14,554,853
Debt applicable to limit:	
General obligation bonds	\$ -
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	<u>\$ -</u>
Legal debt margin (amount available for future indebtedness) ¹	<u>\$ 14,554,853</u>

Source: Real market value information provided by Multnomah County Division of Taxation and Assessment.

¹ Oregon Revised Statute 287.004 provides a debt limit of 3% of the taxable real market value within the City's boundaries for general obligation bonds. Utility revenue bonds and assessment bonds are excluded from the limitation. The City has no general obligation bonds outstanding. Therefore, legal debt margin equals the State imposed debt limit.

CITY OF WOOD VILLAGE, OREGON
 PLEDGED-REVENUE COVERAGE
 Last Ten Fiscal Years

Fiscal Year	Sewer Revenue Bonds						Special Assessment Bonds			
	Sewer Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Special Assessment Collections	Debt Service		Coverage
				Principal	Interest			Principal	Interest	
2015	-	-	-	-	-	-	-	-	-	0.00
2014	-	-	-	-	-	-	-	-	-	0.00
2013	-	-	-	-	-	-	-	-	-	0.00
2012	-	-	-	-	-	-	-	-	-	0.00
2011	-	-	-	-	-	-	-	-	-	0.00
2010	-	-	-	-	-	-	-	-	-	0.00
2009	-	-	-	-	-	-	34,959	40,000	1,170	0.85
2008	-	-	-	-	-	-	187,740	55,000	4,128	3.18
2007	-	-	-	-	-	-	51,411	115,000	15,134	0.40
2006	6,810	3,469	3,341	1,484	2,377	0.87	102,354	145,000	23,161	0.61

CITY OF WOOD VILLAGE, OREGON
REVENUES BY SOURCE - PROPRIETARY FUNDS
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year Ended	Water				Sewer			
	Water Services	Interest Income	Other	Total	Sewer Services	Interest Income	Other	Total
2015	\$ 701,376	\$ 3,438	\$ 16,530	\$ 721,344	\$ 910,758	\$ 2,012	\$ 18,732	\$ 931,502
2014	671,858	4,240	3,676	679,774	907,632	1,686	9,480	918,798
2013	673,227	4,478	4,850	682,555	888,790	1,044	11,150	900,984
2012	622,717	3,605	87	626,409	858,750	1,248	11,937	871,935
2011	644,264	4,003	87	648,354	894,020	10,893	35,088	940,001
2010	636,869	4,448	1,207	642,524	861,654	13,225	22,309	897,188
2009	652,861	18,884	2,371	674,116	862,267	53,874	15,817	931,958
2008	723,528	52,992	9,242	785,762	1,018,314	118,500	(34)	1,136,780
2007	827,558	47,519	4,421	879,498	1,098,463	106,602	3,521	1,208,586
2006	691,952	11,027	1,088	704,067	1,061,003	34,685	1	1,095,689

Source: City of Wood Village Financial Statements

CITY OF WOOD VILLAGE, OREGON
SCHEDULE OF WATER & SEWER SALES & PURCHASES
Last Ten Fiscal Years

Fiscal Year Ended	Water Sales	Water	Gross Profit		Sewer Sales	Sewer	Gross Profit	
		Purchases	Amount	Percent of Sales		Purchases	Amount	Percent of Sales
2015	\$ 721,344	\$ 745,776	\$ (24,432)	-3.4%	\$ 931,502	\$ 920,077	\$ 11,425	1.2%
2014	671,858	628,317	43,541	6.5%	907,633	924,216	(16,583)	-1.8%
2013	678,077	534,313	143,764	21.2%	899,940	866,709	33,231	3.7%
2012	622,804	545,562	77,242	12.4%	870,687	901,779	(31,092)	-3.6%
2011	644,351	539,604	104,747	16.3%	929,108	853,288	75,820	8.2%
2010	638,076	558,289	79,787	12.5%	883,963	840,138	43,825	5.0%
2009	655,232	523,852	131,380	20.1%	878,084	722,133	155,951	17.8%
2008	732,770	447,585	285,185	38.9%	1,018,280	801,142	217,138	21.3%
2007	831,979	400,138	431,841	51.9%	1,101,984	661,417	440,567	40.0%
2006	693,040	472,314	220,726	31.8%	1,061,004	629,399	431,605	40.7%

Source: City of Wood Village Financial Statements

CITY OF WOOD VILLAGE, OREGON
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Fiscal Year Ended	Population (City of Wood Village) ¹	Personal Income (amounts expressed in thousands) ³	Per Capita Personal Income (Portland - Metro Area) ³	Median Age (City of Wood Village)	Education Level in Years of Formal Schooling	School Enrollment	Unemployment Rate (Portland - Metro Area) ²
2015	\$ 3,966	\$ 181,619	\$ 45,794	N/A			5.4%
2014	3,905	168,263	43,089	N/A			6.5%
2013	3,895	167,832	43,089	N/A			7.7%
2012	3,890	160,665	41,302	N/A			8.5%
2011	3,885	160,101	41,210	N/A			9.0%
2010	3,878	154,895	39,942	N/A			10.0%
2009	3,130	120,874	38,618	N/A			11.5%
2008	3,100	120,925	39,008	N/A			5.2%
2007	3,100	117,174	37,798	N/A			5.5%
2006	2,880	97,560	33,875	N/A	15.9	6,703	5.2%

Data sources:

- ¹ United States Census - 2014 statistics
- ² Oregon Employment Department.
- ³ Economic Research

CITY OF WOOD VILLAGE, OREGON
PRINCIPAL EMPLOYERS
Current Year

	2015			2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Wal-Mart Stores, Inc.	309	1	13.4%	549	1	22.6%
Fred Meyer Stores, Inc.	233	2	10.1%	210	2	8.6%
Brasher's Cascade Auto Auction	214	3	9.2%	98	9	4.0%
Lowe's, Inc.	123	4	5.3%	140	5	5.8%
Kohl's Department Stores, Inc.	112	5	4.8%	118	7	4.8%
Village Manor	67	6	2.9%			
Buffalo Wild Wings	58	7	2.5%			
Party City	48	8	2.1%			
Pressue Safe	32	9	1.4%			
Gresham Transfer	30	10	1.3%			
LBL Windows & Doors			0.0%	150	4	6.2%
Merix Corporation			0.0%	125	6	5.1%
Big K Nine Staffing			0.0%	100	8	4.1%
C & M Construction, Inc.			0.0%	58	10	2.5%
American Medical Response NW, Inc.			0.0%	180	3	7.4%
Other Registered Businesses	1088 *		47.0%	705	-	28.9%
Totals	<u>2314</u>		<u>100.0%</u>	<u>2,433</u>		<u>100.0%</u>

*Data is estimated

CITY OF WOOD VILLAGE, OREGON
OPERATING INFORMATION
Last Ten Fiscal Years

	Fiscal Year Ended									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
City Employees by Activity (Full Time Equivalents):										
General Government	1.92	2.17	2.20	2.90	2.81	2.30	2.43	2.28	2.28	2.30
Public Safety ¹	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Parks	1.36	1.22	1.78	1.91	0.90	2.00	1.15	1.52	1.52	1.52
Public Works	0.83	0.79	1.38	1.25	2.49	2.50	2.68	2.39	2.39	2.37
Streets	1.38	1.40	1.47	1.57	1.80	1.50	1.59	1.61	1.61	1.61
Water	3.60	3.51	3.76	4.10	4.47	3.50	4.25	3.86	3.86	3.86
Sewer	3.60	3.51	3.76	4.10	4.47	3.50	4.25	3.86	3.86	3.86
Total City Employees	12.69	12.60	14.35	15.83	16.94	15.30	16.35	15.52	15.52	15.52
Operating Indicators and Capital Assets by Activity:										
General Government										
Number of registered voters (Each General Election) ²	N/A	1,237	1,053	1366	1266	N/A	1336	1425	1226	1357
Number of votes cast	N/A	475	587	1053	809	N/A	1040	N/A	747	271
Voting percentage of registered	N/A	38.40%	55.75%	77.09%	63.90%	N/A	77.84%	N/A	60.93%	19.97%
Permits issued	672	819	227	208	156	210	204	179	162	247
Public Safety 1										
Total Sheriff's Office calls in Wood Village	4,038	3,651	5,251	6604	10215	7697	4700	4667	5026	4909
Total hours spent by Sheriff's Office in Wood Village	3,429	2,296	3,339	4263	6695	5101	2462	2447	2517	2679
Total Fire Department Calls in Wood Village		256	253	274	422	423	462	390	421	444
Parks										
Number of Parks	1	1	1	1	1	1	1	1	1	1
Park acreage	21	21	21	21	21	21	21	21	21	21
Public Works										
City facilities to maintain	3	3	4	3	3	3	3	3	3	3
Streets										
Miles of streets	6.70	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24
Number of street lights	284	264	264	264	264	264	264	264	264	266

Water										
Total Acre Feet of Water Pumped for Customers	500.79	456.35	482.02	0.00	440.61	391.02	388.56	465.02	393.03	427.12
Miles of water mains	12	12.46	12.46	12.46	12.46	12.46	12.46	12.46	12.46	12.46
Number of service connections	547	637	638	638	638	637	637	638	638	640
Number of fire hydrants	144	144	144	144	144	144	144	144	144	144
Number of wells	3	3	4	4	4	4	4	4	4	4
Number of reservoirs	3	3	3	3	3	3	3	3	3	3
Number of pressure zones	2									
Number of pressure reducing valves	4									
Number of water pump stations	2									
Design capacity of wells in gallons per minute:										
Well No. 1 (1942), Water Rights = 200 GPM										
Available run capacity (GPM)	110	110	110	110	110	110	110	110	110	110
Well No. 2 (1970), Water Rights = 337 GPM										
Available run capacity (GPM)	225	225	225	225	225	225	225	225	225	225
Well No. 3 (1980), Water Rights = 800 GPM										
Available run capacity (GPM)	490	490	490	490	490	490	490	490	490	490
Well No. 4 (2008), Water Rights = 839 GPM										
Available run capacity (GPM)			850	850	850	850	850	850	850	850
Design capacity of reservoirs in gallons										
Reservoir No. 1 (1942), Capacity (gallons)										
	300,000	300,000	300,000	300,000	500,000	500,000	500,000	500,000	500,000	500,000
Reservoir No. 2 (1969), Capacity (gallons)										
	500,000	500,000	500,000	500,000	500,000	800,000	800,000	800,000	800,000	800,000
Reservoir No. 3 (1978), Capacity (gallons)										
	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000	650,000
Sewer										
Miles of sanitary sewers	13.42	13.89	13.89	14.14	14	14	14	14	14	13
Number of service connections	540	630	631	635	635	624	624	624	624	624
Daily average treatment in gallons:										
Summer										
Winter										
Design capacity of sanitary sewer main trunk line	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000
Design capacity of treatment plant in gallons										
(purchased capacity from City of Gresham)	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000

Unless otherwise indicated the sources of information provided are various departments of the City of Wood Village.

¹ The City contracts with the Multnomah County Sheriff's Office and City of Gresham Fire and Emergency Services to provide public safety services to residents. A count of employees specific to Wood Village is not available. However, certain operating information is reported by the Sheriff's Office to the City on a monthly basis.

² The Multnomah County Elections Office provides this information.

**AUDIT COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATIONS**

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

We have audited the basic financial statements of the City of Wood Village, Oregon, as of and for the year ended June 30, 2015 and have issued our report thereon dated December 31, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the City of Wood Village, Oregon's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in the Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

In connection with our testing, nothing came to our attention that caused us to believe the City of Wood Village, Oregon was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as

specified in the Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*.

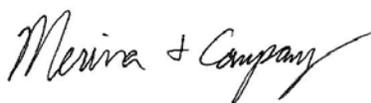
OAR 162-10-0230 Internal Control

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

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

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

This report is intended solely for the information and use of the Honorable Mayor, 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.



Merina & Company, LLP
West Linn, Oregon
December 31, 2015