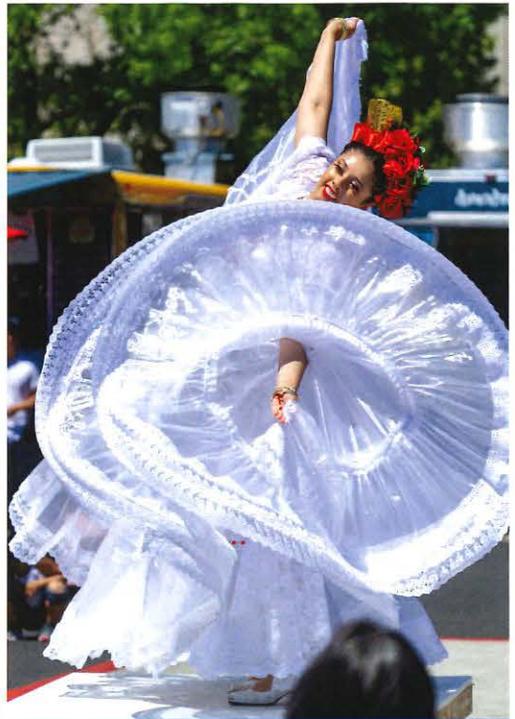
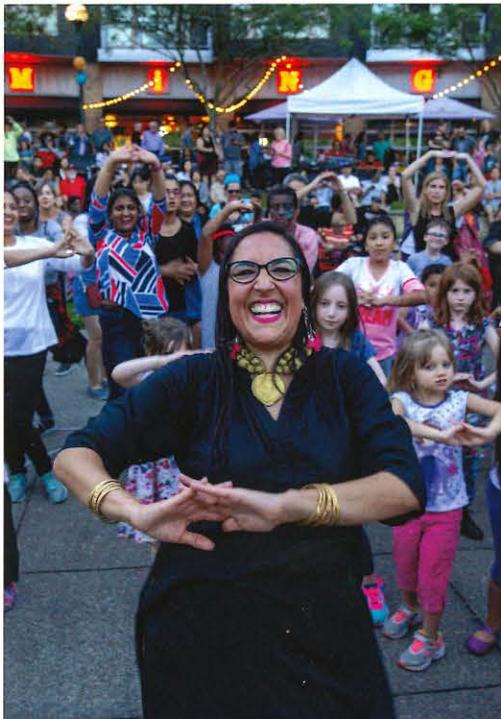


# Comprehensive Annual Financial Report



For Fiscal Year Ended June 30, 2019  
City of Beaverton, Oregon



**CITY OF BEAVERTON, OREGON**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**for the fiscal year ended June 30, 2019**

**Prepared by the City of Beaverton  
Department of Finance**

# CITY OF BEAVERTON, OREGON

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## **INTRODUCTORY SECTION**



**Denny Doyle, Mayor**

Ms. Lacey Beaty, Council President  
Ms. Cate Arnold, Councilor  
Mr. Mark Fagin, Councilor  
Ms. Laura Mitchell, Councilor  
Mr. Marc San Soucie, Councilor

December 13, 2019

City of Beaverton  
PO Box 4755  
Beaverton, Oregon 97076

Dear Beaverton City Councilors:

In accordance with state statutes and local charter provisions, I hereby transmit the Comprehensive Annual Financial Report (CAFR) of the City of Beaverton, as of and for the year ended June 30, 2019. Management is responsible for the information and representations contained in this report, and I believe the information presented is accurate in all material aspects and fairly sets forth the financial position and results of operations of the City.

This report has been prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America appropriate under the circumstances and reflects, in all material respects, the substance of events and transactions that should be included. It has also been prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada. In accordance with these guidelines, the accompanying report consists of the following:

- Introductory section, including the Finance Director's letter of transmittal.
- Financial section, including Management's Discussion and Analysis, Basic Financial Statements, Notes to the Basic Financial Statements, Required Supplementary and Supplementary Information accompanied by our Independent Auditor's Report.
- Statistical section, including a number of tables of unaudited data depicting the financial history and financial trends of the City, information on overlapping governments, demographic and economic information, and other miscellaneous information.
- Annual disclosure information in conformance with SEC Rule 15c2-12 for the City's outstanding bonds.
- Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

- Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting Based on Audit of Financial Statements Performed in Accordance with Oregon State Regulations.

The Government Finance Officers Association awards Certificates of Achievement for Excellence in Financial Reporting to those governments whose annual financial reports are judged to meet the high standards of the program including demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the CAFR. Our City has been continuously awarded Certificates of Achievement for Excellence since 1979. It is my belief that the accompanying Comprehensive Annual Financial Report continues to meet these high standards, and it will be submitted to the Government Finance Officers Association for review.

State law requires that the City's financial statements be audited by an independent certified public accountant selected by the City Council. This requirement has been complied with, and our independent auditor's report is included in the financial section of this report.

Collectively, the City Council, the Budget Committee, the administration, and I have maintained the City's strong financial stability. We have limited and controlled expenditures to hold the City's tax levy below its authorized permanent rate.

Respectfully submitted,



Denny Doyle  
Mayor



December 13, 2019

Honorable Mayor, Members of the City Council, and Citizens of Beaverton,

The City of Beaverton's Finance Department is pleased to submit the Comprehensive Annual Financial Report of the City of Beaverton (City) for the fiscal year ended June 30, 2019.

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

This report consists of management's representations concerning the finances of the City. Consequently, responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures rests with management. To provide a reasonable basis for making these representations, management has established an internal control structure designed to safeguard City assets against loss, theft or misappropriation, and to ensure the reliability of financial records for preparing financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls is designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. To the best of our knowledge and belief, the enclosed data is accurate in all material respects, along with disclosures necessary to provide the reader with a reasonable understanding of the City's financial affairs.

Talbot, Korvola and Warwick, LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the City of Beaverton's financial statements for the year ended June 30, 2019. The independent auditor's report is located at the front of the financial section of this report.

GAAP requires that Management provide a narrative introduction, overview and analysis to accompany the Basic Financial Statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal complements the MD&A and should be read in conjunction with it. The MD&A immediately follows the independent auditor's report on the basic financial statements.

In addition, the City of Beaverton is required to have an audit of expenditures of Federal awards performed in accordance with the United States Office of Management and Budget (OMB) Uniform Grant Guidance and the provisions of *Government Auditing Standards*. Reports on the City's compliance with applicable Federal laws and regulations for the year ended June 30, 2019 is issued separately. The report is available on the City's website, [www.BeavertonOregon.gov/finance](http://www.BeavertonOregon.gov/finance).

## PROFILE OF THE CITY

The City was incorporated in 1893 and operates under the provisions of its own home-rule charter and applicable State law, with a Mayor-Council form of government. Voters approved the Beaverton Charter of 1981 in November of 1980. The Charter provides for five councilors elected at large to serve a four-year term. The Mayor is the Chief Executive of the City and chairs City Council meetings. The Mayor is elected at the regular general election in November every four years.

The City provides a full range of services. These services include City Administration, Neighborhood Programs, Economic Development, Emergency Management, Community Visioning, Police Services, Library Services, Municipal Court, Community Planning, Development and Building Inspection, Debt Service, Public Works consisting of Engineering, Construction, Maintenance and Operations of the water, wastewater, storm water, street, and traffic signal systems; as well as internal services for Fleet Maintenance, Facilities Management, Information Systems, and Reproduction Services.

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.

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by the City Council. Activities of the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, Enterprise Funds, and Internal Service Funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by program within each fund, and monitored at the object and activity level. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbrances represent commitments related to unperformed contracts for goods or services. The unspent balances of encumbrances at year-end lapse and then may be encumbered against the subsequent year's budget. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

## **LOCAL ECONOMY AND OUTLOOK**

The City of Beaverton is Oregon's sixth largest city and the second largest in Washington County with an estimated population of 98,255 at July 1, 2019. The City is located in the eastern portion of the County in northwest Oregon, approximately eight miles west of downtown Portland. Both Beaverton and Washington County have experienced rapid growth over the past two decades through high technology, retail trade and distribution economic bases. Since the 2010 census, Beaverton grew by approximately 7.8% and the Washington County population grew by about 14%. In-migration will be the driving factor behind a continued trend of population growth.

The City's mission is to "Preserve and enhance Beaverton as a responsive, dynamic, attractive and safe community". It is the City's policy to represent the interests of the citizens of Beaverton with all of the other governmental agencies and to work with them to improve the quality of life in Beaverton. The City is committed to maintaining a strong economy, one that fosters business prosperity and enables the quality services and programs of a first class city at a reasonable cost. Beaverton is also a family friendly city well known for its many attractive and well-planned neighborhoods. Beaverton is truly "The Best of Oregon."

The Beaverton economy today offers:

- a hospitable, prosperous environment for business development and expansion;
- a diverse manufacturing base with major employers in high-tech, sports equipment and clothing, food processing, and wood products;
- an array of small, innovative high technology companies;
- many small businesses providing goods and services on a retail basis;
- a mature network of manufacturing suppliers; and
- desirable warehouse and distribution facilities.

Diversity of employers and types of businesses is the hallmark of a prosperous economy. Beaverton's largest employers are made up of the local school district, Nike, Providence Health Systems, Comcast Cable and Fred Meyer. Beaverton shares the diverse manufacturing base for which the region is noted. Lumber and wood products, packaging, paper products, fabricated metal products, machinery, computers, electrical equipment, instruments, food products and apparel are among the products manufactured in our City.

Transportation has always been important to the Beaverton economy. Two major freeways, U.S. 26 (the Sunset Highway) and State Highway 217 connect the City to Interstate 5 (north-south) and to Interstate 84 (east-west). The Portland and Western Railroad serves the City for freight. TriMet offers a busy transit center in central Beaverton, served by numerous bus lines, a light rail service - MAX, and the heavy rail service of WES. MAX connects Beaverton to downtown Portland, the Portland Airport, and Hillsboro. TriMet's heavy rail service, the Westside Express Service (WES), connects Beaverton to Wilsonville during commuter hours. Air transportation is available at Hillsboro Airport (the State's busiest general aviation airport), about 15 minutes west of the City and commercial carrier service is available at Portland International Airport (PDX), about 30 minutes northeast of Beaverton.

## SIGNIFICANT EVENTS AND ACCOMPLISHMENTS

**Bond Ratings:** The city's Water Revenue and General Obligation bonds ratings remain strong with an underlying rating of AA+ by Standard and Poor's. Moody's Investor Services has assigned underlying ratings of Aa1 for the city's General Obligation bonds and Aa2 for the Water Revenue Bonds. The ratings recognize the city's financial stability, improved debt services coverage ratios, continued strong cash reserves and Beaverton's high quality service area.

The city has been active in the bond market to raise capital and additional bond issuances will continue in the next year. The Mayor and City Council, and the Board of the Beaverton Urban Redevelopment Agency (BURA), recently issued these bonds:

- Public Safety Center General Obligation Bond, Series 2017 - \$35 million
- Special Revenue Bond – Urban Renewal Line of Credit, Series 2017 - \$19 million
- Water Revenue Bond, Series 2018 - \$18 million (investors paid a \$3 million premium)

For FY 2019-20 the City and BURA are planning the following issuances:

- \$21 million Special Revenue Bond for the Patricia Reser Center for the Arts backed by revenues generated by the lodging tax
- \$30 million Water Revenue Bond for water system improvements including the City's share of the Willamette Water Supply Project's construction costs
- \$30 to \$40 million BURA Tax Increment Financing Bonds for the \$28 million Parking Garage and for additional land property acquisitions

In addition, the City might also issue a short term borrowing instrument up to \$6 million to supplement funding for the Public Safety Center. The City would prefer to provide most of this supplemental funding from its General Fund Contingency Reserves and the remainder funded by the short term instrument which would be backed by non-property tax revenues of the General Fund.

**Recent Awards:** Beaverton is a welcoming and responsible city that enjoys one of the most diverse populations in Oregon. In 2017, Money magazine named Beaverton as the 10<sup>th</sup> best place to live in America among communities with populations from 50,000 to 300,000. In particular, the award recognizes the increasing diversity of the community, the job market and housing affordability. In 2018, Beaverton was named an All American City Finalist by the National Civic League, the only city in Oregon to receive this honor.

**Beaverton Community Vision Program:** Beaverton is in its second round of implementing a Community Vision. Begun in 2009 and renewed in 2016, citizen volunteers and City staff have connected with almost 6,000 community members, at meetings and events, to develop a roadmap of community priorities and aspirations. Thousands of ideas have been refined into a prioritized plan of action.

The Beaverton Community Vision project tagline is **Connect • Imagine • Transform**. Through the program, the City has connected with the community, asked them to imagine their goals for Beaverton, and is now focused on the implementation phase. The community's vision for Beaverton is focused on five core goals: (1) Build the Community, (2) Create a Vibrant Downtown, (3) Improve Mobility, (4) Provide High Quality Public Services, and (5) Enhance Livability.

During this past fiscal year, staff worked with the visioning volunteers, the Mayor, the City Council, and the community at-large to advance the ideas that our citizens have embraced and prioritized. Among other things, the Beaverton Community Vision calls for investments in transportation, infrastructure and sustainable development. Many of the programs described in the adopted budget specifically identify how that program supports the vision. Achieving the Community Vision also involves more than 60 community organizations and groups.

**Development Plans:** Many of the ideas generated from the Beaverton Community Vision were put into action through the Beaverton Civic Plan, Central Beaverton Urban Renewal Plan, Creekside District Redevelopment Plan and South Cooper Mountain Community Plan.

The Creekside area is a focus of considerable development activity moving toward reality. A two-building, mixed-use apartment complex with approximately 230 units opened in early 2019. The Patricia Reser Center for the Arts (PRCA) will hold 550 seats and is scheduled to begin construction in early 2020, funded by generous donors, led by a \$13 million donation from Patricia Reser, a \$21 million Special Revenue Bond Issued pledged from Transient Lodging Tax revenues, and \$11 million in other private donations. In addition, a co-located parking garage, funded by the Beaverton Urban Renewal Agency (BURA), will be constructed at the same time and will serve the PRCA, nearby condos, and the new Hyatt House Hotel currently under construction.

At Cooper Mountain, Beaverton's sixth high school (Mountain View) opened in fall 2017 and construction and grading is underway for subdivisions that should yield about 3,430 dwelling units at full buildout. An adjacent 1,200-acre area has been approved for inclusion in the region's Urban Growth Boundary.

**Development Trends:** Fiscal Year 2018-19 saw a 10% growth in building permits issued, to a total of 1,177, from 1,069 issued in FY 2017-18. Similarly, the Real Market Value (RMV) within Beaverton grew at 9.8% in FY 2018-19 and 3.0% in FY 2019-20, as reported by the Washington County Assessor. Growth is expected to continue in future years as the South Cooper Mountain area adds homes, and the downtown core of Beaverton continues to redevelop.

**Urban Renewal:** In November 2011, voters approved a new Central Beaverton Urban Renewal Plan encompassing approximately 997 acres in the core of Beaverton. The plan envisions a project mix of loans/grants for economic development, public infrastructure construction and community identity upgrades (signage, streetscape improvements and creek enhancement) to aid residential, commercial and industrial development. The urban renewal district is anticipated to operate for a 30-year period. The Beaverton Urban Redevelopment Authority (BURA) directs implementation of the plan.

The financial performance of the agency is represented as a blended component of the City of Beaverton. The success of the District can be measured in its taxable assessed valuation, which increased by 21.7% in FY 2018-19 and 15.4% in FY 2019-20, with tax collections increasing 19.8% from \$3.037 million in FY 2017-18 to \$3.635 in FY 2018-19. The district has utilized the mechanism of a "daylight" loan from the City's General Fund for activities such as property acquisition and secured a Letter of Credit for projects for the coming five years. There was an initial draw against the \$19 million Letter of Credit for \$1.8 million in FY 2016-17. This Letter of Credit is anticipated to be replaced in FY 2019-20 with a \$30 to \$40 million bond issue to fund the construction of a parking garage to be utilized by the PRCA, land acquisitions and other neighboring developments.

**Aquifer Storage and Recovery Program:** The City's drinking water program continues to work to reduce the amount of peak-season surface water supply to not exceed the City-owned capacity of 18.75 million gallons per day (mgd) in the Joint Water Commission water treatment plant and 14 mgd in the Joint Water Commission (JWC) transmission pipelines. The City is achieving this by using technology that provides drinking water during times of high use through a natural underground storage system: Aquifer Storage and Recovery (ASR). ASR involves pumping drinking water during the winter months from the water treatment plant (the same water our customers drink every day) into deep natural underground basalt formations, or aquifers, where it is stored for later use with minimal refreshing to standards. The City uses ASR as an alternative way to increase summer water supply by up to 6 mgd during each summer. In FY 2015-16, the City arranged a low cost loan from the Oregon Infrastructure Financing Authority for construction of future ASR Well No. 5 to replace ASR Well No. 1 and began work on ASR Well No. 6.

ASR technology continues to enable the City to meet short-term water demand during the summer. Use of ASR also helps to delay the need to purchase new source water, expand water treatment, and build expensive above-ground storage reservoirs and new conveyance facilities. These factors represent large cost savings to the City in the long term and provide a more sustainable use of water supply. Through FY 2018-19 the City has stored in excess of 1 billion gallons of water in the aquifer.

The City is planning to utilize ASR wells in the Cooper Mountain area to capture storm water run-off for irrigation. Known as the “purple pipe” system, seasonal irrigation water for schools, parks, rights of way, and housing will be supplied through a system of ASR wells, pipes, and pumps that will be supplied from natural storm water (rain) along with ground water. This system will not need to use water from the JWC for irrigation.

To plan for the future growth of the City and ensure adequate water supplies, the City worked with its partners of the City of Hillsboro and Tualatin Valley Water District (TVWD) during FY 2018-19 to become a party to the Willamette Water Supply System, which takes effect in FY 2019-20. The City’s investment will bring 5 million gallons a day from the Willamette River once all of the infrastructure is place, anticipated to be in the year 2026.

**Enterprise Funds:** The City’s financial reporting distinguishes between governmental and business-type activities. Enterprise Funds are classified as Business-type Activities funded by user fees, charges for services, and other restricted revenues. The City continues to carefully review the Enterprise Funds (water, sewer, and storm water) relating to their overhead costs, fees and rates, and the need to restructure rates if needed.

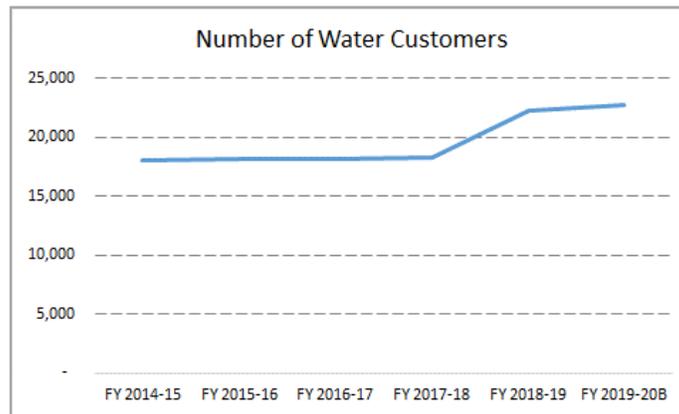
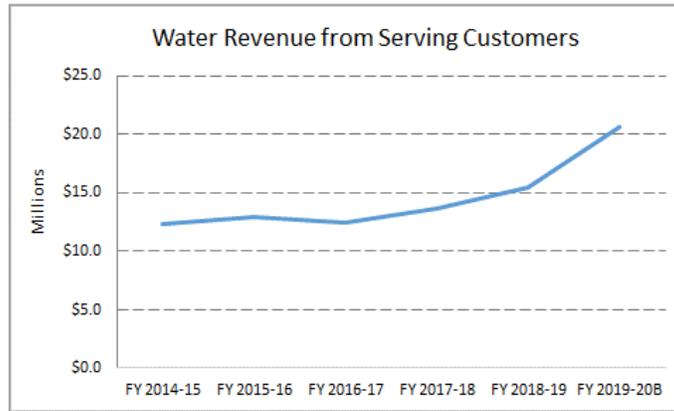
The City’s water revenue from serving customers increased approximately 13% between FY 2017-18 and FY 2018-19, from \$13.7 million to \$15.5 million, mainly due to rate increases and adding customers from TVWD.

The City Council adopted a water rate increase effective July 1, 2018. This increase was two-fold: increasing the monthly meter charge and increasing the consumption charge. The monthly meter charge for the typical residential 3/4 inch water meter increased by \$1.00 from \$14.00 to \$15.00 per month, with a similar 7.1% increase across all meter sizes. The consumption rate increased 10-cents from \$3.07 per 100 cubic feet (CCF) of water to \$3.17 per CCF. The impact to the average residence who consumes eight units of water per month would be \$1.80 per month; \$1.00 more for the meter charge and \$.80 more for the consumption, totaling an increase of \$21.60 per year. The rate increases confirm the City’s ability to meet or exceed the requirement for debt service reserves from the 2018 Water Revenue bond issue.

Additionally in FY 2018-19, the City took over approximately 4100 customer accounts of Beaverton residents and businesses heretofore served by the TVWD. The City accomplished this take over in phases, beginning in December of 2018 and completed in May of 2019.

Looking ahead to FY 2019-20, the City is budgeting approximately \$20.7 million in revenue from serving customers. This increase reflects a full year of providing water to the former customers of TVWD, as well as a rate increase. The City Council adopted an increase to the water rates to meet increased operating costs as well as to meet anticipated increases in debt service necessary to finance the City’s buy-in to the Willamette Water Supply System and investments in capital improvements. The increase raised the monthly meter charge by \$1.00, from \$15.00 to \$16.00, for the typical residential 3/4 inch water meter, and proportionally across all meter sizes. The consumption rate increased from \$3.17 per CCF to \$3.57 per CCF. The impact to the average residence who consumes eight units of water per month would be \$4.20 per month; \$1.00 more for the meter charge and \$3.20 more for the consumption, totaling an increase of \$50.40 per year.

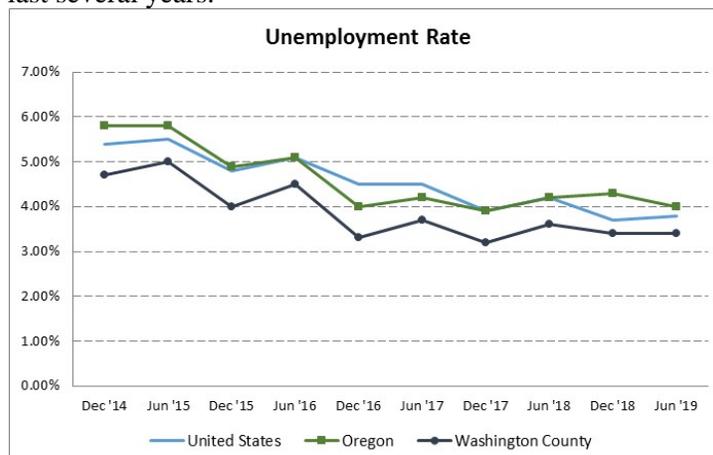
The two graphs below illustrate the trends. The note of “FY 2019-20B” indicates a value used in the FY 2019-20 budget and is likely a conservative estimate.



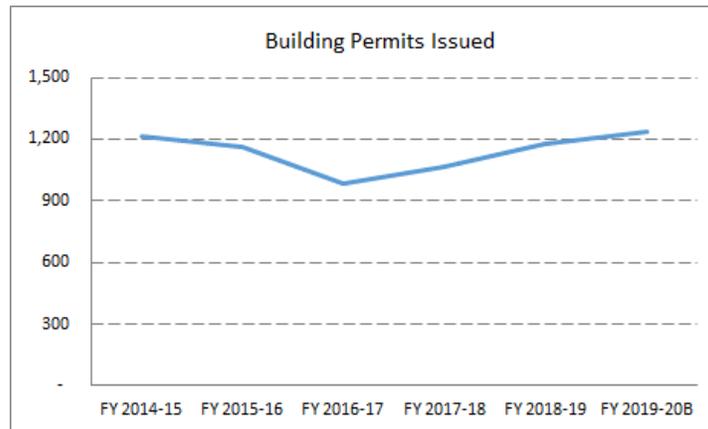
**Library Services:** The Beaverton City Library is the busiest library in the Washington County Cooperative Library System (WCCLS) system, circulating 2,635,000 items in FY 2018-19. Beaverton circulates 25% of WCCLS total circulation of 10.4 million items (not including e-content). Beaverton is #2 in total circulation and #2 in total children’s circulation among all libraries in the State of Oregon, only behind Multnomah County Library which has 19 locations.

### FACTORS AFFECTING FINANCIAL CONDITION

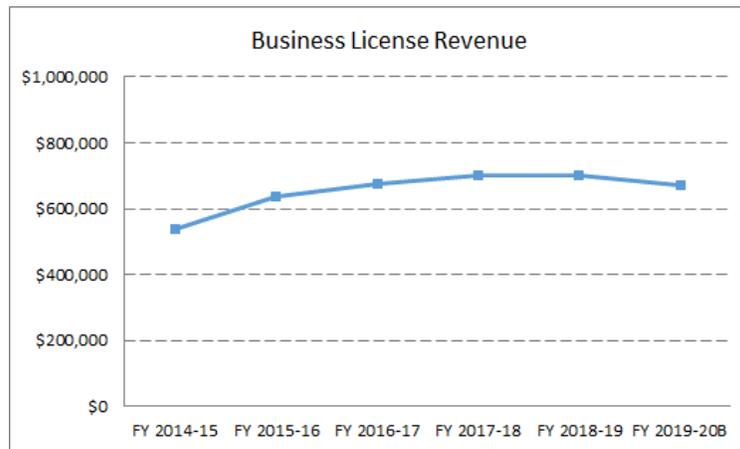
**State and Local Area Economy:** The updated forecasts for the State of Oregon and Washington County project continued rapid growth. Oregon’s economy is on pace with the rest of the nation. In Washington County, there is significant industrial and residential development activity led by an expansion by Intel, Nike and numerous other businesses. A modest level of retail and office-flex space development or redevelopment is occurring. Washington County’s unemployment rate as of June, 2019 was 3.4%, lower than both the nation and Oregon, at 3.8% and 4% respectively. The below chart shows how Washington County’s unemployment rate has been lower than the nation and Oregon overall for the last several years.



Beaverton is anticipated to experience two types of development in the coming years – infill in the downtown core due to the formation of the Beaverton Urban Renewal Agency (BURA), which is aggressively pursuing economic development tactics such as aggregating parcels, and the green field housing developments in the South Cooper Mountain area, which is anticipated to add approximately 3,430 housing units at full build out. The following chart illustrates the number of building permits issued, where the note of “FY 2019-20B” indicates a value used in the FY 2019-20 budget.



The amount of revenues generated from the City’s business license fee is an indicator of economic well-being. In the last five years, the revenue from business licenses has grown approximately 30%, from \$539,374 in FY 2014-15 to \$699,095 in FY 2018-19. The license fee is based upon a fixed base amount (\$75) plus \$8.50 per full time equivalent employee in excess of the first four employees. For FY 2019-20, the City Business License revenue is budgeted at \$670,000, but the trend shows this will most likely be exceeded. The graph below shows the revenue from business license fees from FY 2014-15 to the FY 2019-20 budget.



**Public Employees Retirement System:** The City, together with most public employers in Oregon, participates in the Public Employees Retirement System (PERS). Beginning in FY 2004-05, the City initiated the practice of internally charging additional amounts over the required contribution rates. These funds are placed in a PERS reserve account, within the respective fund balances, which currently has a balance of \$4.17 million. With the significant swings in the City’s actuarial accrued liability, the City’s PERS reserve account serves as a resource to pay down future deficits or can be re-allocated back to the operating funds that made the original contributions. The practice of contributing to a rate-stabilization method provides a “shock-absorber” for future changes.

## LONG-TERM FINANCIAL PLANNING

Property taxes are assessed using a levy rate on each \$1,000 of taxable assessed valuation. The City levies two types of property taxes, one for general governmental operations and the second for voter-approved general obligation debt repayment. Beaverton has a very reliable tax revenue source.

The City's permanent tax rate is \$4.62 per \$1,000 of assessed valuation (the permanent rate does not include taxes for payment of general obligation debt). Beaverton is one of very few taxing jurisdictions in Oregon that does not levy its full permanent rate. In FY 2018-19, the City levied \$4.22 of the allowed \$4.62 per thousand of assessed value for general government, and \$0.21 per thousand of assessed value for general obligation debt for a total levy of \$4.43. When the increment of \$0.40 between the permanent rate and the current levy rate is applied to the City's taxable assessed valuation, an additional \$4 million in annual property tax revenues is available to meet the City's projected operating expenses for the next several years. For FY 2019-20, the City's levied \$4.23 for operations and \$0.19 for debt for a total levy rate of \$4.42.

The City has a ten year Capital Improvement Program (CIP) that identifies the infrastructure needs and funding sources of civic, street, water, sewer and storm water projects for the current and future years. The CIP is updated annually by City staff and is made available for review and comment to neighborhood associations and the community in general. The City Council establishes principles used in selecting projects and priorities in future years of the CIP.

## RELEVANT FINANCIAL POLICIES

*Revenue* – The City maintains a diversified and stable revenue system to shelter it from short-run fluctuations in any one revenue source. The City's general guideline is to use non-recurring revenues for non-recurring expenditures.

Revenue sources for volatile funds (General, Library, Building, Street Lighting and Street) are tracked closely. Revenue that is used to support current or future debt service (lodging taxes, water revenue and General Fund non-property tax sources – ROW /franchise fees, state shared revenue, fines and state-shared revenue) are projected out 5-20 years. This monitoring allows the City to gauge the affordability of planned capital investments as well as obligations for any debt service covenants.

*Fund reserves* –The City has adopted a formal Fund Balance and Contingency Reserves policy for all the City's operating funds. For the key governmental funds (General Fund, Library Fund and Street Fund), the City's guideline is to keep approximately 16% (two out of twelve months) of each fund's annual expenditure level in contingency accounts. Other funds have contingency levels appropriate for their level of service. A particular fund's combined reserve and contingency may fall short of or exceed its level due to other considerations such as bond covenants, required state statutes, investment opportunities and prudent management practices. Consistent with GASB 54, portions of the reserves are committed, restricted, or assigned.

*Risk Management* - Risk management is vital to controlling property, casualty, and workers' compensation losses through the coordination of safety, loss prevention, and insurance and claims administration. The City employs a full time Risk and Safety Officer to oversee all operations of risk management. The City is fully self-insured for workers' compensation, unemployment, and dental claims. Other risks are pooled and insured through City County Insurance Services or other specialty policies.

*Investment* – With the guidance of an independent, non-discretionary investment advisor, the Finance Director manages a portfolio that was valued at approximately \$128.8 million as of June 30, 2019, including all investments and cash equivalents. The City Council approved investment policies to establish maturity parameters and limitations for prudent investment of surplus funds for the purposes of liquidity and earnings. In October 2014, the City Council approved a new investment policy consistent with model policies of the Oregon Short Term Fund Board. The policy is reviewed annually.

## OTHER INFORMATION

**Independent Audit:** Oregon State Law requires every municipal corporation to submit an annual financial report to the Secretary of State and to have its financial statements examined by an independent certified public accountant. The audit is performed in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards* and Minimum Standards for Audits of Oregon Municipal Corporations as prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy. State Law also requires an independent auditor express opinions on the financial position and results of operations as reported by the municipal corporation for the period under audit. The City is in full compliance with the aforementioned requirement, and the independent auditor's report is included in this report.

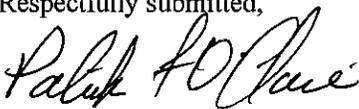
**Awards:** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Beaverton for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018. Beaverton has received the Certificate of Achievement every year since 1979. In order to be awarded a Certificate of Achievement for Excellence, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report that conforms to program standards. Such a report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements. A Certificate of Achievement is valid for one year only. We believe the current report continues to conform to the Certificate of Achievement for Excellence Program requirements, and we are again submitting it to GFOA to determine its eligibility for another certificate.

The GFOA presented the Award for Distinguished Budget Presentation for the City's Program Budget Document for the fiscal year 2018-19. The City has received this recognition annually since 1988. In order to qualify for the Distinguished Budget Presentation Award, the budget document must be proficient in several categories including policy documentation, financial planning and organization. The City's budget document continues to meet these criteria.

**Acknowledgments:** Finally, we would like to express our sincere gratitude to the personnel in the Finance Department who contributed in the preparation of this report, specifically, J. J. Schulz, Amber Hubbard, Pete Rhodes, Sue Ann Koniak, Tyler Spath and Sue Smith. Without the efficient and dedicated services of the entire finance staff, preparation of this report, on a timely basis, could not have been accomplished.

The dedication, commitment and professional contribution to the financial stability of the City made by the Mayor, City Council, Budget Committee, Audit Committee and department managers cannot be overemphasized. Their dedication and commitment are of invaluable assistance in the management of the financial and community affairs of the City.

Respectfully submitted,



Patrick F. O'Claire  
Finance Director



Susan Cole  
Assistant Finance Director



Government Finance Officers Association

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

Presented to

**City of Beaverton  
Oregon**

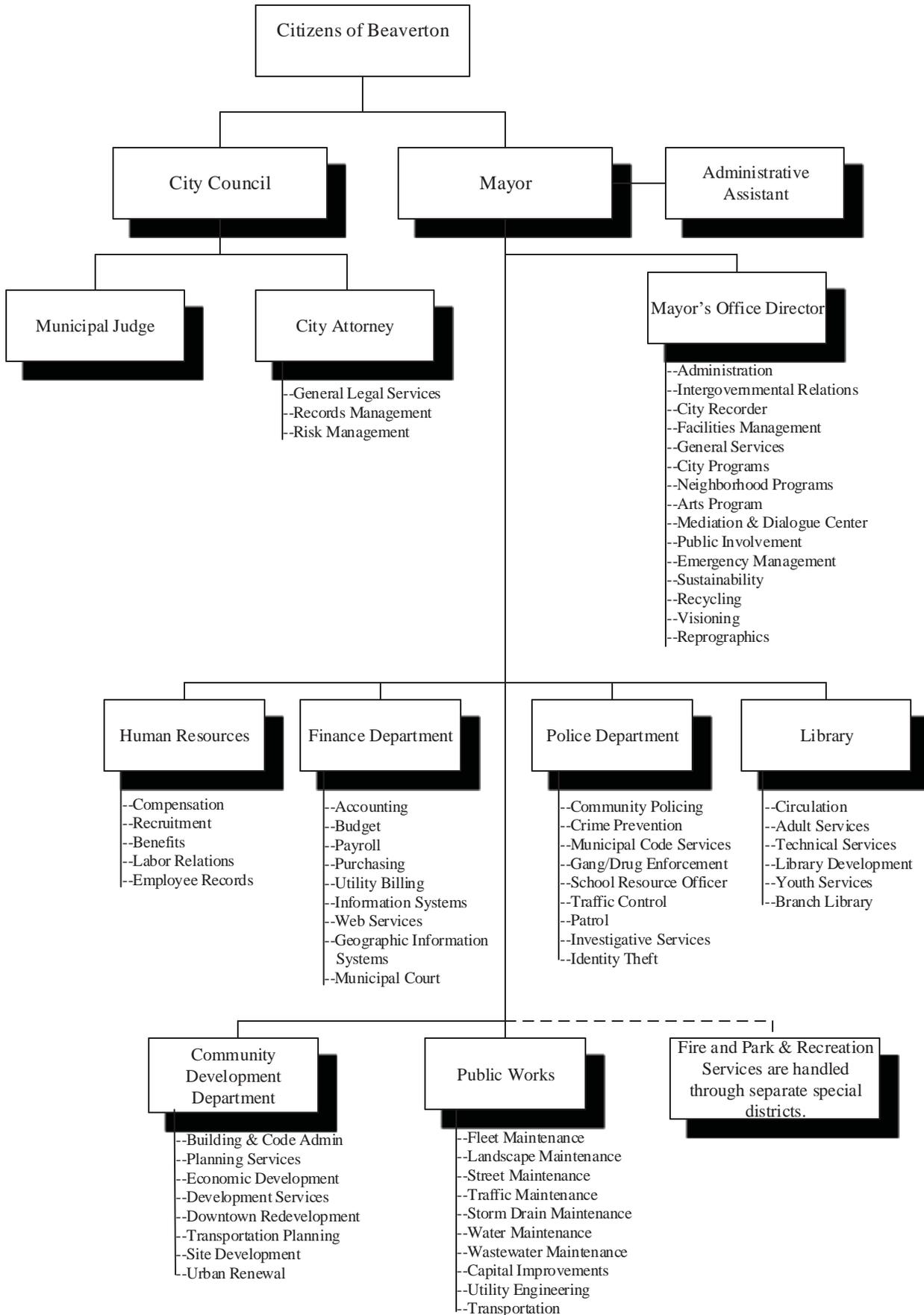
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

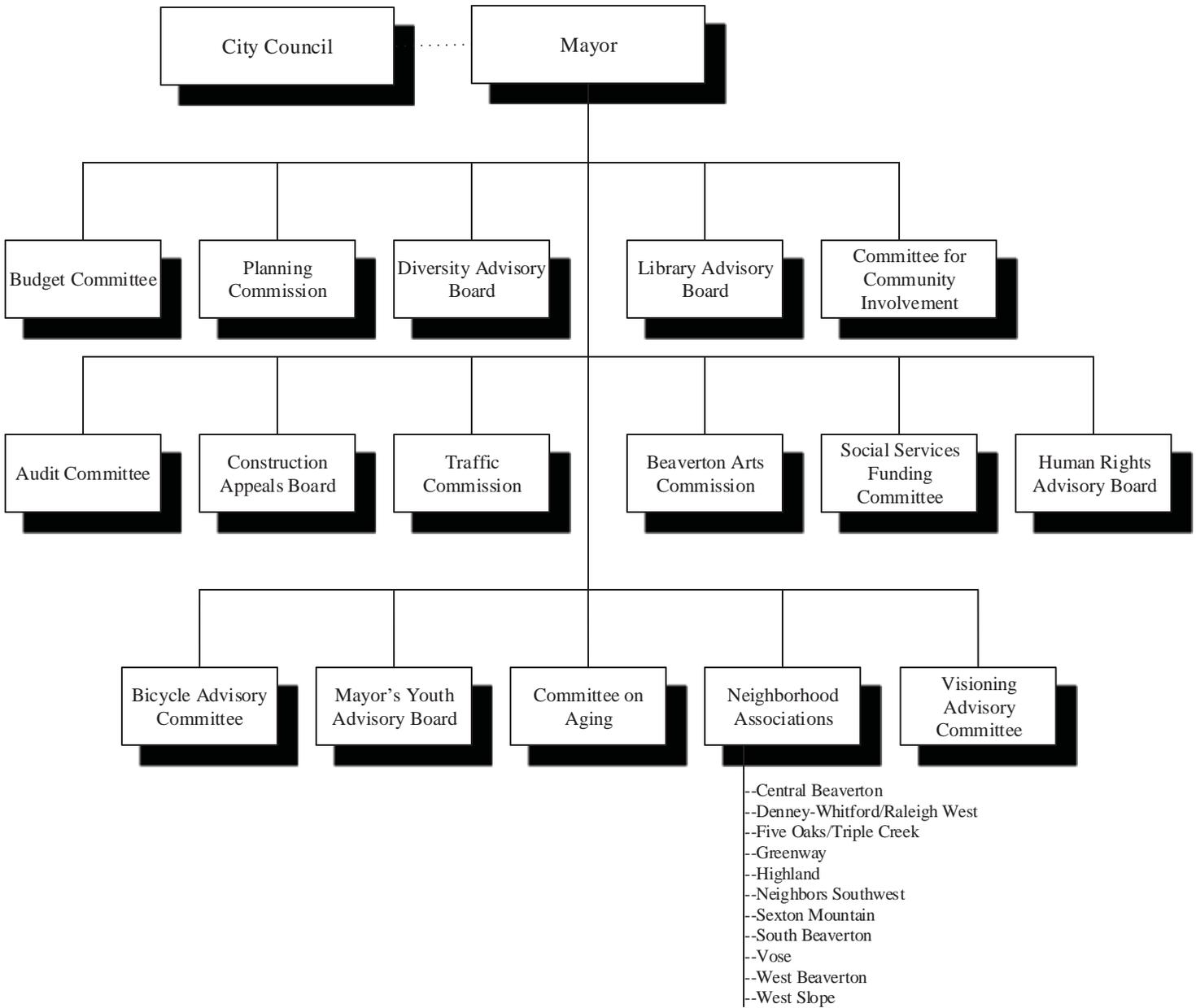
*Christopher P. Morrill*

Executive Director/CEO

# Organization of the City of Beaverton



# City of Beaverton Boards, Commissions & Committees



**CITY OF BEAVERTON, OREGON**  
**COUNCIL MEMBERS AS OF JUNE 30, 2019**

---

<u>Name</u>	<u>Term Expires</u>
Denny Doyle, Mayor	December 31, 2020
Lacey Beaty, Council President	December 31, 2022
Cate Arnold, Member	December 31, 2020
Laura Mitchell, Member	December 31, 2022
Mark Fagin, Member	December 31, 2020
Marc San Soucie, Member	December 31, 2022

**CITY OF BEAVERTON, OREGON**  
**AUDIT COMMITTEE AS OF JUNE 30, 2019**

<u>Name</u>	<u>Term Expires</u>
Keith Parker, CPA, Chairman Assistant General Counsel Nike, Inc.	December 31, 2020
Allen Dawson Warehouse Supervisor Georgia-Pacific	December 31, 2020
Mark Fagin Council Member	December 31, 2020

**CITY OF BEAVERTON, OREGON**  
**BUDGET COMMITTEE AS OF JUNE 30, 2019**

<u>Name</u>	<u>Term Expires</u>
Jose Galindez Chair	December 31, 2020
Tiffany Burton Member	December 31, 2021
John Dugger Member	December 31, 2021
Bill Kanable Member	December 31, 2019
Clay Moorhead Member	December 31, 2021
Mark Fagin Council Member	December 31, 2020
Cate Arnold Council Member	December 31, 2020
Lacey Beaty Council President	December 31, 2022
Laura Mitchell Council Member	December 31, 2022
Marc San Soucie Council Member	December 31, 2022

**CITY OF BEAVERTON, OREGON**  
**DEPARTMENT HEADS AS OF JUNE 30, 2019**

---

Mayor's Office Director	Abigail Elder
Public Works Director	David Donaldson
Library Director	Glenn Ferdman
City Attorney	William Kirby
Police Chief	Ronda Groshong-Interim chief
Human Resources Director	Patricia Anderson Wieck
Finance Director	Patrick O'Claire
Community Development Director	Cheryl Twete

## **FINANCIAL SECTION**

**INDEPENDENT AUDITOR'S REPORT**



Talbot, Korvola  
& Warwick, LLP

4800 Meadows Road, Suite 200  
Lake Oswego, OR 97035

P 503.274.2849  
F 503.274.2853

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

## INDEPENDENT AUDITOR'S REPORT

Mayor and City Council  
City of Beaverton  
Beaverton, Oregon

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Beaverton, Oregon (the City), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### OPINIONS

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2019, 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.



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## **INDEPENDENT AUDITOR'S REPORT (Continued)**

Mayor and City Council  
City of Beaverton

### **OTHER MATTERS**

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

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Schedule of City's Proportionate Share of Net Pension Liability (Asset), the Schedule of City Contributions to Pension Plan, the Schedule of Changes in the City's Total OPEB Liability and Related Ratios – Implicit Rate Subsidy Plan, Schedule of City Proportionate Share of the Net OPEB Liability (Asset) PERS Retirement Health Insurance Account (RHIA) Plan, Schedule of the City's Contributions to PERS System RHIA Plan, and the Notes to Required Supplementary Information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information for the General, Street, and Library Funds listed in the Table of Contents as Required Supplementary Information, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements, schedules and other financial schedules, collectively presented as Other Supplementary Information in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

**INDEPENDENT AUDITOR'S REPORT (Continued)**

Mayor and City Council  
City of Beaverton

**OTHER MATTERS (Continued)**

***Other Information (Continued)***

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

**REPORTS ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

**Other Reporting Required by *Oregon Minimum Standards***

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated December 12, 2019 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.

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

Lake Oswego, Oregon  
December 12, 2019

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**CITY OF BEAVERTON, OREGON  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2019**

This discussion and analysis presents the highlights of financial activities and financial position for the City of Beaverton (City). The analysis focuses on the financial activities of the City for the fiscal year ended June 30, 2019 based on currently known facts, decisions, and conditions that existed as of the date of the independent auditor's report.

We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, starting on page iii of this report, and the City's financial statements beginning on page 14.

**FINANCIAL HIGHLIGHTS**

Following are the financial highlights of the City for the fiscal year ended June 30, 2019.

- At the close of the fiscal year, assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$448.2 million (net position). This amount reflects an increase of \$30.3 million from previous year, including the restatement. Most of the increase in net position is the result of capital contributions from other government agencies, infrastructure contributions made by private developers, and a strong return on investment activities.
- \$402.4 million of the net position is invested in capital assets, and \$40.2 million is restricted for construction, street maintenance, education, and other purposes. The remaining \$5.5 million net position is unrestricted and may be used to meet the City's ongoing obligations and operations. The negative balance of \$25.9 million unrestricted net position in the governmental activities is primarily due to the accrual of the City's unfunded pension obligations and other post-employment benefits (OPEB). The business type activities report \$31.4 million unrestricted net position that can be used for current needs without any restriction. The City reported \$5.4 million in interest revenue during the fiscal year as compared to \$879,000 last year.
- Governmental funds reported combined ending fund balances at year-end of \$73.2 million which reflects \$7 million decrease from the last year's ending fund balances. The main source of this decrease was \$11.4 million capital expenditure in the Capital Development Fund for a new Public Safety Center that is in the construction phase.
- The General Fund reported total fund balances of \$20.5 million. Of this, \$1 million is committed for equipment replacement. \$9.4 million assigned fund balances are comprised of \$5.1 million for the appropriated fund balance for next year's operation, \$3 million compensated absences, and \$1.2 million for uncompleted contract commitments. The remaining \$10.1 million unassigned fund balance can be used for ongoing operations, and this amount represents approximately 14% of the General Fund's total operating expenditures budgeted for the next fiscal year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The following discussion and analysis serves as an introduction to the City's basic financial statements, required and other supplementary information. The City's basic financial statements are comprised of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

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

**CITY OF BEAVERTON, OREGON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

The Statement of Net Position presents information on all of the City's (a) assets and deferred outflows and (b) liabilities and deferred inflows of resources. Net position is the difference between (a) and (b). Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

- General administration (City Council, Mayor's Office, Records Management, Human Resources, Finance, City Attorney, Support Services)
- Police protection, municipal court operations and emergency management services
- Library services
- Planning, zoning and subdivision control regulations
- Building inspections and regulations and engineering services
- Traffic control and improvements
- Street construction and street maintenance

The business-type activities include water, sewer and storm drain utilities.

**Fund financial statements** - A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City appear in two categories: governmental funds and proprietary funds.

**Governmental funds** - Governmental funds are used to account for activities where the emphasis is placed on available financial resources, rather than upon net position determination. Therefore, unlike the government-wide financial statements, governmental fund financial statements focus on the acquisition and use of current spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial 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 governmental fund financial statements and reconciliations are on pages 16 - 19 in the basic financial statements.

The City maintains 18 individual governmental funds. Information for the funds considered significant (major) appears separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances. In Fiscal Year 2019, the City reports four major governmental funds: General Fund, Street Fund, Library Fund and Capital Development Fund. Data from the remaining governmental funds appear in a single, aggregated presentation. Summary fund data by fund-type for these non-major governmental funds is in the form

**CITY OF BEAVERTON, OREGON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

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of combining statements on pages 68 - 75 of this report. Individual fund data for each of these non-major governmental funds is provided as Other Supplementary Information.

The City adopts an annual appropriated budget for all of its operating funds. To demonstrate compliance with the budget, budgetary comparison statements for the General Fund and the major special revenue funds are presented as Required Supplementary Information on pages 59 – 61. Additional schedules that demonstrate the budgetary compliance for the General Fund and all other governmental funds are on pages 76 – 92.

***Proprietary funds*** - 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 storm drain 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 (pages 20 – 23).

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for reprographics services, fleet services, information system services that includes geographic information services, public works administration services, and insurance, risk and benefits services. All internal service funds appear in a single, aggregated presentation in the proprietary fund financial statements on pages 20 – 23. Because internal service funds predominantly benefit governmental rather than business-type functions, their assets and liabilities have been included with governmental activities in the government-wide financial statements, except for the internal balances resulted from the profit and/or loss elimination entries.

Individual fund data for the internal service funds and budgetary comparison statements for all proprietary funds appear as Other Supplementary Information on pages 93 - 107.

**Notes to the basic financial statements** - The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. They are an integral part of the basic financial statements and should be read in conjunction with them (pages 24 – 58).

**Required Supplementary Information (RSI) and Notes to RSI** - In addition to the basic financial statements and accompanying notes, the RSI schedules include budgetary comparisons for the General Fund and major special revenue funds, and certain schedules relating to the City's pension liability (asset) and OPEB (pages 59 – 66). Notes to RSI provide the City's budgetary information and information about known factors that significantly affect trends in the amounts reported in the schedules relating to pensions and OPEB (page 67).

**CITY OF BEAVERTON, OREGON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Summary of Net Position

	Governmental Activities		Business Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Cash and Investments	\$84,882,443	\$87,051,278	\$51,073,478	\$57,372,663	\$135,955,921	\$144,423,941
Other Assets	8,918,183	9,532,098	27,766,614	25,466,636	36,684,797	34,998,734
Capital Assets	200,447,245	180,701,201	229,473,310	203,783,670	429,920,555	384,484,871
Total Assets	<u>294,247,871</u>	<u>277,284,577</u>	<u>308,313,402</u>	<u>286,622,969</u>	<u>602,561,273</u>	<u>563,907,546</u>
Total deferred outflows of resources	22,591,404	20,327,988	2,293,823	1,887,890	24,885,227	22,215,878
Other Liabilities	12,932,346	8,667,195	10,672,323	10,049,494	23,604,669	18,716,689
Long-Term Liabilities	113,454,665	110,969,235	33,740,072	34,240,743	147,194,737	145,209,978
Total Liabilities	<u>126,387,011</u>	<u>119,636,430</u>	<u>44,412,395</u>	<u>44,290,237</u>	<u>170,799,406</u>	<u>163,926,667</u>
Total deferred inflows of resources	7,661,912	3,926,012	801,141	368,778	8,463,053	4,294,790
Net Position						
Invested in Capital Assets	184,269,254	173,734,741	218,174,485	200,424,568	402,443,739	374,159,309
Restricted	24,407,859	21,966,556	15,817,148	15,287,255	40,225,007	37,253,811
Unrestricted	(25,886,761)	(21,651,174)	31,402,056	28,140,021	5,515,295	6,488,847
Total Net Position	<u>\$182,790,352</u>	<u>\$174,050,123</u>	<u>\$265,393,689</u>	<u>\$243,851,844</u>	<u>\$448,184,041</u>	<u>\$417,901,967</u>

The City's total cash and investments decreased \$8.5 million as a result of the spending down of bond sale proceeds for the construction of the Public Safety Center Building and the City's utility infrastructure system. The increase of \$45.4 million in capital assets includes \$7.6 million utility infrastructure contributed by other utility service district; \$11 million private developers' contribution in street lighting, residential streets, utility infrastructures; \$20.9 million capital spending in the governmental activities, and \$15.4 million in business activities.

The increase in the deferred outflows of resources as well as the increase in the deferred inflows of resources are results of the accrual of pension and other postemployment benefits (OPEB) related amounts. More information on pension and OPEB accounting can be found in the Notes pages 45 – 56.

The \$4.3 million increase in other liabilities in the governmental activities is comprised of a \$1 million due to Washington County for the City's share of a transportation improvement project costs in the Cooper Mountain area, \$1.3 million increase in accrued salaries and payroll taxes due to the timing of payments, \$2.5 million contractor payables for the Public Safety Center.

The largest portion of the City's net position reflects its net investment of \$402.4 million or about 89.8% in capital assets (e.g., land, intangible assets, buildings, improvements, equipment, and infrastructure, net of accumulated depreciation and related debt). The City uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the City reports its investment in capital assets net of related debt, the resources needed to repay this debt are from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

\$40.2 million of the City's net position represents resources that are subject to external restrictions on how they may be used. \$15.7 million of the restricted net position is dedicated for construction of business type improvements that will provide water, sanitary sewer, and surface water management infrastructures. In the governmental activities, \$18.1 million is restricted for highways and streets maintenance and improvements, and \$5.9 million is restricted for education (library), building activities and urban area economic development purposes.

**CITY OF BEAVERTON, OREGON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

The negative balance in the unrestricted net position of the governmental activities increased by \$4.2 million from the last fiscal year, and it is mostly a result of the recording of pension expense and liability as prescribed by the Governmental Accounting Standards Board (GASB). This accrual of pension expense will not immediately have an effect on the City's operations, however, the City's required pension contribution rate is expected to increase further for the next biennium periods.

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues						
<i>Program revenues:</i>						
Charges for services	\$ 14,122,183	\$ 12,985,216	\$ 26,703,701	\$ 24,068,211	\$ 40,825,884	\$ 37,053,427
Operating grants and contributions	16,897,884	14,277,489			16,897,884	14,277,489
Capital grants and contributions	7,882,905	18,421,857	16,716,301	8,297,873	24,599,206	26,719,730
<i>General revenues:</i>						
Taxes	49,229,367	45,563,230			49,229,367	45,563,230
Intergovernmental revenues	3,942,505	3,915,418			3,942,505	3,915,418
Right of way revenues	10,582,564	10,148,845			10,582,564	10,148,845
Interest	3,361,604	694,127	2,040,546	184,512	5,402,150	878,639
Other	744,295	827,079	102,876	134,511	847,171	961,590
Total revenues	106,763,307	106,833,261	45,563,424	32,685,107	152,326,731	139,518,368
Expenses						
General government	36,109,724	37,419,997			36,109,724	37,419,997
Public safety	34,097,993	32,616,115			34,097,993	32,616,115
Highways and streets	13,423,555	11,211,835			13,423,555	11,211,835
Education	10,256,681	10,164,411			10,256,681	10,164,411
Cultural and recreation	2,712,332	1,478,383			2,712,332	1,478,383
Interest on long-term debt	1,422,793	1,470,893			1,422,793	1,470,893
Water utility			13,619,747	10,670,276	13,619,747	10,670,276
Sewer utility			5,009,069	4,802,523	5,009,069	4,802,523
Storm drain utility			6,159,986	6,018,388	6,159,986	6,018,388
Total expenses	98,023,078	94,361,634	24,788,802	21,491,187	122,811,880	115,852,821
Increase in net position	8,740,229	12,471,627	20,774,622	11,193,920	29,514,851	23,665,547
Net position-as previously reported	174,050,123	161,948,492	243,851,844	232,696,784	417,901,967	394,645,276
Adjustment for OPEB		(369,996)		(38,860)	-	(408,856)
Adjustment for water rights			767,223		767,223	
Net position - as restated	174,050,123	161,578,496	244,619,067	232,657,924	418,669,190	394,236,420
Net position-ending	\$182,790,352	\$174,050,123	\$265,393,689	\$243,851,844	\$448,184,041	\$417,901,967

**Governmental activities** – Governmental activities increased the City's net position by \$8.7 million for the fiscal year, and the key elements of the net position changes are as follows:

- The City received \$1.6 million new County vehicle registrations fees revenue that are allocated on a per capital basis, \$2.7 million increase in investment income, and about \$3.6 million increase in property tax revenues mostly due to the increase in property values in the City.
- Charges for services revenues increased by \$1.1 million in the site development and building permit fee revenues, an indication of increased construction activities in good economy.

**Business-type activities** - Business-type activities increased the City's net position by \$20.8 million primarily due to the \$14.7 million in capital contributions from private developers and other utility service district. Outside the capital

**CITY OF BEAVERTON, OREGON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

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contributions, business type activities generated sufficient revenues to cover the cost of operations and debt service requirements.

- Water activities received \$7.6 million in capital contributions in water infrastructures from other government as a result of service boundary changes. The utility service boundary changes effected during the year added approximately 4,000 additional customer accounts to the City.
- Private developers contributed \$3.4 million of water infrastructure during the year. Business type activities collected \$2.0 million systems development charge (SDC) revenues, and earned \$2 million in interest income.
- With the additional utility customers after the service boundary changes, the operating revenues and expenses for the business type activities showed proportionate increase, and the operating income stayed stable from last fiscal year at \$3.6 million.

**ANALYSIS OF SIGNIFICANT BALANCES AND TRANSACTIONS OF INDIVIDUAL FUNDS**

**Governmental Funds:**

The General Fund is the main operating fund of the City and the total fund balance increased by \$1.3 million during the fiscal year primarily due to an increase in property taxes and site development fees reflecting rising assessed property valuations and building activity. Other significant increases include interest earnings due to rising interest rates as compared to last fiscal year and Right of Way fees. These revenue increases were partially offset by cost of living increases in personal services expenditures.

All of the \$4.7 million fund balance in the Street Fund is restricted for the maintenance of highways and streets infrastructure. The Street Fund's ending fund balance for this year increased approximately \$750,000 from last year mostly due to a new Washington County Vehicle Registration fee that went into effect beginning July 1, 2018. The City's share of revenue for the new fee was approximately \$1.6 million for FY 18-19. The revenue for this new fee is to support the City's ongoing road maintenance and safety needs. Other main sources of revenue are gas tax distributions from Oregon State and Washington County. Expenditures were \$1.3 million higher in FY 18-19 mostly due to ADA ramp retrofit expenditures of \$1 million and transfers to the Capital Projects Fund for sidewalk construction and repair.

The Library Fund's fund balance had a \$513,000 increase during the year due to higher revenue distributions from the Washington County Consolidated Library Services (WCCLS). The revenue distribution from the WCCLS provides 54% of the current operating revenues for the City's library. All of the Library Fund's fund balance of \$2.3 million is restricted for the operations of the Beaverton's main library and branch library.

The Capital Development Fund had a decrease of \$11.4 million and ending fund balance of \$23.6 million, of which \$22.7 million is restricted for the construction of the new Public Safety Center. The \$11.4 million decrease was mostly due to design and construction costs of the new Public Safety Center that is scheduled to be completed in the spring of 2020.

**Business Type Funds:**

The Water Fund's net position increased by \$15.9 million; Sewer Fund's net position increased by \$1.1 million; and Storm Drain Fund's net position increased \$3.7 million. In total, business type funds received \$14.7 million infrastructure contributions from private developers and other governmental agencies. This is an \$8.3 million increase over last fiscal year and reflects the large magnitude of development activity occurring in the City as well the City's effort to expand its water customer bases.

**CITY OF BEAVERTON, OREGON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

The increase in the Water Fund's net position includes a \$1.7 million increase in charges for services reflecting a consumption rate increase of 10 cents per 100 cubic feet of water and base rate increase of \$1.00 and a \$7.6 million increase in system development charges and capital contributions.

The increase in net position for the Sewer Fund is mostly due to \$1.1 million in system development charges and capital contributions from private developers and other governmental agencies, and \$487,000 interest income from investments.

The increase in net position for the Storm Drain Fund is due to \$560,000 increase in revenues due to a \$1.06 increase in surface water management rate per ESU, and a \$350,000 increase on interests from investments.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The General Fund's final adopted budget was \$3.5 million (4.9%) more than the original budget amount, excluding the contingency (see pages 76 and 77 for more detailed information) and is comprised of:

- \$154,000 in personnel services reflects \$81,000 for one new position in Mayor's Office (Administrative Assistant), \$71,000 for the new position of Site Development Division manager due to the City's increase in development activity.
- \$1.7 million in materials and services expenditures which includes \$1.1 million for carrying forward encumbrances from last fiscal year and re-appropriating them in FY 2018-19, \$164,000 for Mayor's department activity including \$90,000 for 12 portable barricades, \$92,000 for the Human Resources department employee recruitment resources, and \$95,000 for Municipal Court department court appointed attorneys fees.
- \$83,000 in capital outlay expenditures of which \$19,000 is building maintenance projects, \$29,000 for police replacement vehicles and \$35,000 for Landscape program vehicle replacement.
- \$1.6 million increase in Transfers to Other Funds includes \$950,000 to the capital development fund primarily for property acquisition adjacent to the Public Safety Center, and \$550,000 transfer to Street Fund to close out residual amount in the Street Lighting Fund via the General Fund as prescribed in the Oregon Statute.

General Fund expenditures came in at \$7.6 million (10.02%) less than the final budget (excluding contingency), and significant differences between final adopted budget and actual expenditures include the following:

- The total personnel services expenditures came in at \$2.5 million less than budget due to various position vacancies during the fiscal year and actual fringe benefit costs \$1.3 million less than what was budgeted. The variance in fringe benefit costs is mainly due to position vacancies and the difference between budgeted rates such as medical and dental insurance premiums and actual rates in the retirement benefits contribution.
- Material and services was \$3.9 million less than budgeted which reflects \$2.6 million underspending in the Community Development Department for various programs including Economic Development, Department Administration, Development Division, Planning Division, Site Development Division, and Transportation planning; \$480,000 less for Mayor's Department programs, \$410,000 less for building expenses, \$230,000 less for Police Department, and \$164,000 less from other departments
- Transfers to Other Funds came in \$646,000 less than budgeted including \$313,000 transfer to Capital Projects Fund and \$113,000 to Capital Development Fund for various projects, \$173,000 less to Internal Service Funds for internally supported activities and services, and \$46,000 less to debt service.

**CITY OF BEAVERTON, OREGON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets** - At June 30, 2019, the City had approximately \$430 million invested in a broad range of capital assets, including land and easements, water rights, buildings and improvements, equipment, roads, street lighting system, traffic light system, bridges, water, sewer and storm drain infrastructure.

The total increase in capital assets for the current fiscal year was \$45 million entity wide, and \$11.1 million of the increase was attributable to the contributions from other government and private entities in land and infrastructure. The \$11.5 increase in construction in progress for the governmental funds is mostly due to capitalized costs for the new Public Safety Center that is expected to be completed in 2020. The increase in the business type activities includes approximately \$7.6 million increase in infrastructure due to water district changes and \$15.4 million in additions to the existing utility infrastructure to support the expansion and growth in the City's utility customer base.

Summary of Capital Assets  
June 30

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land, intangible assets	\$24,801,936	\$23,379,037	11,762,412	\$10,369,421	\$36,564,348	\$33,748,458
Construction in progress	19,184,106	7,665,288	15,385,578	10,327,759	34,569,684	17,993,047
Intangible assets being amortized	1,427,225	1,373,977	-	71,718	1,427,225	1,445,695
Buildings and improvements (net of depreciation)	34,704,314	34,520,479	65,851	69,440	34,770,165	34,589,919
Machinery and equipment (net of depreciation)	6,388,640	6,160,629	3,623,861	3,527,415	10,012,501	9,688,044
Infrastructure (net of depreciation)	113,941,024	107,601,791	198,635,608	179,417,917	312,576,632	287,019,708
<b>Totals</b>	<b>\$200,447,245</b>	<b>\$180,701,201</b>	<b>\$229,473,310</b>	<b>\$203,783,670</b>	<b>\$429,920,555</b>	<b>\$384,484,871</b>

More detailed information on the City's capital assets is presented in Note II.C on pages 34 and 35 of this report.

**Debt** - At year end, the City had \$68 million in total long-term debt compared to \$71.3 million last year, a decrease of \$3.3 million mostly due to annual principal payments.

Outstanding Debt at Year-End  
June 30

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
General obligation bonds (backed by the City)	\$34,860,287	\$35,915,301			\$34,860,287	\$35,915,301
Special revenue bonds (backed by right of way fee rev.)	1,422,030	2,460,203			1,422,030	2,460,203
Non-revolving line of credit	2,921,900	2,921,900			2,921,900	2,921,900
Loans and contracts payable	2,559,650	2,250,033	\$1,572,586	\$1,596,851	4,132,236	3,846,884
Revenue bonds (backed by water revenues)			24,696,516	26,187,912	24,696,516	26,187,912
<b>Totals</b>	<b>\$41,763,867</b>	<b>\$43,547,437</b>	<b>\$26,269,102</b>	<b>\$27,784,763</b>	<b>\$68,032,969</b>	<b>\$71,332,200</b>

The governmental activities outstanding debt reflects \$34.9 million of general obligation (GO) bonds issued in 2017 to fund a new public safety center. The GO bonds are voter approved and paid by ad-valorem tax on all taxable property in the City. The special revenue bond was issued to fund tenant improvements at The Beaverton Building (City Hall), and the debt service payments for the special revenue bond will be made solely from right of way fees.

**CITY OF BEAVERTON, OREGON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

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In addition, the City's component unit, the Beaverton Urban Redevelopment Agency (BURA) issued the Letter of Credit in the form of an Urban Renewal Note Series 2017 and a City of Beaverton Revenue Bond Series 2017, commonly referred to as the Non-Revolving Multi-Draw Line of Credit for urban renewal projects. The Borrower is listed as the Beaverton Urban Redevelopment Agency. The intent is to pay the interest due from BURA property tax increment. The Revenue Bond was issued on a parity basis with the 2013 Special Revenue Bond of the City (South Office Building Project). That bond and this Letter of Credit are backed by non-property tax General Fund revenue of the City such as franchise fees, fines and forfeitures and state shared revenues. The Letter of Credit matures in 2022 and is likely to be paid from a BURA Special Revenue Bond solely based on future tax increment before maturity. No additional draw was made during the fiscal year.

The 2018 revenue bonds received AA+ by Standard and Poor's, the second highest rating possible, and all City's debt for business-type activities are paid from net revenues of the water system. The City covenants in the Master Water Bond Ordinance to charge rates and fees to generate adequate net revenues to meet the required level for debt service expenses, and the City continues to be in compliance with the requirement.

Moody's Investors Service, Inc. upgraded the water revenue bond rating from A1 to Aa2 in 2010. This corresponds to the rating upgrade from Standard and Poor's from AA to AA+, the second highest rating possible in 2008. Also in May 2010, Moody's upgraded the ratings of GO refunding bonds from Aa2 to Aa1, the second highest rating possible. The rating agencies recently confirmed these ratings.

State statutes limit the amount of general obligation debt a city may issue to three (3) percent of its total real market value of all taxable property within the City boundaries. The current debt limitation for the City is \$518.9 million, and the City's outstanding GO debt is \$34.9 million which is significantly below the debt limit.

Additional information on the City's debt is in the notes to the basic financial statements on pages 38 to 43 (II.G).

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

During the preparation of the budget for the ensuing fiscal year, the long-term impacts of the local economy were examined in conjunction with business decisions made by the City. Beaverton's revenue trends are generally up over past years reflecting economic growth. The assessed valuation is rising and the major sources of current revenue are the property taxes. Beaverton has a diverse revenue basis, and revenue increases should come from fees related to new construction activities, lodging taxes, right-of-way fees, water revenue, planning fees and other sources.

The City's adopted budget for FY 2019-20 reflects total estimated resources of \$361.3 million which includes \$97.7 million of beginning balances, and the projected ending fund balances at the end of FY 2019-20 operation is \$77.3 million. The decrease between the beginning and ending fund balances is mainly due to continued spending on construction of the Public Safety Center and also spending on final design phases and initial construction phases of several capital improvements in the water system. The operating expenditures for the next fiscal year are steady, and the total employee count increased by 12.55 FTE (full time equivalent) to 599.01 FTE. The following are the major assumptions factors used in developing the FY 2019-20 budget:

- The City's permanent property tax levy rate for operating purposes is \$4.62 per \$1,000 assessed value, and \$4.23 is the levied tax rate in the FY 2019-20 budget which is slight increase of about a half a cent from last year. The total property tax revenues for operations is estimated at \$41.2 million, and the increment between the current tax rate and the City's permanent rate would generate an additional \$4 million when applied to the assessed valuation of \$10.5 billion. This additional unused tax authority provides the City with sufficient resources to meet our future resource needs.

**CITY OF BEAVERTON, OREGON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

- With the increase in private investment in both housing and commercial construction in the area, the City expects continued growth in local economy and FY 2019-20 budgeted includes \$10.2 million in permits and fees revenue category.
- During three years from FY 2017-18 to FY 2019-20, the list of water infrastructure projects grew substantially with the increasing development opportunities in the Cooper Mountain area, and the city also began a schedule of taking over water service responsibilities from Tualatin Valley Water District (TVWD) for customers already within the city limits. The budget for the water construction fund's capital outlay for FY 2019-20 is \$27.3 million more than the actual spending of this year, and \$30 million bond issuance is also included in the adopted budget.
- The Beaverton Urban Redevelopment Agency (BURA), a component unit of the City of Beaverton, should receive approximately \$4.2 million from the incremental growth of assessed valuation within the urban renewal district. Established in November 2011, the amount of tax increment is sufficient to provide the basis for a line-of-credit borrowing to finance property acquisition, public improvements and predevelopment assistance as necessary.

**REQUESTS FOR INFORMATION**

This financial report provides a general overview of the City's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report should be addressed to the Finance Director at 12725 S.W. Millikan Way, Beaverton, OR 97005.

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**CITY OF BEAVERTON, OREGON**  
**STATEMENT OF NET POSITION**  
**June 30, 2019**

	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Cash and investments	\$84,882,443	\$51,073,478	\$135,955,921
Property taxes receivable	758,867		758,867
Court fines receivable	1,867,670		1,867,670
Right of way revenues and other receivables, ne	2,269,803	7,073,199	9,343,002
Due from other governments	1,664,414		1,664,414
Grants receivable	555,897		555,897
Accrued interest receivable	357,182	165,604	522,786
Internal balances	883,596	(883,596)	
Inventory	101,835	220,395	322,230
Other assets	50,000		50,000
Investments in joint ventures		21,139,789	21,139,789
Net other postemployment benefits (OPEB) asset	408,919	51,223	460,142
Capital assets			
Land, intangible assets, construction in progress	43,986,042	27,147,990	71,134,032
Depreciable intangible assets (net of amortization)	1,427,225		1,427,225
Buildings and improvements (net of depreciation)	34,704,314	65,851	34,770,165
Machinery and equipment (net of depreciation)	6,388,640	3,623,861	10,012,501
Infrastructure (net of depreciation)	113,941,024	198,635,608	312,576,632
<b>TOTAL ASSETS</b>	<b>294,247,871</b>	<b>308,313,402</b>	<b>602,561,273</b>
<b>Deferred Outflows of Resources:</b>			
Deferred amount from other postemployment benefits obligation	306,616	38,409	345,025
Deferred amount from pension	22,284,788	2,255,414	24,540,202
<b>TOTAL DEFERRED OUTFLOWS     OF RESOURCES</b>	<b>22,591,404</b>	<b>2,293,823</b>	<b>24,885,227</b>
<b>Liabilities:</b>			
Accounts payable	4,932,673	111,476	5,044,149
Accrued salaries and payroll taxes	4,054,376	361,893	4,416,269
Accrued interest payable	73,429	301,718	375,147
Other accrued liabilities	589,334	69,194	658,528
Due to other governments	2,074,793	7,506,814	9,581,607
Deposits, retainages and contractors payable	1,207,741	2,321,228	3,528,969
Long-term liabilities:			
Portion due within one year:			
Bonds, contracts, loan payable, net	2,685,454	1,346,975	4,032,429
Compensated absences	754,090	83,788	837,878
Portion due in more than one year:			
Bonds, contracts, loan payable, line of credit, net	39,078,413	24,922,127	64,000,540
Compensated absences	3,418,245	458,195	3,876,440
Net OPEB obligation	3,970,757	497,406	4,468,163
Net pension liability	63,547,706	6,431,581	69,979,287
<b>TOTAL LIABILITIES</b>	<b>126,387,011</b>	<b>44,412,395</b>	<b>170,799,406</b>
<b>Deferred Inflows of Resources:</b>			
Deferred amount from OPEB	1,067,753	133,754	1,201,507
Deferred amount from pension	6,594,159	667,387	7,261,546
<b>TOTAL DEFERRED INFLOWS     OF RESOURCES</b>	<b>7,661,912</b>	<b>801,141</b>	<b>8,463,053</b>
<b>Net Position:</b>			
Net Investment in capital assets	184,269,254	218,174,485	402,443,739
Restricted for:			
Construction		15,695,953	15,695,953
Debt service	413,958	69,972	483,930
Highways and streets	18,076,675		18,076,675
Education	2,269,543		2,269,543
Other purposes	3,647,683	51,223	3,698,906
Unrestricted (deficit)	(25,886,761)	31,402,056	5,515,295
<b>TOTAL NET POSITION</b>	<b>\$182,790,352</b>	<b>\$265,393,689</b>	<b>\$448,184,041</b>

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

**CITY OF BEAVERTON, OREGON**  
**STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2019**

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	\$36,109,724	\$8,974,454	\$1,348,810		(\$25,786,460)		(\$25,786,460)
Public safety	34,097,993	4,950,573	560,407		(28,587,013)		(28,587,013)
Highways and streets	13,423,555	71,481	9,028,297	\$7,882,905	3,559,128		3,559,128
Education	10,256,681	125,675	5,960,370		(4,170,636)		(4,170,636)
Cultural and recreation	2,712,332				(2,712,332)		(2,712,332)
Interest on long-term debt	1,422,793				(1,422,793)		(1,422,793)
Total governmental activities	<u>98,023,078</u>	<u>14,122,183</u>	<u>16,897,884</u>	<u>7,882,905</u>	<u>(59,120,106)</u>		<u>(59,120,106)</u>
Business-type activities:							
Water	13,619,747	15,903,093		12,479,672		\$14,763,018	14,763,018
Sewer	5,009,069	4,512,350		1,122,385		625,666	625,666
Storm drain	6,159,986	6,288,258		3,114,244		3,242,516	3,242,516
Total business-type activities	<u>24,788,802</u>	<u>26,703,701</u>		<u>16,716,301</u>		<u>18,631,200</u>	<u>18,631,200</u>
Total government	<u>\$122,811,880</u>	<u>\$40,825,884</u>	<u>\$16,897,884</u>	<u>\$24,599,206</u>	<u>(59,120,106)</u>	<u>18,631,200</u>	<u>(40,488,906)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes					44,647,139		44,647,139
Property taxes, levied for debt service					2,031,373		2,031,373
City tax levied for lodging, marijuana and business					2,550,855		2,550,855
Intergovernmental revenues, unrestricted					3,942,505		3,942,505
Right of way revenues					9,498,504		9,498,504
Right of way revenues, allocated for debt service					1,084,060		1,084,060
Unrestricted investment earnings					3,361,604	2,040,546	5,402,150
Other revenues					744,295	102,876	847,171
Total general revenues					<u>67,860,335</u>	<u>2,143,422</u>	<u>70,003,757</u>
Change in net position					<u>8,740,229</u>	<u>20,774,622</u>	<u>29,514,851</u>
Net position--Beginning, as previously reported					174,050,123	243,851,844	417,901,967
Adjustment for amortization on water rights (See Note III-G)						767,223	767,223
Net position--Beginning, as restated					<u>174,050,123</u>	<u>244,619,067</u>	<u>418,669,190</u>
Net position--Ending					<u>\$182,790,352</u>	<u>\$265,393,689</u>	<u>\$448,184,041</u>

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

## **FUND FINANCIAL STATEMENTS**

## **GOVERNMENTAL FUNDS FINANCIAL STATEMENTS**

### **MAJOR FUNDS**

#### **General Fund**

This fund accounts for the financial operations of the City which are not accounted for in any other fund. Principal sources of revenue are property taxes, licenses and permits, right of way fees, state shared revenues and charges for administrative services provided to other funds. Primary expenditures are for police protection, court, engineering and planning services, and general administration such as human resources, finance, city attorney and mayor's office.

#### **Street Fund**

Accounts for receipts of revenues from county gasoline tax and state gasoline taxes apportioned from the State of Oregon, and expenditures as specified under Article IX, Section 3 of the Constitution of the State of Oregon.

#### **Library Fund**

Accounts for receipts and expenditures of revenues from a county library special levy, property taxes levied, and donations and expenditures for operation of the City library.

#### **Capital Development Fund**

Accounts for the acquisition and construction of designated capital facilities. Major sources of revenue are bond sale proceeds and transfers from other funds.

### **OTHER GOVERNMENTAL FUNDS**

Other Governmental Funds include Community Development Block Grant Fund, Building Fund, Transient Lodging Tax (TLT) Fund, Transportation Development Tax Fund, Transportation Systems Development Fund, Beaverton Center for the Arts Contribution Fund, General Obligation Debt Service Fund, Special Revenue Debt Service Fund, Capital Projects Fund, Assessment Debt Service Fund, Beaverton Urban Redevelopment Agency (BURA) General Fund, BURA Debt Service Fund and BURA Capital Projects Fund.

**CITY OF BEAVERTON, OREGON**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
June 30, 2019

	General Fund	Street Fund	Library Fund	Capital Development Fund	Other Governmental Funds	Total
<b>Assets:</b>						
Cash and investments	\$21,907,644	\$4,158,386	\$2,586,481	\$26,422,480	\$24,254,440	\$79,329,431
Property taxes receivable	597,674		55,886		105,307	758,867
Court fines receivable	1,867,670					1,867,670
Right of way/other receivables, net	1,533,764	13,150			440,653	1,987,567
Accrued interest receivable	120,192	14,232	10,826	94,376	92,005	331,631
Due from other funds	262,375					262,375
Due from other governments	446,297	990,678			227,439	1,664,414
Grants receivable	117,446				438,451	555,897
<b>TOTAL ASSETS</b>	<u>\$26,853,062</u>	<u>\$5,176,446</u>	<u>\$2,653,193</u>	<u>\$26,516,856</u>	<u>\$25,558,295</u>	<u>\$86,757,852</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>						
Liabilities:						
Accounts payable	\$1,000,289	\$428,613	\$146,021	\$2,378,947	\$759,499	\$4,713,369
Accrued salaries and payroll taxes	2,106,056	64,153	180,778		110,423	2,461,410
Due to other funds					262,375	262,375
Due to other governments	455,937				1,618,856	2,074,793
Deposits and retainages payable	717,164			486,579	3,998	1,207,741
<b>Total Liabilities</b>	<u>4,279,446</u>	<u>492,766</u>	<u>326,799</u>	<u>2,865,526</u>	<u>2,755,151</u>	<u>10,719,688</u>
Deferred inflows of resources:						
Unavailable revenue - municipal court fines	1,440,897					1,440,897
Unavailable revenue - property taxes	493,827		46,025		86,495	626,347
Unavailable revenue - transportation development tax					429,615	429,615
Unavailable revenue - assessment liens, and interest	120,192	14,232	10,826	94,376	95,095	334,721
<b>Total Deferred Inflows of Resources</b>	<u>2,054,916</u>	<u>14,232</u>	<u>56,851</u>	<u>94,376</u>	<u>611,205</u>	<u>2,831,580</u>
Fund balances:						
Restricted		4,669,448	2,269,543	22,663,976	19,947,886	49,550,853
Committed	1,030,206			892,978	2,244,053	4,167,237
Assigned	9,379,871					9,379,871
Unassigned	10,108,623					10,108,623
<b>Total Fund Balances</b>	<u>20,518,700</u>	<u>4,669,448</u>	<u>2,269,543</u>	<u>23,556,954</u>	<u>22,191,939</u>	<u>73,206,584</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$26,853,062</u>	<u>\$5,176,446</u>	<u>\$2,653,193</u>	<u>\$26,516,856</u>	<u>\$25,558,295</u>	<u>\$86,757,852</u>

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

**CITY OF BEAVERTON, OREGON**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE**  
**STATEMENT OF NET POSITION**  
June 30, 2019

<b>Total fund balances - governmental funds</b>		\$73,206,584
<p>Capital assets used in governmental activities are not financial resources, therefore, are not reported in the governmental funds' balance sheet:</p>		
Acquisition cost	\$263,491,714	
Accumulated depreciation	<u>(66,345,774)</u>	197,145,940
<p>Assets not available to pay for current-period expenditures and, therefore are not recognized in the governmental funds.</p>		
Contract and interest receivable from land sale		249,312
<p>Deferred revenues collected in subsequent years are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the governmental funds' balance sheet:</p>		
Property tax revenue		626,347
Court fine revenue		1,440,897
<p>Deferred transportation development tax, assessment liens and investment income revenues that are collected in subsequent periods and are not available for current year's operation. However, on a full accrual basis of accounting, they are reported as revenues.</p>		
		764,336
<p>Internal service funds are used by management to charge the costs of services to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Assets.</p>		
		4,189,050
<p>Long-term liabilities, including bonds/loan payable, accrued interest, payroll, pension and OPEB liabilities are not due in the current period and, therefore, are not reported in the funds' balance sheet.</p>		
Bonds, contracts, loans payable, net	(41,763,867)	
Accrued interest payable	(73,429)	
Accrued payroll liability, taxes and benefits liabilities	(5,031,890)	
Net pension activity:		
Net pension liability	(58,359,644)	
Deferred outflows	20,465,446	
Deferred inflows	(6,055,810)	
Net Other Postemployment Benefits Obligation (OPEB) activity:		
Net OPEB (RHIA) asset	379,589	
Net OPEB liability	(3,685,962)	
Deferred inflow	(991,174)	
Deferred outflows	284,627	
		<u>(94,832,114)</u>
<b>Total net position - governmental activities</b>		<u><u>\$182,790,352</u></u>

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

**CITY OF BEAVERTON, OREGON**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended June 30, 2019**

	General Fund	Street Fund	Library Fund	Capital Development Fund	Other Governmental Funds	Total
<b>Revenues:</b>						
Property taxes	\$36,944,844		\$3,563,468		\$6,970,928	\$47,479,240
Local taxes	573,435				1,278,325	1,851,760
Intergovernmental	3,475,937	\$9,028,296	5,866,584		971,587	19,342,404
Federal grants	249,266				684,413	933,679
State and private grants	300,179		15,696			315,875
Fees, licenses, and permits	2,967,307				7,455,343	10,422,650
Right of way fees	9,198,504	300,000			1,084,060	10,582,564
Fines and forfeits	4,167,028		124,903			4,291,931
Interest on investments and assessments	883,601	160,012	95,947	\$1,098,894	908,019	3,146,473
Lease of City property					176,225	176,225
Charges for services	3,720,870	71,482				3,792,352
Miscellaneous and cash-in-lieu	324,121	24,562	128,283	127,280	104,729	708,975
<b>TOTAL REVENUES</b>	<b>62,805,092</b>	<b>9,584,352</b>	<b>9,794,881</b>	<b>1,226,174</b>	<b>19,633,629</b>	<b>103,044,128</b>
<b>Expenditures:</b>						
Current:						
General government	26,611,037				5,766,212	32,377,249
Public safety	31,861,589					31,861,589
Highways and streets		8,383,212			2,370,715	10,753,927
Education			9,541,173			9,541,173
Cultural	906,180				1,530,467	2,436,647
Debt service:						
Principal	83,854				2,505,204	2,589,058
Interest	22,838				1,475,240	1,498,078
Capital Outlay				14,143,411	5,730,998	19,874,409
<b>TOTAL EXPENDITURES</b>	<b>59,485,498</b>	<b>8,383,212</b>	<b>9,541,173</b>	<b>14,143,411</b>	<b>19,378,836</b>	<b>110,932,130</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,319,594</b>	<b>1,201,140</b>	<b>253,708</b>	<b>(12,917,237)</b>	<b>254,793</b>	<b>(7,888,002)</b>
<b>Other financing sources (uses):</b>						
Issuance, note payable					903,000	903,000
Transfers in	805,126	616,649	259,108	1,471,874	5,314,728	8,467,485
Transfers out	(2,815,793)	(1,068,209)			(4,583,483)	(8,467,485)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(2,010,667)</b>	<b>(451,560)</b>	<b>259,108</b>	<b>1,471,874</b>	<b>1,634,245</b>	<b>903,000</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,308,927</b>	<b>749,580</b>	<b>512,816</b>	<b>(11,445,363)</b>	<b>1,889,038</b>	<b>(6,985,002)</b>
<b>FUND BALANCES - Beginning of year</b>	<b>19,209,773</b>	<b>3,919,868</b>	<b>1,756,727</b>	<b>35,002,317</b>	<b>20,302,901</b>	<b>80,191,586</b>
<b>FUND BALANCES - End of year</b>	<b>\$20,518,700</b>	<b>\$4,669,448</b>	<b>\$2,269,543</b>	<b>\$23,556,954</b>	<b>\$22,191,939</b>	<b>\$73,206,584</b>

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

**CITY OF BEAVERTON, 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, 2019**

Net change in fund balances - total governmental funds (\$6,985,002)

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of 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:

Expenditures for capital assets	\$20,894,896	
Less current year depreciation	<u>(4,716,017)</u>	
		16,178,879

The net effect of transactions involving capital assets, i.e., gain/loss on sales, donations and contributions from private developers and other governments. These transactions are not reported in the governmental funds. 3,109,053

Governmental funds defer revenues that do not provide current financial resources. However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received. (765,444)

Repayments and proceeds of long-term debt are reported as expenditures, revenues, and other financing source in governmental funds. However, it is reported as a decrease/increase in liabilities in the Statement of Net Assets. 1,728,556

Accrued interest expense on long-term debt, amortization of premiums/discounts, and accrued interest income on note receivables are reported in the Statement of Activities. However, they do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 64,466

Accrued payroll liabilities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (83,139)

Other post employment benefit obligations do not require the use of current financial resources, and, therefore are not included in the governmental funds. 61,501

Pension expense does not require the use of current financial resources, and, therefore, is not reported in governmental funds. (4,966,890)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet services, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. 398,249

Change in net position of governmental activities \$8,740,229

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

## **PROPRIETARY FUND FINANCIAL STATEMENTS**

### **MAJOR BUSINESS-TYPE FUNDS**

These funds are used to finance and account for the acquisition, operation and maintenance of water, sewer, and storm drain facilities which are supported by user charges.

*Water Fund* - accounts for the City's water utility operations, debt service and construction. This fund consists of three budgetary funds (Water Operating Fund, Water Debt Service Fund, and Water Construction Fund) that are combined as one enterprise fund in accordance with accounting principles generally accepted in the United States of America.

*Sewer Fund* - accounts for the City's sewer utility operations.

*Storm Drain Fund* - accounts for storm drainage connection fees and a user fee charged to property owners to finance maintenance of the City drainage system.

### **GOVERNMENTAL ACTIVITIES – INTERNAL SERVICE FUNDS**

The Internal Service Funds are used to account for services provided by the City of Beaverton for other departments within the City. Internal Service Funds include: Reprographics, Garage, Information Systems, Geographic Information Systems, Operations Administration, and Insurance. The Geographic Information Systems Fund is closed out in FY 18-19.

**CITY OF BEAVERTON, OREGON  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
June 30, 2019**

	Business -Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Water Fund	Sewer Fund	Storm Drain Fund	Totals	
<b>Assets:</b>					
Current assets:					
Cash and investments	\$26,419,623	\$12,813,851	\$11,840,004	\$51,073,478	\$5,553,012
Accounts receivable, net	2,664,963	3,086,531	880,255	6,631,749	39,057
Other receivables	350,372	91,078		441,450	
Accrued interest receivable	73,877	47,108	44,619	165,604	19,418
Inventory of materials and supplies	175,102	11,582	33,711	220,395	101,835
Total current assets	29,683,937	16,050,150	12,798,589	58,532,676	5,713,322
Noncurrent assets:					
Other assets					50,000
Investments in joint venture - JWC	15,915,103			15,915,103	
Investments in joint venture - Barney	4,887,362			4,887,362	
Investments in joint venture - WIF	337,324			337,324	
Net OPEB Asset	19,407	14,312	17,504	51,223	29,330
Capital assets, net	112,899,948	53,016,064	63,557,298	229,473,310	3,301,305
Total noncurrent assets	134,059,144	53,030,376	63,574,802	250,664,322	3,380,635
<b>TOTAL ASSETS</b>	<b>163,743,081</b>	<b>69,080,526</b>	<b>76,373,391</b>	<b>309,196,998</b>	<b>9,093,957</b>
<b>Deferred outflows of resources:</b>					
Deferred amount on pensions	929,283	549,008	777,123	2,255,414	1,819,342
Deferred amount on OPEB	14,552	10,732	13,125	38,409	21,989
Total deferred outflows of resources	943,835	559,740	790,248	2,293,823	1,841,331
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable	47,662	21,185	42,629	111,476	219,304
Accrued salaries and payroll taxes	140,218	88,365	133,310	361,893	294,107
Accrued interest payable	301,718			301,718	
Other accrued liabilities	11,601		57,593	69,194	589,334
Deposits and retainage payable	2,097,186	80,373	143,669	2,321,228	
Due to other governments	1,060,392	6,013,043	433,379	7,506,814	
Contract payable, net	25,579			25,579	
Bonds payable, net	1,321,396			1,321,396	
Total current liabilities	5,005,752	6,202,966	810,580	12,019,298	1,102,745
Long-term liabilities:					
Portion due within one year:					
Compensated absences	30,599	19,727	33,461	83,787	79,398
Portion due in more than one year:					
Compensated absences	167,334	107,877	182,985	458,196	359,906
Contract payable, net	449,362			449,362	
Bonds payable, net	23,375,120			23,375,120	
Loans Payable - IFA	1,097,645			1,097,645	
Net pension liability	2,649,962	1,565,562	2,216,057	6,431,581	5,188,062
Net OPEB obligation	188,455	138,978	169,973	497,406	284,795
Total long-term liabilities	27,958,477	1,832,144	2,602,476	32,393,097	5,912,161
<b>TOTAL LIABILITIES</b>	<b>32,964,229</b>	<b>8,035,110</b>	<b>3,413,056</b>	<b>44,412,395</b>	<b>7,014,906</b>
<b>Deferred inflows of resources:</b>					
Deferred amount on pensions	274,979	162,454	229,954	667,387	538,349
Deferred amount on OPEB	50,677	37,370	45,707	133,754	76,579
Total deferred inflows of resources	325,656	199,824	275,661	801,141	614,928
<b>Net Position:</b>					
Net investment in capital assets	101,601,123	53,016,064	63,557,298	218,174,485	3,301,305
Restricted for construction	2,252,380	6,030,179	7,413,394	15,695,953	
Restricted for debt service & other purposes	89,379	14,312	17,504	121,195	29,330
Unrestricted	27,454,149	2,344,777	2,486,726	32,285,652	(25,181)
<b>TOTAL NET POSITION</b>	<b>\$131,397,031</b>	<b>\$61,405,332</b>	<b>\$73,474,922</b>	<b>266,277,285</b>	<b>\$3,305,454</b>
				(883,596)	
Adjustment to reflect the consolidation of internal service fund activities				(883,596)	
Net position of business-type activities				\$265,393,689	

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

**CITY OF BEAVERTON, OREGON**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**For the Fiscal Year Ended June 30, 2019**

	Business-Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Water Fund	Sewer Fund	Storm Drain Fund	Totals	
<b>Operating revenues:</b>					
Charges for services	\$15,411,282	\$4,349,175	\$6,048,799	\$25,809,256	\$21,061,502
Installation fees	33,835			33,835	
Erosion control fees			203,040	203,040	
Lease income	88,526			88,526	
Miscellaneous revenues	413,315	167,427	40,622	621,364	661,748
<b>TOTAL OPERATING REVENUES</b>	<b>15,946,958</b>	<b>4,516,602</b>	<b>6,292,461</b>	<b>26,756,021</b>	<b>21,723,250</b>
<b>Operating expenses:</b>					
Personal services	3,361,994	1,828,462	2,482,527	7,672,983	5,155,385
Water purchases	1,482,560			1,482,560	
Administration charges from General Fund	548,392	354,528	444,428	1,347,348	
Right of way fee payment	715,778	200,573	279,691	1,196,042	
Insurance claims					10,935,843
Contract charges					834,965
Supplies, repairs, and services	3,666,054	1,229,806	1,561,388	6,457,248	3,983,931
Depreciation and amortization	2,131,627	1,417,501	1,410,624	4,959,752	532,549
<b>TOTAL OPERATING EXPENSES</b>	<b>11,906,405</b>	<b>5,030,870</b>	<b>6,178,658</b>	<b>23,115,933</b>	<b>21,442,673</b>
<b>OPERATING INCOME (LOSS)</b>	<b>4,040,553</b>	<b>(514,268)</b>	<b>113,803</b>	<b>3,640,088</b>	<b>280,577</b>
<b>Nonoperating revenues (expenses):</b>					
Interest on investments	1,103,242	487,445	449,859	2,040,546	183,398
Gain on sale of capital assets	11,443	35,550	3,563	50,556	
Interest expense	(914,810)			(914,810)	
Net loss from joint ventures	(823,785)			(823,785)	
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(623,910)</b>	<b>522,995</b>	<b>453,422</b>	<b>352,507</b>	<b>183,398</b>
<b>INCOME BEFORE CONTRIBUTIONS</b>	<b>3,416,643</b>	<b>8,727</b>	<b>567,225</b>	<b>3,992,595</b>	<b>463,975</b>
<b>Capital contributions:</b>					
Systems development charge revenues	1,271,117	94,241	609,221	1,974,579	
Contributions, private developers and other gov	11,208,555	1,028,144	2,505,023	14,741,722	
<b>TOTAL CAPITAL CONTRIBUTIONS</b>	<b>12,479,672</b>	<b>1,122,385</b>	<b>3,114,244</b>	<b>16,716,301</b>	
<b>CHANGE IN NET POSITION</b>	<b>15,896,315</b>	<b>1,131,112</b>	<b>3,681,469</b>	<b>20,708,896</b>	<b>463,975</b>
<b>TOTAL NET POSITION - BEGINNING (as previously reported)</b>	<b>114,733,493</b>	<b>60,274,220</b>	<b>69,793,453</b>	<b>244,801,166</b>	<b>2,841,479</b>
Adjustment for amortization on water rights (Note III-G)	767,223			767,223	
<b>TOTAL NET POSITION - AS RESTATED</b>	<b>115,500,716</b>	<b>60,274,220</b>	<b>69,793,453</b>	<b>245,568,389</b>	
<b>TOTAL NET POSITION - ENDING</b>	<b>\$131,397,031</b>	<b>61,405,332</b>	<b>\$73,474,922</b>	<b>\$266,277,285</b>	<b>\$3,305,454</b>
Change in net position, above				\$20,708,896	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				65,726	
Change in net position of business-type activities:				<u>\$20,774,622</u>	

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

**CITY OF BEAVERTON, OREGON  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 For the Fiscal Year Ended June 30, 2019**

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Water Fund	Sewer Fund	Storm Drain Fund	Totals	
<b>Cash flows from operating activities:</b>					
Cash receipts from customers and miscellaneous revenue	\$15,079,037	\$4,244,318	\$6,108,434	\$25,431,789	\$637,863
Cash receipts from interfund services provided to other funds	347,548	133,941	7,360	488,849	21,061,502
Cash payments to suppliers and for insurance claims	(3,836,921)	(881,375)	(655,727)	(5,374,023)	(15,212,767)
Cash payments to employees	(2,668,690)	(1,624,300)	(2,312,972)	(6,605,962)	(4,569,564)
Payments for overhead allocation, interfund services used, and right of way to General Fund	<u>(2,390,635)</u>	<u>(1,347,046)</u>	<u>(1,595,735)</u>	<u>(5,333,416)</u>	<u>(537,515)</u>
 NET CASH FROM OPERATING ACTIVITIES	 <u>6,530,339</u>	 <u>525,538</u>	 <u>1,551,360</u>	 <u>8,607,237</u>	 <u>1,379,519</u>
 <b>Cash flows from capital and related financing activities:</b>					
Interest expense	(805,129)			(805,129)	
Purchase of equity in joint venture	(1,412,772)			(1,412,772)	
Acquisition of capital assets	(11,771,008)	(1,174,100)	(2,457,562)	(15,402,670)	(956,945)
Principal paid on bonds and contracts	(1,379,865)			(1,379,865)	
Proceeds from disposition of capital assets	11,443	35,550	3,563	50,556	
Systems development charge revenues	1,271,117	94,240	666,814	2,032,171	
 NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	 <u>(14,086,214)</u>	 <u>(1,044,310)</u>	 <u>(1,787,185)</u>	 <u>(16,917,709)</u>	 <u>(956,945)</u>
 <b>Cash flows from investing activities:</b>					
Interest received	1,086,171	479,990	445,125	2,011,286	181,921
 NET INCREASE IN CASH AND INVESTMENTS	 (6,469,704)	 (38,782)	 209,300	 (6,299,186)	 604,495
 CASH AND INVESTMENTS - Beginning of year	 <u>32,889,327</u>	 <u>12,852,633</u>	 <u>11,630,704</u>	 <u>57,372,664</u>	 <u>4,948,515</u>
 CASH AND INVESTMENTS - End of year	 <u>\$26,419,623</u>	 <u>\$12,813,851</u>	 <u>\$11,840,004</u>	 <u>\$51,073,478</u>	 <u>\$5,553,010</u>

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

**CITY OF BEAVERTON, OREGON**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS, Continued**  
**For the Fiscal Year Ended June 30, 2019**

	Business-Type Activities - Enterprise Funds			Totals	Governmental Activities Internal Service Funds
	Water Fund	Sewer Fund	Storm Drain Fund		
<b>Reconciliation of operating income to net cash from operating activities:</b>					
Operating income (loss)	\$4,040,553	(\$514,268)	\$113,803	\$3,640,088	\$280,577
<b>Adjustments to reconcile operating income to net cash from operating activities:</b>					
Depreciation and amortization	2,131,627	1,417,501	1,410,624	4,959,752	532,549
Pension expense	599,875	180,944	133,176	913,995	450,566
OPEB expense	59,890	(14,420)	22,854	68,324	(18,400)
Change in assets and liabilities:					
Accounts receivable	(460,925)	(654,733)	(220,835)	(1,336,493)	(23,884)
Other receivables and other assets	(60,798)			(60,798)	
Inventory of materials and supplies	(39,292)	1,445	22,115	(15,732)	8,057
Accounts payable	(145,589)	(451,255)	5,757	(591,087)	(3,599)
Due to other governments	370,109	522,686	50,341	943,136	
Accrued salaries and payroll taxes	28,049	20,060	12,356	60,465	67,810
Other accrued liabilities	1,350			1,350	
Compensated absences	5,490	17,578	1,169	24,237	85,843
<b>TOTAL ADJUSTMENTS</b>	<b>2,489,786</b>	<b>1,039,806</b>	<b>1,437,557</b>	<b>4,967,149</b>	<b>1,098,942</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$6,530,339</b>	<b>\$525,538</b>	<b>\$1,551,360</b>	<b>\$8,607,237</b>	<b>\$1,379,519</b>
<b>Schedule of non-cash transactions:</b>					
Reduction in investments in joint ventures due to net loss in joint venture operations				(\$823,785)	
Contributions, private developers and other govt.	\$10,911,637	\$911,124	\$2,079,456	\$13,902,217	
Easements and rights-of-way conveyed to the City	\$102,539	\$25,942	\$425,567	\$554,049	

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

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**CITY OF BEAVERTON, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2019**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Financial Reporting Entity**

The accompanying financial statements present the City of Beaverton, Oregon (the primary government) and its component unit, the Beaverton Urban Redevelopment Agency (Agency). The component unit is blended and reported as if it is part of the City.

The City of Beaverton, Oregon, was incorporated in 1893 and operates under the provisions of its own charter and applicable State law, with a Mayor-Council form of government. The Mayor is the Chief Executive of the City and chairs City Council meetings. The Mayor does not vote, except in the event of a tie. The Mayor may veto an ordinance or other legislative enactment; the Council may override the veto by a four-fifths vote. The City Council (the "Council") is comprised of five members. The Mayor serves a four-year term. The five Council members are part-time elected officials who exercise the legislative powers of the City and determine matters of policy. The City Finance Director, other officers, and department directors are appointed by the Mayor.

The City of Beaverton provides a full range of municipal services to the community which includes police protection, traffic control and improvement, street maintenance and improvement, water, sewer and storm drain service, planning and zoning regulation, building inspection and regulation, library, municipal court and other services. Fire protection services are provided by Tualatin Valley Fire and Rescue and park services are provided by Tualatin Hills Park and Recreation District.

Blended Component Unit – The Beaverton Urban Redevelopment Agency is a legally separate public body created by ordinance of the City in March 2010 and approved by the voters in November 2011. The Agency's governing body is substantively the same governing body of the City as the governing board and consists of members of the City Council, Mayor and three citizens. Additionally, the City's management has operational responsibility for the Agency as it manages the activities of the Agency in essentially the same manner in which it manages the City's own operations.

The Agency receives funds through tax increment financing pursuant to Oregon Revised Statutes (ORS) 457.420 through 457.450. Separate financial statements for the Agency can be obtained from the finance department of the City of Beaverton, 12725 SW Millikan Way, Beaverton, Oregon 97005.

The accounts of the City and its component unit are organized on the basis of funds. Fund accounting is designed to demonstrate legal compliance and aid financial management by segregating government functions and activities. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balances (net position), revenues, expenditures (expenses) and deferred inflows/outflows of resources.

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (Statement of Net Position and Statement of Activities) report information on all activities of the City and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by

**CITY OF BEAVERTON, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**June 30, 2019**

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taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for services.

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

Fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise (business-type) funds are reported as separate columns in the fund financial statements. Nonmajor funds are consolidated into a single column within each fund type in the financial section of the basic financial statements and are detailed in the other supplemental information.

**C. Measurement Focus and Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements and the proprietary funds financial statements are presented on the full accrual basis of accounting with an economic resource measurement focus. An economic resource focus concentrates on an entity or fund's net position. All transactions and events that affect the total economic resources (net position) during the period are reported. These funds use the accrual basis of accounting whereby revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied, and court fines revenues are recognized when fines are assessed and become due. Grants and similar items are recognized as revenue as soon as all eligible and reimbursable expenditures are incurred.

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

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 ongoing operations. The operating revenues of the City's enterprise funds include but are not limited to, charges to customers for water, sewer and storm drain service. Significant operating expenses include personnel, materials and services, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues, expenses and contributions.

The governmental fund financial statements are accounted for using a current financial resources measurement focus, whereby only current assets, liabilities and deferred inflows of resources generally are included in the Balance Sheet, and the Statement of Revenues, Expenditures, and Changes in Fund Balances presents increases and decreases in those items. These funds use the modified accrual basis of accounting

**CITY OF BEAVERTON, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**June 30, 2019**

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whereby revenues are recognized when they become measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used 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 are recorded when a related fund liability is incurred, except for interfund transactions which are recorded on the accrual basis and interest on general long-term debt which is recorded as due. Significant governmental funds revenues which were subject to accrual at June 30, 2019 under the modified accrual basis of accounting were as follows: property taxes, municipal court fines, state, county, and local shared revenues.

In the government-wide financial statements, however, with a full accrual basis of accounting, all expenses affecting the economic resource status of the government are recognized. Thus, the expense and related accrued liability for long term portions of debt, compensated absences, pension and other post-employment benefits (OPEB) are included. Also in the government-wide financial statements, certain indirect costs have been included as part of the program expenses for the various functional activities.

Other receipts become measurable and available when cash is received and recognized as revenue at that time, except for revenues for grants and shared revenues which are recorded when the qualifying expenditures have been incurred and all other grant requirements have been met.

Deferred inflow of resources 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 deferred inflow of resources consists primarily of uncollected property taxes and municipal court fines not deemed available to finance operations of the current period. In the government-wide Statement of Activities, with a full accrual basis of accounting, revenue is recognized as soon as it is earned regardless of its availability.

Deferred outflow of resources arises in the statement of activities when consumption of resources that results in either a net decrease in assets or a net increase in liabilities are related to a future period.

In the government-wide Statement of Net Position, deferred outflows of resources and deferred inflows of resources relating to pensions and OPEB amounts are recognized.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements’ governmental column, a reconciliation is necessary to explain the adjustments needed to transform the fund based financial statements into the governmental column of the government-wide presentation. This reconciliation is part of the basic financial statements.

The City reports the following major governmental funds:

- **General Fund**  
This is the City’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Principal sources of revenue are property taxes, right of way revenues, state and county shared revenues, fines and forfeitures. Primary expenditures are for general government, planning and development, engineering services, and public safety.

**CITY OF BEAVERTON, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**June 30, 2019**

- **Street Fund (Special Revenue Fund)**  
Accounts for receipts and expenditures of revenues from county and state motor fuel taxes apportioned from the State of Oregon, and restricted for expenditures as specified under Article IX, Section 3 of the Constitution of the State of Oregon.
- **Library Fund (Special Revenue Fund)**  
Accounts for receipts and expenditures of revenues from a county library special levy, property taxes levied and donations received and restricted for operation of the City library.
- **Capital Development Fund (Capital Projects Fund)**  
Accounts for the acquisition and construction of major capital facilities. Bond sale proceeds and transfers from other funds are major sources of this fund.

The City reports the following major proprietary funds:

- **Water Fund (this fund consists of three budgetary funds, Water Operating Fund, Water Debt Service Fund, and Water Construction Fund)**
- **Sewer Fund**
- **Storm Drain Fund**

These funds account for the operations, maintenance, debt service and capital construction projects for water, sewer and stormwater which are funded mostly through monthly user fees, system development fees, utility surcharge revenues and bond sale proceeds.

Additionally, the City reports nonmajor funds within the governmental fund type as follows:

- **Special Revenue Funds** to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes.
- **Debt Service Funds** to account for the accumulation of resources and payment of principal and interest on general obligation, special revenue debt service, local improvement districts, and other long-term debt of governmental funds.
- **Capital Projects Fund** to account for the construction of transportation capital improvement projects.

Additionally, the City reports the following fund type:

- **Internal service funds** account for those activities and services furnished internally to other organizational units within the City on a cost reimbursement basis. Charges are made to the various departments to support these activities. The City's internal service funds include Reprographics, Garage, Information Systems, Public Works Administration, and Insurance. The aggregate of all internal service funds are reflected in the proprietary fund financial statements, and consolidated into the governmental activities column in the Government Wide Statements.

**CITY OF BEAVERTON, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**June 30, 2019**

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**D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position**

***1. Cash and Investments***

The City reports cash and investments at fair value in a common pool. Interest earned on the pooled cash and investments is allocated monthly based on each fund's average cash balance as a proportion of the City's total pooled cash and investments.

***2. Receivables***

Property taxes receivable and court fines receivable of the governmental fund types, which have been collected within 60 days subsequent to year end, are considered measurable and available and therefore are recognized as revenues in the fund financial statements. The remaining balances of the receivable are offset by deferred inflow of resources. Property taxes 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. Property taxes are levied on November 15. Taxes unpaid and outstanding as of May 16 are considered delinquent. Court fines receivables are turned over to an external collection agency after approximately 180 days, and the receivable balance reflects historical collection rate. The court fines receivable is partially offset by the amount collected on behalf of the State of Oregon and Washington County that are shown as due to other governments in the liabilities section.

Receivables of the proprietary fund types are recorded as revenue when earned, including services earned but not billed. The enterprise fund receivables relate to billings for residential and commercial customers that utilize the City's water, sewer and storm drain services. Receivables in enterprise funds are stated net of an allowance for uncollectibles.

***3. Inventory of Materials and Supplies***

Inventory in the proprietary fund types, determined by physical count, are recorded at cost (first-in, first-out basis) and are charged to expense as used (consumption method).

***4. Capital Assets***

Capital assets, which include property, plant, equipment, and infrastructure (e.g., streets and roads, bridges, sidewalks, water reservoirs, water, sewer and storm lines, and similar items), and intangible assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary fund statements. The City has elected to include its costs of rights of way acquired subsequent to July 1, 1980 as part of infrastructure. The City has also elected not to report infrastructure acquired prior to July 1, 1980. The threshold for capitalized equipment and improvements is \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation is computed on the straight-line method over the estimated useful lives of the related assets. Upon disposal of such assets, the accounts are relieved of the related costs and accumulated depreciation, and resulting gains or losses are reflected in income. Estimated useful lives used in computing depreciation are:

**CITY OF BEAVERTON, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**June 30, 2019**

<b>Assets</b>	<b>Years</b>
Equipment and Software	2-10
Heating and Cooling System	40
Buildings and improvements	50
Infrastructure, utilities	50-65
Infrastructure, street	40-75

**5. Investments in Joint Ventures**

Investments in joint ventures with other governmental units are reported at cost plus or minus the City's share of operating income or loss (Note II. E).

**6. Intangible Assets**

Intangible assets consist of water rights, easements, and internally developed software. All internally developed software is amortized on the straight-line method over the estimated useful lives. Water rights are not subject to amortization since they are deemed to have indefinite useful life.

**7. Compensated Absences**

Earned but unpaid compensatory time is recorded as an expense in the proprietary fund types and government-wide statements. In the Statement of Net Position, the current portion of the compensated absences balance is separately reported as amount due within one year in the long term liability section. There is no liability for unpaid accumulated sick leave since the City has a policy to not pay any amounts when employees retire or are terminated.

**8. Long-Term Debt**

In the government-wide financial statements and also in the proprietary fund type statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities. Bond premiums and discounts are amortized using the straight-line method, which approximates the effective interest method, over the related debt repayment period. Unamortized bond discount costs or premiums are offset against or added to bonds payable. Bond issuance costs are expensed when incurred.

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

**9. Pension Liability and Other Post Employment Benefits**

In government-wide financial statements, pensions and other postemployment benefits (OPEB) are required to be recognized and disclosed using the accrual basis of accounting regardless of the amount recognized as pension and other postemployment expenses on the modified accrual basis of accounting. 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' fiduciary net position have been determined on the same basis as they are reported by OPERS.

**CITY OF BEAVERTON, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**June 30, 2019**

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The OPEB liability for the City is comprised of two separate plans – an implicit rate subsidy for retiree health insurance premiums, and a contribution to the OPERS cost-sharing multiple-employer defined health insurance benefit plan. Both plans measure the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB expense on an accrual basis.

***11. Fund Balance***

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

Nonspendable fund balance is the portion of net resources that cannot be spent because they are either (a) in a nonspendable form or (b) legally or contractually required to be maintained intact. Fund balance is reported as restricted when the constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the City Council passes a resolution that places specific constraints on how the resources may be used. The Council action that imposed the limitation would need to occur no later than the close of the reporting period. The City Council can modify or rescind the legislative action at any time through passage of an additional resolution.

The net resources that are constrained by the City's intent to use them are reported as assigned fund balance. Intent is expressed when the City Council approves which resources should be set aside for specific purposes during the adoption of the annual budget. The City's Finance Director uses that information to determine whether those resources should be classified as assigned in the City's fund financial statements. The City's assigned fund balance category also reflects the appropriation of a portion of existing fund balance to eliminate a projected deficit in the subsequent year's adopted budget, as well as the encumbered amounts that represents commitments of the City's resources. Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund.

The City does not have an established policy on the spending order of restricted or unrestricted fund balances. As a result, it is assumed that restricted resources are spent first when expenditures are incurred; when unrestricted resources are spent, the order of spending is committed, assigned, and unassigned fund balance when available.

***12. Net Position***

Net position whose use is restricted for construction, debt service or by other agreement is segregated on the government-wide Statement of Net Position and the Proprietary Fund Statement of Net Position. When both restricted and unrestricted net positions are available, the City will apply restricted resources as appropriate, then unrestricted as necessary.

**CITY OF BEAVERTON, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**June 30, 2019**

**13. Use of Estimates**

The preparation of basic financial statements, in conformity with GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the basic financial statements and reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

**II. DETAILED NOTES ON ALL FUNDS**

**A. Pooled Deposits and Investments**

The City maintains a cash and investment pool that is available for use by all funds. Governmental activities and business-type activities portions of this pool are displayed on the government-wide Statement of Net Position as “Cash and Investments”. Oregon Revised Statutes (ORS) authorize the City to invest in obligations of the U.S. Treasury, U.S. government agencies and instrumentalities, bankers' acceptances guaranteed by an Oregon financial institution, repurchase agreements, State of Oregon Treasury Local Government Investment Pool, various interest bearing bonds of Oregon municipalities, certificates of deposit, and certain commercial paper among others. In addition, the City's investments are governed by a written investment policy, which is approved by the Oregon Short-Term Fund Board and adopted by the City Council. The policy specifies the City's investment objectives, required diversification, certain limitations, security safekeeping, and reporting requirements.

Cash and investments are comprised of the following at June 30, 2019:

Cash on hand	\$381,089
Cash with fiscal agent	117,562
Deposits with financial institutions	18,217,712
Investments	117,239,558
	<u>\$135,955,921</u>

The City participates in an external investment pool (State of Oregon Treasury Local Government Investment Pool). The Pool is not registered with the U.S. Securities and Exchange Commission as an investment company. The State's investment policies are governed by the ORS and the Oregon Investment Council (OIC). The State Treasurer is the investment officer for the OIC and is responsible for all funds in the State Treasury. These funds are invested exercising reasonable care, skill and caution. Investments in the Pool are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which establishes diversification percentages and specifies the types and maturities of investments. That portion of the external investment pool which belongs to local government participants is reported in an Investment Trust Fund in the State's Comprehensive Annual Financial Report. A copy of the State's Comprehensive Annual Financial Report may be obtained at the Oregon State Treasury, 350 Winter St. N.E., Salem, Oregon 97310-0840.

The City's position in the Pool at June 30, 2019 is stated at fair value.

**CITY OF BEAVERTON, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
June 30, 2019

Deposits with Financial Institutions

The City's deposits with financial institutions are insured up to levels defined by Federal laws, the Federal Depository Insurance Corporation (FDIC) and National Credit Union Administration (NCUA). Deposits with financial institutions are comprised of time deposits and bank demand deposits totaling \$20,394,838. Of these time deposits and bank demand deposits, \$992,487 was covered by FDIC insurance and \$250,000 was covered by NCUA insurance. For the \$19,152,351 deposits in excess of FDIC and NCUA insurance, the ORS requires that deposit accounts in excess of the deposit insurance limits are only maintained at financial institutions included on a list of qualified depositories as determined by the Office of the State Treasurer. The City was in compliance with the ORS requirement.

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. The only exception to the five year maturity maximum is reserve or program monies may be invested in securities exceeding five years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

The City's fair market value of investments as of June 30, 2019 are summarized below:

	<b>Fair Market Value</b>	<b>Less than 12 Months</b>	<b>12-18 Months</b>	<b>Greater than 18 Months</b>
US Treasury	\$29,885,740	\$9,952,550	\$11,930,460	\$8,002,730
Federal Agencies	60,034,550	9,981,450		50,053,100
Corporate Bonds	1,997,620	1,997,620		
Municipal Bonds	2,091,160			2,091,160
State of Oregon Local Government Investment Pool	23,230,488	23,230,488		
<b>Total Investments</b>	<b>\$117,239,558</b>	<b>\$45,162,108</b>	<b>\$11,930,460</b>	<b>\$60,146,990</b>

Credit Risk

The City's investment policy limits the type of investments to no more than 10% in commercial paper, United States agency secondary securities and repurchase agreements; 20% in municipal obligations (Oregon, California, Idaho and Washington), bank time deposits/savings accounts, banker's acceptance and certificates of deposit; 25% in corporate bonds. There are no portfolio limits to United States treasury obligations and United States government agency securities. As of June 30, 2019, the Oregon Short-Term Fund (LGIP) is limited to \$49,500,000 per Oregon Revised Statute 294.810.

The minimum allowable credit rating criteria the City's investment policy authorizes for issuers of commercial paper is limited to those rated A1/P1 or better by Standard & Poor's (S&P) and Moody's Investors Service. Corporate indebtedness must have a minimum long term debt rating of AA- by S&P or an Aa3 rating by Moody's Investors Service. Municipal obligations must have a minimum long-term rating of AA- by S&P or Aa3 by Moodys. Institutions issuing a banker's acceptance agreement shall have a rating of at least AA- Underlying by S&P or Aa3 Underlying by Moody's Investors. The Oregon Short-Term Fund is not rated. As of June 30, 2019, the City's investments in United States treasury obligations, government agency securities and Apple, Inc. corporate bonds are rated AA+ by S&P. The City's investment in

**CITY OF BEAVERTON, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
June 30, 2019

Microsoft Corporation corporate bonds is rated AAA by S&P. All investments are in compliance with the City's investment policy.

Concentration of Credit Risk

<u>Issuer</u>	<u>Fair Market Value</u>	<u>Percent of Holdings</u>	<u>Maximum Allowable % of Holdings</u>
FFCB	\$19,479,920	14.97%	100.00%
FHLB	20,533,320	15.79%	100.00%
FHLMC	14,039,610	10.80%	100.00%
FNMA	5,981,700	4.60%	100.00%
Corporate Bonds	1,997,620	1.54%	25.00%
Municipal Bond	2,091,160	1.61%	25.00%
US Treasury	29,885,740	22.99%	100.00%
Oregon Short-Term Fund (LGIP)	23,230,488	17.87%	**
Sub-total	<u>117,239,558</u>		
Certificates of Deposit	<u>12,779,350</u>	<u>9.83%</u>	20.00%
Total Investments	<u><u>\$130,018,908</u></u>	<u><u>100.00%</u></u>	

\*\*Maximum allowed per ORS 294.810

Fair Value Measurement

The City categorizes its fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy as follows:

- Level 1: Investments reflect prices quoted in active markets;
- Level 2: Investments reflect observable inputs including, but not limited to, quoted prices for similar assets in markets that are active, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the assets (such as exchange rates, financing terms, interest rates, yield curves, volatilities, loss severities, credit risk and default rates) or other market-corroborated inputs; and,
- Level 3: Investments reflect prices based upon unobservable sources.

The City reports investments at fair market value. U.S. agency and U.S. treasury obligations are Level 1 investments. The City's corporate and municipal bonds are Level 2 investments and are valued using the Market Approach. Investments in LGIP are not subject to level designation.

**B. Receivables**

Receivables as of year end for the City's individual major and nonmajor funds, and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts are presented on the face of the governmental and proprietary fund financial statements. The property tax receivables not expected to be collected within one year are \$317,884 in the General Fund, \$35,886 in the Library Fund, and \$60,097 in the nonmajor governmental funds. The court fine receivable not expected to be collected within one year is \$1,590,788. Of this amount \$1,287,266 is the City's revenue and \$303,522 is due to other governments. In the nonmajor governmental funds, \$385,543 of the transportation development tax receivable is not expected to be collected within one year.

**CITY OF BEAVERTON, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**June 30, 2019**

Governmental funds report deferred inflow of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Due from other funds in the General Fund and due to other funds in the nonmajor governmental funds are made to cover for the negative cash balance in the Community Development Block Grant Fund that operates on a reimbursement basis.

**C. Capital Assets**

Capital asset activity for governmental activities for the year ended June 30, 2019 was as follows:

<u>Description</u>	<u>Beginning Balance 6/30/18</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance 6/30/19</u>
<b>Non-depreciable Capital Assets</b>				
Land	\$14,779,200	\$1,183,674		\$15,962,874
Intangible assets - easements, ROW	8,599,837	239,225		8,839,062
Incomplete internally developed sftwr	382,970	176,579	(\$84,247)	475,302
Construction in progress	7,282,318	14,423,872	(2,997,386)	18,708,804
<b>Total capital assets not being depreciated</b>	<u>31,044,325</u>	<u>16,023,350</u>	<u>(3,081,633)</u>	<u>43,986,042</u>
<b>Depreciable Capital Assets:</b>				
Intangible assets, internally dev sftwr	2,780,033	396,470	(21,454)	3,155,049
Buildings and improvements	51,615,488	2,510,713	(2,816,526)	51,309,675
Machinery and equipment	17,932,565	1,361,983	(905,188)	18,389,360
Infrastructure - street	143,709,635	9,179,957		152,889,592
<b>Total depreciable capital assets</b>	<u>216,037,721</u>	<u>13,449,123</u>	<u>(3,743,168)</u>	<u>225,743,676</u>
<b>Less accumulated depreciation for:</b>				
Intangible assets, internally dev sftwr	(1,406,056)	(343,222)	21,454	(1,727,824)
Buildings and improvements	(17,095,009)	(1,206,612)	1,696,260	(16,605,361)
Machinery and equipment	(11,771,936)	(858,008)	629,224	(12,000,720)
Infrastructure - street	(36,107,844)	(2,840,724)		(38,948,568)
<b>Total accumulated depreciation</b>	<u>(66,380,845)</u>	<u>(5,248,566)</u>	<u>2,346,938</u>	<u>(69,282,473)</u>
<b>Total capital assets being depreciated, net</b>	<u>149,656,876</u>	<u>8,200,557</u>	<u>(1,396,230)</u>	<u>156,461,203</u>
<b>Governmental activities capital assets, net</b>	<u>\$180,701,201</u>	<u>\$24,223,907</u>	<u>(\$4,477,863)</u>	<u>\$200,447,245</u>

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

Public safety	216,538
Highways and streets	2,986,168
Education	365,640
Cultural and recreation	145,872
<b>Total depreciation for governmental activities</b>	<u>\$5,248,566</u>

**CITY OF BEAVERTON, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**June 30, 2019**

Capital asset activity for business-type activities for the year ended June 30, 2019 was as follows:

<b>Description</b>	<b>Beginning Balance 6/30/18</b>	<b>Restatement (Note III-G) 7/1/18</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance 6/30/19</b>
<b>Non-depreciable Capital Assets:</b>					
Land	\$2,678,202				\$2,678,202
Intangible assets	7,691,220		\$554,049		8,245,269
Intangible Water Rights		\$838,941			838,941
Construction - Work in Progress	10,327,758		5,752,642	(\$694,822)	15,385,578
<b>Total capital assets not being depreciated</b>	<b>20,697,180</b>	<b>838,941</b>	<b>6,306,691</b>	<b>(694,822)</b>	<b>27,147,990</b>
<b>Depreciable Capital Assets:</b>					
Buildings and improvements	538,221				538,221
Intangible Water Rights	838,941	(838,941)			
Machinery and equipment	7,385,652		672,473	(393,006)	7,665,119
Infrastructure - utilities	244,496,323		23,637,828	(59,232)	268,074,919
<b>Total depreciable capital assets</b>	<b>253,259,137</b>	<b>(838,941)</b>	<b>24,310,301</b>	<b>(452,238)</b>	<b>276,278,259</b>
<b>Less accumulated depreciation and amortization for:</b>					
Buildings and improvements	(468,781)		(3,589)		(472,370)
Intangible Water Rights	(767,223)	767,223			
Machinery and equipment	(3,858,237)		(536,026)	353,005	(4,041,258)
Infrastructure - utilities	(65,078,406)		(4,420,137)	59,232	(69,439,311)
<b>Total accumulated depreciation</b>	<b>(70,172,647)</b>	<b>767,223</b>	<b>(4,959,752)</b>	<b>412,237</b>	<b>(73,952,939)</b>
<b>Total capital assets being depreciated, net</b>	<b>183,086,490</b>		<b>19,350,549</b>	<b>(40,001)</b>	<b>202,397,038</b>
<b>Business-type activities capital assets, net</b>	<b>\$203,783,670</b>	<b>\$767,223</b>	<b>\$25,657,240</b>	<b>(\$734,823)</b>	<b>\$229,473,310</b>

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

Water	\$2,131,627
Sewer	1,417,501
Storm water	1,410,624
Total depreciation for business-type activities	<u>\$4,959,752</u>

**D. Interfund Transfers and Loans**

Transfers between funds provide support for various City programs in accordance with budgetary authorizations and resources for payment of debt services. The \$544,014 transfer from the General Fund is a pass through transfer and is the residual balance of the Street Lighting Fund which is in the process of being closed out to the Street Fund. Transfers to the Capital Development fund includes gas station acquisition, demolition and remediation (\$890,000), property acquisitions (\$100,000), and miscellaneous projects (\$100,056). The \$259,108 transfer to the Library Fund is to assist with the purchase of library materials and funding for additional hours and safety of operation. Transfers from General Fund to nonmajor governmental

**CITY OF BEAVERTON, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**June 30, 2019**

funds includes \$556,127 to fund the arts program, \$202,621 to fund sidewalk improvements, \$110,007 for various capital projects and \$53,860 for debt service assistance. The \$3,733 Street Fund transfer to the Capital Development Fund is for miscellaneous street projects and transfers to nonmajor funds includes \$828,267 for sidewalk improvements, \$136,112 for bridge pile repair and \$100,097 for miscellaneous street projects.

The \$805,126 transfers from nonmajor funds to the General Fund include \$261,112 from the Building Operating Fund to pay back subsidies received in prior years and \$544,014 from the Street Lighting Fund which is being closed out (as mentioned above). The \$72,635 transfer from the nonmajor fund to the Street Fund is to close out a completed project; the \$378,085 transfer to the Capital Development Fund from nonmajor funds is to fund the construction of the Patricia Reser Center for the Arts. The \$3,327,637 transfer between nonmajor governmental funds includes \$3,001,332 from BURA General Fund to the BURA Capital Project Fund for property purchases and parking garage center design and construction, \$164,193 from BURA General Fund to the BURA Debt Service Fund for loan payments and \$162,112 transfer from the Traffic Development Tax Fund to the Capital Project Fund to fund various transportation improvement projects.

Interfund transfers for the fiscal year ended June 30, 2019, consisted of the following:

	<b>Transfers In</b>					<b>Total</b>
	<b>General Fund</b>	<b>Street Fund</b>	<b>Capital Development Fund</b>	<b>Library Fund</b>	<b>Nonmajor Governmental Funds</b>	
<b>Transfers Out</b>						
Governmental Funds:						
General Fund		\$544,014	\$1,090,056	\$259,108	\$922,615	\$2,815,793
Street Fund			3,733		1,064,476	1,068,209
Nonmajor Governmental Funds	\$805,126	72,635	378,085		3,327,637	4,583,483
<b>Total Transfers in/out</b>	<u>\$805,126</u>	<u>\$616,649</u>	<u>\$1,471,874</u>	<u>\$259,108</u>	<u>\$5,314,728</u>	<u>\$8,467,485</u>

**E. Investments in Joint Ventures**

	<b>Joint Water Commission</b>	<b>Barney Reservoir</b>	<b>Willamette Intake Facilities</b>	<b>Total</b>
Investment in joint ventures at June 30, 2018	\$15,375,914	\$5,043,074	\$249,151	\$20,668,139
Investment	1,192,546	11,679	91,210	1,295,435
Loss for the year	(653,357)	(167,391)	(3,037)	(823,785)
Investment in joint ventures at June 30, 2019	<u>\$15,915,103</u>	<u>\$4,887,362</u>	<u>\$337,324</u>	<u>\$21,139,789</u>

**Joint Water Commission**

In April 1979, the City purchased an interest in the Joint Water Commission (“JWC”) to provide joint operations for the supply, pumping, treatment, and transmission of potable water. This agreement was established between the City of Hillsboro, the City of Forest Grove, and the City of Beaverton. Effective July 1994, the JWC expanded its membership to include Tualatin Valley Water District (“TVWD”). The JWC is governed by three members from each entity. The City of Beaverton currently has a 25% ownership of JWC facilities.

**CITY OF BEAVERTON, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
June 30, 2019

Barney Reservoir Joint Ownership Commission

The Barney Reservoir Joint Ownership Commission (“BRJOC”) was formed to own, operate, and expand the J.W. Barney Reservoir (a dam on the Trask River in the coastal mountains). The BRJOC is governed by one member from each entity. The City of Beaverton currently has a 21.5% ownership (4,300 acre feet) of the Barney Reservoir.

Willamette Intake Facilities Commission

During fiscal year 2018, the City of Beaverton became a partner in the Willamette Intake Facilities (WIF). WIF was established as a component of the Willamette Water Supply Program (WWSP). The purpose of WIF is to draw water from the Willamette River to a location where the raw, untreated water can then be conveyed to water treatment plants. The City has a 3.3% ownership (estimated capacity of 5 MGD). The WWSP is preparing to upgrade and expand existing raw water intake facilities to a total capacity of 150 MGD.

The investments in the joint ventures were recorded at cost in the Water Fund, and the City’s share of the annual net income or loss of the Joint Water, Barney Reservoir and Willamette Intake Joint Ventures is used to adjust the ending balance of the City’s equity interest in the joint ventures. Financial statements for Joint Water Commission and Barney Reservoir Commission may be obtained from the City of Hillsboro, Finance Department at 150 East Main St., Fifth Floor, Hillsboro, Oregon 97123. Financial statements for Willamette Intake Facilities Commission may be obtained from Tualatin Valley Water District, Finance Department at 1850 SW 170<sup>th</sup> Avenue, Beaverton, Oregon 97003.

**F. Lease Obligations**

Governmental Activities Operating Lease

Since May of 2010, the City leased 7,032 square feet of office space in a commercial building in Murray Scholls Town Center for the branch library that opened in June 2010. Over time, community demand for library services at the branch library has exceeded expectations. During fiscal year 2015 the City negotiated a new lease to add square footage to a total of 10,418 square feet to the branch library operation to meet the increasing community need. The term of the new lease agreement is from May 1, 2015 to January 31, 2026 with an option to extend for two (2) additional periods of five (5) years each. The cost for the lease was \$178,968 for the year ended June 30, 2019, and the minimum lease payment for the future years are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2020	\$182,544
2021	186,200
2022	189,924
2023	193,724
2024	197,600
2025 - 2026	<u>269,172</u>
<b>TOTAL</b>	<b><u><u>\$1,219,164</u></u></b>

**CITY OF BEAVERTON, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
June 30, 2019

**G. Long-term debt**

Governmental Activities Long-term Loan Payable

In June of 2007, the City borrowed \$1,000,000 to finance the construction costs of the Beaverton Central Heating and Cooling Plant expansion. The loan was issued from the State of Oregon Department of Energy through a Small Scale Energy Loan Program. The principal and interest payments of the remaining loan will be made with the revenues received from customers of the Plant. Future maturities are as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$89,759	\$16,930
2021	96,080	10,608
2022	102,841	3,842
<b>TOTALS</b>	<u>\$288,680</u>	<u>\$31,380</u>

General Obligation Bonds

The City issues general obligation (GO) bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. Principal and interest payments are paid solely from property tax revenues.

2017 GO Bonds

On February 8, 2017 the City issued \$33,845,000 in general obligation bonds to pay for the capital costs of constructing and equipping an earthquake-resistant public safety center on property already owned by the City. The following is the City's debt service requirements for the 2017 GO bonds and the stated interest rates for respective maturity years:

<u>Year Ending June 30</u>	<u>Interest Rates</u>	<u>Governmental Activities</u>	
		<u>Principal</u>	<u>Interest</u>
2020	3.00%	\$815,000	\$1,130,621
2021	3.00%	900,000	1,106,171
2022	3.00%	995,000	1,079,171
2023	3.00%	1,090,000	1,049,321
2024	5.00%	1,195,000	1,016,621
2025-2029	3.00-5.00%	8,050,000	4,117,756
2030-2034	3.00-3.12%	11,685,000	2,563,256
2035-2037	3.12-3.20%	9,115,000	593,706
		<u>33,845,000</u>	
Unamortized Premium		<u>1,015,286</u>	
<b>TOTALS</b>		<u>\$34,860,286</u>	<u>\$12,656,623</u>

Special Revenue Bonds – Governmental

In October 2013, the City issued \$7,000,000 Special Revenue Bonds and placed \$5,700,000 in the Capital Development Fund to construct improvements to the Beaverton Building at The Round at Beaverton Central. The remaining \$1,300,000 was used as a reimbursement to the General Fund for a portion of the purchase of the building. The City purchased the Beaverton Building in April 2012 in the amount of \$8,841,109

**CITY OF BEAVERTON, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**June 30, 2019**

(\$8,041,109 from the General Fund and \$800,000 from the Capital Development Fund), and it became the new City Hall in August 2014.

The Special Revenue Bonds will be payable solely from franchise fees, and the following is the City's debt service requirements to maturity:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$1,062,410	\$21,648
2021	359,620	1,732
<b>TOTALS</b>	<u>\$1,422,030</u>	<u>\$23,380</u>

**Beaverton Urban Renewal Agency (BURA) Non-Revolution Multi-Draw Line of Credit**

In 2017 the City Council and BURA Board authorized a special revenue non-revolving line of credit not to exceed \$19 million to provide financing for projects within the central Beaverton Urban Renewal Redevelopment District. The Letter of Credit is in the form of an Urban Renewal Note Series 2017 and a City of Beaverton Revenue Bond Series 2017, as was sold in a negotiated sale to Key Government Finance, Incorporated. This debt is also commonly referred to as the Non-Revolution Multi-Draw Line of Credit, and the Borrower is listed as the Beaverton Urban Redevelopment Agency.

The new bonds will be backed by BURA tax increment payments and also by the City's non-property tax revenue including franchise fees, fines, forfeitures or any other non-property tax revenues that the City pledges to payment of the special revenue bonds. Interest rate on the outstanding line of credit balance is a variable rate tied to the London Interbank Offered Rate (LIBOR) plus 1.90%. As of June 30, 2019, the LIBOR rate was 2.4024%. The interest rate for the unused portion of the line of credit is 25 basis points (.25%).

As of June 30, 2019, the line of credit activity is as follows:

<u>Maximum Draw</u>	<u>Draw Date</u>	<u>Principal Draw</u>	<u>Remaining Draw Available</u>
\$19,000,000	03/29/2017	(\$2,921,900)	\$16,078,100

**Land purchase note payable -**

In January 2018, BURA, City's blended component unit, entered into a four year property purchase contract to acquire approximately 1.43 acres of land and three buildings near City Hall. The property is comprised of three adjacent properties on SW Canyon Road and SW Beaverdam Road. This property was purchased for land assembly and redevelopment purposes consistent with the Central Beaverton Urban Renewal Plan. After the initial \$500,000 payment at closing, \$1,835,000 note will be paid in four installment payments at the interest rate of 3.9% as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$449,646	\$54,687
2021	467,081	37,252
2022	485,505	18,935
<b>TOTALS</b>	<u>\$1,402,232</u>	<u>\$110,874</u>

**CITY OF BEAVERTON, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
June 30, 2019

Land and building purchase note payable – Adelphos Holdings, LLC

In May 2019, BURA entered into a 4 year purchase contract to acquire approximately .59 acres of land and building adjacent to the properties mentioned above. The property is part of the Central Beaverton Urban Renewal District’s Transit-Oriented Area which is poised to serve as a major component of Beaverton’s downtown. This property will facilitate site assemblage for future development and is consistent with the Central Beaverton Urban Renewal Plan. After the initial \$623,759 payment at closing, a \$903,000 note was issued and will be paid in monthly installment payments at the annual interest rate of 5.0% as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$210,898	\$38,647
2021	221,688	27,857
2022	233,030	16,515
2023	203,122	4,680
<b>TOTALS</b>	<u><u>\$868,738</u></u>	<u><u>\$87,700</u></u>

Revenue Bonds – Enterprise Funds

The City issues revenue bonds to finance major construction projects for business-type activities.

In 2018, The City issued \$18,125,000 Water Revenue Bonds, Series 2018 to finance all or a portion of the costs associated with additions, replacements, expansions or improvements to the City’s water system infrastructure and to pay costs of issuance on the 2018 Bonds. The bonds were issued at a premium of \$3,027,912 and net proceeds from the bond issue were \$21,152,912.

During fiscal year 2017, the City issued \$5,615,000 Water Revenue and Refunding Bonds, Series 2016 for the purpose of refunding in full the Water Revenue Bonds, Series 2006. The refunding was done to take advantage of the lower interest rate, but there was no economic gain or loss from the refunding. Over the life of the 2016 Bond refunding issue, the City will save \$675,977 in interest expense over the 2006 Bonds. Outstanding revenue bonds as of June 30, 2019 include the 2018 and 2016 water bonds.

The City covenants in the Master Water Bond Declaration to charge rates and fees in connection with the operation of the water system which, when combined with other gross revenues, are adequate to generate net revenues in each fiscal year at least equal to (a) 1.25 times the annual debt service due in that fiscal year for outstanding bonds, (b) 1.15 times the annual bond debt service in that fiscal year for outstanding bonds, excluding SDC improvement fees, (c) 1.00 times the annual bond debt service due in that fiscal year for any subordinate obligations (after subtracting the annual debt service from net revenues), and (d) any amounts owed by City to a Credit Provider for surety premium payments.

As of June 30, 2019 the City was in compliance with these requirements. The following is the City’s debt service requirements on the outstanding water revenue bonds:

**CITY OF BEAVERTON, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**June 30, 2019**

Year Ending June 30	Series 2016		Series 2018		TOTAL	
	Principal	Interest (1.84%)	Principal	Interest (5.00%)	Principal	Interest
2020	\$600,000	\$81,788	\$570,000	\$868,750	\$1,170,000	\$950,538
2021	610,000	70,748	600,000	840,250	1,210,000	910,998
2022	625,000	59,524	625,000	810,250	1,250,000	869,774
2023	635,000	48,024	660,000	779,000	1,295,000	827,024
2024	645,000	36,340	690,000	746,000	1,335,000	782,340
2025-2029 (a)	1,330,000	36,800	4,010,000	3,176,500	5,340,000	3,213,300
2030-2034			5,120,000	2,068,000	5,120,000	2,068,000
2035-2038			5,100,000	653,000	5,100,000	653,000
	<u>4,445,000</u>	<u>333,224</u>	<u>17,375,000</u>	<u>9,941,750</u>	<u>21,820,000</u>	<u>10,274,974</u>
Unamortized Premium			2,876,516		2,876,516	
<b>TOTALS</b>	<u><u>\$4,445,000</u></u>	<u><u>\$333,224</u></u>	<u><u>\$20,251,516</u></u>	<u><u>\$9,941,750</u></u>	<u><u>\$24,696,516</u></u>	<u><u>\$10,274,974</u></u>

(a) Series 2016 Bonds mature in 2026.

**Contracts Payable**

The City has two contracts payable with the U.S. Department of the Interior, Bureau of Reclamation for water rights at Scoggins Dam. The first contract is for 2,500 acre feet of water rights and the second contract is for 1,500 acre feet of water rights. Both contracts are due and payable in annual installments and bear interest at 3.5%. Because the imputed interest rate of 11% is greater than the 3.5% stated interest rate, there is an unamortized discount amount being amortized against the annual interest expense. The ending balance of both contracts at June 30, 2019 totals \$474,941 (net of \$206,314 unamortized discount).

<u>Business-type Activities</u>	<u>Interest Rate</u>	<u>Balance</u>
U.S. Department of Interior, Bureau of Reclamation - contract payable Scoggins Dam	3.5%	\$681,255

Debt service requirements to maturity on contracts payable are as follows:

<u>Year Ending June 30</u>	<u>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$41,266	\$23,844
2021	42,710	22,400
2022	44,204	20,905
2023	45,752	19,358
2024	47,353	17,756
2025-2029	212,636	63,594
2030-2034	170,491	31,760
2035-2036	76,843	4,057
	<u>681,255</u>	<u>203,674</u>
Unamortized discount	(206,314)	
<b>TOTALS</b>	<u><u>\$474,941</u></u>	<u><u>\$203,674</u></u>

**CITY OF BEAVERTON, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
June 30, 2019

Safe Drinking Water Revolving Loan

The City was awarded a Safe Drinking Water Revolving Loan from the State of Oregon Infrastructure Finance Agency (IFA) for up to \$5,000,000 of which \$750,000 is forgivable 90 days after the project completion date. The loan interest rate is 2.96% and the funding source for the loan is a mixture of State and Federal funds. During FY 18-19, the City did not have any drawdown on the loan, and the outstanding principal amount at June 30, 2019 is \$1,097,645. The repayment commencement date of the loan is ninety (90) days after the project completion date. The maturity date of the loan will be nineteen (19) years after the repayment commencement date.

Changes in Long-term Obligations and Compensated Absences

Long-term obligations and compensated absences activity for the year ended June 30, 2019, was as follows:

<b>Bonds and Obligations Payable and Compensated Absences</b>	<b>Beginning Balance 06/30/2018</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance 06/30/2019</b>	<b>Due Within One Year</b>
<b><u>Governmental Activities:</u></b>					
General obligation bonds	\$35,915,301		(\$1,055,014)	\$34,860,287	\$872,741
Direct Borrowings:					
Special revenue bonds	2,460,203		(1,038,173)	1,422,030	1,062,410
Line of credit (BURA)	2,921,900			2,921,900	N/A
State Energy loan	372,534		(83,854)	288,680	89,759
Ludeman's note	1,835,000		(432,768)	1,402,232	449,646
Adelpho's note		\$903,000	(34,262)	868,738	210,898
Umrein note	42,499		(42,499)		
Compensated absences	4,025,085	4,489,254	(4,342,005)	4,172,334	754,090
<b>TOTALS</b>	<b><u>\$47,572,522</u></b>	<b><u>\$5,392,254</u></b>	<b><u>(\$7,028,575)</u></b>	<b><u>\$45,936,201</u></b>	<b><u>\$3,439,544</u></b>
<b><u>Business-Type Activities:</u></b>					
Series 2018 revenue bonds	\$21,152,912		(\$901,396)	\$20,251,516	\$721,396
Direct Borrowings:					
Series 2016 revenue bonds	5,035,000		(590,000)	4,445,000	600,000
IFA loan	1,097,645			1,097,645	N/A
Contracts payable	499,206		(24,265)	474,941	25,579
Compensated absences	517,746	\$577,452	(553,215)	541,983	83,788
<b>TOTALS</b>	<b><u>\$28,302,509</u></b>	<b><u>\$577,452</u></b>	<b><u>(\$2,068,876)</u></b>	<b><u>\$26,811,085</u></b>	<b><u>\$1,430,763</u></b>

Governmental activities - the City's special revenue bonds, line of credit, and note payables contain a provision that in an event of default, outstanding amounts may become immediately due unless waived by the lender. BURA also has an unused line of credit in the amount of \$16,078,100.

**CITY OF BEAVERTON, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
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Business-type activities - The revenue bonds contain an article on defaults and remedies in the event of default in which the City covenants to increase its water rates and fees or reduce expenses to a level so that net revenues are projected to meet the required level as prescribed in the Master Water Bond Declaration. The note payable contract with IFA also contains a section that IFA may declare all payments immediately due upon any event of default.

Internal service funds predominantly serve the governmental funds. Accordingly, at year end, \$439,304 of internal service funds compensated absences is included in the governmental activities. The liability for compensated absences is liquidated within each individual budgetary fund. The pension and other postemployment liabilities for governmental activities are incurred and paid by each of the governmental type funds. Also, for the governmental activities, State Energy loan payables are liquidated by the General Fund and general obligation bonds and special revenue bonds are liquidated by debt service funds.

**H. Fund Balance**

The fund balance for governmental funds as of June 30, 2019 are as follows:

	<b>General Fund</b>	<b>Street Fund</b>	<b>Library Fund</b>	<b>Capital Development Fund</b>	<b>Other Governmental Funds</b>	<b>Total</b>
<b><u>Nonspendable:</u></b>						
<b><u>Restricted:</u></b>						
Capital projects				\$22,663,976	\$13,407,227	\$36,071,203
Road maintenance		\$4,669,448				4,669,448
Education			\$2,269,543			2,269,543
Debt service					413,958	413,958
Urban area economic development					4,357,709	4,357,709
Building inspections						
Other purposes					1,768,992	1,768,992
		4,669,448	2,269,543	22,663,976	19,947,886	49,550,853
<b><u>Committed to:</u></b>						
Other purposes					1,670,659	1,670,659
Equipment replacement	\$1,030,206					1,030,206
Street lighting					34,265	34,265
Capital projects				892,978	539,129	1,432,107
	1,030,206	-	-	892,978	2,244,053	4,167,237
<b><u>Assigned to:</u></b>						
Multi-year projects	1,244,299					1,244,299
Compensated absences	2,996,889					2,996,889
Appropriated fund balance	5,138,683					5,138,683
	9,379,871					9,379,871
<b><u>Unassigned:</u></b>						
	10,108,623					10,108,623
<b>Total Fund Balances</b>	<b>\$20,518,700</b>	<b>\$4,669,448</b>	<b>\$2,269,543</b>	<b>\$23,556,954</b>	<b>\$22,191,939</b>	<b>\$73,206,584</b>

**CITY OF BEAVERTON, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**June 30, 2019**

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**I. Tax Abatements**

For the fiscal year ended June 30, 2019, the City provided tax abatements through four programs – City of Beaverton Annexation Rebate Program, Enterprise Zone (ORS 285C.175), Nonprofit Corporation Low Income Housing Program (ORS 307.541) and Vertical Housing Development Zone (ORS 307.864):

- The Annexation Rebate Program is administered through the City and provides a property tax abatement incentive for the annexation of property to the City of Beaverton for development. The rebate is part of an annexation agreement approved by the City Council and is available to significant future tax payers as an annexation incentive. The rebate is limited to the amount of city operating tax levy, not including debt service. The total amount of tax rebates for FY 18-19 was \$148,333.
- The Enterprise Zone (E-Z) Program, administered by the State of Oregon, serves as an economic development incentive for investment in buildings, machinery and equipment mostly for the industrial or warehousing sectors. A minimal amount of job creation is also required. Depending on the wages and benefits offered, the tax exemption can extend past the normal period of three years and run as long as five years. The amount of exemption is limited to the value of the new property improvements for equipment or machinery. The amount of tax exemptions extends to all taxing jurisdictions including the City of Beaverton and the Beaverton Urban Redevelopment Agency (BURA). See ORS 285C.050 to 285C.2580 for eligibility information. Under this program, the estimated tax abatement for the fiscal year was \$24,000 for the City and \$2,000 for BURA.
- The Low Income Property Tax Exemption program is authorized by Oregon Statute (ORS 307.4580 to 307.548) and City Ordinance (Beaverton Code 3.20) and is designed to make rental housing units affordable for income-restricted tenants. The City's Community Development Department recommends applications for the tax exemption to the Oregon Department of Housing and Community Services. When approved the Washington County Department of Assessment and Taxation creates a record of the exemption for each eligible property. The exemption lasts as long as the property complies with the city's ordinance and statutes. The amount of tax exemptions extends to all taxing jurisdictions including the City of Beaverton and the Beaverton Urban Redevelopment Agency (BURA). Under this program, the estimated tax exemption for the fiscal year was \$79,000 for the City and \$7,000 for BURA.
- The Vertical Housing Development Zone (VHDZ) Tax Exemption Program is authorized by Oregon Statutes (ORS 307.864) and is designed to encourage multiple use commercial and residential development near transit services. The program was administered by the Oregon Department of Housing and Community Services and beginning in October 2017, administration was shifted to the City of Beaverton. The program does not specifically benefit low or moderate income residents and there is no income testing. The program is a partial exemption whereby the existing value of the land and building are frozen and the improvements are taxed up to 80% of their value for the first four floors of residential usage. Projects remain eligible as long as there is ground floor commercial uses and residential uses on the upper floors. Properties can become decertified by the Washington County Department of Assessment and Taxation and omitted taxes recovered. The amount of tax exemption applies to all taxing jurisdictions. Under this program the estimated tax exemption for the fiscal year was \$34,000 for the City and \$3,000 for BURA.

**CITY OF BEAVERTON, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**June 30, 2019**

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### **III. OTHER INFORMATION**

#### **A. Participation in Public Employees' Retirement System**

##### **1. Pension Plan**

The City contributes to the Oregon Public Employees Retirement System (OPERS). OPERS is a cost-sharing multiple-employer defined benefit plan that provides statewide defined benefit and defined contribution retirement plans for units of state government, political subdivisions, community colleges and school districts. The system provides retirement and disability benefits, post-employment healthcare benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries.

##### **2. Description of benefit terms:**

Plan Benefits – Employees of the City are provided with pensions through OPERS. All benefits of OPERS are established by the legislature pursuant to ORS Chapters 238 and 238A. The authority to establish and amend the benefit provisions of the plan rests with the Oregon Legislature. OPERS produces an independently audited CAFR that can be obtained at <http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

**Benefits provided under Chapter 238-Tier One/Tier Two** - Tier One/Tier Two Retirement Benefit plan is closed to new members hired on or after August 29, 2003.

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

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire 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 and fire 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 hired on or after August 29, 2003.

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

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

**CITY OF BEAVERTON, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**June 30, 2019**

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**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 OPERS judge members) for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire 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.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Senate Bill 861, signed into law in October 2013, limited the post-retirement COLA on benefits. The Oregon Supreme Court on April 30, 2015, overturned certain elements of the law as they were deemed unconstitutional (*Everice Moro et al v. State of Oregon et al*). As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. PERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire.

**Benefits provided under Chapter 238A – OPSRP.** OPSRP 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 and Fire** - 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire 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.

**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.

**CITY OF BEAVERTON, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
June 30, 2019

**3. Actuarial Valuations**

The employer contribution rates effective July 1, 2017, through June 30, 2019, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

***Actuarial Methods and Assumptions Used in Developing Total Pension Liability***

Valuation Date	December 31, 2016, rolled forward to June 30, 2018
Measurement Date	June 30, 2018
Experience Study Report	2016, published July 2017
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Long-term expected rate of return	7.20 percent
Discount rate	7.20 percent
Projected Salary Increases	3.50 percent overall payroll growth; salaries for individuals are assumed to grow at 3.50 percent plus assumed rates of merit/longevity increases based on service.
Mortality	<p><b>Healthy retirees and beneficiaries:</b>  RP-2014 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation.</p> <p><b>Active members:</b>  RP-2014 employee, annuitant, sex distinct, generational projection with Unisex, Social Security Data Scale.</p> <p><b>Disabled retirees:</b>  RP-2014 Disabled retiree, sex distinct, generational projection with Unisex, Social Security Data Scale.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2016 Experience Study which reviewed experience for the four-year period ending on December 31, 2016.

**CITY OF BEAVERTON, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
June 30, 2019

**Discount Rate** - The discount rate used to measure the total pension liability was 7.20 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.

**Long-Term Expected Rate of Return** - To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 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	Compound Annual Return (Geometric)
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00	3.38
Bank/Leveraged Loan	3.00	5.09
High Yield Bonds	1.00	6.45
Large/Mid Cap US Equities	15.75	6.30
Small Cap US Equities	1.31	6.69
Micro Cap US Equities	1.31	6.80
Developed Foreign Equities	13.13	6.71
Emerging Market Equities	4.12	7.45
Non-US Small Cap Equities	1.88	7.01
Private Equity	17.50	7.82
Real Estate (Property)	10.00	5.51
Real Estate (REITS)	2.50	6.37
Hedge Fund of Funds-Diversified	2.50	4.09
Hedge Fund – Event-driven	.63	5.86
Timber	1.88	5.62
Farmland	1.88	6.15
Infrastructure	3.75	6.60
Commodities	1.88	3.84
Assumed Inflation – Mean		2.50

**CITY OF BEAVERTON, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
June 30, 2019

**4. Contributions**

OPERS 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 OPERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

Employer contribution rates during the period were based on the December 31, 2015 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2017.

The City's contributions for the year ended June 30, 2019 were \$5,681,536. The rates in effect for the fiscal year ended June 30, 2019 were: (1) Tier 1/Tier 2 – 17.89%, and (2) OPSRP general service – 9.29%, and (3) OPSRP Police – 14.06%. These contribution rates do not include the rates for Retirement Health Insurance Accounts or 6% employee contribution to individual Account Program (IAP).

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

At June 30, 2019, the City reported a liability of \$69,979,287 for its proportionate share of the plan pension liability. The net pension liability was measured as of June 30, 2018. The City's proportionate share 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 members of the cost sharing pool, actuarially determined. At June 30, 2018 the City's proportion was 0.46194965 percent.

For the year ended June 30, 2019, the City recognized net pension expense of \$11,986,208 for the defined benefit portion of the pension plan. At June 30, 2019, 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
Difference between expected and actual experience	\$2,380,486	
Change of assumptions	16,270,051	
Net difference between projected and actual earnings on pension plan investments		\$3,107,476
Changes in proportionate share	208,128	2,735,461
Differences between employer contributions and employer's proportionate share of system contributions		1,418,609
	18,858,665	7,261,546
Contributions subsequent to the measurement date	5,681,536	
	\$24,540,201	\$7,261,546

Deferred outflows of resources related to pensions of \$5,681,536 resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

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**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**June 30, 2019**

Year Ending June 30	Net Deferred Outflow (Inflow)of Reources (prior to post-measurement date contributions)
2020	\$7,257,872
2021	4,987,410
2022	(1,408,172)
2023	425,845
2024	334,165
	\$11,597,120

**6. Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following represents the City's proportionate share of the pension liability calculated using the discount rate of 7.20 percent, as well as what the City's share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of net pension liability/(asset)	\$116,948,610	\$69,979,287	\$31,209,956

**7. Defined Contribution Plan: OPSRP Individual Account Program (OPSRP IAP)**

**Benefits**

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An Individual Account Program (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 completed 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 IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

**Death Benefits**

Upon the death of a non-retired member, the beneficiary receives in a lump-sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired

**CITY OF BEAVERTON, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
June 30, 2019

member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

**Contributions**

The City has chosen to pay the employees contributions to the plan. Six percent of covered payroll is paid for general service and police employees. For FY 18-19 the City paid \$2,482,090.

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

At its July 28, 2017 meeting, the PERS Board lowered the assumed investment rate of return from 7.5% to 7.2% effective January 1, 2018. This rate will be used for the determination of contribution rates beginning July 1, 2019. The Board revises the assumed rate based on the long-term projection of investment returns that can be expected from the asset allocations of the Oregon Investment Council and related capital market expectations. An estimate of the resulting change is not readily available at this time.

In May 2019, the Oregon Legislature approved Senate Bill 1049 relating to OPERS. The Bill contains provisions and elements that may affect the retirees' future benefits and contributions. For example, for all currently employed Tier One/Tier Two members earning \$2,500/month or more, a portion of IAP contributions will be redirected to an "Employee Pension Stability Account" effective July 1, 2020. Since the PERS Board is still analyzing elements of the bill, the full effect of the Bill is not readily available at this time.

**B. Postemployment 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 Retirement Health Insurance Account cost-sharing multiple-employer defined health insurance benefit plan (RHIA).

The City's two OPEB plans are presented in the aggregate on the Statement of Net Position. Details of each plan is as follows:

	<u>Implicit Rate Subsidy Plan</u>	<u>PERS RHIA Plan</u>	<u>Total OPEB on Financials</u>
Net OPEB Asset		\$460,142	\$460,142
Deferred Outflows of resources			
Contributions After the Measurement Date	\$154,094	\$190,000	\$344,094
Changes in Proportionate Share		931	931
Total Deferred outflows of resources	<u>\$154,094</u>	<u>\$190,931</u>	<u>\$345,025</u>
Total OPEB Liability	<u>(\$4,468,163)</u>		<u>(\$4,468,163)</u>
Deferred Inflows of Resources			
Difference between expected and actual experience	(\$327,398)	(\$26,077)	(\$353,475)
Change in Assumptions	(746,082)	(1,460)	(747,542)
Difference in Earnings		(99,206)	(99,206)
Changes in Proportionate Share		(1,284)	(1,284)
Total Deferred inflows of resources	<u>(\$1,073,480)</u>	<u>(\$128,027)</u>	<u>(\$1,201,507)</u>
OPEB Expense	<u>\$373,975</u>	<u>\$43,199</u>	<u>\$417,174</u>

**CITY OF BEAVERTON, OREGON**  
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**Implicit Rate Subsidy**

**1. Plan Description**

The City is required by Oregon Revised Statute 243.303 to provide retirees (if they elect) with group health and dental insurance coverage from the date of retirement age to age 65 at the same rates as provided to current City employees. The Government Accounting Standards Board Statement Number 75 is applicable to the City due to the resulting implicit rate subsidy. This single-employer “plan” is not a stand-alone plan and there are no separately issued financial statements. The City does not provide any explicit employee benefits.

**2. Benefits Provided**

The plan provides retirees and their dependents under age 65 the same health care coverage received prior to retirement. Premiums for retirees are tiered and based upon the premium rates available to active employees. The retiree is responsible for payment of the premiums.

The City collects insurance premiums from participating retirees each month. The premium payments are then deposited into the City’s self-insurance fund. The City then includes the retirees’ payments along with its payment of current employee premiums to the insurance carriers at the established amounts for each coverage type.

As of the valuation date of July 1, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	14
Active employees	537
	551
	551

**3. Total OPEB Liability**

The City’s total OPEB liability of \$4,468,163 was determined by an actuarial valuation as of July 1, 2018, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date.

Measurement date	June 30, 2018
Inflation	2.50%
Salary increases	3.50%
Healthy Mortality	RP-2014 Healthy Annuitant, sex distinct mortality tables blended 50/50 blue collar and white collar, set back one year for males. Mortality is projected on a generational basis using the Unisex Social Security Data Scale.
Healthcare cost trend rate	Medical and vision: 5.50 percent in 2020, ranges 4.75 to 6.0 percent per year through 2066+; Dental: 4.50 percent per year.
Discount rate	3.87%
Actuarial cost method	Entry Age Normal

The discount rate reflects a 20-year tax-exempt municipal bond yield or index rate.

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**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**June 30, 2019**

**4. Changes in the Total OPEB Liability**

Balance as of June 30, 2018	\$5,076,000
Changes for the year:	
Service cost	319,799
Interest on total OPEB liability	189,234
Effect of economic/demographic gains or losses	(367,325)
Effect of assumptions changes or inputs	(527,742)
Benefit payments	(221,803)
Balance as of June 30, 2019	<u><u>\$4,468,163</u></u>

Changes of assumptions reflect a change in the discount rate of 3.58% in effect for the June 30, 2018 reporting date to 3.87% as of June 30, 2019.

**5. Sensitivity of the Total OPEB Liability**

The following presents the City's total OPEB liability, as well as what the liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption, 1-percentage-point lower (4.5 percent) or 1-percentage-point higher (6.5 percent).

**Discount Rate:**

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$4,881,490	\$4,468,163	\$4,089,340

**Healthcare Cost Trend:**

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$3,952,119	\$4,468,163	\$5,079,804

**6. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the fiscal year ended June 30, 2019, the City recognized OPEB expense from this plan of \$373,975. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience		(\$327,398)
Changes of assumptions or inputs		(746,082)
Benefit Payments		
Contributions after measurement date	\$154,094	
Total	<u><u>\$154,094</u></u>	<u><u>(\$1,073,480)</u></u>

**CITY OF BEAVERTON, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
June 30, 2019

Deferred outflows of resources related to OPEB of \$154,094 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, 2020. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Amount
2020	(\$135,058)
2021	(135,058)
2022	(135,058)
2023	(135,058)
2024	(135,058)
Thereafter	(398,190)
Total	<u><u>(\$1,073,480)</u></u>

**PERS Retirement Health Insurance Account (RHIA)**

***1. Plan Description***

As a member of Oregon Public Employees Retirement System (OPERS), the City contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing, multiple-employer, defined benefit, other post employment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premium of eligible retirees. Oregon Revised Statutes (ORS) 238.420 establishes this trust fund. Authority to establish and amend the benefit provision of RHIA resides with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to OPERS, PO Box 23700, Tigard, Oregon, 97281-37400, or online at:

[http://Oregon.gov/PERS/section/financial\\_reports/financials.shtml](http://Oregon.gov/PERS/section/financial_reports/financials.shtml).

***2. 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.

**CITY OF BEAVERTON, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
June 30, 2019

**3. 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, 2015 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2017. The City's contribution rates for the period were 0.50% for Tier One/Tier Two members, and 0.43% for OPSRP members. The City's total for the year ended June 30, 2019 contributions was \$190,000.

**4. Total OPEB Liability (RHIA)**

The City's Net OPEB asset of \$460,142 was determined by an actuarial valuation as of December 31, 2016. The methods and assumptions shown below are based on the 2016 Experience Study, which reviewed experience from January 1, 2013 to December 31, 2016.

Valuation Date	December 31, 2016, rolled forward to June 30, 2018
Measurement Date	June 30, 2018
Experience Study Report	2016, published July, 2017
Amortization Method	Amortized as a level percentage of projected combined valuation payroll (Tier 1/Tier 2 plus OPSRP payroll) over a closed 10 year period.
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Actuarial cost method	Entry Age Normal
Inflation Rate	2.50 percent
Long-term expected rate of return	7.20 percent
Discount rate	7.20 percent
Projected Salary Increases	3.50 percent
Retiree healthcare participation	Healthy retirees: 35%; Disabled retirees: 20%
Mortality	<p><b>Healthy retirees and beneficiaries:</b>  RP-2014 Healthy annuitant, sex distinct, generational projection with Unisex, Social Security Data Scale.</p> <p><b>Active members:</b>  RP-2014 employee, annuitant, sex distinct, generational projection with Unisex, Social Security Data Scale.</p> <p><b>Disabled retirees:</b>  RP-2014 Disabled retiree, sex distinct, generational projection with Unisex, Social Security Data Scale.</p>

The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA 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 OPEB plan investments for RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

**CITY OF BEAVERTON, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
June 30, 2019

**5. Sensitivity of the Total OPEB Liability**

The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 7.20%, 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 (6.20%) or 1-percentage-point higher (8.20%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability			
(Asset)	(\$267,917)	(\$460,142)	(\$623,764)

**6. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the fiscal year ended June 30, 2019, the City recognized OPEB expense from this plan of \$43,199. At June 30, 2019, 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
Net difference between projected and actual experience		(\$26,077)
Changes of assumptions or inputs		(1,460)
Difference in earnings		(99,206)
Changes in proportionate share	\$931	(1,284)
Contributions after measurement date	190,000	
Total	\$190,931	(\$128,027)

Deferred outflows of resources related to OPEB of \$190,000 resulting from the City's contributions subsequent to the measurement date will be recognized either as a reduction of the net OPEB liability or an increase in the net OPEB asset in the year ended June 30, 2020. 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 Ending June	Amount
30	
2020	(\$41,765)
2021	(41,928)
2022	(33,541)
2023	(9,862)
Total	(\$127,096)

**CITY OF BEAVERTON, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
June 30, 2019

**D. Risk Management**

The City is exposed to various risks of loss related to torts, theft or damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. Significant real and personal property exposures are covered by insurance for loss from all perils, including earthquake and flood damage. General and automobile liability exposures are insured up to \$10,000,000 per occurrence, and are subject to a \$160,000 aggregate deductible. The City retains the first \$650,000 for police and other classifications per workers' compensation claim and transfers the excess exposure through commercial insurance. Settled claims have not exceeded commercial coverage in any of the past three fiscal years.

Liabilities include an amount for claims that have been incurred but not reported (IBNR) and case reserves. At June 30, 2019, \$144,334 and \$445,000 of those liabilities are outstanding in the General Liability Program and in the Workers' Compensation Program, respectively. Changes in the City's claims liability for the years ended June 30, 2018 and 2019 are as follows:

	<u>Balance</u> <u>July 1</u>	<u>Changes in</u> <u>Estimates</u>	<u>Claim</u> <u>Payments</u>	<u>Balance</u> <u>June 30</u>
2017-2018	\$505,334	\$683,575	(\$599,575)	\$589,334
2018-2019	589,334	486,715	(486,715)	589,334

**E. Commitments and Contingencies**

Workers' compensation, general liability, auto, unemployment and dental claims covered by the City's Insurance Fund (Internal Service Fund) are reviewed, and losses are accrued based on the judgment of City management. In the opinion of City management, the ultimate disposition of these claims will not have a material adverse effect on the financial position or results of operations of the Internal Service Funds.

The City is the defendant in several legal actions currently pending. Although their outcome cannot be determined, it is the opinion of management that settlement of these matters will not have a material effect on the financial position and results of operations of the City.

The City has active construction projects as of June 30, 2019 which represent multi-year contracts. As of June 30, 2019, the amount of uncompleted contracts for various projects totals \$5,153,995.

**F. Transactions with Clean Water Services of Washington County**

In April 1976, the City entered into a contract with the Clean Water Services (CWS) of Washington County whereby the City acts as a collection agent for CWS for sewer service charges and sewer connection charges inside the City's limits. The City, in 1990, also entered into a contract with CWS to collect storm drain charges. In accordance with the agreements, the City collects all charges on behalf of CWS and remits all applicable collections to CWS, except for 16.40% of sewer service charges, 3.983% of sewer connection charges collected, 75% of applicable surface water (storm drain) charges collected.

In June 2017, the City and CWS amended the IGA to acknowledge the City's authority to establish its own rates and Right of Way fee on sewer and storm drain service charges, and this change was effective as of September 2018. During fiscal year 2019, the City paid \$24,041,794 to CWS and retained \$8,857,574 as charges for services revenues and \$94,287 as sewer systems development charge revenue included in the

**CITY OF BEAVERTON, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**June 30, 2019**

Business-type activities. The City also retained a portion of CWS collections for Right of Way fees (5%) totaling \$1,088,465 which is included in the City's General Fund.

**G. Restatement**

For the year ended June 30, 2019, the City recorded a prior period adjustment of \$767,223 in the Water Fund within the Business-Type activities. The City purchased two water rights from the U.S. Department of the Interior, Bureau of Reclamation at Scoggins Dam in 1982 and 1986, and both water rights have been amortized over the useful life of 40 years. However, since the water rights were deemed to have indefinite useful lives, the City's net position in the Water Fund was understated by \$767,223 as of June 30, 2018. As a result, a prior period adjustment was made to increase the net position of the Water Fund, and the allowance for amortization for water rights was eliminated.

**H. Subsequent Event**

In October 2019, the City Council approved a resolution authorizing the issuance of revenue bonds, pledging the City's Transient Lodging taxes, in an amount not to exceed \$21,000,000 for the purpose of financing a portion of the costs of constructing and equipping the Patricia Reser Center for the Arts (PRCA) facility.

# **REQUIRED SUPPLEMENTARY INFORMATION**

## **Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual**

### **General Fund**

### **Major Special Revenue Funds**

*Street Fund*

*Library Fund*

## **Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)**

### **Schedule of the City's Contributions to Pension Plan**

## **Schedule of the Changes in the City's Total OPEB Liability and Related Ratios**

### **Schedule of the City's Proportionate Share of the Net OPEB Liability (Asset)**

## **Schedule of the City's Contributions to Retirement Health Insurance Account**

**CITY OF BEAVERTON, OREGON**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$35,646,230	\$35,646,230	\$36,944,843	\$1,298,613
Local Taxes	476,000	476,000	573,435	97,435
Intergovernmental	3,172,216	3,380,216	3,475,937	95,721
Federal grants	410,427	470,267	249,266	(221,001)
Grants - state	128,189	306,422	300,179	(6,243)
Fees, licenses and permits	2,738,025	2,738,025	2,967,307	229,282
Right of way fees	8,906,875	8,906,875	9,198,504	291,629
Fines and forfeitures	4,828,900	4,828,900	4,174,337	(654,563)
Interest on investments	481,000	481,000	497,458	16,458
Charges for services	3,638,468	3,638,468	3,720,870	82,402
Sale of City property			18,313	18,313
Miscellaneous revenues	170,000	177,750	314,726	136,976
<b>TOTAL REVENUES</b>	<u>60,596,330</u>	<u>61,050,153</u>	<u>62,435,175</u>	<u>1,385,022</u>
<b>Expenditures:</b>				
Current:				
General government	32,000,077	33,803,618	28,460,654	5,342,964
Public safety	31,982,180	32,080,594	31,001,354	1,079,240
Debt service	106,692	106,692	106,692	
Capital Outlay	745,535	799,032	297,568	501,464
Contingency	6,767,905	5,454,549		5,454,549
<b>TOTAL EXPENDITURES</b>	<u>71,602,389</u>	<u>72,244,485</u>	<u>59,866,269</u>	<u>12,378,216</u>
<b>EXCESS (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES</b>	<u>(11,006,059)</u>	<u>(11,194,332)</u>	<u>2,568,906</u>	<u>13,763,238</u>
<b>Other financing sources (uses):</b>				
Transfers in	5,147,504	5,698,468	5,706,233	7,765
Transfers out	(7,122,236)	(8,721,689)	(8,075,510)	646,179
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(1,974,732)</u>	<u>(3,023,221)</u>	<u>(2,369,277)</u>	<u>653,944</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(12,980,791)</u>	<u>(14,217,553)</u>	<u>199,629</u>	<u>14,417,182</u>
FUND BALANCES - budgetary basis, Beginning of year	<u>12,980,791</u>	<u>14,217,553</u>	<u>14,217,553</u>	
FUND BALANCES - budgetary basis, End of year	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$14,417,182</u>	<u>\$14,417,182</u>
<b>Reconciliation of net change in fund balance - budgetary basis to GAAP basis</b>				
Net change in fund balance - budgetary basis			\$199,629	
Investment adjustment to fair market value			386,143	
Funding of compensated absences			119,834	
Funding of reserve for retirement benefits, not GAAP expense, general govt			270,686	
Funding of reserve for retirement benefits, not GAAP expense, public safety			348,861	
Federal Forfeiture Sharing Funds			(8,918)	
Court fines 60 day accrual adjustment			(7,308)	
Net change in fund balance - GAAP basis			<u>\$1,308,927</u>	

**CITY OF BEAVERTON, OREGON**  
**STREET FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
State gas tax	\$7,047,900	\$7,047,900	\$7,064,234	\$16,334
County gas tax	356,000	356,000	350,710	(5,290)
County vehicle registration fee	1,590,000	1,590,000	1,613,353	23,353
Right of way fees	300,000	300,000	300,000	
Interest on investments	63,000	63,000	86,716	23,716
Miscellaneous revenues	62,600	62,600	96,043	33,443
<b>TOTAL REVENUES</b>	<b>9,419,500</b>	<b>9,419,500</b>	<b>9,511,056</b>	<b>91,556</b>
<b>Expenditures:</b>				
Personnel services	2,480,773	2,480,773	2,154,632	326,141
Materials and services	3,475,770	4,058,443	3,611,433	447,010
Capital outlay	295,650	439,550	329,989	109,561
Contingency	3,132,396	2,812,277		2,812,277
<b>TOTAL EXPENDITURES</b>	<b>9,384,589</b>	<b>9,791,043</b>	<b>6,096,054</b>	<b>3,694,989</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>34,911</b>	<b>(371,543)</b>	<b>3,415,002</b>	<b>3,786,545</b>
<b>Other financing sources/ uses:</b>				
Transfers in		623,599	616,649	(6,950)
Transfers out	(3,320,837)	(3,913,851)	(3,381,852)	531,999
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(3,320,837)</b>	<b>(3,290,252)</b>	<b>(2,765,203)</b>	<b>525,049</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(3,285,926)</b>	<b>(3,661,795)</b>	<b>649,799</b>	<b>4,311,594</b>
FUND BALANCES - budgetary basis, Beginning of year	3,285,926	3,661,795	3,661,795	
FUND BALANCES - budgetary basis, End of year	\$ ----	\$ ----	\$4,311,594	\$4,311,594

**Reconciliation of net change in fund balance -  
budgetary basis to GAAP basis**

Net change in fund balance - budgetary basis	\$649,799
Investment adjustment to fair market value	73,296
Funding of compensated absences	(1,630)
Funding of reserve for retirement benefits, not GAAP expense	28,115
Net change in fund balance - GAAP basis	<u>\$749,580</u>

**CITY OF BEAVERTON, OREGON**  
**LIBRARY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property taxes:				
Current year's levy	\$3,421,459	\$3,421,459	\$3,471,469	\$50,010
Prior years' levy	20,000	20,000	91,999	71,999
Intergovernmental	5,841,299	5,841,299	5,882,280	40,981
Fines and forfeitures	130,000	130,000	124,903	(5,097)
Interest on investments	40,400	40,400	50,358	9,958
Contributions, donations, and others	32,000	32,000	78,090	46,090
Miscellaneous revenues	35,500	35,500	50,193	14,693
<b>TOTAL REVENUES</b>	<u>9,520,658</u>	<u>9,520,658</u>	<u>9,749,292</u>	<u>228,634</u>
<b>Expenditures:</b>				
Personnel services	6,786,265	6,728,084	6,292,149	435,935
Materials and services	1,709,436	1,714,908	1,631,122	83,786
Contingency	586,075	803,926		803,926
<b>TOTAL EXPENDITURES</b>	<u>9,081,776</u>	<u>9,246,918</u>	<u>7,923,271</u>	<u>1,323,647</u>
EXCESS OF REVENUES UNDER EXPENDITURES	<u>438,882</u>	<u>273,740</u>	<u>1,826,021</u>	<u>1,552,281</u>
<b>Other financing sources (uses):</b>				
Transfers in	292,231	292,231	259,108	(33,123)
Transfers out	(1,685,958)	(1,686,562)	(1,673,064)	13,498
<b>TOTAL OTHER FINANCING     USES</b>	<u>(1,393,727)</u>	<u>(1,394,331)</u>	<u>(1,413,956)</u>	<u>(19,625)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(954,845)</u>	<u>(1,120,591)</u>	<u>412,065</u>	<u>1,532,656</u>
FUND BALANCES - budgetary basis, Beginning of year	<u>954,845</u>	<u>1,120,591</u>	<u>1,120,591</u>	
FUND BALANCES - budgetary basis, End of year	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$1,532,656</u>	<u>\$1,532,656</u>

**Reconciliation of net change in fund balance -  
budgetary basis to GAAP basis**

Net change in fund balance - budgetary basis	\$412,065
Investment adjustment to fair market value	45,589
Funding of compensated absences	(28,285)
Funding of reserve for retirement benefits, not GAAP expense	83,447
Net change in fund balance - GAAP basis	<u>\$512,816</u>

**CITY OF BEAVERTON, OREGON**  
**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE**  
**NET PENSION LIABILITY (ASSET)**  
**Last Six Fiscal Years (1)**

	Fiscal Year					
	2019	2018	2017	2016	2015	2014
City's proportion of the net pension liability (asset)	0.461950%	0.476697%	0.484790%	0.522853%	0.484754%	0.484754%
City's proportionate share of the net pension liability (asset)	\$69,979,287	\$64,258,949	\$72,778,259	\$30,019,375	(\$10,987,994)	\$24,737,716
City's covered payroll (2)	\$42,532,239	\$41,067,132	\$39,204,820	\$37,445,550	\$36,324,931	\$35,091,335
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	164.53%	156.47%	185.64%	80.17%	-30.25%	70.50%
Plan fiduciary net position as a percentage of the total pension liability	82.07%	83.12%	80.53%	91.88%	103.59%	91.97%

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(1) Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only the years for which information is available is presented.

(2) Note: Measurement date is one year in arrears.

**CITY OF BEAVERTON, OREGON**  
**SCHEDULE OF THE CITY'S CONTRIBUTIONS TO PENSION PLAN**  
**Last Six Fiscal Years (1)**

	Fiscal Year					
	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$5,681,536	\$5,953,344	\$4,546,255	\$4,513,756	\$3,224,015	\$3,316,396
Contributions in relation to the contractually required contribution	(5,681,536)	(5,953,344)	(4,546,255)	(4,513,756)	(3,224,015)	(3,316,396)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$45,114,950	\$42,532,239	\$41,067,132	\$39,204,820	\$37,445,550	\$36,324,931
Contributions as a percentage of covered payroll	12.59%	14.00%	11.07%	11.51%	8.61%	9.13%

(1) Note: This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, only the years for which information is available is presented.

**City of Beaverton, Oregon**  
**Schedule of the Changes in the City's Total OPEB Liability and Related Ratios**  
**Implicit Rate Subsidy Plan**  
**Last Two Fiscal Years <sup>1</sup>**

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service cost	\$319,799	\$343,815
Interest	189,234	153,760
Changes of economic/demographic gains or losses	(367,325)	
Changes of assumptions or other inputs	(527,742)	(351,239)
Benefit payments	<u>(221,803)</u>	<u>(241,536)</u>
Net change in OPEB liability	(607,837)	(95,200)
Total OPEB Liability - beginning	<u>5,076,000</u>	<u>5,171,200</u>
Total OPEB Liability - ending	<u><u>\$4,468,163</u></u>	<u><u>\$5,076,000</u></u>
City's Covered Payroll	\$42,532,239	\$41,067,132
Total OPEB Liability as a percentage of its covered payroll	10.5%	12.4%

<sup>1</sup> 10-year trend information required by GASB Statement 75 will be presented prospectively

**NOTES TO SCHEDULE**

Changes in Assumptions

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

	<u>2019</u>	<u>2018<sup>2</sup></u>
Discount Rate Used	3.87%	3.58%

<sup>2</sup> Discount rate in 2018 was changed from the previous rate of 2.85%.

**City of Beaverton, Oregon**  
**Schedule of the City's Proportionate Share of the Net OPEB Liability (Asset)**  
**Oregon Public Employees Retirement System, Retirement Health Insurance Account**  
**Last Three Fiscal Years<sup>1, 2</sup>**

	<u>2019</u>	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability (asset)	0.4122%	0.4039%	0.3965%
City's proportionate share of the net OPEB liability (asset)	(\$460,142)	(\$168,603)	\$107,684
City's covered payroll	\$42,532,239	\$41,067,132	\$39,204,820
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-1.1%	-0.4%	0.3%
Plan fiduciary net position as a percentage of the total OPEB liability	124.0%	108.9%	94.1%

<sup>1</sup> 10-year trend information required by GASB Statement 75 will be presented prospectively

<sup>2</sup> Measurement date is one year in arrears

**City of Beaverton, Oregon**  
**Schedule of the City's Contributions**  
**Oregon Public Employees Retirement System, Retirement Health Insurance Account**  
**Last Six Fiscal Years <sup>1</sup>**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contributions	\$ 190,000	\$199,595	\$201,130	\$194,434	\$191,324	\$175,000
Contributions in relation to the contractually required contribution	<u>(190,000)</u>	<u>(199,595)</u>	<u>(201,130)</u>	<u>(194,434)</u>	<u>(191,324)</u>	<u>(175,000)</u>
Contribution deficiency (excess)	<u>\$ -</u>					
City's covered payroll	\$ 45,114,950	\$42,532,239	\$41,067,132	\$39,204,820	\$37,445,550	\$36,324,931
Contributions as a percentage of covered payroll	0.42%	0.47%	0.49%	0.50%	0.51%	0.48%

⌘ <sup>1</sup> 10-year trend information required by GASB Statement 75 will be presented prospectively

**NOTES TO SCHEDULE**

**Actuarial Assumptions and Methods Used to Actuarially Determine Contributions:**

Actuarial Valuation	December 31, 2015	December 31, 2013	December 31, 2011
Effective	July 2017 - June 2019	July 2015 - June 2017	July 2013 - June 2015
Actuarial cost method:	Entry Age Normal	Entry Age Normal	Projected Unit Credit
Actuarial valuation method:	Market Value	Market Value	Market Value
Actuarial assumption:			
Inflation rate	2.50 percent	2.75 percent	2.75 percent
Projected salary increases	3.50 percent	3.75 percent	3.75 percent
Investment rate of return	7.20 percent	7.75 percent	8.00 percent
Healthcare cost inflation	Ranging from 6.3% in 2016 to 4.4% in 2094	Ranging from 6.1% in 2014 to 4.7% in 2083	Ranging from 6.9% in 2012 to 4.5% in 2029

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF BEAVERTON, OREGON**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2019**

**Budgetary Information**

The City and the component unit budget all funds which are subject to budget requirements of state law. The City Council and the Agency board legally adopt the budget, prepared on a modified accrual basis, by resolution before July 1. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. The level of control (total personnel services, materials and services, capital outlay, and other expenditures) is established by resolution for all funds. The General Fund's level of control is slightly different, in that, the total personnel services, materials and services, capital outlay and other expenditures are by department.

The detail budget document, however, is required to contain more specific information for the aforementioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriations ordinance. A supplemental budget that differs by 10 percent or more of any one of the individual funds contained in the original budget for that fiscal year requires hearings before the public, publications in newspapers, and approval by the City Council. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the City Council. The City adopted two supplemental budgets and twenty-seven transfer resolutions during the year ended June 30, 2019. Encumbrances that have not been expended at year-end lapse and subsequent actual expenditures are then charged against ensuing year's appropriations. The total encumbrance commitments that lapsed at June 30, 2019 were \$6,900,230.

**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 independently audited CAFR that can be obtained at [https://www.oregon.gov/pers/Pages/section/financial\\_reports/financials.aspx](https://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx).

Additional details and a comprehensive list of changes for OPERS in methods and assumptions can be found in the 2016 Experience Study for OPERS which was published July 28, 2017 and can be found at <https://www.oregon.gov/pers/Pages/Financials/Actuarial-Presentations-and-Reports.aspx>.

**OTHER SUPPLEMENTARY INFORMATION**

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

**Building Fund** - accounts for revenues generated by the Building Division. Revenues are restricted for expenditures related to plan review and inspection.

**Community Development Block Grant Fund** - accounts for entitlement grant funds from the U.S. Department of Housing and Urban Development (HUD).

**Lodging Tax (TLT) Fund** – accounts for the revenues and expenditures from County and City lodging taxes.

**Street Lighting Fund** - accounts for revenues from property taxes committed for street lighting expenditures.

**Transportation Systems Development Fund** – accounts for surcharge transportation system fees in the South Cooper Mountain area within the City. The revenues are restricted for expenditures on extra capacity transit projects within the South Cooper Mountain area.

**Transportation Development Tax Fund** - accounts for traffic impact fees imposed on development based on the number of trips generated by the development. Revenues are restricted for expenditures on construction and improvements of arterial and collector projects and extra capacity transit projects.

**Beaverton Urban Redevelopment Agency (BURA) General Fund** - accounts for the operation and general service activities of BURA.

**Beaverton Center for the Arts Gift and Contribution Fund** - accounts for the gifts and contributions for the Beaverton Center for the Arts program. During the fiscal year ended June 30, 2019, there were no transactions.

### DEBT SERVICE FUNDS

**General Obligation Debt Service Fund** - accounts for payment of general obligation bond principal and interest. The principal source of revenue is property taxes.

**Special Revenue Debt Service Fund** - accounts for payment of special revenue bond principal and interest. The principal source of revenue is right of way fees.

**Assessment Debt Service Fund** - accounts for the financing and collection of assessments from the benefited property owners and the payment of principal and interest on improvement bonds. The primary sources of funds are collections and interest earnings.

**BURA Debt Service Fund** – accounts for the payment of loans, line of credit principal and interest from the division of tax increment receipts.

### CAPITAL PROJECTS FUNDS

**Capital Projects Fund** - accounts for the acquisition and construction of infrastructure capital projects.

**BURA Capital Projects Fund** - accounts for the property acquisition and construction of infrastructure capital projects within Beaverton Urban Redevelopment area.

**CITY OF BEAVERTON, OREGON**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
June 30, 2019

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
<b>Assets:</b>				
Cash and investments	\$22,942,550	\$408,227	\$903,663	\$24,254,440
Property taxes receivable	72,245	33,062		105,307
Accounts and other receivables	437,563	3,090		440,653
Accrued interest receivable	81,799	7,307	2,899	92,005
Due from other governments	227,439			227,439
Grants receivable	438,451			438,451
<b>TOTAL ASSETS</b>	<b>\$24,200,047</b>	<b>\$451,686</b>	<b>\$906,562</b>	<b>\$25,558,295</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
Liabilities:				
Accounts payable	\$483,849		\$275,650	\$759,499
Accrued salaries and payroll taxes	110,423			110,423
Deposits and retainages payable	3,998			3,998
Due to other governments	1,618,856			1,618,856
Due to other funds	262,375			262,375
<b>Total Liabilities</b>	<b>2,479,501</b>		<b>275,650</b>	<b>2,755,151</b>
Deferred inflows of resources:				
Unavailable revenue - property taxes	59,164	\$27,331		86,495
Unavailable revenue - transportation development tax	429,615			429,615
Unavailable revenue - assessment liens and interest	81,799	10,397	2,899	95,095
<b>Total Deferred Inflows of Resources</b>	<b>570,578</b>	<b>37,728</b>	<b>2,899</b>	<b>611,205</b>
Fund balances:				
Restricted for:				
Capital projects	13,284,121		123,106	13,407,227
Debt service		413,958		413,958
Grants, building activities, urban area economic development and other purposes	6,126,701			6,126,701
Committed for:				
Capital projects	34,222		504,907	539,129
Street lights, cultural, and other purposes	1,704,924			1,704,924
<b>Total Fund Balances</b>	<b>21,149,968</b>	<b>413,958</b>	<b>628,013</b>	<b>22,191,939</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$24,200,047</b>	<b>\$451,686</b>	<b>\$906,562</b>	<b>\$25,558,295</b>

**CITY OF BEAVERTON, OREGON**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2019**

	Building Fund	Community Block Grant Fund	Lodging Tax (TLT) Fund
<b>Assets:</b>			
Cash and investments	\$2,454,297		\$1,496,345
Property taxes receivable			
Accounts and other receivables, net		\$423	
Accrued interest receivable	9,996	878	3,328
Due from other governments			227,439
Grants receivable		438,451	
<b>TOTAL ASSETS</b>	<u>\$2,464,293</u>	<u>\$439,752</u>	<u>\$1,727,112</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>			
Liabilities:			
Accounts payable	\$59,303	\$160,295	\$35,128
Accrued salaries and payroll taxes	84,269	1,860	17,997
Deposits and retainages payable	3,998		
Due to other governments	552,079		
Due to other funds		262,375	
<b>TOTAL LIABILITIES</b>	<u>699,649</u>	<u>424,530</u>	<u>53,125</u>
Deferred inflow of resources:			
Unavailable revenue - property taxes			
Unavailable revenue - transportation development tax			
Unavailable revenue - assessment liens and interest	9,996	878	3,328
Total Deferred Inflow of Resources	<u>9,996</u>	<u>878</u>	<u>3,328</u>
Fund balances:			
Restricted for:			
Capital projects			
Grants, building activities, urban area economic development and other purposes	1,754,648	14,344	
Committed for:			
Capital projects.			
Street lights, cultural, and other purposes			1,670,659
Total Fund Balances	<u>1,754,648</u>	<u>14,344</u>	<u>1,670,659</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$2,464,293</u>	<u>\$439,752</u>	<u>\$1,727,112</u>

Street Lighting Fund	Transportation Systems Development Fund	Transportation Development Tax Fund	BURA General Fund	Total
\$109,115	\$614,222	\$13,775,463	\$4,493,108	\$22,942,550
20,210			52,035	72,245
		429,615	7,525	437,563
3,394	930	44,392	18,881	81,799
				227,439
				438,451
<u>\$132,719</u>	<u>\$615,152</u>	<u>\$14,249,470</u>	<u>\$4,571,549</u>	<u>\$24,200,047</u>
\$76,591			\$152,532	\$483,849
1,732		\$4,565		110,423
	\$580,000	486,777		3,998
				1,618,856
				262,375
<u>78,323</u>	<u>580,000</u>	<u>491,342</u>	<u>152,532</u>	<u>2,479,501</u>
16,737			42,427	59,164
		429,615		429,615
3,394	\$930	44,392	18,881	81,799
<u>20,131</u>	<u>930</u>	<u>474,007</u>	<u>61,308</u>	<u>570,578</u>
		13,284,121		13,284,121
			4,357,709	6,126,701
	34,222			34,222
34,265				1,704,924
<u>34,265</u>	<u>34,222</u>	<u>13,284,121</u>	<u>4,357,709</u>	<u>21,149,968</u>
<u>\$132,719</u>	<u>\$615,152</u>	<u>\$14,249,470</u>	<u>\$4,571,549</u>	<u>\$24,200,047</u>

**CITY OF BEAVERTON, OREGON**  
**NONMAJOR DEBT SERVICE FUNDS**  
**COMBINING BALANCE SHEET**  
June 30, 2019

	General Obligation Debt Service Fund	Special Revenue Debt Service Fund	Assessment Debt Service Fund	Total
<b>Assets:</b>				
Cash and investments	\$127,210	\$281,017		\$408,227
Property taxes receivable	33,062			33,062
Assessment liens receivable			\$3,090	3,090
Accrued interest receivable	5,980	770	557	7,307
<b>TOTAL ASSETS</b>	<b>\$166,252</b>	<b>\$281,787</b>	<b>\$3,647</b>	<b>\$451,686</b>
<b>Deferred Inflows of</b>				
<b>Resources and Fund Balances:</b>				
Deferred inflows of resources:				
Unavailable revenue - property taxes	\$27,331			\$27,331
Unavailable revenue - interest	5,980	\$770	\$3,647	10,397
Total Deferred Inflow of Resources	33,311	770	3,647	37,728
Fund balances:				
Restricted for debt service	132,941	281,017		413,958
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$166,252</b>	<b>\$281,787</b>	<b>\$3,647</b>	<b>\$451,686</b>

**CITY OF BEAVERTON, OREGON  
NONMAJOR CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
June 30, 2019**

	Capital Projects Fund	BURA Capital Projects	Total
<b>Assets:</b>			
Cash and investments	\$822,367	\$81,296	\$903,663
Accrued interest receivable	2,899		2,899
<b>TOTAL ASSETS</b>	<b>\$825,266</b>	<b>\$81,296</b>	<b>\$906,562</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>			
Liabilities:			
Accounts payable	\$194,354	\$81,296	\$275,650
Deferred inflow of resources:			
Investment interest	2,899		2,899
Fund balances:			
Restricted	123,106		123,106
Committed	504,907		504,907
Total Fund Balances	628,013		628,013
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$825,266</b>	<b>\$81,296</b>	<b>\$906,562</b>

**CITY OF BEAVERTON, OREGON**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended June 30, 2019**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
<b>Revenues:</b>				
Property taxes	\$4,912,225	\$2,058,703		\$6,970,928
Local taxes	1,278,325			1,278,325
Intergovernmental	796,587		\$175,000	971,587
Federal grants	684,413			684,413
Fees, licenses, and permits	7,455,343			7,455,343
Right of way fees		1,084,060		1,084,060
Interest on investments and assessments	848,025	31,674	28,320	908,019
Lease of City property	176,225			176,225
Miscellaneous revenues and cash-in-lieu	96,426	7,897	406	104,729
<b>TOTAL REVENUES</b>	<u>16,247,569</u>	<u>3,182,334</u>	<u>203,726</u>	<u>19,633,629</u>
<b>Expenditures:</b>				
Current:				
General government	5,766,212			5,766,212
Highways and streets	2,370,715			2,370,715
Cultural	1,530,467			1,530,467
Debt service:				
Principal		2,038,173	467,031	2,505,204
Interest		1,396,347	78,893	1,475,240
Capital Outlay:			5,730,998	5,730,998
<b>TOTAL EXPENDITURES</b>	<u>9,667,394</u>	<u>3,434,520</u>	<u>6,276,922</u>	<u>19,378,836</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>6,580,175</u>	<u>(252,186)</u>	<u>(6,073,196)</u>	<u>254,793</u>
<b>Other financing sources (uses):</b>				
Issuance, note payable			903,000	903,000
Repayment of loan, General Fund		(3,001,332)		(3,001,332)
Loan from General Fund			3,001,332	3,001,332
Transfers in	556,127	3,219,385	1,539,216	5,314,728
Transfers out	(4,510,848)		(72,635)	(4,583,483)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(3,954,721)</u>	<u>218,053</u>	<u>5,370,913</u>	<u>1,634,245</u>
<b>NET CHANGE IN FUND BALANCES</b>	2,625,454	(34,133)	(702,283)	1,889,038
<b>FUND BALANCES - BEGINNING</b>	<u>18,524,514</u>	<u>448,091</u>	<u>1,330,296</u>	<u>20,302,901</u>
<b>FUND BALANCES - ENDING</b>	<u>\$21,149,968</u>	<u>\$413,958</u>	<u>\$628,013</u>	<u>\$22,191,939</u>

**CITY OF BEAVERTON, OREGON**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended June 30, 2019**

	<u>Building Fund</u>	<u>Community Development Block Grant Fund</u>	<u>Lodging Tax (TLT) Fund</u>
<b>Revenues:</b>			
Property taxes			
Local taxes			\$1,278,325
Intergovernmental			796,587
Federal grants		\$684,413	
Fees, licenses, and permits	\$3,943,369		
Interest on investments and assessments	86,949	47	42,531
Lease of City property		73,200	
Miscellaneous revenues and cash-in-lieu	69,320	4,441	327
<b>TOTAL REVENUES</b>	<u>4,099,638</u>	<u>762,101</u>	<u>2,117,770</u>
<b>Expenditures:</b>			
Current:			
General government	3,961,052	784,183	
Highways and streets			
Cultural			1,530,467
<b>TOTAL EXPENDITURES</b>	<u>3,961,052</u>	<u>784,183</u>	<u>1,530,467</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>138,586</u>	<u>(22,082)</u>	<u>587,303</u>
<b>Other financing sources (uses):</b>			
Transfers in			556,127
Transfers out	(261,112)		(378,085)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>			<u>178,042</u>
<b>NET CHANGE IN FUND BALANCES</b>	(122,526)	(22,082)	765,345
<b>FUND BALANCES - BEGINNING</b>	<u>1,877,174</u>	<u>36,426</u>	<u>905,314</u>
<b>FUND BALANCES - ENDING</b>	<u>\$1,754,648</u>	<u>\$14,344</u>	<u>\$1,670,659</u>

Street Lighting Fund	Transportation Systems Development Fund	Transportaion Development Tax Fund	BURA General Fund	Total
\$1,237,490			\$3,674,735	\$4,912,225
				1,278,325
				796,587
		\$3,511,974		684,413
				7,455,343
17,008	\$22,794	483,760	194,936	848,025
			103,025	176,225
18,280			4,058	96,426
<u>1,272,778</u>	<u>22,794</u>	<u>3,995,734</u>	<u>3,976,754</u>	<u>16,247,569</u>
1,063,693	580,000	727,022	1,020,977	5,766,212
				2,370,715
				1,530,467
<u>1,063,693</u>	<u>580,000</u>	<u>727,022</u>	<u>1,020,977</u>	<u>9,667,394</u>
<u>209,085</u>	<u>(557,206)</u>	<u>3,268,712</u>	<u>2,955,777</u>	<u>6,580,175</u>
(544,014)		(162,112)	(3,165,525)	556,127
				(4,510,848)
(544,014)		(162,112)	(3,165,525)	(3,954,721)
(334,929)	(557,206)	3,106,600	(209,748)	2,625,454
<u>369,194</u>	<u>591,428</u>	<u>10,177,521</u>	<u>4,567,457</u>	<u>18,524,514</u>
<u>\$34,265</u>	<u>\$34,222</u>	<u>\$13,284,121</u>	<u>\$4,357,709</u>	<u>\$21,149,968</u>

**CITY OF BEAVERTON, OREGON**  
**NONMAJOR DEBT SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended June 30, 2019**

	General Obligation Debt Service Fund	Special Revenue Debt Service Fund	Assessment Debt Service Fund	BURA Debt Service	Total
<b>Revenues:</b>					
Property taxes	\$2,058,703				\$2,058,703
Right of way fees		\$1,084,060			1,084,060
Interest on investments and assessments	22,113	8,821	\$740		31,674
Miscellaneous revenues	2,989		4,908		7,897
<b>TOTAL REVENUES</b>	<u>2,083,805</u>	<u>1,092,881</u>	<u>5,648</u>		<u>3,182,334</u>
<b>Expenditures:</b>					
Debt service:					
Principal	1,000,000	1,038,173			2,038,173
Interest	1,180,621	45,885	5,648	\$164,193	1,396,347
<b>TOTAL EXPENDITURES</b>	<u>2,180,621</u>	<u>1,084,058</u>	<u>5,648</u>	<u>164,193</u>	<u>3,434,520</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(96,816)</u>	<u>8,823</u>		<u>(164,193)</u>	<u>(252,186)</u>
<b>Other financing sources (uses):</b>					
Repayment of short term loan from General Fund				(3,001,332)	(3,001,332)
Transfers in	53,860			3,165,525	3,219,385
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>				<u>164,193</u>	<u>218,053</u>
NET CHANGE IN FUND BALANCES	(42,956)	8,823			(34,133)
FUND BALANCES - BEGINNING	175,897	272,194			448,091
FUND BALANCES - ENDING	<u>\$132,941</u>	<u>\$281,017</u>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$413,958</u>

**CITY OF BEAVERTON, OREGON**  
**NONMAJOR CAPITAL PROJECTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended June 30, 2019**

	<u>Capital Projects Fund</u>	<u>BURA Capital Project Fund</u>	<u>Total</u>
<b>Revenues:</b>			
Intergovernmental	\$175,000		\$175,000
Interest on investments and assessments	28,320		28,320
Miscellaneous revenues and cash-in-lieu		\$406	406
<b>TOTAL REVENUES</b>	<u>203,320</u>	<u>406</u>	<u>203,726</u>
<b>Expenditures:</b>			
Principal		467,031	467,031
Interest		78,893	78,893
Capital Outlay	2,372,184	3,358,814	5,730,998
<b>TOTAL EXPENDITURES</b>	<u>2,372,184</u>	<u>3,904,738</u>	<u>6,276,922</u>
 DEFICIENCY OF REVENUES UNDER EXPENDITURES	 <u>(2,168,864)</u>	 <u>(3,904,332)</u>	 <u>(6,073,196)</u>
<b>Other financing sources:</b>			
Issuance, note payable		903,000	903,000
Loan from General Fund		3,001,332	3,001,332
Transfers in	1,539,216		1,539,216
Transfers out	(72,635)		(72,635)
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>1,466,581</u>	<u>3,904,332</u>	<u>5,370,913</u>
 NET CHANGE IN FUND BALANCES	 <u>(702,283)</u>		 <u>(702,283)</u>
 FUND BALANCES - BEGINNING	 <u>1,330,296</u>		 <u>1,330,296</u>
FUND BALANCES - ENDING	<u>\$628,013</u>	<u>\$ ----</u>	<u>\$628,013</u>

**CITY OF BEAVERTON, OREGON**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES AND TRANSFERS**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		Positive (Negative)
<b>Expenditures and Transfers:</b>				
City Council:				
Personnel services	\$107,400	\$107,400	\$104,656	\$2,744
Materials and services	37,356	40,491	31,523	8,968
Transfers	22,176	22,176	22,176	
	<u>166,932</u>	<u>170,067</u>	<u>158,355</u>	<u>11,712</u>
Mayor's Office:				
Personnel services	4,918,541	4,998,057	4,612,894	385,163
Materials and services	2,158,682	2,402,228	1,921,681	480,547
Capital outlay	25,000	25,126	25,126	
Transfers	684,047	685,814	675,835	9,979
Contingency	44,176	44,176		44,176
	<u>7,830,446</u>	<u>8,155,401</u>	<u>7,235,536</u>	<u>919,865</u>
Non-Departmental:				
Materials and services	3,287,761	3,303,003	2,893,465	409,538
Capital outlay	234,000	252,500	92,058	160,442
Debt service	106,692	106,692	106,692	
Transfers	4,456,722	5,996,161	5,417,071	579,090
Contingency	5,789,216	4,506,704		4,506,704
	<u>13,874,391</u>	<u>14,165,060</u>	<u>8,509,286</u>	<u>5,655,774</u>
Department of Human Resources:				
Personnel services	925,426	925,426	838,150	87,276
Materials and services	336,716	422,916	349,056	73,860
Transfers	15,526	15,526	11,985	3,541
	<u>1,277,668</u>	<u>1,363,868</u>	<u>1,199,191</u>	<u>164,677</u>
Finance Department:				
Personnel services	2,062,785	2,062,785	1,956,999	105,786
Materials and services	144,956	155,956	141,325	14,631
Transfers	80,402	80,402	80,402	
	<u>2,288,143</u>	<u>2,299,143</u>	<u>2,178,726</u>	<u>120,417</u>
Municipal Court Department:				
Personnel services	2,334,030	2,313,000	2,099,785	213,215
Materials and services	736,670	1,057,718	1,024,980	32,738
Capital outlay	113,335	113,335	4,972	108,363
Transfers	116,623	116,623	111,078	5,545
	<u>3,300,658</u>	<u>3,600,676</u>	<u>3,240,815</u>	<u>359,861</u>
City Attorney:				
Personnel services	2,159,950	2,159,950	2,083,149	76,801
Materials and services	128,637	147,357	125,619	21,738
Transfers	11,643	11,643	11,199	444
	<u>2,300,230</u>	<u>2,318,950</u>	<u>2,219,967</u>	<u>98,983</u>

Continued

**CITY OF BEAVERTON, OREGON  
GENERAL FUND  
SCHEDULE OF EXPENDITURES AND TRANSFERS  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL, Continued  
For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures and Transfers :</b>				
Police Department:				
Personnel services	\$28,091,332	\$28,094,155	\$27,253,382	\$840,773
Materials and services	3,484,848	3,550,989	3,320,406	230,583
Capital outlay	406,000	435,450	427,566	7,884
Transfers	1,299,629	1,339,666	1,303,124	36,542
Contingency	525,215	525,215		525,215
	<u>33,807,024</u>	<u>33,945,475</u>	<u>32,304,478</u>	<u>1,640,997</u>
Community & Economic Development				
Personnel services	6,844,304	6,912,976	6,236,103	676,873
Materials and services	3,149,138	4,094,841	1,532,869	2,561,972
Capital outlay	301,050	301,050	72,173	228,877
Transfers	120,655	132,747	121,793	10,954
Contingency	48,492	48,492		48,492
	<u>10,463,639</u>	<u>11,490,106</u>	<u>7,962,938</u>	<u>3,527,168</u>
Capital Development				
Personnel services	1,050,647	1,074,416	1,040,446	33,970
Materials and services	39,405	47,425	33,175	14,250
Capital outlay	22,000	22,000	21,797	203
Transfers	25,898	26,233	26,149	84
Contingency	11,815	11,815		11,815
	<u>1,149,765</u>	<u>1,181,889</u>	<u>1,121,567</u>	<u>60,322</u>
Public Works - Operations Department:				
Personnel services	1,201,623	1,201,623	1,082,293	119,330
Materials and services	376,050	376,050	352,487	23,563
Capital outlay	50,150	85,021	81,442	3,579
Transfers	288,915	294,698	294,698	
Contingency	348,991	318,147		318,147
	<u>2,265,729</u>	<u>2,275,539</u>	<u>1,810,920</u>	<u>464,619</u>
<b>TOTAL EXPENDITURES AND TRANSFERS</b>				
	<u><u>\$78,724,625</u></u>	<u><u>\$80,966,174</u></u>	<u><u>\$67,941,779</u></u>	<u><u>\$13,024,395</u></u>

**The summary of appropriated General Fund expenditures and transfers by category is as follows:**

Personnel Services	\$49,696,038	\$49,849,788	\$47,307,857	\$2,541,931
Materials and services	13,880,219	15,598,974	11,726,586	3,872,388
Capital outlay	1,151,535	1,234,482	725,134	509,348
Debt service	106,692	106,692	106,692	
Transfers	7,122,236	8,721,689	8,075,510	646,179
Contingency	6,767,905	5,454,549	-	5,454,549
	<u><u>\$78,724,625</u></u>	<u><u>\$80,966,174</u></u>	<u><u>\$67,941,779</u></u>	<u><u>\$13,024,395</u></u>

**CITY OF BEAVERTON, OREGON**  
**BUILDING FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Building fees and permits	\$2,060,000	\$2,060,000	\$1,566,973	(\$493,027)
Plan checks:				
Commercial	795,000	795,000	775,968	(19,032)
Residential	155,000	155,000	344,738	189,738
Safety plan checks - fire	510,000	510,000	412,811	(97,189)
Electrical inspection fees	550,000	550,000	426,469	(123,531)
Plumbing inspection fees	515,000	515,000	374,215	(140,785)
Sewer inspection fees	6,555	6,555	6,250	(305)
Misc small permit fees	38,000	38,000	35,945	(2,055)
Interest on investments	41,800	41,800	43,689	1,889
Miscellaneous revenues	62,000	62,000	69,320	7,320
<b>TOTAL REVENUES</b>	<u>4,733,355</u>	<u>4,733,355</u>	<u>4,056,378</u>	<u>(676,977)</u>
<b>Expenditures:</b>				
Personnel services	3,181,584	3,207,684	2,983,023	224,661
Materials and services	151,779	240,214	159,933	80,281
Capital Outlay	88,500	88,500	49,698	38,802
Contingency	2,128,814	1,678,097		1,678,097
<b>TOTAL EXPENDITURES</b>	<u>5,550,677</u>	<u>5,214,495</u>	<u>3,192,654</u>	<u>2,021,841</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(817,322)	(481,140)	863,724	1,344,864
<b>Other financing uses:</b>				
Transfers out	(1,046,588)	(1,049,098)	(1,023,446)	25,652
<b>NET CHANGE IN FUND BALANCE</b>	<u>(1,863,910)</u>	<u>(1,530,238)</u>	<u>(159,722)</u>	<u>1,370,516</u>
FUND BALANCES - budgetary basis, Beginning of year	<u>1,863,910</u>	<u>1,530,238</u>	<u>1,530,238</u>	<u></u>
FUND BALANCES - budgetary basis, End of year	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$1,370,516</u>	<u>\$1,370,516</u>

**Reconciliation of net change in fund balance -  
budgetary basis to GAAP basis**

Net change in fund balance - budgetary basis	(\$159,722)
Investment adjustment to fair market value	43,260
Funding of compensated absences, not GAAP expense	(46,816)
Funding of reserve for retirement benefits, not GAAP expense	40,752
Net change in fund balance - GAAP basis	<u><u>(\$122,526)</u></u>

**CITY OF BEAVERTON, OREGON**  
**COMMUNITY DEVELOPMENT BLOCK GRANT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenue:</b>				
Federal grants	\$992,265	\$979,018	\$684,413	(\$294,605)
Lease of City property	73,200	73,200	73,200	
Interest on investments	400	400	47	(353)
Miscellaneous revenues	40,000	51,767	4,441	(47,326)
<b>TOTAL REVENUES</b>	<u>1,105,865</u>	<u>1,104,385</u>	<u>762,101</u>	<u>(342,284)</u>
<b>Expenditures:</b>				
Personnel services	95,915	98,345	83,052	15,293
Materials and services	1,043,212	1,039,302	700,468	338,834
Contingency		2,332		2,332
<b>TOTAL EXPENDITURES</b>	<u>1,139,127</u>	<u>1,139,979</u>	<u>783,520</u>	<u>356,459</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(33,262)	(35,594)	(21,419)	14,175
<b>Other financing uses:</b>				
Transfers out	(832)	(832)	(663)	169
NET CHANGE IN FUND BALANCE	(34,094)	(36,426)	(22,082)	14,344
FUND BALANCES - budgetary basis, Beginning of year	<u>34,094</u>	<u>36,426</u>	<u>36,426</u>	
FUND BALANCES - budgetary basis, End of year	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$14,344</u>	<u>\$14,344</u>

Note: There is no difference between budgetary and GAAP net change in fund balance.

**CITY OF BEAVERTON, OREGON**  
**LODGING TAX (TLT) FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenue:</b>				
Local tax	\$1,290,000	\$1,259,150	\$1,278,326	\$19,176
County 2.5% lodging tax	806,000	790,645	796,587	5,942
Investment interest earnings	24,500	24,500	16,156	(8,344)
Miscellaneous revenues			327	327
TOTAL REVENUES	<u>2,120,500</u>	<u>2,074,295</u>	<u>2,091,396</u>	<u>17,101</u>
<b>Expenditures:</b>				
Personnel services	677,377	686,449	663,267	23,182
Materials and services	899,048	937,536	867,884	69,652
Contingency	1,609,859	1,491,264		1,491,264
TOTAL EXPENDITURES	<u>3,186,284</u>	<u>3,115,249</u>	<u>1,531,151</u>	<u>1,584,098</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,065,784)	(1,040,954)	560,245	1,601,199
<b>Other financing sources (uses):</b>				
Transfers in	557,070	557,070	556,127	(943)
Transfers out	(321,320)	(402,320)	(402,320)	
TOTAL OTHER FINANCING SOURCES (USES)	235,750	154,750	153,807	(943)
NET CHANGE IN FUND BALANCE	(830,034)	(886,204)	714,052	1,600,256
FUND BALANCES - budgetary				
basis, Beginning of year	<u>830,034</u>	<u>886,204</u>	<u>886,204</u>	
FUND BALANCES - budgetary				
basis, End of year	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$1,600,256</u>	<u>\$1,600,256</u>

**Reconciliation of net change in fund balance -  
budgetary basis to GAAP basis**

Net change in fund balance - budgetary basis	\$714,052
Investment adjustment to fair market value	26,375
Funding of compensated absences, not GAAP expense	15,901
Funding of reserve for retirement benefits, not GAAP expense	<u>9,017</u>
Net change in fund balance - GAAP basis	<u>\$765,345</u>

**CITY OF BEAVERTON, OREGON**  
**BEAVERTON CENTER FOR THE ARTS GIFT AND CONTRIBUTION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenue:</b>				
Contributions	\$1,000,000	\$1,000,000		(\$1,000,000)
<b>Expenditures:</b>				
Contingency	1,100,000	1,000,000		1,000,000
NET CHANGE IN FUND BALANCE	(100,000)			
FUND BALANCES - budgetary basis, Beginning of year	100,000			
FUND BALANCES - budgetary basis, End of year	\$ ----	\$ ----	\$ ----	\$ ----

**CITY OF BEAVERTON, OREGON**  
**STREET LIGHTING FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>				
Property taxes:				
Current year's levy	\$1,180,564	\$1,180,564	\$1,197,821	\$17,257
Prior years' levy	10,000	10,000	39,669	29,669
Interest on investments	13,200	13,200	15,085	1,885
Miscellaneous revenues	8,000	168,000	18,280	(149,720)
TOTAL REVENUES	1,211,764	1,371,764	1,270,855	(100,909)
<b>Expenditures:</b>				
Personnel services	317,537	182,537	173,965	8,572
Materials and services	861,500	862,700	780,595	82,105
Contingency	65,293			
TOTAL EXPENDITURES	1,244,330	1,045,237	954,560	90,677
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(32,566)	326,527	316,295	(10,232)
<b>Other financing uses:</b>				
Transfers out	(116,346)	(668,461)	(658,229)	10,232
NET CHANGE IN FUND BALANCE	(148,912)	(341,934)	(341,934)	
FUND BALANCES - budgetary basis, Beginning of year	148,912	341,934	341,934	
FUND BALANCES - budgetary basis, End of year	\$ ----	\$ ----	\$ ----	\$ ----

**Reconciliation of net change in fund balance -  
budgetary basis to GAAP basis**

Net change in fund balance - budgetary basis	(\$341,934)
Funding of reserve for retirement benefits, not GAAP expense	2,208
Funding of compensated absences, not GAAP expense	2,874
Investment adjustment to fair market value	1,923
Net change in fund balance - GAAP basis	(\$334,929)

**CITY OF BEAVERTON, OREGON**  
**TRANSPORTATION SYSTEMS DEVELOPMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenue:</b>				
Transportation SDC - South Cooper Mountain	\$300,000	\$300,000		(\$300,000)
Investment interest earnings			\$11,968	11,968
<b>TOTAL REVENUES</b>	<u>300,000</u>	<u>300,000</u>	<u>11,968</u>	<u>(288,032)</u>
<b>Expenditures:</b>				
Materials and services				
Contingency	300,000	895,579		895,579
<b>TOTAL EXPENDITURES</b>	<u>300,000</u>	<u>895,579</u>		<u>895,579</u>
 NET CHANGE IN FUND BALANCE		(595,579)	11,968	607,547
 FUND BALANCES - budgetary basis, Beginning of year		<u>595,579</u>	<u>595,579</u>	
 FUND BALANCES - budgetary basis, End of year	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$607,547</u>	<u>\$607,547</u>

**Reconciliation of net change in fund balance -  
budgetary basis to GAAP basis**

Net change in fund balance - budgetary basis	\$11,968
Investment adjustment to fair market value	10,826
Payment accrual due to other government agency, GAAP expense	<u>(580,000)</u>
Net change in fund balance - GAAP basis	<u><u>(\$557,206)</u></u>

**CITY OF BEAVERTON, OREGON**  
**TRANSPORTATION DEVELOPMENT TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Fees, licenses, and permits	\$1,566,000	\$1,566,000	\$3,511,974	\$1,945,974
Interest on investments	181,400	181,400	240,953	59,553
<b>TOTAL REVENUES</b>	<u>1,747,400</u>	<u>1,747,400</u>	<u>3,752,927</u>	<u>2,005,527</u>
<b>Expenditures:</b>				
Personnel services	179,026	180,526	177,167	3,359
Materials and services		161,170	22,243	138,927
Contingency	10,043,789	9,677,035		9,677,035
<b>TOTAL EXPENDITURES</b>	<u>10,222,815</u>	<u>10,018,731</u>	<u>199,410</u>	<u>9,819,321</u>
 <b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	 (8,475,415)	 (8,271,331)	 3,553,517	 11,824,848
<b>Other financing uses:</b>				
Transfers out	(1,910,744)	(1,971,232)	(204,737)	1,766,495
 <b>NET CHANGE IN FUND BALANCE</b>	 (10,386,159)	 (10,242,563)	 3,348,780	 13,591,343
 FUND BALANCES - budgetary basis, Beginning of year	 <u>10,386,159</u>	 <u>10,242,563</u>	 <u>10,242,563</u>	 <u>                    </u>
 FUND BALANCES - budgetary basis, End of year	 <u>\$ ----</u>	 <u>\$ ----</u>	 <u>\$13,591,343</u>	 <u>\$13,591,343</u>

**Reconciliation of net change in fund balance -  
budgetary basis to GAAP basis**

Net change in fund balance - budgetary basis	\$3,348,780
Investment adjustment to fair market value	242,807
Funding of compensated absences, not GAAP expense	(469)
Funding of reserve for retirement benefits, not GAAP expense	2,259
Payment accrual due to other government agency, GAAP expense	(486,777)
<b>Net change in fund balance - GAAP basis</b>	<u><u>\$3,106,600</u></u>

**CITY OF BEAVERTON, OREGON**  
**BURA GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property taxes:				
Current year's levy	\$3,647,997	\$3,647,997	\$3,635,270	(\$12,727)
Prior year's levy	10,000	10,000	39,465	29,465
Rental of BURA property	95,100	95,100	103,025	7,925
Interest on investments	87,000	87,000	114,307	27,307
Miscellaneous revenues	2,200	2,200	4,058	1,858
TOTAL REVENUES	<u>3,842,297</u>	<u>3,842,297</u>	<u>3,896,125</u>	<u>53,828</u>
<b>Expenditures:</b>				
Materials and services	1,555,250	2,163,843	856,588	1,307,255
Contingency	4,410,843	2,521,374		2,521,374
TOTAL EXPENDITURES	<u>5,966,093</u>	<u>4,685,217</u>	<u>856,588</u>	<u>3,828,629</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,123,796)	(842,920)	3,039,537	3,882,457
<b>Other financing uses:</b>				
Transfers out	(1,319,350)	(3,763,108)	(3,329,914)	433,194
NET CHANGE IN FUND BALANCE	(3,443,146)	(4,606,028)	(290,377)	4,315,651
FUND BALANCES - budgetary basis, Beginning of year	<u>3,443,146</u>	<u>4,606,028</u>	<u>4,606,028</u>	
FUND BALANCES - budgetary basis, End of year	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$4,315,651</u>	<u>\$4,315,651</u>
Reconciliation of net change in fund balance - budgetary basis to GAAP basis				
Net change in fund balance - budgetary basis			(\$290,377)	
Investment adjustment to fair market value			<u>80,629</u>	
Net change in fund balance - GAAP basis			<u>(\$209,748)</u>	

**CITY OF BEAVERTON, OREGON**  
**GENERAL OBLIGATION DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>Revenues:</b>				
Property taxes:				
Current year's levy	\$1,968,801	\$1,968,801	\$1,997,578	\$28,777
Prior years' levy	15,000	15,000	61,125	46,125
Interest on investments	15,500	15,500	19,871	4,371
Miscellaneous revenues	1,300	1,300	2,990	1,690
TOTAL REVENUES	2,000,601	2,000,601	2,081,564	80,963
<b>Expenditures:</b>				
Debt service:				
Principal	1,000,000	1,000,000	1,000,000	
Interest	1,180,622	1,180,622	1,180,622	
Contingency	85,743	97,222		\$97,222
TOTAL EXPENDITURES	2,266,365	2,277,844	2,180,622	97,222
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(265,764)	(277,243)	(99,058)	178,185
<b>Other financing sources:</b>				
Transfers in	100,000	100,000	53,860	(\$46,140)
NET CHANGE IN FUND BALANCE	(165,764)	(177,243)	(45,198)	132,045
FUND BALANCES - budgetary basis, Beginning of year	165,764	177,243	177,243	
FUND BALANCES - budgetary basis, End of year	\$ ----	\$ ----	\$132,045	\$132,045
Reconciliation of net change in fund balance - budgetary basis to GAAP basis				
Net change in fund balance - budgetary basis			(\$45,198)	
Investment adjustment to fair market value			2,242	
Net change in fund balance - GAAP basis			(\$42,956)	

**CITY OF BEAVERTON, OREGON**  
**SPECIAL REVENUE DEBT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Right of way fees	\$1,084,060	\$1,084,060	\$1,084,060	
Interest on investments	4,800	4,800	3,868	(\$932)
<b>TOTAL REVENUES</b>	<b>1,088,860</b>	<b>1,088,860</b>	<b>1,087,928</b>	<b>(932)</b>
<b>Expenditures:</b>				
Debt service:				
Principal	1,038,173	1,038,173	1,038,173	
Interest	45,885	45,885	45,885	
Contingency	279,013	279,218		279,218
<b>TOTAL EXPENDITURES</b>	<b>1,363,071</b>	<b>1,363,276</b>	<b>1,084,058</b>	<b>279,218</b>
<b>EXCESS (DEFICIENCY) OF REVENUES UNDER EXPENDITURES</b>	<b>(274,211)</b>	<b>(274,416)</b>	<b>3,870</b>	<b>278,286</b>
FUND BALANCES - budgetary basis, Beginning of year	274,211	274,416	274,416	
FUND BALANCES - budgetary basis, End of year	\$ ----	\$ ----	\$278,286	\$278,286
Reconciliation of net change in fund balance - budgetary basis to GAAP basis				
Net change in fund balance - budgetary basis			\$3,870	
Investment adjustment to fair market value			4,953	
Net change in fund balance - GAAP basis			<u>\$8,823</u>	

**CITY OF BEAVERTON, OREGON**  
**ASSESSMENT DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Bonded assessments	\$10,800	\$10,800	\$4,908	(\$5,892)
Interest collected on assessments	3,500	3,500	740	(2,760)
Interest on investments	100	100		(100)
<b>TOTAL REVENUES</b>	<b>14,400</b>	<b>14,400</b>	<b>5,648</b>	<b>(8,752)</b>
<b>Other financing uses:</b>				
Transfers out	(14,400)	(14,400)	(5,648)	8,752
<b>NET CHANGE IN FUND BALANCE</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>
FUND BALANCES - budgetary basis, Beginning of year				
FUND BALANCES - budgetary basis, End of year	\$ ----	\$ ----	\$ ----	\$ ----

**CITY OF BEAVERTON, OREGON**  
**BURA DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures:</b>				
Debt Service	\$1,170,834	\$3,614,592	\$3,165,525	\$449,067
<b>Other financing sources:</b>				
Transfers in	1,170,834	3,614,592	3,165,525	(449,067)
NET CHANGE IN FUND BALANCE	---	---	---	---
FUND BALANCES - budgetary basis, Beginning of year	---	---	---	---
FUND BALANCES - budgetary basis, End of year	\$ ---	\$ ---	\$ ---	\$ ---

Note: There is no difference between budgetary revenues and expenditures and GAAP revenues and expenditures..

Of the \$3,165,525 debt service expenditures, \$164,193 was for interest expense on line-of credit and \$3,001,332 was a repayment of the "day-light loan" from the City of Beaverton.

**CITY OF BEAVERTON, OREGON  
CAPITAL DEVELOPMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Interest on investments	\$415,300	\$415,300	\$633,170	\$217,870
Grant-State		60,000		(60,000)
Grant-Federal		400,000		(400,000)
Grant - Private		509,589		(509,589)
Sale of City/BURA property	48,022	48,022	48,022	
Lease of City property	13,664	13,664	13,721	57
Miscellaneous revenue			65,537	65,537
TOTAL REVENUES	<u>476,986</u>	<u>1,446,575</u>	<u>760,450</u>	<u>(686,125)</u>
<b>Expenditures:</b>				
Capital outlay	19,351,330	38,436,274	14,143,411	24,292,863
Contingency	16,157,401	3,016		3,016
TOTAL EXPENDITURES	<u>35,508,731</u>	<u>38,439,290</u>	<u>14,143,411</u>	<u>24,295,879</u>
(DEFICIENCY) OF REVENUES UNDER EXPENDITURES	<u>(35,031,745)</u>	<u>(36,992,715)</u>	<u>(13,382,961)</u>	<u>23,609,754</u>
<b>Other financing</b>				
Transfers in	627,085	1,696,910	1,471,874	(225,036)
NET CHANGE IN FUND BALANCE	(34,404,660)	(35,295,805)	(11,911,087)	23,384,718
FUND BALANCES - budgetary basis, Beginning of year	<u>34,404,660</u>	<u>35,295,805</u>	<u>35,295,805</u>	
FUND BALANCES - budgetary basis, End of year	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$23,384,718</u>	<u>\$23,384,718</u>
<b>Reconciliation of net change in fund balance - budgetary basis to GAAP basis</b>				
Net change in fund balance - budgetary basis			(\$11,911,087)	
Investment adjustment to fair market value			465,724	
Net change in fund balance - GAAP basis			<u>(\$11,445,363)</u>	

**CITY OF BEAVERTON, OREGON**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Intergovernmental	\$150,000	\$150,000	\$175,000	\$25,000
Interest on investments	12,000	12,000	13,825	1,825
<b>TOTAL REVENUES</b>	<b>162,000</b>	<b>162,000</b>	<b>188,825</b>	<b>26,825</b>
<b>Expenditures:</b>				
Capital outlay	4,362,000	4,955,139	2,372,184	2,582,955
Contingency	603,872	520,563		520,563
<b>TOTAL EXPENDITURES</b>	<b>4,965,872</b>	<b>5,475,702</b>	<b>2,372,184</b>	<b>3,103,518</b>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(4,803,872)</u>	<u>(5,313,702)</u>	<u>(2,183,359)</u>	<u>3,130,343</u>
<b>Other financing sources:</b>				
Transfers in	3,424,861	4,047,221	1,539,216	(2,508,005)
Transfers out		(72,635)	(72,635)	
<b>TOTAL OTHER FINANCING SOURCES/USES</b>	<b>3,424,861</b>	<b>3,974,586</b>	<b>1,466,581</b>	<b>(2,508,005)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,379,011)</b>	<b>(1,339,116)</b>	<b>(716,778)</b>	<b>622,338</b>
FUND BALANCES - budgetary basis, Beginning of year	<u>1,379,011</u>	<u>1,339,116</u>	<u>1,339,116</u>	
FUND BALANCES - budgetary basis, End of year	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$622,338</u>	<u>\$622,338</u>
<b>Reconciliation of net change in fund balance - budgetary basis to GAAP basis</b>				
Net change in fund balance - budgetary basis			(\$716,778)	
Investment adjustment to fair market value			<u>14,495</u>	
Net change in fund balance - GAAP basis			<u>(\$702,283)</u>	

**CITY OF BEAVERTON, OREGON**  
**BURA CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Expenditures:</b>				
Capital outlay	\$1,014,334	\$3,458,092	\$3,001,738	\$456,354
<b>Other financing sources:</b>				
Loan from City of Beaverton	1,014,334	3,458,092	3,001,332	(456,760)
Miscellaneous revenue			406	406
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>1,014,334</u>	<u>3,458,092</u>	<u>3,001,738</u>	<u>(456,354)</u>
<b>NET CHANGE IN FUND BALANCE</b>	---	---	---	---
<b>FUND BALANCES - budgetary basis, Beginning of year</b>	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
<b>FUND BALANCES - budgetary basis, End of year</b>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>

**Reconciliation of capital outlay expenditures - budgetary basis to GAAP basis**

Capital outlay - budgetary basis	\$3,001,738
Property acquired on installment debt (also GAAP other financing source)	903,000
Payments made on installment debt, principal (GAAP debt service expenditure)	(467,031)
Payments made on installment debt, interest (GAAP debt service expenditure)	(78,893)
Capital outlay - GAAP basis	<u>\$3,358,814</u>

## **COMBINING STATEMENTS INTERNAL SERVICE FUNDS**

These funds are used to account for services provided by the City of Beaverton for other units within the City. Included are:

*Reprographics Fund* - accounts for the reprographics services.

*Garage Fund* - accounts for the vehicle and equipment repair services.

*Information Systems Fund* - accounts for the data processing services.

*Geographic Information Systems Fund* - accounts for the mapping and technical services.

*Public Works Administration Fund* - accounts for the activities of the Public Works Department.

*Insurance Fund* - accounts for the insurance activities.

**CITY OF BEAVERTON, OREGON**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
June 30, 2019

	<u>Reprographics Fund</u>	<u>Garage Fund</u>	<u>Information Systems Fund</u>
<b>Assets:</b>			
Current assets:			
Cash and investments	\$233,586	\$419,411	\$1,019,401
Accounts and other receivable, net			1,375
Accrued interest receivable	649	502	3,789
Inventory of materials and supplies	<u>12,007</u>	<u>89,828</u>	
Total current assets	246,242	509,741	1,024,565
Other assets			
Net OPEB Asset (RHIA)	2,114	6,850	15,169
Capital assets, net	<u>4,987</u>	<u>49,765</u>	<u>2,661,072</u>
TOTAL ASSETS	<u>253,343</u>	<u>566,356</u>	<u>3,700,806</u>
Deferred outflows of resources:			
Deferred amount on pensions	119,282	238,638	1,069,048
Deferred amount on OPEB	1,585	5,136	11,371
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable	39,912	30,670	28,030
Accrued salaries and payroll taxes	15,084	32,285	170,067
Other accrued liabilities			
Long-term liabilities:			
Compensated absences	14,536	39,065	249,685
Net OPEB	20,533	66,517	147,282
Net pension liability	<u>340,144</u>	<u>680,506</u>	<u>3,048,508</u>
TOTAL LIABILITIES	<u>430,209</u>	<u>849,043</u>	<u>3,643,572</u>
Deferred inflows of resources:			
Deferred amount on pensions	35,295	70,614	316,334
Deferred amount on OPEB	5,522	17,887	39,604
<b>Net Position:</b>			
Invested in capital assets	4,987	49,765	2,661,072
Restricted for OPEB asset	2,114	6,850	15,169
Unrestricted	<u>(103,917)</u>	<u>(184,029)</u>	<u>(1,894,526)</u>
TOTAL NET POSITION	<u><u>(\$96,816)</u></u>	<u><u>(\$127,414)</u></u>	<u><u>\$781,715</u></u>

Public Works Administration Fund	Insurance Fund	Total
\$338,827	\$3,541,787	\$5,553,012
	37,682	39,057
760	13,718	19,418
		<u>101,835</u>
339,587	3,593,187	5,713,322
	50,000	50,000
2,968	2,229	29,330
585,481		<u>3,301,305</u>
<u>928,036</u>	<u>3,645,416</u>	<u>9,093,957</u>
258,509	133,865	1,819,342
2,225	1,672	21,989
24,515	96,177	219,304
51,177	25,494	294,107
	589,334	589,334
93,640	42,378	439,304
28,818	21,645	284,795
737,170	381,734	<u>5,188,062</u>
<u>935,320</u>	<u>1,156,762</u>	<u>7,014,906</u>
76,495	39,611	538,349
7,747	5,819	76,579
585,481		3,301,305
2,968	2,229	29,330
(419,241)	2,576,532	<u>(25,181)</u>
<u>\$169,208</u>	<u>\$2,578,761</u>	<u>\$3,305,454</u>

**CITY OF BEAVERTON, OREGON**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET POSITION**  
**For the Fiscal Year Ended June 30, 2019**

	Reprographics Fund	Garage Fund	Information Systems Fund
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Operating revenues:</b>			
Charges for services:			
Internal charges	\$1,104,812	\$1,931,029	\$4,534,179
Miscellaneous revenues	311	13,576	313,944
TOTAL OPERATING REVENUES	<u>1,105,123</u>	<u>1,944,605</u>	<u>4,848,123</u>
<b>Operating expenses:</b>			
Personnel services	389,659	851,091	2,712,273
Supplies, repairs, and services	719,741	1,029,678	1,420,037
Insurance claims and premiums			
Contract charges			
Depreciation	2,508		491,809
TOTAL OPERATING EXPENSES	<u>1,111,908</u>	<u>1,880,769</u>	<u>4,624,119</u>
OPERATING INCOME(LOSS)	<u>(6,785)</u>	<u>63,836</u>	<u>224,004</u>
<b>Nonoperating revenues (expenses):</b>			
Interest on investments	6,318	8,815	33,243
TOTAL NONOPERATING REVENUES	<u>6,318</u>	<u>8,815</u>	<u>33,243</u>
CHANGE IN NET POSITION	(467)	72,651	257,247
NET POSITION - beginning	(96,349)	(200,065)	933,717
Net position transfer between funds			(409,249)
NET POSITION - ENDING	<u><u>(\$96,816)</u></u>	<u><u>(\$127,414)</u></u>	<u><u>\$781,715</u></u>

Geographic Information Systems Fund	Public Works Administration Fund	Insurance Fund	Total
-	\$1,298,706	\$12,192,776	\$21,061,502
-	2,789	331,128	661,748
-	1,301,495	12,523,904	21,723,250
-	785,768	416,594	5,155,385
-	501,661	312,814	3,983,931
-		10,935,843	10,935,843
-		834,965	834,965
-	38,232		532,549
-	1,325,661	12,500,216	21,442,673
-	(24,166)	23,688	280,577
-	9,733	125,289	183,398
-	9,733	125,289	183,398
-	(14,433)	148,977	463,975
(\$409,249)	183,641	2,429,784	2,841,479
409,249			
-	\$169,208	\$2,578,761	\$3,305,454

**CITY OF BEAVERTON, OREGON**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**For the Fiscal Year Ended June 30, 2019**

	Reprographics Fund	Garage Fund	Information Systems Fund
<b>Cash flows from operating activities:</b>			
Cash receipts from customers and miscellaneous revenues	\$311	\$13,575	\$312,569
Cash receipts from interfund services provided to other funds	1,104,812	1,931,029	4,534,179
Cash payments to suppliers	(697,669)	(842,410)	(1,400,223)
Cash payments to employees	(339,901)	(722,838)	(2,428,700)
Cash payments for interfund services used	(40,960)	(209,478)	(10,315)
NET CASH FROM OPERATING ACTIVITIES	<u>26,593</u>	<u>169,878</u>	<u>1,007,510</u>
<b>Cash flows from capital and related financing activities:</b>			
Acquisition of capital assets		(49,765)	(907,180)
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES		<u>(49,765)</u>	<u>(907,180)</u>
<b>Cash flows from investing activities:</b>			
Interest received	6,266	8,903	33,054
NET INCREASE IN CASH AND INVESTMENTS	32,859	129,016	133,384
CASH AND INVESTMENTS - Beginning of year	200,726	290,395	737,575
Cash receipts and payments for fund closure			148,441
CASH AND INVESTMENTS - End of year	<u>\$233,585</u>	<u>\$419,411</u>	<u>\$1,019,400</u>
<b>Reconciliation of operating loss to net cash from operating activities:</b>			
Operating income (loss)	(6,785)	\$63,836	\$224,004
<b>Adjustments to reconcile operating loss to net cash from operating activities:</b>			
Depreciation expense	2,508		491,809
Pension expense	43,942	103,266	219,992
OPEB expense	(555)	(2,766)	(114)
Change in assets and liabilities:			
Accounts receivable			(1,375)
Inventory of materials and supplies	1,450	6,607	
Accounts payable	(20,338)	(28,816)	9,499
Accrued salaries and payroll taxes	3,993	12,125	32,174
Compensated absences	2,378	15,626	31,521
TOTAL ADJUSTMENTS	<u>33,378</u>	<u>106,042</u>	<u>783,506</u>
NET CASH FROM OPERATING ACTIVITIES	<u>\$26,593</u>	<u>\$169,878</u>	<u>\$1,007,510</u>

<u>Geographic Information Systems Fund</u>	<u>Public Works Administration Fund</u>	<u>Insurance Fund</u>	<u>Total</u>
	\$2,789	\$308,619	\$637,863
	1,298,706	12,192,776	21,061,502
	(327,944)	(11,944,521)	(15,212,767)
	(699,659)	(378,466)	(4,569,564)
	(166,517)	(110,245)	(537,515)
	<u>107,375</u>	<u>68,163</u>	<u>1,379,519</u>
			(956,945)
			(956,945)
	<u>9,681</u>	<u>124,017</u>	<u>181,921</u>
	117,056	192,180	604,495
\$148,441	<u>221,771</u>	<u>3,349,607</u>	<u>4,948,515</u>
(148,441)			
<u>\$ -</u>	<u>\$338,827</u>	<u>\$3,541,787</u>	<u>\$5,553,010</u>
	<u>(\$24,166)</u>	<u>\$23,688</u>	<u>\$280,577</u>
	38,232		532,549
	54,032	29,334	450,566
	(13,816)	(1,149)	(18,400)
		(22,509)	(23,884)
	7,200	28,856	8,057
	14,301	5,217	(3,599)
	31,592	4,726	67,810
	<u>131,541</u>	<u>44,475</u>	<u>85,843</u>
-			1,098,942
<u>\$ -</u>	<u>\$107,375</u>	<u>\$68,163</u>	<u>\$1,379,519</u>

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES –  
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
PROPRIETARY FUNDS**

**ENTERPRISE FUNDS**

These funds are used to finance and account for the acquisition, operation and maintenance of water, sewer and storm drain facilities which are supported by user charges.

- *Water Operating Fund*
- *Water Debt Service Fund*
- *Water Construction Fund*
- *Sewer Fund*
- *Storm Drain Fund*

**INTERNAL SERVICE FUNDS**

These funds are used to account for services provided by the City of Beaverton to various departments within the city.

- *Reprographics Fund*
- *Garage Fund*
- *Information Systems Fund*
- *Geographic Information Systems Fund*
- *Public Works Administration Fund*
- *Insurance Fund*

**CITY OF BEAVERTON, OREGON**  
**WATER OPERATING FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Service charges and other fees:				
Water sales	\$10,200,000	\$10,886,780	\$11,323,060	\$436,280
Demand charges	3,900,000	3,900,000	4,150,245	250,245
Customer service fees	25,000	25,000	27,845	2,845
Unmetered water sales	14,000	14,000	23,447	9,447
New meter installation	45,000	45,000	33,836	(11,164)
Sales discounts and allowances	(75,000)	(75,000)	(107,903)	(32,903)
Lease income		88,820	88,526	(294)
Interest on investments	235,400	235,400	295,435	60,035
Sale of City Property			11,443	11,443
Miscellaneous revenues	130,000	130,000	411,873	281,873
<b>TOTAL REVENUES</b>	<u>14,474,400</u>	<u>15,250,000</u>	<u>16,257,807</u>	<u>1,007,807</u>
<b>Expenditures:</b>				
Personnel services	3,077,351	3,129,059	2,735,960	393,099
Materials and services	4,316,474	5,082,327	4,795,504	286,823
Capital outlay	4,561,700	6,238,714	3,551,018	2,687,696
Contingency	9,427,112	9,087,327	9,087,327	9,087,327
<b>TOTAL EXPENDITURES</b>	<u>21,382,637</u>	<u>23,537,427</u>	<u>11,082,482</u>	<u>12,454,945</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,908,237)	(8,287,427)	5,175,325	13,462,752
<b>Other financing uses:</b>				
Transfers out	(4,952,317)	(4,859,850)	(4,859,850)	
<b>NET CHANGE IN FUND BALANCE</b>	<u>(11,860,554)</u>	<u>(13,147,277)</u>	<u>315,475</u>	<u>13,462,752</u>
FUND BALANCES - budgetary basis, Beginning of year	<u>11,860,554</u>	<u>13,147,277</u>	<u>13,147,277</u>	
FUND BALANCES - budgetary basis, End of year	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$13,462,752</u>	<u>\$13,462,752</u>

**Reconciliation of net change in fund balance - budgetary basis  
to net change in net position - GAAP basis**

Net change in fund balance - budgetary basis	\$315,475
Capital asset additions	2,365,076
Infrastructure contributed by Other Gov't Agency	7,639,245
Investment in Joint Venture	1,196,830
Investment adjustment to fair market value	226,302
Depreciation, GAAP expense	(858,571)
Easements and Rights of Way conveyed to City	102,539
Loss on equity in joint ventures	(300,544)
Inventory adjustment	39,294
Allowance for doubtful accounts	(5,413)
Payroll taxes accrual on compensated absences, GAAP expense	(1,930)
Funding of reserve for retirement benefits, not GAAP expense	35,661
Pension expense, GAAP expense	(599,875)
OPEB expense, GAAP expense	(59,890)
Adjustment to Investment in Joint Venture	7,395
Net change in net position - GAAP basis	<u>\$10,101,594</u>

**CITY OF BEAVERTON, OREGON**  
**WATER DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Interest on investments	\$900	\$900	\$673	(\$227)
<b>Expenditures:</b>				
Debt service:				
Bonds payable principal	1,295,250	1,340,000	1,340,000	
Bonds payable interest	932,644	779,884	779,884	
Contractual debt payment	65,110	65,110	65,110	
Contingency	72,854	70,198		70,198
<b>TOTAL EXPENDITURES</b>	<u>2,365,858</u>	<u>2,255,192</u>	<u>2,184,994</u>	<u>70,198</u>
 DEFICIENCY OF REVENUES UNDER EXPENDITURES	 (2,364,958)	 (2,254,292)	 (2,184,321)	 69,971
<b>Other financing sources:</b>				
Transfers in	2,293,004	2,184,994	2,184,994	
<b>NET CHANGE IN FUND BALANCE</b>	<u>(71,954)</u>	<u>(69,298)</u>	<u>673</u>	<u>69,971</u>
 FUND BALANCES - budgetary basis, Beginning of year	 <u>71,954</u>	 <u>69,298</u>	 <u>69,298</u>	
 FUND BALANCES - budgetary basis, End of year	 <u>\$ ----</u>	 <u>\$ ----</u>	 <u>\$69,971</u>	 <u>\$69,971</u>

**Reconciliation of net change in fund balance - budgetary basis  
to net change in net position - GAAP basis**

Net change in fund balance - budgetary basis	\$673
Principal payments - bonds and contracts, not GAAP expense	1,379,875
Interest expense accrual, GAAP expense	(228,597)
Amortization of water bond premium	151,396
Investment adjustment to fair market value	65
<b>Net change in net position - GAAP basis</b>	<u><u>\$1,303,412</u></u>

**CITY OF BEAVERTON, OREGON**  
**WATER CONSTRUCTION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
System development charges	\$1,200,000	\$1,200,000	\$1,271,117	\$71,117
Interest on investments	280,000	280,000	341,461	61,461
Proceeds - Loans	1,100,000	1,100,000		(1,100,000)
Miscellaneous Reveneues	158,000	158,000	195,821	37,821
<b>TOTAL REVENUES</b>	<u>2,738,000</u>	<u>2,738,000</u>	<u>1,808,399</u>	<u>(929,601)</u>
<b>Expenditures:</b>				
Capital outlay	14,474,000	15,621,271	10,136,720	5,484,551
Contingency	5,654,121	7,054,351		7,054,351
<b>TOTAL EXPENDITURES</b>	<u>20,128,121</u>	<u>22,675,622</u>	<u>10,136,720</u>	<u>12,538,902</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	(17,390,121)	(19,937,622)	(8,328,321)	11,609,301
<b>Other financing sources:</b>				
Transfers in	1,000,000	1,000,000	1,000,000	
<b>NET CHANGE IN FUND BALANCE</b>	<u>(16,390,121)</u>	<u>(18,937,622)</u>	<u>(7,328,321)</u>	<u>11,609,301</u>
<b>FUND BALANCES - budgetary basis, Beginning of year</b>	<u>16,390,121</u>	<u>18,937,622</u>	<u>18,937,622</u>	
<b>FUND BALANCES - budgetary basis, End of year</b>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$11,609,301</u>	<u>\$11,609,301</u>

**Reconciliation of net change in fund balance - budgetary basis  
to net change in net position - GAAP basis**

Net change in fund balance - budgetary basis	(\$7,328,321)
Investment adjustment to fair market value	239,306
Capital asset additions	10,045,510
Investment in Joint Venture	91,209
Depreciation, GAAP expense	(1,273,056)
Infrastructure contributed by developers	3,272,392
Loss on equity in Joint Ventures	(523,241)
Accrued interest - IFA loan	(32,490)
<b>Net change in net position - GAAP basis</b>	<u>\$4,491,309</u>

**CITY OF BEAVERTON, OREGON**  
**RECONCILIATION OF WATER FUNDS**  
**NET CHANGE IN FUND BALANCE - BUDGETARY BASIS TO**  
**CHANGE IN NET POSITION - GAAP BASIS**  
**For the Fiscal Year Ended June 30, 2019**

	Water Operating Fund	Water Debt Service Fund	Water Construction Fund	Total
Net change in fund balance - budgetary basis	\$315,475	\$673	(\$7,328,321)	(\$7,012,173)
Capital asset additions	2,365,076		10,045,510	12,410,586
Investment in Joint Venture additions	1,196,830		91,209	1,288,039
Infrastructure contributed by developers			3,272,392	3,272,392
Infrastructure contributed by other governments	7,639,245			7,639,245
Investment adjustment to fair market value	226,302	65	239,306	465,673
Depreciation, GAAP expense	(858,571)		(1,273,056)	(2,131,627)
Easements and Rights of Way conveyed to City	102,539			102,539
Loss on equity in joint ventures	(300,544)		(523,241)	(823,785)
Principal payments, not GAAP expense		1,379,875		1,379,875
Interest expense accrual, GAAP expense		(228,597)	(32,490)	(261,087)
Amortization of water bond premium		151,396		151,396
Inventory adjustment	39,294			39,294
Allowance for doubtful accounts,	(5,413)			(5,413)
Payroll taxes accrual on compensated absences, GAAP expense	(1,930)			(1,930)
Funding of reserve for retirement benefits, not GAAP expense	35,661			35,661
Postemployment Benefits Other than Pensions	(59,890)			(59,890)
Pension Expense, GAAP expense	(599,875)			(599,875)
Adjustment to Investment Joint Venture, other than loss on equity	7,395			7,395
Change in net position - GAAP basis	<u>\$10,101,594</u>	<u>\$1,303,412</u>	<u>\$4,491,309</u>	<u>\$15,896,315</u>

**CITY OF BEAVERTON, OREGON**  
**SEWER FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Service charges and fees:				
Sewer service	\$2,885,000	\$2,885,000	\$3,018,652	\$133,652
Connection fees	125,000	125,000	94,241	(30,759)
Utility surcharge	1,250,000	1,250,000	1,370,287	120,287
Sales discounts and allowances	(50,000)	(50,000)	(28,787)	21,213
Interest on investments	196,900	196,900	261,588	64,688
Intergovernmental	668,000	668,000		(668,000)
Sale of City Property			35,550	35,550
Miscellaneous revenues	28,000	28,000	124,564	96,564
<b>TOTAL REVENUES</b>	<b>5,102,900</b>	<b>5,102,900</b>	<b>4,876,095</b>	<b>(226,805)</b>
<b>Expenditures:</b>				
Personnel services	1,790,165	1,816,019	1,676,879	139,140
Materials and services	716,526	743,298	633,770	109,528
Capital outlay	2,311,300	3,020,846	916,588	2,104,258
Contingency	7,166,020	7,441,337		7,441,337
<b>TOTAL EXPENDITURES</b>	<b>11,984,011</b>	<b>13,021,500</b>	<b>3,227,237</b>	<b>9,794,263</b>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,881,111)	(7,918,600)	1,648,858	9,567,458
<b>Other financing uses:</b>				
Transfers in	50,000	50,000	133,941	83,941
Transfers out	(1,128,375)	(1,147,370)	(1,146,473)	897
<b>NET CHANGE IN FUND BALANCE</b>	<b>(7,959,486)</b>	<b>(9,015,970)</b>	<b>636,326</b>	<b>9,652,296</b>
FUND BALANCES - budgetary basis, Beginning of year	7,959,486	9,015,970	9,015,970	
FUND BALANCES - budgetary basis, End of year	\$ ----	\$ ----	\$9,652,296	\$9,652,296
<b>Reconciliation of net change in fund balance - budgetary basis to net change in net position - GAAP basis</b>				
Net change in fund balance - budgetary basis			\$636,326	
Capital asset additions			913,370	
Depreciation, GAAP expense			(1,417,501)	
Investment adjustment to fair market value			225,857	
Allowance for doubtful accounts			(10,976)	
Inventory adjustment			(1,447)	
Easements and Rights of Way conveyed to City			25,942	
Infrastructure contributed by developers			911,124	
Payroll taxes accrual on compensated absences, GAAP expense			(6,127)	
Reserve for Retirement			21,068	
Pension expense, GAAP expense			(180,944)	
OPEB expense, GAAP expense			14,420	
Net change in net position - GAAP basis			<b>\$1,131,112</b>	

**CITY OF BEAVERTON, OREGON**  
**STORM DRAIN FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Service charges and fees:				
Customer service charges	\$4,300,000	\$4,300,000	\$4,548,294	\$248,294
Utility surcharge	1,400,000	1,400,000	1,515,429	115,429
Erosion control fees	50,000	50,000	203,040	153,040
Storm water detention quantity	20,000	20,000	18,483	(1,517)
Storm water detention quality	20,000	20,000	7,107	(12,893)
Storm water conveyance fees	150,000	150,000	583,631	433,631
Sales discounts and allowances	(7,000)	(7,000)	(17,986)	(10,986)
Interest on investments	195,500	195,500	241,167	45,667
Sale of City Property			3,563	3,563
Miscellaneous revenues	27,350	27,350	34,974	7,624
TOTAL REVENUES	<u>6,155,850</u>	<u>6,155,850</u>	<u>7,137,702</u>	<u>981,852</u>
<b>Expenditures:</b>				
Personnel services	2,473,534	2,499,388	2,355,890	143,498
Materials and services	1,073,987	1,141,943	947,347	194,596
Capital outlay	3,582,650	3,593,150	2,101,946	1,491,204
Contingency	8,662,292	8,816,062		8,816,062
TOTAL EXPENDITURES	<u>15,792,463</u>	<u>16,050,543</u>	<u>5,405,183</u>	<u>10,645,360</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(9,636,613)</u>	<u>(9,894,693)</u>	<u>1,732,519</u>	<u>11,627,212</u>
<b>Other financing sources (uses):</b>				
Transfers in	13,100	13,100	5,648	(7,452)
Transfers out	(1,292,542)	(1,316,044)	(1,316,044)	
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,279,442)</u>	<u>(1,302,944)</u>	<u>(1,310,396)</u>	<u>(7,452)</u>
NET CHANGE IN FUND BALANCE	<u>(10,916,055)</u>	<u>(11,197,637)</u>	<u>422,123</u>	<u>11,619,760</u>
FUND BALANCES - budgetary basis, Beginning of year	<u>10,570,842</u>	<u>11,197,637</u>	<u>11,197,637</u>	
FUND BALANCES - budgetary basis, End of year	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$11,619,760</u>	<u>\$11,619,760</u>

**Reconciliation of net change in fund balance - budgetary basis  
to net change in net position - GAAP basis**

Net change in fund balance - budgetary basis	\$422,123
Capital asset additions, capital outlay	2,101,946
Depreciation, GAAP expense	(1,410,624)
Investment adjustment to fair market value	208,692
Allowance for doubtful accounts	3,062
Inventory adjustment	(22,116)
Easements and Rights of Way conveyed to City	425,567
Land and infrastructure contributed by developers	2,079,456
Reserve for Retirement	29,821
Payroll taxes accrual on compensated absences, GAAP expense	(428)
Pension expense, GAAP expense	(133,176)
OPEB expense, GAAP expense	(22,854)
Net change in net position - GAAP basis	<u>\$3,681,469</u>

**CITY OF BEAVERTON, OREGON**  
**REPROGRAPHICS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Interest on investments	\$2,700	\$2,700	\$2,201	(\$499)
Miscellaneous			312	312
<b>TOTAL REVENUES</b>	<u>2,700</u>	<u>2,700</u>	<u>2,513</u>	<u>(187)</u>
<b>Expenditures:</b>				
Personnel services	340,368	350,568	350,022	546
Materials and services	796,218	789,018	677,331	111,687
Contingency	35,468	45,810		45,810
<b>TOTAL EXPENDITURES</b>	<u>1,172,054</u>	<u>1,185,396</u>	<u>1,027,353</u>	<u>158,043</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<u>(1,169,354)</u>	<u>(1,182,696)</u>	<u>(1,024,840)</u>	<u>157,856</u>
<b>Other financing sources (uses):</b>				
Transfers in	1,109,937	1,119,937	1,104,812	(15,125)
Transfers out	(42,348)	(42,348)	(40,960)	1,388
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,067,589</u>	<u>1,077,589</u>	<u>1,063,852</u>	<u>(13,737)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(101,765)</u>	<u>(105,107)</u>	<u>39,012</u>	<u>144,119</u>
<b>FUND BALANCES - budgetary basis, Beginning of year</b>	<u>101,765</u>	<u>105,107</u>	<u>105,107</u>	
<b>FUND BALANCES - budgetary basis, End of year</b>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$144,119</u>	<u>\$144,119</u>

**Reconciliation of net change in fund balance - budgetary basis  
to net change in net position - GAAP basis**

Net change in fund balance - budgetary basis	\$39,012
Depreciation expense	(2,508)
Pension expense	(43,942)
OPEB expense	555
Funding of reserve for retirement benefits, not GAAP expense	4,577
Payroll tax on compensated absences	(828)
Inventory adjustment	(1,450)
Investment adjustment to fair market value	4,117
<b>Net change in net position - GAAP basis</b>	<u>(\$467)</u>

**CITY OF BEAVERTON, OREGON**  
**GARAGE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Interest on investments	\$3,500	\$3,500	\$1,422	(\$2,078)
Sale of City Property			11,409	11,409
Miscellaneous			2,165	2,165
<b>TOTAL REVENUES</b>	<u>3,500</u>	<u>3,500</u>	<u>14,996</u>	<u>11,496</u>
<b>Expenditures:</b>				
Personnel services	824,435	913,887	754,308	159,579
Materials and services	913,320	950,861	813,593	137,268
Capital outlay		50,034	49,765	269
Contingency	40,197	69,157		69,157
<b>TOTAL EXPENDITURES</b>	<u>1,777,952</u>	<u>1,983,939</u>	<u>1,617,666</u>	<u>366,273</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<u>(1,774,452)</u>	<u>(1,980,439)</u>	<u>(1,602,670)</u>	<u>377,769</u>
<b>Other financing sources (uses):</b>				
Transfers in	1,887,422	2,026,908	1,931,029	(95,879)
Transfers out	(211,548)	(211,548)	(209,478)	2,070
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,675,874</u>	<u>1,815,360</u>	<u>1,721,551</u>	<u>(93,809)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(98,578)</u>	<u>(165,079)</u>	<u>118,881</u>	<u>283,960</u>
<b>FUND BALANCES - budgetary basis, Beginning of year</b>	<u>165,079</u>	<u>165,079</u>	<u>165,079</u>	
<b>FUND BALANCES - budgetary basis, End of year</b>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$283,960</u>	<u>\$283,960</u>

**Reconciliation of net change in fund balance - budgetary basis  
to net change in net position - GAAP basis**

Net change in fund balance - budgetary basis	\$118,881
Pension expense	(103,266)
Funding of reserve for retirement benefits, not GAAP expense	9,158
OPEB expense	2,766
Capital asset additions	49,765
Payroll tax on compensated absences	(5,439)
Inventory adjustment	(6,607)
Investment adjustment to fair market value	7,393
<b>Net change in net position - GAAP basis</b>	<u>\$72,651</u>

**CITY OF BEAVERTON, OREGON**  
**INFORMATION SYSTEMS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>				
Interest on investments	\$13,600	\$13,600	\$15,275	\$1,675
Intergovernmental revenue		284,478	308,218	23,740
Miscellaneous			5,726	5,726
<b>TOTAL REVENUES</b>	<u>13,600</u>	<u>298,078</u>	<u>329,219</u>	<u>31,141</u>
<b>Expenditures:</b>				
Personnel services	3,062,902	3,062,902	3,011,232	51,670
Materials and services	1,706,581	1,706,581	1,409,722	296,859
Capital outlay	240,077	524,555	418,378	106,177
Contingency	152,203	155,463		155,463
<b>TOTAL EXPENDITURES</b>	<u>5,161,763</u>	<u>5,449,501</u>	<u>4,839,332</u>	<u>610,169</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<u>(5,148,163)</u>	<u>(5,151,423)</u>	<u>(4,510,113)</u>	<u>641,310</u>
<b>Other financing sources (uses):</b>				
Transfers in	4,745,417	4,748,195	4,598,195	(150,000)
Transfers out	(11,061)	(11,061)	(10,315)	746
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>4,734,356</u>	<u>4,737,134</u>	<u>4,587,880</u>	<u>(149,254)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(413,807)	(414,289)	77,767	492,056
<b>FUND BALANCES - budgetary basis, Beginning of year</b>	<u>413,807</u>	<u>414,289</u>	<u>414,289</u>	
<b>FUND BALANCES - budgetary basis, End of year</b>	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$492,056</u>	<u>\$492,056</u>

**Reconciliation of net change in fund balance - budgetary basis  
to net change in net position - GAAP basis**

Net change in fund balance - budgetary basis	\$77,767
Depreciation expense	(491,809)
Pension expense	(219,992)
Funding of reserve for retirement benefits, not GAAP expense	41,024
OPEB expense	114
Payroll tax on compensated absences	(10,989)
Capital asset additions	418,378
Capitalization of internally developed software	488,802
Budgetary remaining fund balance transfer (not GAAP rev)	(64,016)
Investment adjustment to fair market value	17,968
<b>Net change in net position - GAAP basis</b>	<u>\$257,247</u>

**CITY OF BEAVERTON, OREGON  
 GEOGRAPHIC INFORMATION SYSTEMS FUND  
 SCHEDULE OF CHANGES IN FUND BALANCES  
 BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL  
 For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Other financing uses:</b>				
Transfers out	(\$61,238)	(\$64,016)	(\$64,016)	
NET CHANGE IN FUND BALANCE	(61,238)	(64,016)	(64,016)	
FUND BALANCES - budgetary basis, Beginning of year	61,238	64,016	64,016	
FUND BALANCES - budgetary basis, End of year	\$ ----	\$ ----	\$ ----	
<b>Reconciliation of net change in fund balance - budgetary basis to net change in net position - GAAP basis</b>				
Net change in fund balance - budgetary basis			(\$64,016)	
Budgetary remaining fund balance transfer (not GAAP expenditure)			64,016	
Net change in net position - GAAP basis			\$ ----	

**CITY OF BEAVERTON, OREGON**  
**PUBLIC WORKS ADMINISTRATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	Original	Final	Actual Amounts	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>				
Interest on investments	\$2,900	\$2,900	\$3,761	\$861
Miscellaneous revenue			2,721	2,721
Reimbursements - other			68	68
<b>TOTAL REVENUES</b>	<u>2,900</u>	<u>2,900</u>	<u>6,550</u>	<u>3,650</u>
<b>Expenditures:</b>				
Personnel services	747,203	750,903	744,474	6,429
Materials and services	347,471	361,820	335,144	26,676
Capital outlay		20,940		20,940
Contingency	36,756	10,408		10,408
<b>TOTAL EXPENDITURES</b>	<u>1,131,430</u>	<u>1,144,071</u>	<u>1,079,618</u>	<u>64,453</u>
<b>DEFICIENCY OF REVENUES UNDER EXPENDITURES</b>	<u>(1,128,530)</u>	<u>(1,141,171)</u>	<u>(1,073,068)</u>	<u>68,103</u>
<b>Other financing sources (uses):</b>				
Transfers in	1,213,731	1,217,356	1,298,706	81,350
Transfers out	(172,155)	(172,155)	(166,517)	5,638
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,041,576</u>	<u>1,045,201</u>	<u>1,132,189</u>	<u>86,988</u>
<b>NET CHANGE IN FUND BALANCE</b>	(86,954)	(95,970)	59,121	155,091
FUND BALANCES - budgetary basis, Beginning of year	<u>86,954</u>	<u>95,970</u>	<u>95,970</u>	
FUND BALANCES - budgetary basis, End of year	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$155,091</u>	<u>\$155,091</u>

**Reconciliation of net change in fund balance - budgetary basis  
to net change in net position - GAAP basis**

Net change in fund balance - budgetary basis	\$59,121
Depreciation expense	(38,232)
Pension expense	(54,032)
OPEB expense	13,816
Payroll tax on compensated absences	(10,998)
Investment adjustment to fair market value	5,972
Funding of reserve for retirement benefits, not GAAP expense	9,920
<b>Net change in net position - GAAP basis</b>	<u>(\$14,433)</u>

**CITY OF BEAVERTON, OREGON**  
**INSURANCE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2019**

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Interest on investments	\$49,900	\$49,900	\$62,861	\$12,961
Miscellaneous revenues	35,000	35,000	38,010	3,010
Reimbursements - other	230,350	230,350	293,118	62,768
City insurance charges:				
Medical	9,986,568	9,986,568	9,441,499	(545,069)
Dental	1,032,180	1,032,180	1,054,860	22,680
Workers' compensation	490,000	490,000	436,477	(53,523)
TOTAL REVENUES	<u>11,823,998</u>	<u>11,823,998</u>	<u>11,326,825</u>	<u>(497,173)</u>
<b>Expenditures:</b>				
Personnel services	403,482	403,482	391,898	11,584
Materials and services	12,753,588	12,881,588	11,973,378	908,210
Contingency	3,041,703	3,013,914		3,013,914
TOTAL EXPENDITURES	<u>16,198,773</u>	<u>16,298,984</u>	<u>12,365,276</u>	<u>3,933,708</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(4,374,775)</u>	<u>(4,474,986)</u>	<u>(1,038,451)</u>	<u>3,436,535</u>
<b>Other financing sources (uses):</b>				
Transfers in	1,259,941	1,259,941	1,259,941	
Transfers out	(111,942)	(111,942)	(110,245)	1,697
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,147,999</u>	<u>1,147,999</u>	<u>1,149,696</u>	<u>1,697</u>
NET CHANGE IN FUND BALANCE	(3,226,776)	(3,326,987)	111,245	3,438,232
FUND BALANCES - budgetary basis, Beginning of year	<u>3,226,776</u>	<u>3,326,987</u>	<u>3,326,987</u>	
FUND BALANCES - budgetary basis, End of year	<u>\$ ----</u>	<u>\$ ----</u>	<u>\$3,438,232</u>	<u>\$3,438,232</u>

**Reconciliation of net change in fund balance - budgetary basis  
to net change in net position - GAAP basis**

Net change in fund balance - budgetary basis	\$111,245
Pension expense	(29,334)
Funding of reserve for retirement benefits, not GAAP expense	5,137
OPEB expense	1,149
Payroll tax on compensated absences	(1,648)
Investment adjustment to fair market value	62,428
Net change in net position - GAAP basis	<u>\$148,977</u>

## **OTHER FINANCIAL SCHEDULES**



**CITY OF BEAVERTON, OREGON**  
**SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS**  
**For the Fiscal Year Ended June 30, 2019**

**Governmental Activities**

Year Ending June 30	Special Revenue		General Obligation		Total	
	2013		2017			
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$1,062,410	\$21,648	\$815,000	\$1,130,621	\$1,877,410	\$1,152,269
2021	359,620	1,732	900,000	1,106,171	1,259,620	1,107,903
2022			995,000	1,079,171	995,000	1,079,171
2023			1,090,000	1,049,321	1,090,000	1,049,321
2024			1,195,000	1,016,621	1,195,000	1,016,621
2025-2037			28,850,000	7,274,718	28,850,000	7,274,718
	<u>1,422,030</u>	<u>23,380</u>	<u>33,845,000</u>	<u>12,656,623</u>	<u>35,267,030</u>	<u>12,680,003</u>
Unamortized discount/premium			<u>1,015,286</u>		<u>1,015,286</u>	
<b>TOTALS</b>	<u><u>\$1,422,030</u></u>	<u><u>\$23,380</u></u>	<u><u>\$34,860,286</u></u>	<u><u>\$12,656,623</u></u>	<u><u>\$36,282,316</u></u>	<u><u>\$12,680,003</u></u>

**Business Type Activities - Water Revenue Bonds**

Year Ending June 30	Series 2016		Series 2018		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
	2020	\$600,000	\$81,788	\$570,000	\$868,750	\$1,170,000
2021	610,000	70,748	600,000	840,250	1,210,000	910,998
2022	625,000	59,524	625,000	810,250	1,250,000	869,774
2023	635,000	48,024	660,000	779,000	1,295,000	827,024
2024	645,000	36,340	690,000	746,000	1,335,000	782,340
2025-2038	1,330,000 *	36,800	14,230,000	5,897,500	15,560,000	5,934,300
	<u>4,445,000</u>	<u>333,224</u>	<u>17,375,000</u>	<u>9,941,750</u>	<u>21,820,000</u>	<u>10,274,974</u>
Unamortized premium			<u>2,876,516</u>		<u>2,876,516</u>	
<b>TOTALS</b>	<u><u>4,445,000</u></u>	<u><u>333,224</u></u>	<u><u>20,251,516</u></u>	<u><u>9,941,750</u></u>	<u><u>24,696,516</u></u>	<u><u>10,274,974</u></u>

\* Series 2016 Bonds mature in 2026.

**CITY OF BEAVERTON, OREGON  
SCHEDULE OF PROPERTY TAX TRANSACTIONS  
AND OUTSTANDING BALANCES  
For the Fiscal Year Ended June 30, 2019**

	Taxes Uncollected June 30, 2018 (1)	Add Levy Extended by Assessor	Add/(Deduct) Discounts Allowed	Add Interest Received	Add (Deduct) Cancellations and Adjustments	Deduct Interest and Tax Collections	Add(Deduct) Settled Potential Refund Credits	Taxes Uncollected June 30, 2019 (2)
2018-19		\$47,996,281	(\$1,315,252)	\$10,047	(\$134,789)	(\$46,072,933)		\$483,354
2017-18	\$476,405		4,994	19,369	(206,186)	(445,641)	\$281,517	130,458
2016-17	411,562		(2,768)	13,866	(172,860)	(178,911)		70,889
2015-16	259,883		(1,779)	12,858	(127,211)	(114,047)		29,704
2014-15	210,733		(4,226)	6,601	(40,813)	(161,650)		10,645
2013-14	163,554		(4,043)	991	(20,293)	(133,670)		6,539
Prior years	470,841		(12,636)	3,875	(20,595)	(414,207)		27,278
	<u>\$1,992,978</u>	<u>\$47,996,281</u>	<u>(\$1,335,710)</u>	<u>\$67,607</u>	<u>(\$722,747)</u>	<u>(\$47,521,059)</u>	<u>\$281,517</u>	<u>\$758,867</u>

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	Property Taxes Revenue		Collections from July 1, 2018 to August 31, 2018	Collections from July 1, 2019 to August 31, 2019	Collections from 7/01/2018 to 6/30/2019	Taxes Uncollected June 30, 2019
	Current Levy	Prior Years				
Distributed as follows:						
General Fund	\$35,871,228	\$1,073,616	\$138,572	(\$103,847)	(\$36,979,569)	\$597,674
Street Lighting Fund	1,197,821	39,669	4,659	(3,472)	(1,238,677)	20,210
Library Fund	3,471,469	91,999	12,417	(9,861)	(3,566,024)	55,886
Debt Service Fund	1,997,578	61,125	7,563	(5,732)	(2,060,534)	33,062
Beaverton Urban Renewal	3,635,270	39,465	11,128	(9,608)	(3,676,255)	52,035
	<u>\$46,173,366</u>	<u>\$1,305,874</u>	<u>\$174,339</u>	<u>(\$132,520)</u>	<u>(\$47,521,059)</u>	<u>\$758,867</u>

(1) Includes \$539,898 Comcast tax settlement amount.

(2) Includes the Beaverton Urban Redevelopment Agency which is a blended component unit of the City.

**CITY OF BEAVERTON, OREGON**  
**SCHEDULE OF ACCOUNTABILITY OF INDEPENDENTLY ELECTED OFFICIALS**  
**For the Fiscal Year Ended June 30, 2019**

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Oregon Revised Statutes (ORS) section 297 requires a statement of accountability for each independently elected official collecting or receiving money in the municipal corporation. In compliance with ORS 297 there are no independently elected officials that collect or receive money on behalf of the City of Beaverton.

## **STATISTICAL SECTION**

## STATISTICAL SECTION

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

<b><u>Contents</u></b>	<b><u>Pages</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	112-116
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	117-120
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	121-124
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	125-126
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	127-130

**Sources:** Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report for the relevant year.

**CITY OF BEAVERTON, OREGON**  
**NET POSITION BY COMPONENT**  
**Last Ten Fiscal Years**  
**(Accrual basis of accounting - Unaudited)**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities:										
Net investment in capital	\$134,857,096	\$136,267,213	\$146,704,075	\$148,759,412	\$148,753,781	\$151,320,563	\$153,207,336	\$153,754,955	\$173,734,741	\$184,269,254
Restricted	12,066,764	13,408,149	14,175,203	13,608,028	13,776,624	18,559,711	19,746,565	23,020,939	21,966,556	24,407,859
Unrestricted (deficit)	27,141,272	25,006,592	17,801,995	16,727,628	1,535,142	11,909,862	(8,564,179)	(14,827,402)	(21,651,174)	(25,886,761)
Total governmental activities net position - as previously stated	174,065,132	174,681,954	178,681,273	179,095,068	164,065,547	181,790,136	164,389,722	161,948,492	174,050,123	182,790,352
OPEB cost adjustment	-	-	-	-	-	-	-	(369,996)	-	-
Total governmental activities net position - as restated	174,065,132	174,681,954	178,681,273	179,095,068	164,065,547	181,790,136	164,389,722	161,578,496	174,050,123	182,790,352
Business-type activities:										
Net investment in capital	155,365,259	158,855,642	165,055,888	170,324,759	176,557,320	181,136,827	184,260,608	187,319,801	200,424,568	218,149,753
Restricted	15,333,713	14,014,816	13,780,084	14,082,455	13,464,448	13,298,547	13,204,323	13,771,916	15,287,255	15,817,148
Unrestricted	24,966,033	25,881,274	26,475,242	28,064,965	28,957,709	29,422,864	30,528,243	31,605,067	28,140,021	31,426,788
Total business-type activities net position as previously stated	195,665,005	198,751,732	205,311,214	212,472,179	218,979,477	223,858,238	227,993,174	232,696,784	243,851,844	265,393,689
OPEB cost adjustment	-	-	-	-	-	-	-	(38,860)	-	-
Amortization on water rights adjustment									767,223	
Total business-type activities net position - as restated	195,665,005	198,751,732	205,311,214	212,472,179	218,979,477	223,858,238	227,993,174	232,657,924	244,619,067	265,393,689
Total government:										
Net investment in capital assets	290,222,355	295,122,855	311,759,963	319,084,171	325,311,101	332,457,390	337,467,944	341,074,756	374,159,309	402,419,007
Restricted	27,400,477	27,422,965	27,955,287	27,690,483	27,241,072	31,858,258	32,950,888	36,792,855	37,253,811	40,225,007
Unrestricted	52,107,305	50,887,866	44,277,237	44,792,593	30,492,851	41,332,726	21,964,064	16,777,665	6,488,847	5,540,027
Total government net position as previously stated	369,730,137	373,433,686	383,992,487	391,567,247	383,045,024	405,648,374	392,382,896	394,645,276	417,901,967	448,184,041
OPEB cost adjustment	-	-	-	-	-	-	-	(408,856)	-	-
Amortization on water rights adjustment									767,223	
Total government net position - as restated	\$369,730,137	\$373,433,686	\$383,992,487	\$391,567,247	\$383,045,024	\$405,648,374	\$392,382,896	\$394,236,420	\$418,669,190	\$448,184,041

**CITY OF BEAVERTON, OREGON**  
**CHANGES IN NET POSITION**  
**Last Ten Fiscal Years**  
**Accrual Basis of accounting - Unaudited**

<b>Expenses</b>	Fiscal Year			
	2010	2011	2012	2013
<b>Governmental activities:</b>				
General government	\$21,251,523	\$22,553,802	\$24,212,769	\$25,391,011
Public safety	22,433,544	23,804,541	25,926,583	26,321,288
Highways and streets	8,650,239	9,433,083	9,136,898	10,322,769
Education	7,636,938	7,914,551	7,955,154	8,701,752
Cultural and recreation	310,433	336,355	453,006	893,450
Interest on long-term debt	837,070	777,443	677,890	532,991
Total governmental activities expenses	<u>61,119,747</u>	<u>64,819,775</u>	<u>68,362,300</u>	<u>72,163,261</u>
<b>Business-type activities:</b>				
Water	8,356,717	8,446,021	8,165,013	8,275,704
Sewer	4,132,423	4,427,381	4,935,165	4,919,026
Storm drain	3,655,894	3,868,724	4,126,448	4,468,360
Total business-type activities expenses	<u>16,145,034</u>	<u>16,742,126</u>	<u>17,226,626</u>	<u>17,663,090</u>
 Total government expenses	 <u>\$77,264,781</u>	 <u>\$81,561,901</u>	 <u>\$85,588,926</u>	 <u>\$89,826,351</u>
 <b>Program Revenues</b>				
<b>Governmental activities:</b>				
Charges for services:				
General government	\$4,812,731	\$5,112,173	\$5,486,224	\$5,692,239
Public Safety	5,056,579	5,518,625	7,086,611	7,325,992
Highways and streets	389,265	182,451	115,176	120,496
Education	192,316	224,936	243,992	269,815
Cultural and recreation	1,630			
Operating grants and contributions	9,534,163	10,624,074	12,318,128	12,346,198
Capital grants and contributions	1,836,694	2,589,245	2,389,455	3,136,219
Total governmental activities program revenues	<u>21,823,378</u>	<u>24,251,504</u>	<u>27,639,586</u>	<u>28,890,959</u>
<b>Business-type activities:</b>				
Charges for services:				
Water	8,873,463	8,802,978	9,411,686	10,497,612
Sewer	5,719,479	5,242,351	4,496,736	4,607,951
Storm drain	4,064,474	4,251,124	4,252,778	4,546,853
Operating grants and contributions	20,703			
Capital grants and contributions	6,140,084	1,342,013	5,430,509	4,992,156
Total business-type activities program revenues	<u>24,818,203</u>	<u>19,638,466</u>	<u>23,591,709</u>	<u>24,644,572</u>
 Total government program revenues	 <u>\$46,641,581</u>	 <u>\$43,889,970</u>	 <u>\$51,231,295</u>	 <u>\$53,535,531</u>

Fiscal Year

2014	2015	2016	2017	2018	2019
\$25,845,977	\$23,321,906	\$37,849,035	\$38,232,521	\$37,419,997	\$36,109,724
27,095,682	21,696,217	38,856,196	32,564,955	32,616,115	34,097,993
10,694,879	9,600,481	10,926,614	10,836,814	11,211,835	13,423,555
8,255,966	7,545,611	11,269,286	9,893,084	10,164,411	10,256,681
955,163	1,012,543	1,133,869	1,025,135	1,478,383	2,712,332
580,122	539,119	462,607	745,611	1,470,893	1,422,793
<u>73,427,789</u>	<u>63,715,877</u>	<u>100,497,607</u>	<u>93,298,120</u>	<u>94,361,634</u>	<u>98,023,078</u>
8,301,276	7,954,487	9,554,092	9,899,339	10,670,276	13,619,747
5,013,451	4,830,867	6,280,766	5,339,405	4,802,523	5,009,069
4,522,905	4,554,114	6,037,493	5,706,747	6,018,388	6,159,986
<u>17,837,632</u>	<u>17,339,468</u>	<u>21,872,351</u>	<u>20,945,491</u>	<u>21,491,187</u>	<u>24,788,802</u>
<u>\$91,265,421</u>	<u>\$81,055,345</u>	<u>\$122,369,958</u>	<u>\$114,243,611</u>	<u>\$115,852,821</u>	<u>\$122,811,880</u>
\$6,669,326	\$8,564,497	\$8,909,143	\$9,433,303	\$7,698,687	\$8,974,454
7,698,211	5,656,249	5,815,882	6,009,000	5,062,273	4,950,573
110,341	395,360	184,635	93,709	88,563	71,481
280,239	258,821	273,580	204,667	135,693	125,675
12,969,238	13,551,886	12,632,038	13,980,156	14,277,489	16,897,884
3,523,905	3,979,950	3,287,461	3,614,147	18,421,857	7,882,905
<u>31,251,260</u>	<u>32,406,763</u>	<u>31,102,739</u>	<u>33,334,982</u>	<u>45,684,562</u>	<u>38,902,972</u>
11,415,336	12,357,790	13,242,782	12,581,709	13,970,755	15,903,093
4,670,567	4,835,631	4,866,611	5,072,218	4,309,386	4,512,350
4,780,391	5,070,967	5,216,225	5,387,945	5,788,070	6,288,258
5,325,459	3,534,438	2,330,232	2,118,928	8,297,873	16,716,301
<u>26,191,753</u>	<u>25,798,826</u>	<u>25,655,850</u>	<u>25,160,800</u>	<u>32,366,084</u>	<u>43,420,002</u>
<u>\$57,443,013</u>	<u>\$58,205,589</u>	<u>\$56,758,589</u>	<u>\$58,495,782</u>	<u>\$78,050,646</u>	<u>\$82,322,974</u>

**CITY OF BEAVERTON, OREGON**  
**CHANGES IN NET POSITION (continued)**  
**Last Ten Fiscal Years**  
**(Accrual basis of accounting - Unaudited)**

<b>Net (Expense)/Revenue</b>	Fiscal Year			
	2010	2011	2012	2013
Governmental activities	(\$39,296,369)	(\$40,568,271)	(\$40,722,714)	(\$43,272,302)
Business-type activities	8,673,169	2,896,340	6,365,083	6,981,482
Total government net expense	<u>(\$30,623,200)</u>	<u>(\$37,671,931)</u>	<u>(\$34,357,631)</u>	<u>(\$36,290,820)</u>
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities				
Taxes				
Property taxes	\$30,183,685	\$31,235,420	\$32,216,248	\$33,206,150
Right of way and public service taxes	7,273,291	6,786,984	7,182,278	7,237,621
Intergovernmental revenue	2,186,895	2,314,008	2,597,065	2,749,021
Interest and investment earnings	416,737	180,725	289,823	121,775
Loss on sale of land				
Other revenues	280,666	667,956	2,436,619	371,530
Total governmental activities	<u>40,341,274</u>	<u>41,185,093</u>	<u>44,722,033</u>	<u>43,686,097</u>
Business-type activities:				
Interest and investment earnings	290,763	143,005	121,134	126,731
Other revenues	8,054	47,382	73,265	52,752
Total business-type activities	<u>298,817</u>	<u>190,387</u>	<u>194,399</u>	<u>179,483</u>
Total government	<u>\$40,640,091</u>	<u>\$41,375,480</u>	<u>\$44,916,432</u>	<u>\$43,865,580</u>
<b>Change in Net Position</b>				
Governmental activities	\$1,044,905	\$616,822	\$3,999,319	\$413,795
Business-type activities	8,971,986	3,086,727	6,559,482	7,160,965
Total government	<u>\$10,016,891</u>	<u>\$3,703,549</u>	<u>\$10,558,801</u>	<u>\$7,574,760</u>

Fiscal Year					
2014	2015	2016	2017	2018	2019
(\$42,176,529)	(\$31,309,114)	(\$69,394,868)	(\$59,962,238)	(\$48,677,072)	(\$59,120,106)
8,354,121	8,459,358	3,783,499	4,215,309	10,874,897	18,631,200
<u>(\$33,822,408)</u>	<u>(\$22,849,756)</u>	<u>(\$65,611,369)</u>	<u>(\$55,746,929)</u>	<u>(\$37,802,175)</u>	<u>(\$40,488,906)</u>
\$35,615,835	\$37,530,000	\$39,419,464	\$41,546,799	\$43,215,152	\$46,678,512
7,197,808	7,518,849	9,264,424	10,483,682	12,496,923	13,133,419
2,906,357	3,059,657	3,217,592	3,327,083	3,915,418	3,942,505
136,541	238,966	247,303	600,708	694,127	3,361,604
956,148	716,641	(835,430)	1,562,736	827,079	744,295
46,812,689	49,064,113	52,054,408	57,521,008	61,148,699	67,860,335
133,139	148,321	214,003	334,342	184,512	2,040,546
117,214	201,397	77,480	153,959	134,511	102,876
250,353	349,718	291,483	488,301	319,023	2,143,422
<u>\$47,063,042</u>	<u>\$49,413,831</u>	<u>\$52,345,891</u>	<u>\$58,009,309</u>	<u>\$61,467,722</u>	<u>\$70,003,757</u>
\$4,636,160	\$17,754,999	(\$17,340,460)	(\$2,441,230)	\$12,471,627	8,740,229
8,604,474	8,809,076	4,074,982	4,703,610	11,193,920	20,774,622
<u>\$13,240,634</u>	<u>\$26,564,075</u>	<u>(\$13,265,478)</u>	<u>\$2,262,380</u>	<u>\$23,665,547</u>	<u>\$29,514,851</u>

**CITY OF BEAVERTON, OREGON**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting - Unaudited)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$1,616									
Unreserved, designated	2,114,850									
Unreserved, undesignated	20,801,503									
Committed		\$672,766	\$916,703	\$835,424	\$921,349	\$1,008,480	\$932,017	\$933,063	\$874,858	\$1,030,206
Assigned		9,493,453	6,289,261	5,130,777	7,195,141	5,302,317	9,123,665	8,893,805	10,081,867	9,379,871
Unassigned		12,637,134	8,462,297	9,432,538	8,402,778	11,295,926	9,294,655	9,927,953	8,253,048	10,108,623
Total General Fund	<u>\$22,917,969</u>	<u>\$22,803,353</u>	<u>\$15,668,261</u>	<u>\$15,398,739</u>	<u>\$16,519,268</u>	<u>\$17,606,723</u>	<u>\$19,350,337</u>	<u>\$19,754,821</u>	<u>\$19,209,773</u>	<u>\$20,518,700</u>
All Other Governmental Funds										
Reserved	\$253,658									
Unreserved, designated, reported in:										
Special revenue funds	709,550									
Unreserved, reported in:										
Special revenue funds	12,489,581									
Debt Service Funds	269,178									
Capital projects funds	403,880									
Restricted		\$13,296,672	\$14,733,478	\$14,106,016	\$13,776,624	\$17,989,961	\$19,136,176	\$58,963,722	\$56,318,126	\$49,550,853
Committed		1,132,461	481,967	417,144	2,998,531	1,306,424	1,163,341	3,278,982	4,663,687	3,137,031
Total all other governmental funds	<u>\$14,125,847</u>	<u>\$14,429,133</u>	<u>\$15,215,445</u>	<u>\$14,523,160</u>	<u>\$16,775,155</u>	<u>\$19,296,385</u>	<u>\$20,299,517</u>	<u>\$62,242,704</u>	<u>\$60,981,813</u>	<u>\$52,687,884</u>

Note: Fiscal year 2011 was the first year GASB Statement 54 (the New Fund Balance Statement) was implemented.

**CITY OF BEAVERTON, OREGON**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
**(Modified accrual basis of accounting - Unaudited)**

	Fiscal Year			
	2010	2011	2012	2013
<b>Revenues</b>				
Taxes	\$30,144,364	\$31,289,794	\$31,847,527	\$33,288,614
Special assessments	171,912	74,892	12,067	6,924
Intergovernmental	11,186,687	11,865,443	13,192,538	13,371,159
Federal grants	1,083,853	1,345,852	1,809,749	2,619,578
Fees, licenses, and permits	2,877,273	3,486,876	4,470,563	4,217,793
Right of way fees	7,273,291	6,786,985	7,182,278	7,237,621
Fines and forfeits	4,578,069	4,946,295	6,333,518	6,031,755
Interest on investments and assessments	473,382	185,669	292,232	122,970
Charges for services	2,637,766	2,637,368	2,851,311	3,184,546
Contributions and donations	35,117	20,557	74,891	112,280
Miscellaneous revenues and cash-in-lieu	624,566	569,687	653,331	614,756
<b>Total revenues</b>	<u>61,086,280</u>	<u>63,209,418</u>	<u>68,720,005</u>	<u>70,807,996</u>
<b>Expenditures</b>				
General government	20,310,976	21,285,231	23,081,046	23,506,917
Public safety	21,786,238	23,190,893	25,460,789	26,018,091
Highways and streets	6,200,833	7,014,460	6,647,662	7,823,854
Education	7,098,049	7,232,850	7,538,892	8,611,019
Cultural	248,216	269,630	398,557	832,974
Capital outlay	1,536,968	1,628,264	9,673,620	2,978,601
Debt service:				
Principal	1,647,713	1,770,821	1,681,671	1,444,082
Interest	685,436	636,884	586,548	554,262
<b>Total expenditures</b>	<u>59,514,429</u>	<u>63,029,033</u>	<u>75,068,785</u>	<u>71,769,800</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,571,851</u>	<u>180,385</u>	<u>(6,348,780)</u>	<u>(961,804)</u>
<b>Other Financing Sources (Uses)</b>				
Issuance, note payable				
Proceeds, note payable				
Proceeds, bond sale				
Premium, bond sale				
Proceeds, line of credit				
Transfers in	1,894,022	1,516,245	1,867,566	2,086,045
Transfers out	(1,894,022)	(1,516,245)	(1,867,566)	(2,086,045)
Sale of capital assets	1,029	8,285		
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,029</u>	<u>8,285</u>		
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$1,572,880</u>	<u>\$188,670</u>	<u>(\$6,348,780)</u>	<u>(\$961,804)</u>
Debt service as a percentage of noncapital expenditures	4.02%	3.92%	3.47%	2.90%

Fiscal Year

2014	2015	2016	2017	2018	2019
\$35,499,072	\$37,586,412	\$39,429,761	\$42,396,548	\$45,623,575	\$49,331,000
9,591	4,022	9,754			
13,611,569	14,372,533	14,924,353	15,602,217	17,105,907	19,658,279
1,949,615	1,982,759	923,190	2,147,212	1,228,525	933,679
5,548,144	8,854,055	7,415,379	8,885,896	6,994,852	10,422,650
7,197,809	7,518,849	9,264,424	9,610,676	10,148,844	10,582,564
5,523,256	5,165,314	5,127,401	5,018,598	4,746,979	4,291,931
138,542	240,183	248,494	544,332	547,275	3,146,473
3,383,266	4,190,395	4,445,945	3,955,813	3,631,369	3,982,289
55,359	124,203	62,069	2,813	10,962	9,407
<u>1,656,859</u>	<u>1,064,792</u>	<u>807,986</u>	<u>3,485,806</u>	<u>930,271</u>	<u>685,856</u>
<u>74,573,082</u>	<u>81,103,517</u>	<u>82,658,756</u>	<u>91,649,911</u>	<u>90,968,559</u>	<u>103,044,128</u>
24,223,200	26,306,096	28,326,440	34,773,686	31,167,291	31,356,762
26,822,980	27,025,999	28,521,938	29,210,066	30,224,956	31,861,589
8,056,141	7,490,203	7,053,922	7,792,435	8,637,647	10,753,927
7,677,252	8,366,582	8,536,870	8,621,976	9,146,862	9,541,173
886,497	996,966	1,021,690	921,368	1,008,572	2,436,647
7,832,687	4,247,256	3,819,898	2,458,461	9,900,669	20,894,896
2,130,902	2,517,476	2,605,712	3,064,460	2,572,824	2,589,058
570,902	544,254	455,745	381,516	1,854,304	1,498,078
<u>78,200,561</u>	<u>77,494,832</u>	<u>80,342,215</u>	<u>87,223,968</u>	<u>94,513,125</u>	<u>110,932,130</u>
<u>(3,627,479)</u>	<u>3,608,685</u>	<u>2,316,541</u>	<u>4,425,943</u>	<u>(3,544,566)</u>	<u>(7,888,002)</u>
					903,000
				1,835,000	
7,000,000			33,845,000		
			1,154,828		
			2,921,900		
3,708,888	2,523,303	3,749,458	3,320,286	6,989,523	8,467,485
(3,708,888)	(2,523,303)	(3,749,458)	(3,320,286)	(6,989,523)	(8,467,485)
		430,205			
<u>7,000,000</u>		<u>430,205</u>	<u>37,921,728</u>	<u>1,835,000</u>	<u>903,000</u>
<u>\$3,372,521</u>	<u>\$3,608,685</u>	<u>\$2,746,746</u>	<u>\$42,347,671</u>	<u>(\$1,709,566)</u>	<u>(\$6,985,002)</u>
3.84%	4.18%	4.00%	4.07%	5.23%	4.54%

**CITY OF BEAVERTON, OREGON**  
**MARKET AND ASSESSED VALUE OF TAXABLE PROPERTY**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	Real Property		Personal Property		Public Utilities		Total		Total Assessed to Total Market Value	Total Direct Tax Rate
	Market Value	Assessed Value	Market Value	Assessed Value	Market Value	Assessed Value	Market Value	Assessed Value		
2010	\$10,811,105,190	\$6,790,282,430	\$313,701,559	\$313,620,659	\$288,752,592	\$288,720,680	\$11,413,559,341	\$7,392,623,769	64.8 %	\$4.20
2011	10,233,357,680	7,023,474,360	314,320,654	313,045,244	302,920,652	302,172,400	10,850,598,986	7,638,692,004	70.4	4.20
2012	9,743,437,720	7,250,032,210	332,691,083	331,181,923	299,612,594	290,942,140	10,375,741,397	7,872,156,273	75.9	4.15
2013	9,551,341,040	7,469,917,480	347,676,248	346,183,108	288,627,249	264,560,700	10,187,644,537	8,080,661,288	79.3	4.18
2014	10,057,285,180	7,716,459,770	334,573,464	333,084,654	289,621,139	263,270,040	10,681,479,783	8,312,814,464	77.8	4.24
2015	11,151,606,480	8,072,477,610	335,017,225	333,346,645	297,490,607	277,110,900	11,784,114,312	8,682,935,155	73.7	4.38
2016	11,920,010,770	8,426,894,940	358,010,578	355,607,508	295,095,259	257,449,100	12,573,116,607	9,039,951,548	71.9	4.38
2017	13,351,953,160	8,738,563,430	378,843,978	376,277,858	378,989,987	368,362,500	14,109,787,125	9,483,203,788	67.2	4.38
2018	14,950,729,020	9,074,648,210	399,710,908	396,214,638	403,775,728	387,902,923	15,754,215,656	9,858,765,771	62.6	4.37
2019	16,537,837,240	9,474,188,030	410,634,851	405,728,341	347,195,964	346,986,359	17,295,668,055	10,226,902,730	59.1	4.43

Information from the Washington County, Assessment and Taxation Department.

**CITY OF BEAVERTON, OREGON**  
**PROPERTY TAX RATES**  
**DIRECT AND OVERLAPPING GOVERNMENTS**  
**(Per \$1,000 of Assessed Value)**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	City of Beaverton Direct Rates					Overlapping Rates					
	General Fund	Special Revenue Funds	Total Within Permanent Tax Rate	Debt Service Fund	Total Direct Levy	Washington County	Schools	Port of Portland	Metro	Other	Total
2010	\$3.54	\$0.42	\$3.96	\$0.24	\$4.20	\$2.98	\$7.66	\$0.07	\$0.44	\$3.72	\$19.07
2011	3.58	0.39	3.97	0.23	4.20	2.98	7.57	0.07	0.41	3.72	18.95
2012	3.54	0.40	3.94	0.21	4.15	2.97	7.62	0.07	0.32	3.73	18.86
2013	3.56	0.40	3.96	0.22	4.18	2.97	7.59	0.07	0.40	3.64	18.86
2014	3.51	0.51	4.02	0.22	4.24	2.96	8.93	0.07	0.47	3.63	20.30
2015	3.70	0.48	4.18	0.20	4.38	2.83	8.88	0.07	0.46	3.59	20.20
2016	3.73	0.45	4.18	0.19	4.38	2.81	8.63	0.07	0.39	3.70	19.98
2017	3.73	0.45	4.18	0.19	4.38	2.93	8.67	0.07	0.40	3.67	20.12
2018	3.71	0.46	4.17	0.20	4.37	2.91	8.69	0.07	0.41	4.03	20.48
2019	3.74	0.48	4.22	0.21	4.43	2.96	8.86	0.07	0.47	3.78	20.57

Information from the Washington County Assessment and Taxation Department.

Note: To raise additional tax authority above the permanent rate, it must be approved by a simple majority of the voters in a May or November election.

**CITY OF BEAVERTON, OREGON  
PRINCIPAL TAXPAYERS  
Current Year and Nine Years Ago  
(Unaudited)**

Taxpayer	Type of Business	Rank	2019		Rank	2010	
			Taxable Assessed Valuation	% of City Taxable Assessed Valuation (a)		Taxable Assessed Valuation	% of City Taxable Assessed Valuation (b)
<b><u>Non-Utility</u></b>							
Nike Inc	Footwear & apparel manufacturer	1	\$160,708,572	1.57 %			
Portland 2 LLC	Industrial company	2	67,306,110	0.66			
La Salle Owner LLC	Commercial Property	3	62,147,700	0.61			
Nimbus Center LLC	Commercial Property	4	61,388,989	0.60	4	\$55,551,620	0.75 %
Mall 1 LLC	Commercial Property	5	55,870,640	0.55			
Peterkort Residential LLC	Apartments	6	47,095,990	0.46			
Harsch Investment Properties LLC	Commercial Property	7	46,958,623	0.46			
Sterling Pointe Holding LLC	Apartments	8	46,239,470	0.45			
Portland 1 LLC	Industrial company	9	44,743,610	0.44			
DS Progress Ridge LLC	Commercial Property	10	44,613,490	0.44			
PS Business Parks LLC					1	107,573,966	1.46
ERP Operating LTD Partnership	Commercial Property				2	65,325,340	0.88
Bernard Properties Partnership	Cedat Hills Crossing				3	57,770,980	0.78
NNN Woodside Corporate Park	Commercial Property				5	49,327,680	0.67
Templeton Vista Associates	Property Financial Services				6	36,502,000	0.49
Gateway Columbia Properties Inc	Commercial Property				7	30,921,327	0.42
Harsch Investment Corp	Commercial Property				8	26,744,860	0.36
Murray Scholls LLC	Apartments				9	26,324,200	0.36
King's Court 460 LLC	Apartments				10	24,503,420	0.33
TOTAL			<u>\$637,073,194</u>	<u>6.23 %</u>		<u>\$456,041,973</u>	<u>6.17 %</u>
<b><u>Utilities</u></b>							
Comcast Corporation	Broadband/Telecommunications		\$105,750,700	1.03 %		\$56,111,300	0.76 %
Portland General Electric	Electricity		83,989,403	0.82		66,042,140	0.89
Northwest Natural Gas	Natural Gas		40,471,000	0.40		44,159,000	0.60
TOTAL			<u>\$230,211,103</u>	<u>2.25 %</u>		<u>\$166,312,440</u>	<u>2.25 %</u>

(a) City of Beaverton's 2018-19 assessed valuation was \$10,226,902,730 and market valuation was \$17,295,668,055

(b) City of Beaverton's 2009-10 assessed valuation was \$7,392,623,769 and market valuation was \$11,413,559,341,

Information from the Washington County Department of Assessment and Taxation.

**CITY OF BEAVERTON, OREGON**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2010	\$31,061,418	\$30,195,513	97.2 %	\$759,936	\$30,955,449	99.66 %
2011	32,132,198	31,372,709	97.6	653,750	32,026,459	99.67
2012	32,944,787	32,125,628	97.5	720,711	32,846,339	99.70
2013	34,324,063	33,606,781	97.9	1,032,022	34,638,803	100.92
2014	36,604,071	35,878,068	98.0	738,052	36,616,120	100.03
2015	38,601,651	36,901,519	95.6	680,558	37,582,077	97.36
2016	40,696,333	38,892,848	95.6	777,836	39,670,684	97.48
2017	43,013,961	41,062,586	95.5	1,112,347	42,174,933	98.05
2018	45,546,473	43,488,129	95.5	345,947	43,834,076	96.24
2019	47,996,281	46,072,933	96.0		46,072,933	95.99

**CITY OF BEAVERTON, OREGON**  
**RATIO OF NET GENERAL BONDED DEBT TO MARKET VALUE**  
**AND NET BONDED DEBT PER CAPITA**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year Ended June 30	Population (1)	Market Value	General Bonded Debt (2)	Less General Obligation Debt Service Fund	Net Bonded Debt	Percent of Net Bonded Debt to Market Value	Net Bonded Debt Per Capita
2010	86,860	\$11,413,559,341	\$11,920,506	\$208,620	\$11,711,886	0.103 %	134.84
2011	90,267	10,850,598,986	10,718,227	241,797	10,476,430	0.097	116.06
2012	90,835	10,375,741,397	9,475,948	125,317	9,350,631	0.090	102.94
2013	91,205	10,187,644,537	8,188,669	151,641	8,037,028	0.079	88.12
2014	91,350	10,681,479,783	6,846,390	191,622	6,654,768	0.062	72.85
2015	93,395	11,784,114,312	5,449,111	116,686	5,332,425	0.045	57.10
2016	94,215	12,573,116,607	4,001,832	136,691	3,865,141	0.031	41.02
2017	95,385	14,109,787,125	37,450,322	149,589	37,300,733	0.264	391.05
2018	95,685	15,754,215,656	35,915,301	175,897	35,739,404	0.227	373.51
2019	97,000	17,295,668,055	34,860,287	132,941	34,727,346	0.201	358.01

(1) Population numbers shown are estimates made as of July 1 of the fiscal year indicated.

(2) Excludes Water Bonds.

All population statistics are provided by the Portland State University Population Research Center. Market values obtained from the Washington County Assessment and Taxation Department. All other information obtained from current and prior years' financial statements.

**CITY OF BEAVERTON, OREGON**  
**COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT**  
**June 30, 2019**  
**(Unaudited)**

<u>Taxing Jurisdiction</u>	<u>Total Net Property-tax Backed Debt</u>	<u>Percent Real Market Value of the City</u>	<u>City's Pro-Rata Share</u>
Tualatin Hills Park and Recreation District	\$76,498,613	39.89 %	\$30,515,297
Beaverton School District No. 48J	996,146,084	33.98	338,490,439
Tualatin Valley Fire and Rescue District	26,055,000	17.40	4,533,570
Washington County	228,769,717	16.44	37,609,741
Portland Community College	602,297,900	6.55	39,450,512
Metro	819,020,000	5.22	42,752,844
Multnomah County School District 1J	<u>867,455,242</u>	12.94	<u>112,248,708</u>
Total overlapping debt	3,616,242,556		605,601,112
City of Beaverton, net direct debt	<u>41,763,867</u> (1)		<u>41,763,867</u>
Total direct and overlapping debt	<u><u>\$3,658,006,423</u></u>		<u><u>\$647,364,979</u></u>

(1) Total general obligation bonds backed by property tax, special revenue bonded debt, and loans payable.

Note: Overlapping taxing jurisdictions are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Beaverton.

Information from the Oregon Municipal Debt Advisory Commission.

**CITY OF BEAVERTON, OREGON  
COMPUTATION OF LEGAL DEBT MARGIN  
Last Ten Fiscal Years  
(Unaudited)**

**Legal Debt Margin Calculation for Fiscal Year 2019**

True cash value		\$17,295,668,055
Debt limit (3% of real market value)		518,870,042
Debt applicable to limit:		
Gross bonded debt	\$60,978,832	
Less legal deductions:		
Special revenue bonds	(1,422,030)	
Water bonds	(24,696,516)	
Total net debt applicable to limit		34,860,286
Legal debt margin		\$484,009,756
Debt incurred as a percentage of debt limit		6.72%

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt limit	\$342,406,780	\$325,517,970	\$311,272,242	\$305,629,336	\$320,444,393	\$353,523,429	\$377,193,498	\$423,293,614	\$472,626,470	\$518,870,042
Total net debt applicable to limit	11,945,000	10,740,000	9,495,000	8,205,000	6,860,000	5,460,000	4,010,000	36,325,000	34,845,000	34,860,286
Legal debt margin	\$330,461,780	\$314,777,970	\$301,777,242	\$297,424,336	\$313,584,393	\$348,063,429	\$373,183,498	\$386,968,614	\$437,781,470	\$484,009,756
Total net debt applicable to the limit as a percentage of debt limit	3.49%	3.30%	3.05%	2.68%	2.14%	1.54%	1.06%	8.58%	7.37%	6.72%

ORS 287A-050 provides a debt limit of 3% of the true cash value (market) of all taxable property within the City boundaries.

The true cash value information obtained from Washington County Assessment and Taxation Department. All other information obtained from the financial statements.

**CITY OF BEAVERTON, OREGON**  
**RATIO OF OUTSTANDING DEBT BY TYPE**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year Ended June 30	Governmental Activities				Business-type Activities		Total Government	Percentage of Personal Income (4)	Per Capita (4)
	General Obligation Bonded, Net (1)	Line of Credit, Special Revenue Bonded, Net (2)	Loans/Contract Payable	Capital Leases (3)	Revenue Bonds Net	Loans/Contract Payable			
2010	\$11,711,886		\$1,903,406	\$5,550,446	\$19,387,552	\$655,348	\$39,208,638	1.11%	\$451
2011	10,476,430		1,773,616	5,322,561	17,374,858	638,926	35,586,391	0.92%	394
2012	9,350,631		1,635,306		15,287,163	621,727	26,894,827	0.67%	296
2013	8,037,028		1,488,046		13,129,469	603,704	23,258,247	0.57%	255
2014	6,654,768	\$6,381,391	1,332,374		10,965,938	584,818	25,919,289	0.61%	284
2015	5,332,425	5,434,763	1,166,799		8,543,419	564,983	21,042,389	0.43%	225
2016	3,865,141	4,466,035	1,222,733		6,785,018	544,151	16,883,078	0.33%	179
2017	37,300,733	6,396,591	591,319		5,615,000	1,619,895	51,523,538	1.00%	540
2018	35,739,404	5,382,103	2,250,033		26,187,912	1,596,851	71,156,303	N/A	744
2019	34,860,287	4,343,930	2,559,650		24,696,516	1,572,586	68,032,969	N/A	711

(1) Net of unamortized discounts and Debt Service Fund's ending fund balance.

(2) Includes 2013 Special Revenue Bonds that is payable solely from franchise fees and BURA line of credit.

(3) In FY 2012, Capital Lease for government activities has been terminated.

(4) See page 125 for personal income and population data.

N/A = Not available

**CITY OF BEAVERTON, OREGON**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	(1) Population	(2) Per Capita Income (WA County)	Total Personal Income (thousands of dollars)	(3) School Enrollment	(4) Unemployment Rate Percentage (Portland Metro Area)
2010	86,860	\$40,606	\$3,527,037	37,706	10.9 %
2011	90,267	42,777	3,861,351	38,571	9.7
2012	90,835	44,396	4,032,711	39,054	8.1
2013	91,205	44,757	4,082,062	39,427	7.6
2014	91,350	46,713	4,267,233	39,509	6.1
2015	93,395	51,909	4,848,041	39,910	5.5
2016	94,215	54,203	5,106,736	40,725	5.2
2017	95,385	53,751	5,127,039	40,806	3.9
2018	95,685	N/A	N/A	40,868	4.1
2019	97,000	N/A	N/A	40,860	4.3

**Sources of information:**

(1) Portland State University, Population Research & Census Center.

(2) U.S. Department of Commerce, Bureau of Economic Analysis (BEA).

(3) Beaverton School District No. 48J.

(4) Bureau of Labor Statistics.

N/A = Not Available

**CITY OF BEAVERTON, OREGON**  
**PRINCIPAL EMPLOYERS**  
**Current Year and Nine Years Ago**  
**(Unaudited)**

Employer	2019			2010		
	Employees	Rank	Percentage of Total City Employment (1)	Employees	Rank	Percentage of Total City Employment (1)
Beaverton School District	4,406	1	8.66 %	4,365	1	9.35 %
Nike	3,544	2	6.96			
Providence Health Systems	2,028	3	3.98			
Comcast Cable	926	4	1.82			
City of Beaverton (2)	649	5	1.28	681	4	1.46
Seterus	575	6	1.13			
IBM Corporation	562	7	1.10			-
IBM Lender Business Process Serv				730	3	1.56
Nationstar Mortgage	500	8	0.98			
Fred Meyer	478	9	0.94	466	8	1.00
Pacific Office Automation	402	10	0.79			
Bernard- Cedar Hills Crossing				1,106	2	2.37
Cascade Plaza				511	7	1.10
Stream International				600	5	1.29
Beaverton Town Square				553	6	1.19
Reser's Fine Foods				450	9	0.96
Canyon Square				341	10	0.73
<b>Total</b>	<u>14,070</u>		<u>27.63 %</u>	<u>9,803</u>		<u>21.01 %</u>

Sources: Oregon Employment Department and City of Beaverton business licenses.

(1) Total City employment is estimated based on information provided from Oregon Employment Department.  
This figure is estimated to be 50,901 in 2019 and 46,660 in 2010.

(2) Includes permanent and temporary employees

**CITY OF BEAVERTON, OREGON**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<u>Function/Program</u>										
General government	174.37	164.95	169.33	175.75	179.36	193.84	202.17	206.21	212.40	206.06
Public safety	182.15	186.59	188.98	188.94	188.76	190.18	188.86	190.37	194.09	191.04
Highways and streets	25.16	23.96	26.23	27.01	26.99	27.03	27.08	25.80	24.56	22.15
Education	65.31	67.17	68.30	68.29	70.97	71.10	72.94	73.76	74.00	75.02
Cultural and recreation	1.08	1.61	1.35	1.35	1.35	1.35	1.08	2.50	3.00	5.00
Water	17.65	16.38	16.45	16.39	16.69	15.32	15.37	22.33	23.41	24.72
Sewer	15.69	14.54	15.69	15.98	15.96	15.72	15.77	13.77	14.40	14.77
Storm drain	17.36	17.27	18.43	19.25	19.23	20.07	21.21	21.14	21.77	22.10
Total	<u>498.77</u>	<u>492.47</u>	<u>504.76</u>	<u>512.96</u>	<u>519.31</u>	<u>534.61</u>	<u>544.48</u>	<u>555.88</u>	<u>567.63</u>	<u>560.86</u>

Source: City of Beaverton Finance Department.

**CITY OF BEAVERTON, OREGON**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
Last Ten Fiscal Years

<u>Function/Program</u>	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities:										
General government										
Number of cases filed in Municipal Court	29,462	29,571	37,226	41,074	33,948	28,438	31,206	30,820	26,981	28,312
Number of land use applications processed	600	450	550	600	550	500	525	552	775	739
Number of building inspections (99% completed within 24 hours of request)	21,086	18,000	20,050	21,600	24,900	27,536	27,450	25,700	24,300	25,600
Public Safety										
Number of arrests by patrol officers	4,219	3,729	3,700	3,659	3,589	3,351	3,755	3,229	3,700	3887
Citations (1)	16,292	16,097	22,823	20,214	14,997	12,825	11,204	10,188	11,309	
Traffic violations										7,827
Photo radar										1,686
Photo red light										2,449
Right turn on red										4,115
Intersection speed										12,687
Calls for service response time (minutes)	5.60	5.70	5.60	5.66	5.67	6.17	6.57	6.45	6.87	7.5
Highways and streets										
Overall Average Pavement Condition Index 70-100=good	83	83	84	84	84	83	76	76	76	77
Education										
Main Library - number of items in collection	363,961	380,868	373,686	380,809	381,909	345,909	331,344	301,103	298,225	282,190
Branch Library - number of items in collection	20,000	33,094	40,149	54,494	57,294	61,994	61,373	64,715	67,700	70,829
Number of direct customer transactions	2,742,571	3,469,635	3,645,453	3,801,825	3,800,000	3,800,000	3,700,000	3,200,000	2,824,604	2,625,000
Number of annual circulation	2,600,000	2,760,000	2,863,900	2,835,775	2,824,432	2,658,662	2,479,858	2,400,000	2,625,000	2,635,000
Cultural and recreation										
Number of arts & cultural events presented	66	65	67	67	69	69	60	42	20	19
Number of participating artists and performers	415	460	300	300	475	450	400	600	407	407
Business-type activities:										
Water										
Number of City accounts	17,291	17,550	17,641	17,772	17,868	18,068	18,134	18,153	18,295	22,276
Average daily consumption (in millions of gallons)	7.12	6.84	6.69	7.09	6.77	6.73	7.45	6.89	7.15	7.59
Sanitary Sewer and Storm:										
Number of accounts	21,732	22,105	22,131	22,353	22,647	22,819	22,895	22,960	23,054	23,225

Sources: Various City of Beaverton departments.

(1) Information is obtained from the Municipal Court citation issuance report and is presented in detail beginning FY 2019.

**CITY OF BEAVERTON, OREGON**  
**COMMERCIAL AND RESIDENTIAL CONSTRUCTION**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	Commercial Construction		Residential Construction	
	Number of Units	Value	Number of Units	(1) Value
2010	7	\$22,305,771	245	\$32,845,979
2011	19	25,922,570	152	23,216,710
2012	6	11,100,343	117	21,179,771
2013	10	6,352,266	114	71,152,359
2014	18	43,801,440	307	67,240,745
2015	14	72,532,239	590	80,596,830
2016	14	122,602,320	133	21,460,708
2017	12	92,141,171	369	51,617,513
2018	12	36,969,220	294	57,107,061
2019	13	78,179,376	169	54,873,509

(1) Includes single family dwellings, duplexes and apartments.

Information on commercial and residential construction obtained from the City's Building Division.

**CITY OF BEAVERTON, OREGON**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**Last Ten Fiscal Years**  
**(Unaudited)**

<b><u>Function/Program</u></b>	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental Activities:</b>										
General government										
Number of user groups - Beaverton Comm. Ctr.	228	235	237	210	199	148	242	283	267	252
Public Safety										
Number of Neighborhood Resource Centers	3	3	3	3	3	3	3	3	3	3
Number of jail facilities (holding cells)	4	4	4	4	4	4	4	4	4	4
Number of vehicular patrol units (1)	42	43	44	45	48	49	50	50	47	49
Highways and streets										
Miles of streets	220	222	220	220	220	221	223	222	222	224
Number of traffic signals	122	123	123	123	124	124	124	125	127	128
Numbers of street lighting fixtures	6,952	6,990	6,991	7,046	7,117	7,200	7,237	7,178	7,190	7,321
Education										
Library building	1	1	1	1	1	1	1	1	1	1
Library bookstore	1	1	1	1	1	1	1	1	1	1
Branch Library	1	1	1	1	1	1	1	1	1	1
<b>Business-type activities:</b>										
Water										
Total City ONLY above-ground water reservoir capacity (in millions of gallons)	28.25	28.25	28.25	28.25	28.25	28.25	28.25	28.25	28.5	28.0
Total city-owned capacity of multi-jurisdictional storage reservoir (in millions of gallons)	10	10	10	10	10	10	10	10	10	10
Annual Ground Water Storage (Treated Surface Water ASR) and Native Ground Water (in million gallons)	1,200	1,160	1,160	1,160	1,160	1,160	1,511	1,350	1,657	1,850
Sanitary Sewer and Storm:										
Miles of sanitary sewer lines	271	274	275	274	279	284	290	275	277	278

Sources: Various City of Beaverton departments.

## **ANNUAL DISCLOSURE INFORMATION**

**ANNUAL DISCLOSURE INFORMATION**  
**June 30, 2019**  
**(Unaudited)**

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*In conformance with SEC Rule 15c2-12, as amended (17 CFR Part 240, § 240.15c2-12) (the "Rule"), the City will provide annually the information presented in this section to all NRMSIRs and SIDs, if any.*

**BASIS OF ACCOUNTING**

The City's governmental funds are maintained on the modified accrual basis of accounting. The proprietary funds are accounted for using the accrual basis of accounting. The City's accounting practices conform to accounting principles generally accepted in the United States of America.

**Fiscal Year:** July 1 to June 30

**AUDITS**

The Oregon Municipal Audit Law (ORS 297.405 - 297.555) requires an audit and examination to be made of the accounts and financial affairs of every municipal corporation at least once a year. Unless the municipality elects to have the audit performed by the State Division of Audits, the audit shall be made by accountants whose names are included on the roster prepared by the State Board of Accountancy.

The City audits for fiscal years 2001-2019 were performed by Talbot, Korvola & Warwick LLP. The auditors did not review the statistical tables and offer no opinion regarding the statistical tables.

**BUDGETING PROCESS**

The City prepares an annual budget in accordance with provisions of the Oregon Local Budget Law (ORS 294), which provides standard procedures for the preparation, presentation, administration and appraisal of budgets. The law mandates public involvement in budget preparation and public exposure of its proposed programs. The law also requires that the budget be balanced.

**BONDS**

The City issues revenue bonds to finance major construction projects for business-type activities. On June 28, 2018 the City issued \$18,125,000 Water Revenue Bonds, Series 2018 to finance all or a portion of the costs associated with additions, replacements, expansions or improvements to the City's water system infrastructure. The City issued Water Revenue and Refunding Bonds, Series 2016 in the amount of \$5,615,000, on November 8, 2016. The bonds were issued for the purpose of fully refunding the remaining Water Revenue Bonds, Series 2006. The 2006 Water Revenue Bonds were issued to finance the costs of improvements to the City's Water System, as well as cost of issuance, insurance and surety bond. As of June 30, 2019 the outstanding bonds consist of the Water Revenue Bonds, Series 2018 and the Water Revenue and Refunding Bonds, Series 2016. The Water Revenue Bonds, Series 2018 are rated AA+ by Standard & Poors. The Water Revenue and Refunding Bonds, Series 2016 are not assigned a rating by any rating agency. The 2016 are not registered under Securities Act of 1933. Purchaser is making a loan by purchasing the 2016 Bonds, and is holding bonds as one single debt instrument.

The General Obligation Refunding Bonds, Series 2005, were issued on August 16, 2005 in the amount of \$13,575,000. The proceeds were used to advance refund the callable portion of the City's outstanding General Obligation Bonds, Series 1999. These bonds have been paid in full as of FY 2018-19. On February 8, 2017 the City issued \$33,845,000 in general obligation bonds to pay for the capital costs of constructing and equipping an earthquake-resistant public safety center on property already owned by the City. The Bonds were rated Aaa and AAA by Moody's and S&P, respectively.

**ANNUAL DISCLOSURE INFORMATION, Continued**  
**June 30, 2019**  
**(Unaudited)**

**TABLE 1 - Water Revenue Bonds - Four-Year Water System Consumption (hundred cubic feet by customer class)**

Customer Class	2014-15	2015-16	2016-17	2017-18	2018-19 (a)
Single Family	1,308,167	1,407,169	1,282,899	1,342,868	1,406,247
Multi-residential / Apartments	884,146	907,147	877,491	869,274	931,264
Commercial	665,372	699,362	641,019	686,609	723,830
Public Facilities	29,678	31,005	27,727	43,908	70,471
Irrigation / Fire	268,760	332,451	256,311	310,630	357,171
Total consumption	3,156,123	3,377,134	3,085,447	3,253,289	3,488,983

**TABLE 2 - Water Revenue Bonds - Ten Largest System Customers - Fiscal Year 2018-19**

Customer	Consumption in CCF <sup>1</sup>	Percent of District Total
Beaverton School District	56,475	1.62 %
Sterling Park Apartments I, II, III	55,607	1.59
City of Beaverton	40,011	1.15
Tualatin Hills Park & Rec	37,262	1.07
Seven West at the Trails I, II	35,578	1.02
LaSalle Owner LLC	35,112	1.01
Lynmarie Apartments	32,294	0.93
Center Development of Oregon	25,862	0.74
Harsch Investment	25,372	0.73
Meridian @ Murrayhill	23,915	0.69
Subtotal	367,488	10.53 %
All Other Customers	3,121,495	89.47
Total	3,488,983	100.00 %

1. 1 CCF = 100 cubic feet = 748 gallons

**WATER RATES AND CHARGES**

The City reviews its water rates on a regular basis. Effective July 1, 2018, the usage (consumption) charge was increased 3.3% and the monthly base charge was increased 7.1%.

**TABLE 3 - Water Revenue Bonds - System Rates and Charges**

	2015	2016	2017	2018	2019 (a)
Consumption charge per ccf	\$2.87	\$2.94	\$2.97	\$3.07	\$3.17
Consumption rate increase	3.6%	3.5%	3.5%	3.4%	3.3%
Monthly base charge rate increase by meter size	9.10%	8.30%	8.30%	7.70%	7.10%
5/8 inch	\$12.00	\$13.00	\$13.00	\$14.00	\$15.00
1 inch	18.91	20.48	20.48	22.06	23.63
1 1/2 inch	30.40	32.92	32.92	35.45	37.97
2 inch	44.25	47.92	47.92	51.61	55.27
3 inch	76.47	82.82	82.82	89.20	95.53
4 inch	122.55	132.72	132.72	142.94	153.09
6 inch	237.73	257.46	257.46	277.28	296.97
8 inch	291.52	315.72	315.72	340.03	364.17
10 inch					575.19

(a) FY 2018-19 reflects increase in customer base due to take over of approximately 4100 customer accounts from Tualatin Valley Water District.

**ANNUAL DISCLOSURE INFORMATION, Continued**

**June 30, 2019**

**(Unaudited)**

**TABLE 4 - Water Revenue Bonds - Water Fund Balance Sheets - As of June 30**

	2015	2016	2017	2018	2019
<b>Assets</b>					
Current assets:					
Cash and investments	\$10,787,766	\$14,310,966	\$14,811,267	\$32,889,327	\$26,419,623
Accounts receivable, net	1,909,924	1,935,719	1,796,043	2,204,038	2,664,963
Other receivables	4,466	5,559	25,624	95,195	350,372
Accrued interest receivable	10,206	19,322	37,298	56,806	73,877
Due from other governments	53,750	53,750	65,627		
Inventory of materials and supplies	202,454	140,351	147,220	135,810	175,102
Total current assets	12,968,566	16,465,667	16,883,079	35,381,176	29,683,937
Investment in joint ventures	20,680,133	20,136,516	20,217,482	20,668,139	21,139,789
OPEB Asset (RHIA)				5,024	19,407
Net pension asset	305,108				
Capital assets, net	74,587,924	76,644,494	80,910,208	90,839,589	112,899,948
<b>TOTAL ASSETS</b>	<b>108,541,731</b>	<b>113,246,677</b>	<b>118,010,769</b>	<b>146,893,928</b>	<b>163,743,081</b>
<b>Deferred Outflows of Resources</b>					
Deferred amount on bond refunding	41,192	20,596			
Deferred amount on pensions	82,829	154,865	1,066,476	656,003	929,283
Deferred amount on OPEB				12,600	14,552
<b>TOTAL DEFERRED OUTFLOWS</b>	<b>124,021</b>	<b>175,461</b>	<b>1,066,476</b>	<b>668,603</b>	<b>943,835</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$108,665,752</b>	<b>\$113,422,138</b>	<b>\$119,077,245</b>	<b>\$147,562,531</b>	<b>\$164,686,916</b>
<b>Liabilities and fund equity/net assets</b>					
Current liabilities:					
Accounts payable	\$740,912	\$1,821,964	\$2,533,337	\$2,449,608	\$300,568
Accrued salaries and payroll taxes	99,903	125,204	98,665	112,169	140,218
Accrued interest payable	39,139	35,349	23,004	56,244	301,718
Other accrued liabilities	11,522	25,016	10,926	10,251	11,601
Due to other governments	28,340				1,060,392
Contract retainage payable	17,895	20,119	67,170	8,870	1,844,280
Deferred Revenues	80,650				
Contract payable, net	20,833	21,901	23,043	24,267	25,579
Bonds payable, net	1,758,401	1,237,602	580,000	1,491,396	1,321,396
Total current liabilities	2,797,595	3,287,155	3,336,145	4,152,805	5,005,752
Long-term liabilities:					
Contract payable, net	544,151	522,250	499,207	474,936	449,362
Bonds payable, net	6,785,018	5,547,416	5,035,000	24,696,516	23,375,120
Loans Payable - IFA			1,097,645	1,097,645	1,097,645
Compensated absences	130,634	148,007	164,137	192,443	197,933
Net OPEB Liability	105,899	111,254	164,788	151,240	188,455
Net pension liability		685,011	2,077,561	1,934,292	2,649,962
Total long-term liabilities	7,565,702	7,013,938	9,038,338	28,547,072	27,958,477
<b>TOTAL LIABILITIES</b>	<b>10,363,297</b>	<b>10,301,093</b>	<b>12,374,483</b>	<b>32,699,877</b>	<b>32,964,229</b>
<b>Deferred Inflows of Resources</b>					
Deferred amount on OPEB				11,667	50,677
Deferred amount on pensions	569,172	208,802	124,228	117,494	274,979
<b>TOTAL DEFERRED INFLOWS</b>	<b>569,172</b>	<b>208,802</b>	<b>124,228</b>	<b>129,161</b>	<b>325,656</b>
<b>Net Position</b>					
Net investment in capital assets	71,032,744	73,725,587	77,325,063	87,480,487	101,601,123
Reserved for construction	1,860,962	1,879,643	992,721	2,049,121	2,252,380
Reserved for debt service and other purposes	69,556	70,879	68,321	74,323	89,379
Unrestricted	24,770,021	27,236,134	28,192,429	25,129,562	27,454,149
<b>TOTAL NET POSITION</b>	<b>97,733,283</b>	<b>102,912,243</b>	<b>106,578,534</b>	<b>114,733,493</b>	<b>131,397,031</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	<b>\$108,665,752</b>	<b>\$113,422,138</b>	<b>\$119,077,245</b>	<b>\$147,562,531</b>	<b>\$164,686,916</b>

**ANNUAL DISCLOSURE INFORMATION, Continued**  
**June 30, 2019**  
**(Unaudited)**

**TABLE 5 - Water Revenue Bonds - Water Fund Statement of Revenues, Expenditures and Changes in Net Position for the fiscal years ended June 30**

	2015	2016	2017	2018	2019
Operating revenues (1):					
Charges for services	\$12,278,622	\$12,942,019	\$12,397,824	\$13,693,573	\$15,411,282
Installation fees	29,893	23,299	10,134	51,989	33,835
Lease income		204,228		101,872	88,526
Miscellaneous revenues	98,045	104,450	232,190	148,979	413,315
<b>TOTAL OPERATING REVENUES</b>	<b>12,406,560</b>	<b>13,273,996</b>	<b>12,640,148</b>	<b>13,996,413</b>	<b>15,946,958</b>
Operating expenses:					
Personal services	1,020,931	1,981,957	2,267,519	2,267,336	3,361,994
Water purchases	1,218,188	1,197,987	1,288,362	1,383,335	1,482,560
Administration charges from General Fund	347,395	360,406	356,391	493,587	548,392
Right of Way fee payment	598,586	659,843	619,246	641,861	715,778
Supplies, repairs, and services	1,831,293	2,086,890	2,444,532	2,733,661	3,664,454
Depreciation and amortization	1,782,169	1,818,665	1,926,307	1,974,187	2,131,627
<b>TOTAL OPERATING EXPENSES</b>	<b>6,798,562</b>	<b>8,105,748</b>	<b>8,902,357</b>	<b>9,493,967</b>	<b>11,904,805</b>
<b>OPERATING INCOME</b>	<b>5,607,998</b>	<b>5,168,248</b>	<b>3,737,791</b>	<b>4,502,446</b>	<b>4,042,153</b>
Nonoperating revenues (expenses):					
Gain on sale of property	4,640	5,917	29,206	12,825	11,443
Interest earnings	61,475	94,109	144,322	(12,290)	1,103,242
Interest expense	(384,430)	(355,620)	(216,481)	(178,619)	(914,810)
Debt Service fees				(145,215)	(1,600)
Share of private grant received by joint venture		109,597			
Net loss from joint ventures	(732,271)	(888,539)	(722,716)	(886,878)	(823,785)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>(1,050,586)</b>	<b>(1,034,536)</b>	<b>(765,669)</b>	<b>(1,210,177)</b>	<b>(625,510)</b>
<b>NET INCOME BEFORE CONTRIBUTIONS</b>	<b>4,557,412</b>	<b>4,133,712</b>	<b>2,972,122</b>	<b>3,292,269</b>	<b>3,416,643</b>
Capital Contributions					
State Grants					
Intergovernmental revenue		54,750			
Systems development charges revenue	828,294	983,855	176,990	1,517,101	1,271,117
Capital Contributions from private developers	174,438	6,643	517,179	3,361,501	11,208,555
<b>TOTAL CAPITAL CONTRIBUTIONS</b>	<b>1,002,732</b>	<b>1,045,248</b>	<b>694,169</b>	<b>4,878,602</b>	<b>12,479,672</b>
<b>CHANGE IN NET POSITION</b>	<b>5,560,144</b>	<b>5,178,960</b>	<b>3,666,291</b>	<b>8,170,871</b>	<b>15,896,315</b>
<b>NET POSITION-AS PREVIOUSLY REPORTED</b>	<b>96,635,477</b>	<b>101,644,288</b>	<b>102,912,243</b>	<b>106,562,622</b>	<b>114,733,493</b>
Adjustment for pension cost, GASB #68	(551,333)	22,813			
Adjustment for OPEB cost, GASB #75		26,907	(15,912)		
Adjustment for Investment in Joint Venture		(3,960,725)			
Adjustment for amortization of water rights					767,223
<b>NET POSITION - AS RESTATED</b>	<b>96,084,144</b>	<b>97,733,283</b>	<b>102,896,331</b>	<b>106,562,622</b>	<b>115,500,716</b>
<b>NET POSITION - End of year</b>	<b>\$101,644,288</b>	<b>\$102,912,243</b>	<b>\$106,562,622</b>	<b>\$114,733,493</b>	<b>\$131,397,031</b>

(1) This statement was prepared on the GAAP basis which does not allow inclusion of system development charges as operating revenues

**ANNUAL DISCLOSURE INFORMATION, Continued**  
**June 30, 2019**  
**(Unaudited)**

**TABLE 6 - Water Revenue Bonds - Historical Operating Results and Debt Service Coverage**

	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Revenues:					
Charges for services	\$12,280,273	\$12,943,100	\$12,397,485	\$13,693,039	\$15,416,694
Installation fees	29,893	23,298	10,134	51,989	33,836
Interest on investments	53,210	82,032	149,734	207,521	296,108
Intergovernmental lease revenue		204,228		101,872	88,526
Miscellaneous	102,685	141,919	225,735	161,804	423,316
<b>TOTAL REVENUES</b>	<b>12,466,061</b>	<b>13,394,577</b>	<b>12,783,088</b>	<b>14,216,225</b>	<b>16,258,480</b>
Operating and maintenance expenses:					
Personal services	1,355,607	1,390,646	1,830,319	2,026,676	2,735,960
Water purchases	1,218,188	1,107,968	1,288,362	1,383,335	1,482,560
Materials and services	1,870,645	2,019,371	2,225,898	2,554,067	3,312,944
Operating transfers out	940,607	1,003,204	1,151,282	1,487,936	1,674,856
<b>TOTAL OPERATING AND MAINTENANCE EXPENSES</b>	<b>5,385,047</b>	<b>5,521,189</b>	<b>6,495,861</b>	<b>7,452,014</b>	<b>9,206,320</b>
<b>NET REVENUES</b>	<b>7,081,014</b>	<b>7,873,388</b>	<b>6,287,227</b>	<b>6,764,211</b>	<b>7,052,160</b>
Debt service:					
2004 Revenue bonds					
2004 (B) Revenue bonds					
2006 Revenue bonds	732,535	734,535	552,096		
2014 Revenue & Refunding bonds	2,034,307	1,322,264	762,343		
2016 Revenue bonds			58,259	683,316	682,644
2018 Revenue bonds					1,437,240
<b>TOTAL DEBT SERVICE</b>	<b>2,766,842</b>	<b>2,056,799</b>	<b>1,372,698</b>	<b>683,316</b>	<b>2,119,884</b>
<b>DEBT SERVICE COVERAGE (1)</b>	<b>2.56</b>	<b>3.83</b>	<b>4.58</b>	<b>9.90</b>	<b>3.33</b>
<b>REMAINING NET REVENUES</b>	<b>4,314,172</b>	<b>5,816,589</b>	<b>4,914,529</b>	<b>6,080,895</b>	<b>4,932,276</b>
<b>OTHER NON-OPERATING REVENUE</b>	<b>62,000</b>	<b>109,597</b>			
Capital outlay and other expenses:					
Capital outlay	34,627	687,413	173,926	141,424	265,420
Joint Water Commission Projects	1,054,479	790,986	805,574	1,047,618	1,185,151
Maintenance and replacement	1,452,875	1,281,731	1,425,067	2,685,315	2,100,448
Transfer to Water Construction Fund	730,000	530,000	1,776,000	1,230,000	1,000,000
Bureau of Reclamation debt	65,110	65,110	65,110	65,110	65,110
Other expenditures			61,400		
<b>TOTAL CAPITAL OUTLAY AND OTHER EXPENSES</b>	<b>3,337,091</b>	<b>3,355,240</b>	<b>4,307,077</b>	<b>5,169,467</b>	<b>4,616,129</b>
<b>NET REVENUES AFTER CAPITAL OUTLAY AND OTHER EXPENSES</b>	<b>1,039,081</b>	<b>2,570,946</b>	<b>607,452</b>	<b>911,428</b>	<b>316,147</b>
Beginning balance	8,087,669	9,126,750	11,697,696	12,305,148	13,216,576
<b>ENDING BALANCE - BUDGETARY BASIS</b>	<b>\$9,126,750</b>	<b>\$11,697,696</b>	<b>\$12,305,148</b>	<b>\$13,216,576</b>	<b>\$13,532,723</b>
Contingency and reserve:					
Operating contingency	\$7,512,928	\$10,075,013	\$10,787,463	\$12,047,278	\$12,020,584
Contingency - rate stabilization	600,000	600,000	600,000	600,000	600,000
Operating reserve - Joint Water Commission	500,000	500,000	500,000	500,000	500,000
Operating reserve - equipment replacement	444,266	451,804	349,364		342,168
Debt service contingency	69,556	70,879	68,321	69,298	69,971
<b>TOTAL CONTINGENCY AND RESERVE</b>	<b>\$9,126,750</b>	<b>\$11,697,696</b>	<b>\$12,305,148</b>	<b>\$13,216,576</b>	<b>\$13,532,723</b>

**Note:** Information obtained from Water Operating and Water Debt Service budgetary schedules.

(1) City is in compliance with other debt service requirements per the Master Water Bond Declaration.

**ANNUAL DISCLOSURE INFORMATION, Continued**

**June 30, 2019**

**(Unaudited)**

**TABLE 7 - Water Revenue Bonds - Projected Operating Results**

	FY 2020	FY 2021	FY 2022	FY 2023
Revenues:				
Charges for services	\$20,638,244	\$23,500,000	\$26,300,000	28,300,000
Installation fees	20,000	40,000	40,000	40,000
Interest on investments	314,600	256,868	269,711	282,554
Intergovernmental lease revenue	80,000	80,000	80,000	80,000
Miscellaneous	250,000	75,000	75,000	75,000
<b>TOTAL REVENUES</b>	<b>21,302,844</b>	<b>23,951,868</b>	<b>26,764,711</b>	<b>28,777,554</b>
Operating and maintenance expenses:				
Personal services	3,535,746	3,671,818	3,811,973	3,956,332
Water purchases	1,684,550	1,819,314	1,964,859	2,122,048
Materials and services	6,656,058	6,778,861	6,924,804	7,176,044
Operating transfers out	1,882,283	1,976,397	2,075,217	2,178,978
<b>Total Operating and Maintenance Expenses</b>	<b>13,758,637</b>	<b>14,246,390</b>	<b>14,776,853</b>	<b>15,433,402</b>
<b>NET REVENUES</b>	<b>7,544,207</b>	<b>9,705,477</b>	<b>11,987,858</b>	<b>13,344,152</b>
Debt service:				
2015 ASR #5 Fed/State Loan			284,600	284,600
2016 Revenue & Refunding bonds	681,788	680,748	684,524	683,024
2018 Revenue bonds	1,438,750	1,440,250	1,435,250	1,439,000
2020 Revenue bond issue		2,016,000	2,016,000	2,016,000
<b>TOTAL DEBT SERVICE</b>	<b>2,120,538</b>	<b>4,136,998</b>	<b>4,420,374</b>	<b>4,422,624</b>
<b>DEBT SERVICE COVERAGE (1)</b>	<b>3.56</b>	<b>2.35</b>	<b>2.71</b>	<b>3.02</b>
<b>REMAINING NET REVENUES</b>	<b>5,423,669</b>	<b>5,568,479</b>	<b>7,567,484</b>	<b>8,921,528</b>
Capital outlay and other expenses:				
Capital outlay	800,407	300,000	300,000	300,000
Joint Water Commission Projects	1,510,000	911,399	1,183,520	684,651
Maintenance and replacement	1,737,500	1,430,000	1,550,000	2,350,000
Transfer to Water Construction Fund	2,000,000	2,500,000	2,500,000	2,500,000
Bureau of Reclamation debt	65,110	65,110	65,110	65,110
<b>TOTAL CAPITAL OUTLAY AND OTHER EXPENSES</b>	<b>6,113,017</b>	<b>5,206,509</b>	<b>5,598,630</b>	<b>5,899,761</b>
<b>NET REVENUES AFTER CAPITAL OUTLAY AND OTHER EXPENSES</b>	<b>(689,348)</b>	<b>361,970</b>	<b>1,968,854</b>	<b>3,021,767</b>
Beginning balance	13,532,723	12,843,375	13,205,345	15,174,199
<b>ENDING BALANCE - BUDGETARY BASIS</b>	<b>\$12,843,375</b>	<b>\$13,205,345</b>	<b>\$15,174,199</b>	<b>\$18,195,966</b>
Contingency and reserve:				
Operating contingency	\$11,274,195	\$11,536,709	\$13,395,563	\$16,307,330
Contingency - rate stabilization	600,000	600,000	600,000	600,000
Operating reserve - Joint Water Commission	500,000	500,000	500,000	500,000
Operating reserve - equip replacement	398,636	508,636	618,636	728,636
Debt service contingency	70,544	60,000	60,000	60,000
<b>TOTAL CONTINGENCY AND RESERVE</b>	<b>\$12,843,375</b>	<b>\$13,205,345</b>	<b>\$15,174,199</b>	<b>\$18,195,966</b>

Note: FY 2021 includes a proposed 66 cent increase, FY 2022 a 53 cent increase and FY 2023 a 36 cent increase in the water consumption rates. In addition, FY 21-23 includes a \$1 water base increase on 5/8" meter size, effective July 1 of each year. All other meter sizes will go up by the same percentage increase.

**ANNUAL DISCLOSURE INFORMATION, Continued**  
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**(Unaudited)**

**TABLE 8 - Water Revenue Bonds**

	Issue Date	Maturity Date	Amount Issued
<b>Revenue Bonds:</b>			
2018 Water Revenue Bonds	06/28/18	04/01/38	\$18,125,000
2016 Water Revenue & Refunding Bonds	11/08/16	06/01/26	5,615,000
<b>Total System Obligations</b>			<b><u>\$23,740,000</u></b>

**TABLE 9 - Water Capital Improvement Plan (CIP)**

Project Name and Number	Adopted FY 2020	Projected FY 2021
<b>Operating Fund Improvements:</b>		
JWC Maintenance & Replacement Projects		
-Project 3611	\$1,510,000	\$911,399
Water System Improvements - Project 3701	1,737,500	1,430,000
	<u>3,247,500</u>	<u>2,341,399</u>
<b>Construction Capacity Improvements:</b>		
Water Extra-Capacity - Project 3620	403,000	505,000
ASR # 5 - Project 3621	1,272,000	4,100,000
Cooper Mountain Reservoir # 2 - Project 3622	10,520,000	11,159,660
Non-Potable Purple Pipe Projects - Project 3623	2,585,000	1,600,000
South Cooper Mountain - Water Capacity - Project 3625	10,000	
Water Withdrawal Areas - Project 3627	2,740,000	2,900,000
TVWD Opportunity Projects - Project 3628	250,000	225,000
Meridian Pump Station Replacement - Project 3631	3,560,000	
JWC Capacity Projects - Project 3636 (Scoggins Dam Raise)	3,000	3,000
Willamette Water Supply System - Project 3643	44,000	706,708
Willamette Water System Intertie - Project 3645	4,350,000	1,650,000
WWSP - Treatment, Storage, Transmission - Project 3646	11,720,000	7,846,777
	<u>37,457,000</u>	<u>30,696,145</u>
<b>Total</b>	<b><u>\$40,704,500</u></b>	<b><u>\$33,037,544</u></b>

**ANNUAL DISCLOSURE INFORMATION, Continued**  
**June 30, 2019**  
**(Unaudited)**

**TABLE 10 - General Obligation Bonds - Summary of 2018-19 and 2019-20 Adopted Budgets - All  
Funds and Fund Types**

	<b>FY 2018-19 Adopted</b>	<b>FY 2019-20 Adopted</b>
<b>Revenues:</b>		
Property taxes	\$47,210,051	\$49,155,290
Intergovernmental	21,240,080	27,565,974
Business licenses & permits	758,025	759,425
Building permits & fees	6,529,555	6,783,125
Zoning & annexation fees	380,000	450,000
System development charges	3,006,000	2,774,000
Right of way fees	10,290,935	10,690,479
Fines & forfeitures	4,994,116	5,382,216
Interest on investments	2,361,300	2,907,600
Special assessments	10,800	3,500
Charges for services	24,972,290	32,013,244
Self-insurance charges	11,508,748	11,869,260
Bond /financing proceeds	2,114,334	72,046,084
Project engineering charges	730,000	890,000
Miscellaneous	4,617,364	12,006,526
<b>Total Revenues</b>	<b>140,723,598</b>	<b>235,296,723</b>
<b>Expenditures:</b>		
Personal services	76,133,955	79,654,805
Materials & services	46,200,379	55,732,677
Capital outlay	51,433,076	109,147,533
<b>Total Expenditures</b>	<b>173,767,410</b>	<b>244,535,015</b>
<b>Other financing sources (uses):</b>		
Transfers in	24,842,137	29,270,792
Transfers out	(24,842,137)	(30,181,289)
Debt Service - Principal	(3,897,482)	(3,689,481)
Debt Service - Interest	(2,937,728)	(5,568,522)
<b>Total other financing sources (uses)</b>	<b>(6,835,210)</b>	<b>(10,168,500)</b>
Net change in fund balance	(39,879,022)	(19,406,792)
Fund balance/working capital beginning of year	121,438,751	96,719,012
Fund balance (contingency)/working capital end of year	\$81,559,729	\$77,312,220

Note: Information was derived from the City's adopted budget. See Summary of Revenues and Expenditures and Other Financing Sources and Uses All Funds and Fund Types - Annual Budget Document.

**ANNUAL DISCLOSURE INFORMATION, Continued**  
**June 30, 2019**  
**(Unaudited)**

**TABLE 11 - General Obligation Bonds - Consecutive Balance Sheets - General Fund as of June 30**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Assets and other debits:</b>					
Cash and investments	\$19,803,832	\$20,726,759	\$20,101,142	\$19,929,727	\$21,907,644
Property taxes receivable	1,332,626	1,484,935	1,620,539	1,193,774	597,674
Court fines receivable	2,220,623	2,384,070	2,532,861	1,988,418	1,867,670
Accounts and other receivables, net	938,868	1,428,702	1,542,132	1,460,334	1,653,956
Due from other funds			119,956	123,218	262,375
Due from other governments	531,402	810,428	404,661	597,929	446,297
Grants receivable	220,014	275,470	408,935	192,130	117,446
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<u>\$25,047,365</u>	<u>\$27,110,364</u>	<u>\$26,730,226</u>	<u>\$25,485,530</u>	<u>\$26,853,062</u>
<b>Liabilities, deferred inflow of resources and fund balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$793,900	\$729,403	\$596,694	\$949,760	\$1,000,289
Accrued salaries and payroll taxes	1,844,605	2,029,809	1,091,703	1,023,829	2,106,056
Other accrued liabilities and deposits	1,364,468	549,959	1,183,783	1,146,536	717,164
Due to other governments	518,092	1,204,214	570,879	450,723	455,937
<b>TOTAL LIABILITIES</b>	<u>4,521,065</u>	<u>4,513,385</u>	<u>3,443,059</u>	<u>3,570,848</u>	<u>4,279,446</u>
<b>Deferred inflows of resources:</b>					
Property taxes	1,208,711	1,365,189	1,495,566	1,055,202	493,827
Municipal court fines	1,691,428	1,844,207	1,965,716	1,538,456	1,440,897
Interest	19,438	37,246	71,064	111,251	120,192
Grants					
<b>TOTAL DEFERRED INFLOWS</b>	<u>2,919,577</u>	<u>3,246,642</u>	<u>3,532,346</u>	<u>2,704,909</u>	<u>2,054,916</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>	<u>7,440,642</u>	<u>7,760,027</u>	<u>6,975,405</u>	<u>6,275,757</u>	<u>6,334,362</u>
<b>Fund Balances:</b>					
Committed	1,008,480	932,017	933,063	874,858	1,030,206
Assigned	5,302,317	9,123,665	8,893,805	10,081,867	9,379,871
Unassigned	11,295,926	9,294,655	9,927,953	8,253,048	10,108,623
<b>TOTAL FUND BALANCES</b>	<u>17,606,723</u>	<u>19,350,337</u>	<u>19,754,821</u>	<u>19,209,773</u>	<u>20,518,700</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<u>\$25,047,365</u>	<u>\$27,110,364</u>	<u>\$26,730,226</u>	<u>\$25,485,530</u>	<u>\$26,853,062</u>

**ANNUAL DISCLOSURE INFORMATION, Continued**  
**June 30, 2019**  
**(Unaudited)**

**TABLE 12 - General Obligation Bonds- Statement of Revenues, Expenditures and Changes in Fund Balance -  
General Fund as of June 30**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues:					
Taxes	\$31,116,067	\$32,229,119	\$33,710,763	\$35,236,076	\$37,518,279
Intergovernmental	3,651,917	3,501,840	2,885,971	3,559,985	3,475,937
Federal grants	1,170,787	623,502	858,903	643,629	249,266
State and private grants			251,063	51,287	300,179
Fees, licenses and permits	2,203,055	2,373,583	3,314,282	2,328,942	2,967,307
Right of way fees	5,834,789	7,580,364	7,926,616	8,464,784	9,198,504
Fines and forfeits	4,909,016	4,881,579	4,814,484	4,612,201	4,167,028
Interest on investments and assessments	119,250	120,105	189,954	110,738	883,601
Charges for services	3,807,963	4,183,498	3,862,104	3,469,606	3,720,870
Miscellaneous and cash-in-lieu	503,151	527,432	2,190,184	495,934	324,121
<b>TOTAL REVENUES</b>	<u>53,315,995</u>	<u>56,021,022</u>	<u>60,004,324</u>	<u>58,973,182</u>	<u>62,805,092</u>
Expenditures:					
General government	22,999,395	23,824,889	26,760,488	25,775,432	26,611,037
Cultural	996,966	1,021,690	921,368	1,008,572	906,180
Public safety	27,025,999	28,521,938	29,210,066	30,224,956	31,861,589
Debt service	180,252	180,252	170,331	106,692	106,692
<b>TOTAL EXPENDITURES</b>	<u>51,202,612</u>	<u>53,548,769</u>	<u>57,062,253</u>	<u>57,115,652</u>	<u>59,485,498</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>2,113,383</u>	<u>2,472,253</u>	<u>2,942,071</u>	<u>1,857,530</u>	<u>3,319,594</u>
Other financing sources (uses):					
Operating transfers in	217,767	94,154		83,899	805,126
Operating transfers out	(1,243,695)	(822,793)	(2,537,587)	(2,463,475)	(2,815,793)
Bond proceeds					
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(1,025,928)</u>	<u>(728,639)</u>	<u>(2,537,587)</u>	<u>(2,379,576)</u>	<u>(2,010,667)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>1,087,455</u>	<u>1,743,614</u>	<u>404,484</u>	<u>(522,046)</u>	<u>1,308,927</u>
FUND BALANCES-as previously reported	16,519,268	17,606,723	19,350,337	19,754,821	19,209,773
Adj. for fair market value				(23,002)	
FUND BALANCES - as restated	<u>17,606,723</u>	<u>19,350,337</u>	<u>19,754,821</u>	<u>19,731,819</u>	<u>19,209,773</u>
FUND BALANCES, End of year	<u>\$17,606,723</u>	<u>\$19,350,337</u>	<u>\$19,754,821</u>	<u>\$19,209,773</u>	<u>\$20,518,700</u>

**ANNUAL DISCLOSURE INFORMATION, Continued**  
**June 30, 2019**  
**(Unaudited)**

**TABLE 13 - General Obligation Bonds- Consecutive Balance Sheets - General Obligation Debt Service Fund**  
**as of June 30**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Assets:</b>					
Cash and investments	\$109,916	\$130,134	\$142,989	\$168,334	\$127,210
Property taxes receivable	78,398	85,743	91,151	69,104	33,062
Accrued interest receivable	1,074	1,687	3,645	5,565	5,980
<b>TOTAL ASSETS</b>	<u><u>\$189,388</u></u>	<u><u>\$217,564</u></u>	<u><u>\$237,785</u></u>	<u><u>\$243,003</u></u>	<u><u>\$166,252</u></u>
<b>Deferred Inflows of Resources and and Fund Balances:</b>					
<b>Deferred inflows of resources:</b>					
Unavailable revenues, property taxes	\$71,628	\$79,186	\$84,551	\$61,541	\$27,331
Unavailable revenue, interest	1,074	1,687	3,645	5,565	5,980
<b>Total deferred inflows</b>	<u>72,702</u>	<u>80,873</u>	<u>88,196</u>	<u>67,106</u>	<u>33,311</u>
<b>Fund balances:</b>					
Restricted	<u>116,686</u>	<u>136,691</u>	<u>149,589</u>	<u>175,897</u>	<u>132,941</u>
<b>TOTAL DEFERRED INFLOWS AND FUND BALANCES</b>	<u><u>\$189,388</u></u>	<u><u>\$217,564</u></u>	<u><u>\$237,785</u></u>	<u><u>\$243,003</u></u>	<u><u>\$166,252</u></u>

**ANNUAL DISCLOSURE INFORMATION, Continued**  
**June 30, 2019**  
**(Unaudited)**

**TABLE 14 - General Obligation Bonds - Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Debt Service Fund as of June 30**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues:					
Taxes	\$1,647,422	\$1,736,191	\$1,733,859	\$1,910,671	\$2,058,703
Interest on investments and assessments	5,927	5,864	8,651	13,462	22,113
Miscellaneous	685	950	888	1,463	2,989
<b>TOTAL REVENUES</b>	<u>\$1,654,034</u>	<u>1,743,005</u>	<u>1,743,398</u>	<u>1,925,596</u>	<u>2,083,805</u>
Expenditures:					
Debt service:					
Bond principal retirement	1,400,000	1,450,000	1,530,000	1,480,000	1,000,000
Interest and fees	329,000	273,000	200,500	1,609,511	1,180,621
<b>TOTAL EXPENDITURES</b>	<u>1,729,000</u>	<u>1,723,000</u>	<u>1,730,500</u>	<u>3,089,511</u>	<u>2,180,621</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(74,936)</u>	<u>20,005</u>	<u>12,898</u>	<u>(1,163,915)</u>	<u>(96,816)</u>
Other financing sources (uses):					
Transfers in				1,190,387	53,860
<b>NET CHANGE IN FUND BALANCES</b>	<u>(74,936)</u>	<u>20,005</u>	<u>12,898</u>	<u>26,472</u>	<u>(42,956)</u>
FUND BALANCES- as previously reported	191,622	116,686	136,691	149,589	175,897
Investment adjustment to fair market value				(164)	
<b>FUND BALANCES- AS RESTATED</b>	<u>191,622</u>	<u>116,686</u>	<u>136,691</u>	<u>149,425</u>	<u>175,897</u>
<b>FUND BALANCES, June 30</b>	<u>\$116,686</u>	<u>\$136,691</u>	<u>\$149,589</u>	<u>\$175,897</u>	<u>\$132,941</u>

**INDEPENDENT AUDITOR'S REPORT  
ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENTAL AUDITING STANDARDS***

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



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**REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITOR'S REPORT**

Mayor and City Council  
City of Beaverton  
Beaverton, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Beaverton, Oregon (the City) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 12, 2019.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

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

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

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

**COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



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**REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (Continued)**

**INDEPENDENT AUDITOR'S REPORT (Continued)**

**PURPOSE OF THIS REPORT**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Talbot, Kowala & Warwick LLP*

Lake Oswego, Oregon  
December 12, 2019



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH  
OREGON STATE REGULATIONS**

Mayor and City Council  
City of Beaverton  
Beaverton, Oregon

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of City of Beaverton, Oregon (the City), as of and for the year ended June 30, 2019, and the related notes to the financial statements which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 12, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**COMPLIANCE**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- 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 162-10-000 through 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*.



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**INDEPENDENT AUDITOR'S REPORT ON  
COMPLIANCE AND INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH OREGON STATE REGULATIONS (Continued)**

Page 2

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

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

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

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

**PURPOSE OF THIS REPORT**

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

*Talbot, Kowala & Warwick LLP*

Lake Oswego, Oregon  
December 12, 2019