BASIC FINANCIAL STATEMENTS

Statement of Net Assets

Statement of Activities

Fund Financial Statements

Notes to Basic Financial Statements

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CITY OF WEST LINN, OREGON

STATEMENT OF NET ASSETS

JUNE 30, 2008

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Current assets:			
Cash and investments	$ 8,909,059	$ 2,774,476	$ 11,683,535
Property taxes receivable	376,763	-	376,763
Accounts receivable, net of allowance	259,306	840,867	1,100,173
Prepaid expenses	142,264	-	142,264
Total current assets	9,687,392	3,615,343	13,302,735
Capital assets not being depreciated	187,454,403	554,996	188,009,399
Capital assets, net of accumulated depreciation	43,413,506	27,025,674	70,439,180
Investment in joint venture	-	7,260,704	7,260,704
TOTAL ASSETS	240,555,301	38,456,717	279,012,018
LIABILITIES:			
Current liabilities:			
Accounts payable	734,289	685,154	1,419,443
Accrued salaries and payroll taxes payable	358,539	19,079	377,618
Accrued vacation payable	407,585	42,317	449,902
Accrued interest payable	38,312	20,133	58,445
Deposits payable	813,023	5,000	818,023
Bank note payable	175,000	-	175,000
Current portion of long-term debt obligations	705,000	75,000	780,000
Total current liabilities	3,231,748	846,683	4,078,431
Long-term debt obligations	11,165,000	1,305,000	12,470,000
Accrued other postemployment benefit obligations	167,484	14,212	181,696
TOTAL LIABILITIES	14,564,232	2,165,895	16,730,127
NET ASSETS:			
Invested in capital assets, net of related debt	218,997,909	26,200,670	245,198,579
Restricted for:			
Library endowment	157,298	-	157,298
Capital projects	4,205,331	-	4,205,331
Debt service	116,773	-	116,773
Unrestricted	2,513,758	10,090,152	12,603,910
TOTAL NET ASSETS	$ 225,991,069	$ 36,290,822	$ 262,281,891

See notes to basic financial statements

CITY OF WEST LINN, OREGON

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

		Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
FUNCTION / PROGRAM	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES:						
General government	$ 6,007,231	$ 6,472,984	$ 222,899	$ 688,652	$ -	$ 688,652
Culture and recreation	4,279,297	1,321,095	771,129	(2,187,073)	-	(2,187,073)
Public safety	5,657,223	753,305	319,857	(4,584,061)	-	(4,584,061)
Highways and streets	1,235,144	242,996	2,812,791	1,820,643	-	1,820,643
Interest on long-term debt	630,842	-	-	(630,842)	-	(630,842)
Unallocated depreciation	2,395,306	-	-	(2,395,306)	-	(2,395,306)
TOTAL GOVERNMENTAL ACTIVITIES	20,205,043	8,790,380	4,126,676	(7,287,987)	-	(7,287,987)
BUSINESS-TYPE ACTIVITIES:						
Water	2,913,892	2,615,138	243,718	-	(55,036)	(55,036)
Environmental services	2,813,584	2,019,491	621,135	-	(172,958)	(172,958)
TOTAL BUSINESS-TYPE ACTIVITIES	5,727,476	4,634,629	864,853	-	(227,994)	(227,994)
TOTAL ACTIVITIES	$ 25,932,519	$ 13,425,009	$ 4,991,529	(7,287,987)	(227,994)	(7,515,981)
GENERAL REVENUES:						
Taxes:						
Property taxes, levied for general purposes				5,263,506	-	5,263,506
Property taxes, levied for debt service				769,572	-	769,572
Franchise taxes				1,685,632	-	1,685,632
Grants and contributions not restricted to specific programs				263,531	-	263,531
Unrestricted investment earnings				419,705	109,527	529,232
Net income on investment in joint venture				-	288,007	288,007
TRANSFERS				(131,574)	131,574	-
TOTAL GENERAL REVENUES AND TRANSFERS				8,270,372	529,108	8,799,480
NET CHANGE IN NET ASSETS				982,385	301,114	1,283,499
NET ASSETS - beginning						
Beginning balance before restatement				249,507,569	30,662,087	280,169,656
Restatement - see note explanation on page 48				(24,498,885)	5,327,621	(19,171,264)
NET ASSETS - beginning, as restated				225,008,684	35,989,708	260,998,392
NET ASSETS - ending				$ 225,991,069	$ 36,290,822	$ 262,281,891

See notes to basic financial statements

CITY OF WEST LINN, OREGON

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2008

	General Fund	Parks and Recreation Fund	Library Fund	Systems Development Charges Fund	Public Safety Fund	Other Governmental Funds	Total Governmental Funds
ASSETS:							
Cash and investments	$ 1,866,134	$ 217,205	$ 349,787	$ 3,180,948	$ 1,009,404	$ 2,285,581	$ 8,909,059
Property taxes receivable	-	-	-	-	328,326	48,437	376,763
Accounts receivable	5,005	124,586	-	-	21,349	108,366	259,306
Prepaid expenses	142,264	-	-	-	-	-	142,264
TOTAL ASSETS	$ 2,013,403	$ 341,791	$ 349,787	$ 3,180,948	$ 1,359,079	$ 2,442,384	$ 9,687,392
LIABILITIES:							
Accounts payable	$ 409,468	$ 82,804	$ 11,289	$ 24,236	$ 40,581	$ 165,911	$ 734,289
Accrued salaries and payroll taxes	178,381	36,152	22,100	-	93,134	28,772	358,539
Accrued vacation payable	7,399	-	-	-	-	-	7,399
Deposits payable	580,592	-	-	-	-	232,431	813,023
Deferred revenue	-	-	-	-	270,159	88,147	358,306
Bank note payable	-	-	-	-	-	175,000	175,000
TOTAL LIABILITIES	1,175,840	118,956	33,389	24,236	403,874	690,261	2,446,556
FUND BALANCE:							
Reserved for:							
Library endowment	-	-	157,298	-	-	-	157,298
Prepaid expenses	142,264	-	-	-	-	-	142,264
Debt service	-	-	-	-	-	116,773	116,773
Capital projects	-	-	-	3,156,712	-	1,048,619	4,205,331
Unreserved, reported in:							
General fund	695,299	-	-	-	-	-	695,299
Special revenue funds	-	222,835	159,100	-	955,205	586,731	1,923,871
TOTAL FUND BALANCE	837,563	222,835	316,398	3,156,712	955,205	1,752,123	7,240,836
TOTAL LIABILITIES AND FUND BALANCE	$ 2,013,403	$ 341,791	$ 349,787	$ 3,180,948	$ 1,359,079	$ 2,442,384	

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in funds.	230,867,909
Long-term property taxes receivable are not available to pay for current period expenditures and therefore, are deferred in the funds.	358,306
Long-term liabilities, including bond principal and interest payable, accrued vacation, and accrued other postemployment pension benefit obligations are not due and payable in the current period and therefore are not reported in the funds.	(12,475,982)
Net assets of governmental activities	$ 225,991,069

See notes to basic financial statements

CITY OF WEST LINN, OREGON

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	General Fund	Parks and Recreation Fund	Library Fund	Systems Development Charges Fund	Public Safety Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:							
Property taxes	$ -	$ 1,307,014	$ 922,017	$ -	$ 2,975,189	$ 761,304	$ 5,965,524
Intergovernmental	414	265,058	506,071	-	318,903	1,281,231	2,371,677
Franchise fees	-	-	-	-	1,409,003	276,629	1,685,632
Licenses and permits	53,901	15,059	-	-	34,915	1,004,619	1,108,494
Fines and forfeitures	450,670	-	66,992	-	-	-	517,662
Charges for services	3,392,751	1,239,044	-	-	84,168	1,054,651	5,770,614
Systems development charges	-	-	-	963,567	-	-	963,567
Investment earnings	67,400	17,102	26,218	150,671	59,604	98,710	419,705
Miscellaneous	194,433	2,706	8,728	-	19,420	38,244	263,531
TOTAL REVENUES	4,159,569	2,845,983	1,530,026	1,114,238	4,901,202	4,515,388	19,066,406
EXPENDITURES:							
Current:							
General government	3,476,705	-	-	-	-	1,858,059	5,334,764
Cultural and recreation	-	2,477,743	1,526,208	1,574	-	268,874	4,274,399
Public safety	-	-	-	-	5,087,258	555,081	5,642,339
Highways and streets	-	-	-	-	-	1,236,200	1,236,200
Capital outlay	176,217	441,345	-	704,887	103,097	186,432	1,611,978
Debt service:							
Principal	175,000	-	-	-	-	495,000	670,000
Interest	168,136	-	-	-	-	458,468	626,604
TOTAL EXPENDITURES	3,996,058	2,919,088	1,526,208	706,461	5,190,355	5,058,114	19,396,284
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	163,511	(73,105)	3,818	407,777	(289,153)	(542,726)	(329,878)
OTHER FINANCING SOURCES (USES):							
Transfers from other funds	241,411	-	-	-	200,000	513,200	954,611
Transfers to other funds	(414,700)	(12,100)	-	(20,000)	-	(500,205)	(947,005)
TOTAL OTHER FINANCING SOURCES (USES)	(173,289)	(12,100)	-	(20,000)	200,000	12,995	7,606
NET CHANGE IN FUND BALANCE	(9,778)	(85,205)	3,818	387,777	(89,153)	(529,731)	(322,272)
FUND BALANCE - beginning	847,341	308,040	312,580	2,768,935	1,044,358	2,281,854	7,563,108
FUND BALANCE - ending	$ 837,563	$ 222,835	$ 316,398	$ 3,156,712	$ 955,205	$ 1,752,123	$ 7,240,836

See notes to basic financial statements

CITY OF WEST LINN, OREGON

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

Net change in fund balances - total governmental funds (page 26)	$	(322,272)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay was greater than depreciation.		840,723
Property tax revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		66,561
Internal service funds are used to account for all costs arising from the operations of the City's central services activities and insurance programs. The primary funding sources are charges to the other funds. This is the net loss of the fund for the year.		(52,525)
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. There were not any debt proceeds issued during the current fiscal year so this amount reflects the scheduled principal payments on existing long-term debt only.		670,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Accrued vacation payable		(56,244)
Accrued interest payable		3,626
Accrued other postemployment benefit obligations		(167,484)
Change in net assets of governmental activities (page 24)	$	982,385

See notes to basic financial statements

CITY OF WEST LINN, OREGON

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS

JUNE 30, 2008

	Business-Type Activities - Enterprise Funds			Governmental Type Activity
	Water Fund	Environmental Services Fund	Total	Internal Service Fund
ASSETS:				
Current assets:				
Cash and investments	$ 681,142	$ 2,093,334	$ 2,774,476	$ -
Accounts receivable, net of allowance for doubtful accounts	371,150	469,717	840,867	-
TOTAL CURRENT ASSETS	1,052,292	2,563,051	3,615,343	-
Capital assets not being depreciated	547,536	7,460	554,996	-
Capital assets, net of accumulated depreciation	9,118,800	17,906,874	27,025,674	-
Investment in joint venture	7,260,704	-	7,260,704	-
TOTAL ASSETS	17,979,332	20,477,385	38,456,717	-
LIABILITIES:				
Current liabilities:				
Accounts payable	170,257	514,897	685,154	-
Deposits	-	5,000	5,000	-
Accrued payroll payable	10,211	8,868	19,079	-
Accrued vacation payable	22,786	19,531	42,317	-
Accrued interest payable	20,133	-	20,133	-
Bonds payable - due within one year	75,000	-	75,000	-
TOTAL CURRENT LIABILITIES	298,387	548,296	846,683	-
Bonds payable	1,305,000	-	1,305,000	-
Accrued other postemployment benefit obligations	7,752	6,460	14,212	-
TOTAL LIABILITIES	1,611,139	554,756	2,165,895	-
NET ASSETS:				
Invested in capital assets, net of related debt	8,286,336	17,914,334	26,200,670	-
Unrestricted	8,081,857	2,008,295	10,090,152	-
TOTAL NET ASSETS	$ 16,368,193	$ 19,922,629	$ 36,290,822	$ -

See notes to basic financial statements

CITY OF WEST LINN, OREGON

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES, AND AND CHANGES IN NET ASSETS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Business-Type Activities - Enterprise Funds			Governmental Type Activity
	Water Fund	Environmental Services Fund	Total	Internal Service Fund
OPERATING REVENUES:				
Charges for services	$ 2,578,085	$ 1,923,050	$ 4,501,135	$ 421,618
Connection fees	7,828	-	7,828	-
Licenses and permits	-	26,044	26,044	-
Other operating revenues	29,225	70,397	99,622	-
TOTAL OPERATING REVENUES	2,615,138	2,019,491	4,634,629	421,618
OPERATING EXPENSES:				
Salaries and wages	596,353	718,042	1,314,395	185,610
Materials and supplies	1,850,249	1,334,226	3,184,475	282,612
Depreciation	385,804	761,316	1,147,120	-
TOTAL OPERATING EXPENSES	2,832,406	2,813,584	5,645,990	468,222
OPERATING INCOME (LOSS)	(217,268)	(794,093)	(1,011,361)	(46,604)
NONOPERATING INCOME (EXPENSE):				
Investment earnings	25,275	84,252	109,527	1,685
Net income on investment in joint venture	288,007	-	288,007	-
Interest expense	(81,486)	-	(81,486)	-
TOTAL NONOPERATING INCOME (EXPENSE)	231,796	84,252	316,048	1,685
INCOME (LOSS) BEFORE TRANSFERS	14,528	(709,841)	(695,313)	(44,919)
CONTRIBUTED CAPITAL	243,718	621,135	864,853	-
TRANSFERS IN (OUT):				
Transfers of capital assets from governmental funds	85,900	45,674	131,574	-
Transfers to other funds	-	-	-	(7,606)
TOTAL TRANSFERS IN (OUT)	85,900	45,674	131,574	(7,606)
NET CHANGE IN NET ASSETS	344,146	(43,032)	301,114	(52,525)
NET ASSETS - beginning				
Beginning balance before restatement	19,378,904	11,283,183	30,662,087	52,525
Restatement - see note explanation on page 48	(3,354,857)	8,682,478	5,327,621	-
NET ASSETS - beginning, as restated	16,024,047	19,965,661	35,989,708	52,525
NET ASSETS - ending	$ 16,368,193	$ 19,922,629	$ 36,290,822	$ -

See notes to basic financial statements

CITY OF WEST LINN, OREGON

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	Business-Type Activities - Enterprise Funds			Governmental Type Activity
	Water Fund	Environmental Services Fund	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users of services	$ 2,936,172	$ 2,357,672	$ 5,293,844	$ 421,618
Payments to suppliers for goods and services	(1,865,701)	(1,385,802)	(3,251,503)	(292,154)
Payments employees for services	(596,538)	(739,597)	(1,336,135)	(195,029)
NET CASH PROVIDED BY OPERATING ACTIVITIES	473,933	232,273	706,206	(65,565)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers to other funds	-	-	-	(7,606)
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	-	-	-	(7,606)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Principal paid on capital debt	(70,000)	-	(70,000)	-
Interest paid on capital debt	(82,440)	-	(82,440)	-
Acquisition and construction of capital assets	(126,437)	(103,885)	(230,322)	-
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(278,877)	(103,885)	(382,762)	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest earnings received on investments	25,275	84,252	109,527	1,685
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	220,331	212,640	432,971	(71,486)
CASH AND INVESTMENTS - beginning	460,811	1,880,694	2,341,505	71,486
CASH AND INVESTMENTS - ending	$ 681,142	$ 2,093,334	$ 2,774,476	$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	$ (217,268)	$ (794,093)	$ (1,011,361)	$ (46,604)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	385,804	761,316	1,147,120	-
(Increase) decrease in accounts receivable	321,034	338,182	659,216	-
Increase (decrease) in accounts payable	(15,452)	(56,576)	(72,028)	(9,542)
Increase (decrease) in accrued payroll payable	1,839	(4,356)	(2,517)	(2,645)
Increase (decrease) in accrued vacation payable	(9,776)	(23,660)	(33,436)	(6,774)
Increase (decrease) in deposits payable	-	5,000	5,000	-
Increase (decrease) in accrued postemployment benefit obligations	7,752	6,460	14,212	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 473,933	$ 232,273	$ 706,206	$ (65,565)
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:				
Net income on investment in joint venture	$ 288,007	$ -	$ 288,007	$ -
Capital assets transferred from governmental funds	85,900	45,674	131,574	-
Capital assets contributed by developers	243,718	621,135	864,853	-

See notes to basic financial statements