

***CITY OF WOODBURN, OREGON***

***Annual Financial Report  
Year Ended June 30, 2010***

*Prepared by*

*City of Woodburn - Department of Finance*

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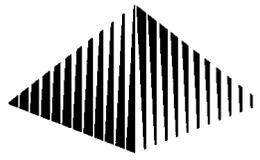
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**MAYOR AND COUNCIL MEMBERS**

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

*Staff*

Scott Derickson, City Administrator  
N. Robert Shields, City Attorney  
Ignacio Palacios, 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 Commission 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, 2010, 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. 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, 2010 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) on pages 3 through 9, and budgetary comparison information for the General Fund and Housing Rehabilitation Fund on pages 41 through 42 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 pages 41 through 42 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 respected 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 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 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.

As detailed in the notes to the financial statements, the City has reported a prior period adjustment of \$131,985 in the General Fund. It is their belief the corrections should have been reported at June 30, 2009. We were unable to perform any audit procedures on the amount reflected as a prior period adjustment.

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

By:   
Charles A. Swank, A Shareholder  
May 8, 2012

**CITY OF WOODBURN**  
**Year Ended June 30, 2010**

**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, 2010. The information presented here should be considered in conjunction with the financial statements included in this report.

**FINANCIAL HIGHLIGHTS**

**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 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, library services, community services, public safety, planning, public transit and streets. Business-type activities are operations funded primarily through charges to external users of goods and services. Business-type activities include water, wastewater and stormwater.

**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 and proprietary funds. The City has two fiduciary funds.

*Governmental Funds.* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on 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-eight individual governmental funds. Information is presented separately for the General Fund, Housing Rehabilitation Fund, General Construction Fun, Street/Storm Capital Improvement 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, wastewater and stormwater 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 public works fleet, facility, 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, Wastewater and Stormwater 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 \$146,641,517 in total assets and \$44,314,646 in total liabilities, resulting in combined net assets of \$102,326,871 for governmental and business-type activities. The largest component of the City's net assets, \$118,904,745 or 81%, 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. State gas tax and grants are restricted by external sources and systems development charges are restricted by ordinance.

Governmental capital assets, net of depreciation, increased \$4,268,897 over the prior year due to completion of the Front Street 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 increased \$369,502 over the prior year due to the continuation of the wastewater treatment plant upgrade. 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 decreased by \$1,228,159 over the prior year this due to the repayment of long-term debt.

Overall, the City's financial position changed by \$4,750,583 (or 4.7%). 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.

<i>(amounts in thousands)</i>	<b>June 30, 2010</b>			<b>June 30, 2009</b>			<b>Changes</b>		
	<b>Governmental</b>	<b>Business Type</b>	<b>Total</b>	<b>Governmental</b>	<b>Business Type</b>	<b>Total</b>	<b>Governmental</b>	<b>Business Type</b>	<b>Total</b>
Cash and investments	\$ 16,072	\$ 7,925	\$ 23,997	\$ 17,662	\$ 8,516	\$ 26,178	\$ (1,590)	\$ (591)	\$ (2,181)
Other assets	2,401	1,339	3,740	2,255	552	2,807	146	787	933
Capital assets	56,501	62,404	118,905	52,232	62,034	114,266	4,269	370	4,639
<i>Total Assets</i>	<u>74,974</u>	<u>71,668</u>	<u>146,642</u>	<u>72,149</u>	<u>71,102</u>	<u>143,251</u>	<u>2,825</u>	<u>566</u>	<u>3,391</u>
Other liabilities	1,051	769	1,820	661	1,004	1,665	390	(235)	155
Long-term liabilities	7,834	34,662	42,496	8,122	35,756	43,878	(288)	(1,094)	(1,382)
<i>Total Liabilities</i>	<u>8,885</u>	<u>35,431</u>	<u>44,316</u>	<u>8,783</u>	<u>36,760</u>	<u>45,543</u>	<u>102</u>	<u>(1,329)</u>	<u>(1,227)</u>
Net assets									
Invested in capital assets, net of debt	49,275	28,425	77,700	44,544	26,312	70,856	4,731	2,113	6,844
Restricted	11,564	778	12,342	9,507	7,431	16,938	2,057	(6,653)	(4,596)
Unrestricted	5,250	7,034	12,284	9,315	599	9,914	(4,065)	6,435	2,370
<i>Total Net Assets</i>	<u>\$ 66,089</u>	<u>\$ 36,237</u>	<u>\$ 102,326</u>	<u>\$ 63,366</u>	<u>\$ 34,342</u>	<u>\$ 97,708</u>	<u>\$ 2,723</u>	<u>\$ 1,895</u>	<u>\$ 4,618</u>

## Governmental Activities

The City's net assets from governmental activities increased \$3,172,648 (5.0%) from 2008-09 to 2009-10.

## Business-type Activities

The City's net assets from business-type activities increased \$1,577,935 (4.6%) from 2008-09 to 2009-10.

## Statement of Activities

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

(amounts in thousands)	June 30, 2010			June 30, 2009			Changes		
	Governmental	Business Type	Total	Governmental	Business Type	Total	Governmental	Business Type	Total
<b>REVENUES</b>									
<b>Program Revenues</b>									
Charges for services	\$ 2,426	\$ 8,216	\$ 10,642	\$ 1,118	\$ 7,956	\$ 9,074	\$ 1,308	\$ 260	\$ 1,568
Operating grants and contributions	633	-	633	202	-	202	431	-	431
Capital grants and contributions	2,242	1,384	3,626	832	658	1,490	1,410	726	2,136
<i>Total Program Revenues</i>	<u>5,301</u>	<u>9,600</u>	<u>14,901</u>	<u>2,152</u>	<u>8,614</u>	<u>10,766</u>	<u>3,149</u>	<u>986</u>	<u>4,135</u>
<b>General Revenues</b>									
Taxes	8,567	-	8,567	8,410	-	8,410	157	-	157
Franchise fees	1,679	-	1,679	1,434	-	1,434	245	-	245
Other revenues	1,749	40	1,789	2,720	176	2,896	(971)	(136)	(1,107)
<i>Total General Revenues</i>	<u>11,995</u>	<u>40</u>	<u>12,035</u>	<u>12,564</u>	<u>176</u>	<u>12,740</u>	<u>(569)</u>	<u>(136)</u>	<u>(705)</u>
<i>Total Revenues</i>	<u>17,296</u>	<u>9,640</u>	<u>26,936</u>	<u>14,716</u>	<u>8,790</u>	<u>23,506</u>	<u>2,580</u>	<u>850</u>	<u>3,430</u>
<b>Transfers</b>	482	(482)	-	(22)	22	-	504	(504)	-
<b>Expenses</b>									
General government	1,833	-	1,833	3,757	-	3,757	(1,924)	-	(1,924)
Public safety	5,738	-	5,738	5,307	-	5,307	431	-	431
Highways and streets	3,290	-	3,290	2,551	-	2,551	739	-	739
Culture and recreation	3,430	-	3,430	2,303	-	2,303	1,127	-	1,127
Interest	314	-	314	373	-	373	(59)	-	(59)
Water	-	2,623	2,623	-	3,153	3,153	-	(530)	(530)
Wastewater	-	4,958	4,958	-	5,882	5,882	-	(924)	(924)
<i>Total Expenses</i>	<u>14,605</u>	<u>7,581</u>	<u>22,186</u>	<u>14,291</u>	<u>9,035</u>	<u>23,326</u>	<u>314</u>	<u>(1,454)</u>	<u>(1,140)</u>
<b>Changes in Net Assets</b>	3,173	1,577	4,750	403	(223)	180	2,770	1,800	4,570
<b>Beginning Net Assets</b>	62,916	34,660	97,576	62,963	34,565	97,528	(47)	95	48
<b>Ending Net Assets</b>	<u>\$ 66,089</u>	<u>\$ 36,237</u>	<u>\$ 102,326</u>	<u>\$ 63,366</u>	<u>\$ 34,342</u>	<u>\$ 97,708</u>	<u>\$ 2,723</u>	<u>\$ 1,895</u>	<u>\$ 4,618</u>

**Governmental Activities.** Total revenues for the City of Woodburn's governmental activities were approximately \$17,296,000 for the fiscal year ended June 30, 2010. Approximately 52% of the total revenue for the governmental activities was derived from property taxes and approximately 24% of the total revenue is from grants. Total expenses for governmental activities were approximately \$14,605,000 and net transfers in were \$482,000, resulting in a \$3,173,000 increase in net assets. The majority of the governmental activities revenue was used to fund public safety activities, which accounts for approximately 39% of the total governmental activities expense. General Government, Culture and Recreation and Highways and Streets expenses account for 59% of the total, and interest on long-term debt expenses is approximately 2% of total governmental activities expenses.

**Business-Type Activities.** Revenues of business-type activities totaled \$9,640,000 for the current fiscal year. These activities generated program revenues of \$9,600,000 and general revenues of \$40,000. Approximately 85% of the total business-type activities revenue was derived from charges for services. The total expenses for business-type activities were \$7,581,000 and net transfers out were \$482,400, resulting in an increase of net assets by

\$1,577,000. 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. An unreserved 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.

**Governmental Funds.** At the end of the fiscal year, there were \$5,250,133 of unrestricted net assets of the governmental funds, a decrease of \$4,064,518 from the prior year. The reduction is directly related to a drop in general construction projects. The City's governmental funds include the General Fund, the Housing Rehabilitation, General Construction, the Street/Storm Capital Improvement 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 budgetary fund balance of \$2,618,413 was reported by the General Fund. The fund balance increased by \$458,714 from the previous year.

The City of Woodburn reports four other major governmental funds. These funds had a combined unreserved fund balance of \$7,769,381, a decrease of \$838,241.

**Proprietary Funds.** Unrestricted net assets of the proprietary funds equaled \$7,034,349 at the end of the current fiscal year. The total increase in net assets from the previous year equaled \$1,896,162 (or 5.5%) this due to completion of capital projects.

Unrestricted net assets for the Water and Wastewater Funds was \$257,655 and \$259,184, respectively, due to the offsetting debt on capital assets. Water fees charged to customers remained constant to cover operational costs and debt service. Additionally, the combined unrestricted net assets in the Wastewater Treatment Construction Plant Fund and Water Well Construction Fund was \$6,434,457.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The original budget was amended due to unanticipated costs that occurred during the year. These unanticipated costs included grants for police equipment and other minor increases for personnel. Actual revenues (budgetary basis), including beginning fund balance exceeded budgeted amounts. General Fund expenditures ended 18% below budgeted amounts primarily due to management efforts to maintain low costs throughout the fiscal year.

There were no capital projects carried forward.

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital Assets.** The City of Woodburn's investment in capital assets for its governmental and business-type activities equaled \$56,500,905 and \$62,403,840, 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.

	<b>Governmental</b>			
	<b>2010</b>	<b>2009</b>	<b>Change</b>	
			<b>Dollar</b>	<b>Percent</b>
Land	\$ 22,567,381	\$ 21,636,467	\$ 930,914	4.3%
Construction in progress	7,431,415	10,937,334	(3,505,919)	-32.1%
Buildings and improvements	8,602,039	8,071,907	530,132	6.6%
Equipment and vehicles	5,676,990	5,414,457	262,533	4.8%
Infrastructure	34,991,949	27,838,526	7,153,423	25.7%
Accumulated depreciation	(22,768,869)	(21,666,683)	(1,102,186)	5.1%
	<b>\$ 56,500,905</b>	<b>\$ 52,232,008</b>	<b>\$ 4,268,897</b>	<b>8.2%</b>

	<b>Business-Type</b>			
	<b>2010</b>	<b>2009</b>	<b>Change</b>	
			<b>Dollar</b>	<b>Percent</b>
Land	\$ 1,783,816	\$ 1,783,816	\$ -	0.0%
Construction in progress	2,765,340	317,103	2,448,237	772.1%
Buildings and improvements	62,273,893	62,273,893	-	0.0%
Equipment and vehicles	1,818,303	1,769,907	48,396	2.7%
Infrastructure	23,107,823	23,107,823	-	0.0%
Accumulated depreciation	(29,345,335)	(27,218,204)	(2,127,131)	7.8%
	<b>\$ 62,403,840</b>	<b>\$ 62,034,338</b>	<b>\$ 369,502</b>	<b>0.6%</b>

**Long-term Debt.** At the end of the current fiscal year, long-term debt outstanding for the governmental activities totaled \$7,225,861 (excluding compensated absences payable), compared to the prior year of \$8,122,079. For the business-type activities, total long-term debt equaled \$33,978,441 (excluding compensated absences payable) compared to the prior year of \$35,755,503. The increase in business debt was the result of a newly acquired loan. Additional information about the City's long-term debt outstanding is presented in the notes to the financial statements.

<i>(amounts in thousands)</i>	<b>2010</b>	<b>2009</b>	<b>Change</b>
	<b>Total</b>	<b>Total</b>	
G.O. Bonds	\$ 12,962	\$ 13,469	\$ (507)
Loans Payable	28,243	29,912	(1,669)
Compensated absences	783	504	279
Total	<b>\$ 41,988</b>	<b>\$ 43,885</b>	<b>\$ (1,897)</b>

## **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, 2010**

	<b><i>Governmental Activities</i></b>	<b><i>Business-type Activities</i></b>	<b><i>Totals</i></b>
<b>ASSETS</b>			
Cash and investments	\$ 16,072,319	\$ 7,925,324	\$ 23,997,643
Accounts receivable	761,808	1,340,119	2,101,927
Property taxes receivable	755,707	-	755,707
Assessment liens receivable	866,701	-	866,701
Internal balances	1,350	(1,350)	-
Prepaid expenses	5,823	-	5,823
Inventories	8,971	-	8,971
Nondepreciable capital assets	29,998,796	4,549,156	34,547,952
Capital assets, net of depreciation	26,502,109	57,854,684	84,356,793
<i>Total Assets</i>	74,973,584	71,667,933	146,641,517
<b>LIABILITIES</b>			
Accounts payable	880,941	686,536	1,567,477
Deposits payable	170,144	81,663	251,807
Interest payable	25,671	482,215	507,886
Noncurrent liabilities:			
Due within one year	484,627	2,154,818	2,639,445
Due in more than one year	6,741,234	31,823,623	38,564,857
Accrued compensated absences	581,985	201,189	783,174
<i>Total Liabilities</i>	8,884,602	35,430,044	44,314,646
<b>NET ASSETS</b>			
Investment in capital assets (net of related debt)	49,275,044	28,425,399	77,700,443
Restricted for:			
Debt service	1,217,031	-	1,217,031
Capital projects	8,926,230	778,141	9,704,371
Special revenue	1,420,544	-	1,420,544
Unrestricted	5,250,133	7,034,349	12,284,482
<i>Total Net Assets</i>	\$ 66,088,982	\$ 36,237,889	\$ 102,326,871

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

**CITY OF WOODBURN, OREGON**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2010**

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Fees, Fines and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>FUNCTIONS/PROGRAMS</b>				
<b>Governmental Activities:</b>				
General government	\$ 1,834,477	\$ 97,157	\$ -	\$ 67,487
Public safety	5,737,694	790,859	24,207	-
Highways and streets	3,290,603	722,131	-	2,156,163
Culture and recreation	3,429,719	815,397	608,417	18,825
Interest on long-term debt	313,741	-	-	-
<i>Total Governmental Activities</i>	14,606,234	2,425,544	632,624	2,242,475
<b>Business-type Activities:</b>				
Water	2,623,145	3,326,983	-	1,264,267
Sewer	4,957,558	4,888,941	-	119,700
<i>Total Business-type Activities</i>	7,580,703	8,215,924	-	1,383,967
<i>Total Activities</i>	<u>\$ 22,186,937</u>	<u>\$ 10,641,468</u>	<u>\$ 632,624</u>	<u>\$ 3,626,442</u>
<b>General Revenues:</b>				
Property taxes				
Franchise fees				
Intergovernmental				
Miscellaneous				
<i>Total General Revenues</i>				
<b>Transfers</b>				
<b>Change in Net Assets</b>				
<i>Net Assets, July 1, 2009, as originally reported</i>				
Prior period adjustment				
<i>Net Assets, July 1, 2009, as adjusted</i>				
<i>Net Assets, June 30, 2010</i>				

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

<b><i>Governmental Activities</i></b>	<b><i>Business-type Activities</i></b>	<b><i>Totals</i></b>
\$ (1,669,833)	\$ -	\$ (1,669,833)
(4,922,628)	-	(4,922,628)
(412,309)	-	(412,309)
(1,987,080)	-	(1,987,080)
(313,741)	-	(313,741)
(9,305,591)	-	(9,305,591)
-	1,968,105	1,968,105
-	51,083	51,083
-	2,019,188	2,019,188
(9,305,591)	2,019,188	(7,286,403)
8,566,745	-	8,566,745
1,679,254	-	1,679,254
1,460,918	-	1,460,918
288,922	41,148	330,070
11,995,839	41,147	12,036,986
482,400	(482,400)	-
3,172,648	1,577,935	4,750,583
63,366,546	34,341,727	97,708,273
(450,212)	318,227	(131,985)
62,916,334	34,659,954	97,576,288
\$ 66,088,982	\$ 36,237,889	\$ 102,326,871

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

**CITY OF WOODBURN, OREGON**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2010**

	<u>General</u>	<u>Housing Rehabilitation</u>	<u>General Construction</u>
<b>ASSETS</b>			
Cash and investments	\$ 2,682,717	\$ 380,403	\$ -
Accounts receivable	128,181	-	416,532
Property taxes receivable	646,156	-	-
Assessment liens receivable	-	657,130	-
Prepaid expenses	5,378	-	-
Due from other funds	182,005	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Assets</i>	<u>\$ 3,644,437</u>	<u>\$ 1,037,533</u>	<u>\$ 416,532</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts and deposits payable	\$ 441,383	\$ 6,951	\$ 264,913
Due to other funds	4,592	-	88,863
Deferred revenue	580,049	657,130	-
	<hr/>	<hr/>	<hr/>
<i>Total Liabilities</i>	1,026,024	664,081	353,776
<b>Fund Balances</b>			
Unreserved, reported in:			
General fund	2,618,413	-	-
Special revenue funds	-	373,452	-
Capital projects funds	-	-	62,756
Debt services funds	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Fund Balances</i>	<u>2,618,413</u>	<u>373,452</u>	<u>62,756</u>
	<hr/>	<hr/>	<hr/>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 3,644,437</u>	<u>\$ 1,037,533</u>	<u>\$ 416,532</u>

<i>Street/Storm Capital</i>	<i>Street SDC</i>	<i>Other Governmental Funds</i>	<i>Totals</i>
\$ 552,376	\$ 6,949,181	\$ 4,990,247	\$ 15,554,924
-	-	213,095	757,808
-	-	109,551	755,707
-	-	209,571	866,701
-	-	-	5,378
-	-	-	182,005
<b>\$ 552,376</b>	<b>\$ 6,949,181</b>	<b>\$ 5,522,464</b>	<b>\$ 18,122,523</b>
\$ 147,807	\$ 20,577	\$ 112,378	\$ 994,009
-	-	87,563	181,018
-	-	308,073	1,545,252
147,807	20,577	508,014	2,720,279
-	-	-	2,618,413
-	-	791,592	1,165,044
404,569	6,928,604	3,085,153	10,481,082
-	-	1,137,705	1,137,705
404,569	6,928,604	5,014,450	15,402,244
<b>\$ 552,376</b>	<b>\$ 6,949,181</b>	<b>\$ 5,522,464</b>	<b>\$ 18,122,523</b>

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, 2010**

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**RECONCILIATION TO THE STATEMENT OF NET ASSETS**

<i>Fund Balances</i>	\$ 15,402,244
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.	
	1,545,252
Capital assets are not financial resources in governmental funds, but are reported in the Statement of Net Assets at their net depreciable value.	
Cost	78,355,143
Accumulated depreciation	(22,361,606)
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	(499,270)
Accrued interest payable	(25,671)
Bonds and notes payable	(7,225,861)
Internal service funds are proprietary funds and are not reported with governmental funds. However, because internal service funds benefit governmental activities, their assets, liabilities, and equities are reported along with governmental activities on the Statement of Net Assets	
	<u>898,751</u>
<i>Net Assets of Governmental Activities</i>	<u><u>\$ 66,088,982</u></u>

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

**CITY OF WOODBURN, OREGON****STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2010**

	<u>General</u>	<u>Housing Rehabilitation</u>	<u>General Construction</u>
<b>REVENUES</b>			
Taxes and assessments	\$ 7,342,620	\$ -	\$ -
Licenses and permits	1,176,653	-	-
Charges for services	571,024	-	-
Intergovernmental	434,027	-	466,520
Fines and forfeitures	665,977	-	-
Miscellaneous	173,215	29,768	75,051
	<hr/>	<hr/>	<hr/>
<i>Total Revenues</i>	10,363,516	29,768	541,571
<b>EXPENDITURES</b>			
Current operating:			
General government	1,056,841	-	-
Public safety	5,488,103	-	-
Highways and streets	-	-	-
Culture and recreation	3,236,599	333,017	-
Capital outlay	-	-	583,193
Debt service			
Principal	-	-	-
Interest	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Expenditures</i>	9,781,543	333,017	583,193
	<hr/>	<hr/>	<hr/>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	581,973	(303,249)	(41,622)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	(123,259)	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Other Financing Sources (Uses)</i>	(123,259)	-	-
	<hr/>	<hr/>	<hr/>
<b>NET CHANGE IN FUND BALANCES</b>	458,714	(303,249)	(41,622)
<b>FUND BALANCES, Beginning of year</b>	2,291,684	676,701	104,378
Prior period adjustment	(131,985)	-	-
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES, Beginning of year, as restated</b>	2,159,699	676,701	104,378
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES, End of year</b>	<u>\$ 2,618,413</u>	<u>\$ 373,452</u>	<u>\$ 62,756</u>

<i>Street/Storm Capital</i>	<i>Street SDC</i>	<i>Nonmajor Governmental Funds</i>	<i>Totals</i>
\$ -	\$ -	\$ 1,492,459	\$ 8,835,079
364,253	206,610	179,658	1,927,174
393,923	-	25,060	990,007
797,103	-	2,343,166	4,040,816
-	-	-	665,977
43,013	34,982	194,600	550,629
<hr/>	<hr/>	<hr/>	<hr/>
1,598,292	241,592	4,234,943	17,009,682
250,866	-	251,225	1,558,932
-	-	35,825	5,523,928
-	-	405,474	405,474
-	-	1,752,634	5,322,250
1,607,287	862,644	2,014,566	5,067,690
-	-	515,965	515,965
-	-	298,485	298,485
<hr/>	<hr/>	<hr/>	<hr/>
1,858,153	862,644	5,274,174	18,692,724
(259,861)	(621,052)	(1,039,231)	(1,683,042)
-	-	353,259	353,259
-	-	(309,000)	(432,259)
<hr/>	<hr/>	<hr/>	<hr/>
-	-	44,259	(79,000)
(259,861)	(621,052)	(994,972)	(1,762,042)
664,430	7,549,656	6,009,422	17,296,271
-	-	-	(131,985)
<hr/>	<hr/>	<hr/>	<hr/>
664,430	7,549,656	6,009,422	17,164,286
<hr/>	<hr/>	<hr/>	<hr/>
\$ 404,569	\$ 6,928,604	\$ 5,014,450	\$ 15,402,244

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, 2010**

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

*Net Change in Fund Balances - Total Governmental Funds* \$ (1,762,042)

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. 300,022

Governmental funds do not report expenditures for unpaid compensated absences, 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 (147,571)

Accrued interest payable (8,138)

Other post employment benefits 209,407

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 5,317,897

Depreciation expense (1,066,728)

Contribution of capital assets 33,368

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.

Repayment of debt principal 461,804

Net change in internal service fund equities (165,371)

*Change in Net Assets of Governmental Activities* \$ 3,172,648

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

**CITY OF WOODBURN, OREGON**  
**STATEMENT OF NET ASSETS - PROPRIETARY FUNDS**  
**JUNE 30, 2010**

	<i>Enterprise</i>		
	<i>Water</i>	<i>Sewer</i>	<i>WWTP Construction</i>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and investments	\$ 714,517	\$ 423,223	\$ 484,909
Accounts receivable	81,957	149,908	139,384
Prepaid expenses	-	-	-
Inventories	-	-	-
Due from other funds	-	-	-
<i>Total Current Assets</i>	796,474	573,131	624,293
<b>Noncurrent Assets</b>			
Nondepreciable capital assets	1,805,124	2,744,032	-
Capital assets, net of depreciation	8,499,442	49,355,242	-
<i>Total Noncurrent Assets</i>	10,304,566	52,099,274	-
<i>Total Assets</i>	11,101,040	52,672,405	624,293
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	21,602	64,814	52,911
Due to other funds	708	605	482,000
Deposits	81,663	-	-
Accrued interest payable	336,344	145,871	-
Current portion of long-term liabilities	601,851	1,552,967	-
<i>Total Current Liabilities</i>	1,042,168	1,764,257	534,911
<b>Noncurrent liabilities</b>			
Accrued compensated absences	98,502	102,687	-
Notes and bonds payable	13,053,309	18,770,314	-
<i>Total Noncurrent Liabilities</i>	13,151,811	18,873,001	-
<i>Total Liabilities</i>	14,193,979	20,637,258	534,911
<b>NET ASSETS</b>			
Investment in capital assets (net of related debt)	(3,350,594)	31,775,993	-
Restricted for construction	-	-	-
Unrestricted	257,655	259,154	89,382
<i>Total Net Assets</i>	\$ (3,092,939)	\$ 32,035,147	\$ 89,382

<i>Funds</i>			
<i>Water Well Construction</i>	<i>Nonmajor Funds</i>	<i>Totals</i>	<i>Total Internal Service Funds</i>
\$ 5,441,123	\$ 861,552	\$ 7,925,324	\$ 517,395
968,870	-	1,340,119	4,363
-	-	-	445
-	-	-	8,971
482,000	-	482,000	-
6,891,993	861,552	9,747,443	531,174
-	-	4,549,156	-
-	-	57,854,684	507,368
-	-	62,403,840	507,368
6,891,993	861,552	72,151,283	1,038,542
546,918	291	686,536	57,076
-	37	483,350	-
-	-	81,663	-
-	-	482,215	-
-	-	2,154,818	-
546,918	328	3,888,582	57,076
-	-	201,189	82,715
-	-	31,823,623	-
-	-	32,024,812	82,715
546,918	328	35,913,394	139,791
-	-	28,425,399	507,368
-	778,141	778,141	-
6,345,075	83,083	7,034,349	391,383
\$ 6,345,075	\$ 861,224	\$ 36,237,889	\$ 898,751

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, 2010**

	<i>Enterprise</i>		
	<i>Water</i>	<i>Sewer</i>	<i>WWTP Construction</i>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,734,473	\$ 2,533,557	\$ 2,337,362
Miscellaneous	11,230	17,771	251
<i>Total Operating Revenues</i>	1,745,703	2,551,328	2,337,613
<b>OPERATING EXPENSES</b>			
Personal services	949,549	1,095,908	-
Materials and services	679,192	897,633	23,948
Depreciation	237,532	1,889,599	-
<i>Total Operating Expenses</i>	1,866,273	3,883,140	23,948
<b>OPERATING INCOME (LOSS)</b>	(120,570)	(1,331,812)	2,313,665
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment revenue	3,486	2,270	2,578
Interest expense	-	(5,567)	(662,130)
Transfers in	1,992,585	16,689,147	-
Transfers out	(14,475,395)	(945,583)	(1,710,535)
<i>Total Nonoperating Revenue (Expenses)</i>	(12,479,324)	15,740,267	(2,370,087)
<b>NET INCOME BEFORE CONTRIBUTIONS</b>	(12,599,894)	14,408,455	(56,422)
<b>CAPITAL CONTRIBUTIONS</b>	-	-	-
<b>CHANGE IN NET ASSETS</b>	(12,599,894)	14,408,455	(56,422)
<b>NET ASSETS, Beginning of year</b>	9,506,955	17,626,692	145,804
<b>NET ASSETS, End of year</b>	\$ (3,092,939)	\$ 32,035,147	\$ 89,382

<i>Funds</i>			
<i>WWD Construction</i>	<i>Nonmajor Funds</i>	<i>Totals</i>	<i>Total Internal Service Funds</i>
\$ 1,580,368	\$ -	\$ 8,185,760	\$ 2,009,973
1,273	-	30,525	19,487
1,581,641	-	8,216,285	2,054,004
-	134,929	2,180,386	1,537,644
166,662	17,143	1,784,578	1,275,929
-	-	2,127,131	35,458
166,662	152,072	6,092,095	2,849,031
1,414,979	(152,072)	2,124,190	(795,027)
26,595	5,856	40,785	1,986
(379,616)	(441,294)	(1,488,607)	-
-	235,000	18,916,732	704,625
(1,688,491)	(579,128)	(19,399,132)	(76,955)
(2,041,512)	(779,566)	(1,930,222)	629,656
(626,533)	(931,638)	193,968	(165,371)
1,179,044	204,923	1,383,967	-
552,511	(726,715)	1,577,935	(165,371)
5,792,564	1,587,939	34,659,954	1,064,122
\$ 6,345,075	\$ 861,224	\$ 36,237,889	\$ 898,751

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, 2010**

	<u>Water</u>	<u>Sewer</u>	<u>WWTP Construction</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Collected from customers	\$ 1,734,641	\$ 2,537,765	\$ 2,315,022
Paid to suppliers	(600,565)	(760,857)	(247,342)
Paid to employees	(885,327)	(1,028,961)	-
<i>Net Cash Provided by (Used in) Operating Activities</i>	248,749	747,947	2,067,680
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Due to (from) other funds	708	605	-
Transfers in	1,411,570	418,637	-
Transfers out	(1,672,570)	(945,583)	-
<i>Net Cash Provided by (Used in) Non-Capital Financing Activities</i>	(260,292)	(526,341)	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of capital assets	(5,713)	(205,132)	(970,704)
Principal paid on contracts/bonds payable	-	-	(1,087,811)
Proceeds from debt	-	-	355,583
Contribution of capital	-	-	-
System development revenue	-	-	-
Interest paid	-	(5,567)	(669,733)
<i>Net Cash Provided by (Used in) Capital and Related Financing Activities</i>	(5,713)	(210,699)	(2,372,665)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	3,486	2,270	2,578
<i>Increase (Decrease) in Cash and Investments</i>	(13,770)	13,177	(302,407)
<b>CASH AND INVESTMENTS, Beginning of year</b>	728,287	410,046	787,316
<b>CASH AND INVESTMENTS, End of year</b>	<u>\$ 714,517</u>	<u>\$ 423,223</u>	<u>\$ 484,909</u>

<i><b>Water Well Construction</b></i>	<i><b>Nonmajor Funds</b></i>	<i><b>Totals</b></i>	<i><b>Total Internal Service Funds</b></i>
\$ 738,848	\$ -	\$ 7,326,276	\$ 2,048,599
380,256	(134,638)	(1,363,146)	(1,283,030)
-	(17,143)	(1,931,431)	(1,537,644)
<u>1,119,104</u>	<u>(151,781)</u>	<u>4,031,699</u>	<u>(772,075)</u>
-	37	1,350	3,211
-	235,000	2,065,207	700,000
-	-	(2,618,153)	(55,887)
<u>-</u>	<u>235,037</u>	<u>(551,596)</u>	<u>647,324</u>
(1,315,084)	-	(2,496,633)	(36,261)
(361,921)	(579,128)	(2,028,860)	-
-	-	355,583	-
1,179,044	-	1,179,044	-
-	204,923	204,923	-
(391,102)	(441,294)	(1,507,696)	-
<u>(889,063)</u>	<u>(815,499)</u>	<u>(4,293,639)</u>	<u>(36,261)</u>
26,595	5,856	40,785	1,986
<u>256,636</u>	<u>(726,387)</u>	<u>(772,751)</u>	<u>(159,026)</u>
5,184,487	1,587,939	8,698,075	676,421
<u>\$ 5,441,123</u>	<u>\$ 861,552</u>	<u>\$ 7,925,324</u>	<u>\$ 517,395</u>

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

**CITY OF WOODBURN, OREGON**  
**STATEMENT OF CASH FLOWS (Continued)**  
**YEAR ENDED JUNE 30, 2010**

	<u>Water</u>	<u>Sewer</u>	<u>WWTP Construction</u>
<b>RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (120,570)	\$ (1,331,812)	\$ 2,313,665
Depreciation	237,532	1,889,599	-
<i>Change in assets and liabilities:</i>			
Accounts receivable	7,593	(13,563)	(22,591)
Inventory	130,561	87,966	-
Prepaid expenses	-	-	-
Accounts payable and accrued liabilities	(51,934)	48,810	(223,394)
Customer deposits	(18,655)	-	-
Compensated absences payable	64,222	66,947	-
	<u>\$ 248,749</u>	<u>\$ 747,947</u>	<u>\$ 2,067,680</u>
<i>Net Cash Provided by (Used in) Operating Activities</i>			
<i>Noncash transactions</i>			
Transfers of capital assets	\$ (14,061,201)	\$ 14,061,201	\$ -

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<u>Water Well Construction</u>	<u>Nonmajor Funds</u>	<u>Totals</u>	<u>Total Internal Service Funds</u>
\$ 1,414,979	\$ (152,072)	\$ 2,124,190	\$ (795,027)
-	-	2,127,131	35,458
(842,793)	-	(871,354)	(3,405)
-	-	218,527	-
-	-	-	(1,291)
546,918	291	320,691	(5,810)
-	-	(18,655)	(2,000)
-	-	131,169	-
<u>\$ 1,119,104</u>	<u>\$ (151,781)</u>	<u>\$ 4,031,699</u>	<u>\$ (772,075)</u>
\$ -	\$ -	\$ -	\$ (25,693)

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

**CITY OF WOODBURN, OREGON**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**JUNE 30, 2010**

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	<u>Pension Trust</u>	<u>Agency</u>
<b>ASSETS</b>		
Cash and investments	\$ 446,424	\$ 190,451
<b>LIABILITIES</b>		
Due to others	-	190,451
<b>NET ASSETS</b>		
Held in trust for benefits and other purposes	<u>\$ 446,424</u>	<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, 2010**

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	<u><i>Pension Trust</i></u>
<b>ADDITIONS</b>	
Earnings on investments	\$ 13,002
<b>DEDUCTIONS</b>	<u>-</u>
<b>CHANGE IN NET ASSETS</b>	13,002
<b>NET ASSETS, beginning of year</b>	<u>433,422</u>
<b>NET ASSETS, end of year</b>	<u><u>\$ 446,424</u></u>

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

***NOTES TO BASIC FINANCIAL STATEMENTS***

**CITY OF WOODBURN, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2010**

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***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, 2010.

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, 2010*

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**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)**

*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.

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

*Governmental Fund Financial Statements*

The governmental fund financial statements are accounted for using a current financial resources measurement focus, whereby only current assets and current liabilities generally are included in the balance sheet, and the statement of revenues, expenditures and changes in fund balances present increases and decreases in those net current assets. These 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 (60 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 Clackamas 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 (60 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.

**CITY OF WOODBURN, OREGON**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2010*

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

*Governmental Fund Financial Statements (Continued)*

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. The City electively added funds as major funds, which either had debt outstanding or specific community focus. Nonmajor funds are combined in a column in the fund financial statements and detailed in the combining section.

The City reports the following major governmental funds:

- General Fund
- Street SDC Fund
- Housing Rehabilitation Fund
- General Construction Fund
- Street Storm Capital Improvement 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, 2010. 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.

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

*Receivables and Deferred Revenues (Continued)*

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.

*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 consist of water, stormwater 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.

**CITY OF WOODBURN, OREGON**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2010*

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

*Capital Assets (Continued)*

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.

*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 Commission. After budget approval, the City Commission 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 Commission.

**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.

*Weed and Seed Fund* - This fund is used to account for the City's Weed and Seed grant, used for gang and mentoring programs.

*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.

*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).

*Street 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.

*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.

*General Reserve Fund* - This fund accounts for funds held in reserve for general purposes.

**CITY OF WOODBURN, OREGON**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2010*

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**ORGANIZATION AND OPERATION (Continued)**

*Governmental Fund Types (Continued)*

*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 is scheduled to be 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.

*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.

*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.

*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 8 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.

**CITY OF WOODBURN, OREGON**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2010*

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**ORGANIZATION AND OPERATION (Continued)**

*Proprietary Fund Types (Continued)*

*Enterprise Funds (Continued)*

*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.

*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.

*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 Funds*

*Agency Fund*

The City has one agency fund. Agency funds are used to account for assets held by the City as an agent for other governmental units, other organizations, or individuals.

**CITY OF WOODBURN, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2010**

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**ORGANIZATION AND OPERATION (Continued)**

*Fiduciary Funds (Continued)*

*Pension Trust Fund*

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

**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>Carrying Value</i>	<i>Fair Value</i>
	<u>                    </u>	<u>                    </u>
<b>Cash</b>		
Deposits with financial institutions	\$ 896,554	\$ 896,554
Cash on hand	2,150	2,150
<b>Investments</b>		
Assets held for pension benefits	446,424	446,424
Local Government Investment Pool	23,289,390	23,289,390
	<u>\$ 24,634,518</u>	<u>\$ 24,634,518</u>

Cash is reported in the financial statements as follows:

Governmental funds	\$ 15,554,924
Internal Service funds (included in governmental activities)	517,395
Enterprise funds	7,925,324
Fiduciary funds	636,875
	<u>\$ 24,634,518</u>

*Deposits*

The City's deposits with various financial institutions had a bank value of \$1,081,668 at June 30, 2010. All deposits not covered by FDIC insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon.

*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

**CITY OF WOODBURN, OREGON**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2010*

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**CASH AND INVESTMENTS (Continued)**

*Investments (Continued)*

Council (ORS 294.805 to 294.895). At June 30, 2010, 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.

Disclosure information for the assets held for pension benefits was not available.

*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, 2010, \$831,668 of the City's bank balances were exposed to custodial credit risk as a 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 Commission. The LGIP is an open-ended no-loan 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, 2010**

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**CAPITAL ASSETS**

The summary of capital assets for the business-type activities for the year ended June 30, 2010 is as follows:

	<i><b>Balances July 1, 2009</b></i>	<i><b>Additions</b></i>	<i><b>Retirements</b></i>	<i><b>Balances June 30, 2010</b></i>
<i>Nondepreciable assets</i>				
Land (nondepreciable)	\$ 1,783,816	\$ -	\$ -	\$ 1,783,816
Construction in progress	317,103	2,448,237	-	2,765,340
Subtotal, nondepreciable assets	2,100,919	2,448,237	-	4,549,156
<i>Depreciable assets</i>				
Buildings	62,273,893	-	-	62,273,893
Water and sewer systems	23,107,823	-	-	23,107,823
Equipment	1,769,907	48,396	-	1,818,303
Subtotal, depreciable assets	87,151,623	48,396	-	87,200,019
<i>Accumulated depreciation</i>				
Buildings and improvements	(19,414,557)	(1,529,848)	-	(20,944,405)
Water and sewer systems	(6,742,153)	(508,127)	-	(7,250,280)
Equipment	(1,061,494)	(89,156)	-	(1,150,650)
Total accumulated depreciation	(27,218,204)	(2,127,131)	-	(29,345,335)
<i>Total depreciable assets, net</i>	59,933,419	(2,078,735)	-	57,854,684
Net capital assets	\$ 62,034,338	\$ 369,502	\$ -	\$ 62,403,840

**CITY OF WOODBURN, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2010**

**CAPITAL ASSETS (Continued)**

The changes in the capital assets for governmental activities for the year ended June 30, 2010 are as follows:

	<i>Balances July 1, 2009</i>	<i>Additions</i>	<i>Retirements</i>	<i>Balances June 30, 2010</i>
<i>Nondepreciable assets</i>				
Land (nondepreciable)	\$ 21,636,467	\$ 930,914	\$ -	\$ 22,567,381
Construction in progress	10,937,334	4,317,529	(7,823,448)	7,431,415
Subtotal, nondepreciable assets	32,573,801	5,248,443	(7,823,448)	29,998,796
<i>Depreciable assets</i>				
Buildings	8,071,907	530,132	-	8,602,039
Equipment	5,414,457	262,533	-	5,676,990
Infrastructure	27,838,526	7,153,423	-	34,991,949
Subtotal, depreciable assets	41,324,890	7,946,088	-	49,270,978
<i>Accumulated depreciation</i>				
Buildings	(3,106,268)	(171,100)	-	(3,277,368)
Equipment	(3,589,640)	(253,930)	-	(3,843,570)
Infrastructure	(14,970,775)	(677,156)	-	(15,647,931)
Total accumulated depreciation	(21,666,683)	(1,102,186)	-	(22,768,869)
<i>Total depreciable assets, net</i>	19,658,207	6,843,902	-	26,502,109
Net capital assets	\$ 52,232,008	\$ 12,092,345	\$ (7,823,448)	\$ 56,500,905

Depreciation expense of \$1,102,186 was allocated as follows:

General government	\$ 84,100
Public safety	47,013
Highways and streets	847,655
Culture and recreation	123,418
	<u>\$ 1,102,186</u>

**CITY OF WOODBURN, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2010**

**LONG-TERM DEBT**

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

	<i>Outstanding July 1, 2009</i>	<i>Issued</i>	<i>Redeemed During Year</i>	<i>Outstanding June 30, 2010</i>	<i>Due Within One Year</i>
<i>Governmental Activities:</i>					
Series 2005 due in annual installments with principal and interest varying annually	\$ 6,190,000	\$ -	\$ (260,000)	\$ 5,930,000	\$ 275,000
1999 Oregon EDD Loan due in annual installments of \$38,319 with interest at 5.01%	252,302	-	(23,834)	228,468	24,027
2005 URA Loan due in quarterly installments of 56,933 with interest at 4.22%	1,245,363	-	(177,970)	1,067,393	185,600
	7,687,665	-	(461,804)	7,225,861	484,627
Accrued compensated absences	434,414	147,571	-	589,985	-
	<u>\$ 8,122,079</u>	<u>\$ 147,571</u>	<u>\$ (461,804)</u>	<u>\$ 7,807,846</u>	<u>\$ 484,627</u>
<i>Business-type Activities:</i>					
Series 2003	\$ 7,278,522	\$ -	\$ (246,810)	\$ 7,031,712	\$ 253,064
1992 Oregon EDD due in annual installments of \$29,102 including interest at 6.32%	77,331	-	(24,214)	53,117	25,745
2005 Oregon EDD due in annual installments including interest at 4.21%	3,440,156	-	(154,995)	3,285,161	161,521
2005 SDWR due in annual installments including interest at 4.21%	3,440,166	-	(154,996)	3,285,170	161,521
1991 Oregon EDD due in annual installments of \$47,043 including interest at 5.46%	85,648	-	(41,476)	44,172	44,172
1999 Oregon EDD due in annual installments including interest at 4.74%	296,173	-	(24,687)	271,486	29,901

**CITY OF WOODBURN, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2010**

**LONG-TERM DEBT (Continued)**

	<i>Outstanding July 1, 2009</i>	<i>Issued</i>	<i>Matured/ Redeemed During Year</i>	<i>Outstanding June 30, 2010</i>	<i>Due Within One Year</i>
<i>Business-type Activities (continued):</i>					
1999 Oregon EDD due in annual installments of \$147,792 including interest at 3.93%	\$ 2,324,654	\$ -	\$ (206,232)	\$ 2,118,422	\$ 214,417
2001 Oregon EDD due in annual installments of \$735,150 including interest at 3.87%	18,188,499	-	(1,216,926)	16,971,573	1,264,477
2007 Oregon DEQ with principal and interest at 1.05% due annually upon completion of the project	370,804	243,483	-	614,287	-
2007 Oregon DEQ with principal and interest at 1.53% due annually upon completion of the project	191,241	112,100	-	303,341	-
	<u>35,693,194</u>	<u>355,583</u>	<u>(2,070,336)</u>	<u>33,978,441</u>	<u>2,154,818</u>
Accrued compensated absences	70,020	131,169	-	201,189	-
	<u>\$ 35,763,214</u>	<u>\$ 486,752</u>	<u>\$ (2,070,336)</u>	<u>\$ 34,179,630</u>	<u>\$ 2,154,818</u>

\$2,028,860 of debt principal was paid by the business-type funds. \$41,476 of debt principal was paid by the governmental funds.

Future maturities of long-term debt are as follows:

*Governmental Activities*

<i>Fiscal Year Ending June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2011	\$ 484,587	\$ 287,682	\$ 772,269
2012	507,785	268,897	776,682
2013	526,295	249,237	775,532
2014	560,172	228,861	789,033
2015	584,429	206,832	791,261
2016-20	2,087,593	766,504	2,854,097
2021-25	2,475,000	322,675	2,797,675
	<u>\$ 7,225,861</u>	<u>\$ 2,330,688</u>	<u>\$ 9,556,549</u>

**CITY OF WOODBURN, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2010**

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**LONG-TERM DEBT (Continued)**

*Business-type Activities*

<b>Fiscal Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2011	\$ 3,072,446	\$ 1,326,610	\$ 4,399,056
2012	2,190,440	1,240,844	3,431,284
2013	2,249,248	1,154,115	3,403,363
2014	2,338,492	1,065,501	3,403,993
2015	2,430,966	972,874	3,403,840
2016-20	13,151,698	3,338,504	16,490,202
2021-25	6,550,671	1,150,232	7,700,903
2026-29	1,994,480	235,776	2,230,256
	<u>\$ 33,978,441</u>	<u>\$ 10,484,456</u>	<u>\$ 44,462,897</u>

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

*Plan Description*

The City sponsored a single-employer defined benefit pension plan that covered nonexecutive employees who had completed six months of employment with the City and executive employees, who elect coverage under this plan. It provided retirement and disability benefits, cost of living adjustments and death benefits to members and beneficiaries.

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, 2007.

**CITY OF WOODBURN, OREGON**  
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)  
 YEAR ENDED JUNE 30, 2010

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**DEFINED BENEFIT PENSION PLAN – THE RETIRMENT PLAN FOR EMPLOYEES OF CITY OF WOODBURN, OREGON (Continued)**

*Funding Status and Progress (Continued)*

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%

The plan has \$446,424 in net assets of as June 30, 2010.

**DEFINED BENEFIT PENSION PLAN - OREGON PERS**

*Retirement Plan*

The City contributes to the Oregon Public Employees' Retirement System (PERS), a cost sharing multiple employer defined benefit pension plan and the Oregon Public Service Retirement Plan (OPSRP), a cost sharing multiple-employer hybrid pension plan. Both PERS and OPSRP are governed by the Public Employees' Retirement Board (PERB) under the provisions of Oregon Revised Statutes 238. PERS provides retirement benefits under a variety of benefit options, as selected by retiring employees, and provides death and disability benefits. OPSRP provides a combination of retirement benefits under a defined benefit plan and an individual account program (IAP), the balance of which will be paid out in either a lump sum or over a 5, 10, 15, or 20 year period. Employees hired on or after August 29, 2003, participate only in OPSRP. Beginning January 1, 2007, active PERS members hired before August 29, 2003, became members of the IAP of OPSRP. These members retain their existing PERS account, however any future member contributions will be placed in the IAP. A copy of the Oregon Public Employees' Retirement System annual financial report may be obtained by writing to Public Employees' Retirement System, PO Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377 or at [www.oregon.gov/PERS](http://www.oregon.gov/PERS).

City employees are required to participate after completing six months of service and meeting PERS eligibility requirements. Covered employees are required by state statute to contribute 6 percent of their compensation to the plan. Current law permits the City to pay this amount on behalf of the employees. The City's contribution rate is set by PERB and is periodically adjusted based upon actuarial computations of the amount needed to provide retirement benefits. For employees hired before August 29, 2003, the City's contribution rate is 10.79 percent of covered compensation. The City's contribution rate for employees hired after August 29, 2003 is 7.1 percent for general service employees and 9.82 percent for police officers beginning July I, 2009.

The City's contribution to the plan for the years ending June 30, 2010, 2009, and 2008, were equal to the City's required contributions for each year as follows:

<u>Year Ended</u> <u>June 30,</u>	<u>City</u> <u>Contribution</u>	<u>Member</u> <u>Contribution</u>	<u>Totals</u>
2010	\$ 855,066	\$ 315,905	\$ 1,170,971
2009	1,069,167	370,877	1,440,044
2008	884,997	434,632	1,319,629

**CITY OF WOODBURN, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2010**

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**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, 2010.

**TRANSFERS**

	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ -	\$ 123,259
Revenue Sharing	-	20,000
RSVP	28,259	-
Street	165,000	289,000
Equipment Replacement	160,000	-
Water	85,000	346,000
Sewer	-	590,000
Storm	235,000	-
Tech & Environmental Services	700,000	5,000
	<u>\$ 1,373,259</u>	<u>\$ 1,373,259</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. Transfers from the Street Fund are to the Equipment Fund and Technical and Environmental Services Fund.

**EXPENDITURES IN EXCESS OF APPROPRIATIONS**

The following funds had expenditures in excess of appropriations:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>General Fund</i>			
Finance	\$ 302,900	\$ 330,107	\$ (27,207)
Nondepartmental	119,425	143,806	(24,381)
<i>Cable Franchise Fund</i>			
Materials and services	21,000	21,192	(192)
<i>General Obligation Debt Fund</i>			
Materials and services	1,798	6,101	(4,303)
<i>Information Service Fund</i>			
Capital outlay	78,500	82,255	(3,755)

**CITY OF WOODBURN, OREGON**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2010*

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**PRIOR PERIOD ADJUSTMENT**

Net assets have been restated as of July 1, 2009 to correct an error in accounting for property tax receivables of \$47,993 and cash of \$83,992 in the General Fund. Additionally, all internal service funds have been included in governmental activities in the current year. Beginning net assets of governmental and business-type activities have been restated to give effect to this change. The amount of the restatement was \$318,227. In addition to these adjustments, the City discovered embezzlement losses from prior years in the amount of approximately \$140,000. This loss was recorded as an expense in the Insurance Fund.

**DEFICIT FUND BALANCES**

The following funds had negative budgetary fund balances at June 30, 2010:

	<b><u>Balance at</u></b> <b><u>June 30, 2010</u></b>
<i>Governmental funds</i>	
Search and Seizure	\$ ( 18,623)
Weed and Seed	( 68,541)

**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.

**GASB PRONOUNCEMENTS ISSUED, NOT YET IN EFFECT**

The Governmental Accounting Standards Board (GASB) issues pronouncements that have future effective dates that may impact future financial presentations.

Management has not currently determined what, if any, impact implementation of the following statement may have on future financial statements.

GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions", issued February 2009 will be effective for the City Beginning with its fiscal year ending June 30, 2011. The Statement establishes new classifications for fund equity and new definitions for governmental fund types.

**SUBSEQUENT EVENTS**

The City adopted the provisions of Statement of Financial Accounting Standards ("SFAS") No. 165, "Subsequent Events" (ASC 855). ASC 855 establishes accounting and disclosure requirements for subsequent events. Management has evaluated subsequent events through May 8, 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, 2010**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Taxes and assessments	\$ 7,356,000	\$ 7,356,000	\$ 7,342,620	\$ (13,380)
Licenses and permits	1,155,000	1,155,000	1,176,653	21,653
Charges for services	550,215	555,215	571,024	15,809
Intergovernmental	455,500	455,500	434,027	(21,473)
Fines and forfeitures	472,000	472,000	665,977	193,977
Miscellaneous	94,500	100,450	173,215	72,765
<i>Total Revenues</i>	10,083,215	10,094,165	10,363,516	269,351
<b>EXPENDITURES</b>				
Council and mayor	44,068	44,068	40,892	3,176
City administrator	344,981	344,981	273,560	71,421
City recorder	96,317	136,076	107,675	28,401
City attorney	174,691	174,691	160,801	13,890
Finance	290,540	302,900	330,107	(27,207)
Municipal court	221,706	221,706	192,646	29,060
Nondepartmental	119,425	119,425	143,806	(24,381)
Police	5,537,395	5,520,395	5,295,457	224,938
Library	1,083,514	1,083,514	1,001,758	81,756
Leisure services	434,161	467,111	347,515	119,596
Swimming pool	646,930	646,930	628,451	18,479
Community service administration	362,607	362,607	324,515	38,092
Parks maintenance	470,959	470,959	387,640	83,319
Planning	567,975	567,975	546,720	21,255
Contingency	1,057,053	999,934	-	999,934
<i>Total Expenditures</i>	11,452,322	11,463,272	9,781,543	1,681,729
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(1,369,107)	(1,369,107)	581,973	1,951,080
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(123,259)	(123,259)	(123,259)	-
<b>NET CHANGE IN FUND BALANCE</b>	(1,492,366)	(1,492,366)	458,714	1,951,080
<b>FUND BALANCE, Beginning of year</b>	1,492,366	1,492,366	2,291,684	799,318
<i>Prior period adjustment</i>	-	-	(131,985)	(131,985)
<b>FUND BALANCE, Beginning of year, as restated</b>	1,492,366	1,492,366	2,159,699	667,333
<b>FUND BALANCE, End of year</b>	\$ -	\$ -	\$ 2,618,413	\$ 2,618,413

**CITY OF WOODBURN, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL – HOUSING REHABILITATION FUND  
YEAR ENDED JUNE 30, 2010**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Miscellaneous	\$ 32,398	\$ 32,398	\$ 29,768	\$ (2,630)
<b>EXPENDITURES</b>				
Materials and services	702,232	702,232	333,017	369,215
Contingency	28,768	28,768	-	28,768
<i>Total Expenditures</i>	<u>731,000</u>	<u>731,000</u>	<u>333,017</u>	<u>397,983</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(698,602)	(698,602)	(303,249)	395,353
<b>FUND BALANCE, Beginning of year</b>	<u>698,602</u>	<u>698,602</u>	<u>676,701</u>	<u>(21,901)</u>
<b>FUND BALANCE, End of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 373,452</u>	<u>\$ 373,452</u>

***OTHER SUPPLEMENTARY INFORMATION***

**CITY OF WOODBURN, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL – GENERAL CONSTRUCTION FUND  
YEAR ENDED JUNE 30, 2010**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Intergovernmental	\$ 165,290	\$ 690,290	\$ 466,520	\$ (223,770)
Miscellaneous	1,000	1,000	75,051	74,051
<i>Total Revenues</i>	166,290	691,290	541,571	(149,719)
<b>EXPENDITURES</b>				
Capital outlay	303,290	828,290	583,193	245,097
Contingency	31,771	31,771	-	31,771
<i>Total Expenditures</i>	335,061	860,061	583,193	276,868
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(168,771)	(168,771)	(41,622)	127,149
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(20,000)	-	20,000
<b>NET CHANGE IN FUND BALANCE</b>	(168,771)	(188,771)	(41,622)	147,149
<b>FUND BALANCE, Beginning of year</b>	244,771	264,771	104,378	(160,393)
<b>FUND BALANCE, End of year</b>	\$ 76,000	\$ 76,000	\$ 62,756	\$ (13,244)

**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, 2010**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Licenses and permits	\$ 315,000	\$ 315,000	\$ 364,253	\$ 49,253
Charges for services	750,000	750,000	393,923	(356,077)
Intergovernmental	1,887,000	1,887,000	797,103	(1,089,897)
Miscellaneous	10,000	10,000	43,013	33,013
<i>Total Revenues</i>	<u>2,962,000</u>	<u>2,962,000</u>	<u>1,598,292</u>	<u>(1,363,708)</u>
<b>EXPENDITURES</b>				
Materials and services	421,900	421,900	250,866	171,034
Capital outlay	2,988,600	2,988,600	1,607,287	1,381,313
Contingency	65,816	65,816	-	65,816
<i>Total Expenditures</i>	<u>3,476,316</u>	<u>3,476,316</u>	<u>1,858,153</u>	<u>1,618,163</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(514,316)	(514,316)	(259,861)	254,455
<b>FUND BALANCE, Beginning of year</b>	<u>514,316</u>	<u>514,316</u>	<u>664,430</u>	<u>150,114</u>
<b>FUND BALANCE, End of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 404,569</u>	<u>\$ 404,569</u>

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – STREET SDC FUND**  
**YEAR ENDED JUNE 30, 2010**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Licenses and permits	\$ 300,000	\$ 300,000	\$ 206,610	\$ (93,390)
Miscellaneous	100,000	100,000	34,982	(65,018)
<i>Total Revenues</i>	400,000	400,000	241,592	(158,408)
<b>EXPENDITURES</b>				
Materials and services	795,372	795,372	255,972	539,400
Capital outlay	1,755,628	1,755,628	606,672	1,148,956
Contingency	2,154,365	2,154,365	-	2,154,365
<i>Total Expenditures</i>	4,705,365	4,705,365	862,644	3,842,721
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(4,305,365)	(4,305,365)	(621,052)	3,684,313
<b>FUND BALANCE, Beginning of year</b>	7,605,365	7,605,365	7,549,656	(55,709)
<b>FUND BALANCE, End of year</b>	\$ 3,300,000	\$ 3,300,000	\$ 6,928,604	\$ 3,628,604

**CITY OF WOODBURN, OREGON**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2010**

	<i>Special Revenue</i>			
	<i>General Reserve</i>	<i>Transit</i>	<i>Building</i>	<i>Search and Seizure</i>
<b>ASSETS</b>				
Cash and investments	\$ 73,744	\$ 83,952	\$ 104,121	\$ -
Accounts receivable	-	-	-	-
Property taxes receivable	-	14,025	-	-
Assessment liens receivable	-	-	-	-
<i>Total Assets</i>	<u>\$ 73,744</u>	<u>\$ 97,977</u>	<u>\$ 104,121</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<i>Liabilities</i>				
Accounts payable	\$ -	\$ 19,046	\$ 17,411	\$ -
Due to other funds	-	192	46	18,623
Deferred revenue	-	12,590	-	-
<i>Total Liabilities</i>	-	31,828	17,457	18,623
<i>Fund Balances</i>				
Unreserved, reported in:				
Special revenue funds	-	66,149	86,664	(18,623)
Capital projects funds	73,744	-	-	-
Debt services fund	-	-	-	-
<i>Total Fund Balances</i>	<u>73,744</u>	<u>66,149</u>	<u>86,664</u>	<u>(18,623)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 73,744</u>	<u>\$ 97,977</u>	<u>\$ 104,121</u>	<u>\$ -</u>

*Special Revenue*

<i>Weed and Seed</i>	<i>Revenue Sharing</i>	<i>RSVP</i>	<i>Cable Franchise</i>	<i>Street</i>	<i>Local Gas Tax</i>
\$ -	\$ 192,963	\$ 11,113	\$ 5,934	\$ 98,578	\$ 129,151
-	50,618	-	-	153,274	9,203
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 243,581</u>	<u>\$ 11,113</u>	<u>\$ 5,934</u>	<u>\$ 251,852</u>	<u>\$ 138,354</u>
\$ 20	\$ 14,576	\$ 172	\$ -	\$ 44,980	\$ 540
68,521	-	27	-	154	-
-	-	-	-	-	-
68,541	14,576	199	-	45,134	540
(68,541)	229,005	10,914	5,934	206,718	137,814
-	-	-	-	-	-
-	-	-	-	-	-
<u>(68,541)</u>	<u>229,005</u>	<u>10,914</u>	<u>5,934</u>	<u>206,718</u>	<u>137,814</u>
<u>\$ -</u>	<u>\$ 243,581</u>	<u>\$ 11,113</u>	<u>\$ 5,934</u>	<u>\$ 251,852</u>	<u>\$ 138,354</u>

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

JUNE 30, 2010

	<u>Special Revenue</u>			
	<u>Library Endowment</u>	<u>Museum Endowment</u>	<u>Economic Development</u>	<u>Police Construction</u>
<b>ASSETS</b>				
Cash and investments	\$ 25,828	\$ 2,754	\$ 106,976	\$ 442,655
Accounts receivable	-	-	-	-
Property taxes receivable	-	-	-	-
Assessment liens receivable	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total Assets</i>	<u>\$ 25,828</u>	<u>\$ 2,754</u>	<u>\$ 106,976</u>	<u>\$ 442,655</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 172
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total Liabilities</i>	-	-	-	172
<b>Fund Balances</b>				
Unreserved, reported in:				
Special revenue funds	25,828	2,754	106,976	-
Capital projects funds	-	-	-	442,483
Debt services fund	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total Fund Balances</i>	<u>25,828</u>	<u>2,754</u>	<u>106,976</u>	<u>442,483</u>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 25,828</u>	<u>\$ 2,754</u>	<u>\$ 106,976</u>	<u>\$ 442,655</u>

**Capital Projects**

<b><i>Special Assessment</i></b>	<b><i>Parks SDC</i></b>	<b><i>Storm SDC</i></b>	<b><i>PW Facility Construction</i></b>	<b><i>Equipment Replacement</i></b>
\$ 983,854	\$ 646,870	\$ 505,731	\$ 16,324	\$ 430,675
-	-	-	-	-
-	-	-	-	-
209,571	-	-	-	-
<b>\$ 1,193,425</b>	<b>\$ 646,870</b>	<b>\$ 505,731</b>	<b>\$ 16,324</b>	<b>\$ 430,675</b>
\$ -	\$ -	\$ 2,027	\$ -	\$ 12,501
-	-	-	-	-
209,571	-	-	-	-
209,571	-	2,027	-	12,501
-	-	-	-	-
983,854	646,870	503,704	16,324	418,174
-	-	-	-	-
983,854	646,870	503,704	16,324	418,174
<b>\$ 1,193,425</b>	<b>\$ 646,870</b>	<b>\$ 505,731</b>	<b>\$ 16,324</b>	<b>\$ 430,675</b>

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

JUNE 30, 2010

	<i>Debt Service</i>			
	<i>GO Debt</i>	<i>Bancroft Bond</i>	<i>Urban Renewal</i>	<i>Totals</i>
<b>ASSETS</b>				
Cash and investments	\$ 88,083	\$ 7,519	\$ 1,033,422	\$ 4,990,247
Accounts receivable	-	-	-	213,095
Property taxes receivable	44,614	-	50,912	109,551
Assessment liens receivable	-	-	-	209,571
<i>Total Assets</i>	<u>\$ 132,697</u>	<u>\$ 7,519</u>	<u>\$ 1,084,334</u>	<u>\$ 5,522,464</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 933	\$ -	\$ 112,378
Due to other funds	-	-	-	87,563
Deferred revenue	40,050	-	45,862	308,073
<i>Total Liabilities</i>	<u>40,050</u>	<u>933</u>	<u>45,862</u>	<u>508,014</u>
<b>Fund Balances</b>				
Unreserved, reported in:				
Special revenue funds	-	-	-	791,592
Capital projects funds	-	-	-	3,085,153
Debt services fund	92,647	6,586	1,038,472	1,137,705
<i>Total Fund Balances</i>	<u>92,647</u>	<u>6,586</u>	<u>1,038,472</u>	<u>5,014,450</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 132,697</u>	<u>\$ 7,519</u>	<u>\$ 1,084,334</u>	<u>\$ 5,522,464</u>

**CITY OF WOODBURN, OREGON****COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2010**

	<b><i>General Reserve</i></b>	<b><i>Transit</i></b>	<b><i>Building</i></b>
<b>REVENUES</b>			
Taxes and assessments	\$ -	\$ 155,209	\$ -
Licenses and permits	-	-	135,332
Charges for services	-	23,893	-
Intergovernmental	-	432,079	-
Miscellaneous	358	15,894	22,916
<i>Total Revenues</i>	358	627,075	158,248
<b>EXPENDITURES</b>			
Current operating:			
General government	-	-	215,065
Public safety	-	-	-
Highways and streets	-	405,474	-
Culture and recreation	-	-	-
Capital outlay	-	216,412	-
Debt service			
Principal	-	-	-
Interest	-	-	-
<i>Total Expenditures</i>	-	621,886	215,065
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	358	5,189	(56,817)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
<i>Total Other Financing Sources (Uses)</i>	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	358	5,189	(56,817)
<b>FUND BALANCES (DEFICIT), Beginning of year</b>	73,386	60,960	143,481
<b>FUND BALANCES (DEFICIT), End of year</b>	\$ 73,744	\$ 66,149	\$ 86,664

***Special Revenue***

<b><i>Search and Seizure</i></b>	<b><i>Weed and Seed</i></b>	<b><i>Revenue Sharing</i></b>	<b><i>RSVP</i></b>	<b><i>Cable Franchise</i></b>	<b><i>Street</i></b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	22,149	-
-	-	-	-	-	1,167
12,382	153,847	220,694	59,721	-	964,490
1,515	(473)	1,556	25	30	13,207
13,897	153,374	222,250	59,746	22,179	978,864
-	-	8,867	-	21,192	-
35,825	-	-	-	-	-
-	-	-	-	-	-
-	116,327	-	82,754	-	1,041,682
-	-	379,214	-	2,500	-
-	-	41,476	-	-	-
-	-	5,567	-	-	-
35,825	116,327	435,124	82,754	23,692	1,041,682
(21,928)	37,047	(212,874)	(23,008)	(1,513)	(62,818)
-	-	-	28,259	-	165,000
-	-	(20,000)	-	-	(289,000)
-	-	(20,000)	28,259	-	(124,000)
(21,928)	37,047	(232,874)	5,251	(1,513)	(186,818)
3,305	(105,588)	461,879	5,663	7,447	393,536
\$ (18,623)	\$ (68,541)	\$ 229,005	\$ 10,914	\$ 5,934	\$ 206,718

**CITY OF WOODBURN, OREGON****COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
NONMAJOR GOVERNMENTAL FUNDS (Continued)  
YEAR ENDED JUNE 30, 2010**

	<i>Special Revenue</i>		
	<i>Local Gas Tax</i>	<i>Library Endowment</i>	<i>Museum Endowment</i>
<b>REVENUES</b>			
Taxes and assessments	\$ 117,884	\$ -	\$ -
Licenses and permits	-	-	-
Charges for services	-	-	-
Intergovernmental	499,953	-	-
Miscellaneous	355	126	14
<i>Total Revenues</i>	618,192	126	14
<b>EXPENDITURES</b>			
Current operating:			
General government	-	-	-
Public safety	-	-	-
Highways and streets	-	-	-
Culture and recreation	509,208	-	-
Capital outlay	-	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
<i>Total Expenditures</i>	509,208	-	-
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	108,984	126	14
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
<i>Total Other Financing Sources (Uses)</i>	-	-	-
<b>NET CHANGE IN FUND BALANCES</b>	108,984	126	14
<b>FUND BALANCES (DEFICIT), Beginning of year</b>	28,830	25,702	2,740
<b>FUND BALANCES (DEFICIT), End of year</b>	\$ 137,814	\$ 25,828	\$ 2,754

**Capital Projects**

<i><b>Economic Development</b></i>	<i><b>Police Construction</b></i>	<i><b>Special Assessment</b></i>	<i><b>Parks SDC</b></i>	<i><b>Storm SDC</b></i>	<i><b>PW Facility Construction</b></i>
\$ -	\$ -	\$ 158,664	\$ -	\$ -	\$ -
-	-	-	18,825	3,352	-
-	-	-	-	-	-
-	-	-	-	-	-
610	2,374	118,682	5,932	2,950	85
610	2,374	277,346	24,757	6,302	85
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	2,663	-	-	-
-	71,793	62,818	549,897	208,178	3,914
36,519	-	-	-	-	-
-	-	-	-	-	-
36,519	71,793	65,481	549,897	208,178	3,914
(35,909)	(69,419)	211,865	(525,140)	(201,876)	(3,829)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(35,909)	(69,419)	211,865	(525,140)	(201,876)	(3,829)
142,885	511,902	771,989	1,172,010	705,580	20,153
\$ 106,976	\$ 442,483	\$ 983,854	\$ 646,870	\$ 503,704	\$ 16,324

**CITY OF WOODBURN, OREGON****COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
NONMAJOR GOVERNMENTAL FUNDS (Continued)  
YEAR ENDED JUNE 30, 2010**

	<u>Capital Projects</u>	<u>Debt Service</u>	
	<u>Equipment Replacement</u>	<u>GO Debt</u>	<u>Bancroft Bond</u>
<b>REVENUES</b>			
Taxes and assessments	\$ -	\$ 491,110	\$ -
Licenses and permits	-	-	-
Charges for services	-	-	-
Intergovernmental	-	-	-
Miscellaneous	1,946	1,100	36
	<hr/>	<hr/>	<hr/>
<i>Total Revenues</i>	1,946	492,210	36
<b>EXPENDITURES</b>			
Current operating:			
General government	-	6,101	-
Public safety	-	-	-
Highways and streets	-	-	-
Culture and recreation	-	-	-
Capital outlay	96,012	-	-
Debt service			
Principal	-	260,000	-
Interest	-	243,156	-
	<hr/>	<hr/>	<hr/>
<i>Total Expenditures</i>	96,012	509,257	-
	<hr/>	<hr/>	<hr/>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(94,066)	(17,047)	36
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	160,000	-	-
Transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Other Financing Sources (Uses)</i>	160,000	-	-
	<hr/>	<hr/>	<hr/>
<b>NET CHANGE IN FUND BALANCES</b>	65,934	(17,047)	36
<b>FUND BALANCES (DEFICIT), Beginning of year</b>	352,240	109,694	6,550
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES (DEFICIT), End of year</b>	\$ 418,174	\$ 92,647	\$ 6,586
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



<u>Urban Renewal</u>	<u>Totals</u>
\$ 569,592	\$ 1,492,459
-	179,658
-	25,060
-	2,343,166
5,362	194,600
<hr/>	
574,954	4,234,943
-	251,225
-	35,825
-	405,474
-	1,752,634
423,828	2,014,566
177,970	515,965
49,762	298,485
<hr/>	
651,560	5,274,174
(76,606)	(1,039,231)
-	353,259
-	(309,000)
<hr/>	
-	44,259
<hr/>	
(76,606)	(994,972)
1,115,078	6,009,422
<hr/>	
\$ 1,038,472	\$ 5,014,450
<hr/> <hr/>	

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – GENERAL RESERVE FUND**  
**YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Miscellaneous	\$ 1,300	\$ 1,300	\$ 358	\$ (942)
<b>EXPENDITURES</b>	-	-	-	-
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	1,300	1,300	358	(942)
<b>FUND BALANCE, Beginning of year</b>	73,911	73,911	73,386	(525)
<b>FUND BALANCE, End of year</b>	<u>\$ 75,211</u>	<u>\$ 75,211</u>	<u>73,744</u>	<u>\$ (1,467)</u>

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - TRANSIT FUND**  
**YEAR ENDED JUNE 30, 2010**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Taxes and assessments	\$ 154,000	\$ 154,000	\$ 155,209	\$ 1,209
Charges for services	34,000	34,000	23,893	(10,107)
Intergovernmental	144,000	414,341	432,079	17,738
Miscellaneous	14,200	14,200	15,894	1,694
<i>Total Revenues</i>	346,200	616,541	627,075	10,534
<b>EXPENDITURES</b>				
Personal services	324,268	331,268	280,404	50,864
Materials and services	91,760	151,060	125,070	25,990
Capital outlay	-	220,341	216,412	3,929
Contingency	37,161	20,861	-	20,861
<i>Total Expenditures</i>	453,189	723,530	621,886	101,644
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(106,989)	(106,989)	5,189	112,178
<b>FUND BALANCE, Beginning of year</b>	121,589	121,589	60,960	(60,629)
<b>FUND BALANCE, End of year</b>	\$ 14,600	\$ 14,600	\$ 66,149	\$ 51,549

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - BUILDING FUND**  
**YEAR ENDED JUNE 30, 2010**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Licenses and permits	\$ 103,242	\$ 103,242	\$ 135,332	\$ 32,090
Miscellaneous	7,432	7,432	22,916	15,484
<i>Total Revenues</i>	110,674	110,674	158,248	47,574
<b>EXPENDITURES</b>				
Personal services	194,578	194,578	179,140	15,438
Materials and services	43,486	43,486	35,925	7,561
Contingency	145,053	145,053	-	145,053
<i>Total Expenditures</i>	383,117	383,117	215,065	168,052
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(272,443)	(272,443)	(56,817)	215,626
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from issuance of debt	160,000	160,000	-	(160,000)
<b>NET CHANGE IN FUND BALANCE</b>	(112,443)	(112,443)	(56,817)	55,626
<b>FUND BALANCE, Beginning of year</b>	112,443	112,443	143,481	31,038
<b>FUND BALANCE, End of year</b>	\$ -	\$ -	\$ 86,664	\$ 86,664

**CITY OF WOODBURN, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL – SEARCH AND SEIZURE FUND  
YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 70,000	\$ 12,382	\$ (57,618)
Miscellaneous	200	200	1,515	1,315
<i>Total Revenues</i>	200	70,200	13,897	(56,303)
<b>EXPENDITURES</b>				
Materials and services	3,600	73,600	35,825	37,775
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(3,400)	(3,400)	(21,928)	(18,528)
<b>FUND BALANCE, Beginning of year</b>	3,400	3,400	3,305	(95)
<b>FUND BALANCE, End of year</b>	\$ -	\$ -	\$ (18,623)	\$ (18,623)

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – WEED AND SEED FUND**  
**YEAR ENDED JUNE 30, 2010**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Intergovernmental	\$ 174,529	\$ 174,529	\$ 153,847	\$ (20,682)
Miscellaneous	-	-	(473)	(473)
<i>Total Revenues</i>	174,529	174,529	153,374	(21,155)
<b>EXPENDITURES</b>				
Personal services	132,761	132,761	95,582	37,179
Materials and services	41,768	41,768	20,745	21,023
<i>Total Expenditures</i>	174,529	174,529	116,327	58,202
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	-	-	37,047	37,047
<b>FUND BALANCE, Beginning of year</b>	-	-	(105,588)	(105,588)
<b>FUND BALANCE, End of year</b>	\$ -	\$ -	\$ (68,541)	\$ (68,541)

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – REVENUE SHARING FUND**  
**YEAR ENDED JUNE 30, 2010**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Intergovernmental	\$ 225,000	\$ 225,000	\$ 220,694	\$ (4,306)
Miscellaneous	5,000	5,000	1,556	(3,444)
<i>Total Revenues</i>	230,000	230,000	222,250	(7,750)
<b>EXPENDITURES</b>				
Materials and services	16,950	16,950	8,867	8,083
Capital outlay	411,050	411,050	379,214	31,836
Debt service	47,044	47,044	47,043	1
Contingency	38,072	38,072	-	38,072
<i>Total Expenditures</i>	513,116	513,116	435,124	77,992
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(283,116)	(283,116)	(212,874)	70,242
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(20,000)	(20,000)	(20,000)	-
<b>NET CHANGE IN FUND BALANCE</b>	(303,116)	(303,116)	(232,874)	70,242
<b>FUND BALANCE, Beginning of year</b>	303,116	303,116	461,879	158,763
<b>FUND BALANCE, End of year</b>	\$ -	\$ -	\$ 229,005	\$ 229,005

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - RSVP FUND**  
**YEAR ENDED JUNE 30, 2010**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Intergovernmental	\$ 56,054	\$ 56,054	\$ 59,721	\$ 3,667
Miscellaneous	260	260	25	(235)
<i>Total Revenues</i>	56,314	56,314	59,746	3,432
<b>EXPENDITURES</b>				
Personal services	77,108	77,108	73,215	3,893
Materials and services	10,686	10,686	9,539	1,147
Contingency	2,026	2,026	-	2,026
<i>Total Expenditures</i>	89,820	89,820	82,754	7,066
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(33,506)	(33,506)	(23,008)	10,498
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	28,259	28,259	28,259	-
<b>NET CHANGE IN FUND BALANCE</b>	(5,247)	(5,247)	5,251	10,498
<b>FUND BALANCE, Beginning of year</b>	9,527	9,527	5,663	(3,864)
<b>FUND BALANCE, End of year</b>	\$ 4,280	\$ 4,280	\$ 10,914	\$ 6,634

**CITY OF WOODBURN, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL – CABLE FRANCHISE FUND  
YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Licenses and permits	\$ 20,000	\$ 20,000	\$ 22,149	\$ 2,149
Miscellaneous	200	200	30	(170)
<i>Total Revenues</i>	<u>20,200</u>	<u>20,200</u>	<u>22,179</u>	<u>1,979</u>
<b>EXPENDITURES</b>				
Materials and services	21,000	21,000	21,192	(192)
Capital outlay	2,500	2,500	2,500	-
Contingency	8,200	8,200	-	8,200
<i>Total Expenditures</i>	<u>31,700</u>	<u>31,700</u>	<u>23,692</u>	<u>8,008</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(11,500)</u>	<u>(11,500)</u>	<u>(1,513)</u>	<u>9,987</u>
<b>FUND BALANCE, Beginning of year</b>	<u>11,500</u>	<u>11,500</u>	<u>7,447</u>	<u>(4,053)</u>
<b>FUND BALANCE, End of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,934</u>	<u>\$ 5,934</u>

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - STREETS FUND**  
**YEAR ENDED JUNE 30, 2010**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Charges for services	\$ 500	\$ 500	\$ 1,167	\$ 667
Intergovernmental	980,000	980,000	964,490	(15,510)
Miscellaneous	20,000	20,000	13,207	(6,793)
<i>Total Revenues</i>	1,000,500	1,000,500	978,864	(21,636)
<b>EXPENDITURES</b>				
Personal services	457,824	464,824	439,922	24,902
Materials and services	710,490	720,490	601,760	118,730
Contingency	76,714	59,714	-	59,714
<i>Total Expenditures</i>	1,245,028	1,245,028	1,041,682	203,346
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(244,528)	(244,528)	(62,818)	181,710
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	165,000	165,000	165,000	-
Transfers out	(289,000)	(289,000)	(289,000)	-
<i>Total Other Financing Sources (Uses)</i>	(124,000)	(124,000)	(124,000)	-
<b>NET CHANGE IN FUND BALANCE</b>	(368,528)	(368,528)	(186,818)	181,710
<b>FUND BALANCE, Beginning of year</b>	406,704	406,704	393,536	(13,168)
<b>FUND BALANCE, End of year</b>	\$ 38,176	\$ 38,176	\$ 206,718	\$ 168,542

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – LOCAL GAS TAX FUND**  
**YEAR ENDED JUNE 30, 2010**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Taxes and assessments	\$ 120,000	\$ 120,000	\$ 117,884	\$ (2,116)
Intergovernmental	-	500,000	499,953	(47)
Miscellaneous	6,000	6,000	355	(5,645)
<i>Total Revenues</i>	126,000	626,000	618,192	(7,808)
<b>EXPENDITURES</b>				
Capital outlay	149,000	649,000	509,208	139,792
Contingency	5,014	5,014	-	5,014
<i>Total Expenditures</i>	154,014	654,014	509,208	144,806
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(28,014)	(28,014)	108,984	136,998
<b>FUND BALANCE, Beginning of year</b>	28,014	28,014	28,830	816
<b>FUND BALANCE, End of year</b>	\$ -	\$ -	\$ 137,814	\$ 137,814

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – LIBRARY ENDOWMENT FUND**  
**YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Miscellaneous	\$ 700	\$ 700	\$ 126	\$ (574)
<b>EXPENDITURES</b>				
Contingency	26,500	26,500	-	26,500
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(25,800)	(25,800)	126	25,926
<b>FUND BALANCE, Beginning of year</b>	25,800	25,800	25,702	(98)
<b>FUND BALANCE, End of year</b>	\$ -	\$ -	\$ 25,828	\$ 25,828

**CITY OF WOODBURN, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL – MUSEUM ENDOWMENT FUND  
YEAR ENDED JUNE 30, 2010**

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	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Miscellaneous	\$ 50	\$ 50	\$ 14	\$ (36)
<b>EXPENDITURES</b>				
Contingency	2,750	2,750	-	2,750
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(2,700)	(2,700)	14	2,714
<b>FUND BALANCE, Beginning of year</b>	2,700	2,700	2,740	40
<b>FUND BALANCE, End of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,754</u>	<u>\$ 2,754</u>

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – ECONOMIC DEVELOPMENT FUND**  
**YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Miscellaneous	\$ 2,000	\$ 2,000	\$ 610	\$ (1,390)
<b>EXPENDITURES</b>				
Debt service	36,519	36,519	36,519	-
Contingency	103,212	103,212	-	103,212
<i>Total Expenditures</i>	<u>139,731</u>	<u>139,731</u>	<u>36,519</u>	<u>103,212</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(137,731)	(137,731)	(35,909)	101,822
<b>FUND BALANCE, Beginning of year</b>	<u>137,731</u>	<u>137,731</u>	<u>142,885</u>	<u>5,154</u>
<b>FUND BALANCE, End of year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 106,976</u></u>	<u><u>\$ 106,976</u></u>

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – POLICE CONSTRUCTION FUND**  
**YEAR ENDED JUNE 30, 2010**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Miscellaneous	\$ 2,000	\$ 2,000	\$ 2,374	\$ 374
<b>EXPENDITURES</b>				
Materials and services	581,988	581,988	71,793	510,195
Capital outlay	5,000	5,000	-	5,000
<i>Total Expenditures</i>	<u>586,988</u>	<u>586,988</u>	<u>71,793</u>	<u>515,195</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(584,988)	(584,988)	(69,419)	515,569
<b>FUND BALANCE, Beginning of year</b>	<u>584,988</u>	<u>584,988</u>	<u>511,902</u>	<u>(73,086)</u>
<b>FUND BALANCE, End of year</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 442,483</u></u>	<u><u>\$ 442,483</u></u>

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – SPECIAL ASSESSMENT FUND**  
**YEAR ENDED JUNE 30, 2010**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Taxes and assessments	\$ 395,800	\$ 395,800	\$ 158,664	\$ (237,136)
Miscellaneous	43,000	43,000	118,682	75,682
<i>Total Revenues</i>	438,800	438,800	277,346	(161,454)
<b>EXPENDITURES</b>				
Materials and services	11,000	11,000	2,663	8,337
Capital outlay	70,000	70,000	62,818	7,182
Contingency	621,883	621,883	-	621,883
<i>Total Expenditures</i>	702,883	702,883	65,481	637,402
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(264,083)	(264,083)	211,865	475,948
<b>FUND BALANCE, Beginning of year</b>	264,083	264,083	771,989	507,906
<b>FUND BALANCE, End of year</b>	\$ -	\$ -	\$ 983,854	\$ 983,854

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – PARKS SDC FUND**  
**YEAR ENDED JUNE 30, 2010**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Licenses and permits	\$ 90,000	\$ 90,000	\$ 18,825	\$ (71,175)
Miscellaneous	12,000	12,000	5,932	(6,068)
<i>Total Revenues</i>	102,000	102,000	24,757	(77,243)
<b>EXPENDITURES</b>				
Materials and services	-	20,000	-	20,000
Capital outlay	700,710	700,710	549,897	150,813
Contingency	371,396	371,396	-	371,396
<i>Total Expenditures</i>	1,072,106	1,092,106	549,897	542,209
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(970,106)	(990,106)	(525,140)	464,966
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	20,000	-	(20,000)
<b>NET CHANGE IN FUND BALANCE</b>	(970,106)	(970,106)	(525,140)	444,966
<b>FUND BALANCE, Beginning of year</b>	970,106	970,106	1,172,010	201,904
<b>FUND BALANCE, End of year</b>	\$ -	\$ -	\$ 646,870	\$ 646,870

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – STORM SDC FUND**  
**YEAR ENDED JUNE 30, 2010**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Licenses and permits	\$ 20,000	\$ 20,000	\$ 3,352	\$ (16,648)
Miscellaneous	10,000	10,000	2,950	(7,050)
<i>Total Revenues</i>	30,000	30,000	6,302	(23,698)
<b>EXPENDITURES</b>				
Materials and services	12,000	12,000	9,512	2,488
Capital outlay	250,000	275,000	198,666	76,334
Contingency	225,547	200,547	-	200,547
<i>Total Expenditures</i>	487,547	487,547	208,178	279,369
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(457,547)	(457,547)	(201,876)	255,671
<b>FUND BALANCE, Beginning of year</b>	683,095	683,095	705,580	22,485
<b>FUND BALANCE, End of year</b>	\$ 225,548	\$ 225,548	\$ 503,704	\$ 278,156

**CITY OF WOODBURN, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL – PW FACILITY CONSTRUCTION FUND  
YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Miscellaneous	\$ 300	\$ 300	\$ 85	\$ (215)
<b>EXPENDITURES</b>				
Capital outlay	15,000	15,000	3,914	11,086
Contingency	5,500	5,500	-	5,500
<i>Total Expenditures</i>	<u>20,500</u>	<u>20,500</u>	<u>3,914</u>	<u>16,586</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(20,200)	(20,200)	(3,829)	16,371
<b>FUND BALANCE, Beginning of year</b>	<u>20,200</u>	<u>20,200</u>	<u>20,153</u>	<u>(47)</u>
<b>FUND BALANCE, End of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,324</u>	<u>\$ 16,324</u>

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – EQUIPMENT REPLACEMENT FUND**  
**YEAR ENDED JUNE 30, 2010**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Intergovernmental	\$ 49,500	\$ 49,500	\$ -	\$ (49,500)
Miscellaneous	5,000	5,000	1,946	(3,054)
<i>Total Revenues</i>	54,500	54,500	1,946	(52,554)
<b>EXPENDITURES</b>				
Capital outlay	537,568	537,568	96,012	441,556
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(483,068)	(483,068)	(94,066)	389,002
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	160,000	160,000	160,000	-
<b>NET CHANGE IN FUND BALANCE</b>	(323,068)	(323,068)	65,934	389,002
<b>FUND BALANCE, Beginning of year</b>	323,068	323,068	352,240	29,172
<b>FUND BALANCE, End of year</b>	\$ -	\$ -	\$ 418,174	\$ 418,174

**CITY OF WOODBURN, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL – GENERAL OBLIGATION DEBT FUND  
YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes and assessments	\$ 490,000	\$ 490,000	\$ 491,110	\$ 1,110
Miscellaneous	4,320	4,320	1,100	(3,220)
<i>Total Revenues</i>	<u>494,320</u>	<u>494,320</u>	<u>492,210</u>	<u>(2,110)</u>
<b>EXPENDITURES</b>				
Materials and services	1,798	1,798	6,101	(4,303)
Debt service				-
Principal	260,000	260,000	260,000	
Interest	245,000	245,000	243,156	
Contingency	88,202	88,202	-	88,202
<i>Total Expenditures</i>	<u>595,000</u>	<u>595,000</u>	<u>509,257</u>	<u>83,899</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(100,680)</u>	<u>(100,680)</u>	<u>(17,047)</u>	<u>83,633</u>
<b>FUND BALANCE, Beginning of year</b>	<u>100,680</u>	<u>100,680</u>	<u>109,694</u>	<u>9,014</u>
<b>FUND BALANCE, End of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,647</u>	<u>\$ 92,647</u>

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – BANCROFT BOND FUND**  
**YEAR ENDED JUNE 30, 2010**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Miscellaneous	\$ 100	\$ 100	\$ 36	\$ (64)
<b>EXPENDITURES</b>				
Contingency	6,600	6,600	-	6,600
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(6,500)	(6,500)	36	6,536
<b>FUND BALANCE, Beginning of year</b>	6,500	6,500	6,550	50
<b>FUND BALANCE, End of year</b>	\$ -	\$ -	\$ 6,586	\$ 6,586

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – URBAN RENEWAL DEBT FUND**  
**YEAR ENDED JUNE 30, 2010**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Taxes and assessments	\$ 530,000	\$ 530,000	\$ 569,592	\$ 39,592
Miscellaneous	15,000	15,000	5,362	(9,638)
<i>Total Revenues</i>	545,000	545,000	574,954	29,954
<b>EXPENDITURES</b>				
Capital outlay	778,407	778,407	423,828	354,579
Debt service	228,000	228,000	227,732	268
Contingency	682,593	682,593	-	682,593
<i>Total Expenditures</i>	1,689,000	1,689,000	651,560	1,037,440
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(1,144,000)	(1,144,000)	(76,606)	1,067,394
<b>FUND BALANCE, Beginning of year</b>	1,486,000	1,486,000	1,115,078	(370,922)
<b>FUND BALANCE, End of year</b>	\$ 342,000	\$ 342,000	\$ 1,038,472	\$ 696,472

**CITY OF WOODBURN, OREGON**

**COMBINING STATEMENT OF NET ASSETS - NONMAJOR PROPRIETARY (ENTERPRISE) FUNDS**

**JUNE 30, 2010**

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	<u><i>Sewer Capital</i></u>	<u><i>Water SDC</i></u>	<u><i>Sewer SDC</i></u>
<b>ASSETS</b>			
<b><i>Current Assets</i></b>			
Cash and investments	\$ 66,730	\$ 617,748	\$ 93,663
<b>LIABILITIES</b>			
<b><i>Current Liabilities</i></b>			
Accounts payable	-	-	-
Due to other funds	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Current Liabilities</i>	-	-	-
	<hr/>	<hr/>	<hr/>
<b>NET ASSETS</b>			
Restricted for construction	66,730	617,748	93,663
Unrestricted	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Net Assets</i>	<u>\$ 66,730</u>	<u>\$ 617,748</u>	<u>\$ 93,663</u>

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<u>Surfacewater</u>	<u>Totals</u>
\$ 83,411	\$ 861,552
291	291
37	37
<u>328</u>	<u>328</u>
-	778,141
<u>83,083</u>	<u>83,083</u>
<u><u>\$ 83,083</u></u>	<u><u>\$ 861,224</u></u>

**CITY OF WOODBURN, OREGON****COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -  
NONMAJOR PROPRIETARY (ENTERPRISE) FUNDS  
YEAR ENDED JUNE 30, 2010**

	<u>Sewer Capital</u>	<u>Water SDC</u>	<u>Sewer SDC</u>
<b>OPERATING REVENUES</b>	\$ -	\$ -	\$ -
<b>OPERATING EXPENSES</b>	-	-	-
Personal services	-	-	-
Materials and services	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Operating Expenses</i>	-	-	-
	<hr/>	<hr/>	<hr/>
<b>OPERATING INCOME (LOSS)</b>	-	-	-
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment revenue	396	3,783	1,522
Interest expense	(4,887)	(210,593)	(225,814)
Transfers in	-	-	-
Transfers out	(24,214)	(194,880)	(360,034)
	<hr/>	<hr/>	<hr/>
<i>Total Nonoperating Revenue (Expenses)</i>	(28,705)	(401,690)	(584,326)
	<hr/>	<hr/>	<hr/>
<b>NET INCOME BEFORE CONTRIBUTIONS</b>	(28,705)	(401,690)	(584,326)
Capital contributions	-	85,223	119,700
	<hr/>	<hr/>	<hr/>
<b>CHANGE IN NET ASSETS</b>	(28,705)	(316,467)	(464,626)
<b>NET ASSETS, Beginning of year</b>	95,435	934,215	558,289
	<hr/>	<hr/>	<hr/>
<b>NET ASSETS, End of year</b>	\$ 66,730	\$ 617,748	\$ 93,663
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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<u>Surfacewater</u>	<u>Totals</u>
\$ -	\$ -
	-
134,929	134,929
17,143	17,143
<u>152,072</u>	<u>152,072</u>
(152,072)	(152,072)
155	5,856
-	(441,294)
235,000	235,000
-	(579,128)
<u>235,155</u>	<u>(779,566)</u>
83,083	(931,638)
-	204,923
<u>83,083</u>	<u>(726,715)</u>
-	1,587,939
<u>\$ 83,083</u>	<u>\$ 861,224</u>

**CITY OF WOODBURN, OREGON****COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY (ENTERPRISE) FUNDS**

YEAR ENDED JUNE 30, 2010

	<u>Sewer Capital Improvement</u>	<u>Water SDC</u>	<u>Sewer SDC</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Paid to suppliers	\$ -	\$ -	\$ -
Paid to employees	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Net Cash Provided by (Used in) Operating Activities</i>	-	-	-
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Due to/from other funds	-	-	-
Transfers in	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Net Cash Provided by (Used in) Non-Capital Financing Activities</i>	-	-	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Principal paid on contracts/bonds payable	(24,214)	(194,880)	(360,034)
System development revenue	-	85,223	119,700
Interest paid	(4,887)	(210,593)	(225,814)
	<hr/>	<hr/>	<hr/>
<i>Net Cash Provided by (Used in) Capital and Related Financing Activities</i>	(29,101)	(320,250)	(466,148)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	396	3,783	1,522
	<hr/>	<hr/>	<hr/>
<i>Increase (Decrease) in Cash and Investments</i>	(28,705)	(316,467)	(464,626)
<b>CASH AND INVESTMENTS, Beginning of year</b>	95,435	934,215	558,289
	<hr/>	<hr/>	<hr/>
<b>CASH AND INVESTMENTS, End of year</b>	\$ 66,730	\$ 617,748	\$ 93,663
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ -	\$ -	\$ -
Accounts payable and accrued liabilities	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Net Cash Provided by (Used in) Operating Activities</i>	\$ -	\$ -	\$ -
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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<i>Surfacewater</i>	<i>Totals</i>
\$ (134,638)	\$ (134,638)
(17,143)	(17,143)
<hr/>	<hr/>
(151,781)	(151,781)
37	37
235,000	235,000
<hr/>	<hr/>
235,037	235,037
-	(579,128)
-	204,923
-	(441,294)
<hr/>	<hr/>
-	(815,499)
155	5,856
<hr/>	<hr/>
83,411	(726,387)
-	1,587,939
<hr/>	<hr/>
\$ 83,411	\$ 861,552
<hr/> <hr/>	<hr/> <hr/>
\$ (152,072)	\$ (152,072)
291	291
<hr/>	<hr/>
\$ (151,781)	\$ (151,781)
<hr/> <hr/>	<hr/> <hr/>

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS -**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL - WATER FUND**  
**YEAR ENDED JUNE 30, 2010**

	<i>Budgeted Amounts</i>		<i>Budget Basis</i>	<i>GAAP Basis</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Charges for services	\$ 1,853,086	\$ 1,853,086	\$ 1,734,473	\$ 1,734,473
Miscellaneous	21,000	21,000	14,716	14,716
<i>Total Revenues</i>	1,874,086	1,874,086	1,749,189	1,749,189
<b>EXPENDITURES</b>				
Personal services	1,126,718	1,126,718	885,327	949,549
Materials and services	570,471	628,171	545,132	679,192
Capital outlay/depreciation	40,000	40,000	9,212	237,532
Contingency	421,863	364,163	-	-
<i>Total Expenses</i>	2,159,052	2,159,052	1,439,671	1,866,273
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(284,966)	(284,966)	309,518	(117,084)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	85,000	85,000	85,000	1,992,585
Transfers out	(346,000)	(346,000)	(346,000)	(14,475,395)
<i>Total Other Financing Sources (Uses)</i>	(261,000)	(261,000)	(261,000)	(12,482,810)
<b>NET CHANGE IN NET ASSETS</b>	(545,966)	(545,966)	48,518	(12,599,894)
<b>NET ASSETS, Beginning of year</b>	596,884	596,884	643,983	9,506,955
<b>NET ASSETS, End of year</b>	\$ 50,918	\$ 50,918	\$ 692,501	\$ (3,092,939)

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS -**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL - SEWER FUND**  
**YEAR ENDED JUNE 30, 2010**

	<i>Budgeted Amounts</i>		<i>Budget Basis</i>	<i>GAAP Basis</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Charges for services	\$ 2,655,314	\$ 2,655,314	\$ 2,533,557	\$ 2,533,557
Miscellaneous	19,200	19,200	20,041	20,041
<i>Total Revenues</i>	2,674,514	2,674,514	2,553,598	2,553,598
<b>EXPENDITURES</b>				
Personal services	1,101,607	1,113,751	1,028,961	1,095,908
Materials and services	926,760	956,260	838,737	897,633
Capital outlay/depreciation	123,000	123,000	118,575	1,889,599
Debt service	-	-	-	5,567
Contingency	380,462	338,818	-	-
<i>Total Expenditures</i>	2,531,829	2,531,829	1,986,273	3,888,707
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	142,685	142,685	567,325	(1,335,109)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	16,689,147
Transfers out	(590,000)	(590,000)	(590,000)	(945,583)
<b>NET CHANGE IN NET ASSETS</b>	(447,315)	(447,315)	(22,675)	14,408,455
<b>NET ASSETS, Beginning of year</b>	526,664	526,664	530,387	17,626,692
<b>NET ASSETS, End of year</b>	\$ 79,349	\$ 79,349	\$ 507,712	\$ 32,035,147

**CITY OF WOODBURN, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS -  
BUDGET (NON-GAAP BASIS) AND ACTUAL – WWTP CONSTRUCTION FUND  
YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>		<u>Budget Basis</u>	<u>GAAP Basis</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 2,377,714	\$ 2,377,714	\$ 2,337,362	\$ 2,337,362
Intergovernmental	2,120,000	2,120,000	355,583	-
Miscellaneous	10,000	10,000	2,829	2,829
<i>Total Revenues</i>	<u>4,507,714</u>	<u>4,507,714</u>	<u>2,695,774</u>	<u>2,340,191</u>
<b>EXPENDITURES</b>				
Materials and services	1,212,320	1,212,320	890,226	23,948
Capital outlay/depreciation	1,767,560	1,767,560	104,426	-
Debt service				
Principal	1,164,459	1,164,459	1,087,811	-
Interest	596,152	596,152	669,733	662,130
Contingency	61,969	61,969	-	-
<i>Total Expenditures</i>	<u>4,802,460</u>	<u>4,802,460</u>	<u>2,752,196</u>	<u>686,078</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(294,746)	(294,746)	(56,422)	1,654,113
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	-	(1,710,535)
<b>NET CHANGE IN NET ASSETS</b>	(294,746)	(294,746)	(56,422)	(56,422)
<b>NET ASSETS, Beginning of year</b>	<u>1,157,746</u>	<u>1,157,746</u>	<u>145,804</u>	<u>145,804</u>
<b>NET ASSETS, End of year</b>	<u>\$ 863,000</u>	<u>\$ 863,000</u>	<u>\$ 89,382</u>	<u>\$ 89,382</u>

**CITY OF WOODBURN, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS -  
BUDGET (NON-GAAP BASIS) AND ACTUAL - WWDC FUND  
YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>		<u>Budget Basis</u>	<u>GAAP Basis</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 1,700,436	\$ 1,700,436	\$ 1,580,368	\$ 1,580,368
Intergovernmental	-	2,800,000	1,179,044	1,179,044
Miscellaneous	80,500	80,500	27,868	27,868
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total Revenues</i>	1,780,936	4,580,936	2,787,280	2,787,280
<b>EXPENDITURES</b>				
Materials and services	141,700	732,556	417,208	166,662
Capital outlay/depreciation	734,500	4,334,500	1,064,538	-
Debt service				
Principal	361,921	361,921	361,921	-
Interest	391,102	391,102	391,102	379,616
Contingency	4,439,206	3,048,350	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total Expenditures</i>	6,068,429	8,868,429	2,234,769	546,278
<b>REVENUES OVER (UNDER) EXPENDITURES</b>				
	(4,287,493)	(4,287,493)	552,511	2,241,002
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(160,000)	(160,000)	-	(1,688,491)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET CHANGE IN NET ASSETS</b>	(4,447,493)	(4,447,493)	552,511	552,511
<b>NET ASSETS, Beginning of year</b>	5,201,493	5,201,493	5,792,564	5,792,564
	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET ASSETS, End of year</b>	\$ 754,000	\$ 754,000	\$ 6,345,075	\$ 6,345,075
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**CITY OF WOODBURN, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS -  
BUDGET (NON-GAAP BASIS) AND ACTUAL – SEWER CAPITAL IMPROVEMENT FUND  
YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>		<u>Budget</u>	<u>GAAP</u>
	<u>Original</u>	<u>Final</u>	<u>Basis</u>	<u>Basis</u>
<b>REVENUES</b>				
Miscellaneous	\$ 1,500	\$ 1,500	\$ 396	\$ 396
<b>EXPENDITURES</b>				
Debt service				
Principal	29,102	29,102	24,214	-
Interest	-	-	4,887	4,887
Contingency	67,967	67,967	-	-
<i>Total Expenditures</i>	<u>97,069</u>	<u>97,069</u>	<u>29,101</u>	<u>4,887</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(95,569)	(95,569)	(28,705)	(4,491)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	-	(24,214)
<b>NET CHANGE IN NET ASSETS</b>	(95,569)	(95,569)	(28,705)	(28,705)
<b>NET ASSETS, Beginning of year</b>	<u>95,569</u>	<u>95,569</u>	<u>95,435</u>	<u>95,435</u>
<b>NET ASSETS, End of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,730</u>	<u>\$ 66,730</u>

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS -**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL - WATER SDC FUND**  
**YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>		<u>Budget Basis</u>	<u>GAAP Basis</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Licenses and permits	\$ 150,000	\$ 150,000	\$ 85,223	\$ 85,223
Miscellaneous	12,000	12,000	3,783	3,783
<i>Total Revenues</i>	162,000	162,000	89,006	89,006
<b>EXPENDITURES</b>				
Capital outlay/depreciation	436,500	436,500	-	-
Debt service				
Principal	194,880	194,880	194,879	-
Interest	210,594	210,594	210,594	210,593
Contingency	103,034	103,034	-	-
<i>Total Expenses</i>	945,008	945,008	405,473	210,593
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(783,008)	(783,008)	(316,467)	(121,587)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	-	(194,880)
<b>NET CHANGE IN NET ASSETS</b>	(783,008)	(783,008)	(316,467)	(316,467)
<b>NET ASSETS, Beginning of year</b>	886,043	886,043	934,215	934,215
<b>NET ASSETS, End of year</b>	\$ 103,035	\$ 103,035	\$ 617,748	\$ 617,748

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS -**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL - SEWER SDC FUND**  
**YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>		<u>Budget Basis</u>	<u>GAAP Basis</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Licenses and permits	\$ 300,000	\$ 300,000	\$ 119,700	\$ 119,700
Miscellaneous	15,000	15,000	1,522	1,522
<i>Total Revenues</i>	315,000	315,000	121,222	121,222
<b>EXPENDITURES</b>				
Debt service				
Principal	388,153	388,153	360,034	-
Interest	198,717	198,717	225,814	225,814
Contingency	77,384	77,384	-	-
<i>Total Expenditures</i>	664,254	664,254	585,848	225,814
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(349,254)	(349,254)	(464,626)	(104,592)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	-	(360,034)
<b>NET CHANGE IN NET ASSETS</b>	(349,254)	(349,254)	(464,626)	(464,626)
<b>NET ASSETS, Beginning of year</b>	599,254	599,254	558,289	558,289
<b>NET ASSETS, End of year</b>	\$ 250,000	\$ 250,000	\$ 93,663	\$ 93,663

**CITY OF WOODBURN, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS -  
BUDGET (NON-GAAP BASIS) AND ACTUAL – SURFACEWATER FUND  
YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>		<u>Budget Basis</u>	<u>GAAP Basis</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ -	\$ 155	\$ 155
<b>EXPENDITURES</b>				
Personal services	162,508	166,438	134,929	134,929
Materials and services	27,590	27,590	17,143	17,143
Contingency	44,902	40,972	-	-
<i>Total Expenses</i>	<u>235,000</u>	<u>235,000</u>	<u>152,072</u>	<u>152,072</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(235,000)	(235,000)	(151,917)	(151,917)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>235,000</u>	<u>235,000</u>	<u>235,000</u>	<u>235,000</u>
<b>NET CHANGE IN NET ASSETS</b>	-	-	83,083	83,083
<b>NET ASSETS, Beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET ASSETS, End of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,083</u>	<u>\$ 83,083</u>

**CITY OF WOODBURN, OREGON**  
**COMBINING STATEMENT OF NET ASSETS - INTERNAL SERVICE FUNDS**  
**JUNE 30, 2010**

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	<u><i>Information Services</i></u>	<u><i>Central Stores</i></u>	<u><i>Insurance</i></u>
<b>ASSETS</b>			
<b><i>Current assets</i></b>			
Cash and investments	\$ 30,829	\$ -	\$ 39,177
Accounts receivable	3,916	1,333	-
Inventories	-	8,971	-
	<hr/>	<hr/>	<hr/>
<i>Total Current Assets</i>	34,745	10,304	39,177
<b><i>Noncurrent Assets</i></b>			
Prepaid expenses	-	445	-
Other capital assets, net of depreciation	73,024	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Assets</i>	107,769	10,749	39,177
<b>LIABILITIES</b>			
<b><i>Current Liabilities</i></b>			
Accounts payable	1,491	-	21,768
<b><i>Noncurrent Liabilities</i></b>			
Compensated absences payable	13,803	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Liabilities</i>	15,294	-	21,768
<b>NET ASSETS</b>			
Investment in capital assets	73,024	-	-
Unrestricted	19,451	10,749	17,409
	<hr/>	<hr/>	<hr/>
<i>Total Net Assets</i>	<u>\$ 92,475</u>	<u>\$ 10,749</u>	<u>\$ 17,409</u>

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<i>Tech &amp; Environ Services</i>	<i>Building Maintenance</i>	<i>Totals</i>
\$ 344,544	\$ 102,845	\$ 517,395
(787)	(99)	4,363
-	-	8,971
<hr/>	<hr/>	<hr/>
343,757	102,746	530,729
-	-	445
305,481	128,863	507,368
<hr/>	<hr/>	<hr/>
649,238	231,609	1,038,542
12,451	21,366	57,076
44,400	24,512	82,715
<hr/>	<hr/>	<hr/>
56,851	45,878	139,791
<hr/>	<hr/>	<hr/>
305,481	128,863	507,368
286,906	56,868	391,383
<hr/>	<hr/>	<hr/>
\$ 592,387	\$ 185,731	\$ 898,751
<hr/> <hr/>	<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, 2010**

	<u>Information Services</u>	<u>Central Stores</u>	<u>Insurance</u>
<b>OPERATING REVENUES</b>			
Licenses and permits	\$ -	\$ -	\$ -
Charges for services	580,432	6,691	328,414
Miscellaneous	128	-	13,506
	<hr/>	<hr/>	<hr/>
<i>Total Operating Revenues</i>	580,560	6,691	341,920
<b>OPERATING EXPENSES</b>			
Personal services	280,110	-	-
Materials and services	221,106	5,599	511,205
Depreciation	15,008	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Operating Expenses</i>	516,224	5,599	511,205
	<hr/>	<hr/>	<hr/>
<b>OPERATING INCOME (LOSS)</b>	64,336	1,092	(169,285)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment revenue	(291)	(8)	220
Transfers in	-	-	-
Transfers out	(46,666)	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Nonoperating Revenues (Expenses)</i>	(46,957)	(8)	220
	<hr/>	<hr/>	<hr/>
<b>CHANGE IN NET ASSETS</b>	17,379	1,084	(169,065)
<b>NET ASSETS, Beginning of year</b>	75,096	9,665	186,474
	<hr/>	<hr/>	<hr/>
<b>NET ASSETS, End of year</b>	\$ 92,475	\$ 10,749	\$ 17,409
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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<i><b>Tech &amp; Environ Services</b></i>	<i><b>Building Maintenance</b></i>	<i><b>Totals</b></i>
\$ 24,544	\$ -	\$ 24,544
302,353	792,083	2,009,973
867	4,986	19,487
327,764	797,069	2,054,004
906,444	351,090	1,537,644
158,542	379,477	1,275,929
15,880	4,570	35,458
1,080,866	735,137	2,849,031
(753,102)	61,932	(795,027)
1,775	290	1,986
704,625	-	704,625
(28,100)	(2,189)	(76,955)
678,300	(1,899)	629,656
(74,802)	60,033	(165,371)
667,189	125,698	1,064,122
\$ 592,387	\$ 185,731	\$ 898,751

**CITY OF WOODBURN, OREGON**  
**COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2010**

	<u>Information Services</u>	<u>Central Stores</u>	<u>Insurance</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Collected from customers	\$ 576,644	\$ 5,358	\$ 341,920
Paid to suppliers	(219,826)	(6,890)	(526,685)
Paid to employees	(280,110)	-	-
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>76,708</u>	<u>(1,532)</u>	<u>(184,765)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Received from (paid to) other funds	-	-	-
Transfers in	-	-	-
Transfers out	(27,787)	-	-
<i>Net Cash Provided by (Used in) Non-Capital Financing Activities</i>	<u>(27,787)</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
	-	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	(291)	(8)	220
<i>Increase (Decrease) in Cash and Investments</i>	<u>12,369</u>	<u>(1,540)</u>	<u>(184,545)</u>
<b>CASH AND INVESTMENTS, Beginning of year</b>	<u>18,460</u>	<u>1,540</u>	<u>223,722</u>
<b>CASH AND INVESTMENTS, End of year</b>	<u><u>\$ 30,829</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 39,177</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 64,336	\$ 1,092	\$ (169,285)
Depreciation	15,008	-	-
<i>Change in assets and liabilities</i>			
Accounts receivable	(3,916)	(1,333)	-
Prepaid expenses	-	(1,291)	-
Customer deposits	-	-	-
Accounts payable and accrued liabilities	1,280	-	(15,480)
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u><u>\$ 76,708</u></u>	<u><u>\$ (1,532)</u></u>	<u><u>\$ (184,765)</u></u>
<i>Noncash transactions</i>			
Transfers of capital assets	\$ (18,879)	\$ -	\$ -

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<i>Technical and Environmental Services</i>	<i>Building Maintenance</i>	<i>Totals</i>
\$ 327,509	\$ 797,168	\$ 2,048,599
(147,474)	(382,155)	(1,283,030)
(906,444)	(351,090)	(1,537,644)
<u>(726,409)</u>	<u>63,923</u>	<u>(772,075)</u>
3,211	-	3,211
700,000	-	700,000
(28,100)	-	(55,887)
<u>675,111</u>	<u>-</u>	<u>647,324</u>
-	-	-
1,775	290	1,986
(49,523)	64,213	(159,026)
394,067	38,632	676,421
<u>\$ 344,544</u>	<u>\$ 102,845</u>	<u>\$ 517,395</u>
\$ (753,102)	\$ 61,932	\$ (795,027)
15,880	4,570	35,458
1,745	99	(3,405)
-	-	(1,291)
(2,000)	-	(2,000)
11,068	(2,678)	(5,810)
<u>\$ (726,409)</u>	<u>\$ 63,923</u>	<u>\$ (772,075)</u>
\$ (4,625)	\$ (2,189)	\$ (25,693)

**CITY OF WOODBURN, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS (BUDGETARY BASIS) -  
BUDGET AND ACTUAL – INFORMATION SERVICES FUND  
YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>		<u>Budget</u>	<u>GAAP</u>
	<u>Original</u>	<u>Final</u>	<u>Basis</u>	<u>Basis</u>
<b>REVENUES</b>				
Charges for services	\$ 589,044	\$ 589,044	\$ 580,432	\$ 580,432
Miscellaneous	477	477	(163)	(163)
<i>Total Revenues</i>	<u>589,521</u>	<u>589,521</u>	<u>580,269</u>	<u>580,269</u>
<b>EXPENDITURES</b>				
Personal services	286,920	286,920	280,110	280,110
Materials and services	204,878	204,878	202,899	221,106
Capital outlay/depreciation	78,500	78,500	82,255	15,008
Contingency	25,942	25,942	-	-
<i>Total Expenditures</i>	<u>596,240</u>	<u>596,240</u>	<u>565,264</u>	<u>516,224</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(6,719)	(6,719)	15,005	64,045
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	-	(46,666)
<b>NET CHANGE IN NET ASSETS</b>	<u>(6,719)</u>	<u>(6,719)</u>	<u>15,005</u>	<u>17,379</u>
<b>NET ASSETS, Beginning of year</b>	<u>12,719</u>	<u>12,719</u>	<u>18,249</u>	<u>75,096</u>
<b>NET ASSETS, End of year (Budget)</b>	<u>\$ 6,000</u>	<u>\$ 6,000</u>	<u>\$ 33,254</u>	<u>\$ 92,475</u>

**CITY OF WOODBURN, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS (BUDGETARY BASIS) -  
BUDGET AND ACTUAL – CENTRAL STORES FUND  
YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>		<u>Budget</u>	<u>GAAP</u>
	<u>Original</u>	<u>Final</u>	<u>Basis</u>	<u>Basis</u>
<b>REVENUES</b>				
Charges for services	\$ 10,000	\$ 10,000	\$ 6,691	\$ 6,691
Miscellaneous	-	-	(8)	(8)
<i>Total Revenues</i>	<u>10,000</u>	<u>10,000</u>	<u>6,683</u>	<u>6,683</u>
<b>EXPENDITURES</b>				
Materials and services	13,000	13,000	5,599	5,599
Contingency	6,000	6,000	-	-
<i>Total Expenditures</i>	<u>19,000</u>	<u>19,000</u>	<u>5,599</u>	<u>5,599</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(9,000)	(9,000)	1,084	1,084
<b>NET ASSETS, Beginning of year</b>	<u>9,000</u>	<u>9,000</u>	<u>9,665</u>	<u>9,665</u>
<b>NET ASSETS, End of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,749</u>	<u>\$ 10,749</u>

**CITY OF WOODBURN, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS (BUDGETARY BASIS) -  
BUDGET AND ACTUAL – INSURANCE FUND  
YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>		<u>Budget Basis</u>	<u>GAAP Basis</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Charges for services	\$ 486,152	\$ 486,152	\$ 328,414	\$ 328,414
Miscellaneous	8,000	8,000	13,726	13,726
<i>Total Revenues</i>	<u>494,152</u>	<u>494,152</u>	<u>342,140</u>	<u>342,140</u>
<b>EXPENDITURES</b>				
Materials and services	559,437	559,437	511,205	511,205
Contingency	140,679	140,679	-	-
<i>Total Expenditures</i>	<u>700,116</u>	<u>700,116</u>	<u>511,205</u>	<u>511,205</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(205,964)	(205,964)	(169,065)	(169,065)
<b>NET ASSETS, Beginning of year</b>	<u>205,964</u>	<u>205,964</u>	<u>186,474</u>	<u>186,474</u>
<b>NET ASSETS, End of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,409</u>	<u>\$ 17,409</u>

**CITY OF WOODBURN, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS (BUDGETARY BASIS) -  
BUDGET AND ACTUAL – TECHNICAL & ENVIRONMENTAL SERVICES FUND  
YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>		<u>Budget Basis</u>	<u>GAAP Basis</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Licenses and permits	\$ 96,000	\$ 96,000	\$ 24,544	\$ 24,544
Charges for services	509,500	509,500	302,353	302,353
Miscellaneous	16,000	16,000	2,642	2,642
<i>Total Revenues</i>	<u>621,500</u>	<u>621,500</u>	<u>329,539</u>	<u>329,539</u>
<b>EXPENDITURES</b>				
Personal services	1,182,329	1,208,151	906,444	906,444
Materials and services	207,953	215,453	175,467	158,542
Capital outlay/depreciation	6,175	6,175	6,175	15,880
Contingency	149,450	116,128	-	-
<i>Total Expenditures</i>	<u>1,545,907</u>	<u>1,545,907</u>	<u>1,088,086</u>	<u>1,080,866</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(924,407)	(924,407)	(758,547)	(751,327)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	700,000	700,000	700,000	704,625
Transfers out	(5,000)	(5,000)	(5,000)	(28,100)
<i>Total Other Financing Sources (Uses)</i>	<u>695,000</u>	<u>695,000</u>	<u>695,000</u>	<u>676,525</u>
<b>NET CHANGE IN NET ASSETS</b>	(229,407)	(229,407)	(63,547)	(74,802)
<b>NET ASSETS, Beginning of year</b>	<u>303,548</u>	<u>303,548</u>	<u>394,853</u>	<u>667,189</u>
<b>NET ASSETS, End of year</b>	<u>\$ 74,141</u>	<u>\$ 74,141</u>	<u>\$ 331,306</u>	<u>\$ 592,387</u>

**CITY OF WOODBURN, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS (BUDGETARY BASIS) -  
BUDGET AND ACTUAL – BUILDING MAINTENANCE FUND  
YEAR ENDED JUNE 30, 2010**

	<u>Budgeted Amounts</u>		<u>Budget</u>	<u>GAAP</u>
	<u>Original</u>	<u>Final</u>	<u>Basis</u>	<u>Basis</u>
<b>REVENUES</b>				
Charges for services	\$ 792,083	\$ 792,083	\$ 792,083	\$ 792,083
Miscellaneous	3,000	3,000	5,276	5,276
<i>Total Revenues</i>	<u>795,083</u>	<u>795,083</u>	<u>797,359</u>	<u>797,359</u>
<b>EXPENDITURES</b>				
Personal services	372,602	372,602	351,090	351,090
Materials and services	405,906	416,406	379,477	379,477
Capital outlay/depreciation	-	-	-	4,570
Contingency	12,871	2,371	-	-
<i>Total Expenditures</i>	<u>791,379</u>	<u>791,379</u>	<u>730,567</u>	<u>735,137</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	3,704	3,704	66,792	62,222
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	-	(2,189)
<b>NET CHANGE IN NET ASSETS</b>	3,704	3,704	66,792	60,033
<b>NET ASSETS, Beginning of year</b>	8,844	8,844	14,588	125,698
<b>NET ASSETS, End of year</b>	<u>\$ 12,548</u>	<u>\$ 12,548</u>	<u>\$ 81,380</u>	<u>\$ 185,731</u>

***OTHER FINANCIAL SCHEDULES***

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES**  
**YEAR ENDED JUNE 30, 2010**

<u>Tax Year</u>	<u>Balances July 1, 2009</u>	<u>2009-2010 Levy</u>	<u>Interest, Discounts and Adjustments</u>	<u>Collections</u>	<u>Balances June 30, 2010</u>
2009-10	\$ -	\$ 8,772,554	\$ (245,860)	\$ (8,162,750)	\$ 363,944
2008-09	408,767	-	(8,882)	(215,698)	184,187
2007-08	148,674	-	(3,444)	(57,908)	87,322
2006-07	48,987	-	(2,132)	(24,072)	22,783
2005-06	18,270	-	(2,425)	(9,821)	6,024
2004-05	5,302	-	(1,755)	(135)	3,412
2003-04	3,871	-	(1,568)	(35)	2,268
Prior	12,264	-	(2,969)	(684)	8,611
	<u>\$ 646,135</u>	<u>\$ 8,772,554</u>	<u>\$ (269,035)</u>	<u>\$ (8,471,103)</u>	678,551
Cash with county					77,156
Property taxes receivable					<u>\$ 755,707</u>

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF DEBT PRINCIPAL AND INTEREST TRANSACTIONS**  
**YEAR ENDED JUNE 30, 2010**

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	<u><i>Interest Rates</i></u>	<u><i>Date of Issue</i></u>	<u><i>Fiscal Year of Maturity</i></u>
<b><i>PRINCIPAL TRANSACTIONS</i></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
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
1991 OEDD Loan	5.46%	1991	2010-11
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

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<i>Outstanding July 1, 2009</i>	<i>New Issues</i>	<i>Principal Paid</i>	<i>Outstanding June 30, 2010</i>
\$ 6,190,000	\$ -	\$ (260,000)	\$ 5,930,000
252,302	-	(23,834)	228,468
1,245,363	-	(177,970)	1,067,393
<u>\$ 7,687,665</u>	<u>\$ -</u>	<u>\$ (461,804)</u>	<u>\$ 7,225,861</u>
\$ 7,278,522	\$ -	\$ (246,810)	\$ 7,031,712
77,331	-	(24,214)	53,117
3,440,156	-	(154,995)	3,285,161
3,440,166	-	(154,996)	3,285,170
85,648	-	(41,476)	44,172
296,173	-	(24,687)	271,486
2,324,654	-	(206,232)	2,118,422
18,188,499	-	(1,216,926)	16,971,573
370,804	243,483	-	614,287
191,241	112,100	-	303,341
<u>\$ 35,693,194</u>	<u>\$ 355,583</u>	<u>\$ (2,070,336)</u>	<u>\$ 33,978,441</u>

**CITY OF WOODBURN, OREGON****SCHEDULE OF DEBT PRINCIPAL AND INTEREST TRANSACTIONS (Continued)****YEAR ENDED JUNE 30, 2010**

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	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Unmatured Interest Outstanding July 1, 2009</u>
<b>INTEREST TRANSACTIONS</b>			
Governmental Activities			
Series 2005 GO Bonds	4.85-4.9%	2005	\$ 2,390,481
1999 OEDD Loan	5.01%	1999	67,848
2005 URA Loan	4.22%	2005	177,963
			<u>\$ 2,636,292</u>
Business-type Activities			
Series 2003 Water Bonds	3.00-4.63%	2003	\$ 3,876,989
1992 OEDD Loan	6.32%	1992	9,974
2005 OEDD Loan	4.21%	2005	1,357,061
2005 SDWR Loan	4.21%	2005	1,357,061
1991 OEDD Loan	5.46%	1991	8,445
1999 OEDD Loan	4.74%	1999	78,262
1999 OEDD Loan	3.93%	1999	495,023
2001 OEDD Loan	3.87%	2001	4,809,338
			<u>\$ 11,992,153</u>

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<i>New Issues</i>	<i>Interest Paid</i>	<i>Unmatured Interest June 30, 2010</i>
\$ -	\$ (243,156)	\$ 2,147,325
-	(12,685)	55,163
-	(49,763)	128,200
<u>\$ -</u>	<u>\$ (305,604)</u>	<u>\$ 2,330,688</u>
\$ -	\$ (312,034)	\$ 3,564,955
-	(4,887)	5,087
-	(144,831)	1,212,230
-	(144,831)	1,212,230
-	(5,567)	2,878
-	(14,408)	63,854
-	(100,976)	394,047
-	(780,163)	4,029,175
<u>\$ -</u>	<u>\$ (1,507,697)</u>	<u>\$ 10,484,456</u>

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS**  
**JUNE 30, 2010**

<i>Fiscal Year</i> <i>Ending</i> <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>
2011	\$ 275,000	\$ 234,056	\$ 509,056	\$ 24,027	\$ 11,493	\$ 35,520
2012	290,000	224,431	514,431	24,228	10,291	35,292
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	-	-	-	-	-	-
	<u>\$ 5,930,000</u>	<u>\$ 2,147,325</u>	<u>\$ 8,077,325</u>	<u>\$ 228,468</u>	<u>\$ 55,163</u>	<u>\$ 283,631</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>
\$ 185,560	\$ 42,133	\$ 227,693	\$ 253,064	\$ 304,630	\$ 557,694
193,557	34,175	227,732	259,485	296,279	555,764
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
56,378	594	56,972	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	24,545	555,254
<u>\$ 1,067,393</u>	<u>\$ 128,200</u>	<u>\$ 1,195,593</u>	<u>\$ 7,031,712</u>	<u>\$ 3,564,955</u>	<u>\$ 10,596,667</u>

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS (Continued)**  
**JUNE 30, 2010**

<i>Fiscal Year</i> <i>Ending</i> <i>June 30,</i>	<i>1992 OEDD Loan</i>			<i>2005 OEDD Loan</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2011	\$ 25,745	\$ 3,357	\$ 29,102	\$ 161,521	\$ 138,305	\$ 299,826
2012	27,372	1,730	29,102	168,321	131,505	299,826
2013	-	-	-	175,407	124,419	299,826
2014	-	-	-	182,792	117,034	299,826
2015	-	-	-	190,487	109,339	299,826
2016	-	-	-	198,507	101,319	299,826
2017	-	-	-	206,864	92,962	299,826
2018	-	-	-	215,573	84,253	299,826
2019	-	-	-	224,649	75,178	299,827
2020	-	-	-	234,106	65,720	299,826
2021	-	-	-	243,962	55,864	299,826
2022	-	-	-	254,233	45,593	299,826
2023	-	-	-	264,936	34,890	299,826
2024	-	-	-	276,090	23,736	299,826
2025	-	-	-	287,713	12,113	299,826
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
	<u>\$ 53,117</u>	<u>\$ 5,087</u>	<u>\$ 58,204</u>	<u>\$ 3,285,161</u>	<u>\$ 1,212,230</u>	<u>\$ 4,497,391</u>

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<i>2005 SDWR Loan</i>			<i>1991 OEDD Loan</i>		
<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
\$ 161,521	\$ 138,305	\$ 299,826	\$ 44,172	\$ 2,878	\$ 47,050
168,321	131,505	299,826	-	-	-
175,407	124,419	299,826	-	-	-
182,792	117,034	299,826	-	-	-
190,487	109,339	299,826	-	-	-
198,507	101,319	299,826	-	-	-
206,864	92,962	299,826	-	-	-
215,573	84,253	299,826	-	-	-
224,649	75,178	299,827	-	-	-
234,106	65,720	299,826	-	-	-
243,962	55,864	299,826	-	-	-
254,233	45,593	299,826	-	-	-
264,936	34,890	299,826	-	-	-
276,090	23,736	299,826	-	-	-
287,722	12,113	299,835	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>\$ 3,285,170</b>	<b>\$ 1,212,230</b>	<b>\$ 4,497,400</b>	<b>\$ 44,172</b>	<b>\$ 2,878</b>	<b>\$ 47,050</b>

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS (Continued)**  
**JUNE 30, 2010**

<i>Fiscal Year</i> <i>Ending</i> <i>June 30,</i>	<i>1999 OEDD Loan</i>			<i>1999 OEDD Loan</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2011	\$ 29,901	\$ 13,284	\$ 43,185	\$ 214,417	\$ 81,168	\$ 295,585
2012	30,129	11,893	42,022	222,926	72,658	295,584
2013	30,372	10,462	40,834	231,773	63,811	295,584
2014	30,632	8,989	39,621	240,972	54,613	295,585
2015	35,909	7,488	43,397	250,535	45,050	295,585
2016	36,199	5,728	41,927	260,478	35,107	295,585
2017	36,509	3,918	40,427	270,815	24,770	295,585
2018	41,835	2,092	43,927	281,562	14,022	295,584
2019	-	-	-	144,944	2,848	147,792
2020	-	-	-	-	-	-
2021	-	-	-	-	-	-
2022	-	-	-	-	-	-
2023	-	-	-	-	-	-
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
	<u>\$ 271,486</u>	<u>\$ 63,854</u>	<u>\$ 335,340</u>	<u>\$ 2,118,422</u>	<u>\$ 394,047</u>	<u>\$ 2,512,469</u>

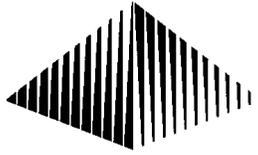
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<i>2001 OEDD Loan</i>			<i>2007 Oregon DEQ Loan</i>		
<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
\$ 1,264,477	\$ 644,683	\$ 1,909,160	\$ 614,287	\$ -	\$ 614,287
1,313,886	595,274	1,909,160	-	-	-
1,365,224	543,936	1,909,160	-	-	-
1,418,570	490,590	1,909,160	-	-	-
1,474,000	435,160	1,909,160	-	-	-
1,531,596	377,564	1,909,160	-	-	-
1,591,442	317,718	1,909,160	-	-	-
1,653,626	255,534	1,909,160	-	-	-
1,718,241	190,919	1,909,160	-	-	-
1,785,380	123,780	1,909,160	-	-	-
1,855,131	54,017	1,909,148	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<b>\$ 16,971,573</b>	<b>\$ 4,029,175</b>	<b>\$ 21,000,748</b>	<b>\$ 614,287</b>	<b>\$ -</b>	<b>\$ 614,287</b>

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS (Continued)**  
**JUNE 30, 2010**

<i>Fiscal Year</i> <i>Ending</i> <i>June 30,</i>	<i>2007 Oregon DEQ Loan</i>			<i>Totals</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2011	\$ 303,341	\$ -	\$ 303,341	\$ 3,557,033	\$ 1,614,292	\$ 5,171,325
2012	-	-	-	2,698,225	1,509,741	4,207,966
2013	-	-	-	2,775,543	1,403,352	4,178,895
2014	-	-	-	2,898,664	1,294,362	4,193,026
2015	-	-	-	3,015,395	1,179,706	4,195,101
2016	-	-	-	2,963,336	1,061,292	4,024,628
2017	-	-	-	3,026,484	945,121	3,971,605
2018	-	-	-	3,154,633	824,107	3,978,740
2019	-	-	-	3,060,615	697,173	3,757,788
2020	-	-	-	3,034,223	577,315	3,611,538
2021	-	-	-	3,161,354	455,193	3,616,547
2022	-	-	-	1,369,614	345,479	1,715,093
2023	-	-	-	1,429,030	286,889	1,715,919
2024	-	-	-	1,499,536	225,099	1,724,635
2025	-	-	-	1,566,137	160,247	1,726,384
2026	-	-	-	464,204	92,245	556,449
2027	-	-	-	487,867	70,775	558,642
2028	-	-	-	511,700	48,211	559,911
2029	-	-	-	530,709	24,545	555,254
	<u>\$ 303,341</u>	<u>\$ -</u>	<u>\$ 303,341</u>	<u>\$ 41,204,302</u>	<u>\$ 12,815,144</u>	<u>\$ 54,019,446</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***

Board of Directors  
City of Woodburn  
Woodburn, Oregon

We have audited the basic financial statements of the City of Woodburn as of and for the year ended June 30, 2010, and have issued our report thereon dated May 8, 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. Expenditures in excess of appropriations as disclosed in the notes to the financial statements.
2. Deficit budgetary fund balances as disclosed in the notes to the financial statements.
3. Failure to timely file the City's annual financial report with the Secretary of State.

4. In the 2010-11 budget
  - a. Budgeted transfers in did not equal budgeted transfers out. Additionally, amount listed as transfer in the LB-1 did not agree to the detail.
  - b. For some funds, the excess of actual revenues over actual expenditures for the second preceding year did not agree to the beginning balance of the first preceding year.
  - c. Principal and interest payments by debt issue were not budgeted separately.
  - d. Some amounts listed on forms LB-2 and LB-3 did not agree to the detail.

**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 comments on internal control are part of a separate report required by Government Auditing Standards dated May 8, 2012.

This report is intended solely for the information and use of the board of directors/council members/commissioners 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:   
Charles A. Swank, A Shareholder  
May 8, 2012