



Quarterly Financial Report

Reporting financial results for the first quarter ended September 30, 2014

Executive Summary

The Finance Department is pleased to offer this quarterly financial report of City operations for your review. This report covers financial operations of major operating funds through the first quarter, which ended September 30, 2014 relating to the fiscal year ending June 30, 2015. The quarterly financial report is intended to not only be a community report on the fiscal progress of the City, but a tool for the City Administrator (Budget Officer), City Council and Budget Committee.

Description of “Flexible Budget”

The term “Flexible Budget” is used throughout this report as a dynamic value, or variable, which changes throughout the year. It consists of both estimated and actual revenues and expenditures at a given point in time within the budget cycle. The City relies on historical trends, current operating patterns and other information to develop an appropriate estimate for each revenue and expense value.

By creating the Flexible Budget values, we are providing a quick and easy means to evaluate the status of any given budget line item. This should lead to quicker identification of issues and concerns so that appropriate action can be taken.

First Quarter Financial Results

Woodburn’s **General Fund** contains all of the City’s discretionary resources that provide critical services such as police, library, recreation and parks programs, finance, and other services. The General Fund’s largest source of revenue is property taxes. Because the City receives the majority of its property taxes in November, we see a large negative variance in general fund revenues for the quarter ending September 30, 2014. The Finance Department has received the property tax statements from Marion County reflecting expected collection amounts. With that information taken into account, the City estimates a 9% increase compared to budgeted amounts this year, representing an increase of over \$600,000. We will have a clearer picture as collections arrive in November.

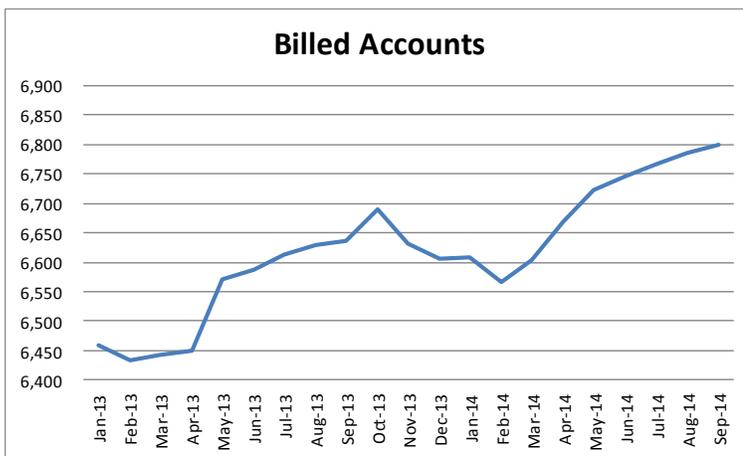
Expenditures may also not be incurred in a linear manner, as shown in the aquatics center and recreation departments. A majority of the programs run by these departments are scheduled for the summer months, and the first quarter financial report captures a majority of summer expenditures. Additionally, for ease of accounting, internal rent charges, certain budgeted transfers, information services charges and self-insurance costs have been booked as an expense to the applicable departments as of July 1, 2014.

The **Transit Fund** is dependent on intergovernmental revenues from federal and state grants which are received for both operating expenditures and capital purchases. The majority of these grants are on a reimbursement basis, so revenues in this category have not been received by the date of this report.

The **Building Fund** is exceeding initial estimates in the budgeted amount of its largest revenue category, licenses and permits. Building permits and fees have historically ebbed and flowed, and the City continues to experience the effects of the slow recovery in the real estate industry.

The **Street Fund** derives a vast majority of its revenue from state gas tax collections. This category of revenue is currently over-performing from what was budgeted for FY 2014-15. Privilege taxes are also budgeted in this fund. PGE and NW Natural Gas historically remit payment on an annual and quarterly basis, respectively, so expect to see NW Natural payments on the mid-year report.

The **Water Fund** has been out-pacing budgeted revenue numbers because of the seasonal nature of water usage in residential accounts. Water revenue is directly related to consumption — the more water customers use, the larger their bill will be. In contrast, sewer revenue is a derivative of water consumption based on the effects of winter averaging. Additionally, the **Sewer Fund** is currently experiencing the same seasonal fluctuations in part



due to the large population of “Snow Birds” who spend summer months here, but spend winter elsewhere. As a reminder, the sewer charge experienced a rate increase that was effective on July 1, 2014 for all types of accounts. The above graph shows active utility accounts for the past several months.

The **Information Services Fund**, although an internal service fund, it is included in this report because of the activity level. For ease of accounting, all internal service charges have been booked as revenue on July 1, 2014. This allows the fund to operate with a positive cash balance for the remainder of the fiscal year. Many of the types of expenditures in this fund (software licenses, annual computer replacements, etc.) are purchased near the beginning of the fiscal year due to contractual timing and scheduling. For that reason, the flexible budgeted amount has been adjusted to show the fund is not in turmoil.

Receive Utility Bills Electronically and Pay Online

We are pleased to announce a new way to pay your water and sewer bill. Since April of this year, utility customers have had the ability to pay their bills online. After registering for this service, customers receive an email notification that their water and sewer bill is available for viewing. After viewing the statement, payments may be made online via a credit or debit card using the online system. The link to the system is listed on the City’s website, and can be accessed anytime. Of course, the regular ways to pay your bill are still an option. These new services are simply additional ways to make payments for the customer’s convenience.

2013-14 Annual Audit Update

The fieldwork for the FY 2014-15 annual audit is complete. The document is being drafted by our auditors and should be ready for presentation in early November.

GFOA Distinguished Budget Presentation Award

The City of Woodburn was notified that it has received the Distinguished Budget Presentation Award for the third straight year from the Government Finance Officers Association (GFOA). Its attainment represents a significant accomplishment by a governmental entity, its financial staff and its management. This international award program was established in 1984 to encourage exemplary budgetary practices and to provide peer recognition for government finance officers who prepare budget documents. They rate a budget's proficiency in four major categories: as a policy document, an operations guide, a financial plan and a communications device.

Each year the City must demonstrate continued advancement on the GFOA's criteria and the feedback provided for in the prior year. Each time the City submits its budget for consideration, it is reevaluated.

As another quarter flies by, we are encouraged to see the progress we have made, and excited for the challenges that lie ahead of us. I would like to give special thanks to Accounting Manager Matt Ellerbrook for his significant efforts in preparing this report. As you review this report, I welcome your questions, comments and any suggestions you may have. The best way to contact me is by email at sarah.head@ci.woodburn.or.us.

Respectfully,

A handwritten signature in black ink that reads "S Head". The signature is written in a cursive, flowing style.

Sarah Head, MSFA
Finance Director, City of Woodburn

October 31, 2014

City of Woodburn, Oregon
Fiscal Year to Date Financial Report
Summary of Revenues and Expenditures
Through September 30, 2014

General Fund

Revenues	Year to Date 1st Qtr through September 30, 2014			Annual through June 30, 2015			
	Flexible Budget	Actual	% of Budget	Annual Budget	Actual	Difference	% of Budget
	Taxes	\$ 261,000	\$ 261,799	✓ 100% ¹	\$ 7,534,000	\$ 261,799	\$ 7,272,201
Licenses and Permits	12,150	19,181	✓ 158%	48,600	19,181	29,419	39%
Franchise Fees	134,488	152,066	✓ 113% ²	1,632,953	152,066	1,480,887	9%
Intergovernmental	79,398	37,879	⚠ 48% ³	695,189	37,879	657,310	5%
Fines and Forfeits	157,100	203,579	✓ 130%	628,400	203,579	424,821	32%
Charges for Goods and Services	129,867	142,966	✓ 110%	519,469	142,966	376,503	28%
Misc	82,407	76,370	⚠ 93% ⁴	840,237	76,370	763,867	9%
Transfers In	21,901	21,901	✓ 100%	21,901	21,901	-	100%
Total Revenues	878,312	915,743	104%	11,920,749	915,743	11,005,006	8%
Expenditures							
<i>Council & Mayor</i>							
Materials & Services	13,661	13,457	⚠ 99%	17,025	13,457	3,568	79%
<i>Administration</i>							
Personnel Services	38,315	37,006	✓ 97%	166,031	37,006	129,025	22%
Materials & Services	24,680	22,011	✓ 89%	36,980	22,011	14,969	60%
<i>City Recorder</i>							
Personnel Services	14,016	13,909	⚠ 99%	60,738	13,909	46,829	23%
Materials & Services	6,663	4,731	✓ 71%	16,150	4,731	11,419	29%
<i>City Attorney</i>							
Personnel Services	32,754	31,532	✓ 96%	141,936	31,532	110,404	22%
Materials & Services	15,971	12,721	✓ 80%	33,221	12,721	20,500	38%
<i>Finance</i>							
Personnel Services	58,225	45,461	✓ 78%	252,310	45,461	206,849	18%
Materials & Services	81,990	74,540	✓ 91%	148,590	74,540	74,050	50%
<i>Human Resources</i>							
Personnel Services	16,246	15,313	✓ 94%	70,400	15,313	55,087	22%
Materials & Services	13,907	9,123	✓ 66%	34,232	9,123	25,109	27%
<i>Municipal Court</i>							
Personnel Services	21,770	21,094	✓ 97%	94,337	21,094	73,243	22%
Materials & Services	6,000	5,180	✓ 86%	35,000	5,180	29,820	15%
<i>Police</i>							
Personnel Services	1,217,528	1,138,518	✓ 94%	5,275,956	1,138,518	4,137,438	22%
Materials & Services	657,777	648,877	⚠ 99%	1,373,379	648,877	724,502	47%
Capital Outlay	-	-	✓ 0%	82,000	-	82,000	0%
<i>Library</i>							
Personnel Services	127,451	118,166	✓ 93%	552,288	118,166	434,122	21%
Materials & Services	160,498	158,515	⚠ 99%	274,385	158,515	115,870	58%
<i>Recreation</i>							
Personnel Services	47,845	29,857	✓ 62%	207,330	29,857	177,473	14%
Materials & Services	67,190	70,231	⚠ 105% ⁵	168,432	70,231	98,201	42%
<i>Aquatics</i>							
Personnel Services	72,300	66,376	✓ 92%	313,299	66,376	246,923	21%
Materials & Services	71,659	75,128	⚠ 105% ⁵	221,359	75,128	146,231	34%
<i>RSVP</i>							
Personnel Services	13,958	12,794	✓ 92%	60,483	12,794	47,689	21%
Materials & Services	6,158	4,730	✓ 77%	13,382	4,730	8,652	35%
<i>Community Services Admin</i>							
Personnel Services	59,810	35,490	✓ 59%	259,177	35,490	223,687	14%
Materials & Services	35,875	35,100	⚠ 98%	76,837	35,100	41,737	46%
<i>Planning</i>							
Personnel Services	65,262	60,072	✓ 92%	282,800	60,072	222,728	21%
Materials & Services	29,875	27,124	✓ 91%	50,875	27,124	23,751	53%

<i>Engineering</i>							
Personnel Services	131,932	128,181	✓ 97%	571,707	128,181	443,526	22%
Materials & Services	100,594	82,596	✓ 82%	176,081	82,596	93,485	47%
<i>Maintenance</i>							
Personnel Services	91,602	86,185	✓ 94%	396,944	86,185	310,759	22%
Materials & Services	122,997	90,810	✓ 74%	407,718	90,810	316,908	22%
Capital Outlay	74,967	74,967	✓ 100%	81,000	74,967	6,033	93%
<i>Non-Departmental</i>							
Materials & Services	145,578	118,602	✓ 81%	259,610	118,602	141,008	46%
Transfers Out	341,543	341,543	✓ 100%	916,543	341,543	575,000	37%
<i>Ending Fund Balance</i>	-	-	0%	2,292,214	-	2,292,214	0%
Total Expenditures	3,986,599	3,709,939	93%	15,420,749	3,709,939	11,710,810	24%
Revenue over (under) Expenditures	(3,108,287)	(2,794,196)		(3,500,000)	(2,794,196)	705,804	
Beginning Fund Balance	2,781,000	3,194,182		3,500,000	3,194,182	(305,818)	
Ending Fund Balance	\$ (327,287)	\$ 399,986		⁶ \$ -	\$ 399,986	\$ 399,986	

1 The City receives the majority of its property taxes in November.

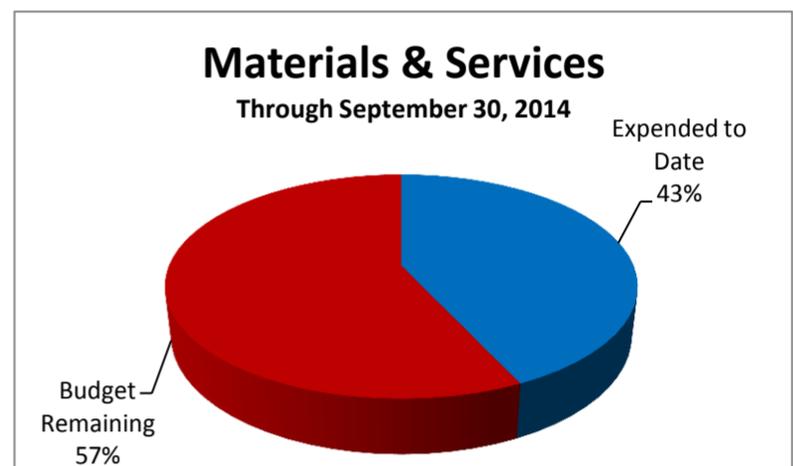
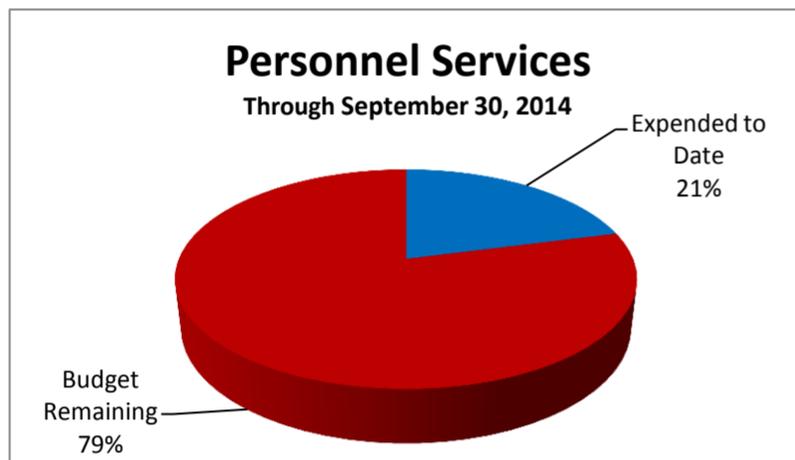
2 A large portion of this revenue type is the annual PGE franchise fee turnover which typically arrives in June.

3 A majority of this category of revenue accounts for grant proceeds which typically are on a reimbursement basis. Revenue will arrive in the 2nd quarter of 2015.

4 Includes engineering support charges from Street, Water, Sewer & other funds.

5 Due to the seasonal nature of these departments, expenditures are higher in the summer months, which are encompassed by the 1st quarter of the fiscal year.

6 The negative changes to Fund Balance are expected in the first quarter of every fiscal year as the majority of property tax and other intergovernmental Revenues arrive later in the year.

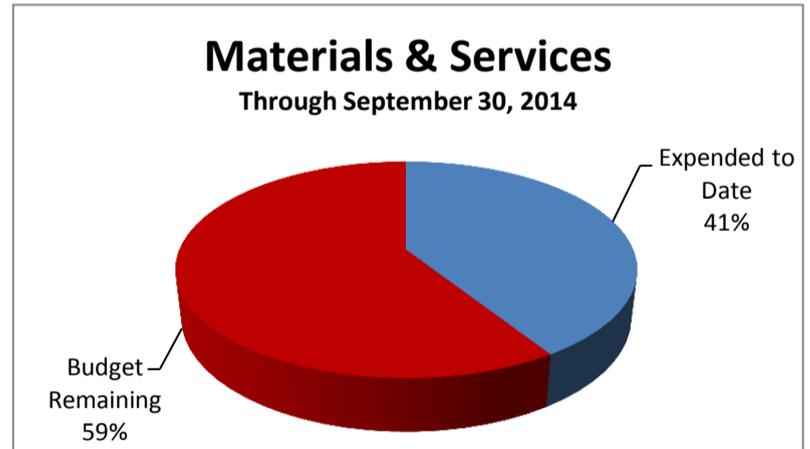
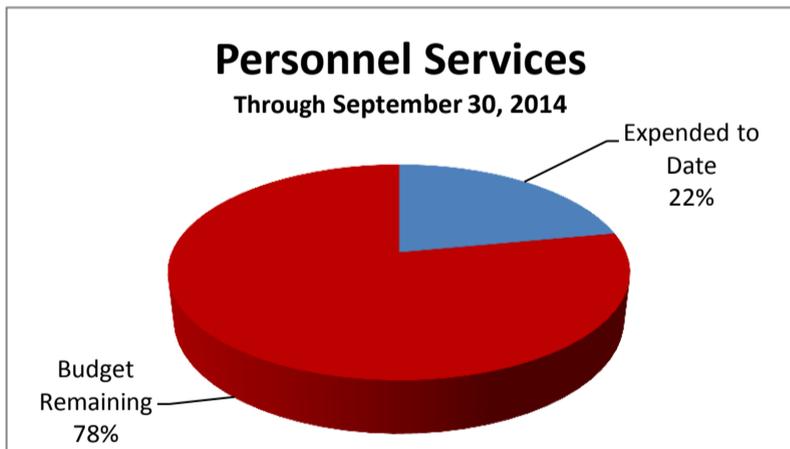


City of Woodburn, Oregon
Fiscal Year to Date Financial Report
Summary of Revenues and Expenditures
Through September 30, 2014

Transit Fund

	Year to Date 1st Qtr through September 30, 2014			Annual through June 30, 2015			
	Flexible Budget	Actual	% of Budget	Annual Budget	Actual	Difference	% of Budget
Revenues							
Intergovernmental	\$ -	-	0% ¹	\$ 819,150	\$ -	\$ 819,150	0%
Charges for Goods and Services	9,875	12,581	127%	39,500	12,581	26,919	32%
Misc	2,400	2,767	115%	9,600	2,767	6,833	29%
Transfers In	136,000	136,000	100%	136,000	136,000	-	100%
Total Revenues	148,275	151,348	102%	1,004,250	151,348	852,902	15%
Expenditures							
Personnel Services	90,857	87,107	96%	393,713	87,107	306,606	22%
Materials & Services	96,599	92,635	96%	223,929	92,635	131,294	41%
Capital Outlay	-	-	0%	505,000	-	505,000	0%
Transfers Out	3,001	3,001	100%	3,001	3,001	-	100%
Contingency & Unapprop.	-	-	0%	28,607	-	28,607	0%
Total Expenditures	190,457	182,743	96%	1,154,250	182,743	971,507	16%
Revenue over (under) Expenditures	(42,182)	(31,395)		(150,000)	(31,395)	118,605	
Beginning Fund Balance	150,000	134,076		150,000	134,076	(15,924)	
Ending Fund Balance	\$ 107,818	\$ 102,681		\$ -	\$ 102,681	\$ 102,681	

¹ This category of revenue accounts for grant proceeds which typically are on a reimbursement basis. Revenue will arrive in the 2nd quarter of 2014.



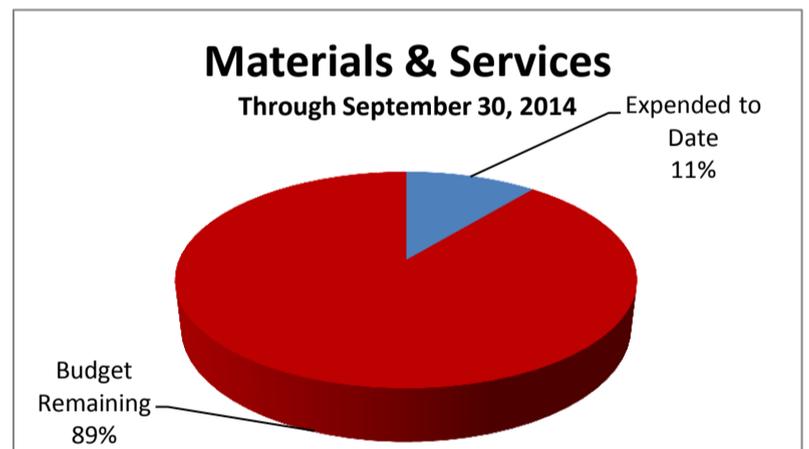
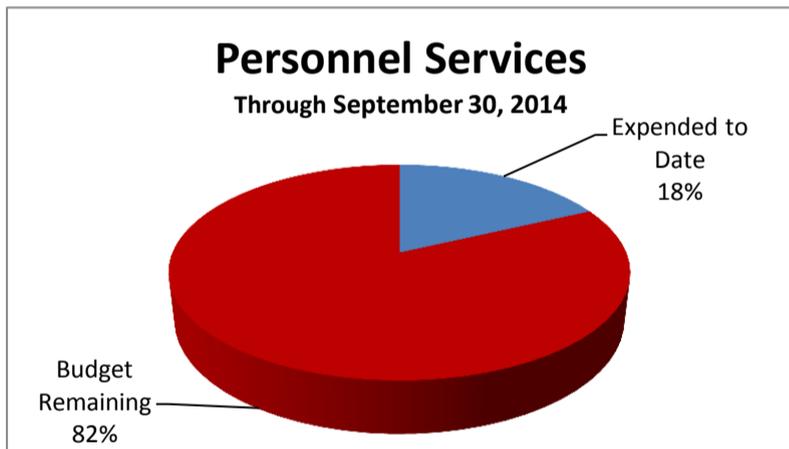
City of Woodburn, Oregon
Fiscal Year to Date Financial Report
Summary of Revenues and Expenditures
Through September 30, 2014

Building Fund

	Year to Date 1st Qtr through September 30, 2014			Annual through June 30, 2015			
	Flexible Budget	Actual	% of Budget	Annual Budget	Actual	Difference	% of Budget
Revenues							
Intergovernmental	\$ 53,347	8,010	15%	\$ 213,388	\$ 8,010	\$ 205,378	4%
Licenses & Permits	82,821	210,455	254%	331,283	210,455	120,828	64%
Misc	5,950	6,319	106%	23,800	6,319	17,481	27%
Total Revenues	142,118	224,784	158%	568,471	224,784	343,687	40%
Expenditures							
Personnel Services	103,768	79,920	77% ¹	449,663	79,920	369,743	18%
Materials & Services	23,000	30,759	134% ²	270,251	30,759	239,492	11%
Transfers Out	3,001	3,001	100%	3,001	3,001	-	100%
Contingency & Unapprop.	-	-	0%	286,015	-	286,015	0%
Total Expenditures	129,769	113,680	88%	1,008,930	113,680	895,250	11%
Revenue over (under) Expenditures	12,348	111,104		(440,459)	111,104	551,563	
Beginning Fund Balance	440,459	317,811		440,459	317,811	(122,648)	
Ending Fund Balance	\$ 452,807	\$ 428,915		\$ -	\$ 428,915	\$ 428,915	

¹ Includes supplemental budget passed on 9/8/14 to include \$110,000 for additional staff.

² Materials & Services for this fund contain CET & State Surcharge which have a direct relationship to permits issued and revenue received. A need for a supplemental budget will likely happen later in the year.

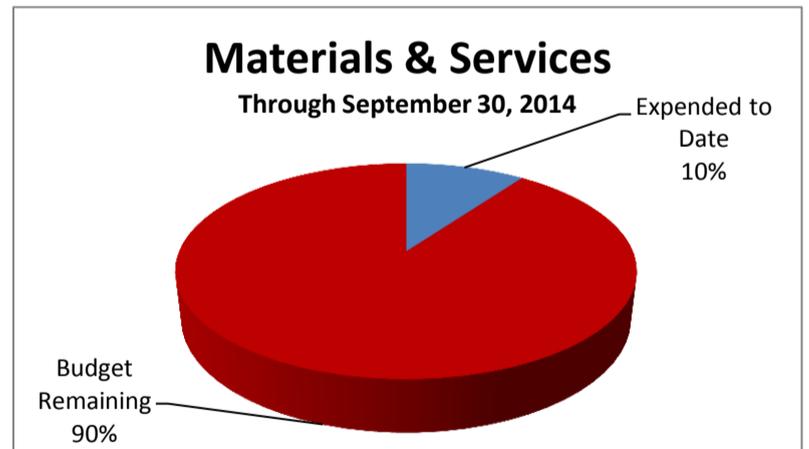
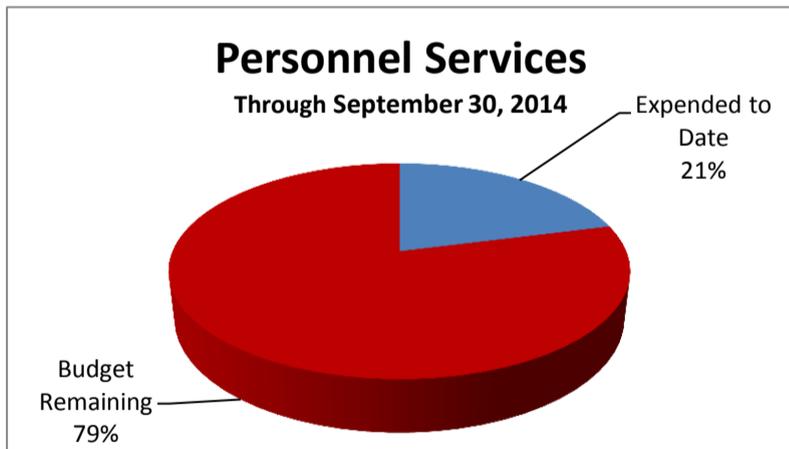


City of Woodburn, Oregon
Fiscal Year to Date Financial Report
Summary of Revenues and Expenditures
Through September 30, 2014

Street Fund

	Year to Date 1st Qtr through September 30, 2014			Annual through June 30, 2015			
	Flexible Budget	Actual	% of Budget	Annual Budget	Actual	Difference	% of Budget
Revenues							
Intergovernmental	\$ 215,689	225,259	✓ 104%	\$ 1,300,000	\$ 225,259	\$ 1,074,741	17%
Franchise Fees	-	-	✓ 0% ¹	300,000	-	300,000	0%
Taxes	20,287	20,177	✓ 99%	120,000	20,177	99,823	17%
Licenses & Permits	-	-	✓ 0%	250	-	250	0%
Misc	8,430	5,253	⚠ 62%	174,626	5,253	169,373	3%
Transfers In	220,000	220,000	✓ 100%	220,000	220,000	-	100%
Total Revenues	464,406	470,689	101%	2,114,876	470,689	1,644,187	22%
Expenditures							
Personnel Services	137,076	123,331	✓ 90%	593,997	123,331	470,666	21%
Materials & Services	428,510	162,013	✓ 38%	1,589,016	162,013	1,427,003	10%
Transfers Out	34,501	34,501	✓ 100%	57,001	34,501	22,500	61%
Contingency & Unapprop.	-	-	✓ 0%	1,507,231	-	1,507,231	0%
Total Expenditures	600,087	319,845	53%	3,747,245	319,845	3,427,400	9%
Revenue over (under) Expenditures	(135,682)	150,844		(1,632,369)	150,844	1,783,213	
Beginning Fund Balance	1,632,369	2,105,614		1,632,369	2,105,614	473,245	
Ending Fund Balance	\$ 1,496,687	\$ 2,256,458		\$ -	\$ 2,256,458	\$ 2,256,458	

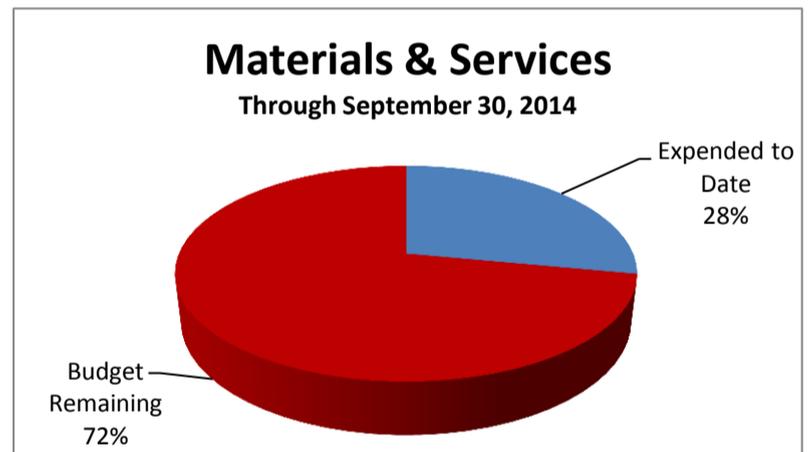
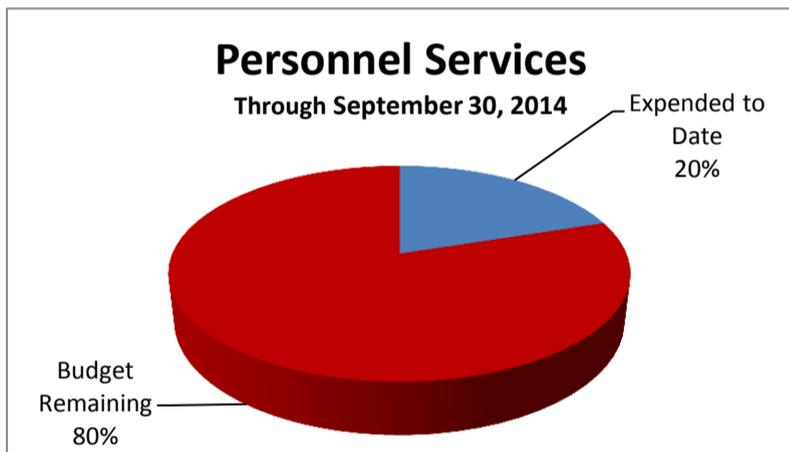
¹ A large portion of this revenue type is the annual PGE franchise fee turnover which typically arrives in June.



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Through September 30, 2014

Water Fund

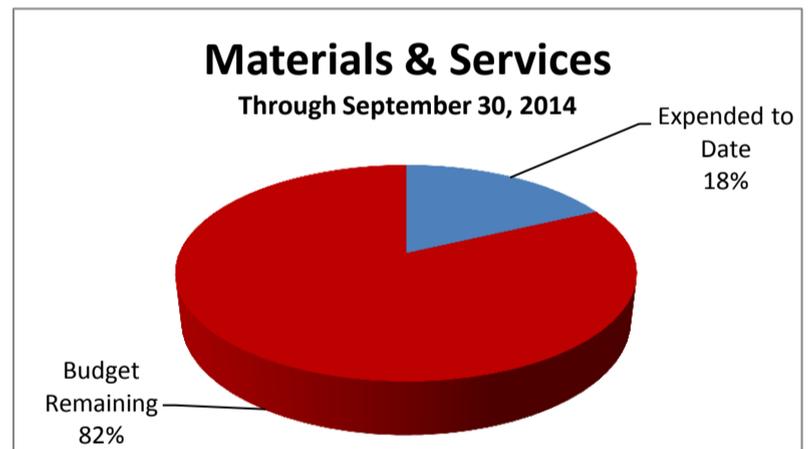
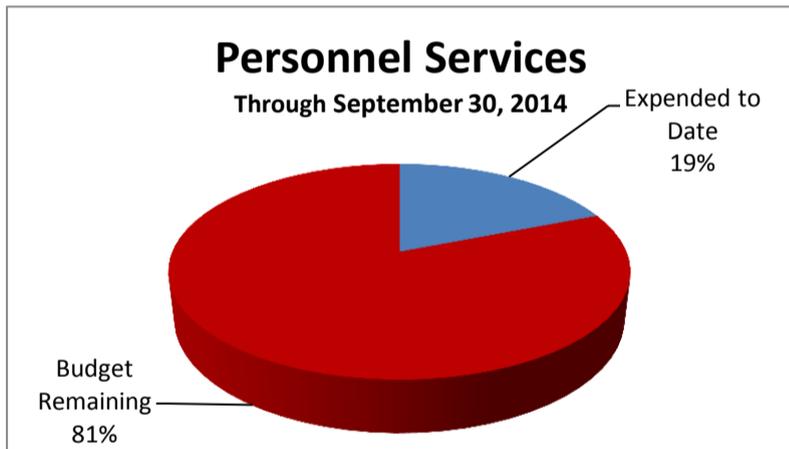
	Year to Date 1st Qtr through September 30, 2014			Annual through June 30, 2015			
	Flexible Budget	Actual	% of Budget	Annual Budget	Actual	Difference	% of Budget
Revenues							
Charges for Goods and Services	\$ 845,144	1,032,927	✓ 122%	\$ 3,380,576	\$ 1,032,927	\$ 2,347,649	31%
Misc	14,050	18,704	✓ 133%	56,200	18,704	37,496	33%
Transfers In	-	-		50,000	-	50,000	0%
Total Revenues	859,194	1,051,631	122%	3,486,776	1,051,631	2,435,145	30%
Expenditures							
Personnel Services	298,035	255,420	✓ 86%	1,291,483	255,420	1,036,063	20%
Materials & Services	313,377	260,651	✓ 83%	928,288	260,651	667,637	28%
Debt Service	-	-	✓ 0%	1,155,698	-	1,155,698	0%
Transfers Out	33,087	33,087	✓ 100%	134,337	33,087	101,250	25%
Contingency & Unapprop.	-	-	✓ 0%	1,622,970	-	1,622,970	0%
Total Expenditures	644,498	549,157	85%	5,132,776	549,157	4,583,619	11%
Revenue over (under) Expenditures	214,696	502,474		(1,646,000)	502,474	2,148,474	
Beginning Fund Balance	1,646,000	1,393,527		1,646,000	1,393,527	(252,473)	
Ending Fund Balance	\$ 1,860,696	\$ 1,896,001		\$ -	\$ 1,896,001	\$ 1,896,001	



City of Woodburn, Oregon
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Summary of Revenues and Expenditures
Through September 30, 2014

Sewer Fund

	Year to Date 1st Qtr through September 30, 2014			Annual through June 30, 2015			
	Flexible Budget	Actual	% of Budget	Annual Budget	Actual	Difference	% of Budget
Revenues							
Charges for Goods and Services	\$ 1,911,895	2,025,932	✓ 106%	\$ 7,647,580	\$ 2,025,932	\$ 5,621,648	26%
Misc	3,550	6,682	✓ 188%	14,200	6,682	7,518	47%
Total Revenues	1,915,445	2,032,614	106%	7,661,780	2,032,614	5,629,166	27%
Expenditures							
Personnel Services	429,267	357,531	✓ 83%	1,860,155	357,531	1,502,624	19%
Materials & Services	693,758	407,234	✓ 59%	2,320,305	407,234	1,913,071	18%
Debt Service	486,356	486,356	✓ 100%	3,727,713	486,356	3,241,357	13%
Capital Outlay	-	-	✓ 0%	40,000	-	40,000	0%
Transfers Out	166,838	166,838	✓ 100%	322,338	166,838	155,500	52%
Contingency & Unapprop.	-	-	✓ 0%	4,228,269	-	4,228,269	0%
Total Expenditures	1,776,218	1,417,959	80%	12,498,780	1,417,959	11,080,821	11%
Revenue over (under) Expenditures	139,227	614,655		(4,837,000)	614,655	5,451,655	
Beginning Fund Balance	4,837,000	4,109,814		4,837,000	4,109,814	(727,186)	
Ending Fund Balance	\$ 4,976,227	\$ 4,724,469		\$ -	\$ 4,724,469	\$ 4,724,469	



City of Woodburn, Oregon
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Summary of Revenues and Expenditures
Through September 30, 2014

Information Services Fund

	Year to Date 1st Qtr through September 30, 2014			Annual through June 30, 2015			
	Flexible Budget	Actual	% of Budget	Annual Budget	Actual	Difference	% of Budget
Revenues							
Misc	\$ 692,048	692,300	✓ 100%	\$ 692,048	\$ 692,300	\$ (252)	100%
Charges for Goods and Services	17,628	7,448	⚠ 42% ¹	70,511	7,448	63,063	11%
Transfers In	57,529	57,529	✓ 100%	57,529	57,529	-	100%
Total Revenues	709,676	699,747	99%	820,088	699,747	62,812	85%
Expenditures							
Personnel Services	82,837	74,190	✓ 90%	358,961	74,190	284,771	21%
Materials & Services	220,000	216,400	✓ 98% ²	418,735	216,400	202,335	52%
Capital Outlay	87,529	87,488	✓ 100%	87,529	87,488	41	100%
Contingency & Unapprop.	-	-	✓ 0%	24,863	-	24,863	0%
Total Expenditures	390,366	378,078	97%	890,088	378,078	512,010	42%
Revenue over (under) Expenditures	319,310	321,670		(70,000)	321,670	391,670	
Beginning Fund Balance	70,000	68,364		70,000	68,364	(1,636)	
Ending Fund Balance	\$ 389,310	\$ 390,034		\$ -	\$ 390,034	\$ 390,034	

¹ A majority of outside agencies are billed for services on a quarterly basis, with payments being remitted soon after the period ends.

² Due to the nature of the expenditures in this fund (software licenses, computer replacements, etc.), many occur at the beginning of the fiscal year.

