



Woodburn Fiesta Mexicana Celebrating 54 Years



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City of Woodburn, Oregon
Comprehensive Annual Financial Report
For the Year Ended June 30, 2018

CITY OF WOODBURN, OREGON
COMPREHENSIVE ANNUAL FINANCIAL
REPORT

Year Ended June 30, 2018

Prepared by City of Woodburn Finance
Department
Sandra Montoya, Finance Director

CITY OF WOODBURN, OREGON
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INTRODUCTORY SECTION



City of Woodburn
270 Montgomery Street
Woodburn, OR 97071
(503) 982-5222 / (503) 982-5244 FAX
www.ci.woodburn.or.us

November 30, 2018

To the Citizens of Woodburn, Honorable Mayor, City Council, and City Administrator:

It is my pleasure to submit the Comprehensive Annual Financial Report (CAFR) of the City of Woodburn, Oregon, for the fiscal year ended June 30, 2018.

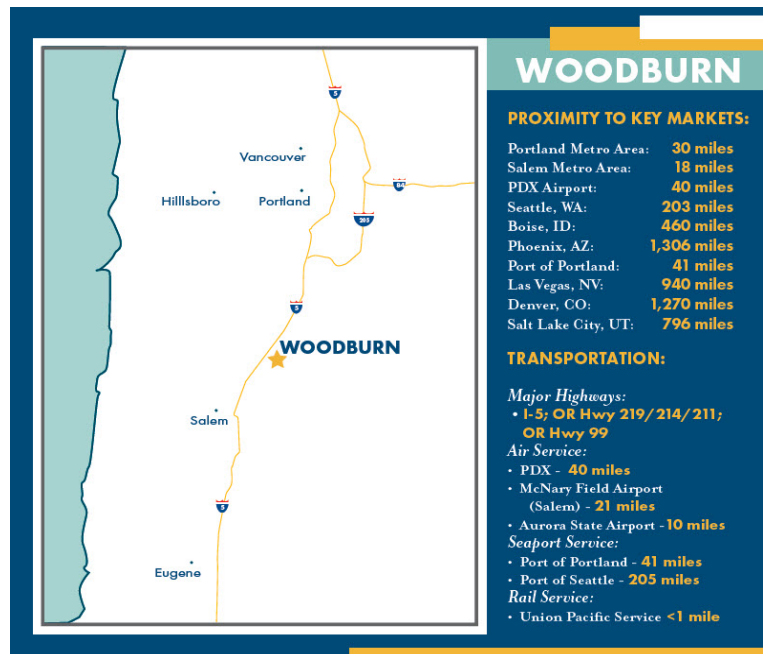
State law requires that a CAFR and component unit financial statements be published within six months of the fiscal year end and be audited in accordance with generally accepted auditing standards by independent certified public accountants. Independent auditors, Grove, Mueller & Swank, P.C., have issued an unmodified opinion on the City of Woodburn's financial statements for the fiscal year ended June 30, 2018. The independent auditors' report is presented in the Financial Section of this report. Responsibility for the completeness and reliability of the information contained in this report rests with the City's management and is based on an internal control structure designed for this purpose. The internal control structure is designed to provide reasonable, rather than absolute, assurance that these objectives are met, as the cost of the internal control should not exceed the related benefits.

In the Management's Discussion and Analysis (MD&A) section of this report, a narrative introduction, overview, and analysis of the basic financial statements is provided. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A.

CITY PROFILE

The City of Woodburn is a municipal corporation which operates under a Council-Manager form of government. Policy making and legislative authority are vested in the City Council which consists of an elected Mayor (two-year term position) and six councilors (four-year term positions). The City Council is responsible for passing ordinances, resolutions, adopting a budget, and hiring the City Administrator and City Attorney among other things. The City Administrator is responsible for carrying out Council ordinances and policies, managing the daily operations, and appointing department heads.

Woodburn is located in the Willamette Valley, halfway between the larger urban areas of Portland and Salem. The city was incorporated as Woodburn on February 20, 1889.



The City of Woodburn, with a population of 24,685, is Oregon's 21st populated city, and 3rd populated city in Marion County. The City provides a full range of municipal services, including but not limited to: police, water, wastewater, municipal court, public works, economic development, community planning and development, parks, recreation, aquatics, and library.

REPORTING ENTITY

The financial statements include information for the City of Woodburn and its blended component unit, the Urban Renewal Agency of the City of Woodburn.

BUDGET PROCESS

The Oregon Constitution and Oregon Revised Statutes require that the budget be balanced, adopted by July 1, and that the fiscal year for local governments is July 1 through June 30. The budget sets forth City Council's goals and objectives, and

identifies the resources necessary to accomplish them. The legal level of budgetary control, as adopted by Council Resolution, is by the most aggregated level allowed by law; at the program level in the General Fund and at the fund level for the remainder. Appropriations lapse at fiscal year-end and incomplete projects must be re-appropriated in the following fiscal year as part of the adoption of the annual budget. The City did not exceed legally adopted budget appropriations during the 2017-18 fiscal year.

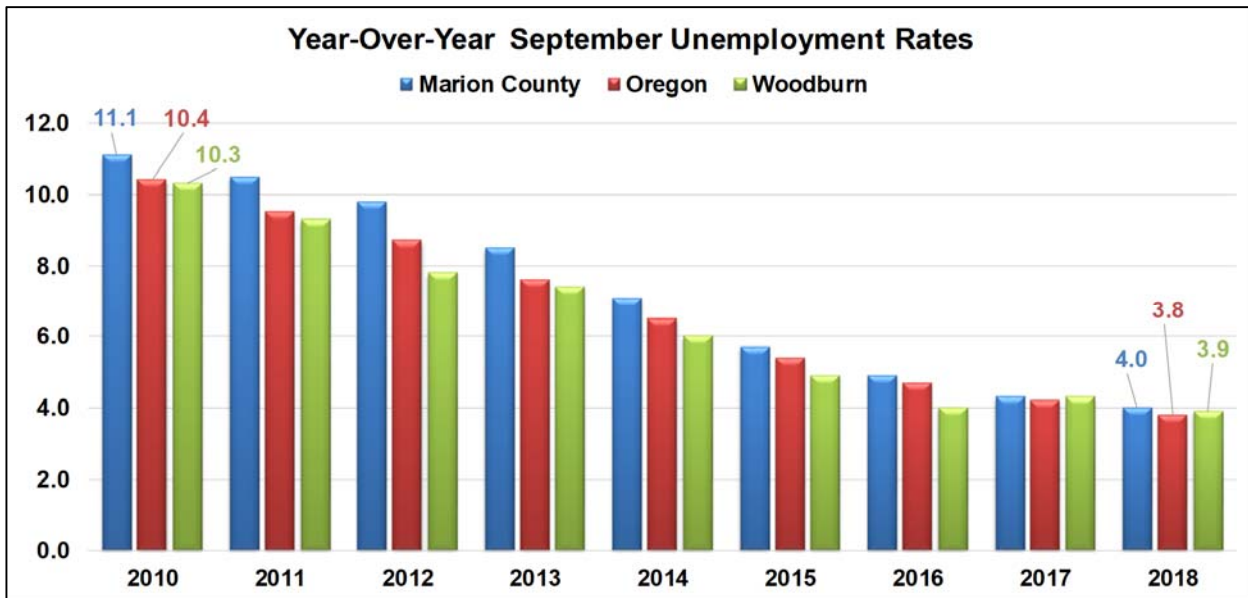
ECONOMIC ENVIRONMENT

Woodburn has high concentrations of employment across several traded sector clusters. These clusters are key target industries for Woodburn and include:

- Production Technology and Machinery: manufacturing of machinery for food production, automatic sprinklers systems, bailing machines, hydraulic jacks, and other machinery production.
- Plastics Manufacturing: plastic and rubber products, chemical manufacturing, and plumbing fixtures. This cluster is strongly linked to production technology, machinery, and other chemical manufacturing.
- Metal Product Manufacturing: prefabricated metal building and component manufacturing, ornamental and architectural metal work manufacturing, bathtubs and sinks, metal pipe hangars, fire escapes, grills and grill work, and all other miscellaneous fabricated metal product manufacturing.
- Food Processing and Manufacturing: baked goods, fruit and vegetable canning, frozen foods, confectionary manufacturing, and other food related manufacturing.

Employment patterns in Woodburn, Marion County, and the Portland Region suggest that Woodburn has competitive advantages and opportunities for business development in these rapidly growing clusters:

- Apparel Manufacturing: cutting and sewing apparel, embroidering on textile products, carpet cutting and binding, sleeping bag manufacturing, hats and glove manufacturing, and other apparel manufacturing.
- Distribution and E-commerce: wholesale trade, farm supplies and merchant wholesalers, refrigerated warehousing and storage, packaging and labeling services, or other warehouse and distribution.
- Information Technology and Analytic Technology: software publishers, electronic computer manufacturing, semiconductor manufacturing, laboratory instrument manufacturing.



Source: State of Oregon Employment Department – City of Woodburn Presentation by William Summers, November 6, 2018

Oregon’s unemployment rates have dropped dramatically over the last nine years. In September 2018, Oregon’s year-over-year unemployment rate was 3.8 percent, and Woodburn’s rate was 3.9 percent, which equaled the U.S. unemployment rate for the same period.

Factors contributing to Woodburn's low unemployment rates include people's; availability, quality, skills, education/experience, and wages. Within the Woodburn Urban Growth Boundary there are 10,767 employees¹. Beyond Woodburn, Marion County has a labor force of 165,598 and the Portland Region of 1,322,951². This means that Woodburn businesses have access to a mix of highly educated skilled workers and unskilled workers from across Marion County and the Portland Region.

MAJOR ISSUES

Development of the FY 2018-19 budget continued the focus on delivery of services to the community with cautious projections due to rising costs in the areas of:

- Wages,
- Public Employee Retirement System (PERS),
- Medical insurance rates,
- Facility maintenance,
- Infrastructure needs, and
- Technology needs

The current budget includes set-asides for these anticipated costs. The future budgets will continue to be challenged with the need to balance delivery of service with fiscal prudence.

LONG-TERM FINANCIAL PLANNING

A five-year forecast is prepared for each primary operating fund based on current service levels and conservative assumptions. Staff uses the financial plans to make recommendations for utility rate setting, debt refinancing opportunities, capital project budgets, and projection of operating expenses. Revenues are also projected to ensure that operating and capital needs are met.

RELEVANT FINANCIAL POLICIES

The City of Woodburn completes an annual financial plan, which includes a review of the budget policies, fiscal strategy, and five-year forecast. Policy highlights include:

- Annual review to maintain fiscal responsibility, a balanced budget, and obtain policy direction.
- Identification of goals that maximize dedicated funding resources.
- Establishment of General Fund goals to set program priority, maximize City Council's discretion, establish a goal of cost efficiency, pursue new revenue sources, and identify potential new programs.
- Reserve and contingency policy target levels.
- Compensation and benefit policies which address wages, health care and retirement costs.
- Capital improvement guidelines to set the importance of full cost identification, planning, and funding.
- Debt management policies to ensure thorough analysis of options.
- Investment parameters that prioritize fiscal safety, legal compliance, and a market rate of return.
- Annual audit policy to ensure financial compliance.
- Resource reduction strategy to provide guidance in fiscally challenged periods.

DISTINGUISHED BUDGET PRESENTATION AWARD

The City of Woodburn received GFOA's Distinguished Budget Presentation Award for its FY 2017-18 annual budget document and the FY 2018-19 annual budget document has been submitted. This is the 5th consecutive year that the City of Woodburn has achieved the prestigious award of a distinguished presentation. The Distinguished Budget Presentation award is the highest form of recognition in governmental budgeting. Its attainment represents a significant accomplishment by a government and its management. In order to receive the award, a governmental unit must publish a budget document that meets program criteria as a policy document, a communications medium, an operations guide, and a financial plan.

¹ Source: State of Oregon Employment Department – City of Woodburn Presentation by William Summers, November 6, 2018

² Source: Business Oregon

ACKNOWLEDGMENTS

This is the first year the City of Woodburn has prepared a Comprehensive Annual Financial Report, which goes beyond the preparation of financial reports to include sections for statistics and continuing disclosure. I would like to thank the entire Finance staff, especially Marne Anderson, Julie Moore, and Rosie Sanchez for the excellent service they provide throughout the year which is reflected in this Comprehensive Annual Financial Report. This report is evidence of their dedication and many hours of hard work. I would also like to thank the City Council and City Administrator for the leadership and support they have provided in developing this CAFR.

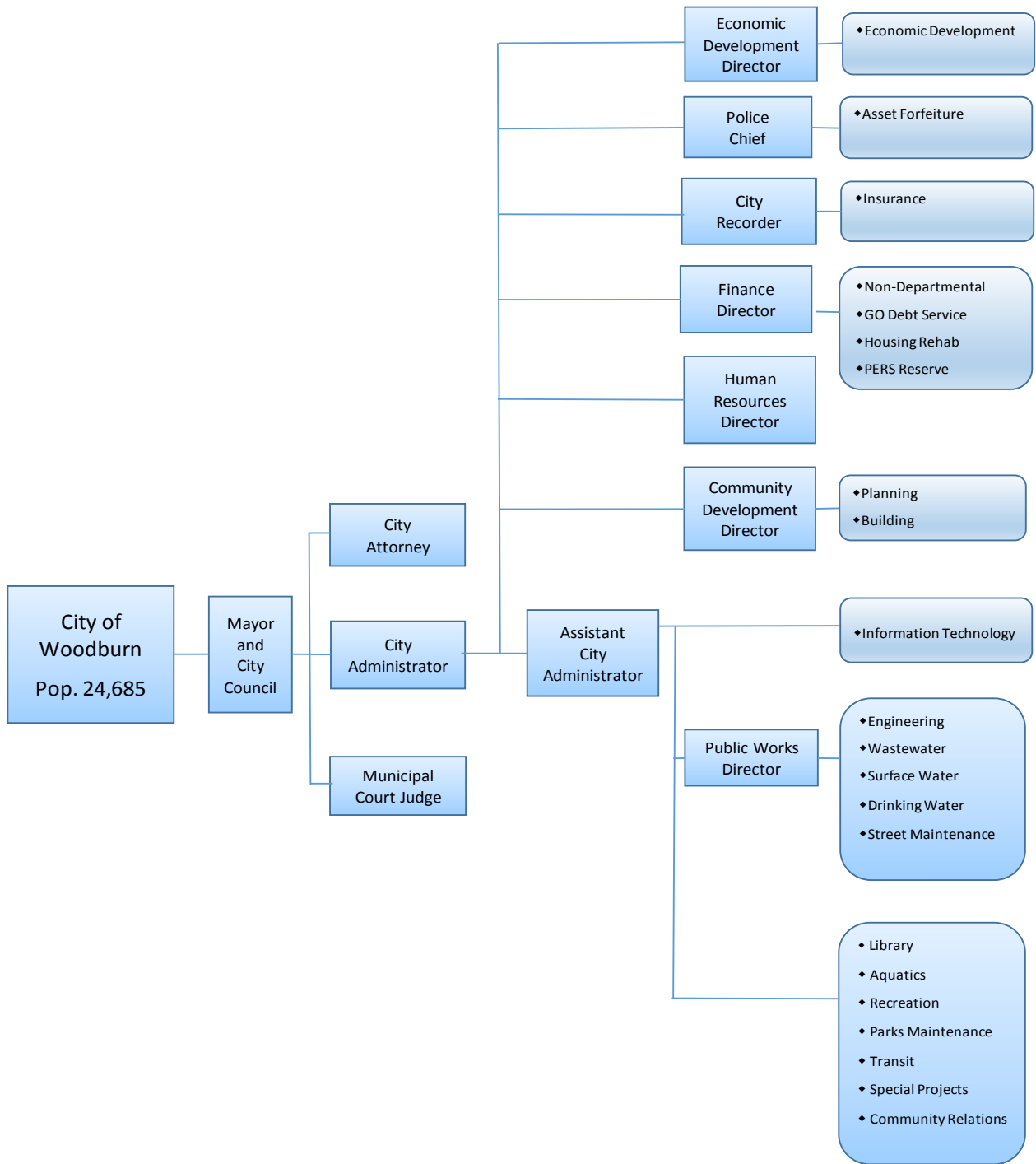


Sandra Montoya
Finance Director



Marne Anderson
Assistant Finance Director

ORGANIZATION OF THE CITY OF WOODBURN



MAYOR AND COUNCIL MEMBERS

<u><i>Name</i></u>	<u><i>Term Expires</i></u>
<i>Mayor</i>	
Kathryn Figley	December 31, 2018
<i>Council Members</i>	
Frank Lonergan, President	December 31, 2018
Robert Carney	December 31, 2018
Lisa Ellsworth	December 31, 2020
Eric Morris	December 31, 2020
Sharon Schaub	December 31, 2018
Juan Serratos	December 31, 2020

The above individuals may be contacted at the address below.

Staff

Scott Derickson, City Administrator
N. Robert Shields, City Attorney
Sandra Montoya, Finance Director
Marne Anderson, Assistant Finance Director

City of Woodburn, Oregon
270 Montgomery Street
Woodburn, Oregon 97071

FINANCIAL 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

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Woodburn as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Woodburn as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in the notes to the financial statements, the City adopted the accounting requirements of Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, which resulted in the restatement of the beginning balances for the year ended June 30, 2018. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A) on pages 4 through 9 and the schedules of revenues, expenditures and changes in fund balance – budget and actual for the General and Street funds (“the budgetary schedules”), the schedule of the City's proportionate share of the net pension liability (asset) – Oregon public employees retirement system, the schedule of the City's contributions – Oregon public employees retirement system (PERS schedules), the schedule of the changes in total other post-employment benefits liability and related ratios, the schedule of the City's proportionate share of the net OPEB liability (asset) - Oregon public employees retirement system retiree health insurance account, and the schedule of the City's contributions - Oregon public employees retirement system retiree health insurance account (OPEB schedules) 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 management's discussion and analysis, PERS schedules and OPEB schedules described in the preceding paragraph 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The budgetary schedules described above were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The budgetary schedules have been subject to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

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

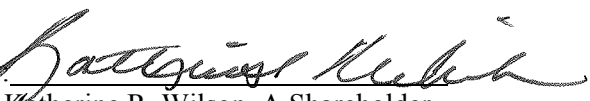
Other Information

The introductory and statistical sections, and other information 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.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 30, 2018 on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

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

By: 
Katherine R. Wilson, A Shareholder
November 30, 2018

CITY OF WOODBURN
Year Ended June 30, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis of the City of Woodburn's Comprehensive Annual Financial Report (CAFR) presents a discussion and analysis of the City's financial performance during the fiscal year ended June 30, 2018. The information presented here should be considered in conjunction with the financial statements included in this report.

FINANCIAL HIGHLIGHTS

Following are the financial highlights of the City for the fiscal year ended June 30:

	<u>2018</u>	<u>2017</u>	<u>change</u>
Net position	\$ 124,722,284	\$ 119,868,417	\$ 4,853,867
Change in net position	4,853,867	3,420,560	1,433,307
Governmental activities net position	71,419,611	69,778,713	1,640,898
Business-type activities fund net position	53,302,673	50,089,704	3,212,969
Change in governmental net position	1,640,898	713,558	927,340
Change in proprietary fund net position	3,212,969	2,707,002	505,967

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 required and other supplementary information.

Government-wide financial statements. The government-wide financial statements present the net position (*statement of net position*) and results of operations (*statement of activities*) of the City as a whole. Included are all governmental and business-type assets, deferred outflows, liabilities, deferred inflows and activities of the City. The measurement focus and basis of accounting are the same for the entire City. The measurement focus is on all economic resources of the City, 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 position presents information on all the City's assets, deferred outflows, liabilities and deferred inflows, with the difference reported as net position. Increases or decreases in net position 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 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 include general government, public safety, highways and streets, culture and recreation, and economic environment. Business-type activities are operations funded primarily through charges to external users of goods and services. Business-type activities include water and sewer.

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 has three types of fund categories: governmental funds, proprietary funds, and a fiduciary fund.

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

The City maintains eighteen individual governmental funds. Information is presented separately for the General Fund and Street 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*.

Proprietary Funds. The City 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. Enterprise funds are presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer 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 insurance and information services. The internal service funds are reported with governmental activities in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Sewer, and Sewer Capital Construction funds. The internal service funds are combined into a single column in the proprietary fund financial statements.

Fiduciary Funds. The City's pension trust fund holds assets to provide for retirement benefits to certain City employees. The fund was closed during the fiscal year.

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

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.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City had \$169,777,155 in total assets, \$4,801,607 in total deferred outflows, \$48,440,503 in total liabilities and \$1,415,975 in total deferred inflows, resulting in combined net position of \$124,722,284 for governmental and business-type activities. The largest component of the City's net position reflects its net 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 uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Governmental capital assets, net of depreciation, decreased \$421,851 over the prior year due to depreciation in excess of current year capital additions.

Business-type capital assets, net of depreciation, decreased \$802,282 over the prior year due to current year depreciation in excess of capital additions.

Total liabilities for both governmental and business-type activities decreased by \$6,853,413 from the prior year mainly due to the decrease in the net pension liability.

Overall, the City's financial net position increased by \$4,853,867 (or 4%). The majority of this increase is due to a combination of the decrease in the net pension liability based on results of changes in the City's proportionate share of the OPERS liability offset by the implementation of GASB Statement No 75 which resulted in a decrease of net position of \$701,118 due to restatement.

Statement of Net Position

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

	2018			2017			Change		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Cash and investments	\$ 21,725,933	\$ 26,659,138	\$ 48,385,071	\$ 18,766,633	\$ 26,656,947	\$ 45,423,580	\$ 2,959,300	\$ 2,191	\$ 2,961,491
Other assets	2,308,077	880,604	3,188,681	2,170,344	775,750	2,946,094	137,733	104,854	242,587
Capital assets	61,117,283	57,086,120	118,203,403	61,539,134	57,888,402	119,427,536	(421,851)	(802,282)	(1,224,133)
<i>Total Assets</i>	85,151,293	84,625,862	169,777,155	82,476,111	85,321,099	167,797,210	2,675,182	(695,237)	1,979,945
Deferred outflows	4,044,558	757,049	4,801,607	6,800,358	1,588,640	8,388,998	(2,755,800)	(831,591)	(3,587,391)
Other liabilities	12,761,512	3,415,599	16,177,111	14,396,728	4,186,341	18,583,069	(1,635,216)	(770,742)	(2,405,958)
Long-term debt	3,924,495	28,338,897	32,263,392	4,312,216	32,398,631	36,710,847	(387,721)	(4,059,734)	(4,447,455)
<i>Total Liabilities</i>	16,686,007	31,754,496	48,440,503	18,708,944	36,584,972	55,293,916	(2,022,937)	(4,830,476)	(6,853,413)
Deferred inflows	1,090,233	325,742	1,415,975	788,812	235,063	1,023,875	301,421	90,679	392,100
Net position:									
Net investment in capital assets	57,789,283	42,991,874	100,781,157	57,813,459	37,312,451	95,125,910	(24,176)	5,679,423	5,655,247
Restricted	11,651,202	17,004,861	28,656,063	10,660,016	16,635,580	27,295,596	991,186	369,281	1,360,467
Unrestricted	1,979,126	(6,694,062)	(4,714,936)	1,305,238	(3,858,327)	(2,553,089)	673,888	(2,835,735)	(2,161,847)
<i>Total Net Position</i>	\$ 71,419,611	\$ 53,302,673	\$ 124,722,284	\$ 69,778,713	\$ 50,089,704	\$ 119,868,417	\$ 1,640,898	\$ 3,212,969	\$ 4,853,867

Governmental Activities

The City's net position from governmental activities increased \$1,640,898 (3%) from 2016-17 to 2017-18 due to an increase of \$2,179,871 from activities and a decrease of \$538,973 due to restatement.

Business-type Activities

The City's net position from business-type activities increased \$3,212,969 (7%) from 2016-17 to 2017-18 due to an increase of \$3,375,114 from activities and a decrease of \$162,145 from restatement.

Statement of Activities

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

	2018			2017			Change		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues									
Program Revenues									
Charges for service	\$ 2,351,596	\$ 11,541,070	\$ 13,892,666	\$ 1,798,258	\$ 11,385,096	\$ 13,183,354	\$ 553,338	\$ 155,974	\$ 709,312
Operating grants and contributions	2,156,971	-	2,156,971	2,052,681	-	2,052,681	104,290	-	104,290
Capital grants and contributions	502,857	397,649	900,506	266,679	114,664	381,343	236,178	282,985	519,163
<i>Total Program Revenues</i>	5,011,424	11,938,719	16,950,143	4,117,618	11,499,760	15,617,378	893,806	438,959	1,332,765
General Revenues									
Property taxes	10,301,565	-	10,301,565	9,724,889	-	9,724,889	576,676	-	576,676
Franchise taxes	1,540,440	-	1,540,440	1,543,317	-	1,543,317	(2,877)	-	(2,877)
Other taxes	712,127	-	712,127	547,220	-	547,220	164,907	-	164,907
Intergovernmental	728,991	-	728,991	702,990	-	702,990	26,001	-	26,001
Other	684,269	561,561	1,245,830	315,885	372,742	688,627	368,384	188,819	557,203
<i>Total General Revenues</i>	13,967,392	561,561	14,528,953	12,834,301	372,742	13,207,043	1,133,091	188,819	1,321,910
<i>Total Revenues</i>	18,978,816	12,500,280	31,479,096	16,951,919	11,872,502	28,824,421	2,026,897	627,778	2,654,675
Expenses									
General government	3,345,244	-	3,345,244	2,676,477	-	2,676,477	668,767	-	668,767
Public safety	7,573,873	-	7,573,873	7,805,948	-	7,805,948	(232,075)	-	(232,075)
Highways and streets	2,551,662	-	2,551,662	2,426,489	-	2,426,489	125,173	-	125,173
Culture and recreation	2,799,066	-	2,799,066	2,980,178	-	2,980,178	(181,112)	-	(181,112)
Economic Environment	785,266	-	785,266	829,477	-	829,477	(44,211)	-	(44,211)
Interest on long-term debt	108,133	-	108,133	169,933	-	169,933	(61,800)	-	(61,800)
Water	-	3,117,742	3,117,742	-	2,885,827	2,885,827	-	231,915	231,915
Sewer	-	5,643,125	5,643,125	-	5,629,532	5,629,532	-	13,593	13,593
<i>Total Expenses</i>	17,163,244	8,760,867	25,924,111	16,888,502	8,515,359	25,403,861	274,742	245,508	520,250
<i>Changes in Net Position Before Transfers</i>	1,815,572	3,739,413	5,554,985	63,417	3,357,143	3,420,560	1,752,155	382,270	2,134,425
<i>Transfers</i>	364,299	(364,299)	-	650,141	(650,141)	-	(285,842)	285,842	-
<i>Change in Net Position</i>	2,179,871	3,375,114	5,554,985	713,558	2,707,002	3,420,560	1,466,313	668,112	2,134,425
<i>Beginning Net Position, as restated</i>	69,239,740	49,927,559	119,167,299	69,065,155	47,382,702	116,447,857	174,585	2,544,857	2,719,442
<i>Ending Net Position</i>	\$ 71,419,611	\$ 53,302,673	\$ 124,722,284	\$ 69,778,713	\$ 50,089,704	\$ 119,868,417	\$ 1,640,898	\$ 3,212,969	\$ 4,853,867

Governmental Activities. Total revenues for the City's governmental activities were \$18,978,816 for the fiscal year ended June 30, 2018. Approximately 54% of the total revenue for the governmental activities was derived from property taxes and approximately 26% of the total revenue was from program revenues. Total expenses for governmental activities were \$17,163,244 and net transfers in were \$364,299 resulting in a \$2,179,871 increase in net position. General governmental activities accounted for approximately 19% of the total governmental activities expense. Public Safety, Highways and Streets, Culture and Recreation, and Economic Environment expenses account for 80% of the total, and interest on long-term debt was 1% of total governmental activities expenses.

Business-Type Activities. Revenues of business-type activities totaled \$12,500,280 for the current fiscal year. These activities generated \$11,938,719 in program revenues, and \$521,021 in interest earnings and miscellaneous revenues. The total expenses for business-type activities were \$8,760,867 and net transfers out were \$364,299 resulting in a \$3,375,114 increase in net position. 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 uses fund accounting to segregate resources that are restricted to a particular activity. Fund balance represents the excess of the assets of the fund over its liabilities. Because the fund financial statements focus on current sources and uses of spendable resources, 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 was \$20,292,002 of fund balance of the governmental funds, an increase of \$2,513,930 from the prior year. The City's governmental funds include the General Fund and Street Fund, and other non-major funds.

The General Fund is the chief operating fund of the City. At the end of the fiscal year, a fund balance of \$7,490,284 was reported by the General Fund. The fund balance increased by \$1,237,503 from the previous year due to increases in property taxes, franchise fees, intergovernmental and miscellaneous revenues, along with decreases in charges for services and fines and forfeitures, coupled with increases in general government and culture and recreation expenditures and decreases in police expenditures.

The City reports one other major governmental fund, the Street Fund. The Street Fund had a fund balance of \$4,270,687, an increase of \$364,883 from the previous year, due mainly to an increase in intergovernmental revenues in excess of increases street maintenance expenditures.

Proprietary Funds. Net position of the proprietary funds equaled \$53,302,673 at the end of the current fiscal year, an increase of \$3,212,969 from the prior year.

The City reports three major proprietary funds, the Water Fund, the Sewer Fund and the Sewer Capital Construction Fund. The Water Fund had a net position of \$1,405,010, an increase of \$298,974 from previous year, due to an increase in charges for services in excess of an increase in personal services and materials and services expenses, along with a decrease in interest expense and due to restatement related to GASB 75. The Sewer Fund had a net position of \$27,452,937, an increase of \$2,331,953 from previous year, due to the combination of an increase in charges for services along with increases in personal services and materials and services and a decrease due to restatement. The Sewer Capital Construction Fund had a net position of \$16,972,074, an increase of \$212,305 from the previous year, due to revenues and transfers in excess of depreciation.

GENERAL FUND BUDGETARY HIGHLIGHTS

Actual revenues (budgetary basis), exceeded budgeted amounts by 1%. General Fund expenditures ended \$3,581,889 below budgeted amounts primarily due to management efforts to contain costs throughout the fiscal year. There were no changes to the adopted budget in the current year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets for its governmental and business-type activities equaled \$61,117,283 and \$57,086,120 respectively, at the end of the current fiscal year, net of accumulated depreciation. This investment includes land, construction in process, buildings, equipment, and infrastructure. Additional information about the City's capital assets is presented in the notes to the financial statements.

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>
Land	\$ 22,702,008	\$ 22,567,381	\$ 1,783,816	\$ 1,783,816	\$ 24,485,824	\$ 24,351,197
Construction in progress	666,597	506,639	5,215,707	4,365,993	5,882,304	4,872,632
Buildings	17,119,661	16,756,793	62,748,380	62,748,380	79,868,041	79,505,173
Equipment	7,190,684	7,226,203	3,065,683	2,427,869	10,256,367	9,654,072
Infrastructure	44,562,023	44,360,967	30,479,609	30,479,609	75,041,632	74,840,576
Accumulated depreciation	(31,123,690)	(29,878,849)	(46,207,075)	(43,917,265)	(77,330,765)	(73,796,114)
Net capital assets	\$ 61,117,283	\$ 61,539,134	\$ 57,086,120	\$ 57,888,402	\$ 118,203,403	\$ 119,427,536

Long-term Debt. At the end of the current fiscal year, long-term debt outstanding for the governmental activities totaled \$3,924,494, compared to \$4,312,216 in the prior year. For the business-type activities, total long-term debt equaled \$28,338,897 compared to \$32,398,631 in the prior year. The decrease is due to scheduled debt repayments. Additional information about the City's long-term debt outstanding is presented in the notes to the financial statements.

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>	<i>2018</i>	<i>2017</i>
General obligation bonds	\$ 3,328,000	\$ 3,690,000	\$ -	\$ -	\$ 3,328,000	\$ 3,690,000
Loans	-	35,675	3,571,378	4,002,523	3,571,378	4,038,198
Revenue bonds	-	-	22,893,978	26,384,767	22,893,978	26,384,767
Bond premium	-	-	1,796,006	1,934,160	1,796,006	1,934,160
Accrued compensated absences	596,495	586,541	77,535	77,181	674,030	663,722
	\$ 3,924,495	\$ 4,312,216	\$ 28,338,897	\$ 32,398,631	\$ 32,263,392	\$ 36,710,847

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Oregon, much like the national economic environment, has steadily improved over the last few years. The low unemployment rates have positively impacted wages and Oregon's median household incomes have risen. The strong economy, coupled with steady population growth and Woodburn's 2015 approval of the Urban Growth Boundary, will result in an increase in local development and property tax revenue projections.

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 POSITION
JUNE 30, 2018

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	\$ 21,725,933	\$ 26,659,138	\$ 48,385,071
Accounts receivable	964,557	872,741	1,837,298
Property taxes receivable	671,828	-	671,828
Assessment liens receivable	30,570	-	30,570
Loans receivable	596,753	-	596,753
Prepaid expenses	18,230	-	18,230
Non-depreciable capital assets	23,368,605	6,999,522	30,368,127
Other capital assets, net of depreciation	37,748,678	50,086,598	87,835,276
OPEB asset	26,139	7,863	34,002
<i>Total Assets</i>	<u>85,151,293</u>	<u>84,625,862</u>	<u>169,777,155</u>
DEFERRED OUTFLOWS			
Deferred outflows related to PERS	3,976,412	739,078	4,715,490
Deferred outflows related to OPEB	59,734	17,971	77,705
Deferred charges on refunding	8,412	-	8,412
<i>Total Deferred Outflows</i>	<u>4,044,558</u>	<u>757,049</u>	<u>4,801,607</u>
LIABILITIES			
Accounts payable	745,762	182,096	927,858
Accrued payroll liabilities	593,875	-	593,875
Deposits payable	-	134,344	134,344
Interest payable	5,485	418,987	424,472
Noncurrent liabilities:			
Due within one year:			
Long-term debt	484,000	4,407,430	4,891,430
Bond premium	-	138,154	138,154
Accrued compensated absenses	238,598	31,014	269,612
Due in more than one year:			
Long-term debt	2,844,000	22,057,926	24,901,926
Bond premium	-	1,657,852	1,657,852
Accrued compensated absenses	357,897	46,521	404,418
OPEB liability	534,548	160,814	695,362
Net pension liability	10,881,842	2,519,358	13,401,200
<i>Total Liabilities</i>	<u>16,686,007</u>	<u>31,754,496</u>	<u>48,440,503</u>
DEFERRED INFLOWS			
Deferred inflows related to PERS	1,045,351	312,240	1,357,591
Deferred inflows related to OPEB	44,882	13,502	58,384
<i>Total Deferred Inflows</i>	<u>1,090,233</u>	<u>325,742</u>	<u>1,415,975</u>
NET POSITION			
Net investment in capital assets	57,789,283	42,991,874	100,781,157
Restricted for:			
Debt service	22,777	-	22,777
Culture and recreation	201,610	-	201,610
Community development	3,226,821	-	3,226,821
Construction	8,199,994	17,004,861	25,204,855
Unrestricted	1,979,126	(6,694,062)	(4,714,936)
<i>Total Net Position</i>	<u>\$ 71,419,611</u>	<u>\$ 53,302,673</u>	<u>\$ 124,722,284</u>

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

CITY OF WOODBURN, OREGON
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2018

	<i>Expenses</i>	<i>Program Revenues</i>		
		<i>Fees, Fines and Charges for Services</i>	<i>Operating Grants and Contributions</i>	<i>Capital Grants and Contributions</i>
<i>FUNCTIONS/PROGRAMS</i>				
<i>Governmental activities:</i>				
General government	\$ 3,345,244	\$ 1,263,142	\$ -	\$ -
Public safety	7,573,873	120,152	5,030	1,350
Highways and streets	2,551,662	7,533	1,615,056	291,737
Culture and recreation	2,799,066	557,725	532,695	209,770
Economic Environment	785,266	403,044	4,190	-
Interest on long-term debt	108,133	-	-	-
<i>Total Governmental activities</i>	17,163,244	2,351,596	2,156,971	502,857
<i>Business-type activities:</i>				
Water	3,117,742	3,399,943	-	176,394
Sewer	5,643,125	8,141,127	-	221,256
<i>Total Business-type activities</i>	8,760,867	11,541,070	-	397,650
<i>Total Activities</i>	\$ 25,924,111	\$ 13,892,666	\$ 2,156,971	\$ 900,507
<i>General Revenues:</i>				
Property taxes				
Franchise taxes				
Other taxes				
Intergovernmental				
Gain on disposition of assets				
Unrestricted investment earnings				
Miscellaneous				
<i>Total General Revenues</i>				
<i>Transfers</i>				
<i>Change in Net Position</i>				
<i>Net Position - beginning of year, as originally reported</i>				
<i>Restatement</i>				
<i>Net Position - beginning of year, as restated</i>				
<i>Net Position - end of year</i>				

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

<i>Governmental Activities</i>	<i>Business-type Activities</i>	<i>Totals</i>
\$ (2,082,102)	\$ -	\$ (2,082,102)
(7,447,341)	-	(7,447,341)
(637,336)	-	(637,336)
(1,498,876)	-	(1,498,876)
(378,032)	-	(378,032)
(108,133)	-	(108,133)
(12,151,820)	-	(12,151,820)
-	458,595	458,595
-	2,719,258	2,719,258
-	3,177,853	3,177,853
(12,151,820)	3,177,853	(8,973,967)
10,301,565	-	10,301,565
1,540,440	-	1,540,440
712,127	-	712,127
728,991	-	728,991
25,148	10,613	35,761
354,201	454,022	808,223
304,920	96,925	401,845
13,967,392	561,560	14,528,952
364,299	(364,299)	-
2,179,871	3,375,114	5,554,985
69,778,713	50,089,704	119,868,417
(538,973)	(162,145)	(701,118)
69,239,740	49,927,559	119,167,299
\$ 71,419,611	\$ 53,302,673	\$ 124,722,284

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

CITY OF WOODBURN, OREGON
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2018

	<u>Special Revenue</u>		
	<u>General</u>	<u>Street</u>	<u>Other Governmental Funds</u>
ASSETS			
Cash and investments	\$ 7,842,458	\$ 4,599,647	\$ 8,526,692
Accounts receivable	693,048	186,320	77,829
Property taxes receivable	591,355	-	80,473
Assessment liens receivable	-	-	30,570
Loans receivable	-	-	596,753
Prepaid expenses	18,230	-	-
<i>Total Assets</i>	<u>\$ 9,145,091</u>	<u>\$ 4,785,967</u>	<u>\$ 9,312,317</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 139,700	\$ 515,280	\$ 78,820
Accrued payroll and payroll liabilities	593,875	-	-
<i>Total Liabilities</i>	733,575	515,280	78,820
Deferred Inflows			
Unavailable revenue	921,232	-	702,466
Fund Balance			
Non-spendable	18,230	-	-
Restricted for:			
Debt service	-	-	22,777
Construction	-	4,270,687	3,929,307
Culture and recreation	-	-	201,610
Community development	-	-	2,589,574
Committed to:			
Public safety	-	-	14,429
Capital outlay	-	-	693,044
Planning and building	-	-	1,080,290
Unassigned	7,472,054	-	-
<i>Total Fund Balance</i>	<u>7,490,284</u>	<u>4,270,687</u>	<u>8,531,031</u>
<i>Total Liabilities, Deferred Inflows and Fund Balance</i>	<u>\$ 9,145,091</u>	<u>\$ 4,785,967</u>	<u>\$ 9,312,317</u>

<i>Total</i>	
\$	20,968,797
	957,197
	671,828
	30,570
	596,753
	18,230
<hr/>	
\$	23,243,375
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\$	733,800
	593,875
<hr/>	
	1,327,675
	1,623,698
	18,230
	22,777
	8,199,994
	201,610
	2,589,574
	14,429
	693,044
	1,080,290
	7,472,054
<hr/>	
	20,292,002
<hr/>	
\$	23,243,375
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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 POSITION
JUNE 30, 2018

<i>Fund Balances</i>	\$ 20,292,002
The Statement of Net Position reports receivables at their net realizable value. However, receivables not available to pay for current period expenditures are reported as unavailable in governmental funds.	1,623,698
PERS net pension liability, OPEB asset and liability, deferred outflows of resources arising from contributions paid, changes in assumptions, and differences between expected and actual experience, and deferred inflows arising from changes in proportionate share of earnings in the current year are not financial resources in governmental funds, but are reported in the Statement of Net Position.	
Net pension liability - PERS	(10,437,010)
OPEB liability	(511,816)
OPEB asset	25,027
Deferred outflows - PERS	3,819,293
Deferred outflows - OPEB	57,194
Deferred inflows - PERS	(1,000,198)
Deferred inflows -OPEB	(42,973)
Deferred outflows arising from refundings are not financial resources in governmental funds, but are reported in the Statement of Net Position.	8,412
Capital assets are not financial resources in governmental funds, but are reported in the Statement of Net Position at their net depreciable value.	
Cost	92,240,973
Accumulated depreciation	(31,123,690)
All liabilities are reported in the Statement of Net Position. However, if they are not due and payable in the current period, they are not recorded in governmental funds.	
Accrued compensated absences	(568,026)
Accrued interest	(5,485)
Long-term debt	(3,328,000)
Internal service funds are proprietary-type funds and not reported with governmental funds. However, because internal service funds primarily benefit governmental activities, their assets, liabilities and net position are reported along with governmental activities in the Statement of Net Position.	370,210
	<hr/>
<i>Net Position of Governmental Activities</i>	<u>\$ 71,419,611</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, 2018**

		<u>Special Revenue</u>	
	<u>General Fund</u>	<u>Street</u>	<u>Other Governmental Funds</u>
REVENUES			
Taxes and assessments	\$ 9,424,050	\$ 138,154	\$ 1,218,777
Licenses and permits	2,011,047	168	1,187,166
Charges for services	754,339	359,879	39,154
Intergovernmental	894,936	1,615,056	668,262
Fines and forfeitures	395,164	-	-
Miscellaneous	396,379	159,411	229,009
<i>Total Revenues</i>	<u>13,875,915</u>	<u>2,272,668</u>	<u>3,342,368</u>
EXPENDITURES			
Current			
General government	2,935,709	-	511,601
Public safety	6,813,292	-	-
Highways and streets	-	1,808,443	-
Culture and recreation	2,211,579	-	852,248
Debt Service			
Principal	-	-	456,675
Interest	-	-	117,094
Capital outlay	-	62,977	1,246,529
<i>Total Expenditures</i>	<u>11,960,580</u>	<u>1,871,420</u>	<u>3,184,147</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,915,335</u>	<u>401,248</u>	<u>158,221</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	90,000	739,268
Transfers out	(702,247)	(135,865)	(37,331)
Proceeds from sales of assets	24,415	9,500	1,500
Refunding bonds issued	-	-	3,749,000
Payment to refunded bond escrow agent	-	-	(3,699,114)
<i>Total Other Financing Sources (Uses)</i>	<u>(677,832)</u>	<u>(36,365)</u>	<u>753,323</u>
NET CHANGE IN FUND BALANCE	1,237,503	364,883	911,544
FUND BALANCE, beginning of year	6,252,781	3,905,804	7,619,487
FUND BALANCE, end of year	<u>\$ 7,490,284</u>	<u>\$ 4,270,687</u>	<u>\$ 8,531,031</u>

<i>Total</i>	
\$	10,780,981
	3,198,381
	1,153,372
	3,178,254
	395,164
	784,799
	<hr/>
	19,490,951
	<hr/>
	3,447,310
	6,813,292
	1,808,443
	3,063,827
	456,675
	117,094
	1,309,506
	<hr/>
	17,016,147
	<hr/>
	2,474,804
	<hr/>
	829,268
	(875,443)
	35,415
	3,749,000
	(3,699,114)
	<hr/>
	39,126
	<hr/>
	2,513,930
	17,778,072
	<hr/>
\$	20,292,002
	<hr/> <hr/>

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, 2018**

<i>Net Change in Fund Balances - Total Governmental Funds</i>	\$ 2,513,930
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>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.</p>	
Property tax receivables	232,713
Increases in other assets	14,778
<p>Governmental funds do not report expenditures for unpaid compensated absences, unpaid payroll, interest expense or arbitrage since they do not require the use of current financial resources. However, the Statement of Activities reports such expenses when incurred, regardless of when settlement ultimately occurs.</p>	
Accrued compensated absences	(16,431)
Accrued interest payable	9,662
Deferred charge on refunding	8,412
<p>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.</p>	
Capital outlay expenditures capitalized	1,126,737
Depreciation	(1,548,592)
<p>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 Position.</p>	
Debt proceeds	(3,749,000)
Debt principal paid	4,146,675
<p>Current year PERS pension and OPEB expenses related to changes in liabilities are reported as an expense in the Statement of Activities but are not recorded as an expenditure in the governmental funds.</p>	
	(823,815)
Net income of internal service funds	264,802
<i>Change in Net Position of Governmental Activities</i>	<u><u>\$ 2,179,871</u></u>

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

CITY OF WOODBURN, OREGON
STATEMENT OF FUND NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2018

	<u>Water</u>	<u>Sewer</u>	<u>Sewer Capital Construction</u>
ASSETS			
Current Assets			
Cash and investments	\$ 2,215,994	\$ 7,981,514	\$ 11,777,939
Accounts receivable	230,967	611,179	40
<i>Total Current Assets</i>	2,446,961	8,592,693	11,777,979
Noncurrent Assets			
Nondepreciable capital assets	158,444	1,625,372	3,901,873
Other capital assets, net of depreciation	8,448,765	38,894,802	1,292,222
OPEB asset	3,469	4,394	-
<i>Total Noncurrent Assets</i>	8,610,678	40,524,568	5,194,095
<i>Total Assets</i>	11,057,639	49,117,261	16,972,074
DEFERRED OUTFLOWS			
Deferred outflows related to PERS	201,273	537,805	-
Deferred outflows related to OPEB	7,929	10,042	-
	209,202	547,847	-
LIABILITIES			
Current Liabilities			
Accounts payable	39,339	136,521	-
Deposits payable	134,344	-	-
Accrued interest payable	211,965	207,022	-
Current portion of long-term liabilities			
Long-term debt	792,430	3,615,000	-
Bond premiums	-	138,154	-
Accrued compensated absences	10,007	21,007	-
<i>Total Current Liabilities</i>	1,188,085	4,117,704	-
Noncurrent Liabilities			
Long-term debt	7,513,854	14,544,072	-
Bond premiums	-	1,657,852	-
Accrued compensated absences	15,011	31,510	-
Net pension liability	923,475	1,595,883	-
OPEB liability	70,950	89,864	-
<i>Total Noncurrent Liabilities</i>	8,523,290	17,919,181	-
<i>Total Liabilities</i>	9,711,375	22,036,885	-
DEFERRED INFLOWS			
Net inflows related to PERS	144,499	167,741	-
Net inflows related to OPEB	5,957	7,545	-
	150,456	175,286	-
NET POSITION:			
Net investment in capital assets	300,925	34,732,212	5,194,095
Restricted for:			
Construction	-	-	12,296,851
Unrestricted	1,104,085	(7,279,275)	(518,872)
<i>Total Net Position</i>	\$ 1,405,010	\$ 27,452,937	\$ 16,972,074

<i>Other Business- type Funds</i>	<i>Total</i>	<i>Governmental Activities</i>
		<i>Internal Service</i>
\$ 4,683,691	\$ 26,659,138	\$ 757,136
30,555	872,741	7,360
4,714,246	27,531,879	764,496
1,313,833	6,999,522	-
1,450,809	50,086,598	-
-	7,863	1,112
2,764,642	57,093,983	1,112
7,478,888	84,625,862	765,608
-	739,078	157,118
-	17,971	2,541
-	757,049	159,659
6,236	182,096	11,963
-	134,344	-
-	418,987	-
-	4,407,430	-
-	138,154	-
-	31,014	11,388
6,236	5,312,025	23,351
-	22,057,926	-
-	1,657,852	-
-	46,521	17,081
-	2,519,358	444,832
-	160,814	22,732
-	26,442,471	484,645
6,236	31,754,496	507,996
-	312,240	45,153
-	13,502	1,908
-	325,742	47,061
2,764,642	42,991,874	(11,388)
4,708,010	17,004,861	-
-	(6,694,062)	370,210
\$ 7,472,652	\$ 53,302,673	\$ 370,210

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

CITY OF WOODBURN, OREGON**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018**

	<u>Water</u>	<u>Sewer</u>	<u>Sewer Capital Construction</u>
OPERATING REVENUES			
Charges for services	\$ 3,399,943	\$ 8,141,127	\$ -
Miscellaneous	76,648	20,277	-
<i>Total Operating Revenues</i>	3,476,591	8,161,404	-
OPERATING EXPENSES			
Personal services	1,486,349	1,325,736	-
Materials and services	760,082	1,824,138	-
Depreciation	357,224	1,859,098	78,961
<i>Total Operating Expenses</i>	2,603,655	5,008,972	78,961
OPERATING INCOME (LOSS)	872,936	3,152,432	(78,961)
NONOPERATING REVENUES (EXPENSES)			
Investment revenue	39,618	140,630	198,473
Amortization of bond premiums	-	138,154	-
Interest expense	(380,101)	(693,346)	-
<i>Total Nonoperating Revenues (Expenses)</i>	(340,483)	(414,562)	198,473
NET INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	532,453	2,737,870	119,512
Capital contributions	-	-	-
Transfers in	42,990	622,262	417,459
Transfers out	(207,345)	(945,771)	(324,666)
Gain on disposition of assets	2,413	8,200	-
CHANGE IN NET POSITION	370,511	2,422,561	212,305
NET POSITION, beginning of year	1,106,036	25,120,984	16,759,769
Restatement	(71,537)	(90,608)	-
NET POSITION, beginning of year as restated	1,034,499	25,030,376	16,759,769
NET POSITION, end of year	\$ 1,405,010	\$ 27,452,937	\$ 16,972,074

<i>Other Business- type Funds</i>	<i>Total</i>	<i>Governmental Activities</i>
		<i>Internal Service</i>
\$ -	\$ 11,541,070	\$ 1,834,921
-	96,925	16,864
-	11,637,995	1,851,785
-	2,812,085	913,495
75,302	2,659,522	662,981
58,684	2,353,967	-
133,986	7,825,574	1,576,476
(133,986)	3,812,421	275,309
75,301	454,022	6,359
-	138,154	-
-	(1,073,447)	-
75,301	(481,271)	6,359
(58,685)	3,331,150	281,668
397,650	397,650	-
30,772	1,113,483	117,529
-	(1,477,782)	(134,395)
-	10,613	-
369,737	3,375,114	264,802
7,102,915	50,089,704	128,329
-	(162,145)	(22,921)
7,102,915	49,927,559	105,408
\$ 7,472,652	\$ 53,302,673	\$ 370,210

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, 2018

	<u>Water</u>	<u>Sewer</u>	<u>Sewer Capital Construction</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Collected from customers	\$ 3,484,252	\$ 8,086,596	\$ 53
Paid to suppliers	(755,930)	(1,252,014)	-
Paid to employees	(1,433,794)	(1,731,539)	-
<i>Net Cash Provided by (Used in) Operating Activities</i>	1,294,528	5,103,043	53
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers in	-	-	417,459
Transfers out	(196,751)	(958,714)	-
<i>Net Cash Provided by (Used in) Non-Capital Financing Activities</i>	(196,751)	(958,714)	417,459
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	-	(60,255)	(1,377,876)
Proceeds from disposal of capital assets	2,414	8,200	-
Principal paid on loans and bonds payable	(756,934)	(3,165,000)	-
Capital contributions	-	-	-
Interest paid	(398,503)	(724,563)	-
<i>Net Cash Provided by (Used in) Capital and Related Financing Activities</i>	(1,153,023)	(3,941,618)	(1,377,876)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	39,618	140,630	198,473
<i>Increase (Decrease) in Cash and Investments</i>	(15,628)	343,341	(761,891)
CASH AND INVESTMENTS, Beginning of year	2,231,622	7,638,173	12,539,830
CASH AND INVESTMENTS, End of year	<u>\$ 2,215,994</u>	<u>\$ 7,981,514</u>	<u>\$ 11,777,939</u>

<i>Other Business- Type Funds</i>	<i>Totals</i>	<i>Governmental Activities</i>
		<i>Internal Service</i>
\$ 12	\$ 11,570,913	\$ 1,846,266
(69,632)	(2,077,576)	(1,139,038)
-	(3,165,333)	(476,795)
(69,620)	6,328,004	230,433
69,540	486,999	117,529
-	(1,155,465)	-
69,540	(668,466)	117,529
(6,140)	(1,444,271)	(134,395)
-	10,614	-
-	(3,921,934)	-
367,288	367,288	-
-	(1,123,066)	-
361,148	(6,111,369)	(134,395)
75,301	454,022	6,359
436,369	2,191	219,926
4,247,322	26,656,947	537,210
\$ 4,683,691	\$ 26,659,138	\$ 757,136

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

CITY OF WOODBURN, OREGON
STATEMENT OF CASH FLOWS (Continued)
YEAR ENDED JUNE 30, 2018

	<u>Water</u>	<u>Sewer</u>	<u>Sewer Capital Construction</u>
RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ 872,936	\$ 3,152,432	\$ (78,961)
Adjustments to reconcile the change in operating cash provided by operating activities:			
Depreciation	357,224	1,859,098	78,961
<i>Change in assets and liabilities:</i>			
Accounts receivable	(4,768)	(74,808)	53
Deferred outflows	366,893	464,698	-
OPEB asset	(3,469)	(4,394)	-
Accounts payable and accrued liabilities	(46,680)	10,506	-
Customer deposits	12,429	-	-
Compensated absences payable	(10,815)	11,169	-
Net pension liability (asset)	(288,642)	(365,586)	-
OPEB liability	(587)	(744)	-
Deferred inflows	40,007	50,672	-
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>\$ 1,294,528</u>	<u>\$ 5,103,043</u>	<u>\$ 53</u>
<i>Noncash Transactions</i>			
Transfer of capital assets	<u>\$ 19,454</u>	<u>\$ 622,261</u>	<u>\$ (324,666)</u>

<i>Other Business- Type Funds</i>	<i>Totals</i>	<i>Governmental Activities</i>
		<i>Internal Service</i>
\$ (133,986)	\$ 3,812,421	\$ 275,309
58,684	2,353,967	-
12	(79,511)	(5,519)
-	831,591	117,553
-	(7,863)	-
5,670	(30,504)	(69,466)
-	12,429	-
-	354	(6,477)
-	(654,228)	(92,483)
-	(1,331)	(189)
-	90,679	12,817
<u>\$ (69,620)</u>	<u>\$ 6,328,004</u>	<u>\$ 230,433</u>
<u>\$ -</u>	<u>\$ 317,049</u>	<u>\$ (134,395)</u>

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

CITY OF WOODBURN, OREGON
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2018

	<u><i>Pension Trust</i></u>
ADDITIONS	
Earnings	\$ 1,690
<i>Total additions</i>	1,690
DEDUCTIONS	59,633
CHANGE IN NET POSITION	(57,943)
NET POSITION, beginning of year	57,943
NET POSITION, end of year	<u><u>\$ -</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, 2018

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, 2018.

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 Position and the Statement of Activities.

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*.

CITY OF WOODBURN, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2018

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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 position and the statement of fund net position. The increases and decreases in those net positions are presented in the government-wide statement of activities and in the proprietary fund statement of revenues, expenses and changes in fund net position. 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.

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 position, 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.

Fund Balance

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Although not a major impact on the financial statements, Governmental Fund type fund balances are now reported in the following classifications.

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

Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance (Continued)

Fund balance is reported as committed when the City Council takes formal action that places specific constraints on how the resources may be used. The City Council can modify or rescind the commitment at any time through taking a similar formal action.

Resources that are constrained by the City's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent is expressed when the City Council approves which resources should be "reserved" during the adoption of the annual budget. The City's Finance Director uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the City's Annual Financial Report.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

The City Council has approved a policy to maintain an ending fund balance in the General Fund, in order to provide stable services and employment to offset cyclical variations in revenues and expenditures. The targeted floor for the ending balance is 17% of annual operating revenue, as shown as a minimum fund balance in the General Fund. The City Council is the highest level decision making authority and may take formal action by vote or resolution to establish, modify, or rescind a fund balance commitment.

Definitions of Governmental Fund Types

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

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

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

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Financial Statements (Continued)

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

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

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

The City reports the following major governmental funds:

- General Fund
- Street Fund

The City reports the following major proprietary funds:

- Water Fund
- Sewer Fund
- Sewer Capital 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, 2018. Actual results may differ from such estimates.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Unavailable Revenues

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

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

Property taxes receivable for the governmental fund types, which have been collected within thirty days subsequent to year end, are considered measurable and available and are recognized as revenues. All other property taxes are considered unavailable 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 considered unavailable and, accordingly, have not been recorded as revenue.

Revolving loans in the government fund types are recognized as receivables at the time housing rehabilitation loans are made. All loans receivable are considered unavailable and, accordingly, have not been recorded as revenue.

Inventory and Prepaid Items

Inventory in business-type funds is state at cost (first-in, first-out basis) and is charged to expense as used. Prepaid items in the governmental funds are stated at cost and charged to expenditures in the period consumed.

Capital Assets

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

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

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

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

Buildings and improvements	10 - 40 years
Water and Sewer Systems	15 - 50 years
Infrastructure	50 years
Equipment	5 - 15 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 position. Repayment of general bonded debt will be made from debt service funds. Bond premiums will be amortized over the life of the related debt. Payment of compensated absences will be made primarily from the General Fund, Street Fund, Water Fund and Sewer Fund.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expenditure) until then. The City reports deferred outflows of resources related to pensions and other post-employment benefits for contributions made after the June 30, 2017 measurement date, differences between expected and actual experience, and changes in proportionate share, as well as deferred charges related to refunded bonds.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows*, represents an acquisition that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. The City reports deferred inflows related to pensions and other post-employment benefits for changes in projected earnings versus actual earnings and contribution versus proportionate share of contributions.

The third instance of deferred inflows arises only under a modified accrual basis of accounting. Accordingly, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and loans receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Pension Liability

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

Post-Employment Benefits Other Than Pensions (OPEB)

The City reports two components of post-employment benefits other than pensions (OPEB) - Oregon Public Employees Retirement System Retiree Health Insurance Account (OPERS RHIA) and a single-employer defined benefit post-employment health plan administered by Citycounty Insurance Services (CIS).

The City reports its proportionate share of the Oregon Public Employees Retirement System Retiree Health Insurance Account (OPERS RHIA). A negative OPEB liability is reported as an OPEB Asset. For purposes of measuring the City's OPEB liability or asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of OPERS RHIA and additions to/deductions from OPERS RHIA's fiduciary net position have been determined on the same basis as they are reported by OPERS RHIA. For this purpose, the benefit payments are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Post-Employment Benefits Other Than Pensions (OPEB) (Continued)

The City reports an OPEB liability or asset, deferred outflows of resources and deferred inflows of resources related to the implicit subsidy arising from the City's single-employer defined benefit post-employment health plan administered by CIS. For the purpose of measuring the City's OPEB liability or asset, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information has been determined based on an actuarial valuation provided by CIS. Benefit payments are recognized when due and payable in accordance with benefit terms.

Accrued Vacation Pay

Accumulated vested vacation pay is accrued in the proprietary 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 position. The accrued payables in the Statement of Net Position are recorded as long-term in that the amount is not expected to 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. For budgetary purposes, interfund loan transactions are reported as interfund transfers. Appropriations are made at the program/function level for all funds. Expenditures may not legally exceed appropriations. Appropriations lapse at the end of each fiscal year. Budget amounts include original approved amounts and all subsequent appropriation transfers approved by the City Council. After budget approval, the City Council may approve supplemental appropriations if an occurrence, condition, or need exists which had not been ascertained at the time the budget was adopted. Management may not amend the budget. A supplemental budget requires hearings before the public, publications in newspapers and approval by the City Council.

ORGANIZATION AND OPERATION

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

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 protection, recreation and general government.

Special Revenue Funds

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.

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

CITY OF WOODBURN, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2018

ORGANIZATION AND OPERATION (Continued)

Governmental Fund Types (Continued)

Special Revenue Funds (Continued)

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

Asset Forfeiture Fund - This fund accounts for the seizure of private properties that are the product of illegal activity, and for the expenditure of the proceeds by the City for illegal drug activity investigations and subsequent arrests.

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

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

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

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

Urban Renewal Fund – This fund accounts for transactions related to urban renewal, including debt service on the URA loan. Property taxes are the primary source of revenue.

Capital Projects Funds

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

General Capital 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 Construction 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.

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

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

Debt Service Fund

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

ORGANIZATION AND OPERATION (Continued)

Proprietary Fund Types

Enterprise Funds

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

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.

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

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 sewer SDC's.

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

Internal Service Funds

The City has two 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 Technology Fund - This fund accounts for the maintenance and replacement of the City's network and technology services.

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

Fiduciary Fund

The City has one fiduciary fund. The City's pension trust fund was created to hold assets to provide retirement benefits to certain City employees. These funds were distributed in 2018.

CITY OF WOODBURN, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2018

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 Position as part of "cash and investments."

	<i>Carrying Value</i>	<i>Fair Value</i>
Cash		
Deposits with financial institutions	\$ 66,847	\$ 66,847
Cash on hand	1,960	1,960
Investments		
Local Government Investment Pool	48,316,265	48,379,076
	<u>\$ 48,385,072</u>	<u>\$ 48,447,883</u>

Cash is reported in the financial statements as follows:

Governmental funds	\$ 20,968,797
Internal Service funds (included in governmental activities)	757,136
Enterprise funds	26,659,139
	<u>\$ 48,385,072</u>

Deposits

The book balance of the City's bank deposits (checking accounts) was \$66,847 and the bank balance was \$228,060 at year end. The difference is due to transactions in process. Bank deposits are secured to legal limits by federal deposit insurance. The remaining amount is secured in accordance with ORS 295 under a collateral program administered by the Oregon State Treasurer.

Investments

The State Treasurer of the State of Oregon maintains the Oregon Short-term Fund, of which the Local Government Investment Pool is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. The Oregon Short-term Fund is the LGIP for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). The carrying value of the City's position in the pool is the same as the value of the pool shares; fair value was 100.13% of the value of the pool shares as of June 30, 2018. The investment in the Oregon Short-term Fund is not subject to classification. Separate financial statements for the Oregon Short-term Fund are available from the Oregon State Treasurer.

CITY OF WOODBURN, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2018

CASH AND INVESTMENTS (Continued)

Interest Rate Risk

In accordance with its investment policy, the City 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 insurance for the City's deposits with financial institutions up to \$250,000 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, 2018, none of the City's bank balances were exposed to custodial credit risk as part of the Public Funds Collateralization Program.

Custodial Risk - Investments

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

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

CITY OF WOODBURN, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2018

CAPITAL ASSETS

The summary of capital assets for the business-type activities for the year ended June 30, 2018 is as follows:

	<i>Balances July 1, 2017</i>	<i>Additions</i>	<i>Retirements</i>	<i>Balances June 30, 2018</i>
<i>Nondepreciable assets</i>				
Land	\$ 1,783,816	\$ -	\$ -	\$ 1,783,816
Construction in progress	4,365,993	849,714	-	5,215,707
Subtotal, nondepreciable assets	6,149,809	849,714	-	6,999,523
<i>Depreciable assets</i>				
Buildings	62,748,380	-	-	62,748,380
Water and sewer systems	30,479,609	-	-	30,479,609
Equipment	2,427,869	701,971	(64,157)	3,065,683
Subtotal, depreciable assets	95,655,858	701,971	(64,157)	96,293,672
<i>Accumulated depreciation</i>				
Buildings and improvements	(29,729,090)	(1,717,708)	-	(31,446,798)
Water and sewer systems	(12,413,241)	(494,707)	-	(12,907,948)
Equipment	(1,774,934)	(141,552)	64,157	(1,852,329)
Total accumulated depreciation	(43,917,265)	(2,353,967)	64,157	(46,207,075)
<i>Total depreciable assets, net</i>	51,738,593	(1,651,996)	-	50,086,597
Net capital assets	\$ 57,888,402	\$ (802,282)	\$ -	\$ 57,086,120

Depreciation expense was allocated as follows:

Water funds	\$ 415,908
Sewer funds	1,938,059
	<u>\$ 2,353,967</u>

CITY OF WOODBURN, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2018

CAPITAL ASSETS (Continued)

The changes in the capital assets for governmental activities for the year ended June 30, 2018 are as follows:

	<i>Balances July 1, 2017</i>	<i>Additions</i>	<i>Retirements/ Transfers</i>	<i>Balances June 30, 2018</i>
<i>Nondepreciable assets</i>				
Land	\$ 22,567,381	\$ 134,627	\$ -	\$ 22,702,008
Construction in progress	506,639	459,910	(299,952)	666,597
Subtotal, nondepreciable assets	23,074,020	594,537	(299,952)	23,368,605
<i>Depreciable assets</i>				
Buildings	16,756,793	362,868	-	17,119,661
Equipment	7,226,203	268,232	(303,751)	7,190,684
Infrastructure	44,360,967	201,056	-	44,562,023
Subtotal, depreciable assets	68,343,963	832,156	(303,751)	68,872,368
<i>Accumulated depreciation</i>				
Buildings	(6,812,480)	(478,885)	-	(7,291,365)
Equipment	(5,885,807)	(353,166)	303,751	(5,935,222)
Infrastructure	(17,180,562)	(716,541)	-	(17,897,103)
Total accumulated depreciation	(29,878,849)	(1,548,592)	303,751	(31,123,690)
<i>Total depreciable assets, net</i>	38,465,114	(716,436)	-	37,748,678
Net capital assets	\$ 61,539,134	\$ (121,899)	\$ (299,952)	\$ 61,117,283

Depreciation expense was allocated as follows:

General government	\$ 224,505
Public safety	246,638
Highways and streets	832,854
Culture and recreation	104,608
Internal service funds	139,987
	<u>\$ 1,548,592</u>

CITY OF WOODBURN, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2018

LONG-TERM DEBT

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

	<i>Outstanding July 1, 2017</i>	<i>Issued</i>	<i>Matured/ Redeemed During Year</i>	<i>Outstanding June 30, 2018</i>	<i>Due Within One Year</i>
<i>Governmental Activities:</i>					
Series 2005 general obligation bonds due in annual installments with principal and interest varying annually	\$ 3,690,000	\$ -	\$ (3,690,000)	\$ -	\$ -
1999 Oregon EDD Loan due in annual installments of \$38,319 with interest at 5.01%.	35,675	-	(35,675)	-	-
Series 2017 general obligation bonds due in annual installments with principal and interest varying annually	-	3,749,000	(421,000)	3,328,000	484,000
	<u>3,725,675</u>	<u>3,749,000</u>	<u>(4,146,675)</u>	<u>3,328,000</u>	<u>484,000</u>
Accrued compensated absences	586,541	588,239	(578,285)	596,495	238,598
	<u>\$ 4,312,216</u>	<u>\$ 4,337,239</u>	<u>\$ (4,724,960)</u>	<u>\$ 3,924,495</u>	<u>\$ 722,598</u>
<i>Business-type Activities:</i>					
Series 2003 Water loan paid over 25 years; interest at various rates	\$ 5,060,695	\$ -	\$ (325,789)	\$ 4,734,906	\$ 343,132
2005 Oregon EDD due in annual installments including interest at 4.21%	2,001,262	-	(215,573)	1,785,689	224,649
2005 SDWR due in annual installments including interest at 4.21%	2,001,261	-	(215,572)	1,785,689	224,649
2011 Sewer Revenue Bonds paid over 20 years; interest at various rates	21,324,072	-	(3,165,000)	18,159,072	3,615,000
	<u>30,387,290</u>	<u>-</u>	<u>(3,921,934)</u>	<u>26,465,356</u>	<u>4,407,430</u>
2011 Sewer Revenue Bond premium	1,934,160	-	(138,154)	1,796,006	138,154
Accrued compensated absences	77,181	99,563	(99,209)	77,535	31,014
	<u>\$ 32,398,631</u>	<u>\$ 99,563</u>	<u>\$ (4,159,297)</u>	<u>\$ 28,338,897</u>	<u>\$ 4,576,598</u>

At June 30, 2018, there was \$14,167,116 in unspent bond proceeds related the construction of the wastewater treatment plant.

CITY OF WOODBURN, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2018

LONG-TERM DEBT (Continued)

Future maturities of long-term debt are as follows:

Governmental Activities

Fiscal Year Ending June 30,	Principal	Interest	Total
2019	\$ 484,000	\$ 69,223	\$ 553,223
2020	511,000	59,156	570,156
2021	539,000	48,526	587,526
2022	568,000	37,315	605,315
2023	597,000	25,501	622,501
2024-28	629,000	13,082	642,082
	\$ 3,328,000	\$ 252,803	\$ 3,580,803

Business-type Activities

Fiscal Year Ending June 30,	Principal	Interest	Total
2019	\$ 4,407,430	\$ 996,283	\$ 5,403,713
2020	4,293,372	1,332,333	5,625,705
2021	4,557,224	1,340,502	5,897,726
2022	5,769,614	526,412	6,296,026
2023	2,947,572	1,365,168	4,312,740
2024-28	3,769,434	607,076	4,376,510
2029-33	720,710	39,803	760,513
	\$ 26,465,356	\$ 6,207,577	\$ 32,672,933

ADVANCE REFUNDING

During the year, the City issued \$3,749,000 in general obligation bonds with an interest rate of 2.08%. The proceeds were used to advance refund \$3,690,000 of outstanding 2005 general obligation bonds which had interest rates ranging from 4.00% to 4.25%. Net proceeds of \$3,702,255 (after payment of \$46,745 in underwriting fees and issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for future debt service payment on the refunding bonds. As a result, the 2005 general obligation bonds are considered defeased and the liability for those bonds has been removed from the statement of net position.

The City advance refunded the 2005 general obligation bonds to reduce its total debt service payments over 7 years by \$305,005 and to obtain an economic gain (difference between the present values of the debt service payments on the old debt and new debt) of \$250,186.

CITY OF WOODBURN, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2018

PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description

Substantially all City employees are members in the Oregon Public Employees Retirement System (OPERS); a cost-sharing multiple-employer defined benefit pension plan that acts as a common investment and administrative agent for government units in the State of Oregon. Employees hired before August 29, 2003 belong to the Tier One/Tier Two Retirement Benefit Program (established pursuant to ORS Chapter 238), while employees hired on or after August 29, 2003 belong to the OPSRP Pension Program (established pursuant to ORS Chapter 238A). OPERS produces an independently audited CAFR which can be found at: http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx.

Benefits Provided

Tier One/Tier Two Retirement Benefit

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

A member is considered vested and will be eligible at a minimum retirement age for a service retirement allowance if he or she has had contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

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

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

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

CITY OF WOODBURN, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2018

PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)

Benefits Provided (Continued)

Tier One/Tier Two Retirement Benefit (Continued)

Benefit Changes After Retirement. Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25% on the first \$60,000 of annual benefit and 0.15% on annual benefits above \$60,000.

OPSRP Pension Program

Pension Benefits. The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated by formula for members who attain normal retirement age. For general service members, 1.5% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit. For police and fire members, 1.8% is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

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

Death Benefits. Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

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

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

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2015 actuarial valuation as subsequently modified by 2013 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2017. The City's contribution rates for the period were 20.15% for Tier One/Tier Two members, 11.55% for OPSRP General Service members, and 16.32% for OPSRP Police and Fire members. The City's total contributions exclusive of the 6% "pick-up" was \$1,347,984.

CITY OF WOODBURN, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2018

PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)

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

Deferred outflows of resources related to pensions of \$1,347,984 resulting from the City’s contributions subsequent to the measurement date will be recognized as either a reduction of the net pension liability or an increase in the net pension asset in the year ending June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as an addition to (reduction from) as follows:

<i>Fiscal Year Ending June 30,</i>		
2019	\$	292,363
2020		1,381,920
2021		851,262
2022		(496,447)
2023		(19,181)
		<hr/>
Total	\$	2,009,917
		<hr/> <hr/>

Actuarial Methods and Assumptions

The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.50%
Investment Rate of Return	7.50%
Projected Salary Increases	3.50% overall payroll growth; salaries for individuals are assumed to grow at 3.50% plus assumed rates of merit/longevity increases based on service

PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)

Actuarial Methods and Assumptions (Continued)

Mortality

Healthy retirees and beneficiaries:

RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation.

Active members:

Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.

Disabled retirees:

Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality table.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2014 experience study which reviewed experience for the four-year period ending on December 31, 2014.

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption was based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

CITY OF WOODBURN, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2018

PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)

Long-Term Expected Rate of Return (Continued)

<u>Asset Class</u>	<u>Target</u>	<u>Compound Annual Return (Geometric)</u>
Core Fixed Income	8.00 %	4.00 %
Short-Term Bonds	8.00	3.61
Bank/Leveraged Loans	3.00	5.42
High Yield Bonds	1.00	6.20
Large/Mid Cap US Equities	15.75	6.70
Small Cap US Equities	1.31	6.99
Micro Cap US Equities	1.31	7.01
Developed Foreign Equities	13.13	6.73
Emerging Market Equities	4.12	7.25
Non-US Small Cap Equities	1.88	7.22
Private Equity	17.50	7.97
Real Estate (Property)	10.00	5.84
Real Estate (REITS)	2.50	6.69
Hedge Fund of Funds - Diversified	2.50	4.64
Hedge Fund - Event-driven	0.63	6.72
Timber	1.88	5.85
Farmland	1.88	6.37
Infrastructure	3.75	7.13
Commodities	1.88	4.58
Assumed Inflation - Mean		2.50 %

Discount Rate

The discount rate used to measure the total pension liability was 7.50% for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.50%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

CITY OF WOODBURN, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2018

PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	\$ 22,838,091	\$ 13,401,200	\$ 5,510,211

Pension Plan Fiduciary Net Position

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

Changes in Plan Provisions Subsequent to Measurement Date

The PERS Board lowered the assumed rate of return from 7.50% to 7.20% on July 28, 2017. This change is effective January 1, 2018, and will increase the net pension liability in future periods.

DEFINED CONTRIBUTION PENSION PLANS

The City sponsors two defined contribution pension plans. Both plan's provisions and contribution requirements are established and amended by the City Council.

The 401A is administered by ICMA Retirement Corp. to provide retirement benefits for the City Attorney. The City has established a contribution amount equivalent to approximately 7% of covered salary. The City contributed \$8,424 to the plan for the year ended June 30, 2018.

The 457 plan is administered by both ICMA Retirement Corporation and First Investors Financial Services, and provides additional retirement benefits for contract and unrepresented employees. The City has established matching contribution rates of 5% or 8.5%, depending on contractual agreements. The City contributed \$133,111 to the plan for the year ended June 30, 2018.

POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

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

CITY OF WOODBURN, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2018

POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Financial Statement Presentation

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

	<u>Implicit Rate Subsidy Plan</u>	<u>PERS RHIA Plan</u>	<u>Total OPEB on Financials</u>
Total OPEB Asset	\$ -	\$ 34,002	\$ 34,002
Deferred Outflows of Resources			
Contributions After Measurement Date	37,144	40,561	77,705
Total OPEB Liability	(695,362)	-	(695,362)
Deferred Inflows of Resources			
Change in Assumptions	(41,552)	(1,084)	(42,636)
Net Difference between Projected and Actual Earnings		(15,748)	(15,748)
OPEB Expense/(Income)	16,503	42,576	59,079

(Included in program expenses on Statement of Activities)

Implicit Rate Subsidy

Plan Description

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

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

Benefits Provided

The plan provides eligible retirees and their dependents under age 65 the same health care coverage at the same premium rates as offered to active employees. The retiree is responsible for the premiums. As of the valuation date of July 1, 2016, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	5
Active employees	115
	<u>120</u>

CITY OF WOODBURN, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2018

POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Implicit Rate Subsidy (Continued)

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

The City's total OPEB liability of \$695,362 was measured as of June 30, 2017, and was determined by an actuarial valuation as of July 1, 2016. For the fiscal year ended June 30, 2018, the City recognized OPEB expense from this plan of \$16,503. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Changes of assumptions	\$ -	\$ 41,552
Contributions subsequent to measurement date	37,144	-
Total	<u>\$ 37,144</u>	<u>\$ 41,552</u>

Deferred outflows of resources related to OPEB of \$37,144 resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	
2019	\$ (5,194)
2020	(5,194)
2021	(5,194)
2022	(5,194)
2023	(5,194)
Thereafter	(15,582)
Total	<u>\$ (41,552)</u>

Actuarial Assumptions and Other Inputs

The total OPEB liability for the June 30, 2018 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified: inflation rate of 2.50%, projected salary increases of 3.50%, discount rate of 3.58% (change from 2.85% in the previous measurement period), medical and vision varies between 7.50% and 5.00% (due to the timing of the excise tax scheduled to affect health care benefits), dental at 4.50%, and mortality rates based on the RP-2000 sex-distinct mortality tables, with generational adjustments per scale BB.

The discount rate was based on Bond Buyer 20-Year General Obligation Bond Index.

CITY OF WOODBURN, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2018

POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance as of June 30, 2017	\$ 701,928
Changes for the year:	
Service cost	51,565
Interest on total OPEB liability	21,016
Effect of assumptions changes or inputs	(46,746)
Benefit payments	(32,401)
Balance as of June 30, 2018	<u><u>\$ 695,362</u></u>

The effect of changes in assumptions is the result of the change in the discount rate from 2.85 to 3.58.

Sensitivity of the Total OPEB Liability

The following presents the City's total OPEB liability, as well as what the liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.58 percent) or 1 percentage point higher (4.58 percent) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

Discount Rate:

	<u>1% Decrease (2.58%)</u>	<u>Current Discount Rate (3.58%)</u>	<u>1% Increase (4.58%)</u>
Total OPEB Liability	\$ 759,674	\$ 695,362	\$ 636,624

Healthcare Cost Trend:

	<u>1% Decrease (6.5% decreasing to 4.0%)</u>	<u>Current Healthcare Trend Rate (7.5% decreasing to 5.0%)</u>	<u>1% Increase (8.5% decreasing to 6.0%)</u>
Total OPEB Liability	\$ 614,652	\$ 695,362	\$ 791,861

CITY OF WOODBURN, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2018

POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

PERS Retirement Health Insurance Account

Benefits Provided

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

Contributions

PERS funding policy provides for employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2015 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2017. The City's contribution rates for the period were 0.50% for Tier One/Tier Two members, and 0.43% for OPSRP members. The City's total for the year ended June 30, 2018 contributions was \$40,561.

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

At June 30, 2018, the City reported an asset of \$34,002 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2017, and was determined by an actuarial valuation as of December 31, 2015 rolled forward to June 30, 2017. The City's proportion of the net OPEB asset was based on the City's contributions to the RHIA program during the measurement period relative to contributions from all participating employers. At June 30, 2017, the City's proportionate share was 0.0815%, which is a decrease from its proportion of 0.0055% as of June 30, 2016.

For the year ended June 30, 2018, the City recognized OPEB expense from this plan of \$42,576. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	<i>Deferred Outflow of Resources</i>	<i>Deferred Inflow of Resources</i>
	<u> </u>	<u> </u>
Net Difference between Projected and Actual Earnings	\$ -	\$ 15,748
Change in Proportionate Share		1,084
Contributions subsequent to the MD	40,561	-
Total	<u>\$ 40,561</u>	<u>\$ 16,832</u>

CITY OF WOODBURN, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2018

POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

PERS Retirement Health Insurance Account (Continued)

Deferred outflows of resources related to OPEB of \$40,561 resulting from the City’s contributions subsequent to the measurement date will be recognized as either a reduction of the net OPEB liability or an increase in the net OPEB asset in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended		
June 30:		
2019	\$	(4,338)
2020		(4,338)
2021		(4,219)
2022		(3,937)
Total	\$	<u>(16,832)</u>

Actuarial Methods and Assumptions

The healthcare cost trend rate ranges from 6.30% in 2016 to 4.40% in 2094. See OPERS Pension Plan footnote for additional information on actuarial assumptions and methods, the long-term expected rate of return, and the discount rate.

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

The following presents the City’s proportionate share of the net OPEB liability (asset) calculated using the discount rate of 7.50%, as well as what the City’s proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease	Discount Rate	1% Increase
	(6.50%)	(7.50%)	(8.50%)
Net OPEB Liability (Asset)	\$ 4,740	\$ (34,002)	\$ (66,953)

OPEB Plan Fiduciary Net Position

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

Changes in Plan Provisions Subsequent to Measurement Date

The PERS Board lowered the assumed rate of return from 7.50% to 7.20% on July 28, 2017. This change is effective January 1, 2018, and will decrease the net OPEB asset or increase the net OPEB liability in future periods.

CITY OF WOODBURN, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2018

CHANGE IN ACCOUNTING PRINCIPLE

In implementing GASB Statement No. 75, the City has restated beginning net position in order to recognize the correct total OPEB liability for the City’s implicit rate subsidy plan and to recognize the City’s proportionate share of the net OPEB asset of the Oregon Public Employees Retirement Systems (OPERS). The restatement also recognizes a deferred outflow of resources related to OPEB for contributions from each plan made after the June 30, 2018 measurement date.

<i>Activity/Fund</i>	<i>Increase (decrease) in beginning net position</i>	
Governmental activities	\$	516,052
Water		71,537
Sewer		90,608
Information services		20,207
Insurance		2,714

TRANSFERS

Interfund transfers on the GAAP basis of accounting are as follows:

	<i>Transfers In</i>	<i>Transfers Out</i>
Governmental funds:		
General	\$ 558,346	\$ 650,597
Street	90,000	135,865
Governmental non-major	991,191	488,776
Proprietary funds:		
Water	42,990	207,345
Sewer	622,262	945,771
Sewer Capital Construction	417,459	324,666
Proprietary non-major	30,772	-
	<u>\$ 2,753,020</u>	<u>\$ 2,753,020</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.

CITY OF WOODBURN, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2018

INTERFUND LOANS

LOANS RECEIVABLE

<i>Fund</i>	<i>Outstanding July 1, 2017</i>	<i>Payments Received</i>	<i>Outstanding June 30, 2018</i>
Water Capital Construction	\$ 38,768	\$ (38,768)	\$ -
Street SDC	38,768	(38,768)	-
	<u>\$ 77,536</u>	<u>\$ (77,536)</u>	<u>\$ -</u>

LOANS PAYABLE

<i>Fund</i>	<i>Outstanding July 1, 2017</i>	<i>Payments Made</i>	<i>Outstanding June 30, 2018</i>
General	\$ 51,650	\$ (51,650)	\$ -
Water	12,943	(12,943)	-
Sewer	12,943	(12,943)	-
	<u>\$ 77,536</u>	<u>\$ (77,536)</u>	<u>\$ -</u>

The loans receivable and payable reflect two internal loans for the purchase of the City's accounting and telephone systems, both which were paid in full as of June 30, 2018.

DEFICIT NET POSITION/FUND BALANCES

The following funds reported deficit balances as of June 30, 2018:

<i>Internal Service Funds</i>	
Information technology	\$ (60,222)

The deficit fund balance in the information services fund is due to changes in net pension liability during the year.

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.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – GENERAL FUND (BUDGETARY BASIS)
YEAR ENDED JUNE 30, 2018**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Taxes and assessments	\$ 9,365,775	\$ 9,365,775	\$ 9,424,050	\$ 58,275
Licenses and permits	224,600	224,600	272,140	47,540
Franchise fees	1,760,674	1,760,674	1,738,907	(21,767)
Charges for services	948,924	948,924	754,339	(194,585)
Intergovernmental	751,560	751,560	894,936	143,376
Fines and forfeitures	470,500	470,500	395,164	(75,336)
Miscellaneous	272,500	272,500	396,379	123,879
<i>Total Revenues</i>	13,794,533	13,794,533	13,875,915	81,382
EXPENDITURES				
Council and Mayor	26,634	26,634	15,174	11,460
Administration	247,431	247,431	235,423	12,008
Economic Development	102,396	102,396	100,557	1,839
City Recorder	87,819	87,819	71,024	16,795
City Attorney	199,585	199,585	180,509	19,076
Finance	579,743	579,743	524,953	54,790
Human Resources	200,734	200,734	185,124	15,610
Nondepartmental	294,504	294,504	161,381	133,123
Police	7,523,466	7,523,466	6,813,292	710,174
Library	908,117	908,117	872,802	35,315
Recreation	479,616	479,616	425,194	54,422
Aquatic Center	584,607	584,607	552,561	32,046
Community Services Administration	382,808	382,808	361,022	21,786
Planning	497,063	497,063	457,595	39,468
Engineering	359,390	359,390	277,313	82,077
Maintenance	854,394	854,394	778,306	76,088
Contingency	2,265,812	2,265,812	-	2,265,812
<i>Total Expenditures</i>	15,594,119	15,594,119	12,012,230	3,581,889
REVENUES OVER (UNDER) EXPENDITURES	(1,799,586)	(1,799,586)	1,863,685	3,663,271
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,002,453)	(1,002,453)	(702,247)	300,206
Proceeds from sale of assets	22,000	22,000	24,415	2,415
<i>Total Other Financing Sources (Uses)</i>	(980,453)	(980,453)	(677,832)	302,621
NET CHANGE IN FUND BALANCE	(2,780,039)	(2,780,039)	1,185,853	3,965,892
FUND BALANCE, beginning of year	5,900,000	5,900,000	6,304,431	404,431
FUND BALANCE, end of year (budgetary basis)	\$ 3,119,961	\$ 3,119,961	7,490,284	\$ 4,370,323

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - STREET FUND (BUDGETARY BASIS)
YEAR ENDED JUNE 30, 2018**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Taxes and assessments	\$ 110,000	\$ 110,000	\$ 138,154	\$ 28,154
Licenses and permits	-	-	168	168
Franchise fees	320,000	320,000	359,879	39,879
Intergovernmental	1,400,000	1,400,000	1,615,056	215,056
Miscellaneous	181,751	181,751	159,411	(22,340)
<i>Total Revenues</i>	<u>2,011,751</u>	<u>2,011,751</u>	<u>2,272,668</u>	<u>260,917</u>
EXPENDITURES				
Personal services	797,044	797,044	656,600	140,444
Materials and services	1,587,210	1,587,210	1,151,843	435,367
Capital outlay	24,000	24,000	62,977	(38,977) *
Contingency	240,825	240,825	-	240,825
<i>Total Expenditures</i>	<u>2,649,079</u>	<u>2,649,079</u>	<u>1,871,420</u>	<u>777,659</u>
REVENUES OVER (UNDER) EXPENDITURES	(637,328)	(637,328)	401,248	1,038,576
OTHER FINANCING SOURCES (USES)				
Transfers in	90,000	90,000	90,000	-
Transfers out	(1,814,501)	(1,814,501)	(135,865)	1,678,636
Proceeds from sale of assets	-	-	9,500	9,500
<i>Total Other Financing Sources (Uses)</i>	<u>(1,724,501)</u>	<u>(1,724,501)</u>	<u>(36,365)</u>	<u>1,688,136</u>
NET CHANGE IN FUND BALANCE	(2,361,829)	(2,361,829)	364,883	2,726,712
FUND BALANCE, beginning of year	<u>3,365,799</u>	<u>3,365,799</u>	<u>3,905,804</u>	<u>540,005</u>
FUND BALANCE, end of year	<u><u>\$ 1,003,970</u></u>	<u><u>\$ 1,003,970</u></u>	<u><u>\$ 4,270,687</u></u>	<u><u>\$ 3,266,717</u></u>

*Budget is appropriated by function, therefore this is not an expenditure in excess of appropriations.

CITY OF WOODBURN, OREGON
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST FOUR FISCAL YEARS ¹

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability (asset)	0.0994%	0.1081%	0.1224%	0.1145%
City's proportionate share of the net pension liability (asset)	\$ (13,401,200)	\$ (16,230,093)	\$ (7,026,676)	\$ 2,595,126
City's covered-employee payroll	8,950,436	8,800,124	8,344,438	8,457,225
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-149.7%	-184.4%	-84.2%	30.7%
Plan fiduciary net position as a percentage of the total pension liability	83.1%	80.5%	91.9%	103.6%

¹ 10-year trend information required by GASB Statement 68 will be presented prospectively

CITY OF WOODBURN, OREGON
SCHEDULE OF THE CITY'S CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST FOUR FISCAL YEARS ¹

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 1,347,984	\$ 1,034,667	\$ 1,096,838	\$ 1,046,147
Contributions in relation to the contractually required contribution	(1,347,984)	(1,034,667)	(1,096,838)	(1,046,147)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 8,950,436	\$ 8,800,124	\$ 8,344,438	\$ 8,457,225
Contributions as a percentage of covered-employee payroll	15.06%	11.76%	13.14%	12.37%

¹ 10-year trend information required by GASB Statement 68 will be presented prospectively

CITY OF WOODBURN, OREGON

**SCHEDULE OF CHANGES IN TOTAL OTHER POST-EMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS - IMPLICIT RATE SUBSIDY
YEAR ENDED JUNE 30, 2018¹**

	<i>Fiscal Year Ending June 30 2018</i>
Service cost	\$ 51,565
Interest on total OPEB liability	21,016
Effect of assumption change or inputs	(46,746)
Benefit payments	(32,401)
Net change in total OPEB liability	(6,566)
Net OPEB liability, beginning	701,928
Net OPEB liability, ending	<u>\$ 695,362</u>
Covered payroll	\$ 8,950,436
Total OPEB liability as a % of covered payroll	7.8%

Notes:

The above table presents the most recent actuarial valuations for the City's post-employment health insurance benefits plan and provides information that approximates the funding progress of the plan.

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

¹ 10-year trend information required by GASB Statement 75 will be presented prospectively

CITY OF WOODBURN, OREGON

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM RETIREE HEALTH INSURANCE ACCOUNT
LAST TWO FISCAL YEARS ¹**

	<u>2018</u>	<u>2017</u>
City's proportion of the net OPEB liability (asset)	0.0815%	0.0869%
City's proportionate share of the net OPEB liability (asset)	\$ (34,002)	\$ 23,610
City's covered-employee payroll	8,950,436	8,800,124
City's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	-0.4%	0.3%
Plan fiduciary net position as a percentage of the total pension liability	108.9%	94.2%

CITY OF WOODBURN, OREGON
SCHEDULE OF THE CITY'S CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM RETIREE HEALTH INSURANCE ACCOUNT
LAST TWO FISCAL YEARS ¹

	<u>2018</u>	<u>2017</u>
Contractually required contributions	\$ 40,561	\$ 38,765
Contributions in relation to the contractually required contribution	<u>(40,561)</u>	<u>(38,765)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
City's covered-employee payroll	\$ 8,950,436	\$ 8,800,124
Contributions as a percentage of covered-employee payroll	0.45%	0.44%

¹ 10-year trend information required by GASB Statement 75 will be presented prospectively

SUPPLEMENTARY INFORMATION

CITY OF WOODBURN, OREGON
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018

	<i>Special Revenue</i>		
	<i>Transit</i>	<i>Building Inspection</i>	<i>Asset Forfeiture</i>
ASSETS			
Cash and investments	\$ 60,590	\$ 1,089,557	\$ 14,429
Accounts receivable	74,688	-	-
Property taxes receivable	-	-	-
Assessment liens receivable	-	-	-
Loans receivable	-	-	-
<i>Total Assets</i>	<u>\$ 135,278</u>	<u>\$ 1,089,557</u>	<u>\$ 14,429</u>
 LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ 1,234	\$ 9,267	\$ -
Deferred Inflows:			
Unavailable revenue	-	-	-
Fund Balance:			
Restricted for:			
Debt service	-	-	-
Construction	-	-	-
Culture and recreation	134,044	-	-
Community development	-	-	-
Committed to:			
Public safety	-	-	14,429
Capital outlay	-	-	-
Planning and building	-	1,080,290	-
<i>Total Fund Balance</i>	<u>134,044</u>	<u>1,080,290</u>	<u>14,429</u>
<i>Total Liabilities, Deferred Inflows and Fund Balance</i>	<u>\$ 135,278</u>	<u>\$ 1,089,557</u>	<u>\$ 14,429</u>

<i>Special Revenue</i>					<i>Capital Projects</i>
<i>Housing Rehabilitation</i>	<i>Library Endowment</i>	<i>Museum Endowment</i>	<i>Lavelle Black Trust</i>	<i>URA</i>	<i>General Capital Construction</i>
\$ 300,638	\$ 27,310	\$ 854	\$ 39,402	\$ 2,339,653	\$ 8,962
-	-	-	-	-	-
-	-	-	-	43,398	-
-	-	-	-	-	-
596,753	-	-	-	-	-
<u>\$ 897,391</u>	<u>\$ 27,310</u>	<u>\$ 854</u>	<u>\$ 39,402</u>	<u>\$ 2,383,051</u>	<u>\$ 8,962</u>
\$ 5	\$ -	\$ -	\$ -	\$ 53,616	\$ 8,962
596,753	-	-	-	40,494	-
-	-	-	-	-	-
-	-	-	-	-	-
-	27,310	854	39,402	-	-
300,633	-	-	-	2,288,941	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>300,633</u>	<u>27,310</u>	<u>854</u>	<u>39,402</u>	<u>2,288,941</u>	<u>-</u>
<u>\$ 897,391</u>	<u>\$ 27,310</u>	<u>\$ 854</u>	<u>\$ 39,402</u>	<u>\$ 2,383,051</u>	<u>\$ 8,962</u>

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

JUNE 30, 2018

	Capital Projects		
	Special Assessment	Street/Storm Capital Construction	Parks SDC
ASSETS			
Cash and investments	\$ 17,982	\$ 5,736	\$ 307,287
Accounts receivable	-	-	-
Property taxes receivable	-	-	-
Assessment liens receivable	30,570	-	-
Loans receivable	-	-	-
<i>Total Assets</i>	<u>\$ 48,552</u>	<u>\$ 5,736</u>	<u>\$ 307,287</u>
 LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE			
Liabilities:			
Accounts payable	\$ -	\$ 5,736	\$ -
 Deferred Inflows:			
Unavailable revenue	30,570	-	-
 Fund Balance:			
Restricted for:			
Debt service	-	-	-
Construction	-	-	307,287
Culture and recreation	-	-	-
Community development	-	-	-
Committed to:			
Public safety	-	-	-
Capital outlay	17,982	-	-
Planning and building	-	-	-
<i>Total Fund Balance</i>	<u>17,982</u>	<u>-</u>	<u>307,287</u>
<i>Total Liabilities, Deferred Inflows and Fund Balance</i>	<u>\$ 48,552</u>	<u>\$ 5,736</u>	<u>\$ 307,287</u>

<i>Capital Projects</i>			<i>Debt Service</i>	
<i>Street SDC</i>	<i>Storm SDC</i>	<i>Equipment Replacement</i>	<i>GO Debt Service</i>	<i>Total</i>
2,992,415	\$ 629,605	\$ 675,062	\$ 17,210	\$ 8,526,692
-	-	-	3,141	77,829
-	-	-	37,075	80,473
-	-	-	-	30,570
-	-	-	-	596,753
<u>\$ 2,992,415</u>	<u>\$ 629,605</u>	<u>\$ 675,062</u>	<u>\$ 57,426</u>	<u>\$ 9,312,317</u>
\$ -	\$ -	\$ -	\$ -	\$ 78,820
-	-	-	34,649	702,466
-	-	-	22,777	22,777
2,992,415	629,605	-	-	3,929,307
-	-	-	-	201,610
-	-	-	-	2,589,574
-	-	-	-	14,429
-	-	675,062	-	693,044
-	-	-	-	1,080,290
<u>2,992,415</u>	<u>629,605</u>	<u>675,062</u>	<u>22,777</u>	<u>8,531,031</u>
<u>\$ 2,992,415</u>	<u>\$ 629,605</u>	<u>\$ 675,062</u>	<u>\$ 57,426</u>	<u>\$ 9,312,317</u>

CITY OF WOODBURN, OREGON**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2018**

	Special Revenue		
	Transit	Building Inspection	Asset Forfeiture
REVENUES			
Taxes and assessments	\$ -	\$ -	\$ -
Licenses and permits	-	752,273	-
Charges for services	39,154	-	-
Intergovernmental	471,813	173,214	-
Miscellaneous	10,704	24,425	4,748
<i>Total Revenues</i>	521,671	949,912	4,748
EXPENDITURES			
Current			
General government	-	465,722	-
Culture and recreation	599,832	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Capital outlay	22,232	-	-
<i>Total Expenditures</i>	622,064	465,722	-
REVENUES OVER (UNDER) EXPENDITURES	(100,393)	484,190	4,748
OTHER FINANCING SOURCES (USES)			
Transfers in	116,000	-	-
Transfers out	(3,001)	(3,001)	-
Proceeds from sales of assets	1,500	-	-
Proceeds from issuance of debt	-	-	-
Payment on refunded debt	-	-	-
<i>Total Other Financing Sources (Uses)</i>	114,499	(3,001)	-
NET CHANGE IN FUND BALANCE	14,106	481,189	4,748
FUND BALANCE, beginning of year	119,938	599,101	9,681
FUND BALANCE, end of year	\$ 134,044	\$ 1,080,290	\$ 14,429

<i>Special Revenue</i>					<i>Capital Projects</i>
<i>Housing Rehabilitation</i>	<i>Library Endowment</i>	<i>Museum Endowment</i>	<i>Lavelle Black Trust</i>	<i>URA</i>	<i>General Capital Construction</i>
\$ -	\$ -	\$ -	\$ -	\$ 669,531	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	5,000	18,235
58,182	459	25	704	41,131	-
58,182	459	25	704	715,662	18,235
-	-	-	-	-	-
7,660	-	-	8,504	178,266	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	325,643	469,301
7,660	-	-	8,504	503,909	469,301
50,522	459	25	(7,800)	211,753	(451,066)
-	-	-	-	-	451,066
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	451,066
50,522	459	25	(7,800)	211,753	-
250,111	26,851	829	47,202	2,077,188	-
\$ 300,633	\$ 27,310	\$ 854	\$ 39,402	\$ 2,288,941	\$ -

CITY OF WOODBURN, OREGON**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS (Continued)
YEAR ENDED JUNE 30, 2018**

	Capital Projects		
	Special	Street/Storm	
	Assessment	Capital	Parks SDC
		Construction	
REVENUES			
Taxes and assessments	\$ -	\$ -	\$ -
Licenses and permits	-	-	143,531
Charges for services	-	-	-
Intergovernmental	-	-	-
Miscellaneous	5,599	-	4,236
<i>Total Revenues</i>	5,599	-	147,767
EXPENDITURES			
Current			
General government	-	-	-
Culture and recreation	-	-	57,986
Debt service			
Principal	-	-	-
Interest	-	-	-
Capital outlay	-	101,364	-
<i>Total Expenditures</i>	-	101,364	57,986
REVENUES OVER (UNDER) EXPENDITURES	5,599	(101,364)	89,781
OTHER FINANCING SOURCES (USES)			
Transfers in	-	101,364	-
Transfers out	-	-	(31,329)
Proceeds from sales of assets	-	-	-
Proceeds from issuance of debt	-	-	-
Payment on refunded debt	-	-	-
<i>Total Other Financing Sources (Uses)</i>	-	101,364	(31,329)
NET CHANGE IN FUND BALANCE	5,599	-	58,452
FUND BALANCE, beginning of year	12,383	-	248,835
FUND BALANCE, end of year	\$ 17,982	\$ -	\$ 307,287

*Transfers net of interfund loan payments

<i>Capital Projects</i>			<i>Debt Service</i>	
<i>Street SDC</i>	<i>Storm SDC</i>	<i>Equipment Replacement</i>	<i>GO Debt Service</i>	<i>Total</i>
\$ -	\$ -	\$ -	\$ 549,246	\$ 1,218,777
258,739	32,623	-	-	1,187,166
-	-	-	-	39,154
-	-	-	-	668,262
51,216	10,187	13,353	4,040	229,009
309,955	42,810	13,353	553,286	3,342,368
-	-	-	45,879	511,601
-	-	-	-	852,248
35,675	-	-	421,000	456,675
1,820	-	-	115,274	117,094
-	-	327,989	-	1,246,529
37,495	-	327,989	582,153	3,184,147
272,460	42,810	(314,636)	(28,867)	158,221
776 *	62	70,000	-	739,268
-	-	-	-	(37,331)
-	-	-	-	1,500
-	-	-	3,749,000	3,749,000
-	-	-	(3,699,114)	(3,699,114)
776	62	70,000	49,886	753,323
273,236	42,872	(244,636)	21,019	911,544
2,719,179	586,733	919,698	1,758	7,619,487
\$ 2,992,415	\$ 629,605	\$ 675,062	\$ 22,777	\$ 8,531,031

CITY OF WOODBURN, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - TRANSIT FUND
YEAR ENDED JUNE 30, 2018

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Charges for services	\$ 48,500	\$ 48,500	\$ 39,154	\$ (9,346)
Intergovernmental	468,765	468,765	471,813	3,048
Miscellaneous	11,180	11,180	10,704	(476)
<i>Total Revenues</i>	528,445	528,445	521,671	(6,774)
EXPENDITURES				
Transit	590,007	600,007	599,832	175
Capital outlay	28,000	28,000	22,232	5,768
Contingency	163,437	153,437	-	153,437
<i>Total Expenditures</i>	781,444	781,444	622,064	159,380
REVENUES OVER (UNDER)				
EXPENDITURES	(252,999)	(252,999)	(100,393)	152,606
OTHER FINANCING SOURCES (USES)				
Transfers in	116,000	116,000	116,000	-
Transfers out	(3,001)	(3,001)	(3,001)	-
Proceeds from sale of assets	-	-	1,500	1,500
<i>Total Other Financing Sources (Uses)</i>	112,999	112,999	114,499	1,500
NET CHANGE IN FUND BALANCE	(140,000)	(140,000)	14,106	154,106
FUND BALANCE, beginning of year	140,000	140,000	119,938	(20,062)
FUND BALANCE, end of year	\$ -	\$ -	\$ 134,044	\$ 134,044

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUILDING INSPECTION FUND
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual	Variance
	Original	Final		
REVENUES				
Licenses and permits	\$ 653,726	\$ 653,726	\$ 752,273	\$ 98,547
Intergovernmental	654,364	654,364	173,214	(481,150)
Miscellaneous	10,880	10,880	24,425	13,545
<i>Total Revenues</i>	1,318,970	1,318,970	949,912	(369,058)
EXPENDITURES				
Building inspection	1,264,889	1,264,889	465,722	799,167
Contingency	589,667	589,667	-	589,667
<i>Total Expenditures</i>	1,854,556	1,854,556	465,722	1,388,834
REVENUES OVER (UNDER) EXPENDITURES	(535,586)	(535,586)	484,190	1,019,776
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,001)	(3,001)	(3,001)	-
NET CHANGE IN FUND BALANCE	(538,587)	(538,587)	481,189	1,019,776
FUND BALANCE, beginning of year	538,587	538,587	599,101	60,514
FUND BALANCE, end of year	\$ -	\$ -	\$ 1,080,290	\$ 1,080,290

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – SEARCH AND SEIZURE FUND
YEAR ENDED JUNE 30, 2018**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Miscellaneous	\$ 90	\$ 90	\$ 4,748	\$ 4,658
EXPENDITURES				
Asset forfeiture	9,661	9,661	-	9,661
NET CHANGE IN FUND BALANCE	(9,571)	(9,571)	4,748	14,319
FUND BALANCE, beginning of year	9,571	9,571	9,681	110
FUND BALANCE, end of year	\$ -	\$ -	\$ 14,429	\$ 14,429

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - HOUSING REHABILITATION FUND
YEAR ENDED JUNE 30, 2018**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Miscellaneous	\$ 23,410	\$ 23,410	\$ 58,182	\$ 34,772
EXPENDITURES				
Housing rehab	23,644	23,644	7,660	15,984
Contingency	250,767	250,767	-	250,767
<i>Total Expenditures</i>	<u>274,411</u>	<u>274,411</u>	<u>7,660</u>	<u>266,751</u>
NET CHANGE IN FUND BALANCE	(251,001)	(251,001)	50,522	301,523
FUND BALANCE, beginning of year	<u>251,001</u>	<u>251,001</u>	<u>250,111</u>	<u>(890)</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,633</u>	<u>\$ 300,633</u>

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – LIBRARY ENDOWMENT FUND
YEAR ENDED JUNE 30, 2018**

	Budget Amounts		Actual	Variance
	Original	Final		
REVENUES				
Miscellaneous	\$ 350	\$ 350	\$ 459	\$ 109
EXPENDITURES				
Contingency	27,050	27,050	-	27,050
NET CHANGE IN FUND BALANCE	(26,700)	(26,700)	459	27,159
FUND BALANCE, beginning of year	26,700	26,700	26,851	151
FUND BALANCE, end of year	\$ -	\$ -	\$ 27,310	\$ 27,310

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – MUSEUM ENDOWMENT FUND
YEAR ENDED JUNE 30, 2018**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Miscellaneous	\$ 5	\$ 5	\$ 25	\$ 20
EXPENDITURES				
Contingency	705	705	-	705
NET CHANGE IN FUND BALANCE	(700)	(700)	25	725
FUND BALANCE, beginning of year	700	700	829	129
FUND BALANCE, end of year	\$ -	\$ -	\$ 854	\$ 854

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – LAVELLE BLACK TRUST FUND
YEAR ENDED JUNE 30, 2018**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Miscellaneous	\$ 660	\$ 660	\$ 704	\$ 44
EXPENDITURES				
Materials and services	20,000	20,000	8,504	11,496
Contingency	22,660	22,660	-	22,660
<i>Total Expenditures</i>	42,660	42,660	8,504	34,156
NET CHANGE IN FUND BALANCE	(42,000)	(42,000)	(7,800)	34,200
FUND BALANCE, beginning of year	42,000	42,000	47,202	5,202
FUND BALANCE, end of year	\$ -	\$ -	\$ 39,402	\$ 39,402

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – URBAN RENEWAL AGENCY FUND
YEAR ENDED JUNE 30, 2018**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Taxes and assessments	\$ 640,060	\$ 640,060	\$ 669,531	\$ 29,471
Intergovernmental	100,000	100,000	5,000	(95,000)
Miscellaneous	27,000	27,000	41,131	14,131
<i>Total Revenues</i>	767,060	767,060	715,662	(51,398)
EXPENDITURES				
Personal services	93,152	93,152	96,472	(3,320) *
Materials and services	96,111	96,111	81,794	14,317
Capital outlay	922,000	922,000	325,643	596,357
Contingency	100,000	100,000	-	100,000
<i>Total Expenditures</i>	1,211,263	1,211,263	503,909	707,354
NET CHANGE IN FUND BALANCE	(444,203)	(444,203)	211,753	655,956
FUND BALANCE, beginning of year	2,137,000	2,137,000	2,077,188	(59,812)
FUND BALANCE, end of year	\$ 1,692,797	\$ 1,692,797	\$ 2,288,941	\$ 596,144

*Budget is appropriated by function, therefore this is not an expenditure in excess of appropriations.

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – GENERAL CAPITAL CONSTRUCTION FUND
YEAR ENDED JUNE 30, 2018**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 18,235	\$ 18,235
EXPENDITURES				
Capital outlay	780,000	780,000	469,301	310,699
REVENUES OVER (UNDER) EXPENDITURES	(780,000)	(780,000)	(451,066)	328,934
OTHER FINANCING SOURCES (USES)				
Transfers in	780,000	780,000	451,066	(328,934)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	\$ -	\$ -	\$ -	\$ -

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – SPECIAL ASSESSMENT FUND
YEAR ENDED JUNE 30, 2018**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Miscellaneous	\$ 5,970	\$ 5,970	\$ 5,599	\$ (371)
EXPENDITURES				
Contingency	10,845	10,845	-	10,845
NET CHANGE IN FUND BALANCE	(4,875)	(4,875)	5,599	10,474
FUND BALANCE, beginning of year	4,875	4,875	12,383	7,508
FUND BALANCE, end of year	\$ -	\$ -	\$ 17,982	\$ 17,982

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – STREET/STORM CAPITAL CONSTRUCTION FUND
YEAR ENDED JUNE 30, 2018**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Intergovernmental	\$ 500,000	\$ 500,000	\$ -	\$ (500,000)
EXPENDITURES				
Capital outlay	4,620,000	4,620,000	101,364	4,518,636
REVENUES OVER (UNDER) EXPENDITURES	(4,120,000)	(4,120,000)	(101,364)	4,018,636
OTHER FINANCING SOURCES (USES)				
Transfers in	4,120,000	4,120,000	101,364	(4,018,636)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	\$ -	\$ -	\$ -	\$ -

CITY OF WOODBURN, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -

BUDGET AND ACTUAL – PARKS SDC FUND

YEAR ENDED JUNE 30, 2018

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Licenses and permits	\$ 200,000	\$ 200,000	\$ 143,531	\$ (56,469)
Miscellaneous	4,170	4,170	4,236	66
<i>Total Revenues</i>	204,170	204,170	147,767	(56,403)
EXPENDITURES				
Materials and services	102,987	102,987	57,986	45,001
REVENUES OVER (UNDER) EXPENDITURES	101,183	101,183	89,781	(11,402)
OTHER FINANCING SOURCES (USES)				
Transfers out	(60,000)	(60,000)	(31,329)	28,671
NET CHANGE IN FUND BALANCE	41,183	41,183	58,452	17,269
FUND BALANCE, beginning of year	295,141	295,141	248,835	(46,306)
FUND BALANCE, end of year	\$ 336,324	\$ 336,324	\$ 307,287	\$ (29,037)

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – STREET SDC FUND
YEAR ENDED JUNE 30, 2018**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Licenses and permits	\$ 200,000	\$ 200,000	\$ 258,739	\$ 58,739
Miscellaneous	35,160	35,160	51,216	16,056
<i>Total Revenues</i>	235,160	235,160	309,955	74,795
EXPENDITURES				
Debt service				
Principal	35,675	35,675	35,675	-
Interest	1,820	1,820	1,820	-
<i>Total Expenditures</i>	37,495	37,495	37,495	-
REVENUES OVER (UNDER) EXPENDITURES	197,665	197,665	272,460	74,795
OTHER FINANCING SOURCES (USES)				
Transfers in	39,544	39,544	39,544	-
Transfers out	(2,200,000)	(2,200,000)	-	2,200,000
<i>Total Other Financing Sources (Uses)</i>	(2,160,456)	(2,160,456)	39,544	2,200,000
NET CHANGE IN FUND BALANCE	(1,962,791)	(1,962,791)	312,004	2,274,795
FUND BALANCE, beginning of year	2,703,796	2,703,796	2,680,411	-
FUND BALANCE, end of year	\$ 741,005	\$ 741,005	\$ 2,992,415	\$ 2,274,795

CITY OF WOODBURN, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – STORM SDC FUND
YEAR ENDED JUNE 30, 2018

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Licenses and Permits	\$ 25,000	\$ 25,000	\$ 32,623	\$ 7,623
Miscellaneous	7,590	7,590	10,187	2,597
<i>Total Revenues</i>	32,590	32,590	42,810	10,220
EXPENDITURES				
	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES				
	32,590	32,590	42,810	10,220
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	62	62
Transfers out	(140,000)	(140,000)	-	140,000
<i>Total Other Financing Sources (Uses)</i>	(140,000)	(140,000)	62	140,062
NET CHANGE IN FUND BALANCE	(107,410)	(107,410)	42,872	150,282
FUND BALANCE, beginning of year	581,153	581,153	586,733	5,580
FUND BALANCE, end of year	\$ 473,743	\$ 473,743	\$ 629,605	\$ 155,862

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – EQUIPMENT REPLACEMENT FUND
YEAR ENDED JUNE 30, 2018**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Intergovernmental	\$ 40,100	\$ 40,100	\$ -	(40,100)
Miscellaneous	13,460	13,460	13,353	(107)
<i>Total Revenues</i>	53,560	53,560	13,353	(40,207)
EXPENDITURES				
Capital outlay	1,098,371	1,098,371	327,989	770,382
REVENUES OVER (UNDER) EXPENDITURES	(1,044,811)	(1,044,811)	(314,636)	730,175
OTHER FINANCING SOURCES (USES)				
Transfers in	70,000	70,000	70,000	-
NET CHANGE IN FUND BALANCE	(974,811)	(974,811)	(244,636)	730,175
FUND BALANCE, beginning of year	974,811	974,811	919,698	(55,113)
FUND BALANCE, end of year	\$ -	\$ -	\$ 675,062	\$ 675,062

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – GENERAL OBLIGATION DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2018**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Taxes and assessments	\$ 533,000	\$ 533,000	\$ 549,246	\$ 16,246
Miscellaneous	3,070	3,070	4,040	970
<i>Total Revenues</i>	536,070	536,070	553,286	17,216
EXPENDITURES				
Materials and services	-	-	45,879	(45,879) *
Debt service				
Principal	385,000	385,000	421,000	(36,000)
Interest	152,136	152,136	115,274	36,862
<i>Total Expenditures</i>	537,136	537,136	582,153	(45,017)
REVENUES OVER (UNDER) EXPENDITURES	(1,066)	(1,066)	(28,867)	(27,801)
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	-	-	3,749,000	3,749,000
Payment to refunded bond escrow agent	-	-	(3,699,114)	(3,699,114)
<i>Total Other Financing Sources (Uses)</i>	-	-	49,886	49,886
NET CHANGE IN FUND BALANCE	(1,066)	(1,066)	21,019	22,085
FUND BALANCE, beginning of year	3,100	3,100	1,758	(1,342)
FUND BALANCE, end of year	\$ 2,034	\$ 2,034	\$ 22,777	\$ 20,743

*Costs associated with issuance of refunding debt are not an overexpenditure of appropriations.

CITY OF WOODBURN, OREGON**COMBINING STATEMENT OF FUND NET POSITION - NONMAJOR PROPRIETARY (ENTERPRISE) FUNDS
JUNE 30, 2018**

	<u>Water SDC</u>	<u>Sewer SDC</u>	<u>Water Capital Construction</u>
ASSETS			
Current Assets			
Cash and investments	\$ 1,405,801	\$ 1,438,773	\$ 1,839,117
Accounts receivable	9,583	20,779	193
<i>Total Current Assets</i>	1,415,384	1,459,552	1,839,310
Noncurrent Assets			
Nondepreciable capital assets	-	-	1,313,833
Capital assets, net of depreciation	-	-	1,450,809
<i>Total Noncurrent Assets</i>	-	-	2,764,642
<i>Total Assets</i>	1,415,384	1,459,552	4,603,952
LIABILITIES			
Accounts payable	3,118	-	3,118
NET POSITION:			
Net investment in capital assets	-	-	2,764,642
Restricted for:			
Construction	1,412,266	1,459,552	1,836,192
<i>Total Net Position</i>	<u>\$ 1,412,266</u>	<u>\$ 1,459,552</u>	<u>\$ 4,600,834</u>

Total

\$ 4,683,691
30,555

4,714,246

1,313,833
1,450,809

2,764,642

7,478,888

6,236

2,764,642

4,708,010

\$ 7,472,652

CITY OF WOODBURN, OREGON**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
NONMAJOR PROPRIETARY (ENTERPRISE) FUNDS
YEAR ENDED JUNE 30, 2018**

	<u>Water SDC</u>	<u>Sewer SDC</u>	<u>Water Capital Construction</u>
OPERATING REVENUES	\$ -	\$ -	\$ -
OPERATING EXPENSES			
Materials and services	39,418	-	35,884
Depreciation	-	-	58,684
OPERATING INCOME (LOSS)	(39,418)	-	(94,568)
NONOPERATING REVENUES (EXPENSES)			
Investment revenue	21,596	22,315	31,390
NET INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	(17,822)	22,315	(63,178)
Capital contributions	176,394	221,256	-
Transfers in	29,996	-	776
CHANGE IN NET POSITION	188,568	243,571	(62,402)
NET POSITION, beginning of year	1,223,698	1,215,981	4,663,236
NET POSITION, end of year	\$ 1,412,266	\$ 1,459,552	\$ 4,600,834

Total

\$ -

75,302

58,684

(133,986)

75,301

(58,685)

397,650

30,772

369,737

7,102,915

\$ 7,472,652

CITY OF WOODBURN, OREGON**COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY (ENTERPRISE) FUNDS
YEAR ENDED JUNE 30, 2018**

	<u>Water SDC</u>	<u>Sewer SDC</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Collected from customers	\$ -	\$ -
Paid to suppliers	(36,866)	-
	<u>(36,866)</u>	<u>-</u>
<i>Net Cash Provided by Operating Activities</i>	(36,866)	-
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers in	29,996	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	-	-
System development receipts	166,811	200,477
	<u>166,811</u>	<u>200,477</u>
<i>Net Cash Provided by (Used in) Capital and Related Financing Activities</i>	166,811	200,477
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	21,596	22,315
	<u>21,596</u>	<u>22,315</u>
<i>Increase (Decrease) in Cash and Investments</i>	181,537	222,792
CASH AND INVESTMENTS, Beginning of year, as restated	<u>1,224,264</u>	<u>1,215,981</u>
CASH AND INVESTMENTS, End of year	<u>\$ 1,405,801</u>	<u>\$ 1,438,773</u>
 RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ (39,418)	\$ -
Depreciation	-	-
<i>Change in assets and liabilities</i>		
Accounts receivable	-	-
Accounts payable and accrued liabilities	2,552	-
	<u>2,552</u>	<u>-</u>
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>\$ (36,866)</u>	<u>\$ -</u>

<i>Water Capital Construction</i>	<i>Totals</i>
\$ 12	\$ 12
(32,766)	(69,632)
(32,754)	(69,620)
39,544	69,540
(6,140)	(6,140)
-	367,288
(6,140)	361,148
31,390	75,301
32,040	436,369
1,807,077	4,247,322
<u>\$ 1,839,117</u>	<u>\$ 4,683,691</u>
\$ (94,568)	\$ (133,986)
58,684	58,684
12	12
3,118	5,670
<u>\$ (32,754)</u>	<u>\$ (69,620)</u>

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-
BUDGET AND ACTUAL - WATER FUND
YEAR ENDED JUNE 30, 2018**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Charges for services	\$ 3,568,996	\$ 3,568,996	\$ 3,399,943	\$ (169,053)
Intergovernmental	-	-	20,269	20,269
Miscellaneous	47,000	47,000	56,379	9,379
Interest earnings	26,570	26,570	39,618	13,048
<i>Total Revenues</i>	<u>3,642,566</u>	<u>3,642,566</u>	<u>3,516,209</u>	<u>(126,357)</u>
EXPENDITURES				
Water	2,509,020	2,509,020	2,306,837	202,183
Debt service				
Principal	756,935	756,935	756,935	-
Interest	398,504	398,504	398,504	-
Contingency	125,451	125,451	-	125,451
<i>Total Expenditures</i>	<u>3,789,910</u>	<u>3,789,910</u>	<u>3,462,276</u>	<u>327,634</u>
REVENUES OVER (UNDER) EXPENDITURES	(147,344)	(147,344)	53,933	201,277
OTHER FINANCING SOURCES (USES)				
Transfers out	(32,955)	(32,955)	(32,955)	-
Proceeds from sale of assets	-	-	2,413	2,413
<i>Total Other Financing Sources (Uses)</i>	<u>(32,955)</u>	<u>(32,955)</u>	<u>(30,542)</u>	<u>2,413</u>
NET CHANGE IN FUND BALANCE	(180,299)	(180,299)	23,391	203,690
FUND BALANCE, beginning of year	<u>2,359,924</u>	<u>2,359,924</u>	<u>2,249,887</u>	<u>(110,037)</u>
FUND BALANCE, end of year	<u>\$ 2,179,625</u>	<u>\$ 2,179,625</u>	<u>2,273,278</u>	<u>\$ 93,653</u>
RECONCILIATION TO NET POSITION- GAAP BASIS				
Capital assets, net			8,607,209	
OPEB asset			3,469	
Deferred outflows related to PERS			201,273	
Deferred outflows related to OPEB			7,929	
Compensated absences			(25,018)	
Accrued interest payable			(211,965)	
Net pension liability			(923,475)	
OPEB liability			(70,950)	
Long-term debt			(8,306,284)	
Deferred inflows related to PERS			(144,499)	
Deferred inflows related to OPEB			(5,957)	
NET POSITION			<u>\$ 1,405,010</u>	

CITY OF WOODBURN, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - SEWER FUND
YEAR ENDED JUNE 30, 2018

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Charges for services	\$ 8,363,563	\$ 8,363,563	\$ 8,141,127	\$ (222,436)
Intergovernmental	-	-	20,270	20,270
Miscellaneous	2,000	2,000	7	(1,993)
Interest earnings	85,550	85,550	140,630	55,080
<i>Total Revenues</i>	<u>8,451,113</u>	<u>8,451,113</u>	<u>8,302,034</u>	<u>(149,079)</u>
EXPENDITURES				
Sewer	4,073,757	4,073,757	3,396,633	677,124
Debt service				
Principal	3,165,000	3,165,000	3,165,000	-
Interest	724,563	724,563	724,563	-
Capital outlay	95,000	95,000	52,229	42,771
Contingency	208,438	208,438	-	208,438
<i>Total Expenditures</i>	<u>8,266,758</u>	<u>8,266,758</u>	<u>7,338,425</u>	<u>928,333</u>
REVENUES OVER (UNDER) EXPENDITURES	184,355	184,355	963,609	779,254
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,179,456)	(1,179,456)	(564,165)	615,291
Proceeds from sale of assets	-	-	8,200	8,200
<i>Total Other Financing Sources and Uses</i>	<u>(1,179,456)</u>	<u>(1,179,456)</u>	<u>(555,965)</u>	<u>623,491</u>
NET CHANGE IN FUND BALANCE	(995,101)	(995,101)	407,644	1,402,745
FUND BALANCE, beginning of year	<u>7,889,407</u>	<u>7,889,407</u>	<u>8,048,528</u>	<u>159,121</u>
FUND BALANCE, end of year	<u>\$ 6,894,306</u>	<u>\$ 6,894,306</u>	<u>8,456,172</u>	<u>\$ 1,561,866</u>
RECONCILIATION TO NET POSITION- GAAP BASIS				
Capital assets, net			40,520,174	
OPEB asset			4,394	
Deferred outflows related to PERS			537,805	
Deferred outflows related to OPEB			10,042	
Compensated absences			(52,517)	
Accrued interest payable			(207,022)	
Net pension liability			(1,595,883)	
OPEB liability			(89,864)	
Long-term debt			(18,159,072)	
Bond premium			(1,796,006)	
Deferred inflows related to PERS			(167,741)	
Deferred inflows related to OPEB			(7,545)	
NET POSITION			<u>\$ 27,452,937</u>	

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – SEWER CAPITAL CONSTRUCTION FUND
YEAR ENDED JUNE 30, 2018**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Interest earnings	\$ 167,780	\$ 167,780	\$ 198,473	\$ 30,693
EXPENDITURES				
Capital outlay	5,060,000	5,060,000	1,168,245	3,891,755
REVENUES OVER (UNDER) EXPENDITURES	(4,892,220)	(4,892,220)	(969,772)	3,922,799
OTHER FINANCING SOURCES (USES)				
Transfers in	1,532,750	1,532,750	417,459	(1,115,291)
NET CHANGE IN FUND BALANCE	(3,359,470)	(3,359,470)	(552,313)	2,807,508
FUND BALANCE, beginning of year	12,085,886	12,085,886	12,330,292	244,406
FUND BALANCE, end of year	<u>\$ 8,726,416</u>	<u>\$ 8,726,416</u>	<u>\$ 11,777,979</u>	<u>\$ 3,051,914</u>
RECONCILIATION TO NET POSITION- GAAP BASIS				
Capital assets, net			<u>5,194,095</u>	
FUND BALANCE, end of year GAAP basis			<u>\$ 16,972,074</u>	

CITY OF WOODBURN, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - WATER SDC FUND
YEAR ENDED JUNE 30, 2018

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Licenses and permits	\$ 100,000	\$ 100,000	\$ 176,394	\$ 76,394
Interest earnings	16,170	16,170	21,596	5,426
<i>Total Revenues</i>	116,170	116,170	197,990	81,820
EXPENDITURES				
Materials and services	100,000	100,000	39,418	60,582
REVENUES OVER (UNDER)				
EXPENDITURES	16,170	16,170	158,572	142,402
OTHER FINANCING SOURCES (USES)				
Transfers in	30,000	30,000	29,996	(4)
Transfers out	(90,000)	(90,000)	-	90,000
<i>Total Other Financing Sources and Uses</i>	(60,000)	(60,000)	29,996	89,996
NET CHANGE IN FUND BALANCE	(43,830)	(43,830)	188,568	232,398
FUND BALANCE, beginning of year	1,277,486	1,277,486	1,223,698	(53,788)
FUND BALANCE, end of year	\$ 1,233,656	\$ 1,233,656	\$ 1,412,266	\$ 178,610

CITY OF WOODBURN, OREGON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - SEWER SDC FUND
YEAR ENDED JUNE 30, 2018

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Licenses and permits	\$ 225,000	\$ 225,000	\$ 221,256	\$ (3,744)
Interest earnings	15,360	15,360	22,315	6,955
<i>Total Revenues</i>	240,360	240,360	243,571	3,211
EXPENDITURES				
Capital outlay	80,000	80,000	-	80,000
REVENUES OVER (UNDER) EXPENDITURES				
	160,360	160,360	243,571	83,211
OTHER FINANCING SOURCES (USES)				
Transfers out	(500,000)	(500,000)	-	500,000
NET CHANGE IN FUND BALANCE				
	(339,640)	(339,640)	243,571	583,211
FUND BALANCE, beginning of year				
	1,271,304	1,271,304	1,215,981	(55,323)
FUND BALANCE, end of year				
	\$ 931,664	\$ 931,664	\$ 1,459,552	\$ 527,888

CITY OF WOODBURN, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL – WATER CAPITAL CONSTRUCTION FUND
YEAR ENDED JUNE 30, 2018**

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest earnings	\$ 27,630	\$ 27,630	\$ 31,390	\$ 3,760
EXPENDITURES				
Materials and services	-	-	35,882	(35,882) *
Capital outlay	280,000	280,000	6,138	273,862
REVENUES OVER (UNDER) EXPENDITURES	(252,370)	(252,370)	(10,630)	241,740
OTHER FINANCING SOURCES (USES)				
Transfers in	129,544	129,544	39,544	(90,000)
NET CHANGE IN FUND BALANCE	(122,826)	(122,826)	28,914	151,740
FUND BALANCE, beginning of year	1,883,561	1,883,561	1,807,282	(76,279)
FUND BALANCE, end of year	<u>\$ 1,760,735</u>	<u>\$ 1,760,735</u>	1,836,196	<u>\$ 75,461</u>
RECONCILIATION TO NET POSITION- GAAP BASIS				
Capital assets, net			<u>2,764,642</u>	
FUND BALANCE, end of year GAAP basis			<u>\$ 4,600,838</u>	

*Budget is appropriated by function, therefore this is not an expenditure in excess of appropriations.

CITY OF WOODBURN, OREGON**COMBINING STATEMENT OF FUND NET POSITION - INTERNAL SERVICE FUNDS**

JUNE 30, 2018

	Information Technology	Insurance	Total
ASSETS			
Current Assets			
Cash and investments	\$ 285,423	\$ 471,713	\$ 757,136
Accounts receivable	7,360	-	7,360
<i>Total Current Assets</i>	292,783	471,713	764,496
Noncurrent Assets			
OPEB Asset	980	132	1,112
<i>Total Assets</i>	293,763	471,845	765,608
DEFERRED OUTFLOWS			
Deferred outflows related to PERS	140,519	16,599	157,118
Deferred outflows related to OPEB	2,240	301	2,541
	142,759	16,900	159,659
LIABILITIES			
Current Liabilities			
Accounts payable	10,673	1,290	11,963
Accrued compensated absences	11,388	-	11,388
<i>Total Current Liabilities</i>	22,061	1,290	23,351
Noncurrent Liabilities			
Accrued compensated absences	17,081	-	17,081
Net pension liability	395,054	49,778	444,832
OPEB liability	20,041	2,691	22,732
<i>Total Liabilities</i>	454,237	53,759	507,996
DEFERRED INFLOWS			
Deferred inflows related to PERS	39,646	5,507	45,153
Deferred inflows related to OPEB	1,682	226	1,908
	41,328	5,733	47,061
NET POSITION:			
Unrestricted	\$ (59,043)	\$ 429,253	\$ 370,210

CITY OF WOODBURN, OREGON**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2018**

	<u>Information Technology</u>	<u>Insurance</u>	<u>Total</u>
OPERATING REVENUES			
Charges for services	\$ 963,945	\$ 870,976	\$ 1,834,921
Miscellaneous	10,166	6,698	16,864
<i>Total Operating Revenues</i>	974,111	877,674	1,851,785
OPERATING EXPENSES			
Information technology	913,494	-	913,494
Insurance	-	662,982	662,982
<i>Total Expenses</i>	913,494	662,982	1,576,476
OPERATING INCOME	60,617	214,692	275,309
NONOPERATING REVENUES (EXPENSES)			
Investment revenue	3,442	2,917	6,359
NET INCOME BEFORE CONTRIBUTIONS AND TRANSFERS			
	64,059	217,609	281,668
Transfers in	117,529	-	117,529
Non-cash transfers out	(134,395)	-	(134,395)
CHANGE IN NET POSITION	47,193	217,609	264,802
NET POSITION (Deficit), beginning of year as originally stated	(86,029)	214,358	128,329
Restatement	(20,207)	(2,714)	(22,921)
NET POSITION (Deficit), beginning of year	(106,236)	211,644	105,408
NET POSITION (Deficit), end of year	\$ (59,043)	\$ 429,253	\$ 370,210

CITY OF WOODBURN, OREGON
COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2018

	<u>Information Services</u>	<u>Insurance</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Collected from customers	\$ 968,592	\$ 877,674	\$ 1,846,266
Paid to suppliers	(467,787)	(671,251)	(1,139,038)
Paid to employees	(425,851)	(50,944)	(476,795)
	<hr/>	<hr/>	<hr/>
<i>Net Cash Provided by (Used in) Operating Activities</i>	74,954	155,479	230,433
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers in	117,529	-	117,529
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(134,395)	-	(134,395)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	3,442	2,917	6,359
	<hr/>	<hr/>	<hr/>
<i>Increase (Decrease) in Cash and Investments</i>	61,530	158,396	219,926
CASH AND INVESTMENTS, Beginning of year	223,893	313,317	537,210
	<hr/>	<hr/>	<hr/>
CASH AND INVESTMENTS, End of year	<u>\$ 285,423</u>	<u>\$ 471,713</u>	<u>\$ 757,136</u>
RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	\$ 60,617	\$ 214,692	\$ 275,309
<i>Change in assets and liabilities</i>			
Accounts receivable	(5,519)	-	(5,519)
Deferred outflows	103,635	13,918	117,553
OPEB asset	(980)	(132)	(1,112)
Compensated absences payable	(6,477)	-	(6,477)
Accounts payable and accrued liabilities	(5,923)	(63,543)	(69,466)
Net pension liability	(81,533)	(10,950)	(92,483)
OPEB liability	(166)	(23)	(189)
Deferred inflows	11,300	1,517	12,817
	<hr/>	<hr/>	<hr/>
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>\$ 74,954</u>	<u>\$ 155,479</u>	<u>\$ 230,433</u>
Noncash Transactions			
Transfer of capital assets	<u>\$ (134,395)</u>	<u>\$ -</u>	<u>\$ (134,395)</u>

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
- INFORMATION TECHNOLOGY FUND
YEAR ENDED JUNE 30, 2018**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Charges for services	\$ 962,590	\$ 962,590	\$ 963,945	\$ 1,355
Miscellaneous	1,000	1,000	10,166	9,166
Interest earnings	2,000	2,000	3,442	1,442
<i>Total Revenues</i>	<u>965,590</u>	<u>965,590</u>	<u>977,553</u>	<u>11,963</u>
EXPENDITURES				
Information technology	963,782	963,782	887,716	76,066
Capital outlay	137,529	137,529	134,395	3,134
Contingency	161,808	161,808	-	161,808
<i>Total Expenditures</i>	<u>1,263,119</u>	<u>1,263,119</u>	<u>1,022,111</u>	<u>241,008</u>
REVENUES OVER (UNDER) EXPENDITURES	(297,529)	(297,529)	(44,558)	252,971
OTHER FINANCING SOURCES (USES)				
Transfers in	117,529	117,529	117,529	-
NET CHANGE IN FUND BALANCE	(180,000)	(180,000)	72,971	252,971
FUND BALANCE, beginning of year	<u>180,000</u>	<u>180,000</u>	<u>209,139</u>	<u>29,139</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>282,110</u>	<u>\$ 282,110</u>
RECONCILIATION TO NET POSITION - GAAP BASIS				
OPEB asset			980	
Deferred outflows related to PERS			140,519	
Deferred outflows related to OPEB			2,240	
Accrued compensated absences			(28,469)	
Net pension liability			(395,054)	
OPEB liability			(20,041)	
Deferred inflows related to PERS			(39,646)	
Deferred inflows related to OPEB			(1,682)	
FUND BALANCE, end of year GAAP basis			<u>\$ (59,043)</u>	

CITY OF WOODBURN, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
- INSURANCE FUND
YEAR ENDED JUNE 30, 2018**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Charges for services	\$ 870,976	\$ 870,976	\$ 870,976	\$ -
Miscellaneous	5,000	5,000	6,698	1,698
Interest earnings	4,470	4,470	2,917	(1,553)
<i>Total Revenues</i>	<u>880,446</u>	<u>880,446</u>	<u>880,591</u>	<u>145</u>
EXPENDITURES				
Insurance	972,461	972,461	658,651	313,810
Contingency	82,443	82,443	-	82,443
<i>Total Expenditures</i>	<u>1,054,904</u>	<u>1,054,904</u>	<u>658,651</u>	<u>396,253</u>
NET CHANGE IN FUND BALANCE	(174,458)	(174,458)	221,940	396,398
FUND BALANCE, beginning of year	<u>174,458</u>	<u>174,458</u>	<u>248,484</u>	<u>74,026</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>470,424</u>	<u>\$ 470,424</u>
RECONCILIATION TO NET POSITION - GAAP BASIS				
OPEB asset			132	
Deferred outflows related to PERS			16,598	
Deferred outflows related to OPEB			301	
Net pension liability			(49,778)	
OPEB liability			(2,691)	
Deferred inflows related to PERS			(5,507)	
Deferred inflows related to OPEB			(226)	
FUND BALANCE, end of year GAAP basis			<u>\$ 429,253</u>	

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Woodburn's comprehensive annual financial report presents detailed information as a context for understanding the information in the financial statements, note disclosures, required supplementary information, and other supplementary information says about the City's overall financial health.

CONTENTS

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

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

FINANCIAL TRENDS

CITY OF WOODBURN, OREGON
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net investment in capital assets	\$ 44,544,343	\$ 49,275,044	\$ 50,891,390	\$ 54,443,478	\$ 54,361,481	\$ 55,195,632	\$ 59,266,063	\$ 58,326,049	\$ 57,813,459	\$ 57,789,283
Restricted	9,507,552	11,563,805	9,407,166	9,460,498	10,395,999	11,523,032	8,929,025	9,815,650	10,660,016	11,651,202
Unrestricted	9,314,651	5,250,133	6,157,480	6,455,591	6,938,395	6,224,832	4,583,134	923,456	766,265	1,979,126
Total governmental activities net position	\$ 63,366,546	\$ 66,088,982	\$ 66,456,036	\$ 70,359,567	\$ 71,695,875	\$ 72,943,496	\$ 72,778,222	\$ 69,065,155	\$ 69,239,740	\$ 71,419,611
Business-type activities										
Net investment in capital assets	\$ 26,312,074	\$ 28,425,399	\$ 33,175,923	\$ 31,042,855	\$ 31,886,659	\$ 19,913,747	\$ 21,979,780	\$ 23,737,493	\$ 37,312,451	\$ 42,991,874
Restricted for: Debt service	7,430,872	778,141	542,268	935,770	3,165,303	18,737,342	16,841,111	16,735,267	16,635,580	17,004,861
Unrestricted	598,781	7,034,349	5,619,718	9,227,695	7,204,526	4,666,744	7,163,564	6,909,942	(4,020,472)	(6,694,060)
Total business-type activities net position	\$ 34,341,727	\$ 36,237,889	\$ 39,337,909	\$ 41,206,320	\$ 42,256,488	\$ 43,317,833	\$ 45,984,455	\$ 47,382,702	\$ 49,927,559	\$ 53,302,675
Primary government										
Net investment in capital assets	\$ 70,856,417	\$ 77,700,443	\$ 84,067,313	\$ 85,486,333	\$ 86,248,140	\$ 75,109,379	\$ 81,245,843	\$ 82,063,542	\$ 95,125,910	\$ 100,781,157
Restricted	16,938,424	12,341,946	9,949,434	10,396,268	13,561,302	30,260,374	25,770,136	26,550,917	27,295,596	28,656,063
Unrestricted	9,913,432	12,284,482	11,777,198	15,683,286	14,142,921	10,891,576	11,746,698	7,833,398	(3,254,207)	(4,714,934)
Total primary government net position	\$ 97,708,273	\$ 102,326,871	\$ 105,793,945	\$ 111,565,887	\$ 113,952,363	\$ 116,261,329	\$ 118,762,677	\$ 116,447,857	\$ 119,167,299	\$ 124,722,286

CITY OF WOODBURN, OREGON
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Expenses	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities:										
General government	\$ 3,756,371	\$ 1,834,477	\$ 2,038,098	\$ 2,116,264	\$ 2,411,067	\$ 2,646,552	\$ 3,058,648	\$ 5,114,971	\$ 2,676,477	\$ 3,345,244
Public safety	5,307,214	5,737,694	6,175,907	6,733,302	6,389,207	6,608,391	5,662,660	9,231,388	7,805,948	7,573,873
Highways and streets	2,551,235	3,290,603	2,903,846	2,202,753	2,663,020	2,273,271	1,976,022	2,691,040	2,426,489	2,551,662
Culture and recreation	2,303,144	3,429,719	3,413,838	4,019,379	3,270,803	3,530,783	2,784,248	3,481,264	2,980,178	2,799,066
Economic Environment	-	-	-	-	-	-	-	-	829,477	785,266
Interest on long-term debt	373,223	313,741	286,145	257,018	248,109	226,504	204,905	183,342	169,933	108,133
Total governmental activities expenses	14,291,187	14,606,234	14,817,834	15,328,716	14,982,206	15,285,501	13,686,483	20,702,005	16,888,502	17,163,244
Business-type activities:										
Water	3,153,158	2,623,145	2,428,964	2,901,104	2,882,056	2,792,818	2,478,694	3,303,526	2,885,827	3,117,740
Sewer	5,882,350	4,957,558	4,994,266	5,270,139	5,713,504	6,711,162	5,302,994	6,728,773	5,629,532	5,643,125
Total business-type activities expenses	9,035,508	7,580,703	7,423,230	8,171,243	8,595,560	9,503,980	7,781,688	10,032,299	8,515,359	8,760,865
Total primary government expenses	\$ 23,326,695	\$ 22,186,937	\$ 22,241,064	\$ 23,499,959	\$ 23,577,766	\$ 24,789,481	\$ 21,468,171	\$ 30,734,304	\$ 25,403,861	\$ 25,924,109
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 830,756	\$ 97,157	\$ 155,099	\$ 266,789	\$ 733,090	\$ 682,238	\$ 649,703	\$ 978,244	\$ 660,502	\$ 1,263,142
Public safety	66,361	790,859	879,801	874,614	715,743	627,424	716,467	93,443	113,331	120,152
Highways and streets	28,360	722,131	316,744	490,640	106,604	274,205	6,188	22,519	1,104	7,533
Culture and recreation	192,027	815,397	703,327	689,937	574,513	517,400	571,921	705,415	565,889	557,725
Economic Environment	-	-	-	-	-	-	-	-	457,432	403,044
Operating grants and contributions	202,993	632,624	1,491,298	1,911,075	1,948,383	1,915,475	1,993,925	1,962,709	2,052,681	2,156,971
Capital grants and contributions	832,398	2,242,475	540,889	522,817	840,242	885,093	1,286,163	350,449	266,679	502,857
Total governmental activities program revenues	2,152,895	5,300,643	4,087,158	4,755,872	4,918,575	4,901,835	5,224,367	4,112,779	4,117,618	5,011,424
Business-type activities:										
Charges for services:										
Water	3,480,559	3,326,983	3,246,171	3,297,812	3,236,888	3,166,878	3,277,605	3,415,661	3,293,342	3,399,943
Sewer	4,475,410	4,888,941	5,606,523	6,238,103	6,548,215	7,479,643	7,981,658	8,169,544	8,091,754	8,141,127
Capital grants and contributions	657,966	1,383,967	1,824,635	437,817	290,930	446,971	310,272	307,152	114,664	438,189
Total business-type activities program revenues	8,613,935	9,599,891	10,677,329	9,973,732	10,076,033	11,093,492	11,569,535	11,892,357	11,499,760	11,979,259
Total primary government program revenues	\$ 10,766,830	\$ 14,900,534	\$ 14,764,487	\$ 14,729,604	\$ 14,994,608	\$ 15,995,327	\$ 16,793,902	\$ 16,005,136	\$ 15,617,378	\$ 16,990,683

CITY OF WOODBURN, OREGON
CHANGES IN NET POSITION (Continued)
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net(expense)/revenue										
Governmental activities	\$ (12,138,292)	\$ (9,305,591)	\$ (10,730,676)	\$ (10,572,844)	\$ (10,063,631)	\$ (10,383,666)	\$ (8,462,116)	\$ (16,589,226)	\$ (12,770,884)	\$ (12,151,820)
Business-type activities	(421,573)	2,019,188	3,254,099	1,802,489	1,480,473	1,589,512	3,787,847	1,860,058	2,984,401	3,218,394
Total primary government net expense	\$ (12,559,865)	\$ (7,286,403)	\$ (7,476,577)	\$ (8,770,355)	\$ (8,583,158)	\$ (8,794,154)	\$ (4,674,269)	\$ (14,729,168)	\$ (9,786,483)	\$ (8,933,426)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 8,410,141	\$ 8,566,745	\$ 8,460,151	\$ 8,495,199	\$ 8,180,539	\$ 8,234,481	\$ 8,836,939	\$ 9,156,725	\$ 9,724,889	\$ 10,301,565
Franchise taxes	1,433,900	1,679,254	1,768,058	1,776,101	1,932,484	1,500,730	1,539,926	1,511,125	1,543,317	1,540,440
Transient room taxes	270,987	-	-	-	-	-	-	-	-	-
Other taxes	-	-	-	-	-	454,363	437,339	550,346	547,220	712,127
Other grants and contributions										
not restricted to specific programs	1,560,920	-	-	-	-	-	-	-	-	-
Unrestricted investment earnings	168,744	-	-	46,992	122,672	96,347	99,620	105,901	200,736	354,201
Intergovernmental	-	1,460,918	557,619	533,738	660,547	633,530	655,575	649,350	702,990	728,991
Miscellaneous	746,488	288,922	130,113	252,164	170,119	117,872	28,620	163,827	101,908	304,920
Gain (loss) on sale of capital assets	(26,999)	-	-	-	-	(69,877)	-	49,948	13,241	25,148
Transfers in (out)	(22,120)	482,400	181,789	711,000	333,578	663,841	680,212	688,937	650,141	364,299
Total governmental activities	12,542,061	12,478,239	11,097,730	11,815,194	11,399,939	11,631,287	12,278,231	12,876,159	13,484,442	14,331,691
Business-type activities:										
Unrestricted investment earnings	166,905	-	-	67,709	109,942	125,139	122,988	159,067	283,101	454,022
Miscellaneous	11,621	41,148	24,222	462	66,445	302,251	67,461	68,059	86,136	56,386
Gain (loss) on sales of capital assets	(2,663)	-	3,488	5,892	1,300	-	-	-	3,505	10,613
Transfers in (out)	22,120	(482,400)	(181,789)	(711,000)	(333,578)	(663,841)	(680,212)	(688,937)	(650,141)	(364,299)
Total business-type activities	197,983	(441,252)	(154,079)	(636,937)	(155,891)	(236,451)	(489,763)	(461,811)	(277,399)	156,722
Total primary government	\$ 12,740,044	\$ 12,036,987	\$ 10,943,651	\$ 11,178,257	\$ 11,244,048	\$ 11,394,836	\$ 11,788,468	\$ 12,414,348	\$ 13,207,043	\$ 14,488,413
Change in Net Position										
Governmental activities	\$ 403,769	\$ 3,172,648	\$ 367,054	\$ 1,242,350	\$ 1,336,308	\$ 1,247,621	\$ 3,816,115	\$ (3,713,067)	\$ 713,558	\$ 2,179,871
Business-type activities	(223,590)	1,577,936	3,100,020	1,165,552	1,324,582	1,353,061	3,298,084	1,398,247	2,707,002	3,375,116
Total primary government	\$ 180,179	\$ 4,750,584	\$ 3,467,074	\$ 2,407,902	\$ 2,660,890	\$ 2,600,682	\$ 7,114,199	\$ (2,314,820)	\$ 3,420,560	\$ 5,554,987

CITY OF WOODBURN, OREGON
FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund										
Nonspendable	\$ -	\$ -	\$ 5,378	\$ -	\$ 1,470	\$ 740	\$ 1,467	\$ 936	\$ 3,064	\$ 18,230
Reserved	2,291,684	-	-	-	-	-	-	-	-	-
Unreserved	-	2,618,413	-	-	-	-	-	-	-	-
Unassigned	-	-	2,440,761	2,744,299	3,280,970	3,577,032	4,159,081	4,889,982	6,249,717	7,472,054
Total general fund	\$ 2,291,684	\$ 2,618,413	\$ 2,446,139	\$ 2,744,299	\$ 3,282,440	\$ 3,577,772	\$ 4,160,548	\$ 4,890,918	\$ 6,252,781	\$ 7,490,284
All other governmental funds										
Reserved	\$ 15,004,590	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	12,783,831	-	-	-	-	-	-	-	-
Restricted	-	-	8,889,955	9,414,462	10,206,079	11,348,721	8,092,696	9,091,956	9,984,428	11,013,955
Committed	-	-	2,865,678	2,722,572	2,685,427	2,435,919	1,347,789	1,414,631	1,540,863	1,787,763
Unassigned	-	-	(45,117)	(145,632)	-	-	(13,238)	(2,818)	-	-
Total other governmental funds	\$ 15,004,590	\$ 12,783,831	\$ 11,710,516	\$ 11,991,402	\$ 12,891,506	\$ 13,784,640	\$ 9,427,247	\$ 10,503,769	\$ 11,525,291	\$ 12,801,718

CITY OF WOODBURN, OREGON
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes and assessments	\$ 8,312,081	\$ 8,835,079	\$ 8,868,881	\$ 9,029,638	\$ 8,626,652	\$ 8,786,364	\$ 9,329,720	\$ 9,748,024	\$ 10,325,164	\$ 10,780,981
Licenses and Permits	2,250,936	1,927,174	1,906,385	2,376,808	2,479,695	2,954,980	3,124,804	2,748,872	2,509,315	3,198,381
Charges for Services	-	990,007	588,491	681,414	1,008,368	901,197	1,351,102	1,364,684	1,260,038	1,153,372
Intergovernmental	2,383,062	4,040,816	2,461,525	2,551,139	2,954,951	2,674,698	3,371,886	2,733,371	2,930,985	3,178,254
Fines & forfeitures	647,089	665,977	736,046	734,377	589,574	571,831	673,377	426,867	420,305	395,164
Investment earnings	391,955	-	-	-	-	-	-	-	-	-
Miscellaneous	886,711	550,629	458,281	542,192	316,536	540,782	454,140	683,371	562,957	784,799
Total revenues	14,871,834	17,009,682	15,019,609	15,915,568	15,975,776	16,429,852	18,305,029	17,705,189	18,008,764	19,490,951
Expenditures										
Current										
General government	3,275,271	1,558,932	1,639,856	1,507,850	1,536,687	1,641,493	3,164,615	3,790,736	3,257,197	3,447,310
Public safety	5,064,470	5,523,928	5,876,604	6,426,635	6,328,417	6,569,367	6,794,410	6,598,236	6,861,768	6,813,292
Highways and streets	1,443,853	405,474	1,263,251	1,127,439	990,756	1,003,547	2,005,328	1,777,030	1,529,569	1,808,443
Culture and recreation	2,110,187	5,322,250	3,839,857	3,818,454	3,589,437	3,845,430	4,280,701	2,874,788	2,997,742	3,063,827
Capital outlay	3,527,309	5,067,690	2,475,313	1,723,398	1,415,390	1,379,516	5,073,930	277,571	473,208	1,309,506
Debt service										
Principal	606,010	515,965	528,799	507,785	526,296	560,172	584,429	436,479	400,399	456,675
Interest	376,090	298,485	290,552	268,897	249,237	228,861	206,832	185,327	169,937	117,094
Total expenditures	16,403,190	18,692,724	15,914,232	15,380,458	14,636,220	15,228,386	22,110,245	15,940,167	15,689,820	17,016,147
Excess of revenues over (under) expenditures	(1,531,356)	(1,683,042)	(894,623)	535,110	1,339,556	1,201,466	(3,805,216)	1,765,022	2,318,944	2,474,804
Other financing sources (uses)										
Proceeds from sale of capital assets	1,665	-	-	-	-	-	-	-	19,861	35,415
Refunding bonds issued	-	-	-	-	-	-	-	-	-	3,749,000
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	(3,699,114)
Transfers in	2,704,470	353,259	850,150	1,029,674	1,279,532	1,430,985	853,858	294,248	419,236	829,268
Transfers out	(3,295,866)	(432,259)	(1,201,116)	(985,738)	(1,180,842)	(1,443,985)	(823,259)	(252,378)	(374,656)	(875,443)
Total other financing sources (uses)	(589,731)	(79,000)	(350,966)	43,936	98,690	(13,000)	30,599	41,870	64,441	39,126
Net change in fund balances	(2,121,087)	(1,762,042)	(1,245,589)	579,046	1,438,246	1,188,466	(3,774,617)	1,806,892	2,383,385	2,513,930
Fund balances at beginning of year	19,417,358	17,296,271	15,402,244	14,156,655	14,735,700	16,173,946	17,362,412	13,587,795	15,394,687	17,778,072
Prior period adjustment	-	(131,985)	-	-	-	-	-	-	-	-
Fund balances at end of year	\$ 17,296,271	\$ 15,402,244	\$ 14,156,655	\$ 14,735,701	\$ 16,173,946	\$ 17,362,412	\$ 13,587,795	\$ 15,394,687	\$ 17,778,072	\$ 20,292,002
Debt service as a percentage of noncapital expenditures	7.6%	6.0%	6.1%	5.7%	5.9%	5.7%	4.6%	4.0%	3.7%	3.7%

REVENUE CAPACITY

CITY OF WOODBURN, OREGON
MARKET AND ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	REAL PROPERTY		PERSONAL PROPERTY		MANUFACTURED		UTILITIES		TOTAL		Ratio of Total Assessed to Total Estimated Actual Value	Total Direct Tax Rate/ Thousand
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2009	\$ 1,162,466,240	\$ 1,870,703,820	\$ 48,551,000	\$ 48,794,454	\$ 10,893,230	\$ 12,039,490	\$ 29,438,530	\$ 29,730,559	\$ 1,251,349,000	\$ 1,961,268,323	63.8%	6.0534
2010	1,220,682,140	1,796,698,790	48,100,976	48,448,717	10,114,860	10,971,310	35,670,690	35,779,041	1,314,568,666	1,891,897,858	69.5%	6.0534
2011	1,225,049,990	1,629,323,890	49,720,804	50,192,313	9,657,180	10,487,060	35,184,690	34,999,170	1,319,612,664	1,725,002,433	76.5%	6.0534
2012	1,236,968,938	1,531,868,173	51,844,705	52,376,624	9,029,510	9,800,710	35,186,720	35,447,217	1,333,029,873	1,629,492,724	81.8%	6.0534
2013	1,199,170,250	1,440,175,520	48,092,497	48,629,577	8,638,140	9,302,320	35,977,800	36,292,526	1,291,878,687	1,534,399,943	84.2%	6.0534
2014	1,212,453,130	1,434,051,590	49,539,001	50,142,884	7,875,750	8,462,090	34,316,630	34,589,893	1,304,184,511	1,527,246,457	85.4%	6.0534
2015	1,296,617,576	1,579,144,300	53,477,977	54,101,560	8,552,810	9,239,700	38,981,380	43,237,055	1,397,629,743	1,685,722,615	82.9%	6.0534
2016	1,358,686,610	1,687,551,190	56,599,979	57,333,476	9,244,360	10,085,260	31,207,820	44,101,215	1,455,738,769	1,799,071,141	80.9%	6.0534
2017	1,423,019,320	1,834,938,410	57,908,292	58,606,557	10,361,910	11,415,230	33,592,820	38,156,721	1,524,882,342	1,943,116,918	78.5%	6.0534
2018	1,456,941,880	2,033,669,610	62,107,308	62,892,438	11,120,110	12,494,060	42,113,077	49,650,982	1,572,282,375	2,158,707,090	72.8%	6.0534

Source: Marion County Assessor's Office

CITY OF WOODBURN, OREGON
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

<i>Fiscal Year Ended June 30</i>	<i>City of Woodburn (includes URA)</i>	<i>Marion County</i>	<i>Marion Soil & Water</i>	<i>Marion County Extension and 4-H</i>	<i>Woodburn Fire District</i>	<i>Woodburn School District</i>	<i>Willamette Regional ESD</i>	<i>Chemeketa Community College</i>	<i>Chemeketa Regional Library</i>	<i>Total</i>
2009	\$ 6.91	\$ 2.96	\$ 0.05	\$ -	\$ 1.80	\$ 7.33	\$ 0.29	\$ 0.69	\$ 0.08	\$ 20.11
2010	6.76	2.95	0.05	-	1.79	6.87	0.29	0.87	0.08	19.66
2011	6.77	2.95	0.05	-	1.79	6.63	0.29	0.78	0.08	19.33
2012	6.79	2.94	0.05	-	1.78	6.67	0.29	0.86	0.08	19.46
2013	6.84	2.94	0.05	-	1.69	6.83	0.29	0.88	0.08	19.59
2014	6.81	2.95	0.05	-	1.72	6.81	0.29	0.84	0.08	19.54
2015	6.73	2.95	0.05	-	1.73	6.34	0.29	0.88	0.08	19.04
2016	6.66	2.95	0.05	0.05	1.81	6.66	0.29	0.90	0.08	19.45
2017	6.66	2.95	0.05	0.05	1.75	6.76	0.29	0.89	0.08	19.46
2018	6.69	2.94	0.05	0.05	1.71	6.79	0.29	0.88	0.08	19.48

Source: Marion County Assessor's Office

Tax rates expressed in dollars and cents per \$1,000 of assessed value of taxable property

CITY OF WOODBURN, OREGON
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO

<i>Taxpayer</i>	<i>2018</i>			<i>2009</i>		
	<i>Taxable Assessed Value</i>	<i>Rank</i>	<i>Percentage of Total Taxable Assessed Value</i>	<i>Taxable Assessed Value</i>	<i>Rank</i>	<i>Percentage of Total Taxable Assessed Value</i>
WinCo Foods LLC	\$ 73,193,926	1	3.43%	\$ 69,712,300	1	3.60%
Woodburn Premium Outlets LLC	64,310,695	2	3.01%			
Food Services of America Inc	30,087,880	3	1.41%	31,482,470	3	1.62%
Portland General Electric Co	18,078,840	4	0.85%	11,311,160	5	0.58%
Wal-Mart Real Estate Business TR	16,584,060	5	0.78%	11,090,960	7	0.57%
Hardware Wholesalers Inc	15,620,270	6	0.73%	13,080,950	4	0.68%
Cascade Meadow LLC	13,454,790	7	0.63%			0.00%
Crown 2 Development LLC	12,029,160	8	0.56%	9,219,390	10	0.48%
Northwest Natural Gas Co	11,105,000	9	0.52%			
Pacific Realty Associates LP	9,734,820	10	0.46%			
Craig Realty Group Woodburn				42,483,190	2	2.19%
KWDS LLC				11,175,300	6	0.58%
Patrick Industries Inc				9,818,120	9	0.51%
Universal Forest Products				10,395,820	8	0.54%
Subtotal	264,199,441		12.37%	219,769,660		11.34%
All Other	1,872,151,099		87.63%	1,717,845,119		88.65%
Totals	\$ 2,136,350,540		100.0%	\$ 1,937,614,779		100.0%

Source: Marion County Assessor's Office

CITY OF WOODBURN, OREGON
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

<i>Fiscal Year Ended June 30,</i>	<i>Taxes Levied by Assessor</i>	<i>Collected within the Fiscal Year of the Levy</i>		<i>Delinquent Taxes Collected</i>	<i>Total Collections to Date</i>	
		<i>Tax Collections</i>	<i>Percent of Levy</i>		<i>Total Tax Collections</i>	<i>Percent of Tax Levy</i>
2009	\$ 8,524,283	\$ 7,921,278	92.93%	\$ 283,843	\$ 8,205,121	96.26%
2010	8,772,554	8,162,750	93.05%	308,353	8,471,103	96.56%
2011	8,688,708	8,094,990	93.17%	311,370	8,406,360	96.75%
2012	8,659,913	8,099,206	93.53%	301,668	8,400,874	97.01%
2013	8,369,810	7,835,630	93.62%	308,748	8,144,378	97.31%
2014	8,410,177	7,924,202	94.22%	320,006	8,244,208	98.03%
2015	9,054,234	8,553,359	94.47%	276,179	8,829,538	97.52%
2016	9,421,624	8,943,387	94.92%	245,398	9,188,785	97.53%
2017	9,958,340	9,456,995	94.97%	254,254	9,711,249	97.52%
2018	10,323,495	9,832,811	95.25%	222,045	10,054,856	97.40%

Source: Marion County Assessor's Office and City Records

DEBT CAPACITY

CITY OF WOODBURN, OREGON
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

<i>Fiscal Year</i>	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total Outstanding Debt</i>	<i>Percentage of Personal Income (2)</i>	<i>Population (3)</i>	<i>Debt Per Capita</i>
	<i>Full Faith & Credit Bonds</i>	<i>Loans</i>	<i>Bonds (1)</i>	<i>Loans</i>				
2009	\$ 6,190,000	\$ 1,497,665	\$ 7,278,522	\$28,406,961	\$ 43,373,148	0.00% *	23,574	\$ 1,840
2010	5,930,000	1,295,861	7,031,712	26,946,729	41,204,302	0.00% *	24,080	1,711
2011	5,655,000	1,086,234	6,778,648	25,680,870	39,200,752	3.78%	24,085	1,628
2012	5,365,000	868,449	39,810,720	5,910,647	51,954,816	5.06%	24,090	2,157
2013	5,065,000	642,154	37,674,655	5,559,833	48,941,642	4.69%	24,090	2,032
2014	4,745,000	401,982	35,126,768	5,194,240	45,467,990	4.26%	24,330	1,869
2015	4,410,000	152,553	32,082,220	4,813,265	41,458,038	3.88%	24,455	1,695
2016	4,060,000	66,074	29,302,005	4,416,251	37,844,330	3.40%	24,670	1,534
2017	3,690,000	35,675	26,384,767	4,002,523	34,112,965	3.19%	24,795	1,376
2018	3,328,000	-	22,893,978	3,571,377	29,793,355	2.73%	24,685	1,207

*Information unavailable at this time

(1) Presented net of original issuance discount and premiums

(2) Personal income is disclosed on pg 107

(3) Source: Portland State University Population Research Center

CITY OF WOODBURN, OREGON
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

<i>Fiscal Year Ended June 30</i>	<i>Population(1)</i>	<i>Assessed Value(2)</i>	<i>Full Faith & Credit Bond</i>	<i>Less Debt Service Fund</i>	<i>Net Bonded Debt</i>	<i>Ratio of Net Bonded Debt to Assessed Value</i>	<i>Per Capita</i>
2009*	23,574	\$ 1,251,349,000	\$ 6,190,000	\$ 109,694	\$ 6,080,306	0.49%	\$ 263
2010	24,080	1,314,568,666	5,930,000	92,647	5,837,353	0.44%	246
2011	24,085	1,319,612,664	5,655,000	78,035	5,576,965	0.42%	235
2012	24,090	1,333,029,873	5,365,000	61,397	5,303,603	0.40%	223
2013	24,090	1,291,878,687	5,065,000	27,570	5,037,430	0.39%	210
2014	24,330	1,304,184,511	4,745,000	55,033	4,689,967	0.36%	195
2015	24,455	1,397,629,743	4,410,000	50,771	4,359,229	0.31%	180
2016	24,670	1,455,738,769	4,060,000	25,117	4,034,883	0.28%	165
2017	24,795	1,524,882,342	3,690,000	1,758	3,688,242	0.24%	149
2018	24,685	1,572,282,375	3,328,000	22,777	3,305,223	0.21%	135

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

*2009 is estimated based on change in population between 2010 and 2011

(1) Source: Portland State University Population Research Center

(2) Marion County Assessor's Office

CITY OF WOODBURN, OREGON
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2018

<i>Jurisdiction</i>	<i>Total Net Debt</i>	<i>Percent Within City</i>	<i>City's Pro Rata Share</i>
Direct:			
City of Woodburn	\$ 12,391,219	100%	\$ 12,391,219
Overlapping:			
Chemeketa Community College	112,290,826	4.15%	4,655,241
Marion County	58,589,541	6.05%	3,543,027
Marion Cty SD 103 (Woodburn)	60,984,071	85.33%	52,039,842
Willamette ESD	22,097,050	3.76%	830,518
Woodburn RFPD 6	1,455,000	72.73%	1,058,278
Total overlapping	255,416,488		62,126,906
 TOTAL	\$ 267,807,707		\$ 74,518,125

Source: Debt Management Division, Oregon State Treasury
Excluding Revenue Bonds

CITY OF WOODBURN, OREGON
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Debt Limit	\$ 65,851,058	\$ 63,677,879	\$ 58,361,500	\$ 55,506,690	\$ 52,682,122	\$ 52,555,913	\$ 57,768,364	\$ 61,693,898	\$ 66,229,776	\$ 72,896,729
Total net debt applicable to limit	<u>5,930,000</u>	<u>5,930,000</u>	<u>5,655,000</u>	<u>5,365,000</u>	<u>5,065,000</u>	<u>4,745,000</u>	<u>4,410,000</u>	<u>4,060,000</u>	<u>3,690,000</u>	<u>3,328,000</u>
Legal debt margin*	<u>\$ 59,921,058</u>	<u>\$ 57,747,879</u>	<u>\$ 52,706,500</u>	<u>\$ 50,141,690</u>	<u>\$ 47,617,122</u>	<u>\$ 47,810,913</u>	<u>\$ 53,358,364</u>	<u>\$ 57,633,898</u>	<u>\$ 62,539,776</u>	<u>\$ 69,568,729</u>
Total net debt applicable to the limit as a percentage of debt limit	9.01%	9.31%	9.69%	9.67%	9.61%	9.03%	7.63%	6.58%	5.57%	4.57%

*ORS 287.004 provides a debt limit of 3% of the true cash value (market) of all taxable property within the City boundaries. The legal debt margin has been calculated in accordance with the provisions of ORS 287.004.

CITY OF WOODBURN, OREGON
PLEDGED REVENUE COVERAGE
LAST TEN FISCAL YEARS

Fiscal Year	Water Revenue Bonds							Sewer Revenue Bonds						
	Water Charges and Other	Less: Operating Expenses	Net Available Revenue	Coverage Ratio	Debt Service		Sewer Charges and Other	Less: Operating Expenses	Net Available Revenue	Coverage Ratio	Debt Service			
					Principal	Interest					Principal	Interest		
2009	\$ 3,626,606	\$ 1,531,043	\$ 2,095,563	190%	\$ 538,105	\$ 567,287	\$ 4,906,472	\$ 3,027,089	\$ 1,879,383	88%	\$ 1,549,577	\$ 588,993		
2010	3,418,455	1,405,740	2,012,715	178%	556,801	572,514	5,015,010	3,429,984	1,585,026	75%	1,362,164	757,677		
2011	3,383,935	1,687,072	1,696,863	147%	576,106	581,241	5,683,362	3,485,336	2,198,026	94%	1,508,795	831,453		
2012	3,538,655	1,836,024	1,702,631	147%	596,127	559,290	6,449,016	2,379,286	4,069,730	353%	800,676	353,238		
2013	3,378,356	1,885,109	1,493,247	129%	621,879	536,114	6,817,762	2,864,917	3,952,845	134%	1,865,000	1,085,663		
2014	3,642,963	1,980,775	1,662,188	143%	648,318	511,310	7,815,598	3,148,249	4,667,349	141%	2,265,153	1,044,560		
2015	3,498,255	2,003,865	1,494,390	129%	670,523	485,175	8,291,610	3,467,717	4,823,893	129%	2,755,000	972,713		
2016	3,610,982	2,057,945	1,553,037	134%	698,544	457,554	8,468,441	3,796,244	4,672,197	138%	2,478,685	901,378		
2017	3,450,925	2,159,367	1,291,558	112%	727,318	428,779	8,462,266	3,348,739	5,113,527	145%	2,603,647	930,166		
2018	3,745,589	2,346,255	1,399,334	121%	756,935	398,504	8,723,809	3,505,314	5,218,495	134%	3,165,000	724,563		

DEMOGRAPHIC AND ECONOMIC INFORMATION

CITY OF WOODBURN, OREGON
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

<i>Fiscal Year</i>	<i>Population (1)</i>	<i>Total personal income (in thousands)</i>	<i>Per capita personal income (2)</i>	<i>Median age (2)</i>	<i>Unemployment rate (3)</i>	<i>School Enrollment K-12 (2)</i>
2009	23,574	\$ - *	\$ - *	- *	11.1%	4,997
2010	24,080	- *	- *	- *	10.8%	5,030
2011	24,085	1,037,894,905	43,093	33.3	10.3%	5,188
2012	24,090	1,027,679,400	42,660	32.5	9.7%	5,583
2013	24,090	1,043,843,790	43,331	31.9	8.7%	5,754
2014	24,330	1,067,576,070	43,879	33.5	7.3%	5,889
2015	24,455	1,067,852,030	43,666	33.7	6.1%	6,283
2016	24,670	1,113,406,440	45,132	33.5	5.3%	6,471
2017	24,795	1,068,490,935	43,093	33.6	4.5%	5,604
2018	24,685	1,091,768,180	44,228	33.4	4.0%	5,544

*Information unavailable at this time

Historical information from eight and nine years ago is unavailable; the most recent available data is presented.

(1) Source: Portland State University Population Research Center

(2) United States Census Bureau American Community Survey 5-year Estimates

(3) annual average (Source: State of Oregon Employment Department)

CITY OF WOODBURN, OREGON
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

<i>Employer</i>	<i>2018</i>			<i>2011</i>		
	<i>Employees</i>	<i>Rank</i>	<i>Percentage of total city employment</i>	<i>Employees</i>	<i>Rank</i>	<i>Percentage of total city employment</i>
Woodburn School District	700-750	1	6.77%	700-750	2	9.28%
Winco Foods	500-550	2	4.95%	650-700	1	14.23%
Food Services of America	450-500	3	4.94%	450-500	3	9.06%
Bruce Packing Co., Inc.	350-400	4	3.55%	150-200	9	1.69%
Wal Mart Associates Inc	300-350	5	2.88%	400-450	6	3.10%
Maclaren YCF	300-350	6	2.77%	250-300	4	4.87%
City of Woodburn	150-200	7	1.71%	200-250	7	2.88%
Fleetwood Homes Inc.	150-200	8	1.66%	50-100		0.70%
Kerr Contractors Oregon Inc.	150-200	9	1.59%	100-150	5	3.31%
RMZ Labor Contractor LLC	150-200	10	1.36%	-		0.00%
Nike Retail Services, Inc.	100-150	11	1.35%	50-100		0.46%
Oregon Child Development Coalition	100-150	12	1.20%	100-150		0.97%
Fjord LTD	100-150	13	1.16%	-		0.00%
Do It Best Corp	100-150	14	1.14%	100-150	11	1.32%
Safeway Stores, Inc.	100-150	15	1.14%	100-150		0.80%
AI's Garden Centers & Greenhouses	100-150	16	1.12%	100-150		0.76%
Wave	100-150	17	1.09%	25-50		0.67%
Salud Medical Center	100-150	18	0.97%	100-150	8	1.86%
Universal Forest Products Woodburn	50-100	19	0.90%	100-150	10	1.64%
Woodburn Health Center	50-100	20	0.86%	100-150		1.42%
Gem Equipment of Oregon, Inc.	50-100	21	0.80%	50-100		0.87%
Direct Labor Inc	50-100	22	0.69%	100-150		0.62%
Country Meadows Village LLC	50-100	23	0.68%	50-100		0.38%
United Pacific Forest Products	50-100	24	0.66%	-		0.00%
Valley Farm Labor Contractor Corp	50-100	25	0.63%	-		0.00%
Woodburn Mega Foods	50-100	26	0.63%	50-100		0.49%
Speciality Polymers Inc	50-100	27	0.62%	-		0.00%
Standish & Williams LLC	50-100	28	0.55%	-		0.00%
Red Robin Gourmet Burgers and Bre	50-100	29	0.54%	-		0.00%
Patrick Industries Oregon Division	50-100	30	0.49%	-		0.00%
Subtotal	6,250		56.82%	5,050		58.52%
All Other	4,750		43.18%	3,579		41.47%
Total	11,000		100.0%	8,629		100.0%

Historical information from nine years ago is unavailable; the most recent available data is presented.
Source: City of Woodburn Economic Development Department and Oregon Employment Department

OPERATING INFORMATION

CITY OF WOODBURN, OREGON
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

<i>Function</i>	<i>Budgeted</i>									
	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
General Government	16.7	16.7	18.9	18.9	20.2	21.5	21.5	20.9	20.0	21.8
Public Safety	43.9	43.9	40.5	40.5	40.0	39.6	41.1	42.6	42.7	43.6
Highways and streets	43.6	38.1	28.9	28.9	15.0	14.0	14.0	11.8	12.8	13.0
Culture and recreation	49.3	45.9	48.1	48.1	42.0	45.8	49.9	50.1	51.0	51.1
Economic development	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0
Water	11.0	11.0	16.0	16.0	15.0	15.0	15.0	15.0	14.0	14.0
Sewer	9.0	9.0	9.0	9.0	11.0	11.0	11.0	11.0	11.0	11.0
Total	173.3	164.5	161.3	161.3	143.2	146.8	152.5	152.4	152.5	155.5

Source: Annual Adopted Budget Book and City Records

CITY OF WOODBURN, OREGON
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

<i>Function</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
Police										
Police calls	23,852	25,967	20,431	18,570	18,127	18,145	17,062	14,744	15,357	12,067
Authorized staffing	32	32	32	32	32	32	32	34	34	34
Arrests	1,206	1,425	1,869	1,752	1,449	1,777	1,441	1,003	1,278	888
Offenses	3,038	2,675	2,549	3,231	2,757	3,212	3,119	2,871	2,960	2,308
Culture and recreation										
Park Acreage	*	103	103	110	110	110	110	110	128	*
Library attendance	*	195,416	193,681	178,203	150,127	138,607	132,575	135,317	125,153	*
Aquatics attendance	*	58,927	88,835	127,663	139,248	144,459	148,885	144,810	140,834	*
Sports, programs and special events	*	24,562	11,325	8,789	8,405	12,459	12,200	3,810	30,578	*
After school club	*	23,014	26,645	-	-	-	-	-	-	*
Public transportation										
Fixed route rides	*	27,599	31,285	33,877	47,454	34,222	34,869	32,684	25,533	*
Dial-A-Ride trips	*	7,889	7,441	6,456	5,622	5,097	11,842	6,221	6,224	*
Out of town medical rides	*	1,598	1,615	1,630	1,742	1,972	2,441	1,321	1,473	*
Community development										
Building permits issued	*	193	179	186	263	279	230	226	171	*
Water										
Production capacity	2 mgd	2 mgd	2 mgd	2 mgd	2mgd	2mgd	2 mgd	2mgd	2mgd	2mgd
Customers served	6,700	6,700	6,700	6,560	6,688	6,843	6,770	6,843	6,942	6,946
Wastewater										
Average daily treatment	2-3 mgd	2-3 mgd	2-3 mgd	2-3 mgd	2-3 mgd	2-3 mgd	2-3 mgd	2-3 mgd	2-3 mgd	*

*Information unavailable at this time

Source: City Departments

CITY OF WOODBURN, OREGON
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

<i>Function</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Highways and streets										
Streets (center lane miles)	127	128	128	128	128	128	128	128	128	128
Culture and recreation										
Parks acreage	*	103	103	110	110	110	110	110	110	110
Swimming pools	*	1	1	1	1	1	1	1	1	1
Tennis courts	*	1	1	1	1	1	1	1	1	1
Community centers	0	0	0	0	0	0	0	0	0	0
Sewer										
Number of connections	*	5297	5714	6182	6230	6317	6414	6479	6503	6558
Maximum daily treatment capacity (millions of gallons)	*	16	16	16	16	16	16	16	16	16

¹There are no traffic signals on city-owned streets, only on county and state roads.

Street lights are owned and maintained by PGE

*Information unavailable at this time

Source: City Departments

OTHER INFORMATION

CITY OF WOODBURN, OREGON
WATER SYSTEM COVERAGE CALCULATION
LAST TEN FISCAL YEARS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Customer Accounts	*	3,381	3,673	3,893	4,280	4,426	4,844	5,393	5,950	6,579
Revenues:										
Charges for Services	\$ 3,279,795	\$ 3,277,740	\$ 3,156,359	\$ 3,217,518	\$ 3,236,888	\$ 3,166,879	\$ 3,277,605	\$ 3,415,661	\$ 3,293,342	\$ 3,399,943
Miscellaneous	40,950	48,332	35,554	55,010	58,454	303,593	60,055	67,290	58,922	79,062
Interest	14,708	3,376	1,977	1,862	3,827	7,498	9,078	12,425	22,231	39,618
SDC	291,153	89,007	190,045	264,265	79,187	164,993	151,517	115,606	76,430	227,986
<i>Total Gross Revenues</i>	<u>3,626,606</u>	<u>3,418,455</u>	<u>3,383,935</u>	<u>3,538,655</u>	<u>3,378,356</u>	<u>3,642,963</u>	<u>3,498,255</u>	<u>3,610,982</u>	<u>3,450,925</u>	<u>3,746,609</u>
Operating Expenditures										
Personal Services	1,017,362	885,329	1,090,996	1,195,296	1,287,000	1,244,302	1,168,912	1,172,688	1,284,183	1,422,943
Materials & Services	513,682	520,412	596,076	640,727	598,109	736,473	834,953	885,257	875,184	923,313
<i>Total Operating Expenses</i>	<u>1,531,043</u>	<u>1,405,740</u>	<u>1,687,072</u>	<u>1,836,024</u>	<u>1,885,109</u>	<u>1,980,775</u>	<u>2,003,865</u>	<u>2,057,945</u>	<u>2,159,367</u>	<u>2,346,256</u>
<i>Water Fund Balance, End of Year</i>	<u>\$ 2,212,063</u>	<u>\$ 3,095,462</u>	<u>\$ 3,634,979</u>	<u>\$ 4,182,194</u>	<u>\$ 4,517,447</u>	<u>\$ 5,020,007</u>	<u>\$ 5,358,699</u>	<u>\$ 5,755,638</u>	<u>\$ 3,473,585</u>	<u>\$ 3,718,500</u>
Net Revenues	2,095,562	2,012,714	1,696,863	1,702,632	1,493,247	1,662,188	1,494,390	1,553,037	1,291,558	1,400,353
Total Debt Service	1,105,391	1,129,315	1,157,346	1,155,416	1,157,994	1,159,628	1,155,698	1,156,098	1,156,097	1,155,438
<i>Debt Service Coverage</i>	190%	178%	147%	147%	129%	143%	129%	134%	112%	121%

*Information unavailable at this time

CITY OF WOODBURN, OREGON
MAJOR WATER SYSTEM CUSTOMERS
JUNE 30, 2018

#	Customer Name	Industry	2018	% of Total Charges
1	SPECIALTY POLYMER	Industrial	\$ 65,703	1.9%
2	STONEHEDGE COURT	Multi Family	48,319	1.4%
3	AMERICOLD LOGISTICS	Commercial	47,308	1.4%
4	CASCADE MEADOWS APARTMENTS	Multi Family	41,357	1.2%
5	WOODBURN PREMIUM OUTLETS, LLC	Commercial	33,557	1.0%
6	HARVARD MEADOWS	Multi Family	30,094	0.9%
7	WOODBURN WEST MOBILE ESTATES	Multi Family	28,213	0.8%
8	MARION CO HOUSING AUTHORITY	Multi Family	25,528	0.8%
9	COUNTRY MEADOWS VILLAGE	Multi Family	20,889	0.6%
10	TOWNSEND FARMS INC	Industrial	18,727	0.6%
			Subtotal \$ 359,696	
			Total Water Charges \$ 3,399,943	

CITY OF WOODBURN, OREGON
SEWER SYSTEM COVERAGE CALCULATION
LAST TEN FISCAL YEARS

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
User Fees	\$ 4,475,358	\$ 4,813,888	\$ 5,544,381	\$ 6,088,590	\$ 6,488,127	\$ 7,416,117	\$ 7,910,674	\$ 8,098,602	\$ 8,019,478	\$ 8,071,234
SDCs	387,433	119,700	12,301	166,529	174,123	235,714	214,407	173,376	117,124	221,257
Interest	34,577	6,370	3,982	44,633	86,133	97,547	95,415	124,753	226,174	361,418
Miscellaneous	9,104	75,052	122,698	149,264	69,378	66,220	71,114	71,711	99,491	69,900
Total Revenue	4,906,472	5,015,010	5,683,362	6,449,016	6,817,762	7,815,598	8,291,610	8,468,441	8,462,266	8,723,809
Operating Expenses ¹	3,027,089	3,429,984	3,485,336	2,379,286	2,864,917	3,148,249	3,467,717	3,796,244	3,348,739	3,505,314
Net Revenues	\$ 1,879,383	\$ 1,585,025	\$ 2,198,025	\$ 4,069,730	\$ 3,952,845	\$ 4,667,349	\$ 4,823,893	\$ 4,672,197	\$ 5,113,528	\$ 5,218,495
Net Revenues less SDCs	\$ 1,491,950	\$ 1,465,326	\$ 2,185,725	\$ 3,903,201	\$ 3,778,722	\$ 4,431,634	\$ 4,609,486	\$ 4,498,821	\$ 4,996,404	\$ 4,997,238
DEQ Loan R98411	\$ 260,553	\$ 284,870	\$ 306,177	\$ 157,312	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
DEQ Loan R98412	1,838,023	1,802,048	1,990,887	954,580	-	-	-	-	-	-
G98002	39,995	32,923	43,185	42,021	-	-	-	-	-	-
2011 Revenue Bonds Series A & B					2,950,663	3,309,713	3,727,713	3,380,063	3,533,813	3,889,563
Total Debt Service	\$ 2,138,570	\$ 2,119,841	\$ 2,340,248	\$ 1,153,913	\$ 2,950,663	\$ 3,309,713	\$ 3,727,713	\$ 3,380,063	\$ 3,533,813	\$ 3,889,563
Debt Service Coverage	88%	75%	94%	353%	134%	141%	129%	138%	145%	134%
Debt Service Coverage (w/o SDC)	70%	69%	93%	338%	128%	134%	124%	133%	141%	128%

¹ Operation expenses do not include depreciation, debt service or equipment replacement transfer

CITY OF WOODBURN, OREGON
MAJOR SEWER SYSTEM CUSTOMERS
JUNE 30, 2018

<i>#</i>	<i>Customer Name</i>	<i>Account Type</i>	<i>2018</i>	<i>% of Total Charges</i>
1	MACLAREN	Commercial	239,872	3.0%
2	TREETOP	Industrial	219,448	2.7%
3	LEROY MILLER	Commercial	71,306	0.9%
4	CLINKSCALES	Commercial	63,685	0.8%
5	STONEHEDGE COURT	Multi Family	65,109	0.8%
6	TOWNSEND	Industrial	58,349	0.7%
7	WINCO	Industrial	56,732	0.7%
8	COUNTRY MEADOWS VILLAGE	Multi Family	51,425	0.6%
9	AVALON HEALTHCARE FRENCH PRAIRIE	Commercial	48,452	0.6%
10	PANOR 360	Multi Family	48,211	0.6%
		Subtotal	<u>922,590</u>	
		Total Water Charges	<u><u>8,071,234</u></u>	

COMPLIANCE SECTION



GROVE, MUELLER & SWANK, P.C.

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

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Woodburn as of and for the year ended June 30, 2018, and have issued our report thereon dated November 30, 2018.

Compliance and Other Matters

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.


Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Restriction on Use

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

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

By: 
Katherine R. Wilson, A Shareholder
November 30, 2018