
COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FISCAL YEAR ENDED
JUNE 30, 2014**

CITY OF WOOD VILLAGE, OREGON

CITY OF WOOD VILLAGE OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the fiscal year ended June 30, 2014



Prepared by the
FINANCE DEPARTMENT

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

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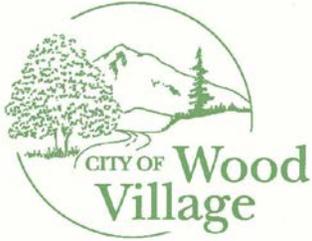
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INTRODUCTORY SECTION



Mayor
Patricia Smith

Council President
Mark Clark

Councilors
Stanley Dirks

Timothy Clark

Scott Harden

December 30, 2014

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, 2014. 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 Pauly Rogers & Company, PC, 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, 2014 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 3,905 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, emergency management, 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 City of Wood Village as of June 30, 2014 was operating in a continuing slowly recovering economic environment that the regional, state and national levels are also experiencing. Improvements are evident with some increases in development and employment levels. Interest rates are still low and a number of Wood Village homes are currently vacant, presumably from foreclosures. Wood Village, like other communities around the country, is carefully protecting our financial reserves for possible continued hard times ahead and completed this period with no reduction of reserves for our governmental funds.

In the 2013-2014 fiscal year commercial development continued with some businesses settling into Wood Village. The City Council has provided a program to pay for all permit fees for expanding businesses that occupy currently vacant, but constructed, space. This program, along with the adoption of a business-friendly attitude of "meet or beat" other cities' offers to businesses, and extra focus and attention from the City staff constitute the reasons a number of businesses elected to locate in Wood Village.

The unemployment rate in the Portland metropolitan has improved slightly along with the nation as a whole and stands at about 6.5%. The total number of employees in the metropolitan area now exceeds the record number of employees in the region in 2008. We are optimistic about the short term continuation of economic expansion for the region.

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, and the City of Wood Village has no outstanding debt.

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 historically extremely low, and now to keeping our City debt free. While revenues generally come in higher than anticipated, expenditures are contained to assure quality services with the most cost effective service delivery platform. We contract for police, fire, legal, building and planning services, and find the combination of fewer full time employees and quality contractors has allowed services to be delivered in a cost effective manner.

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 City is close to build out (there is little remaining land for new development), so the rate of revenue increases experienced over the past few and expected over the next couple of years (as new development is added to the property tax rolls) will decline. Additionally, revenue sources from governmental agencies such as the State and County could be at risk. As all government agencies become more financially strapped, they tend to push "unfunded mandates" along to lower governmental units, so it is possible for the City to be on the receiving end of some of these issues.

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. Our future demands on water and sewer infrastructure will be mainly repairs and maintenance to keep them in optimal operating condition.

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 the past four years, and is making headway on the issue, with the anticipation that it will take many years of continued effort to abate the problem.

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 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.

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 eleventh 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

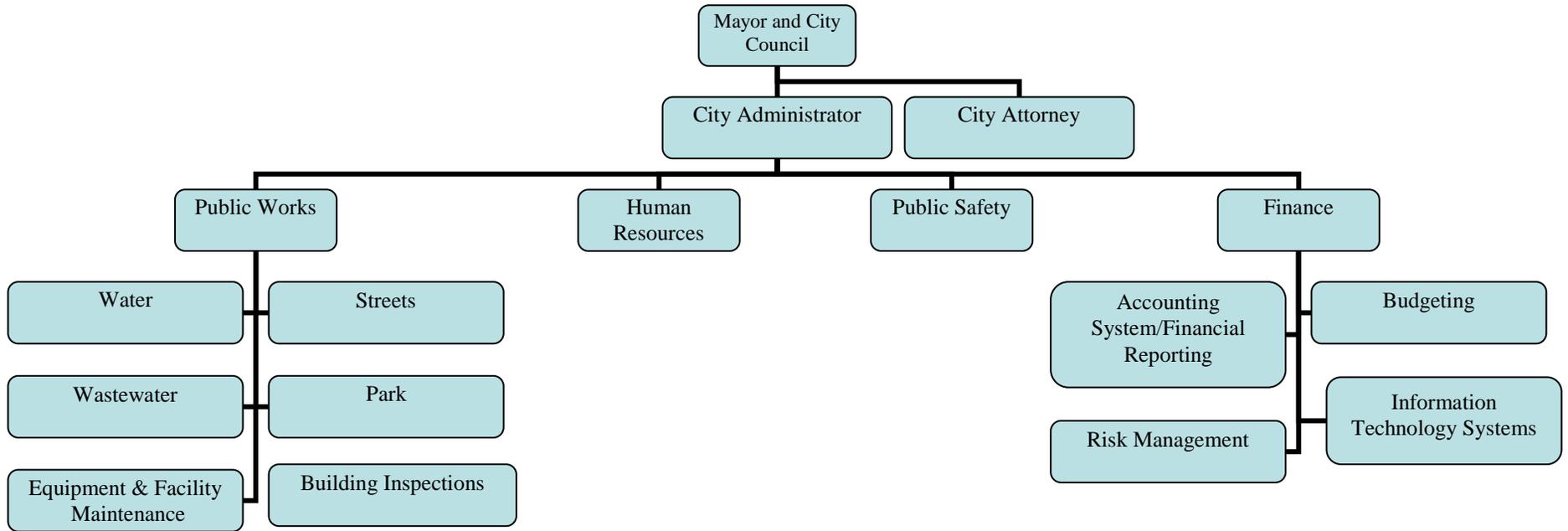
**City of Wood Village
Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

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, 2014

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Patricia Smith	Mayor	December 31, 2016
Mark S. Clark	Council President	December 31, 2014
Stanley Dirks	Councilor	December 31, 2014
T. Scott Harden	Councilor	December 31, 2016
Timothy Clark	Councilor	December 31, 2016

Principal Officials:

<u>Name</u>	<u>Position</u>
William A. Peterson	City Administrator
Peggy Jo Minter	Finance Director
Mark Gunter	Public Works Director

Council members receive mail at the City's address:

City Hall
2055 NE 238th Drive
Wood Village, OR 97060

FINANCIAL SECTION



PAULY, ROGERS, AND CO., P.C.
12700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632 (503) 684-7523 FAX
www.paulyrogersandcocpas.com

December 9, 2014

INDEPENDENT AUDITORS' REPORT

To the City Council
City of Wood Village
Multnomah County, 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 as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the 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.

Auditors' 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 auditors' 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 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 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, as of June 30, 2014, and the respective changes in financial position and budgetary comparisons for the general fund, street fund, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The City adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for the year ended June 30, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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 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 Management's Discussion and Analysis or Schedule of Funding Progress and Employer Contributions because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

The Introductory and Statistical Sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 issued our report dated December 9, 2014, on our consideration of 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.



ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C.

**CITY OF WOOD VILLAGE, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2014**

As the financial management of the City of Wood Village, Oregon we offer this narrative overview and analysis of the City's financial activities during the fiscal year. It is intended to be an easily readable analysis that focuses on the year's financial activities, significant changes in the City's financial position, deviations from the approved budget, and individual fund issues or concerns.

The Management's Discussion and Analysis should 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.

Financial Highlights

The assets of the City exceeded its liabilities at the close of the fiscal year by \$11.817 million (net position). Of this amount, \$4.261 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.

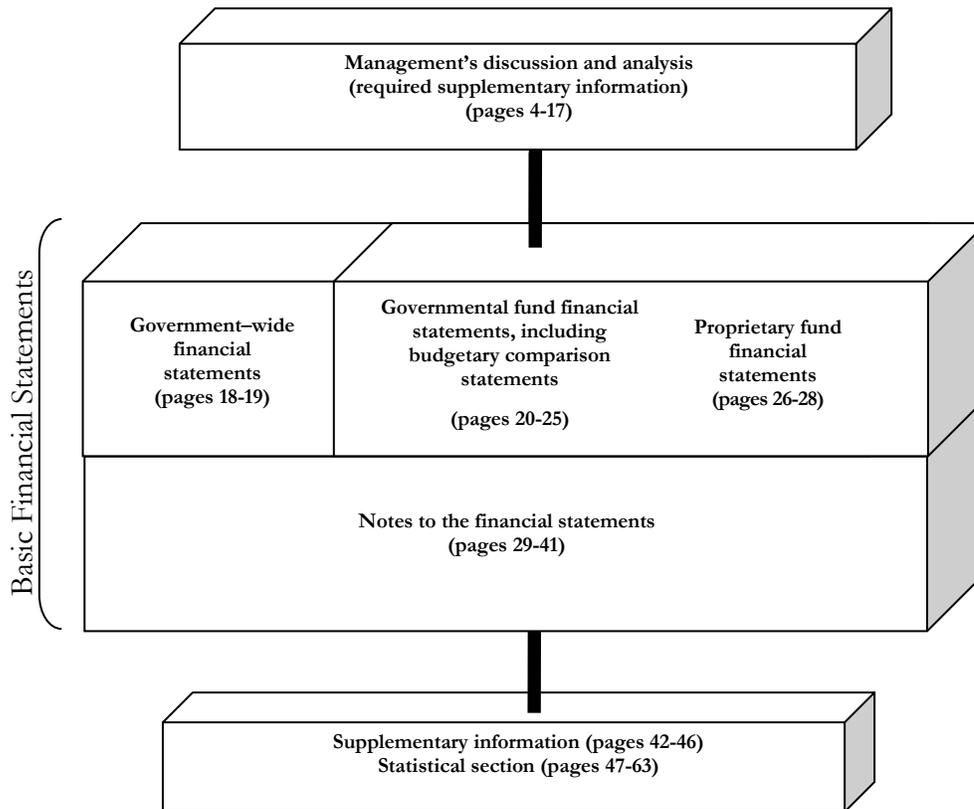
The results of operations for the year yielded a net position increase of \$175 thousand for the City. The increase is primarily attributable to two factors: revenues from the street utility fee and reductions in general expenses in both the General Government funds of about \$42 thousand and about \$45 thousand in the Water and Sewer Funds. Unrestricted net position increased by \$187 thousand.

The City's capital assets, net of associated debt, decreased over 2013 by \$126 thousand. This change is due to a reduction in the amount of capital projects compared to these completed to date. Depreciation on existing capital assets was significant with \$174 thousand on governmental activity assets and \$355 thousand on business-type activity assets.

The City has no outstanding debt, either long term or short term.

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

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will 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, Building Inspections 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 \$41,843 in this audited fiscal period and expenditures of \$6,481, substantially less than \$500 thousand required by state law for separate auditing, hence, allowing it to be reported as a portion 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.

Fund Financial Statements (continued)

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 with a minimal threshold of \$250 thousand 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.

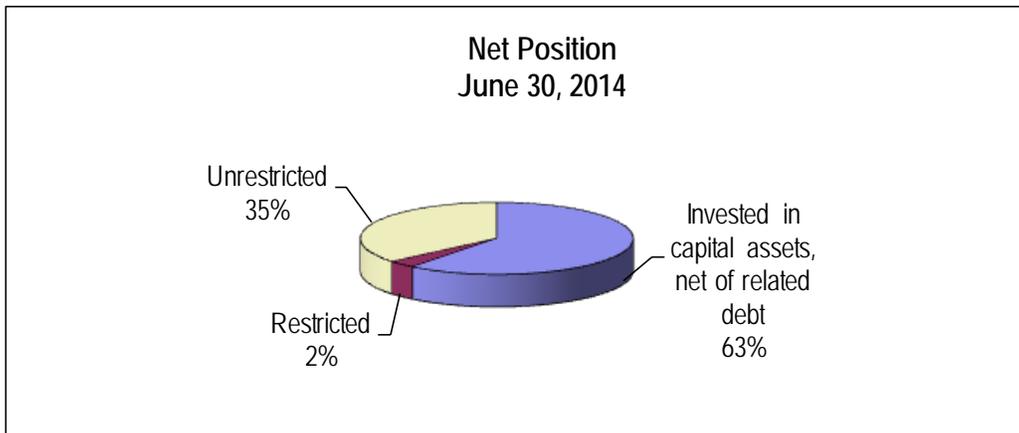
Supplementary Information

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	
	2014	2013	2014	2013	2014	2013
ASSETS						
Current and other assets	\$ 3,818,375	\$ 3,421,257	\$ 1,398,153	\$ 1,142,772	\$ 5,216,528	\$ 4,564,029
Capital assets	2,096,204	2,149,717	5,059,465	5,131,619	\$ 7,155,669	7,281,336
Total assets	5,914,579	5,570,974	6,457,618	6,274,391	12,372,197	11,845,365
LIABILITIES						
Current and other liabilities	312,332	85,622	228,956	93,189	541,288	178,811
Long-term liabilities	6,224	5,911	7,390	5,970	13,614	11,881
Total liabilities	318,556	91,533	236,346	99,159	554,902	190,692
NET POSITION						
Net position, investment						
in capital assets	2,096,204	2,149,717	5,059,465	5,131,619	7,155,669	7,281,336
Restricted	400,370	299,537	-	-	400,370	299,537
Unrestricted	3,099,449	3,030,187	1,161,807	1,043,613	4,261,256	4,073,800
Total net position	\$ 5,596,023	\$ 5,479,441	\$ 6,221,272	\$ 6,175,232	\$ 11,817,295	\$ 11,654,673



Government-Wide Financial Analysis (continued)

Approximately 63% of the City's net position reflects an investment in capital assets (land, construction in progress, 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 2% of the government's net position is subject to external restrictions on how they may be used. The remaining 35% of net position, referred to as unrestricted, may be used to meet the ongoing obligations of the government to citizens and creditors.

The table below 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	
	2014	2013	2014	2013	2014	2013
REVENUES						
Program Revenues:						
Charges for services	\$ 306,550	\$ 277,686	\$ 1,592,450	\$ 1,578,468	\$ 1,899,000	\$ 1,856,154
Operating grants and contributions	6,133	71,953	-	-	6,133	71,953
General Revenues:						
Property taxes	777,986	760,023	-	-	777,986	760,023
Other taxes	557,020	530,282	-	-	557,020	530,282
Unrestricted grants and contributions	320,323	312,771	-	-	320,323	312,771
Unrestricted interest and investment earning	31,472	28,023	5,926	5,538	37,398	33,561
Miscellaneous	4,561	28,988	197	-	4,758	28,988
Total revenues	<u>2,004,045</u>	<u>2,009,726</u>	<u>1,598,573</u>	<u>1,584,006</u>	<u>3,602,618</u>	<u>3,593,732</u>
EXPENSES						
General government	362,850	311,410	-	-	362,850	311,410
Public safety	846,910	830,106	-	-	846,910	830,106
Parks	121,890	156,146	-	-	121,890	156,146
Public works	152,036	147,231	-	-	152,036	147,231
Building Inspections	85,075	88,673	-	-	85,075	88,673
Streets	304,824	266,887	-	-	304,824	266,887
Interest on long-term debt	1,235	1,573	-	-	1,235	1,573
Water	-	-	628,317	579,183	628,317	579,183
Sewer	-	-	924,216	913,057	924,216	913,057
Total expenses	<u>1,874,820</u>	<u>1,802,026</u>	<u>\$ 1,552,533</u>	<u>1,492,240</u>	<u>3,427,353</u>	<u>3,294,266</u>
Excess (deficiency)	<u>129,225</u>	<u>207,700</u>	<u>46,040</u>	<u>91,766</u>	<u>175,265</u>	<u>299,466</u>
Change in net position	129,225	207,700	46,040	91,766	175,265	299,466
Net position, beginning	5,479,441	5,271,741	6,175,232	6,083,466	11,654,673	11,355,207
Prior Period Adjustment	<u>(12,643)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,643)</u>	<u>-</u>
Net Position, ending	<u>\$ 5,596,023</u>	<u>\$ 5,479,441</u>	<u>\$ 6,221,272</u>	<u>\$ 6,175,232</u>	<u>\$ 11,817,295</u>	<u>\$ 11,654,673</u>

Governmental Activities

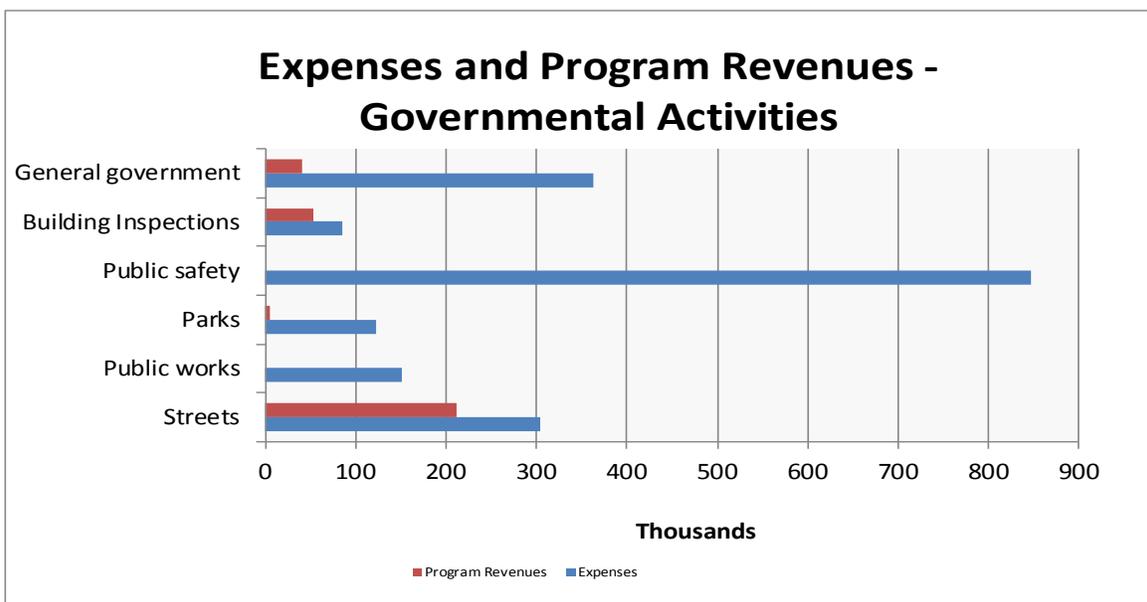
During the fiscal year, the City's total net position increased by \$175 thousand. In evaluating the governmental activities and the financial health of our City, we look to the recurring annual revenues, exclusive of one time grants, debt proceeds or other single event revenues. Utilizing this measure, 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 \$69 thousand.

Charges for services for general government activities increased over the last fiscal year. The primary source for this increase is the street utility fee revenues. 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 decreased in total by about \$31 thousand from the preceding year due mostly to a reduction in one time grants and contributions as well as miscellaneous revenues. The other general governmental revenue sources identify a modest overall increase.

The City has carefully preserved governmental activities' reserves by holding down costs during recent years. The City also has no outstanding debt, with the only recorded debt transition in this financial report an internal debt from the General Fund to the Urban Renewal Agency.

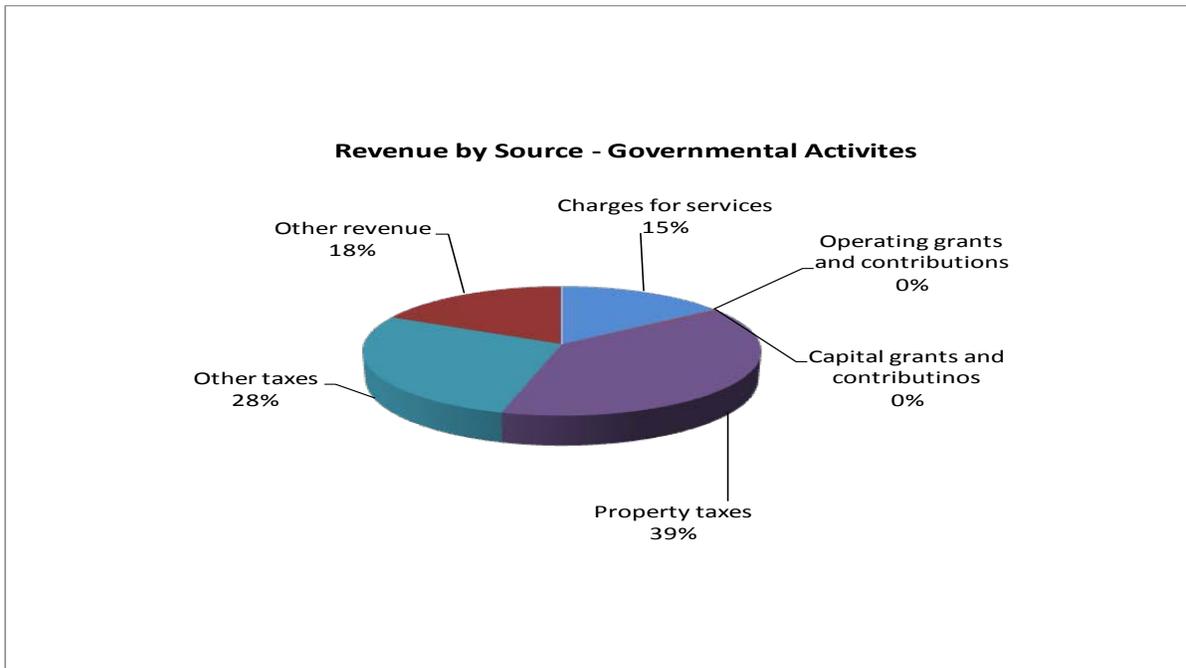
Due to the prolonged recession, and with the continuing increased costs of public safety, operating materials like asphalt and fuel, and healthcare and retirement benefits, over which we have little or no control, City officials are pro-actively tightening our budgets even further in areas where we have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



Governmental Activities (continued)

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 \$100 thousand to cover Public Safety expenses. Most revenues for street activities have historically come from State shared gas taxes, and now the newly implemented 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

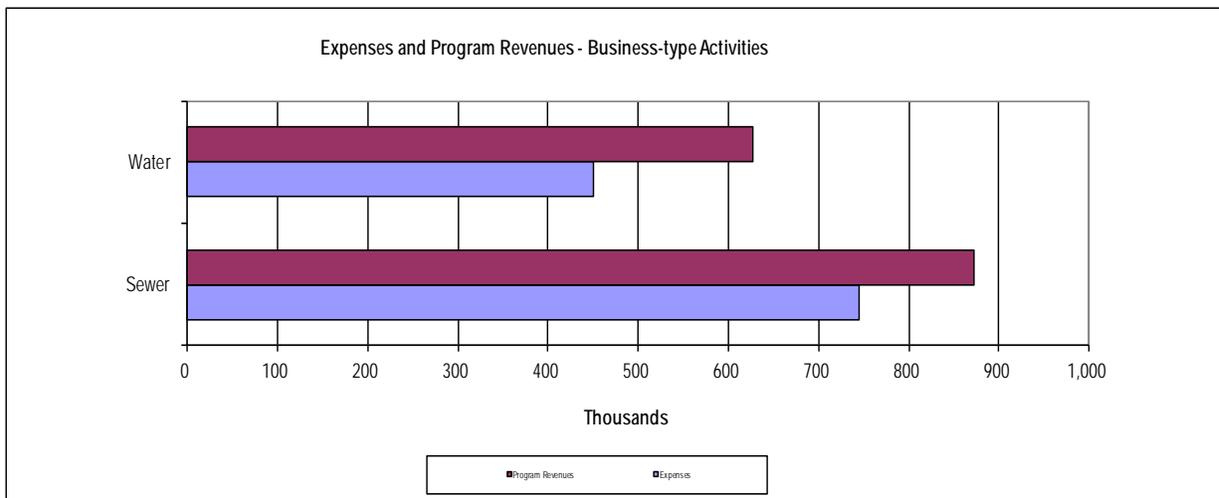
Business-type activities' net position increased \$46 thousand during the fiscal year, which is the result of reducing modest investments in the water and sewer systems in this period, and the absence of debt.

Utility user rates were increased on January 1, 2014, utilizing a cost of living adjustment. This adjustment allowed both the water fund and the sewer fund to run net operating gains. City management will continue to keep salary and materials expenses down while trying to optimize system operations and maintenance.

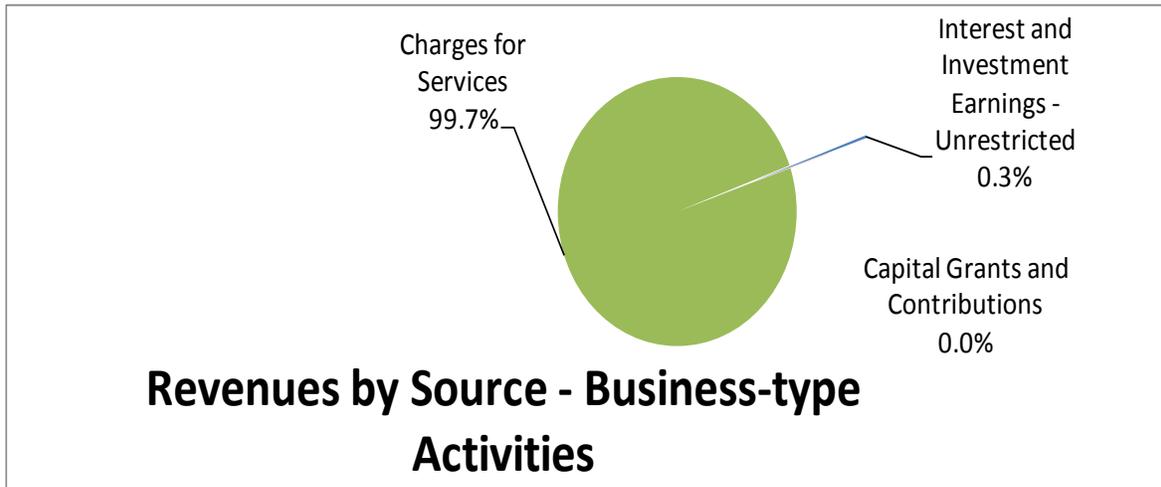
Water activities showed an overall increase in net position of \$51 thousand. Water activity unrestricted net position decreased by \$49 thousand and resulted in total net position of \$2.99 million. Capital assets net of related debt rose \$100 thousand in the water fund.

The sewer function showed a decrease in net position of about \$5 thousand, for total net position of \$3.23 million. Capital assets net of related debt decreased \$172 thousand in the sewer fund, all attributable to the impacts of the depreciation of assets.

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 \$1.6 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 following 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:

- The master plan for the water system was completed in this fiscal period. The results of the evaluation are encouraging, with no major additional capital facilities needed in the water system to serve the current or projected future population. The plan also provided updated information for the adoption of new system development charges to more accurately reflect the reimbursement costs required for all new connections to the system.

Budget Highlights in the Water and Sewer Funds include (continued):

- The telecommunications controlling systems for water and sewer systems were upgraded to provide more reliable and timely information. Pump interaction with demands, storage, and other system features will have more complete data identified, and more accurate control systems in place.
- The water system invested in the repainting of water reservoirs.
- New utility billing software was acquired and implemented in the period. The transition to the Tyler Technologies system was nearly flawless. The new system provides more accurate reporting and additional flexibility in billing processes.

Financial Analysis of the Government's 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 from operations by \$184 thousand during the fiscal year, due largely to increased revenues from the Street Utility Fee, and careful expenditure control.

The City adopted a transportation and storm water utility fee in FY 2012-13. The utility is funded through 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 \$212,000 annually. This is not 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. Even with significant property improvements and additions to value, the total revenues in the property tax system increased marginally (3.05%) from the immediately preceding year. This will change as property values continue to recover from the downturn. We will be able to anticipate property tax increases in the neighborhood of 5% in the FY14-15 and FY15-16 years, absent another downturn.

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

Financial Analysis of the Government's Funds (continued)

Combined net position for proprietary funds increased by \$46 thousand during the fiscal year. The majority of the increase was from a net operating gain during the year in the water fund.

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, \$55,000 was budgeted for building inspections, but due to the decreased activity in building permits as well as excellent management, only \$25,920 was expended. We anticipate a significant growth in the building services division during the next several fiscal periods as the economy recovers.
- 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 \$147 thousand, but due to bids coming in under budget, both were expended at a total of \$75.2 thousand. The great news in this portion of our budget is that the amount of work completed meets and exceeds the expected volumes with costs at about 60% of the original estimates.

In general, the 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 the expenditure must be made.

Capital Asset and Debt Administration

Capital Assets

As of year-end, the City had close to \$7.2 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 decrease (including additions, deletions, and depreciation) of \$126 thousand from last year.

Business-type activities' capital assets before depreciation increased by approximately \$250 thousand in the water fund, and by about \$32 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 Position section beginning on page 32 under the heading Capital Assets, and in the Detailed Notes on All Activities and Funds section on page 37 under the heading Capital Assets.

Long-term Debt

The City has no outstanding governmental activities' bonds or other debt outstanding.

The MD&A provides a summary of long-term debt information. More 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 downturn that drove the regional economy has ended. Effective in August of 2014, the total employment in the Portland Metropolitan Area exceeded the pre-recession record employment levels. While the economic indicators all indicate full recovery, property values and other vital economic activity that translate into local governmental revenues such as tourism, have not been reflected in the upturn. In this reporting period, the slow recovery is identifiable, as is the City response of maintaining tight budgetary control.

Wood Village relies on Gresham's regional wastewater treatment facility. The agreement with Gresham, and with neighboring jurisdictions that share sewer pipeline facilities, require Wood Village make minimum annual investments in the control of inflow and infiltration. A major project, the bursting and replacement of the sanitary sewer line in Halsey Blvd will be undertaken in FY2015-2016, and a significant portion of that work had to be included in the FY13-14 budget to display compliance with the agreement.

Economic Factors and Next Year's Budgets and Rates (continued)

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 painting of reservoirs, 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. Still, several factors that may significantly impact the financial position and results of operations of the City are discussed below.

A water and sewer utility rate increase will occur on January 1, 2015 to cover continuing increases in operating expenses. Expenses will be cut as possible to keep revenues and expenditures in balance. Effective debt management has decreased the demand on the sewer system operational costs; however, debt reduction alone will not be sufficient to offset the rising costs of the system and the upward rate adjustments Wood Village will have to pay to Gresham for the treatment of collected sewer.

The longer term costs for the provision of Public Safety services is the largest potential impact on the overall financial health of the community. Both fire and police services are contracted, with the fire service contracted with Gresham Fire, and the police with Multnomah County. The contract for fire services will expire in June of 2015, and the costs for continuation services or alternate services are anticipated to increase significantly. With a nominal margin between operating general fund revenues and general fund costs, this will cause a significant impact, as will adjustments to the contract with Multnomah County.

Other key variables will be driven by the planning decisions reached on available lands. Wood Village does not have any urban growth boundary, no lands exterior to the City that can be developed, and our buildable land inventory indicates a maximum potential build out population of 4,850. This minimal increase will have small value additions, and will not generate the property tax revenues necessary over time to continue the cost trends to provide public safety services.

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

CITY OF WOOD VILLAGE, OREGON
STATEMENT OF NET POSITION
June 30, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 3,570,152	\$ 1,228,282	\$ 4,798,434
Accounts receivable	149,649	169,605	319,254
Property taxes receivable	33,007	-	33,007
Prepays	2,255	266	2,521
Assessments receivable	63,312	-	63,312
Capital assets:			
Non-depreciable	237,426	26,826	264,252
Depreciable, net	1,858,778	5,032,639	6,891,417
 Total assets	 <u>5,914,579</u>	 <u>6,457,618</u>	 <u>12,372,197</u>
LIABILITIES			
Accounts payable	262,457	196,243	458,700
Unearned revenue	-	10,541	10,541
Retainage payable	31,201	-	31,201
Long term liabilities, due within one year	18,674	22,172	40,846
Long-term liabilities:			
Due in more than one year	6,224	7,390	13,614
 Total liabilities	 <u>318,556</u>	 <u>236,346</u>	 <u>554,902</u>
NET POSITION			
Net position, investment in capital assets	2,096,204	5,059,465	7,155,669
Restricted for:			
Transportation systems	400,370	-	400,370
Unrestricted	3,099,449	1,161,807	4,261,256
 Total net position	 <u>\$ 5,596,023</u>	 <u>\$ 6,221,272</u>	 <u>\$ 11,817,295</u>

See accompanying notes to the basic financial statements

CITY OF WOOD VILLAGE, OREGON
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2014

Functions	Expenses	Charges for Services
Governmental activities:		
General government and administration	\$ 362,850	\$ 94,954
Public safety	846,910	-
Parks	121,890	-
Public works	152,036	-
Building Inspections	85,075	-
Streets	304,824	211,596
Interest on long-term debt	1,235	-
Total governmental activities	1,874,820	306,550
Business-type activities:		
Water Operations	628,317	675,337
Sewer Operations	924,216	917,113
Total business-type activities	1,552,533	1,592,450
Total government	\$ 3,427,353	\$ 1,899,000

See accompanying notes to the basic financial statements

Program Revenues		Net (Expense) Revenue and Changes in Net Asset		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
\$ -	\$ -	\$ (267,896)	\$ -	\$ (267,896)
-	-	(846,910)	-	(846,910)
6,133	-	(115,757)	-	(115,757)
-	-	(152,036)	-	(152,036)
-	-	(85,075)	-	(85,075)
-	-	(93,228)	-	(93,228)
-	-	(1,235)	-	(1,235)
<u>6,133</u>	<u>-</u>	<u>(1,562,137)</u>	<u>-</u>	<u>(1,562,137)</u>
-	-	-	47,020	47,020
-	-	-	(7,103)	(7,103)
-	-	-	39,917	39,917
<u>\$ 6,133</u>	<u>\$ -</u>	<u>(1,562,137)</u>	<u>39,917</u>	<u>(1,522,220)</u>
General revenues:				
Taxes:				
Property taxes		777,986	-	777,986
Franchise taxes		266,879	-	266,879
Business income taxes		180,486	-	180,486
Motel taxes		109,655	-	109,655
Intergovernmental Revenues		320,323	-	320,323
Unrestricted interest and investment earnings (expense), net		31,472	5,926	37,398
Miscellaneous		4,561	197	4,758
Total general revenues		<u>1,691,362</u>	<u>6,123</u>	<u>1,697,485</u>
Change in net position		129,225	46,040	175,265
Net position, beginning		5,479,441	6,175,232	11,654,673
Prior Period Adjustment		<u>(12,643)</u>	<u>-</u>	<u>(12,643)</u>
Net position, ending		<u>\$ 5,596,023</u>	<u>\$ 6,221,272</u>	<u>\$ 11,817,295</u>

See accompanying notes to the basic financial statements

CITY OF WOOD VILLAGE, OREGON
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014

	General	Street	Urban Renewal	Total Governmental
ASSETS				
Cash and cash equivalents	\$ 3,165,601	\$ 375,235	\$ 29,316	\$ 3,570,152
Accounts Receivable	112,464	37,185	-	149,649
Property taxes receivable	31,816	-	1,191	33,007
Prepays	1,936	319	-	2,255
Assessments receivable	63,312	-	-	63,312
Interfund loan receivable	41,961	-	-	41,961
	<u>3,417,090</u>	<u>412,739</u>	<u>30,507</u>	<u>3,860,336</u>
Total assets	<u>\$ 3,417,090</u>	<u>\$ 412,739</u>	<u>\$ 30,507</u>	<u>\$ 3,860,336</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 250,341	\$ 12,050	\$ 66	\$ 262,457
Deferred revenue	73,747	-	-	73,747
Interfund loan payable	-	-	41,961	41,961
Retainage payable	31,201	-	-	31,201
	<u>355,289</u>	<u>12,050</u>	<u>42,027</u>	<u>409,366</u>
Total liabilities	<u>355,289</u>	<u>12,050</u>	<u>42,027</u>	<u>409,366</u>
Deferred Inflows of Resources:				
Unearned property taxes	28,978	-	1,099	30,077
	<u>28,978</u>	<u>-</u>	<u>1,099</u>	<u>30,077</u>
Total deferred inflows of resources	<u>28,978</u>	<u>-</u>	<u>1,099</u>	<u>30,077</u>
Fund Balances:				
Nonspendable:				
Prepays	1,936	319	-	2,255
Restricted:				
Streets	-	400,370	-	400,370
Unassigned	3,030,887	-	(12,619)	3,018,268
	<u>3,032,823</u>	<u>400,689</u>	<u>(12,619)</u>	<u>3,420,893</u>
Total fund balances	<u>3,032,823</u>	<u>400,689</u>	<u>(12,619)</u>	<u>3,420,893</u>
Total liabilities and fund balances	<u>\$ 3,417,090</u>	<u>\$ 412,739</u>	<u>\$ 30,507</u>	<u>\$ 3,860,336</u>

See accompanying notes to 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, 2014**

Total fund balances of governmental funds \$ 3,420,893

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	\$ 4,202,805	
Less: Accumulated depreciation	<u>(2,106,601)</u>	2,096,204

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.

Unavailable property tax revenue	30,077	
Unavailable assessment & other revenue	<u>73,747</u>	103,824

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. Additionally, accrued interest on bonds payable is recognized in the governmental funds as an expenditure when due:

Accrued compensated absences		<u>(24,898)</u>
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Total net position of governmental activities		<u>\$ 5,596,023</u>
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CITY OF WOOD VILLAGE, OREGON
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2014

	General	Street	Urban Renewal	Total Governmental
REVENUES				
Property taxes	\$ 746,164	\$ -	\$ 41,743	\$ 787,907
Motel taxes	109,655	-	-	109,655
Franchise taxes	266,879	-	-	266,879
Licenses and permits	68,554	-	-	68,554
Intergovernmental	278,375	222,434	-	500,809
Charges for services	29,409	-	-	29,409
Donations	6,133	-	-	6,133
Special assessments	13,407	-	-	13,407
URA Interest	1,235	-	-	1,235
Interest	15,181	1,549	100	16,830
Street utility fee	-	211,596	-	211,596
Miscellaneous	4,561	-	-	4,561
	<u>1,539,553</u>	<u>435,579</u>	<u>41,843</u>	<u>2,016,975</u>
Total revenues				
EXPENDITURES				
Current:				
General government and administration	338,239	-	5,246	343,485
Public safety	846,910	-	-	846,910
Parks	84,545	-	-	84,545
Public works	124,374	-	-	124,374
Building inspections	85,075	-	-	85,075
Streets	-	250,881	-	250,881
Capital outlay	-	83,546	-	83,546
Debt service:				
Interest	-	-	1,235	1,235
	<u>1,479,143</u>	<u>334,427</u>	<u>6,481</u>	<u>1,820,051</u>
Total expenditures				
Revenues over (under) expenditures	<u>60,410</u>	<u>101,152</u>	<u>35,362</u>	<u>196,924</u>
Net changes in fund balances	60,410	101,152	35,362	196,924
FUND BALANCES, BEGINNING	2,972,413	299,537	(35,338)	3,236,612
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>(12,643)</u>	<u>(12,643)</u>
FUND BALANCES, ENDING	<u>\$ 3,032,823</u>	<u>\$ 400,689</u>	<u>\$ (12,619)</u>	<u>\$ 3,420,893</u>

See accompanying notes to the basic financial statements

**CITY OF WOOD VILLAGE, OREGON
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2014**

Net change in fund balances of governmental funds \$ 196,924

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of capital assets is allocated as depreciation expense over the estimated useful lives of the assets.

Changes in Capital Assets (Net)	120,389	
Less: Depreciation expense	<u>(173,902)</u>	(53,513)

Some revenues reported in the Statement of Activities do not provide current financial resources and, therefore, are not reported in governmental funds. Additionally, revenues reported in governmental funds because they did not provide current financial resources in prior years are not reported in the Statement of Activities:

Property taxes not reported in Statement of Activities in the prior year	(9,921)	
Assessment revenue not reported in the Statement of Activities	<u>(3,009)</u>	(12,930)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Accrued compensated absences		(1,256)
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Change in net position of governmental activities		<u><u>\$ 129,225</u></u>
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CITY OF WOOD VILLAGE, OREGON
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Property taxes:				
Current year	\$ 725,685	\$ 725,685	\$ 730,072	\$ 4,387
Prior years	20,000	20,000	15,157	(4,843)
Interest and other	-	-	935	935
Motel taxes	109,200	109,200	109,655	455
Franchise taxes	282,100	282,100	266,879	(15,221)
Licenses and permits	87,800	87,800	68,554	(19,246)
Intergovernmental	267,709	267,709	278,375	10,666
Charges for services	35,618	35,618	29,409	(6,209)
Donations	-	-	6,133	6,133
Interest	15,600	15,600	15,181	(419)
Special assessments:				
Glisan Water Line LID principal	-	-	7,543	7,543
Glisan Water Line LID interest	-	-	5,864	5,864
URA Loan Repayment	-	-	1,235	1,235
Miscellaneous	19,693	19,693	4,561	(15,132)
Total revenues	1,563,405	1,563,405	1,539,553	(23,852)
EXPENDITURES				
Administration	328,606	328,606 (1)	290,367	38,239
Events	31,161	31,161 (1)	27,726	3,435
Public safety	853,924	853,924 (1)	846,910	7,014
Parks	128,308	128,308 (1)	84,545	43,763
Public works management	146,474	146,474 (1)	124,374	22,100
Building services	120,690	120,690 (1)	85,075	35,615
Non-departmental:				
Operations	26,416	26,416 (1)	20,146	6,270
Capital outlay	500,000	500,000 (1)	-	500,000
Operating contingency	599,020	599,020 (1)	-	599,020
Total expenditures	2,734,599	2,734,599 -	1,479,143	1,255,456
Net change in fund balances	(1,171,194)	(1,171,194)	60,410	1,231,604
FUND BALANCES, BEGINNING BUDGETARY BASIS	2,800,000	2,800,000	2,972,413	172,413
FUND BALANCES, ENDING BUDGETARY BASIS	\$ 1,628,806	\$ 1,628,806	\$ 3,032,823	\$ 1,404,017

(1) Appropriation Level

CITY OF WOOD VILLAGE, OREGON
STREET FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental:				
State gas tax	\$ 222,000	\$ 222,000	\$ 222,434	\$ 434
Interest	1,000	1,000	1,549	549
Street Utility Fee	215,000	215,000	211,596	(3,404)
Total revenues	438,000	438,000	435,579	(2,421)
EXPENDITURES				
Operations	277,538	277,538 (1)	250,881	26,657
Capital outlay	159,900	159,900 (1)	83,546	76,354
Contingency	121,062	121,062 (1)	-	121,062
Reserve	7,100	7,100 (1)	-	7,100
Total expenditures	565,600	565,600	334,427	231,173
Net change in fund balances	(127,600)	(127,600)	101,152	228,752
FUND BALANCES, BEGINNING BUDGETARY BASIS	180,000	180,000	299,537	119,537
FUND BALANCES, ENDING BUDGETARY BASIS	\$ 52,400	\$ 52,400	\$ 400,689	\$ 348,289

(1) Appropriation Level

CITY OF WOOD VILLAGE, OREGON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2014

	Enterprise Funds		
	Water	Sewer	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 837,141	\$ 391,141	\$ 1,228,282
Receivables	75,941	93,664	169,605
Prepaid Expense	-	266	266
Total current assets	<u>913,082</u>	<u>485,071</u>	<u>1,398,153</u>
Noncurrent assets:			
Capital assets:			
Non-depreciable	10,857	15,969	26,826
Depreciable, net	<u>2,186,541</u>	<u>2,846,098</u>	<u>5,032,639</u>
Total noncurrent assets	<u>2,197,398</u>	<u>2,862,067</u>	<u>5,059,465</u>
Total assets	<u>\$ 3,110,480</u>	<u>\$ 3,347,138</u>	<u>\$ 6,457,618</u>
LIABILITIES			
Current liabilities:			
Accounts payable and other accrued liabilities	\$ 102,252	\$ 93,991	\$ 196,243
Unearned revenues	3,048	7,493	10,541
Accrued compensated absences	<u>11,086</u>	<u>11,086</u>	<u>22,172</u>
Total current liabilities	<u>116,386</u>	<u>112,570</u>	<u>228,956</u>
Noncurrent liabilities:			
Accrued compensated absences	<u>3,695</u>	<u>3,695</u>	<u>7,390</u>
Total noncurrent liabilities	<u>3,695</u>	<u>3,695</u>	<u>7,390</u>
Total liabilities	<u>120,081</u>	<u>116,265</u>	<u>236,346</u>
NET POSITION			
Net position, investment in capital assets	2,197,398	2,862,067	5,059,465
Unrestricted	<u>793,001</u>	<u>368,806</u>	<u>1,161,807</u>
Total net position	<u>\$ 2,990,399</u>	<u>\$ 3,230,873</u>	<u>\$ 6,221,272</u>

See accompanying notes to the basic financial statements

**CITY OF WOOD VILLAGE, OREGON
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2014**

	Enterprise Funds		
	Water	Sewer	Total
OPERATING REVENUES			
Charges for services	\$ 675,337	\$ 917,113	\$ 1,592,450
Miscellaneous	197	-	197
Total operating revenues	<u>675,534</u>	<u>917,113</u>	<u>1,592,647</u>
OPERATING EXPENSES			
Costs of sales and services	477,948	719,757	1,197,705
Depreciation	150,369	204,459	354,828
Total operating expenses	<u>628,317</u>	<u>924,216</u>	<u>1,552,533</u>
Operating income (loss)	47,217	(7,103)	40,114
NONOPERATING REVENUES (EXPENSES)			
Interest revenue	4,240	1,686	5,926
Total nonoperating revenues (expenses)	<u>4,240</u>	<u>1,686</u>	<u>5,926</u>
Income (loss)	51,457	(5,417)	46,040
TOTAL NET POSITION, BEGINNING	<u>2,938,942</u>	<u>3,236,290</u>	<u>6,175,232</u>
TOTAL NET POSITION, ENDING	<u><u>\$ 2,990,399</u></u>	<u><u>\$ 3,230,873</u></u>	<u><u>\$ 6,221,272</u></u>

See accompanying notes to the basic financial statements

CITY OF WOOD VILLAGE, OREGON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2014

	Enterprise Funds		
	Water	Sewer	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 668,213	\$ 926,581	\$ 1,594,794
Payments to employees	(322,318)	(322,314)	(644,632)
Payments to suppliers	(55,125)	(369,963)	(425,088)
Net cash provided by operating activities	<u>290,770</u>	<u>234,304</u>	<u>525,074</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases and construction of capital assets	(250,422)	(32,255)	(282,677)
Interest paid on capital debt	-	-	-
Net cash (used) by capital and related financing activities	<u>(250,422)</u>	<u>(32,255)</u>	<u>(282,677)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received (paid)	4,240	1,689	5,929
Net cash provided (used) by investing activities	<u>4,240</u>	<u>1,689</u>	<u>5,929</u>
Net increase (decrease) in cash and cash equivalents	44,588	203,738	248,326
CASH AND CASH EQUIVALENTS, BEGINNING	<u>792,553</u>	<u>187,403</u>	<u>979,956</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 837,141</u>	<u>\$ 391,141</u>	<u>\$ 1,228,282</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income	\$ 47,217	\$ (7,103)	\$ 40,114
Adjustments:			
Depreciation	150,369	204,459	354,828
Changes in assets and liabilities:			
Receivables	(10,369)	1,975	(8,394)
Inventories	1,605	(266)	1,339
Increase (decrease) in:			
Accounts payable and accrued expenses	96,060	24,906	120,966
Accrued compensated absences	2,840	2,840	5,680
Net cash provided by operating activities	<u>\$ 290,770</u>	<u>\$ 234,304</u>	<u>\$ 525,074</u>

See accompanying notes to the basic financial statements

CITY OF WOOD VILLAGE, OREGON
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2014

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 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.

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

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 City'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 Position 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 by management 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 believes 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 60 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 one year 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. 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 position. Bond premiums and discounts 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 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 Administrator 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, 2014.

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 is 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.

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 interest and fees receivables 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 program levels within the General Fund as well as all other funds. Expenses of the various funds were within authorized appropriations for the year ended June 30, 2014.

Stewardship, Compliance and Accountability (Continued)

Budgetary Information (continued)

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.

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	\$ 439,921
Oregon State Local Government Investment Pool	<u>4,358,513</u>
Total	<u>\$ 4,798,434</u>

Reported in the Basic Financial Statements as:

Governmental Activities	\$ 3,570,152
Business-type Activities	<u>1,228,282</u>
Total	<u>\$ 4,798,434</u>

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-17	18-59
Local Government Investment Pool	<u>\$ 4,358,513</u>	<u>\$4,358,513</u>	<u>\$ -</u>	<u>\$ -</u>
Total	<u>\$ 4,358,513</u>	<u>\$4,358,513</u>	<u>\$ -</u>	<u>\$ -</u>

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).

Credit Risk (continued)

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 year end, 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 \$447,305, 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 City's investment policy does not limit the amount of securities that can be held by counterparties. As of year-end, all of the City's investments were 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 approximately equal to the City's proportionate position in the pool.

Inter-fund Loan

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 \$41,961. Repayment terms are as follows:

	Principal	Interest	Total
2014-15	\$ 11,750	\$ 1,222	\$ 12,972
2015-16	11,748	895	12,643
2016-17	12,102	541	12,643
2017-18	6,361	98	6,459
	<u>\$ 41,961</u>	<u>\$ 2,756</u>	<u>\$ 44,717</u>

Capital Assets

Capital asset activity during the fiscal year for governmental activities was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Non-depreciable:				
Land	\$ 237,426	\$ -	\$ -	\$ 237,426
Total non-depreciable	<u>237,426</u>	<u>-</u>	<u>-</u>	<u>237,426</u>
Depreciable:				
Buildings and improvements	975,841	-	-	975,841
Land improvements	691,526	12,170	-	703,696
Vehicles and equipment	406,041	33,021	-	439,062
Infrastructure	1,771,582	75,198	-	1,846,780
Total depreciable at historical cost	<u>3,844,990</u>	<u>120,389</u>	<u>-</u>	<u>3,965,379</u>
Less accumulated depreciation for:				
Buildings and improvements	(275,211)	(32,308)	-	(307,519)
Land improvements	(298,907)	(41,882)	-	(340,789)
Vehicles and equipment	(336,385)	(27,757)	-	(364,142)
Infrastructure	(1,022,196)	(71,955)	-	(1,094,151)
Total accumulated depreciation	<u>(1,932,699)</u>	<u>(173,902)</u>	<u>-</u>	<u>(2,106,601)</u>
Depreciable, net	<u>1,912,291</u>	<u>(53,513)</u>	<u>-</u>	<u>1,858,778</u>
Governmental activities capital assets, net	<u>\$ 2,149,717</u>	<u>\$ (53,513)</u>	<u>\$ -</u>	<u>\$ 2,096,204</u>

Depreciation expense was charged to governmental activities as follows:

General government	\$ 24,346
Parks	46,954
Public works	34,780
Streets	67,822
Total Depreciation Expense	<u>\$ 173,902</u>

Capital Assets (continued)

Capital asset activity during the fiscal year for business activities was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities				
Non-depreciable:				
Land	\$ 26,826	\$ -	\$ -	\$ 26,826
Total non-depreciable	<u>26,826</u>	<u>-</u>	<u>-</u>	<u>26,826</u>
Depreciable:				
Buildings and improvements	393,970	29,256	-	423,226
Land improvements	1,074	4,010	-	5,084
Vehicles and equipment	394,005	30,256	-	424,261
Infrastructure	<u>9,017,712</u>	<u>219,155</u>	<u>-</u>	<u>9,236,867</u>
Total depreciable at historical cost	<u>9,806,761</u>	<u>282,677</u>	<u>-</u>	<u>10,089,438</u>
Less accumulated depreciation for:				
Buildings and improvements	(98,492)	(17,909)	-	(116,401)
Land improvements	-	(240)	-	(240)
Vehicles and equipment	(262,517)	(32,327)	-	(294,844)
Infrastructure	<u>(4,340,962)</u>	<u>(304,352)</u>	<u>-</u>	<u>(4,645,314)</u>
Total accumulated depreciation	<u>(4,701,971)</u>	<u>(354,828)</u>	<u>-</u>	<u>(5,056,799)</u>
Depreciable, net	<u>5,104,790</u>	<u>(72,151)</u>	<u>-</u>	<u>5,032,639</u>
Business-type activities capital assets, net	<u>\$ 5,131,616</u>	<u>\$ (72,151)</u>	<u>\$ -</u>	<u>\$ 5,059,465</u>
Depreciation expense was charged to business-type activities as follows:				
Water operations				\$ 150,369
Sewer operations				204,459
Total Depreciation Expense				<u>\$ 354,828</u>

Long-term Liabilities

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

Governmental Activities	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Other liabilities:					
Compensated absences	\$ 23,642	\$ 3,786	\$ 2,530	\$24,898	\$18,674
Total governmental activities					
long-term liabilities	<u>\$ 23,642</u>	<u>\$ 3,786</u>	<u>\$ 2,530</u>	<u>\$24,898</u>	<u>\$18,674</u>
Business-type Activities					
Other liabilities:					
Compensated absences	\$ 23,882	\$ 6,191	\$ 511	\$29,562	\$22,172
Total business-type activities					
long-term liabilities	<u>\$ 23,882</u>	<u>\$ 6,191</u>	<u>\$ 511</u>	<u>\$29,562</u>	<u>\$22,172</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.

Other Information

Property Tax Limitation

The State of Oregon has a constitutional limit on property taxes for schools and nonschool 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 1997-98 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

Plan Descriptions

The City is a participating employer in Oregon's Public Employees Retirement System (PERS). PERS administers two pension plans. The first plan is referred to as the PERS Chapter 238 Program. The PERS Chapter 238 Program is a cost-sharing, multiple employer plan. The City elected to join the State and Local Government Rate Pool (SLGRP) in November of 2001. This plan includes a defined benefit component (PERS Pension) and a defined contribution component (PERS Individual Account Program (IAP)). There are two tiers of benefits for this plan with the second tier, for those who established membership on or after January 1, 1996, having no assumed earnings rate guarantee and a slightly higher retirement age.

The second plan is the Oregon Public Service Retirement Plan (OPSRP). All participating employers are members of a pool for this plan, so OPSRP is also a cost-sharing, multiple employer plan. OPSRP includes a defined benefit component (OPSRP Pension) and a defined contribution component (OPSRP IAP). Public employees hired on or after August 29, 2003 participate in OPSRP.

As mentioned above, each of the PERS plans has characteristics of both a defined benefit and a defined contribution plan. Although the plans have these individual components, it is the intent of the Oregon Legislative Assembly, as noted in the Oregon Revised Statutes, that they be qualified and maintained under the Federal Internal Revenue Code as tax-qualified defined benefit plans.

Specific responsibilities for administering the PERS plans are defined in Oregon Revised Statutes 238 and 238A. The Oregon Legislature has reserved to itself the right to establish conditions of membership, set and amend benefits, and establish and amend funding policies. The plans' benefits include retirement (service and disability), death, and retiree health insurance. The Legislature has delegated to the PERS Board of Trustees (the Public Employees Retirement Board) the authority to administer the system subject to statutory requirements.

PERS issues the Oregon Public Employees Retirement System Comprehensive Annual Financial Report. The report may be obtained by writing to PERS, PO Box 23700, Tigard, OR, 97281-3700 or by calling 503-598-7377. The report is typically available on line at ww.oregon.gov/pers as well.

Funding

Members of PERS are required to contribute 6% of their salary to be invested in IAP accounts. On July 1, 1998 the City began paying these employee contributions and made a corresponding reduction to salaries. The City is required to contribute to the PERS and OPSRP Pension plans at actuarially determined rates. The current year employer rates are 10.86% and 9.87% of salaries, respectively for general employees. Contributions to the plan for the years ended June 30, 2014, 2013 and 2012 were \$136,041, \$138,384, and \$131,861, respectively, and were equal to the required contributions for each year.

The actuary has determined that there is no implicit subsidy liability to report under GASB 45.

Deficit Fund Balance

At June 30, 2014, the urban renewal fund had a deficit fund balance of \$12,619. As additional incremental tax revenue becomes available, the URA anticipates additional debt issuance to perform the planned improvements for the urban renewal district.

Prior Period Adjustment

An adjustment for \$12,643 was needed in the URA budgetary statement because loan payments and receipts between the URA fund and general fund, respectively, were recorded as budget to GAAP reconciling items in prior years when they should have been shown as expenditures and revenues, respectively, on the budgetary statements.

Required Supplementary Information

CITY OF WOOD VILLAGE
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS - PERS
June 30, 2014

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(b)-(a) AAL (UAAL)	(a/b) Funded Ratio	(c) Covered Payroll	((b-a)/c) UAAL as a Percentage of Covered Payroll
12/31/2013		\$ 341,496	\$ 341,496	0%	\$ 789,434	43%
12/31/2012		585,591	585,591	0%	833,334	70%
12/31/2011	-	999,205	999,205	0%	824,048	121%
12/31/2010	-	778,605	778,605	0%	858,656	91%
12/31/2009	-	942,836	942,836	0%	966,686	98%
12/31/2008	*	*	*	*	*	*

* - Information for years prior to 2009 is unavailable.

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2014	\$ 136,041	100%
2013	138,384	100%
2012	131,861	100%
2011	105,637	100%
2010	110,071	100%
2009	113,483	100%

The above tables present the most recent actuarial valuations for the City's participation in PERS and provide information that approximates the funding progress of the plan. While the City participates in a cost-sharing plan, the UAL amount above is a pro-rata allocation based on the ratio of the City's combined valuation payroll to the pool.

Supplementary Information

CITY OF WOOD VILLAGE URBAN RENEWAL AGENCY FUND

The City of Wood Village Urban Renewal Agency Fund is a separate legal entity from the City of Wood Village. The Urban Renewal Agency Fund is temporarily residing within the Wood Village financial statements until it begins to receive tax increment financing and has expenses greater than \$500,000 per year. At that time, probably next fiscal year, it will be separated from the City's financial statements and will have separate audits performed upon it.

Urban Renewal Agency Fund – Financial activities of the separate legal entity for the City of Wood Village Urban Renewal District operations are recorded in this fund. Tax Increment Financing is the major revenue source and will be available for a 20 year period.

CITY OF WOOD VILLAGE, OREGON
URBAN RENEWAL AGENCY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes				
Current Year	\$ 14,000	\$ 14,000	\$ 41,467	\$ 27,467
Prior Year	-	-	276	276
Interest	-	-	100	100
	<u>14,000</u>	<u>14,000</u>	<u>41,843</u>	<u>27,843</u>
Total revenues				
EXPENDITURES:				
Personnel Services	\$ 7,256	7,256 (1)	\$ 4,997	2,259
Materials and services	610	610 (1)	249	361
Capital outlay	-	- (1)	-	-
Debt service:	-	- (1)	-	-
Overhead expenses	1,025	1,025 (1)	-	1,025
Debt Service	1,595	1,595 (1)	1,235	360
Contingency	11,671	11,671 (1)	-	11,671
	<u>22,157</u>	<u>22,157</u>	<u>6,481</u>	<u>15,676</u>
Total expenditures				
Net changes in fund balances	(8,157)	(8,157)	35,362	43,519
FUND BALANCES, BEGINNING				
BUDGETARY BASIS				
	9,200	9,200	(35,338)	(44,538)
Prior Period Adjustment	-	-	(12,643)	(12,643)
	<u>-</u>	<u>-</u>	<u>(12,643)</u>	<u>(12,643)</u>
FUND BALANCES, ENDING				
BUDGETARY BASIS				
	<u>\$ 1,043</u>	<u>\$ 1,043</u>	<u>\$ (12,619)</u>	<u>\$ (13,662)</u>

(1) Appropriation Level

ENTERPRISE FUNDS

Enterprise 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. Included in these segments are:

Water Operations:

Water Fund – Financial activities of the city-owned water utility operations are recorded in this fund. Sales of water and related charges are the major revenue sources.

Sewer Operations:

Sewer Fund – Financial activities of the city-owned sewer service are accounted for in this fund. Wastewater charges are the major revenue source.

CITY OF WOOD VILLAGE, OREGON
WATER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Charges for services:				
User fees	\$ 658,000	\$ 658,000	\$ 670,858	\$ 12,858
Late Charges	-	-	3,479	\$ 3,479
System development charges	3,600	3,600	-	(3,600)
Hydrant user fees	500	500	-	(500)
Connection fees	500	500	1,000	500
Interest	4,450	4,450	4,240	(210)
Miscellaneous	-	-	197	197
Total revenues	<u>667,050</u>	<u>667,050</u>	<u>679,774</u>	<u>12,724</u>
EXPENDITURES				
Operations	508,785	508,785 (1)	477,948	30,837
Capital outlay	253,300	253,300 (1)	250,422	2,878
Operating contingency	652,858	652,858 (1)	-	652,858
Reserve	18,300	18,300 (1)	-	18,300
Total expenditures	<u>1,433,243</u>	<u>1,433,243</u>	<u>728,370</u>	<u>704,873</u>
Net change in fund balances	(766,193)	(766,193)	(48,596)	717,597
FUND BALANCES, BEGINNING	<u>820,000</u>	<u>820,000</u>	<u>841,597</u>	<u>21,597</u>
FUND BALANCES, ENDING	<u>\$ 53,807</u>	<u>\$ 53,807</u>	<u>\$ 793,001</u>	<u>\$ 739,194</u>
			<u>Revenues</u>	<u>Expenditures</u>
Total revenue and expenditures above			\$ 679,774	\$ 728,370
Expenditures capitalized			-	(250,422)
Depreciation expense			-	150,369
			<u>\$ 679,774</u>	<u>628,317</u>
Total revenues and expenses - generally accepted accounting principles				
Change in net position				<u>\$ 51,457</u>

(1) Appropriation Level

CITY OF WOOD VILLAGE, OREGON
SEWER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2014

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES				
Charges for services:				
User fees	\$ 895,000	\$ 895,000	\$ 906,733	\$ 11,733
Late charges	13,000	13,000	9,480	\$ (3,520)
System development charges	12,000	12,000	-	(12,000)
Connection fees	-	-	900	900
Interest	1,000	1,000	1,686	686
Total revenues	921,000	921,000	918,799	(2,201)
EXPENDITURES				
Operations	800,435	800,435 (1)	722,924	77,511
Capital outlay	276,800	276,800 (1)	32,255	244,545
Operating contingency	25,465	25,465 (1)	-	25,465
Reserve	18,300	18,300 (1)	-	18,300
Total expenditures	1,121,000	1,121,000	755,179	365,821
Net change in fund balances	(200,000)	(200,000)	163,620	363,620
FUND BALANCES, BEGINNING	200,000	200,000	205,186	5,186
FUND BALANCES, ENDING	\$ -	\$ -	\$ 368,806	\$ 368,806
			<u>Revenues</u>	<u>Expenditures</u>
Total revenue and expenditures above			\$ 918,799	\$ 755,179
Expenditures capitalized			-	(32,255)
Debt service principal payments			-	-
Depreciation expense			-	204,459
Interest revenue/expense			-	(3,167)
Total revenues and expenses - generally accepted accounting principles			\$ 918,799	924,216
Change in net position				\$ (5,417)

(1) Appropriation Level

CITY OF WOOD VILLAGE, OREGON
SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
For the Fiscal Year Ended June 30, 2014

<u>Tax Year</u>	<u>Receivable Balance, Beginning</u>	<u>Levy</u>	<u>Collections/ Refunds</u>	<u>Interest Received/Paid</u>	<u>Discounts/ Reversals</u>	<u>Adjustments</u>	<u>Receivable Balance, Ending</u>
2013-14	\$0	\$812,299	\$772,164	\$324	(\$20,784)	(\$3,134)	\$16,541
2012-13	21,684	-	9,090	712	17	(6,053)	7,270
2011-12	12,680	-	3,503	676	-	(3,790)	6,063
2010-11	7,950	-	3,097	943	1	(3,978)	1,819
2009-10	4,934	-	1,693	613	-	(3,416)	438
2008-09	438	-	137	64	-	(112)	259
2007-08 & Prior	643		114	105		(17)	617
	<u>\$48,329</u>	<u>\$812,299</u>	<u>\$789,798</u>	<u>\$3,437</u>	<u>(\$20,766)</u>	<u>(\$20,500)</u>	<u>\$33,007</u>

RECONCILIATION TO REVENUE:

Accrual of Receivables:

June 30, 2014	\$2,930
Taxes in Lieu	855
Total Revenue	<u>\$787,907</u>

Allocation to Funds:

General	\$746,164
Urban Renewal	41,743
	<u>\$787,907</u>

Note - Interest amounts received/paid during the year are offset in the adjustments column to properly state the receivable balance at year end.

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Invested in capital assets, net of related debt	\$ 1,459,717	\$ 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
Restricted	583,341	270,027	337,051	334,297	346,398	362,533	331,394	205,026	299,537	\$ 400,370
Unrestricted	<u>2,298,793</u>	<u>3,019,646</u>	<u>2,877,204</u>	<u>3,134,335</u>	<u>2,854,343</u>	<u>2,593,316</u>	<u>2,730,042</u>	<u>2,933,753</u>	<u>3,030,187</u>	<u>\$ 3,099,449</u>
Total governmental activities net position	\$ 4,341,851	\$ 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
Business-type activities										
Invested in capital assets, net of related debt	\$ 2,475,104	\$ 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
Restricted	32,968	453,584	205,865	182,905	199,342	199,342	-	-	-	\$ -
Unrestricted	<u>686,689</u>	<u>68,861</u>	<u>3,385,626</u>	<u>3,047,942</u>	<u>2,816,783</u>	<u>2,851,765</u>	<u>2,999,736</u>	<u>1,050,071</u>	<u>1,043,613</u>	<u>\$ 1,161,807</u>
Total business-type activities net position	\$ 3,194,761	\$ 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
Primary government										
Invested in capital assets, net of related debt	\$ 3,934,821	\$ 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
Restricted	616,309	723,611	542,916	517,202	545,740	561,875	331,394	205,026	299,537	400,370
Unrestricted	<u>2,985,482</u>	<u>3,088,507</u>	<u>6,262,830</u>	<u>6,182,277</u>	<u>5,671,126</u>	<u>5,445,081</u>	<u>5,729,778</u>	<u>3,983,824</u>	<u>4,073,800</u>	<u>4,261,256</u>
Total primary government net position	\$ 7,536,612	\$ 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

Net (expense)/revenue:										
Governmental activities	\$ (824,594)	\$ (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)
Business-type activities	<u>170,027</u>	<u>652,263</u>	<u>872,408</u>	<u>480,842</u>	<u>145,621</u>	<u>62,386</u>	<u>408,152</u>	<u>(43,788)</u>	<u>86,228</u>	<u>39,917</u>
Total primary government net expense	<u>\$ (654,567)</u>	<u>\$ (254,043)</u>	<u>\$ (224,648)</u>	<u>\$ (668,395)</u>	<u>\$ (1,403,956)</u>	<u>\$ (1,358,024)</u>	<u>\$ (1,051,288)</u>	<u>\$ (1,770,421)</u>	<u>\$ (1,366,159)</u>	<u>\$ (1,522,220)</u>

General Revenues and Other Changes in Net Position

Governmental activities:										
Taxes										
Property taxes	\$ 592,000	\$ 637,637	\$ 673,728	\$ 729,660	\$ 752,496	\$ 732,634	\$ 741,980	\$ 772,107	\$ 760,023	777,986
Franchise taxes	261,791	209,830	231,965	256,568	235,134	295,094	253,961	\$ 261,129	261,913	266,879
Business income taxes	100,894	135,154	157,595	185,669	124,694	117,534	128,072	\$ 160,225	163,639	180,486
Motel taxes	83,909	83,567	97,870	104,572	100,017	84,933	88,566	\$ 96,838	104,730	109,655
Unrestricted grants and contributions	72,772	79,181	82,004	178,630	108,283	103,164	348,437	\$ 358,053	312,771	320,323
Unrestricted interest and investment earnings	101,384	155,592	164,871	167,559	80,840	29,554	19,565	\$ 27,379	28,023	31,472
Miscellaneous	<u>52,250</u>	<u>(65,040)</u>	<u>(358,000)</u>	<u>68,000</u>	<u>76,250</u>	<u>80,000</u>	<u>85,000</u>	<u>\$ -</u>	<u>28,988</u>	<u>4,561</u>
Total governmental activities	<u>1,265,000</u>	<u>1,235,921</u>	<u>1,050,033</u>	<u>1,690,658</u>	<u>1,477,714</u>	<u>1,442,913</u>	<u>1,665,581</u>	<u>1,675,731</u>	<u>1,660,087</u>	<u>1,691,362</u>
Business-type activities:										
Unrestricted interest and investment earnings	25,883	45,780	154,121	28,608	141,510	(72,805)	(95,817)	965	5,538	6,123
Transfers	<u>(52,250)</u>	<u>65,040</u>	<u>358,000</u>	<u>(68,000)</u>	<u>(76,250)</u>	<u>(80,000)</u>	<u>(85,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>(26,367)</u>	<u>110,820</u>	<u>512,121</u>	<u>(39,392)</u>	<u>65,260</u>	<u>(152,805)</u>	<u>(180,817)</u>	<u>965</u>	<u>5,538</u>	<u>6,123</u>
Total primary government	<u>\$ 1,238,633</u>	<u>\$ 1,346,741</u>	<u>\$ 1,562,154</u>	<u>\$ 1,651,266</u>	<u>\$ 1,542,974</u>	<u>\$ 1,290,108</u>	<u>\$ 1,484,764</u>	<u>\$ 1,676,696</u>	<u>\$ 1,665,625</u>	<u>\$ 1,697,485</u>
Change in Net Position										
Governmental activities	\$ 440,406	\$ 329,615	\$ (47,023)	\$ 541,421	\$ (71,863)	\$ 22,503	\$ 206,141	\$ (50,902)	\$ 207,700	\$ 129,225
Business-type activities	<u>143,660</u>	<u>763,083</u>	<u>1,384,529</u>	<u>441,450</u>	<u>210,881</u>	<u>(90,419)</u>	<u>227,335</u>	<u>(42,823)</u>	<u>91,766</u>	<u>46,040</u>
Total primary government	<u>\$ 584,066</u>	<u>\$ 1,092,698</u>	<u>\$ 1,337,506</u>	<u>\$ 982,871</u>	<u>\$ 139,018</u>	<u>\$ (67,916)</u>	<u>\$ 433,476</u>	<u>\$ (93,725)</u>	<u>\$ 299,466</u>	<u>\$ 175,265</u>

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

	Fiscal Year Ended									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General government	\$ 374,726	\$ 601,529	\$ 365,968	\$ 334,249	\$ 482,797	\$ 475,020	\$ 450,100	\$ 351,702	\$ 311,410	\$ 362,850
Public safety	497,367	577,099	644,167	681,765	724,562	751,031	771,216	\$ 803,045	830,106	846,910
Parks	53,221	83,156	98,359	130,983	164,642	98,610	113,607	\$ 145,081	156,146	121,890
Public Works	80,575	77,249	89,649	97,433	150,825	125,033	146,410	\$ 139,591	147,231	152,036
Building Inspections	-	-	-	-	126,359	61,178	89,408	\$ 97,710	88,673	85,075
Streets	197,489	195,425	202,553	231,184	243,220	280,441	271,092	\$ 317,760	266,887	304,824
Interest on long-term debt	33,790	23,899	15,049	4,277	975	-	-	\$ 1,571	1,573	\$ 1,235
Total governmental activities expenses	1,237,168	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
Business-type activities:										
Water operations	461,121	472,314	400,138	469,071	510,878	561,176	536,112	590,562	579,183	628,317
Sewer operations	633,382	629,399	661,417	801,140	876,551	898,390	845,625	946,779	913,057	924,216
Total business-type activities expenses	1,094,503	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
Total primary government expenses	\$ 2,331,671	\$ 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
Program Revenues										
Governmental activities:										
Charges for services:										
General government:										
Inspection fees (permits)	\$ 133,530	\$ 414,450	\$ 143,700	\$ 97,952	\$ 212,946	\$ 92,228	\$ 123,872	\$ 124,736	\$ 277,686	\$ 306,550
Other	64,315	78,529	35,633	-	-	-	-	-	-	-
Operating grants and contributions	141,546	142,297	139,356	232,702	130,857	139,675	176,021	5,091	71,953	6,133
Capital grants and contributions	73,183	16,775	-	-	-	139,000	82,500	-	-	-
Total governmental activities program revenues	412,574	652,051	318,689	330,654	343,803	370,903	382,393	129,827	349,639	312,683
Business-type activities:										
Charges for services:										
Water operations:										
User fees and other	460,671	551,655	685,928	706,683	649,610	637,989	661,439	622,866	678,528	675,337
Connection charges	31,643	141,317	146,051	26,000	5,506	-	-	-	-	-
Sewer operations:										
User fees and other	588,674	666,069	879,509	913,321	861,807	861,654	1,103,450	870,687	899,940	917,113
Connection charges	33,542	394,935	222,475	60,609	460	-	-	-	-	-
Operating grants and contributions	-	-	-	44,440	15,667	22,309	-	-	-	-
Capital grants and contributions	150,000	-	-	-	-	-	25,000	-	-	-
Total business-type activities program revenues	1,264,530	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
Total primary government program revenues	\$ 1,677,104	\$ 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

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

	Fiscal Year Ended									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General fund:										
Unreserved	\$ 2,650,042	\$ 3,018,924	\$ 2,863,996	\$ 3,121,612	\$ 2,838,170	\$ 2,578,246	\$ -	\$ -	\$ -	\$ -
Nonspendable:										
Prepays			-	-	-	-	1,180	793	\$ 930	1,936
Unassigned	-	-	-	-	-	-	2,672,713	2,865,284	\$ 2,971,483	3,030,887
Total general fund	\$ 2,650,042	\$ 3,018,924	\$ 2,863,996	\$ 3,121,612	\$ 2,838,170	\$ 2,578,246	\$ 2,673,893	\$ 2,866,077	\$ 2,972,413	3,032,822
All other governmental funds:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 319
Unreserved, reported in:										
Special revenue funds	37,575	70,046	123,259	97,855	97,179	102,986	-	-	-	-
Debt service funds	152,582	90,177	13,720	132,234	128,568	165,078	-	-	-	-
Restricted										
Streets	-	-	-	-	-	-	148,064	205,026	299,537	400,370
Assigned										
Debt service	-	-	-	-	-	-	183,330	-	-	-
Unassigned	-	-	-	-	-	-	(47,599)	(38,390)	(35,338)	(12,619)
Total all other governmental funds	\$ 190,157	\$ 160,223	\$ 136,979	\$ 230,089	\$ 225,747	\$ 268,064	\$ 283,795	\$ 166,636	\$ 264,199	\$ 388,070

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

	Fiscal Year Ended									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Property taxes	\$ 592,222	\$ 637,618	\$ 673,992	\$ 725,794	\$ 743,756	\$ 733,930	\$ 743,711	\$ 742,240	\$ 764,583	\$ 787,907
Motel taxes	83,909	83,567	97,870	104,572	100,017	84,933	88,566	96,838	104,730	109,655
Franchise fees	261,791	209,830	231,965	256,568	235,134	295,094	253,961	261,129	261,913	266,879
Licenses and permits	154,075	479,521	143,700	59,013	164,728	57,549	85,066	87,743	69,429	68,554
Intergovernmental	386,194	370,296	375,579	589,475	352,310	489,233	721,894	518,278	544,446	500,809
Charges for services	29,672	11,858	25,913	33,774	23,550	25,479	27,501	32,030	43,511	29,409
Donations	2,201	3,111	3,376	7,526	11,524	10,140	13,136	5,091	3,917	6,133
Special assessments	206,405	102,354	51,411	174,206	34,959	35,617	17,416	13,739	13,739	13,407
URA Interest									1,573	1,235
Interest	61,713	125,087	139,177	144,568	69,633	20,119	11,840	17,653	16,650	16,830
Street Utility Fee									164,746	211,596
Miscellaneous	14,098	1,600	9,720	5,165	24,668	9,200	38,394	4,963	28,988	4,561
Total revenues	1,792,280	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
Expenditures										
General government	\$ 367,501	\$ 588,736	\$ 332,812	\$ 323,076	\$ 460,682	\$ 445,651	\$ 445,599	\$ 316,640	\$ 308,346	\$ 343,485
Public safety	497,367	577,099	644,167	681,765	724,562	751,031	771,216	803,045	830,106	846,910
Parks	34,236	63,586	196,844	104,641	135,235	71,744	79,945	101,068	131,407	84,545
Public works	61,845	57,228	78,798	89,964	127,356	117,082	124,633	107,387	118,185	124,374
Building Inspectons	-	-	-	-	126,359	61,178	89,408	97,710	88,673	85,075
Streets	150,232	140,677	148,462	165,585	187,344	207,468	207,242	254,807	204,283	250,881
Capital outlay	135,230	23,285	24,673	393,276	321,605	404,747	257,064	33,231	131,753	83,546
Debt service										-
Principal	170,000	145,000	115,000	55,000	40,000	-	-	-	-	-
Interest	35,402	25,243	16,034	4,628	1,170	-	-	-	1,573	1,235
Total expenditures	1,451,813	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
Excess of revenues over (under) expenditures	340,467	403,988	195,913	282,726	(364,034)	(297,607)	26,378	65,816	203,899	196,924
Other financing sources (uses)										
Transfers in	\$ 138,250	\$ 80,960	\$ 131,000	\$ 153,000	\$ 151,250	\$ 180,000	\$ 195,000	\$ 283,330	\$ -	\$ -
Transfers out	(86,000)	(146,000)	(489,000)	(85,000)	(75,000)	(100,000)	(110,000)	(283,330)	-	-
Total other financing sources (uses)	52,250	(65,040)	(358,000)	68,000	76,250	80,000	85,000	-	-	-
Net change in fund balances	\$ 392,717	\$ 338,948	\$ (162,087)	\$ 350,726	\$ (287,784)	\$ (217,607)	\$ 111,378	\$ 65,816	\$ 203,899	\$ 196,924
Debt service as a percentage of noncapital expenditures	21.0%	12.1%	10.3%	6.1%	2.8%	0.0%	0.0%	0.0%	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			
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	-	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	-	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%
2005	171,906,730	12,909,165	5,977,440	3,104,200	193,897,535	3.1262	271,844,305	71.33%

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
2014	16.2404	3.13	0.0691	0.4507	5.7261	0.4843	0.4558	5.5863	0.0985	-	0.2396
2013	16.47	3.13	0.07	0.45	5.95	0.49	0.47	5.63	0.10	-	0.18
2012	16.07	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	15.93	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	-
2005	15.87	3.13	0.07	0.46	6.04	0.50	0.28	5.28	-	0.11	-

Source: Multnomah County Tax Supervising and Conservation Commission.

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 3.1216 levied on all properties in the city.

**CITY OF WOOD VILLAGE, OREGON
PRINCIPAL PROPERTY TAXPAYERS
Current Year and Nine Years Ago**

	2014			2005		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Taxpayer						
Wood Village Garp (Town Ctr)	\$16,178,880	1	5.39%	\$ 6,679,850	4	3.4%
Walmart	13,083,900	2	4.36%	8,125,070	5	4.2%
Lowes	11,665,080	3	3.89%	9,511,780	3	4.9%
Fred Meyer	10,266,960	4	3.42%	10,317,230	2	5.3%
Larane (Brashers)	7,402,810	5	2.47%	4,476,560	7	2.3%
Willamette Graystone	7,036,160	6	2.35%			0.0%
McFadden (MKC)	5,535,000	7	1.85%	5,007,150	6	2.6%
WV Land (Ulmers)	5,318,730	8	1.77%	3,304,550	9	1.7%
Realty inc (Olinger)	5,210,520	9	1.74%	2,805,750	10	1.4%
John Niemeyer (Morash bldg)	3,761,160	10	1.25%			0.0%
Merix Corp				23,083,350	1	11.9%
HBH Investments, LLC				4,098,890	8	2.1%
Totals	<u>\$85,459,200</u>		<u>28.5%</u>	<u>\$ 77,410,180</u>		<u>39.9%</u>

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>
2014-nonURA	\$ 768,666	\$ 730,687	95.06%	\$ 17,375	\$ 748,062	97.32%
2014 - URA	43,632	41,477	95.06%	260	41,737	95.66%
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	743,711	97.10%
2010	754,316	708,712	93.95%	25,217	733,929	97.30%
2009	777,555	726,061	93.38%	17,695	743,757	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%
2005	614,797	577,094	93.87%	14,441	591,535	96.22%

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	OECD Loans			
2014	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%	\$ -
2013	-	-	-	-	-	0.00%	\$ -
2012	-	-	-	182,119	182,119	0.05%	\$ 46.82
2011	-	-	-	2,328,263	2,328,263	0.58%	\$ 599.30
2010	-	-	-	2,673,415	2,673,415	0.64%	\$ 689.38
2009	-	-	-	1,798,293	1,798,293	0.41%	\$ 574.53
2008	40,000	-	-	1,798,293	1,838,293	0.44%	\$ 593.00
2007	95,000	-	-	1,798,293	1,893,293	0.56%	\$ 610.74
2006	210,000	10,161	-	-	220,161	0.07%	\$ 76.44
2005	355,000	20,322	-	-	375,322	0.14%	\$ 130.77

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.

² See the Schedule of Demographic and Economic Statistics for population data used in this calculation.

CITY OF WOOD VILLAGE, OREGON
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
June 30, 2014

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	1,902,101	1.35%	25,714
Port of Portland	1,227,268	0.41%	4,999
Multnomah County ESD	966,000	0.41%	3,961
Reynolds School District No. 7	7,499,340	4.90%	367,488
Metro	39,825,000	0.41%	162,379
Tri-Met Transportation District	-	0.41%	-
East Multnomah Soil & Water Conservation District	-	0.58%	-
Multnomah County	<u>19,783,963</u>	0.40%	<u>79,644</u>
<i>Total Overlapping</i>	<u>71,203,672</u>		<u>644,186</u>
Total Direct and Overlapping	<u>\$ 71,203,672</u>		<u>\$ 644,186</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 2015 figures aren't yet published as of December 29, 2014. The figures shown here are from 2013.

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

Legal Debt Margin Trend Information:

	Fiscal Year Ended									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ 8,155,329	\$ 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
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 8,155,329</u>	<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>
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>\$ 398,326,051</u>
Debt limit (3% of RMV)	\$ 11,949,782
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>\$ 11,949,782</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 1			
	Sewer Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Special Assessment Collections	Debt Service		Coverage
				Principal	Interest			Principal	Interest	
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
2005							206,405	170,000	34,501	1.01

CITY OF WOOD VILLAGE, OREGON
REVENUES BY SOURCE - PROPRIETARY FUNDS

Last Ten Fiscal Years

(accrual basis of accounting)

Fiscal Year Ended	Water			Total
	Water Services	Interest Income	Other	
2014	\$ 671,858	\$ 4,240	\$ 3,676	\$ 679,774
2013	673,227	4,478	4,850	682,555
2012	622,717	3,605	87	626,409
2011	644,264	4,003	87	648,354
2010	636,869	4,448	1,207	642,524
2009	652,861	18,884	2,371	674,116
2008	723,528	52,992	9,242	785,762
2007	827,558	47,519	4,421	879,498
2006	691,952	11,027	1,088	704,067
2005	491,049	6,241	1,265	498,555

Sewer			Total
Sewer Services	Interest Income	Other	
\$ 907,633	\$ 1,686	\$ 9,480	\$ 918,799
888,790	1,044	11,150	900,984
858,750	1,248	11,937	871,935
894,020	10,893	35,088	940,001
861,654	13,225	22,309	897,188
862,267	53,874	15,817	931,959
1,018,314	118,500	(34)	1,136,780
1,098,463	106,602	3,521	1,208,586
1,061,003	34,685	1	1,095,689
618,699	19,642	153,517	791,858

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	
		Water Purchases	Amount	Percent of Sales
2014	\$ 671,858	\$ 628,317	\$ 43,541	6.5%
2013	678,077	534,313	143,764	21.2%
2012	622,804	545,562	77,242	12.4%
2011	644,351	539,604	104,747	16.3%
2010	638,076	558,289	79,787	12.5%
2009	655,232	523,852	131,380	20.1%
2008	732,770	447,585	285,185	38.9%
2007	831,979	400,138	431,841	51.9%
2006	693,040	472,314	220,726	31.8%
2005	492,314	461,121	31,193	6.3%

Sewer Sales	Sewer	Gross Profit	
	Sewer Purchases	Amount	Percent of Sales
\$ 907,633	\$ 924,216	\$ (16,583)	-1.8%
899,940	866,709	33,230	3.7%
870,687	901,779	(31,092)	-3.6%
929,108	853,288	75,820	8.2%
883,963	840,138	43,825	5.0%
878,084	722,133	155,951	17.8%
1,018,280	801,142	217,138	21.3%
1,101,984	661,417	440,567	40.0%
1,061,004	629,399	431,605	40.7%
622,216	633,382	(11,166)	-1.8%

Source: City of Wood Village Financial Statements

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

<u>Fiscal Year Ended</u>	<u>Population (City of Wood Village) ¹</u>	<u>Personal Income (amounts expressed in thousands) ⁴</u>	<u>Per Capita Personal Income (Portland - Metro Area) ²⁻⁴</u>	<u>Median Age (City of Wood Village) ³</u>	<u>Education Level in Years of Formal Schooling</u>	<u>School Enrollment</u>	<u>Unemployment Rate (Portland - Metro Area) ²</u>
2014	3,905	\$ 168,263	\$ 43,089				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%
2005	2,870	92,781	32,328	N/A			6.3%

Data sources:

¹ Portland State University, Population Research and Census Center.

² Oregon Employment Department.

³ United States Census, 2000.

⁴ No updated statistics were available a publication time of Nov 30, 2014 for 2014

CITY OF WOOD VILLAGE, OREGON
PRINCIPAL EMPLOYERS
Current Year ¹

	2014			2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Wal-Mart Stores, Inc.	334	1	16.2%	549	1	22.6%
Fred Meyer Stores, Inc.	224	2	10.9%	210	2	8.6%
Brasher's Cascade Auto Auction	148	3	7.2%	98	9	4.0%
Lowe's, Inc.	123	4	6.0%	140	5	5.8%
Kohl's Department Stores, Inc.	112	5	5.4%	118	7	4.8%
Buffalo Wild Wings	58	6	2.8%			
Olinger Travel Homes	56	7	2.7%			
Gresham Transfer	30	8	1.5%			
Willamette Graystone	20	9	1.0%			
Country Financial	17	10	0.8%			
Pressure Safe	17	10	0.8%	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	925 *		44.8%	705	-	28.9%
Totals	2064		100.0%	2,433		100.0%

¹ Typically, the period nine years prior to the current year is shown for comparison purposes. City of Wood Village began compiling this information as of fiscal year ended 2006, so that year is being used. Ultimately, data will be shown as ideally expected.

*data is estimated

Total Acre Feet of Water Pumped for Customers	432.58	500.79	456.35	482.02	0.00	440.61	391.02	388.56	465.02	393.03
Miles of water mains	12	12	12.46	12.46	12.46	12.46	12.46	12.46	12.46	12.46
Number of service connections	524	547	637	638	638	638	637	637	638	638
Number of fire hydrants	144	144	144	144	144	144	144	144	144	144
Number of wells	3	3	3	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	2								
Number of pressure reducing valves	4	4								
Number of water pump stations	2	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
Design capacity of reservoirs in gallons										
Reservoir No. 1 (1942), Capacity (gallons)										
	300,000	300,000	300,000	300,000	300,000	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	500,000	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	12.75	13.42	13.89	13.89	14.14	14	14	14	14	14
Number of service connections	508	540	630	631	635	635	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.

OPERATING INFORMATION

Last Ten Fiscal Years

	Fiscal Year Ended									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
City Employees by Activity (Full Time Equivalents):										
General Government	1.95	1.92	2.17	2.20	2.90	2.81	2.30	2.43	2.28	2.28
Public Safety ¹	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Parks	1.74	1.36	1.22	1.78	1.91	0.90	2.00	1.15	1.52	1.52
Public Works	0.84	0.83	0.79	1.38	1.25	2.49	2.50	2.68	2.39	2.39
Streets	1.40	1.38	1.40	1.47	1.57	1.80	1.50	1.59	1.61	1.61
Water	3.40	3.60	3.51	3.76	4.10	4.47	3.50	4.25	3.86	3.86
Sewer	3.40	3.60	3.51	3.76	4.10	4.47	3.50	4.25	3.86	3.86
Total City Employees	12.73	12.69	12.60	14.35	15.83	16.94	15.30	16.35	15.52	15.52
Operating Indicators and Capital Assets by Activity:										
General Government										
Number of registered voters (Each General Election) ²	1,446	N/A	1,237	1,053	1366	1266	N/A	1336	1425	1226
Number of votes cast	799	N/A	475	587	1053	809	N/A	1040	N/A	747
Voting percentage of registered	55.26%	N/A	38.40%	55.75%	77.09%	63.90%		77.84%		60.93%
Permits issued	232	672	819	227	208	156	210	204	179	162
Public Safety ¹										
Total Sheriff's Office calls in Wood Village	2,775	4,038	3,651	5,251	6604	10215	7697	4700	4667	5026
Total hours spent by Sheriff's Office in Wood Village	3,094	3,429	2,296	3,339	4263	6695	5101	2462	2447	2517
Total Fire Department Calls in Wood Village			256	253	274	422	423	462	390	421
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	3	4	3	3	3	3	3	3
Streets										
Miles of streets	3.88	6.70	4.24	4.24	4.24	4.24	4.24	4.24	4.24	4.24
Number of street lights	258	284	264	264	264	264	264	264	264	264
Water										

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



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December 9, 2014

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the City of Wood Village as of and for the year ended June 30, 2014, and have issued our report thereon dated December 9, 2014. 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 basic financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

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

OAR 162-10-0230 Internal Control

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

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


ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C.