

***CITY OF WOODBURN, OREGON***

***Annual Financial Report  
Year Ended June 30, 2013***

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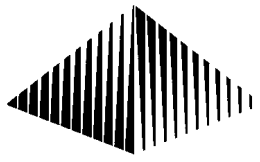
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**MAYOR AND COUNCIL MEMBERS**

<u>Name</u>	<u>Term Expires</u>
<i>Mayor</i>	
Kathryn Figley 270 Montgomery Street Woodburn, OR 97071	December 31, 2014
<i>Council Members</i>	
Peter McCallum, President 270 Montgomery Street Woodburn, OR 97071	December 31, 2014
Teresa Alonso Leon 270 Montgomery Street Woodburn, OR 97071	December 31, 2016
Lisa Ellsworth 270 Montgomery Street Woodburn, OR 97071	December 31, 2016
Eric Morris 270 Montgomery Street Woodburn, OR 97071	December 31, 2016
Jim Cox 270 Montgomery Street Woodburn, OR 97071	December 31, 2014
Frank Lonergan 270 Montgomery Street Woodburn, OR 97071	December 31, 2014

*Staff*

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



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

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

### *INDEPENDENT AUDITOR'S REPORT*

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

#### *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 City of Woodburn as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

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

#### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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, 2013, 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.

***Other Matters***

***Management's Discussion and Analysis***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Required and Other Supplementary Information***

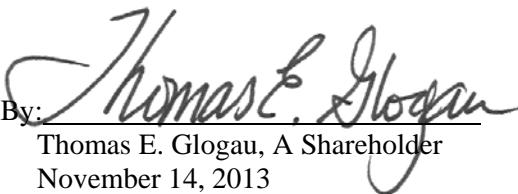
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The required supplementary budgetary information and other supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

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

***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 14, 2013, 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:   
Thomas E. Glogau, A Shareholder  
November 14, 2013

**CITY OF WOODBURN**  
**Year Ended June 30, 2013**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Management's Discussion and Analysis of the City of Woodburn's Annual Financial Report (AFR) presents a discussion and analysis of the City's financial performance during the fiscal year ended June 30, 2013. 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, 2013.

	<i>June 30,</i>		<i>change</i>
	<i>2013</i>	<i>2012</i>	
Net position	\$ 113,952,363	\$ 111,291,473	\$ 2,660,890
Change in net position	2,660,890	2,414,940	245,950
Governmental activities net position	71,695,875	70,359,567	1,336,308
Business-type activities net position	42,256,488	40,931,906	1,324,582
Change in governmental net position	1,336,308	1,242,350	93,958
Change in proprietary net position	1,324,582	1,172,590	151,992

**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, liabilities and activities of the City. The measurement focus and basis of accounting are the same for the entire entity. The measurement focus is on all economic resources of the 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 of Woodburn's assets and liabilities, with the difference between the two 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 general taxpayers and may equate to the nearest that governments can determine the "bottom line."

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

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

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

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

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

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

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

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



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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The City of Woodburn had \$167,817,413 in total assets and \$53,865,049 in total liabilities, resulting in combined net position of \$113,952,363 for governmental and business-type activities. The largest component of the City's net position, reflects its investment in capital assets (i.e., land, buildings, equipment and infrastructure, less any related debt outstanding that was needed to acquire or construct the assets). The City of Woodburn uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Governmental capital assets, net of depreciation, decreased \$608,292 over the prior year due primarily to depreciation in excess of current year capital asset additions.

Business-type capital assets, net of depreciation decreased \$869,268 over the prior year due to depreciation which offset the continuation of the wastewater treatment plant upgrade and the water line extension project. It should be noted that business-type capital assets will continue to increase as the next phases of the wastewater treatment plant upgrade begin.

Total liabilities for both governmental and business-type activities decreased by \$2,853,440 from the prior year due to scheduled debt repayments.

Overall, the City's financial position changed by \$2,660,890 (or 2%). This is due mainly to increases in revenues and decreases in expenses compared to the prior year.

### Statement of Net Position

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

	2013			2012			Change		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Cash and investments	\$ 17,022,290	\$ 23,486,532	\$ 40,508,822	\$ 15,432,365	\$ 23,963,357	\$ 39,395,722	\$ 1,589,925	\$ (476,825)	\$ 1,113,100
Other assets	1,822,164	686,804	2,508,968	1,743,325	908,644	2,651,969	78,839	(221,840)	(143,001)
Capital assets	60,068,635	64,730,987	124,799,622	60,676,927	65,600,255	126,277,182	(608,292)	(869,268)	(1,477,560)
<i>Total Assets</i>	<u>78,913,089</u>	<u>88,904,323</u>	<u>167,817,412</u>	<u>77,852,617</u>	<u>90,472,256</u>	<u>168,324,873</u>	<u>1,060,472</u>	<u>(1,567,933)</u>	<u>(507,461)</u>
Other liabilities	671,971	680,317	1,352,288	521,350	751,030	1,272,380	150,621	(70,713)	79,908
Long-term liabilities	6,545,243	45,967,518	52,512,761	6,971,700	48,514,906	55,486,606	(426,457)	(2,547,388)	(2,973,845)
<i>Total Liabilities</i>	<u>7,217,214</u>	<u>46,647,835</u>	<u>53,865,049</u>	<u>7,493,050</u>	<u>49,265,936</u>	<u>56,758,986</u>	<u>(275,836)</u>	<u>(2,618,101)</u>	<u>(2,893,937)</u>
Net position:									
Net investment in capital assets	54,361,481	31,886,659	86,248,140	54,443,478	31,042,855	85,486,333	(81,997)	843,804	761,807
Restricted	10,395,999	3,165,303	13,561,302	9,460,498	2,869,942	12,330,440	935,501	295,361	1,230,862
Unrestricted	6,938,395	7,204,526	14,142,921	6,455,591	7,293,523	13,749,114	482,804	(88,997)	393,807
<i>Total Net Position</i>	<u>\$ 71,695,875</u>	<u>\$ 42,256,488</u>	<u>\$ 113,952,363</u>	<u>\$ 70,359,567</u>	<u>\$ 41,206,320</u>	<u>\$ 111,565,887</u>	<u>\$ 1,336,308</u>	<u>\$ 1,050,168</u>	<u>\$ 2,386,476</u>

### Governmental Activities

The City's net position from governmental activities increased \$1,336,308 (2%) from 2011-12 to 2012-13.

## Business-type Activities

The City's net position from business-type activities increased \$1,324,582 (3%) from 2011-12 to 2012-13.

## Statement of Activities

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

	2013			2012			Change		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total	Government Activities	Business-type Activities	Total
<b>Revenues</b>									
Program Revenues									
Charges for service	\$ 2,129,950	\$ 9,785,103	11,915,053	\$ 2,321,980	\$ 9,535,915	\$ 11,857,895	\$ (192,030)	\$ 249,188	\$ 57,158
Operating grants and contributions	1,948,383	-	1,948,383	1,911,075	-	1,911,075	37,308	-	37,308
Capital grants and contributions	840,242	290,930	1,131,172	522,817	437,817	960,634	317,425	(146,887)	170,538
<i>Total Program Revenues</i>	<i>4,918,575</i>	<i>10,076,033</i>	<i>14,994,608</i>	<i>4,755,872</i>	<i>9,973,732</i>	<i>14,729,604</i>	<i>162,703</i>	<i>102,301</i>	<i>265,004</i>
General Revenues									
Property taxes	8,180,539	-	8,180,539	8,495,199	-	8,495,199	(314,660)	-	(314,660)
Franchise taxes	1,932,484	-	1,932,484	1,776,101	-	1,776,101	156,383	-	156,383
Intergovernmental	660,547	-	660,547	533,738	-	533,738	126,809	-	126,809
Other	292,791	177,687	470,478	299,156	74,063	373,219	(6,365)	103,624	97,259
<i>Total General Revenues</i>	<i>11,066,361</i>	<i>177,687</i>	<i>11,244,048</i>	<i>11,104,194</i>	<i>74,063</i>	<i>11,178,257</i>	<i>(37,833)</i>	<i>103,624</i>	<i>65,791</i>
<i>Total Revenues</i>	<i>15,984,936</i>	<i>10,253,720</i>	<i>26,238,656</i>	<i>15,860,066</i>	<i>10,047,795</i>	<i>25,907,861</i>	<i>124,870</i>	<i>205,925</i>	<i>330,795</i>
<b>Expenses (Net of Indirect Expenses)</b>									
General government	2,411,067	-	2,411,067	2,425,859	-	2,425,859	(14,792)	-	(14,792)
Public safety	6,389,207	-	6,389,207	6,423,707	-	6,423,707	(34,500)	-	(34,500)
Highways and streets	2,663,020	-	2,663,020	2,202,753	-	2,202,753	460,267	-	460,267
Culture and recreation	3,270,803	-	3,270,803	4,019,379	-	4,019,379	(748,576)	-	(748,576)
Interest	248,109	-	248,109	257,018	-	257,018	(8,909)	-	(8,909)
Water	-	2,882,056	2,882,056	-	2,901,104	2,901,104	-	(19,048)	(19,048)
Sewer	-	5,713,504	5,713,504	-	5,263,101	5,263,101	-	450,403	450,403
<i>Total Expenses</i>	<i>14,982,206</i>	<i>8,595,560</i>	<i>23,577,766</i>	<i>15,328,716</i>	<i>8,164,205</i>	<i>23,492,921</i>	<i>(346,510)</i>	<i>431,355</i>	<i>84,845</i>
<i>Changes in Net Position Before Transfers</i>	<i>1,002,730</i>	<i>1,658,160</i>	<i>2,660,890</i>	<i>531,350</i>	<i>1,883,590</i>	<i>2,414,940</i>	<i>471,380</i>	<i>1,126,810</i>	<i>1,598,190</i>
<i>Transfers</i>	<i>333,578</i>	<i>(333,578)</i>	<i>-</i>	<i>711,000</i>	<i>(711,000)</i>	<i>-</i>	<i>(377,422)</i>	<i>377,422</i>	<i>-</i>
<i>Change in Net Position</i>	<i>1,336,308</i>	<i>1,324,582</i>	<i>2,660,890</i>	<i>1,242,350</i>	<i>1,172,590</i>	<i>2,414,940</i>	<i>93,958</i>	<i>1,504,232</i>	<i>1,598,190</i>
<i>Beginning Net Position, as adjusted</i>	<i>70,359,567</i>	<i>40,931,906</i>	<i>111,291,473</i>	<i>69,117,217</i>	<i>39,759,316</i>	<i>108,876,533</i>	<i>1,242,350</i>	<i>1,172,590</i>	<i>2,414,940</i>
<i>Ending Net Position</i>	<i>\$ 71,695,875</i>	<i>\$ 42,256,488</i>	<i>\$ 113,952,363</i>	<i>\$ 70,359,567</i>	<i>\$ 40,931,906</i>	<i>\$ 111,291,473</i>	<i>\$ 1,336,308</i>	<i>\$ 2,676,822</i>	<i>\$ 4,013,130</i>

**Governmental Activities.** Total revenues for the City of Woodburn's governmental activities were \$15,984,936 for the fiscal year ended June 30, 2013. Approximately 51% of the total revenue for the governmental activities was derived from property taxes and approximately 31% of the total revenue was from program revenues. Total expenses for governmental activities were \$14,982,206 and net transfers in were \$333,578 resulting in a \$1,336,308 increase in net position. General governmental activities accounted for approximately 16% of the total governmental activities expense. Public Safety, Culture and Recreation and Highways and Streets expenses account for 82% of the total, and interest on long-term debt expenses was less than 1% of total governmental activities expenses.

**Business-Type Activities.** Revenues of business-type activities totaled \$10,253,720 for the current fiscal year. These activities generated \$10,076,033 in program revenues. Approximately 95% of the total business-type activities revenue was derived from charges for services. The total expenses for business-type activities were \$8,595,560 and net transfers out were \$333,578 resulting in an \$1,324,582 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 of Woodburn uses fund accounting to segregate resources that are restricted to a particular activity. Fund balance represents the excess of the assets of the fund over its liabilities. Because the fund financial statements focus on current sources and uses of spendable resources, 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 \$16,173,946 of fund balance of the governmental funds, an increase of \$1,438,246 from the prior year. The City's governmental funds include the General Fund, Street and Street SDC funds, and other non-major funds.

The General Fund is the chief operating fund of the City. At the end of the fiscal year, a fund balance of \$3,282,440 was reported by the General Fund. The fund balance increased by \$538,141 from the previous year.

The City of Woodburn reports two other major governmental funds, the Street Fund and the Street SDC Fund. The Street Fund had a fund balance of \$2,105,613, an increase of \$1,308,681 from the previous year. The Street SDC Fund had a fund balance of \$5,130,650, a decrease of \$80,821 from the previous year.

**Proprietary Funds.** Net position of the proprietary funds equaled \$42,256,488 at the end of the current fiscal year. The net asset increase of \$1,324,582 was comparable to the increase in the previous year.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget was amended to increase the beginning fund balance by \$900,000 and aquatics revenues by \$20,000. The amendment also decreased police expenditures by \$27,000 and increased administration, city attorney, finance, HR, aquatics and non-departmental by a total of \$82,100. Actual revenues (budgetary basis), were within 2% of budgeted amounts. General Fund expenditures ended \$3,172,016 below budgeted amounts primarily due to management efforts to contain costs throughout the fiscal year.

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital Assets.** The City of Woodburn's investment in capital assets for its governmental and business-type activities equaled \$60,068,635 and \$64,730,987 respectively, at the end of the current fiscal year, net of accumulated depreciation. This investment includes land, buildings, improvements, equipment, and infrastructure. Additional information about the City's capital assets is presented in the notes to the financial statements.

	<i>Governmental Activities</i>		<i>Total Percentage Change</i>
	<i>2013</i>	<i>2012</i>	<i>2012-2013</i>
Land	\$ 22,567,381	\$ 22,567,381	- %
Construction in progress	1,465,711	1,909,356	(23.24)
Equipment	5,779,416	5,690,040	1.57
Building	16,233,984	15,897,131	2.12
Infrastructure	38,154,005	37,241,093	2.45
Accumulated depreciation	(24,131,862)	(22,628,074)	6.65
<i>Total</i>	<i>\$ 60,068,635</i>	<i>\$ 60,676,927</i>	<i>(1.00) %</i>

	<i>Business-type Activities</i>		<i>Total Percentage Change</i>
	<i>2013</i>	<i>2012</i>	<i>2012-2013</i>
Land	\$ 1,783,816	\$ 1,783,816	- %
Construction in progress	4,566,500	3,532,785	29.26
Equipment	1,972,578	1,899,873	3.83
Building	62,512,275	62,340,008	0.28
Infrastructure	28,565,883	28,315,347	0.88
Accumulated depreciation	(34,670,065)	(32,271,574)	7.43
<i>Total</i>	<i>\$ 64,730,987</i>	<i>\$ 65,600,255</i>	<i>(1.33) %</i>

**Long-term Debt.** At the end of the current fiscal year, long-term debt outstanding for the governmental activities totaled \$5,707,154 (excluding compensated absences payable), compared to \$6,233,449 in the prior year. For the business-type activities, total long-term debt equaled \$43,234,488 (excluding compensated absences payable) compared to \$45,721,367 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>Change</i>
	<i>2013</i>	<i>2012</i>	<i>2012-2013</i>
Loans	\$ 155,773	\$ 180,213	\$ (24,440)
Bonds	5,551,381	6,053,236	(501,855)
<i>Total</i>	<i>\$ 5,707,154</i>	<i>\$ 6,233,449</i>	<i>\$ (526,295)</i>

	<i>Business-type Activities</i>		<i>Change</i>
	<i>2013</i>	<i>2012</i>	<i>2012-2013</i>
Revenue bonds	\$ 37,674,655	\$ 39,810,720	\$ (2,136,065)
Loans	5,559,833	5,910,647	(350,814)
<i>Total</i>	<i>\$ 43,234,488</i>	<i>\$ 45,721,367</i>	<i>\$ (2,486,879)</i>

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

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

## **REQUESTS FOR INFORMATION**

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

***BASIC FINANCIAL STATEMENTS***

**CITY OF WOODBURN, OREGON**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2013**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash and investments	\$ 17,022,290	\$ 23,486,532	\$ 40,508,822
Accounts receivable	497,615	623,846	1,121,461
Property taxes receivable	676,014	-	676,014
Assessment liens receivable	710,023	-	710,023
Prepaid expenses	1,470	-	1,470
Internal balances	(62,958)	62,958	-
Non-depreciable capital assets	24,033,092	6,350,314	30,383,406
Other capital assets, net of depreciation	36,035,543	58,380,673	94,416,216
<i>Total Assets</i>	78,913,089	88,904,323	167,817,412
<b>LIABILITIES</b>			
Accounts payable	482,264	113,696	595,960
Accrued payroll liabilities	153,288	-	153,288
Deposits payable	15,000	100,735	115,735
Accrued interest payable	21,419	465,886	487,305
Noncurrent liabilities:			
Due within one year:			
Long-term debt	560,172	2,913,471	3,473,643
Due in more than one year:			
Long-term debt	5,146,982	42,945,949	48,092,931
Accrued compensated absences	838,089	108,098	946,187
<i>Total Liabilities</i>	7,217,214	46,647,835	53,865,049
<b>NET POSITION</b>			
Net investment in capital assets	54,361,481	31,886,659	86,248,140
Restricted for:			
Debt service	1,915,504	1,934,172	3,849,676
Culture and recreation	220,923	-	220,923
Construction	8,259,572	1,231,131	9,490,703
Unrestricted	6,938,395	7,204,526	14,142,921
<i>Total Net Position</i>	\$ 71,695,875	\$ 42,256,488	\$ 113,952,363

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

**CITY OF WOODBURN, OREGON**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2013**

<b>FUNCTIONS/PROGRAMS</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Fees, Fines and Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Governmental activities:</b>				
General government	\$ 2,411,067	\$ 733,090	\$ -	\$ 640
Public safety	6,389,207	715,743	58,699	-
Highways and streets	2,663,020	106,604	1,317,468	736,242
Culture and recreation	3,270,803	574,513	572,216	103,360
Interest on long-term debt	248,109	-	-	-
<i>Total Governmental activities</i>	14,982,206	2,129,950	1,948,383	840,242
<b>Business-type activities:</b>				
Water	2,882,056	3,236,888	-	92,991
Sewer	5,713,504	6,548,215	-	197,939
<i>Total Business-type activities</i>	8,595,560	9,785,103	-	290,930
<i>Total Activities</i>	<u>\$ 23,577,766</u>	<u>\$ 11,915,053</u>	<u>\$ 1,948,383</u>	<u>\$ 1,131,172</u>

**General Revenues:**

Property taxes  
Franchise taxes  
Intergovernmental  
Proceeds from disposition of assets  
Unrestricted investment earnings  
Miscellaneous

*Total General Revenues*

**Transfers**

**Change in net position**

*Net Position - beginning of year, as originally stated*

*Prior period adjustment*

*Net Position - beginning of year, as adjusted*

*Net Position - end of year*



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

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<b><i>Governmental Activities</i></b>	<b><i>Business-type Activities</i></b>	<b><i>Totals</i></b>
\$ (1,677,337)	\$ -	\$ (1,677,337)
(5,614,765)	-	(5,614,765)
(502,706)	-	(502,706)
(2,020,714)	-	(2,020,714)
(248,109)	-	(248,109)
(10,063,631)	-	(10,063,631)
-	447,823	447,823
-	1,032,650	1,032,650
-	1,480,473	1,480,473
(10,063,631)	1,480,473	(8,583,158)
8,180,539	-	8,180,539
1,932,484	-	1,932,484
660,547	-	660,547
-	1,300	1,300
122,672	109,942	232,614
170,119	66,445	236,564
11,066,361	177,687	11,244,048
333,578	(333,578)	-
1,336,308	1,324,582	2,660,890
70,359,567	41,206,320	111,565,887
-	(274,414)	(274,414)
70,359,567	40,931,906	111,291,473
\$ 71,695,875	\$ 42,256,488	\$ 113,952,363

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

**CITY OF WOODBURN, OREGON**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2013**

		<u>Special Revenue</u>	<u>Capital Projects</u>
	<u>General</u>	<u>Street</u>	<u>Street SDC</u>
<b>ASSETS</b>			
Cash and investments	\$ 3,512,663	\$ 2,015,921	\$ 5,187,527
Accounts and notes receivable	214,598	142,800	-
Property taxes receivable	582,016	-	-
Assessment liens receivable	-	-	28,256
Prepaid expenses	1,470	-	-
Due from other funds	-	-	186,718
	<hr/>	<hr/>	<hr/>
<i>Total Assets</i>	\$ 4,310,747	\$ 2,158,721	\$ 5,402,501
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 94,006	\$ 38,108	\$ 56,877
Accrued payroll and payroll liabilities	153,288	-	-
Deposits payable	-	15,000	-
Due to other funds	249,676	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Liabilities</i>	496,970	53,108	56,877
<b>Deferred Inflows:</b>			
Deferred revenue	531,337	-	28,256
<b>Fund Balance:</b>			
Non-spendable	1,470	-	-
Restricted for:			
Debt service	-	-	-
Construction	-	2,105,613	5,317,368
Culture and recreation	-	-	-
Committed to:			
Capital outlay	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Planning and building	-	-	-
Unassigned	3,280,970	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Fund Balance</i>	3,282,440	2,105,613	5,317,368
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Total Liabilities, Deferred Inflows, and Fund Balance</b>	\$ 4,310,747	\$ 2,158,721	\$ 5,402,501
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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<i>Other Governmental Funds</i>	<i>Total</i>
\$ 5,619,290	\$ 16,335,401
756,406	1,113,804
93,998	676,014
65,578	93,834
-	1,470
-	186,718
\$ 6,535,272	\$ 18,407,241

\$ 254,643	\$ 443,634
-	153,288
-	15,000
-	249,676

254,643	861,598
812,104	1,371,697
-	1,470
1,829,639	1,829,639
732,536	8,155,517
220,923	220,923
770,588	770,588
1,568,763	1,568,763
8,057	8,057
338,019	338,019
-	3,280,970
5,468,525	16,173,946

\$ 6,535,272	\$ 18,407,241
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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, 2013**

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**RECONCILIATION TO THE STATEMENT OF NET POSITION**

<i>Fund Balances</i>	\$ 16,173,946
<p>The Statement of Net Position reports receivables at their net realizable value. However, receivables not available to pay for current period expenditures are deferred in governmental funds.</p>	
	1,371,697
<p>Capital assets are not financial resources in governmental funds, but are reported in the Statement of Net Position at their net depreciable value.</p>	
Cost	84,200,497
Accumulated depreciation	(24,131,862)
<p>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.</p>	
Compensated absences payable	(731,643)
Accrued interest payable	(21,419)
Long-term debt	(5,707,154)
<p>Internal service funds are proprietary-type funds and not reported with governmental funds. However, because internal service funds primarily benefit governmental activities, their assets, liabilities and net assets are reported along with governmental activities in the Statement of Net Position.</p>	
	541,813
 <i>Net Position of Governmental Activities</i>	 \$ 71,695,875

*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, 2013**

		<u>Special Revenue</u>	<u>Capital Projects</u>
	<u>General Fund</u>	<u>Street</u>	<u>Street SDC</u>
<b>REVENUES</b>			
Taxes and assessments	\$ 7,394,665	\$ 106,537	\$ -
Licenses and permits	1,412,286	67	411,527
Charges for services	598,423	353,380	-
Intergovernmental	820,843	1,317,468	-
Fines and forfeitures	589,574	-	-
Miscellaneous	124,256	21,535	25,112
<i>Total Revenues</i>	10,940,047	1,798,987	436,639
<b>EXPENDITURES</b>			
Current			
General government	911,652	-	-
Public safety	6,328,417	-	-
Highways and streets	-	990,694	-
Culture and recreation	2,868,043	-	-
Debt Service			
Principal	-	-	24,440
Interest	-	-	9,079
Capital outlay	-	-	488,371
<i>Total Expenditures</i>	10,108,112	990,694	521,890
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	831,935	808,293	(85,251)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	700,218	4,430
Transfers out	(293,794)	(199,830)	-
<i>Total Other Financing Sources (Uses)</i>	(293,794)	500,388	4,430
<b>NET CHANGE IN FUND BALANCE</b>	538,141	1,308,681	(80,821)
<b>FUND BALANCE, beginning of year</b>	2,744,299	796,932	5,398,189
<b>FUND BALANCE, end of year</b>	\$ 3,282,440	\$ 2,105,613	\$ 5,317,368

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<i>Other</i>		
<i>Governmental</i>		
<i>Funds</i>		<i>Total</i>
\$ 1,125,450		\$ 8,626,652
655,815		2,479,695
56,565		1,008,368
816,640		2,954,951
-		589,574
145,633		316,536
<hr/>		
2,800,103		15,975,776
625,035		1,536,687
-		6,328,417
62		990,756
721,394		3,589,437
501,856		526,296
240,158		249,237
927,019		1,415,390
<hr/>		
3,015,524		14,636,220
(215,421)		1,339,556
574,884		1,279,532
(687,218)		(1,180,842)
<hr/>		
(112,334)		98,690
(327,755)		1,438,246
5,796,280		14,735,700
<hr/>		
\$ 5,468,525		\$ 16,173,946
<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, 2013**

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

<i>Net Change in Fund Balances - Total Governmental Funds</i>	\$ 1,438,246
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds defer revenues that do not provide current financial resources. However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received.	(58,690)
Governmental funds do not report expenditures for unpaid compensated absences, unpaid payroll, interest expense or arbitrage since they do not require the use of current financial resources. However, the Statement of Activities reports such expenses when incurred, regardless of when settlement ultimately occurs.	
Accrued compensated absences	(85,956)
Accrued interest payable	1,128
Capital outlays are reported as expenditures in governmental funds. However, the Statement of Activities allocates the cost of capital outlay over their estimated useful lives as depreciation expense.	
Capital outlay expenditures	911,436
Depreciation	(1,519,729)
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.	
Debt principal paid	526,295
Net income of internal service funds	123,578
<i>Change in Net Position of Governmental Activities</i>	<u>\$ 1,336,308</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, 2013**

	<u>Water</u>	<u>Sewer</u>	<u>WWTP Construction</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and investments	\$ 1,404,147	\$ 3,843,054	\$ 13,889,802
Accounts receivable	192,715	378,977	2,876
Due from other funds	-	-	53,000
<i>Total Current Assets</i>	1,596,862	4,222,031	13,945,678
<b>Noncurrent Assets</b>			
Nondepreciable capital assets	158,444	1,790,755	3,586,102
Other capital assets, net of depreciation	10,219,690	47,406,542	196,229
<i>Total Noncurrent Assets</i>	10,378,134	49,197,297	3,782,331
<i>Total Assets</i>	11,974,996	53,419,328	17,728,009
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	28,859	38,477	38,404
Deposits payable	100,735	-	-
Accrued interest payable	294,178	171,708	-
Due to other funds	61,880	61,880	-
Current portion of long-term liabilities			
Long-term debt	648,318	2,265,153	-
<i>Total Current Liabilities</i>	1,133,970	2,537,218	38,404
<b>Noncurrent Liabilities</b>			
Long-term debt	11,159,613	31,786,336	-
Accrued compensated absences	39,560	68,538	-
<i>Total Noncurrent Liabilities</i>	11,199,173	31,854,874	-
<i>Total Liabilities</i>	12,333,143	34,392,092	38,404
<b>NET POSITION:</b>			
Net investment in capital assets	(1,429,797)	28,160,900	3,782,331
Restricted for:			
Debt service	754,000	1,180,172	-
Construction	-	-	-
Unrestricted	317,650	(10,313,836)	13,907,274
<i>Total Net Position</i>	\$ (358,147)	\$ 19,027,236	\$ 17,689,605



<b><i>WWD Construction</i></b>	<b><i>Other Business- type Funds</i></b>	<b><i>Total</i></b>	<b><i>Total Internal Service Funds</i></b>
\$ 3,158,894	\$ 1,190,635	\$ 23,486,532	\$ 686,889
8,782	40,496	623,846	-
186,718	-	239,718	-
3,354,394	1,231,131	24,350,096	686,889
815,013	-	6,350,314	-
558,212	-	58,380,673	-
1,373,225	-	64,730,987	-
4,727,619	1,231,131	89,081,083	686,889
7,956	-	113,696	38,630
-	-	100,735	-
-	-	465,886	-
53,000	-	176,760	-
-	-	2,913,471	-
60,956	-	3,770,548	38,630
-	-	42,945,949	-
-	-	108,098	106,446
-	-	43,054,047	106,446
60,956	-	46,824,595	145,076
1,373,225	-	31,886,659	-
-	-	1,934,172	-
-	1,231,131	1,231,131	-
3,293,438	-	7,204,526	541,813
\$ 4,666,663	\$ 1,231,131	\$ 42,256,488	\$ 541,813

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, 2013**

	<u>Water</u>	<u>Sewer</u>	<u>WWTP Construction</u>
<b>OPERATING REVENUES</b>			
Licenses and permits	\$ -	\$ -	\$ -
Charges for services	3,236,888	6,548,215	-
Miscellaneous	58,454	9,291	-
<i>Total Operating Revenues</i>	3,295,342	6,557,506	-
<b>OPERATING EXPENSES</b>			
Personal services	1,287,039	1,861,928	-
Materials and services	617,423	853,746	35,968
Depreciation	415,388	1,903,291	48,743
<i>Total Operating Expenses</i>	2,319,850	4,618,965	84,711
<b>OPERATING INCOME (LOSS)</b>	975,492	1,938,541	(84,711)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment revenue	3,827	10,604	73,974
Interest expense	(521,963)	(1,078,905)	-
Bond premium amortization	-	69,077	-
<i>Total Nonoperating Revenues (Expenses)</i>	(518,136)	(999,224)	73,974
<b>NET INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	457,356	939,317	(10,737)
Capital contributions	-	-	-
Transfers in	824,000	2,947,664	-
Non-cash transfers in	-	-	171,033
Transfers out	(102,797)	(377,913)	(2,892,724)
Non-cash transfers out	-	(98,331)	-
<b>CHANGE IN NET POSITION</b>	1,178,559	3,410,737	(2,732,428)
<b>NET POSITION, Beginning of year</b>	(1,536,706)	15,890,913	20,422,033
<i>Prior period adjustment</i>	-	(274,414)	-
<b>NET POSITION, Beginning of year, as restated</b>	(1,536,706)	15,616,499	20,422,033
<b>NET POSITION, End of year</b>	\$ (358,147)	\$ 19,027,236	\$ 17,689,605

<b>WWD Construction</b>	<b>Other Enterprise Funds</b>	<b>Totals</b>	<b>Total Internal Service Funds</b>
\$ -	\$ -	\$ -	\$ 19,628
-	-	9,785,103	2,281,719
-	-	67,745	2,640
-	-	9,852,848	2,303,987
-	-	3,148,967	1,348,443
9,175	-	1,516,312	1,141,575
31,068	-	2,398,490	-
40,243	-	7,063,769	2,490,018
(40,243)	-	2,789,079	(186,031)
17,106	4,431	109,942	2,019
-	-	(1,600,868)	-
-	-	69,077	-
17,106	4,431	(1,421,849)	2,019
(23,137)	4,431	1,367,230	(184,012)
-	290,930	290,930	-
4,430	-	3,776,094	362,322
-	-	171,033	-
(754,000)	(54,940)	(4,182,374)	(54,732)
-	-	(98,331)	-
(772,707)	240,421	1,324,582	123,578
5,439,370	990,710	41,206,320	418,235
-	-	(274,414)	-
5,439,370	990,710	40,931,906	418,235
\$ 4,666,663	\$ 1,231,131	\$ 42,256,488	\$ 541,813

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, 2013**

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	<u>Water</u>	<u>Sewer</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Collected from customers	\$ 3,234,419	\$ 6,358,493
Paid to suppliers	(610,693)	(862,205)
Paid to employees	(1,287,000)	(1,853,399)
	<hr/>	<hr/>
<i>Net Cash Provided by (Used in) Operating Activities</i>	1,336,726	3,642,889
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Transfers in	824,000	2,947,664
Transfers out	(115,836)	(391,123)
	<hr/>	<hr/>
<i>Net Cash Provided by (Used in) Non-Capital Financing Activities</i>	708,164	2,556,541
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of capital assets	-	-
Proceeds from disposal of capital assets	1,300	-
Principal paid on loans and bonds payable	(621,879)	(1,865,000)
System development revenue	-	-
Interest paid	(536,115)	(1,085,662)
	<hr/>	<hr/>
<i>Net Cash Provided by (Used in) Capital and Related Financing Activities</i>	(1,156,694)	(2,950,662)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investments	3,827	10,605
	<hr/>	<hr/>
<i>Increase (Decrease) in Cash and Investments</i>	892,023	3,259,373
<b>CASH AND INVESTMENTS, Beginning of year</b>	512,124	583,681
	<hr/>	<hr/>
<b>CASH AND INVESTMENTS, End of year</b>	<u>\$ 1,404,147</u>	<u>\$ 3,843,054</u>

<u>WWTP Construction</u>	<u>WWD Construction</u>	<u>Nonmajor Funds</u>	<u>Totals</u>	<u>Total Internal Service Funds</u>
\$ 183,308 (98,749) -	\$ 62,190 (1,218) -	\$ - (514) -	\$ 9,838,410 (1,573,379) (3,140,399)	\$ 2,307,987 (1,242,241) (1,334,561)
84,559	60,972	(514)	5,124,632	(268,815)
- (2,892,724)	39,221 (754,000)	- (55,161)	3,810,885 (4,208,844)	362,322 (56,649)
(2,892,724)	(714,779)	(55,161)	(397,959)	305,673
(812,696) - - - -	(643,823) - - - -	- - - 250,434 -	(1,456,519) 1,300 (2,486,879) 250,434 (1,621,777)	- - - - -
(812,696)	(643,823)	250,434	(5,313,441)	-
73,974	17,106	4,431	109,943	2,019
(3,546,887)	(1,280,524)	199,190	(476,825)	38,877
17,436,689	4,439,418	991,445	23,963,357	648,012
<u>\$ 13,889,802</u>	<u>3,158,894</u>	<u>\$ 1,190,635</u>	<u>\$ 23,486,532</u>	<u>\$ 686,889</u>

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

**CITY OF WOODBURN, OREGON**  
**STATEMENT OF CASH FLOWS (Continued)**  
**YEAR ENDED JUNE 30, 2013**

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	<u>Water</u>	<u>Sewer</u>
<b>RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 974,192	\$ 1,938,541
Depreciation	415,388	1,903,291
<i>Change in assets and liabilities:</i>		
Accounts receivable	(66,887)	(199,013)
Accounts payable and accrued liabilities	6,730	(8,459)
Customer deposits	7,264	-
Compensated absences payable	39	8,529
	<u>\$ 1,336,726</u>	<u>\$ 3,642,889</u>
 <i>Net Cash Provided by (Used in) Operating Activities</i>		
 <i>Noncash Transactions</i>		
Transfer of capital assets	<u>\$ -</u>	<u>\$ (98,331)</u>

<u>WWTP Construction</u>	<u>WWD Construction</u>	<u>Nonmajor Funds</u>	<u>Totals</u>	<u>Total Internal Service Funds</u>
\$ (84,711)	\$ (40,243)	\$ -	\$ 2,787,779	\$ (186,031)
48,743	31,068	-	2,398,490	-
183,308	62,190	-	(20,402)	4,000
(62,781)	-	(514)	(65,024)	(100,666)
-	-	-	7,264	-
-	-	-	8,568	13,882
<u>\$ 84,559</u>	<u>\$ 60,972</u>	<u>\$ (514)</u>	<u>\$ 5,124,632</u>	<u>\$ (268,815)</u>
<u>\$ 171,033</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,702</u>	<u>\$ -</u>

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

**CITY OF WOODBURN, OREGON**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2013**

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	<b><i>Pension Trust</i></b>
<b><i>ASSETS</i></b>	
Cash and investments	\$ 82,237
<b><i>LIABILITIES</i></b>	
Due to others	-
<b><i>NET POSITION</i></b>	
Held in trust for benefits and other purposes	\$ 82,237

*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, 2013**

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	<b><i>Pension Trust</i></b>
<b><i>ADDITIONS</i></b>	
Earnings	\$ 8,492
<b><i>DEDUCTIONS</i></b>	(399,848)
<b><i>CHANGE IN NET POSITION</i></b>	(391,356)
<b><i>NET POSITION, Beginning of year</i></b>	473,593
<b><i>NET POSITION, end of year</i></b>	\$ 82,237

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

***NOTES TO BASIC FINANCIAL STATEMENTS***

***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

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

*The Financial Reporting Entity*

The City of Woodburn, Oregon is governed by an elected mayor and six council members who comprise the City Council. The City Council exercises supervisory responsibilities over the City operations, but day-to-day management control is the responsibility of a city administrator. All significant activities and organizations for which the City is financially accountable are included in the financial statements for the year ended June 30, 2013.

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.

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

*Basis of Presentation (Continued)*

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

*Fund financial statements* display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, enterprise or fiduciary. Currently, the City has general, special revenue, internal service, capital projects, debt service and enterprise type funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are consolidated into a single column within each fund type in the financial section of the basic financial statements and are detailed in the other supplementary information.

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

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

*Fund Balance (Continued)*

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

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

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

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

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

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

*Definitions of Governmental Fund Types*

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

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

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

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

**CITY OF WOODBURN, OREGON**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2013*

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

*Governmental Fund Financial Statements*

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

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

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

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

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

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

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

The City reports the following major governmental funds:

General Fund  
Street Fund  
Street SDC Fund

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

*Governmental Fund Financial Statements (Continued)*

The City reports the following major proprietary funds:

- Water Fund
- Sewer Fund
- WWTP Construction Fund
- WWD 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, 2013. Actual results may differ from such estimates.

*Cash and Investments*

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

*Receivables and Deferred Revenues*

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

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

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

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

*Inventory*

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

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

*Capital Assets*

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

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

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

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

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

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

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



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

*Long-Term Debt*

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

*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 of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City has no items that qualify for reporting in this category.

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 of resources*, represents an acquisition of net position 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 only one type of item that qualifies for reporting in this category. It arises only under a modified accrual basis of accounting. Accordingly, the item, *deferred revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

*Accrued Vacation Pay*

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

*Budget and Budgetary Accounting*

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

**ORGANIZATION AND OPERATION**

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

*Governmental Fund Types*

*General Fund*

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

*Special Revenue Funds*

*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.

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

*Search and Seizure Fund* - This fund accounts for the City's allotment of Federal Equitable Sharing grant used for drug and gang enforcement activities. This fund was closed as of June 30, 2013.

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

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

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

*Local Gas Tax Fund* - This fund accounts for the City's one cent per gallon local gas tax. The money is used for capital improvement projects on local streets. This fund was closed as of June 30, 2013.

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

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

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

*Capital Projects Funds*

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

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

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

**CITY OF WOODBURN, OREGON**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2013*

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**ORGANIZATION AND OPERATION (Continued)**

*Governmental Fund Types (Continued)*

*Capital Projects Funds (Continued)*

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

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

*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.

*Police Construction Fund* – Proceeds from the 2005 GO bonds were used to construct the City's police facility. The project was completed in fiscal year 2011-12. The fund was closed out in the prior year but had an adopted budget in 2012-13.

*Debt Service Funds*

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

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

*Proprietary Fund Types*

*Enterprise Funds*

The City has seven enterprise funds. Three funds are related to water, and five 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.

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

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

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

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

**CITY OF WOODBURN, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2013**

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**ORGANIZATION AND OPERATION (Continued)**

*Proprietary Fund Types (Continued)*

*Enterprise Funds (Continued)*

*Surfacewater Fund* - This fund was used to account for the City's storm water program. Transfers from the Sewer fund are the primary source of revenue. This fund was closed as of June 30, 2013.

*Internal Service Funds*

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

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

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

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

*Building Maintenance Fund* - This fund accounts for building maintenance and custodial services provided to City departments. This fund was closed as of June 30, 2013.

*Fiduciary Fund*

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

**CITY OF WOODBURN, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2013**

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**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>
<b>Cash</b>		
Deposits with financial institutions	\$ 600,079	\$ 600,079
Cash on hand	2,310	2,310
<b>Investments</b>		
Local Government Investment Pool	39,906,433	39,906,433
Assets held for pension benefits	82,237	82,237
	<u>\$ 40,591,059</u>	<u>\$ 40,591,059</u>

Cash is reported in the financial statements as follows:

Governmental funds	\$ 16,335,400
Internal Service funds (included in governmental activities)	686,889
Enterprise funds	23,486,533
Fiduciary funds	82,237
	<u>\$ 40,591,059</u>

*Deposits*

The book balance of the City's bank deposits (checking accounts) was \$600,079 and the bank balance was \$866,188 at year end. The difference is due to transactions in process. Bank deposits are secured to legal limits by federal deposit insurance. The remaining amount is secured in accordance with ORS 295 under a collateral program administered by the Oregon State Treasurer.

*Investments*

The State Treasurer of the State of Oregon maintains the Oregon Short-term Fund, of which the Local Government Investment Pool is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. The Oregon Short-term Fund is the LGIP for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). At June 30, 2013, the fair value of the position in the Oregon State Treasurer's Short-term Investment Pool was approximately equal to the value of the pool shares. The investment in the Oregon Short-term Fund is not subject to classification. Separate financial statements for the Oregon Short-term Fund are available from the Oregon State Treasurer.

**CITY OF WOODBURN, OREGON**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2013*

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**CASH AND INVESTMENTS (Continued)**

*Interest Rate Risk*

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

*Custodial Credit Risk - Deposits*

This is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides unlimited insurance for the City's deposits with financial institutions for the aggregate of all demand deposit and money market accounts and up to \$250,000 for the aggregate of all savings and time deposit 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, 2013, \$616,188 of the City's bank balances were exposed to custodial credit risk as part of the Public Funds Collateralization Program.

*Custodial Risk - Investments*

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

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

**CITY OF WOODBURN, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2013**

**CAPITAL ASSETS**

The summary of capital assets for the business-type activities for the year ended June 30, 2013 is as follows:

	<b>Balances July 1, 2012</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balances June 30, 2013</b>
<i>Nondepreciable assets</i>				
Land (nondepreciable)	\$ 1,783,816	\$ -	\$ -	\$ 1,783,816
Construction in progress	3,532,784	1,451,233	(417,519)	4,566,498
Subtotal, nondepreciable assets	5,316,600	1,451,233	(417,519)	6,350,314
<i>Depreciable assets</i>				
Buildings	62,340,008	172,267	-	62,512,275
Water and sewer systems	28,315,347	250,536	-	28,565,883
Equipment	1,899,873	72,705	-	1,972,578
Subtotal, depreciable assets	92,555,228	495,508	-	93,050,736
<i>Accumulated depreciation</i>				
Buildings and improvements	(21,184,681)	(1,699,447)	-	(22,884,128)
Water and sewer systems	(9,827,891)	(571,315)	-	(10,399,206)
Equipment	(1,259,000)	(127,729)	-	(1,386,729)
Total accumulated depreciation	(32,271,572)	(2,398,491)	-	(34,670,063)
<i>Total depreciable assets, net</i>	60,283,656	(1,902,983)	-	58,380,673
Net capital assets	\$ 65,600,256	\$ (451,750)	\$ (417,519)	\$ 64,730,987

Depreciation expense was allocated as follows:

Water funds	\$ 446,456
Sewer funds	1,952,035
	<u>\$ 2,398,491</u>

**CITY OF WOODBURN, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2013**

**CAPITAL ASSETS (Continued)**

The changes in the capital assets for governmental activities for the year ended June 30, 2013 are as follows:

	<b>Balances July 1, 2012</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balances June 30, 2013</b>
<i>Nondepreciable assets</i>				
Land (nondepreciable)	\$ 22,567,381	\$ -	\$ -	\$ 22,567,381
Construction in progress	1,909,356	806,120	(1,249,765)	1,465,711
Subtotal, nondepreciable assets	24,476,737	806,120	(1,249,765)	24,033,092
<i>Depreciable assets</i>				
Buildings	15,897,131	336,853	-	16,233,984
Equipment	5,690,040	105,317	(15,941)	5,779,416
Infrastructure	37,241,093	912,912	-	38,154,005
Subtotal, depreciable assets	58,828,264	1,355,082	(15,941)	60,167,405
<i>Accumulated depreciation</i>				
Buildings	(4,804,678)	(456,227)	-	(5,260,905)
Equipment	(4,213,572)	(300,421)	15,941	(4,498,052)
Infrastructure	(13,609,824)	(763,081)	-	(14,372,905)
Total accumulated depreciation	(22,628,074)	(1,519,729)	15,941	(24,131,862)
<i>Total depreciable assets, net</i>	36,200,190	(164,647)	-	36,035,543
Net capital assets	\$ 60,676,927	\$ 641,473	\$ (1,249,765)	\$ 60,068,635

\* As adjusted

Depreciation expense was allocated as follows:

General government	\$ 471,116
Public safety	60,789
Highways and streets	820,654
Culture and recreation	167,170
	<u>\$ 1,519,729</u>



**CITY OF WOODBURN, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2013**

**LONG-TERM DEBT**

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

	<i>Outstanding</i> <i>July 1,</i> <i>2012</i>	<i>Issued</i>	<i>Redeemed</i> <i>During Year</i>	<i>Outstanding</i> <i>June 30,</i> <i>2013</i>	<i>Due</i> <i>Within</i> <i>One Year</i>
<i>Governmental Activities:</i>					
Series 2005 general obligation bonds due in annual installments with principal and interest varying annually	\$ 5,365,000	\$ -	\$ (300,000)	\$ 5,065,000	\$ 320,000
1999 Oregon EDD Loan due in annual installments of \$38,319 with interest at 5.01%.	180,213	-	(24,440)	155,773	29,663
2005 URA bonds due in quarterly installments of \$56,933 with interest at 4.22%.	688,236	-	(201,855)	486,381	210,509
	<u>6,233,449</u>	<u>-</u>	<u>(526,295)</u>	<u>5,707,154</u>	<u>560,172</u>
Accrued compensated absences	738,251	99,838	-	838,089	-
	<u>\$ 6,971,700</u>	<u>\$ 99,838</u>	<u>\$ (526,295)</u>	<u>\$ 6,545,243</u>	<u>\$ 560,172</u>
	<i>Outstanding</i> <i>July 1,</i> <i>2012</i>	<i>Issued</i>	<i>Matured/</i> <i>Redeemed</i> <i>During Year</i>	<i>Outstanding</i> <i>June 30,</i> <i>2013</i>	<i>Due</i> <i>Within</i> <i>One Year</i>
<i>Business-type Activities:</i>					
Series 2003 Water bond paid over 25 years; interest at various rates	\$ 6,519,163	\$ -	\$ (271,065)	\$ 6,248,098	\$ 282,734
2005 Oregon EDD due in annual installments including interest at 4.21%	2,955,319	-	(175,407)	2,779,912	182,792
2005 SDWR due in annual installments including interest at 4.21%	2,955,328	-	(175,407)	2,779,921	182,792
2011 Sewer Revenue Bonds paid over 20 years; interest at various rates	33,291,557	-	(1,865,000)	31,426,557	2,265,153
	<u>45,721,367</u>	<u>-</u>	<u>(2,486,879)</u>	<u>43,234,488</u>	<u>2,913,471</u>
2011 Sewer Revenue Bond premium	2,694,009	-	(69,077)	2,624,932	-
Accrued compensated absences	99,530	8,568	-	108,098	-
	<u>\$ 48,514,906</u>	<u>\$ 8,568</u>	<u>\$ (2,555,956)</u>	<u>\$ 45,967,518</u>	<u>\$ 2,913,471</u>

**CITY OF WOODBURN, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2013**

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**LONG-TERM DEBT (Continued)**

Future maturities of long-term debt are as follows:

*Governmental Activities*

<b>Fiscal Year</b> <b>Ending</b> <b>June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2014	\$ 560,172	\$ 228,861	\$ 789,033
2015	584,429	206,832	791,261
2016	436,479	185,340	621,819
2017	400,399	169,937	570,336
2018	420,675	153,956	574,631
2019-23	2,240,000	511,781	2,751,781
2024-25	1,065,000	68,166	1,133,166
	<b>\$ 5,707,154</b>	<b>\$ 1,524,873</b>	<b>\$ 7,232,027</b>

*Business-type Activities*

<b>Fiscal Year</b> <b>Ending</b> <b>June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2014	\$ 2,913,471	\$ 1,555,868	\$ 4,469,339
2015	3,425,522	1,457,889	4,883,411
2016	3,177,229	1,358,931	4,536,160
2017	3,330,966	1,358,943	4,689,909
2018	3,921,935	1,123,066	5,045,001
2019-23	21,975,211	5,560,695	27,535,906
2024-28	3,769,445	607,072	4,376,517
2029-31	720,709	39,803	760,512
	<b>\$ 43,234,488</b>	<b>\$ 13,062,267</b>	<b>\$ 56,296,755</b>

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

*Plan Description*

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

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

Membership of the plan consisted of two inactive members at July 1, 2013, the date of the latest actuarial valuation available as of the date of this report.

*Funding Status and Progress*

The pension benefit obligation (PBO), which is the actuarial present value of credited projected benefits, is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and any step-rate benefits estimated to be payable in the future as a result of employee service to date. The measure is intended to help assess the funding status of the plan, to assess progress made in accumulating sufficient assets to pay benefits when due, and to make comparisons among employers. The latest actuarial valuation was performed as of July 1, 2013.

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

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

The Plan had an unfunded actuarial liability of \$166,205 at June 30, 2013. Subsequent to year end, the Plan was funded.

**PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)**

*Plan Description*

The City contributes to two pension plans administered by the Oregon Public Employees Retirement System (PERS). The Oregon Public Employees Retirement Fund (OPERF) applies to the City's contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The City participates in the state and local government rate pool (SLGRP). The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: The Pension Program, the defined benefit portion of the plan, applies to qualifying City employees hired after

**CITY OF WOODBURN, OREGON**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2013*

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

*Plan Description (Continued)*

August 29, 2003, and to inactive employees who return to employment following a six-month or greater break in service. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. Beginning January 1, 2004, all PERS member contributions go into the Individual Account Program (IAP), the defined contribution portion of the plan. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account.

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

*Funding Policy*

Members of PERS are required to contribute 6.00% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The City is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan, and a general service rate and a police/fire rate for the qualifying employees under the OPSRP plan. The OPERF and the OPSRP rates in effect for the year ended June 30, 2013 were 13.23%, 9.35% and 12.06% respectively. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

*Annual Pension Cost*

The City's contributions to PERS for the years ending June 30, 2011, 2012, and 2013 were \$1,145,109, \$1,515,526, and \$1,500,370, respectively, which equaled the required contribution for the year.

**DEFINED CONTRIBUTION PENSION PLAN**

The City sponsors a defined contribution pension plan administered by ICMA Retirement Corp. to provide retirement benefits for the City Attorney. The plan provisions and contribution requirements are established and amended by the City Council. The City has established a contribution rate of 7 percent of covered salary. The City contributed \$8,424 to the plan for the year ended June 30, 2013.

**CITY OF WOODBURN, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2013**

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**TRANSFERS**

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 339,656
Transit	150,821	-
Search and Seizure	7,063	-
Street	700,218	199,830
Local Gas Tax	-	480,218
General Construction	207,000	-
Park SDC	-	207,000
Street SDC	39,221	-
Equipment Replacement	210,000	-
WWTP Construction	-	2,892,724
WWD Construction	39,221	754,000
Water	824,000	114,657
Sewer	2,947,664	389,773
Storm	-	54,940
Technical & Environmental Services	379,717	5,000
Building Maintenance	-	67,127
	<u>\$ 5,504,925</u>	<u>\$ 5,504,925</u>

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

**INTERFUND LOANS**

As of June 30, 2013, the WWD Construction Fund owed the WWTP Construction Fund \$53,000. The General Fund owed \$249,675, and the Water and Sewer Funds each owed \$61,880 for a combined total of \$426,436, which \$186,718 was owed to the Street SDC Fund and \$186,718 to the WWD Construction Fund. No specific repayment schedule has been determined.

**BEGINNING BALANCE ADJUSTMENTS**

Beginning balance adjustments have been recorded on the budgetary basis to reflect the correction for interfund loan balances. Additionally, the beginning balance of the Sewer Fund has been reduced by \$274,414 to reflect the implementation of GASB #65. The amount represents the unamortized bond issue costs as of June 30, 2012.

**CITY OF WOODBURN, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2013**

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**EXPENDITURES IN EXCESS OF APPROPRIATIONS**

The following funds had expenditures in excess of appropriations:

	<u><i>Budget</i></u>	<u><i>Actual</i></u>	<u><i>Variance</i></u>
<i>General Fund</i>			
Administration	\$ 171,108	\$ 173,554	\$ (2,446)
City Recorder	48,380	49,063	(683)
<i>Building</i>			
Personal services	234,522	234,897	(375)
<i>Water</i>			
Personal services	1,283,761	1,287,000	(3,239)
<i>Sewer</i>			
Personal services	1,835,229	1,853,398	(18,169)

**CONTINGENCIES**

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

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

**NEW PRONOUNCEMENTS**

GASB Statement No. 61 "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34." This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. This Statement also amends the criteria for reporting component units as if they were part of the primary government. The statement was implemented in the current year.

GASB Statement No. 62 "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." The objective of this Statement is to incorporate into GASB's authoritative literature certain accounting and financial reporting guidance that were issued on or before November 30, 1989, which do not conflict with or contradict GASB pronouncements. The statement was implemented in the current year.

GASB Statement No. 63 "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." The statement provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position. The statement was implemented in the current year.

**CITY OF WOODBURN, OREGON**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2013*

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***NEW PRONOUNCEMENTS (Continued)***

GASB Statement No. 65 “Items Previously Reported as Assets and Liabilities.” The statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The statement is effective for fiscal years beginning after December 15, 2012. The city has chosen to early adopt this statement.

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

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

GASB Statement No. 69 “Government Combinations and Disposals of Government Operations.” The statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The statement is effective for fiscal years beginning after December 15, 2013.

GASB Statement No. 70 “Accounting and Financial Reporting for Non-exchange Financial Guarantees.” The objective of the statement is to improve accounting and financial reporting by State and local governments that extend and receive non-exchange financial guarantees. The statement is effective for fiscal years beginning after June 15, 2013.

***SUBSEQUENT EVENTS***

Management has evaluated subsequent events through November 14, 2013, the date on which the financial statements were available to be issued. Management is not aware of any subsequent events that require recognition or disclosure in the financial statements.

***REQUIRED SUPPLEMENTARY INFORMATION***



**CITY OF WOODBURN, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL – GENERAL FUND (BUDGETARY BASIS, NON-GAAP)  
YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Taxes and assessments	\$ 8,021,600	\$ 8,021,600	\$ 7,394,665	\$ (626,935)
Licenses and permits	97,000	97,000	137,160	40,160
Franchise fees	1,107,500	1,107,500	1,275,126	167,626
Charges for services	527,000	547,000	598,423	51,423
Intergovernmental	657,500	657,500	820,843	163,343
Fines and forfeitures	603,400	603,400	589,574	(13,826)
Miscellaneous	108,500	108,500	124,256	15,756
<i>Total Revenues</i>	11,122,500	11,142,500	10,940,047	(202,453)
<b>EXPENDITURES</b>				
Council and Mayor	36,261	36,261	34,676	1,585
Administration	164,608	171,108	173,554	(2,446)
City Recorder	48,380	48,380	49,063	(683)
City Attorney	137,798	139,998	127,090	12,908
Finance	287,550	290,150	279,523	10,627
Human Resources	40,885	42,285	39,537	2,748
Municipal Court	213,976	213,976	155,799	58,177
Nondepartmental	413,305	413,305	208,209	205,096
Police	6,299,170	6,272,070	6,172,618	99,452
Library	987,097	987,097	875,921	111,176
Recreation	478,125	478,125	370,775	107,350
Swim Center	449,739	512,039	507,954	4,085
C.S. Administration	337,407	337,407	309,284	28,123
Planning	367,232	367,232	347,213	20,019
Parks Maintenance	526,370	526,370	456,896	69,474
Contingency	1,579,325	2,444,325	-	2,444,325
<i>Total Expenditures</i>	12,367,228	13,280,128	10,108,112	3,172,016
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(1,244,728)	(2,137,628)	831,935	2,969,563
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,500	2,500	-	(2,500)
Transfers out	(372,772)	(379,872)	(339,656)	40,216
<i>Total Other Financing Sources and Uses</i>	(370,272)	(377,372)	(339,656)	37,716
<b>NET CHANGE IN FUND BALANCE</b>	(1,615,000)	(2,515,000)	492,279	3,007,279
<b>FUND BALANCE, beginning of year, as originally reported</b>	1,800,000	2,700,000	2,744,299	44,299
<b>Prior period adjustment</b>	-	-	295,537	295,537
<b>FUND BALANCE, beginning of year, as restated</b>	1,800,000	2,700,000	3,039,836	339,836
<b>FUND BALANCE, end of year (budgetary basis)</b>	\$ 185,000	\$ 185,000	3,532,115	\$ 3,347,115
Interfund loan			(249,675)	
<b>FUND BALANCE, end of year, GAAP basis</b>			\$ 3,282,440	

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - STREET FUND**  
**YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Taxes and assessments	\$ -	\$ -	\$ 106,537	\$ 106,537
Licenses and permits	750	750	67	(683)
Franchise fees	-	-	353,380	353,380
Intergovernmental	1,200,000	1,200,000	1,317,468	117,468
Miscellaneous	3,500	3,500	21,535	18,035
<i>Total Revenues</i>	<u>1,204,250</u>	<u>1,204,250</u>	<u>1,798,987</u>	<u>594,737</u>
<b>EXPENDITURES</b>				
Personal services	431,341	431,341	424,937	6,404
Materials and services	691,186	691,186	565,757	125,429
Contingency	641,893	641,893	-	641,893
<i>Total Expenditures</i>	<u>1,764,420</u>	<u>1,764,420</u>	<u>990,694</u>	<u>773,726</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(560,170)	(560,170)	808,293	1,368,463
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	220,000	220,000	700,218	480,218
Transfers out	(199,830)	(199,830)	(199,830)	-
<i>Total Other Financing Sources and Uses</i>	<u>20,170</u>	<u>20,170</u>	<u>500,388</u>	<u>480,218</u>
<b>NET CHANGE IN FUND BALANCE</b>	(540,000)	(540,000)	1,308,681	1,848,681
<b>FUND BALANCE, beginning of year</b>	<u>540,000</u>	<u>540,000</u>	<u>796,932</u>	<u>256,932</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,105,613</u>	<u>\$ 2,105,613</u>

***OTHER SUPPLEMENTAL INFORMATION***

**CITY OF WOODBURN, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL – STREET SDC FUND (BUDGETARY BASIS, NON-GAAP)  
YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Licenses and permits	\$ 155,000	\$ 155,000	\$ 411,527	\$ 256,527
Miscellaneous	15,000	15,000	25,112	10,112
<i>Total Revenues</i>	170,000	170,000	436,639	266,639
<b>EXPENDITURES</b>				
Materials and services	6,435	6,435	-	6,435
Debt Service				
Principal	33,519	33,519	24,440	9,079
Interest	-	-	9,079	(9,079)
Capital outlay	-	5,279,887	488,371	4,791,516
Contingency	5,279,887	-	-	-
<i>Total Expenditures</i>	5,319,841	5,319,841	521,890	4,797,951
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(5,149,841)	(5,149,841)	(85,251)	5,064,590
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	459,222	459,222	39,221	(420,001)
Transfers out	(387,381)	(387,381)	-	387,381
<i>Total Other Financing Sources and Uses</i>	71,841	71,841	39,221	(32,620)
<b>NET CHANGE IN FUND BALANCE</b>	(5,078,000)	(5,078,000)	(46,030)	5,031,970
<b>FUND BALANCE, beginning of year</b>	5,078,000	5,078,000	5,398,189	320,189
<b>Prior period adjustment</b>	-	-	(221,509)	(221,509)
<b>FUND BALANCE, beginning of year, as restated</b>	5,078,000	5,078,000	5,176,680	98,680
<b>FUND BALANCE, end of year, budgetary basis</b>	\$ -	\$ -	5,130,650	\$ 5,130,650
Interfund loan			186,718	
<b>FUND BALANCE, end of year, GAAP basis</b>			\$ 5,317,368	

**CITY OF WOODBURN, OREGON**  
**COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2013**

	<b>Special Revenue</b>		
	<b>Transit</b>	<b>Building</b>	<b>Housing Rehabilitation</b>
<b>ASSETS</b>			
Cash and investments	\$ 46,826	\$ 363,113	\$ 338,019
Accounts and notes receivable	90,491	-	660,661
Property taxes receivable	-	-	-
Assessment liens receivable	-	-	-
<i>Total Assets</i>	<u>\$ 137,317</u>	<u>\$ 363,113</u>	<u>\$ 998,680</u>
 <b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 3,241	\$ 54,762	\$ -
 <b>Deferred Inflows:</b>			
Deferred revenue	-	-	660,661
 <b>Fund Balance:</b>			
Restricted for:			
Debt service	-	-	-
Construction	-	-	-
Culture and recreation	134,076	-	-
Committed to:			
Capital outlay	-	-	-
Public works	-	308,351	-
Culture and recreation	-	-	-
Planning and building	-	-	338,019
<i>Total Fund Balance</i>	<u>134,076</u>	<u>308,351</u>	<u>338,019</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 137,317</u>	<u>\$ 363,113</u>	<u>\$ 998,680</u>

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***Special Revenue***

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<b><i>RSVP</i></b>	<b><i>Cable Franchise</i></b>	<b><i>Library Endowment</i></b>	<b><i>Museum Endowment</i></b>	<b><i>Lavelle Black Trust</i></b>
\$ 10,125	\$ 2,803	\$ 26,121	\$ 2,930	\$ 51,876
-	5,254	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>\$ 10,125</b>	<b>\$ 8,057</b>	<b>\$ 26,121</b>	<b>\$ 2,930</b>	<b>\$ 51,876</b>
\$ 4,205	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
5,920	-	26,121	2,930	51,876
-	-	-	-	-
-	-	-	-	-
-	8,057	-	-	-
-	-	-	-	-
<b>5,920</b>	<b>8,057</b>	<b>26,121</b>	<b>2,930</b>	<b>51,876</b>
<b>\$ 10,125</b>	<b>\$ 8,057</b>	<b>\$ 26,121</b>	<b>\$ 2,930</b>	<b>\$ 51,876</b>

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

JUNE 30, 2013

	<i>Capital Projects</i>		
	<i>General Construction</i>	<i>Special Assessment</i>	<i>Street/Storm Capital Improvement</i>
<b>ASSETS</b>			
Cash and investments	\$ 59,613	\$ 1,024,912	\$ 389,192
Accounts and notes receivable	-	-	-
Property taxes receivable	-	-	-
Assessment liens receivable	-	49,362	-
<i>Total Assets</i>	<u>\$ 59,613</u>	<u>\$ 1,074,274</u>	<u>\$ 389,192</u>
 <b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 30	\$ -	\$ 153,692
<b>Deferred Inflows:</b>			
Deferred revenue	-	49,362	-
<b>Fund Balance:</b>			
Restricted for:			
Debt service	-	-	-
Construction	-	-	-
Culture and recreation	-	-	-
Committed to:			
Capital outlay	59,583	-	-
Public works	-	1,024,912	235,500
Culture and recreation	-	-	-
Planning and building	-	-	-
<i>Total Fund Balance</i>	<u>59,583</u>	<u>1,024,912</u>	<u>235,500</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 59,613</u>	<u>\$ 1,074,274</u>	<u>\$ 389,192</u>

<i>Capital Projects</i>			<i>Debt Service</i>		
<i>Parks SDC</i>	<i>Storm SDC</i>	<i>Equipment Replacement</i>	<i>GO Debt</i>	<i>URA</i>	<i>Total</i>
\$ 262,417	\$ 470,119	\$ 729,997	\$ 23,687	\$ 1,817,540	\$ 5,619,290
-	-	-	-	-	756,406
-	-	-	44,596	49,402	93,998
14,016	2,200	-	-	-	65,578
<u>\$ 276,433</u>	<u>\$ 472,319</u>	<u>\$ 729,997</u>	<u>\$ 68,283</u>	<u>\$ 1,866,942</u>	<u>\$ 6,535,272</u>
\$ -	\$ -	\$ 18,992	\$ -	\$ 19,721	\$ 254,643
14,016	2,200	-	40,713	45,152	812,104
-	-	-	27,570	1,802,069	1,829,639
262,417	470,119	-	-	-	732,536
-	-	-	-	-	220,923
-	-	711,005	-	-	770,588
-	-	-	-	-	1,568,763
-	-	-	-	-	8,057
-	-	-	-	-	338,019
<u>262,417</u>	<u>470,119</u>	<u>711,005</u>	<u>27,570</u>	<u>1,802,069</u>	<u>5,468,525</u>
<u>\$ 276,433</u>	<u>\$ 472,319</u>	<u>\$ 729,997</u>	<u>\$ 68,283</u>	<u>\$ 1,866,942</u>	<u>\$ 6,535,272</u>



**CITY OF WOODBURN, OREGON****COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2013**

	<i>Special Revenue</i>		
	<i>Transit</i>	<i>Building</i>	<i>Search and Seizure</i>
<b>REVENUES</b>			
Taxes and assessments	\$ -	\$ -	\$ -
Licenses and permits	-	553,274	-
Charges for services	56,565	-	-
Intergovernmental	449,572	25,162	-
Miscellaneous	8,245	39,169	15,631
<i>Total Revenues</i>	514,382	617,605	15,631
<b>EXPENDITURES</b>			
Current			
General government	-	404,090	-
Highways and streets	-	-	-
Culture and recreation	630,592	-	-
Debt Service			
Principal	-	-	-
Interest	-	-	-
Capital outlay	37,819	-	-
<i>Total Expenditures</i>	668,411	404,090	-
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(154,029)	213,515	15,631
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	150,821	-	7,063
Transfers out	-	-	-
<i>Total Other Financing Sources and Uses</i>	150,821	-	7,063
<b>NET CHANGE IN FUND BALANCE</b>	(3,208)	213,515	22,694
<b>FUND BALANCE (DEFICIT), beginning of year</b>	137,284	94,836	(22,694)
<b>FUND BALANCE, end of year</b>	\$ 134,076	\$ 308,351	\$ -

**Special Revenue**

<b><i>Housing Rehabilitation</i></b>	<b><i>RSVP</i></b>	<b><i>Cable Franchise</i></b>	<b><i>Local Gas Tax</i></b>	<b><i>Library Endowment</i></b>	<b><i>Museum Endowment</i></b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	28,038	-	-	-
-	-	-	-	-	-
-	17,856	-	-	-	-
51,572	101	15	-	120	158
51,572	17,957	28,053	-	120	158
-	-	21,018	-	-	-
-	-	-	-	-	-
44,665	39,404	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
44,665	39,404	21,018	-	-	-
6,907	(21,447)	7,035	-	120	158
-	-	-	-	-	-
-	-	-	(480,218)	-	-
-	-	-	(480,218)	-	-
6,907	(21,447)	7,035	(480,218)	120	158
331,112	27,367	1,022	480,218	26,001	2,772
\$ 338,019	\$ 5,920	\$ 8,057	\$ -	\$ 26,121	\$ 2,930

**CITY OF WOODBURN, OREGON****COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
NONMAJOR GOVERNMENTAL FUNDS (Continued)  
YEAR ENDED JUNE 30, 2013**

	<i>Special Revenue</i>		
	<i>Lavelle Black Trust</i>	<i>General Construction</i>	<i>Special Assessment</i>
<b>REVENUES</b>			
Taxes and assessments	\$ -	\$ -	\$ 19,534
Licenses and permits	-	-	-
Charges for services	-	-	-
Intergovernmental	-	44,000	-
Miscellaneous	5,423	1,795	4,479
<i>Total Revenues</i>	5,423	45,795	24,013
<b>EXPENDITURES</b>			
Current			
General government	-	-	-
Highways and streets	-	-	62
Culture and recreation	3,200	-	-
Debt Service			
Principal	-	-	-
Interest	-	-	-
Capital outlay	-	70,274	-
<i>Total Expenditures</i>	3,200	70,274	62
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	2,223	(24,479)	23,951
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	207,000	-
Transfers out	-	-	-
<i>Total Other Financing Sources and Uses</i>	-	207,000	-
<b>NET CHANGE IN FUND BALANCE</b>	2,223	182,521	23,951
<b>FUND BALANCE (DEFICIT), beginning of year</b>	49,653	(122,938)	1,000,961
<b>FUND BALANCE, end of year</b>	\$ 51,876	\$ 59,583	\$ 1,024,912

<i>Capital Projects</i>				<i>Debt Service</i>	
<i>Street/Storm Capital Improvement</i>	<i>Parks SDC</i>	<i>Storm SDC</i>	<i>Equipment Replacement</i>	<i>GO Debt</i>	<i>URA</i>
\$ -	\$ -	\$ -	\$ -	\$ 479,455	\$ 626,461
-	49,175	25,328	-	-	-
-	-	-	-	-	-
280,050	-	-	-	-	-
2,975	1,990	1,699	3,074	999	8,188
283,025	51,165	27,027	3,074	480,454	634,649
-	-	-	-	-	199,927
-	-	-	-	-	-
-	3,533	-	-	-	-
-	-	-	-	300,000	201,856
-	-	-	-	214,281	25,877
721,876	24,345	-	72,705	-	-
721,876	27,878	-	72,705	514,281	427,660
(438,851)	23,287	27,027	(69,631)	(33,827)	206,989
-	-	-	210,000	-	-
-	(207,000)	-	-	-	-
-	(207,000)	-	210,000	-	-
(438,851)	(183,713)	27,027	140,369	(33,827)	206,989
674,351	446,130	443,092	570,636	61,397	1,595,080
\$ 235,500	\$ 262,417	\$ 470,119	\$ 711,005	\$ 27,570	\$ 1,802,069

**CITY OF WOODBURN, OREGON**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
NONMAJOR GOVERNMENTAL FUNDS (Continued)  
YEAR ENDED JUNE 30, 2013**

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	<u><i>Total</i></u>
<b>REVENUES</b>	
Taxes and assessments	\$ 1,125,450
Licenses and permits	655,815
Charges for services	56,565
Intergovernmental	816,640
Miscellaneous	145,633
	<hr/>
<i>Total Revenues</i>	2,800,103
<b>EXPENDITURES</b>	
Current	
General government	625,035
Highways and streets	62
Culture and recreation	721,394
Debt Service	
Principal	501,856
Interest	240,158
Capital outlay	927,019
	<hr/>
<i>Total Expenditures</i>	3,015,524
	<hr/>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(215,421)
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfers in	574,884
Transfers out	(687,218)
	<hr/>
<i>Total Other Financing Sources and Uses</i>	(112,334)
	<hr/>
<b>NET CHANGE IN FUND BALANCE</b>	(327,755)
<b>FUND BALANCE (DEFICIT), beginning of year</b>	5,796,280
	<hr/>
<b>FUND BALANCE, end of year</b>	<u><u>\$ 5,468,525</u></u>

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - TRANSIT FUND**  
**YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Charges for services	\$ 42,200	\$ 47,200	\$ 56,565	\$ 9,365
Intergovernmental	418,675	463,675	449,572	(14,103)
Miscellaneous	3,200	3,200	8,245	5,045
<i>Total Revenues</i>	464,075	514,075	514,382	307
<b>EXPENDITURES</b>				
Personal services	345,430	403,430	400,562	2,868
Materials and services	258,441	231,441	230,030	1,411
Capital outlay	15,000	64,000	37,819	26,181
Contingency	106,495	76,495	-	76,495
<i>Total Expenditures</i>	725,366	775,366	668,411	106,955
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(261,291)	(261,291)	(154,029)	107,262
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	151,000	151,000	150,821	(179)
<b>NET CHANGE IN FUND BALANCE</b>	(110,291)	(110,291)	(3,208)	107,083
<b>FUND BALANCE, beginning of year</b>	110,291	110,291	137,284	26,993
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 134,076	\$ 134,076

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - BUILDING FUND**  
**YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Licenses and permits	\$ 306,001	\$ 456,001	\$ 553,274	\$ 97,273
Intergovernmental	30,880	30,880	25,162	(5,718)
Miscellaneous	13,200	13,200	39,169	25,969
<i>Total Revenues</i>	350,081	500,081	617,605	117,524
<b>EXPENDITURES</b>				
Personal services	204,522	234,522	234,897	(375)
Materials and services	178,714	188,714	169,193	19,521
Contingency	38,845	183,845	-	183,845
<i>Total Expenditures</i>	422,081	607,081	404,090	202,991
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(72,000)	(107,000)	213,515	320,515
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from interfund loan	65,000	65,000	-	(65,000)
<b>NET CHANGE IN FUND BALANCE</b>	(7,000)	(42,000)	213,515	255,515
<b>FUND BALANCE, beginning of year</b>	7,000	42,000	94,836	52,836
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 308,351	\$ 308,351

**CITY OF WOODBURN, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL – SEARCH AND SEIZURE FUND  
YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ -	\$ 15,631	\$ 15,631
<b>EXPENDITURES</b>				
Materials and services	7,500	7,500	-	7,500
Contingency	-	7,100	-	7,100
<i>Total Expenditures</i>	<u>7,500</u>	<u>14,600</u>	<u>-</u>	<u>14,600</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(7,500)	(14,600)	15,631	30,231
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	7,100	7,063	(37)
<b>NET CHANGE IN FUND BALANCE</b>	(7,500)	(7,500)	22,694	30,194
<b>FUND BALANCE (DEFICIT), beginning of year</b>	<u>7,500</u>	<u>7,500</u>	<u>(22,694)</u>	<u>(30,194)</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**CITY OF WOODBURN, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL – HOUSING REHABILITATION FUND  
YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Miscellaneous	\$ 22,750	\$ 22,750	\$ 51,572	\$ 28,822
<b>EXPENDITURES</b>				
Current				
Personal services	9,500	9,500	9,378	122
Materials and services	140,355	162,355	35,287	127,068
Contingency	97,895	97,895	-	97,895
<i>Total Expenditures</i>	<u>247,750</u>	<u>269,750</u>	<u>44,665</u>	<u>225,085</u>
<b>NET CHANGE IN FUND BALANCE</b>	(225,000)	(247,000)	6,907	253,907
<b>FUND BALANCE, beginning of year</b>	<u>225,000</u>	<u>247,000</u>	<u>331,112</u>	<u>84,112</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 338,019</u>	<u>\$ 338,019</u>

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - RSVP FUND**  
**YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Intergovernmental	\$ 46,189	\$ 46,189	\$ 17,856	\$ (28,333)
Miscellaneous	-	-	101	101
<i>Total Revenues</i>	46,189	46,189	17,957	(28,232)
<b>EXPENDITURES</b>				
Current				
Personal services	45,313	45,313	33,584	11,729
Materials and services	8,092	8,092	5,820	2,272
Contingency	1,784	1,784	-	1,784
<i>Total Expenditures</i>	55,189	55,189	39,404	15,785
<b>NET CHANGE IN FUND BALANCE</b>	(9,000)	(9,000)	(21,447)	(12,447)
<b>FUND BALANCE, beginning of year</b>	9,000	9,000	27,367	18,367
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 5,920	\$ 5,920

**CITY OF WOODBURN, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL – CABLE FRANCHISE FUND  
YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Licenses and permits	\$ 24,500	\$ 24,500	\$ 28,038	\$ 3,538
Miscellaneous	50	50	15	(35)
<i>Total Revenues</i>	24,550	24,550	28,053	3,503
<b>EXPENDITURES</b>				
Materials and services	26,050	26,050	21,018	5,032
<b>NET CHANGE IN FUND BALANCE</b>	(1,500)	(1,500)	7,035	8,535
<b>FUND BALANCE, beginning of year</b>	1,500	1,500	1,022	(478)
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 8,057	\$ 8,057

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – LOCAL GAS TAX FUND**  
**YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>	-	-	-	-
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(278,000)	(278,000)	(480,218)	(202,218)
<b>NET CHANGE IN FUND BALANCE</b>	(278,000)	(278,000)	(480,218)	(202,218)
<b>FUND BALANCE, beginning of year</b>	278,000	278,000	480,218	202,218
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ -	\$ -

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – LIBRARY ENDOWMENT FUND**  
**YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Miscellaneous	\$ 100	\$ 100	\$ 120	\$ 20
<b>EXPENDITURES</b>				
Contingency	26,000	26,000	-	26,000
<b>NET CHANGE IN FUND BALANCE</b>	(25,900)	(25,900)	120	26,020
<b>FUND BALANCE, beginning of year</b>	25,900	25,900	26,001	101
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 26,121	\$ 26,121

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – MUSEUM ENDOWMENT FUND**  
**YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Miscellaneous	\$ 10	\$ 10	\$ 158	\$ 148
<b>EXPENDITURES</b>				
Contingency	2,775	2,775	-	2,775
<b>NET CHANGE IN FUND BALANCE</b>	(2,765)	(2,765)	158	2,923
<b>FUND BALANCE, beginning of year</b>	2,765	2,765	2,772	7
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 2,930	\$ 2,930

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – LAVELLE BLACK TRUST FUND**  
**YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Miscellaneous	\$ 200	\$ 200	\$ 5,423	\$ 5,223
<b>EXPENDITURES</b>				
Materials and services	10,000	10,000	3,200	6,800
Contingency	35,200	35,200	-	35,200
<i>Total Expenditures</i>	45,200	45,200	3,200	42,000
<b>NET CHANGE IN FUND BALANCE</b>	(45,000)	(45,000)	2,223	47,223
<b>FUND BALANCE, beginning of year</b>	45,000	45,000	49,653	4,653
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 51,876	\$ 51,876

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – GENERAL CONSTRUCTION FUND**  
**YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Intergovernmental	\$ 40,000	\$ 44,400	\$ 44,000	\$ (400)
Miscellaneous	-	2,250	1,795	(455)
<i>Total Revenues</i>	40,000	46,650	45,795	(855)
<b>EXPENDITURES</b>				
Materials and services	333	333	-	333
Capital outlay	100,000	111,650	70,274	41,376
Contingency	199,667	199,667	-	199,667
<i>Total Expenditures</i>	300,000	311,650	70,274	241,376
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(260,000)	(265,000)	(24,479)	240,521
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	60,000	65,000	207,000	142,000
<b>NET CHANGE IN FUND BALANCE</b>	(200,000)	(200,000)	182,521	382,521
<b>FUND BALANCE, beginning of year</b>	200,000	200,000	(122,938)	(322,938)
<b>FUND BALANCE (DEFICIT), end of year</b>	\$ -	\$ -	\$ 59,583	\$ 59,583



**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – SPECIAL ASSESSMENT FUND**  
**YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Taxes and assessments	\$ 34,685	\$ 34,685	\$ 19,534	\$ (15,151)
Miscellaneous	2,500	2,500	4,479	1,979
<i>Total Revenues</i>	37,185	37,185	24,013	(13,172)
<b>EXPENDITURES</b>				
Materials and services	1,047	1,047	62	985
Contingency	844,591	844,591	-	844,591
<i>Total Expenditures</i>	845,638	845,638	62	845,576
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(808,453)	(808,453)	23,951	832,404
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(204,547)	(204,547)	-	204,547
<b>NET CHANGE IN FUND BALANCE</b>	(1,013,000)	(1,013,000)	23,951	1,036,951
<b>FUND BALANCE, beginning of year</b>	1,013,000	1,013,000	1,000,961	(12,039)
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 1,024,912	\$ 1,024,912

**CITY OF WOODBURN, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL – STREET/STORM CAPITAL IMPROVEMENT FUND  
YEAR ENDED JUNE 30, 2013**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Taxes and assessments	\$ 120,000	\$ 120,000	\$ -	\$ (120,000)
Licenses and permits	315,000	315,000	-	(315,000)
Intergovernmental	924,111	924,111	280,050	(644,061)
Miscellaneous	2,000	2,000	2,975	975
<i>Total Revenues</i>	1,361,111	1,361,111	283,025	(1,078,086)
<b>EXPENDITURES</b>				
Materials and services	1,184	1,184	-	1,184
Capital outlay	2,676,333	2,676,333	721,876	1,954,457
Contingency	168,522	168,522	-	168,522
<i>Total Expenditures</i>	2,846,039	2,846,039	721,876	2,124,163
<b>REVENUES OVER (UNDER) EXPENDITURES</b>				
	(1,484,928)	(1,484,928)	(438,851)	1,046,077
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	869,928	869,928	-	(869,928)
<b>NET CHANGE IN FUND BALANCE</b>	(615,000)	(615,000)	(438,851)	176,149
<b>FUND BALANCE, beginning of year</b>	615,000	615,000	674,351	59,351
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 235,500	\$ 235,500

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – PARKS SDC FUND**  
**YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Licenses and permits	\$ 8,000	\$ 8,000	\$ 49,175	\$ 41,175
Miscellaneous	1,000	1,000	1,990	990
<i>Total Revenues</i>	9,000	9,000	51,165	42,165
<b>EXPENDITURES</b>				
Materials and services	20,353	20,353	3,533	16,820
Capital outlay	135,000	135,000	24,345	110,655
Contingency	133,647	128,647	-	128,647
<i>Total Expenditures</i>	289,000	284,000	27,878	256,122
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(280,000)	(275,000)	23,287	298,287
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(20,000)	(25,000)	(207,000)	(182,000)
<b>NET CHANGE IN FUND BALANCE</b>	(300,000)	(300,000)	(183,713)	116,287
<b>FUND BALANCE, beginning of year</b>	300,000	300,000	446,130	146,130
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 262,417	\$ 262,417

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – STORM SDC FUND**  
**YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Licenses and permits	\$ -	\$ -	\$ 25,328	\$ 25,328
Miscellaneous	-	-	1,699	1,699
<i>Total Revenues</i>	-	-	27,027	27,027
<b>EXPENDITURES</b>	-	-	-	-
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	27,027	27,027
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(420,000)	(420,000)	-	420,000
<b>NET CHANGE IN FUND BALANCE</b>	(420,000)	(420,000)	27,027	447,027
<b>FUND BALANCE, beginning of year</b>	420,000	420,000	443,092	23,092
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 470,119	\$ 470,119

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – EQUIPMENT REPLACEMENT FUND**  
**YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Miscellaneous	\$ 1,000	\$ 1,000	\$ 3,074	\$ 2,074
<b>EXPENDITURES</b>				
Capital outlay	763,087	763,087	72,705	690,382
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(762,087)	(762,087)	(69,631)	692,456
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	210,000	210,000	210,000	-
<b>NET CHANGE IN FUND BALANCE</b>	(552,087)	(552,087)	140,369	692,456
<b>FUND BALANCE, beginning of year</b>	552,087	552,087	570,636	18,549
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 711,005	\$ 711,005

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – POLICE CONSTRUCTION FUND**  
**YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>	-	-	-	-
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(2,500)	(2,500)	-	2,500
<b>NET CHANGE IN FUND BALANCE</b>	(2,500)	(2,500)	-	2,500
<b>FUND BALANCE, beginning of year</b>	2,500	2,500	-	(2,500)
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ -	\$ -

**CITY OF WOODBURN, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET AND ACTUAL – GENERAL OBLIGATION DEBT FUND  
YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Taxes and assessments	\$ 650,000	\$ 650,000	\$ 479,455	\$ (170,545)
Miscellaneous	800	800	999	199
<i>Total Revenues</i>	650,800	650,800	480,454	(170,346)
<b>EXPENDITURES</b>				
Materials and services	1,519	1,519	-	1,519
Debt service				
Principal	300,000	300,000	300,000	-
Interest	214,281	214,281	214,281	-
Contingency	199,000	199,000	-	199,000
<i>Total Expenditures</i>	714,800	714,800	514,281	200,519
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(64,000)	(64,000)	(33,827)	30,173
<b>NET CHANGE IN FUND BALANCE</b>	(64,000)	(64,000)	(33,827)	30,173
<b>FUND BALANCE, beginning of year</b>	64,000	64,000	61,397	(2,603)
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 27,570	\$ 27,570

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL – URBAN RENEWAL DEBT FUND**  
**YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Taxes and assessments	\$ 550,000	\$ 550,000	\$ 626,461	\$ 76,461
Miscellaneous	3,000	3,000	8,188	5,188
<i>Total Revenues</i>	553,000	553,000	634,649	81,649
<b>EXPENDITURES</b>				
Personal services	79,891	79,891	65,183	14,708
Materials and services	4,298,644	4,298,644	134,744	4,163,900
Debt service				
Principal	251,855	251,855	201,856	49,999
Interest	375,877	375,877	25,877	350,000
Contingency	1,026,733	1,026,733	-	1,026,733
<i>Total Expenditures</i>	6,033,000	6,033,000	427,660	5,605,340
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(5,480,000)	(5,480,000)	206,989	5,686,989
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from issuance of debt	4,000,000	4,000,000	-	(4,000,000)
<b>NET CHANGE IN FUND BALANCE</b>	(1,480,000)	(1,480,000)	206,989	1,686,989
<b>FUND BALANCE, beginning of year</b>	1,480,000	1,480,000	1,595,080	115,080
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 1,802,069	\$ 1,802,069



**CITY OF WOODBURN, OREGON**

**COMBINING STATEMENT OF FUND NET POSITION - NONMAJOR PROPRIETARY (ENTERPRISE) FUNDS  
JUNE 30, 2013**

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	<u>Water SDC</u>	<u>Sewer SDC</u>	<u>Total</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and investments	\$ 741,370	\$ 449,265	\$ 1,190,635
Accounts receivable	16,680	23,816	40,496
	<hr/>	<hr/>	<hr/>
<i>Total Assets</i>	758,050	473,081	1,231,131
 <b>LIABILITIES</b>			
	-	-	-
	<hr/>	<hr/>	<hr/>
<b>NET POSITION:</b>			
Restricted for construction	\$ 758,050	\$ 473,081	\$ 1,231,131
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**CITY OF WOODBURN, OREGON****COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -  
NONMAJOR PROPRIETARY (ENTERPRISE) FUNDS  
YEAR ENDED JUNE 30, 2013**

	<u>Water SDC</u>	<u>Sewer SDC</u>	<u>Surfacewater</u>
<b>OPERATING REVENUES</b>	\$ -	\$ -	\$ -
<b>OPERATING EXPENSES</b>	-	-	-
<b>OPERATING INCOME (LOSS)</b>	-	-	-
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment revenue	2,876	1,555	-
<b>NET INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>	2,876	1,555	-
Capital contributions	92,991	197,939	-
Transfers out	-	-	(54,940)
<b>CHANGE IN NET POSITION</b>	95,867	199,494	(54,940)
<b>NET POSITION, Beginning of year</b>	662,183	273,587	54,940
<b>NET POSITION, End of year</b>	\$ 758,050	\$ 473,081	\$ -

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*Total*

\$ -

-

-

4,431

4,431

290,930

(54,940)

240,421

990,710

\$ 1,231,131

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**CITY OF WOODBURN, OREGON****COMBINING STATEMENT OF CASH FLOWS - NONMAJOR PROPRIETARY (ENTERPRISE) FUNDS  
YEAR ENDED JUNE 30, 2013**

	<u>Water SDC</u>	<u>Sewer SDC</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Paid to suppliers	\$ -	\$ -
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Transfers out	-	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
System development revenue	76,311	174,123
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investments	2,876	1,555
<i>Increase (Decrease) in Cash and Investments</i>	79,187	175,678
<b>CASH AND INVESTMENTS, Beginning of year</b>	662,183	273,587
<b>CASH AND INVESTMENTS, End of year</b>	<u>\$ 741,370</u>	<u>\$ 449,265</u>
<b>RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Accounts payable and accrued liabilities	<u>\$ -</u>	<u>\$ -</u>
<i>Noncash Transactions</i>		
Transfer of capital assets	<u>\$ -</u>	<u>\$ -</u>

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<u>Surfacewater</u>	<u>Totals</u>
\$ (514)	\$ (514)
(55,161)	(55,161)
-	250,434
-	4,431
<u>(55,675)</u>	<u>199,190</u>
<u>55,675</u>	<u>991,445</u>
<u>\$ -</u>	<u>\$ 1,190,635</u>

<u>\$ (514)</u>	<u>\$ (514)</u>
<u>\$ -</u>	<u>\$ -</u>

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL - WATER FUND**  
**YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Charges for services	\$ 3,167,025	\$ 3,167,025	\$ 3,236,888	\$ 69,863
Miscellaneous	51,000	51,000	58,454	7,454
Interest earnings	3,500	3,500	3,827	327
<i>Total Revenues</i>	3,221,525	3,221,525	3,299,169	77,644
<b>EXPENDITURES</b>				
Personal services	1,283,761	1,283,761	1,287,000	(3,239)
Materials and services	720,188	720,188	598,250	121,938
Debt service				
Principal	621,880	621,880	621,879	1
Interest	535,906	535,906	536,114	(208)
Capital outlay	42,000	42,000	19,173	22,827
Contingency	1,132,133	1,132,133	-	1,132,133
<i>Total Expenditures</i>	4,335,868	4,335,868	3,062,416	1,273,452
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(1,114,343)	(1,114,343)	236,753	1,351,096
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	824,000	824,000	824,000	-
Transfers out	(114,657)	(114,657)	(114,657)	-
<i>Total Other Financing Sources and Uses</i>	709,343	709,343	709,343	-
<b>NET CHANGE IN FUND BALANCE</b>	(405,000)	(405,000)	946,096	1,351,096
<b>FUND BALANCE, beginning of year, as reported</b>	405,000	405,000	447,431	42,431
<b>Prior period adjustment</b>	-	-	73,741	73,741
<b>FUND BALANCE, beginning of year, as restated</b>	405,000	405,000	521,172	116,172
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 1,467,268	\$ 1,467,268

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL - SEWER FUND**  
**YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Charges for services	\$ 6,553,084	\$ 6,553,084	\$ 6,548,215	\$ (4,869)
Miscellaneous	2,000	2,000	9,292	7,292
Interest earnings	4,000	4,000	10,604	6,604
<i>Total Revenues</i>	6,559,084	6,559,084	6,568,111	9,027
<b>EXPENDITURES</b>				
Personal services	1,835,229	1,835,229	1,853,398	(18,169)
Materials and services	1,047,902	1,047,902	851,519	196,383
Debt service				
Principal	1,865,000	1,865,000	1,865,000	-
Interest	1,085,663	1,085,663	1,085,663	-
Capital outlay	142,097	142,097	2,227	139,870
Contingency	3,750,144	3,750,144	-	3,750,144
<i>Total Expenditures</i>	9,726,035	9,726,035	5,657,807	4,068,228
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(3,166,951)	(3,166,951)	910,304	4,077,255
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,944,724	2,944,724	2,947,664	2,940
Transfers out	(389,773)	(389,773)	(389,773)	-
<i>Total Other Financing Sources and Uses</i>	2,554,951	2,554,951	2,557,891	2,940
<b>NET CHANGE IN FUND BALANCE</b>	(612,000)	(612,000)	3,468,195	4,080,195
<b>FUND BALANCE, beginning of year as originally reported</b>	612,000	612,000	641,619	29,619
<b>Prior period adjustment</b>	-	-	73,741	73,741
<b>FUND BALANCE, beginning of year, as restated</b>	612,000	612,000	715,360	103,360
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 4,183,555	\$ 4,183,555

**CITY OF WOODBURN, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (NON-GAAP BASIS) AND ACTUAL – WWTP CONSTRUCTION FUND  
YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Interest earnings	\$ 85,000	\$ 85,000	\$ 73,974	\$ (11,026)
<b>EXPENDITURES</b>				
Materials and services	6,839	6,839	-	6,839
Capital outlay	13,732,590	13,732,590	1,172,787	12,559,803
<i>Total Expenditures</i>	<u>13,739,429</u>	<u>13,739,429</u>	<u>1,172,787</u>	<u>12,566,642</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(13,654,429)	(13,654,429)	(1,098,813)	12,555,616
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	147,153	147,153	-	(147,153)
Transfers out	(2,892,724)	(2,892,724)	(2,892,724)	-
<i>Total Other Financing Sources and Uses</i>	<u>(2,745,571)</u>	<u>(2,745,571)</u>	<u>(2,892,724)</u>	<u>(147,153)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(16,400,000)	(16,400,000)	(3,991,537)	12,408,463
<b>FUND BALANCE, beginning of year as originally reported</b>	16,400,000	16,400,000	17,574,688	1,174,688
<b>Prior period adjustment</b>	-	-	(53,000)	(53,000)
<b>FUND BALANCE, beginning of year, as restated</b>	<u>16,400,000</u>	<u>16,400,000</u>	<u>17,521,688</u>	<u>(53,000)</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,530,151</u>	<u>\$ 12,355,463</u>



**CITY OF WOODBURN, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (NON-GAAP BASIS) AND ACTUAL – WWD CONSTRUCTION FUND  
YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Interest earnings	\$ 8,000	\$ 8,000	\$ 17,106	\$ 9,106
<b>EXPENDITURES</b>				
Materials and services	4,000	4,000	-	4,000
Capital outlay	3,975,215	3,975,215	652,999	3,322,216
Contingency	634,446	634,446	-	634,446
<i>Total Expenditures</i>	<u>4,613,661</u>	<u>4,613,661</u>	<u>652,999</u>	<u>3,960,662</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(4,605,661)	(4,605,661)	(635,893)	3,969,768
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	524,661	524,661	39,221	(485,440)
Transfers out	(754,000)	(754,000)	(754,000)	-
<i>Total Other Financing Sources and Uses</i>	<u>(229,339)</u>	<u>(229,339)</u>	<u>(714,779)</u>	<u>(485,440)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(4,835,000)	(4,835,000)	(1,350,672)	3,484,328
<b>FUND BALANCE, beginning of year, as originally reported</b>	4,835,000	4,835,000	4,678,901	(156,099)
<b>Prior period adjustment</b>	-	-	(168,509)	(168,509)
<b>FUND BALANCE, beginning of year, as restated</b>	<u>4,835,000</u>	<u>4,835,000</u>	<u>4,510,392</u>	<u>(324,608)</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,159,720</u>	<u>\$ 2,835,112</u>

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL - WATER SDC FUND**  
**YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Licenses and permits	\$ 45,000	\$ 45,000	\$ 76,311	\$ 31,311
Interest earnings	1,300	1,300	2,876	1,576
<i>Total Revenues</i>	46,300	46,300	79,187	32,887
<b>EXPENDITURES</b>				
Materials and services	494	494	-	494
Contingency	58,214	58,214	-	58,214
<i>Total Expenditures</i>	58,708	58,708	-	58,708
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(12,408)	(12,408)	79,187	91,595
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	145,000	145,000	-	(145,000)
Transfers out	(632,592)	(632,592)	-	632,592
<i>Total Other Financing Sources and Uses</i>	(487,592)	(487,592)	-	487,592
<b>NET CHANGE IN FUND BALANCE</b>	(500,000)	(500,000)	79,187	579,187
<b>FUND BALANCE, beginning of year</b>	500,000	500,000	662,183	162,183
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 741,370	\$ 741,370

**CITY OF WOODBURN, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (NON-GAAP BASIS) AND ACTUAL - SEWER SDC FUND  
YEAR ENDED JUNE 30, 2013**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Licenses and permits	\$ -	\$ -	\$ 174,123	\$ 174,123
Interest earnings	-	-	1,555	1,555
<i>Total Revenues</i>	-	-	175,678	175,678
<b>EXPENDITURES</b>	-	-	-	-
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	175,678	175,678
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(145,000)	(145,000)	-	145,000
<b>NET CHANGE IN FUND BALANCE</b>	(145,000)	(145,000)	175,678	320,678
<b>FUND BALANCE, beginning of year</b>	145,000	145,000	273,587	128,587
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 449,265	\$ 449,265

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL – SURFACEWATER FUND**  
**YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>	-	-	-	-
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(52,000)	(52,000)	(54,940)	(2,940)
<b>NET CHANGE IN FUND BALANCE</b>	(52,000)	(52,000)	(54,940)	(2,940)
<b>FUND BALANCE, beginning of year</b>	52,000	52,000	54,940	2,940
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ -	\$ -

**CITY OF WOODBURN, OREGON**  
**COMBINING STATEMENT OF FUND NET POSITION - INTERNAL SERVICE FUNDS**  
**JUNE 30, 2013**

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	<u>Information Services</u>	<u>Insurance</u>	<u>Technical &amp; Environmental Services</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and investments	\$ 89,465	\$ 397,402	\$ 200,022
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable	21,101	587	16,942
<b>Noncurrent Liabilities</b>			
Accrued compensated absences	-	-	106,446
<b>Total Liabilities</b>	<u>21,101</u>	<u>587</u>	<u>123,388</u>
<b>NET POSITION:</b>			
Unrestricted	<u>\$ 68,364</u>	<u>\$ 396,815</u>	<u>\$ 76,634</u>

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*Total*

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\$ 686,889

38,630

106,446

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145,076

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\$ 541,813

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**CITY OF WOODBURN, OREGON****COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -  
INTERNAL SERVICE FUNDS  
YEAR ENDED JUNE 30, 2013**

	<b><i>Information Services</i></b>	<b><i>Insurance</i></b>	<b><i>Technical &amp; Environmental Services</i></b>
<b><i>OPERATING REVENUES</i></b>			
Licenses and permits	\$ -	\$ -	\$ 19,628
Charges for services	659,864	500,005	1,121,850
Miscellaneous	351	922	1,367
<i>Total Operating Revenues</i>	660,215	500,927	1,142,845
<b><i>OPERATING EXPENSES</i></b>			
Personal services	344,964	55,443	948,036
Materials and services	297,400	349,652	494,523
<i>Total Operating Expenses</i>	642,364	405,095	1,442,559
<b><i>OPERATING INCOME (LOSS)</i></b>	17,851	95,832	(299,714)
<b><i>NONOPERATING REVENUES (EXPENSES)</i></b>			
Investment revenue	160	1,374	485
<b><i>NET INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</i></b>	18,011	97,206	(299,229)
Transfers in	-	-	362,322
Transfers out	-	-	(5,000)
<b><i>CHANGE IN NET POSITION</i></b>	18,011	97,206	58,093
<b><i>NET POSITION, Beginning of year</i></b>	50,353	299,609	18,541
<b><i>NET POSITION, End of year</i></b>	\$ 68,364	\$ 396,815	\$ 76,634

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<i>Building Maintenance</i>	<i>Total</i>
\$ -	\$ 19,628
-	2,281,719
-	2,640
-	2,303,987
-	1,348,443
-	1,141,575
-	2,490,018
-	(186,031)
-	2,019
-	(184,012)
-	362,322
(49,732)	(54,732)
(49,732)	123,578
49,732	418,235
\$ -	\$ 541,813



**CITY OF WOODBURN, OREGON**  
**COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2013**

	<u>Information Services</u>	<u>Insurance</u>	<u>Technical and Environmental Services</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Collected from customers	\$ 664,215	\$ 500,927	\$ 1,142,845
Paid to suppliers	(323,059)	(418,791)	(479,674)
Paid to employees	(344,964)	(55,443)	(916,759)
<i>Net Cash Provided by (Used in) Operating Activities</i>	(3,808)	26,693	(253,588)
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Transfers in	-	-	362,322
Transfers out	(328)	(35)	(6,067)
<i>Net Cash Provided by (Used in) Non-Capital Financing Activities</i>	(328)	(35)	356,255
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	160	1,374	485
<i>Increase (Decrease) in Cash and Investments</i>	(3,976)	28,032	103,152
<b>CASH AND INVESTMENTS, Beginning of year</b>	93,441	369,370	96,870
<b>CASH AND INVESTMENTS, End of year</b>	\$ 89,465	\$ 397,402	\$ 200,022
<b>RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 17,851	\$ 95,832	\$ (299,714)
<i>Change in assets and liabilities</i>			
Accounts receivable	4,000	-	-
Compensated absences payable	-	-	31,277
Accounts payable and accrued liabilities	(25,659)	(69,139)	14,849
<i>Net Cash Provided by (Used in) Operating Activities</i>	\$ (3,808)	\$ 26,693	\$ (253,588)
<b>Noncash Transactions</b>			
Transfer of capital assets	\$ -	\$ -	\$ -

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<u><i>Building Maintenance</i></u>	<u><i>Totals</i></u>
\$ -	\$ 2,307,987
(20,717)	(1,242,241)
(17,395)	(1,334,561)
<u>(38,112)</u>	<u>(268,815)</u>
-	362,322
(50,219)	(56,649)
<u>(50,219)</u>	<u>305,673</u>
-	2,019
(88,331)	38,877
88,331	648,012
<u>\$ -</u>	<u>\$ 686,889</u>
\$ -	\$ (186,031)
-	4,000
(17,395)	13,882
(20,717)	(100,666)
<u>\$ (38,112)</u>	<u>\$ (268,815)</u>
<u>\$ -</u>	<u>\$ -</u>

**CITY OF WOODBURN, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
(NON-GAAP BASIS) – INFORMATION SERVICES FUND  
YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Charges for services	\$ 634,395	\$ 634,395	\$ 659,864	\$ 25,469
Miscellaneous	-	-	352	352
Interest earnings	-	-	160	160
<i>Total Revenues</i>	634,395	634,395	660,376	25,981
<b>EXPENDITURES</b>				
Personal services	345,169	345,169	344,964	205
Materials and services	246,339	246,339	222,858	23,481
Capital outlay	75,000	75,000	74,542	458
Contingency	30,887	30,887	-	30,887
<i>Total Expenditures</i>	697,395	697,395	642,364	55,031
<b>NET CHANGE IN FUND BALANCE</b>	(63,000)	(63,000)	18,012	81,012
<b>FUND BALANCE, beginning of year</b>	63,000	63,000	50,352	(12,648)
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 68,364	\$ 68,364

**CITY OF WOODBURN, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
(NON-GAAP BASIS) – INSURANCE FUND  
YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Charges for services	\$ 436,502	\$ 436,502	\$ 500,005	\$ 63,503
Miscellaneous	12,624	12,624	922	(11,702)
Interest earnings	-	-	1,374	1,374
<i>Total Revenues</i>	449,126	449,126	502,301	53,175
<b>EXPENDITURES</b>				
Personal services	57,409	57,409	55,443	1,966
Materials and services	476,717	476,717	349,652	127,065
<i>Total Expenditures</i>	534,126	534,126	405,095	129,031
<b>NET CHANGE IN FUND BALANCE</b>	(85,000)	(85,000)	97,206	182,206
<b>FUND BALANCE, beginning of year</b>	85,000	85,000	299,609	214,609
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 396,815	\$ 396,815

**CITY OF WOODBURN, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
(NON-GAAP BASIS) – TECHNICAL & ENVIRONMENTAL SERVICES FUND  
YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Licenses and permits	\$ 7,000	\$ 7,000	\$ 19,628	\$ 12,628
Charges for services	659,119	659,119	1,121,850	462,731
Miscellaneous	600,000	600,000	1,366	(598,634)
Interest earnings	200	200	485	285
<i>Total Revenues</i>	<u>1,266,319</u>	<u>1,266,319</u>	<u>1,143,329</u>	<u>(122,990)</u>
<b>EXPENDITURES</b>				
Personal services	942,737	942,737	934,154	8,583
Materials and services	593,947	593,947	494,523	99,424
Contingency	147,225	147,225	-	147,225
<i>Total Expenditures</i>	<u>1,683,909</u>	<u>1,683,909</u>	<u>1,428,677</u>	<u>255,232</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(417,590)</u>	<u>(417,590)</u>	<u>(285,348)</u>	<u>132,242</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	356,590	356,590	379,717	23,127
Transfers out	(5,000)	(5,000)	(5,000)	-
<i>Total Other Financing Sources and Uses</i>	<u>351,590</u>	<u>351,590</u>	<u>374,717</u>	<u>23,127</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(66,000)</u>	<u>(66,000)</u>	<u>89,369</u>	<u>155,369</u>
<b>FUND BALANCE, beginning of year</b>	<u>66,000</u>	<u>66,000</u>	<u>93,710</u>	<u>27,710</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 183,079</u>	<u>\$ 183,079</u>

**CITY OF WOODBURN, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
(NON-GAAP BASIS) – BUILDING MAINTENANCE FUND  
YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>	-	-	-	-
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(44,000)	(44,000)	(67,127)	(23,127)
<b>NET CHANGE IN FUND BALANCE</b>	(44,000)	(44,000)	(67,127)	(23,127)
<b>FUND BALANCE, beginning of year</b>	44,000	44,000	67,127	23,127
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ -	\$ -

***OTHER FINANCIAL SCHEDULES***

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES**  
**YEAR ENDED JUNE 30, 2013**

<u>Tax Year</u>	<u>2012-13 Levy</u>	<u>Uncollected Balance July 1, 2012</u>	<u>Interest, Discounts and Adjustments</u>	<u>Collections</u>	<u>Uncollected Balances June 30, 2013</u>
2012-13	\$ 8,369,810	\$ -	\$ (246,027)	\$ (7,835,630)	\$ 288,153
2011-12	-	311,618	(13,930)	(145,000)	152,688
2010-11	-	168,906	(4,813)	(64,510)	99,583
2009-10	-	103,957	(5,158)	(63,610)	35,189
2008-09	-	45,038	(442)	(31,304)	13,292
2007-08	-	11,276	(519)	(2,472)	8,285
2006-07	-	4,792	(227)	(716)	3,849
Prior	-	17,573	(275)	(1,136)	16,162
	<u>\$ 8,369,810</u>	<u>\$ 663,160</u>	<u>\$ (271,391)</u>	<u>\$ (8,144,378)</u>	617,201
Cash with county					58,813
Property taxes receivable					<u>\$ 676,014</u>



**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF DEBT PRINCIPAL AND INTEREST TRANSACTIONS**  
**YEAR ENDED JUNE 30, 2013**

	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Fiscal Year of Maturity</u>
<b>PRINCIPAL TRANSACTIONS</b>			
Governmental Activities			
Series 2005 GO Bonds	4.85-4.9%	2005	2024-25
1999 OEDD Loan	5.01%	1999	2017-18
2005 URA Loan	4.22%	2005	2015-16
<i>Subtotal, governmental activities</i>			
Business-type Activities			
Series 2003 Water Bonds	3.00-4.63%	2003	2028-29
2005 OEDD Loan	4.21%	2005	2024-25
2005 SDWR Loan	4.21%	2005	2024-25
Series 2011 Sewer Bonds			
<i>Subtotal, business-type activities</i>			
			<b>Unmatured Interest Outstanding July 1, 2012</b>
<b>INTEREST TRANSACTIONS</b>			
Governmental Activities			
Series 2005 GO Bonds	4.85-4.9%	2005	\$ 1,688,838
1999 OEDD Loan	5.01%	1999	33,379
2005 URA Loan	4.22%	2005	51,893
<i>Subtotal, governmental activities</i>			1,774,110
Business-type Activities			
Series 2003 Water Bonds	3.00-4.63%	2003	2,964,048
2005 OEDD Loan	4.21%	2005	942,420
2005 SDWR Loan	4.21%	2005	942,420
Series 2011 Sewer Bonds			9,834,947
<i>Subtotal, business-type activities</i>			14,683,835
			\$ 16,457,945

<i>Outstanding July 1, 2012</i>	<i>New Issues</i>	<i>Principal Paid</i>	<i>Outstanding June 30, 2013</i>
\$ 5,365,000	\$ -	\$ (300,000)	\$ 5,065,000
180,213	-	(24,440)	155,773
688,236	-	(201,855)	486,381
6,233,449	-	(526,295)	5,707,154
6,519,163	-	(271,065)	6,248,098
2,955,320	-	(175,407)	2,779,913
2,955,328	-	(175,407)	2,779,921
33,291,556	-	(1,865,000)	31,426,556
45,721,367	-	(2,486,879)	43,234,488
\$ 51,954,816	\$ -	\$ (3,013,174)	\$ 48,941,642

<i>New Issues</i>	<i>Interest Paid/Matured</i>	<i>Unmatured Interest June 30, 2013</i>
\$ -	\$ (214,281)	\$ 1,474,557
-	(9,079)	24,300
-	(25,877)	26,016
-	(249,237)	1,524,873
-	(287,068)	2,676,980
-	(124,419)	818,001
-	(124,419)	818,001
-	(1,085,662)	8,749,285
-	(1,621,568)	13,062,267
\$ -	\$ (1,870,805)	\$ 14,587,140

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS**  
**JUNE 30, 2013**

<i>Fiscal Year</i> <i>Ending</i> <i>June 30,</i>	<i>2005 General Obligation Bonds</i>			<i>1999 OEDD Loan</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2014	\$ 320,000	\$ 203,781	\$ 523,781	\$ 29,663	\$ 7,857	\$ 32,351
2015	335,000	192,261	527,261	29,895	6,373	36,268
2016	350,000	179,866	529,866	30,141	4,879	35,020
2017	370,000	166,566	536,566	30,399	3,371	33,770
2018	385,000	152,136	537,136	35,675	1,820	37,495
2019	405,000	136,736	541,736	-	-	-
2020	425,000	120,536	545,536	-	-	-
2021	445,000	103,536	548,536	-	-	-
2022	470,000	85,180	555,180	-	-	-
2023	495,000	65,793	560,793	-	-	-
2024	520,000	45,003	565,003	-	-	-
2025	545,000	23,163	568,163	-	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
2031	-	-	-	-	-	-
	<u>\$ 5,065,000</u>	<u>\$ 1,474,557</u>	<u>\$ 6,539,557</u>	<u>\$ 155,773</u>	<u>\$ 24,300</u>	<u>\$ 180,073</u>

<i>2005 URA Loan</i>			<i>2003 Water Bonds</i>		
<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
\$ 210,509	\$ 17,223	\$ 227,732	\$ 282,734	\$ 277,241	\$ 559,975
219,534	8,198	227,732	289,548	266,498	556,046
56,338	595	56,933	301,530	254,916	556,446
-	-	-	313,591	242,854	556,445
-	-	-	325,789	229,997	555,786
-	-	-	343,132	216,314	559,446
-	-	-	355,631	201,559	557,190
-	-	-	373,299	185,912	559,211
-	-	-	391,148	169,113	560,261
-	-	-	404,158	151,316	555,474
-	-	-	427,356	132,624	559,980
-	-	-	445,702	112,858	558,560
-	-	-	464,204	92,245	556,449
-	-	-	487,867	70,775	558,642
-	-	-	511,700	48,211	559,911
-	-	-	530,709	24,547	555,256
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 486,381</u>	<u>\$ 26,016</u>	<u>\$ 512,397</u>	<u>\$ 6,248,098</u>	<u>\$ 2,676,980</u>	<u>\$ 8,925,078</u>

**CITY OF WOODBURN, OREGON**  
**SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS (Continued)**  
**JUNE 30, 2013**

<i>Fiscal Year</i> <i>Ending</i> <i>June 30,</i>	<i>2005 OEDD Loan</i>			<i>2005 SDWR Loan</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2014	\$ 182,792	\$ 117,034	\$ 299,826	\$ 182,792	\$ 117,034	\$ 299,826
2015	190,487	109,339	299,826	190,487	109,339	299,826
2016	198,507	101,319	299,826	198,507	101,319	299,826
2017	206,864	92,962	299,826	206,864	92,962	299,826
2018	215,573	84,253	299,826	215,573	84,253	299,826
2019	224,649	75,178	299,827	224,649	75,178	299,827
2020	234,106	65,720	299,826	234,106	65,720	299,826
2021	243,962	55,864	299,826	243,962	55,864	299,826
2022	254,233	45,593	299,826	254,233	45,593	299,826
2023	264,936	34,890	299,826	264,936	34,890	299,826
2024	276,090	23,736	299,826	276,090	23,736	299,826
2025	287,713	12,113	299,826	287,723	12,113	299,836
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
2031	-	-	-	-	-	-
	<u>\$ 2,779,912</u>	<u>\$ 818,001</u>	<u>\$ 3,597,913</u>	<u>\$ 2,779,922</u>	<u>\$ 818,001</u>	<u>\$ 3,597,923</u>

<i>2011 Sewer Bonds</i>			<i>Totals</i>		
<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
\$ 2,265,153	\$ 1,044,559	\$ 3,309,712	\$ 3,473,643	\$ 1,784,729	\$ 5,258,372
2,755,000	972,713	3,727,713	4,009,951	1,664,721	5,674,672
2,478,685	901,377	3,380,062	3,613,708	1,544,271	5,157,979
2,603,647	930,165	3,533,812	3,731,365	1,528,880	5,260,245
3,165,000	724,563	3,889,563	4,342,610	1,277,022	5,619,632
3,615,000	629,613	4,244,613	4,812,430	1,133,019	5,945,449
3,469,529	999,333	4,468,862	4,718,372	1,452,868	6,171,240
3,696,001	1,042,861	4,738,862	5,002,224	1,444,037	6,446,261
4,870,000	266,113	5,136,113	6,239,614	611,592	6,851,206
2,013,541	1,144,071	3,157,612	3,442,571	1,430,960	4,873,531
55,000	20,412	75,412	1,554,536	245,511	1,800,047
60,000	18,212	78,212	1,626,138	178,459	1,804,597
60,000	15,813	75,813	524,204	108,058	632,262
65,000	13,412	78,412	552,867	84,187	637,054
65,000	10,812	75,812	576,700	59,023	635,723
70,000	8,131	78,131	600,709	32,678	633,387
75,000	5,156	80,156	75,000	5,156	80,156
45,000	1,969	46,969	45,000	1,969	46,969
<b>\$ 31,426,556</b>	<b>\$ 8,749,285</b>	<b>\$ 40,175,841</b>	<b>\$ 48,941,642</b>	<b>\$ 14,587,140</b>	<b>\$ 63,528,782</b>

***REGULATORY SECTION***



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

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

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

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

We have audited, 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, 2013, and have issued our report thereon dated November 14, 2013.

#### ***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, except as follows:



1. The City did not budget separately for current and delinquent property tax revenue.
2. The actual ending balances for the second preceding year did not equal the actual beginning balances for the first preceding year for the General and RSVP funds.
3. The budget does not list each bond or loan separately. This is required by ORS 294.352(7).
4. Expenditures exceeded appropriations, as detailed in the notes to the financial statements.

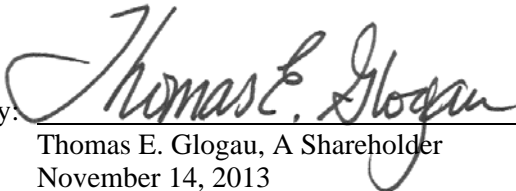
***OAR 162-10-0230 - Internal Control***

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.

***Purpose of this Report***

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

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

By:   
Thomas E. Glogau, A Shareholder  
November 14, 2013