

***CITY OF WOODBURN, OREGON***

***Annual Financial Report  
Year Ended June 30, 2012***

**CITY OF WOODBURN, OREGON**  
**TABLE OF CONTENTS**

---

|   | <u>Page</u> |
|---|-------------|
| <b>INTRODUCTORY SECTION</b>   |             |
| Principal Officials   | v           |
| <b>FINANCIAL SECTION</b>  |             |
| <b>INDEPENDENT AUDITOR'S REPORT</b>   | 1-2         |
| <b>MANAGEMENT'S DISCUSSION AND ANALYSIS</b>   | 3-9         |
| <b>BASIC FINANCIAL STATEMENTS</b>   |             |
| Government-wide Financial Statements  |             |
| Statement of Net Assets   | 10          |
| Statement of Activities   | 11          |
| Fund Financial Statements   |             |
| Balance Sheet - Governmental Funds  | 12          |
| Reconciliation of Balance Sheet - Governmental Funds to the Statement of Net Assets   | 13          |
| Statement of Revenues, Expenditures and Changes in Fund Balances -<br>Governmental Funds  | 14          |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances -<br>Governmental Funds to the Statement of Activities | 15          |
| Statement of Fund Net Assets - Proprietary Funds  | 16          |
| Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds  | 17          |
| Statement of Cash Flows - Proprietary Funds   | 18-19       |
| Statement of Fiduciary Net Assets   | 20          |
| Statement of Changes in Fiduciary Net Assets  | 21          |
| Notes to Basic Financial Statements   | 22-44       |
| <b>REQUIRED SUPPLEMENTARY INFORMATION</b>   |             |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual<br>General Fund  | 45          |
| <b>OTHER SUPPLEMENTARY INFORMATION</b>  |             |
| Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual<br>Street SDC Fund   | 46          |
| Reconciliation of Budgetary Funds to Reporting Funds – General Fund   |             |
| Balance Sheet   | 47          |
| Schedule of Revenues, Expenditures and Changes in Fund Balance  | 48          |
| Nonmajor Governmental Funds   |             |
| Combining Balance Sheet   | 49-51       |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances  | 52-54       |
| Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual   |             |
| Transit Fund  | 55          |
| Building Fund   | 56          |
| Search and Seizure Fund   | 57          |
| Weed and Seed Fund  | 58          |
| Revenue Sharing Fund  | 59          |
| Housing Rehabilitation Fund   | 60          |
| RSVP Fund   | 61          |

**CITY OF WOODBURN, OREGON**  
**TABLE OF CONTENTS**

---

**Page**

***FINANCIAL SECTION (Continued)***

***OTHER SUPPLEMENTARY INFORMATION (Continued)***

**Nonmajor Governmental Funds (Continued)**

**Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)**

|                                       |    |
|---------------------------------------|----|
| Cable Franchise Fund                  | 62 |
| Streets Fund                          | 63 |
| Local Gas Tax Fund                    | 64 |
| Library Endowment Fund                | 65 |
| Museum Endowment Fund                 | 66 |
| Economic Development Fund             | 67 |
| Lavelle Black Trust Fund              | 68 |
| Police Construction Fund              | 69 |
| General Construction Fund             | 70 |
| Special Assessment Fund               | 71 |
| Street/Storm Capital Improvement Fund | 72 |
| Parks SDC Fund                        | 73 |
| Storm SDC Fund                        | 74 |
| PW Facility Construction Fund         | 75 |
| Equipment Replacement Fund            | 76 |
| GO Debt Fund                          | 77 |
| Bancroft Bond Fund                    | 78 |
| Urban Renewal Debt Fund               | 79 |

**Nonmajor Proprietary Funds**

|   |    |
|---|----|
| Combining Statement of Fund Net Assets - Enterprise Funds   | 80 |
| Combining Statement of Revenues, Expenses and Changes in Fund Net Assets -<br>Enterprise Funds                              | 81 |
| Combining Statement of Cash Flows - Enterprise Funds  | 82 |
| Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Basis)<br>and Actual – Enterprise Funds |    |
| Water Fund  | 83 |
| Sewer Fund  | 84 |
| WWTP Construction Fund  | 85 |
| WWDC Fund   | 86 |
| Sewer Capital Improvement Fund  | 87 |
| Water SDC Fund  | 88 |
| Sewer SDC Fund  | 89 |
| Surfacewater Fund   | 90 |

**Internal Services Funds**

|   |    |
|---|----|
| Combining Statement of Fund Net Assets - Internal Service Funds                                       | 91 |
| Combining Statement of Revenues, Expenses and Changes in Fund Net Assets -<br>Internal Service Funds  | 92 |
| Combining Statement of Cash Flows - Internal Service Funds  | 93 |
| Schedules of Revenues, Expenses and Changes in Fund Balances (Budgetary Basis) -<br>Budget and Actual |    |
| Information Services Fund   | 94 |
| Central Stores Fund   | 95 |
| Insurance Fund  | 96 |
| Technical and Environmental Services Fund   | 97 |
| Building Maintenance Fund   | 98 |

**CITY OF WOODBURN, OREGON**  
**TABLE OF CONTENTS**

---

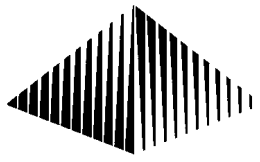
|  | <u>Page</u> |
|--|-------------|
| <b>FINANCIAL SECTION (Continued)</b>                                     |             |
| <b>OTHER SUPPLEMENTARY INFORMATION (Continued)</b>                       |             |
| Other Financial Schedules  |             |
| Schedule of Property Tax Transactions and Outstanding Balances           | 99          |
| Schedule of Bond and Bond Interest Transactions                          | 100-101     |
| Schedule of Future Debt Service Requirements                             | 102-103     |
| <b>REGULATORY SECTION</b>  |             |
| <b>INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS</b> | 104-105     |

**MAYOR AND COUNCIL MEMBERS**

| <u>Name</u>  | <u>Term Expires</u> |
|--|---------------------|
| <i>Mayor</i>   |                     |
| Kathryn Figley<br>601 S. Settlemeier<br>Woodburn, OR 97071           | December 31, 2012   |
| <i>Council Members</i>   |                     |
| Richard Pugh<br>1880 Woodland Avenue<br>Woodburn, OR 97071           | December 31, 2012   |
| J. Mel Schmidt<br>840 Hermanson Street<br>Woodburn, OR 97071         | December 31, 2012   |
| Eric Morris<br>1505 Hardcastle Avenue<br>Woodburn, OR 97071          | December 31, 2012   |
| Pete McCallum<br>370 Ironwood Terrace<br>Woodburn, OR 97071          | December 31, 2014   |
| Jim Cox<br>1530 Ranier Way<br>Woodburn, OR 97071                     | December 31, 2014   |
| Frank Lonergan<br>245 N 2 <sup>nd</sup> Street<br>Woodburn, OR 97071 | December 31, 2014   |

*Staff*

Scott Derickson, City Administrator  
N. Robert Shields, City Attorney  
Christina Shearer, Finance Director



## GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS  
475 Cottage Street NE, Suite 200, Salem, Oregon 97301  
(503) 581-7788

### ***INDEPENDENT AUDITOR'S REPORT***

Honorable Mayor and Council Members  
City of Woodburn  
270 Montgomery Street  
Woodburn, Oregon 97071

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the City of Woodburn, Oregon as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our 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 of Woodburn, Oregon as of June 30, 2012 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

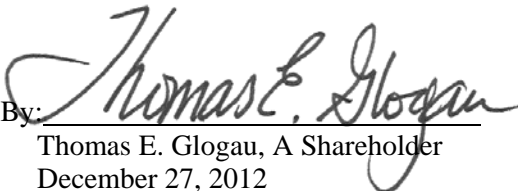
In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2012 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) and budgetary comparison information for the General Fund on pages 3 through 9 and 45 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 MD&A 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. The budgetary comparison information on page 45 has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

*GROVE, MUELLER & SWANK, P.C.*  
*CERTIFIED PUBLIC ACCOUNTANTS*

By:   
Thomas E. Glogau, A Shareholder  
December 27, 2012

**CITY OF WOODBURN**  
Year Ended June 30, 2012

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Management's Discussion and Analysis of the City of Woodburn's Annual Financial Report (AFR) presents a discussion and analysis of the City's financial performance during the fiscal year ended June 30, 2012. The information presented here should be considered in conjunction with the financial statements included in this report.

**FINANCIAL HIGHLIGHTS**

Following are the financial highlights of the City for the fiscal year ended June 30, 2012.

|                                     | <u>June 30,</u> |                |               |
|-------------------------------------|-----------------|----------------|---------------|
|                                     | <u>2012</u>     | <u>2011</u>    | <u>change</u> |
| Net assets                          | \$ 111,565,887  | \$ 109,157,985 | \$ 2,407,902  |
| Change in net assets                | 2,407,902       | 3,467,074      | (1,059,172)   |
| Governmental activities net assets  | 70,359,567      | 69,117,217     | 1,242,350     |
| Business-type activities net assets | 41,206,320      | 40,040,768     | 1,165,552     |

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City of Woodburn's basic financial statements. The basic financial statements include three components: the government-wide financial statements, the fund financial statements and notes to the financial statements. This report also contains other required supplementary information.

**Government-wide financial statements.** The government-wide financial statements present the net assets (*statement of net assets*) and results of operations (*statement of activities*) of the total reporting government. Included are all governmental and business-type assets, liabilities and activities of the City. The measurement focus and basis of accounting are the same for the entire entity. The measurement focus is on all economic resources of the fund, including current financial resources (assets) and non-current financial resources (capital assets) and the related current and non-current liabilities and equity accounts. Both government-wide statements are prepared using the accrual basis of accounting, which is similar to the methods used by most businesses and takes into account all revenues and expenses connected with the fiscal year, even if cash involved has not been received or paid.

*The statement of net assets* presents information on all the City of Woodburn's assets and liabilities, with the difference between the two reported as net assets. Increases or decreases in net assets may indicate whether the City's financial position is improving or deteriorating.

*The statement of activities* presents the expenses incurred in providing services to the public and the revenues associated with those activities for both governmental and business-type activities. The statement of activities begins with expenses by function. To these functions are applied charges for services, operating grants and contributions and capital grants and contributions. The resulting sums, with some adjustments, represent charges to general taxpayers and may equate to the nearest that governments can determine the "bottom line."



The government-wide financial statements are divided into two categories. Governmental activities are services funded through property taxes and intergovernmental revenues. The governmental activities for the City of Woodburn include general government, public safety, highways and streets, and culture and recreation. Business-type activities are operations funded primarily through charges to external users of goods and services. Business-type activities include water and wastewater.

**Fund Financial Statements.** A fund is a fiscal and accounting entity with a self-balancing set of accounts that is used to segregate resources that are restricted to a particular activity. The use of funds deters commingling of resources designated for a specific purpose, prevents unauthorized transfer of surpluses, and ensures compliance with legal and contractual requirements. The City of Woodburn has three types of fund categories: governmental funds, proprietary funds, and a fiduciary fund.

*Governmental Funds.* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources and use the modified accrual basis of accounting. Operating statements include all sources and uses of financial resources, and display the excess of revenues and other financial sources over (under) expenditures and other uses. Included in the balance sheet are liquid assets and receivables that will be converted into cash currently and short-term liabilities, including payables to vendors and employees. Unmatured bond principal or liabilities for compensated absences not to be paid in the fiscal year are not included. Because the governmental fund statements do not encompass the long-term focus of the government-wide statements, reconciliations are provided on the subsequent page of the governmental fund statements. The emphasis is on major funds that account for the predominant assets and activities of all funds.

The City of Woodburn maintains twenty-seven individual governmental funds. Information is presented separately for the General Fund and Street SDC Fund in the Governmental Fund Balance Sheet and Statement of Revenue, Expenditures and Changes in Fund Balances. The other governmental funds are combined into a single, aggregated presentation. Information for these non-major governmental funds is provided in the form of *combining statements*.

The City of Woodburn adopts an annual appropriated budget for all of its funds. Budgetary comparison statements, demonstrating compliance with this budget, have been provided.

*Proprietary Funds.* The City of Woodburn maintains two different types of proprietary funds: enterprise and internal service funds. These funds are used to show activities that operate more like those of commercial enterprises. Fees are charged for services provided, both to outside customers and to other units of the City of Woodburn. Enterprise funds are presented as business-type activities in the government-wide financial statements. The City of Woodburn uses enterprise funds to account for its water and wastewater activities. Internal service funds account for activities furnishing goods or services to other units of the government. Charges for these services are on a cost-reimbursement basis. The internal services funds include central stores, insurance, facility maintenance, information services, public works administration and engineering services. The internal service funds are reported with governmental activities in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Sewer, Wastewater Treatment Plant (WWTP) Construction, and Water Well Development (WWD) Construction funds. The internal service funds are combined into a single column in the proprietary fund financial statements.

**Notes to the Financial Statements.** The notes to the financial statements are an integral part of the basic financial statements and should be read along with them. The notes provide additional information necessary to communicate the financial position of the City of Woodburn.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required and supplementary information concerning the City of Woodburn.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City of Woodburn had \$168,324,873 in total assets and \$56,758,986 in total liabilities, resulting in combined net assets of \$111,565,887 for governmental and business-type activities. The largest component of the City's net assets, reflects its investment in capital assets (i.e., land, buildings, equipment and infrastructure, less any related debt outstanding that was needed to acquire or construct the assets). The City of Woodburn uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Governmental capital assets, net of depreciation, increased \$3,044,303 over the prior year due to the start of the Highway 214 project and continuation of the Centennial Park, Greenway and Fifth Street projects. Increases to the governmental capital assets should continue to decrease year over year as the various projects are completed.

Business-type capital assets, net of depreciation decreased \$35,186 over the prior year due to depreciation which offset the continuation of the wastewater treatment plant upgrade and the water line extension project. It should be noted that business-type capital assets will continue to increase as the next phases of the wastewater treatment plant upgrade begin.

Total liabilities for both governmental and business-type activities increased by \$15,010,185 from the prior year due to the new enterprise fund debt.

Overall, the City's financial position changed by \$2,407,902 (or 2%). This is due mainly to the addition and completion of several capital projects, as noted above.

### Statement of Net Assets

The following table reflects the condensed Statement of Net Assets compared to the prior year.

|  | 2012                    |                          |                       | 2011                    |                          |                       | Change                  |                          |                     |
|--|-------------------------|--------------------------|-----------------------|-------------------------|--------------------------|-----------------------|-------------------------|--------------------------|---------------------|
|  | Governmental Activities | Business-type Activities | Total                 | Governmental Activities | Business-type Activities | Total                 | Governmental Activities | Business-type Activities | Total               |
| Cash and investments                               | \$ 15,432,365           | \$ 23,963,357            | \$ 39,395,722         | \$ 15,214,590           | \$ 6,048,848             | \$ 21,263,438         | \$ 217,775              | \$ 17,914,509            | \$ 18,132,284       |
| Other assets                                       | 1,743,325               | 908,644                  | 2,651,969             | 1,831,269               | 1,179,974                | 3,011,243             | (87,944)                | (271,330)                | (359,274)           |
| Capital assets                                     | 60,676,927              | 65,600,255               | 126,277,182           | 60,293,805              | 66,338,300               | 126,632,105           | 383,122                 | (738,045)                | (354,923)           |
| <i>Total Assets</i>                                | <i>77,852,617</i>       | <i>90,472,256</i>        | <i>168,324,873</i>    | <i>77,339,664</i>       | <i>73,567,122</i>        | <i>150,906,786</i>    | <i>512,953</i>          | <i>16,905,134</i>        | <i>17,418,087</i>   |
| Other liabilities                                  | 521,350                 | 751,030                  | 1,272,380             | 1,237,558               | 3,158,343                | 4,395,901             | (716,208)               | (2,407,313)              | (3,123,521)         |
| Long-term liabilities                              | 6,971,700               | 48,514,906               | 55,486,606            | 6,984,889               | 30,368,011               | 37,352,900            | (13,189)                | 18,146,895               | 18,133,706          |
| <i>Total Liabilities</i>                           | <i>7,493,050</i>        | <i>49,265,936</i>        | <i>56,758,986</i>     | <i>8,222,447</i>        | <i>33,526,354</i>        | <i>41,748,801</i>     | <i>(729,397)</i>        | <i>15,739,582</i>        | <i>15,010,185</i>   |
| Net assets:  |                         |                          |                       |                         |                          |                       |                         |                          |                     |
| Invested in capital assets,<br>net of related debt | 54,443,478              | 31,042,855               | 85,486,333            | 53,552,571              | 33,878,782               | 87,431,353            | 890,907                 | (2,835,927)              | (1,945,020)         |
| Restricted   | 9,460,498               | 935,770                  | 10,396,268            | 9,407,166               | 542,268                  | 9,949,434             | 53,332                  | 393,502                  | 446,834             |
| Unrestricted                                       | 6,455,591               | 9,227,695                | 15,683,286            | 6,157,480               | 5,619,718                | 11,777,198            | 298,111                 | 3,607,977                | 3,906,088           |
| <i>Total Net Assets</i>                            | <i>\$ 70,359,567</i>    | <i>\$ 41,206,320</i>     | <i>\$ 111,565,887</i> | <i>\$ 69,117,217</i>    | <i>\$ 40,040,768</i>     | <i>\$ 109,157,985</i> | <i>\$ 1,242,350</i>     | <i>\$ 1,165,552</i>      | <i>\$ 2,407,902</i> |

### Governmental Activities

The City's net assets from governmental activities increased \$1,242,350 (2%) from 2010-11 to 2011-12.

## Business-type Activities

The City's net assets from business-type activities increased \$1,165,552 (3%) from 2010-11 to 2011-12.

## Statement of Activities

The following table reflects the condensed Statement of Activities compared to the prior year.

|   | 2012                    |                          |                | 2011                  |                          |                | Change                |                          |              |
|---|-------------------------|--------------------------|----------------|-----------------------|--------------------------|----------------|-----------------------|--------------------------|--------------|
|   | Governmental Activities | Business-type Activities | Total          | Government Activities | Business-type Activities | Total          | Government Activities | Business-type Activities | Total        |
| <b>Revenues</b>                               |                         |                          |                |                       |                          |                |                       |                          |              |
| Program Revenues                              |                         |                          |                |                       |                          |                |                       |                          |              |
| Charges for service                           | \$ 2,321,980            | \$ 9,535,915             | 11,857,895     | \$ 2,054,971          | \$ 8,852,694             | \$ 10,907,665  | \$ 267,009            | \$ 683,221               | \$ 950,230   |
| Operating grants and contributions            | 1,911,075               | -                        | 1,911,075      | 1,491,298             | -                        | 1,491,298      | 419,777               | -                        | 419,777      |
| Capital grants and contributions              | 522,817                 | 437,817                  | 960,634        | 540,889               | 1,824,635                | 2,365,524      | (18,072)              | (1,386,818)              | (1,404,890)  |
| <i>Total Program Revenues</i>                 | 4,755,872               | 9,973,732                | 14,729,604     | 4,087,158             | 10,677,329               | 14,764,487     | 668,714               | (703,597)                | (34,883)     |
| General Revenues                              |                         |                          |                |                       |                          |                |                       |                          |              |
| Property taxes                                | 8,495,199               | -                        | 8,495,199      | 8,460,151             | -                        | 8,460,151      | 35,048                | -                        | 35,048       |
| Franchise taxes                               | 1,776,101               | -                        | 1,776,101      | 1,768,058             | -                        | 1,768,058      | 8,043                 | -                        | 8,043        |
| Intergovernmental                             | 533,738                 | -                        | 533,738        | 557,619               | -                        | 557,619        | (23,881)              | -                        | (23,881)     |
| Other   | 299,156                 | 74,063                   | 373,219        | 130,113               | 27,710                   | 157,823        | 169,043               | 46,353                   | 215,396      |
| <i>Total General Revenues</i>                 | 11,104,194              | 74,063                   | 11,178,257     | 10,915,941            | 27,710                   | 10,943,651     | 188,253               | 46,353                   | 234,606      |
| <i>Total Revenues</i>                         | 15,860,066              | 10,047,795               | 25,907,861     | 15,003,099            | 10,705,039               | 25,708,138     | 856,967               | (657,244)                | 199,723      |
| <b>Expenses (Net of Indirect Expenses)</b>    |                         |                          |                |                       |                          |                |                       |                          |              |
| General government                            | 2,116,264               | -                        | 2,116,264      | 2,038,098             | -                        | 2,038,098      | 78,166                | -                        | 78,166       |
| Public safety                                 | 6,733,302               | -                        | 6,733,302      | 6,175,907             | -                        | 6,175,907      | 557,395               | -                        | 557,395      |
| Highways and streets                          | 2,202,753               | -                        | 2,202,753      | 2,903,846             | -                        | 2,903,846      | (701,093)             | -                        | (701,093)    |
| Culture and recreation                        | 4,019,379               | -                        | 4,019,379      | 3,413,838             | -                        | 3,413,838      | 605,541               | -                        | 605,541      |
| Interest                                      | 257,018                 | -                        | 257,018        | 286,145               | -                        | 286,145        | (29,127)              | -                        | (29,127)     |
| Water   | -                       | 2,901,104                | 2,901,104      | -                     | 2,428,964                | 2,428,964      | -                     | 472,140                  | 472,140      |
| Sewer   | -                       | 5,270,139                | 5,270,139      | -                     | 4,994,266                | 4,994,266      | -                     | 275,873                  | 275,873      |
| <i>Total Expenses</i>                         | 15,328,716              | 8,171,243                | 23,499,959     | 14,817,834            | 7,423,230                | 22,241,064     | 510,882               | 748,013                  | 1,258,895    |
| <i>Changes in Net Assets Before Transfers</i> | 531,350                 | 1,876,552                | 2,407,902      | 185,265               | 3,281,809                | 3,467,074      | 346,085               | 1,691,287                | 2,037,372    |
| <i>Transfers</i>                              | 711,000                 | (711,000)                | -              | 181,789               | (181,789)                | -              | 529,211               | (529,211)                | -            |
| <i>Change in Net Assets</i>                   | 1,242,350               | 1,165,552                | 2,407,902      | 367,054               | 3,100,020                | 3,467,074      | 875,296               | 1,162,076                | 2,037,372    |
| <i>Beginning Net Assets, as adjusted</i>      | 69,117,217              | 40,040,768               | 109,157,985    | 68,750,163            | 36,940,748               | 105,690,911    | 367,054               | 3,100,020                | 3,467,074    |
| <i>Ending Net Assets</i>                      | \$ 70,359,567           | \$ 41,206,320            | \$ 111,565,887 | \$ 69,117,217         | \$ 40,040,768            | \$ 109,157,985 | \$ 1,242,350          | \$ 4,262,096             | \$ 5,504,446 |

**Governmental Activities.** Total revenues for the City of Woodburn's governmental activities were \$15,860,066 for the fiscal year ended June 30, 2012. Approximately 54% of the total revenue for the governmental activities was derived from property taxes and approximately 15% of the total revenue was from grants. Total expenses for governmental activities were \$15,328,716 and net transfers in were \$711,000 resulting in a \$1,242,350 increase in net assets. General governmental activities accounted for approximately 14% of the total governmental activities expense. Public Safety, Culture and Recreation and Highways and Streets expenses account for 41% of the total, and interest on long-term debt expenses was less than 1% of total governmental activities expenses.

**Business-Type Activities.** Revenues of business-type activities totaled \$10,047,795 for the current fiscal year. These activities generated \$9,973,732 in program revenues. Approximately 95% of the total business-type activities revenue was derived from charges for services. The total expenses for business-type activities were \$8,171,243 and net transfers out were \$711,000 resulting in an \$1,165,552 increase in net assets. Business-type activities for the City of Woodburn consist of operations for water and wastewater services.

## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

As noted previously, the City of Woodburn uses fund accounting to segregate resources that are restricted to a particular activity. Fund balance represents the excess of the assets of the fund over its liabilities. Because the fund financial statements focus on current sources and uses of spendable resources, unreserved fund balances relating to each fund may be useful in assessing the government's net resources available.

Special Revenue Funds whose primary source of funding is transfers from the General Fund are reported as part of the General Fund. Therefore, in the Governmental Funds Statement of Assets and Liabilities and the Statement of Receipts, Disbursements and Changes in Fund Balances, the General Reserve Fund has been combined with the General Fund.

**Governmental Funds.** At the end of the fiscal year, there was \$14,735,701 of fund balance of the governmental funds, an increase of \$579,046 from the prior year. The City's governmental funds include the General Fund and Street SDC funds and other non-major funds.

The General Fund is the chief operating fund of the City. At the end of the fiscal year, a fund balance of \$2,744,299 was reported by the General Fund. The fund balance increased by \$298,160 from the previous year.

The City of Woodburn reports one other major governmental fund, the Street SDC Fund. This fund had a fund balance of \$5,398,189, a decrease of \$474,124 from the previous year.

**Proprietary Funds.** Net assets of the proprietary funds equaled \$41,206,320 at the end of the current fiscal year. The net asset increase of \$1,165,552 from the previous year was due mainly to the decrease in expenses which were greater than the decrease in revenues.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The original budget was amended to decrease Library expenditures by \$10,000 and increase transfers out by the same amount. Actual revenues (budgetary basis), were within 1% of budgeted amounts. General Fund expenditures ended \$2,320,119 below budgeted amounts primarily due to management efforts to contain costs throughout the fiscal year.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets.** The City of Woodburn's investment in capital assets for its governmental and business-type activities equaled \$60,676,927 and \$65,600,255 respectively, at the end of the current fiscal year, net of accumulated depreciation. This investment includes land, buildings, improvements, equipment, and infrastructure. Additional information about the City's capital assets is presented in the notes to the financial statements.

|                          | <i>Governmental<br/>Activities</i> |                      | <i>Total<br/>Percentage<br/>Change</i> |
|--------------------------|------------------------------------|----------------------|--|
|                          | <i>2012</i>                        | <i>2011</i>          | <i>2011-2012</i>                       |
|                          |                                    |                      |  |
| Land                     | \$ 22,567,381                      | \$ 22,567,381        | - %                                    |
| Construction in progress | 1,909,356                          | 9,504,993            | (79.91)                                |
| Equipment                | 5,690,040                          | 5,869,352            | (3.06)                                 |
| Building                 | 15,897,131                         | 8,611,272            | 84.61                                  |
| Infrastructure           | 37,241,093                         | 35,228,583           | 5.71                                   |
| Accumulated depreciation | (22,628,074)                       | (24,148,957)         | (6.30)                                 |
| <i>Total</i>             | <i>\$ 60,676,927</i>               | <i>\$ 57,632,624</i> | <i>5.28 %</i>                          |

|                          | <i>Business-type<br/>Activities</i> |                      | <i>Total<br/>Percentage<br/>Change</i> |
|--------------------------|-------------------------------------|----------------------|--|
|                          | <i>2012</i>                         | <i>2011</i>          | <i>2011-2012</i>                       |
|                          |                                     |                      |  |
| Land                     | \$ 1,783,816                        | \$ 1,783,816         | - %                                    |
| Construction in progress | 3,532,785                           | 7,162,827            | (50.68)                                |
| Equipment                | 1,899,873                           | 2,729,540            | (30.40)                                |
| Building                 | 62,340,008                          | 62,323,573           | 0.03                                   |
| Infrastructure           | 28,315,347                          | 23,107,823           | 22.54                                  |
| Accumulated depreciation | (32,271,574)                        | (31,472,138)         | 2.54                                   |
| <i>Total</i>             | <i>\$ 65,600,255</i>                | <i>\$ 65,635,441</i> | <i>(0.05) %</i>                        |

**Long-term Debt.** At the end of the current fiscal year, long-term debt outstanding for the governmental activities totaled \$6,233,449 (excluding compensated absences payable), compared to \$6,741,234 in the prior year. For the business-type activities, total long-term debt equaled \$48,415,376 (excluding compensated absences payable) compared to \$32,459,518 in the prior year. The increase is due to new debt incurred in the current year. Additional information about the City's long-term debt outstanding is presented in the notes to the financial statements.

|                     | <i>Governmental<br/>Activities</i> |                     | <i>Change</i>       |
|---------------------|------------------------------------|---------------------|---------------------|
|                     | <i>2012</i>                        | <i>2011</i>         | <i>2011-2012</i>    |
|                     |                                    |                     |                     |
| Loans               | \$ 180,213                         | \$ 204,441          | \$ (24,228)         |
| Urban Renewal bonds | 6,053,236                          | 6,536,793           | (483,557)           |
| <i>Total</i>        | <i>\$ 6,233,449</i>                | <i>\$ 6,741,234</i> | <i>\$ (507,785)</i> |

|               | <i>Business-type<br/>Activities</i> |                      | <i>Change</i>        |
|---------------|-------------------------------------|----------------------|----------------------|
|               | <i>2012</i>                         | <i>2011</i>          | <i>2011-2012</i>     |
| Revenue bonds | \$ 42,504,729                       | \$ 6,778,648         | \$ 35,726,081        |
| Loans         | 5,910,647                           | 25,680,870           | (19,770,223)         |
| <i>Total</i>  | <u>\$ 48,415,376</u>                | <u>\$ 32,459,518</u> | <u>\$ 15,955,858</u> |

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

Due to reductions in the real property valuations, it is expected that future property taxes increases will be less than the three percent allowed annually on existing real property value as compression on certain properties will be realized. Currently, the housing market in Marion is depressed due to the national housing slump and economic conditions. We continue to expect revenues to be impacted by the current national and local conditions.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide the City of Woodburn's citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions about this report or requests for additional financial information should be addressed to the City of Woodburn, 270 Montgomery Street, Woodburn, Oregon 97071.

***BASIC FINANCIAL STATEMENTS***

**CITY OF WOODBURN, OREGON**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2012**

|   | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> | <b>Totals</b>         |
|---|------------------------------------|-------------------------------------|-----------------------|
| <b>ASSETS</b>                                   |                                    |                                     |                       |
| Cash and investments                            | \$ 15,432,365                      | \$ 23,963,357                       | \$ 39,395,722         |
| Accounts receivable                             | 313,320                            | 562,949                             | 876,269               |
| Property taxes receivable                       | 732,201                            | -                                   | 732,201               |
| Assessment liens receivable                     | 769,083                            | -                                   | 769,083               |
| Internal balances                               | (71,279)                           | 71,279                              | -                     |
| Unamortized bond issue costs                    | -                                  | 274,416                             | 274,416               |
| Non-depreciable capital assets                  | 24,476,737                         | 5,316,600                           | 29,793,337            |
| Other capital assets, net of depreciation       | 36,200,190                         | 60,283,655                          | 96,483,845            |
| <i>Total Assets</i>                             | <i>77,852,617</i>                  | <i>90,472,256</i>                   | <i>168,324,873</i>    |
| <b>LIABILITIES</b>                              |                                    |                                     |                       |
| Accounts payable                                | 405,332                            | 170,765                             | 576,097               |
| Deposits payable                                | 93,471                             | 93,471                              | 186,942               |
| Accrued interest payable                        | 22,547                             | 486,794                             | 509,341               |
| Noncurrent liabilities:                         |                                    |                                     |                       |
| Due within one year:                            |                                    |                                     | -                     |
| Long-term debt                                  | 526,295                            | 2,486,879                           | 3,013,174             |
| Due in more than one year:                      |                                    |                                     |                       |
| Long-term debt                                  | 5,707,154                          | 45,928,497                          | 51,635,651            |
| Accrued compensated absences                    | 738,251                            | 99,530                              | 837,781               |
| <i>Total Liabilities</i>                        | <i>7,493,050</i>                   | <i>49,265,936</i>                   | <i>56,758,986</i>     |
| <b>NET ASSETS</b>                               |                                    |                                     |                       |
| Invested in capital assets, net of related debt | 54,443,478                         | 31,042,855                          | 85,486,333            |
| Restricted for:                                 |                                    |                                     |                       |
| Debt service                                    | 1,702,513                          | -                                   | 1,702,513             |
| Culture and recreation                          | 193,424                            | -                                   | 193,424               |
| Construction                                    | 7,564,561                          | 935,770                             | 8,500,331             |
| Unrestricted                                    | 6,455,591                          | 9,227,695                           | 15,683,286            |
| <i>Total Net Assets</i>                         | <i>\$ 70,359,567</i>               | <i>\$ 41,206,320</i>                | <i>\$ 111,565,887</i> |

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



**CITY OF WOODBURN, OREGON**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2012**

|   | <i>Expenses</i>      | <i>Program Revenues</i>                             |   |   |
|---|----------------------|---|---|---|
|   |                      | <i>Fees, Fines<br/>and Charges<br/>for Services</i> | <i>Operating<br/>Grants and<br/>Contributions</i> | <i>Capital<br/>Grants and<br/>Contributions</i> |
| <b><i>FUNCTIONS/PROGRAMS</i></b>                            |                      |   |   |   |
| <b><i>Governmental activities:</i></b>                      |                      |   |   |   |
| General government  | \$ 2,116,264         | \$ 266,789  | \$ -  | \$ 8,407  |
| Public safety   | 6,733,302            | 874,614   | 9,610   | -   |
| Highways and streets  | 2,202,753            | 490,640   | 1,312,024   | 420,586   |
| Culture and recreation                                      | 4,019,379            | 689,937   | 589,441   | 93,824  |
| Interest on long-term debt                                  | 257,018              | -   | -   | -   |
| <i>Total Governmental activities</i>                        | 15,328,716           | 2,321,980   | 1,911,075   | 522,817   |
| <b><i>Business-type activities:</i></b>                     |                      |   |   |   |
| Water   | 2,901,104            | 3,297,812   | -   | 271,288   |
| Sewer   | 5,270,139            | 6,238,103   | -   | 166,529   |
| <i>Total Business-type activities</i>                       | 8,171,243            | 9,535,915   | -   | 437,817   |
| <i>Total Activities</i>                                     | <u>\$ 23,499,959</u> | <u>\$ 11,857,895</u>                                | <u>\$ 1,911,075</u>                               | <u>\$ 960,634</u>                               |
| <b><i>General Revenues:</i></b>                             |                      |   |   |   |
| Property taxes  |                      |   |   |   |
| Franchise taxes   |                      |   |   |   |
| Intergovernmental   |                      |   |   |   |
| Proceeds from disposition of assets                         |                      |   |   |   |
| Unrestricted investment earnings                            |                      |   |   |   |
| Miscellaneous   |                      |   |   |   |
| <i>Total General Revenues</i>                               |                      |   |   |   |
| <b><i>Transfers</i></b>                                     |                      |   |   |   |
| <b><i>Change in net assets</i></b>                          |                      |   |   |   |
| <i>Net Assets - beginning of year, as originally stated</i> |                      |   |   |   |
| <i>Prior period adjustment</i>                              |                      |   |   |   |
| <i>Net Assets - beginning of year, as adjusted</i>          |                      |   |   |   |
| <i>Net Assets - end of year</i>                             |                      |   |   |   |

***Net (Expenses) Revenues  
and Changes in Net Assets***

| <b><i>Governmental<br/>Activities</i></b> | <b><i>Business-type<br/>Activities</i></b> | <b><i>Totals</i></b>  |
|---|--|-----------------------|
| \$ (1,841,068)                            | \$ -                                       | \$ (1,841,068)        |
| (5,849,078)                               | -  | (5,849,078)           |
| 20,497                                    | -  | 20,497                |
| (2,646,177)                               | -  | (2,646,177)           |
| (257,018)                                 | -  | (257,018)             |
| (10,572,844)                              | -  | (10,572,844)          |
| -   | 667,996                                    | 667,996               |
| -   | 1,134,493                                  | 1,134,493             |
| -   | 1,802,489                                  | 1,802,489             |
| (10,572,844)                              | 1,802,489                                  | (8,770,355)           |
| 8,495,199                                 | -  | 8,495,199             |
| 1,776,101                                 | -  | 1,776,101             |
| 533,738                                   | -  | 533,738               |
| -   | 5,892                                      | 5,892                 |
| 46,992                                    | 67,709                                     | 114,701               |
| 252,164                                   | 462  | 252,626               |
| 11,104,194                                | 74,063                                     | 11,178,257            |
| 711,000                                   | (711,000)                                  | -                     |
| 1,242,350                                 | 1,165,552                                  | 2,407,902             |
| 66,456,038                                | 39,337,935                                 | 105,793,973           |
| 2,661,179                                 | 702,833                                    | 3,364,012             |
| 69,117,217                                | 40,040,768                                 | 109,157,985           |
| <u>\$ 70,359,567</u>                      | <u>\$ 41,206,320</u>                       | <u>\$ 111,565,887</u> |

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

**CITY OF WOODBURN, OREGON**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2012**

|   | <u>Capital Projects</u> |                   | <i>Other<br/>Governmental<br/>Funds</i> |
|---|-------------------------|-------------------|---|
|   | <u>General</u>          | <u>Street SDC</u> |   |
| <b>ASSETS</b>                             |                         |                   |   |
| Cash and investments                      | \$ 3,025,340            | \$ 5,178,476      | \$ 6,580,537                            |
| Accounts and notes receivable             | 53,948                  | -                 | 255,372                                 |
| Property taxes receivable                 | 638,116                 | -                 | 94,085                                  |
| Assessment liens receivable               | -                       | -                 | 769,083                                 |
| Due from other funds                      | 158,639                 | 221,509           | -                                       |
|   | <hr/>                   | <hr/>             | <hr/>                                   |
| <i>Total Assets</i>                       | \$ 3,876,043            | \$ 5,399,985      | \$ 7,699,077                            |
|   | <hr/> <hr/>             | <hr/> <hr/>       | <hr/> <hr/>                             |
| <b>LIABILITIES AND FUND BALANCES</b>      |                         |                   |   |
| <b>Liabilities:</b>                       |                         |                   |   |
| Accounts payable                          | \$ 252,684              | \$ 1,796          | \$ 105,027                              |
| Deferred revenue                          | 576,316                 | -                 | 854,071                                 |
| Due to other funds                        | 302,744                 | -                 | 146,766                                 |
|   | <hr/>                   | <hr/>             | <hr/>                                   |
| <i>Total Liabilities</i>                  | 1,131,744               | 1,796             | 1,105,864                               |
| <b>Fund Balance:</b>                      |                         |                   |   |
| Restricted for:                           |                         |                   |   |
| Debt service                              | -                       | -                 | 1,656,477                               |
| Construction                              | -                       | 5,398,189         | 2,166,372                               |
| Culture and recreation                    | -                       | -                 | 193,424                                 |
| Committed to:                             |                         |                   |   |
| Public safety                             | -                       | -                 | 49,653                                  |
| Public works                              | -                       | -                 | 1,770,149                               |
| Culture and recreation                    | -                       | -                 | 1,022                                   |
| Planning and building                     | -                       | -                 | 901,748                                 |
| Unassigned                                | 2,744,299               | -                 | (145,632)                               |
|   | <hr/>                   | <hr/>             | <hr/>                                   |
| <i>Total Fund Balance</i>                 | 2,744,299               | 5,398,189         | 6,593,213                               |
|   | <hr/>                   | <hr/>             | <hr/>                                   |
| <i>Total Liabilities and Fund Balance</i> | \$ 3,876,043            | \$ 5,399,985      | \$ 7,699,077                            |
|   | <hr/> <hr/>             | <hr/> <hr/>       | <hr/> <hr/>                             |



***Total***

---

\$ 14,784,353  
309,320  
732,201  
769,083  
380,148

---

\$ 16,975,105

---

---

\$ 359,507  
1,430,387  
449,510

---

2,239,404

1,656,477  
7,564,561  
193,424

49,653  
1,770,149  
1,022  
901,748  
2,598,667

---

14,735,701

---

\$ 16,975,105

---

---

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

**CITY OF WOODBURN, OREGON**

**RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2012**

---

**RECONCILIATION TO THE STATEMENT OF NET ASSETS**

*Fund Balances* \$ 14,735,701

The Statement of Net Assets reports receivables at their net realizable value. However, receivables not available to pay for current period expenditures are deferred in governmental funds. 1,430,387

Capital assets are not financial resources in governmental funds, but are reported in the Statement of Net Assets at their net depreciable value.

Cost 83,305,001  
Accumulated depreciation (22,628,074)

All liabilities are reported in the Statement of Net Assets. However, if they are not due and payable in the current period, they are not recorded in governmental funds.

Compensated absences payable (645,687)  
Accrued interest payable (22,547)  
Long-term debt (6,233,449)

Internal service funds are proprietary-type funds and not reported with governmental funds. However, because internal service funds primarily benefit governmental activities, their assets, liabilities and net assets are reported along with governmental activities in the Statement of Net Assets. 418,235

*Net Assets of Governmental Activities* \$ 70,359,567

**CITY OF WOODBURN, OREGON****STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012**

|   |                     | <u>Capital Projects</u> |   |
|---|---------------------|-------------------------|---|
|   | <u>General Fund</u> | <u>Street SDC</u>       | <u>Other<br/>Governmental<br/>Funds</u> |
| <b>REVENUES</b>                               |                     |                         |   |
| Taxes and assessments                         | \$ 7,713,172        | \$ -                    | \$ 1,316,466                            |
| Licenses and permits                          | 1,211,597           | 400,172                 | 765,039                                 |
| Charges for services                          | 633,959             | -                       | 47,455                                  |
| Intergovernmental                             | 653,556             | -                       | 1,897,583                               |
| Fines and forfeitures                         | 734,377             | -                       | -                                       |
| Miscellaneous                                 | 209,896             | 24,525                  | 307,771                                 |
| <i>Total Revenues</i>                         | <u>11,156,557</u>   | <u>424,697</u>          | <u>4,334,314</u>                        |
| <b>EXPENDITURES</b>                           |                     |                         |   |
| Current                                       |                     |                         |   |
| General government                            | 904,089             | -                       | 603,761                                 |
| Public safety                                 | 6,348,096           | -                       | 78,539                                  |
| Highways and streets                          | -                   | 34,278                  | 1,093,161                               |
| Culture and recreation                        | 3,184,910           | -                       | 633,544                                 |
| Debt Service                                  |                     |                         |   |
| Principal                                     | -                   | 24,228                  | 483,557                                 |
| Interest                                      | -                   | 10,291                  | 258,606                                 |
| Capital outlay                                | -                   | 901,911                 | 821,487                                 |
| <i>Total Expenditures</i>                     | <u>10,437,095</u>   | <u>970,708</u>          | <u>3,972,655</u>                        |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | 719,462             | (546,011)               | 361,659                                 |
| <b>OTHER FINANCING SOURCES (USES)</b>         |                     |                         |   |
| Transfers in                                  | 70,698              | 71,887                  | 887,089                                 |
| Transfers out                                 | (492,000)           | -                       | (493,738)                               |
| <i>Total Other Financing Sources (Uses)</i>   | <u>(421,302)</u>    | <u>71,887</u>           | <u>393,351</u>                          |
| <b>NET CHANGE IN FUND BALANCE</b>             | 298,160             | (474,124)               | 755,010                                 |
| <b>FUND BALANCE, beginning of year</b>        | 2,446,139           | 5,872,313               | 5,838,203                               |
| <b>FUND BALANCE, end of year</b>              | <u>\$ 2,744,299</u> | <u>\$ 5,398,189</u>     | <u>\$ 6,593,213</u>                     |

---

| <i>Total</i>  |
|---------------|
| \$ 9,029,638  |
| 2,376,808     |
| 681,414       |
| 2,551,139     |
| 734,377       |
| 542,192       |
| 15,915,568    |
| 1,507,850     |
| 6,426,635     |
| 1,127,439     |
| 3,818,454     |
| 507,785       |
| 268,897       |
| 1,723,398     |
| 15,380,458    |
| 535,110       |
| 1,029,674     |
| (985,738)     |
| 43,936        |
| 579,046       |
| 14,156,655    |
| \$ 14,735,701 |

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

**CITY OF WOODBURN, OREGON**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2012**

---

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES**

*Net Change in Fund Balances - Total Governmental Funds* \$ 579,046

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

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. (121,695)

Governmental funds do not report expenditures for unpaid compensated absences, unpaid payroll, interest expense or arbitrage since they do not require the use of current financial resources. However, the Statement of Activities reports such expenses when incurred, regardless of when settlement ultimately occurs.

Accrued compensated absences (41,794)  
Accrued interest payable 1,588

Capital outlays are reported as expenditures in governmental funds. However, the Statement of Activities allocates the cost of capital outlay over their estimated useful lives as depreciation expense.

Capital outlay expenditures 1,871,845  
Depreciation (1,500,398)

Proceeds from the issuance of long-term debt provide current financial resources to governmental funds and are reported as revenues. In the same way, repayments of long-term debt use current financial resources and are reported as expenditures in governmental funds. However, neither the receipt of debt proceeds nor the payment of debt principal affect the Statement of Activities, but are reported as increases and decreases in noncurrent liabilities in the Statement of Net Assets.

Debt principal paid 507,785

Net income (loss) of internal service funds (526,021)

Contribution of capital assets 471,994

*Change in Net Assets of Governmental Activities* \$ 1,242,350

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



**CITY OF WOODBURN, OREGON**  
**STATEMENT OF FUND NET ASSETS - PROPRIETARY FUNDS**  
**JUNE 30, 2012**

|   | <u>Water</u>          | <u>Sewer</u>         | <u>WWTP<br/>Construction</u> |
|---|-----------------------|----------------------|------------------------------|
| <b>ASSETS</b>                                   |                       |                      |                              |
| <b>Current Assets</b>                           |                       |                      |                              |
| Cash and investments                            | \$ 512,124            | \$ 583,681           | \$ 17,436,689                |
| Accounts receivable                             | 125,828               | 179,964              | 186,184                      |
| Due from other funds                            | -                     | -                    | 53,000                       |
| <i>Total Current Assets</i>                     | <u>637,952</u>        | <u>763,645</u>       | <u>17,675,873</u>            |
| <b>Noncurrent Assets</b>                        |                       |                      |                              |
| Unamortized bond issue costs                    | -                     | 274,416              | -                            |
| Nondepreciable capital assets                   | 158,444               | 1,889,085            | 2,847,345                    |
| Other capital assets, net of depreciation       | 10,635,078            | 49,309,833           | -                            |
| <i>Total Noncurrent Assets</i>                  | <u>10,793,522</u>     | <u>51,473,334</u>    | <u>2,847,345</u>             |
| <i>Total Assets</i>                             | <u>11,431,474</u>     | <u>52,236,979</u>    | <u>20,523,218</u>            |
| <b>LIABILITIES</b>                              |                       |                      |                              |
| <b>Current Liabilities</b>                      |                       |                      |                              |
| Accounts payable                                | 22,130                | 46,936               | 101,185                      |
| Deposits payable                                | 93,471                | -                    | -                            |
| Accrued interest payable                        | 308,329               | 178,465              | -                            |
| Due to other funds                              | 74,919                | 75,090               | -                            |
| Current portion of long-term liabilities        |                       |                      |                              |
| Long-term debt                                  | 621,879               | 1,865,000            | -                            |
| <i>Total Current Liabilities</i>                | <u>1,120,728</u>      | <u>2,165,491</u>     | <u>101,185</u>               |
| <b>Noncurrent Liabilities</b>                   |                       |                      |                              |
| Long-term debt                                  | 11,807,931            | 34,120,566           | -                            |
| Accrued compensated absences                    | 39,521                | 60,009               | -                            |
| <i>Total Noncurrent Liabilities</i>             | <u>11,847,452</u>     | <u>34,180,575</u>    | <u>-</u>                     |
| <i>Total Liabilities</i>                        | <u>12,968,180</u>     | <u>36,346,066</u>    | <u>101,185</u>               |
| <b>NET ASSETS:</b>                              |                       |                      |                              |
| Invested in capital assets, net of related debt | (1,636,288)           | 29,071,328           | 2,847,345                    |
| Restricted for:                                 |                       |                      |                              |
| Construction                                    | -                     | -                    | -                            |
| Unrestricted                                    | 99,582                | (13,180,415)         | 17,574,688                   |
| <i>Total Net Assets</i>                         | <u>\$ (1,536,706)</u> | <u>\$ 15,890,913</u> | <u>\$ 20,422,033</u>         |

| <i>WWD<br/>Construction</i> | <i>Other Business-<br/>type Funds</i> | <i>Total</i>  | <i>Total Internal<br/>Service Funds</i> |
|-----------------------------|---------------------------------------|---------------|---|
| \$ 4,439,418                | \$ 991,445                            | \$ 23,963,357 | \$ 648,012                              |
| 70,973                      | -                                     | 562,949       | 4,000                                   |
| 221,509                     | -                                     | 274,509       | -                                       |
| 4,731,900                   | 991,445                               | 24,800,815    | 652,012                                 |
| -                           | -                                     | 274,416       | -                                       |
| 421,726                     | -                                     | 5,316,600     | -                                       |
| 338,744                     | -                                     | 60,283,655    | -                                       |
| 760,470                     | -                                     | 65,874,671    | -                                       |
| 5,492,370                   | 991,445                               | 90,675,486    | 652,012                                 |
| -                           | 514                                   | 170,765       | 139,296                                 |
| -                           | -                                     | 93,471        | -                                       |
| -                           | -                                     | 486,794       | -                                       |
| 53,000                      | 221                                   | 203,230       | 1,917                                   |
| -                           | -                                     | 2,486,879     | -                                       |
| 53,000                      | 735                                   | 3,441,139     | 141,213                                 |
| -                           | -                                     | 45,928,497    | -                                       |
| -                           | -                                     | 99,530        | 92,564                                  |
| -                           | -                                     | 46,028,027    | 92,564                                  |
| 53,000                      | 735                                   | 49,469,166    | 233,777                                 |
| 760,470                     | -                                     | 31,042,855    | -                                       |
| -                           | 935,770                               | 935,770       | -                                       |
| 4,678,900                   | 54,940                                | 9,227,695     | 418,235                                 |
| \$ 5,439,370                | \$ 990,710                            | \$ 41,206,320 | \$ 418,235                              |

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

**CITY OF WOODBURN, OREGON****STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2012**

|  | <u>Water</u>          | <u>Sewer</u>         | <u>WWTP<br/>Construction</u> |
|--|-----------------------|----------------------|------------------------------|
| <b>OPERATING REVENUES</b>  |                       |                      |                              |
| Licenses and permits   | \$ -                  | \$ -                 | \$ -                         |
| Charges for services   | 2,191,563             | 3,067,533            | 3,101,696                    |
| Miscellaneous  | 464                   | 4,403                | 64,472                       |
| <i>Total Operating Revenues</i>                                  | <u>2,192,027</u>      | <u>3,071,936</u>     | <u>3,166,168</u>             |
| <b>OPERATING EXPENSES</b>  |                       |                      |                              |
| Personal services  | 1,195,583             | 1,343,002            | -                            |
| Materials and services   | 696,197               | 891,665              | 41,771                       |
| Depreciation   | 423,835               | 1,904,730            | -                            |
| <i>Total Operating Expenses</i>                                  | <u>2,315,615</u>      | <u>4,139,397</u>     | <u>41,771</u>                |
| <b>OPERATING INCOME (LOSS)</b>                                   | (123,588)             | (1,067,461)          | 3,124,397                    |
| <b>NONOPERATING REVENUES<br/>(EXPENSES)</b>                      |                       |                      |                              |
| Investment revenue   | 1,887                 | 3,302                | 40,727                       |
| Interest expense   | -                     | (8,670)              | (882,299)                    |
| Bond premium amortization  | -                     | 69,078               | -                            |
| Gain (loss) on sale of assets                                    | 5,892                 | -                    | -                            |
| <i>Total Nonoperating Revenues<br/>(Expenses)</i>                | <u>7,779</u>          | <u>63,710</u>        | <u>(841,572)</u>             |
| <b>NET INCOME BEFORE CONTRIBUTIONS<br/>AND TRANSFERS</b>         | (115,809)             | (1,003,751)          | 2,282,825                    |
| Capital contributions  | -                     | -                    | -                            |
| System development revenue                                       | -                     | -                    | -                            |
| Transfers in   | 2,243,486             | 905,470              | 19,015,498                   |
| Transfers out  | (2,291,375)           | (19,597,958)         | (905,008)                    |
| <b>CHANGE IN NET ASSETS</b>                                      | (163,698)             | (19,696,239)         | 20,393,315                   |
| <b>NET ASSETS, Beginning of year, as<br/>originally reported</b> | 809,538               | 32,701,773           | 28,718                       |
| <b>Prior period adjustment</b>                                   | (2,182,546)           | 2,885,379            | -                            |
| <b>NET ASSETS, Beginning of year, as<br/>restated</b>            | <u>(1,373,008)</u>    | <u>35,587,152</u>    | <u>28,718</u>                |
| <b>NET ASSETS, End of year</b>                                   | <u>\$ (1,536,706)</u> | <u>\$ 15,890,913</u> | <u>\$ 20,422,033</u>         |

| <b>WWD<br/>Construction</b> | <b>Other Enterprise<br/>Funds</b> | <b>Totals</b> | <b>Total Internal<br/>Service Funds</b> |
|-----------------------------|-----------------------------------|---------------|---|
| \$ -                        | \$ -                              | \$ -          | \$ 68,277                               |
| 1,074,732                   | -                                 | 9,435,524     | 2,505,743                               |
| 30,457                      | 1,060                             | 100,856       | 40,474                                  |
| 1,105,189                   | 1,060                             | 9,536,380     | 2,614,494                               |
| -                           | 226,385                           | 2,764,970     | 1,790,675                               |
| 14,590                      | 38,966                            | 1,683,189     | 1,543,320                               |
| 26,057                      | -                                 | 2,354,622     | -                                       |
| 40,647                      | 265,351                           | 6,802,781     | 3,333,995                               |
| 1,064,542                   | (264,291)                         | 2,733,599     | (719,501)                               |
| 18,895                      | 2,922                             | 67,733        | (1,587)                                 |
| (544,842)                   | (1,730)                           | (1,437,541)   | -                                       |
| -                           | -                                 | 69,078        | -                                       |
| -                           | -                                 | 5,892         | -                                       |
| (525,947)                   | 1,192                             | (1,294,838)   | (1,587)                                 |
| 538,595                     | (263,099)                         | 1,438,761     | (721,088)                               |
| 10,369                      | -                                 | 10,369        | -                                       |
| -                           | 427,448                           | 427,448       | -                                       |
| -                           | 235,000                           | 22,399,454    | 684,893                                 |
| (278,360)                   | (37,753)                          | (23,110,454)  | (489,826)                               |
| 270,604                     | 361,596                           | 1,165,578     | (526,021)                               |
| 5,168,766                   | 629,114                           | 39,337,909    | 944,256                                 |
| -                           | -                                 | 702,833       | -                                       |
| 5,168,766                   | 629,114                           | 40,040,742    | 944,256                                 |
| \$ 5,439,370                | \$ 990,710                        | \$ 41,206,320 | \$ 418,235                              |

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

**CITY OF WOODBURN, OREGON**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2012**

---

|  | <u>Water</u>      | <u>Sewer</u>      |
|--|-------------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                    |                   |                   |
| Collected from customers   | \$ 2,207,278      | \$ 3,086,085      |
| Paid to suppliers  | (1,205,573)       | (919,006)         |
| Paid to employees  | (695,910)         | (1,342,692)       |
|  | <hr/>             | <hr/>             |
| <i>Net Cash Provided by (Used in) Operating Activities</i>                     | 305,795           | 824,387           |
| <b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>                        |                   |                   |
| Due to (from) other funds  | (11,231)          | (10,459)          |
| Transfers in   | 2,229,039         | 21,480,868        |
| Transfers out  | (336,000)         | (37,874,644)      |
|  | <hr/>             | <hr/>             |
| <i>Net Cash Provided by (Used in) Non-Capital Financing Activities</i>         | 1,881,808         | (16,404,235)      |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                |                   |                   |
| Acquisition of capital assets  | (1,502,307)       | (690,323)         |
| Proceeds from disposal of capital assets                                       | 5,892             | -                 |
| Principal paid on loans and bonds payable                                      | (623,499)         | (20,531,209)      |
| Proceeds from issuance of debt   | -                 | 37,179,644        |
| Payment of bond issue costs  | -                 | (281,452)         |
| Contribution of capital  | -                 | -                 |
| System development revenue   | -                 | -                 |
| Interest paid  | -                 | (1,634)           |
|  | <hr/>             | <hr/>             |
| <i>Net Cash Provided by (Used in) Capital and Related Financing Activities</i> | (2,119,914)       | 15,675,026        |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                    |                   |                   |
| Interest on investments  | 1,887             | 3,302             |
|  | <hr/>             | <hr/>             |
| <i>Increase (Decrease) in Cash and Investments</i>                             | 69,576            | 98,480            |
| <b>CASH AND INVESTMENTS, Beginning of year</b>                                 | 442,548           | 485,201           |
|  | <hr/>             | <hr/>             |
| <b>CASH AND INVESTMENTS, End of year</b>                                       | <u>\$ 512,124</u> | <u>\$ 583,681</u> |

| <b><i>WWTP<br/>Construction</i></b>                  | <b><i>Water Well<br/>Construction</i></b>                 | <b><i>Nonmajor<br/>Funds</i></b>                 | <b><i>Totals</i></b>  | <b><i>Total Internal<br/>Service Funds</i></b> |
|--|---|--|---|--|
| \$ 3,162,048<br>(145,824)<br>-                       | \$ 1,618,621<br>(124,700)<br>-                            | \$ -<br>(39,232)<br>(226,385)                    | \$ 10,074,032<br>(2,434,335)<br>(2,264,987)   | \$ 2,614,494<br>(1,425,330)<br>(1,845,658)     |
| 3,016,224  | 1,493,921   | (265,617)  | 5,374,710   | (656,494)                                      |
| (482,000)<br>16,648,435<br>(905,008)                 | 516,416<br>-<br>(709,285)                                 | 514<br>235,000<br>(37,753)                       | 13,240<br>40,593,342<br>(39,862,690)  | 4,103<br>684,893<br>(18,601)                   |
| 15,261,427   | (192,869)   | 197,761  | 743,892   | 670,395  |
| (480,282)<br>-<br>-<br>-<br>-<br>-<br>-<br>(882,299) | (355,602)<br>-<br>-<br>-<br>-<br>10,369<br>-<br>(544,842) | -<br>-<br>-<br>-<br>-<br>-<br>427,448<br>(1,730) | (3,028,514)<br>5,892<br>(21,154,708)<br>37,179,644<br>(281,452)<br>10,369<br>427,448<br>(1,430,505) | -<br>-<br>-<br>-<br>-<br>-<br>-<br>-           |
| (1,362,581)  | (890,075)   | 425,718  | 11,728,174  | -  |
| 40,727   | 18,895  | 2,922  | 67,733  | (1,586)  |
| 16,955,797   | 429,872   | 360,784  | 17,914,509  | 12,315   |
| 480,892  | 4,009,546   | 630,661  | 6,048,848   | 635,697  |
| <b>\$ 17,436,689</b>                                 | <b>\$ 4,439,418</b>                                       | <b>\$ 991,445</b>                                | <b>\$ 23,963,357</b>  | <b>\$ 648,012</b>                              |

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

**CITY OF WOODBURN, OREGON**  
**STATEMENT OF CASH FLOWS (Continued)**  
**YEAR ENDED JUNE 30, 2012**

---

|   | <u>Water</u>      | <u>Sewer</u>      |
|---|-------------------|-------------------|
| <b>RECONCILIATION OF OPERATING INCOME TO<br/>CASH FLOWS FROM OPERATING ACTIVITIES</b> |                   |                   |
| Operating income (loss)   | \$ (123,588)      | \$ (1,067,461)    |
| Depreciation  | 423,835           | 1,904,730         |
| <i>Change in assets and liabilities:</i>  |                   |                   |
| Accounts receivable   | 9,338             | 14,149            |
| Accounts payable and accrued liabilities  | (9,990)           | (27,341)          |
| Customer deposits   | 5,913             | -                 |
| Compensated absences payable  | 287               | 310               |
|   | <hr/>             | <hr/>             |
| <i>Net Cash Provided by (Used in) Operating Activities</i>                            | <b>\$ 305,795</b> | <b>\$ 824,387</b> |
|   | <hr/>             | <hr/>             |
| <i>Noncash Transactions</i>   |                   |                   |
| Transfer of capital assets  | \$ -              | \$ -              |

---

| <u>WWTP<br/>Construction</u> | <u>Water Well<br/>Construction</u> | <u>Nonmajor<br/>Funds</u> | <u>Totals</u>       | <u>Total Internal<br/>Service Funds</u> |
|------------------------------|------------------------------------|---------------------------|---------------------|---|
| \$ 3,124,397                 | \$ 1,064,542                       | \$ (264,291)              | \$ 2,733,599        | \$ (719,501)                            |
| -                            | 26,057                             | -                         | 2,354,622           | -                                       |
| (4,120)                      | 513,432                            | -                         | 532,799             | -                                       |
| (104,053)                    | (110,110)                          | (1,326)                   | (252,820)           | 117,990                                 |
| -                            | -                                  | -                         | 5,913               | -                                       |
| -                            | -                                  | -                         | 597                 | (54,983)                                |
| <u>\$ 3,016,224</u>          | <u>\$ 1,493,921</u>                | <u>\$ (265,617)</u>       | <u>\$ 5,374,710</u> | <u>\$ (656,494)</u>                     |
| \$ -                         | \$ -                               | \$ -                      | \$ -                | \$ (460,318)                            |

The accompanying notes are an integral part of the financial statements.  
- 19 -



**CITY OF WOODBURN, OREGON**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**JUNE 30, 2012**

---

|   | <u><i>Pension<br/>Trust</i></u> |
|---|---------------------------------|
| <b>ASSETS</b>                                 |                                 |
| Cash and investments                          | \$ 473,593                      |
| <b>LIABILITIES</b>                            |                                 |
| Due to others                                 | -                               |
| <b>NET ASSETS</b>                             |                                 |
| Held in trust for benefits and other purposes | <u><u>\$ 473,593</u></u>        |

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

**CITY OF WOODBURN, OREGON**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**YEAR ENDED JUNE 30, 2012**

---

|   | <b><i>Pension<br/>Trust</i></b> |
|---|---------------------------------|
| <b><i>ADDITIONS</i></b>                     |                                 |
| Contributions                               | \$ 1,548                        |
| Earnings                                    | 12,228                          |
| <b><i>DEDUCTIONS</i></b>                    | -                               |
| <b><i>CHANGE IN NET ASSETS</i></b>          | 13,776                          |
| <b><i>NET ASSETS, Beginning of year</i></b> | 459,817                         |
| <b><i>NET ASSETS, end of year</i></b>       | <u>\$ 473,593</u>               |

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

***NOTES TO BASIC FINANCIAL STATEMENTS***

***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

The financial statements of the City of Woodburn, Oregon (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

*The Financial Reporting Entity*

The City of Woodburn, Oregon is governed by an elected mayor and six council members who comprise the City Council. The City Council exercises supervisory responsibilities over the City operations, but day-to-day management control is the responsibility of a city administrator. All significant activities and organizations for which the City is financially accountable are included in the financial statements for the year ended June 30, 2012.

There are certain governmental agencies and various service districts which provide services within the City. These agencies have independently elected governing boards and the City is not financially accountable for these organizations. Therefore, financial information for these agencies is not included in the accompanying basic financial statements.

As defined by accounting principles generally accepted in the United States of America, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. The City of Woodburn's financial statements include the Woodburn Urban Renewal Agency as a blended component unit. The City Council and Board of Directors of Woodburn Urban Renewal Agency are composed of the same individuals.

The separately issued financial statements of the Woodburn Urban Renewal Agency may be obtained from the City, 270 Montgomery Street, Woodburn, Oregon 97071.

*Basic Financial Statements*

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

*Government-wide financial statements* display information about the reporting government as a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Assets and the Statement of Activities.

**CITY OF WOODBURN, OREGON**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2012*

---

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Basis of Presentation (Continued)*

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

*Fund financial statements* display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, enterprise or fiduciary. Currently, the City has general, special revenue, internal service, capital projects, debt service and enterprise type funds. Major individual governmental funds and major individual enterprise 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 supplementary information.

The government-wide and proprietary fund financial statements are accounted for using an economic resources measurement focus, whereby all assets and liabilities are included in the statement of net assets and the statement of fund net assets. The increases and decreases in those net assets are presented in the government-wide statement of activities and in the proprietary fund statement of revenues, expenses and changes in fund net assets. 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.

The City's government-wide and proprietary fund accounting and financial reporting practices are based on all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedures. The City has elected not to apply FASB guidance issued subsequent to November 30, 1989 to business-type activities and to enterprise funds, unless specifically adopted by the GASB.

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 governmental-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.

Amounts reported as program revenues in the statement of activities include (1) fines, fees and charges to customers or applicants for goods, services or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Grants and contributions not restricted are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Operating revenues and operating expenses are intermediate components within the proprietary fund statement of revenues, expenses and changes in fund net assets, and include only those transactions that constitute their principal, ongoing activities exclusive of investing or financing transactions. Significant operating revenues include charges for services and miscellaneous income. Significant operating expenses include personnel, materials and supplies, outside services, and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

*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. Although not a major impact on the financial statements, Governmental Fund type fund balances are now reported in the following classifications.

Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for resale.

Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, 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 takes formal action that places specific constraints on how the resources may be used. The City Council can modify or rescind the commitment at any time through taking a similar formal action.

Resources that are constrained by the City's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent is expressed when the City Council approves which resources should be "reserved" 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 or unassigned for presentation in the City's Annual Financial Report.

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. This classification is also used to report any negative fund balance amounts in other governmental funds.

The City Council has approved a policy to maintain an ending fund balance in the general fund, in order to provide stable services and employment to offset cyclical variations in revenues and expenditures. The targeted floor for the ending balance will be at ten percent of annual operating revenue, as shown as a minimum fund balance in the General Fund. The City Council is the highest level decision making authority and may take formal action by vote or resolution to establish, modify, or rescind a fund balance commitment.

*Definitions of Governmental Fund Types*

The General Fund is used to account for all financial resources not accounted for in another fund.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenues sources" means that the revenue sources for the fund must be from restricted or committed sources, specifically that a substantial portion of the revenue must be from these sources and be expended in accordance with those requirements.

Capital Projects Funds are utilized to account for financial resources to be used for the acquisition or construction of capital equipment and facilities.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Definitions of Governmental Fund Types (Continued)*

Debt Service Funds are utilized to account for the accumulation of resources for, and the payment of, long-term debt principal and interest.

Special Revenue Funds whose primary source of funding is transfers from the General Fund are reported as part of the General Fund. Therefore, in the Governmental Funds Statement of Assets and Liabilities and the Statement of Receipts, Disbursements and Changes in Fund Balances, the General Reserve Fund has been combined with the General Fund.

*Governmental Fund Financial Statements*

Governmental funds use the modified accrual basis of accounting whereby revenues are recorded only when susceptible to accrual (both measurable and available). "Measurable" means that the amount of the transaction can be determined. "Available" is defined as being collectible within the current period or soon enough thereafter (30 days) to be used to liquidate liabilities of the current period. Expenditures other than interest on noncurrent obligations, are recorded when the fund liability is incurred.

Real and personal property taxes are levied as of July 1 for each fiscal year on values assessed as of January 1. Property taxes are an enforceable lien on both real and personal property as of July 1 and are due and payable in three installments on November 15, February 15 and May 15. All property taxes are billed and collected by Marion County and remitted to the City. In the governmental fund financial statements, property taxes are reflected as revenues in the fiscal period for which they were levied, provided they are due, or past due and receivable within the current period, and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (30 days). Otherwise, they are reported as deferred revenues.

Intergovernmental revenues are recognized as revenues when all eligibility requirements are met. There are, however, essentially two types of intergovernmental revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, all eligibility requirements are determined to be met when the underlying expenditures are recorded. In the other, monies are virtually unrestricted as to the purpose of the expenditure and are usually revocable only for failure to comply with prescribed requirements; therefore, all eligibility requirements are determined to be met at the time of receipt, or earlier, if the susceptible accrual criteria are met.

Licenses and permits, charges for services, fines and forfeits and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Special assessments receivable and repayment of revolving loans are offset by deferred revenues.

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

The reporting model sets forth minimum criteria (percentage of the assets, liabilities, receipts or disbursements of either fund category or the government and enterprise combined) for the determination of major funds. Nonmajor funds are combined in a column in the fund financial statements and detailed in the combining section.

**CITY OF WOODBURN, OREGON**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2012*

---

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Governmental Fund Financial Statements (Continued)*

The City reports the following major governmental funds:

General Fund  
Street SDC Fund

The City reports the following major proprietary funds:

Water Fund  
Sewer Fund  
WWTP Construction Fund  
Water Well Construction Fund

*Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reporting amounts of certain assets, liabilities, revenues and expenses as of and for the year ended June 30, 2012. Actual results may differ from such estimates.

*Cash and Investments*

Investments, included in cash and investments, are carried at cost which approximates fair value. For purposes of the statement of cash flows, the proprietary funds consider cash and cash equivalents to include the cash and investment common pool. These amounts have the general characteristics of demand deposit accounts in that the proprietary funds may deposit additional cash at any time and also may withdraw cash at any time without prior notice or penalty.

*Receivables and Deferred Revenues*

Receivables for state, county and local shared revenues, included in accounts receivable, are recorded as revenue in the governmental funds as earned.

Receivables of the enterprise funds are recorded as revenue as earned.

Property taxes receivable for the governmental fund types, which have been collected within sixty days subsequent to year end, are considered measurable and available and are recognized as revenues. All other property taxes are offset by deferred property tax revenues and, accordingly, have not been recorded as revenue. Property taxes receivable by the City represent the City's allocated share of delinquent property taxes and other amounts to be collected from property owners within Marion County, Oregon.

Assessment liens in the governmental fund types are recognized as receivables at the time property owners are assessed for property improvements. All assessments receivable are offset by a deferred revenue account and, accordingly, have not been recorded as revenue.



**CITY OF WOODBURN, OREGON**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2012*

---

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Inventory*

Inventory in the proprietary funds is stated at cost (first-in, first-out basis) and is charged to expense as used.

*Capital Assets*

Capital assets are stated at cost or estimated historical cost. Donated assets are recorded at fair market value at date of donation. Estimated fair market value of donated assets is determined based on engineering estimates of current cost or price indexed cost.

Capital assets include land, right-of-way (included with land), buildings, improvements, equipment, infrastructure and other tangible and intangible assets costing over \$5,000 used in operations that have initial useful lives extending beyond a single reporting period. Infrastructure are those capital assets that are stationary in nature and can be preserved for a significantly greater number of years than most other capital assets. Infrastructure reported in governmental activities consists of roads, bridges, sidewalks and traffic and lighting systems. Infrastructure reported in business-type activities consists of water and wastewater collection systems.

All capital assets, except for infrastructure in governmental activities prior to July 1, 1980, have been capitalized in the government-wide and proprietary fund financial statements. In accordance with the current financial resources measurement focus, capital assets are not capitalized in the governmental fund financial statements. All purchased capital assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Historical cost is measured by the cash or cash equivalent price of obtaining an asset, including ancillary charges necessary to place the asset into its intended location and condition for use. Donated capital assets are reported at their estimated fair value at the time of acquisition plus ancillary charges, if any. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Amounts expended for maintenance and repairs are charged to expenditures/expenses in the appropriate funds as incurred and are not capitalized.

Capital assets are depreciated unless they are inexhaustible in nature (e.g., land and right-of-ways). Depreciation is an accounting process to allocate the cost of capital assets to expense in a systematic and rational manner to those periods expected to benefit from the use of capital assets. Depreciation is not intended to represent an estimate in the decline of fair market value, nor are capital assets, net of accumulated depreciation, intended to represent an estimate of the current condition of the assets, or the maintenance requirements needed to maintain the assets at their current level of condition.

Depreciation is computed over the estimated useful lives of the capital assets. All estimates of useful lives are based on actual experience by City departments with identical or similar capital assets. Depreciation is calculated on the straight-line basis, except for infrastructure and improvements other than buildings reported in the governmental activities column of the government-wide financial statements, which are calculated using a composite depreciation method. The estimated useful lives of the various categories of assets are as follows:

|                            |               |
|----------------------------|---------------|
| Buildings and improvements | 40 years      |
| Water and Sewer Systems    | 20 - 50 years |
| Infrastructure             | 20 - 50 years |
| Equipment                  | 10 - 20 years |

Upon disposal of capital assets, cost and accumulated depreciation are removed from the accounts and, if appropriate, a gain or loss on the disposal is recognized.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Long-Term Debt*

Long-term debt directly related and expected to be paid from the enterprise funds is recorded in these funds. All other unmatured long-term debt is recorded on the statement of net assets. Repayment of general bonded debt will be made from debt service funds. Payment of vacation liabilities will be made primarily from the General Fund, Street Development Fund, Water Fund and Sewer Fund.

*Accrued Vacation Pay*

Accumulated vested vacation pay is accrued in the enterprise funds as it is earned by employees. In governmental fund types, the amounts, if any, expected to be liquidated with expendable available resources are accrued as liabilities of the funds and the amount payable from future resources is recorded on the statement of net assets. The accrued payables in the Statement of Net Assets is recorded as long-term in that the amount will not materially change. Sick pay, which does not vest, is recorded in all funds when leave is taken.

*Budget and Budgetary Accounting*

A budget is prepared for each fund in accordance with the modified accrual basis of accounting for all funds. Appropriations are made at the department level for the General Fund and the object level for all other funds. Expenditures may not legally exceed appropriations. Appropriations lapse at the end of each fiscal year. Budget amounts include original approved amounts and all subsequent appropriation transfers approved by the City Council. After budget approval, the City Council may approve supplemental appropriations if an occurrence, condition, or need exists which had not been ascertained at the time the budget was adopted. Management may not amend the budget. A supplemental budget requires hearings before the public, publications in newspapers and approval by the City Council.

**ORGANIZATION AND OPERATION**

The City's financial operations are accounted for in the following funds and account groups:

*Governmental Fund Types*

*General Fund*

The General Fund accounts for activities of the City which are not accounted for in any other fund. Principal sources of revenue are property taxes, franchise fees and state and county shared revenues. Primary expenditures are for police and fire protection, recreation and general government.

*Special Revenue Funds*

*Building Fund* - This fund accounts for building permit revenue and associated operations.

*Search and Seizure Fund* - This fund accounts for the City's allotment of Federal Equitable Sharing grant used for drug and gang enforcement activities.

**CITY OF WOODBURN, OREGON**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2012*

---

**ORGANIZATION AND OPERATION (Continued)**

*Governmental Fund Types (Continued)*

*Special Revenue Funds (Continued)*

*Weed and Seed Fund* - This fund is used to account for the City's Weed and Seed grant, used for gang and mentoring programs. This fund was closed as of June 30, 2012.

*Revenue Sharing Fund* – This fund accounts for State Revenue Sharing funds. The funds are used for the City's street lighting program and to provide minor street maintenance. This fund was closed as of June 30, 2012.

*Housing Rehabilitation Fund* - This fund accounts for the City's CDBG grant program and provides low income housing and small business loans.

*RSVP Fund* - This fund accounts for the federal grant for the Retired Seniors Volunteer Program.

*Cable Franchise Fund* - This fund is used to account for the City's passthrough of local cable franchise fees to the local cable access program (WCAT).

*Streets Fund* - This fund is used to account for the City's street operations. The fund's major source of revenue is highway gas tax received from the State of Oregon.

*Local Gas Tax Fund* - This fund accounts for the City's one cent per gallon local gas tax. The money is used for capital improvement projects on local streets.

*General Reserve Fund* – This fund is a reserve for unforeseen circumstances or future needs.

*Transit Fund* – This fund accounts for amounts held to be used for weekday transportation services.

*Library Endowment Fund* - This fund accounts for funds held to be used for library improvement projects.

*Museum Endowment Fund* - This fund accounts for amounts held for museum activities.

*Lavelle Black Trust Fund* – This fund accounts for the donations received to continue the police dog program.

*Capital Projects Funds*

*Economic Development Fund* – The primary purpose of this fund is to collect and distribute lease payments for leased property from the railroad.

*Police Construction Fund* – Proceeds from the 2005 GO bonds were used to construct the City's police facility. The project was completed in fiscal year 2011-12.

*General Construction Fund* - This fund is used to account for transfers from general services funds used for general services construction projects.

**CITY OF WOODBURN, OREGON**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2012*

---

**ORGANIZATION AND OPERATION (Continued)**

*Governmental Fund Types (Continued)*

*Capital Projects Funds (Continued)*

*Special Assessment Fund* - This fund accounts for the repayment of local improvement district (LID) assessments. The money is used for construction of LID projects.

*Street/Storm Capital Improvement Fund* - This fund accounts for transfers from the Storm and Street funds. The money is used for street and storm related capital projects.

*Parks SDC Fund* - This fund is used to account for the collection and spending of park SDC's.

*Street SDC Fund* - This fund accounts for the collection and spending of street SDC's.

*Storm SDC Fund* - This fund accounts for the collection and spending of storm SDC's.

*PW Facility Construction Fund* - This fund is used to account for lease payments on public works leased properties. This fund was closed as of June 30, 2012.

*Equipment Replacement Fund* - This fund accounts for transfers from other funds set aside for future equipment purchases.

*Debt Service Funds*

*GO Debt Fund* - This fund accounts for debt service on the City's 2005 GO bond. Property taxes are the major source of revenue.

*Bancroft Bond Fund* - The remaining Bancroft Bond certificates are held in this fund. This fund was closed as of June 30, 2012.

*Urban Renewal Fund* - This fund accounts for debt service on the URA loan. Property taxes are the primary source of revenue.

*Proprietary Fund Types*

*Enterprise Funds*

The City has eight enterprise funds. Three funds are related to water, and five are related to sewer. The specific funds and their purposes are as follows.

*Sewer Capital Fund* - This fund accounts for capital improvements to the City's sewer system. This fund was closed as of June 30, 2012.

*WWTP Construction Fund* - This fund was used to account for the City's sewer treatment plant upgrade. The major source of revenue is debt proceeds.

**CITY OF WOODBURN, OREGON**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2012*

---

**ORGANIZATION AND OPERATION (Continued)**

*Proprietary Fund Types (Continued)*

*Enterprise Funds (Continued)*

*WWD Construction Fund* - This fund accounts for water system capital improvement projects and the retirement of associated debt.

*Water Fund* - This fund accounts for the City's water system operation. Customer charges are the primary source of revenue.

*Sewer Fund* - This fund accounts for the operation of the City's sewer system. Customer charges are the primary revenue source.

*Water SDC Fund* - This fund accounts for the collection and spending of water SDC's.

*Sewer SDC Fund* - This fund accounts for the collection and spending of water SDC's.

*Surfacewater Fund* - This fund was used to account for the City's storm water program. Transfers from the Sewer fund are the primary source of revenue.

*Internal Service Funds*

The City has five internal service funds which provide services to other City departments. Internal charges are the primary revenue source for all funds. Expenditures are for the purposes as described below.

*Information Services Fund* - This fund accounts for the maintenance and replacement of the City's network and technology services.

*Central Stores Fund* - This fund accounts for interdepartmental copier leases and office supplies expenditures. This fund was closed as of June 30, 2012.

*Insurance Fund* - This fund accounts for the City's insurance coverage.

*Technical & Environmental Services Fund* - This fund accounts for administrative, engineering and fleet services provided to the City's enterprise operations.

*Building Maintenance Fund* - This fund accounts for building maintenance and custodial services provided to City departments.

*Fiduciary Fund*

The City has one fiduciary fund. The City's pension trust fund holds assets to provide retirement benefits to certain City employees.

**CITY OF WOODBURN, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2012**

---

**CASH AND INVESTMENTS**

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the Statement of Net Assets as part of "cash and investments."

|                                      | <i><b>Carrying<br/>Value</b></i> | <i><b>Fair<br/>Value</b></i> |
|--------------------------------------|----------------------------------|------------------------------|
| <b><i>Cash</i></b>                   |                                  |                              |
| Deposits with financial institutions | \$ 883,753                       | \$ 883,753                   |
| Cash on hand                         | 2,330                            | 2,330                        |
| <b><i>Investments</i></b>            |                                  |                              |
| Local Government Investment Pool     | 38,509,639                       | 38,509,639                   |
| Assets held for pension benefits     | 473,593                          | 473,593                      |
|                                      | <u>\$ 39,869,315</u>             | <u>\$ 39,395,722</u>         |

Cash is reported in the financial statements as follows:

|  |                      |
|--|----------------------|
| Governmental funds   | \$ 14,784,353        |
| Internal Service funds (included in governmental activities) | 648,012              |
| Enterprise funds   | 23,963,357           |
| Fiduciary funds  | 473,593              |
|  | <u>\$ 39,869,315</u> |

*Deposits*

The book balance of the City's bank deposits (checking accounts) was \$883,753 and the bank balance was \$1,252,331 at year end. The difference is due to transactions in process. Bank deposits are secured to legal limits by federal deposit insurance. The remaining amount is secured in accordance with ORS 295 under a collateral program administered by the Oregon State Treasurer.

*Investments*

The State Treasurer of the State of Oregon maintains the Oregon Short-term Fund, of which the Local Government Investment Pool is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. The Oregon Short-term Fund is the LGIP for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). At June 30, 2012, the fair value of the position in the Oregon State Treasurer's Short-term Investment Pool was approximately equal to the value of the pool shares. The investment in the Oregon Short-term Fund is not subject to classification. Separate financial statements for the Oregon Short-term Fund are available from the Oregon State Treasurer.

**CITY OF WOODBURN, OREGON**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2012*

---

**CASH AND INVESTMENTS (Continued)**

*Interest Rate Risk*

In accordance with its investment policy, the District manages its exposure to declines in fair value of its investments by limiting the weighted average maturity of its investments.

*Custodial Credit Risk - Deposits*

This is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides unlimited insurance for the City's deposits with financial institutions for the aggregate of all non-interest bearing accounts and up to \$250,000 for the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage are with institutions participating in the Oregon Public Funds Collateralization Program (PFCP). The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. As of June 30, 2012, \$1,002,331 of the City's bank balances were exposed to custodial credit risk as part of the Public Funds Collateralization Program.

*Custodial Risk - Investments*

For an investment, this is the risk that, in the event of a failure of the counterparty, the City will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. The City's investment policy limits the types of investments that may be held and does not allow securities to be held by the counterparty.

The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Council. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of, or has control of any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short Term Fund Board, which has established diversification percentages and specifies the types and maturities of the investments. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. These investments within the LGIP must be invested and managed as a prudent investor would, exercising reasonable care, skill and caution. Professional standards indicate that the investments in external investment pools are not subject to custodial risk because they are not evidenced by securities that exist in physical or book entry form. Nevertheless, management does not believe that there is any substantial custodial risk related to investments in the LGIP.

**CITY OF WOODBURN, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2012**

**CAPITAL ASSETS**

The summary of capital assets for the business-type activities for the year ended June 30, 2012 is as follows:

|                                      | <i><b>Balances<br/>July 1,<br/>2011*</b></i> | <i><b>Additions</b></i> | <i><b>Retirements</b></i> | <i><b>Balances<br/>June 30,<br/>2012</b></i> |
|--------------------------------------|--|-------------------------|---------------------------|--|
| <i>Nondepreciable assets</i>         |  |                         |                           |  |
| Land (nondepreciable)                | \$ 1,783,816                                 | \$ -                    | \$ -                      | \$ 1,783,816                                 |
| Construction in progress             | 7,162,827                                    | 1,493,712               | (5,123,754)               | 3,532,785                                    |
| Subtotal, nondepreciable assets      | 8,946,643                                    | 1,493,712               | (5,123,754)               | 5,316,601                                    |
| <i>Depreciable assets</i>            |  |                         |                           |  |
| Buildings                            | 62,323,573                                   | 16,435                  | -                         | 62,340,008                                   |
| Water and sewer systems              | 23,107,823                                   | 5,207,524               | -                         | 28,315,347                                   |
| Equipment                            | 2,729,540                                    | 22,686                  | (852,353)                 | 1,899,873                                    |
| Subtotal, depreciable assets         | 88,160,936                                   | 5,246,645               | (852,353)                 | 92,555,228                                   |
| <i>Accumulated depreciation</i>      |  |                         |                           |  |
| Buildings and improvements           | (22,474,253)                                 | (1,687,963)             | 2,977,535                 | (21,184,681)                                 |
| Water and sewer systems              | (7,758,407)                                  | (566,304)               | (1,503,181)               | (9,827,892)                                  |
| Equipment                            | (1,239,478)                                  | (100,355)               | 80,832                    | (1,259,001)                                  |
| Total accumulated depreciation       | (31,472,138)                                 | (2,354,622)             | 1,555,186                 | (32,271,574)                                 |
| <i>Total depreciable assets, net</i> | 56,688,798                                   | 2,892,023               | 702,833                   | 60,283,654                                   |
| Net capital assets                   | \$ 65,635,441                                | \$ 4,385,735            | \$ (4,420,921)            | \$ 65,600,255                                |

\* As adjusted

Depreciation expense was allocated as follows:

|            |                     |
|------------|---------------------|
| Water      | \$ 391,207          |
| Wastewater | 1,963,415           |
|            | <u>\$ 2,354,622</u> |



**CITY OF WOODBURN, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2012**

**CAPITAL ASSETS (Continued)**

The changes in the capital assets for governmental activities for the year ended June 30, 2012 are as follows:

|                                      | <b>Balances<br/>July 1,<br/>2011*</b> | <b>Additions</b> | <b>Retirements</b> | <b>Balances<br/>June 30,<br/>2012</b> |
|--------------------------------------|---------------------------------------|------------------|--------------------|---------------------------------------|
| <i>Nondepreciable assets</i>         |                                       |                  |                    |                                       |
| Land (nondepreciable)                | \$ 22,567,381                         | \$ -             | \$ -               | \$ 22,567,381                         |
| Construction in progress             | 9,504,993                             | 646,451          | (8,242,088)        | 1,909,356                             |
| Subtotal, nondepreciable assets      | 32,072,374                            | 646,451          | (8,242,088)        | 24,476,737                            |
| <i>Depreciable assets</i>            |                                       |                  |                    |                                       |
| Buildings                            | 8,611,272                             | 7,285,859        | -                  | 15,897,131                            |
| Equipment                            | 5,869,352                             | 180,791          | (360,103)          | 5,690,040                             |
| Infrastructure                       | 35,228,583                            | 2,012,510        | -                  | 37,241,093                            |
| Subtotal, depreciable assets         | 49,709,207                            | 9,479,160        | (360,103)          | 58,828,264                            |
| <i>Accumulated depreciation</i>      |                                       |                  |                    |                                       |
| Buildings                            | (3,458,993)                           | (447,806)        | (897,879)          | (4,804,678)                           |
| Equipment                            | (4,109,770)                           | (307,770)        | 203,968            | (4,213,572)                           |
| Infrastructure                       | (16,580,194)                          | (744,823)        | 3,715,193          | (13,609,824)                          |
| Total accumulated depreciation       | (24,148,957)                          | (1,500,399)      | 3,021,282          | (22,628,074)                          |
| <i>Total depreciable assets, net</i> | 25,560,250                            | 7,978,761        | 2,661,179          | 36,200,190                            |
| Net capital assets                   | \$ 57,632,624                         | \$ 8,625,212     | \$ (5,580,909)     | \$ 60,676,927                         |

\* As adjusted

Depreciation expense was allocated as follows:

|                        |                     |
|------------------------|---------------------|
| General government     | \$ 169,515          |
| Public safety          | 202,366             |
| Highways and streets   | 859,349             |
| Culture and recreation | 149,058             |
| Internal service funds | 120,111             |
|                        | <u>\$ 1,500,399</u> |

**CITY OF WOODBURN, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2012**

---

**LONG-TERM DEBT**

Long-term debt transactions for the year were as follows:

|   | <i>Outstanding<br/>July 1,<br/>2011</i> | <i>Issued</i> | <i>Redeemed<br/>During Year</i> | <i>Outstanding<br/>June 30,<br/>2012</i> | <i>Due<br/>Within<br/>One Year</i> |
|---|---|---------------|---------------------------------|--|------------------------------------|
| <i>Governmental Activities:</i>   |   |               |                                 |  |                                    |
| Series 2005 due in annual installments with principal and interest varying annually | \$ 5,655,000                            | \$ -          | \$ (290,000)                    | \$ 5,365,000                             | \$ 300,000                         |
| 1999 Oregon EDD Loan due in annual installments of \$38,319 with interest at 5.01%. | 204,441                                 | -             | (24,228)                        | 180,213                                  | 24,440                             |
| 2005 URA Loan due in quarterly installments of \$56,933 with interest at 4.22%.     | 881,793                                 | -             | (193,557)                       | 688,236                                  | 201,855                            |
|   | 6,741,234                               | -             | (507,785)                       | 6,233,449                                | 526,295                            |
| Accrued compensated absences  | 751,440                                 |               | (47,011)                        | 704,429                                  | -                                  |
|   | <u>\$ 7,492,674</u>                     | <u>\$ -</u>   | <u>\$ (554,796)</u>             | <u>\$ 6,937,878</u>                      | <u>\$ 526,295</u>                  |

**CITY OF WOODBURN, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2012**

**LONG-TERM DEBT (Continued)**

|  | <i>Outstanding<br/>July 1,<br/>2011</i> | <i>Issued</i>        | <i>Matured/<br/>Redeemed<br/>During Year</i> | <i>Outstanding<br/>June 30,<br/>2012</i> | <i>Due<br/>Within<br/>One Year</i> |
|--|---|----------------------|--|--|------------------------------------|
| <i>Business-type Activities:</i>   |   |                      |  |  |                                    |
| Series 2003 Water bond paid over 25 years; interest at various rates                             | \$ 6,778,648                            | \$ -                 | \$ (259,485)                                 | \$ 6,519,163                             | \$ 271,065                         |
| 1992 Oregon EDD due in annual installments of \$29,102 including interest at 6.32%               | 27,372                                  | -                    | (27,372)                                     | -  | -                                  |
| 2005 Oregon EDD due in annual installments including interest at 4.21%                           | 3,123,640                               | -                    | (168,321)                                    | 2,955,319                                | 175,407                            |
| 2005 SDWR due in annual installments including interest at 4.21%                                 | 3,123,649                               | -                    | (168,321)                                    | 2,955,328                                | 175,407                            |
| 1999 Oregon EDD due in annual installments including interest at 4.74%                           | 241,585                                 | -                    | (241,585)                                    | -  | -                                  |
| 1999 Oregon EDD due in annual installments of \$147,792 including interest at 3.93%              | 1,904,005                               | -                    | (1,904,005)                                  | -  | -                                  |
| 2001 Oregon EDD due in annual installments of \$735,150 including interest at 3.87%              | 15,707,096                              | -                    | (15,707,096)                                 | -  | -                                  |
| 2007 Oregon DEQ with principal and interest at 1.05% due annually upon completion of the project | 614,287                                 | -                    | (614,287)                                    | -  | -                                  |
| 2007 Oregon DEQ with principal and interest at 1.53% due annually upon completion of the project | 939,236                                 | -                    | (939,236)                                    | -  | -                                  |
| 2011 Sewer Revenue Bonds paid over 20 years; interest at various rates                           | -                                       | 34,416,557           | (1,125,000)                                  | 33,291,557                               | 1,865,000                          |
|  | <u>32,459,518</u>                       | <u>34,416,557</u>    | <u>(21,154,708)</u>                          | <u>45,721,367</u>                        | <u>2,486,879</u>                   |
| 2011 Sewer Revenue Bond premium  | -                                       | 2,763,086            | (69,077)                                     | 2,694,009                                | -                                  |
| Accrued compensated absences   | 98,932                                  | 95,382               | -  | 194,314                                  | -                                  |
|  | <u>\$ 32,558,450</u>                    | <u>\$ 37,275,025</u> | <u>\$ (21,223,785)</u>                       | <u>\$ 48,609,690</u>                     | <u>\$ 2,486,879</u>                |

**CITY OF WOODBURN, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2012**

---

**LONG-TERM DEBT (Continued)**

Future maturities of long-term debt are as follows:

*Governmental Activities*

| <b>Fiscal Year<br/>Ending<br/>June 30,</b> | <b>Principal</b>    | <b>Interest</b>     | <b>Total</b>        |
|--|---------------------|---------------------|---------------------|
| 2013                                       | \$ 526,295          | \$ 249,237          | \$ 775,532          |
| 2014                                       | 560,172             | 228,861             | 789,033             |
| 2015                                       | 584,429             | 206,832             | 791,261             |
| 2016                                       | 436,479             | 185,340             | 621,819             |
| 2017                                       | 400,399             | 169,937             | 570,336             |
| 2018-22                                    | 2,165,675           | 599,944             | 2,765,619           |
| 2023-25                                    | 1,560,000           | 133,959             | 1,693,959           |
|  | <u>\$ 6,233,449</u> | <u>\$ 1,774,110</u> | <u>\$ 8,007,559</u> |

*Business-type Activities*

| <b>Fiscal Year<br/>Ending<br/>June 30,</b> | <b>Principal</b>     | <b>Interest</b>      | <b>Total</b>         |
|--|----------------------|----------------------|----------------------|
| 2013                                       | \$ 2,486,879         | \$ 1,621,569         | \$ 4,108,448         |
| 2014                                       | 2,913,471            | 1,555,868            | 4,469,339            |
| 2015                                       | 3,425,522            | 1,457,889            | 4,883,411            |
| 2016                                       | 3,177,229            | 1,358,931            | 4,536,160            |
| 2017                                       | 3,330,966            | 1,358,943            | 4,689,909            |
| 2018-22                                    | 22,949,575           | 5,318,594            | 28,268,169           |
| 2023-27                                    | 6,140,315            | 1,913,216            | 8,053,531            |
| 2028-31                                    | 1,297,409            | 98,825               | 1,396,234            |
|  | <u>\$ 45,721,366</u> | <u>\$ 14,683,835</u> | <u>\$ 60,405,201</u> |

**DEFINED BENEFIT PENSION PLAN – THE RETIREMENT PLAN FOR EMPLOYEES OF CITY OF WOODBURN, OREGON**

*Plan Description*

The City sponsors a single-employer defined benefit pension plan that covers nonexecutive employees who have completed six months of employment with the City and executive employees, except the city administrator, who elect coverage under this plan. It provides retirement and disability benefits, cost of living adjustments and death benefits to members and beneficiaries. The City Council has the authority to amend the benefit provisions of the plan.

On November 5, 1998, the City decided to integrate its retirement plan into the Oregon Public Employees Retirement System (PERS) pursuant to ORS 238.680. The City ceased contributions to its retirement plan in December 1998, except for one employee who continued under the plan until August 2000. In December 1998, the City transferred \$6,738,120 to PERS under the integration agreement with PERS. The remaining assets of the retirement plan are to provide retirement benefits to employees who have already retired or elected to remain in the plan.

Membership of the plan consisted of eight inactive members at July 1, 2007, the date of the latest actuarial valuation available as of the date of this report.

*Funding Status and Progress*

The pension benefit obligation (PBO), which is the actuarial present value of credited projected benefits, is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and any step-rate benefits estimated to be payable in the future as a result of employee service to date. The measure is intended to help assess the funding status of the plan, to assess progress made in accumulating sufficient assets to pay benefits when due, and to make comparisons among employers. The latest actuarial valuation was performed as of July 1, 2011.

Significant actuarial assumptions used to compute the PBO were as follows:

|                          |                                 |
|--------------------------|---------------------------------|
| Investment earnings      | 5.5% (net of all plan expenses) |
| Salary increases         | as per contract                 |
| Cost-of-living increases | 3.0%                            |

**PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)**

*Plan Description*

The City contributes to two pension plans administered by the Oregon Public Employees Retirement System (PERS). The Oregon Public Employees Retirement Fund (OPERF) applies to the City's contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The City participates in the state and local government rate pool (SLGRP). The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: The Pension Program, the defined benefit portion of the plan, applies to qualifying City employees hired after August 29, 2003, and to inactive employees who return to employment following a six-month or greater break in service. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. Beginning January 1, 2004, all PERS member contributions

**CITY OF WOODBURN, OREGON**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2012*

---

**PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) (Continued)**

*Plan Description (Continued)*

go into the Individual Account Program (IAP), the defined contribution portion of the plan. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account.

Both PERS plans provide retirement and disability benefits, post employment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute Chapter 238, which establishes the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to PERS, PO Box 23700, Tigard, OR, 97281-3700 or by calling 503-598-7377.

*Funding Policy*

Members of PERS are required to contribute 6.00% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The City is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan, and a general service rate and a police/fire rate for the qualifying employees under the OPSRP plan. The OPERF and the OPSRP rates in effect for the year ended June 30, 2012 were 13.23%, 9.35% and 12.06% respectively. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

*Annual Pension Cost*

The City's contributions to PERS for the years ending June 30, 2010, 2011, and 2012 were \$1,170,971 \$1,145,109 and \$1,515,526 respectively, which equaled the required contribution for the year.

**DEFINED CONTRIBUTION PENSION PLAN**

The City sponsors a defined contribution pension plan administered by ICMA Retirement Corp. to provide retirement benefits for the City Attorney. The plan provisions and contribution requirements are established and amended by the City Council. The City has established a contribution rate of 7 percent of covered salary. The City contributed \$8,424 to the plan for the year ended June 30, 2012.

**CITY OF WOODBURN, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2012**

---

**TRANSFERS**

|                                    | <u>Transfers In</u> | <u>Transfers Out</u> |
|------------------------------------|---------------------|----------------------|
| General Fund                       | \$ 70,698           | \$ 417,856           |
| General Reserve                    | -                   | 74,143               |
| Transit                            | 151,000             | -                    |
| Weed and Seed                      | -                   | 13,865               |
| Revenue Sharing                    | -                   | 161,353              |
| Housing Rehab                      | 6,628               | -                    |
| Street                             | 347,678             | 225,000              |
| Local Gas Tax                      | 71,277              | -                    |
| Lavelle Black Trust                | 15,000              | -                    |
| Economic Development               | -                   | 71,887               |
| Police Construction                | -                   | 2,642                |
| General Construction               | 85,506              | -                    |
| Street SDC                         | 71,887              | -                    |
| Bancroft Bond                      | -                   | 6,628                |
| PW Facility Construction           | -                   | 12,363               |
| Equipment Replacement              | 210,000             | -                    |
| Sewer Capital Improvement          | -                   | 8,724                |
| Water                              | 85,000              | 336,000              |
| Sewer                              | 8,724               | 695,000              |
| Storm                              | 235,000             | -                    |
| Information Services               | 12,830              | -                    |
| Central Stores                     | 5,063               | 12,830               |
| Technical & Environmental Services | 667,000             | 5,000                |
|                                    | <u>\$ 2,043,291</u> | <u>\$ 2,043,291</u>  |

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

**INTERFUND LOANS**

As of June 30, 2012, the WWD Construction Fund owed the WWTP Construction Fund \$53,000. The General Fund owed \$295,536, and the Water and Sewer Funds each owed \$73,741 for a combined total of \$443,018, which \$221,509 was owed to the Street SDC Fund and \$221,509 to the WWD Construction Fund. No specific repayment schedule has been determined.

**CITY OF WOODBURN, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2012**

---

**BEGINNING BALANCE ADJUSTMENTS**

During the current year, the City completed a thorough inventory of capital assets. In doing so, the City discovered that certain assets which did not meet the capitalization threshold of \$5,000 had been capitalized, and that in certain instances depreciation had been incorrectly calculated. In order to properly reflect the changes required by these corrections, the beginning net assets of the governmental and business activities have been restated.

**EXPENDITURES IN EXCESS OF APPROPRIATIONS**

The following funds had expenditures in excess of appropriations:

|                                  | <u><i>Budget</i></u> | <u><i>Actual</i></u> | <u><i>Variance</i></u> |
|----------------------------------|----------------------|----------------------|------------------------|
| <i>General Fund</i>              |                      |                      |                        |
| Human Resources                  | \$ 49,668            | \$ 69,969            | \$ (20,301)            |
| <i>General Reserve</i>           |                      |                      |                        |
| Transfers out                    | 73,000               | 74,143               | (1,143)                |
| <i>Building</i>                  |                      |                      |                        |
| Materials and services           | 88,510               | 105,354              | (16,844)               |
| <i>Weed and Seed</i>             |                      |                      |                        |
| Transfers out                    | -                    | 13,865               | (13,865)               |
| <i>Revenue Sharing</i>           |                      |                      |                        |
| Transfers out                    | 75,000               | 161,353              | (86,353)               |
| <i>Economic Development</i>      |                      |                      |                        |
| Transfers out                    | 71,600               | 71,887               | (287)                  |
| <i>Police Construction</i>       |                      |                      |                        |
| Transfers out                    | -                    | 2,642                | (2,642)                |
| <i>Bancroft Bond</i>             |                      |                      |                        |
| Transfers out                    | 6,520                | 6,628                | (108)                  |
| <i>PW Facility Construction</i>  |                      |                      |                        |
| Transfers out                    | 11,000               | 12,363               | (1,363)                |
| <i>Sewer Capital Improvement</i> |                      |                      |                        |
| Transfers out                    | 7,998                | 8,724                | (726)                  |
| <i>Surfacewater</i>              |                      |                      |                        |
| Personal services                | 225,883              | 226,385              | (502)                  |
| <i>Information Services</i>      |                      |                      |                        |
| Materials and services           | 383,773              | 420,767              | (36,994)               |
| <i>Central Stores</i>            |                      |                      |                        |
| Transfers out                    | 1,800                | 12,830               | (11,030)               |
| <i>Building Maintenance</i>      |                      |                      |                        |
| Personal services                | 382,036              | 401,949              | (19,913)               |



**CITY OF WOODBURN, OREGON**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2012*

---

**DEFICIT FUND BALANCES**

The following funds had negative fund balances at June 30, 2012:

|                           | <i>Deficit balance at</i>   |         |
|---------------------------|-----------------------------|---------|
|                           | <u><i>June 30, 2012</i></u> |         |
| <i>Governmental Funds</i> |                             |         |
| Search and Seizure        | \$                          | 22,694  |
| General Construction      |                             | 122,938 |

**CONTINGENCIES**

The City purchases commercial insurance to cover all commonly insurable risks, which includes property damage, liability and employee bonds. Most policies carry a small deductible amount. No insurance claims settled in each of the prior three years have exceeded policy coverage.

The City is a defendant in various litigation proceedings. Management believes any losses arising from these actions will not materially affect the City's financial position.

**NEW PRONOUNCEMENTS**

The City will implement new GASB pronouncements no later than the required fiscal year. Management has not determined the effect on the financial statements from implementing any of the pronouncements.

GASB Statement No. 61 "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34." This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. This Statement also amends the criteria for reporting component units as if they were part of the primary government. The statement is effective for fiscal years beginning after June 15, 2012.

GASB Statement No. 62 "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." The objective of this Statement is to incorporate into GASB's authoritative literature certain accounting and financial reporting guidance that were issued on or before November 30, 1989, which do not conflict with or contradict GASB pronouncements. The statement is effective for fiscal years beginning after December 15, 2011.

GASB Statement No. 63 "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." The statement provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position. The statement is effective for fiscal years beginning after December 15, 2011.

GASB Statement No. 68 "Accounting and Reporting for Pension Plans—an amendment of GASB Statement No. 27." The statement establishes accounting and financial reporting requirements related to pensions provided by governments. The statement is effective for fiscal years beginning after June 15, 2014.

**CITY OF WOODBURN, OREGON**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2012*

---

***SUBSEQUENT EVENTS***

Management has evaluated subsequent events through December 27, 2012, the date on which the financial statements were available to be issued. Management is not aware of any subsequent events that require recognition or disclosure in the financial statements.

***REQUIRED SUPPLEMENTARY INFORMATION***

**CITY OF WOODBURN, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL – GENERAL FUND  
YEAR ENDED JUNE 30, 2012**

|   | <i>Budget Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|---|-----------------------|--------------|---------------|-----------------|
|   | <i>Original</i>       | <i>Final</i> |               |                 |
| <b>REVENUES</b>                               |                       |              |               |                 |
| Taxes and assessments                         | \$ 7,743,000          | \$ 7,743,000 | \$ 7,713,172  | \$ (29,828)     |
| Licenses and permits                          | 1,133,800             | 1,133,800    | 1,211,597     | 77,797          |
| Charges for services                          | 631,631               | 631,631      | 633,959       | 2,328           |
| Intergovernmental                             | 883,960               | 883,960      | 653,556       | (230,404)       |
| Fines and forfeitures                         | 512,000               | 512,000      | 734,377       | 222,377         |
| Miscellaneous                                 | 96,500                | 96,500       | 209,712       | 113,212         |
| <i>Total Revenues</i>                         | 11,000,891            | 11,000,891   | 11,156,373    | 155,482         |
| <b>EXPENDITURES</b>                           |                       |              |               |                 |
| Current                                       |                       |              |               |                 |
| Council and Mayor                             | 44,926                | 44,926       | 42,028        | 2,898           |
| Administration                                | 170,522               | 170,522      | 165,007       | 5,515           |
| City Recorder                                 | 53,964                | 53,964       | 45,172        | 8,792           |
| City Attorney                                 | 140,333               | 140,333      | 130,735       | 9,598           |
| Finance                                       | 320,166               | 320,166      | 310,966       | 9,200           |
| Human Resources                               | 49,668                | 49,668       | 69,969        | (20,301)        |
| Municipal Court                               | 215,359               | 215,359      | 204,552       | 10,807          |
| Nondepartmental                               | 309,955               | 309,955      | 140,212       | 169,743         |
| Police  | 6,414,967             | 6,414,967    | 6,143,544     | 271,423         |
| Library                                       | 1,233,480             | 1,223,480    | 1,040,525     | 182,955         |
| Recreation                                    | 512,575               | 512,575      | 392,231       | 120,344         |
| Swim Center                                   | 509,603               | 509,603      | 458,572       | 51,031          |
| C.S. Administration                           | 425,188               | 425,188      | 395,900       | 29,288          |
| Planning                                      | 386,507               | 386,507      | 335,301       | 51,206          |
| Parks Maintenance                             | 625,952               | 625,952      | 562,381       | 63,571          |
| Contingency                                   | 1,354,049             | 1,354,049    | -             | 1,354,049       |
| <i>Total Expenditures</i>                     | 12,767,214            | 12,757,214   | 10,437,095    | 2,320,119       |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | (1,766,323)           | (1,756,323)  | 719,278       | 2,475,601       |
| <b>OTHER FINANCING SOURCES (USES)</b>         |                       |              |               |                 |
| Transfers in                                  | 1,800                 | 1,800        | 70,698        | 68,898          |
| Transfers out                                 | (426,559)             | (436,559)    | (417,857)     | 18,702          |
| Interfund loan repayment                      | (51,772)              | (51,772)     | -             | 51,772          |
| <i>Total Other Financing Sources and Uses</i> | (476,531)             | (486,531)    | (347,159)     | 139,372         |
| <b>NET CHANGE IN FUND BALANCE</b>             | (2,242,854)           | (2,242,854)  | 372,119       | 2,614,973       |
| <b>FUND BALANCE, beginning of year</b>        | 2,427,854             | 2,427,854    | 2,372,180     | (55,674)        |
| <b>FUND BALANCE, end of year</b>              | \$ 185,000            | \$ 185,000   | \$ 2,744,299  | \$ 2,559,299    |

***OTHER SUPPLEMENTARY INFORMATION***

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – STREET SDC FUND**  
**YEAR ENDED JUNE 30, 2012**

|   | <i>Budget Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|---|-----------------------|--------------|---------------|-----------------|
|   | <i>Original</i>       | <i>Final</i> |               |                 |
| <b>REVENUES</b>                               |                       |              |               |                 |
| Licenses and permits                          | \$ 150,000            | \$ 150,000   | \$ 400,172    | \$ 250,172      |
| Miscellaneous                                 | 15,300                | 15,300       | 24,525        | 9,225           |
| <i>Total Revenues</i>                         | 165,300               | 165,300      | 424,697       | 259,397         |
| <b>EXPENDITURES</b>                           |                       |              |               |                 |
| Current                                       |                       |              |               |                 |
| Materials and services                        | 455,850               | 455,850      | 34,278        | 421,572         |
| Debt Service                                  |                       |              |               |                 |
| Principal                                     | 34,519                | 34,519       | 24,228        | 10,291          |
| Interest                                      | -                     | -            | 10,291        | (10,291)        |
| Capital outlay                                | 1,535,753             | 1,535,753    | 901,911       | 633,842         |
| <i>Total Expenditures</i>                     | 2,026,122             | 2,026,122    | 970,708       | 1,055,414       |
| <b>REVENUES OVER (UNDER)</b>                  |                       |              |               |                 |
| <b>EXPENDITURES</b>                           | (1,860,822)           | (1,860,822)  | (546,011)     | 1,314,811       |
| <b>OTHER FINANCING SOURCES (USES)</b>         |                       |              |               |                 |
| Transfers in                                  | 71,600                | 71,600       | 71,887        | 287             |
| Interfund loan repayment                      | 39,222                | 39,222       | -             | (39,222)        |
| <i>Total Other Financing Sources and Uses</i> | 110,822               | 110,822      | 71,887        | (38,935)        |
| <b>NET CHANGE IN FUND BALANCE</b>             | (1,750,000)           | (1,750,000)  | (474,124)     | 1,275,876       |
| <b>FUND BALANCE, beginning of year</b>        | 1,750,000             | 1,750,000    | 5,872,313     | 4,122,313       |
| <b>FUND BALANCE, end of year</b>              | \$ -                  | \$ -         | \$ 5,398,189  | \$ 5,398,189    |

**CITY OF WOODBURN, OREGON**

**RECONCILIATION OF BUDGETARY FUNDS TO REPORTING FUNDS – GENERAL FUND**

**BALANCE SHEET**

**JUNE 30, 2012**

|   | <i>Budgetary funds</i>  |                            | <i>Total (reported<br/>as General<br/>Fund)</i> |
|---|-------------------------|----------------------------|---|
|   | <i>General Fund</i>     | <i>General<br/>Reserve</i> |   |
| <b>ASSETS</b>                                 |                         |                            |   |
| Cash and investments                          | \$ 3,025,340            | \$ -                       | \$ 3,025,340                                    |
| Accounts receivable                           | 53,948                  | -                          | 53,948  |
| Property taxes receivable                     | 638,116                 | -                          | 638,116   |
| Due from other funds                          | 158,639                 | -                          | 158,639   |
| <i>Total Assets</i>                           | <u>\$ 3,876,043</u>     | <u>\$ -</u>                | <u>\$ 3,876,043</u>                             |
| <br><b>LIABILITIES AND FUND BALANCES</b>      |                         |                            |   |
| <b>Liabilities:</b>                           |                         |                            |   |
| Accounts payable                              | 252,684                 | -                          | 252,684   |
| Deferred revenue                              | 576,316                 | -                          | 576,316   |
| Due to other funds                            | 302,744                 | -                          | 302,744   |
| <i>Total Liabilities</i>                      | <u>1,131,744</u>        | <u>-</u>                   | <u>1,131,744</u>                                |
| <br><b>Fund Balance:</b>                      |                         |                            |   |
| Unassigned                                    | <u>2,744,299</u>        | <u>-</u>                   | <u>2,744,299</u>                                |
| <i>Total Fund Balance</i>                     | <u>2,744,299</u>        | <u>-</u>                   | <u>2,744,299</u>                                |
| <br><i>Total Liabilities and Fund Balance</i> | <br><u>\$ 3,876,043</u> | <br><u>\$ -</u>            | <br><u>\$ 3,876,043</u>                         |

**CITY OF WOODBURN, OREGON****RECONCILIATION OF BUDGETARY FUNDS TO REPORTING FUNDS – GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

YEAR ENDED JUNE 30, 2012

|   | <i>Budgetary funds</i> |                        | <i>Total (reported<br/>as General<br/>Fund)</i> |
|---|------------------------|------------------------|---|
|   | <i>General Fund</i>    | <i>General Reserve</i> |   |
| <b>REVENUES</b>                               |                        |                        |   |
| Taxes and assessments                         | \$ 7,713,172           | \$ -                   | \$ 7,713,172                                    |
| Licenses and permits                          | 1,211,597              | -                      | 1,211,597                                       |
| Charges for services                          | 633,959                | -                      | 633,959   |
| Intergovernmental                             | 653,556                | -                      | 653,556   |
| Fines and forfeitures                         | 734,377                | -                      | 734,377   |
| Miscellaneous                                 | 209,712                | 184                    | 209,896   |
| <i>Total Revenues</i>                         | 11,156,373             | 184                    | 11,156,557                                      |
| <b>EXPENDITURES</b>                           |                        |                        |   |
| Current                                       |                        |                        |   |
| General government                            | 904,089                | -                      | 904,089   |
| Public safety                                 | 6,348,096              | -                      | 6,348,096                                       |
| Culture and recreation                        | 3,184,910              | -                      | 3,184,910                                       |
| <i>Total Expenditures</i>                     | 10,437,095             | -                      | 10,437,095                                      |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | 719,278                | 184                    | 719,462   |
| <b>OTHER FINANCING SOURCES (USES)</b>         |                        |                        |   |
| Transfers in                                  | 70,698                 | -                      | 70,698  |
| Transfers out                                 | (417,857)              | (74,143)               | (492,000)                                       |
| <i>Total Other Financing Sources and Uses</i> | (347,159)              | (74,143)               | (421,302)                                       |
| <b>NET CHANGE IN FUND BALANCE</b>             | 372,119                | (73,959)               | 298,160   |
| <b>FUND BALANCE, beginning of year</b>        | 2,372,180              | 73,959                 | 2,446,139                                       |
| <b>FUND BALANCE, end of year</b>              | \$ 2,744,299           | \$ -                   | \$ 2,744,299                                    |



**CITY OF WOODBURN, OREGON**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2012**

|   | <i>Special Revenue</i> |                       |                           |
|---|------------------------|-----------------------|---------------------------|
|   | <i>Transit</i>         | <i>Building</i>       | <i>Search and Seizure</i> |
| <b>ASSETS</b>                                 |                        |                       |                           |
| Cash and investments                          | \$ 11,215              | \$ 119,829            | \$ -                      |
| Accounts and notes receivable                 | 129,182                | -                     | -                         |
| Property taxes receivable                     | -                      | -                     | -                         |
| Assessment liens receivable                   | -                      | -                     | -                         |
| <i>Total Assets</i>                           | <u>\$ 140,397</u>      | <u>\$ 119,829</u>     | <u>\$ -</u>               |
| <br><b>LIABILITIES AND FUND BALANCE</b>       |                        |                       |                           |
| <b>Liabilities:</b>                           |                        |                       |                           |
| Accounts payable                              | \$ 2,779               | \$ 24,778             | \$ -                      |
| Deferred revenue                              | -                      | -                     | -                         |
| Due to other funds                            | 334                    | 214                   | 22,694                    |
| <i>Total Liabilities</i>                      | <u>3,113</u>           | <u>24,992</u>         | <u>22,694</u>             |
| <br><b>Fund Balance:</b>                      |                        |                       |                           |
| Restricted for:                               |                        |                       |                           |
| Debt service                                  | -                      | -                     | -                         |
| Construction                                  | -                      | -                     | -                         |
| Culture and recreation                        | 137,284                | -                     | -                         |
| Committed to:                                 |                        |                       |                           |
| Public safety                                 | -                      | -                     | -                         |
| Public works                                  | -                      | 94,837                | -                         |
| Culture and recreation                        | -                      | -                     | -                         |
| Planning and building                         | -                      | -                     | -                         |
| Unassigned                                    | -                      | -                     | (22,694)                  |
| <i>Total Fund Balance (Deficits)</i>          | <u>137,284</u>         | <u>94,837</u>         | <u>(22,694)</u>           |
| <br><i>Total Liabilities and Fund Balance</i> | <br><u>\$ 140,397</u>  | <br><u>\$ 119,829</u> | <br><u>\$ -</u>           |

**Special Revenue**

| <b><i>Housing<br/>Rehab</i></b> | <b><i>RSVP</i></b> | <b><i>Cable<br/>Franchise</i></b> | <b><i>Streets</i></b> | <b><i>Local Gas<br/>Tax</i></b> | <b><i>Library<br/>Endowment</i></b> |
|---------------------------------|--------------------|-----------------------------------|-----------------------|---------------------------------|-------------------------------------|
| \$ 331,123                      | \$ 27,423          | \$ 1,022                          | \$ 727,490            | \$ 468,018                      | \$ 26,001                           |
| -                               | -                  | -                                 | 113,990               | 12,200                          | -                                   |
| -                               | -                  | -                                 | -                     | -                               | -                                   |
| 693,151                         | -                  | -                                 | -                     | -                               | -                                   |
| <b>\$ 1,024,274</b>             | <b>\$ 27,423</b>   | <b>\$ 1,022</b>                   | <b>\$ 841,480</b>     | <b>\$ 480,218</b>               | <b>\$ 26,001</b>                    |
| \$ -                            | \$ -               | \$ -                              | \$ 44,029             | \$ -                            | \$ -                                |
| 693,151                         | -                  | -                                 | -                     | -                               | -                                   |
| 11                              | 56                 | -                                 | 519                   | -                               | -                                   |
| 693,162                         | 56                 | -                                 | 44,548                | -                               | -                                   |
| -                               | -                  | -                                 | -                     | -                               | -                                   |
| -                               | -                  | -                                 | 796,932               | 480,218                         | -                                   |
| -                               | 27,367             | -                                 | -                     | -                               | 26,001                              |
| -                               | -                  | -                                 | -                     | -                               | -                                   |
| -                               | -                  | 1,022                             | -                     | -                               | -                                   |
| 331,112                         | -                  | -                                 | -                     | -                               | -                                   |
| -                               | -                  | -                                 | -                     | -                               | -                                   |
| 331,112                         | 27,367             | 1,022                             | 796,932               | 480,218                         | 26,001                              |
| <b>\$ 1,024,274</b>             | <b>\$ 27,423</b>   | <b>\$ 1,022</b>                   | <b>\$ 841,480</b>     | <b>\$ 480,218</b>               | <b>\$ 26,001</b>                    |

**CITY OF WOODBURN, OREGON****COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (Continued)**

JUNE 30, 2012

|   | <u>Special Revenue</u>      |                                |                                 |
|---|-----------------------------|--------------------------------|---------------------------------|
|   | <u>Museum<br/>Endowment</u> | <u>Lavelle Black<br/>Trust</u> | <u>General<br/>Construction</u> |
| <b>ASSETS</b>                             |                             |                                |                                 |
| Cash and investments                      | \$ 2,772                    | \$ 49,653                      | \$ -                            |
| Accounts and notes receivable             | -                           | -                              | -                               |
| Property taxes receivable                 | -                           | -                              | -                               |
| Assessment liens receivable               | -                           | -                              | -                               |
|   | <hr/>                       | <hr/>                          | <hr/>                           |
| <i>Total Assets</i>                       | <u>\$ 2,772</u>             | <u>\$ 49,653</u>               | <u>\$ -</u>                     |
| <br><b>LIABILITIES AND FUND BALANCE</b>   |                             |                                |                                 |
| <b>Liabilities:</b>                       |                             |                                |                                 |
| Accounts payable                          | \$ -                        | \$ -                           | \$ -                            |
| Deferred revenue                          | -                           | -                              | -                               |
| Due to other funds                        | -                           | -                              | 122,938                         |
|   | <hr/>                       | <hr/>                          | <hr/>                           |
| <i>Total Liabilities</i>                  | -                           | -                              | 122,938                         |
| <br><b>Fund Balance:</b>                  |                             |                                |                                 |
| Restricted for:                           |                             |                                |                                 |
| Debt service                              | -                           | -                              | -                               |
| Construction                              | -                           | -                              | -                               |
| Culture and recreation                    | 2,772                       | -                              | -                               |
| Committed to:                             |                             |                                |                                 |
| Public safety                             | -                           | 49,653                         | -                               |
| Public works                              | -                           | -                              | -                               |
| Culture and recreation                    | -                           | -                              | -                               |
| Planning and building                     | -                           | -                              | -                               |
| Unassigned                                | -                           | -                              | (122,938)                       |
|   | <hr/>                       | <hr/>                          | <hr/>                           |
| <i>Total Fund Balance (Deficits)</i>      | <u>2,772</u>                | <u>49,653</u>                  | <u>(122,938)</u>                |
|   | <hr/>                       | <hr/>                          | <hr/>                           |
| <i>Total Liabilities and Fund Balance</i> | <u>\$ 2,772</u>             | <u>\$ 49,653</u>               | <u>\$ -</u>                     |

**Capital Projects**

| <i>Special<br/>Assessment</i> | <i>Street/Storm<br/>Capital<br/>Improvement</i> | <i>Parks SDC</i>  | <i>Storm SDC</i>  | <i>Equipment<br/>Replacement</i> |
|-------------------------------|---|-------------------|-------------------|----------------------------------|
| \$ 1,000,961                  | \$ 707,792                                      | \$ 446,130        | \$ 443,092        | \$ 570,636                       |
| -                             | -   | -                 | -                 | -                                |
| -                             | -   | -                 | -                 | -                                |
| 75,932                        | -   | -                 | -                 | -                                |
| <u>\$ 1,076,893</u>           | <u>\$ 707,792</u>                               | <u>\$ 446,130</u> | <u>\$ 443,092</u> | <u>\$ 570,636</u>                |
| \$ -                          | \$ 33,441                                       | \$ -              | \$ -              | \$ -                             |
| 75,932                        | -   | -                 | -                 | -                                |
| -                             | -   | -                 | -                 | -                                |
| 75,932                        | 33,441  | -                 | -                 | -                                |
| -                             | -   | -                 | -                 | -                                |
| -                             | -   | 446,130           | 443,092           | -                                |
| -                             | -   | -                 | -                 | -                                |
| 1,000,961                     | 674,351   | -                 | -                 | -                                |
| -                             | -   | -                 | -                 | -                                |
| -                             | -   | -                 | -                 | 570,636                          |
| -                             | -   | -                 | -                 | -                                |
| <u>1,000,961</u>              | <u>674,351</u>                                  | <u>446,130</u>    | <u>443,092</u>    | <u>570,636</u>                   |
| <u>\$ 1,076,893</u>           | <u>\$ 707,792</u>                               | <u>\$ 446,130</u> | <u>\$ 443,092</u> | <u>\$ 570,636</u>                |

**CITY OF WOODBURN, OREGON****COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (Continued)**

JUNE 30, 2012

|   | <u>Debt Service</u> |                     |                     |
|---|---------------------|---------------------|---------------------|
|   | <u>GO Debt</u>      | <u>URA</u>          | <u>Total</u>        |
| <b>ASSETS</b>                                 |                     |                     |                     |
| Cash and investments                          | \$ 57,220           | \$ 1,590,160        | \$ 6,580,537        |
| Accounts and notes receivable                 | -                   | -                   | 255,372             |
| Property taxes receivable                     | 43,129              | 50,956              | 94,085              |
| Assessment liens receivable                   | -                   | -                   | 769,083             |
|   | <hr/>               | <hr/>               | <hr/>               |
| <i>Total Assets</i>                           | <u>\$ 100,349</u>   | <u>\$ 1,641,116</u> | <u>\$ 7,699,077</u> |
| <br><b>LIABILITIES AND FUND BALANCE</b>       |                     |                     |                     |
| <b>Liabilities:</b>                           |                     |                     |                     |
| Accounts payable                              | \$ -                | \$ -                | \$ 105,027          |
| Deferred revenue                              | 38,952              | 46,036              | 854,071             |
| Due to other funds                            | -                   | -                   | 146,766             |
|   | <hr/>               | <hr/>               | <hr/>               |
| <i>Total Liabilities</i>                      | 38,952              | 46,036              | 1,105,864           |
| <br><b>Fund Balance:</b>                      |                     |                     |                     |
| Restricted for:                               |                     |                     |                     |
| Debt service                                  | 61,397              | 1,595,080           | 1,656,477           |
| Construction                                  | -                   | -                   | 2,166,372           |
| Culture and recreation                        | -                   | -                   | 193,424             |
| Committed to:                                 |                     |                     |                     |
| Public safety                                 | -                   | -                   | 49,653              |
| Public works                                  | -                   | -                   | 1,770,149           |
| Culture and recreation                        | -                   | -                   | 1,022               |
| Planning and building                         | -                   | -                   | 901,748             |
| Unassigned                                    | -                   | -                   | (145,632)           |
|   | <hr/>               | <hr/>               | <hr/>               |
| <i>Total Fund Balance (Deficits)</i>          | <u>61,397</u>       | <u>1,595,080</u>    | <u>6,593,213</u>    |
| <br><i>Total Liabilities and Fund Balance</i> | <u>\$ 100,349</u>   | <u>\$ 1,641,116</u> | <u>\$ 6,593,213</u> |

**CITY OF WOODBURN, OREGON****COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012**

|  | <i>Special Revenue</i> |                 |                               |
|--|------------------------|-----------------|-------------------------------|
|  | <i>Transit</i>         | <i>Building</i> | <i>Search and<br/>Seizure</i> |
| <b>REVENUES</b>                                      |                        |                 |                               |
| Taxes and assessments                                | \$ 128                 | \$ -            | \$ -                          |
| Licenses and permits                                 | -                      | 302,320         | -                             |
| Charges for services                                 | 46,180                 | -               | -                             |
| Intergovernmental                                    | 433,456                | -               | -                             |
| Miscellaneous  | 12,694                 | 73,480          | (58)                          |
| <i>Total Revenues</i>                                | 492,458                | 375,800         | (58)                          |
| <b>EXPENDITURES</b>                                  |                        |                 |                               |
| Current  |                        |                 |                               |
| General government                                   | -                      | 312,037         | -                             |
| Public safety  | -                      | -               | 10,000                        |
| Highways and streets                                 | -                      | -               | -                             |
| Culture and recreation                               | 579,632                | -               | -                             |
| Debt Service   |                        |                 |                               |
| Principal  | -                      | -               | -                             |
| Interest   | -                      | -               | -                             |
| Capital outlay                                       | 19,234                 | -               | -                             |
| <i>Total Expenditures</i>                            | 598,866                | 312,037         | 10,000                        |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>            | (106,408)              | 63,763          | (10,058)                      |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                        |                 |                               |
| Transfers in   | 151,000                | -               | -                             |
| Transfers out  | -                      | -               | -                             |
| <i>Total Other Financing Sources and Uses</i>        | 151,000                | -               | -                             |
| <b>NET CHANGE IN FUND BALANCE</b>                    | 44,592                 | 63,763          | (10,058)                      |
| <b>FUND BALANCE (DEFICIT),<br/>beginning of year</b> | 92,692                 | 31,074          | (12,636)                      |
| <b>FUND BALANCE (DEFICIT),<br/>end of year</b>       | \$ 137,284             | \$ 94,837       | \$ (22,694)                   |

**Special Revenue**

| <b>Weed and Seed</b> | <b>Revenue Sharing</b> | <b>Housing Rehab</b> | <b>RSVP</b> | <b>Cable Franchise</b> | <b>Streets</b> |
|----------------------|------------------------|----------------------|-------------|------------------------|----------------|
| \$ -                 | \$ -                   | \$ -                 | \$ -        | \$ -                   | \$ -           |
| -                    | -                      | -                    | -           | 22,585                 | -              |
| -                    | -                      | -                    | -           | -                      | 1,275          |
| 105,914              | -                      | -                    | 46,189      | -                      | 1,312,024      |
| (30)                 | 703                    | 81,329               | 75          | 16                     | 59,638         |
| 105,884              | 703                    | 81,329               | 46,264      | 22,601                 | 1,372,937      |
| -                    | -                      | -                    | -           | 28,621                 | -              |
| 52,796               | -                      | -                    | -           | -                      | -              |
| -                    | -                      | -                    | -           | -                      | 1,058,754      |
| -                    | -                      | 23,427               | 30,485      | -                      | -              |
| -                    | -                      | -                    | -           | -                      | -              |
| -                    | -                      | -                    | -           | -                      | -              |
| 17,229               | -                      | -                    | -           | -                      | 8,022          |
| 70,025               | -                      | 23,427               | 30,485      | 28,621                 | 1,066,776      |
| 35,859               | 703                    | 57,902               | 15,779      | (6,020)                | 306,161        |
| -                    | -                      | 6,628                | -           | -                      | 347,678        |
| (13,865)             | (161,353)              | -                    | -           | -                      | (225,000)      |
| (13,865)             | (161,353)              | 6,628                | -           | -                      | 122,678        |
| 21,994               | (160,650)              | 64,530               | 15,779      | (6,020)                | 428,839        |
| (21,994)             | 160,650                | 266,582              | 11,588      | 7,042                  | 368,093        |
| \$ -                 | \$ -                   | \$ 331,112           | \$ 27,367   | \$ 1,022               | \$ 796,932     |

**CITY OF WOODBURN, OREGON****COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
NONMAJOR GOVERNMENTAL FUNDS (Continued)  
YEAR ENDED JUNE 30, 2012**

|  | <i>Special Revenue</i> |                              |                             |
|--|------------------------|------------------------------|-----------------------------|
|  | <i>Local Gas Tax</i>   | <i>Library<br/>Endowment</i> | <i>Museum<br/>Endowment</i> |
| <b>REVENUES</b>                                      |                        |                              |                             |
| Taxes and assessments                                | \$ 182,109             | \$ -                         | \$ -                        |
| Licenses and permits                                 | -                      | -                            | -                           |
| Charges for services                                 | -                      | -                            | -                           |
| Intergovernmental                                    | -                      | -                            | -                           |
| Miscellaneous  | 1,401                  | 98                           | 10                          |
| <i>Total Revenues</i>                                | <u>183,510</u>         | <u>98</u>                    | <u>10</u>                   |
| <b>EXPENDITURES</b>                                  |                        |                              |                             |
| Current  |                        |                              |                             |
| General government                                   | -                      | -                            | -                           |
| Public safety  | -                      | -                            | -                           |
| Highways and streets                                 | 33,211                 | -                            | -                           |
| Culture and recreation                               | -                      | -                            | -                           |
| Debt Service   |                        |                              |                             |
| Principal  | -                      | -                            | -                           |
| Interest   | -                      | -                            | -                           |
| Capital outlay                                       | -                      | -                            | -                           |
| <i>Total Expenditures</i>                            | <u>33,211</u>          | <u>-</u>                     | <u>-</u>                    |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>            | 150,299                | 98                           | 10                          |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                        |                              |                             |
| Transfers in   | 71,277                 | -                            | -                           |
| Transfers out  | -                      | -                            | -                           |
| <i>Total Other Financing Sources and Uses</i>        | <u>71,277</u>          | <u>-</u>                     | <u>-</u>                    |
| <b>NET CHANGE IN FUND BALANCE</b>                    | 221,576                | 98                           | 10                          |
| <b>FUND BALANCE (DEFICIT),<br/>beginning of year</b> | <u>258,642</u>         | <u>25,903</u>                | <u>2,762</u>                |
| <b>FUND BALANCE (DEFICIT),<br/>end of year</b>       | <u>\$ 480,218</u>      | <u>\$ 26,001</u>             | <u>\$ 2,772</u>             |



**Special Revenue****Capital Projects**

| <i>Lavelle Black Trust</i> | <i>Economic Development</i> | <i>Police Construction</i> | <i>General Construction</i> | <i>Special Assessment</i> | <i>Street/Storm Capital Improvement</i> |
|----------------------------|-----------------------------|----------------------------|-----------------------------|---------------------------|---|
| \$ -                       | \$ -                        | \$ -                       | \$ -                        | \$ 20,736                 | \$ -                                    |
| -                          | -                           | -                          | -                           | -                         | 326,913                                 |
| -                          | -                           | -                          | -                           | -                         | -                                       |
| -                          | -                           | -                          | -                           | -                         | -                                       |
| 50,347                     | 177                         | 577                        | (516)                       | 7,131                     | 8,142                                   |
| 50,347                     | 177                         | 577                        | (516)                       | 27,867                    | 335,055                                 |
| -                          | -                           | -                          | -                           | -                         | 104,327                                 |
| 15,694                     | -                           | 49                         | -                           | -                         | -                                       |
| -                          | -                           | -                          | -                           | 1,196                     | -                                       |
| -                          | -                           | -                          | -                           | -                         | -                                       |
| -                          | -                           | -                          | -                           | -                         | -                                       |
| -                          | -                           | 341,070                    | 197,441                     | -                         | 87,696                                  |
| 15,694                     | -                           | 341,119                    | 197,441                     | 1,196                     | 192,023                                 |
| 34,653                     | 177                         | (340,542)                  | (197,957)                   | 26,671                    | 143,032                                 |
| 15,000                     | -                           | -                          | 85,506                      | -                         | -                                       |
| -                          | (71,887)                    | (2,642)                    | -                           | -                         | -                                       |
| 15,000                     | (71,887)                    | (2,642)                    | 85,506                      | -                         | -                                       |
| 49,653                     | (71,710)                    | (343,184)                  | (112,451)                   | 26,671                    | 143,032                                 |
| -                          | 71,710                      | 343,184                    | (10,487)                    | 974,290                   | 531,319                                 |
| \$ 49,653                  | \$ -                        | \$ -                       | \$ (122,938)                | \$ 1,000,961              | \$ 674,351                              |

**CITY OF WOODBURN, OREGON****COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
NONMAJOR GOVERNMENTAL FUNDS (Continued)  
YEAR ENDED JUNE 30, 2012**

|  | <i>Capital Projects</i> |                  |                                     |
|--|-------------------------|------------------|-------------------------------------|
|  | <i>Parks SDC</i>        | <i>Storm SDC</i> | <i>PW Facility<br/>Construction</i> |
| <b>REVENUES</b>                                      |                         |                  |                                     |
| Taxes and assessments                                | \$ -                    | \$ -             | \$ -                                |
| Licenses and permits                                 | 93,824                  | 19,397           | -                                   |
| Charges for services                                 | -                       | -                | -                                   |
| Intergovernmental                                    | -                       | -                | -                                   |
| Miscellaneous  | 1,524                   | 1,615            | 32                                  |
| <i>Total Revenues</i>                                | 95,348                  | 21,012           | 32                                  |
| <b>EXPENDITURES</b>                                  |                         |                  |                                     |
| Current  |                         |                  |                                     |
| General government                                   | 6,846                   | -                | -                                   |
| Public safety  | -                       | -                | -                                   |
| Highways and streets                                 | -                       | -                | -                                   |
| Culture and recreation                               | -                       | -                | -                                   |
| Debt Service   |                         |                  |                                     |
| Principal  | -                       | -                | -                                   |
| Interest   | -                       | -                | -                                   |
| Capital outlay                                       | 48,778                  | -                | -                                   |
| <i>Total Expenditures</i>                            | 55,624                  | -                | -                                   |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>            | 39,724                  | 21,012           | 32                                  |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                         |                  |                                     |
| Transfers in   | -                       | -                | -                                   |
| Transfers out  | -                       | -                | (12,363)                            |
| <i>Total Other Financing Sources and Uses</i>        | -                       | -                | (12,363)                            |
| <b>NET CHANGE IN FUND BALANCE</b>                    | 39,724                  | 21,012           | (12,331)                            |
| <b>FUND BALANCE (DEFICIT),<br/>beginning of year</b> | 406,406                 | 422,080          | 12,331                              |
| <b>FUND BALANCE (DEFICIT),<br/>end of year</b>       | \$ 446,130              | \$ 443,092       | \$ -                                |

**Debt Service**

| <b>Equipment<br/>Replacement</b> | <b>GO Debt</b> | <b>Bancroft Bond</b> | <b>URA</b>   | <b>Total</b> |
|----------------------------------|----------------|----------------------|--------------|--------------|
| \$ -                             | \$ 497,316     | \$ -                 | \$ 616,177   | \$ 1,316,466 |
| -                                | -              | -                    | -            | 765,039      |
| -                                | -              | -                    | -            | 47,455       |
| -                                | -              | -                    | -            | 1,897,583    |
| 1,765                            | 1,116          | 20                   | 6,485        | 307,771      |
| 1,765                            | 498,432        | 20                   | 622,662      | 4,334,314    |
| -                                | 639            | -                    | 151,291      | 603,761      |
| -                                | -              | -                    | -            | 78,539       |
| -                                | -              | -                    | -            | 1,093,161    |
| -                                | -              | -                    | -            | 633,544      |
| -                                | 290,000        | -                    | 193,557      | 483,557      |
| -                                | 224,431        | -                    | 34,175       | 258,606      |
| 102,017                          | -              | -                    | -            | 821,487      |
| 102,017                          | 515,070        | -                    | 379,023      | 3,972,655    |
| (100,252)                        | (16,638)       | 20                   | 243,639      | 361,659      |
| 210,000                          | -              | -                    | -            | 887,089      |
| -                                | -              | (6,628)              | -            | (493,738)    |
| 210,000                          | -              | (6,628)              | -            | 393,351      |
| 109,748                          | (16,638)       | (6,608)              | 243,639      | 755,010      |
| 460,888                          | 78,035         | 6,608                | 1,351,441    | 5,838,203    |
| \$ 570,636                       | \$ 61,397      | \$ -                 | \$ 1,595,080 | \$ 6,593,213 |

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - TRANSIT FUND**  
**YEAR ENDED JUNE 30, 2012**

|   | <i>Budget Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|---|-----------------------|--------------|---------------|-----------------|
|   | <i>Original</i>       | <i>Final</i> |               |                 |
| <b>REVENUES</b>                           |                       |              |               |                 |
| Taxes and assessments                     | \$ -                  | \$ -         | \$ 128        | \$ 128          |
| Charges for services                      | 39,000                | 39,000       | 46,180        | 7,180           |
| Intergovernmental                         | 358,980               | 358,980      | 433,456       | 74,476          |
| Miscellaneous                             | 9,200                 | 9,200        | 12,694        | 3,494           |
| <i>Total Revenues</i>                     | 407,180               | 407,180      | 492,458       | 85,278          |
| <b>EXPENDITURES</b>                       |                       |              |               |                 |
| Current                                   |                       |              |               |                 |
| Personal services                         | 331,868               | 366,213      | 364,666       | 1,547           |
| Materials and services                    | 259,813               | 222,641      | 214,966       | 7,675           |
| Capital outlay                            | 8,025                 | 20,852       | 19,234        | 1,618           |
| Contingency                               | 19,474                | 9,474        | -             | 9,474           |
| <i>Total Expenditures</i>                 | 619,180               | 619,180      | 598,866       | 20,314          |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b> | (212,000)             | (212,000)    | (106,408)     | 105,592         |
| <b>OTHER FINANCING SOURCES (USES)</b>     |                       |              |               |                 |
| Transfers in                              | 151,000               | 151,000      | 151,000       | -               |
| <b>NET CHANGE IN FUND BALANCE</b>         | (61,000)              | (61,000)     | 44,592        | 105,592         |
| <b>FUND BALANCE, beginning of year</b>    | 61,000                | 61,000       | 92,692        | 31,692          |
| <b>FUND BALANCE, end of year</b>          | \$ -                  | \$ -         | \$ 137,284    | \$ 137,284      |

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - BUILDING FUND**  
**YEAR ENDED JUNE 30, 2012**

|  | <i>Budget Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|--|-----------------------|--------------|---------------|-----------------|
|  | <i>Original</i>       | <i>Final</i> |               |                 |
| <b>REVENUES</b>                        |                       |              |               |                 |
| Licenses and permits                   | \$ 153,896            | \$ 153,896   | \$ 302,320    | \$ 148,424      |
| Miscellaneous                          | 131,700               | 131,700      | 73,480        | (58,220)        |
| <i>Total Revenues</i>                  | 285,596               | 285,596      | 375,800       | 90,204          |
| <b>EXPENDITURES</b>                    |                       |              |               |                 |
| Current                                |                       |              |               |                 |
| Personal services                      | 208,815               | 208,631      | 206,684       | 1,947           |
| Materials and services                 | 88,326                | 88,510       | 105,353       | (16,843)        |
| Contingency                            | 83,455                | 83,455       | -             | 83,455          |
| <i>Total Expenditures</i>              | 380,596               | 380,596      | 312,037       | 68,559          |
| <b>REVENUES OVER (UNDER)</b>           |                       |              |               |                 |
| <b>EXPENDITURES</b>                    | (95,000)              | (95,000)     | 63,763        | 158,763         |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                       |              |               |                 |
| Proceeds from interfund loan           | 80,000                | 80,000       | -             | (80,000)        |
| <b>NET CHANGE IN FUND BALANCE</b>      | (15,000)              | (15,000)     | 63,763        | 78,763          |
| <b>FUND BALANCE, beginning of year</b> | 15,000                | 15,000       | 31,074        | 16,074          |
| <b>FUND BALANCE, end of year</b>       | \$ -                  | \$ -         | \$ 94,837     | \$ 94,837       |

**CITY OF WOODBURN, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL – SEARCH AND SEIZURE FUND  
YEAR ENDED JUNE 30, 2012**

---

|  | <i>Budget Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|--|-----------------------|--------------|---------------|-----------------|
|  | <i>Original</i>       | <i>Final</i> |               |                 |
| <b>REVENUES</b>                                      |                       |              |               |                 |
| Intergovernmental                                    | \$ 24,000             | \$ 24,000    | \$ -          | \$ (24,000)     |
| Miscellaneous  | -                     | -            | (58)          | (58)            |
| <i>Total Revenues</i>                                | 24,000                | 24,000       | (58)          | (24,058)        |
| <b>EXPENDITURES</b>                                  |                       |              |               |                 |
| Current  |                       |              |               |                 |
| Materials and services                               | 24,000                | 24,000       | 10,000        | 14,000          |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b>        | -                     | -            | (10,058)      | (10,058)        |
| <b>FUND BALANCE (DEFICIT),<br/>beginning of year</b> | -                     | -            | (12,636)      | (12,636)        |
| <b>FUND BALANCE (DEFICIT),<br/>end of year</b>       | \$ -                  | \$ -         | \$ (22,694)   | \$ (22,694)     |

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – WEED AND SEED FUND**  
**YEAR ENDED JUNE 30, 2012**

|                                       | <i>Budget Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|---------------------------------------|-----------------------|--------------|---------------|-----------------|
|                                       | <i>Original</i>       | <i>Final</i> |               |                 |
| <b>REVENUES</b>                       |                       |              |               |                 |
| Intergovernmental                     | \$ 161,561            | \$ 161,561   | \$ 105,914    | \$ (55,647)     |
| Miscellaneous                         | -                     | -            | (30)          | (30)            |
| <i>Total Revenues</i>                 | 161,561               | 161,561      | 105,884       | (55,677)        |
| <b>EXPENDITURES</b>                   |                       |              |               |                 |
| Current                               |                       |              |               |                 |
| Personal services                     | 129,445               | 129,445      | 24,367        | 105,078         |
| Materials and services                | 58,545                | 41,316       | 28,429        | 12,887          |
| Capital outlay                        | -                     | 17,229       | 17,229        | -               |
| <i>Total Expenditures</i>             | 187,990               | 187,990      | 70,025        | 117,965         |
| <b>REVENUES OVER (UNDER)</b>          |                       |              |               |                 |
| <b>EXPENDITURES</b>                   | (26,429)              | (26,429)     | 35,859        | 62,288          |
| <b>OTHER FINANCING SOURCES (USES)</b> |                       |              |               |                 |
| Transfers out                         | -                     | -            | (13,865)      | (13,865)        |
| <b>NET CHANGE IN FUND BALANCE</b>     | (26,429)              | (26,429)     | 21,994        | 48,423          |
| <b>FUND BALANCE (DEFICIT),</b>        |                       |              |               |                 |
| <i>beginning of year</i>              | 26,429                | 26,429       | (21,994)      | (48,423)        |
| <b>FUND BALANCE (DEFICIT),</b>        |                       |              |               |                 |
| <i>end of year</i>                    | \$ -                  | \$ -         | \$ -          | \$ -            |

**CITY OF WOODBURN, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL – REVENUE SHARING FUND  
YEAR ENDED JUNE 30, 2012**

---

|   | <i>Budget Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|---|-----------------------|--------------|---------------|-----------------|
|   | <i>Original</i>       | <i>Final</i> |               |                 |
| <b>REVENUES</b>                               |                       |              |               |                 |
| Miscellaneous                                 | \$ -                  | \$ -         | \$ 703        | \$ 703          |
| <b>EXPENDITURES</b>                           | -                     | -            | -             | -               |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | -                     | -            | 703           | 703             |
| <b>OTHER FINANCING SOURCES (USES)</b>         |                       |              |               |                 |
| Transfers out                                 | (75,000)              | (75,000)     | (161,353)     | (86,353)        |
| <b>NET CHANGE IN FUND BALANCE</b>             | (75,000)              | (75,000)     | (160,650)     | (85,650)        |
| <b>FUND BALANCE, beginning of year</b>        | 75,000                | 75,000       | 160,650       | 85,650          |
| <b>FUND BALANCE, end of year</b>              | \$ -                  | \$ -         | \$ -          | \$ -            |



**CITY OF WOODBURN, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL – HOUSING REHABILITATION FUND  
YEAR ENDED JUNE 30, 2012**

|   | <i>Budget Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|---|-----------------------|--------------|---------------|-----------------|
|   | <i>Original</i>       | <i>Final</i> |               |                 |
| <b>REVENUES</b>                               |                       |              |               |                 |
| Miscellaneous                                 | \$ 22,750             | \$ 22,750    | \$ 81,329     | \$ 58,579       |
| <b>EXPENDITURES</b>                           |                       |              |               |                 |
| Current                                       |                       |              |               |                 |
| Personal services                             | 10,708                | 10,708       | 10,217        | 491             |
| Materials and services                        | 89,340                | 89,340       | 13,210        | 76,130          |
| Contingency                                   | 28,222                | 28,222       | -             | 28,222          |
| <i>Total Expenditures</i>                     | 128,270               | 128,270      | 23,427        | 104,843         |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | (105,520)             | (105,520)    | 57,902        | 163,422         |
| <b>OTHER FINANCING SOURCES (USES)</b>         |                       |              |               |                 |
| Transfers in                                  | 6,520                 | 6,520        | 6,628         | 108             |
| <b>NET CHANGE IN FUND BALANCE</b>             | (99,000)              | (99,000)     | 64,530        | 163,530         |
| <b>FUND BALANCE, beginning of year</b>        | 99,000                | 99,000       | 266,582       | 167,582         |
| <b>FUND BALANCE, end of year</b>              | \$ -                  | \$ -         | \$ 331,112    | \$ 331,112      |

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - RSVP FUND**  
**YEAR ENDED JUNE 30, 2012**

|  | <i>Budget Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|--|-----------------------|--------------|---------------|-----------------|
|  | <i>Original</i>       | <i>Final</i> |               |                 |
| <b>REVENUES</b>                        |                       |              |               |                 |
| Intergovernmental                      | \$ 45,933             | \$ 45,933    | \$ 46,189     | \$ 256          |
| Miscellaneous                          | -                     | -            | 75            | 75              |
| <i>Total Revenues</i>                  | 45,933                | 45,933       | 46,264        | 331             |
| <b>EXPENDITURES</b>                    |                       |              |               |                 |
| Current                                |                       |              |               |                 |
| Personal services                      | 82,222                | 81,222       | 24,404        | 56,818          |
| Materials and services                 | 5,640                 | 6,640        | 6,081         | 559             |
| <i>Total Expenditures</i>              | 87,862                | 87,862       | 30,485        | 57,377          |
| <b>REVENUES OVER (UNDER)</b>           |                       |              |               |                 |
| <b>EXPENDITURES</b>                    | (41,929)              | (41,929)     | 15,779        | 57,708          |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                       |              |               |                 |
| Transfers in                           | 30,259                | 30,259       | -             | (30,259)        |
| <b>NET CHANGE IN FUND BALANCE</b>      | (11,670)              | (11,670)     | 15,779        | 27,449          |
| <b>FUND BALANCE, beginning of year</b> | 11,670                | 11,670       | 11,588        | (82)            |
| <b>FUND BALANCE, end of year</b>       | \$ -                  | \$ -         | \$ 27,367     | \$ 27,367       |

**CITY OF WOODBURN, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL – CABLE FRANCHISE FUND  
YEAR ENDED JUNE 30, 2012**

|   | <i>Budget Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|---|-----------------------|--------------|---------------|-----------------|
|   | <i>Original</i>       | <i>Final</i> |               |                 |
| <b>REVENUES</b>                               |                       |              |               |                 |
| Licenses and permits                          | \$ 24,147             | \$ 24,147    | \$ 22,585     | \$ (1,562)      |
| Miscellaneous                                 | 100                   | 100          | 16            | (84)            |
| <i>Total Revenues</i>                         | 24,247                | 24,247       | 22,601        | (1,646)         |
| <b>EXPENDITURES</b>                           |                       |              |               |                 |
| Current                                       |                       |              |               |                 |
| Materials and services                        | 28,800                | 28,800       | 28,621        | 179             |
| Contingency                                   | 1,000                 | 1,000        | -             | 1,000           |
| <i>Total Expenditures</i>                     | 29,800                | 29,800       | 28,621        | 1,179           |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | (5,553)               | (5,553)      | (6,020)       | (467)           |
| <b>FUND BALANCE, beginning of year</b>        | 5,553                 | 5,553        | 7,042         | 1,489           |
| <b>FUND BALANCE, end of year</b>              | \$ -                  | \$ -         | \$ 1,022      | \$ 1,022        |

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - STREETS FUND**  
**YEAR ENDED JUNE 30, 2012**

|   | <i>Budget Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|---|-----------------------|--------------|---------------|-----------------|
|   | <i>Original</i>       | <i>Final</i> |               |                 |
| <b>REVENUES</b>                           |                       |              |               |                 |
| Charges for services                      | \$ 1,000              | \$ 1,000     | \$ 1,275      | \$ 275          |
| Intergovernmental                         | 1,060,000             | 1,060,000    | 1,312,024     | 252,024         |
| Miscellaneous                             | 5,400                 | 5,400        | 59,638        | 54,238          |
| <i>Total Revenues</i>                     | 1,066,400             | 1,066,400    | 1,372,937     | 306,537         |
| <b>EXPENDITURES</b>                       |                       |              |               |                 |
| Current                                   |                       |              |               |                 |
| Personal services                         | 458,627               | 456,788      | 455,991       | 797             |
| Materials and services                    | 675,836               | 677,675      | 602,763       | 74,912          |
| Capital outlay                            | 8,025                 | 8,025        | 8,022         | 3               |
| Contingency                               | 42,854                | 42,854       | -             | 42,854          |
| <i>Total Expenditures</i>                 | 1,185,342             | 1,185,342    | 1,066,776     | 118,566         |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b> | (118,942)             | (118,942)    | 306,161       | 425,103         |
| <b>OTHER FINANCING SOURCES (USES)</b>     |                       |              |               |                 |
| Transfers in                              | 337,942               | 337,942      | 347,678       | 9,736           |
| Transfers out                             | (225,000)             | (225,000)    | (225,000)     | -               |
| <i>Total Other Financing Sources and</i>  | 112,942               | 112,942      | 122,678       | 9,736           |
| <b>NET CHANGE IN FUND BALANCE</b>         | (6,000)               | (6,000)      | 428,839       | 434,839         |
| <b>FUND BALANCE, beginning of year</b>    | 6,000                 | 6,000        | 368,093       | 362,093         |
| <b>FUND BALANCE, end of year</b>          | \$ -                  | \$ -         | \$ 796,932    | \$ 796,932      |

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – LOCAL GAS TAX FUND**  
**YEAR ENDED JUNE 30, 2012**

|  | <i>Budget Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|--|-----------------------|--------------|---------------|-----------------|
|  | <i>Original</i>       | <i>Final</i> |               |                 |
| <b>REVENUES</b>                        |                       |              |               |                 |
| Taxes and assessments                  | \$ 120,000            | \$ 120,000   | \$ 182,109    | \$ 62,109       |
| Miscellaneous                          | 350                   | 350          | 1,401         | 1,051           |
| <i>Total Revenues</i>                  | 120,350               | 120,350      | 183,510       | 63,160          |
| <b>EXPENDITURES</b>                    |                       |              |               |                 |
| Current                                |                       |              |               |                 |
| Materials and services                 | 65,884                | 65,884       | 33,211        | 32,673          |
| Capital outlay                         | 309,256               | 309,256      | -             | 309,256         |
| Contingency                            | 15,268                | 15,268       | -             | 15,268          |
| <i>Total Expenditures</i>              | 390,408               | 390,408      | 33,211        | 357,197         |
| <b>REVENUES OVER (UNDER)</b>           |                       |              |               |                 |
| <b>EXPENDITURES</b>                    | (270,058)             | (270,058)    | 150,299       | 420,357         |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                       |              |               |                 |
| Transfers in                           | 57,058                | 57,058       | 71,277        | 14,219          |
| <b>NET CHANGE IN FUND BALANCE</b>      | (213,000)             | (213,000)    | 221,576       | 434,576         |
| <b>FUND BALANCE, beginning of year</b> | 213,000               | 213,000      | 258,642       | 45,642          |
| <b>FUND BALANCE, end of year</b>       | \$ -                  | \$ -         | \$ 480,218    | \$ 480,218      |

**CITY OF WOODBURN, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL – LIBRARY ENDOWMENT FUND  
YEAR ENDED JUNE 30, 2012**

---

|   | <i>Budget Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|---|-----------------------|--------------|---------------|-----------------|
|   | <i>Original</i>       | <i>Final</i> |               |                 |
| <b>REVENUES</b>                               |                       |              |               |                 |
| Miscellaneous                                 | \$ 150                | \$ 150       | \$ 98         | \$ (52)         |
| <b>EXPENDITURES</b>                           |                       |              |               |                 |
| Contingency                                   | 26,084                | 26,084       | -             | 26,084          |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | (25,934)              | (25,934)     | 98            | 26,032          |
| <b>FUND BALANCE, beginning of year</b>        | 25,934                | 25,934       | 25,903        | (31)            |
| <b>FUND BALANCE, end of year</b>              | \$ -                  | \$ -         | \$ 26,001     | \$ 26,001       |

**CITY OF WOODBURN, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL – MUSEUM ENDOWMENT FUND  
YEAR ENDED JUNE 30, 2012**

|   | <u>Budget Amounts</u> |              | <u>Actual</u>   | <u>Variance</u> |
|---|-----------------------|--------------|-----------------|-----------------|
|   | <u>Original</u>       | <u>Final</u> |                 |                 |
| <b>REVENUES</b>                               |                       |              |                 |                 |
| Miscellaneous                                 | \$ 25                 | \$ 25        | \$ 10           | \$ (15)         |
| <b>EXPENDITURES</b>                           |                       |              |                 |                 |
| Contingency                                   | 2,784                 | 2,784        | -               | 2,784           |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | (2,759)               | (2,759)      | 10              | 2,769           |
| <b>FUND BALANCE, beginning of year</b>        | 2,759                 | 2,759        | 2,762           | 3               |
| <b>FUND BALANCE, end of year</b>              | <u>\$ -</u>           | <u>\$ -</u>  | <u>\$ 2,772</u> | <u>\$ 2,772</u> |

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – ECONOMIC DEVELOPMENT FUND**  
**YEAR ENDED JUNE 30, 2012**

---

|   | <i>Budget Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|---|-----------------------|--------------|---------------|-----------------|
|   | <i>Original</i>       | <i>Final</i> |               |                 |
| <b>REVENUES</b>                               |                       |              |               |                 |
| Miscellaneous                                 | \$ -                  | \$ -         | \$ 177        | \$ 177          |
| <b>EXPENDITURES</b>                           | -                     | -            | -             | -               |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | -                     | -            | 177           | 177             |
| <b>OTHER FINANCING SOURCES (USES)</b>         |                       |              |               |                 |
| Transfers out                                 | (71,600)              | (71,600)     | (71,887)      | (287)           |
| <b>NET CHANGE IN FUND BALANCE</b>             | (71,600)              | (71,600)     | (71,710)      | (110)           |
| <b>FUND BALANCE, beginning of year</b>        | 71,600                | 71,600       | 71,710        | 110             |
| <b>FUND BALANCE, end of year</b>              | \$ -                  | \$ -         | \$ -          | \$ -            |



**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – LAVELLE BLACK TRUST FUND**  
**YEAR ENDED JUNE 30, 2012**

|  | <i>Budget Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|--|-----------------------|--------------|---------------|-----------------|
|  | <i>Original</i>       | <i>Final</i> |               |                 |
| <b>REVENUES</b>                        |                       |              |               |                 |
| Miscellaneous                          | \$ -                  | \$ 50,125    | \$ 50,347     | \$ 222          |
| <b>EXPENDITURES</b>                    |                       |              |               |                 |
| Current                                |                       |              |               |                 |
| Materials and services                 | -                     | 15,938       | 15,694        | 244             |
| Contingency                            | -                     | 49,187       | -             | 49,187          |
| <i>Total Expenditures</i>              | -                     | 65,125       | 15,694        | 49,431          |
| <b>REVENUES OVER (UNDER)</b>           |                       |              |               |                 |
| <b>EXPENDITURES</b>                    | -                     | (15,000)     | 34,653        | 49,653          |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                       |              |               |                 |
| Transfers in                           | -                     | 15,000       | 15,000        | -               |
| <b>NET CHANGE IN FUND BALANCE</b>      | -                     | -            | 49,653        | 49,653          |
| <b>FUND BALANCE, beginning of year</b> | -                     | -            | -             | -               |
| <b>FUND BALANCE, end of year</b>       | \$ -                  | \$ -         | \$ 49,653     | \$ 49,653       |

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – POLICE CONSTRUCTION FUND**  
**YEAR ENDED JUNE 30, 2012**

|  | <i>Budget Amounts</i> |                | <i>Actual</i>  | <i>Variance</i> |
|--|-----------------------|----------------|----------------|-----------------|
|  | <i>Original</i>       | <i>Final</i>   |                |                 |
| <b>REVENUES</b>                        |                       |                |                |                 |
| Miscellaneous                          | \$ -                  | \$ -           | \$ 577         | \$ 577          |
| <b>EXPENDITURES</b>                    |                       |                |                |                 |
| Current                                |                       |                |                |                 |
| Materials and services                 | 50                    | 50             | 49             | 1               |
| Capital outlay                         | 51,250                | 341,250        | 341,070        | 180             |
| <i>Total Expenditures</i>              | <u>51,300</u>         | <u>341,300</u> | <u>341,119</u> | <u>181</u>      |
| <b>REVENUES OVER (UNDER)</b>           |                       |                |                |                 |
| <b>EXPENDITURES</b>                    | (51,300)              | (341,300)      | (340,542)      | 758             |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                       |                |                |                 |
| Transfers out                          | -                     | -              | (2,642)        | (2,642)         |
| <b>NET CHANGE IN FUND BALANCE</b>      | (51,300)              | (341,300)      | (343,184)      | (1,884)         |
| <b>FUND BALANCE, beginning of year</b> | <u>51,300</u>         | <u>341,300</u> | <u>343,184</u> | <u>1,884</u>    |
| <b>FUND BALANCE, end of year</b>       | <u>\$ -</u>           | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>     |

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – GENERAL CONSTRUCTION FUND**  
**YEAR ENDED JUNE 30, 2012**

|  | <i>Budget Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|--|-----------------------|--------------|---------------|-----------------|
|  | <i>Original</i>       | <i>Final</i> |               |                 |
| <b>REVENUES</b>                            |                       |              |               |                 |
| Intergovernmental                          | \$ 40,000             | \$ 40,000    | \$ -          | \$ (40,000)     |
| Miscellaneous                              | -                     | -            | (516)         | (516)           |
| <i>Total Revenues</i>                      | 40,000                | 40,000       | (516)         | (40,516)        |
| <b>EXPENDITURES</b>                        |                       |              |               |                 |
| Capital outlay                             | 320,000               | 330,000      | 197,441       | 132,559         |
| Contingency                                | 12,500                | 12,500       | -             | 12,500          |
| <i>Total Expenditures</i>                  | 332,500               | 342,500      | 197,441       | 145,059         |
| <b>REVENUES OVER (UNDER)</b>               |                       |              |               |                 |
| <b>EXPENDITURES</b>                        | (292,500)             | (302,500)    | (197,957)     | 104,543         |
| <b>OTHER FINANCING SOURCES (USES)</b>      |                       |              |               |                 |
| Transfers in                               | 72,500                | 82,500       | 85,506        | 3,006           |
| <b>NET CHANGE IN FUND BALANCE</b>          | (220,000)             | (220,000)    | (112,451)     | 107,549         |
| <b>FUND BALANCE, beginning of year</b>     | 220,000               | 220,000      | (10,487)      | (230,487)       |
| <b>FUND BALANCE (DEFICIT), end of year</b> | \$ -                  | \$ -         | \$ (122,938)  | \$ (122,938)    |

**CITY OF WOODBURN, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL – SPECIAL ASSESSMENT FUND  
YEAR ENDED JUNE 30, 2012**

|   | <i>Budget Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|---|-----------------------|--------------|---------------|-----------------|
|   | <i>Original</i>       | <i>Final</i> |               |                 |
| <b>REVENUES</b>                               |                       |              |               |                 |
| Taxes and assessments                         | \$ 33,500             | \$ 33,500    | \$ 20,736     | \$ (12,764)     |
| Miscellaneous                                 | 10,500                | 10,500       | 7,131         | (3,369)         |
| <i>Total Revenues</i>                         | 44,000                | 44,000       | 27,867        | (16,133)        |
| <b>EXPENDITURES</b>                           |                       |              |               |                 |
| Current                                       |                       |              |               |                 |
| Materials and services                        | 4,852                 | 4,852        | 1,196         | 3,656           |
| Capital outlay                                | 200,000               | 200,000      | -             | 200,000         |
| Contingency                                   | 764,148               | 764,148      | -             | 764,148         |
| <i>Total Expenditures</i>                     | 969,000               | 969,000      | 1,196         | 967,804         |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | (925,000)             | (925,000)    | 26,671        | 951,671         |
| <b>FUND BALANCE, beginning of year</b>        | 925,000               | 925,000      | 974,290       | 49,290          |
| <b>FUND BALANCE, end of year</b>              | \$ -                  | \$ -         | \$ 1,000,961  | \$ 1,000,961    |

**CITY OF WOODBURN, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL – STREET/STORM CAPITAL IMPROVEMENT FUND  
YEAR ENDED JUNE 30, 2012**

|   | <i>Budget Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|---|-----------------------|--------------|---------------|-----------------|
|   | <i>Original</i>       | <i>Final</i> |               |                 |
| <b>REVENUES</b>                               |                       |              |               |                 |
| Licenses and permits                          | \$ 340,000            | \$ 340,000   | \$ 326,913    | \$ (13,087)     |
| Miscellaneous                                 | 800                   | 800          | 8,142         | 7,342           |
| <i>Total Revenues</i>                         | 340,800               | 340,800      | 335,055       | (5,745)         |
| <b>EXPENDITURES</b>                           |                       |              |               |                 |
| Current                                       |                       |              |               |                 |
| Materials and services                        | 119,193               | 119,193      | 104,327       | 14,866          |
| Capital outlay                                | 558,002               | 558,002      | 87,696        | 470,306         |
| Contingency                                   | 28,605                | 28,605       | -             | 28,605          |
| <i>Total Expenditures</i>                     | 705,800               | 705,800      | 192,023       | 513,777         |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | (365,000)             | (365,000)    | 143,032       | 508,032         |
| <b>FUND BALANCE, beginning of year</b>        | 365,000               | 365,000      | 531,319       | 166,319         |
| <b>FUND BALANCE, end of year</b>              | \$ -                  | \$ -         | \$ 674,351    | \$ 674,351      |

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – PARKS SDC FUND**  
**YEAR ENDED JUNE 30, 2012**

|  | <i>Budget Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|--|-----------------------|--------------|---------------|-----------------|
|  | <i>Original</i>       | <i>Final</i> |               |                 |
| <b>REVENUES</b>                        |                       |              |               |                 |
| Licenses and permits                   | \$ 2,000              | \$ 2,000     | \$ 93,824     | \$ 91,824       |
| Miscellaneous                          | 1,000                 | 1,000        | 1,524         | 524             |
| <i>Total Revenues</i>                  | 3,000                 | 3,000        | 95,348        | 92,348          |
| <b>EXPENDITURES</b>                    |                       |              |               |                 |
| Current                                |                       |              |               |                 |
| Materials and services                 | 20,347                | 20,347       | 6,846         | 13,501          |
| Capital outlay                         | 80,000                | 95,000       | 48,778        | 46,222          |
| Contingency                            | 252,653               | 252,653      | -             | 252,653         |
| <i>Total Expenditures</i>              | 353,000               | 368,000      | 55,624        | 312,376         |
| <b>REVENUES OVER (UNDER)</b>           |                       |              |               |                 |
| <b>EXPENDITURES</b>                    | (350,000)             | (365,000)    | 39,724        | 404,724         |
| <b>FUND BALANCE, beginning of year</b> | 350,000               | 365,000      | 406,406       | 41,406          |
| <b>FUND BALANCE, end of year</b>       | \$ -                  | \$ -         | \$ 446,130    | \$ 446,130      |

**CITY OF WOODBURN, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL – STORM SDC FUND  
YEAR ENDED JUNE 30, 2012**

|   | <i>Budget Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|---|-----------------------|--------------|---------------|-----------------|
|   | <i>Original</i>       | <i>Final</i> |               |                 |
| <b>REVENUES</b>                               |                       |              |               |                 |
| Licenses and permits                          | \$ 5,000              | \$ 5,000     | \$ 19,397     | \$ 14,397       |
| Miscellaneous                                 | 1,500                 | 1,500        | 1,615         | 115             |
| <i>Total Revenues</i>                         | 6,500                 | 6,500        | 21,012        | 14,512          |
| <b>EXPENDITURES</b>                           |                       |              |               |                 |
| Current                                       |                       |              |               |                 |
| Materials and services                        | 30,000                | 30,000       | -             | 30,000          |
| Capital outlay                                | 316,531               | 316,531      | -             | 316,531         |
| Contingency                                   | 34,969                | 34,969       | -             | 34,969          |
| <i>Total Expenditures</i>                     | 381,500               | 381,500      | -             | 381,500         |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | (375,000)             | (375,000)    | 21,012        | 396,012         |
| <b>FUND BALANCE, beginning of year</b>        | 375,000               | 375,000      | 422,080       | 47,080          |
| <b>FUND BALANCE, end of year</b>              | \$ -                  | \$ -         | \$ 443,092    | \$ 443,092      |

**CITY OF WOODBURN, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL – PW FACILITY CONSTRUCTION FUND  
YEAR ENDED JUNE 30, 2012**

---

|   | <i>Budget Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|---|-----------------------|--------------|---------------|-----------------|
|   | <i>Original</i>       | <i>Final</i> |               |                 |
| <b>REVENUES</b>                               |                       |              |               |                 |
| Miscellaneous                                 | \$ -                  | \$ -         | \$ 32         | \$ 32           |
| <b>EXPENDITURES</b>                           | -                     | -            | -             | -               |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | -                     | -            | 32            | 32              |
| <b>OTHER FINANCING SOURCES (USES)</b>         |                       |              |               |                 |
| Transfers out                                 | (11,000)              | (11,000)     | (12,363)      | (1,363)         |
| <b>NET CHANGE IN FUND BALANCE</b>             | (11,000)              | (11,000)     | (12,331)      | (1,331)         |
| <b>FUND BALANCE, beginning of year</b>        | 11,000                | 11,000       | 12,331        | 1,331           |
| <b>FUND BALANCE, end of year</b>              | \$ -                  | \$ -         | \$ -          | \$ -            |



**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – EQUIPMENT REPLACEMENT FUND**  
**YEAR ENDED JUNE 30, 2012**

|  | <i>Budget Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|--|-----------------------|--------------|---------------|-----------------|
|  | <i>Original</i>       | <i>Final</i> |               |                 |
| <b>REVENUES</b>                        |                       |              |               |                 |
| Miscellaneous                          | \$ 1,000              | \$ 1,000     | \$ 1,765      | \$ 765          |
| <b>EXPENDITURES</b>                    |                       |              |               |                 |
| Capital outlay                         | 655,474               | 655,474      | 102,017       | 553,457         |
| <b>REVENUES OVER (UNDER)</b>           |                       |              |               |                 |
| <b>EXPENDITURES</b>                    | (654,474)             | (654,474)    | (100,252)     | 554,222         |
| <b>OTHER FINANCING SOURCES (USES)</b>  |                       |              |               |                 |
| Transfers in                           | 210,000               | 210,000      | 210,000       | -               |
| <b>NET CHANGE IN FUND BALANCE</b>      | (444,474)             | (444,474)    | 109,748       | 554,222         |
| <b>FUND BALANCE, beginning of year</b> | 444,474               | 444,474      | 460,888       | 16,414          |
| <b>FUND BALANCE, end of year</b>       | \$ -                  | \$ -         | \$ 570,636    | \$ 570,636      |

**CITY OF WOODBURN, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL – GENERAL OBLIGATION DEBT FUND  
YEAR ENDED JUNE 30, 2012**

|   | <i>Budget Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|---|-----------------------|--------------|---------------|-----------------|
|   | <i>Original</i>       | <i>Final</i> |               |                 |
| <b>REVENUES</b>                               |                       |              |               |                 |
| Taxes and assessments                         | \$ 530,000            | \$ 530,000   | \$ 497,316    | \$ (32,684)     |
| Miscellaneous                                 | 200                   | 200          | 1,116         | 916             |
| <i>Total Revenues</i>                         | 530,200               | 530,200      | 498,432       | (31,768)        |
| <b>EXPENDITURES</b>                           |                       |              |               |                 |
| Current                                       |                       |              |               |                 |
| Materials and services                        | 639                   | 639          | 639           | -               |
| Debt service                                  |                       |              |               |                 |
| Principal                                     | 290,000               | 290,000      | 290,000       | -               |
| Interest                                      | 224,431               | 224,431      | 224,431       | -               |
| Contingency                                   | 135,130               | 135,130      | -             | 135,130         |
| <i>Total Expenditures</i>                     | 650,200               | 650,200      | 515,070       | 135,130         |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | (120,000)             | (120,000)    | (16,638)      | 103,362         |
| <b>FUND BALANCE, beginning of year</b>        | 120,000               | 120,000      | 78,035        | (41,965)        |
| <b>FUND BALANCE, end of year</b>              | \$ -                  | \$ -         | \$ 61,397     | \$ 61,397       |

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – BANCROFT BOND FUND**  
**YEAR ENDED JUNE 30, 2012**

---

|   | <i>Budget Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|---|-----------------------|--------------|---------------|-----------------|
|   | <i>Original</i>       | <i>Final</i> |               |                 |
| <b>REVENUES</b>                               |                       |              |               |                 |
| Miscellaneous                                 | \$ -                  | \$ -         | \$ 20         | \$ 20           |
| <b>EXPENDITURES</b>                           | -                     | -            | -             | -               |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | -                     | -            | 20            | 20              |
| <b>OTHER FINANCING SOURCES (USES)</b>         |                       |              |               |                 |
| Transfers out                                 | (6,520)               | (6,520)      | (6,628)       | (108)           |
| <b>NET CHANGE IN FUND BALANCE</b>             | (6,520)               | (6,520)      | (6,608)       | (88)            |
| <b>FUND BALANCE, beginning of year</b>        | 6,520                 | 6,520        | 6,608         | 88              |
| <b>FUND BALANCE, end of year</b>              | \$ -                  | \$ -         | \$ -          | \$ -            |

**CITY OF WOODBURN, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL – URBAN RENEWAL DEBT FUND  
YEAR ENDED JUNE 30, 2012**

|   | <i>Budget Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|---|-----------------------|--------------|---------------|-----------------|
|   | <i>Original</i>       | <i>Final</i> |               |                 |
| <b>REVENUES</b>                               |                       |              |               |                 |
| Taxes and assessments                         | \$ 540,000            | \$ 540,000   | \$ 616,177    | \$ 76,177       |
| Miscellaneous                                 | 2,000                 | 2,000        | 6,485         | 4,485           |
| <i>Total Revenues</i>                         | 542,000               | 542,000      | 622,662       | 80,662          |
| <b>EXPENDITURES</b>                           |                       |              |               |                 |
| Current                                       |                       |              |               |                 |
| Personal services                             | 44,964                | 44,964       | 44,006        | 958             |
| Materials and services                        | 355,000               | 355,000      | 107,285       | 247,715         |
| Debt service                                  |                       |              |               |                 |
| Principal                                     | 193,557               | 193,557      | 193,557       | -               |
| Interest                                      | 34,175                | 34,175       | 34,175        | -               |
| Contingency                                   | 1,114,304             | 1,114,304    | -             | 1,114,304       |
| <i>Total Expenditures</i>                     | 1,742,000             | 1,742,000    | 379,023       | 1,362,977       |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | (1,200,000)           | (1,200,000)  | 243,639       | 1,443,639       |
| <b>FUND BALANCE, beginning of year</b>        | 1,200,000             | 1,200,000    | 1,351,441     | 151,441         |
| <b>FUND BALANCE, end of year</b>              | \$ -                  | \$ -         | \$ 1,595,080  | \$ 1,595,080    |

**CITY OF WOODBURN, OREGON**

**COMBINING STATEMENT OF FUND NET ASSETS - NONMAJOR PROPRIETARY (ENTERPRISE) FUNDS**  
**JUNE 30, 2012**

---

|                                  | <u>Water SDC</u>  | <u>Sewer SDC</u>  | <u>Surfacewater</u> | <u>Total</u>      |
|----------------------------------|-------------------|-------------------|---------------------|-------------------|
| <b>ASSETS</b>                    |                   |                   |                     |                   |
| <b>Current Assets</b>            |                   |                   |                     |                   |
| Cash and investments             | \$ 662,183        | \$ 273,587        | \$ 55,675           | \$ 991,445        |
| <b>LIABILITIES</b>               |                   |                   |                     |                   |
| <b>Current Liabilities</b>       |                   |                   |                     |                   |
| Accounts payable                 | -                 | -                 | 514                 | 514               |
| Due to other funds               | -                 | -                 | 221                 | 221               |
| <i>Total Current Liabilities</i> | -                 | -                 | 735                 | 735               |
| <b>NET ASSETS:</b>               |                   |                   |                     |                   |
| Restricted for construction      | 662,183           | 273,587           | -                   | 935,770           |
| Unrestricted                     | -                 | -                 | 54,940              | 54,940            |
| <i>Total Net Assets</i>          | <u>\$ 662,183</u> | <u>\$ 273,587</u> | <u>\$ 54,940</u>    | <u>\$ 990,710</u> |

**CITY OF WOODBURN, OREGON****COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -  
NONMAJOR PROPRIETARY (ENTERPRISE) FUNDS  
YEAR ENDED JUNE 30, 2012**

|  | <u><i>Sewer Capital<br/>Improvement</i></u> | <u><i>Water SDC</i></u> | <u><i>Sewer SDC</i></u> |
|--|---|-------------------------|-------------------------|
| <b>OPERATING REVENUES</b>                                |   |                         |                         |
| Miscellaneous  | \$ -  | \$ 1,060                | \$ -                    |
| <b>OPERATING EXPENSES</b>                                |   |                         |                         |
| Personal services  | -   | -                       | -                       |
| Materials and services                                   | -   | -                       | -                       |
| <i>Total Operating Expenses</i>                          | -   | -                       | -                       |
| <b>OPERATING INCOME (LOSS)</b>                           | -   | 1,060                   | -                       |
| <b>NONOPERATING REVENUES<br/>(EXPENSES)</b>              |   |                         |                         |
| Investment revenue                                       | 51  | 2,165                   | 604                     |
| Interest expense   | (1,730)                                     | -                       | -                       |
| <i>Total Nonoperating Receipts<br/>(Disbursements)</i>   | (1,679)                                     | 2,165                   | 604                     |
| <b>NET INCOME BEFORE CONTRIBUTIONS<br/>AND TRANSFERS</b> | (1,679)                                     | 3,225                   | 604                     |
| System development revenue                               | -   | 260,919                 | 166,529                 |
| Transfers in   | -   | -                       | -                       |
| Transfers out  | (36,096)                                    | -                       | -                       |
| <b>CHANGE IN NET ASSETS</b>                              | (37,775)                                    | 264,144                 | 167,133                 |
| <b>NET ASSETS, Beginning of year</b>                     | 37,775                                      | 398,039                 | 106,454                 |
| <b>NET ASSETS, End of year</b>                           | \$ -  | \$ 662,183              | \$ 273,587              |

---

| <u>Surfacewater</u> | <u>Total</u>      |
|---------------------|-------------------|
| \$ -                | \$ 1,060          |
| 226,385             | 226,385           |
| 38,966              | 38,966            |
| <u>265,351</u>      | <u>265,351</u>    |
| (265,351)           | (264,291)         |
| 102                 | 2,922             |
| -                   | (1,730)           |
| <u>102</u>          | <u>1,192</u>      |
| (265,249)           | (263,099)         |
| -                   | 427,448           |
| 235,000             | 235,000           |
| (1,657)             | (37,753)          |
| <u>(31,906)</u>     | <u>361,596</u>    |
| 86,846              | 629,114           |
| <u>\$ 54,940</u>    | <u>\$ 990,710</u> |

**CITY OF WOODBURN, OREGON****COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY (ENTERPRISE) FUNDS  
YEAR ENDED JUNE 30, 2012**

|   | <u>Sewer Capital<br/>Improvement</u> | <u>Water<br/>SDC</u> |
|---|--------------------------------------|----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                                      |                      |
| Paid to suppliers   | \$ -                                 | \$ 1,060             |
| Paid to employees   | -                                    | -                    |
|   | <hr/>                                | <hr/>                |
| <i>Net Cash Provided by (Used in) Operating Activities</i>                            | -                                    | 1,060                |
| <b>CASH FLOWS FROM NON-CAPITAL FINANCING<br/>ACTIVITIES</b>                           |                                      |                      |
| Received from (paid to) other funds   | -                                    | -                    |
| Transfers in  | -                                    | -                    |
| Transfers out   | (36,096)                             | -                    |
|   | <hr/>                                | <hr/>                |
| <i>Net Cash Provided by (Used in) Non-Capital<br/>Financing Activities</i>            | (36,096)                             | -                    |
| <b>CASH FLOWS FROM CAPITAL AND RELATED<br/>FINANCING ACTIVITIES</b>                   |                                      |                      |
| System development revenue  | -                                    | 260,919              |
| Interest paid   | (1,730)                              | -                    |
|   | <hr/>                                | <hr/>                |
| <i>Net Cash Provided by (Used in) Capital and Related<br/>Financing Activities</i>    | (1,730)                              | 260,919              |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                                      |                      |
| Interest on investments   | 51                                   | 2,165                |
|   | <hr/>                                | <hr/>                |
| <i>Increase (Decrease) in Cash and Investments</i>                                    | (37,775)                             | 264,144              |
| <b>CASH AND INVESTMENTS, Beginning of year</b>  | 37,775                               | 398,039              |
|   | <hr/>                                | <hr/>                |
| <b>CASH AND INVESTMENTS, End of year</b>  | \$ -                                 | \$ 662,183           |
|   | <hr/> <hr/>                          | <hr/> <hr/>          |
| <b>RECONCILIATION OF OPERATING INCOME TO<br/>CASH FLOWS FROM OPERATING ACTIVITIES</b> |                                      |                      |
| Operating income (loss)   | \$ -                                 | \$ 1,060             |
| <i>Change in assets and liabilities</i>   |                                      |                      |
| Accounts payable and accrued liabilities  | -                                    | -                    |
|   | <hr/>                                | <hr/>                |
| <i>Net Cash Provided by (Used in) Operating Activities</i>                            | \$ -                                 | \$ 1,060             |
|   | <hr/> <hr/>                          | <hr/> <hr/>          |



---

| <i>Sewer<br/>SDC</i> | <i>Surfacewater</i> | <i>Totals</i>       |
|----------------------|---------------------|---------------------|
| \$ -                 | \$ (40,292)         | \$ (39,232)         |
| -                    | (226,385)           | (226,385)           |
| -                    | (266,677)           | (265,617)           |
| -                    | 514                 | 514                 |
| -                    | 235,000             | 235,000             |
| -                    | (1,657)             | (37,753)            |
| -                    | 233,857             | 197,761             |
| 166,529              | -                   | 427,448             |
| -                    | -                   | (1,730)             |
| 166,529              | -                   | 425,718             |
| 604                  | 102                 | 2,922               |
| 167,133              | (32,718)            | 360,784             |
| 106,454              | 88,393              | 630,661             |
| <u>\$ 273,587</u>    | <u>\$ 55,675</u>    | <u>\$ 991,445</u>   |
| \$ -                 | \$ (265,351)        | \$ (264,291)        |
| -                    | (1,326)             | (1,326)             |
| <u>\$ -</u>          | <u>\$ (266,677)</u> | <u>\$ (265,617)</u> |

**CITY OF WOODBURN, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-  
BUDGET (NON-GAAP BASIS) AND ACTUAL - WATER FUND  
YEAR ENDED JUNE 30, 2012**

|   | <i>Budget Amounts</i> |                  | <i>Actual</i>     | <i>Variance</i>   |
|---|-----------------------|------------------|-------------------|-------------------|
|   | <i>Original</i>       | <i>Final</i>     |                   |                   |
| <b>REVENUES</b>                               |                       |                  |                   |                   |
| Charges for services                          | \$ 2,148,954          | \$ 2,148,954     | \$ 2,191,563      | \$ 42,609         |
| Miscellaneous                                 | 4,000                 | 4,000            | 464               | (3,536)           |
| Interest earnings                             | 1,500                 | 1,500            | 1,887             | 387               |
| <i>Total Revenues</i>                         | <u>2,154,454</u>      | <u>2,154,454</u> | <u>2,193,914</u>  | <u>39,460</u>     |
| <b>EXPENDITURES</b>                           |                       |                  |                   |                   |
| Current                                       |                       |                  |                   |                   |
| Personal services                             | 1,280,389             | 1,274,874        | 1,195,296         | 79,578            |
| Materials and services                        | 708,555               | 714,070          | 642,361           | 71,709            |
| Capital outlay                                | 40,025                | 40,025           | 35,604            | 4,421             |
| Contingency                                   | 167,421               | 167,421          | -                 | 167,421           |
| <i>Total Expenditures</i>                     | <u>2,196,390</u>      | <u>2,196,390</u> | <u>1,873,261</u>  | <u>323,129</u>    |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | (41,936)              | (41,936)         | 320,653           | 362,589           |
| <b>OTHER FINANCING SOURCES (USES)</b>         |                       |                  |                   |                   |
| Transfers in                                  | 85,000                | 85,000           | 85,000            | -                 |
| Transfers out                                 | (336,000)             | (336,000)        | (336,000)         | -                 |
| Interfund loan repayment                      | (13,335)              | (13,335)         | -                 | 13,335            |
| Gain (loss) on sale of assets                 | -                     | -                | 5,892             | 5,892             |
| <i>Total Other Financing Sources and Uses</i> | <u>(264,335)</u>      | <u>(264,335)</u> | <u>(245,108)</u>  | <u>19,227</u>     |
| <b>NET CHANGE IN FUND BALANCE</b>             | (306,271)             | (306,271)        | 75,545            | 381,816           |
| <b>FUND BALANCE, beginning of year</b>        | <u>306,271</u>        | <u>306,271</u>   | <u>371,886</u>    | <u>65,615</u>     |
| <b>FUND BALANCE, end of year</b>              | <u>\$ -</u>           | <u>\$ -</u>      | <u>\$ 447,431</u> | <u>\$ 447,431</u> |

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL - SEWER FUND**  
**YEAR ENDED JUNE 30, 2012**

|   | <i>Budget Amounts</i> |                  | <i>Actual</i>     | <i>Variance</i>   |
|---|-----------------------|------------------|-------------------|-------------------|
|   | <i>Original</i>       | <i>Final</i>     |                   |                   |
| <b>REVENUES</b>                               |                       |                  |                   |                   |
| Charges for services                          | \$ 3,035,250          | \$ 3,035,250     | \$ 3,067,533      | \$ 32,283         |
| Miscellaneous                                 | 2,500                 | 2,500            | 4,403             | 1,903             |
| Interest earnings                             | 1,500                 | 1,500            | 3,302             | 1,802             |
| <i>Total Revenues</i>                         | <u>3,039,250</u>      | <u>3,039,250</u> | <u>3,075,238</u>  | <u>35,988</u>     |
| <b>EXPENDITURES</b>                           |                       |                  |                   |                   |
| Current                                       |                       |                  |                   |                   |
| Personal services                             | 1,287,474             | 1,347,474        | 1,342,692         | 4,782             |
| Materials and services                        | 1,025,582             | 965,582          | 879,533           | 86,049            |
| Debt service                                  |                       |                  |                   |                   |
| Principal                                     | -                     | -                | 1,634             | (1,634)           |
| Capital outlay                                | 126,019               | 126,019          | 42,972            | 83,047            |
| Contingency                                   | 289,838               | 289,838          | -                 | 289,838           |
| <i>Total Expenditures</i>                     | <u>2,728,913</u>      | <u>2,728,913</u> | <u>2,266,831</u>  | <u>462,082</u>    |
| <b>REVENUES OVER (UNDER)</b>                  |                       |                  |                   |                   |
| <b>EXPENDITURES</b>                           | 310,337               | 310,337          | 808,407           | 498,070           |
| <b>OTHER FINANCING SOURCES (USES)</b>         |                       |                  |                   |                   |
| Transfers in                                  | 7,998                 | 7,998            | 8,724             | 726               |
| Transfers out                                 | (695,000)             | (695,000)        | (695,000)         | -                 |
| Interfund loan repayment                      | (13,335)              | (13,335)         | -                 | 13,335            |
| <i>Total Other Financing Sources and Uses</i> | <u>(700,337)</u>      | <u>(700,337)</u> | <u>(686,276)</u>  | <u>14,061</u>     |
| <b>NET CHANGE IN FUND BALANCE</b>             | <u>(390,000)</u>      | <u>(390,000)</u> | <u>122,131</u>    | <u>512,131</u>    |
| <b>FUND BALANCE, beginning of year</b>        | <u>390,000</u>        | <u>390,000</u>   | <u>519,488</u>    | <u>129,488</u>    |
| <b>FUND BALANCE, end of year</b>              | <u>\$ -</u>           | <u>\$ -</u>      | <u>\$ 641,619</u> | <u>\$ 641,619</u> |

**CITY OF WOODBURN, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (NON-GAAP BASIS) AND ACTUAL – WWTP CONSTRUCTION FUND  
YEAR ENDED JUNE 30, 2012**

|   | <i>Budget Amounts</i> |                  | <i>Actual</i>        | <i>Variance</i>      |
|---|-----------------------|------------------|----------------------|----------------------|
|   | <i>Original</i>       | <i>Final</i>     |                      |                      |
| <b>REVENUES</b>                               |                       |                  |                      |                      |
| Charges for services                          | \$ 3,010,721          | \$ 3,010,721     | \$ 3,101,696         | \$ 90,975            |
| Intergovernmental                             | 3,100,000             | 3,100,000        | -                    | (3,100,000)          |
| Miscellaneous                                 | -                     | -                | 64,472               | 64,472               |
| Interest earnings                             | 1,000                 | 1,000            | 40,727               | 39,727               |
| <i>Total Revenues</i>                         | <u>6,111,721</u>      | <u>6,111,721</u> | <u>3,206,895</u>     | <u>(2,904,826)</u>   |
| <b>EXPENDITURES</b>                           |                       |                  |                      |                      |
| Current                                       |                       |                  |                      |                      |
| Materials and services                        | 1,210,000             | 1,460,000        | 1,032,140            | 427,860              |
| Debt service                                  |                       |                  |                      |                      |
| Principal                                     | 1,824,823             | 1,854,823        | 20,531,208           | (18,676,385)         |
| Interest                                      | 689,776               | 689,776          | 838,110              | (148,334)            |
| Capital outlay                                | 2,076,495             | 1,876,495        | 439,110              | 1,437,385            |
| Contingency                                   | 1,030,627             | 1,030,627        | -                    | 1,030,627            |
| <i>Total Expenditures</i>                     | <u>6,831,721</u>      | <u>6,911,721</u> | <u>22,840,568</u>    | <u>(15,928,847)</u>  |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | <u>(720,000)</u>      | <u>(800,000)</u> | <u>(19,633,673)</u>  | <u>(18,833,673)</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>         |                       |                  |                      |                      |
| Proceeds from issuance of debt                | -                     | -                | 37,179,643           | 37,179,643           |
| <b>NET CHANGE IN FUND BALANCE</b>             | <u>(720,000)</u>      | <u>(800,000)</u> | <u>17,545,970</u>    | <u>18,345,970</u>    |
| <b>FUND BALANCE, beginning of year</b>        | <u>720,000</u>        | <u>800,000</u>   | <u>28,718</u>        | <u>(771,282)</u>     |
| <b>FUND BALANCE, end of year</b>              | <u>\$ -</u>           | <u>\$ -</u>      | <u>\$ 17,574,688</u> | <u>\$ 17,574,688</u> |

**CITY OF WOODBURN, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (NON-GAAP BASIS) AND ACTUAL – WWD CONSTRUCTION FUND  
YEAR ENDED JUNE 30, 2012**

|   | <i>Budget Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|---|-----------------------|--------------|---------------|-----------------|
|   | <i>Original</i>       | <i>Final</i> |               |                 |
| <b>REVENUES</b>                               |                       |              |               |                 |
| Charges for services                          | \$ 1,095,000          | \$ 1,095,000 | \$ 1,074,732  | \$ (20,268)     |
| Intergovernmental                             | -                     | -            | 10,369        | 10,369          |
| Miscellaneous                                 | -                     | -            | 30,457        | 30,457          |
| Interest earnings                             | 10,000                | 10,000       | 18,895        | 8,895           |
| <i>Total Revenues</i>                         | 1,105,000             | 1,105,000    | 1,134,453     | 29,453          |
| <b>EXPENDITURES</b>                           |                       |              |               |                 |
| Current                                       |                       |              |               |                 |
| Materials and services                        | 220,000               | 220,000      | 115,294       | 104,706         |
| Debt service                                  |                       |              |               |                 |
| Principal                                     | 596,127               | 596,127      | 596,127       | -               |
| Interest                                      | 559,290               | 559,290      | 559,290       | -               |
| Capital outlay                                | 1,847,456             | 1,847,456    | 353,607       | 1,493,849       |
| Contingency                                   | 1,167,910             | 1,167,910    | -             | 1,167,910       |
| <i>Total Expenditures</i>                     | 4,390,783             | 4,390,783    | 1,624,318     | 2,766,465       |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | (3,285,783)           | (3,285,783)  | (489,865)     | 2,795,918       |
| <b>OTHER FINANCING SOURCES (USES)</b>         |                       |              |               |                 |
| Proceeds from issuance of debt                | 136,219               | 136,219      | -             | (136,219)       |
| <b>NET CHANGE IN FUND BALANCE</b>             | (3,149,564)           | (3,149,564)  | (489,865)     | 2,659,699       |
| <b>FUND BALANCE, beginning of year</b>        | 3,149,564             | 3,149,564    | 5,168,766     | 2,019,202       |
| <b>FUND BALANCE, end of year</b>              | \$ -                  | \$ -         | \$ 4,678,901  | \$ 4,678,901    |

**CITY OF WOODBURN, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (NON-GAAP BASIS) AND ACTUAL – SEWER CAPITAL IMPROVEMENT FUND  
YEAR ENDED JUNE 30, 2012**

|   | <i>Budget Amounts</i> |               | <i>Actual</i> | <i>Variance</i> |
|---|-----------------------|---------------|---------------|-----------------|
|   | <i>Original</i>       | <i>Final</i>  |               |                 |
| <b>REVENUES</b>                               |                       |               |               |                 |
| Interest earnings                             | \$ 100                | \$ 100        | \$ 51         | \$ (49)         |
| <b>EXPENDITURES</b>                           |                       |               |               |                 |
| Debt service                                  |                       |               |               |                 |
| Principal                                     | 29,102                | 29,102        | 27,372        | 1,730           |
| Interest                                      | -                     | -             | 1,730         | (1,730)         |
| <i>Total Expenditures</i>                     | <u>29,102</u>         | <u>29,102</u> | <u>29,102</u> | <u>-</u>        |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | (29,002)              | (29,002)      | (29,051)      | (49)            |
| <b>OTHER FINANCING SOURCES (USES)</b>         |                       |               |               |                 |
| Transfers out                                 | (7,998)               | (7,998)       | (8,724)       | (726)           |
| <b>NET CHANGE IN FUND BALANCE</b>             | (37,000)              | (37,000)      | (37,775)      | (775)           |
| <b>FUND BALANCE, beginning of year</b>        | <u>37,000</u>         | <u>37,000</u> | <u>37,775</u> | <u>775</u>      |
| <b>FUND BALANCE, end of year</b>              | <u>\$ -</u>           | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>     |

**CITY OF WOODBURN, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (NON-GAAP BASIS) AND ACTUAL - WATER SDC FUND  
YEAR ENDED JUNE 30, 2012**

|   | <i>Budget Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|---|-----------------------|--------------|---------------|-----------------|
|   | <i>Original</i>       | <i>Final</i> |               |                 |
| <b>REVENUES</b>                               |                       |              |               |                 |
| Licenses and permits                          | \$ 25,000             | \$ 25,000    | \$ 260,919    | \$ 235,919      |
| Miscellaneous                                 | -                     | -            | 1,060         | 1,060           |
| Interest earnings                             | 1,200                 | 1,200        | 2,165         | 965             |
| <i>Total Revenues</i>                         | 26,200                | 26,200       | 264,144       | 237,944         |
| <b>EXPENDITURES</b>                           |                       |              |               |                 |
| Current                                       |                       |              |               |                 |
| Materials and services                        | 35,000                | 35,000       | -             | 35,000          |
| Capital outlay                                | 313,207               | 313,207      | -             | 313,207         |
| Contingency                                   | 37,993                | 37,993       | -             | 37,993          |
| <i>Total Expenditures</i>                     | 386,200               | 386,200      | -             | 386,200         |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | (360,000)             | (360,000)    | 264,144       | 624,144         |
| <b>FUND BALANCE, beginning of year</b>        | 360,000               | 360,000      | 398,039       | 38,039          |
| <b>FUND BALANCE, end of year</b>              | \$ -                  | \$ -         | \$ 662,183    | \$ 662,183      |

**CITY OF WOODBURN, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (NON-GAAP BASIS) AND ACTUAL - SEWER SDC FUND  
YEAR ENDED JUNE 30, 2012**

|   | <i>Budget Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|---|-----------------------|--------------|---------------|-----------------|
|   | <i>Original</i>       | <i>Final</i> |               |                 |
| <b>REVENUES</b>                               |                       |              |               |                 |
| Licenses and permits                          | \$ 15,000             | \$ 15,000    | \$ 166,529    | \$ 151,529      |
| Interest earnings                             | 300                   | 300          | 604           | 304             |
| <i>Total Revenues</i>                         | 15,300                | 15,300       | 167,133       | 151,833         |
| <b>EXPENDITURES</b>                           |                       |              |               |                 |
| Current                                       |                       |              |               |                 |
| Materials and services                        | 12,000                | 12,000       | -             | 12,000          |
| Capital outlay                                | 95,263                | 95,263       | -             | 95,263          |
| <i>Total Expenditures</i>                     | 107,263               | 107,263      | -             | 107,263         |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | (91,963)              | (91,963)     | 167,133       | 259,096         |
| <b>FUND BALANCE, beginning of year</b>        | 91,963                | 91,963       | 106,454       | 14,491          |
| <b>FUND BALANCE, end of year</b>              | \$ -                  | \$ -         | \$ 273,587    | \$ 273,587      |



**CITY OF WOODBURN, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (NON-GAAP BASIS) AND ACTUAL – SURFACEWATER FUND  
YEAR ENDED JUNE 30, 2012**

|   | <i>Budget Amounts</i> |                | <i>Actual</i>    | <i>Variance</i>  |
|---|-----------------------|----------------|------------------|------------------|
|   | <i>Original</i>       | <i>Final</i>   |                  |                  |
| <b>REVENUES</b>                               |                       |                |                  |                  |
| Interest earnings                             | \$ 100                | \$ 100         | \$ 103           | \$ 3             |
| <b>EXPENDITURES</b>                           |                       |                |                  |                  |
| Current                                       |                       |                |                  |                  |
| Personal services                             | 227,354               | 225,883        | 226,385          | (502)            |
| Materials and services                        | 47,561                | 49,032         | 36,467           | 12,565           |
| Capital outlay                                | 9,506                 | 9,506          | 4,157            | 5,349            |
| Contingency                                   | 53,494                | 53,494         | -                | 53,494           |
| <i>Total Expenditures</i>                     | <u>337,915</u>        | <u>337,915</u> | <u>267,009</u>   | <u>70,906</u>    |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | (337,815)             | (337,815)      | (266,906)        | 70,909           |
| <b>OTHER FINANCING SOURCES (USES)</b>         |                       |                |                  |                  |
| Transfers in                                  | <u>235,000</u>        | <u>235,000</u> | <u>235,000</u>   | <u>-</u>         |
| <b>NET CHANGE IN FUND BALANCE</b>             | (102,815)             | (102,815)      | (31,906)         | 70,909           |
| <b>FUND BALANCE, beginning of year</b>        | <u>102,815</u>        | <u>102,815</u> | <u>86,846</u>    | <u>(15,969)</u>  |
| <b>FUND BALANCE, end of year</b>              | <u>\$ -</u>           | <u>\$ -</u>    | <u>\$ 54,940</u> | <u>\$ 54,940</u> |

**CITY OF WOODBURN, OREGON****COMBINING STATEMENT OF FUND NET ASSETS - INTERNAL SERVICE FUNDS**JUNE 30, 2012

---

|                                   | <u>Information<br/>Services</u> | <u>Insurance</u>  | <u>Technical &amp;<br/>Environmental<br/>Services</u> |
|-----------------------------------|---------------------------------|-------------------|---|
| <b>ASSETS</b>                     |                                 |                   |   |
| <b>Current Assets</b>             |                                 |                   |   |
| Cash and investments              | \$ 93,441                       | \$ 369,370        | \$ 96,870   |
| Accounts receivable               | 4,000                           | -                 | -   |
|                                   | <hr/>                           | <hr/>             | <hr/>   |
| <i>Total Assets</i>               | 97,441                          | 369,370           | 96,870  |
| <br><b>LIABILITIES</b>            |                                 |                   |   |
| <b>Current Liabilities</b>        |                                 |                   |   |
| Accounts payable                  | 46,760                          | 69,726            | 2,093   |
| Due to other funds                | 328                             | 35                | 1,067   |
|                                   | <hr/>                           | <hr/>             | <hr/>   |
| <i>Total Current Liabilities</i>  | 47,088                          | 69,761            | 3,160   |
| <br><b>Noncurrent Liabilities</b> |                                 |                   |   |
| Accrued compensated absences      | -                               | -                 | 75,169  |
|                                   | <hr/>                           | <hr/>             | <hr/>   |
| <i>Total Liabilities</i>          | 47,088                          | 69,761            | 78,329  |
| <br><b>NET ASSETS:</b>            |                                 |                   |   |
| Unrestricted                      | 50,353                          | 299,609           | 18,541  |
|                                   | <hr/>                           | <hr/>             | <hr/>   |
| <i>Total Net Assets</i>           | <u>\$ 50,353</u>                | <u>\$ 299,609</u> | <u>\$ 18,541</u>                                      |



| <i><u>Building<br/>Maintenance</u></i> | <i><u>Total</u></i> |
|--|---------------------|
| \$ 88,331                              | \$ 648,012          |
| -                                      | 4,000               |
| <hr/>                                  | <hr/>               |
| 88,331                                 | 652,012             |
| <br>                                   |                     |
| 20,717                                 | 139,296             |
| 487                                    | 1,917               |
| <hr/>                                  | <hr/>               |
| 21,204                                 | 141,213             |
| <br>                                   |                     |
| 17,395                                 | 92,564              |
| <hr/>                                  | <hr/>               |
| 38,599                                 | 233,777             |
| <hr/>                                  | <hr/>               |
| <br>                                   |                     |
| 49,732                                 | 418,235             |
| <hr/>                                  | <hr/>               |
| \$ 49,732                              | \$ 418,235          |
| <hr/> <hr/>                            | <hr/> <hr/>         |

**CITY OF WOODBURN, OREGON****COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2012**

---

|  | <i>Information<br/>Services</i> | <i>Central Stores</i> | <i>Insurance</i> |
|--|---------------------------------|-----------------------|------------------|
| <b>OPERATING REVENUES</b>                                |                                 |                       |                  |
| Licenses and permits                                     | \$ -                            | \$ -                  | \$ -             |
| Charges for services                                     | 733,735                         | 577                   | 589,277          |
| Miscellaneous  | 20,040                          | -                     | 8,264            |
|  | <hr/>                           | <hr/>                 | <hr/>            |
| <i>Total Operating Revenues</i>                          | 753,775                         | 577                   | 597,541          |
| <b>OPERATING EXPENSES</b>                                |                                 |                       |                  |
| Personal services  | 293,436                         | -                     | 31,912           |
| Materials and services                                   | 532,067                         | -                     | 472,847          |
|  | <hr/>                           | <hr/>                 | <hr/>            |
| <i>Total Operating Expenses</i>                          | 825,503                         | -                     | 504,759          |
|  | <hr/>                           | <hr/>                 | <hr/>            |
| <b>OPERATING INCOME (LOSS)</b>                           | (71,728)                        | 577                   | 92,782           |
| <b>NONOPERATING REVENUES<br/>(EXPENSES)</b>              |                                 |                       |                  |
| Investment revenue                                       | (491)                           | (24)                  | (123)            |
|  | <hr/>                           | <hr/>                 | <hr/>            |
| <b>NET INCOME BEFORE CONTRIBUTIONS<br/>AND TRANSFERS</b> | (72,219)                        | 553                   | 92,659           |
| Transfers in   | 12,830                          | 5,063                 | -                |
| Transfers out  | (72,368)                        | (12,830)              | -                |
|  | <hr/>                           | <hr/>                 | <hr/>            |
| <b>CHANGE IN NET ASSETS</b>                              | (131,757)                       | (7,214)               | 92,659           |
| <b>NET ASSETS, Beginning of year</b>                     | 182,110                         | 7,214                 | 206,950          |
|  | <hr/>                           | <hr/>                 | <hr/>            |
| <b>NET ASSETS, End of year</b>                           | \$ 50,353                       | \$ -                  | \$ 299,609       |
|  | <hr/> <hr/>                     | <hr/> <hr/>           | <hr/> <hr/>      |

---

| <i>Technical &amp;<br/>Environmental<br/>Services</i> | <i>Building<br/>Maintenance</i> | <i>Total</i> |
|---|---------------------------------|--------------|
| \$ 68,277   | \$ -                            | \$ 68,277    |
| 523,208   | 658,946                         | 2,505,743    |
| 9,416   | 2,754                           | 40,474       |
| 600,901   | 661,700                         | 2,614,494    |
| 1,074,779   | 390,548                         | 1,790,675    |
| 245,379   | 293,027                         | 1,543,320    |
| 1,320,158   | 683,575                         | 3,333,995    |
| (719,257)   | (21,875)                        | (719,501)    |
| (789)   | (160)                           | (1,587)      |
| (720,046)   | (22,035)                        | (721,088)    |
| 667,000   | -                               | 684,893      |
| (288,965)   | (115,663)                       | (489,826)    |
| (342,011)   | (137,698)                       | (526,021)    |
| 360,552   | 187,430                         | 944,256      |
| \$ 18,541   | \$ 49,732                       | \$ 418,235   |

**CITY OF WOODBURN, OREGON**  
**COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2012**

|   | <u>Information<br/>Services</u> | <u>Central<br/>Stores</u> | <u>Insurance</u>  |
|---|---------------------------------|---------------------------|-------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                                 |                           |                   |
| Collected from customers  | \$ 753,775                      | \$ 577                    | \$ 597,541        |
| Paid to suppliers   | (486,925)                       | -                         | (403,159)         |
| Paid to employees   | (326,221)                       | -                         | (31,912)          |
| <i>Net Cash Provided by (Used in) Operating Activities</i>                            | (59,371)                        | 577                       | 162,470           |
| <b>CASH FLOWS FROM NON-CAPITAL FINANCING<br/>ACTIVITIES</b>                           |                                 |                           |                   |
| Received from (paid to) other funds   | 6,290                           | (3,693)                   | 35                |
| Transfers in  | 12,830                          | 5,063                     | -                 |
| Transfers out   | (11,678)                        | (1,923)                   | -                 |
| <i>Net Cash Provided by (Used in) Non-Capital<br/>Financing Activities</i>            | 7,442                           | (553)                     | 35                |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                                 |                           |                   |
| Interest on investments   | (491)                           | (24)                      | (123)             |
| <i>Increase (Decrease) in Cash and Investments</i>                                    | (52,420)                        | -                         | 162,382           |
| <b>CASH AND INVESTMENTS, Beginning of year</b>  | 145,861                         | -                         | 206,988           |
| <b>CASH AND INVESTMENTS, End of year</b>  | <u>\$ 93,441</u>                | <u>\$ -</u>               | <u>\$ 369,370</u> |
| <b>RECONCILIATION OF OPERATING INCOME TO<br/>CASH FLOWS FROM OPERATING ACTIVITIES</b> |                                 |                           |                   |
| Operating income (loss)   | \$ (71,728)                     | \$ 577                    | \$ 92,782         |
| Compensated absences payable  | (32,785)                        | -                         | -                 |
| Accounts payable and accrued liabilities  | 45,142                          | -                         | 69,688            |
| <i>Net Cash Provided by (Used in) Operating Activities</i>                            | <u>\$ (59,371)</u>              | <u>\$ 577</u>             | <u>\$ 162,470</u> |
| <b>Noncash Transactions</b>   |                                 |                           |                   |
| Transfer of capital assets  | \$ (60,690)                     | \$ -                      | \$ -              |

| <i>Technical and<br/>Environmental<br/>Services</i> | <i>Building<br/>Maintenance</i> | <i>Totals</i> |
|---|---------------------------------|---------------|
| \$ 600,901  | \$ 661,700                      | \$ 2,614,494  |
| (245,848)   | (289,398)                       | (1,425,330)   |
| (1,085,576)   | (401,949)                       | (1,845,658)   |
| (730,523)   | (29,647)                        | (656,494)     |
| 984   | 487                             | 4,103         |
| 667,000   | -                               | 684,893       |
| (5,000)   | -                               | (18,601)      |
| 662,984   | 487                             | 670,395       |
| (788)   | (160)                           | (1,586)       |
| (68,327)  | (29,320)                        | 12,315        |
| 165,197   | 117,651                         | 635,697       |
| \$ 96,870   | \$ 88,331                       | \$ 648,012    |
| \$ (719,257)  | \$ (21,875)                     | \$ (719,501)  |
| (10,797)  | (11,401)                        | (54,983)      |
| (469)   | 3,629                           | 117,990       |
| \$ (730,523)  | \$ (29,647)                     | \$ (656,494)  |
| \$ (283,965)  | \$ (115,663)                    | \$ (460,318)  |

**CITY OF WOODBURN, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) -  
BUDGET AND ACTUAL – INFORMATION SERVICES FUND  
YEAR ENDED JUNE 30, 2012**

|   | <i>Budget Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|---|-----------------------|--------------|---------------|-----------------|
|   | <i>Original</i>       | <i>Final</i> |               |                 |
| <b>REVENUES</b>                               |                       |              |               |                 |
| Charges for services                          | \$ 704,674            | \$ 719,674   | \$ 733,735    | \$ 14,061       |
| Miscellaneous                                 | -                     | 20,000       | 20,040        | 40              |
| Interest earnings                             | -                     | -            | (491)         | (491)           |
| <i>Total Revenues</i>                         | 704,674               | 739,674      | 753,284       | 13,610          |
| <b>EXPENDITURES</b>                           |                       |              |               |                 |
| Current                                       |                       |              |               |                 |
| Personal services                             | 339,027               | 338,659      | 326,221       | 12,438          |
| Materials and services                        | 364,405               | 383,773      | 420,767       | (36,994)        |
| Capital outlay                                | 120,300               | 136,300      | 122,978       | 13,322          |
| Contingency                                   | 35,942                | 35,942       | -             | 35,942          |
| <i>Total Expenditures</i>                     | 859,674               | 894,674      | 869,966       | 24,708          |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | (155,000)             | (155,000)    | (116,682)     | 38,318          |
| <b>OTHER FINANCING SOURCES (USES)</b>         |                       |              |               |                 |
| Transfers in                                  | -                     | -            | 12,830        | 12,830          |
| <b>NET CHANGE IN FUND BALANCE</b>             | (155,000)             | (155,000)    | (103,852)     | 51,148          |
| <b>FUND BALANCE, beginning of year</b>        | 155,000               | 155,000      | 154,205       | (795)           |
| <b>FUND BALANCE, end of year</b>              | \$ -                  | \$ -         | \$ 50,353     | \$ 50,353       |



**CITY OF WOODBURN, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) -  
BUDGET AND ACTUAL – CENTRAL STORES FUND  
YEAR ENDED JUNE 30, 2012**

|   | <i>Budget Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|---|-----------------------|--------------|---------------|-----------------|
|   | <i>Original</i>       | <i>Final</i> |               |                 |
| <b>REVENUES</b>                               |                       |              |               |                 |
| Charges for services                          | \$ -                  | \$ -         | \$ 577        | \$ 577          |
| Interest earnings                             | -                     | -            | (24)          | (24)            |
| <i>Total Revenues</i>                         | -                     | -            | 553           | 553             |
| <b>EXPENDITURES</b>                           | -                     | -            | -             | -               |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | -                     | -            | 553           | 553             |
| <b>OTHER FINANCING SOURCES (USES)</b>         |                       |              |               |                 |
| Transfers in                                  | -                     | -            | 5,063         | 5,063           |
| Transfers out                                 | (1,800)               | (1,800)      | (12,830)      | (11,030)        |
| <i>Total Other Financing Sources and Uses</i> | (1,800)               | (1,800)      | (7,767)       | (5,967)         |
| <b>NET CHANGE IN FUND BALANCE</b>             | (1,800)               | (1,800)      | (7,214)       | (5,414)         |
| <b>FUND BALANCE, beginning of year</b>        | 1,800                 | 1,800        | 7,214         | 5,414           |
| <b>FUND BALANCE, end of year</b>              | \$ -                  | \$ -         | \$ -          | \$ -            |

**CITY OF WOODBURN, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) -  
BUDGET AND ACTUAL – INSURANCE FUND  
YEAR ENDED JUNE 30, 2012**

|   | <i>Budget Amounts</i> |                | <i>Actual</i>     | <i>Variance</i>   |
|---|-----------------------|----------------|-------------------|-------------------|
|   | <i>Original</i>       | <i>Final</i>   |                   |                   |
| <b>REVENUES</b>                               |                       |                |                   |                   |
| Charges for services                          | \$ 589,278            | \$ 589,278     | \$ 589,277        | \$ (1)            |
| Miscellaneous                                 | -                     | -              | 8,264             | 8,264             |
| Interest earnings                             | 100                   | 100            | (123)             | (223)             |
| <i>Total Revenues</i>                         | <u>589,378</u>        | <u>589,378</u> | <u>597,418</u>    | <u>8,040</u>      |
| <b>EXPENDITURES</b>                           |                       |                |                   |                   |
| Current                                       |                       |                |                   |                   |
| Personal services                             | 58,099                | 58,099         | 31,910            | 26,189            |
| Materials and services                        | 493,865               | 493,865        | 472,848           | 21,017            |
| Contingency                                   | 337,414               | 337,414        | -                 | 337,414           |
| <i>Total Expenditures</i>                     | <u>889,378</u>        | <u>889,378</u> | <u>504,758</u>    | <u>384,620</u>    |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | (300,000)             | (300,000)      | 92,660            | 392,660           |
| <b>FUND BALANCE, beginning of year</b>        | <u>300,000</u>        | <u>300,000</u> | <u>206,950</u>    | <u>(93,050)</u>   |
| <b>FUND BALANCE, end of year</b>              | <u>\$ -</u>           | <u>\$ -</u>    | <u>\$ 299,610</u> | <u>\$ 299,610</u> |

**CITY OF WOODBURN, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) -  
BUDGET AND ACTUAL – TECHNICAL & ENVIRONMENTAL SERVICES FUND  
YEAR ENDED JUNE 30, 2012**

|   | <i>Budget Amounts</i> |                  | <i>Actual</i>    | <i>Variance</i>  |
|---|-----------------------|------------------|------------------|------------------|
|   | <i>Original</i>       | <i>Final</i>     |                  |                  |
| <b>REVENUES</b>                               |                       |                  |                  |                  |
| Licenses and permits                          | \$ 59,300             | \$ 59,300        | \$ 68,277        | \$ 8,977         |
| Charges for services                          | 528,000               | 528,000          | 523,208          | (4,792)          |
| Miscellaneous                                 | -                     | -                | 9,416            | 9,416            |
| Interest earnings                             | 420                   | 420              | (789)            | (1,209)          |
| <i>Total Revenues</i>                         | <u>587,720</u>        | <u>587,720</u>   | <u>600,112</u>   | <u>12,392</u>    |
| <b>EXPENDITURES</b>                           |                       |                  |                  |                  |
| Current                                       |                       |                  |                  |                  |
| Personal services                             | 1,110,966             | 1,119,369        | 1,085,576        | 33,793           |
| Materials and services                        | 299,903               | 291,500          | 245,378          | 46,122           |
| Contingency                                   | 99,438                | 99,438           | -                | 99,438           |
| <i>Total Expenditures</i>                     | <u>1,510,307</u>      | <u>1,510,307</u> | <u>1,330,954</u> | <u>179,353</u>   |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | (922,587)             | (922,587)        | (730,842)        | 191,745          |
| <b>OTHER FINANCING SOURCES (USES)</b>         |                       |                  |                  |                  |
| Transfers in                                  | 667,000               | 667,000          | 667,000          | -                |
| Transfers out                                 | (5,000)               | (5,000)          | (5,000)          | -                |
| <i>Total Other Financing Sources and Uses</i> | <u>662,000</u>        | <u>662,000</u>   | <u>662,000</u>   | <u>-</u>         |
| <b>NET CHANGE IN FUND BALANCE</b>             | (260,587)             | (260,587)        | (68,842)         | 191,745          |
| <b>FUND BALANCE, beginning of year</b>        | <u>260,587</u>        | <u>260,587</u>   | <u>162,552</u>   | <u>(98,035)</u>  |
| <b>FUND BALANCE, end of year</b>              | <u>\$ -</u>           | <u>\$ -</u>      | <u>\$ 93,710</u> | <u>\$ 93,710</u> |

**CITY OF WOODBURN, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) -  
BUDGET AND ACTUAL – BUILDING MAINTENANCE FUND  
YEAR ENDED JUNE 30, 2012**

|   | <i>Budget Amounts</i> |                | <i>Actual</i>    | <i>Variance</i>  |
|---|-----------------------|----------------|------------------|------------------|
|   | <i>Original</i>       | <i>Final</i>   |                  |                  |
| <b>REVENUES</b>                               |                       |                |                  |                  |
| Charges for services                          | \$ 658,945            | \$ 658,945     | \$ 658,946       | \$ 1             |
| Miscellaneous                                 | -                     | -              | 2,754            | 2,754            |
| Interest earnings                             | 30                    | 30             | (160)            | (190)            |
| <i>Total Revenues</i>                         | <u>658,975</u>        | <u>658,975</u> | <u>661,540</u>   | <u>2,565</u>     |
| <b>EXPENDITURES</b>                           |                       |                |                  |                  |
| Current                                       |                       |                |                  |                  |
| Personal services                             | 373,507               | 382,036        | 401,949          | (19,913)         |
| Materials and services                        | 342,968               | 334,439        | 293,027          | 41,412           |
| Contingency                                   | 62,500                | 62,500         | -                | 62,500           |
| <i>Total Expenditures</i>                     | <u>778,975</u>        | <u>778,975</u> | <u>694,976</u>   | <u>83,999</u>    |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | (120,000)             | (120,000)      | (33,436)         | 86,564           |
| <b>FUND BALANCE, beginning of year</b>        | <u>120,000</u>        | <u>120,000</u> | <u>100,563</u>   | <u>(19,437)</u>  |
| <b>FUND BALANCE, end of year</b>              | <u>\$ -</u>           | <u>\$ -</u>    | <u>\$ 67,127</u> | <u>\$ 67,127</u> |

***OTHER FINANCIAL SCHEDULES***

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES**  
**YEAR ENDED JUNE 30, 2012**

| <u>Tax Year</u>           | <u>2011-12<br/>Levy</u> | <u>Uncollected<br/>Balance<br/>July 1, 2011</u> | <u>Interest,<br/>Discounts and<br/>Adjustments</u> | <u>Collections</u>    | <u>Uncollected<br/>Balances<br/>June 30, 2012</u> |
|---------------------------|-------------------------|---|--|-----------------------|---|
| 2011-12                   | \$ 8,659,913            | \$ -  | \$ (249,089)                                       | \$ (8,099,206)        | \$ 311,618  |
| 2010-11                   | -                       | 383,374   | (60,987)   | (153,481)             | 168,906   |
| 2009-10                   | -                       | 199,224   | (42,582)   | (52,685)              | 103,957   |
| 2008-09                   | -                       | 118,719   | (7,267)  | (66,414)              | 45,038  |
| 2007-08                   | -                       | 40,013  | (2,472)  | (26,265)              | 11,276  |
| 2006-07                   | -                       | 7,189   | (870)  | (1,527)               | 4,792   |
| 2005-06                   | -                       | 4,545   | (532)  | (672)                 | 3,341   |
| Prior                     | -                       | 13,925  | (925)  | (624)                 | 12,376  |
|                           | <u>\$ 8,659,913</u>     | <u>\$ 766,989</u>                               | <u>\$ (364,724)</u>                                | <u>\$ (8,400,874)</u> | 661,304   |
| Cash with county          |                         |   |  |                       | <u>70,897</u>                                     |
| Property taxes receivable |                         |   |  |                       | <u>\$ 732,201</u>                                 |

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF DEBT PRINCIPAL AND INTEREST TRANSACTIONS**  
**YEAR ENDED JUNE 30, 2012**

---

|   | <u>Interest<br/>Rates</u> | <u>Date of<br/>Issue</u> | <u>Fiscal Year<br/>of Maturity</u> |
|---|---------------------------|--------------------------|------------------------------------|
| <b>PRINCIPAL TRANSACTIONS</b>             |                           |                          |                                    |
| Governmental Activities                   |                           |                          |                                    |
| Series 2005 GO Bonds                      | 4.85-4.9%                 | 2005                     | 2024-25                            |
| 1999 OEDD Loan                            | 5.01%                     | 1999                     | 2017-18                            |
| 2005 URA Loan                             | 4.22%                     | 2005                     | 2015-16                            |
| <i>Subtotal, governmental activities</i>  |                           |                          |                                    |
| Business-type Activities                  |                           |                          |                                    |
| Series 2003 Water Bonds                   | 3.00-4.63%                | 2003                     | 2028-29                            |
| 1992 OEDD Loan                            | 6.32%                     | 1992                     | 2011-12                            |
| 2005 OEDD Loan                            | 4.21%                     | 2005                     | 2024-25                            |
| 2005 SDWR Loan                            | 4.21%                     | 2005                     | 2024-25                            |
| 1999 OEDD Loan                            | 4.74%                     | 1999                     | 2017-18                            |
| 1999 OEDD Loan                            | 3.93%                     | 1999                     | 2018-19                            |
| 2001 OEDD Loan                            | 3.87%                     | 2001                     | 2018-19                            |
| 2007 Oregon DEQ Loan                      | 1.05%                     | 2007                     | 2013-14                            |
| 2007 Oregon DEQ Loan                      | 1.53%                     | 2007                     | 2030-31                            |
| Series 2011 Sewer Bonds                   |                           |                          |                                    |
| <i>Subtotal, business-type activities</i> |                           |                          |                                    |

---

| <i>Outstanding<br/>July 1,<br/>2011</i> | <i>New<br/>Issues</i> | <i>Principal<br/>Paid</i> | <i>Outstanding<br/>June 30,<br/>2012</i> |
|---|-----------------------|---------------------------|--|
| \$ 5,655,000                            | \$ -                  | \$ (290,000)              | \$ 5,365,000                             |
| 204,441                                 | -                     | (24,228)                  | 180,213                                  |
| 881,793                                 | -                     | (193,557)                 | 688,236                                  |
| <hr/>                                   | <hr/>                 | <hr/>                     | <hr/>                                    |
| 6,741,234                               | -                     | (507,785)                 | 6,233,449                                |
| 6,778,648                               | -                     | (259,485)                 | 6,519,163                                |
| 27,372                                  | -                     | (27,372)                  | -  |
| 3,123,640                               | -                     | (168,321)                 | 2,955,319                                |
| 3,123,649                               | -                     | (168,321)                 | 2,955,328                                |
| 241,585                                 | -                     | (241,585)                 | -  |
| 1,904,005                               | -                     | (1,904,005)               | -  |
| 15,707,096                              | -                     | (15,707,096)              | -  |
| 614,287                                 | -                     | (614,287)                 | -  |
| 939,236                                 | -                     | (939,236)                 | -  |
| -                                       | 34,416,557            | (1,125,000)               | 33,291,557                               |
| <hr/>                                   | <hr/>                 | <hr/>                     | <hr/>                                    |
| 32,459,518                              | 34,416,557            | (21,154,708)              | 45,721,367                               |
| <hr/>                                   | <hr/>                 | <hr/>                     | <hr/>                                    |
| \$ 39,200,752                           | \$ 34,416,557         | \$ (21,662,493)           | \$ 51,954,816                            |
| <hr/> <hr/>                             | <hr/> <hr/>           | <hr/> <hr/>               | <hr/> <hr/>                              |



**CITY OF WOODBURN, OREGON**

**SCHEDULE OF DEBT PRINCIPAL AND INTEREST TRANSACTIONS (Continued)**

**YEAR ENDED JUNE 30, 2012**

---

|   | <u>Interest<br/>Rates</u> | <u>Date of<br/>Issue</u> | <u>Unmatured<br/>Interest<br/>Outstanding<br/>July 1,<br/>2011</u> |
|---|---------------------------|--------------------------|--|
| <b>INTEREST TRANSACTIONS</b>              |                           |                          |  |
| Governmental Activities                   |                           |                          |  |
| Series 2005 GO Bonds                      | 4.85-4.9%                 | 2005                     | \$ 1,913,269   |
| 1999 OEDD Loan                            | 5.01%                     | 1999                     | 43,670   |
| 2005 URA Loan                             | 4.22%                     | 2005                     | 86,068   |
|   |                           |                          | <hr/>  |
| <i>Subtotal, governmental activities</i>  |                           |                          | 2,043,007  |
| Business-type Activities                  |                           |                          |  |
| Series 2003 Water Bonds                   | 3.00-4.63%                | 2003                     | 3,260,327  |
| 1992 OEDD Loan                            | 6.32%                     | 1992                     | 1,730  |
| 2005 OEDD Loan                            | 4.21%                     | 2005                     | 1,073,925  |
| 2005 SDWR Loan                            | 4.21%                     | 2005                     | 1,073,925  |
| 1999 OEDD Loan                            | 4.74%                     | 1999                     | 50,570   |
| 1999 OEDD Loan                            | 3.93%                     | 1999                     | 312,879  |
| 2001 OEDD Loan                            | 3.87%                     | 2001                     | 3,384,492  |
| Series 2011 Sewer Bonds                   |                           |                          | -  |
|   |                           |                          | <hr/>  |
| <i>Subtotal, business-type activities</i> |                           |                          | 9,157,848  |
|   |                           |                          | <hr/>  |
|   |                           |                          | \$ 11,200,855  |
|   |                           |                          | <hr/> <hr/>  |

---

| <i>New<br/>Issues</i> | <i>Interest<br/>Paid/Matured</i> | <i>Unmatured<br/>Interest<br/>June 30,<br/>2012</i> |
|-----------------------|----------------------------------|---|
| \$ -                  | \$ (224,431)                     | \$ 1,688,838  |
| -                     | (10,291)                         | 33,379  |
| -                     | (34,175)                         | 51,893  |
| -                     | (268,897)                        | 1,774,110   |
| -                     | (296,279)                        | 2,964,048   |
| -                     | (1,730)                          | -   |
| -                     | (131,505)                        | 942,420   |
| -                     | (131,505)                        | 942,420   |
| -                     | (50,570)                         | -   |
| -                     | (312,879)                        | -   |
| -                     | (3,384,492)                      | -   |
| 10,099,253            | (264,306)                        | 9,834,947   |
| 10,099,253            | (4,573,266)                      | 14,683,835  |
| \$ 10,099,253         | \$ (4,842,163)                   | \$ 16,457,945                                       |

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS**  
**JUNE 30, 2012**

---

| <i>Fiscal Year</i><br><i>Ending</i><br><i>June 30,</i> | <i>2005 General Obligation Bonds</i> |                     |                     | <i>1999 OEDD Loan</i> |                  |                   |
|--|--------------------------------------|---------------------|---------------------|-----------------------|------------------|-------------------|
|  | <i>Principal</i>                     | <i>Interest</i>     | <i>Total</i>        | <i>Principal</i>      | <i>Interest</i>  | <i>Total</i>      |
| 2013   | \$ 300,000                           | \$ 214,281          | \$ 514,281          | \$ 24,440             | \$ 9,079         | \$ 35,292         |
| 2014   | 320,000                              | 203,781             | 523,781             | 29,663                | 7,857            | 32,351            |
| 2015   | 335,000                              | 192,261             | 527,261             | 29,895                | 6,373            | 36,268            |
| 2016   | 350,000                              | 179,866             | 529,866             | 30,141                | 4,879            | 35,020            |
| 2017   | 370,000                              | 166,566             | 536,566             | 30,399                | 3,371            | 33,770            |
| 2018   | 385,000                              | 152,136             | 537,136             | 35,675                | 1,820            | 37,495            |
| 2019   | 405,000                              | 136,736             | 541,736             | -                     | -                | -                 |
| 2020   | 425,000                              | 120,536             | 545,536             | -                     | -                | -                 |
| 2021   | 445,000                              | 103,536             | 548,536             | -                     | -                | -                 |
| 2022   | 470,000                              | 85,180              | 555,180             | -                     | -                | -                 |
| 2023   | 495,000                              | 65,793              | 560,793             | -                     | -                | -                 |
| 2024   | 520,000                              | 45,003              | 565,003             | -                     | -                | -                 |
| 2025   | 545,000                              | 23,163              | 568,163             | -                     | -                | -                 |
| 2026   | -                                    | -                   | -                   | -                     | -                | -                 |
| 2027   | -                                    | -                   | -                   | -                     | -                | -                 |
| 2028   | -                                    | -                   | -                   | -                     | -                | -                 |
| 2029   | -                                    | -                   | -                   | -                     | -                | -                 |
| 2030   | -                                    | -                   | -                   | -                     | -                | -                 |
| 2031   | -                                    | -                   | -                   | -                     | -                | -                 |
|  | <u>\$ 5,365,000</u>                  | <u>\$ 1,688,838</u> | <u>\$ 7,053,838</u> | <u>\$ 180,213</u>     | <u>\$ 33,379</u> | <u>\$ 213,592</u> |

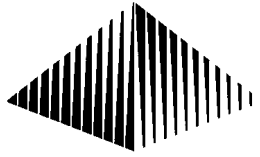
| <i>2005 URA Loan</i> |                  |                   | <i>2003 Water Bonds</i> |                     |                     |
|----------------------|------------------|-------------------|-------------------------|---------------------|---------------------|
| <i>Principal</i>     | <i>Interest</i>  | <i>Total</i>      | <i>Principal</i>        | <i>Interest</i>     | <i>Total</i>        |
| \$ 201,855           | \$ 25,877        | \$ 227,732        | \$ 271,065              | \$ 287,068          | \$ 558,133          |
| 210,509              | 17,223           | 227,732           | 282,734                 | 277,241             | 559,975             |
| 219,534              | 8,198            | 227,732           | 289,548                 | 266,498             | 556,046             |
| 56,338               | 595              | 56,933            | 301,530                 | 254,916             | 556,446             |
| -                    | -                | -                 | 313,591                 | 242,854             | 556,445             |
| -                    | -                | -                 | 325,789                 | 229,997             | 555,786             |
| -                    | -                | -                 | 343,132                 | 216,314             | 559,446             |
| -                    | -                | -                 | 355,631                 | 201,559             | 557,190             |
| -                    | -                | -                 | 373,299                 | 185,912             | 559,211             |
| -                    | -                | -                 | 391,148                 | 169,113             | 560,261             |
| -                    | -                | -                 | 404,158                 | 151,316             | 555,474             |
| -                    | -                | -                 | 427,356                 | 132,624             | 559,980             |
| -                    | -                | -                 | 445,702                 | 112,858             | 558,560             |
| -                    | -                | -                 | 464,204                 | 92,245              | 556,449             |
| -                    | -                | -                 | 487,867                 | 70,775              | 558,642             |
| -                    | -                | -                 | 511,700                 | 48,211              | 559,911             |
| -                    | -                | -                 | 530,709                 | 24,547              | 555,256             |
| -                    | -                | -                 | -                       | -                   | -                   |
| -                    | -                | -                 | -                       | -                   | -                   |
| <u>\$ 688,236</u>    | <u>\$ 51,893</u> | <u>\$ 740,129</u> | <u>\$ 6,519,163</u>     | <u>\$ 2,964,048</u> | <u>\$ 9,483,211</u> |

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS (Continued)**  
**JUNE 30, 2012**

| <i>Fiscal Year</i><br><i>Ending</i><br><i>June 30,</i> | <i>2005 OEDD Loan</i> |                   |                     | <i>2005 SDWR Loan</i> |                   |                     |
|--|-----------------------|-------------------|---------------------|-----------------------|-------------------|---------------------|
|  | <i>Principal</i>      | <i>Interest</i>   | <i>Total</i>        | <i>Principal</i>      | <i>Interest</i>   | <i>Total</i>        |
| 2013   | \$ 175,407            | \$ 124,419        | \$ 299,826          | \$ 175,407            | \$ 124,419        | \$ 299,826          |
| 2014   | 182,792               | 117,034           | 299,826             | 182,792               | 117,034           | 299,826             |
| 2015   | 190,487               | 109,339           | 299,826             | 190,487               | 109,339           | 299,826             |
| 2016   | 198,507               | 101,319           | 299,826             | 198,507               | 101,319           | 299,826             |
| 2017   | 206,864               | 92,962            | 299,826             | 206,864               | 92,962            | 299,826             |
| 2018   | 215,573               | 84,253            | 299,826             | 215,573               | 84,253            | 299,826             |
| 2019   | 224,649               | 75,178            | 299,827             | 224,649               | 75,178            | 299,827             |
| 2020   | 234,106               | 65,720            | 299,826             | 234,106               | 65,720            | 299,826             |
| 2021   | 243,962               | 55,864            | 299,826             | 243,962               | 55,864            | 299,826             |
| 2022   | 254,233               | 45,593            | 299,826             | 254,233               | 45,593            | 299,826             |
| 2023   | 264,936               | 34,890            | 299,826             | 264,936               | 34,890            | 299,826             |
| 2024   | 276,090               | 23,736            | 299,826             | 276,090               | 23,736            | 299,826             |
| 2025   | 287,713               | 12,113            | 299,826             | 287,722               | 12,113            | 299,835             |
| 2026   | -                     | -                 | -                   | -                     | -                 | -                   |
| 2027   | -                     | -                 | -                   | -                     | -                 | -                   |
| 2028   | -                     | -                 | -                   | -                     | -                 | -                   |
| 2029   | -                     | -                 | -                   | -                     | -                 | -                   |
| 2030   | -                     | -                 | -                   | -                     | -                 | -                   |
| 2031   | -                     | -                 | -                   | -                     | -                 | -                   |
|  | <u>\$ 2,955,319</u>   | <u>\$ 942,420</u> | <u>\$ 3,897,739</u> | <u>\$ 2,955,328</u>   | <u>\$ 942,420</u> | <u>\$ 3,897,748</u> |

| <i>2011 Sewer Bonds</i> |                     |                      | <i>Totals</i>        |                      |                      |
|-------------------------|---------------------|----------------------|----------------------|----------------------|----------------------|
| <i>Principal</i>        | <i>Interest</i>     | <i>Total</i>         | <i>Principal</i>     | <i>Interest</i>      | <i>Total</i>         |
| \$ 1,865,000            | \$ 1,085,663        | \$ 2,950,663         | \$ 3,013,174         | \$ 1,870,806         | \$ 4,883,980         |
| 2,265,153               | 1,044,559           | 3,309,712            | 3,473,643            | 1,784,729            | 5,258,372            |
| 2,755,000               | 972,713             | 3,727,713            | 4,009,951            | 1,664,721            | 5,674,672            |
| 2,478,685               | 901,377             | 3,380,062            | 3,613,708            | 1,544,271            | 5,157,979            |
| 2,603,647               | 930,165             | 3,533,812            | 3,731,365            | 1,528,880            | 5,260,245            |
| 3,165,000               | 724,563             | 3,889,563            | 4,342,610            | 1,277,022            | 5,619,632            |
| 3,615,000               | 629,613             | 4,244,613            | 4,812,430            | 1,133,019            | 5,945,449            |
| 3,469,529               | 999,333             | 4,468,862            | 4,718,372            | 1,452,868            | 6,171,240            |
| 3,696,001               | 1,042,861           | 4,738,862            | 5,002,224            | 1,444,037            | 6,446,261            |
| 4,870,000               | 266,113             | 5,136,113            | 6,239,614            | 611,592              | 6,851,206            |
| 2,013,541               | 1,144,071           | 3,157,612            | 3,442,571            | 1,430,960            | 4,873,531            |
| 55,000                  | 20,412              | 75,412               | 1,554,536            | 245,511              | 1,800,047            |
| 60,000                  | 18,212              | 78,212               | 1,626,137            | 178,459              | 1,804,596            |
| 60,000                  | 15,813              | 75,813               | 524,204              | 108,058              | 632,262              |
| 65,000                  | 13,412              | 78,412               | 552,867              | 84,187               | 637,054              |
| 65,000                  | 10,812              | 75,812               | 576,700              | 59,023               | 635,723              |
| 70,000                  | 8,131               | 78,131               | 600,709              | 32,678               | 633,387              |
| 75,000                  | 5,156               | 80,156               | 75,000               | 5,156                | 80,156               |
| 45,000                  | 1,968               | 46,968               | 45,000               | 1,968                | 46,968               |
| <u>\$ 33,291,556</u>    | <u>\$ 9,834,947</u> | <u>\$ 43,126,503</u> | <u>\$ 51,954,815</u> | <u>\$ 16,457,945</u> | <u>\$ 68,412,760</u> |

***REGULATORY SECTION***



## GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS  
475 Cottage Street NE, Suite 200, Salem, Oregon 97301  
(503) 581-7788

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

Honorable Mayor and Council Members  
City of Woodburn  
270 Montgomery Street  
Woodburn, Oregon 97071

We have audited the basic financial statements of the City of Woodburn as of and for the year ended June 30, 2012, and have issued our report thereon dated December 27, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

#### **Compliance**

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

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

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Highway revenues used for public highways, roads, and streets.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **Accountability for collecting or receiving money by elected officials – no money was collected or received by elected officials.**

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



1. The City failed to file financial statements on a timely basis in the prior year
2. In some instances the actual ending balances for the second preceding year did not equal the actual beginning balances for the first preceding year.
3. In some instances budgeted transfers in did not equal budgeted transfers out. In addition, the total budgeted transfers out did not agree to the LB-1 form.
4. Form LB-1 included a *Statement of Indebtedness* which contained information that did not match the amortization schedules.
5. The City sometimes did not separately budget for principal and interest. Additionally, the budgeted debt service sometimes did not match the amortization schedule.
6. The budget does not list each bond or loan separately. This is required by ORS 294.352(7).
7. In some instances the summary totals of each expense category did not match the totals on forms LB-1 and UB-1.
8. The notice of Budget Committee meeting was published only 3 days prior to the meeting.
9. Outstanding checks that were more than two years old have not been turned over to the State Department of Lands as required by ORS 98. The City is in the process of addressing this situation.
10. Expenditures exceeded appropriations, and there were deficit fund balances as detailed in the notes to the financial statements.

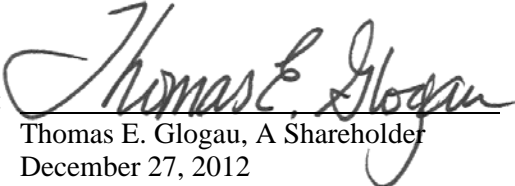
**OAR 162-10-0230 Internal Control**

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

Our findings and questioned costs are incorporated into the City's Single Audit filing.

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

GROVE, MUELLER & SWANK, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

By:   
Thomas E. Glogau, A Shareholder  
December 27, 2012

***CITY OF WOODBURN  
FEDERAL GRANT COMPLIANCE REPORTS  
Year Ended June 30, 2012***

**CITY OF WOODBURN**  
**FEDERAL GRANT COMPLIANCE REPORTS**  
**TABLE OF CONTENTS**

---

|   | <b><u>Page</u></b> |
|---|--------------------|
| Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>           | 2-3                |
| Independent Auditor's Report on Compliance with Requirements that Could Have a Direct and Material Effect on each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 | 4-5                |
| Schedule of Expenditures of Federal Awards  | 6-7                |
| Notes to Schedule of Expenditures of Federal Awards   | 8                  |
| Summary of Findings and Questioned Costs  | 9-10               |
| Schedule of Findings and Questioned Costs – Prior Year  | 11                 |



## GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS  
475 Cottage Street NE, Suite 200, Salem, Oregon 97301  
(503) 581-7788

### **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**

Honorable Mayor and Council Members  
City of Woodburn  
270 Montgomery St.  
Woodburn, Oregon 97071

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Woodburn, Oregon (the City) as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 27, 2012. 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.

#### **Internal Control Over Financial Reporting**

Management of City of Woodburn, State of Oregon, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting.

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. We consider the finding 2012-01 described in the accompanying schedule of findings and questioned costs to be significant a deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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*.

The City of Woodburn, Oregon's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City of Woodburn, Oregon's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the City Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

  
CERTIFIED PUBLIC ACCOUNTANTS  
December 27, 2012



## GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS  
475 Cottage Street NE, Suite 200, Salem, Oregon 97301  
(503) 581-7788

### ***INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133***

Honorable Mayor and Council Members  
City of Woodburn  
270 Montgomery St.  
Woodburn, Oregon 97071

#### **Compliance**

We have audited the City of Woodburn, Oregon's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2012. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

#### **Internal Control Over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as findings 2012-02 and 2012-03. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

### **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Woodburn, Oregon, as of and for the year ended June 30, 2012, and have issued our report thereon dated December 27, 2012, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The City of Woodburn, Oregon's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City of Woodburn, Oregon's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the City Council, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

  
CERTIFIED PUBLIC ACCOUNTANTS

December 27, 2012

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2012**

| <i>Federal Grantor/Program Title</i>                         | <i>Pass-through ID</i> | <i>Federal CFDA Number</i> | <i>Federal Award</i> | <i>Expenditures</i> |
|--|------------------------|----------------------------|----------------------|---------------------|
| <b><u>U.S. Department of Justice</u></b>                     |                        |                            |                      |                     |
| <i>Passed through the City of Salem</i>                      |                        |                            |                      |                     |
| <i>JAG Program Cluster</i>                                   |                        |                            |                      |                     |
| <i>ARRA Recovery Act - Edward Byne Memorial</i>              |                        |                            |                      |                     |
| <i>Justice Assistance Grant Program</i>                      |                        |                            |                      |                     |
| Marion County Police Agencies Grant                          | 2009-SB-B9-1400        | 16.804                     | \$ 55,864            | \$ 3,671            |
| <i>Recovery Act - Edward Byne Memorial</i>                   |                        |                            |                      |                     |
| Competitive Grant Program                                    | 2009-SC-B9-0162        | 16.808                     | 5,000                | 5,000               |
| <b>Community Capacity Development Office</b>                 |                        |                            |                      |                     |
| The Weed and Seed Program                                    | n/a                    | 16.595                     | 157,000              | 105,914             |
| <b>Office of Juvenile Justice and Delinquency Prevention</b> |                        |                            |                      |                     |
| Juvenile Mentoring Program                                   | 2010-JU-FX-0025        | 16.726                     | 30,000               | 15,514              |
| Total Department of Justice                                  |                        |                            |                      | 130,099             |
| <b><u>U.S. Department of Transportation</u></b>              |                        |                            |                      |                     |
| <i>Passed through Oregon Department of Transportation</i>    |                        |                            |                      |                     |
| Rural Area Transit - Operations                              | 27424                  | 20.509                     | 129,094              | 129,094             |
| <i>Transit Services Program Cluster</i>                      |                        |                            |                      |                     |
| <i>Program for Elderly Persons and Persons</i>               |                        |                            |                      |                     |
| with Disabilities - Operations                               | 27736                  | 20.513                     | 130,876              | 89,048              |
| <i>Program for Elderly Persons and Persons</i>               |                        |                            |                      |                     |
| with Disabilities - Equipment                                | 27735                  | 20.513                     | 27,054               | 17,934              |
| <i>Program for Elderly Persons and Persons</i>               |                        |                            |                      |                     |
| with Disabilities - Vehicle Maintenance                      | 27735                  | 20.513                     | 115,823              | 88,878              |
| Job Access/Reserve Commute - Operations                      | 27646                  | 20.516                     | 64,816               | 7,990               |
| New Freedom Program - Operations                             | 27632                  | 20.521                     | 93,523               | 18,107              |
| Total Transit Services Program Cluster                       |                        |                            |                      | 221,957             |

*See notes to schedule of expenditures of federal awards.*



**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2012**

| <i>Federal Grantor/Program Title</i>                         | <i>Pass-through ID</i> | <i>Federal CFDA Number</i> | <i>Federal Award</i> | <i>Expenditures</i>      |
|--|------------------------|----------------------------|----------------------|--------------------------|
| <b><u>U.S. Department of Transportation (continued)</u></b>  |                        |                            |                      |                          |
| <i>Passed through Oregon Department of Transportation</i>    |                        |                            |                      |                          |
| <i>Highway Safety Cluster</i>                                |                        |                            |                      |                          |
| Alcohol Impaired Driving Countermeasure                      |                        |                            |                      |                          |
| Initiative   | K8-11-12-38            | 20.601                     | \$ 9,000             | \$ 9,000                 |
| Occupant Protection Incentive                                | OP-11-45-08            | 20.602                     | 3,000                | 610                      |
| <i>Total Highway Safety Cluster</i>                          |                        |                            |                      | <u>9,610</u>             |
| Total Department of Transportation                           |                        |                            |                      | <u>360,661</u>           |
| <b><u>Corporation for National and Community Service</u></b> |                        |                            |                      |                          |
| Retired and Senior Volunteer Program                         | n/a                    | 94.002                     | 46,189               | 46,189                   |
| <b><i>Total Expenditures of Federal Awards</i></b>           |                        |                            |                      | <u><u>\$ 536,949</u></u> |

*See notes to schedule of expenditures of federal awards.*

***CITY OF WOODBURN, OREGON***  
***NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS***  
***YEAR ENDED JUNE 30, 2012***

---

***PURPOSE OF THE SCHEDULE***

The accompanying schedule of expenditures of federal awards (the "Schedule") is a supplementary schedule to the City of Woodburn's basic financial statements and is presented for purposes of additional analysis. Because the Schedule presents only a selected portion of the activities of the City, it is not intended to and does not present either the financial position or the results of operations of the City.

***SIGNIFICANT ACCOUNTING POLICIES***

***Basis of Presentation***

The information in the Schedule is presented in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

***Federal Financial Assistance***

Pursuant to the Single Audit Act Amendments of 1996 and OMB Circular A-133, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations. Accordingly, nonmonetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the Schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

***Major Programs***

The Single Audit Act Amendments of 1996 and OMB Circular A-133 establish criteria to be used in defining major federal financial assistance programs. Major programs for the City are those programs selected for testing by the auditor using a risk-assessment model, as well as certain minimum expenditure requirements, as outlined in OMB Circular A-133. Programs with similar requirements may be grouped into a cluster for testing purposes.

***Reporting Entity***

The reporting entity is fully described in the notes to the basic financial statements. Additionally, the Schedule includes all federal programs administered by the City for the year ended June 30, 2012.

***Revenue and Expenditure Recognition***

The receipt and expenditure of federal awards are accounted for under the modified accrual basis of accounting. Revenues are recorded as received in cash or on the accrual basis where measurable and available. Expenditures are recorded when the liability is incurred.

**CITY OF WOODBURN**  
**SUMMARY OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2012**

---

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

|  |             |
|--|-------------|
| Type of auditor's opinion issued:  | Unqualified |
| Internal control reporting:  |             |
| • Material weakness(es) identified?  | No          |
| • Significant deficiencies identified that are not considered to be material weaknesses? | Yes         |
| Noncompliance material to financial statements noted?                                    | No          |

**Federal Awards**

|  |             |
|--|-------------|
| Internal control over major programs:  |             |
| • Material weakness(es) identified?  | No          |
| • Significant deficiencies identified that are not considered to be material weaknesses?                           | Yes         |
| Type of auditor's report issued on compliance for major programs:  | Unqualified |
| Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? | Yes         |

Identification of major program:

| <u>CFDA Numbers</u>    | <u>Name of Federal Program or Cluster</u> |
|------------------------|---|
| 20.509                 | Rural Area Transit                        |
| 20.513, 20.516, 20.521 | Transit Services Program Cluster          |

|  |           |
|--|-----------|
| Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| Auditee qualified as low-risk auditee?                                   | No        |

**FINANCIAL STATEMENT FINDINGS**

**Finding 2012-01: Inadequate and untimely review of GL transactions and account balances**

**Condition:** The general ledger contained asset and liability account balances that were not reconciled properly.

**Criteria:** General ledger asset and liability account balances should be reviewed and reconciled in a timely manner.

**Cause:** The failure to reconcile these accounts was due primarily to turnover in the finance department and workload constraints.

**Effect:** Some general ledger asset and liability account balances were not properly stated.

**Recommendation:** Management should review and reconcile general ledger account balances in a timely manner.

**Management response:** Finance department staff has stabilized, and additional resources will be devoted to general ledger maintenance and reconciliation. Future balances will be reviewed and reconciled in a timely manner.

**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**Finding 2012-02: Lack of documented approval of transactions for CFDA#20.509 Rural Area Transit and CFDA# 20.513, 20.516, 20.521 Transit Services Program Cluster**

**Condition:** Lack of documented approval for some program transactions.

**Criteria:** Some expenditures charged to the program did not have documented approval. None of the transactions reviewed were improperly charged to the grant.

**Cause:** The City currently does not have a policy in place to document approval on reoccurring monthly invoices or requests that are originated from management.

**Effect:** Unallowable activities or costs may be charged and not detected.

**Recommendation:** We recommend that all expenditures have documented approval on invoices.

**Management response:** As of June 2012, staff was instructed to require management approval of all expenditures. Prior to that point, certain transactions, such as mileage reimbursements were not approved on the face of the payment request, though management approval was implied as they were prepared and submitted by transit management personnel.

**Finding 2012-03: Lack of documented allocation methodology for intergovernmental charges for CFDA#20.509 Rural Area Transit and CFDA# 20.513, 20.516, 20.521 Transit Services Program Cluster**

**Condition:** Lack of documented methodology for intergovernmental charges.

**Criteria:** The City was unable to produce documentation for the allocation methodology of intergovernmental charges for the information services department.

**Cause:** The City has had significant turnover in the finance department and records have not been properly maintained.

**Effect:** We are unable to determine if the charges are in accordance with OMB Circular A-87 or that they are allowable activities.

**Recommendation:** We recommend the City appropriately document their allocation methodology of intergovernmental charges.

**Management response:** With the stabilization of finance department staff, additional resources are being allocated to cost allocation methodology and documentation. Methodology has been established as part of the budget process, but discrete documentation for Federal purposes has not been prepared. Formal methodology documentation will be established prior to completion of the next review.

**CITY OF WOODBURN**  
**SUMMARY OF FINDINGS AND QUESTIONED COSTS – PRIOR YEAR**  
**YEAR ENDED JUNE 30, 2012**

---

**PRIOR YEAR FINANCIAL STATEMENT FINDINGS**

**Finding 2011-01: Inadequate capital asset accounting records**

**Condition:** The capital asset records contained inconsistencies between management's summary of assets (depreciable and non-depreciable) and accumulated depreciation for governmental and business-type assets and the underlying detail (prepared on a by fund and by asset basis).

**Criteria:** Capital asset detail records are not being reconciled to capital asset summaries.

**Cause:** Sufficient time was not available for management to reconcile capital assets.

**Effect:** Inaccurate records could cause the presentation of capital assets (and accumulated depreciation) by opinion unit to be misstated.

**Recommendation:** We recommend that management review the capital asset detail and reconcile it to the capital asset summaries.

**Management response:** Finance staff will review the capital asset records in detail and correct any discrepancies, errors, or omissions prior to FY2012 fieldwork.

**Current year update:** Management implemented appropriate procedures as of June 30, 2012.

**PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**Finding 2011-03**

**Timeliness of Completion of Single Audit under OMB Circular A-133**

**Condition:** The City did not file their 2011 Single Audit timely.

**Criteria:** To comply with federal requirements Single Audits must be completed and submitted to the Federal Audit Clearinghouse within 9 months following year-end.

**Cause:** There was turnover in staff responsible for compiling financial statement audit documentation and difficulties arose in reconciling general ledger account balances in preparation for the audit.

**Effect:** The City is not in compliance with reporting requirements under OMB Circular A-133.

**Recommendation:** We recommend that audits be performed and submitted on a timely basis.

**Management Response:** Due to the late completion of the FY2010 audit and the turnover of the Finance Director, the audit fieldwork was not scheduled and completed timely. Management will ensure audits are completed in a timely manner going forward.

**Current year update:** Management has complied with this requirement for the 2012 fiscal year.