

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**For Fiscal Year Ended
June 30, 2024**



CITY OF TUALATIN, OREGON



CITY OF TUALATIN, OREGON

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2024

Prepared by the City of Tualatin – Department of Finance

Don Hudson, Assistant City Manager/Finance Director

Matt Warner, Assistant Finance Director

CITY OF TUALATIN, OREGON
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INTRODUCTORY SECTION

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

City Council

Term Expires

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

Administrative

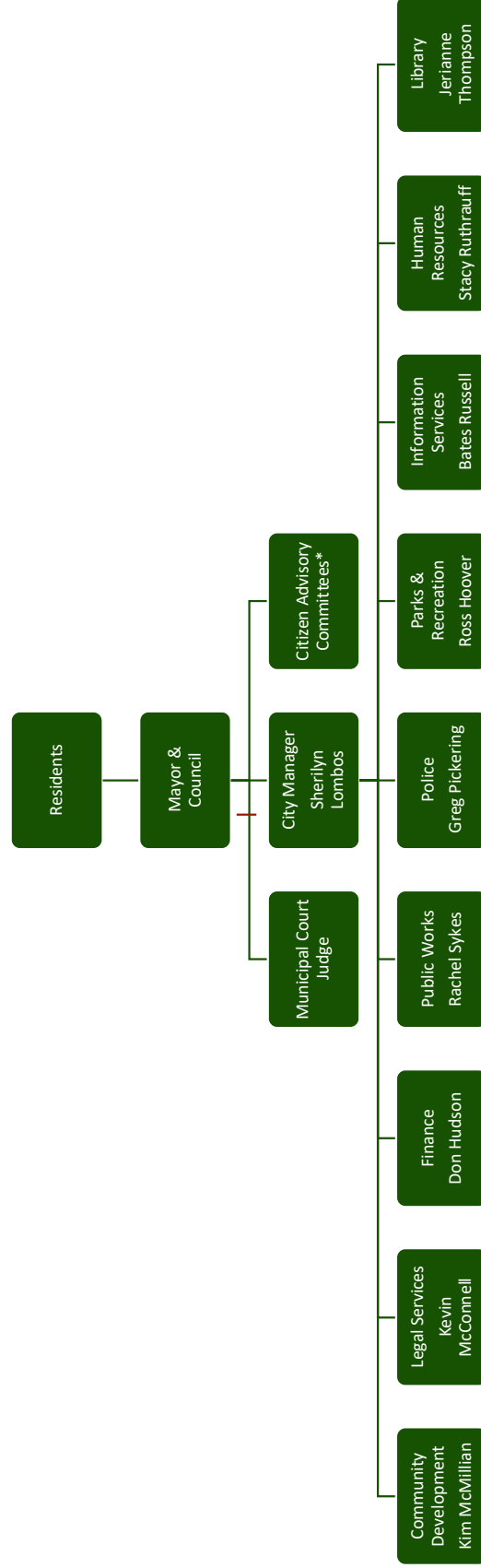
Sherilyn Lombos, City Manager
Kevin McConnell, City Attorney
Don Hudson, Assistant City Manager/Finance Director

City Offices
18880 SW Martinazzi Avenue
Tualatin, Oregon 97062

City Council members may be contacted at the above City Offices address.



City of Tualatin Organization



* The Citizen Advisory Committees include the Tualatin Library Advisory Committee, the Tualatin Park Advisory Committee, the Tualatin Arts Advisory Committee, the Tualatin Planning Commission, the Core Area Parking District Board, the Architectural Review Board, and the Budget Advisory Committee



City of Tualatin

www.tualatinoregon.gov

December 30, 2024

Honorable Mayor, Members of the Council, and Residents of the City of Tualatin:

State law requires that all general-purpose local governments publish a complete set of financial statements within six months of the close of each fiscal year. These statements are presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the City of Tualatin, Oregon for the fiscal year ended June 30, 2024.

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

SingerLewak, LLP, a firm of licensed certified public accountants, has audited the City of Tualatin's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Tualatin for the year ended June 30, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Tualatin's financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the City of Tualatin

The City of Tualatin is located in Northwestern Oregon in the Portland metropolitan area, in the counties of Washington and Clackamas, just twelve miles south of Portland's city center. The City of Tualatin, incorporated in 1913, currently occupies a land area of 7.9 square miles and serves a population of 27,753. The City of Tualatin is empowered to levy a property tax on both real and personal properties located within its boundaries.

The City operates under the council-manager form of government. Policy-making and legislative authority are vested in a City Council consisting of the mayor and six other members. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City's manager. The City's manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City and for appointing the heads of the various departments. The Council is elected on a non-partisan basis. Council members serve four-year staggered terms, with three Council members elected every two years. The Mayor is elected to serve a four-year term.

The City provides a full range of services including: police protection, community planning and building inspection, engineering and economic development, the construction and maintenance of highways, streets and other infrastructure, community library services, recreational activities and cultural events.

Tualatin Valley Fire and Rescue District provides fire and emergency services to the community. The City is also part of Metro, the tri-county urban services district based in Portland, Oregon.

The annual budget serves as the foundation for the City's financial planning and control. All department heads of the City are required to submit requests for appropriation to the City Manager (who acts as the City Budget Officer). After the Budget Officer prepares the proposed budget, notice of the first budget committee meeting is published. The budget committee (consisting of the City Council and an equal number of appointed citizen members) reviews and approves the budget after which notice of the public hearing for the City Council to adopt the budget is published. The budget must be adopted making appropriations for the ensuing fiscal year by June 30th of the previous year. Changes to the adopted budget are governed by Local Budget Law in state statute and require City Council approval.

For financial reporting purposes, this report includes all funds of the City that are subject to appropriation by the City Council. For financial planning and control, the City prepares and adopts an annual budget in accordance with Oregon Revised Statutes Chapters 294.305 through 294.565. Budget-to-actual comparisons are provided in the report for each individual fund for which an appropriated annual budget has been adopted. The comparisons are presented as required or other supplementary information as appropriate to demonstrate compliance with the adopted budget.

Local economy

Factors which may be important in affecting financial conditions in the future for the City include:

The City's economy is linked with that of the entire Portland Metropolitan area, but is more insulated from economic downturns because of the high education and skill level of its population. Median household incomes within the City of Tualatin are significantly higher than for the state as a whole. Based on the 2019-2023 American Community Survey 5-Year Estimates from the U.S. Census Bureau, the City's median household income was \$105,073, the county's was \$104,434, while the state's was \$80,426.

Given the State of Oregon's property tax limitations and the City's low permanent tax rate for operations, smart, balanced growth is important to the economic health of the community. Because of its location in the region, Tualatin continues to be an attractive location for development as new businesses continue to come to town, and a number of existing businesses have either begun, or are planning expansion of their existing locations. These developments have a positive effect on the community and help increase the assessed property values. Not only does this account for additional property tax revenue, but it also adds jobs to the community.

Development activity has continued within the City, including recently adopted urban renewal areas, contributing to stable growth in assessed value in fiscal year 2023-24 and into 2024-2025. It is anticipated that assessed value growth will be between 3% and 4% in the following year. Additionally, one of the city's largest employers is in the early stages of a significant expansion that will not only boost its operations but also increase the assessed value, resulting in additional property tax revenue for the City. This expansion is expected to provide the city with additional funds to support vital public services and infrastructure.

The City of Tualatin continues to be an active partner with numerous regional planning efforts that will have a future impact on Tualatin and our economic growth. While the potential costs and benefits of these plans are still unknown, future projects will be modeled for their financial impacts once the planning efforts near completion.

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

At the end of fiscal year 2022-2023, the City sold \$15 million in general obligation bonds under a \$25 million authorization approved by voters in November 2022. The proceeds are being used to finance capital costs related to trails, natural areas, sports fields, parks and river access within the City. It is anticipated that the remaining \$10 million under the voter approved authorization will be sold in 2026.

Another major regional planning effort is the Basalt Creek Concept Plan, adopted August 2018, which outlines a vision for future growth of 847 acres located in Washington County between the cities of Tualatin and Wilsonville. After years of planning (going back as far as 2004), the Basalt Creek Concept Plan was included in the Comprehensive Plan and a new Urban Planning Area Agreement was established between Tualatin and Washington County. Construction has now begun within the area on the development by Community Partners for Affordable Housing of a 116 unit multi-family development on a 4.66 acre site zoned High Density Residential. Additionally, construction has continued on a 62 acre site within the Basalt Creek Planning Area that is bringing 400 single family attached and detached homes into the City. Once completed, the Basalt Creek Planning Area is expected to accommodate about 1,200 new housing units and 2,300 new jobs (mostly industrial, with some service jobs and few retail jobs).

The City, along with local governments across the State, continues to pay higher costs for employee retirement costs of the State-run pension fund. The Public Employee Retirement System (PERS) sets the contribution rates biennially. Fiscal year 2023-24 was the first year of the current biennium rates. The rates for the current biennium are as follows: Tier I/II employee at 28.01%, Oregon Public Service Retirement Plan (OPSRP) general employees at 21.43% and OPSRP Police/Fire employees at 26.62%. PERS rates for the next biennium, beginning July 1, 2025, will increase to the following rates, respectively: 29.61%, 23.86%, and 29.13%. These increases have been factored into forecasts by the City. Additionally, the City funded a PERS Side Account for approximately \$1 million in 2019. To date, funding this side account has successfully reduced and is helping to stabilize the impact of future increases to the City's pension contribution rates.

Awards and Acknowledgements

Certificate of Achievement for Excellence in Financial Reporting Award. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its ACFR for the fiscal year ended June 30, 2023. This was the 33rd consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized ACFR, that satisfied both generally accepted accounting principles and applicable program requirements.

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

Popular Annual Financial Reporting Award. The City has published a Popular Annual Financial Report for the fiscal year ended June 30, 2023 and submitted it to the GFOA for consideration of its Award for Outstanding Achievement in Popular Annual Financial Reporting. At the time of publishing, the application for this award is pending review. If received, this will be the sixth year that the City published this report and achieved this prestigious award that recognizes conformance with the highest standards for preparation of state and local government popular reports. In order to receive this award, a government must publish a PAFR whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

Distinguished Budget Presentation Award. The GFOA presented a Distinguished Budget Presentation Award to the City for its annual budget for the year beginning July 1, 2024. This was the 12th consecutive year that the City has achieved this prestigious award. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device. This award is valid for a period of one year only. We will continue to submit future budgets to GFOA for the award.

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance Department. We would like to express our appreciation to members of other departments who assisted with contributions of information to be included in this report. Credit must also be given to the Mayor and the entire City Council for their unfailing support for maintaining the highest standards of professionalism in management of the City of Tualatin's and the Tualatin Development Commission's finances.

Respectfully submitted,

Don Hudson
Assistant City Manager/Finance Director



Matt Warner
Assistant Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Tualatin
Oregon**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tualatin, Oregon (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Tualatin, Oregon as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As of July 1, 2023, the City implemented the requirements of Governmental Accounting Standards Board Statement No. 100, *Accounting for Changes and Error Corrections*. As discussed in Note 11, the City reported the changes within the financial reporting entity. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 - 16 and the schedules for other postemployment benefits and net pension liabilities, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The schedules of revenues, expenditures and changes in fund balance – budget to actual, for the General, Transportation Development Tax and American Rescue Plan funds, as listed in the table of contents under required supplementary information, are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, such schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

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

Honorable Mayor and Members of City Council
City of Tualatin, Oregon
Independent Auditor's Report
December 30, 2024

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Oregon State Regulations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 30, 2024, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Singer Lewak LLP

December 30, 2024

By:



Brad Bingenheimer, Partner

CITY OF TUALATIN, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

As management of the City of Tualatin (the City), we offer readers of the City's Annual Comprehensive Financial Report this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2024. The analysis focuses on significant financial issues, major financial activities, and resulting changes in financial position, budget variances and specific issues related to funds and the economic factors affecting the City.

We request readers to consider this information with the letter of transmittal in the Introductory Section following the Table of Contents.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows of resources totaled approximately \$288.5 million at June 30, 2024, and consisted of approximately \$94.4 million in cash and investments, \$177.2 million in capital assets and approximately \$16.9 million in other assets and deferred outflows of resources. Total assets and deferred outflows of resources increased by \$16.3 million from the previous fiscal year.
- The City's liabilities and deferred inflows of resources totaled \$80.5 million at June 30, 2024, consisting of approximately \$61.9 million in long-term obligations, \$15.0 million in accounts payable and other liabilities, and \$3.6 million in deferred inflows related to pensions and other post-employment benefit obligations.
- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$208.0 million at the close of fiscal year 2024. Unrestricted net position totaled \$24.3 million, with the remainder of the City's net position reported as net investment in capital assets (\$150.0 million) and restricted (\$33.7 million).
- For its governmental activities, the City generated \$10.5 million in charges for services and received \$4.0 million in operating and capital grants and contributions. Direct expenses, including interest on long-term debt for governmental activities were \$41.8 million for the year, resulting in a net expense of \$27.3 million. \$31.1 million of general revenues received and \$2.9 million of transfers in resulted in an increase in net position of \$6.7 million.
- For its business-type activities, the City generated \$20.9 million in charges for services and capital grants and contributions to fund direct expenses of \$10.9 million.

OVERVIEW OF FINANCIAL STATEMENTS

In addition to this discussion and analysis, the financial section of this annual report includes the *basic financial statements*, *required supplementary information*, and *other supplementary information*, including the *combining statements and schedules* of the nonmajor funds.

The basic financial statements also include *notes* that explain the information in the financial statements and provide additional details.

Each of these components serves an important purpose in providing information about the financial position and financial activities of the City of Tualatin.

CITY OF TUALATIN, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

Government-wide Financial Statements

The *government-wide financial statements* provide a broad overview of the City's finances, operations and general health as a whole. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these government-wide statements is the Statement of Net Position. This statement presents information on all of the City of Tualatin's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as *net position*. In other words, this statement compares what the government *owns* to what it *owes* and, although there are differences and qualifiers, it is a loose parallel to what average citizens understand as "owner's equity" or "net worth".

Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other factors being equal, the extent by which assets exceed liabilities is a cushion to be called upon during stressful economic times.

Net position is comparable to owner's equity in for-profit businesses and this measure was developed to fill the void which existed before new accounting standards to measure the long-term viability of governmental units. Evaluation of the overall health of the City would extend to other non-financial factors such as the conditions of City infrastructure, in addition to the other financial information provided in this report.

The second government-wide statement is the Statement of Activities, which presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the changes occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The obvious advantage to such an approach is to nurture a long-term perspective by emphasizing the effects of yearly budget decisions on long-term goals. Such a perspective enforces the need to use sound financial policies such as maintaining adequate reserves and paying current costs from current revenues.

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

Governmental activities at the City include general government, public safety, highways and streets, and culture and recreation.

The business-type activities include maintenance of water, sewer and stormwater systems including pipes and lift stations. Water is purchased from the City of Portland. Clean Water Services and the City of Lake Oswego provide sewer treatment services; therefore, the City does not maintain treatment plants.

The government-wide financial statements include not only the City of Tualatin itself (*the primary government*), but also the Urban Renewal Agency of the City, the Tualatin Development Commission (the Commission). The Commission is a blended component unit and, in substance is part of the City's operations, although it is a legally separate entity. Separate financial statements of the Commission can be obtained from the City of Tualatin Finance Department at 18880 S.W. Martinazzi Avenue, Tualatin, Oregon, 97062-7092.

CITY OF TUALATIN, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated from specific activities or objectives. Fund financial statements focus on the most significant funds rather than the City as a whole. The use of fund financial statements is directly related to the budgeting process because some revenues are legally earmarked for certain kinds of expenditures. Fund financial statements ensure and demonstrate compliance with governmental finance-related laws and regulations.

In addition, the total amount of the budgeted appropriations for expenditures is considered in terms of the revenue available to fund the expenditures and the type of expenditures competing for the same dollars. The City of Tualatin's funds can be divided into two primary categories: governmental funds and proprietary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term *inflows* and *outflows*. Such information may be useful in evaluating a government's near-term financial requirements (current liabilities).

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

The City maintains seventeen individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for those considered to be major funds. Data from the remaining governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in the report.

Proprietary funds are used to account for activities where the emphasis is placed on net position determination. The City maintains two different types of proprietary funds - enterprise funds and internal service funds. Enterprise funds report the same functions presented as business-type activities in the government-wide financial statements.

Enterprise funds account for the City's water utility, sewer utility and stormwater utility. All of the City's enterprise funds are major funds of the City, and they are reported separately in the proprietary fund financial statements in the basic financial statements.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for the costs of replacement of the City's vehicles.

Notes to the Financial Statements

The Notes to the Financial Statements are an integral part of the financial statements. These notes not only provide additional detail, but also are required to fully understand the financial data as presented, as well as the financial condition of the City as a whole. The notes offer information not only to lay readers and citizens, but also those interested in a detailed study of the City's financial operations.

CITY OF TUALATIN, OREGON
MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

The following is a comparison between the June 30, 2024 and 2023 Statements of Net Position:

Table 1 - Net Position as of June 30th

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 67,130,091	\$ 73,933,667	\$ 34,591,757	\$ 30,244,606	\$ 101,721,848	\$ 104,178,273
Capital assets	124,291,780	112,071,053	52,861,436	47,344,950	177,153,216	159,416,003
Total assets	191,421,871	186,004,720	87,453,193	77,589,556	278,875,064	263,594,276
Deferred outflows of resources	9,058,638	8,038,560	548,452	572,399	9,607,090	8,610,959
Long-term liabilities	59,350,937	57,056,836	2,520,072	2,830,359	61,871,009	59,887,195
Other liabilities	12,629,465	11,127,688	2,311,320	1,684,141	14,940,785	12,811,829
Total liabilities	71,980,402	68,184,524	4,831,392	4,514,500	76,811,794	72,699,024
Deferred inflows of resources	3,493,155	7,550,975	147,161	427,349	3,640,316	7,978,324
Net Position:						
Net investment in capital assets	98,289,105	91,228,899	51,757,793	45,853,126	150,046,898	137,082,025
Restricted	27,290,368	31,549,668	6,442,274	5,731,496	33,732,642	37,281,164
Unrestricted	(572,521)	(4,470,786)	24,823,025	21,635,484	24,250,504	17,164,698
Total net position	\$ 125,006,952	\$ 118,307,781	\$ 83,023,092	\$ 73,220,106	\$ 208,030,044	\$ 191,527,887

The City of Tualatin’s assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$208.0 million as of June 30, 2024. Of this amount, \$150.0 million, (72.1%) is the City’s net investment in capital assets. These assets are not a source for repaying liabilities now, or in the future, since such assets represent the “business of the City”. Other resources must be used to pay for outstanding liabilities, some of which are restricted to only certain uses. This requires the City to not only acquire those capital assets necessary to provide for City services, but to retain the ability to finance these acquisitions and provide maintenance for these assets.

The \$2.5 million decrease in current and other assets is primarily a result of the investment in capital assets related to transportation and parks improvement projects funded by general obligation bonds. This is further supported by the increase in capital assets of \$17.7 million.

An additional portion of net position (\$33.7 million) is restricted as to how it may be used by budgetary, legal and external factors. The unrestricted amount of \$24.3 million (11.7% of net position) can be used to meet on-going obligations. Of the \$80.5 million of liabilities and deferred inflows of resources at year-end for governmental and business-type activities, \$56.2 million are due in more than one year.

Total net position increased by \$16.5 million during the fiscal year, primarily attributable to additions of capital assets of \$25.3 million, offset by depreciation and amortization of \$7.7 million.

CITY OF TUALATIN, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

Statement of Activities

The following is a comparison between the June 30, 2024 and 2023 Statement of Activities:

Table 2 - Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 10,535,537	\$ 9,243,680	\$ 16,274,947	\$ 23,840,356	\$ 26,810,484	\$ 33,084,036
Operating grants and contributions	684,806	771,076	-	-	684,806	771,076
Capital grants and contributions	3,321,115	2,614,776	4,652,593	533,906	7,973,708	3,148,682
General revenues:						
Property taxes	18,186,954	15,180,240	-	-	18,186,954	15,180,240
Franchise fees	3,030,364	2,913,434	-	-	3,030,364	2,913,434
Public service taxes and revenue sharing	6,626,862	6,898,808	-	-	6,626,862	6,898,808
Interest and miscellaneous	3,213,529	1,606,998	2,663,342	817,832	5,876,871	2,424,830
Total revenues	45,599,167	39,229,012	23,590,882	25,192,094	69,190,049	64,421,106
Expenses:						
General government	14,088,686	11,157,189	-	-	14,088,686	11,157,189
Public safety	11,989,481	10,452,673	-	-	11,989,481	10,452,673
Highways and streets	7,746,853	8,135,001	-	-	7,746,853	8,135,001
Culture and recreation	6,902,619	6,238,210	-	-	6,902,619	6,238,210
Interest on long-term debt	1,094,065	501,784	-	-	1,094,065	501,784
Water Operations	-	-	6,794,294	6,305,942	6,794,294	6,305,942
Sewer Operations	-	-	2,937,469	10,080,898	2,937,469	10,080,898
Stormwater Operations	-	-	1,134,425	1,843,112	1,134,425	1,843,112
Total expenses	41,821,704	36,484,857	10,866,188	18,229,952	52,687,892	54,714,809
Change in net assets before transfers	3,777,463	2,744,155	12,724,694	6,962,142	16,502,157	9,706,297
Transfers	2,921,708	3,625,933	(2,921,708)	(3,625,933)	-	-
Change in net position	6,699,171	6,370,088	9,802,986	3,336,209	16,502,157	9,706,297
Net position - beginning	118,307,781	115,029,200	73,220,106	69,883,897	191,527,887	184,913,097
Restatement	-	(3,091,507)	-	-	-	-
Net position - beginning (restated)	118,307,781	111,937,693	73,220,106	69,883,897	191,527,887	184,913,097
Net position - ending	\$ 125,006,952	\$ 118,307,781	\$ 83,023,092	\$ 73,220,106	\$ 208,030,044	\$ 194,619,394

Governmental activities increased the City's net position by \$6.7 million in fiscal year 2024, as compared to an \$6.4 million increase in the prior fiscal year. Revenue, excluding transfers, increased by \$6.4 million and expenses, excluding transfers, increased by \$5.3 million. Key elements of this change, as illustrated in Table 2 above, is primarily the result of increased interest and miscellaneous revenue, primarily investment earnings, which increased approximately \$1.6 million over the prior year. Another significant increase in the current year was an increase in property tax revenue received of \$3.0 million. This increase was the result of an increase in the bond levy amount to cover the debt service requirements of the 2023 Parks & Trail improvement bonds.

CITY OF TUALATIN, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

Business-Type activities net position increased by \$9.8 million in the current year, supported by increases in interest earnings and miscellaneous revenue of \$1.8 million. This is the result of maintaining larger cash balances and experiencing improved investment returns. Additionally, capital contributions increased by \$4.1 million in fiscal year 2023-24, further adding to the change in net position.

The government-wide financial statements highlight some of the most important factors about the governmental funds, particularly the General Fund. The primary revenues for governmental funds are taxes, fees and licenses, and intergovernmental revenues. The two largest sources of revenues for the City of Tualatin's General Fund are property taxes and franchise fees.

The State of Oregon does not have a sales tax and there has been a long history of its citizens opposing one. This puts great stress on property taxes, franchise fees, and other revenue in the governmental sector. Property taxes are limited several ways by State law.

- Local governments' total share of property taxes cannot exceed \$10 per thousand of taxable assessed value; for school districts, the limit is \$5 per thousand.
- In 1998, taxpayers voted for a measure which limited assessed value increases from one year to the next to the lower of a 3% increase or the market value unless additional improvements or modifications have been made to a property.
- As a result of the same property tax reform measure, each local government was assigned a permanent tax rate. The City's rate is \$2.2665 per \$1,000 assessed value.

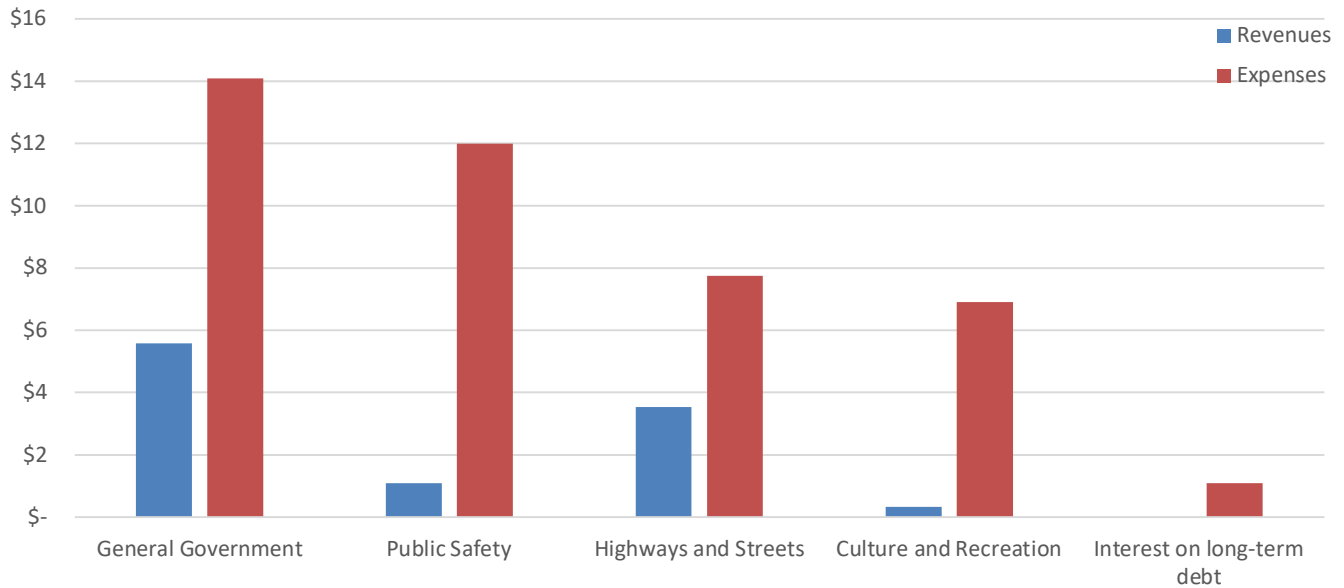
The City's permanent tax rate is relatively low in contrast to comparable cities in the State. The City has been able to maintain services by budgeting conservatively and providing quality services with lean budgets. The charts showing governmental expenses versus governmental activities demonstrate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

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

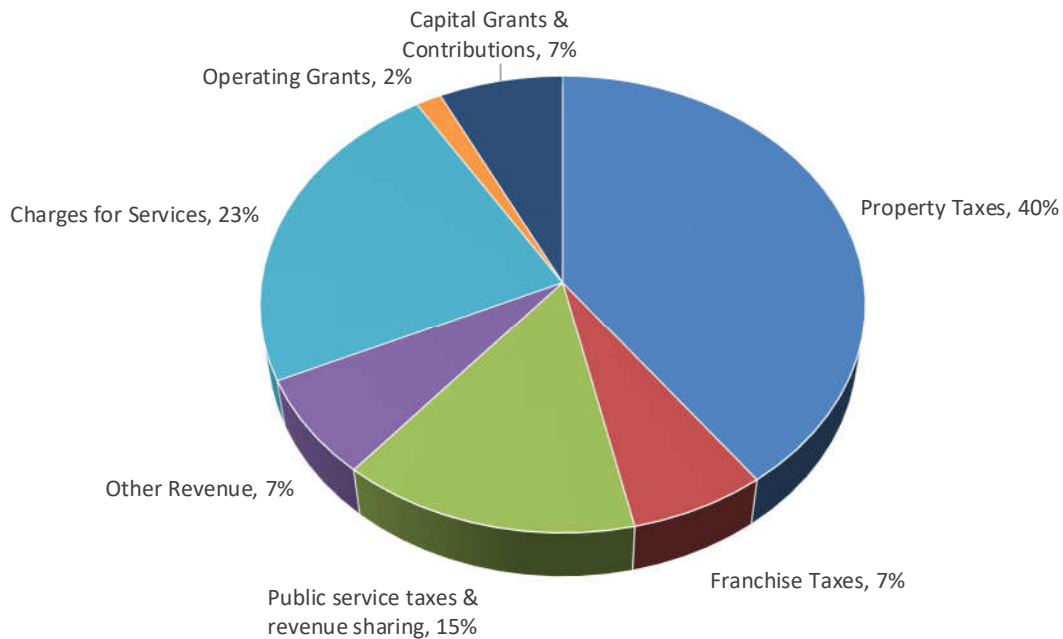
- Governmental resources are restricted in many ways: budgeting, legal and by public opinion.
- Programs funded by general resources typically result in hard choices, such as more police or a better library. Those services which are seen as most important and necessary are almost always least able or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

As build-out of the City occurs, it is likely to become more difficult to handle the inevitable rise in the cost of services. Regional transportation issues and the high development in the southwestern part of Washington County will continue to present challenges to the high quality of life that the citizens of Tualatin have experienced in the past. Concept plans that the City is currently working on for the area between the Cities of Tualatin and Wilsonville will be vital to the City's long-term fiscal health.

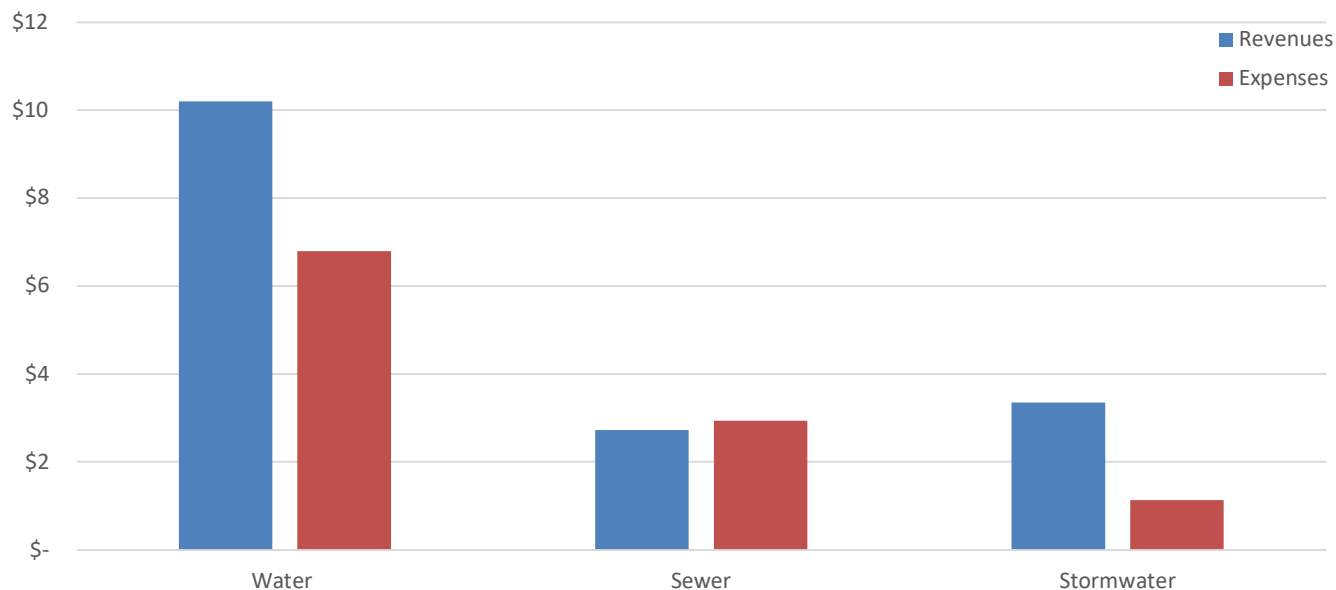
Expenses and Program Revenues - Governmental Activities
(in millions)



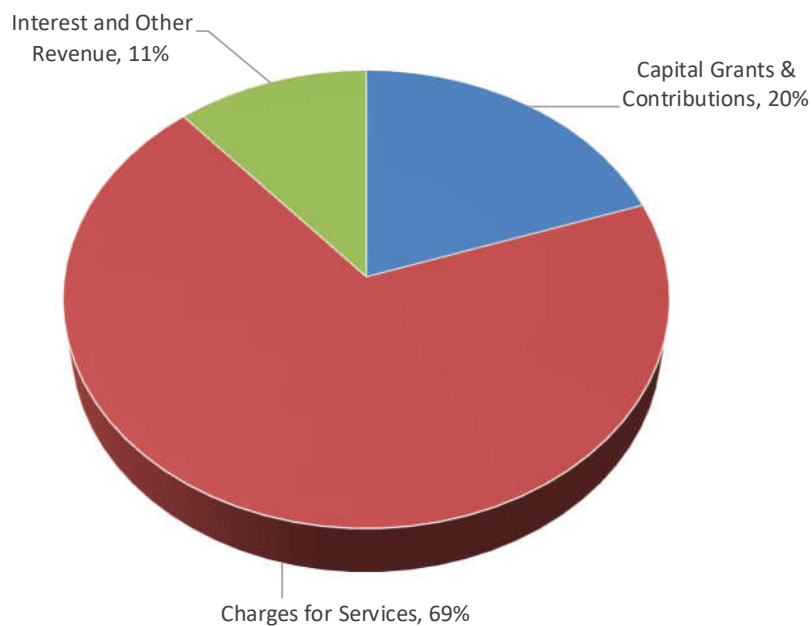
Revenues by Source - Governmental Activities



Expenses and Program Revenues - Business-type Activities
(in millions)



Revenues by Source - Business-type Activities



CITY OF TUALATIN, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

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

As of June 30, 2024, the City's governmental funds reported a combined ending fund balance of \$51.0 million, a decrease of \$8.6 million when compared to the prior year. Unassigned fund balance combined with committed fund balance as of June 30, 2024, was \$18.5 million and is available for spending at the City's discretion.

General Fund

The general fund is the chief operating fund of the City. At June 30, 2024, the total fund balance was \$16.1 million, of which \$16.0 million is considered unassigned, reflecting an increase of \$0.6 million from the prior year. As a matter of course, the City strives to have enough reserves at the end of the fiscal year to provide cash for the first five months of operations, at which time the first installment of property taxes are received. The fund balance remained relatively unchanged during the year, reflecting a balanced budget with revenues closely matching expenditures. Minor increases in specific revenue categories were offset by corresponding increases in necessary expenditures, resulting in no significant change in fund balance.

Transportation Development Tax Fund

This special revenue fund accounts for the collection and use of the Transportation Development Tax (TDT). At June 30, 2024, total fund balance was approximately \$10.6 million, reflecting a decrease of approximately \$3.2 million from the prior year. The decrease is attributable to capital outlay expenditures in the current year related to several capital improvement projects entering the construction phase and funded by the TDT.

American Rescue Plan Fund

This special revenue fund accounts for the collection and use of the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF), a grant program established by the American Rescue Plan Act of 2021 (ARPA). This grant is a fixed-amount grant and the city recorded the amount received as unearned revenue. As qualifying expenditures are incurred, revenue is recognized in an amount equal to the expenditures, resulting in no change in fund balance. At June 30, 2024, total fund balance remained unchanged from the prior year at \$22.8 thousand, with expenditures and offsetting revenue incurred in the amount of \$433,795.

General Obligation Bond Fund

The fund balance of the General Obligation Bond Fund decreased by approximately \$20 thousand from the prior year. The purpose of the fund is to accumulate enough resources during the year to cover the yearly scheduled principal and interest payments. The minimal decrease in the fund balance reflects the revenue was appropriately budgeted to maintain a stable fund balance.

Parks Project Fund

This capital project fund accounts for expenditures of bond proceeds on parks improvement projects. This was a new fund in FY23. The ending fund balance at June 30, 2024 is \$11.5 million, a decrease of \$3.2 million. The decrease reflects the nature of the fund as bond funded projects progress and incur expenditures in excess of the yearly interest revenue received.

CITY OF TUALATIN, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

General Fund Budgetary Highlights

The original appropriated budget for the general fund for fiscal year 2024 amounted to \$33.8 million, including \$4.3 million for contingencies. There were amendments to the adopted budget during the year to appropriate grant funds awarded during the year including funding for the purchase of a mobile response trailer, equipment and supplies. Additionally, personal services amendments were made for organizational changes of department staff between the Finance and Administration divisions. An increase in the personal services budget in the Engineering division was also necessary for an engineering position that was initially budgeted in the Road Operating Fund. Lastly, increases to the Information Services budget as a result of unforeseen overages related to laptop replacements for the Police Department and the badge access system.

The General Fund resources exceeded the original budgeted levels by approximately \$0.5 million due to additional interest revenue received in excess of the budgeted amount because of greater investment returns, as well as increases in franchise fees. This favorable variance in revenue, in conjunction with total expenditures (less contingency) coming in less than budget by approximately \$1.2 million resulted in a fund balance increase of \$0.4 million. Approximately \$0.7 million in budgeted personnel services went unspent due to vacancies and under filled positions.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2024, the City had invested \$177.2 million in capital assets, net of depreciation, in a range of asset types, including land, buildings, improvements and infrastructure, machinery and equipment, and the right to use leased equipment.

The following is a comparison of capital assets as of June 30, 2024 and 2023:

CITY OF TUALATIN'S NET CAPITAL ASSETS

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 17,749,924	\$ 17,715,671	\$ 938,443	\$ 938,443	\$ 18,688,367	\$ 18,654,114
Construction in progress	21,091,150	11,943,258	2,764,862	2,035,550	23,856,012	13,978,808
Buildings	29,146,862	29,051,360	367,755	367,755	29,514,617	29,419,115
Machinery & equipment	8,226,411	7,689,432	834,262	834,262	9,060,673	8,523,694
Right-to-use Leased equipment	134,051	116,692	-	-	134,051	116,692
Utility system	-	-	93,315,731	86,607,771	93,315,731	86,607,771
Improvement & infrastructure	167,711,603	159,643,594	-	-	167,711,603	159,643,594
Accumulated depreciation	(119,768,221)	(114,088,954)	(45,359,618)	(43,438,831)	(165,127,839)	(157,527,785)
Total net assets	<u>\$ 124,291,780</u>	<u>\$ 112,071,053</u>	<u>\$ 52,861,435</u>	<u>\$ 47,344,950</u>	<u>\$ 177,153,215</u>	<u>\$ 159,416,003</u>

Net capital assets increased by \$17.7 million due primarily to the continued and completed work on several capital projects funded by the Transportation Bond Program, as well as the 2023 Parks and Trail Bond Program. This investment in capital assets includes land, construction in progress, improvements, machinery and equipment and infrastructure. The governmental infrastructure category consists primarily of roads, signals and lighting. Capital assets in the business-type activities include water and sewer lines, lift stations and other portions of utility systems.

Additional information about the City's capital assets is presented in Note 5 of the Notes to the Financial Statements.

CITY OF TUALATIN, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

Debt Outstanding

As of the end of the fiscal year, the City had total bonded debt outstanding of \$27,330,000, which is backed by the full faith and credit of the City. The remainder of the City's long-term obligations is comprised of \$3,484,531 in notes from direct borrowings, also backed by the City's full faith and credit, and leases payable.

**Outstanding Debt at Year-End
June 30**

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 26,335,000	\$ 29,485,000	\$ -	\$ -	\$ 26,335,000	\$ 29,485,000
Full faith & credit refunding bonds	-	-	995,000	1,460,000	995,000	1,460,000
Loans, leases, other debts	3,545,244	3,965,199	-	-	3,545,244	3,965,199
Total Long Term Debt	\$ 29,880,244	\$ 33,450,199	\$ 995,000	\$ 1,460,000	\$ 30,875,244	\$ 34,910,199

The City's total debt decreased by \$4.03 million (11.6%) during the current fiscal year. There was no additional debt added, other than leases during the year. The primary change in the debt outstanding at year end was the result of principal payment made during the year.

The State of Oregon mandates a general obligation debt limit of 3 percent of true market value of taxable property within City boundaries. The current debt limitation for the City is \$140,088,829, which is significantly in excess of the City's outstanding general obligation debt.

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

Economic Factors and Next Year's Budget

Factors affecting financial conditions in the future include:

The governmental funds' largest revenue sources are property taxes, franchise fees, fees for charges and services, and state shared revenues. The State does not have a sales tax, resulting in local government's heavy reliance on property taxes and other self-generated revenues including franchise fees, business license, etc. The State Constitution limits the annual growth of maximum assessed value to 3%, other than new development, and caps maximum property tax rates. In 2024, the City's assessed value increased by 4.0%, supported by continued development within the City. For the 2024-25 budget year, the City estimated a conservative AV growth of 3.00%.

The City continues to experience strong development activity, which will help drive increases in assessed value and property tax revenue in future years. With the City's low permanent tax rate of \$2.2665 per thousand of assessed value, though, future adjustments to maintain service levels of city services to our residents may be necessary.

The City, along with local governments across the State, continues to pay larger sums of employee retirement costs of the State-run pension fund. The Public Employee Retirement System (PERS) sets the contribution rates biannually. Fiscal year 2023-24 was the first year of the current biennium rates. The rates for the current biennium are as follows: TierI/II employee at 28.01%, Oregon Public Service Retirement Plan (OPSRP) general employees at 21.43% and OPSRP Police/Fire employees at 26.22%. PERS rates for the next biennium, beginning July 1, 2025, will increase to the following rates, respectively: 29.61%, 23.86%, and 29.13%. These increases have been factored into forecasts by

CITY OF TUALATIN, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024

the City. Additionally, the City funded a PERS Side Account for \$1.01 million in 2019, which is helping to reduce and stabilize the impact of future increases to the City's pension contribution rates.

Business-Type Activities are funded through water, sewer, and stormwater rates and system development charges. The City has the ability to increase rates to keep pace with growing costs as well as increasing demands on the systems. The City generally increases water rates annually. Sewer and surface water management rates are set by Clean Water Services and are generally increased annually in July. The City also collects a local service fee for sewer and surface water management.

Interest rates on investments were budgeted conservatively at 4.00%.

Uncertainties about future economic changes and financial impacts are common in all cities. To deal with the swings in the economy and to plan for future capital expansion, the City routinely sets aside portions of its fund balances for contingencies and emergency situations.

Requests for Information

The City's financial statements are designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability of the resources it receives and expends. If you have questions about this report, or need additional information, contact the Finance Department at City of Tualatin, 18880 SW Martinazzi Avenue, Tualatin, OR 97062-7092.

BASIC FINANCIAL STATEMENTS

CITY OF TUALATIN, OREGON
STATEMENT OF NET POSITION
June 30, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 58,237,523	\$ 30,685,919	\$ 88,923,442
Restricted cash and cash equivalents	5,461,217	-	5,461,217
Due from other governments	1,178,145	1,263,958	2,442,103
Accounts receivable	300,623	2,250,820	2,551,443
Property taxes receivable	304,145	-	304,145
Accrued interest receivable	340,546	205,435	545,981
Lease Receivable	948,454	-	948,454
Inventories	158,799	174,022	332,821
OPEB asset	200,639	11,603	212,242
Capital assets not being depreciated:	38,841,074	3,703,306	42,544,380
Capital assets, net of accumulated depreciation:	85,450,706	49,158,130	134,608,836
TOTAL ASSETS	191,421,871	87,453,193	278,875,064
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	24,588	24,588
OPEB related	172,903	9,999	182,902
Pension related	8,885,735	513,865	9,399,600
TOTAL DEFERRED OUTFLOWS OF RESOURCES	9,058,638	548,452	9,607,090
LIABILITIES			
Accounts payable and other current liabilities	5,217,178	2,271,986	7,489,164
Deposits	1,776,957	27,166	1,804,123
Retainage payable	277,343	9,272	286,615
Unearned revenue	5,300,538	-	5,300,538
Interest Payable	57,449	2,896	60,345
Noncurrent liabilities:			
Due within one year	5,065,679	562,446	5,628,125
Due in more than one year	54,285,258	1,957,626	56,242,884
TOTAL LIABILITIES	71,980,402	4,831,392	76,811,794
DEFERRED INFLOWS OF RESOURCES			
Pension related	2,364,316	136,730	2,501,046
OPEB related	180,385	10,431	190,816
Leases related	948,454	-	948,454
TOTAL DEFERRED INFLOWS OF RESOURCES	3,493,155	147,161	3,640,316
NET POSITION			
Net investment in capital assets	98,289,105	51,757,793	150,046,898
Restricted for:			
Building and engineering	709,446	-	709,446
Street and roadside maintenance	3,756,769	-	3,756,769
Debt service payments	192,256	-	192,256
Capital projects	15,343,103	6,430,671	21,773,774
Urban renewal projects	1,596,938	-	1,596,938
Community education	30,000	-	30,000
OPEB	200,639	11,603	212,242
Other purposes	5,461,217	-	5,461,217
Unrestricted	(572,521)	24,823,025	24,250,504
TOTAL NET POSITION	\$ 125,006,952	\$ 83,023,092	\$ 208,030,044

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

CITY OF TUALATIN, OREGON
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net Expense Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
GOVERNMENTAL ACTIVITIES							
General government	\$ 14,088,686	\$ 5,583,433	\$ 509,949	\$ 2,196,157	\$ (5,799,147)	\$ -	\$ (5,799,147)
Public safety	11,989,481	1,091,019	86,725	-	(10,811,737)	-	(10,811,737)
Highways and streets	7,746,853	3,536,308	-	-	(4,210,545)	-	(4,210,545)
Culture and recreation	6,902,619	324,777	88,132	1,124,958	(5,364,752)	-	(5,364,752)
Interest on long-term debt	1,094,065	-	-	-	(1,094,065)	-	(1,094,065)
 TOTAL GOVERNMENTAL ACTIVITIES	 41,821,704	 10,535,537	 684,806	 3,321,115	 (27,280,246)	 -	 (27,280,246)
BUSINESS-TYPE ACTIVITIES							
Water Operations	6,794,294	10,195,377	-	1,297,571	-	4,698,654	4,698,654
Sewer Operations	2,937,469	2,725,591	-	1,292,433	-	1,080,555	1,080,555
Stormwater Operations	1,134,425	3,353,979	-	2,062,589	-	4,282,143	4,282,143
 TOTAL BUSINESS-TYPE ACTIVITIES	 10,866,188	 16,274,947	 -	 4,652,593	 -	 10,061,352	 10,061,352
 TOTAL GOVERNMENT	 \$ 52,687,892	 \$ 26,810,484	 \$ 684,806	 \$ 7,973,708	 (27,280,246)	 10,061,352	 (17,218,894)
GENERAL REVENUES:							
Property taxes					18,186,954	-	18,186,954
Franchise taxes					3,030,364	-	3,030,364
Public service taxes and revenue sharing					6,626,862	-	6,626,862
Interest and investment earnings					2,959,543	1,372,115	4,331,658
Miscellaneous revenues					253,986	1,291,227	1,545,213
TRANSFERS					2,921,708	(2,921,708)	-
 TOTAL GENERAL REVENUES AND TRANSFERS					 33,979,417	 (258,366)	 33,721,051
 CHANGE IN NET POSITION					 6,699,171	 9,802,986	 16,502,157
 NET POSITION - beginning					 118,307,781	 73,220,106	 191,527,887
 NET POSITION - ending					 \$ 125,006,952	 \$ 83,023,092	 \$ 208,030,044

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

CITY OF TUALATIN, OREGON
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2024

	General Fund	Transportation Development Tax Fund	American Rescue Plan Fund	General Obligation Bond Fund	Parks Project Fund	Other Governmental	Total Governmental
ASSETS							
Cash and investments	\$ 18,248,858	\$ 11,294,060	\$ -	\$ 166,508	\$ 12,785,411	\$ 13,496,866	\$ 55,991,703
Due from other governments	922,104	-	-	11,000	-	227,339	1,160,443
Accounts receivable	54,351	-	-	-	-	246,272	300,623
Property taxes receivable	218,061	-	-	71,861	-	14,223	304,145
Accrued interest receivable	161,357	77,270	-	1,130	-	85,549	325,306
Lease Receivable	948,454	-	-	-	-	-	948,454
Due from other funds	-	-	-	-	-	82,535	82,535
Inventories	103,262	-	-	-	-	55,537	158,799
Restricted cash and cash equivalents	30,000	-	5,431,217	-	-	-	5,461,217
TOTAL ASSETS	\$ 20,686,447	\$ 11,371,330	\$ 5,431,217	\$ 250,499	\$ 12,785,411	\$ 14,208,321	\$ 64,733,225
LIABILITIES							
Accounts payable and other current liabilities	\$ 1,649,810	\$ 768,414	\$ 109,727	\$ -	\$ 1,189,796	\$ 1,412,602	\$ 5,130,349
Deposits	1,722,778	-	-	-	-	54,179	1,776,957
Due to other funds	-	-	-	-	-	82,535	82,535
Retainage payable	47,903	848	-	-	92,898	135,694	277,343
Unearned revenue	1,887	-	5,298,651	-	-	-	5,300,538
TOTAL LIABILITIES	3,422,378	769,262	5,408,378	-	1,282,694	1,685,010	12,567,722
DEFERRED INFLOWS OF RESOURCES:							
Unavailable revenue - property tax revenue	182,105	-	-	58,243	-	11,008	251,356
Unavailable revenue - leases	948,454	-	-	-	-	-	948,454
TOTAL DEFERRED INFLOWS OF RESOURCE	1,130,559	-	-	58,243	-	11,008	1,199,810
FUND BALANCES							
Nonspendable:							
Inventory	103,262	-	-	-	-	55,537	158,799
Restricted for:							
Building and engineering	-	-	-	-	-	709,446	709,446
Street and roadside maintenance	-	-	-	-	-	3,756,769	3,756,769
Debt service payments	-	-	-	192,256	-	-	192,256
Capital projects	-	10,602,068	-	-	11,502,717	3,884,525	25,989,310
Urban renewal projects	-	-	-	-	-	1,596,938	1,596,938
Community education	30,000	-	-	-	-	-	30,000
Committed to:							
ARPA	-	-	22,839	-	-	-	22,839
Pavement maintenance and street lighting	-	-	-	-	-	1,192,021	1,192,021
Parking maintenance	-	-	-	-	-	294,661	294,661
Parks capital and maintenance	-	-	-	-	-	970,923	970,923
Assigned to:							
Scholarships	-	-	-	-	-	51,483	51,483
Unassigned:	16,000,248	-	-	-	-	-	16,000,248
TOTAL FUND BALANCES	16,133,510	10,602,068	22,839	192,256	11,502,717	12,512,303	50,965,693
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 20,686,447	\$ 11,371,330	\$ 5,431,217	\$ 250,499	\$ 12,785,411	\$ 14,208,321	

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

The cost of capital assets (land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress) is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the City as a whole. Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Deferred outflows of resources - pension	\$ 8,885,735	
Deferred outflows of resources - other postemployment benefit obligations	172,903	9,058,638

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

Liabilities and deferred inflows of resources, including accrued liabilities and bonds payable are not due and payable in the current period and, therefore, are not reported in the funds:		
Unavailable revenue - property taxes	251,356	
Accrued compensated absences	(1,196,415)	
Accrued interest	(57,449)	
Net pension liability	(23,475,291)	
Leases Payable	(60,713)	
Net other postemployment obligation	(742,506)	
Arbitrage rebate liability	(332,011)	
Long-term bonded debt obligations	(29,819,531)	
Bond premium	(3,523,831)	
Deferred inflows of resources - pension	(2,364,316)	
Deferred inflows of resources - other post employment obligation	(180,385)	(61,501,092)

Net position of governmental activities	\$ 125,006,952
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The accompanying notes are an integral part of the basic financial statements

CITY OF TUALATIN, OREGON
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2024

						Formerly Major Fund		
	General Fund	Transportation Development Tax Fund	American Rescue Plan Fund	General Obligation Bond Fund	Parks Project Fund	Transportation Project Fund	Other Governmental	Total Governmental
REVENUES								
Property taxes	\$ 12,228,461	\$ -	\$ -	\$ 4,614,304	\$ -		\$ 1,299,932	\$ 18,142,697
Franchise fees	3,030,364	-	-	-	-		-	3,030,364
Charges for service	272,490	-	-	-	-		615,189	887,679
Licenses and permits	416,312	-	-	-	-		799,846	1,216,158
Intergovernmental	5,324,473	-	433,795	643	-		2,760,616	8,519,527
Fines and forfeitures	681,139	-	-	-	-		-	681,139
Fees and charges	106,001	1,617,871	-	-	-		5,047,934	6,771,806
Interest	1,121,553	613,016	-	88,758	726,331		617,110	3,166,768
Miscellaneous	322,887	-	-	-	-		11,607	334,494
TOTAL REVENUES	23,503,680	2,230,887	433,795	4,703,705	726,331		11,152,234	42,750,632
EXPENDITURES								
Current:								
General government	10,049,384	-	-	-	-		49,614	10,098,998
Public safety	9,875,587	-	-	-	-		1,416,738	11,292,325
Highways and streets	1,008,056	-	-	-	-		3,468,573	4,476,629
Culture and recreation	5,602,359	-	-	-	87,855		1,300	5,691,514
Capital outlay	1,774,314	5,093,933	363,465	-	3,710,861		7,077,119	18,019,692
Debt service:								
Principal	-	-	-	3,150,000	-		-	3,150,000
Interest	-	-	-	1,573,249	-		-	1,573,249
TOTAL EXPENDITURES	28,309,700	5,093,933	363,465	4,723,249	3,798,716		12,013,344	54,302,407
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,806,020)	(2,863,046)	70,330	(19,544)	(3,072,385)		(861,110)	(11,551,775)
OTHER FINANCING SOURCES (USES)								
Transfers in	5,480,690	-	-	-	-		1,065,216	6,545,906
Transfers out	(59,949)	(299,075)	(70,330)	-	(124,270)		(3,070,574)	(3,624,198)
Leases (as lessee)	24,638	-	-	-	-		-	24,638
Sale of general capital assets	729	-	-	-	-		-	729
TOTAL OTHER FINANCING SOURCES (USES)	5,446,108	(299,075)	(70,330)	-	(124,270)		(2,005,358)	2,947,075
NET CHANGE IN FUND BALANCES	640,088	(3,162,121)	-	(19,544)	(3,196,655)	-	(2,866,468)	(8,604,700)
FUND BALANCES - beginning, as previously reported	15,493,422	13,764,189	22,839	-	14,699,372	3,438,997	12,151,574	59,570,393
Change within financial reporting entity								
(major to nonmajor fund)	-	-	-	-	-	(3,438,997)	3,438,997	-
(nonmajor to major fund)	-	-	-	211,800	-	-	(211,800)	-
FUND BALANCES - beginning	15,493,422	13,764,189	22,839	211,800	14,699,372	-	15,378,771	59,570,393
FUND BALANCES - ending	<u>\$ 16,133,510</u>	<u>\$ 10,602,068</u>	<u>\$ 22,839</u>	<u>\$ 192,256</u>	<u>\$ 11,502,717</u>	<u>\$ -</u>	<u>\$ 12,512,303</u>	<u>\$ 50,965,693</u>

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

CITY OF TUALATIN, OREGON
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2024

Amounts reported in the statement of activities are different because:

Net change in fund balances	\$ (8,604,700)
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The statement of revenues, expenditures, and changes in fund balances report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Depreciation	\$ (5,488,611)	
Capital asset additions	15,184,866	9,696,255

Some revenue reported in the statement of activities do not provide current financial resources in the governmental funds.	2,240,414
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest expense	\$ 16,939	
Pension expense	(772,206)	
Net other postemployment benefit obligations	24,452	(730,815)

Internal service funds are used by management to charge the costs of vehicle replacement to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	647,466
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This is the amount by which proceeds exceeded repayments.	3,450,551
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Change in net position of governmental activities	\$ 6,699,171
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The accompanying notes are an integral part of the basic financial statements

CITY OF TUALATIN, OREGON
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2024

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water Operations	Sewer Operations	Stormwater Operations	Total	Vehicle Replacement Fund
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 238,702	\$ 129,757	\$ 177,173	\$ 545,632	\$ 43,209
Investments	13,159,838	7,064,482	9,915,967	30,140,287	2,202,611
Accounts receivables, net	930,277	966,680	353,863	2,250,820	-
Intergovernmental receivable	-	1,258,548	5,410	1,263,958	17,702
Accrued interest receivable	88,386	49,315	67,734	205,435	15,240
Inventories	171,671	2,351	-	174,022	-
Total current assets	14,588,874	9,471,133	10,520,147	34,580,154	2,278,762
Noncurrent Assets:					
Net other post employment benefit asset	7,294	4,309	-	11,603	-
Capital assets not being depreciated:	2,321,323	1,373,092	8,891	3,703,306	6,116
Capital assets, net of accumulated depreciation	29,021,633	14,155,213	5,981,284	49,158,130	1,648,228
Total noncurrent assets	31,350,250	15,532,614	5,990,175	52,873,039	1,654,344
TOTAL ASSETS	45,939,124	25,003,747	16,510,322	87,453,193	3,933,106
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	24,588	-	-	24,588	-
OPEB related	6,285	3,714	-	9,999	-
Pension related	323,014	190,851	-	513,865	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	353,887	194,565	-	548,452	-
LIABILITIES					
Current Liabilities:					
Accounts payable	458,737	1,526,180	230,055	2,214,972	86,829
Accrued liabilities	32,834	24,180	-	57,014	-
Compensated absences	48,663	23,783	-	72,446	-
Retainage payable	-	9,272	-	9,272	-
Deposits payable	27,166	-	-	27,166	-
Accrued interest payable	2,896	-	-	2,896	-
Bonds payable - due within one year	490,000	-	-	490,000	-
Total current liabilities	1,060,296	1,583,415	230,055	2,873,766	86,829
Noncurrent Liabilities:					
Bonds payable	545,499	-	-	545,499	-
Net OPEB liability	34,285	20,257	-	54,542	-
Net pension liability	853,374	504,211	-	1,357,585	-
Total noncurrent liabilities	1,433,158	524,468	-	1,957,626	-
TOTAL LIABILITIES	2,493,454	2,107,883	230,055	4,831,392	86,829
DEFERRED INFLOWS OF RESOURCES					
Pension related	85,948	50,782	-	136,730	-
OPEB related	6,557	3,874	-	10,431	-
TOTAL DEFERRED INFLOWS OF RESOURCES	92,505	54,656	-	147,161	-
NET POSITION					
Net investment in capital assets	30,260,600	15,507,076	5,990,117	51,757,793	1,567,515
Restricted for:					
Capital improvements	2,006,914	3,840,965	582,792	6,430,671	-
OPEB asset and restricted assets	7,294	4,309	-	11,603	-
Unrestricted	11,432,244	3,683,423	9,707,358	24,823,025	2,278,762
TOTAL NET POSITION	\$ 43,707,052	\$ 23,035,773	\$ 16,280,267	\$ 83,023,092	\$ 3,846,277

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

CITY OF TUALATIN, OREGON
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water Operations	Sewer Operations	Stormwater Operations	Total	Vehicle Replacement Fund
OPERATING REVENUES					
Charges for service	\$ 9,016,397	\$ 2,675,023	\$ 3,078,263	\$ 14,769,683	\$ 814,555
Fines and forfeitures	-	-	23,783	23,783	-
Fees and charges	1,178,980	50,568	251,933	1,481,481	-
Miscellaneous	6,392	1,284,835	-	1,291,227	-
TOTAL OPERATING REVENUES	10,201,769	4,010,426	3,353,979	17,566,174	814,555
OPERATING EXPENSES					
Personal services	775,982	588,481	-	1,364,463	-
Materials and services	4,814,921	1,763,521	906,945	7,485,387	4,303
Depreciation	1,107,840	585,467	227,480	1,920,787	287,634
TOTAL OPERATING EXPENSES	6,698,743	2,937,469	1,134,425	10,770,637	291,937
OPERATING INCOME (LOSS)	3,503,026	1,072,957	2,219,554	6,795,537	522,618
NON-OPERATING REVENUES (EXPENSES)					
Interest income	615,294	337,603	419,218	1,372,115	98,149
Interest expense	(95,551)	-	-	(95,551)	-
Sale of general capital assets	-	-	-	-	26,701
TOTAL NON-OPERATING REVENUES (EXPENSE)	519,743	337,603	419,218	1,276,564	124,850
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	4,022,769	1,410,560	2,638,772	8,072,101	647,468
CAPITAL CONTRIBUTIONS	1,297,571	1,292,433	2,062,589	4,652,593	-
TRANSFERS	(917,504)	(899,422)	(1,104,782)	(2,921,708)	-
CHANGE IN NET POSITION	4,402,836	1,803,571	3,596,579	9,802,986	647,468
NET POSITION - beginning	39,304,216	21,232,202	12,683,688	73,220,106	3,198,809
NET POSITION - ending	\$ 43,707,052	\$ 23,035,773	\$ 16,280,267	\$ 83,023,092	\$ 3,846,277

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

CITY OF TUALATIN, OREGON
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2024

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water Operations	Sewer Operations	Stormwater Operations	Total	Vehicle Replacement Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 10,232,335	\$ 3,050,962	\$ 3,349,322	\$ 16,632,619	\$ 816,853
Cash paid to employees and others for salaries/benefits	(868,637)	(577,363)	-	(1,446,000)	-
Cash paid to suppliers and others	(5,118,249)	(988,030)	(801,590)	(6,907,869)	82,526
NET CASH FLOWS FROM OPERATING ACTIVITIES	4,245,449	1,485,569	2,547,732	8,278,750	899,379
CASH FLOWS FROM (USED FOR)					
NON-CAPITAL FINANCING ACTIVITIES					
Transfers in (out)	(917,504)	(899,422)	(1,104,782)	(2,921,708)	-
Net cash provided (used) by non-capital financing activities	(917,504)	(899,422)	(1,104,782)	(2,921,708)	-
CASH FLOWS FROM (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of capital assets	(2,641,930)	(142,692)	(58)	(2,784,680)	(619,743)
Proceeds from the sale of assets	-	-	-	-	26,701
Debt principal payments	(505,500)	-	-	(505,500)	-
Interest paid	(72,514)	-	-	(72,514)	-
NET CASH FROM (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(3,219,944)	(142,692)	(58)	(3,362,694)	(593,042)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(11,467,018)	(6,539,503)	(10,004,200)	(28,010,721)	(2,204,232)
Proceeds from sale of investments	11,351,721	6,093,864	8,553,518	25,999,103	1,900,014
Interest received	242,147	129,990	182,458	554,595	40,530
Net cash provided (used) by investing activities	126,850	(315,649)	(1,268,224)	(1,457,023)	(263,688)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	234,851	127,806	174,668	537,325	42,649
CASH AND CASH EQUIVALENTS - beginning	3,851	1,951	2,505	8,307	560
CASH AND CASH EQUIVALENTS - ending	<u>\$ 238,702</u>	<u>\$ 129,757</u>	<u>\$ 177,173</u>	<u>\$ 545,632</u>	<u>\$ 43,209</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating Income	\$ 3,503,026	\$ 1,072,957	\$ 2,219,554	\$ 6,795,537	\$ 522,618
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:					
Depreciation of capital assets	1,107,840	585,467	227,480	1,920,787	287,634
Change in assets and liabilities:					
Accounts receivable	29,911	(959,464)	(4,657)	(934,210)	2,298
Inventories	(50,992)	436	-	(50,556)	-
Accounts payable and accrued expenses	(252,336)	775,055	105,355	628,074	86,829
Deposits	655	-	-	655	-
Pension System	(84,235)	11,434	-	(72,801)	-
Accrued compensated absences	(2,157)	457	-	(1,700)	-
Other post employment benefits payable	(6,263)	(773)	-	(7,036)	-
Net cash provided (used) by operating activities	<u>\$ 4,245,449</u>	<u>\$ 1,485,569</u>	<u>\$ 2,547,732</u>	<u>\$ 8,278,750</u>	<u>\$ 899,379</u>
NON-CASH CAPITAL FINANCING ACTIVITIES					
Contributions of capital assets	\$ 1,297,571	\$ 1,292,433	\$ 2,062,589	\$ 4,652,593	\$ -
Total non-cash capital financing activities	<u>\$ 1,297,571</u>	<u>\$ 1,292,433</u>	<u>\$ 2,062,589</u>	<u>\$ 4,652,593</u>	<u>\$ -</u>

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

CITY OF TUALATIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2024

1. Summary of Significant Accounting Policies

The financial statements of the City of Tualatin, Oregon (the City) have been prepared in accordance with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's significant accounting policies are described below.

A. Reporting Entity

The City is a municipal corporation governed by an elected mayor and six-member governing council. The accompanying financial statements present the City and its component unit, an entity for which the City is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government.

Blended Component Unit. The Tualatin Development Commission (Commission) was formed to plan, direct, and manage the redevelopment of targeted areas of the City through tax increment financing. Pursuant to ORS 457.055, the City Council has been appointed governing body of the Commission and the City has operational responsibility for the activities of Commission. The Commission's funds are reported as governmental fund types.

Separately issued financial statements are available for the Commission. These reports may be obtained from the Finance Department of the City, 18880 S.W. Martinazzi Avenue, Tualatin, Oregon 97062.

B. Basis of Presentation

Government-wide statements

The Statement of Net Position and the Statement of Activities display information about the City and its blended component unit. These statements include all the financial activities of the City. Eliminations have been made to minimize the double-counting of internal activities; however, in the government-wide Statement of Activities, interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the governmental and business-type activities of the City. Governmental activities are financed through charges for services, property taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental and business-type activities, including its blended component unit. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. *Program revenues* include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not attributable to a specific program are reported as general revenues.

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Fund financial statements

The fund financial statements provide information about the City's funds, including its blended component unit. Separate statements for each fund category – governmental, proprietary or fiduciary are presented. Currently, the City has only governmental and proprietary type funds. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining funds are aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

- *General Fund*
This is the City's primary operating fund. It accounts for all revenues and expenditures of the City, except those accounted for in another fund.
- *Transportation Development Tax Fund*
This fund accounts for the expenditures of transportation capital improvements designed to accommodate growth. The primary source of revenue is from one-time charges on development within Washington and Clackamas counties.
- *American Rescue Plan Fund*
This fund accounts for funds received from the US Department of Treasury through the American Rescue Plan Act, Coronavirus State and Local Fiscal Recovery funds.
- *General Obligation Bond Fund*
The General Obligation Bond Fund accounts for the payment of principal and interest on general obligation bonds. Resources are provided by property taxes.
- *Parks Project Fund*
This fund accounts for the proceeds of the city's Parks Improvement Bond to finance projects throughout the city's Parks system.

The City reports each of its three proprietary funds as major funds:

- *Water Operations*
This fund accounts for the operation and maintenance of water service and distribution facilities.
- *Sewer Operations*
This fund accounts for the operation and maintenance of the City's sewer service and collection system.
- *Stormwater Operations*
This fund accounts for the operation and maintenance of the City's surface water system.

The City also reports the following fund types:

- *Special Revenue Funds*
These funds account for revenues and expenditures related to those required to be accounted for in another fund.

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- *Debt Service Funds*
These funds account for the accumulation of resources for the payment of tax increment bond principal and interest.
- *Capital Projects Funds*
These funds account for the acquisition and construction of capital facilities other than those financed by Proprietary Funds.
- *Internal Service Funds*
This fund accounts for the acquisition and replacement of City's motor vehicle pool.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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

Unavailable revenue arises in the Governmental Funds Balance Sheet when potential revenue does not meet both the measurable and available criteria for recognition in the current period. This unavailable revenue consists primarily of uncollected property taxes and assessments not deemed available to financial operation of the current period. In the government-wide Statement of Net Position, with a full accrual basis of accounting, revenue must be recognized as soon as it is earned regardless of its availability. Thus,

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the deferred inflow created on the Governmental Fund Balance Sheet for unavailable revenue is eliminated. Note that unavailable revenues also arise outside the scope of measurement focus and bases of accounting, such as when the City receives resources before it has a legal claim to them. For instance, when grant monies are received prior to the incurrence of qualifying expenditures.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is necessary to explain the adjustments needed to transform the fund based financial statements into the governmental column of the government-wide presentation. This reconciliation is part of the financial statements. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

D. Cash and Investments

Cash is considered to be cash on hand, demand deposits, and short-term investments with an original maturity of three months or less from the date of acquisition.

Investments consist of funds held in the Oregon State Treasurer's Local Government Investment Pool (LGIP), U.S. Government obligations and corporate bonds. Investments in the LGIP are stated at cost, which approximates fair value. The individual funds' and blended component unit's portion of the pool's fair value are presented as "Cash and Investments" in the basic financial statements.

The LGIP is administered by the Oregon State Treasury. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State who by law is made the custodian of, or has control of, any public funds. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short-Term Fund Board which is not registered with the U.S. Securities and Exchange Commission as an investment company. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments

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in markets that are not active; and model derived valuations in which all significant inputs are observable. Level 3 inputs are significant unobservable inputs.

E. Receivables

Uncollected property taxes receivable collected within sixty days following year end are considered measurable and available and are recognized as revenues. All other uncollected property taxes receivable are offset by deferred revenue and, accordingly, have not been recorded as revenue. Property taxes are assessed and become a lien against the property as of July 1 each year and are payable in three installments on November 15, February 15, and May 15 following the lien date. Taxes unpaid and outstanding on May 16 are considered delinquent.

Assessments receivable are recognized at the time property owners are assessed for property improvements. Assessments receivable expected to be collected within sixty days following year end and are considered measurable and available and are recognized as revenue. All other assessments receivable are offset by unavailable revenue and, accordingly, have not been recorded as revenue.

Receivables for grants and state shared revenues, included in accounts receivable are recorded as revenues in governmental fund types as earned. Receivables of the proprietary fund types are recorded as revenues as earned, including services earned but not billed.

F. Lease Receivables

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

G. Inventories

Inventories for governmental fund types are stated at cost (average cost basis) and are charged to expenditures as they are used. Inventories in the enterprise funds are stated at the lower of cost (average cost basis) or market value and are charged to expenses as they are used, consistent with the consumption method.

H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, street lights, etc.) are reported in the applicable governmental or business-type activities column in the governmental-wide financial statements. Capital assets are charged to expenditures as purchased in the governmental fund statements, and capitalized in the proprietary fund statements. Capital assets are recorded at historical cost, or estimated historical cost if actual cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more, and having useful lives extending beyond a single reporting period. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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

Asset	Years
Buildings and improvements	25-40
Improvements	10-50
Infrastructure	20-50
Right-to-use leased equipment	4-10
Machinery, equipment, and vehicles	5-10
Utility Systems	25-50

Monthly depreciation is taken in the year the assets are acquired or retired. Gains or losses from sales or retirements of capital assets are included in operations of the current period.

I. Deferred Outflows/Inflows of Resource

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time.

J. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

K. Other post-employment benefits (OPEB)

OPERS - Retirement Health Insurance Account. For purposes of measuring the net OPEB liability/asset, deferred outflows of resources and deferred inflows of resources to OPEB, and OPEB expense, information about the fiduciary net position of the OPERS and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, OPERS recognizes benefit payments when due and payable in accordance with benefit terms. Investments are reported at fair value.

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City of Tualatin – Implicit Subsidy Plan. For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources to OPEB, and OPEB expense, the City has relied on actuarial reports. The City allows retired employees to purchase health insurance at the same rates as active employees. The related expense is recognized as the City pays premiums or when claims are paid to health providers.

L. Compensated Absences

The City's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Funds used to liquidate accrued compensated absences include the general fund, building fund, road operating fund, water operating fund, and sewer operating fund.

M. Leases

Lessee: The City is a lessee for various noncancellable leases of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$10,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position

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Lessor: The City is a lessor for two noncancellable leases of cellular communications tower. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

N. Net Position

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

O. Fund Balance

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

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

Restricted – Includes amounts that are restricted by external creditors, grantors or contributors, or restricted by enabling legislation.

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Committed – Includes amounts that have been committed by resolution by the City Council which is the City’s “highest level of decision-making authority.” Committed amounts may not be used for any other purpose unless the City Council removes the constraint by similar council action. Commitments of fund balance must be made prior to the end of the fiscal year.

Assigned – Includes amounts assigned for specific purposes by council action who authorizes, by resolution, the City Manager or Finance Director to assign fund balance. Assigned fund balance is also established by the Council through adoption or amendment of the budget as intended for specific purpose.

Unassigned – This is the residual classification used for those balances not assigned to another category in the General Fund. Deficit fund balance in other governmental funds are also presented as unassigned.

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

P. Accounting Estimates

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

2. Cash and Investments

The City maintains a common cash and investment pool for all City funds. The types of investments in which the City may invest are restricted by State of Oregon statutes and a Council adopted investment policy. Authorized investments include U.S. Treasury obligations, U.S. Agency obligations, commercial paper, corporate bonds, the Oregon State Treasurer’s Local Government Investment Pool, obligations of certain states and municipalities, bankers’ acceptances, time deposits, certificates of deposits, and savings accounts.

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At June 30, 2024, the City's cash and investments consist of the following:

	Fair Value Measurement				Weighted Average Maturity
	N/A	Level 1	Level 2	Total	
Cash on hand	\$ 1,325	\$ -	\$ -	\$ 1,325	-
Deposits with financial institutions	539,343	-	-	539,343	-
Investments:					
Oregon State Treasurer's Local Government Investment Pool	14,440,481	-	-	14,440,481	-
U.S. Treasury	-	43,636,322	-	43,636,322	1.73
U.S. Agencies	-	-	19,034,121	19,034,121	2.49
Corporate Bonds	-	-	10,907,356	10,907,356	2.85
Municipal Bonds	-	-	5,825,711	5,825,711	2.90
Total pooled cash and investments	<u>\$ 14,981,149</u>	<u>\$ 43,636,322</u>	<u>\$ 35,767,188</u>	<u>\$ 94,384,659</u>	1.81

A. Interest rate risk

As a means of managing its exposure to fair value loss arising from increasing interest rates and to allow investment maturities to coincide with projected needs, the City's investment policy does not allow direct investment in securities maturing more than five years from the date of purchase. Investment maturity guidelines and actual maturities for the City's investments are as follows:

Maturity	Minimum Maturity Guideline	Actual at June 30, 2024
Less than 30 days	10%	18%
Less than 1 year	25%	44%
Less than 5 years	100%	100%

B. Credit risk

State statutes authorize the City of Tualatin to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, and the State Treasurer's Oregon Local Government Investment Pool, among others. The City has no investment policy that would further limit its investment choices. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations, but is not regulated by other laws, organizations or regulations. The reported value of the Pool is the same as the fair value of Pool shares. Investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). The State Treasurer's Oregon Local Government Investment Pool is not registered with the SEC as an investment company and is unrated. There are no limitations or restrictions on withdrawals from the pool.

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The City's investment in the Local Government Investment Pool is considered unclassified as to credit risk because it is not evidenced by securities that exist in physical or book entry form.

	U.S. and U.S. Agency Obligations	Municipal Bonds	Corporate Bonds	Total
<u>Rating by Standard & Poor's</u>				
AAA	\$ -	\$ 948,670	\$ -	\$ 948,670
AA+	51,692,682	-	1,039,540	52,732,222
AA	-	908,120	2,736,606	3,644,726
AA-	-	3,968,921	1,699,493	5,668,414
A+	-	-	1,530,983	1,530,983
A	-	-	1,925,522	1,925,522
A-	-	-	1,975,212	1,975,212
A-1+	10,977,762	-	-	10,977,762
	<u>\$ 62,670,444</u>	<u>\$ 5,825,711</u>	<u>\$ 10,907,356</u>	<u>\$ 79,403,511</u>

C. Concentration of credit risk

All investments of the City shall be made in accordance with Oregon Revised Statutes: ORS 294.035 (Investment of surplus funds of political subdivisions; approved investments), ORS 294.040 (Restriction on investments under ORS 294.035), ORS 294.135 (Investment maturity dates), ORS 294.145 (Prohibited conduct for custodial officer), ORS 294.805 to 294.895 (Local Government Investment Pool). Any revisions or extensions of these sections of the ORS shall be assumed to be part of this investment policy immediately upon being enacted.

D. Custodial credit risk – deposits

Custodial credit risk is the risk that, in the event of failure of the counterparty, the City will not be able to recover the value of its deposits that are in the possession of an outside party. At June 30, 2024 the City has \$250,000 in deposits not exposed to custodial credit risk, as they are covered by FDIC insurance and the balance is covered by the Public Funds Collateralization Program (ORS 295.015) administered by the Oregon State Treasury.

3. Property Taxes and Assessments Receivable

Property taxes receivable, which have been collected within sixty days subsequent to year end, are considered measurable and available and are therefore recognized as revenue.

All other property taxes receivable are offset by deferred inflows and, accordingly, have not been recorded as revenue. Real and personal property taxes are levied as of July 1 of each fiscal year on values assessed as of that date. Property taxes attach as an enforceable lien on both real and personal property as of July 1 and are due and payable in three installments on November 15, February 15, and May 15. All property taxes are billed and collected by Clackamas and Washington Counties and remitted to the City.

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and are due and payable in three installments on November 15, February 15, and May 15. All property taxes are billed and collected by Clackamas and Washington Counties and remitted to the City.

Assessments receivable are amounts billed to property owners upon completion of the benefiting project.

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

4. Lease Receivables

	Original Amount	Outstanding June 30, 2023	Additions	Decrease	Outstanding June 30, 2024
Governmental Activities:					
Cell tower lease, interest at 1.78%, principal and interest of \$2,575 monthly, due 2040	\$ 643,916	\$ 602,052	\$ -	\$ 22,575	\$ 579,477
Cell tower lease, interest at 4.25%, principal and interest of \$2,598 monthly, due 2035	418,355	383,337	-	14,360	368,977
	<u>\$ 1,062,271</u>	<u>\$ 985,389</u>	<u>\$ -</u>	<u>\$ 36,935</u>	<u>\$ 948,454</u>

Future maturities are as follows:

	Governmental Activities	
Fiscal Year	Principal	Interest
2025	\$ 44,011	\$ 25,420
2026	47,785	24,084
2027	51,773	22,619
2028	55,988	21,019
2029-33	351,938	75,726
2034-38	307,526	21,955
2039-40	89,433	1,477
	<u>\$ 948,454</u>	<u>\$ 192,300</u>

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

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5. Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental				
Capital assets, not being depreciated				
Land	\$ 17,715,671	\$ 34,253	\$ -	\$ 17,749,924
Construction in progress	11,943,258	17,351,050	8,203,158	21,091,150
Total capital assets, not being depreciated	<u>29,658,929</u>	<u>17,385,303</u>	<u>8,203,158</u>	<u>38,841,074</u>
Capital assets, being depreciated				
Improvements & infrastructure	159,643,594	8,068,009	-	167,711,603
Buildings	29,051,360	95,502	-	29,146,862
Machinery & equipment	7,689,432	630,471	93,492	8,226,411
Right-to-use leased equipment	116,692	24,638	7,279	134,051
Total capital assets, being depreciated	<u>196,501,078</u>	<u>8,818,620</u>	<u>100,771</u>	<u>205,218,927</u>
Less accumulated depreciation for:				
Improvements & infrastructure	(96,991,914)	(4,252,730)	-	(101,244,644)
Buildings	(12,308,144)	(904,973)	-	(13,213,117)
Machinery & equipment	(4,743,307)	(586,230)	(93,492)	(5,236,045)
Right-to-use leased equipment	(45,589)	(32,484)	(3,658)	(74,415)
Total accumulated depreciation	<u>(114,088,954)</u>	<u>(5,776,417)</u>	<u>(97,150)</u>	<u>(119,768,221)</u>
Total capital assets, being depreciated, net	<u>82,412,124</u>	<u>3,042,203</u>	<u>3,621</u>	<u>85,450,706</u>
Total governmental activities capital assets	<u>\$112,071,053</u>	<u>\$20,427,506</u>	<u>\$ 8,206,779</u>	<u>\$ 124,291,780</u>

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

General government	\$ 1,274,654
Public safety	267,650
Highways and streets	3,183,059
Culture and recreation	<u>1,051,054</u>
Total depreciation/amortization	
expense - governmental activities	<u>\$ 5,776,417</u>

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	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities				
Capital assets, not being depreciated				
Land	\$ 938,443	\$ -	\$ -	\$ 938,443
Construction in progress	2,035,550	3,777,992	3,048,679	2,764,863
Total capital assets, not being depreciated	2,973,993	3,777,992	3,048,679	3,703,306
Capital assets, being depreciated				
Improvements & infrastructure	86,607,771	6,707,960	-	93,315,731
Buildings	367,755	-	-	367,755
Machinery & equipment	834,262	-	-	834,262
Total capital assets, being depreciated	87,809,788	6,707,960	-	94,517,748
Less accumulated depreciation for:				
Improvements & infrastructure	(42,323,941)	(1,898,325)	-	(44,222,266)
Buildings	(357,323)	(1,693)	-	(359,016)
Machinery & equipment	(757,567)	(20,769)	-	(778,336)
Total accumulated depreciation	(43,438,831)	(1,920,787)	-	(45,359,618)
Total capital assets, being depreciated, net	44,370,957	4,787,173	-	49,158,130
Total business-type activities capital assets	<u>\$ 47,344,950</u>	<u>\$ 8,565,165</u>	<u>\$ 3,048,679</u>	<u>\$ 52,861,436</u>

Business-type activities:

Water	\$ 1,107,840
Sewer	585,467
Stormwater	227,480
Total depreciation/amortization expense - business-type activities	<u>\$ 1,920,787</u>

6. Interfund Receivables, Payables, and Transfers

A. Interfund Transfers

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as the debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CITY OF TUALATIN
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Interfund transfer activity for the year ended June 30, 2024, is as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Major Governmental Funds:		
General Fund	\$ 5,480,690	\$ 59,949
Transportation Development Tax Fund	-	299,075
American Rescue Plan Fund	-	70,330
Parks Project Fund	-	124,270
Total Major Governmental Funds	<u>5,480,690</u>	<u>553,624</u>
Nonmajor Governmental Funds	1,065,216	3,070,574
Proprietary Funds		
Water Operations	368,886	1,286,390
Sewer Operations	192,030	1,091,452
Stormwater Operations	-	1,104,782
Total Proprietary Funds	<u>560,916</u>	<u>3,482,624</u>
 Total Government Wide	 <u><u>\$ 7,106,822</u></u>	 <u><u>\$ 7,106,822</u></u>

During the year ended June 30, 2024, transfers were recorded as follows:

(1) \$5,480,690 transfer into the General Fund for funding of internal services from Nonmajor Governmental funds (\$2,106,400), Transportation Development Tax Fund (\$250,060), American Rescue Plan Fund (\$70,330), Parks Project Fund (\$124,270), Water Operations (\$1,245,750), Sewer Operations (\$953,150) and Stormwater Operations (\$730,730).

(2) \$368,886 transfer into the Water Operations Fund for funding of debt service payments from the General Fund (\$59,950), Nonmajor Governmental (\$156,362), Sewer Operations Fund (\$89,887) and Stormwater Fund (\$62,687).

(3) \$155,195 transfer into the Nonmajor governmental funds for funding of fee collection expenses from Transportation Development Tax Fund (\$49,015), Water Operations Fund (\$40,640), Sewer Operations Fund (\$48,415) and Stormwater Operations Fund (\$17,125).

(4) \$102,210 transfer into the Nonmajor governmental funds for stormwater maintenance from the Stormwater Operations Fund.

(5) \$192,030 transfer into the Sewer Operations Fund for stormwater maintenance from the Stormwater Operations Fund.

CITY OF TUALATIN
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7. Long Term Debt Obligations

In the following paragraphs, long-term debt information is presented separately with respect to governmental and business-type activities. The following table presents current year changes in those obligations and the current portions due for each issue. For the governmental activities, claims, judgments, compensated absences, net pension obligations and other postemployment benefit obligations are generally liquidated by the general fund. As compensated absences are due and payable on demand, they are considered due within one year.

	Beginning balance as of July 1, 2023	Additions	Reductions	Ending balance as of June 30, 2024	Due within one year
Governmental activities:					
General Obligation bonds					
Series 2018, Transportation & Refunding, interest at 3.00-5.00%, original issue of \$23,750,000, due 2028	\$ 14,485,000	\$ -	\$ (2,440,000)	\$ 12,045,000	\$ 2,645,000
Series 2023, Parks Improvements, interest at 5.00%, original issue of \$15,000,000, due 2043	15,000,000	-	(710,000)	14,290,000	905,000
Notes from direct borrowings					
Series 2013, Operations Warehouse, interest at 3.0%, original issue of \$1,100,000, due 2024	124,210	-	(124,210)	-	-
Series 2020, City Services Building, interest at 1.78%, original issue of \$4,600,000, due 2035	3,769,043	-	(284,512)	3,484,531	289,577
Plus: Bond issuance premium	3,987,970	-	(464,139)	3,523,831	-
Long-term bonded debt obligations	37,366,223	-	(4,022,861)	33,343,362	3,839,577
Leases	71,946	24,638	(35,871)	60,713	29,687
Compensated absences	948,675	1,403,821	(1,156,081)	1,196,415	1,196,415
Arbitrage rebate	-	332,011	-	332,011	-
Other postemployment benefits	929,480	13,665	-	943,145	-
Net pension liability	17,740,512	5,734,779	-	23,475,291	-
Total governmental activities	<u>\$ 57,056,836</u>	<u>\$ 7,508,914</u>	<u>\$ (5,214,813)</u>	<u>\$ 59,350,937</u>	<u>\$ 5,065,679</u>
Business-type activities:					
Full Faith and Credit Obligations					
Series 2014, Full Faith and Credit Refunding, interest at 2.0-4.0%, original issue of \$4,300,000, due 2025	\$ 1,460,000	\$ -	\$ (465,000)	\$ 995,000	\$ 490,000
Plus: Bond issuance premium	80,999	-	(40,500)	40,499	-
Long-term bonded debt obligations	1,540,999	-	(505,500)	1,035,499	490,000
Compensated absences	74,146	86,785	(88,485)	72,446	72,446
Other postemployment benefits	60,499	-	(5,957)	54,542	-
Net pension liability	1,154,715	202,870	-	1,357,585	-
Total business-type activities	<u>\$ 2,830,359</u>	<u>\$ 289,655</u>	<u>\$ (599,942)</u>	<u>\$ 2,520,072</u>	<u>\$ 562,446</u>

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Future Principal and Interest. Future maturities of bond principal and interest at June 30, 2024 are as follows:

Year	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 3,839,577	\$ 1,378,775	\$ 490,000	\$ 24,950	\$ 4,329,577	\$ 1,403,725
2026	4,299,731	1,196,120	505,000	7,575	4,804,731	1,203,695
2027	3,424,977	990,624	-	-	3,424,977	990,624
2028	3,695,317	829,034	-	-	3,695,317	829,034
2029	675,752	654,100	-	-	675,752	654,100
2030-2034	4,248,725	2,861,782	-	-	4,248,725	2,861,782
2035-2039	4,620,452	1,939,899	-	-	4,620,452	1,939,899
2040-2043	5,015,000	652,250	-	-	5,015,000	652,250
	<u>\$ 29,819,531</u>	<u>\$ 10,502,584</u>	<u>\$ 995,000</u>	<u>\$ 32,525</u>	<u>\$ 30,814,531</u>	<u>\$ 10,535,109</u>

In July 2020, the City entered into a \$4,600,000 financing agreement pursuant to ORS 271.390 to partially finance the construction of an addition to an existing building on the City's operations facility site, remodel of existing facilities, and related improvements. The financing agreement pays interest semiannually on December 15 and June 15, at an interest rate of 1.78%.

The Series 2018 General Obligation Bonds pledge the full faith and credit and taxing authority to pay the bonds. If the bonds are defaulted, by failure to make required principal or interest payments or other covenants, actions to enforce the financing agreement may take place for the amount of the obligations then outstanding to its satisfaction. However, the bonds shall not be subject to acceleration.

The City has pledged its full faith and credit and taxing authority to pay the outstanding principal, interest and other amounts due on direct borrowings related to governmental activities of \$3,484,531. The notes contains a provision that in an event of default, the outstanding balance shall bear interest at the default rate of 4.78% until such event of default is remedied, however, the amounts due are not subject to acceleration.

Legal debt margin

The City is subject to a debt limit that is 3% of the true cash value of all taxable property within the City boundaries. At June 30, 2024, that amount was \$169,755,404. As of June 30, 2024, the total outstanding debt applicable to the limit was \$29,666,591, which is 17.5% of the total debt limit.

Arbitrage

Under U.S. Treasury Department regulations, all governmental tax-exempt debt issued after August 31, 1986, is subject to arbitrage rebate requirements. The requirements stipulate, in general, that the actual earnings from the investment of tax-exempt bond proceeds, which exceed related interest earnings if such investments were invested at a rate equal to the yield of the bonds, must be remitted to the Federal

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government on every fifth anniversary of each bond issuance. The City has evaluated each series of tax-exempt general obligation bonds and other direct loans issued by the City. The City has recognized an arbitrage liability of \$332,011 as of June 30, 2024.

8. Leases Payable

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

The future principal and interest lease payments as of June 30, 2024, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 29,687	\$ 1,318	\$ 31,005
2026	19,276	679	19,955
2027	10,657	229	10,886
2028	1,093	5	1,099
Totals	<u>\$ 60,713</u>	<u>\$ 2,231</u>	<u>\$ 62,945</u>

9. Post Employment Benefits Other than Pensions

The other postemployment benefits (OPEB) for the City combines two separate plans. The City provides an implicit rate subsidy for retiree health insurance premiums, and a contribution to the State of Oregon's PERS cost-sharing multiple-employer defined health insurance benefit plan.

Financial Statement Presentation

The City's two OPEB plans are presented in the aggregate on the Statement of Net Position. The amounts on the financial statements relate to the plans as follows:

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	Implicit Rate Subsidy	PERS RHIA Plan	Total OPEB on Financials
Net OPEB Asset	\$ -	\$ 212,242	\$ 212,242
Deferred Outflows of Resources			
Differences between expected and actual experience	64,603	-	64,603
Change in Assumptions	14,760	-	14,760
Difference in Earnings	-	602	602
Change in Proportionate Share	-	24,928	24,928
Contributions After MD	77,759	250	78,009
Total OPEB Liability	(997,687)	-	(997,687)
Deferred Inflows of Resources			
Differences between expected and actual experience	(17,961)	(5,328)	(23,289)
Difference in Earnings	-	-	-
Change in Assumptions	(160,978)	(2,288)	(163,266)
Change in Proportionate Share	-	(4,261)	(4,261)
OPEB Expense/(Income)*	80,687	(34,068)	46,619

*Included in program expenses on Statement of Activities

Implicit Rate Subsidy

Plan Description

The City's single-employer defined benefit postemployment healthcare plan is administered by City County Insurance Services (CIS). Benefit provisions are established through negotiations between the City and representatives of collective bargaining units or through resolutions passed by City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

The City's postemployment healthcare plan administrator issues a publicly available financial report that includes financial statements and required supplementary information for CIS. This report may be obtained by writing to CIS, 1212 Court Street NE, Salem, OR 97301, or by accessing the CIS website at www.cisoregon.org.

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Benefits Provided

The plan provides eligible retirees and their dependents under age 65 the same health care coverage at the same premium rates as offered to active employees. The retiree is responsible for the premiums. As of the valuation date of July 1, 2022, the following employees were covered by the benefit terms:

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

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

The City's total OPEB liability of \$997,687 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2022.

For the fiscal year ended June 30, 2024, the City recognized OPEB expense from this plan of \$80,687. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 64,603	\$ 17,961
Changes of assumptions	<u>14,760</u>	<u>160,978</u>
Total (prior to post-MD contributions)	79,363	178,939
Contributions subsequent to the MD	<u>77,759</u>	<u>-</u>
Total	<u>\$ 157,122</u>	<u>\$ 178,939</u>

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Deferred outflows of resources related to OPEB of \$77,759 resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2025	\$ (26,394)
2026	(20,919)
2027	(17,057)
2028	(12,218)
2029	(11,417)
Thereafter	(11,571)
Total	<u>\$ (99,576)</u>

Actuarial Assumptions and Other Inputs

The City's total OPEB liability was determined by an actuarial valuation as of July 1, 2022, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date.

Measurement date	June 30, 2023
Inflation	2.40%
Salary increases	3.40%
Mortality	Pub-2010 General and Safety Employee and Healthy Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees and female safety employees.
Healthcare cost trend rate	Medical and vision: 4.25 percent in 2022, ranges 3.75 to 6.75 percent per year through 2072+; Dental: 1.75 in 2022, 4.0 percent through 2072, 3.75% thereafter
Discount rate	3.65%
Actuarial cost method	Entry Age Normal

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

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Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2023	\$ 989,979
Changes for the year:	
Service cost	71,113
Interest on total OPEB liability	35,968
Effect of assumptions changes or inputs	(8,480)
Benefit payments	(90,893)
Balance as of June 30, 2024	<u>\$ 997,687</u>

Sensitivity of the Total OPEB Liability

The following presents the total OPEB liability of the City, as well as what the City's total liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65 percent) or 1-percentage-point higher (4.65 percent) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

Discount Rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	\$ 1,075,478	\$ 997,687	\$ 925,762

Healthcare Cost Trend:

	1% Decrease	Current Health Care Trend Rates	1% Increase
Total OPEB Liability	\$ 895,816	\$ 997,687	\$ 1,117,755

PERS Retirement Health Insurance Account

Plan Description

The City contributes to the PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by PERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums for eligible retirees. ORS 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants hired after August 29, 2003. PERS issues publicly available financial statements and required

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supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700, or online at: <https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

Benefits Provided

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the RHIA established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost, the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Contributions

PERS funding policy provides for employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2021 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2023. The City's contribution rates for the period were 0.00% for Tier One/Tier Two and OPSRP members. The City's total contributions for the year ended June 30, 2024 was \$250.

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

At June 30, 2024, the City reported an asset of \$212,242 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2021 rolled forward to June 30, 2023. The City's proportion of the net OPEB asset was based on the City's contributions to the RHIA program during the measurement period relative to contributions from all participating employers. At June 30, 2024, the City's proportionate share was 0.0580%, which is an decrease from its proportion of 0.0722% as of June 30, 2023.

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For the year ended June 30, 2024, the City recognized OPEB income from this plan of \$34,068. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 5,328
Changes of assumptions	-	2,288
Net difference between projected and actual earnings on investments	602	-
Changes in proportionate share	24,928	4,261
Total (prior to post-MD contributions)	25,530	11,877
Contributions subsequent to the MD	250	-
Total	<u>\$ 25,780</u>	<u>\$ 11,877</u>

Deferred outflows of resources related to OPEB of \$250 resulting from the City's contributions subsequent to the measurement date will be recognized as either a reduction of the net OPEB liability or an increase in the net OPEB asset in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense/(income) as follows:

Year ended June 30:	
2025	\$ 5,225
2026	(2,229)
2027	7,844
2028	2,813
2029	-
Total	<u>\$ 13,653</u>

Actuarial Methods and Assumptions

The net OPEB liability in the December 31, 2021 actuarial valuation was determined using actuarial methods and assumptions consistent with those disclosed for the OPERS Pension Plan. See Note 10 for additional information on Actuarial Assumptions and Methods, the Long-Term Expected Rate of Return, and the Discount Rate.

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Sensitivity of the City's proportionate share of the net OPEB liability (asset) to changes in the discount rate

The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 6.90%, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

	<u>1% Decrease (5.90%)</u>	<u>Current Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
Net OPEB Liability (Asset)	\$ (192,928)	\$ (212,242)	\$ (228,813)

OPEB Plan Fiduciary Net Position

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

10. Pension Plan

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

Benefits provided

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

Pension Benefits

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

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years

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of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members.

Death Benefits

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

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

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police members) when determining the monthly benefit.

Benefit Changes After Retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments of that account.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living (COLA) changes. The COLA is capped at 2.0 percent.

B. OPSRP Pension Program (OPSRP DB)

Pension Benefits

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

- *Police:* 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police members is age 60 or age 53 with 25 years of retirement credit.

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To be classified as a police member, the individual must have been employed continuously as a police member for at least five years immediately preceding retirement.

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

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

Death Benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.

Disability Benefits

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

Benefit Changes After Retirement

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

C. Defined contribution plan - Individual Account Program (IAP)

Pension Benefits

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

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

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option has a \$200 minimum distribution limit.

Death Benefits

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

Recordkeeping

OPERS contracts with VOYA Financial to maintain IAP participant records.

Contributions

1. Employer Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2021 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2023. Effective January 1, 2020, Senate Bill 1049 required employers to pay contributions on re-employed PERS retirees' salary as if they were an active member, excluding IAP (6 percent) contributions. Employer contributions for the year ended June 30, 2024 were \$3,475,748, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2024 were 28.01 percent for Tier One/Tier Two General Service Member, 28.01 percent for Tier One/Tier Two Police, 21.43 percent for OPSRP Pension Program General Service Members, 26.22 percent for OPSRP Pension Program Police Members.

2. Employee Contributions

Beginning January 1, 2004, all employee contributions were placed in the OPSRP Individual Account Program (IAP), a defined contribution pension plan established by the Oregon Legislature. Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 percent of salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members behalf. The IAP member accounts represent member contributions made on or after January 1, 2004, plus earnings allocations less disbursements for refunds, death benefits, and retirements. As permitted, the City has opted to pick-up the contributions on behalf of employees; contribution were \$855,994 for the year ended June 30, 2024.

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

At June 30, 2024, the City reported a liability of \$24,832,876 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used

CITY OF TUALATIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2024

to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021 rolled forward to June 30, 2023. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2024, the City's proportion was 0.13257857 percent, which increased from its proportion of 0.12340138 percent as of June 30, 2023.

For the year ended June 30, 2024, the City recognized pension expense of \$4,204,029. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,214,403	\$ 98,465
Changes in actuarial assumptions	2,206,006	16,448
Net difference between projected and actual earnings on investments	446,348	-
Changes in proportion	1,887,578	904,277
Differences between City contributions and proportionate share of contributions	169,517	1,481,856
Total (prior to post-measurement date contributions)	5,923,852	2,501,046
City contributions made subsequent to the measurement date	3,475,748	-
Total	<u>\$ 9,399,600</u>	<u>\$ 2,501,046</u>

Deferred outflows of resources related to pensions of \$3,475,748 resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending June 30:</u>	<u>Pension Expense Amount</u>
2025	\$ 357,032
2026	(578,560)
2027	2,562,512
2028	934,881
2029	146,941
Total	<u>\$ 3,422,806</u>

Actuarial assumptions

The employer contribution rates effective July 1, 2023, through June 30, 2025, were set using the entry age normal method.

CITY OF TUALATIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2024

For the ORS 238 Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), and (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

For the ORS 238A OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an actuarially determined amount for funding a disability benefit component, and (3) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

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

Valuation Date	December 31, 2021
Measurement Date	June 30, 2023
Experience Study Report	2020, published July 20, 2021
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.40 percent
Long-Term Expected Rate of Return	6.90 percent
Discount Rate	6.90 percent
Projected Salary Increases	3.40 percent
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision, blend based on service.
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active Members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

CITY OF TUALATIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2024

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

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	20-Year Annualized Geometric Mean
Global Equity	27.50%	7.07%
Private Equity	25.50%	8.83%
Core Fixed Income	25.00%	4.50%
Real Estate	12.25%	5.83%
Master Limited Partnerships	0.75%	6.02%
Infrastructure	1.50%	6.51%
Hedge Fund of Funds - Multistrategy	1.25%	6.27%
Hedge Fund Equity - Hedge	0.63%	6.48%
Hedge Fund - Macro	5.62%	4.83%
Total	100.00%	
Assumed Inflation - Mean		2.35%

Depletion Date Projection

GASB 67 generally requires that a blended discount rate be used to measure the total pension liability (the actuarial accrued liability calculated using the Individual Entry Age Normal Cost method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's fiduciary net position (fair value of investment assets, all others at cost) is projected to cover benefit

CITY OF TUALATIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2024

payments and administrative expenses. A 20-year high-quality (AA/Aa or higher) municipal bond rate must be used for periods when the fiduciary net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 67 (paragraph 43) does allow for alternative evaluations of projected solvency if such evaluation can reliably be made. GASB does not recommend a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for Oregon PERS:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 67 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions. This means that the projections would not reflect any adverse future experience that might impact the plan's funded position.

Based on these circumstances, it is our third-party actuary's opinion that the detailed depletion date projections outlined in GASB 67 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

Discount rate

The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

CITY OF TUALATIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2024

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability (asset)	\$ 41,019,235	\$ 24,832,876	\$ 11,286,608

Pension plan fiduciary net position

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

11. Change within the Financial Reporting Entity

In June 2022, the GASB issued Statement No. 100, Accounting Changes and Error Corrections. The statement establishes accounting and financial reporting requirements for a) accounting changes and b) the correction of an error in previously issued financial statements (error correction). The City made changes within the financial reporting entity to reclassify previously reported major funds to nonmajor (or vice versa) as follows:

	Reporting Units Affected by Adjustments to and Restatements of Beginning Balances				
	Funds			Government-Wide	
	Transportation Project Fund	General Obligation Bond Fund	Nonmajor Governmental	Governmental Activities	Business-Type Activities
6/30/23, as previously reported	\$ 3,438,997	\$ -	\$ 12,151,574	\$ -	\$ -
Change from nonmajor to major fund	-	211,800	(211,800)	-	-
Change from major to nonmajor fund	(3,438,997)	-	3,438,997	-	-
6/30/23, as adjusted or restated	\$ -	\$ 211,800	\$ 15,378,771	\$ -	\$ -

12. Construction and Other Significant Commitments

The City has active construction projects as of June 30, 2024. The projects include construction of the Veteran's Plaza at the Tualatin Lake at the Commons and the Martinazzi Sanitary Sewer Upsizing project. At year end, the City's commitments with contractors are as follows:

Project	Spent-to-Date	Remaining Commitment
Veteran's Memorial Plaza	\$ 1,857,960	\$ 1,596,984
Tualatin-Sherwood Road Improvements	2,036,130	70,022
Herman Road Improvement Project	2,595,925	77,406
Martinazzi Sewer Line Upsize Project	2,123,456	2,123,456

CITY OF TUALATIN
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2024

The remaining commitment amounts were encumbered at fiscal year end. Encumbrances and related appropriation technically lapse at the end of the year, but are reappropriated and become part of the subsequent year's budget because performance under the executory contract is expected in the next year.

13. Risk Management

The City is subject to the ordinary risks of loss to which similar entities are exposed. These risks are handled through the purchase of commercial insurance policies to minimize its exposure to these risks. There has been no reduction in commercial insurance coverage from the previous fiscal year. Workers compensation claims are insured through incurred loss retrospective policies and the City is self-insured for unemployment compensation claims.

14. Contingencies and Commitments

Management of the City believes that total amount of liability, if any, which may arise from claims and lawsuits pending against the City beyond that, which is covered by insurance, would not have a material effect on the City's financial condition.

Federal and state grants are subject to audit by the grantor agencies and any adjustments may become a liability of the appropriate fund. Management believes that adjustments, if any, will not materially affect the City's financial position.

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

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

- Budgetary Comparison Schedules
 - General Fund
 - Transportation Development Tax Fund
 - American Rescue Plan Fund
- Schedule of the City's Proportionate Share of the Net OPEB Liability
Oregon Public Employees Retirement System, Retirement Health Insurance Account
- Schedule of City OPEB Contributions
Oregon Public Employees Retirement System, Retirement Health Insurance Account
- Schedule of Changes in the City's Total OPEB Liability and Related Ratios
Implicit Rate Subsidy Plan
- Schedule of the City's Proportionate Share of the Net Pension (Asset)/Liability
- Schedule of City Pension Plan Contributions

CITY OF TUALATIN, OREGON
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Fiscal Year Ended June 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	\$ 12,383,100	\$ 12,383,100	\$ 12,228,461	\$ (154,639)
Franchise fees	2,705,000	2,705,000	3,030,364	325,364
Charges for service	192,750	192,750	272,490	79,740
Licenses and permits	329,000	329,000	416,312	87,312
Intergovernmental	5,271,675	5,281,675	5,324,473	42,798
Fines and forfeitures	976,000	976,000	681,139	(294,861)
Fees and charges	121,150	121,150	106,001	(15,149)
Interest	603,175	603,175	897,131	293,956
Miscellaneous	183,745	183,745	322,887	139,142
TOTAL REVENUES	22,765,595	22,775,595	23,279,258	503,663
EXPENDITURES				
City Council	124,255	124,255	113,347	10,908
Administration	1,807,040	1,925,470	1,890,877	34,593
Finance	1,379,475	1,261,045	1,201,639	59,406
Municipal Court	525,295	525,295	461,676	63,619
Legal	540,500	540,500	475,668	64,832
Information Services	1,714,600	1,777,300	1,752,412	24,888
Community Development	1,218,235	1,218,235	1,121,561	96,674
Engineering	1,020,490	1,085,490	1,008,056	77,434
Police	9,497,635	9,497,635	9,413,911	83,724
Parks and Recreation	2,753,920	2,753,920	2,644,954	108,966
Library	2,594,530	2,594,530	2,510,444	84,086
Maintenance Services	2,851,720	2,861,720	2,775,069	86,651
Parks Maintenance	1,767,895	1,767,895	1,651,577	116,318
Nondepartmental				
General Services	1,544,620	1,544,620	1,263,871	280,749
Contingency	4,410,020	4,282,320	-	4,282,320
TOTAL EXPENDITURES	33,750,230	33,760,230	28,285,062	5,475,168
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(10,984,635)	(10,984,635)	(5,005,804)	5,978,831
OTHER FINANCING SOURCES				
Transfers in	5,480,690	5,480,690	5,480,690	-
Transfers out	(59,950)	(59,950)	(59,949)	1
Sales of general capital assets	-	-	729	729
TOTAL OTHER FINANCING SOURCES (USES)	5,420,740	5,420,740	5,421,470	730
NET CHANGE IN FUND BALANCE	(5,563,895)	(5,563,895)	415,666	5,979,561
FUND BALANCES - beginning	14,628,600	14,628,600	16,011,692	1,383,092
FUND BALANCE - ending	\$ 9,064,705	\$ 9,064,705	16,427,358	\$ 7,362,653
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(293,848)	
Fund balance - GAAP basis			\$ 16,133,510	

CITY OF TUALATIN, OREGON
TRANSPORTATION DEVELOPMENT TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Fiscal Year Ended June 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Fees and charges	\$ 1,525,000	\$ 1,525,000	\$ 1,617,871	\$ 92,871
Interest	420,000	420,000	445,404	25,404
TOTAL REVENUES	1,945,000	1,945,000	2,063,275	118,275
EXPENDITURES				
Capital outlay	4,790,000	4,790,000	5,093,933	(303,933)
Contingency	10,249,660	10,224,720	-	10,224,720
TOTAL EXPENDITURES	15,039,660	15,014,720	5,093,933	9,920,787
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(13,094,660)	(13,069,720)	(3,030,658)	10,039,062
OTHER FINANCING SOURCES (USES)				
Transfers out	(276,310)	(301,250)	(299,075)	2,175
TOTAL OTHER FINANCING	(276,310)	(301,250)	(299,075)	2,175
NET CHANGE IN FUND BALANCE	(13,370,970)	(13,370,970)	(3,329,733)	10,041,237
FUND BALANCE - beginning	13,370,970	13,370,970	14,071,347	700,377
FUND BALANCE - ending	\$ -	\$ -	10,741,614	\$ 10,741,614
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(139,546)	
Fund balance - GAAP basis			\$ 10,602,068	

CITY OF TUALATIN, OREGON
AMERICAN RESCUE PLAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Fiscal Year Ended June 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Interest	\$ 100,000	\$ 100,000	\$ -	\$ (100,000)
TOTAL REVENUES	100,000	100,000	-	(100,000)
EXPENDITURES				
Current:				
Materials and service	205,065	205,065	-	205,065
Capital outlay	5,000,000	5,000,000	363,465	4,636,535
Contingency	750,330	750,330	-	750,330
TOTAL EXPENDITURES	5,955,395	5,955,395	363,465	5,591,930
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,855,395)	(5,855,395)	(363,465)	5,491,930
OTHER FINANCING SOURCES (USES)				
Transfers out	(70,330)	(70,330)	(70,330)	-
TOTAL OTHER FINANCING	(70,330)	(70,330)	(70,330)	-
NET CHANGE IN FUND BALANCE	(5,925,725)	(5,925,725)	(433,795)	5,491,930
FUND BALANCE - beginning	5,925,725	5,925,725	5,755,285	(170,440)
FUND BALANCE - ending	\$ -	\$ -	5,321,490	\$ 5,321,490
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unearned revenue			(5,298,651)	
Fund balance - GAAP basis			\$ 22,839	

CITY OF TUALATIN, OREGON
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
Oregon Public Employees Retirement System, Retirement Health Insurance Account
For the Last Ten Fiscal Years¹

Year Ended June 30,	(a) City's proportion of the net OPEB liability (asset)	(b) City's proportionate share of the net OPEB liability (asset)	(c) City's covered payroll**	(b/c) City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2024	0.05796327%	\$ (212,242)	\$ 14,027,801	-1.51%	201.6%
2023	0.07221159%	(256,593)	12,794,942	-2.01%	194.6%
2022	0.06381987%	(219,158)	12,398,870	-1.77%	183.9%
2021	0.02390037%	(48,699)	12,001,964	-0.41%	150.1%
2020	0.10545040%	(203,768)	11,145,231	-1.83%	144.4%
2019	0.10373181%	(115,793)	11,063,578	-1.05%	124.0%
2018	0.09990764%	(41,696)	10,461,419	-0.40%	108.9%
2017	0.10113095%	27,463	9,876,439	0.28%	94.2%

NOTES TO SCHEDULE

¹This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

** As of the measurement date which is one year in arrears

CITY OF TUALATIN, OREGON
SCHEDULE OF CITY OPEB CONTRIBUTIONS
Oregon Public Employees Retirement System, Retirement Health Insurance Account
For the Last Ten Fiscal Years¹

Year Ended June 30,	(a) Contractually determined contribution	(b) Contributions in relation to the actuarially required contribution	(a-b) Contribution deficiency (excess)	(c) City's covered payroll	(b/c) Contributions as a percent of covered payroll
2024	\$ 250	\$ 250	\$ -	\$ 14,016,081	0.00%
2023	1,142	1,142	-	14,027,801	0.01%
2022	1,780	1,780	-	12,794,942	0.01%
2021	1,708	1,708	-	12,398,870	0.01%
2020	1,707	1,707	-	12,001,964	0.01%
2019	52,263	52,263	-	11,145,231	0.47%
2018	50,227	50,227	-	11,063,578	0.45%
2017	49,604	49,604	-	10,461,419	0.47%

NOTES TO SCHEDULE

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

Actuarial Assumptions and Methods Used to Set the Actuarially Determined Contributions

Actuarial valuation:	December 31, 2021	December 31, 2019	December 31, 2017	December 31, 2015	December 31, 2013
Effective:	July 2023 - June 2025	July 2021 - June 2023	July 2019 - June 2021	July 2017 - June 2019	July 2015 - June 2017
Actuarial cost method:	Entry age Normal	Entry age Normal	Entry age Normal	Entry age Normal	Entry age Normal
Actuarial valuation method:	Market Value	Market Value	Market Value	Market Value	Market Value
Actuarial assumptions:					
Inflation rate	2.40 percent	2.40 percent	2.50 percent	2.50 percent	2.75 percent
Projected salary increases	3.40 percent	3.40 percent	3.50 percent	3.50 percent	3.75 percent
Investment rate of return	7.20 percent	6.90 percent	7.20 percent	7.50 percent	7.75 percent

CITY OF TUALATIN, OREGON
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIO'S
Implicit Rate Subsidy Plan
For the Last Ten Fiscal Years¹

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Interest	\$ 71,113	\$ 81,351	\$ 78,980	\$ 67,289	\$ 59,961	\$ 70,184	\$ 74,503
Interest	35,968	22,545	21,608	34,218	34,946	33,955	28,219
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	-	74,107	-	(33,577)	-	25,554	-
Changes of assumptions	(8,480)	(127,168)	4,017	(32,978)	28,559	(97,981)	(56,076)
Benefit payment	(90,893)	(46,230)	(35,819)	(56,992)	(55,231)	(78,520)	(89,531)
Net change in total OPEB liability	7,708	4,605	68,786	(22,040)	68,235	(46,808)	(42,885)
Total OPEB liability - beginning	989,979	985,374	916,588	938,628	870,393	917,201	960,086
Total OPEB liability - ending (a)	\$ 997,687	\$ 989,979	\$ 985,374	\$ 916,588	\$ 938,628	\$ 870,393	\$ 917,201
Covered-employee payroll	\$ 14,027,801	\$ 12,794,942	\$ 12,398,870	\$ 12,001,964	\$ 11,145,231	\$ 11,063,578	\$ 10,461,419
Total OPEB liability as a percentage of covered-employee payroll	7.11%	7.74%	7.95%	7.64%	8.42%	7.87%	8.77%

¹This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for

NOTES TO SCHEDULE

Implicit Rate Subsidy

Contributions are not based on a measure of pay, therefore the covered-employee payroll is used in the percentages above.

Changes of Assumptions

Changes of assumptions and other inputs reflect the effects of changes in the discount rate.

	2024	2023	2022	2021	2020	2019	2018
Discount rate used	3.65%	3.54%	2.16%	2.21%	3.50%	3.87%	3.58%

Assets of the Plan

There are no assets accumulated in a trust to pay related benefits for the OPEB plan.

CITY OF TUALATIN, OREGON
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION (ASSET)/LIABILITY
For the Last Ten Fiscal Years

Year Ended June 30,	(a) City's proportion of the net pension liability (asset)	(b) City's proportionate share of the net pension liability (asset)	(c) City's covered payroll*	(b/c) City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.13257857%	\$ 24,832,876	\$ 14,027,801	177.03%	81.68%
2023	0.12340138%	18,895,227	12,794,942	147.68%	84.55%
2022	0.12559766%	15,029,619	12,398,870	121.22%	87.57%
2021	0.11612761%	25,343,039	12,001,964	211.16%	75.79%
2020	0.13499056%	23,350,134	11,145,231	209.51%	80.23%
2019	0.12576501%	19,051,743	11,063,578	172.20%	82.07%
2018	0.12527218%	16,886,737	10,461,419	161.42%	83.12%
2017	0.13985297%	20,995,178	9,876,439	212.58%	80.53%
2016	0.15443816%	8,867,007	10,203,939	86.90%	91.88%
2015	0.15665389%	(3,550,897)	9,786,025	-36.29%	103.59%

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

*As of the measurement date, which is one year in arrears.

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

Year Ended June 30,	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) City's covered payroll	(b/c) Contributions as a percent of covered payroll
2024	\$ 3,475,748	\$ 3,475,748	\$ -	\$ 14,016,081	24.80%
2023	2,905,632	2,905,632	-	14,027,801	20.71%
2022	3,032,048	3,032,048	-	12,794,942	23.70%
2021	2,586,610	2,586,610	-	12,398,870	20.86%
2020	3,667,398	4,677,454	(1,010,056)	12,001,964	38.97%
2019	2,062,929	2,062,929	-	11,145,231	18.51%
2018	1,992,599	1,992,599	-	11,063,578	18.01%
2017	1,510,197	1,510,197	-	10,461,419	14.44%
2016	1,471,213	1,471,213	-	9,876,439	14.90%
2015	1,439,922	1,439,922	-	10,203,939	14.11%

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

CITY OF TUALATIN
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

Stewardship, Compliance, and Accountability

On or before June 30 of each year, the City enacts a resolution approving the budget, appropriating the expenditures, and levying the property taxes. The City’s budget is presented on the modified accrual basis of accounting which is the same basis as GAAP.

Prior to enacting this resolution, the proposed budget is presented to a budget committee. The budget committee presents the budget to the City Council for budget hearings prior to enactment of the resolution. The City budgets all funds as required by Oregon Local Budget Law.

The resolution authorizing appropriations for each fund sets the legal level of control by which expenditures cannot legally exceed appropriations. Total expenditures by department as established by the resolution are the legal level of control for the General Fund. Expenditure categories of personal services, materials and services, capital outlay, debt service transfers, and contingency are the legal level of control for all other funds. The detail budget document, however, is required to contain more specific information for the above mentioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers, and adoption by the City Council. Management may modify original and supplemental budgets by the use of appropriation transfers between the legal levels of control within a fund. Such transfers require approval by the City Council. Management may not amend the budget without seeking the approval of the Council. The City had appropriation transfers during the year-ended June 30, 2024. The city had a supplemental budget during the year-ended June 30, 2024. Appropriations lapse as of year-end.

Expenditures in the following funds exceeded appropriations for the year ended June 30, 2024:

<u>Fund</u>	<u>Budget Category</u>	<u>Amount of Over Expenditure</u>
Transportation Development Tax Fund	Capital Outlay	\$303,933

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

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

Additional details and a comprehensive list of changes for OPERS in methods and assumptions can be found in the 2022 Experience Study for OPERS which was published July 24, 2023 and can be found at <https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

OTHER SUPPLEMENTARY INFORMATION

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedule - Major Governmental Funds
- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Enterprise Funds
- Budgetary Comparison Schedules - Internal Service Fund
- Other Financial Schedules

COMBINING STATEMENTS

MAJOR GOVERNMENTAL FUNDS

Capital Projects Fund

Parks Project Fund

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

Debt Service Fund

General Obligation Bond Fund

The General Obligation Bond Fund accounts for the payment of principal and interest on general obligation bonds. Resources are provided by property taxes.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

These funds account for revenue derived from specific taxes or other earmarked revenue sources, which are legally restricted to expenditures for specified purposes. Funds included in this category are:

Building Fund

The Building Fund accounts for revenues from various fees collected from building for construction of buildings and expended for services rendered primarily in the City's building division.

Road Utility Fee Fund

The Road Utility Fee Fund accounts for road utility fees from the property located within the City and business owners to maintain pavement maintenance and street lighting.

Road Operating Fund

The Road Operating Fund accounts for gas taxes received from the State of Oregon and Washington County for the operation and maintenance of the street system, traffic signals, bike paths and landscaping of roadside areas.

Core Area Parking District Fund

The Core Area Parking District Fund accounts for parking fees from the property located within the City and business owners to develop additional downtown parking areas and maintain existing parking areas.

Tualatin Scholarship Fund

The Tualatin Science and Technology Scholarship Fund accounts for scholarship awards.

Parks Utility Fee Fund

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

Economic Development Administration Fund

The Urban Redevelopment Administration Fund accounts for the general operations of the City's Urban Renewal Agency, a component unit of the City of Tualatin.

Debt Service Funds

These funds are used to account for revenues and expenditures related to the servicing of general long-term debt:

Southwest Urban Renewal District Bond Fund

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

Capital Projects Funds

These funds are used to account for financial resources to be used for the acquisition or construction of major capital items and facilities. Funds included in this category are:

Tualatin City Services Building Fund

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

Park Development Fund

The Park Development Fund accounts for capital improvements to parks funded by system development charges.

Transportation Project Fund

The Transportation Project Fund accounts for the proceeds of the City's Transportation Bond to finance high priority transportation projects throughout the City.

Leveton Tax Increment District Project Fund

The Leveton Tax Increment District Project Fund accounts for the proceeds of tax or construction increment bonds which are used for the acquisition and construction of capital assets with the urban renewal district.

CITY OF TUALATIN, OREGON
PARKS PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Fiscal Year Ended June 30, 2024

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest	\$ 440,995	\$ 440,995	\$ 733,411	\$ 292,416
TOTAL REVENUES	440,995	440,995	733,411	292,416
EXPENDITURES				
Current:				
Personal Services	126,005	126,005	87,855	38,150
Materials and service	6,000	6,000	-	6,000
Capital outlay	5,825,250	5,825,250	3,710,861	2,114,389
TOTAL EXPENDITURES	5,957,255	5,957,255	3,798,716	2,158,539
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,516,260)	(5,516,260)	(3,065,305)	2,450,955
OTHER FINANCING SOURCES (USES)				
Transfers out	(124,270)	(124,270)	(124,270)	-
TOTAL OTHER FINANCING SOURCES (USES)	(124,270)	(124,270)	(124,270)	-
NET CHANGE IN FUND BALANCE	(5,640,530)	(5,640,530)	(3,189,575)	2,450,955
FUND BALANCE - beginning	15,425,000	15,425,000	14,691,223	(733,777)
FUND BALANCE - ending	\$ 9,784,470	\$ 9,784,470	11,501,648	\$ 1,717,178
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			1,069	
Fund balance - GAAP basis			\$ 11,502,717	

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CITY OF TUALATIN, OREGON
GENERAL OBLIGATION BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Fiscal Year Ended June 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	\$ 4,574,010	\$ 4,574,010	\$ 4,614,304	\$ 40,294
Intergovernmental	-	-	643	643
Interest	74,240	74,240	86,485	12,245
TOTAL REVENUES	4,648,250	4,648,250	4,701,432	53,182
EXPENDITURES				
Debt service:				
Principal	3,150,000	3,150,000	3,150,000	-
Interest	1,573,250	1,573,250	1,573,249	1
TOTAL EXPENDITURES	4,723,250	4,723,250	4,723,249	1
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(75,000)	(75,000)	(21,817)	53,183
NET CHANGE IN FUND BALANCE	(75,000)	(75,000)	(21,817)	53,183
FUND BALANCE - beginning	175,000	175,000	216,130	41,130
FUND BALANCE - ending	\$ 100,000	\$ 100,000	194,313	\$ 94,313
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(2,057)	
Fund balance - GAAP basis			\$ 192,256	

CITY OF TUALATIN, OREGON
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2024

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total
ASSETS				
Cash and investments	\$ 7,684,573	\$ 1,448,158	\$ 4,364,135	\$ 13,496,866
Due from other governments	224,971	2,368	-	227,339
Accounts receivable	246,272	-	-	246,272
Property taxes receivable	-	14,223	-	14,223
Accrued interest receivable	51,220	9,827	24,502	85,549
Due from other funds	82,535	-	-	82,535
Inventories	55,537	-	-	55,537
TOTAL ASSETS	\$ 8,345,108	\$ 1,474,576	\$ 4,388,637	\$ 14,208,321
LIABILITIES				
Accounts payable and other current liabilities	\$ 1,037,363	\$ -	\$ 375,239	\$ 1,412,602
Deposits	54,179	-	-	54,179
Due to other funds	82,535	-	-	82,535
Retainage payable	6,821	-	128,873	135,694
TOTAL LIABILITIES	1,180,898	-	504,112	1,685,010
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property tax revenue	-	11,008	-	11,008
TOTAL DEFERRED INFLOWS OF RESOURCES	-	11,008	-	11,008
FUND BALANCES				
Nonspendable:				
Inventory	55,537	-	-	55,537
Restricted for:				
Building and engineering	709,446	-	-	709,446
Street and roadside maintenance	3,756,769	-	-	3,756,769
Capital projects	-	-	3,884,525	3,884,525
Urban renewal projects	133,370	1,463,568	-	1,596,938
Committed to:				
Pavement maintenance and street lighting	1,192,021	-	-	1,192,021
Parks capital and maintenance	970,923	-	-	970,923
Parking maintenance	294,661	-	-	294,661
Assigned to:				
Scholarships	51,483	-	-	51,483
TOTAL FUND BALANCES	7,164,210	1,463,568	3,884,525	12,512,303
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 8,345,108	\$ 1,474,576	\$ 4,388,637	\$ 14,208,321

CITY OF TUALATIN, OREGON
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2024

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total
REVENUES				
Property taxes	\$ -	\$ 1,299,932	\$ -	\$ 1,299,932
Charges for service	615,189	-	-	615,189
Licenses and permits	799,846	-	-	799,846
Intergovernmental	2,760,474	142	-	2,760,616
Fees and charges	3,003,850	-	2,044,084	5,047,934
Interest	326,803	28,931	261,376	617,110
Miscellaneous	11,607	-	-	11,607
TOTAL REVENUES	7,517,769	1,329,005	2,305,460	11,152,234
EXPENDITURES				
Current:				
General government	49,614	-	-	49,614
Public safety	1,416,738	-	-	1,416,738
Highways and streets	3,466,874	-	1,699	3,468,573
Culture and recreation	1,000	-	300	1,300
Capital outlay	804,566	-	6,272,553	7,077,119
TOTAL EXPENDITURES	5,738,792	-	6,274,552	12,013,344
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,778,977	1,329,005	(3,969,092)	(861,110)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,065,216	-	-	1,065,216
Transfers out	(2,547,709)	-	(522,865)	(3,070,574)
TOTAL OTHER FINANCING SOURCES (USES)	(1,482,493)	-	(522,865)	(2,005,358)
NET CHANGE IN FUND BALANCES	296,484	1,329,005	(4,491,957)	(2,866,468)
FUND BALANCES - beginning, as previously reported	6,867,726	346,363	4,937,485	12,151,574
Change within financial reporting entity				
(major to nonmajor fund)	-	-	3,438,997	3,438,997
(nonmajor to major fund)	-	(211,800)	-	(211,800)
FUND BALANCE - beginning, as adjusted or restated	6,867,726	134,563	8,376,482	15,378,771
FUND BALANCES - ending	\$ 7,164,210	\$ 1,463,568	\$ 3,884,525	\$ 12,512,303

CITY OF TUALATIN, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2024

	Building Fund	Road Utility Fee Fund	Road Operating Fund	Core Area Parking District Fund
ASSETS				
Cash and investments	\$ 1,127,680	\$ 1,026,673	\$ 3,946,201	\$ 299,245
Due from other governments	63,143	-	89,489	-
Accounts receivable	-	170,866	979	7,068
Accrued interest receivable	6,262	7,265	26,924	2,031
Due from other funds	-	82,535	-	-
Inventories	-	-	55,537	-
TOTAL ASSETS	\$ 1,197,085	\$ 1,287,339	\$ 4,119,130	\$ 308,344
LIABILITIES				
Accounts payable and other current liabilities	\$ 433,460	\$ 95,318	\$ 224,289	\$ 13,683
Deposits	54,179	-	-	-
Due to other funds	-	-	82,535	-
Retainage payable	-	-	-	-
TOTAL LIABILITIES	487,639	95,318	306,824	13,683
FUND BALANCES				
Nonspendable:				
Inventory	-	-	55,537	-
Restricted for:				
Building and engineering	709,446	-	-	-
Street and roadside maintenance	-	-	3,756,769	-
Urban renewal projects	-	-	-	-
Committed to:				
Pavement maintenance and street lighting	-	1,192,021	-	-
Parks capital and maintenance	-	-	-	-
Parking maintenance	-	-	-	294,661
Assigned to:				
Scholarships	-	-	-	-
TOTAL FUND BALANCES	709,446	1,192,021	3,812,306	294,661
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,197,085	\$ 1,287,339	\$ 4,119,130	\$ 308,344

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Tualatin Scholarship Fund	Parks Utility Fee Fund	Economic Development Administration Fund	Total
\$ 51,136	\$ 1,044,898	\$ 188,740	\$ 7,684,573
-	72,339	-	224,971
-	67,359	-	246,272
347	7,091	1,300	51,220
-	-	-	82,535
-	-	-	55,537
<u>\$ 51,483</u>	<u>\$ 1,191,687</u>	<u>\$ 190,040</u>	<u>\$ 8,345,108</u>
\$ -	\$ 213,943	\$ 56,670	\$ 1,037,363
-	-	-	54,179
-	-	-	82,535
-	6,821	-	6,821
<u>-</u>	<u>220,764</u>	<u>56,670</u>	<u>1,180,898</u>
-	-	-	55,537
-	-	-	709,446
-	-	-	3,756,769
-	-	133,370	133,370
-	-	-	1,192,021
-	970,923	-	970,923
-	-	-	294,661
<u>51,483</u>	<u>-</u>	<u>-</u>	<u>51,483</u>
<u>51,483</u>	<u>970,923</u>	<u>133,370</u>	<u>7,164,210</u>
 <u>\$ 51,483</u>	 <u>\$ 1,191,687</u>	 <u>\$ 190,040</u>	 <u>\$ 8,345,108</u>

CITY OF TUALATIN, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2024

	Building Fund	Road Utility Fee Fund	Road Operating Fund	Core Area Parking District Fund
REVENUES				
Charges for service	\$ 615,189	\$ -	\$ -	\$ -
Licenses and permits	799,846	-	-	-
Intergovernmental	-	-	2,760,474	-
Fees and charges	52,859	1,918,437	204,307	84,036
Interest	50,027	41,465	174,541	13,299
Miscellaneous	9,839	-	1,768	-
TOTAL REVENUES	1,527,760	1,959,902	3,141,090	97,335
EXPENDITURES				
Current:				
General government	-	-	-	28,353
Public safety	1,416,738	-	-	-
Highways and streets	-	1,777,271	1,678,206	-
Culture and recreation	-	-	-	-
Capital outlay	-	-	379,349	-
TOTAL EXPENDITURES	1,416,738	1,777,271	2,057,555	28,353
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	111,022	182,631	1,083,535	68,982
OTHER FINANCING SOURCES (USES)				
Transfers in	192,230	511,430	361,556	-
Transfers out	(545,500)	(443,260)	(1,444,409)	(37,360)
TOTAL OTHER FINANCING SOURCES (USES)	(353,270)	68,170	(1,082,853)	(37,360)
NET CHANGE IN FUND BALANCES	(242,248)	250,801	682	31,622
FUND BALANCES - beginning	951,694	941,220	3,811,624	263,039
FUND BALANCES - ending	\$ 709,446	\$ 1,192,021	\$ 3,812,306	\$ 294,661

Tualatin Scholarship Fund	Parks Utility Fee Fund	Economic Development Administration Fund	Total
\$ -	\$ -	\$ -	\$ 615,189
-	-	-	799,846
-	-	-	2,760,474
-	744,211	-	3,003,850
2,400	38,435	6,636	326,803
-	-	-	11,607
<u>2,400</u>	<u>782,646</u>	<u>6,636</u>	<u>7,517,769</u>
-	-	21,261	49,614
-	-	-	1,416,738
-	11,397	-	3,466,874
1,000	-	-	1,000
-	425,217	-	804,566
<u>1,000</u>	<u>436,614</u>	<u>21,261</u>	<u>5,738,792</u>
<u>1,400</u>	<u>346,032</u>	<u>(14,625)</u>	<u>1,778,977</u>
-	-	-	1,065,216
-	(77,180)	-	(2,547,709)
<u>-</u>	<u>(77,180)</u>	<u>-</u>	<u>(1,482,493)</u>
1,400	268,852	(14,625)	296,484
<u>50,083</u>	<u>702,071</u>	<u>147,995</u>	<u>6,867,726</u>
<u>\$ 51,483</u>	<u>\$ 970,923</u>	<u>\$ 133,370</u>	<u>\$ 7,164,210</u>

CITY OF TUALATIN, OREGON
NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
June 30, 2024

	Southwest Urban Renewal District Bond Fund	Total
ASSETS		
Cash and investments	\$ 1,448,158	\$ 1,448,158
Due from other governments	2,368	2,368
Property taxes receivable	14,223	14,223
Accrued interest receivable	9,827	9,827
	<u>1,474,576</u>	<u>1,474,576</u>
TOTAL ASSETS	<u>\$ 1,474,576</u>	<u>\$ 1,474,576</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property tax revenue	\$ 11,008	\$ 11,008
	<u>11,008</u>	<u>11,008</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>11,008</u>	<u>11,008</u>
FUND BALANCES		
Restricted for:		
Urban renewal projects	<u>1,463,568</u>	<u>1,463,568</u>
TOTAL FUND BALANCES	<u>1,463,568</u>	<u>1,463,568</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,474,576</u>	<u>\$ 1,474,576</u>

CITY OF TUALATIN, OREGON
NONMAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2024

	<i>Formerly</i> <i>Nonmajor Fund</i>		
	General Obligation Bond Fund	Southwest Urban Renewal District Bond Fund	Total
REVENUES			
Property taxes		\$ 1,299,932	\$ 1,299,932
Intergovernmental		142	142
Interest		28,931	28,931
TOTAL REVENUES		1,329,005	1,329,005
NET CHANGE IN FUND BALANCES	-	1,329,005	1,329,005
FUND BALANCES - beginning, as previously reported	211,800	134,563	346,363
Change within financial reporting entity (nonmajor to major fund)	(211,800)	-	(211,800)
FUND BALANCE - beginning, as adjusted or restated	-	134,563	134,563
FUND BALANCES - ending	\$ -	\$ 1,463,568	\$ 1,463,568

CITY OF TUALATIN, OREGON
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
June 30, 2024

	Tualatin City Services Building Fund	Park Development Fund	Transportation Project Fund	Leveton Tax Increment District Project Fund	Total
ASSETS					
Cash and cash equivalents	\$ 103,591	\$ 3,992,666	\$ 23,253	\$ 244,625	\$ 4,364,135
Accrued interest receivable	-	24,502	-	-	24,502
TOTAL ASSETS	<u>\$ 103,591</u>	<u>\$ 4,017,168</u>	<u>\$ 23,253</u>	<u>\$ 244,625</u>	<u>\$ 4,388,637</u>
LIABILITIES					
Accounts payable and other current liabilities	\$ 103,591	\$ 132,643	\$ 23,253	\$ 115,752	\$ 375,239
Retainage payable	-	-	-	128,873	128,873
TOTAL LIABILITIES	<u>103,591</u>	<u>132,643</u>	<u>23,253</u>	<u>244,625</u>	<u>504,112</u>
FUND BALANCES					
Restricted for:					
Capital projects	-	3,884,525	-	-	3,884,525
TOTAL FUND BALANCES	<u>-</u>	<u>3,884,525</u>	<u>-</u>	<u>-</u>	<u>3,884,525</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 103,591</u>	<u>\$ 4,017,168</u>	<u>\$ 23,253</u>	<u>\$ 244,625</u>	<u>\$ 4,388,637</u>

CITY OF TUALATIN, OREGON
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2024

	Tualatin City Services Building Fund	Park Development Fund	Formerly Major Fund Transportation Project Fund	Leveton Tax Increment District Project Fund	Total
REVENUES					
Fees and charges	\$ -	\$ 2,044,084	\$ -	\$ -	2,044,084
Interest	5,114	124,225	39,750	92,287	261,376
TOTAL REVENUES	5,114	2,168,309	39,750	92,287	2,305,460
EXPENDITURES					
Current:					
Highways and streets	-	-	1,699	-	1,699
Culture and recreation	-	300	-	-	300
Capital outlay	103,841	129,944	3,197,888	2,840,880	6,272,553
TOTAL EXPENDITURES	103,841	130,244	3,199,587	2,840,880	6,274,552
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(98,727)	2,038,065	(3,159,837)	(2,748,593)	(3,969,092)
OTHER FINANCING SOURCES (USES)					
Transfers out	-	(111,485)	(279,160)	(132,220)	(522,865)
TOTAL OTHER FINANCING SOURCES (USES)	-	(111,485)	(279,160)	(132,220)	(522,865)
NET CHANGE IN FUND BALANCES	(98,727)	1,926,580	(3,438,997)	(2,880,813)	(4,491,957)
FUND BALANCES - beginning, as previously reported	98,727	1,957,945	-	2,880,813	4,937,485
Change within financial reporting entity (major to nonmajor fund)	-	-	3,438,997	-	3,438,997
FUND BALANCE - beginning, as adjusted or restated	98,727	1,957,945	3,438,997	2,880,813	8,376,482
FUND BALANCES - ending	\$ -	\$ 3,884,525	\$ -	\$ -	\$ 3,884,525

BUDGETARY COMPARISON SCHEDULES

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

Governmental Budgetary Comparison Schedules included the following:

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

CITY OF TUALATIN, OREGON
BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for service	\$ 554,400	\$ 554,400	\$ 615,189	\$ 60,789
Licenses and permits	849,320	849,320	799,846	(49,474)
Fees and charges	12,200	12,200	52,859	40,659
Interest	42,000	42,000	38,155	(3,845)
Miscellaneous	1,100	1,100	9,839	8,739
TOTAL REVENUES	1,459,020	1,459,020	1,515,888	56,868
EXPENDITURES				
Current:				
Personal services	1,167,340	1,215,340	1,197,548	17,792
Materials and services	93,250	243,250	219,190	24,060
Contingency	270,915	72,915	-	72,915
TOTAL EXPENDITURES	1,531,505	1,531,505	1,416,738	114,767
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(72,485)	(72,485)	99,150	171,635
OTHER FINANCING SOURCES (USES)				
Transfers in	75,000	203,420	192,230	(11,190)
Transfers out	(545,500)	(545,500)	(545,500)	-
TOTAL OTHER FINANCING SOURCES (USES)	(470,500)	(342,080)	(353,270)	(11,190)
NET CHANGE IN FUND BALANCE	(542,985)	(414,565)	(254,120)	160,445
FUND BALANCE - beginning	652,340	652,340	977,499	325,159
FUND BALANCE - ending	\$ 109,355	\$ 237,775	723,379	\$ 485,604
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(13,933)	
Fund balance - GAAP basis			\$ 709,446	

CITY OF TUALATIN, OREGON
ROAD UTILITY FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Fees and charges	\$ 1,904,135	\$ 1,904,135	\$ 1,918,437	\$ 14,302
Interest	21,000	21,000	33,905	12,905
TOTAL REVENUES	1,925,135	1,925,135	1,952,342	27,207
EXPENDITURES				
Current:				
Materials and services	1,905,160	1,905,160	1,777,271	127,889
Contingency	285,775	283,775	-	283,775
TOTAL EXPENDITURES	2,190,935	2,188,935	1,777,271	411,664
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(265,800)	(263,800)	175,071	438,871
OTHER FINANCING SOURCES (USES)				
Transfers in	504,580	529,580	511,430	(18,150)
Transfers out	(442,070)	(444,070)	(443,260)	810
TOTAL OTHER FINANCING SOURCES (USES)	62,510	85,510	68,170	(17,340)
NET CHANGE IN FUND BALANCE	(203,290)	(178,290)	243,241	421,531
FUND BALANCE - beginning	1,360,620	1,360,620	961,465	(399,155)
FUND BALANCE - ending	\$ 1,157,330	\$ 1,182,330	1,204,706	\$ 22,376
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(12,685)	
Fund balance - GAAP basis			\$ 1,192,021	

CITY OF TUALATIN, OREGON
ROAD OPERATING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	\$ 2,768,755	\$ 2,768,755	\$ 2,760,474	\$ (8,281)
Fees and charges	-	-	204,307	204,307
Interest	103,260	103,260	140,718	37,458
Miscellaneous	-	-	1,768	1,768
TOTAL REVENUES	2,872,015	2,872,015	3,107,267	235,252
EXPENDITURES				
Current:				
Personal services	685,450	685,450	531,426	154,024
Materials and services	1,212,565	1,212,565	1,146,780	65,785
Capital outlay	800,000	800,000	379,349	420,651
Contingency	596,200	571,200	-	571,200
TOTAL EXPENDITURES	3,294,215	3,269,215	2,057,555	1,211,660
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(422,200)	(397,200)	1,049,712	1,446,912
OTHER FINANCING SOURCES (USES)				
Transfers in	360,200	362,200	361,556	(644)
Transfers out	(1,438,060)	(1,463,060)	(1,444,409)	18,651
TOTAL OTHER FINANCING SOURCES (USES)	(1,077,860)	(1,100,860)	(1,082,853)	18,007
NET CHANGE IN FUND BALANCE	(1,500,060)	(1,498,060)	(33,141)	1,464,919
FUND BALANCE - beginning	3,482,320	3,482,320	3,894,205	411,885
FUND BALANCE - ending	\$ 1,982,260	\$ 1,984,260	3,861,064	\$ 1,876,804
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(48,758)	
Fund balance - GAAP basis			\$ 3,812,306	

CITY OF TUALATIN, OREGON
CORE AREA PARKING DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Fees and charges	\$ 75,000	\$ 75,000	\$ 84,036	\$ 9,036
Interest	3,500	3,500	11,145	7,645
TOTAL REVENUES	78,500	78,500	95,181	16,681
EXPENDITURES				
Current:				
Materials and services	29,400	29,400	28,353	1,047
Capital outlay	70,000	70,000	-	70,000
Contingency	15,810	15,810	-	15,810
TOTAL EXPENDITURES	115,210	115,210	28,353	86,857
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(36,710)	(36,710)	66,828	103,538
OTHER FINANCING SOURCES (USES)				
Transfers out	(37,360)	(37,360)	(37,360)	-
TOTAL OTHER FINANCING SOURCES (USES)	(37,360)	(37,360)	(37,360)	-
NET CHANGE IN FUND BALANCE	(74,070)	(74,070)	29,468	103,538
FUND BALANCE - beginning	260,000	260,000	268,890	8,890
FUND BALANCE - ending	\$ 185,930	\$ 185,930	298,358	\$ 112,428
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(3,697)	
Fund balance - GAAP basis			\$ 294,661	

CITY OF TUALATIN, OREGON
TUALATIN SCHOLARSHIP FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Interest	\$ 1,800	\$ 1,800	\$ 1,915	\$ 115
TOTAL REVENUES	1,800	1,800	1,915	115
EXPENDITURES				
Current:				
Materials and services	1,000	1,000	1,000	-
TOTAL EXPENDITURES	1,000	1,000	1,000	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	800	800	915	115
NET CHANGE IN FUND BALANCE	800	800	915	115
FUND BALANCE - beginning	50,950	50,950	51,200	250
FUND BALANCE - ending	<u>\$ 51,750</u>	<u>\$ 51,750</u>	52,115	<u>\$ 365</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(632)	
Fund balance - GAAP basis			<u>\$ 51,483</u>	

CITY OF TUALATIN, OREGON
PARKS UTILITY FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Fees and charges	\$ 678,440	\$ 678,440	\$ 744,211	\$ 65,771
Interest	3,500	3,500	37,487	33,987
TOTAL REVENUES	681,940	681,940	781,698	99,758
EXPENDITURES				
Current:				
Materials and services	9,600	11,600	11,397	203
Capital outlay	945,160	943,160	425,217	517,943
TOTAL EXPENDITURES	954,760	954,760	436,614	518,146
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(272,820)	(272,820)	345,084	617,904
OTHER FINANCING SOURCES (USES)				
Transfers out	(77,180)	(77,180)	(77,180)	-
TOTAL OTHER FINANCING SOURCES (USES)	(77,180)	(77,180)	(77,180)	-
NET CHANGE IN FUND BALANCE	(350,000)	(350,000)	267,904	617,904
FUND BALANCE - beginning	350,000	350,000	715,929	365,929
FUND BALANCE - ending	\$ -	\$ -	983,833	\$ 983,833
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(12,910)	
Fund balance - GAAP basis			\$ 970,923	

CITY OF TUALATIN, OREGON
ECONOMIC DEVELOPMENT ADMINISTRATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2024

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Interest	\$ 7,000	\$ 7,000	\$ 7,462	\$ 462
TOTAL REVENUES	<u>7,000</u>	<u>7,000</u>	<u>7,462</u>	<u>462</u>
EXPENDITURES				
Current:				
Materials and services	36,900	36,900	21,261	15,639
Contingency	<u>126,650</u>	<u>126,650</u>	<u>-</u>	<u>126,650</u>
TOTAL EXPENDITURES	<u>163,550</u>	<u>163,550</u>	<u>21,261</u>	<u>142,289</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(156,550)</u>	<u>(156,550)</u>	<u>(13,799)</u>	<u>142,751</u>
NET CHANGE IN FUND BALANCE	(156,550)	(156,550)	(13,799)	142,751
FUND BALANCE - beginning	<u>156,550</u>	<u>156,550</u>	<u>152,524</u>	<u>(4,026)</u>
FUND BALANCE - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	138,725	<u><u>\$ 138,725</u></u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			<u>(5,355)</u>	
Fund balance - GAAP basis			<u><u>\$ 133,370</u></u>	

CITY OF TUALATIN, OREGON
SOUTHWEST URBAN RENEWAL DISTRICT BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	\$ 134,000	\$ 134,000	\$ 1,299,932	\$ 1,165,932
Intergovernmental	-	-	142	142
Interest	9,000	9,000	43,835	34,835
TOTAL REVENUES	143,000	143,000	1,343,909	1,200,909
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	143,000	143,000	1,343,909	1,200,909
NET CHANGE IN FUND BALANCE	143,000	143,000	1,343,909	1,200,909
FUND BALANCE - beginning	132,000	132,000	137,552	5,552
FUND BALANCE - ending	\$ 275,000	\$ 275,000	1,481,461	\$ 1,206,461
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(17,893)	
Fund balance - GAAP basis			\$ 1,463,568	

CITY OF TUALATIN, OREGON
TUALATIN CITY SERVICES BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Interest	\$ 3,850	\$ 3,850	\$ 2,911	\$ (939)
TOTAL REVENUES	3,850	3,850	2,911	(939)
EXPENDITURES				
Capital outlay	300,000	300,000	103,841	196,159
TOTAL EXPENDITURES	300,000	300,000	103,841	196,159
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(296,150)	(296,150)	(100,930)	195,220
NET CHANGE IN FUND BALANCE	(296,150)	(296,150)	(100,930)	195,220
FUND BALANCE - beginning	296,150	296,150	100,930	(195,220)
FUND BALANCE - ending	\$ -	\$ -	\$ -	\$ -

CITY OF TUALATIN, OREGON
PARK DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Fees and charges	\$ 1,790,500	\$ 1,790,500	\$ 2,044,084	\$ 253,584
Interest	8,000	8,000	112,761	104,761
TOTAL REVENUES	1,798,500	1,798,500	2,156,845	358,345
EXPENDITURES				
Current:				
Materials and services	4,000	4,000	300	3,700
Capital outlay	2,744,510	2,703,940	129,944	2,573,996
TOTAL EXPENDITURES	2,748,510	2,707,940	130,244	2,577,696
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(950,010)	(909,440)	2,026,601	2,936,041
OTHER FINANCING SOURCES (USES)				
Transfers out	(74,450)	(115,020)	(111,485)	3,535
TOTAL OTHER FINANCING				
SOURCES (USES)	(74,450)	(115,020)	(111,485)	3,535
NET CHANGE IN FUND BALANCE	(1,024,460)	(1,024,460)	1,915,116	2,939,576
FUND BALANCE - beginning	1,024,460	1,024,460	2,018,741	994,281
FUND BALANCE - ending	\$ -	\$ -	3,933,857	\$ 3,933,857
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(49,332)	
Fund balance - GAAP basis			\$ 3,884,525	

CITY OF TUALATIN, OREGON
TRANSPORTATION PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Interest	\$ 105,000	\$ 105,000	\$ 28,539	\$ (76,461)
TOTAL REVENUES	105,000	105,000	28,539	(76,461)
EXPENDITURES				
Current:				
Materials and services	5,700	5,700	1,699	4,001
Capital outlay	3,306,000	3,306,000	3,197,888	108,112
Contingency	211,640	211,640	-	211,640
TOTAL EXPENDITURES	3,523,340	3,523,340	3,199,587	323,753
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(3,418,340)	(3,418,340)	(3,171,048)	247,292
OTHER FINANCING SOURCES (USES)				
Transfers out	(279,160)	(279,160)	(279,160)	-
TOTAL OTHER FINANCING SOURCES (USES)	(279,160)	(279,160)	(279,160)	-
NET CHANGE IN FUND BALANCE	(3,697,500)	(3,697,500)	(3,450,208)	247,292
FUND BALANCE - beginning	3,697,500	3,697,500	3,450,208	(247,292)
FUND BALANCE - ending	\$ -	\$ -	\$ -	\$ -

CITY OF TUALATIN, OREGON
LEVETON TAX INCREMENT DISTRICT PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Interest	\$ 40,000	\$ 40,000	\$ 25,556	\$ (14,444)
TOTAL REVENUES	40,000	40,000	25,556	(14,444)
EXPENDITURES				
Capital outlay	2,895,240	2,895,240	2,840,880	54,360
TOTAL EXPENDITURES	2,895,240	2,895,240	2,840,880	54,360
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,855,240)	(2,855,240)	(2,815,324)	39,916
OTHER FINANCING SOURCES (USES)				
Transfers out	(132,220)	(132,220)	(132,220)	-
TOTAL OTHER FINANCING SOURCES (USES)	(132,220)	(132,220)	(132,220)	-
NET CHANGE IN FUND BALANCE	(2,987,460)	(2,987,460)	(2,947,544)	39,916
FUND BALANCE - beginning	2,987,460	2,987,460	2,947,544	(39,916)
FUND BALANCE - ending	\$ -	\$ -	\$ -	\$ -

BUDGETARY COMPARISON SCHEDULES

Enterprise Funds

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

Enterprise Budgetary Comparison schedules include the following:

- Water Operations
 - Water Fund
 - Water Development Fund
 - Enterprise Bond Fund

- Sewer Operations
 - Sewer Fund
 - Sewer Development Fund

- Stormwater Operations
 - Stormwater Fund
 - Stormwater Development Fund

CITY OF TUALATIN, OREGON
WATER OPERATIONS COMBINED
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2024

	Water Fund	Water Development Fund	Enterprise Bond Fund	Total Water Operations
REVENUES				
Charges for service	\$ 9,016,397	\$ -	\$ -	\$ 9,016,397
Fees and charges	25,069	1,153,911	-	1,178,980
Interest	413,988	72,311	9,781	496,080
Miscellaneous	6,392	-	-	6,392
TOTAL REVENUES	9,461,846	1,226,222	9,781	10,697,849
EXPENDITURES				
Current:				
Personal services	868,639	-	-	868,639
Materials and services	4,407,605	-	495	4,408,100
Capital outlay	2,640,027	-	-	2,640,027
Debt service:				
Principal	-	-	873,723	873,723
Interest	-	-	113,012	113,012
TOTAL EXPENDITURES	7,916,271	-	987,230	8,903,501
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,545,575	1,226,222	(977,449)	1,794,348
OTHER FINANCING SOURCES (USES)				
Transfers in	515,640	-	861,735	1,377,375
Transfers out	(1,703,269)	(591,610)	-	(2,294,879)
TOTAL OTHER FINANCING SOURCES (USES)	(1,187,629)	(591,610)	861,735	(917,504)
NET CHANGE IN FUND BALANCE	357,946	634,612	(115,714)	876,844
FUND BALANCE - beginning	11,518,411	1,396,899	443,531	13,358,841
FUND BALANCE - ending	\$ 11,876,357	\$ 2,031,511	\$ 327,817	14,235,685
RECONCILIATION TO NET POSITION - GAAP BASIS				
Adjustment for unrealized gain (loss) on investments				(165,548)
Adjustment for compensated absences being accrued				(48,663)
Adjustment for other post employment benefit related deferred outflows of resources being accrued				6,285
Adjustment for other post employment benefit related deferred inflows of resources being accrued				(6,557)
Adjustment for net other post employment benefit liability being accrued				(26,991)
Adjustment for net pension liability being accrued				(853,374)
Adjustment for pension related deferred outflows of resources being accrued				323,014
Adjustment for pension related deferred inflows of resources being accrued				(85,948)
Adjustment for interest payable being accrued				(2,896)
Adjustment for capital assets not being depreciated				2,321,323
Adjustment for capital assets, net of accumulated depreciation				29,021,633
Adjustment for bonds payable, due within one year				(490,000)
Adjustment for long term bonds payable				(505,000)
Adjustment for bond premium				(40,499)
Adjustment for deferred charge on refunding				24,588
NET POSITION - GAAP BASIS				\$ 43,707,052

CITY OF TUALATIN, OREGON
WATER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for service	\$ 8,390,725	\$ 8,390,725	\$ 9,016,397	\$ 625,672
Fees and charges	26,500	26,500	25,069	(1,431)
Interest	350,000	350,000	413,988	63,988
Miscellaneous	2,200	2,200	6,392	4,192
TOTAL REVENUES	8,769,425	8,769,425	9,461,846	692,421
EXPENDITURES				
Current:				
Personal services	1,029,780	1,029,780	868,639	161,141
Materials and services	4,546,355	4,546,355	4,407,605	138,750
Capital outlay	3,935,560	3,935,560	2,640,027	1,295,533
Contingency	1,413,400	1,413,400	-	1,413,400
TOTAL EXPENDITURES	10,925,095	10,925,095	7,916,271	3,008,824
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,155,670)	(2,155,670)	1,545,575	3,701,245
OTHER FINANCING SOURCES (USES)				
Transfers in	1,491,800	1,491,800	515,640	(976,160)
Transfers out	(1,704,600)	(1,704,600)	(1,703,269)	1,331
TOTAL OTHER FINANCING SOURCES (USES)	(212,800)	(212,800)	(1,187,629)	(974,829)
NET CHANGE IN FUND BALANCE	(2,368,470)	(2,368,470)	357,946	2,726,416
FUND BALANCE - beginning	9,095,340	9,095,340	11,518,411	2,423,071
FUND BALANCE - ending	\$ 6,726,870	\$ 6,726,870	\$ 11,876,357	\$ 5,149,487

CITY OF TUALATIN, OREGON
WATER DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Fees and charges	\$ 350,000	\$ 350,000	\$ 1,153,911	\$ 803,911
Interest	50,000	50,000	72,311	22,311
TOTAL REVENUES	400,000	400,000	1,226,222	826,222
 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	 400,000	 400,000	 1,226,222	 826,222
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,543,380)	(1,570,095)	(591,610)	978,485
TOTAL OTHER FINANCING SOURCES (USES)	(1,543,380)	(1,570,095)	(591,610)	978,485
 NET CHANGE IN FUND BALANCE	 (1,143,380)	 (1,170,095)	 634,612	 1,804,707
 FUND BALANCE - beginning	 1,201,810	 1,201,810	 1,396,899	 195,089
 FUND BALANCE - ending	 <u>\$ 58,430</u>	 <u>\$ 31,715</u>	 <u>\$ 2,031,511</u>	 <u>\$ 1,999,796</u>

CITY OF TUALATIN, OREGON
ENTERPRISE BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Interest	\$ 15,420	\$ 15,420	\$ 9,781	\$ (5,639)
TOTAL REVENUES	15,420	15,420	9,781	(5,639)
EXPENDITURES				
Current:				
Materials and services	495	495	495	-
Debt service:				
Principal	875,970	875,970	873,723	2,247 *
Interest	114,085	114,085	113,012	1,073 *
TOTAL EXPENDITURES	990,550	990,550	987,230	3,320
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(975,130)	(975,130)	(977,449)	(2,319)
OTHER FINANCING SOURCES (USES)				
Transfers in	865,060	865,060	861,735	(3,325)
TOTAL OTHER FINANCING				
SOURCES (USES)	865,060	865,060	861,735	(3,325)
NET CHANGE IN FUND BALANCE	(110,070)	(110,070)	(115,714)	(5,644)
FUND BALANCE - beginning	440,500	440,500	443,531	3,031
FUND BALANCE - ending	\$ 330,430	\$ 330,430	\$ 327,817	\$ (2,613)

* Appropriation level is debt service.

CITY OF TUALATIN, OREGON
SEWER OPERATIONS COMBINED
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2024

	<u>Sewer Fund</u>	<u>Sewer Development Fund</u>	<u>Total Sewer Operations</u>
REVENUES			
Charges for service	\$ 2,675,023	\$ -	\$ 2,675,023
Fees and charges	-	50,568	50,568
Interest	134,571	147,739	282,310
Miscellaneous	<u>1,284,835</u>	<u>-</u>	<u>1,284,835</u>
TOTAL REVENUES	<u>4,094,429</u>	<u>198,307</u>	<u>4,292,736</u>
EXPENDITURES			
Current:			
Personal services	577,364	-	577,364
Materials and services	568,296	-	568,296
Capital outlay	<u>1,337,916</u>	<u>-</u>	<u>1,337,916</u>
TOTAL EXPENDITURES	<u>2,483,576</u>	<u>-</u>	<u>2,483,576</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,610,853</u>	<u>198,307</u>	<u>1,809,160</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	192,030	-	192,030
Transfers out	<u>(1,043,037)</u>	<u>(48,415)</u>	<u>(1,091,452)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(851,007)</u>	<u>(48,415)</u>	<u>(899,422)</u>
NET CHANGE IN FUND BALANCE	759,846	149,892	909,738
FUND BALANCE - beginning	<u>3,351,630</u>	<u>3,739,023</u>	<u>7,090,653</u>
FUND BALANCE - ending	<u>\$ 4,111,476</u>	<u>\$ 3,888,915</u>	8,000,391
RECONCILIATION TO NET POSITION - GAAP BASIS			
Adjustment for unrealized gain (loss) on investments			(88,890)
Adjustment for compensated absences being accrued			(23,783)
Adjustment for other post employment benefit related deferred outflows of resources being accrued			3,714
Adjustment for other post employment benefit related deferred inflows of resources being accrued			(3,874)
Adjustment for net other post employment benefit liability being accrued			(15,948)
Adjustment for net pension liability being accrued			(504,211)
Adjustment for pension related deferred outflows of resources being accrued			190,851
Adjustment for pension related deferred inflows of resources being accrued			(50,782)
Adjustment for capital assets not being depreciated			1,373,092
Adjustment for capital assets, net of accumulated depreciation			<u>14,155,213</u>
NET POSITION - GAAP BASIS			<u>\$ 23,035,773</u>

CITY OF TUALATIN, OREGON
SEWER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for service	\$ 2,554,345	\$ 2,554,345	\$ 2,675,023	\$ 120,678
Intergovernmental	3,184,000	3,184,000	-	(3,184,000)
Interest	105,000	105,000	134,571	29,571
Miscellaneous	-	-	1,284,835	1,284,835
TOTAL REVENUES	5,843,345	5,843,345	4,094,429	(1,748,916)
EXPENDITURES				
Current:				
Personal services	581,920	581,920	577,364	4,556
Materials and services	572,875	572,875	568,296	4,579
Capital outlay	3,450,000	3,450,000	1,337,916	2,112,084
Contingency	690,035	690,035	-	690,035
TOTAL EXPENDITURES	5,294,830	5,294,830	2,483,576	2,811,254
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	548,515	548,515	1,610,853	1,062,338
OTHER FINANCING SOURCES (USES)				
Transfers in	192,030	192,030	192,030	-
Transfers out	(1,043,870)	(1,043,870)	(1,043,037)	833
TOTAL OTHER FINANCING SOURCES (USES)	(851,840)	(851,840)	(851,007)	833
NET CHANGE IN FUND BALANCE	(303,325)	(303,325)	759,846	1,063,171
FUND BALANCE - beginning	2,876,900	2,876,900	3,351,630	474,730
FUND BALANCE - ending	\$ 2,573,575	\$ 2,573,575	\$ 4,111,476	\$ 1,537,901

CITY OF TUALATIN, OREGON
SEWER DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Fees and charges	\$ 24,000	\$ 24,000	\$ 50,568	\$ 26,568
Interest	129,500	129,500	147,739	18,239
TOTAL REVENUES	153,500	153,500	198,307	44,807
 EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	 153,500	 153,500	 198,307	 44,807
OTHER FINANCING SOURCES (USES)				
Transfers out	(16,250)	(51,485)	(48,415)	3,070
TOTAL OTHER FINANCING SOURCES (USES)	(16,250)	(51,485)	(48,415)	3,070
 NET CHANGE IN FUND BALANCE	 137,250	 102,015	 149,892	 47,877
 FUND BALANCE - beginning	 3,510,800	 3,510,800	 3,739,023	 228,223
 FUND BALANCE - ending	 <u>\$ 3,648,050</u>	 <u>\$ 3,612,815</u>	 <u>\$ 3,888,915</u>	 <u>\$ 276,100</u>

CITY OF TUALATIN, OREGON
STORMWATER OPERATIONS COMBINED
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2024

	Stormwater Fund	Stormwater Development Fund	Total Stormwater Operations
REVENUES			
Charges for service	\$ 3,078,263	\$ -	\$ 3,078,263
Fines and forfeitures	23,783	-	23,783
Fees and charges	223,239	28,694	251,933
Interest	336,613	22,162	358,775
TOTAL REVENUES	3,661,898	50,856	3,712,754
EXPENDITURES			
Current:			
Materials and services	906,945	-	906,945
Capital outlay	58	-	58
TOTAL EXPENDITURES	907,003	-	907,003
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,754,895	50,856	2,805,751
OTHER FINANCING SOURCES (USES)			
Transfers out	(1,063,977)	(40,805)	(1,104,782)
TOTAL OTHER FINANCING SOURCES (USES)	(1,063,977)	(40,805)	(1,104,782)
NET CHANGE IN FUND BALANCE	1,690,918	10,051	1,700,969
FUND BALANCE - beginning	8,133,938	579,893	8,713,831
FUND BALANCE - ending	\$ 9,824,856	\$ 589,944	10,414,800
RECONCILIATION TO NET POSITION - GAAP BASIS			
Adjustment for unrealized gain (loss) on investments			(124,708)
Adjustment for capital assets not being depreciated			8,891
Adjustment for capital assets, net of accumulated depreciation			5,981,284
NET POSITION - GAAP BASIS			\$ 16,280,267

CITY OF TUALATIN, OREGON
STORMWATER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for service	\$ 2,902,880	\$ 2,902,880	\$ 3,078,263	\$ 175,383
Fines and forfeitures	-	-	23,783	23,783
Fees and charges	-	-	223,239	223,239
Interest	244,980	244,980	336,613	91,633
TOTAL REVENUES	3,147,860	3,147,860	3,661,898	514,038
EXPENDITURES				
Current:				
Materials and services	946,455	946,455	906,945	39,510
Capital outlay	1,110,000	1,110,000	58	1,109,942
Contingency	468,140	468,140	-	468,140
TOTAL EXPENDITURES	2,524,595	2,524,595	907,003	1,617,592
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	623,265	623,265	2,754,895	2,131,630
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,064,470)	(1,064,470)	(1,063,977)	493
TOTAL OTHER FINANCING SOURCES (USES)	(1,064,470)	(1,064,470)	(1,063,977)	493
NET CHANGE IN FUND BALANCE	(441,205)	(441,205)	1,690,918	2,132,123
FUND BALANCE - beginning	6,416,060	6,416,060	8,133,938	1,717,878
FUND BALANCE - ending	\$ 5,974,855	\$ 5,974,855	\$ 9,824,856	\$ 3,850,001

CITY OF TUALATIN, OREGON
STORMWATER DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Fees and charges	\$ 10,000	\$ 10,000	\$ 28,694	\$ 18,694
Interest	15,750	15,750	22,162	6,412
TOTAL REVENUES	25,750	25,750	50,856	25,106
EXPENDITURES				
Current:				
Capital outlay	200,000	200,000	-	200,000
Contingency	347,610	346,650	-	346,650
TOTAL EXPENDITURES	547,610	546,650	-	546,650
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(521,860)	(520,900)	50,856	571,756
OTHER FINANCING SOURCES (USES)				
Transfers out	(39,930)	(40,890)	(40,805)	85
TOTAL OTHER FINANCING SOURCES (USES)	(39,930)	(40,890)	(40,805)	85
NET CHANGE IN FUND BALANCE	(561,790)	(561,790)	10,051	571,841
FUND BALANCE - beginning	561,790	561,790	579,893	18,103
FUND BALANCE - ending	\$ -	\$ -	\$ 589,944	\$ 589,944

BUDGETARY COMPARISON SCHEDULES

Internal Service Funds

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

Internal Service Budgetary Comparison schedules include the following:

- Vehicle Replacement Fund

CITY OF TUALATIN, OREGON
VEHICLE REPLACEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2024

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Charges for service	\$ 814,555	\$ 814,555	\$ 814,555	\$ -
Interest	8,990	8,990	84,476	75,486
TOTAL REVENUES	823,545	823,545	899,031	75,486
EXPENDITURES				
Capital outlay	1,043,500	1,043,500	624,046	419,454
TOTAL EXPENDITURES	1,043,500	1,043,500	624,046	419,454
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(219,955)	(219,955)	274,985	494,940
OTHER FINANCING SOURCES (USES)				
Sales of general capital assets	-	-	26,701	26,701
TOTAL OTHER FINANCING SOURCES (USES)	-	-	26,701	26,701
NET CHANGE IN FUND BALANCE	(219,955)	(219,955)	301,686	521,641
FUND BALANCE - beginning	1,852,700	1,852,700	1,917,996	65,296
FUND BALANCE - ending	\$ 1,632,745	\$ 1,632,745	2,219,682	\$ 586,937
RECONCILIATION TO NET POSITION - GAAP BASIS				
Adjustment for unrealized gain (loss) on investments			(27,749)	
Adjustment for capital assets not being depreciated			6,116	
Adjustment for capital assets, net of accumulated depreciation			1,648,228	
NET POSITION - GAAP BASIS			\$ 3,846,277	

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OTHER FINANCIAL SCHEDULES

CITY OF TUALATIN, OREGON
SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES
For the Fiscal Year Ended June 30, 2024

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2023</u>	<u>Levy as Extended By Assessor</u>	<u>Discount</u>	<u>Interest</u>	<u>Adjustments</u>	<u>Collections</u>	<u>Uncollected Balance June 30, 2024</u>
2023-2024	\$ -	\$ 18,730,452	\$ (508,405)	\$ 4,553	\$ (54,968)	\$ (17,967,301)	\$ 199,778
2022-2023	151,361	-	460	8,212	(17,989)	(80,438)	53,394
2021-2022	46,877	-	51	4,649	(2,514)	(17,666)	26,748
2020-2021	24,793	-	32	5,499	(1,254)	(12,797)	10,774
2019-2020	10,504	-	1	2,554	(620)	(5,217)	4,668
2018-2019	3,865	-	1	769	(231)	(1,098)	2,537
Prior years	7,270	-	-	898	(171)	(853)	6,246
Totals	<u>\$ 244,670</u>	<u>\$ 18,730,452</u>	<u>\$ (507,860)</u>	<u>\$ 27,134</u>	<u>\$ (77,747)</u>	<u>\$ (18,085,370)</u>	<u>\$ 304,145</u>

Taxes receivable classified by fund:

General Fund	\$ 218,061
General Obligation Bond Fund	71,861
Southwest Urban Renewal District Bond Fund	<u>14,223</u>
	<u>\$ 304,145</u>

CITY OF TUALATIN, OREGON
WATER FUND 5 YEAR HISTORICAL RESULTS
For the Fiscal Year Ended June 30, 2024

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
REVENUES:					
Charges for service	\$ 6,773,453	\$ 7,558,417	\$ 7,682,391	\$ 8,615,391	\$ 9,016,397
Fees and charges	26,868	19,150	3,210	14,352	25,069
Interest	139,399	76,614	63,813	264,854	413,988
Miscellaneous	<u>352,861</u>	<u>2,750</u>	<u>4,700</u>	<u>11,311</u>	<u>6,392</u>
Total revenues	<u>7,292,581</u>	<u>7,656,931</u>	<u>7,754,114</u>	<u>8,905,908</u>	<u>9,461,846</u>
EXPENDITURES:					
Current:					
Personal services	810,544	830,520	882,871	964,860	868,639
Materials and services	3,495,769	3,439,601	3,171,708	3,712,733	4,407,605
Capital outlay	<u>261,113</u>	<u>62,359</u>	<u>363,383</u>	<u>1,011,980</u>	<u>2,640,027</u>
Total expenditures	<u>4,567,426</u>	<u>4,332,480</u>	<u>4,417,962</u>	<u>5,689,573</u>	<u>7,916,271</u>
Excess (deficiency) of revenues over expenditures	<u>2,725,155</u>	<u>3,324,451</u>	<u>3,336,152</u>	<u>3,216,335</u>	<u>1,545,575</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	62,206	17,186	112,478	475,576	515,640
Transfers out	<u>(2,854,270)</u>	<u>(1,961,600)</u>	<u>(1,945,928)</u>	<u>(1,805,844)</u>	<u>(1,703,269)</u>
Total other financing sources (uses)	<u>(2,792,064)</u>	<u>(1,944,414)</u>	<u>(1,833,450)</u>	<u>(1,330,268)</u>	<u>(1,187,629)</u>
Net change in fund balances	(66,909)	1,380,037	1,502,702	1,886,067	357,946
FUND BALANCES, BEGINNING BUDGETARY BASIS	<u>6,816,514</u>	<u>6,749,605</u>	<u>8,129,642</u>	<u>9,632,344</u>	<u>11,518,411</u>
FUND BALANCES, ENDING BUDGETARY BASIS	<u>\$ 6,749,605</u>	<u>\$ 8,129,642</u>	<u>\$ 9,632,344</u>	<u>\$ 11,518,411</u>	<u>\$ 11,876,357</u>

STATISTICAL SECTION

STATISTICAL SECTION

The Statistical Section of the annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the overall financial health of the City of Tualatin.

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

REVENUE CAPACITY

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

DEBT CAPACITY

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

OPERATING INFORMATION

These schedules contain service and infrastructure data to help the reader understand how the information in the financial report relates to the services the City provides and the activities it performs.

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

CITY OF TUALATIN
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	2024	2023	2022 (restated)	2021
Governmental activities				
Net investment in capital assets	\$ 98,289,105	\$ 91,228,899	\$ 87,045,666	\$ 88,344,914
Restricted for special purposes	27,290,368	31,549,668	26,390,038	19,707,511
Unrestricted	(572,521)	(4,470,786)	(1,498,011)	(1,540,508)
<i>Total governmental activities</i>	<u>\$ 125,006,952</u>	<u>\$ 118,307,781</u>	<u>\$ 111,937,693</u>	<u>\$ 106,511,917</u>
Business-type activities				
Net investment in capital assets	\$ 51,757,793	\$ 45,853,126	\$ 45,529,130	\$ 45,767,242
Restricted for special purposes	6,442,274	5,731,496	1,512,487	1,326,070
Unrestricted	24,823,025	21,635,484	22,842,280	20,360,715
<i>Total business-type activities net position</i>	<u>\$ 83,023,092</u>	<u>\$ 73,220,106</u>	<u>\$ 69,883,897</u>	<u>\$ 67,454,027</u>
Primary government				
Net investment in capital assets	\$ 150,046,898	\$ 137,082,025	\$ 132,574,796	\$ 134,112,156
Restricted for special purposes	33,732,642	37,281,164	27,902,525	21,033,581
Unrestricted	24,250,504	17,164,698	21,344,269	18,820,207
<i>Total primary government net position</i>	<u>\$ 208,030,044</u>	<u>\$ 191,527,887</u>	<u>\$ 181,821,590</u>	<u>\$ 173,965,944</u>

2020	2019	2018	2017 (restated)	2016	2015 (restated)
\$ 86,795,235	\$ 88,026,572	\$ 87,689,070	\$ 89,406,263	\$ 92,714,377	\$ 92,025,421
23,120,100	17,883,651	17,684,108	15,999,817	15,691,594	16,106,005
(2,190,512)	(1,565,440)	(2,873,654)	(1,224,674)	(299,018)	5,747,426
<u>\$ 107,724,823</u>	<u>\$ 104,344,783</u>	<u>\$ 102,499,524</u>	<u>\$ 104,181,406</u>	<u>\$ 108,106,953</u>	<u>\$ 113,878,852</u>
\$ 46,962,956	\$ 47,494,937	\$ 48,401,428	\$ 47,820,158	\$ 48,485,673	\$ 48,216,410
1,314,478	5,429,897	5,665,182	5,326,945	5,309,622	5,042,785
18,280,153	14,634,231	13,190,009	11,159,067	9,882,033	8,860,551
<u>\$ 66,557,587</u>	<u>\$ 67,559,065</u>	<u>\$ 67,256,619</u>	<u>\$ 64,306,170</u>	<u>\$ 63,677,328</u>	<u>\$ 62,119,746</u>
\$ 133,758,191	\$ 135,521,509	\$ 136,090,498	\$ 137,226,421	\$ 141,200,050	\$ 140,241,831
24,434,578	23,313,548	23,349,290	21,326,762	21,001,216	21,148,790
16,089,641	13,068,791	10,316,355	9,934,393	9,583,015	14,607,977
<u>\$ 174,282,410</u>	<u>\$ 171,903,848</u>	<u>\$ 169,756,143</u>	<u>\$ 168,487,576</u>	<u>\$ 171,784,281</u>	<u>\$ 175,998,598</u>

CITY OF TUALATIN
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2024	2023	2022	2021
Expenses				
<i>Governmental activities:</i>				
General government	\$ 14,088,686	\$ 11,157,189	\$ 9,821,910	\$ 10,333,739
Public Safety	11,989,481	10,452,673	9,758,499	10,956,022
Highways and streets	7,746,853	8,135,001	6,560,718	6,540,062
Culture and recreation	6,902,619	6,238,210	5,724,066	6,089,919
Urban renewal	-	-	-	-
Interest on long-term debt	1,094,065	501,784	582,242	677,481
<i>Total governmental activities expenses</i>	<u>41,821,704</u>	<u>36,484,857</u>	<u>32,447,435</u>	<u>34,597,223</u>
<i>Business-type activities</i>				
Charges for services				
Water	6,794,294	6,305,942	5,686,173	6,043,124
Sewer	2,937,469	10,080,898	10,735,959	8,656,337
Stormwater	1,134,425	1,843,112	1,999,040	1,601,097
<i>Total business-type activities expenses</i>	<u>10,866,188</u>	<u>18,229,952</u>	<u>18,421,172</u>	<u>16,300,558</u>
<i>Total Expenses</i>	<u>\$ 52,687,892</u>	<u>\$ 54,714,809</u>	<u>\$ 50,868,607</u>	<u>\$ 50,897,781</u>
Program revenues				
<i>Governmental activities</i>				
Charges for services				
General government	\$ 5,583,433	\$ 4,546,482	\$ 4,880,066	\$ 839,211
Public Safety	1,091,019	1,225,305	1,341,304	1,502,036
Highways and streets	3,536,308	3,150,462	4,274,540	2,342,771
Culture and recreation	324,777	321,431	102,839	107,960
Operating grants and contributions	684,806	771,076	165,185	1,306,028
Capital grants and contributions	3,321,115	2,614,776	305,433	479,582
<i>Total governmental activities program revenues</i>	<u>14,541,458</u>	<u>12,629,532</u>	<u>11,069,367</u>	<u>6,577,588</u>
<i>Business-type activities</i>				
Charges for services				
Water	10,195,377	8,964,441	7,987,031	7,626,402
Sewer	2,725,591	10,937,843	11,559,860	8,779,501
Stormwater	3,353,979	3,938,072	3,968,323	3,454,755
Capital grants and contributions	4,652,593	533,906	100,000	313,549
<i>Total business-type activities program revenues</i>	<u>20,927,540</u>	<u>24,374,262</u>	<u>23,615,214</u>	<u>20,174,207</u>
<i>Total program revenues</i>	<u>\$ 35,468,998</u>	<u>\$ 37,003,794</u>	<u>\$ 34,684,581</u>	<u>\$ 26,751,795</u>
Net (expense)/revenues				
<i>Governmental activities</i>	<u>\$ (27,280,246)</u>	<u>\$ (23,855,325)</u>	<u>\$ (21,378,068)</u>	<u>\$ (28,019,635)</u>
<i>Business-type activities</i>	<u>10,061,352</u>	<u>6,144,310</u>	<u>5,194,042</u>	<u>3,873,649</u>
<i>Total net expenses</i>	<u>\$ (17,218,894)</u>	<u>\$ (17,711,015)</u>	<u>\$ (16,184,026)</u>	<u>\$ (24,145,986)</u>

2020	2019	2018	2017	2016	2015
\$ 9,813,476	\$ 9,307,642	\$ 8,820,817	\$ 8,601,383	\$ 9,588,149	\$ 6,057,498
10,905,816	9,618,099	9,395,927	9,376,700	11,314,546	5,942,679
6,755,745	6,218,228	6,512,541	5,766,575	5,336,161	4,586,849
6,453,498	5,915,477	5,807,210	5,610,846	5,989,878	3,769,534
-	-	-	-	-	-
757,327	732,891	278,911	306,991	353,882	317,574
34,685,862	31,792,337	30,815,406	29,662,495	32,582,616	20,674,134
5,786,256	6,150,565	4,588,472	4,536,689	4,666,131	4,973,697
8,830,709	8,654,399	7,988,987	7,974,785	8,406,184	7,392,084
1,575,023	1,576,322	1,537,004	1,308,024	1,536,685	1,449,680
16,191,988	16,381,286	14,114,463	13,819,498	14,609,000	13,815,461
\$ 50,877,850	\$ 48,173,623	\$ 44,929,869	\$ 43,481,993	\$ 47,191,616	\$ 34,489,595
\$ 2,005,357	\$ 1,328,911	\$ 1,828,717	\$ 1,552,827	\$ 1,811,857	\$ 2,497,798
1,361,646	1,766,201	1,347,548	1,400,454	1,255,128	1,583,770
3,662,253	3,123,244	3,838,628	1,841,947	2,650,628	2,613,764
289,944	311,017	291,863	201,798	290,094	279,051
533,644	179,956	147,249	209,704	146,802	482,911
365,513	86,004	552,878	30,210	455,604	-
8,218,357	6,795,333	8,006,883	5,236,940	6,610,113	7,457,294
6,976,940	7,518,166	7,109,610	6,270,314	6,463,535	6,116,285
9,328,325	8,624,206	8,480,478	8,273,184	8,886,824	7,771,356
3,469,983	3,154,990	2,905,264	2,726,287	2,608,638	2,320,189
115,339	336,979	1,778,004	45,280	648,420	827,464
19,890,587	19,634,341	20,273,356	17,315,065	18,607,417	17,035,294
\$ 28,108,944	\$ 26,429,674	\$ 28,280,239	\$ 22,552,005	\$ 25,217,530	\$ 24,492,588
\$ (26,467,505)	\$ (24,997,004)	\$ (22,808,523)	\$ (24,425,555)	\$ (25,972,503)	\$ (13,216,840)
3,698,599	3,253,055	6,158,893	3,495,567	3,998,417	3,219,833
\$ (22,768,906)	\$ (21,743,949)	\$ (16,649,630)	\$ (20,929,988)	\$ (21,974,086)	\$ (9,997,007)

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

	2024	2023	2022	2021
General revenues and other changes in net position				
Governmental activities				
Taxes and assessments	\$ 24,813,816	\$ 22,079,048	\$ 24,270,378	\$ 20,509,296
Licenses and permits	3,030,364	2,913,434	2,703,505	2,619,480
Miscellaneous	3,213,529	1,606,998	(297,902)	483,383
Transfers	2,921,708	3,625,933	3,219,370	3,194,570
Total governmental activities	33,979,417	30,225,413	29,895,351	26,806,729
Business-type activities				
Miscellaneous	2,663,342	817,832	455,198	217,361
Transfers	(2,921,708)	(3,625,933)	(3,219,370)	(3,194,570)
Total business-type activities	(258,366)	(2,808,101)	(2,764,172)	(2,977,209)
Total	<u>\$ 33,721,051</u>	<u>\$ 27,417,312</u>	<u>\$ 27,131,179</u>	<u>\$ 23,829,520</u>
Change in net position				
Governmental activities	\$ 6,699,171	\$ 6,370,088	\$ 8,517,283	\$ (1,212,906)
Business-type activities	9,802,986	3,336,209	2,429,870	896,440
Total	<u>\$ 16,502,157</u>	<u>\$ 9,706,297</u>	<u>\$ 10,947,153</u>	<u>\$ (316,466)</u>

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	2020	2019	2018	2017	2016	2015
\$	19,667,867	\$ 19,073,250	\$ 15,363,366	\$ 14,680,977	\$ 15,397,943	\$ 14,298,091
	2,440,018	2,429,676	2,366,393	2,192,857	2,197,426	2,213,242
	2,313,010	1,833,807	725,044	524,761	404,888	929,624
	<u>5,426,650</u>	<u>3,505,530</u>	<u>3,496,958</u>	<u>3,101,413</u>	<u>2,586,832</u>	<u>2,316,940</u>
	29,847,545	26,842,263	21,951,761	20,500,008	20,587,089	19,757,897
	726,573	554,921	311,671	234,688	145,997	89,399
	<u>(5,426,650)</u>	<u>(3,505,530)</u>	<u>(3,496,958)</u>	<u>(3,101,413)</u>	<u>(2,586,832)</u>	<u>(2,316,940)</u>
	(4,700,077)	(2,950,609)	(3,185,287)	(2,866,725)	(2,440,835)	(2,227,541)
\$	<u>25,147,468</u>	<u>\$ 23,891,654</u>	<u>\$ 18,766,474</u>	<u>\$ 17,633,283</u>	<u>\$ 18,146,254</u>	<u>\$ 17,530,356</u>
\$	3,380,040	\$ 1,845,259	\$ (856,762)	\$ (3,925,547)	\$ (5,385,414)	\$ 6,541,057
	<u>(1,001,478)</u>	<u>302,446</u>	<u>2,973,606</u>	<u>628,842</u>	<u>1,557,582</u>	<u>992,292</u>
\$	<u>2,378,562</u>	<u>\$ 2,147,705</u>	<u>\$ 2,116,844</u>	<u>\$ (3,296,705)</u>	<u>\$ (3,827,832)</u>	<u>\$ 7,533,349</u>

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

	2024	2023	2022	2021
General Fund				
Nonspendable	\$ 103,262	\$ 142,572	\$ 93,395	\$ 72,778
Unassigned	16,000,248	15,350,850	14,205,500	13,260,489
Total general fund	<u>\$ 16,103,510</u>	<u>\$ 15,493,422</u>	<u>\$ 14,298,895</u>	<u>\$ 13,333,267</u>
All other governmental funds				
Unreserved, reported in:				
Capital projects funds	\$ -	\$ -	\$ -	\$ -
Nonspendable				
Inventory	55,537	50,179	51,740	71,481
Restricted for:				
Building and engineering	709,446	951,694	916,414	1,353,274
Street and roadside maintenance	3,756,769	3,761,445	3,409,105	2,801,796
Debt service payments	192,256	346,363	178,312	142,465
Capital projects	25,989,310	33,959,230	25,570,991	28,257,696
Urban renewal projects	1,596,938	3,028,808	3,398,287	3,695,772
Community education	30,000	-	-	-
Committed to:				
ARPA	22,839	22,839	3,060,795	-
Pavement maintenance and street lighting	1,192,021	941,220	1,338,820	895,077
Parking maintenance	294,661	263,039	228,733	203,803
Parks capital and maintenance	970,923	702,071	589,596	-
Assigned to:				
Scholarships	51,483	50,083	49,581	50,247
Capital projects	-	-	-	713,071
Total all other governmental funds	<u>\$ 34,862,183</u>	<u>\$ 44,076,971</u>	<u>\$ 38,792,374</u>	<u>\$ 38,184,682</u>

2020	2019	2018	2017	2016	2015
\$ 75,102	\$ 76,094	\$ 79,900	\$ 137,060	\$ 116,121	\$ 81,795
11,565,009	13,341,945	10,528,381	9,918,282	8,347,295	7,474,727
<u>\$ 11,640,111</u>	<u>\$ 13,418,039</u>	<u>\$ 10,608,281</u>	<u>\$ 10,055,342</u>	<u>\$ 8,463,416</u>	<u>\$ 7,556,522</u>
\$ -	\$ (156,399)	\$ -	\$ -	\$ -	\$ -
66,569	46,001	44,697	17,807	24,138	36,164
2,143,427	2,061,501	2,013,372	1,814,179	1,857,722	1,744,129
2,823,684	2,265,867	1,617,439	2,185,622	2,545,434	1,040,146
164,838	124,465	63,195	76,598	93,706	285,945
34,552,993	31,657,339	10,037,958	7,906,876	7,029,512	8,685,673
3,826,265	3,876,362	3,952,144	4,016,542	4,165,220	4,304,445
-	-	-	-	-	-
-	-	-	-	-	-
525,610	399,869	310,272	437,794	137,129	54,279
188,664	163,114	134,595	159,361	149,356	146,188
-	-	-	-	-	-
50,976	51,111	51,233	50,878	50,729	50,804
-	-	-	-	-	-
<u>\$ 44,343,026</u>	<u>\$ 40,489,230</u>	<u>\$ 18,224,905</u>	<u>\$ 16,665,657</u>	<u>\$ 16,052,946</u>	<u>\$ 16,347,773</u>

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

	2024	2023	2022	2021
REVENUES				
Property taxes	\$ 18,142,697	\$ 15,175,386	\$ 14,442,705	\$ 13,778,555
Licenses and permits	1,216,158	1,332,846	1,014,797	734,165
Fees and charges	6,771,806	5,017,419	7,731,979	2,510,038
Intergovernmental	8,519,527	8,022,981	10,399,301	7,974,124
Franchise tax	3,030,364	2,913,434	2,703,505	2,619,480
Charges for services	887,679	1,040,509	579,037	397,793
Fines and forfeitures	681,139	837,058	1,113,265	1,149,982
Miscellaneous	3,501,262	1,596,685	(255,315)	578,318
Total Revenue	<u>42,750,632</u>	<u>35,936,318</u>	<u>37,729,274</u>	<u>29,742,455</u>
EXPENDITURES				
Current operating:				
General government	10,098,998	9,689,144	8,721,424	9,211,071
Public safety	11,292,325	10,433,770	9,974,287	9,500,841
Highways & Streets	4,476,629	5,095,078	3,598,826	3,458,828
Culture and recreation	5,691,514	5,402,344	5,052,771	4,689,106
Urban renewal	-	-	-	-
Capital outlay	18,019,692	12,946,600	9,066,425	12,244,646
Debt service				
Interest	1,573,249	835,500	934,000	1,026,750
Principal	3,150,000	2,245,000	2,050,000	1,855,000
Issuance Costs	-	169,743	-	42,800
Total expenditures	<u>54,302,407</u>	<u>46,817,179</u>	<u>39,397,733</u>	<u>42,029,042</u>
REVENUES OVER (UNDER)				
EXPENDITURES	(11,551,775)	(10,880,861)	(1,668,459)	(12,286,587)
OTHER FINANCING SOURCES (USES)				
Transfers in	6,545,906	6,276,080	6,754,456	5,991,710
Transfers out	(3,624,198)	(3,171,203)	(3,535,086)	(2,797,140)
Sale of general capital assets	729	-	22,409	26,829
Bond and notes issued	-	15,000,000	-	4,600,000
Bonds and note premium	-	2,346,615	-	-
Loan proceeds	-	-	-	-
Total other financing sources (uses)	<u>2,922,437</u>	<u>20,451,492</u>	<u>3,241,779</u>	<u>7,821,399</u>
NET CHANGE IN FUND BALANCES	<u>\$ (8,629,338)</u>	<u>\$ 9,570,631</u>	<u>\$ 1,573,320</u>	<u>\$ (4,465,188)</u>
Debt service as a percentage of noncapital expenditures ¹	<u>12.07%</u>	<u>9.07%</u>	<u>9.52%</u>	<u>9.59%</u>

¹ Series 2005 and 2006 General Obligation Bonds were refunded in fiscal year 2019, resulting in a significant increase in Debt Serv expenditures.

2020	2019	2018	2017	2016	2015
\$ 13,261,634	\$ 12,941,472	\$ 10,290,120	\$ 9,888,927	\$ 9,528,110	\$ 9,171,688
1,344,072	1,101,399	946,352	854,097	4,034,429	4,854,016
3,697,521	3,250,503	4,328,619	2,181,130	-	-
6,875,452	6,515,075	5,156,715	4,896,115	5,901,009	5,141,871
2,440,018	2,429,676	2,366,393	2,192,857	2,197,426	2,213,242
1,285,186	884,675	979,223	846,896	994,699	790,191
1,168,796	1,441,208	1,085,542	1,147,883	1,008,765	1,359,978
2,352,861	1,897,113	779,469	574,006	437,286	897,349
32,425,540	30,461,121	25,932,433	22,581,911	24,101,724	24,428,335
9,091,557	7,716,624	7,074,509	6,602,167	5,946,162	6,089,223
10,179,605	8,913,301	8,630,413	8,296,042	8,053,048	7,651,922
3,747,083	3,187,568	3,415,760	2,558,647	2,031,604	2,249,123
5,324,619	4,824,486	4,714,764	4,470,485	4,207,790	3,936,035
-	-	-	-	-	-
4,630,847	4,544,686	2,417,056	1,630,065	4,114,432	1,915,307
1,108,611	970,362	198,406	230,125	259,338	286,719
1,695,000	5,900,000	765,000	735,000	700,000	675,000
-	-	-	-	-	-
35,777,322	36,057,027	27,215,908	24,522,531	25,312,374	22,803,329
(3,351,782)	(5,595,906)	(1,283,475)	(1,940,620)	(1,210,650)	1,625,006
10,317,149	6,244,182	5,455,597	6,205,313	5,815,263	3,521,120
(4,890,499)	(2,738,652)	(2,064,187)	(2,083,479)	(3,606,061)	(1,589,920)
1,000	18,170	4,252	23,423	-	-
-	23,750,000	-	-	-	-
-	3,396,289	-	-	-	-
-	-	-	-	-	-
5,427,650	30,669,989	3,395,662	4,145,257	2,209,202	1,931,200
\$ 2,075,868	\$ 25,074,083	\$ 2,112,187	\$ 2,204,637	\$ 998,552	\$ 3,556,206
8.98%	21.36%	3.78%	4.08%	4.48%	4.59%

rice as a percentage of non-capital

CITY OF TUALATIN
TAX REVENUE BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
June 30, 2024

Fiscal Year	Property ¹	Special Assessments ²	Total
2024	18,142,697	-	18,142,697
2023	15,175,386	-	15,175,386
2022	14,442,705	-	14,442,705
2021	13,778,555	-	13,778,555
2020	13,261,634	-	13,261,634
2019	12,941,472	-	12,941,472
2018	10,290,120	-	10,290,120
2017	9,888,927	-	9,888,927
2016	9,528,110	-	9,528,110
2015	9,171,688	-	9,171,688

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

² Special assessment billings are for local improvement district assessments which are paid to the City by the benefited property owners over a ten to fifteen year period.

Source: Washington and Clackamas Counties

CITY OF TUALATIN

ASSESSED AND ESTIMATED VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

June 30, 2024

Fiscal Year Ended June 30,	Real Property		Personal Property*		Public Utility Property		Total		Total Direct Tax Rate	Ratio of Total Assessed to Total Estimated Actual Value
	Assessed	Estimated	Assessed	Estimated	Assessed	Estimated	Assessed	Estimated		
	Value	Value	Value	Value	Value	Value	Value**	Value		
2024	5,041,775,449	9,620,354,654	310,583,687	323,762,073	306,154,329	313,420,059	5,658,513,465	10,257,536,786	3.1085	55%
2023	4,849,273,013	8,968,915,670	298,621,289	296,373,026	290,555,700	291,105,859	5,438,450,002	9,556,394,555	2.8477	57%
2022	4,657,629,796	7,751,052,135	295,563,627	303,074,885	225,028,300	147,876,205	5,178,221,723	8,202,003,225	2.8645	63%
2021	4,503,738,975	7,342,103,986	292,338,161	301,182,318	147,648,200	102,554,212	4,943,725,336	7,745,840,516	2.8579	64%
2020	4,347,546,566	6,789,031,578	278,847,699	285,007,689	102,359,700	94,349,571	4,728,753,965	7,168,388,838	2.8744	66%
2019	4,146,931,416	6,404,471,950	279,932,764	284,383,404	94,181,800	100,330,069	4,521,045,980	6,789,185,423	2.8858	67%
2018	3,905,253,670	5,776,077,086	256,221,457	258,768,137	98,743,157	100,673,639	4,260,218,284	6,135,518,862	2.4962	69%
2017	3,727,438,870	5,200,586,098	243,045,300	244,279,660	99,593,076	99,093,453	4,070,077,246	5,543,959,211	2.5060	73%
2016	3,577,897,121	4,723,504,068	237,766,065	238,156,855	88,163,700	101,133,802	3,903,826,886	5,062,794,725	2.5162	77%
2015	3,403,125,302	4,405,515,513	213,357,477	213,747,197	95,219,900	83,074,370	3,711,702,679	4,702,337,080	2.5345	79%

* Tax limitation Measure 50 results in a larger difference between market assessed value than were reportable in previous years.

** Assessed value includes assessed value in the Urban Renewal Area.

Source: Washington County and Clackamas County Assessors

CITY OF TUALATIN

PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City of Tualatin:										
General Government	\$ 2.2232	\$ 2.2618	\$ 2.2665	\$ 2.2665	\$ 2.2665	\$ 2.2665	\$ 2.2665	\$ 2.2665	\$ 2.2665	\$ 2.2700
G.O. Bond	0.8420	0.5812	0.5980	0.5914	0.6079	0.6193	0.2297	0.2395	0.2497	0.2700
Total City	3.0652	2.8430	2.8645	2.8579	2.8744	2.8858	2.4962	2.5060	2.5162	2.5400
OVERLAPPING RATES:										
Washington County										
Washington County	2.9525	2.9993	3.0059	2.9558	2.9575	2.9583	2.9584	2.9593	2.8384	2.8400
	2.9525	2.9993	3.0059	2.9558	2.9575	2.9583	2.9584	2.9593	2.8384	2.8400
School District										
NW Regional ESD*	0.1505	0.1535	0.1538	0.1538	0.1538	0.1538	0.1538	0.1538	0.1538	0.1538
Portland Community College	0.6324	0.6688	0.6631	0.6798	0.6850	0.6874	0.6050	0.6785	0.5855	0.7200
Tigard-Tualatin School District #23J	7.7092	7.7278	7.7841	7.7900	7.7815	7.7537	7.7653	7.4513	7.4626	7.4600
	8.4921	8.5501	8.6010	8.6236	8.6203	8.5949	8.5241	8.2836	8.2019	8.3338
Special District										
Tualatin Soil & Water District	0.0718	0.0643	0.0825	0.0854	0.0825	0.0691	0.0779	-	-	-
Tualatin Valley Fire & Rescue	2.0772	2.1093	2.1163	2.1167	2.0725	2.0839	2.0775	2.0978	2.1078	1.8900
Port of Portland	0.0687	0.0700	0.0701	0.0701	0.0701	0.0701	0.0701	0.0701	0.0701	0.0701
Metro Service District	0.5726	0.5659	0.5700	0.5900	0.6628	0.4727	0.4088	0.3970	0.3830	0.4600
Tigard Tualatin Aquatic	0.0893	0.0899	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900
Urban Renewal - Tualatin	0.1824	0.0244	-	-	-	-	-	-	-	-
	3.0620	2.9238	2.9289	2.9522	2.9779	2.7858	2.7243	2.6549	2.6509	2.5101
Total Overlapping	14.5066	14.4732	14.5358	14.5316	14.5557	14.3390	14.2068	13.8978	13.6912	13.6839
TOTAL	\$17.5718	\$17.3162	\$17.4003	\$17.3895	\$17.4301	\$17.2248	\$16.7030	\$16.4038	\$16.2074	\$16.2239

These rates are based on the tax code area of Tualatin which has the highest percentage of the City's Assessed Value (Tax Code 023.76). Rates within the City differ somewhat according to the other tax code categories which apply.

Source: Washington and Clackamas Counties

CITY OF TUALATIN
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
June 30, 2024

Taxpayer	2024			2015		
	¹ Assessed Value	Rank	% of Total City Taxable Assessed Value	² Assessed Value	Rank	% of Total City Taxable Assessed Value
Portland General Electric Co	\$ 223,757,000	1	3.95%	42,542,245	5	1.15%
Lam Research Corporation ²	231,226,610	2	4.09%	93,080,900	2	2.51%
BV Centercal LLC	141,015,893	3	2.49%	108,523,100	1	2.92%
Campbell Soup Supply Company, LLC ³	68,035,320	4	1.20%	51,555,660	3	1.39%
Pacific Realty Associates	58,689,530	5	1.04%	-		0.00%
Tuala Northeast LLC	56,469,380	6	1.00%	43,279,140	4	1.17%
JAЕ Oregon Inc	44,726,380	7	0.79%	27,632,450	7	0.74%
Mohawk St Property LLC	46,186,076	8	0.82%	-		0.00%
CR Rivercrest Meadows Communities LLC	36,229,940	9	0.64%	27,767,310	8	0.75%
KW Hedges Creek LLC	36,191,400	10	0.64%	-		0.00%
South Center Investors LLC	-		-	33,324,110	6	0.90%
SVF Hedges Creek Tualatin LLC	-		-	27,737,760	9	0.75%
Zian Limited Partnership	-		-	27,484,390	10	0.74%
	<u>\$ 942,527,529</u>		<u>16.66%</u>	<u>\$ 482,927,065</u>		<u>13.02%</u>

¹ Source: Washington and Clackamas County Assessor's records

² Lam Research Corporation previously operated as Novellus Systems Inc.

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

⁴ Measure 50 rolled back the assessed value of each unit of property for the tax year 1977-98 to its 1995-96 "real market value", less 10%. Measure 50 limits any increase in assessed value, excluding major improvements, to 3% per year for the tax years after 1997-98.

CITY OF TUALATIN
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
June 30, 2024

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collections	Delinquent Tax Collections	Total Tax Collections	Percent Total Tax Collections To Tax Levy	Outstanding Delinquent Taxes	Percent Delinquent Taxes To Tax Levy
2024	18,730,452	17,967,301	95.93%	118,069	18,085,370	96.56%	304,145	1.62%
2023	15,634,346	14,983,875	95.84%	164,199	15,148,074	96.89%	244,143	1.56%
2022	14,842,331	14,257,556	96.06%	172,922	14,430,478	97.23%	240,380	1.62%
2021	14,154,825	13,593,305	96.03%	156,626	13,749,931	97.14%	236,614	1.67%
2020	13,670,472	13,109,854	95.90%	133,090	13,242,944	96.87%	237,165	1.73%
2019	13,106,253	12,576,052	95.95%	357,628	12,933,680	98.68%	213,276	1.63%
2018	10,653,398	10,169,033	95.45%	116,839	10,285,872	96.55%	503,436	4.73%
2017	10,220,443	9,755,289	95.45%	132,106	9,887,395	96.74%	494,085	4.83%
2016	9,828,855	9,388,370	95.52%	141,990	9,530,360	96.96%	455,867	4.64%
2015	9,414,934	8,993,693	95.53%	176,099	9,169,792	97.40%	413,423	4.39%

Source: Washington County and Clackamas County Assessors

CITY OF TUALATIN
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
June 30, 2024

Fiscal Year	Governmental Activities			Business-type Activities		Total Outstanding Debt	Population	Debt Per Capita
	General Obligation Bonds (1)	Private Placement Notes	Leases	Full Faith and Credit Obligations	Water Revenue Bonds			
2024	\$ 29,858,831	\$ 3,484,531	\$ 60,713	\$ 1,035,500	\$ -	\$ 34,439,575	27,753	1,241
2023	33,472,970	3,893,253	71,946	1,540,999	-	38,979,168	27,625	1,411
2022	18,739,057	4,297,546	77,600	2,031,498	-	25,145,701	27,775	905
2021	21,135,864	4,691,292	-	2,501,998	-	28,329,154	27,789	1,019
2020	23,337,672	483,580	-	2,957,497	-	26,778,749	27,858	961
2019	25,379,480	595,701	-	3,392,996	-	29,368,177	27,135	1,082
2018	4,480,000	704,492	-	3,813,496	-	8,997,988	27,055	333
2017	5,245,000	810,039	-	4,223,995	-	10,279,034	26,960	381
2016	5,980,000	912,611	-	4,624,495	-	11,517,106	26,840	429
2015	6,680,000	1,011,988	-	4,664,995	345,000	12,701,983	26,590	478

(1) Presented net of original issuance premiums

CITY OF TUALATIN
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
June 30, 2024

Fiscal Year	Governmental Activities			Percentage of Estimated Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total		
2024	\$ 29,858,831	\$ (192,256)	\$ 29,666,575	0.29%	1,069
2023	33,472,970	(211,800)	33,261,170	0.35%	1,204
2022	18,739,057	(178,312)	18,560,745	0.23%	668
2021	21,135,864	(142,465)	20,993,399	0.27%	755
2020	23,337,672	(164,838)	23,172,834	0.32%	832
2019	25,379,480	(124,465)	25,255,015	0.37%	931
2018	4,480,000	(63,195)	4,416,805	0.07%	163
2017	5,245,000	(76,598)	5,168,402	0.09%	192
2016	5,980,000	(93,706)	5,886,294	0.12%	219
2015	6,680,000	(104,996)	6,575,004	0.14%	247

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

CITY OF TUALATIN**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT****June 30, 2024**

Jurisdiction	Governmental Activities Debt Outstanding	Percent Applicable Inside City of Tualatin	Amount Applicable Inside City of Tualatin
City of Tualatin	\$ 33,404,075	100.0000%	\$ 33,404,075
Clackamas County	100,575,000	0.8769% *	881,942
Clackamas County District 3J (West Linn/Wilsonville)	463,502,321	1.0672%	4,946,497
Clackamas County School District 7J (Lake Oswego)	365,400,000	1.5140%	5,532,156
Clackamas County ESD	26,603,764	0.4380%	116,524
Clackamas Community College	117,601,792	0.9967%	1,172,137
Clackamas Soil & Water Conservation	5,035,000	0.8769%	44,152
Metro	765,485,443	2.2505%	17,227,250
Northwest Regional ESD	13,060,000	4.8308%	630,902
Portland Community College	617,155,000	2.5847%	15,951,605
Washington County	134,636,465	5.7798%	7,781,718
Rivergrove Water District 14J	3,210,764	0.1644%	5,278
Tualatin Valley Fire and Rescue District	48,930,000	6.9419%	3,396,672
Washington County School District 23J (Tigard-Tualatin)	285,455,000	31.4272%	89,710,514
Washington County School District 88J (Sherwood)	280,395,027	15.2551%	42,774,542
Subtotal overlapping debt			190,171,889
Direct and overlapping debt			<u><u>\$ 223,575,964</u></u>

Overlapping debt percentage is determined by the percentage of assessed value of the overlapping district that is within the City limits of Tualatin applied.

Source: Municipal Debt Management, State of Oregon

*The percentage of the City of Tualatin in Clackamas County is very small, as is the property-tax backed debt , and produces an immaterial amount.

CITY OF TUALATIN

COMPUTATION OF LEGAL DEBT MARGIN

June 30, 2024

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

True Cash Value	\$ 5,658,513,465
Rate	<u>x 3%</u>
Debt limit	169,755,404
Debt applicable to limit	<u>29,666,575</u>
	<u>\$ 140,088,829</u>

Legal debt margin

Fiscal year ended June 30,	Debt Margin as a Percentage of Debt Limit	Debt limit	Debt applicable to limit	Legal debt margin
2024	82.52%	169,755,404	29,666,575	140,088,829
2023	79.61%	163,153,550	33,261,170	129,892,380
2022	88.05%	155,346,652	18,560,745	136,785,907
2021	85.85%	148,311,760	20,993,399	127,318,361
2020	83.67%	141,862,619	23,172,834	118,689,785
2019	81.38%	135,631,379	25,255,015	110,376,364
2018	96.54%	127,806,549	4,416,805	123,389,744
2017	95.77%	122,102,317	5,168,402	116,933,915
2016	94.97%	117,114,807	5,886,294	111,228,513
2015	94.10%	111,351,080	6,575,004	104,776,076

Cash value stated above is equal to that value which is "taxable assessed value" as defined by Oregon law. This value is not the same value as market value, but is the value used for levy purposes.

CITY OF TUALATIN
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
June 30, 2024

Fiscal Year	Population	Taxable Personal Income	Per Capita Personal Income
2024	27,753	*	*
2023	27,625	*	*
2022	27,775	1,357,358	48,626
2021	27,789	1,341,686	48,072
2020	27,858	1,113,839	40,957
2019	27,135	1,087,409	40,074
2018	27,055	1,124,454	41,747
2017	26,960	1,033,535	38,336
2016	26,840	942,049	35,099
2015	26,590	910,673	34,249

(in thousands)

* Information unavailable at this time.

Source: State of Oregon
Department of Revenue Research and Statistical Reports

CITY OF TUALATIN
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
June 30, 2024

Employer	2024			2015		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Lam Research Corporation	3,551	1	11.64%	669	2	3.14%
Legacy Meridian Park Hospital	1,100	2	3.61%	905	1	4.25%
Infinity Rehab	984	3	3.22%	-	-	-
Nortek Air Solutions	522	4	1.71%	-	-	-
Pacific Foods of Oregon	464	5	1.52%	280	10	1.31%
Amazon.com Services LLC	369	6	1.21%	-	-	-
Portland General Electric	328	7	1.07%	478	4	2.24%
Columbia Corrugated	327	8	1.07%	320	7	1.50%
Ascentec Engineering LLC	293	9	0.96%	-	-	-
Ichor Systems Inc	286	10	0.94%	-	-	-
United Parcel Services	-	-	-	512	3	2.40%
CES Group LLC	-	-	-	460	5	2.40%
Precision Wire Components	-	-	-	457	6	2.14%
DPI Specialty Foods Northwest	-	-	-	300	8	1.41%
Cabela's	-	-	-	290	9	1.29%
	<u>8,224</u>			<u>4,671</u>		
Total City employment			<u>30,512</u>			

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

CITY OF TUALATIN
FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
June 30, 2024

Function	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General government	45.75	45.75	44.75	44.75	45.75	45.75	41.75	40.85	39.60	36.85
Public safety	51.00	50.00	50.00	51.00	51.00	51.00	51.00	51.00	50.00	50.50
Highways and streets	16.66	16.66	16.66	16.80	16.00	16.00	18.75	18.50	18.50	18.50
Culture and recreation	35.40	34.40	34.35	34.45	35.45	35.40	35.28	33.50	33.50	32.38
Sewer	4.66	4.66	4.66	4.60	4.00	4.00	3.75	3.50	2.50	2.50
Water	7.68	7.68	7.68	7.60	7.00	7.00	6.50	6.00	5.00	5.00
Total	<u>161.15</u>	<u>159.15</u>	<u>158.10</u>	<u>159.20</u>	<u>159.20</u>	<u>159.15</u>	<u>157.03</u>	<u>153.35</u>	<u>149.10</u>	<u>145.73</u>

Data from current and previous budgets

CITY OF TUALATIN
OPERATING INDICATORS
LAST TEN FISCAL YEARS
June 30, 2024

Function	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Police										
Arrests	643	669	825	897	927	907	996	1,042	871	951
Traffic violations	2,081	2,054	2,347	2,937	3,340	3,098	3,393	2,958	2,880	3,794
Municipal Court cases	5,575	6,315	8,667	8,518	8,890	10,556	8,139	8,070	6,219	9,724
Building activity										
Permits issued	1,673	1,678	1,247	1,413	1,283	1,614	1,396	1,512	1,663	1,354
Estimated value (000's)	\$ 208,380	\$ 109,416	\$ 122,813	\$ 54,596	\$ 185,027	\$ 113,881	\$ 78,507	\$ 87,937	\$ 90,451	\$ 86,340
Planning applications	182	144	108	185	192	203	210	270	261	249
Library circulation	619,378	588,697	540,984	321,693	475,359	597,851	627,402	640,474	637,116	677,279
Miles of streets maintained	80	79	79	79	79	79	79	79	79	78
Water connections	7,053	6,935	6,924	6,937	6,908	6,905	6,823	6,762	6,873	6,823
Sewer connections	6,841	6,744	6,747	6,748	6,736	6,713	6,628	6,615	6,582	6,702

Data acquired from various City of Tualatin departments.

CITY OF TUALATIN
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
June 30, 2024

Function	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Public safety										
Patrol units	17	18	18	18	18	18	18	18	18	18
Highways and streets										
Miles of streets	80	80	80	79	79	79	79	79	79	78
Culture and recreation										
Number of parks	12	12	12	11	11	11	11	11	11	11
Acreage	340	330	330	322	322	322	322	315	295	289
*Sewage disposal										
Max daily capacity	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Water										
Max daily capacity	14	14	14	14	14	14	14	13	13	13
Fire hydrants	1,057	1,045	1,045	1,041	1,041	1,041	1,030	1,024	1,017	1,005

*Sewage treatment for The City of Tualatin is provided by Clean Water Services (CWS) of Washington County.
For a small portion of the City (east of I-5 and north of the Tualatin River) the service is provided by City of Lake Oswego.

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

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

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

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

Report on Compliance and Other Matters

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

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

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

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

Honorable Mayor and Members of the City Council
City of Tualatin, Oregon
Independent Auditor’s Report Required by Oregon State Regulations
December 30, 2024

Budgets legally required (ORS Chapter 294)
Expenditures in excess of appropriations occurred during the year ended June 30, 2024, as follows:

<u>Fund / Appropriation Category</u>	<u>Actual</u>	<u>Appropriations</u>	<u>Variance</u>
Transportation Development Tax Fund / Capital outlay	\$ 5,093,933	\$ 4,790,000	\$ 303,933

OAR 162-010-0230 Internal Control

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

Restriction of Use

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

Singer Lewak LLP

December 30, 2024

By:



Brad Bingenheimer, Partner