



Comprehensive Annual  
Financial Report

Fiscal Year Ending

June 30, 2011

City of Canby

Canby, Oregon

# Comprehensive Annual Financial Report

Fiscal Year Ending

June 30, 2011

Prepared by

City of Canby, Oregon

Finance Department

CITY OF CANBY, OREGON  
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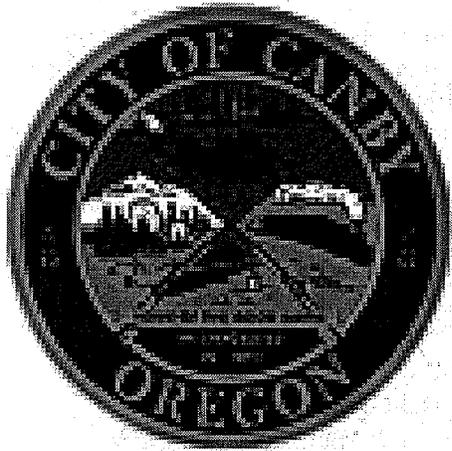
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## **INTRODUCTORY SECTION**



# City of Canby

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Finance Office  
133 North Second Ave  
Canby, Oregon 97013

December 29, 2011

To the Honorable Mayor, City Council, and Citizens of the City of Canby, Oregon:

## Letter of Transmittal

We are pleased to provide you with the Comprehensive Annual Financial Report (CAFR) of the City of Canby, Oregon (the City), for the fiscal year ended June 30, 2011.

## For the Fiscal Year Ended June 30, 2011

This report presents the financial position of the City as of June 30, 2011 and the results of its operations and cash flows for all its fund types for the year then ended. The financial statements and supporting schedules have been prepared in accordance with generally accepted accounting principles and meet the requirements of the standards as prescribed by the Secretary of State. We believe the data, as presented, are accurate in all material respects and presented in a manner designed to fairly set forth the financial position and results of operations of the various funds of the City. This report is published to provide the City Council, staff, citizens and other interested readers with detailed information concerning the financial position and activities of the City.

The accuracy of the City's financial statements and the completeness and fairness of their presentation is the responsibility of City management. The City maintains a system of internal accounting controls designed to provide reasonable assurance that assets are safeguarded against loss of unauthorized use, and that financial records can be relied upon to produce financial statements in accordance with generally accepted accounting principles.

The City's financial statements have been audited by Merina & Company, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2011 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, the basic financial statements referred to above present fairly, in all material respects, the financial position of the City as of June 30, 2011, and the results of operation and cash flow for its proprietary fund types. The independent auditor's report is presented as the first component of the financial section of this report.

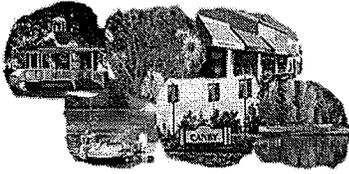
The Management Discussion & Analysis (MD&A) is a narrative introduction, overview, and analysis to accompany the basic financial statements and should be read in conjunction with the transmittal letter. The basic financial statements include the government-wide financial statements that present an overview of the City's entire operations, while the fund level statements present the financial information of each of the City's major funds, as well as non-major funds.

### Special points of interest:

- Independent auditors, Merina & Company, LLP.
- Financial Statements free of material misstatement.

## City of Canby Profile

Canby is a complete community with residences, schools and 800 businesses. Businesses include retail, medical and other professional services, wholesale, light industrial and manufacturing. Manufacturing is 12% of total businesses. The surrounding area contains some of the richest farmland in Oregon. Local nurseries produce a wide variety of plants, bulbs and seeds.



Local development is actively promoted by the city government and an economic development department. Major annual events include the award winning Clackamas County Fair, General Canby Days and Summer Concerts in the Park. The community is located on the Willamette River and Highway 99E, just 4 miles from I-5.

The City of Canby was incorporated in 1893, operating under the provision of it's own charter and applicable State of Oregon law, with a Council-Administrator form of government. The City currently has a land area of 3.9 square miles and a population of 15,830. The City Council is ultimately responsible for decisions concerning the fiscal policy of the City, and charges the City Administrator to carry out those policies in the day-to-day management of the City's resources and staff.

The City Council consists of a mayor and six councilors who are elected to serve for two-year and four-year terms respectively. All are elected at-large and the offices are non-partisan. The only requirements for serving on the Council are that the candidate be a registered voter and have lived in Canby for at least 12 months.

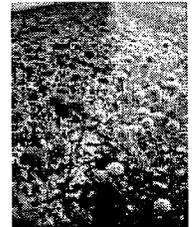
The mayor presides over Council meetings and frequently represents the City in a ceremonial capacity. The mayor also makes recommendations to the Council for appointments to the Canby Utility Board.

The City Council is responsible for identifying needs and problems in the community and establishing policy to meet those needs. The Council enacts city laws and changes them as needed, approves contracts, agreements and purchases in excess of \$50,000. Council members are also members of the Budget Committee and therefore, participate in annual fiscal planning and budgeting and decide what resources are available, how much will be spent, and for what purposes. The City Council, appoints the City Administrator, the City Attorney and the Municipal Judge.

The City Administrator has responsibility for all functions with the exception of Canby Utility. The City Administrator appoints or removes the following department directors: Police Chief, City Recorder, Human Resources, Library, Public Works, Transit, Planning and Finance & Court Services.

In addition to the help that Council receives from the appointed staff and employees, eight standing advisory boards assist the City Council. Some 44 Canby citizens serve on these boards and make a valuable contribution to the City of Canby.

The City provides its residents and businesses with a full range of municipal services consisting of public safety, public works, planning and building, park and recreation, library, transit, and general administrative services. The City also operates a waste water treatment facility as an enterprise fund.



Fields in bloom during Canby's annual dahlia festival.

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*“Canby is a complete community with residences, schools and 800 businesses. Manufacturing is 12% of total businesses.”*

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*“Some 44 Canby citizens serve on eight standing advisory boards”*

## Financial Foundation

The annual budget serves as the foundation for Canby's financial planning and control.

The City Budget Committee, in conjunction with city staff develop an annual budget based on strategic plans and programmatic goals that directly respond to the Council's and community's goals and expectations.

The City Council formally adopts the budget and legally allocates, or appropriates, available monies for the General Fund, Special Revenue Funds, Debt Service Funds and

Business-Type Funds. Therefore, these funds have appropriated budgets, and budget to actual information is presented. On or before the second regular Council meeting in June, the Finance Director submits to the City Council a proposed budget for the fiscal year commencing the following July 1.

The budget includes proposed expenditures and the means of financing them. Two public hearings are held prior to the budget's final adoption in order to obtain taxpayer comments. At a Council meeting in June, the budget is legally enacted

through passage of an ordinance. The ordinance sets the limit for expenditures during the fiscal year. Additional expenditures may be authorized for expenditures directly necessitated by unforeseen events. During 2010-11, there were two supplemental budgets which did not increase appropriations to the original budget.

The expenditure appropriations in the adopted budget are by department and category. The maximum legal expenditure permitted for the fiscal year is the total budget as adopted. Department appropriations may be amended during the

year. Upon the recommendation of the Finance Director, and with the approval of the City Council: (1) transfers may be made from the appropriations for contingencies to departments; and (2) unexpended appropriations may be transferred from one department to another. Management control of budgets is further maintained at a line item level with the departments.

## Strategic Financial Policies

The City of Canby, like other political subdivisions in the State of Oregon continues to face increasing financial challenges in light of voter approved property tax limitations and the on-going, natural increase in cost of service delivery. Expectations are now for very modest revenue growth.

The City has begun to benefit from a local gasoline tax and a street maintenance fee. This revenue is used to upgrade and maintain local streets.

The Budget Committee created long term financial strategies that are focused on achieving and maintaining fiscal stability.

The city's financial policies have been placed into the following major categories: expenditure control, revenue enhancement, and long-term financial health.

Pursuant to the City Council's direction, these financial policies will be reviewed on a regular basis so as to ensure they remain contemporary, meaningful and relevant.

### Adopted Financial Policies:

- Efficiency measures should be utilized whenever possible to reduce costs and/or improve productivity in the organization.
- No new personnel or program will be added to the City organization without a corresponding revenue source identified and a complete analysis of the current and ongoing fiscal impact on that funding source.
- The Finance Director will be responsible for maintaining an expenditure control system to ensure strict adherence to the adopted budget.
- The City will continue efforts to expand its revenue base through new sources of revenue.
- The City will, on an annual basis, review the existing fees and charges for discretionary services.
- For cash-flow purposes, the cash balance in the General Fund at the beginning of the fiscal year should be sufficient to cover operational expenses until such time as property tax revenue is collected in November.
- The General Fund must remain intact. As a source of funding it realizes the smallest rate of growth and the largest rate of expenditures. Transfers from the General Fund are discouraged to preserve the financial health of the fund.
- Contributions to the General Fund reserves should be made whenever possible with a goal to achieve a level in reserve to sustain six months of General Fund supported City operations.
- No future capital improvements will be funded from City or Urban Renewal Agency funds unless accompanied by an analysis of all related ongoing annual maintenance and operational and associated costs and the City's capacity to fund those costs.
- The Finance Director will take steps to ensure that the City's investment policies and cash management practices will achieve maximum investment earnings potential. Funds will be invested as authorized by the Oregon Revised Statutes and investment in stocks, speculative ventures, futures or options will be avoided.
- The City's business-type activities will be self-supporting through appropriate rates and charges. Rate setting of these activities will be based on cost recovery.
- The City will maintain vehicle and equipment replacement schedules based upon recognized, industry standards for the useful life of such assets.

## Factors Affecting the City's Financial Condition

Canby's economic base consists of retail establishments, and commercial, nursery production, light industrial and manufacturing businesses.



*“Business and industry are discovering the geographic and service amenities of Canby”*

The downtown business district is home to commercial businesses, government buildings, financial institutions, medical offices, an eight-screen movie theater with adjacent public parking, and a variety of shops and restaurants. Established commercial areas have been improved with the help of funding from the Canby Urban Renewal Agency. Façade and streetscape improvements, gateway sign projects, business recruitment and retention and strategic planning for the business districts have all been funded by urban renewal.

Industrial growth has been spurred by the development of two industrial parks: Logging Road Industrial Park and Canby Pioneer Industrial Park. The development of these parks has resulted from the combined efforts of local landowners and the City of Canby, and funding from private, Canby Urban Renewal, and state sources. A new hospital, a fire station and other industrial, electronic and manufacturing businesses have located in the parks, creating local jobs. Access to industrial properties within the Canby Pioneer Industrial Park has been increased by construction of a new street that provides ready access to several industrial properties.

Residential construction was almost at a standstill because of economic conditions in Oregon and the rest of the country.

*Tax Base*—Due to the economic downturn in Oregon and the rest of the nation, Canby has seen its rate of growth in property tax revenues slow compared to rates before the 2008-09 recession. Property tax receipts for the current year were 2.9% greater than for the previous year. Property is subject to a maximum 3% increase in assessed valuation per year.

Franchise fees receipts increased 8.8% over the prior year, due to a new solid waste franchise fee.

Shared (non-gasoline tax) revenues from the State of Oregon increased 6% from the prior year.

On January 26, 2010, Oregon voters approved two measures that will increase income tax revenue to the state. The receipts of these taxes may allow the state to keep shared revenues to local governments flowing. As a safeguard, state shared revenue is not budgeted to meet general operating expenses.

The State of Oregon continues to face fiscal challenges because the state general fund relies on income taxes for most of its revenue. State income tax receipts increased in the past year, but the rate of increases is expected to slow down starting in 2012.

*...in November 2008, the voters of Clackamas County approved a county-wide library district...”*

State gasoline tax receipts to the City increased 19.2% over the previous year. The increase is in large part due to a 6-cents-per-gallon increase in the state gasoline tax starting in January 2011.

Receipts from a local 3-cents-per-gallon gasoline tax, and a monthly street maintenance fee assessed to homes and businesses have also increased over the previous year.

These local and state sources of funding are helping the City maintain a vigorous local street maintenance and improvement program.

In November 2008, the voters of Clackamas County approved a county-wide library district. The City's share of revenues from the library district—in excess of \$700,000 per year beginning in 2009-2010—is nearly twice the previous contribution amount from Clackamas County. Library district proceeds replace the county contributions.

## Other Financial Information

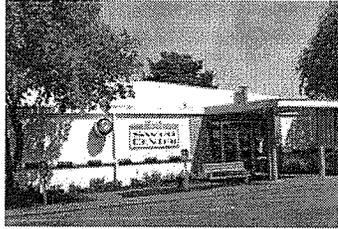
*Special Tax Levy*—Voters approved a five-year (2007-2012) local option levy for Swim Center operations. The levy is based on a fixed rate of \$0.42 per \$1,000 of assessed property value. This levy expires in 2012. In November 2011, voters approved a five-year (2012-2017) to continue operation of the pool. The levy rate will increase to \$0.49 per thousand.

The property tax revenue from the local option levy is used to fund current Swim Center services, life-guards, and provide for pool maintenance. The levy is based on a 5-year operating plan created by the Budget Committee, City Council and City staff.

The Swim Center is fully funded through a combination of levy dollars and user fees. Fees, which have recently been updated, pay for approximately 32% of operating costs.

*PERS*—The Oregon Public Employees' Retirement System (PERS), through past long standing administrative practices of the Board of Directors, the nature of retiree benefit plan options, and significant losses in investment income in the failing economy, is facing a deficit in terms of the system's ability to meet the financial resources needed to maintain the fiscal integrity of the system. Under current PERS regulations, employer contributions rates are adjusted every two years.

Current rates apply to 2010-2012. The rates are based on the value of PERS investments and on PERS ability to meet the financial resources needed to maintain the integrity of the retirement system for the state's public employees.



The Canby Swim Center has been under the operation of the City since 1966.

*Accounting System and Reporting*—During the year, the City's accounting system is maintained primarily on a modified cash basis with certain accruals to provide financial controls. Appropriations are encumbered for major purchase amounts prior to the release of purchase orders to vendors. This system provides budgetary control on all operating funds at a minimum cost. At year-end, journal entries are prepared by the City's Finance Department staff as a preparatory step for

completion of the annual financial report. The auditors' report on these financial statements accompanies the financial statements following this letter. The City has adopted all recent applicable Governmental Accounting Standards Board (GASB) statements in the preparation of the City's financial statements.

We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. It is further our intention to review these controls in depth on an ongoing basis for continued refinements and improvements.

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*“Voters approved a new five-year (2012-2017) local option levy to fund the Swim Center after the current levy expires.”*

## Debt Management



Sequoia Parkway opens 151 acres for industrial development within the city.

The City issues various types of debt for the purpose of carrying out its capital financing activities and currently has \$5,197,447 of outstanding bonded indebtedness.

The City also has entered into a number of other financing arrangements with the State of Oregon and other institutions for energy improvements, infrastructure development, vehicles and other projects.

The City's total debt at the close of 2011 was \$11,017,616 for all bond types, loans, capital leases and compensated absences. Urban Renewal debt is repaid from tax increment revenues collected under the urban renewal system.

The City's healthy economic base and its sound financial condition have helped maintain the "Aa2" bond rating from Moody's Investors Services.

*"The City's  
primary investment  
tool is the Local  
Government  
Investment Pool  
(LGIP) managed  
by the State  
Treasury."*

## Cash Management

The City Finance Director is responsible for the control of cash and the investment of city funds. The City's Budget Committee, establishes investment policy for all city funds. Funds will be invested as authorized by the Oregon Revised Statutes. Fortunately, state-imposed safeguards minimize the dangers of investing in highly leveraged financial instruments, which have been a cause of national concern.

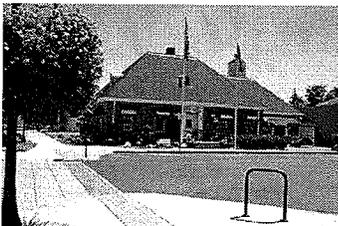
The City subscribes to the "pooled" cash concept of investing, which means that all funds with cash balances participate in an investment

pool. This permits some funds to be overdrawn and others to show cash balances when, in fact, the City as a whole has a cash balance. This pooled cash concept provides for investing greater amounts of money. Interest earnings are then allocated back across the participating funds.

The City's primary investment tool is the Local Government Investment Pool (LGIP) managed by the State Treasury. State and County agencies deposit monies due to the City into the State Treasury. The State Treasurer pools all available cash

into the LGIP, which invests in a variety of instruments. For the year ended June 30, 2011, the average monthly portfolio was 10.14 million and the average yield on these investments was .50 percent.

## Risk Management



City Hall

The City is a member of City County Insurance Services (CCIS), which provides for the administration, investigation, and settlement of claims against the City. CCIS maintains an insurance pool for participating local municipalities.

The City is represented by a local independent insurance agent to help preserve the City's interests within the pool. We currently contract all

insurance needs with CCIS with the exception of health insurance.

We annually review coverage and costs for all types of coverage. The City conducts various loss prevention programs to control claim expenses.

## Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Canby for its comprehensive annual financial report (CAFR) for fiscal year ended June 30, 2010. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

To earn a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

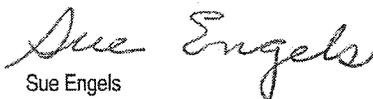
A Certificate of Achievement is valid for a period of one year only. We believe our current report conforms to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for a certificate. We are committed to this effort and intend to maintain a highly qualified and professional staff to make Canby's certification possible in the future.

## Acknowledgements

The preparation of this report could not have been accomplished without the dedicated service of the entire staff of the Finance Department and through the competent service of our independent auditors.

The City's Finance Department takes great pride in the preparation of the City's Comprehensive Annual Financial Report (CAFR). We greatly appreciate the professionalism, commitment, and effort set forth by the Mayor, City Council, Budget Committee, City Administrator and the Department Directors whose leadership is vital to the health and vitality of Canby.

Respectfully submitted,



Sue Engels

Finance Director



Greg Ellis

City Administrator

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Canby  
Oregon

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



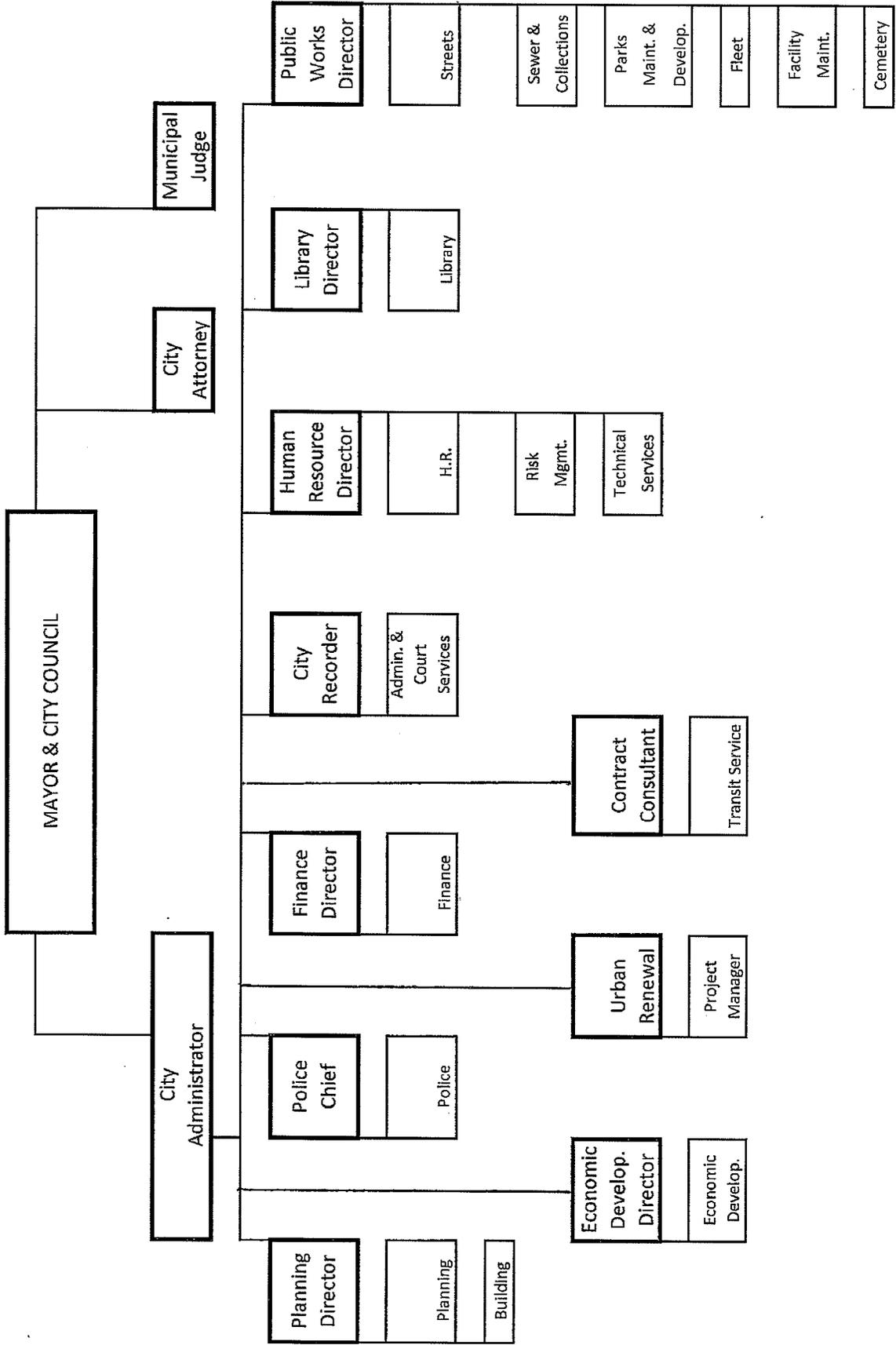
*Linda C. Davidson*

President

*Jeffrey R. Enos*

Executive Director

# CITY OF CANBY ORGANIZATION



**CITY OF CANBY, OREGON**  
**CITY OFFICIALS**  
**June 30, 2011**

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City Officials

Randy Carson, Mayor  
Canby, Oregon 97013

Term Expires  
December 31, 2012

Council Members

Walt Daniels, President  
Canby, Oregon 97013

December 31, 2012

Traci Hensley  
Canby, Oregon 97013

December 31, 2012

Tim Dale  
Canby, Oregon 97013

December 31, 2012

Richard Ayres  
Canby, Oregon 97013

December 31, 2014

Brian Hodson  
Canby, Oregon 97013

December 31, 2014

Greg Parker  
Canby, Oregon 97013

December 31, 2014

City Administrator

Greg Ellis  
Canby, Oregon 97013

Legal Counsel

John Kelly  
Canby, Oregon 97013

## **FINANCIAL SECTION**

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and City Council  
City of Canby, Oregon  
Canby, Oregon

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Canby, Oregon, as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Canby, Oregon's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Canby Utility Board (CUB), a discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for CUB, is based solely on the report of the other auditors.

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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, 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 Canby, Oregon, as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, 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 management's discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Canby, Oregon's financial statements as a whole. The introductory section, other supplementary information, and statistical section, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The other supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



Merina & Company, LLP  
West Linn, Oregon  
December 29, 2011

# Management Discussion & Analysis

## Government-Wide Financial Statements

The government wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business

The **statement of net assets** presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether or not the financial position of the City is improving or deteriorating.

The **statement of activities** presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some times that will only result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to earned but unused vacation.

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The **governmental activities** of the city include seven major funds: general fund, street fund, parks development fund, transit fund, street reserve fund, urban renewal agency general fund, and urban renewal debt service fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for each of these major funds, as defined by GASB Statement No. 34. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in the report.

The **business-type activity** of the City encompasses the sewer treatment plant. The government-wide financial statements are for the City itself. However, included within the business-type activities of the government-wide financial statements are the operations of Canby Utility (CU).

CU is responsible for providing water and electric services to residential and commercial customers within the city limits of Canby. CU is a legally separate entity from the city, governed by a board appointed by the Mayor of the City and confirmed by the majority of the City Council. CU is presented as an enterprise fund type. Complete financial statements may be obtained at CU's administrative office, 154 NW First Avenue, Canby, Oregon 97013. This component unit is not discussed in this MD&A.

The City also has one blended component unit, the Urban Renewal Agency (URA). Blended component units, although legally separate entities are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. The URA is reported as a special

revenue fund. Complete financial statements for the URA for the year ended June 30, 2011 may be obtained at Canby City Hall, 182 North Holly Street, Canby, Oregon 97013.

## **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City can be divided into the following three categories: **Governmental Funds**, **Proprietary Funds**, and **Fiduciary Funds**.

### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in determining what financial resources are available in the near future to finance the City's programs.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

At the end of the fiscal year, the City's governmental funds reported combined ending fund balances of \$10,280,185 (61% unrestricted), an increase in net fund balances of \$1,814,103 (21%). The change is primarily due to the increased fund balance of the urban renewal general fund.

The net change in the General Fund's Fund Balance over the prior year was a decrease of \$246,088 (a 9% decrease over the prior year). This is due to a decrease in assets at June 30, 2011.

Significant changes in the City's other major funds consisted of the following:

- Street Fund – fund balance increased by \$158,524, an increase of 49% over the prior year. The change is due to increased receipts from state gasoline tax and street maintenance fees.
- Parks Development Fund – fund balance increased by \$21,549, an increase of 2% over the prior year. The change is due to a slight increase in Parks SDC revenue, and little capital expenditure.
- Transit Fund – fund balance decreased by \$140,898 because of less grant revenue and increased fleet maintenance costs. Transit tax revenue—which is a payroll tax/self-employment tax-- increased \$52,184 (7%) over the prior year.

- Street Reserve Fund – fund balance decreased \$564,456 over the prior year, a 24% decrease year due to increased spending on capital projects.
- Urban Renewal Agency – General Fund – fund balance increased \$2,635,403 over the prior year due to debt proceeds received but not spent by year end.
- Urban Renewal Debt Service Fund – fund balance decreased \$10,794 (2%). This decrease is primarily due to the net result of an increased transfer to the urban renewal general fund, and decreased debt service payments. The prior year debt service included a one-time large principal payment.

### **Proprietary Funds**

Proprietary Funds are generally used to account for services for which the City charges customers. Proprietary Funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains one type of Proprietary Fund: the Sewer Combined Fund accounts for the operations of the sewer treatment plant, debt service and funds reserved for future sewer improvements. The fund is treated as a major fund of the City

### **Fiduciary Funds**

Fiduciary funds account for resources held for the benefit of parties outside the government. The City reports for an Agency Fund under the heading of fiduciary fund type. This fund accounts for resources received and held by the City for the City's municipal court activities. Disbursements are made in accordance with the determination of distribution by the court.

The City maintains budgetary controls over all funds. The objective of budgetary controls is to ensure compliance with legal provisions contained in the annually appropriated budget. Budgetary comparison schedules for all appropriated funds are provided following the notes to the financial statements.

### **Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### **Required Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information (RSI) concerning the City. The RSI (excluding the MD&A) is presented immediately following the notes to the financial statements.

## Government Wide Financial Statements

### Statement of Net Assets

As noted earlier, net assets may serve as a useful indicator of a government's financial position. For the city, net assets totaled \$110,826,770 as of June 30, 2011. The following table reflects the condensed Government-Wide Statement of Net Assets.

The largest portion of the City's net assets (92%) reflects its investment of \$101,614,210 in capital assets – net of debt (i.e. land, buildings, infrastructure, and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be liquidated to retire the associated debt.

Noncurrent liabilities for governmental activities increased 37% as a result of a loan from the State of Oregon, a 2010 bond and an increase in liability for post employment health care benefits. The business-type activities' (combined sewer fund) noncurrent liabilities decreased 12% as a result of paying down principal on the 2008 bond.

Unrestricted net assets for the City decreased \$5,475,332 (52%) from the prior year. The decrease is due to implementation of Governmental Accounting Standards Board (GASB) statement No. 54, which expanded the definition of restricted fund balances. Unrestricted net assets may be used to meet the government's ongoing obligations to its citizens and creditors.

At the end of the current fiscal year, the City reported no fund deficits for its governmental-activities as a whole, or for its business type activities.

### Net Assets

June 30, 2011 and 2010

	Governmental Activities		Business-Type Activities		Total 2011
	2011	2010	2011	2010	
<b>Assets</b>					
Current Assets	\$ 11,438,872	\$ 9,683,801	\$ 1,974,308	\$ 2,709,172	\$ 13,413,180
Capital Assets	98,878,552	98,716,311	10,362,340	9,250,320	109,240,892
Total Assets	<u>\$ 110,317,424</u>	<u>\$ 108,400,112</u>	<u>\$12,336,648</u>	<u>\$ 11,959,492</u>	<u>\$ 122,654,072</u>
<b>Liabilities</b>					
Current liabilities	\$ 1,594,929	\$ 1,653,684	\$ 306,730	\$ 491,584	\$ 1,901,659
Noncurrent liabilities	8,252,952	6,013,175	1,672,691	1,899,915	9,925,643
Total liabilities	9,847,881	7,666,859	1,979,421	2,391,499	11,827,302
<b>Net Assets</b>					
Capital assets, net of related debt	93,081,870	92,387,365	8,532,340	7,195,320	101,614,210
Restricted	3,969,331	-	250,500	250,500	4,219,831
Unrestricted	3,418,342	8,345,888	1,574,387	2,122,173	4,992,729
Total Net Assets	<u>100,469,543</u>	<u>100,733,253</u>	<u>10,357,227</u>	<u>9,567,993</u>	<u>110,826,770</u>
Total Liabilities and Net Assets	<u>\$ 110,317,424</u>	<u>\$ 108,400,112</u>	<u>\$12,336,648</u>	<u>\$ 11,959,492</u>	<u>\$ 122,654,072</u>

Statement of Activities June 30, 2011 and 2010

	Governmental Activities		Business-Type Activities		Total
	2011	2010	2011	2110	2011
<b>Revenues</b>					
Program revenues					
Charges for services	\$ 2,486,418	\$ 1,669,332	\$ 2,576,118	\$ 2,393,574	\$ 5,062,536
Operating grants and contributions	576,493	682,856	-	-	576,493
Capital grants and contributions	285,355	501,499	-	-	285,355
General Revenues					
Property taxes	5,968,707	5,826,797	-	-	5,968,707
Franchise ,transit, and public service taxes	4,202,924	3,893,434	-	-	4,202,924
Interest and investment income	71,184	80,933	9,295	20,166	80,479
Other revenues	49,858	46,935	3,587	8,646	53,445
<b>Total Revenues</b>	<b>\$13,640,939</b>	<b>\$ 12,701,786</b>	<b>\$2,589,000</b>	<b>\$ 2,422,386</b>	<b>\$ 16,229,939</b>
<b>Program Expenses</b>					
General government	\$ 2,820,495	\$ 2,061,735	\$ -	\$ -	\$ 2,820,495
Public safety	4,168,007	4,081,875	-	-	4,168,007
Highways and streets	3,826,242	4,981,906	-	-	3,826,242
Culture and recreation	1,920,450	1,752,634	-	-	1,920,450
Transportation	1,304,747	1,989,289	-	-	1,304,747
Community development	657,712	757,344	-	-	657,712
Interest on long-term debt	340,041	300,883	-	-	340,041
Sewer operations	-	-	1,517,463	1,606,323	1,517,463
<b>Total expenses</b>	<b>15,037,694</b>	<b>15,925,666</b>	<b>1,517,463</b>	<b>1,606,323</b>	<b>16,555,157</b>
Change in net assets before transfers	(1,396,755)	(3,223,880)	1,071,537	816,063	(325,218)
Transfers in (out)	282,303	358,550	(282,303)	(358,550)	-
Change in net assets	(1,114,452)	(2,865,330)	789,234	457,513	(325,218)
<b>Net assets, beginning of year</b>	<b>100,733,253</b>	<b>103,598,583)</b>	<b>9,567,993</b>	<b>9,110,480</b>	<b>110,301,246</b>
<b>Prior period adjustment</b>	<b>850,742</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>850,742</b>
<b>Net assets, end of year</b>	<b>\$ 100,469,543</b>	<b>\$100,733,253</b>	<b>\$10,357,227</b>	<b>\$ 9,567,933</b>	<b>\$ 110,286,770</b>

### Business-type activities

Business-type activities provided \$789,234 to the sewer combined fund's net assets. At the end of the year total net assets for the sewer combined fund was \$10,357,227. Of that amount, \$1,574,387 is unrestricted. Revenues from operations increased \$166,614 or 7%.

### Governmental activities

Governmental activities decreased the City's net assets by \$1,114,452, a decrease of 1%.

### General Fund budget highlights

Original budgeted appropriations for the general fund were \$8,433,597. Cash carryover from the previous year was \$719,769 less than anticipated. In a supplemental budget, general fund contingency was reduced to cover the carryover shortfall and a \$63,000 increase in administration department personal services expense.

### Capital Assets

As the schedule below displays, infrastructure is the largest component of governmental activities which includes streets, street improvements, sidewalks and curbs. The largest component for business-type activities is the wastewater treatment plant and building that houses the plant. The second largest component for governmental activities is land for buildings, parks and roadways. Within business-type activities, the second largest component is for the sewer lines and associated sewer pumps. Capital assets used in governmental activities increased \$162,241 due to current year additions; and those used in business-type activities increased \$1,112,020, for an increase of \$1,274,261 during the fiscal year. Additional information about the City's capital assets and depreciation can be found in the Notes to the Financial Statements (pages 37-39).

#### Capital Assets at Fiscal Year End Net of Depreciation

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 41,104,286	\$ 40,602,974	\$ 1,086,777	\$ 1,081,277	\$ 42,191,063	\$ 41,684,251
Buildings and improvements	5,169,718	5,015,225	4,748,464	4,901,511	9,918,182	9,916,736
Infrastructure	50,480,974	50,154,192	1,947,477	1,763,820	52,428,451	51,918,012
Vehicles and Equipment	1,473,100	1,632,179	138,609	168,727	1,611,709	1,800,906
Construction in Process	650,474	1,311,741	2,441,013	1,334,985	3,091,487	2,646,726
<b>Total Capital Assets</b>	<b>\$ 98,878,552</b>	<b>\$ 98,716,311</b>	<b>\$ 10,362,340</b>	<b>\$ 9,250,320</b>	<b>\$ 109,240,892</b>	<b>\$ 107,966,631</b>

## Debt Administration

At year-end, the City had \$11,017,616 in debt outstanding compared to \$8,834,784 in the prior year. \$1,406,410 of the debt outstanding at June 30, 2011 is due within one year. Additional information can be found in the Notes to the Financial Statements on pages 41-47.

### Outstanding Debt at Fiscal Year-End

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Bonds	\$ 3,330,831	\$ 1,055,000	\$ 1,866,616	\$ 2,097,040	\$ 5,197,447	\$ 3,152,040
Loans	5,044,592	4,885,158	-	-	5,044,592	4,885,158
Capital leases	312,178	406,902	-	-	312,178	406,902
Compensated absences	416,551	348,805	46,848	41,879	463,399	390,684
Total Debt	<u>\$9,104,152</u>	<u>\$ 6,695,865</u>	<u>\$ 1,913,464</u>	<u>\$ 2,138,919</u>	<u>\$ 11,017,616</u>	<u>\$ 8,834,784</u>

During the fiscal year ended June 30, 2011 the following debt issuances and highlights occurred:

- A \$2.5 million bond was issued for the 1<sup>st</sup> Avenue Redevelopment project.
- A \$417,927 loan was obtained from the State of Oregon to fund construction of Walnut Street. The loan will be repaid by the benefitted property owners who formed a local improvement district.
- Compensated absences increased \$72,715 over the prior year.

Under Oregon Revised Statutes, general obligation debt issues are limited to 3% of the real market value of all taxable property within the City's boundaries. Currently, the City has no general obligation debt that is applicable to this limit. Therefore, the City is well within the limitation.

## Economic Factors and Next Year's Budget

Oregon's seasonally adjusted unemployment rate was 9.1% in November 2011. Prolonged unemployment could eventually have an impact on residents' ability to pay property taxes. It is not possible to accurately predict unemployment levels for the coming year.

The General Fund is the one fund in the city that is the narrowest in its ability to grow in terms of increased revenues (due to property tax limitations) yet it supports a wide range of critical governmental functions such as public safety, municipal court services, parks and community development. Property tax collections increased 2.5% over the prior year.

## **Requests for Information**

This financial report is designed to provide our citizens, customers, creditors with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, please contact the City's Finance Department at 182 North Holly Street, PO Box 930, Canby, Oregon 97013.

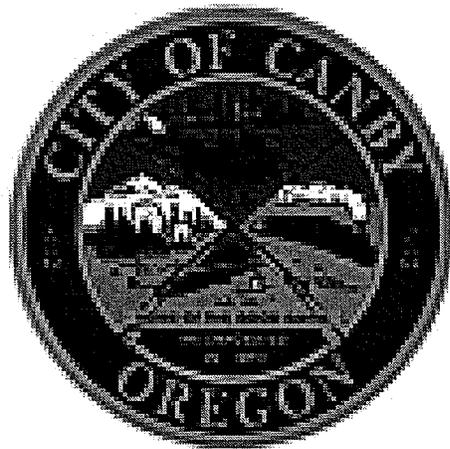
## **BASIC FINANCIAL STATEMENTS**

## BASIC FINANCIAL STATEMENTS

The basic financial statements include interrelated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements
  - Governmental Funds
  - Enterprise Funds
  - Fiduciary Funds

In addition, the notes to the basic financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.



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CITY OF CANBY, OREGON  
STATEMENT OF NET ASSETS  
June 30, 2011

	Governmental Activities	Business-Type Activities	Total	Component Unit Canby Utility Board
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 9,971,592	\$ 1,663,758	\$ 11,635,350	\$ 3,628,259
Due from other governments	35,576	-	35,576	-
Accounts receivable, net	1,048,108	253,191	1,301,299	1,014,433
Property taxes receivable	347,907	-	347,907	-
Deferred bond issue costs	35,689	57,359	93,048	-
Prepays	-	-	-	68,094
Materials and supplies	-	-	-	850,937
Customer deposits-cash and cash equivalents	-	-	-	189,228
<b>Total current assets</b>	<b>11,438,872</b>	<b>1,974,308</b>	<b>13,413,180</b>	<b>5,750,951</b>
Noncurrent assets:				
Restricted cash and investments	-	-	-	7,538,320
Capital assets:				
Nondepreciable	41,754,760	3,527,790	45,282,550	-
Depreciable, net	57,123,792	6,834,550	63,958,342	32,726,896
<b>Total noncurrent assets</b>	<b>98,878,552</b>	<b>10,362,340</b>	<b>109,240,892</b>	<b>40,265,216</b>
<b>Total assets</b>	<b>\$ 110,317,424</b>	<b>\$ 12,336,648</b>	<b>\$ 122,654,072</b>	<b>\$ 46,016,167</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 323,238	\$ 28,985	\$ 352,223	\$ 356,877
Accrued expenses	-	-	-	248,575
Interest payable	137,498	5,528	143,026	-
Customer deposits	-	-	-	170,990
Current portion of long-term debt	1,134,193	272,217	1,406,410	240,000
<b>Total current liabilities</b>	<b>1,594,929</b>	<b>306,730</b>	<b>1,901,659</b>	<b>1,016,442</b>
Noncurrent liabilities:				
Deferred credits	-	-	-	34,384
Post employment health care benefits	282,993	31,444	314,437	-
Noncurrent portion of long-term debt	7,969,959	1,641,247	9,611,206	4,880,000
<b>Total noncurrent liabilities</b>	<b>8,252,952</b>	<b>1,672,691</b>	<b>9,925,643</b>	<b>4,914,384</b>
<b>Total liabilities</b>	<b>9,847,881</b>	<b>1,979,421</b>	<b>11,827,302</b>	<b>5,930,826</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	93,081,870	8,532,340	101,614,210	27,606,896
Restricted for:				
Street projects	358,780	-	358,780	-
Drug enforcement and equipment	10,911	-	10,911	-
911 services	99,647	-	99,647	-
System development	41,512	-	41,512	-
Urban renewal projects	3,001,935	-	3,001,935	-
Urban renewal debt service	456,546	-	456,546	-
Debt service	-	250,500	250,500	-
Unrestricted	3,418,342	1,574,387	4,992,729	12,478,445
<b>Total net assets</b>	<b>100,469,543</b>	<b>10,357,227</b>	<b>110,826,770</b>	<b>40,085,341</b>
<b>Total liabilities and net assets</b>	<b>\$ 110,317,424</b>	<b>\$ 12,336,648</b>	<b>\$ 122,654,072</b>	<b>\$ 46,016,167</b>

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

CITY OF CANBY, OREGON  
 STATEMENT OF ACTIVITIES  
 For the Fiscal Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 2,820,495	\$ 669,801	\$ 35,031	\$ -
Public safety	4,168,007	704,506	9,170	-
Highways and streets	3,826,242	565,788	-	-
Transportation	1,304,747	9,133	330,618	285,355
Culture and recreation	1,920,450	276,095	29,728	-
Community development	657,712	261,095	171,946	-
Interest on long-term debt	340,041	-	-	-
Total governmental activities	15,037,694	2,486,418	576,493	285,355
Business type activities:				
Sewer operations	1,517,463	2,576,118	-	-
Total business type activities	1,517,463	2,576,118	-	-
Total primary government	\$ 16,555,157	\$ 5,062,536	\$ 576,493	\$ 285,355
<b>Component Units:</b>				
Electric system	\$ -	\$ -	\$ -	\$ -
Water system	-	-	-	-
Total component units	\$ -	\$ -	\$ -	\$ -

General revenues:  
 Taxes:  
 Property taxes  
 Franchise  
 Public service taxes  
 Transit tax  
 Interest and investment earnings  
 Other revenues  
 Transfers in (out)

Total general revenues, transfers, and special items

Change in net assets

Net assets - beginning

Prior period adjustment

Net assets - ending

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

Net (Expense) Revenue and Change in Net Asset			
Governmental Activities	Business Type Activities	Total	Component Unit Canby Utility Board
\$ (2,115,663)	\$ -	\$ (2,115,663)	\$ -
(3,454,331)	-	(3,454,331)	-
(3,260,454)	-	(3,260,454)	-
(679,641)	-	(679,641)	-
(1,614,627)	-	(1,614,627)	-
(224,671)	-	(224,671)	-
(340,041)	-	(340,041)	-
(11,689,428)	-	(11,689,428)	-
-	1,058,655	1,058,655	-
-	1,058,655	1,058,655	-
(11,689,428)	1,058,655	(10,630,773)	-
-	-	-	569,710
-	-	-	136,245
-	-	-	705,955
5,968,707	-	5,968,707	-
428,301	-	428,301	-
2,924,817	-	2,924,817	-
849,806	-	849,806	-
71,184	9,295	80,479	58,351
49,858	3,587	53,445	-
282,303	(282,303)	-	-
10,574,976	(269,421)	10,305,555	58,351
(1,114,452)	789,234	(325,218)	764,306
100,733,253	9,567,993	110,301,246	39,321,035
850,742	-	850,742	-
<u>\$ 100,469,543</u>	<u>\$ 10,357,227</u>	<u>\$ 110,826,770</u>	<u>\$ 40,085,341</u>

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

**CITY OF CANBY, OREGON**  
**Major Governmental Funds**

**General Fund - Generally Accepted Accounting Principles**

The General Fund accounts for the financial resources of the City which are not accounted for in any other fund. Principal sources of revenue are property taxes, intergovernmental proceeds from the State of Oregon and Clackamas County, licenses and permits and fines and forfeitures. Primary expenditures are for police protection, maintenance of parks, operation of the library, planning and building, and general administration.

**Street Fund**

The Street Fund accounts for revenues from gas tax apportionments received from the State of Oregon, local gas receipts and street maintenance fee receipts. Primary expenditures are for maintenance of public streets.

**Parks Development Fund**

The Park Development Fund accounts for revenues and expenditures for improvements for new City parks.

**Transit Fund**

The Transit District Fund accounts for revenues from payroll taxes levied on local businesses and expenditures for operations of the transit district.

**Street Reserve Fund**

The Street Reserve Fund accounts for revenues being accumulated for the construction and reconstruction of local streets.

**Urban Renewal Agency - General Fund**

The Urban Renewal District - General Fund accounts for revenues from property taxes and expenditures for construction and reconstruction improvements within the district related to revitalization of property within the district boundaries. This fund accounts for revenues being accumulated for these projects.

**Urban Renewal Debt Service Fund**

The Urban Renewal Agency Debt Service Fund accounts for property tax revenues that are accumulated to pay for debt service for urban renewal projects. Some property tax revenues not required for debt service are transferred to the Urban Renewal General Fund for Agency operation costs, small projects and property acquisition.



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CITY OF CANBY, OREGON  
BALANCE SHEET - GOVERNMENTAL FUNDS  
June 30, 2011

	General Fund - Generally Accepted Accounting Principles	Street Fund	Parks Development Fund	Transit Fund
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,836,608	\$ 341,430	\$ 843,521	\$ -
Due from other governments	22,177	-	-	-
Accounts receivable	159,810	143,902	-	238,219
Property taxes receivable	217,029	-	-	-
Due from other funds	378,880	-	49,152	-
Total assets	<u>\$ 2,614,504</u>	<u>\$ 485,332</u>	<u>\$ 892,673</u>	<u>\$ 238,219</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts payable and other current liabilities	\$ 52,191	\$ 5,251	\$ -	\$ 89,686
Due to other funds	46,925	-	-	378,880
Deferred revenue	198,779	-	-	-
Total liabilities	<u>297,895</u>	<u>5,251</u>	<u>-</u>	<u>468,566</u>
<b>FUND BALANCES:</b>				
Restricted for:				
Street projects	-	358,780	-	-
Drug enforcement and equipment	-	-	-	-
911 services	-	-	-	-
System development	-	-	15,555	-
Urban renewal projects	-	-	-	-
Urban renewal debt service	-	-	-	-
Assigned for:				
Library services and improvement	-	-	-	-
Cemetery care	-	-	-	-
Swim center	-	-	-	-
Capital projects	-	121,301	877,118	-
Capital asset acquisition/maintenance	272,049	-	-	-
Information technology services	328,786	-	-	-
Unassigned	1,715,774	-	-	(230,347)
Total fund balance	<u>2,316,609</u>	<u>480,081</u>	<u>892,673</u>	<u>(230,347)</u>
Total liabilities and fund balance	<u>\$ 2,614,504</u>	<u>\$ 485,332</u>	<u>\$ 892,673</u>	<u>\$ 238,219</u>

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

Street Reserve Fund	Urban Renewal Agency - General Fund	Urban Renewal Debt Service Fund	Other Governmental	Total Governmental
\$ 1,814,214	\$ 3,129,180	\$ 435,848	\$ 1,570,791	\$ 9,971,592
-	-	10,731	2,668	35,576
-	7	482,488	23,682	1,048,108
-	-	104,737	26,141	347,907
-	-	-	46,925	474,957
<u>\$ 1,814,214</u>	<u>\$ 3,129,187</u>	<u>\$ 1,033,804</u>	<u>\$ 1,670,207</u>	<u>\$ 11,878,140</u>
\$ 13,539	\$ 127,252	\$ -	\$ 35,319	\$ 323,238
-	-	-	49,152	474,957
-	-	577,258	23,723	799,760
<u>13,539</u>	<u>127,252</u>	<u>577,258</u>	<u>108,194</u>	<u>1,597,955</u>
-	-	-	-	358,780
-	-	-	10,911	10,911
-	-	-	99,647	99,647
25,957	-	-	-	41,512
-	3,001,935	-	-	3,001,935
-	-	456,546	-	456,546
-	-	-	425,136	425,136
-	-	-	792,547	792,547
-	-	-	179,952	179,952
1,774,718	-	-	53,820	2,826,957
-	-	-	-	272,049
-	-	-	-	328,786
-	-	-	-	1,485,427
<u>1,800,675</u>	<u>3,001,935</u>	<u>456,546</u>	<u>1,562,013</u>	<u>10,280,185</u>
<u>\$ 1,814,214</u>	<u>\$ 3,129,187</u>	<u>\$ 1,033,804</u>	<u>\$ 1,670,207</u>	

Amounts reported 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 the funds. 98,878,552

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

Deferred revenue	799,760	
Bond cost	<u>35,689</u>	835,449

Post employment benefits not payable in the current period and therefore are not (282,993)  
Long-term liabilities, including bonds payable and interest payable of \$140,756 (9,241,650)

Net assets \$ 100,469,543

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

**CITY OF CANBY, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2011**

	General Fund - Generally Accepted Accounting Principles	Street Fund	Parks Development Fund	Transit Fund
<b>REVENUES:</b>				
Intergovernmental	\$ 1,028,515	\$ 1,055,556	\$ -	\$ -
Charges for services	277,853	530,570	-	-
Property taxes	3,679,102	-	-	-
Franchise	428,301	-	-	-
License fees permits	245,243	-	-	-
Fines and forfeitures	505,002	-	-	-
Special assessments	-	-	-	-
Grants & donations	12,870	-	-	747,867
Interest	12,190	2,305	3,942	6,708
Miscellaneous	17,870	2,995	800	4,180
System development charges	-	-	15,555	-
Excise tax	-	10,685	-	-
Transit tax	-	-	-	849,806
<b>Total revenues</b>	<b>6,206,946</b>	<b>1,602,111</b>	<b>20,297</b>	<b>1,608,561</b>
<b>EXPENDITURES:</b>				
Current:				
General government	2,403,919	-	-	-
Public safety	3,786,360	-	-	-
Highways and streets	-	528,822	-	-
Transportation	-	-	-	1,126,670
Culture and recreation	461,421	-	-	-
Community development	547,949	-	-	-
Capital outlay	237,593	-	1,575	132,479
Debt service:				
Principal	108,798	-	-	89,475
Interest	12,436	-	-	10,113
<b>Total expenditures</b>	<b>7,558,476</b>	<b>528,822</b>	<b>1,575</b>	<b>1,358,737</b>
Revenues over (under) expenditures	(1,351,530)	1,073,289	18,722	249,824
<b>OTHER FINANCING SOURCES (USES):</b>				
Debt proceeds	103,510	-	-	-
Transfers in	1,876,404	-	3,427	50,000
Transfers out	(874,472)	(914,765)	(600)	(440,722)
<b>Total other financing sources (uses)</b>	<b>1,105,442</b>	<b>(914,765)</b>	<b>2,827</b>	<b>(390,722)</b>
Net changes in fund balances	(246,088)	158,524	21,549	(140,898)
<b>FUND BALANCES, BEGINNING</b>	<b>2,562,697</b>	<b>321,557</b>	<b>871,124</b>	<b>(89,449)</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 2,316,609</b>	<b>\$ 480,081</b>	<b>\$ 892,673</b>	<b>\$ (230,347)</b>

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

<u>Street Reserve Fund</u>	<u>Urban Renewal Agency - General Fund</u>	<u>Urban Renewal Debt Service Fund</u>	<u>Other Governmental</u>	<u>Total Governmental</u>
\$ -	\$ -	\$ -	\$ 752,744	\$ 2,836,815
-	300	-	207,177	1,015,900
-	-	1,870,093	436,672	5,985,867
-	-	-	-	428,301
-	-	-	23,948	269,191
-	-	-	-	505,002
-	-	255,984	9,261	265,245
-	171,946	31,256	29,803	993,742
7,131	10,085	20,146	8,677	71,184
-	-	-	24,013	49,858
25,957	-	-	-	41,512
-	-	-	77,317	88,002
-	-	-	-	849,806
<u>33,088</u>	<u>182,331</u>	<u>2,177,479</u>	<u>1,569,612</u>	<u>13,400,425</u>
-	334,718	-	12,653	2,751,290
-	-	-	145,077	3,931,437
-	-	-	-	528,822
-	-	-	-	1,126,670
-	-	-	1,266,292	1,727,713
-	-	-	-	547,949
1,307,276	1,488,379	-	60,398	3,227,700
-	-	386,840	50,700	635,813
-	-	301,433	19,317	343,299
<u>1,307,276</u>	<u>1,823,097</u>	<u>688,273</u>	<u>1,554,437</u>	<u>14,820,693</u>
(1,274,188)	(1,640,766)	1,489,206	15,175	(1,420,268)
-	2,848,558	-	-	2,952,068
710,332	1,500,000	-	265,183	4,405,346
(600)	(72,389)	(1,500,000)	(319,495)	(4,123,043)
<u>709,732</u>	<u>4,276,169</u>	<u>(1,500,000)</u>	<u>(54,312)</u>	<u>3,234,371</u>
(564,456)	2,635,403	(10,794)	(39,137)	1,814,103
<u>2,365,131</u>	<u>366,532</u>	<u>467,340</u>	<u>1,601,150</u>	<u>8,466,082</u>
<u>\$ 1,800,675</u>	<u>\$ 3,001,935</u>	<u>\$ 456,546</u>	<u>\$ 1,562,013</u>	<u>\$ 10,280,185</u>

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

**CITY OF CANBY, OREGON  
GOVERNMENTAL FUNDS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2011**

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Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds		\$	1,814,103
<p>The statement of revenues, expenditures, and changes in fund balances report capital outlays 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 depreciation exceeded capital outlay in the current period.</p>			
Current year depreciation	(3,912,117)		
Capital asset	<u>3,223,616</u>		(688,501)
<p>Some revenue reported in the statement of activities do not provide current financial resources in the governmental funds.</p>			
			240,514
<p>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.</p>			
Accrued interest expense	3,258		
Net OPEB obligations	(95,562)		
Amortization of bond issue cost	<u>20,023</u>		(72,281)
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This is the amount by which payments exceeded proceeds.</p>			
Debt service principal payments	569,020		
Capital lease proceeds	<u>(2,977,307)</u>		(2,408,287)
Change in net assets of governmental activities		\$	<u>(1,114,452)</u>

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

## **FUND FINANCIAL STATEMENTS**

### **Proprietary Funds**

This fund is used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is those costs of providing the services to the general public on a continuing basis be financed primarily through user charges.

#### **Sewer Operations Department**

The Sewer Combined Fund accounts for the City's sewer operations.

#### **Sewer Collections Department**

The Sewer Collection Department accounts for revenues and expenses for operation of the sewer and storm water collection systems.

#### **Sewer Construction Reserve Department**

The Sewer Construction Reserve Department accounts for revenues accumulated for future expansion, renewal, and replacement of the sewer system.

#### **Sewer Debt Service Department**

The Sewer Debt Service Department accounts for long-term bond debt payments on sewer bonds.

**CITY OF CANBY, OREGON  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 June 30, 2011**

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Business-Type Activities - Enterprise Funds

	<u>Total Sewer Operations</u>
<b>ASSETS</b>	
<b>Current Assets:</b>	
Cash and cash equivalents	\$ 1,663,758
Accounts receivables, net	253,191
Deferred bond issue cost	<u>57,359</u>
Total current assets	<u>1,974,308</u>
<b>Noncurrent Assets:</b>	
Capital assets, net	<u>10,362,340</u>
Total assets	<u>\$ 12,336,648</u>
<b>LIABILITIES AND NET ASSETS</b>	
<b>LIABILITIES:</b>	
<b>Current Liabilities:</b>	
Accounts payable	\$ 28,985
Accrued Interest	5,528
Long-term debt-within one year	<u>272,217</u>
Total current liabilities	306,730
<b>Noncurrent Liabilities:</b>	
Long-term debt-past one year	1,641,247
OPEB liability	<u>31,444</u>
Total liabilities	<u>1,979,421</u>
<b>NET ASSETS:</b>	
Invested in capital assets, net of related debt	8,532,340
Restricted for:	
Debt Service	250,500
Unrestricted	<u>1,574,387</u>
Total net assets	<u>10,357,227</u>
Total liabilities and net assets	<u>\$ 12,336,648</u>

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

**CITY OF CANBY, OREGON  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN FUND NET ASSETS  
 For the Fiscal Year Ended June 30, 2011**

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Business-Type Activities - Enterprise Funds

	<u>Total Sewer Operations</u>
<b>OPERATING REVENUES:</b>	
Charges for services	\$ 2,550,765
Miscellaneous	3,587
System development charges	<u>25,353</u>
Total operating revenues	<u>2,579,705</u>
<b>OPERATING EXPENSES:</b>	
Cost of sales and services	1,188,086
Depreciation and amortization	249,640
Net OPEB obligation	<u>7,865</u>
Total operating expenses	<u>1,445,591</u>
Operating income (loss)	1,134,114
<b>NON-OPERATING INCOME (EXPENSE):</b>	
Interest income	9,295
Interest expense	<u>(71,872)</u>
Total non-operating income (expenses)	<u>(62,577)</u>
Net income (loss) before operating transfers	1,071,537
<b>TRANSFERS:</b>	
Transfers in (out)	<u>(282,303)</u>
Change in net assets	789,234
<b>NET ASSETS, BEGINNING</b>	<u>9,567,993</u>
<b>NET ASSETS, ENDING</b>	<u>\$ 10,357,227</u>

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

**CITY OF CANBY, OREGON  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 For the Fiscal Year Ended June 30, 2011**

Business-Type Activities - Enterprise Funds

	<u>Total Sewer Operations</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash received from customers	\$ 2,563,627
Cash paid to employees and others for salaries and benefits	(711,882)
Cash paid to suppliers and others	<u>(665,043)</u>
Net cash provided by operating activities	<u>1,186,702</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>	
Transfers in (out)	<u>(282,303)</u>
Net cash provided by non-capital financing activities	<u>(282,303)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchase of capital assets	(1,358,156)
Payment of principal debt	(225,000)
Payment of interest on debt	<u>(72,552)</u>
Net cash provided by capital and related financing activities	<u>(1,655,708)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest received	<u>9,295</u>
Net cash provided by investing activities	<u>9,295</u>
Net increase in cash and cash equivalents	(742,014)
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u>2,405,772</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u>\$ 1,663,758</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>	
Operating Income	\$ 1,134,114
Adjustments:	
Depreciation	246,136
Amortization	3,504
Decrease (increase) in:	
Accounts receivable	(16,078)
Increase (decrease) in:	
Accounts payable and accrued expenses	(156,232)
Accrued payroll	(37,576)
Accrued compensated absences	4,969
OPEB obligation	<u>7,865</u>
Net cash provided by operating activities	<u>\$ 1,186,702</u>

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

## **FUND FINANCIAL STATEMENTS**

### **Fiduciary Funds**

These funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency Funds are custodial in nature and do not involve measurement of results.

#### **Agency Fund**

##### **Municipal Court Fund**

This fund accounts for resources received and held by the City in a fiduciary capacity. Disbursements are made in accordance with the determination of distribution by the court.

CITY OF CANBY, OREGON  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET ASSETS  
June 30, 2011

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	<u>Municipal Court Fund</u>
<b><u>ASSETS:</u></b>	
Cash and cash equivalents	\$ 3,271
Total assets	<u>\$ 3,271</u>
<b><u>LIABILITIES:</u></b>	
Accounts payable and other current liabilities	\$ 3,271
Total liabilities	<u>3,271</u>
Total liabilities	<u>\$ 3,271</u>

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

**CITY OF CANBY, OREGON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2011**

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**I. Summary of Significant Accounting Policies**

**A. Description of Reporting Entity**

The City of Canby, Oregon is located in Clackamas County 21 miles south of Portland, Oregon and 35 miles north of Salem, Oregon. The City was incorporated as a municipal corporation in 1893 and operates under a council-administrator form of government. The City Council consists of a mayor elected for a two-year term, and six members each elected to four-year terms. The City Council appoints the City Administrator, who is responsible for the day-to-day management of the City.

The accompanying financial statements present the City and its component units, entities for which the City is considered financially responsible. The City is a primary government. A primary government is a financial reporting entity, which has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As required by GAAP, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statement to emphasize it is legally separate from the government.

**Blended Component Unit**

The City has one blended component units, the Urban Renewal Agency (the Agency). The Agency was formed to plan, direct, and manage certain projects within the City. Pursuant to ORS 457.055, the City Council has been appointed governing body of the Agency, which is the same governing board as the primary government. The Urban Renewal District General Fund and Urban Renewal Debt Service Fund are reported as governmental fund types. Complete financial statements for the Urban Renewal Agency for the year ended June 30, 2011 may be obtained at Canby City Hall, located at 182 N. Holly Street, Canby, Oregon 97013.

**Discretely Presented Component Unit**

The Canby Utility Board (CUB) is responsible for providing Water and Electricity services to residential and commercial customers within the city limits of Canby. The CUB is a legally separate entity from the City, which is currently governed by a board appointed by the members of the City Council. A financial benefit exists as the City is legally entitled to the capital assets of the CUB. Therefore, under the criteria set by the Governmental Accounting Standards Board, the CUB is considered a component unit of the City. The CUB is presented as an enterprise fund type. Complete financial statements for the CUB for the year ended June 30, 2011 may be obtained at the CUB's administrative office located at 154 N.W. First Avenue, Canby, Oregon 97013.

**B. 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. Separate fund financial statements are provided for governmental

**CITY OF CANBY, OREGON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2011**

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funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Government-wide financial statements

Government-wide financial statements display information about the reporting government as a whole. These statements focus on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Assets and the Statement of Activities. Eliminations have been made to minimize the double-counting of internal activities.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated and therefore clearly identifiable with a program or function. Indirect expense allocations that have been made in the funds have been eliminated in the Statement of Activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements

These 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, proprietary or fiduciary. Major individual governmental funds are reported as separate columns in the fund financial statements. Non-major 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 supplemental information.

**C. Basis of Presentation**

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The City reports the following major governmental funds:

- **General Fund – Generally Accepted Accounting Principles**  
This is the City's primary operating fund. It accounts for the financial resources of the City that are not accounted for in any other fund. Principal sources of revenue are property taxes, intergovernmental proceeds from the State of Oregon and Clackamas County, licenses and permits, and fines and forfeitures. Primary expenditures are for general administration, public safety, and culture and recreation.
- **Street Fund**  
This fund accounts for revenues from gas tax apportionments received from the State of Oregon and expenditures for maintenance of public streets.
- **Parks Development Fund**  
This fund accounts for revenues and expenditures for improvements of City parks.

**CITY OF CANBY, OREGON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2011**

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- **Transit Fund**  
This fund accounts for payroll taxes collected from the local business community as well as grants received and used to fund the City's mass transit program.
- **Street Reserve Fund**  
This fund accounts for revenues being accumulated for the construction and reconstruction of local streets.
- **Urban Renewal Agency - General Fund**  
This fund accounts for revenues from property taxes and expenditures for construction and reconstruction improvements within the district related to revitalization of property within the district boundaries. This fund accounts for revenues being accumulated for these projects.
- **Urban Renewal - Debt Service Fund**  
This fund is used to account for the payment of principal and interest on State of Oregon Economic Development Loans and capital leases. The primary sources of funds are property taxes.

Additionally the City reports non-major funds within the governmental fund type.

- **Special Revenue Funds**  
These funds are used to account for proceeds of specific revenue sources that are earmarked for specific purposes including construction and maintenance of streets, 911 emergency services, motor pool, and asset acquisition and replacement. Principal resources include property taxes, intergovernmental revenues, and charges of services.
- **Capital Projects Funds**  
Capital projects funds are used to account for major capital outlay expenditures relating to the construction of City facilities and infrastructure. Principal resources include special assessments and operating transfers from other funds.

The City reports the following major proprietary fund:

- **Sewer Combined Fund**  
The fund accounts for business type activities of the City that receive a significant portion of funding through user charges with the intent to fully recover the cost of service. The fund accounts for the day-to-day operation of the City's sanitary sewer collection and treatment processes.

The City reports the following fiduciary fund:

- **Agency Fund**  
The City reports for an Agency Fund under the heading of fiduciary fund type. This fund accounts for resources received and held by the City in a fiduciary capacity for the City's municipal court activities. Disbursements are made in accordance with the determination of distribution by the court.

#### **D. Measurement Focus and Basis of Accounting**

Measurement focus is a term used to describe which transactions are recorded with the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus.

**CITY OF CANBY, OREGON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2011**

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The government-wide financial statements and the Proprietary Funds Financial Statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*. Agency funds do not have a measurement focus. An economic resource focus concentrations on an entity or fund's net assets. All transactions and events that affect the total economic resources (net assets) during the period are reported. An economic resources measurement focus is inextricably connected with full accrual accounting. Under the full accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. This measurement focus concentrates on the fund's resources available for spending currently or in the near future. Only transactions and events affecting the fund's current financial resources during the period are reported. Similar to the connection between an economic resource measurement focus and full accrual accounting, a current financial resource measurement focus is inseparable from a modified accrual basis of accounting. Under modified accrual accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, long-term compensated absences are recorded only when payment is due or vested.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

A deferred revenue liability arises in the Governmental Funds Balance Sheet when potential revenue does not meet both the measurable and available criteria for recognition in the current period. This unavailable deferred revenue consists primarily of uncollected property taxes and assessments not deemed available to financial operation of the current period. In the government-wide Statement of Activities, with a full accrual basis of accounting, revenue must be recognized as soon as it is earned regardless of its availability. Thus, the liability created on the Governmental Fund Balance Sheet for unavailable deferred revenue is eliminated. Note that deferred revenues also arise outside the scope of measurement focus and basis of accounting, such as when the City receives resources before it has a legal claim to them. For instance, when grant monies are received prior to the incurrence of qualifying expenditures. Similar to the way revenues are recorded, governmental funds only record those expenditures that affect current financial resources. Principal and interest on general long-term debt are recorded as fund liabilities only when due, or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Vested compensated absences are recorded as expenditures only to the extent that they are expended to be liquidated with

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expendable financial resources. In the government-wide financial statements, however, with a full accrual basis of accounting, all expenditures affecting the economic resource status of the government must be recognized. Thus, the expense and related accrued liability for long term portions of debt and compensated absences must be included.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is necessary to explain the adjustments needed to transform the fund based financial statements into the governmental column of the government-wide presentation. This reconciliation is part of the financial statements.

Amounts reported as program revenues include 1) 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. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services, and producing and delivering goods in connection with a proprietary fund's principle ongoing operations. The principle operating revenues of the City's Sewer Operations are charges to customers for sales and services. These funds also recognize fees intended to recover the cost of connecting new customers to the City's utility systems as operating revenue. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and overheads, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The proprietary financial statements have incorporated all applicable Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. No FASB statements and interpretations issued after November 30, 1989 have been applied.

**E. Assets, Liabilities and Equity**

**Cash and Cash Equivalents**

The cash and cash equivalents reported on the balance sheet include cash on hand, deposits with financial institutions, and the investment in the Local Government Investment Pool. Investments are reported at fair value.

**Restricted Assets**

Assets whose use is restricted for construction, debt service, by other agreement or to specific purposes by state statute are segregated on the Government-wide Statement of Net Assets and the Proprietary Fund Statement of Net Assets.

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**Receivables and Payables**

Activity between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e. the current portion of interfund loans) or “advances to/from other funds” (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Recorded property taxes receivable that are collected within sixty days after year-end are considered measurable and available and, therefore, are recognized as revenue. The remaining balance is recorded as deferred revenue because it is not deemed available to finance operations of the current period. An allowance for doubtful accounts is not deemed necessary, as uncollectible taxes become a lien on the property. Property taxes are levied and become a lien on July 1. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 15 are considered delinquent.

Assessment liens receivable in the Local Improvement District Fund are recognized at the time property owners are assessed for property improvements, and under full accrual accounting those assessments are recognized in the government-wide financial statements as revenue when assessed. Assessment liens receivable are offset by deferred revenue in the fund financial statements and, accordingly, have not been recognized as revenue in those statements.

Receivables of the enterprise funds are recognized as revenue when earned, including service provided but not yet billed. Receivables in governmental and enterprise funds are stated net of any allowance for uncollectible amounts.

**Capital Assets and Depreciation**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, quarries etc.), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are charged to expenditures as purchased in the governmental fund statements, and capitalized in the proprietary fund statements. Capital assets are recorded at historical cost, or estimated historical cost if actual cost is not available. Donated fixed assets are recorded at their estimated fair market value at the time received.

Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more, and having useful lives extending beyond a single reporting period. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

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Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Assets, and is provided on the straight-line basis over the following estimated useful lives:

<u>ASSET</u>	<u>YEARS</u>
Buildings and improvements	20 - 50
Infrastructure	20 - 40
Vehicles and equipment	3 - 30
Utility plant	33 - 50

Depreciation is taken in the year the assets are acquired or retired.

**Compensated Absences**

Accumulated vested vacation pay is accrued as it is earned. For governmental funds, the non-current portion (the amount estimated to be used in subsequent fiscal years) is maintained separately and represents a reconciling item between the fund-level and government-wide presentations. The compensated absences are only reported in the entity wide governmental financial statement, and is calculated based on historical trends. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as “terminal leave” prior to retirement. Accumulated vested vacation pay is reported in governmental funds only if they matured.

The General Fund is used to liquidate the liability for compensated absences.

**Long-Term Debt**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Assets. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are treated as period costs in the year of issue and are shown as other financial uses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs. The face amount of debt issued is reported as other financial sources while discounts on debt proceeds received are reported as debt service expenditures. Issuance costs, whether or note withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Net Assets**

In the government-wide financial statements and proprietary funds financial statements, net assets are reported in three categories: net assets invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. Net assets invested in capital assets, net of related debt represents capital assets less accumulated depreciation less outstanding principal of related debt. Net assets invested in capital assets, net of related debt does not include the unspent proceeds of capital debt. Restricted net assets represent net assets restricted by parties outside of the City (such as creditors, grantors, contributors, laws, and regulations of other governments)

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and include unspent proceeds of bonds issued to acquire or construct capital assets. The nonexpendable portion of permanent funds is reported as a component of restricted net assets. The City's other restricted net assets are temporarily restricted (ultimately expendable) assets. All other net assets are considered unrestricted.

**Fund Equity**

In the fund financial statements, 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 purpose for which amounts in the funds can be spent. Fund balance is reported in five components – non-spendable, restricted, committed, assigned and unassigned.

*Non-Spendable* – Includes items not immediately converted to cash, such as prepaid items and inventory.

*Restricted* – Includes items that are restricted by external creditors, grantors or contributors, or restricted by legal constitutional provisions.

*Committed* – Includes items committed by the City Council, by formal council action. Commitments of fund balance must be made prior to the end of the fiscal year.

*Assigned* – Includes items assigned for specific uses, authorized by the City. Assignments of fund balance can be done at any time, including after the fiscal year end date. In accordance with the City's fund balance policy, amounts may be assigned by the City administrator.

*Unassigned* – This is the residual classification used for those balances not assigned to another category.

**Use of Restricted Resources**

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use it is the City's policy to use committed resources first, then assigned, and then unassigned as they are needed.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires that management make estimates and assumptions which affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimated.

**II. Stewardship, Compliance, and Accountability**

**A. Budgetary Information**

On or before June 30 of each year, the City enacts a resolution approving the budget, appropriating the expenditures, and levying the property taxes. Prior to enacting this resolution,

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the proposed budget is presented to a budget committee consisting of members of the City Council and a like number of interested citizens. The budget committee presents the budget to the City Council for budget hearings prior to enactment of the resolution. The City budgets all funds, except the Fiduciary Funds, as required by Oregon Local Budget Law. The basis of budgeting for all major funds is the same as GAAP.

The resolution authorizing appropriations for each fund sets the legal level of control by which expenditures cannot legally exceed appropriations. Total expenditures by department as established by the resolution are the legal level of control for the General Fund. Expenditure categories of personal services, materials and services, capital outlay, debt service transfers, and contingency are the legal level of control for all other funds. The detail budget document, however, is required to contain more specific information for the above mentioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers, and adoption by the City Council. Management may modify original and supplemental budgets by the use of appropriation transfers between the legal levels of control within a fund. Such transfers require approval by the City Council. The city had two supplemental budgets and appropriation transfers during the year-ended June 30, 2011. Appropriations lapse as of year-end.

**B. Deficit Fund Equity**

The Transit Fund had deficit equity of \$230,347 as of June 30, 2011. The deficit is due to a timing difference between capital expenditures made in 2010-11 and their reimbursement with expected grant revenue that was not received until more than 60 day after year end.

**III. Cash and Cash Equivalents**

At June 30, 2011 investments included in cash and cash equivalents consist of the following:

City:

	<u>Weighted Average Maturity</u>	<u>Fair Value</u>
Investments in the State Treasurer's Local Government Investment Pool	0.00	\$ 11,085,304
Total	<u>0.00</u>	<u>\$ 11,085,304</u>

CUB:

	<u>Weighted Average Maturity</u>	<u>Fair Value</u>
Investments in the State Treasurer's Local Government Investment Pool	0.00	\$ 10,168,209
Total	<u>0.00</u>	<u>\$ 10,168,209</u>

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**A. Interest rate risk**

City of Canby does not have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**B. Credit risk**

State statutes authorize the City of Canby to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, and the State Treasurer's Oregon Local Government Investment Pool, among others. The City has no investment policy that would further limit its investment choices. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations, but is not regulated by other laws, organizations or regulations. The reported value of the Pool is the same as the fair value of Pool shares. Investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). The Pool is not registered with the SEC as an investment company, nor is the pool rated.

**C. Concentration of credit risk**

The City of Canby does not currently have an investment policy for concentration of credit risk.

**D. Custodial credit risk – deposits**

This is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City's deposits with financial institutions up to \$250,000 for the combined total of all savings deposits and unlimited coverage for non-interest bearing transaction accounts. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are considered fully collateralized. As of June 30, 2011, none of the City's bank balances were exposed to credit risk.

**E. Custodial credit risk – investments**

For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

**IV. Receivables**

An allowance for doubtful accounts is not deemed necessary for the City's property taxes receivable as uncollectible because a lien is placed on the property. The City's allowance for doubtful accounts for its business-type activities and street maintenance fees at June 30, 2011 was \$125,236.

The CUB's accounts receivable primarily represent user charges for electric and water service, which are recognized as earned. As the Utility discontinues electric and in some circumstances water service on delinquent accounts until payment is received, substantially all accounts are collectible. As of June 30, 2011 an allowance for uncollectible receivables has been provided for the Electric and Water Systems of \$6,154.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds

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also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue included delinquent property taxes receivable and special assessments not yet due.

**V. Capital Assets**

Capital asset activity for the year ended June 30, 2011 was as follows:

<u>Primary Government:</u>	<u>June 30, 2010</u>	<u>Prior Period</u>	<u>Beginning</u>	<u>Additions</u>	<u>Transfers and</u>	<u>Deletions</u>	<u>Ending</u>
		<u>Adjustment</u>	<u>Balance</u>		<u>Reclassifications</u>		<u>Balance</u>
<b><i>Capital assets, not being depreciated:</i></b>							
Land	\$ 40,597,474	\$ (93,636)	\$ 40,503,838	\$ 600,448	\$ -	\$ -	\$ 41,104,286
Intangibles	5,500	(5,500)	-	-	-	-	-
Construction in progress	1,311,741	(25,145)	1,286,596	1,452,386	-	(2,088,508)	650,474
Total capital assets, not being depreciated	41,914,715	(124,281)	41,790,434	2,052,834	-	(2,088,508)	41,754,760
<b><i>Capital assets, being depreciated:</i></b>							
Buildings & improvements	7,544,438	-	7,544,438	423,232	(94,476)	-	7,873,194
Motor vehicles and equipment	4,195,072	-	4,195,072	220,024	94,476	-	4,509,572
Infrastructure	118,697,091	531,580	119,228,671	2,616,034	-	-	121,844,705
Total capital assets, being depreciated	130,436,601	531,580	130,968,181	3,259,290	-	-	134,227,471
<b><i>Less accumulated depreciation for:</i></b>							
Buildings & Improvements	(2,529,213)	-	(2,529,213)	(255,891)	81,628	-	(2,703,476)
Motor vehicles and equipment	(2,562,893)	-	(2,562,893)	(391,951)	(81,628)	-	(3,036,472)
Infrastructure	(68,542,899)	443,443	(68,099,456)	(3,264,275)	-	-	(71,363,731)
Total accumulated depreciation	(73,635,005)	443,443	(73,191,562)	(3,912,117)	-	-	(77,103,679)
Total capital assets, being depreciated, net	56,801,596	975,023	57,776,619	(652,827)	-	-	57,123,792
Governmental activities capital assets, net	\$ 98,716,311	\$ 850,742	\$ 99,567,053	\$ 1,400,007	\$ -	\$ (2,088,508)	\$ 98,878,552

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Business-type Activities:	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
<b><i>Capital assets, not being depreciated:</i></b>					
Land	\$ 1,081,277	\$ -	\$ -	\$ -	\$ 1,081,277
Intangibles	-	5,500	-	-	5,500
Construction in progress	1,334,985	1,346,551	-	(240,523)	2,441,013
Total capital assets, not being depreciated	<u>2,416,262</u>	<u>1,352,051</u>	<u>-</u>	<u>(240,523)</u>	<u>3,527,790</u>
<b><i>Capital assets, being depreciated:</i></b>					
Buildings and improvements	7,108,216	-	-	-	7,108,216
Vehicles	306,929	-	(18,139)	-	288,790
Utility plant	3,587,995	246,628	18,139	-	3,852,762
Total capital assets, being depreciated	<u>11,003,140</u>	<u>246,628</u>	<u>-</u>	<u>-</u>	<u>11,249,768</u>
<b><i>Less accumulated depreciation for:</i></b>					
Buildings and improvements	(2,206,705)	(153,047)	-	-	(2,359,752)
Vehicles	(138,202)	(14,772)	2,793	-	(150,181)
Utility plant	(1,824,175)	(78,317)	(2,793)	-	(1,905,285)
Total accumulated depreciation	<u>(4,169,082)</u>	<u>(246,136)</u>	<u>-</u>	<u>-</u>	<u>(4,415,218)</u>
Total capital assets, being depreciated, net	<u>6,834,058</u>	<u>492</u>	<u>-</u>	<u>-</u>	<u>6,834,550</u>
Business-type activities capital assets, net	<u>\$ 9,250,320</u>	<u>\$ 1,352,543</u>	<u>\$ -</u>	<u>\$ (240,523)</u>	<u>\$ 10,362,340</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 56,678
Public safety	163,653
Highways and streets	3,264,275
Transportation	165,240
Culture and recreation	176,814
Economic development	85,457
Total depreciation expense - governmental activities	<u>\$ 3,912,117</u>

Depreciation expense for business-type activities is charged to functions as follows:

Business-type activities:	
Sewer	\$ 246,136
Total depreciation expense - business-type activities	<u>\$ 246,136</u>

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**Discretely presented component unit**

Activity for the CUB for the year ended June 30, 2011 was as follows:

CUB:	Beginning Balance	Additions	Deletions	Ending Balance
<b><i>Capital assets, not being depreciated:</i></b>				
Land	\$ 1,340,579	\$ -	\$ -	\$ 1,340,579
Property held for future use	3,633	-	-	3,633
Construction in progress	1,943,617	2,329,933	(3,917,723)	355,827
Total capital assets, not being depreciated	3,287,829	2,329,933	(3,917,723)	1,700,039
<b><i>Capital assets, being depreciated:</i></b>				
Plant	39,961,876	3,485,064	(187,816)	43,259,124
Equipment	1,872,529	345,824	(17,800)	2,200,553
Office furniture and equipment	1,015,693	37,476	-	1,053,169
Total capital assets, being depreciated	42,850,098	3,868,364	(205,616)	46,512,846
<b><i>Less accumulated depreciation for:</i></b>				
Plant	(12,809,101)	(1,034,386)	218,143	(13,625,344)
Equipment	(1,158,237)	(51,230)	20,878	(1,188,589)
Office furniture and equipment	(644,501)	(27,555)	-	(672,056)
Total accumulated depreciation	(14,611,839)	(1,113,171)	239,021	(15,485,989)
Total capital assets, being depreciated, net	28,238,259	2,755,193	33,405	31,026,857
Business-type activities capital assets, net	\$ 31,526,088	\$ 5,085,126	\$ (3,884,318)	\$ 32,726,896

Depreciation expense for CUB activities is charged to functions as follows:

CUB activities:	
Electric	\$ 572,958
Water	540,213
Total depreciation expense – CUB activities	\$ 1,113,171

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**VI. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2011, was as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Purpose</u>	<u>Amount</u>
Cemetery Perpetual Care Fund	General Fund	Mausoleum two	\$ 46,925
General Fund	Transit Fund	Operations	378,880
Parks Development Fund	Capital Reserve Fund	Logging Road Bridge	49,152
<b>Total</b>			<b><u>\$ 474,957</u></b>

Interfund Transfers:

	<u>Transfer In</u>	<u>Transfer Out</u>
<b>Major Governmental Funds:</b>		
General Fund – GAAP Basis	\$ 1,876,404	\$ 874,472
Street Fund	-	914,765
Parks Development Fund	3,427	600
Transit Fund	50,000	440,722
Street Reserve Fund	710,332	600
Urban Renewal District – General Fund	1,500,000	72,389
Urban Renewal Debt Service Fund	-	1,500,000
<b>Total Major Governmental Funds</b>	<b><u>4,140,163</u></b>	<b><u>3,803,548</u></b>
<b>Non-major Funds:</b>		
Library Fund	200,000	177,680
Library Endowment Fund	-	600
Local Improvement District Fund	-	21,395
911 Emergency Fund	50,000	600
Cemetery Perpetual Care Fund	2,783	600
Swim Center Local Option Tax Levy Fund	-	49,931
Capital Reserve Fund	12,400	4,027
Log Road Industrial Park Fund	-	64,062
Forfeiture Fund	-	600
<b>Total Non-major Governmental Funds</b>	<b><u>265,183</u></b>	<b><u>319,495</u></b>
<b>Proprietary Funds:</b>		
Sewer Combined Fund	<u>8,624</u>	<u>290,927</u>
<b>Total Proprietary Funds</b>	<b><u>8,624</u></b>	<b><u>290,927</u></b>
<b>Total All Funds</b>	<b><u>\$ 4,413,970</u></b>	<b><u>\$ 4,413,970</u></b>

Interfund transfers are used to pay administrative services, provide funds for debt service, contribute toward the cost of capital projects, and provide operational resources.

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**VII. Long-term liabilities**

The following paragraphs present information on long-term liabilities, presented separately with respect to governmental and business-type activities. The table below presents current year changes in long-term liabilities, and the current portions due for each category of long-term liabilities presented.

Long-term liability activity for the year ended June 30, 2011 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
<b>Governmental</b>					
<b>Activities</b>					
Loans Payable	\$ 4,885,158	\$ 417,927	\$ 258,493	\$ 5,044,592	\$ 307,740
Bonds	1,055,000	2,455,831	180,000	3,330,831	332,792
Capital leases	406,902	103,549	198,273	312,178	181,667
Compensated absences	348,805	416,551	348,805	416,551	311,994
Total governmental activities	<u>\$ 6,695,865</u>	<u>\$ 3,393,858</u>	<u>\$ 985,571</u>	<u>\$ 9,104,152</u>	<u>\$ 1,134,193</u>
<b>Business-type</b>					
<b>Activities</b>					
Bonds	\$ 2,097,040	\$ -	\$ 230,424	\$ 1,866,616	\$ 240,424
Compensated absences	41,879	46,848	41,879	46,848	31,793
Total business-type activities	<u>\$ 2,138,919</u>	<u>\$ 46,848</u>	<u>\$ 272,303</u>	<u>\$ 1,913,464</u>	<u>\$ 272,217</u>

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**A. Bonds Payable**

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds outstanding at June 30, 2011 are as follows:

Governmental Activities	
In 2010, the City issued \$2,500,000 of bonds to finance redevelopment of NE 1st Avenue. The bonds carry interest rates from 3.75% to 7.00% and have final maturity date of December 15, 2030. They are Recovery Zone Economic Development Bonds which provide the City a 45% rebate of the amount of interest paid.	\$ 2,500,000
Bond Discount	(44,169)
In 2008, the City issued \$1,915,000 of bonds to finance improvements to NE 2nd Avenue and a public parking lot at the end of the street. The bonds carry an interest rate of 4.15% over the 6 year term. The bonds have a final maturity date of June 1, 2014.	<u>875,000</u>
Total bonds payable	<u>\$ 3,330,831</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

	U.S. Bank - URD Bond Series 2008		Bank of New York - Bond Series 2010		Bond Discount	Total Governmental Bonds	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2012	240,000	36,312	95,000	81,973	(2,208)	332,792	118,285
2013	300,000	26,353	100,000	79,962	(2,208)	397,792	106,315
2014	335,000	13,902	100,000	77,899	(2,208)	432,792	91,801
2015	-	-	100,000	75,837	(2,208)	97,792	75,837
2016	-	-	105,000	73,723	(2,208)	102,792	73,723
2017-2021	-	-	555,000	322,919	(11,040)	543,960	322,919
2022-2026	-	-	650,000	220,523	(11,040)	638,960	220,523
2027-2031	-	-	795,000	81,229	(11,049)	783,951	81,229
Total	875,000	76,567	2,500,000	1,014,065	(44,169)	3,330,831	1,090,632

**CITY OF CANBY, OREGON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2011**

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The City also issues bonds where income derived from acquired or constructed assets is pledged to pay debt service. Revenue bonds outstanding at June 30, 2011 are as follows:

**Business-type Activities**

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In 2008 the City issued additional revenue bonds to pay off prior borrowings related to improvements in the sanitary sewer collection and treatment system in the amount of \$2,505,000. These bonds carry interest rates ranging from 3.5% to 4.0% over the life of the issue, have a premium amortized with them, and have a final maturity on December 1, 2017.

	\$ 1,830,000
Bond Premium	<u>36,616</u>
Total bonds payable	<u>\$ 1,866,616</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

	<b>Bank of NY - Sewer Bond</b>		<b>Bond Premium</b>	<b>Total Enterprise Bonds</b>	
	<b>2008</b>			<b>Principal</b>	<b>Interest</b>
	Principal	Interest			Principal
2012	235,000	63,534	5,424	240,424	63,534
2013	240,000	54,925	5,424	245,424	54,925
2014	250,000	46,044	5,424	255,424	46,044
2015	255,000	36,891	5,424	260,424	36,891
2016	275,000	27,284	5,424	280,424	27,284
2017-2021	<u>575,000</u>	<u>22,950</u>	<u>9,496</u>	<u>584,496</u>	<u>22,950</u>
Total	1,830,000	251,628	36,616	1,866,616	251,628

**CITY OF CANBY, OREGON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2011**

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**B. Loans/Notes Payable**

Governmental Activities

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In 1994, the City borrowed \$593,081 through the State of Oregon Economic and Community Development Department's (OECDD) Special Public Works Fund program to finance logging road phase 1. The loan carries interest rates ranging from 5.8% to 6.0% over the 20 year term. The loan has a final maturity date of December 1, 2015.	\$ 179,012
A second loan through the OECDD in the amount of \$260,000 was taken in 1997 to finance logging road phase 2. The loan carries an interest rate of 5.01% over the 20 year term. The loan has a final maturity date of December 1, 2017.	120,658
In 2003, the City borrowed \$1,300,000 through the Oregon Economic and Community Development Department to finance Sequoia Parkway. The loan carries an interest rate of 4.15% over the 20 year term. The loan has a final maturity date of December 1, 2023.	947,278
In 2005, the City borrowed \$1,962,920 through the Oregon Economic and Community Development Department to finance Canby Pioneer Industrial Park. The loan carries an interest rate of 3.9327% over the 20 year term. The loan has a final maturity date of 2024.	1,515,818
In 2009, the City borrowed \$1,981,047 through the OECDD to finance completion of Township Road, Berg Parkway and Sequoia Parkway. The loan included a premium of \$19,067 for a total initial amount of \$2,000,114. The loan carries interest rates from 3.00% to 5.25% over its 20 year term, and has a premium associated with it. The loan has a final maturity date of December 1, 2028.	1,846,738
Loan Premium	17,161
In 2010, the City borrowed \$417,927 from Business Oregon Infrastructure Finance Authority to finance construction of Walnut Street in the Canby Pioneer Industrial Park. The loan carries an interest rate of 5% over its 10-year term. Money to repay the loan will come from the benefitted property owners who formed a local improvement district to finance construction.	417,927
	<hr/>
Total loans payable	<u>\$ 5,044,592</u>

**CITY OF CANBY, OREGON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2011**

Annual debt service requirements to maturity for outstanding loan obligations are as follows:

	SPWF 94-003A (OEDD 1A)		SPWF 94-003B (OEDD 1)		SPWF 97-007 (OEDD 2)	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	38,678	9,785	1,829	619	12,536	6,070
2013	40,921	7,541	1,939	509	17,664	5,444
2014	43,295	5,168	2,056	393	17,797	4,560
2015	45,806	2,657	2,179	269	17,936	3,670
2016	-	-	2,309	139	18,083	2,774
2017-2021	-	-	-	-	36,642	2,809
2022-2026	-	-	-	-	-	-
2027-2031	-	-	-	-	-	-
<b>Total</b>	<b>168,700</b>	<b>25,151</b>	<b>10,312</b>	<b>1,929</b>	<b>120,658</b>	<b>25,327</b>

	OEDD #B03004		OECDD #B04004		OECDD #B08002	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	55,438	40,043	84,540	59,720	72,704	81,846
2013	60,454	38,074	85,049	56,761	73,085	79,665
2014	60,470	35,883	90,575	53,784	78,543	77,107
2015	65,488	33,585	96,120	50,614	79,018	74,358
2016	65,508	30,966	96,685	47,250	79,578	71,198
2017-2021	372,873	111,481	543,460	177,760	467,288	303,416
2022-2026	267,047	24,871	519,389	57,485	577,242	190,599
2027-2031	-	-	-	-	419,280	41,060
<b>Total</b>	<b>947,278</b>	<b>314,903</b>	<b>1,515,818</b>	<b>503,374</b>	<b>1,846,738</b>	<b>919,249</b>

	OECDD #B08002 Premium		Business Oregon X09004		Total Governmental Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	953	-	41,062	13,061	307,740	211,144
2013	953	-	35,280	18,843	315,345	206,837
2014	953	-	37,044	17,079	330,733	193,974
2015	953	-	38,896	15,227	346,396	180,380
2016	953	-	40,841	13,282	303,957	165,609
2017-2021	4,765	-	224,804	33,661	1,649,832	629,127
2022-2026	4,765	-	-	-	1,368,443	272,955
2027-2031	2,866	-	-	-	422,146	41,060
<b>Total</b>	<b>17,161</b>	<b>-</b>	<b>417,927</b>	<b>111,153</b>	<b>5,044,592</b>	<b>1,901,086</b>

**CITY OF CANBY, OREGON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2011**

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**C. Capital Leases**

The City has entered into lease agreements for financing the acquisition of certain equipment. These lease agreements qualify as capital leases for accounting purposes (title transfers at the end of the lease term) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The following is an analysis of equipment leased under capital leases as of June 30, 2011:

	<u>Lease Obligation</u>	<u>Equipment Carrying Value</u>
General Fund:		
Fleet service equipment, 5.85%, \$7,284.73 annual payment including interest, final payment due November 16, 2011	\$ 6,882	\$ 24,515
Police vehicles, 6.15%, \$19,203 annual payment including interest, final payment due October 22, 2013.	51,188	63,960
Police vehicle, 6.15% \$9,046 annual payment including interest, final payment due October 18, 2013.	24,112	28,135
Transit buses, 5.50%, \$99,588 annual payment including interest, final payment due August 11, 2011	94,396	88,911
Police vehicles, 5.45%, \$21,302 annual payment including interest, final payment due January 8, 2012.	20,201	44,901
Fleet service street sweeper, 5.10%, \$42,454.91 annual payment including interest, final payment due November 18, 2013.	<u>115,399</u>	<u>166,374</u>
Total	<u>\$ 312,178</u>	<u>\$ 416,796</u>

**CITY OF CANBY, OREGON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2011**

The following is a schedule of future minimum lease payments under the capital leases, and the present value of the net minimum lease payments at June 30, 2011.

	<u>Years ending June 30,</u>	<u>General Fund Amount</u>
	2012	\$ 197,999
	2013	70,704
	2014	70,704
Total minimum lease payments		339,407
Less amount representing interest		<u>(27,229)</u>
Present value of future minimum lease payments		<u>\$ 312,178</u>

**Discretely presented component unit**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
<b>CUB</b>					
Bonds	\$ 5,350,000	\$ -	\$ 230,000	\$ 5,120,000	\$ 240,000
Total CUB	<u>\$ 5,350,000</u>	<u>\$ -</u>	<u>\$ 230,000</u>	<u>\$ 5,120,000</u>	<u>\$ 240,000</u>

**D. Revenue Bonds**

The CUB issued Water System revenue bonds. The bond purchase agreement provides that principal and interest on the bonds are payable solely from and secured by the net revenues of the Water System.

**CUB**

In 2004 the CUB issued revenue bonds in the amount of \$2,900,000. These bonds carry interest rates ranging from 2.5% to 4.5% over the life of the issue, and mature in 2025.	\$ 2,250,000
In 2007, the CUB issued revenue bonds in the amount of \$3,200,000. These bonds carry interest rates ranging from 3.625% to 3.75% over the life of the issue, and mature in 2027.	<u>2,870,000</u>
Total bonds payable	<u>\$ 5,120,000</u>

**CITY OF CANBY, OREGON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2011**

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Annual debt service requirements to maturity for outstanding revenue bonds are as follows:

CUB	
Year Ending	
June 30,	Principal
2012	240,000
2013	250,000
2014	260,000
2015	270,000
2016	280,000
Thereafter	<u>3,820,000</u>
Total	<u>\$ 5,120,000</u>

**VIII. Post Employment Benefits Other than Pensions**

**A. Plan Description**

The City does not have a formal post employment benefit plan for employees, however the City is required by Oregon Revised Statutes 243.303 to provide retirees with access to group health and dental insurance from the date of retirement to age 65 at the same rate provided to current employees. GASB 45 is applicable to the City due only to the implicit rate subsidy. This plan is not a stand-alone plan and therefore does not issue its own financial statements.

**B. Funding Policy**

The City funds the plan only to the extent of current year insurance premium requirement on a pay-as-you-go basis. At June 30, 2011, the City had 72 active employees and four retirees participating in the program with all insurance premium costs paid in full by the individual. The City has not established an irrevocable trust to accumulate assets to fund the cost of the OPEB obligation that arises from the implicit subsidy.

**C. Annual OPEB Cost and Net OPEB Obligation**

The City's annual other post employment benefit cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table show the components of the City's annual OPEB cost for the fiscal year ending June 30, 2011, the amount actually contributed to the plans, and changes in the City's net OPEB obligation:

**CITY OF CANBY, OREGON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2011**

Normal cost at year end	\$ 80,152
Amortization of UAAL	<u>69,278</u>
Annual required contribution	149,430
Interest on prior year Net OPEB Obligation	9,523
Adjustment to ARC	(14,938)
Implicit benefit payments	<u>(41,201)</u>
Increase in Net OPEB Obligation	102,814
Net OPEB obligation at beginning of year	<u>211,623</u>
Net OPEB obligation at end of year	<u>\$ 314,437</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2011 was as follows:

Fiscal Year End	Annual OPEB Cost	Percent of Annual OPEB Cost Contribution	Net OPEB Obligation
06/30/09	\$ 133,318	20%	\$ 106,011
06/30/10	\$ 136,604	23%	\$ 211,623
06/30/11	\$ 144,015	29%	\$ 314,437

**D. Funded Status and Funding Progress**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amount determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents information about the actuarial value of plan assets and the unfunded actuarial liability.

Valuation Date	Assets	Actuarial Accrued Liability	Unfunded Accrued Liability	Funded Ratio	Covered Payroll	UAL/ Payroll
08/01/08	\$ -	\$ 826,003	\$ 826,003	0%	\$7,554,600	10.93%
08/01/10	\$ -	\$ 722,154	\$ 722,154	0%	\$7,924,953	9.11%

**CITY OF CANBY, OREGON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2011**

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**E. Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the August 1, 2010 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumption included a 4.0% rate for discounting future liabilities, a payroll growth rate of 3.75%, an inflation rate of 2.75%, and an annual healthcare cost trend rate of 8.5%, reduced by decrements to an ultimate rate of 5%. The UAAL is being amortized using the level percentage of payroll over an open period of fifteen years.

**IX. Pension Plan**

**A. Plan Description**

The City and CUB 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 and CUB's contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. 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 and CUB employees hired after 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. The actuarial method used for valuing assets of the pension plan is market value of assets. The amortization period used are closed. 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.

**B. 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, this is paid by the City and CUB. The City and CUB 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 for the qualifying employees under the OPSRP plan.

**CITY OF CANBY, OREGON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2011**

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The City's OPERF rate in effect for the year ended June 30, 2011 is 7.23%. The City's OPSRP rates in effect for the year ended June 30, 2011 are 4.49% for general service employees and 7.20% for police and fire employees. The CUB's rates for OPERF and OPSRP are 12.26% and 11.25%, respectively. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

**C. Annual Pension Cost**

Contribution information for the City and the CUB for the years ended June 30, 2011, 2010, and 2009 were as follows:

Year Ended	City			CUB		
	Annual Pension Cost (APC)	% of APC Contributed	Net Pension Obligation	Annual Pension Cost (APC)	% of APC Contributed	Net Pension Obligation
6/30/11	\$ 667,202	100%	\$ -	\$ 198,296	100%	\$ -
6/30/10	633,480	100%	-	242,577	100%	-
6/30/09	714,937	100%	-	276,112	100%	-

**Post Retirement Benefits**

In addition to pension benefits, the City has contractually agreed to pay employees 50% of accumulated sick leave at the time of retirement. The City recognizes this cost when employees retire. During 2010-2011, there were no costs recognized.

**X. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is a member of the City/County Insurance Services Trust and pays an annual premium to the Trust for its general and automobile liability, automobile physical damage and property coverage. Under the membership agreement with the Trust, the Trust is to be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain limits.

The City carries commercial insurance for other risks of loss including workers compensation, boiler and machinery, public official bond, vehicle inspection bond and employee dishonesty coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

**XI. Commitments and Contingencies**

Grants receivable and grant receipts are subject to adjustment by grantor agencies, principally the Federal Government. Any disallowed claims, including claims already collected, could become a liability to the City.

**CITY OF CANBY, OREGON**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2011**

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Management of the City believes that total amount of liability, if any, which may arise from claims and lawsuits pending against the City beyond that, which is covered by insurance, would not have a material effect on the City's financial condition.

**XII. Subsequent Events**

On August 9, 2011, the City issued \$9,000,000 of bonds to finance construction of a new police facility. The bonds carry interest rates of 4.6% to 5.0% over the 25 year term. The bonds have a final maturity date of June 30, 2036.

**XIII. New Accounting Pronouncement – GASB Statement No. 54**

In February 2009, the Governmental Accounting Standards Board (GASB) issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The statement enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The City implemented GASB 54 in the year ending June 30, 2011.

**XIV. Prior Period Adjustment**

During 2010-2011, the City, with the help of a CPA firm, undertook an analysis of fixed assets data for the purpose of consolidating the data in its municipal accounting software. The analysis disclosed inaccuracies in cost and accumulated depreciation of \$850,742 (less than 1% of fixed assets) as of June 30, 2010. This was corrected with a prior period adjustment.

**REQUIRED SUPPLEMENTARY INFORMATION**

## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements.

- Budgetary Comparison Schedules
  - General Fund - Generally Accepted Accounting Principles
  - Street Fund
  - Parks Development Fund
  - Transit Fund

**CITY OF CANBY, OREGON**  
**GENERAL FUND - GENERALLY ACCEPTED ACCOUNTING PRINCIPLES**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2011**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 953,000	\$ 973,000	\$ 1,028,515	\$ 55,515
Charges for services	276,763	276,763	277,853	1,090
Property taxes	3,700,000	3,700,000	3,679,102	(20,898)
Franchise	450,000	450,000	428,301	(21,699)
License fees permits	213,800	213,800	245,243	31,443
Fines and forfeitures	525,000	525,000	505,002	(19,998)
Grants & donations	6,000	6,000	12,870	6,870
Interest	15,700	15,700	12,190	(3,510)
Miscellaneous	16,700	16,700	17,870	1,170
<b>Total revenues</b>	<b>6,156,963</b>	<b>6,176,963</b>	<b>6,206,946</b>	<b>29,983</b>
<b>EXPENDITURES:</b>				
General government	2,583,178	2,672,045	2,403,919	268,126
Public safety	4,069,423	4,059,350	3,786,360	272,990
Culture and recreation	501,160	501,160	461,421	39,739
Community development	591,056	599,456	547,949	51,507
Capital outlay	437,881	437,881	237,593	200,288
Debt service:				
Principal	108,798	108,798	108,798	-
Interest	12,475	12,475	12,436	39
Contingency	898,695	1,258,746	-	1,258,746
<b>Total expenditures</b>	<b>9,202,666</b>	<b>9,649,911</b>	<b>7,558,476</b>	<b>2,091,435</b>
Revenues over (under) expenditures	(3,045,703)	(3,472,948)	(1,351,530)	2,121,418
<b>OTHER FINANCING SOURCES (USES):</b>				
Interfund loan proceeds (payments)	(21,853)	(21,853)	(21,853)	-
Debt proceeds	-	-	103,510	103,510
Transfers in	1,804,022	1,804,022	1,876,404	72,382
Transfers out	(846,497)	(876,139)	(874,472)	1,667
<b>Total other financing sources (uses)</b>	<b>935,672</b>	<b>906,030</b>	<b>1,083,589</b>	<b>177,559</b>
Net changes in fund balances	(2,110,031)	(2,566,918)	(267,941)	2,298,977
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<b>3,218,570</b>	<b>2,566,918</b>	<b>2,631,475</b>	<b>64,557</b>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<b>\$ 1,108,539</b>	<b>\$ -</b>	<b>2,363,534</b>	<b>\$ 2,363,534</b>
Interfund loan			(46,925)	
<b>TOTAL FUND BALANCE - GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>			<b>\$ 2,316,609</b>	

**CITY OF CANBY, OREGON**  
**STREET FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2011**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 1,711,200	\$ 1,711,200	\$ 1,055,556	\$ (655,644)
Charges for services	4,000	4,000	530,570	526,570
Interest	2,000	2,000	2,305	305
Miscellaneous	1,500	1,500	2,995	1,495
Excise tax	-	-	10,685	10,685
Total revenues	<u>1,718,700</u>	<u>1,718,700</u>	<u>1,602,111</u>	<u>(116,589)</u>
<b>EXPENDITURES:</b>				
Personal service	355,742	361,742	353,315	8,427
Materials and service	180,480	196,280	175,507	20,773
Capital outlay	4,500	4,500	-	4,500
Contingency	26,747	169,310	-	169,310
Total expenditures	<u>567,469</u>	<u>731,832</u>	<u>528,822</u>	<u>203,010</u>
Revenues over (under) expenditures	1,151,231	986,868	1,073,289	86,421
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	<u>(1,201,231)</u>	<u>(1,308,426)</u>	<u>(914,765)</u>	<u>393,661</u>
Total other financing sources (uses)	<u>(1,201,231)</u>	<u>(1,308,426)</u>	<u>(914,765)</u>	<u>393,661</u>
Net changes in fund balances	(50,000)	(321,558)	158,524	480,082
<b>FUND BALANCES, BEGINNING</b>	<u>50,000</u>	<u>321,558</u>	<u>321,557</u>	<u>(1)</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 480,081</u>	<u>\$ 480,081</u>

**CITY OF CANBY, OREGON  
PARKS DEVELOPMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2011**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Grants & donations	\$ 25,000	\$ 25,000	\$ -	\$ (25,000)
Interest	6,000	6,000	3,942	(2,058)
Miscellaneous	600	600	800	200
System development charges	30,000	30,000	15,555	(14,445)
Total revenues	61,600	61,600	20,297	(41,303)
<b>EXPENDITURES:</b>				
Materials and service	10,000	10,000	-	10,000
Capital outlay	885,133	885,133	1,575	883,558
Total expenditures	895,133	895,133	1,575	893,558
Revenues over (under) expenditures	(833,533)	(833,533)	18,722	852,255
<b>OTHER FINANCING SOURCES (USES):</b>				
Interfund loan proceeds (payments)	30,706	30,706	30,706	-
Transfers in	3,427	3,427	3,427	-
Transfers out	(600)	(600)	(600)	-
Total other financing sources (uses)	33,533	33,533	33,533	-
Net changes in fund balances	(800,000)	(800,000)	52,255	852,255
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	800,000	800,000	791,266	(8,734)
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$ -</u>	843,521	<u>\$ 843,521</u>
Interfund loan			49,152	
<b>TOTAL FUND BALANCE - GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>			<u>\$ 892,673</u>	

**CITY OF CANBY, OREGON**  
**TRANSIT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2011**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Grants & donations	\$ 1,120,118	\$ 1,170,316	\$ 747,867	\$ (422,449)
Interest	1,000	1,000	6,708	5,708
Miscellaneous	-	-	4,180	4,180
Transit tax	875,000	875,000	849,806	(25,194)
Total revenues	1,996,118	2,046,316	1,608,561	(437,755)
<b>EXPENDITURES:</b>				
Personal service	115,044	115,044	111,814	3,230
Materials and service	1,016,404	1,016,404	1,014,856	1,548
Capital outlay	368,853	409,551	132,479	277,072
Debt service:				
Principal	89,475	89,475	89,475	-
Interest	10,113	10,113	10,113	-
Contingency	14,954	14,954	-	14,954
Total expenditures	1,614,843	1,655,541	1,358,737	296,804
Revenues over (under) expenditures	381,275	390,775	249,824	(140,951)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	50,000	50,000	50,000	-
Transfers out	(431,275)	(440,775)	(440,722)	53
Total other financing sources (uses)	(381,275)	(390,775)	(390,722)	53
Net changes in fund balances	-	-	(140,898)	(140,898)
<b>FUND BALANCES, BEGINNING</b>	-	-	(89,449)	(89,449)
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ (230,347)	\$ (230,347)

**CITY OF CANBY, OREGON**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2010**

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**Stewardship, Compliance, and Accountability**

**A. Budgetary Information**

Annual budgets for all funds are adopted on a basis consistent with Oregon Revised Statutes (ORS 294—Local Budget Law). The process under which the budget is adopted is described in the following paragraphs.

Each spring, the City Administrator submits a proposed budget to the Budget Committee (consisting of the City Council and an equal number of citizens of the City). The City is required to budget all funds except the Agency Fund. The City budgets each governmental fund type on a modified accrual (GAAP) basis. The City budgets proprietary funds on a working capital non-GAAP basis. The Electric and Water Funds are budgeted by the CUB on a non-GAAP basis, which includes several differences from budgets prepared in accordance with GAAP.

The Budget Committee conducts public hearings for the purpose of obtaining citizens' comments, and then approves a budget and submits it to the City Council for final adoption. The approved expenditures for each fund may not be increased by more than 10% by Council without returning to the Budget Committee for a second approval. After the Council adopts the budget and certifies the total of ad valorem taxes to be levied, no additional tax levy may be made for that fiscal year.

The City Council legally adopts the budget by resolution before July 1. The resolution establishes appropriations for each fund and expenditures cannot legally exceed these appropriations. The level of control established by the resolution for the General Fund is at the department level. The level of control for all other funds, except the Cemetery Perpetual Care and Debt Service Funds, which are controlled at the fund level, is by the expenditure categories of personal services, materials and services, capital outlay, service agencies and transfers. The City discloses budgetary expenditures by function. The budget document contains more specific, detailed information for the aforementioned expenditure categories. Appropriations lapse as of the year-end.

The City Council may change the budget throughout the year by transferring appropriations between levels of control and by adopting supplemental budgets as authorized by Oregon Revised Statutes. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers and approval by the City Council. Expenditure appropriations may not be legally over-expended except in the case of grant receipts that could not be reasonably estimated at the time the budget was adopted, and for debt service on new debt issued during the budget year. Management may transfer budget amounts between individual line items within the legally adopted appropriation levels, but cannot make changes to those levels themselves. The city had two supplemental budgets and appropriation transfers during the year-ended June 30, 2011. Appropriations lapse as of year-end.

## **OTHER SUPPLEMENTARY INFORMATION**

## **OTHER SUPPLEMENTARY INFORMATION**

Other supplementary information includes financial statements and schedules not required by GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such schedules include:

- Combining Schedules – Non-Major Governmental Funds
- Combining Schedules - General Fund - Generally Accepted Accounting Principles
- Fiduciary Fund
- Budgetary Comparison Schedules
- Other Financial Schedules

**COMBINING STATEMENTS**  
**Non-Major Governmental Funds**

**Special Revenue Funds**

The Special Revenue Funds account for revenues derived from specific taxes or revenues from sources which are legally restricted to expenditures for specified purposes.

**Forfeiture Fund**

The Forfeiture Fund accounts for revenues and expenditures for public safety.

**Library Endowment Fund**

The Library Endowment Fund was established by a Library Fund transfer and accounts for donation revenues to be used for library improvements.

**Library Fund**

The Library Fund accounts for revenues and expenditures for the operation of the Canby Public Library.

**Local Improvement District Fund\***

The Local Improvement District Fund accounts for revenues and expenditures for special improvements to local property that receives a direct benefit from improvements to the property. The cost of the improvements is assessed as special assessment liens on the property benefited. The revenues are used to pay the special local improvement district debts as it matures.

**911 Emergency Fund**

The 911 Emergency Fund accounts for revenues from the State of Oregon which are used for the development and maintenance of emergency communications.

**Cemetery Perpetual Care Fund**

The Cemetery Perpetual Care Fund accounts for revenues and expenditures for the perpetual care of Zion cemetery.

**Swim Center Local Option Tax Levy Fund**

The Swim Center Local Option Tax Levy Fund accounts for the revenue from local option property taxes and expenditures for the swim center operations of the City.

**Capital Project Funds**

These funds are used to account for major capital outlay expenditures relating to the construction of City facilities and infrastructure.

**Capital Reserve Fund**

The Capital Reserve Fund accounts for revenues being accumulated for the acquisition or construction of capital facilities.

**Logging Road Industrial Park Fund\***

The Logging Road Industrial Park Fund accounts for financial resources to be used for acquisition or construction of major capital items and facilities.

\* Fund closed during fiscal year 2011

**CITY OF CANBY, OREGON  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
June 30, 2011**

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	Total Non-major Special Revenue Funds	Total Non-major Capital Projects Fund	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,467,819	\$ 102,972	\$ 1,570,791
Due from other governments	2,668	-	2,668
Accounts receivable	23,682	-	23,682
Property taxes receivable	26,141	-	26,141
Due from other funds	46,925	-	46,925
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 1,567,235</u>	<u>\$ 102,972</u>	<u>\$ 1,670,207</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES:</b>			
Accounts payable and other current liabilities	\$ 35,319	\$ -	\$ 35,319
Due to other funds	-	49,152	49,152
Deferred revenue	23,723	-	23,723
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	<u>59,042</u>	<u>49,152</u>	<u>108,194</u>
<b>FUND BALANCES:</b>			
Restricted for:			
Drug enforcement and equipment	10,911	-	10,911
911 services	99,647	-	99,647
Assigned for:			
Library services and improvement	425,136	-	425,136
Cemetery care	792,547	-	792,547
Swim center	179,952	-	179,952
Capital projects	-	53,820	53,820
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total fund equity	<u>1,508,193</u>	<u>53,820</u>	<u>1,562,013</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities and fund equity	<u>\$ 1,567,235</u>	<u>\$ 102,972</u>	<u>\$ 1,670,207</u>

**CITY OF CANBY, OREGON**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended June 30, 2011**

	Total Non-major Special Revenue Funds	Total Non-major Capital Projects Fund	Total
<b>REVENUES:</b>			
Intergovernmental	\$ 752,744	\$ -	\$ 752,744
Charges for services	207,177	-	207,177
Property taxes	436,672	-	436,672
License fees permits	-	23,948	23,948
Special assessments	9,261	-	9,261
Grants & donations	29,803	-	29,803
Interest	7,704	973	8,677
Miscellaneous	24,013	-	24,013
Excise tax	77,317	-	77,317
	<u>1,544,691</u>	<u>24,921</u>	<u>1,569,612</u>
Total revenues			
<b>EXPENDITURES:</b>			
General government	12,653	-	12,653
Public safety	145,077	-	145,077
Culture and recreation	1,266,292	-	1,266,292
Capital outlay	38,341	22,057	60,398
Debt service:			
Principal	-	50,700	50,700
Interest	-	19,317	19,317
	<u>1,462,363</u>	<u>92,074</u>	<u>1,554,437</u>
Total expenditures			
Revenues over (under) expenditures	82,328	(67,153)	15,175
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	252,783	12,400	265,183
Transfers out	(251,406)	(68,089)	(319,495)
	<u>1,377</u>	<u>(55,689)</u>	<u>(54,312)</u>
Total other financing sources (uses)			
Net changes in fund balances	83,705	(122,842)	(39,137)
<b>FUND BALANCES, BEGINNING</b>	<u>1,424,488</u>	<u>176,662</u>	<u>1,601,150</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 1,508,193</u>	<u>\$ 53,820</u>	<u>\$ 1,562,013</u>

**CITY OF CANBY, OREGON**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2011**

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	Forfeiture Fund	Library Endowment Fund	Library Fund	Local Improvement District Fund*
<b>ASSETS</b>				
Cash and cash equivalents	\$ 39,851	\$ 135,315	\$ 291,824	\$ -
Due from other governments	-	-	-	-
Accounts receivable	-	-	-	-
Property taxes receivable	-	-	-	-
Due from other funds	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 39,851</u>	<u>\$ 135,315</u>	<u>\$ 291,824</u>	<u>\$ -</u>
 <b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts payable and other current liabilities	\$ 28,940	\$ -	\$ 2,003	\$ -
Deferred revenue	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>28,940</u>	<u>-</u>	<u>2,003</u>	<u>-</u>
 <b>FUND BALANCES:</b>				
Restricted for:				
Drug enforcement and equipment	10,911	-	-	-
911 services	-	-	-	-
Assigned for:				
Library services and improvement	-	135,315	289,821	-
Cemetery care	-	-	-	-
Swim center	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund equity	<u>10,911</u>	<u>135,315</u>	<u>289,821</u>	<u>-</u>
Total liabilities and fund equity	<u>\$ 39,851</u>	<u>\$ 135,315</u>	<u>\$ 291,824</u>	<u>\$ -</u>

\* Fund closed during fiscal year 2011

<u>911 Emergency Fund</u>	<u>Cemetery Perpetual Care Fund</u>	<u>Swim Center Local Option Tax Levy Fund</u>	<u>Total</u>
\$ 79,679	\$ 745,622	\$ 175,528	\$ 1,467,819
-	-	2,668	2,668
19,968	-	3,714	23,682
-	-	26,141	26,141
-	46,925	-	46,925
<u>\$ 99,647</u>	<u>\$ 792,547</u>	<u>\$ 208,051</u>	<u>\$ 1,567,235</u>
\$ -	\$ -	\$ 4,376	\$ 35,319
-	-	23,723	23,723
-	-	28,099	59,042
-	-	-	10,911
99,647	-	-	99,647
-	-	-	425,136
-	792,547	-	792,547
-	-	179,952	179,952
<u>99,647</u>	<u>792,547</u>	<u>179,952</u>	<u>1,508,193</u>
<u>\$ 99,647</u>	<u>\$ 792,547</u>	<u>\$ 208,051</u>	<u>\$ 1,567,235</u>

**CITY OF CANBY, OREGON**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended June 30, 2011**

	Forfeiture Fund	Library Endowment Fund	Library Fund
<b>REVENUES:</b>			
Intergovernmental	\$ 12,440	\$ -	\$ 740,304
Charges for services	-	-	3,389
Property taxes	-	-	-
Special assessments	-	-	-
Grants & donations	-	-	29,728
Interest	198	651	1,513
Miscellaneous	-	-	24,013
Excise tax	-	-	-
	<u>12,638</u>	<u>651</u>	<u>798,947</u>
<b>EXPENDITURES:</b>			
General government	12,653	-	-
Public safety	-	-	-
Culture and recreation	-	-	752,778
Capital outlay	-	-	-
	<u>12,653</u>	<u>-</u>	<u>752,778</u>
Total expenditures	<u>12,653</u>	<u>-</u>	<u>752,778</u>
Revenues over (under) expenditures	(15)	651	46,169
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	-	200,000
Transfers out	(600)	(600)	(177,680)
	<u>(600)</u>	<u>(600)</u>	<u>22,320</u>
Total other financing sources (uses)	<u>(600)</u>	<u>(600)</u>	<u>22,320</u>
Net changes in fund balances	(615)	51	68,489
<b>FUND BALANCES, BEGINNING</b>	<u>11,526</u>	<u>135,264</u>	<u>221,332</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 10,911</u>	<u>\$ 135,315</u>	<u>\$ 289,821</u>

\* Fund closed during fiscal year 2011

Local Improvement District Fund*	911 Emergency Fund	Cemetery Perpetual Care Fund	Swim Center Local Option Tax Levy Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ 752,744
-	-	13,750	190,038	207,177
-	-	-	436,672	436,672
9,261	-	-	-	9,261
-	-	75	-	29,803
646	434	3,485	777	7,704
-	-	-	-	24,013
-	77,317	-	-	77,317
<u>9,907</u>	<u>77,751</u>	<u>17,310</u>	<u>627,487</u>	<u>1,544,691</u>
-	-	-	-	12,653
-	145,077	-	-	145,077
-	-	-	513,514	1,266,292
-	-	-	38,341	38,341
<u>-</u>	<u>145,077</u>	<u>-</u>	<u>551,855</u>	<u>1,462,363</u>
9,907	(67,326)	17,310	75,632	82,328
-	50,000	2,783	-	252,783
<u>(21,395)</u>	<u>(600)</u>	<u>(600)</u>	<u>(49,931)</u>	<u>(251,406)</u>
<u>(21,395)</u>	<u>49,400</u>	<u>2,183</u>	<u>(49,931)</u>	<u>1,377</u>
(11,488)	(17,926)	19,493	25,701	83,705
<u>11,488</u>	<u>117,573</u>	<u>773,054</u>	<u>154,251</u>	<u>1,424,488</u>
<u>\$ -</u>	<u>\$ 99,647</u>	<u>\$ 792,547</u>	<u>\$ 179,952</u>	<u>\$ 1,508,193</u>

**CITY OF CANBY, OREGON  
NON-MAJOR CAPITAL PROJECT FUNDS  
COMBINING BALANCE SHEET  
June 30, 2011**

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	<u>Capital Reserve Fund</u>	<u>Logging Road Industrial Park Fund*</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 102,972	\$ -	\$ 102,972
Total assets	<u>\$ 102,972</u>	<u>\$ -</u>	<u>\$ 102,972</u>
<b>LIABILITIES AND FUND EQUITY</b>			
<b>LIABILITIES:</b>			
Due to other funds	\$ 49,152	\$ -	\$ 49,152
Total liabilities	<u>49,152</u>	<u>-</u>	<u>49,152</u>
<b>FUND BALANCES:</b>			
Assigned for:			
Capital projects	<u>53,820</u>	<u>-</u>	<u>53,820</u>
Total fund equity	<u>53,820</u>	<u>-</u>	<u>53,820</u>
Total liabilities and fund equity	<u>\$ 102,972</u>	<u>\$ -</u>	<u>\$ 102,972</u>

\* Fund closed during fiscal year 2011

**CITY OF CANBY, OREGON  
NON-MAJOR CAPITAL PROJECT FUNDS  
COMBINING SCHEDULE OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE  
For the Fiscal Year Ended June 30, 2011**

	Capital Reserve Fund	Logging Road Industrial Park Fund*	Total
<b>REVENUES:</b>			
License fees permits	\$ 23,948	\$ -	\$ 23,948
Interest	541	432	973
Total revenues	<u>24,489</u>	<u>432</u>	<u>24,921</u>
<b>EXPENDITURES:</b>			
Capital outlay	22,057	-	22,057
Debt service:			
Principal	-	50,700	50,700
Interest	-	19,317	19,317
Total expenditures	<u>22,057</u>	<u>70,017</u>	<u>92,074</u>
Revenues over (under) expenditures	2,432	(69,585)	(67,153)
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	12,400	-	12,400
Transfers out	<u>(4,027)</u>	<u>(64,062)</u>	<u>(68,089)</u>
Total other financing sources (uses)	<u>8,373</u>	<u>(64,062)</u>	<u>(55,689)</u>
Net changes in fund balances	10,805	(133,647)	(122,842)
<b>FUND BALANCES, BEGINNING</b>	<u>43,015</u>	<u>133,647</u>	<u>176,662</u>
<b>FUND BALANCES, ENDING</b>	<u><u>\$ 53,820</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 53,820</u></u>

\* Fund closed during fiscal year 2011

CITY OF CANBY, OREGON  
GENERAL FUND - GENERALLY ACCEPTED ACCOUNTING PRINCIPLES  
COMBINING BALANCE SHEET  
June 30, 2011

	General Fund - Budgetary Basis	Fleet Services Combined Fund - Budgetary Basis	Technical Services Combined Fund - Budgetary Basis	Total General Fund - Generally Accepted Accounting Principles
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,219,716	\$ 278,626	\$ 338,266	\$ 1,836,608
Due from other governments	22,177	-	-	22,177
Accounts receivable	157,217	2,593	-	159,810
Property taxes receivable	217,029	-	-	217,029
Due from other funds	378,880	-	-	378,880
Total assets	<u>\$ 1,995,019</u>	<u>\$ 281,219</u>	<u>\$ 338,266</u>	<u>\$ 2,614,504</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES:</b>				
Accounts payable and other current liabilities	\$ 33,541	\$ 9,170	\$ 9,480	\$ 52,191
Due to other funds	46,925	-	-	46,925
Deferred revenue	198,779	-	-	198,779
Total liabilities	<u>279,245</u>	<u>9,170</u>	<u>9,480</u>	<u>297,895</u>
<b>FUND BALANCES:</b>				
Assigned for:				
Capital asset acquisition/maintenance	-	272,049	-	272,049
Information technology services	-	-	328,786	328,786
Unassigned	1,715,774	-	-	1,715,774
Total fund equity	<u>1,715,774</u>	<u>272,049</u>	<u>328,786</u>	<u>2,316,609</u>
Total liabilities and fund equity	<u>\$ 1,995,019</u>	<u>\$ 281,219</u>	<u>\$ 338,266</u>	<u>\$ 2,614,504</u>

**CITY OF CANBY, OREGON**  
**GENERAL FUND - GENERALLY ACCPETED ACCOUNTING PRINCIPLES**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended June 30, 2011**

	General Fund - Budgetary Basis	Fleet Services Combined Fund - Budgetary	Technical Services Combined Fund - Budgetary Basis	Total General Fund - Generally Accepted Accounting Principles
<b>REVENUES:</b>				
Intergovernmental	\$ 1,028,515	\$ -	\$ -	\$ 1,028,515
Charges for services	268,720	9,133	-	277,853
Property taxes	3,679,102	-	-	3,679,102
Franchise	428,301	-	-	428,301
License fees permits	245,243	-	-	245,243
Fines and forfeitures	505,002	-	-	505,002
Grants & donations	12,870	-	-	12,870
Interest	9,348	1,163	1,679	12,190
Miscellaneous	15,448	2,422	-	17,870
<b>Total revenues</b>	<b>6,192,549</b>	<b>12,718</b>	<b>1,679</b>	<b>6,206,946</b>
<b>EXPENDITURES:</b>				
General government	1,557,155	703,715	143,049	2,403,919
Public safety	3,786,360	-	-	3,786,360
Culture and recreation	461,421	-	-	461,421
Community development	547,949	-	-	547,949
Capital outlay	59,821	127,980	49,792	237,593
Debt service:				
Principal	-	108,798	-	108,798
Interest	-	12,436	-	12,436
<b>Total expenditures</b>	<b>6,412,706</b>	<b>952,929</b>	<b>192,841</b>	<b>7,558,476</b>
Revenues over (under) expenditures	(220,157)	(940,211)	(191,162)	(1,351,530)
<b>OTHER FINANCING SOURCES (USES):</b>				
Interfund loan proceeds (payments)	(21,853)	-	-	(21,853)
Debt proceeds	-	103,510	-	103,510
Transfers in	660,436	1,024,968	191,000	1,876,404
Transfers out	(782,706)	(9,336)	(82,430)	(874,472)
<b>Total other financing sources (uses)</b>	<b>(144,123)</b>	<b>1,119,142</b>	<b>108,570</b>	<b>1,083,589</b>
Net changes in fund balances	(364,280)	178,931	(82,592)	(267,941)
<b>FUND BALANCES, BEGINNING - BUDGETARY BASIS</b>	<b>2,126,979</b>	<b>93,118</b>	<b>411,378</b>	<b>2,631,475</b>
<b>FUND BALANCES, ENDING - BUDGETARY BASIS</b>	<b>1,762,699</b>	<b>272,049</b>	<b>328,786</b>	<b>2,363,534</b>
Interfund loan	(46,925)	-	-	(46,925)
<b>TOTAL FUND BALANCE - GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>	<b>\$ 1,715,774</b>	<b>\$ 272,049</b>	<b>\$ 328,786</b>	<b>\$ 2,316,609</b>

CITY OF CANBY, OREGON  
 AGENCY FUNDS  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 For the Fiscal Year Ended June 30, 2011

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	Balance June 30, 2010	Additions	Deductions	Balance June 30, 2011
<b>Municipal Court Fund</b>				
Assets				
Cash	\$ 2,062	\$ 1,209	\$ -	\$ 3,271
Liabilities				
Other current liabilities	\$ 2,062	\$ 1,209	\$ -	\$ 3,271

## **BUDGETARY COMPARISON SCHEDULES**

### **Governmental Funds**

Pursuant to the provisions of Oregon Revised Statute, an individual schedule of revenues, expenditures, and changes in fund balances - budget and actual be displayed for each fund where legally adopted budgets are required.

Governmental Budgetary Comparison schedules include the following:

- General Fund - Budgetary Basis Schedule of Revenues, Expenditures and Changes in Fund Balance
- General Fund - Budgetary Basis Schedule of Expenditures
- Fleet Services Combined Fund - Budgetary Basis Schedule of Revenues, Expenditures and Changes in Fund Balance
- Technical Services Combined Fund - Budgetary Basis Schedule of Revenues, Expenditures and Changes in Fund Balance
- Major Capital Project Funds
  - Street Reserve Fund
  - Urban Renewal Agency - General Fund
- Major Debt Service Funds
  - Urban Renewal Debt Service Fund
- Nonmajor Special Revenue Funds
  - Forfeiture Fund
  - Library Endowment Fund
  - Library Fund
  - Local Improvement District Fund\*
  - 911 Emergency Fund
  - Cemetery Perpetual Care Fund
  - Swim Center Local Option Tax Levy Fund
- Nonmajor Capital Project Fund
  - Capital Reserve Fund
  - Logging Road Industrial Park Fund\*

**CITY OF CANBY, OREGON**  
**GENERAL FUND - BUDGETARY BASIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2011**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 953,000	\$ 973,000	\$ 1,028,515	\$ 55,515
Charges for services	269,763	269,763	268,720	(1,043)
Property taxes	3,700,000	3,700,000	3,679,102	(20,898)
Franchise	450,000	450,000	428,301	(21,699)
License fees permits	213,800	213,800	245,243	31,443
Fines and forfeitures	525,000	525,000	505,002	(19,998)
Grants & donations	6,000	6,000	12,870	6,870
Interest	14,000	14,000	9,348	(4,652)
Miscellaneous	16,000	16,000	15,448	(552)
Total revenues	<u>6,147,563</u>	<u>6,167,563</u>	<u>6,192,549</u>	<u>24,986</u>
<b>EXPENDITURES:</b>				
General government	1,547,807	1,626,674	1,557,155	69,519
Public safety	4,069,423	4,059,350	3,786,360	272,990
Culture and recreation	501,160	501,160	461,421	39,739
Community development	591,056	599,456	547,949	51,507
Capital outlay	75,000	75,000	59,821	15,179
Contingency	864,028	1,165,962	-	1,165,962
Total expenditures	<u>7,648,474</u>	<u>8,027,602</u>	<u>6,412,706</u>	<u>1,614,896</u>
Revenues over (under) expenditures	(1,500,911)	(1,860,039)	(220,157)	1,639,882
<b>OTHER FINANCING SOURCES (USES):</b>				
Interfund loan proceeds (payments)	(21,853)	(21,853)	(21,853)	-
Transfers in	586,034	586,034	660,436	74,402
Transfers out	(754,731)	(784,373)	(782,706)	1,667
Total other financing sources (uses)	<u>(190,550)</u>	<u>(220,192)</u>	<u>(144,123)</u>	<u>76,069</u>
Net changes in fund balances	(1,691,461)	(2,080,231)	(364,280)	1,715,951
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<u>2,800,000</u>	<u>2,080,231</u>	<u>2,126,979</u>	<u>46,748</u>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ 1,108,539</u>	<u>\$ -</u>	<u>\$ 1,762,699</u>	<u>\$ 1,762,699</u>

**CITY OF CANBY, OREGON**  
**GENERAL FUND - BUDGETARY BASIS**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2011**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>Administration department:</b>				
Personal services	\$ 691,183	\$ 754,259	\$ 734,111	\$ 20,148
Materials and services	421,905	422,193	393,362	28,831
Contingency	864,028	1,157,423	-	1,157,423
Subtotal	<u>1,977,116</u>	<u>2,333,875</u>	<u>1,127,473</u>	<u>1,206,402</u>
<b>Planning department:</b>				
Personal services	262,007	262,007	247,530	14,477
Materials and services	75,879	84,279	78,494	5,785
Subtotal	<u>337,886</u>	<u>346,286</u>	<u>326,024</u>	<u>20,262</u>
<b>Municipal court:</b>				
Personal services	225,179	224,748	219,564	5,184
Materials and services	64,250	64,250	59,442	4,808
Subtotal	<u>289,429</u>	<u>288,998</u>	<u>279,006</u>	<u>9,992</u>
<b>Police department:</b>				
Personal services	3,505,069	3,495,427	3,242,063	253,364
Materials and services	274,925	274,925	265,291	9,634
Capital outlay	15,000	15,000	-	15,000
Subtotal	<u>3,794,994</u>	<u>3,785,352</u>	<u>3,507,354</u>	<u>277,998</u>
<b>Parks department:</b>				
Personal services	323,541	323,541	303,562	19,979
Materials and services	73,742	73,742	60,221	13,521
Capital outlay	60,000	60,000	59,821	179
Subtotal	<u>457,283</u>	<u>457,283</u>	<u>423,604</u>	<u>33,679</u>
<b>Building department:</b>				
Personal services	183,181	186,181	183,187	2,994
Materials and services	69,989	66,989	38,738	28,251
Contingency	8,539	8,539	-	8,539
Subtotal	<u>261,709</u>	<u>261,709</u>	<u>221,925</u>	<u>39,784</u>
<b>Cemetery department:</b>				
Personal services	3,877	3,877	3,842	35
Materials and services	100,000	100,000	93,796	6,204
Subtotal	<u>103,877</u>	<u>103,877</u>	<u>97,638</u>	<u>6,239</u>
<b>Finance department:</b>				
Personal services	343,679	345,682	340,806	4,876
Materials and services	91,040	104,540	88,876	15,664
Subtotal	<u>434,719</u>	<u>450,222</u>	<u>429,682</u>	<u>20,540</u>
Total expenditures	<u>\$ 7,657,013</u>	<u>\$ 8,027,602</u>	<u>\$ 6,412,706</u>	<u>\$ 1,614,896</u>

**CITY OF CANBY, OREGON**  
**FLEET SERVICES COMBINED FUND - BUDGETARY BASIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2011**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 7,000	\$ 7,000	\$ 9,133	\$ 2,133
Interest	700	700	1,163	463
Miscellaneous	700	700	2,422	1,722
Total revenues	8,400	8,400	12,718	4,318
<b>EXPENDITURES:</b>				
Personal service	324,233	324,233	284,137	40,096
Materials and service	557,667	567,667	419,578	148,089
Capital outlay	40,000	40,000	127,980	(87,980)
Debt service:				
Principal	108,798	108,798	108,798	-
Interest	12,475	12,475	12,436	39
Contingency	7,879	65,996	-	65,996
Total expenditures	1,051,052	1,119,169	952,929	166,240
Revenues over (under) expenditures	(1,042,652)	(1,110,769)	(940,211)	170,558
<b>OTHER FINANCING SOURCES (USES):</b>				
Debt proceeds	-	-	103,510	103,510
Transfers in	1,026,988	1,026,988	1,024,968	(2,020)
Transfers out	(9,336)	(9,336)	(9,336)	-
Total other financing sources (uses)	1,017,652	1,017,652	1,119,142	101,490
Net changes in fund balances	(25,000)	(93,117)	178,931	272,048
<b>FUND BALANCES, BEGINNING BUDGETARY BASIS</b>	25,000	93,117	93,118	1
<b>FUND BALANCES, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	\$ 272,049	\$ 272,049

**CITY OF CANBY, OREGON**  
**TECHNICAL SERVICES COMBINED FUND - BUDGETARY BASIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2011**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest	\$ 1,000	\$ 1,000	\$ 1,679	\$ 679
Total revenues	1,000	1,000	1,679	679
<b>EXPENDITURES:</b>				
Personal service	57,171	57,171	53,420	3,751
Materials and service	96,300	96,300	89,629	6,671
Capital outlay	322,881	322,881	49,792	273,089
Contingency	26,788	26,788	-	26,788
Total expenditures	503,140	503,140	192,841	310,299
Revenues over (under) expenditures	(502,140)	(502,140)	(191,162)	310,978
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	191,000	191,000	191,000	-
Transfers out	(82,430)	(82,430)	(82,430)	-
Total other financing sources (uses)	108,570	108,570	108,570	-
Net changes in fund balances	(393,570)	(393,570)	(82,592)	310,978
<b>FUND BALANCES, BEGINNING BUDGETARY BASIS</b>	<b>393,570</b>	<b>393,570</b>	<b>411,378</b>	<b>17,808</b>
<b>FUND BALANCES, ENDING BUDGETARY BASIS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 328,786</b>	<b>\$ 328,786</b>

**CITY OF CANBY, OREGON  
STREET RESERVE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2011**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Grants & donations	\$ 200,000	\$ 200,000	\$ -	\$ (200,000)
Interest	-	-	7,131	7,131
System development charges	-	-	25,957	25,957
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>33,088</u>	<u>(166,912)</u>
<b>EXPENDITURES:</b>				
Capital outlay	<u>3,660,900</u>	<u>3,057,724</u>	<u>721,774</u>	<u>2,335,950</u>
Total expenditures	<u>3,660,900</u>	<u>3,057,724</u>	<u>721,774</u>	<u>2,335,950</u>
Revenues over (under) expenditures	(3,460,900)	(2,857,724)	(688,686)	2,169,038
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	961,500	1,078,695	710,332	(368,363)
Transfers out	<u>(600)</u>	<u>(600)</u>	<u>(600)</u>	<u>-</u>
Total other financing sources (uses)	<u>960,900</u>	<u>1,078,095</u>	<u>709,732</u>	<u>(368,363)</u>
Net changes in fund balances	(2,500,000)	(1,779,629)	21,046	1,800,675
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<u>2,500,000</u>	<u>1,779,629</u>	<u>1,779,629</u>	<u>-</u>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,800,675</u>	<u>\$ 1,800,675</u>

**CITY OF CANBY, OREGON**  
**URBAN RENEWAL AGENCY - GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2011**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ -	\$ -	\$ 300	\$ 300
Grants & donations	-	-	171,946	171,946
Interest	8,250	8,250	10,085	1,835
Miscellaneous	3,000	3,000	-	(3,000)
Total revenues	11,250	11,250	182,331	171,081
<b>EXPENDITURES:</b>				
Materials and service	432,543	432,543	334,718	97,825
Capital outlay	4,851,213	4,851,213	1,488,379	3,362,834
Contingency	155,105	155,105	-	155,105
Total expenditures	5,438,861	5,438,861	1,823,097	3,615,764
Revenues over (under) expenditures	(5,427,611)	(5,427,611)	(1,640,766)	3,786,845
<b>OTHER FINANCING SOURCES (USES):</b>				
Debt proceeds	2,500,000	2,500,000	2,848,558	348,558
Transfers in	2,000,000	2,000,000	1,500,000	(500,000)
Transfers out	(72,389)	(72,389)	(72,389)	-
Total other financing sources (uses)	4,427,611	4,427,611	4,276,169	(151,442)
Net changes in fund balances	(1,000,000)	(1,000,000)	2,635,403	3,635,403
<b>FUND BALANCES, BEGINNING</b>	1,000,000	1,000,000	366,532	(633,468)
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 3,001,935	\$ 3,001,935

**CITY OF CANBY, OREGON**  
**URBAN RENEWAL DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2011**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 2,207,352	\$ 2,207,352	\$ 1,870,093	\$ (337,259)
Special assessments	-	-	255,984	255,984
Grants & donations	-	-	31,256	31,256
Interest	10,620	10,620	20,146	9,526
Total revenues	<u>2,217,972</u>	<u>2,217,972</u>	<u>2,177,479</u>	<u>(40,493)</u>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	386,840	386,840	386,840	-
Interest	<u>596,132</u>	<u>596,132</u>	<u>301,433</u>	<u>294,699</u>
Total expenditures	<u>982,972</u>	<u>982,972</u>	<u>688,273</u>	<u>294,699</u>
Revenues over (under) expenditures	<u>1,235,000</u>	<u>1,235,000</u>	<u>1,489,206</u>	<u>254,206</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>(1,500,000)</u>	<u>500,000</u>
Total other financing sources (uses)	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>(1,500,000)</u>	<u>500,000</u>
Net changes in fund balances	(765,000)	(765,000)	(10,794)	754,206
<b>FUND BALANCES, BEGINNING</b>	<u>765,000</u>	<u>765,000</u>	<u>467,340</u>	<u>(297,660)</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 456,546</u>	<u>\$ 456,546</u>

**CITY OF CANBY, OREGON  
FORFEITURE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2011**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 12,440	\$ 12,440
Interest	-	-	198	198
Miscellaneous	5,500	5,500	-	(5,500)
Total revenues	5,500	5,500	12,638	7,138
<b>EXPENDITURES:</b>				
Materials and service	16,400	16,400	12,653	3,747
Total expenditures	16,400	16,400	12,653	3,747
Revenues over (under) expenditures	(10,900)	(10,900)	(15)	10,885
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(600)	(600)	(600)	-
Total other financing sources (uses)	(600)	(600)	(600)	-
Net changes in fund balances	(11,500)	(11,500)	(615)	10,885
<b>FUND BALANCES, BEGINNING</b>	11,500	11,500	11,526	26
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 10,911	\$ 10,911

**CITY OF CANBY, OREGON  
LIBRARY ENDOWMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2011**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest	\$ 1,000	1,000	\$ 651	\$ (349)
Total revenues	1,000	1,000	651	(349)
<b>EXPENDITURES:</b>				
Capital outlay	135,400	135,400	-	135,400
Total expenditures	135,400	135,400	-	135,400
Revenues over (under) expenditures	(134,400)	(134,400)	651	135,051
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(600)	(600)	(600)	-
Total other financing sources (uses)	(600)	(600)	(600)	-
Net changes in fund balances	(135,000)	(135,000)	51	135,051
<b>FUND BALANCES, BEGINNING</b>	135,000	135,000	135,264	264
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 135,315	\$ 135,315

**CITY OF CANBY, OREGON**  
**LIBRARY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2011**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 771,000	\$ 737,400	\$ 740,304	\$ 2,904
Charges for services	3,000	3,000	3,389	389
Grants & donations	29,500	29,500	29,728	228
Interest	1,000	1,000	1,513	513
Miscellaneous	20,000	20,000	24,013	4,013
Total revenues	824,500	790,900	798,947	8,047
<b>EXPENDITURES:</b>				
Personal service	577,978	578,978	562,346	16,632
Materials and service	191,061	252,061	190,432	61,629
Contingency	202,781	203,513	-	203,513
Total expenditures	971,820	1,034,552	752,778	281,774
Revenues over (under) expenditures	(147,320)	(243,652)	46,169	289,821
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	200,000	200,000	200,000	-
Transfers out	(177,680)	(177,680)	(177,680)	-
Total other financing sources (uses)	22,320	22,320	22,320	-
Net changes in fund balances	(125,000)	(221,332)	68,489	289,821
<b>FUND BALANCES, BEGINNING</b>	125,000	221,332	221,332	-
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 289,821	\$ 289,821

**CITY OF CANBY, OREGON  
LOCAL IMPROVEMENT DISTRICT FUND\*  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2011**

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	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Special assessments	\$ 9,261	9,261	\$ 9,261	\$ -
Interest	594	594	646	52
Total revenues	<u>9,855</u>	<u>9,855</u>	<u>9,907</u>	<u>52</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	<u>(10,455)</u>	<u>(21,395)</u>	<u>(21,395)</u>	<u>-</u>
Total other financing sources (uses)	<u>(10,455)</u>	<u>(21,395)</u>	<u>(21,395)</u>	<u>-</u>
Net changes in fund balances	(600)	(11,540)	(11,488)	52
<b>FUND BALANCES, BEGINNING</b>	<u>600</u>	<u>11,540</u>	<u>11,488</u>	<u>(52)</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

\* Fund closed during fiscal year 2011

**CITY OF CANBY, OREGON**  
**911 EMERGENCY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2011**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest	\$ 600	\$ 600	\$ 434	\$ (166)
Excise tax	76,000	76,000	77,317	1,317
Total revenues	76,600	76,600	77,751	1,151
<b>EXPENDITURES:</b>				
Materials and service	242,000	242,000	145,077	96,923
Total expenditures	242,000	242,000	145,077	96,923
Revenues over (under) expenditures	(165,400)	(165,400)	(67,326)	98,074
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	50,000	50,000	50,000	-
Transfers out	(600)	(600)	(600)	-
Total other financing sources (uses)	49,400	49,400	49,400	-
Net changes in fund balances	(116,000)	(116,000)	(17,926)	98,074
<b>FUND BALANCES, BEGINNING</b>	116,000	116,000	117,573	1,573
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 99,647	\$ 99,647

**CITY OF CANBY, OREGON  
CEMETERY PERPETUAL CARE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2011**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 11,120	\$ 11,120	\$ 13,750	\$ 2,630
Grants & donations	100	100	75	(25)
Interest	3,700	3,700	3,485	(215)
Total revenues	14,920	14,920	17,310	2,390
<b>EXPENDITURES:</b>				
Capital outlay	741,956	741,956	-	741,956
Total expenditures	741,956	741,956	-	741,956
Revenues over (under) expenditures	(727,036)	(727,036)	17,310	744,346
<b>OTHER FINANCING SOURCES (USES):</b>				
Interfund loan proceeds (payments)	21,853	21,853	21,853	-
Transfers in	2,783	2,783	2,783	-
Transfers out	(600)	(600)	(600)	-
Total other financing sources (uses)	24,036	24,036	24,036	-
Net changes in fund balances	(703,000)	(703,000)	41,346	744,346
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<u>703,000</u>	<u>703,000</u>	<u>704,276</u>	<u>1,276</u>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>745,622</u>	<u>\$ 745,622</u>
Interfund loan			46,925	
Total fund balance - generally accepted accounting principles			<u>\$ 792,547</u>	

**CITY OF CANBY, OREGON**  
**SWIM CENTER LOCAL OPTION TAX LEVY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2011**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 165,000	\$ 165,000	\$ 190,038	\$ 25,038
Property taxes	421,000	421,000	436,672	15,672
Interest	750	750	777	27
Total revenues	<u>586,750</u>	<u>586,750</u>	<u>627,487</u>	<u>40,737</u>
<b>EXPENDITURES:</b>				
Personal service	407,083	407,083	403,710	3,373
Materials and service	118,290	125,490	109,804	15,686
Capital outlay	40,000	40,000	38,341	1,659
Contingency	131,446	112,894	-	112,894
Total expenditures	<u>696,819</u>	<u>685,467</u>	<u>551,855</u>	<u>133,612</u>
Revenues over (under) expenditures	(110,069)	(98,717)	75,632	174,349
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	<u>(49,931)</u>	<u>(49,931)</u>	<u>(49,931)</u>	<u>-</u>
Total other financing sources (uses)	<u>(49,931)</u>	<u>(49,931)</u>	<u>(49,931)</u>	<u>-</u>
Net changes in fund balances	(160,000)	(148,648)	25,701	174,349
<b>FUND BALANCES, BEGINNING</b>	<u>160,000</u>	<u>148,648</u>	<u>154,251</u>	<u>5,603</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 179,952</u>	<u>\$ 179,952</u>

**CITY OF CANBY, OREGON**  
**CAPITAL RESERVE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2011**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
License fees permits	\$ -	\$ -	\$ 23,948	\$ 23,948
Interest	800	800	541	(259)
Total revenues	800	800	24,489	23,689
<b>EXPENDITURES:</b>				
Capital outlay	85,467	101,340	22,057	79,283
Total expenditures	85,467	101,340	22,057	79,283
Revenues over (under) expenditures	(84,667)	(100,540)	2,432	102,972
<b>OTHER FINANCING SOURCES (USES):</b>				
Interfund loan proceeds (payments)	(30,706)	(30,706)	(30,706)	-
Transfers in	12,400	12,400	12,400	-
Transfers out	(4,027)	(4,027)	(4,027)	-
Total other financing sources (uses)	(22,333)	(22,333)	(22,333)	-
Net changes in fund balances	(107,000)	(122,873)	(19,901)	102,972
<b>FUND BALANCE, BEGINNING</b>	107,000	122,873	122,873	-
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	102,972	\$ 102,972
Interfund loan			(49,152)	
Total fund balance - generally accepted accounting principles			\$ 53,820	

**CITY OF CANBY, OREGON**  
**LOGGING ROAD INDUSTRIAL PARK FUND\***  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2011**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest	\$ 400	\$ 400	\$ 432	\$ 32
Total revenues	400	400	432	32
<b>EXPENDITURES:</b>				
Capital outlay	63,253	-	-	-
Debt service:				
Principal	50,700	50,700	50,700	-
Interest	19,317	19,317	19,317	-
Total expenditures	133,270	70,017	70,017	-
Revenues over (under) expenditures	(132,870)	(69,617)	(69,585)	32
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(600)	(64,062)	(64,062)	-
Total other financing sources (uses)	(600)	(64,062)	(64,062)	-
Net changes in fund balances	(133,470)	(133,679)	(133,647)	32
<b>FUND BALANCE, BEGINNING</b>	133,470	133,679	133,647	(32)
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	\$ -	\$ -

\* Fund closed during fiscal year 2011

**BUDGETARY COMPARISON SCHEDULES**  
**Proprietary Funds**

Pursuant to the provisions of Oregon Revised Statute, an individual schedule of revenues, expenditures, and changes in fund balances - budget and actual be displayed for each fund where legally adopted budgets are required.

Proprietary Budgetary Comparison schedules include the following:

- Sewer Combined Fund

**CITY OF CANBY, OREGON**  
**SEWER COMBINED FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2011**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 2,537,820	\$ 2,537,820	\$ 2,550,765	\$ 12,945
Interest	18,000	18,000	8,615	(9,385)
Miscellaneous	2,500	2,500	3,587	1,087
System development charges	6,600	6,600	25,353	18,753
Total revenues	<u>2,564,920</u>	<u>2,564,920</u>	<u>2,588,320</u>	<u>23,400</u>
<b>EXPENDITURES:</b>				
Personal service	857,835	857,835	687,140	170,695
Materials and service	572,903	574,142	485,838	88,304
Capital outlay	1,585,629	2,505,629	1,368,295	1,137,334
Debt service:				
Principal	225,000	225,000	225,000	-
Interest	71,872	71,872	71,872	-
Contingency	295,235	462,826	-	462,826
Total expenditures	<u>3,608,474</u>	<u>4,697,304</u>	<u>2,838,145</u>	<u>1,859,159</u>
Revenues over (under) expenditures	(1,043,554)	(2,132,384)	(249,825)	1,882,559
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	8,624	8,624	8,624	-
Transfers out	(295,070)	(296,331)	(290,927)	5,404
Total other financing sources (uses)	<u>(286,446)</u>	<u>(287,707)</u>	<u>(282,303)</u>	<u>5,404</u>
Net changes in fund balances	(1,330,000)	(2,420,091)	(532,128)	1,887,963
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<u>1,330,000</u>	<u>2,420,091</u>	<u>4,295,157</u>	<u>1,875,066</u>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,763,029</u>	<u>\$ 3,763,029</u>
			<u>Revenues</u>	<u>Expenditures</u>
Total revenues and expenditures above			\$ 2,588,320	\$ 2,838,145
Transfers in/out			-	282,303
Expenditures capitalized			-	(1,358,156)
Debt service principal payments			-	(225,000)
Bond costs			-	3,504
Depreciation and amortization expense			-	246,136
Interest revenue/expense			-	(680)
OPEB liability			-	7,865
Accrued vacation			-	4,969
Total revenues and expenses - generally accepted accounting principles			<u>\$ 2,588,320</u>	<u>1,799,086</u>
Net income (loss)				<u>\$ 789,234</u>

## **OTHER FINANCIAL SCHEDULES**

**CITY OF CANBY, OREGON**  
**SCHEDULE OF PROPERTY TAX TRANSACTIONS**  
**AND OUTSTANDING BALANCES**  
**For the Fiscal Year Ended June 30, 2011**

Fiscal Year	Uncollected Balance June 30, 2010	Levy	Collections	Comcast Reserve	Discounts and Adjustments	Uncollected Balance June 30, 2011
2010-11	\$ -	\$ 6,170,088	\$ (5,773,785)	\$ (18,164)	\$ (179,970)	\$ 198,169
2009-10	221,971	-	(120,658)	-	(14,052)	87,261
2008-09	91,626	-	(44,582)	-	(3,952)	43,092
2007-08	33,497	-	(20,260)	-	(1,377)	11,860
2006-07	9,569	-	(6,023)	-	(615)	2,931
2005-06	1,998	-	(489)	-	(235)	1,274
2004-05	1,374	-	(271)	-	(238)	865
2003-04	1,455	-	(55)	-	(539)	861
2002-03	1,124	-	(56)	-	(626)	442
Prior years	1,820	-	(44)	-	(624)	1,152
<b>Totals</b>	<b>\$ 364,434</b>	<b>\$ 6,170,088</b>	<b>\$ (5,966,223)</b>	<b>\$ (18,164)</b>	<b>\$ (202,228)</b>	<b>\$ 347,907</b>

Taxes receivable classified by fund:

General fund	\$ 217,029
Urban renewal debt service fund	104,737
Non-major funds	26,141
	<u>\$ 347,907</u>



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**REPORTS OF INDEPENDENT  
CERTIFIED PUBLIC ACCOUNTANTS**

**INDEPENDENT AUDITOR'S REPORT  
REQUIRED BY OREGON STATE REGULATION**

We have audited the basic financial statements of the City of Canby, Oregon (the City), as of and for the year ended June 30, 2011 and have issued our report thereon dated December 29, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations.

Compliance

As part of obtaining reasonable assurance about whether the City'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 the Oregon Administrative Rules 162-010-0000 through 162-010-0320 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 statement 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:

- Deposits of public funds with financial institutions (ORS Chapter 295).
- Indebtedness, limitations, restrictions, and repayments.
- 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, and 279C).
- Accountability for collecting or receiving money by elected officials. The City does not have any elected officials collecting or receiving money.

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, included the provisions of Oregon Revised Statutes as specified in the Oregon Administrative Rules 162-010-000 through 162-010-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We identified certain deficiencies in internal control that we consider to be significant deficiencies and have communicated them in a separately issued letter dated December 29, 2011.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all such deficiencies have been identified.

This report is intended solely for the information and use of the Honorable Mayor, City Council, Oregon Secretary of State Audits Division, and management, and is not intended to be and should not be used by anyone other than these specified parties.

*Merina & Company*

Merina & Company, LLP  
West Linn, Oregon  
December 29, 2011

## **STATISTICAL SECTION**

## STATISTICAL SECTION

This section provides further details as a framework for a better understanding of the financial statements.

### **Financial Trends**

- These schedules contain trend information to help the reader understand how financial performance has changed over time.

### **Revenue Capacity**

- These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.

### **Debt Capacity**

- These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt.

### **Demographic and Economic Information**

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

### **Operating Information**

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

Sources: The information in these schedules is derived from the comprehensive annual financial reports for the relevant year, unless otherwise noted.

**CITY OF CANBY, OREGON**  
**NET ASSETS BY COMPONENT**  
**Last Nine Fiscal Years<sup>1</sup>**  
**(accrual basis of accounting)**

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 103,933,527	\$ 102,171,759	\$ 98,153,951	\$ 94,970,574	\$ 93,915,584	\$ 96,860,818	\$ 92,938,045	\$ 92,387,365	\$ 93,081,870	
Restricted	399,157	792,930	1,086,871	-	-	-	191,500	-	3,969,331	
Unrestricted	4,586,926	3,960,048	5,375,096	8,146,929	9,102,279	8,642,876	10,469,038	8,345,888	3,418,342	
<b>Total governmental activities net assets</b>	<b>\$ 108,919,610</b>	<b>\$ 106,924,737</b>	<b>\$ 104,615,918</b>	<b>\$ 103,117,503</b>	<b>\$ 103,017,863</b>	<b>\$ 105,503,694</b>	<b>\$ 103,598,583</b>	<b>\$ 100,733,253</b>	<b>\$ 100,469,543</b>	
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 2,497,748	\$ 3,160,359	\$ 3,189,108	\$ 3,601,028	\$ 4,120,266	\$ 5,142,642	\$ 5,976,467	\$ 7,195,320	\$ 8,532,340	
Restricted for: Debt service	-	-	-	-	-	-	250,500	250,500	250,500	
Unrestricted	2,873,374	2,835,621	3,346,132	3,827,293	4,045,984	3,354,199	2,883,513	2,122,173	1,574,387	
<b>Total business-type activities net assets</b>	<b>\$ 5,371,122</b>	<b>\$ 5,995,980</b>	<b>\$ 6,535,240</b>	<b>\$ 7,428,321</b>	<b>\$ 8,166,250</b>	<b>\$ 8,496,841</b>	<b>\$ 9,110,480</b>	<b>\$ 9,567,993</b>	<b>\$ 10,357,227</b>	
<b>Primary government</b>										
Invested in capital assets, net of related debt	\$ 106,431,275	\$ 105,332,118	\$ 101,343,059	\$ 98,571,602	\$ 98,035,850	\$ 102,003,460	\$ 98,914,512	\$ 99,582,685	\$ 101,614,210	
Restricted	399,157	792,930	1,086,871	-	-	-	191,500	250,500	4,219,831	
Unrestricted	7,460,300	6,795,669	8,721,228	11,974,222	13,148,263	11,997,075	13,352,551	10,468,061	4,992,729	
<b>Total primary government net assets</b>	<b>\$ 114,290,732</b>	<b>\$ 112,920,717</b>	<b>\$ 111,151,158</b>	<b>\$ 110,545,824</b>	<b>\$ 111,184,113</b>	<b>\$ 114,000,535</b>	<b>\$ 112,458,563</b>	<b>\$ 110,301,246</b>	<b>\$ 110,826,770</b>	

<sup>1</sup> Information is presented for years ended subsequent to the implementation of GASB Statement No. 34. Eventually, ten years of data will be shown.

**CITY OF CANBY, OREGON**  
**CHANGES IN NET ASSETS**  
**Last Nine Fiscal Years<sup>1</sup>**  
**(accrual basis of accounting)**

Expenses	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental activities:</b>									
General government	\$ 1,759,315	\$ 1,532,134	\$ 1,514,968	\$ 1,763,108	\$ 1,975,006	\$ 2,092,600	\$ 2,020,409	\$ 2,061,735	\$ 2,820,495
Public safety	2,198,030	2,764,920	3,202,770	3,735,926	3,687,446	4,161,197	4,221,405	4,081,875	4,168,007
Highways and streets	4,189,043	4,382,835	4,550,981	4,703,762	4,605,655	4,210,949	4,520,725	4,981,906	3,826,242
Transportation	657,279	792,315	1,013,469	1,191,610	1,272,614	1,728,422	1,841,758	1,989,289	1,304,747
Community development	-	428,389	499,842	1,459,534	699,835	1,391,106	682,282	757,344	657,712
Culture and recreation	1,032,616	1,143,635	1,382,993	691,087	1,371,076	808,945	1,485,754	1,752,634	1,920,450
Interest on long-term debt	42,483	65,127	73,742	166,494	203,650	158,326	235,520	300,883	340,041
<b>Total governmental activities expenses</b>	<b>9,878,766</b>	<b>11,109,355</b>	<b>12,238,765</b>	<b>13,711,521</b>	<b>13,815,282</b>	<b>14,551,545</b>	<b>15,007,853</b>	<b>15,925,666</b>	<b>15,037,694</b>
<b>Business-type activities:</b>									
Sewer Operations	1,234,510	1,224,414	1,439,799	1,524,620	1,567,159	1,730,630	1,662,222	1,606,323	1,517,463
<b>Total business-type activities expenses</b>	<b>1,234,510</b>	<b>1,224,414</b>	<b>1,439,799</b>	<b>1,524,620</b>	<b>1,567,159</b>	<b>1,730,630</b>	<b>1,662,222</b>	<b>1,606,323</b>	<b>1,517,463</b>
<b>Total primary government expenses</b>	<b>\$ 11,113,276</b>	<b>\$ 12,333,769</b>	<b>\$ 13,678,564</b>	<b>\$ 15,236,141</b>	<b>\$ 15,382,441</b>	<b>\$ 16,282,175</b>	<b>\$ 16,670,075</b>	<b>\$ 17,531,989</b>	<b>\$ 16,555,157</b>
<b>Program Revenues</b>									
<b>Governmental activities:</b>									
<b>Charges for services:</b>									
General government	\$ 1,741,265	\$ 99,453	\$ 174,825	\$ 903,727	\$ 1,581,413	\$ 610,163	\$ 382,313	\$ 122,984	\$ 669,801
Public safety	-	592,902	724,168	758,098	509,852	589,066	662,994	681,157	704,506
Highways and streets	-	809,154	888,817	1,348,669	1,427,278	1,447,744	443,341	537,347	565,788
Transportation	-	-	-	-	-	-	-	-	9,133
Culture and recreation	-	520,298	608,995	1,181,382	661,631	679,938	209,869	4,314	276,095
Community development	-	391,996	291,056	178,644	117,761	100,283	197,449	133,158	261,095
Operating grants and contributions	1,607,902	886,881	1,012,828	932,838	2,132,594	1,617,995	1,820,849	190,372	576,493
Capital grants and contributions	-	230,784	308,493	1,835	15,368	1,940,316	15,300	-	285,355
<b>Total governmental activities program revenues</b>	<b>3,349,167</b>	<b>3,531,468</b>	<b>4,009,182</b>	<b>5,305,193</b>	<b>6,445,897</b>	<b>6,985,505</b>	<b>3,732,115</b>	<b>1,669,332</b>	<b>\$ 3,348,266</b>
<b>Business-type activities:</b>									
<b>Charges for services:</b>									
Sewer Operations	1,739,618	1,985,260	2,073,095	2,485,329	2,375,247	2,381,987	2,525,053	2,393,574	2,576,118
Capital grants and contributions	310,058	-	-	-	-	-	-	-	-
<b>Total business-type activities program revenues</b>	<b>2,049,676</b>	<b>1,985,260</b>	<b>2,073,095</b>	<b>2,485,329</b>	<b>2,375,247</b>	<b>2,381,987</b>	<b>2,525,053</b>	<b>2,393,574</b>	<b>2,576,118</b>
<b>Total primary government program revenues</b>	<b>\$ 5,398,843</b>	<b>\$ 5,516,728</b>	<b>\$ 6,082,277</b>	<b>\$ 7,790,522</b>	<b>\$ 8,821,144</b>	<b>\$ 9,367,492</b>	<b>\$ 6,257,168</b>	<b>\$ 4,062,906</b>	<b>\$ 5,924,384</b>
<b>Net(expenditure)/revenue</b>									
Governmental activities	\$ (6,529,599)	\$ (7,577,887)	\$ (8,229,583)	\$ (8,406,328)	\$ (7,305,601)	\$ (7,566,040)	\$ (11,275,738)	\$ (13,071,979)	\$ (11,689,428)
Business-type activities	815,166	760,846	633,296	960,709	808,088	651,357	862,831	787,251	1,058,655
<b>Total primary government net expense</b>	<b>\$ (5,714,433)</b>	<b>\$ (6,817,041)</b>	<b>\$ (7,596,287)</b>	<b>\$ (7,445,619)</b>	<b>\$ (6,497,513)</b>	<b>\$ (6,914,683)</b>	<b>\$ (10,412,907)</b>	<b>\$ (12,284,728)</b>	<b>\$ (10,630,773)</b>
<b>General Revenues and Other Changes in Net Assets</b>									
<b>Governmental activities:</b>									
<b>Taxes</b>									
Property taxes	\$ 3,128,166	\$ 3,448,499	\$ 3,502,798	\$ 3,747,820	\$ 4,056,995	\$ 4,422,054	\$ 5,229,096	\$ 5,826,797	\$ 5,968,707
Franchise taxes	177,413	757,538	799,068	824,999	908,269	905,840	923,987	925,246	428,301
Public service tax	-	158,670	158,749	880,438	650,398	826,592	1,699,027	2,170,566	2,924,817
Transit & Excise tax	-	785,682	782,151	728,355	763,301	858,196	813,290	797,622	849,806
Unrestricted grants and contributions	1,042,345	86,156	90,579	-	-	-	-	-	-
Investment earnings	70,888	62,642	137,796	391,665	506,212	610,810	228,993	80,933	71,184
Miscellaneous	691,714	124,586	291,364	149,391	122,641	72,597	163,256	46,935	49,858
Gain on sale of capital assets	114,645	-	-	-	-	-	-	-	-
Transfers	130,198	159,241	158,259	185,245	261,929	(205,464)	312,978	358,550	282,303
<b>Total governmental activities</b>	<b>\$ 5,355,369</b>	<b>\$ 5,583,014</b>	<b>\$ 5,920,764</b>	<b>\$ 6,907,913</b>	<b>\$ 7,269,745</b>	<b>\$ 7,490,625</b>	<b>\$ 9,370,627</b>	<b>\$ 10,206,649</b>	<b>\$ 10,574,976</b>
<b>Business-type activities:</b>									
Investment earnings	61,079	23,253	64,223	127,903	191,754	182,170	61,369	20,166	9,295
Miscellaneous	13,695	-	-	540	16	141	2,417	19,834	3,587
Gain on sale of capital assets	-	-	-	(10,826)	-	(297,613)	-	(11,188)	-
Transfers	(130,198)	(159,241)	(158,259)	(185,245)	(261,929)	(205,464)	(312,978)	(358,550)	(282,303)
<b>Total business-type activities</b>	<b>(55,424)</b>	<b>(135,988)</b>	<b>(94,036)</b>	<b>(67,628)</b>	<b>(70,159)</b>	<b>(320,766)</b>	<b>(249,192)</b>	<b>(329,738)</b>	<b>(269,421)</b>
<b>Total primary government</b>	<b>\$ 5,299,945</b>	<b>\$ 5,447,026</b>	<b>\$ 5,826,728</b>	<b>\$ 6,840,285</b>	<b>\$ 7,199,586</b>	<b>\$ 7,169,859</b>	<b>\$ 9,121,435</b>	<b>\$ 9,876,911</b>	<b>\$ 10,305,555</b>
<b>Change in Net Assets</b>									
Governmental activities	\$ (1,174,230)	\$ (1,994,873)	\$ (2,308,819)	\$ (1,498,415)	\$ (99,640)	\$ 245,351	\$ (1,905,111)	\$ (2,865,330)	\$ (11,689,428)
Business-type activities	759,742	624,858	539,260	893,081	737,929	330,591	613,639	457,513	1,058,655
<b>Total primary government</b>	<b>\$ (414,488)</b>	<b>\$ (1,370,015)</b>	<b>\$ (1,769,559)</b>	<b>\$ (605,334)</b>	<b>\$ 638,289</b>	<b>\$ 575,942</b>	<b>\$ (1,291,472)</b>	<b>\$ (2,407,817)</b>	<b>\$ (10,630,773)</b>

<sup>1</sup> Information is presented for years ended subsequent to the implementation of GASB Statement No. 34. Eventually, ten years of data will be shown.

**CITY OF CANBY, OREGON**  
**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE**  
**Last Nine Fiscal Years<sup>1</sup>**  
**(accrual basis of accounting)**

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Fiscal Year	Property Tax	Franchise Tax	Public Service		Total
			Tax	Transit Tax	
2003	\$ 3,128,166	\$ 177,413	N/A	N/A	\$ 3,305,579
2004	3,423,608	757,538	158,670	785,682	5,125,498
2005	3,502,798	799,068	158,749	782,151	5,242,766
2006	3,747,820	824,999	880,438	728,355	6,181,612
2007	4,056,995	908,268	650,398	763,301	6,378,962
2008	4,422,054	905,840	826,592	858,196	7,012,682
2009	5,229,096	923,987	1,699,027	813,290	8,665,400
2010	5,826,797	925,246	2,170,566	797,622	9,720,231
2011	5,968,707	428,301	2,924,817	849,806	10,171,631

<sup>1</sup> Information is presented for years ended subsequent to the implementation of GASB Statement No. 34. Eventually, ten years of data will be shown.

**CITY OF CANBY, OREGON  
FUND BALANCE OF GOVERNMENTAL FUNDS**

**Last Nine Fiscal Years<sup>1</sup>  
(modified accrual basis of accounting)**

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General fund									
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,099,741	\$ 1,183,265	\$ 581,068	\$ -
Assigned									600,835
Unreserved	2,149,827	2,349,333	1,974,541	3,005,649	3,010,375	642,284	1,262,712	1,477,133	-
Unassigned									1,715,774
Total general fund	\$ 2,149,827	\$ 2,349,333	\$ 1,974,541	\$ 3,005,649	\$ 3,010,375	\$ 2,742,025	\$ 2,445,977	\$ 2,058,201	\$ 2,316,609
All other governmental funds									
Reserved	\$ 399,157	\$ 792,930	\$ 1,086,871	\$ 943,790	\$ 937,114	\$ 2,845,400	\$ 818,853	\$ -	\$ -
Restricted									3,969,331
Assigned-in special revenue funds									1,397,635
-in capital project funds									2,826,957
Unassigned									(230,347)
Unreserved, reported in:									
Special revenue funds	1,535,586	1,848,824	1,956,692	3,127,208	3,763,444	1,822,006	2,899,748	3,032,216	
Capital project funds	658,299	895,536	1,550,540	1,385,125	2,050,832	1,343,928	4,442,115	3,375,665	
Total all other governmental funds	\$ 2,593,042	\$ 3,537,340	\$ 4,594,103	\$ 5,456,123	\$ 6,751,390	\$ 6,011,334	\$ 8,160,716	\$ 6,407,881	\$ 7,963,576

<sup>1</sup> Information is presented for years ended subsequent to the implementation of GASB Statement No. 34. Eventually, ten years of data will be shown.

**CITY OF CANBY, OREGON**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	2002	2003	2004	2005
<b>Revenues</b>				
Taxes	\$ 2,895,388	\$ 3,920,007	\$ 4,209,290	\$ 4,304,868
Licenses and permits	807,239	528,696	297,326	244,163
Intergovernmental	1,876,852	1,582,902	1,356,717	1,377,497
Franchise	-	177,413	253,739	284,925
Charges for services	1,444,570	252,759	433,317	389,931
Fines & forfeitures	330,590	427,818	548,039	671,872
Investment earnings	142,885	70,888	62,642	137,796
Special assessments	-	76,274	49,879	134,194
State highway fund	-	531,992	619,359	679,265
Grants & donations	-	267,006	534,573	707,295
System development charges	-	667,759	465,883	568,436
Miscellaneous	275,473	36,750	124,586	291,364
<b>Total revenues</b>	<b>\$ 7,772,997</b>	<b>\$ 8,540,264</b>	<b>\$ 8,955,350</b>	<b>\$ 9,791,606</b>
<b>Expenditures</b>				
General government	\$ 2,157,183	\$ 2,158,305	\$ 1,642,796	\$ 1,333,735
Public safety	1,920,127	1,854,502	2,204,457	2,603,832
Highways and streets	700,885	551,521	665,656	715,074
Transportation	-	128,477	736,593	658,009
Community development	-	-	-	410,569
Culture and recreation	965,647	986,522	959,275	1,041,035
Capital outlay	558,817	614,284	1,338,042	2,318,793
Debt service	134,503	140,914		
Principal	-	-	97,942	104,331
Interest	-	-	45,721	40,001
<b>Total expenditures</b>	<b>\$ 6,437,162</b>	<b>\$ 6,434,525</b>	<b>\$ 7,690,482</b>	<b>\$ 9,225,379</b>
Excess of revenues over (under) expenditures	1,335,835	2,105,739	1,264,868	566,227
<b>Other financing sources (uses)</b>				
Transfers in	\$ -	\$ -	\$ 1,784,554	\$ 1,223,036
Transfers out	-	-	(1,654,356)	(1,063,795)
Issuance of capital leases	-	-	-	51,738
Issuance of debt	-	-	-	1,202,904
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>130,198</b>	<b>1,413,883</b>
<b>Net change in fund balances</b>	<b>\$ 1,335,835</b>	<b>\$ 2,105,739</b>	<b>\$ 1,395,066</b>	<b>\$ 1,980,110</b>
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	2.3%	2.1%

Fiscal Year						
2006	2007	2008	2009	2010	2011	
\$ 4,781,182	\$ 5,018,424	\$ 5,384,310	\$ 6,086,281	\$ 6,667,745	\$ 6,923,675	
751,503	536,069	440,652	236,200	175,797	269,191	
1,300,149	1,357,083	1,497,278	2,847,244	2,629,636	2,836,815	
295,674	372,082	375,480	380,917	393,741	428,301	
376,567	354,456	806,208	499,369	931,949	1,015,900	
707,442	708,044	607,934	608,661	548,191	505,002	
391,665	506,212	428,640	228,993	80,933	71,184	
170,144	701,105	26,178	8,217	15,652	265,245	
690,437	676,497	648,863	-	-	-	
748,313	1,774,336	1,526,153	1,407,503	1,052,461	993,742	
1,674,427	1,321,764	912,734	161,370	18,603	41,512	
149,391	122,641	72,456	163,256	46,935	49,858	
<u>\$ 12,036,894</u>	<u>\$ 13,448,713</u>	<u>\$ 12,726,886</u>	<u>\$ 12,628,011</u>	<u>\$ 12,561,643</u>	<u>\$ 13,400,425</u>	
\$ 1,375,489	\$ 1,486,777	\$ 1,820,855	\$ 1,874,941	\$ 1,899,810	\$ 2,751,290	
2,986,894	3,218,555	3,978,306	4,124,030	3,823,117	3,931,437	
892,865	954,503	506,953	700,001	492,991	528,822	
868,036	955,343	1,654,988	1,708,319	1,819,432	1,126,670	
476,382	608,118	759,503	668,987	594,136	547,949	
1,258,777	1,217,733	1,306,114	1,358,843	1,512,554	1,727,713	
3,044,594	1,889,058	3,701,468	3,743,531	3,874,711	3,227,700	
91,184	152,034	248,930	596,209	968,040	635,813	
66,496	166,966	166,750	227,908	268,662	343,299	
<u>\$ 11,060,717</u>	<u>\$ 10,649,087</u>	<u>\$ 14,143,867</u>	<u>\$ 15,002,769</u>	<u>\$ 15,253,453</u>	<u>\$ 14,820,693</u>	
976,177	2,799,626	(1,416,981)	(2,374,758)	(2,691,810)	(1,420,268)	
\$ 2,131,606	\$ 1,684,340	\$ 2,746,603	\$ 3,350,643	\$ 4,563,049	\$ 4,405,346	
(1,973,347)	(1,499,095)	(2,448,990)	(3,037,665)	(4,204,499)	(4,123,043)	
52,714	-	110,962	-	192,649	103,510	
1,740,059	320,076	-	3,915,114	-	2,848,558	
<u>1,951,032</u>	<u>505,321</u>	<u>408,575</u>	<u>4,228,092</u>	<u>551,199</u>	<u>3,234,371</u>	
<u>\$ 2,927,209</u>	<u>\$ 3,304,947</u>	<u>\$ (1,008,406)</u>	<u>\$ 1,853,334</u>	<u>\$ (2,140,611)</u>	<u>\$ 1,814,103</u>	
2.0%	3.8%	4.1%	7.8%	11.2%	9.2%	

**CITY OF CANBY, OREGON**  
**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**  
**Last Nine Fiscal Years<sup>1</sup>**  
**(modified accrual basis of accounting)**

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Fiscal Year	Property Tax	Franchise Tax	Public Service		Total
			Tax	Transit Tax	
2003	\$ 3,157,463	\$ 177,413	N/A	N/A	\$ 3,334,876
2004	3,423,608	253,739	158,670	785,682	4,621,699
2005	3,522,717	284,925	158,749	782,151	4,748,542
2006	3,756,853	295,674	880,438	728,355	5,661,320
2007	4,051,995	372,082	650,398	763,301	5,837,776
2008	4,720,370	375,480	826,592	858,196	6,780,638
2009	5,144,916	380,917	1,699,027	813,290	8,038,150
2010	5,793,374	393,741	2,170,566	797,622	9,155,303
2011	5,968,707	428,301	2,924,817	849,806	10,171,631

<sup>1</sup> Information is presented for years ended subsequent to the implementation of GASB Statement No. 34. Eventually, ten years of data will be shown.

**CITY OF CANBY, OREGON  
 ASSESSED VALUES AND ESTIMATED ACTUAL VALUE  
 OF TAXABLE PROPERTY  
 Last Ten Fiscal Years**

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Fiscal Year Ended June 30	REAL PROPERTY		PERSONAL PROPERTY		MANUFACTURED STRUCTURES	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2002	616,865,223	813,025,340	21,406,319	22,009,020	16,632,065	17,629,989
2003	618,071,175	828,810,498	24,990,907	25,941,973	16,289,669	17,336,790
2004	657,185,636	880,649,368	26,460,933	27,542,292	12,954,454	13,520,485
2005	736,248,737	966,552,313	29,070,367	29,070,373	12,866,313	12,929,363
2006	781,204,858	1,043,294,945	26,371,767	26,371,772	11,900,522	11,933,007
2007	875,987,346	1,393,190,671	24,383,765	24,383,765	12,534,518	12,657,120
2008	950,407,566	1,643,695,530	27,136,770	27,136,770	12,863,377	13,097,450
2009	1,019,487,037	1,744,286,902	31,104,972	31,104,972	13,153,640	13,846,620
2010	1,082,280,874	1,644,999,076	33,579,468	33,579,468	12,589,316	13,269,930
2011	1,115,023,552	1,473,235,320	34,018,902	34,018,092	11,310,278	11,869,760

Source: Clackamas County Assessor's Office

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UTILITIES		TOTAL		Ratio of Total Assessed to Total Estimated Actual Value	Total Direct Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
9,186,271	11,170,219	664,089,878	863,834,568	76.9%	17.06
12,429,566	12,948,464	671,781,317	885,037,725	75.9%	17.11
12,929,506	13,491,187	709,530,529	935,203,332	75.9%	17.21
14,212,819	14,257,380	792,398,236	1,022,809,429	77.5%	17.13
14,962,943	15,026,680	834,440,090	1,096,626,404	76.1%	16.88
17,676,550	17,930,019	930,582,179	1,448,161,575	64.3%	16.30
20,383,070	21,141,627	1,010,790,783	1,705,071,377	59.3%	16.47
21,007,740	21,269,052	1,084,753,389	1,810,507,546	59.9%	16.37
28,809,200	29,037,415	1,157,258,858	1,720,885,889	67.2%	17.13
27,769,240	27,976,802	1,188,121,972	1,547,099,974	76.8%	17.08

**CITY OF CANBY, OREGON**  
**PROPERTY TAX RATES**  
**Last Ten Fiscal Years**

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<b>Fiscal Year Ended June 30</b>	<b>City of Canby</b>	<b>Canby School District</b>	<b>Clackamas CC &amp; ESD</b>	<b>Clackamas County</b>	<b>Other Taxing Districts</b>	<b>Total</b>
2002	3.59	7.91	1.23	2.58	1.75	17.06
2003	3.77	7.60	1.05	2.49	2.20	17.11
2004	3.76	7.44	1.05	2.48	2.48	17.21
2005	3.67	7.41	1.09	2.49	2.47	17.13
2006	3.65	7.11	1.07	2.50	2.55	16.88
2007	3.62	6.58	1.03	2.44	2.63	16.30
2008	3.63	6.25	1.02	2.63	2.94	16.47
2009	3.60	6.09	1.01	2.62	3.05	16.37
2010	3.55	6.26	0.98	3.03	3.31	17.13
2011	3.55	6.22	0.96	3.02	3.33	17.08

Source: Clackamas County Assessor's Office and City Records  
Tax rates expressed in dollars and cents per \$1,000 of assessed value of taxable property

**CITY OF CANBY, OREGON  
 PRINCIPAL PROPERTY TAXPAYERS  
 Current Year and Six<sup>1</sup> Years Ago**

Taxpayer	2011			2005		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
American Steel Corporation	\$ 18,408,833	1	1.55%	\$ -		0.00%
Hope Village, Inc.	17,212,016	2	1.45%	12,668,952	2	1.24%
Fred Meyer Stores Inc. #651	17,169,107	3	1.45%	15,649,060	1	1.53%
Canby Telephone Assn.	15,283,900	4	1.29%	9,370,408	4	0.92%
Johnson Controls Battery Group, Inc.	10,496,157	5	0.88%	10,324,117	3	1.01%
Pan Pacific Properties Inc.	8,720,169	6	0.73%	9,125,566	5	0.89%
Kogap Enterprises, Inc.	8,443,973	7	0.71%	6,436,880	6	0.63%
Willamette Valley Country Club	7,674,713	8	0.65%	6,225,139	7	0.61%
Shimadzu USA Manufacturing	7,141,366	9	0.60%	5,997,363	8	0.59%
Jorken Oregon LLC	7,026,488	10	0.59%			
Warnke-Lombard LLC			0.00%	5,383,727	9	0.53%
Willamette Grove Apartments			0.00%	4,700,543	10	0.46%
Other	1,070,544,440		90.10%	936,927,674		91.59%
<b>Totals</b>	<b>\$ 1,188,121,162</b>		<b>100.0%</b>	<b>\$ 1,022,809,429</b>		<b>100.00%</b>

<sup>1</sup> Information is presented for the oldest available year. Eventually, data from nine years ago will be shown.  
 Source: Clackamas County Assessor's Office

**CITY OF CANBY, OREGON  
PROPERTY TAX LEVIES AND COLLECTIONS  
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Taxes Levied by Assessor	Current Tax Collections	Percent of		Delinquent Taxes Collected	Total Tax Collections	Percent of Total Tax		Adjustments & Discounts	Uncollected Taxes	Percent of Delinquent Taxes to Tax Levy
			Levy Collections	Levy			Collections to Tax Levy	Adjustments & Discounts			
2003	3,262,266	3,060,094	93.80%	93.80%	98,126	3,169,294	97.15%	91,693	181,494	5.56%	
2004	3,510,366	3,336,408	95.04%	95.04%	87,200	3,423,608	97.53%	89,079	149,329	4.25%	
2005	3,618,068	3,402,364	94.04%	94.04%	87,402	3,489,766	96.45%	101,528	96,506	2.67%	
2006	3,858,467	3,665,410	95.00%	95.00%	73,063	3,738,473	96.89%	99,934	93,123	2.41%	
2007	3,522,095	3,218,438	91.38%	91.38%	87,302	3,305,740	93.86%	91,911	138,682	3.94%	
2008	4,901,307	4,607,105	94.00%	94.00%	99,474	4,706,579	96.03%	129,552	233,506	4.76%	
2009	5,363,848	4,993,705	93.10%	93.10%	129,864	5,123,569	95.52%	145,085	328,700	6.13%	
2010	5,977,208	5,598,031	93.66%	93.66%	178,821	5,793,374	96.92%	164,623	364,434	6.10%	
2011	6,170,088	5,743,341	93.08%	93.08%	242,526	5,985,867	97.01%	198,134	347,907	5.64%	

Source: Clackamas County Assessor's Office and City Records

**CITY OF CANBY, OREGON**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**Last Nine Fiscal Years<sup>1</sup>**

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Fiscal Year	Governmental Activities				Business-Type	Total Primary Government	Per Capita
	General Obligation Bonds	General Obligation Bonds	Loans	Capital Leases	Bonds		
2003	60,000		658,790	21,683	4,630,000	5,370,473	386
2004	-		1,836,870	48,811	4,410,000	6,295,681	446
2005	-		3,485,641	64,552	4,185,000	7,735,193	538
2006	-		3,653,683	81,548	3,945,000	7,680,231	522
2007	-		3,483,254	532,009	3,695,000	7,710,263	509
2008	-		3,310,524	490,719	2,557,888	6,359,131	419
2009	-	1,580,000	5,135,621	407,783	2,312,464	9,435,868	620
2010	-	1,055,000	4,885,158	406,902	2,097,040	8,444,100	554
2011	-	3,330,831	5,044,592	312,178	1,866,616	10,554,217	667

<sup>1</sup> Information is presented for years ended subsequent to the implementation of GASB Statement No. 34. Eventually, ten years of data will be shown.

\* Information not available by time of report.

**CITY OF CANBY, OREGON**  
**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**  
**Last Ten Fiscal Years**

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<b>Fiscal Year Ended June 30</b>	<b>Population(1)</b>	<b>Assessed Value(2)</b>	<b>Gross General Obligation Bonded Debt</b>	<b>Less Debt Service Fund</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Debt per Capita</b>
2002	12,790	667,157,932	645,000	202,973	442,027	0.0007	50
2003	13,440	697,346,697	60,000	270,852	(210,852)	-0.0003	5
2004	13,910	736,564,332	-	-	-	0.0000	-
2005	14,385	792,398,236	-	-	-	0.0000	-
2006	14,705	834,440,090	-	-	-	0.0000	-
2007	15,140	930,582,179	-	-	-	0.0000	-
2008	15,165	1,010,790,783	-	-	-	0.0000	-
2009	15,230	1,084,753,389	1,580,000	814,464	765,536	0.0007	104
2010	15,230	1,157,258,858	1,055,000	467,340	587,660	0.0005	69
2011	15,830	1,115,023,552	875,000	456,548	418,452	0.0004	57

(1) Portland State University

(2) Clackamas County Assessor's Office

**CITY OF CANBY, OREGON**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**June 30, 2011**

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<u>Jurisdiction</u>	<u>Total Net Debt</u>	<u>Percent Within City</u>	<u>City's Pro Rata Share</u>
Direct:			
City of Canby	\$ 2,500,000	100%	\$ 2,500,000
Overlapping:			
Canby RFPD #62	80,000	69.3288%	55,463
Clackamas County	76,195,000	3.1424%	2,394,352
Clackamas County School District No 86	89,251,603	44.5803%	39,788,632
Clackamas Community College	<u>32,605,000</u>	4.3379%	<u>1,414,372</u>
TOTAL	<u>\$ 200,631,603</u>		<u>\$ 46,152,819</u>

Source: Municipal Debt Advisory Commission, Oregon State Treasury  
Excluding Revenue Bonds

**CITY OF CANBY, OREGON**  
**LEGAL DEBT MARGIN INFORMATION**  
**Last Nine Fiscal Years<sup>1</sup>**

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt Limit	\$ 26,551,132	\$ 28,056,100	\$ 30,684,283	\$ 32,898,792	\$ 43,444,847	\$ 51,152,141	\$ 54,315,226	\$ 51,626,577	\$ 46,412,999
Total net debt application to limit	-	-	-	1,580,000	1,580,000	-	-	1,055,000	3,330,831
Legal debt margin	\$ 26,551,132	\$ 28,056,100	\$ 30,684,283	\$ 32,898,792	\$ 43,444,847	\$ 51,152,141	\$ 52,735,226	\$ 50,571,577	\$ 43,082,168
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.91%	2.04%	7.18%

<sup>1</sup> Information is presented for years ended subsequent to the implementation of GASB Statement No. 34. Eventually, ten years of data will be shown.

**CITY OF CANBY, OREGON**  
**PLEDGED-REVENUE COVERAGE**  
**Last Ten Fiscal Years**

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Sewer Revenue Bonds

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Fiscal Year	Sewer Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service	
				Principal	Interest
2002	2,143,986	1,411,834	732,152	4,830,000	2,224,775
2003	2,124,450	1,234,510	889,940	4,630,000	1,991,430
2004	2,008,513	1,224,414	784,099	4,410,000	1,767,772
2005	2,137,318	1,439,799	697,519	4,185,000	1,553,906
2006	2,613,772	1,535,446	1,078,326	3,945,000	1,350,288
2007	2,567,017	1,567,159	999,858	3,695,000	1,157,677
2008	2,554,316	1,515,131	1,039,185	3,695,000	2,996,028
2009	2,588,171	1,974,532	613,639	2,265,000	2,908,256
2010	2,433,136	1,975,623	457,513	2,055,000	2,828,500
2011	2,576,118	1,058,655	1,517,463	1,830,000	2,756,628

**CITY OF CANBY, OREGON**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**Last Ten Fiscal Years**

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Fiscal Year	Population (1)	Personal Income (amounts expressed in thousands)	Per Capita Personal Income	Median Age	Unemployment Rate (2)
2002	13,440	*	*	32.9	7.3%
2003	13,910	*	*	37.5	8.5%
2004	14,110	*	*	37.1	7.6%
2005	14,385	*	*	37.0	5.8%
2006	14,705	*	*	33.2	5.7%
2007	15,140	*	*	33.8	4.2%
2008	15,165	*	*	32.9	4.7%
2009	15,230	*	*	33.3	11.3%
2010	15,829	*	*	33.7	10.1%
2011	15,830	*	*	33.7	9.1%

(1) Source: Portland State University Population Research Center

(2) Source: Oregon Bureau of Labor Statistics

\* Reliable data not available at city level. Per capita income in 2000 estimated at 19,561.

**CITY OF CANBY, OREGON  
 FULL-TIME EQUIVALENT CITY GOVERNMENT  
 EMPLOYEES BY FUNCTION  
 Last Nine Fiscal Years<sup>1</sup>**

	<b>Full-time Equivalent Employees as of June 30</b>									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	
<b>Function</b>										
General Government	12.81	13.25	13.25	13.25	12.44	16.88	21.20	20.49	19.85	
Public Safety										
Police Officers	21.00	21.00	23.00	23.00	29.60	25.00	25.00	25.00	25.00	25.00
Civilians	4.75	5.85	6.85	6.85	6.60	4.60	4.60	4.60	4.60	4.60
Highways and streets	4.63	4.53	4.53	5.53	4.53	5.05	4.85	4.32	4.66	4.66
Culture and recreation	13.45	16.05	18.30	18.30	17.65	15.02	14.97	16.88	18.13	18.13
Community development	5.95	5.60	5.74	5.74	3.85	7.20	7.15	5.30	6.93	6.93
Transportation	1.50	1.60	1.65	2.65	2.10	1.15	1.15	2.25	1.70	1.70
Sewer	7.54	7.47	8.67	8.67	8.67	8.95	10.01	10.14	9.06	9.06
<b>Total</b>	<b>71.63</b>	<b>75.35</b>	<b>81.99</b>	<b>83.99</b>	<b>85.44</b>	<b>83.85</b>	<b>88.93</b>	<b>88.98</b>	<b>89.93</b>	

Source: Annual Adopted Budget Book

<sup>1</sup> Information is presented for years ended subsequent to the implementation of GASB Statement No. 34. Eventually, ten years of data will be shown.

**CITY OF CANBY, OREGON  
OPERATING INDICATORS BY FUNCTION  
Last Seven Fiscal Years<sup>1</sup>**

Function	Fiscal Year						
	2005	2006	2007	2008	2009	2010	2011
Police							
Physical arrests	1,003	795	870	831	882	1,365	1,056
Parking violations	291	304	208	161	140	164	83
Traffic violations	5,023	4,555	4,215	3,692	2,618	3,619	2,496
Culture and recreation							
Swim Center Admissions	69,039	64,962	66,253	61,710	70,972	74,600	72,368
Community center							
Home Delivered Meals	17,397	17,919	18,672	13,810	17,486	25,940	23,759
Total Meals Served	33,978	34,997	36,467	32,095	31,752	37,821	37,473
Transportation (rides per month)	148	152	158	139	248	214	210
Volunteer Hours (average per day)	46	47	49	50	40	45	51
Community development							
Various Permits Issued	528	544	567	470	294	300	231
Inspections Performed	2,708	2,789	2,906	2,962	1,002	668	516
Wastewater							
Average daily sewage treatment (millions of gallons)	1.0521	1.0837	1.1292	0.9947	0.9718	1.0063	1.0037

<sup>1</sup> Information is presented for years ended subsequent to the implementation of GASB Statement No. 34. Eventually, ten years of data will be shown.

Sources:

- Police
- Culture and recreation
- Community center
- Community development
- Wastewater

**CITY OF CANBY, OREGON  
 CAPITAL ASSET STATISTICS BY FUNCTION  
 EMPLOYEES BY FUNCTION  
 Last Nine Fiscal Years<sup>1</sup>**

Function	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety									
Police:									
Stations	1	2	2	2	2	1	1	1	1
Patrol units	11	11	11	11	11	14	14	14	14
Highways and streets									
Streets (center lane miles)	49.54	51.54	51.54	53.09	54.12	54.12	54.12	54.15	54.17
Streetlights	-	-	1,187	1,223	1,259	1,264	1,304	1309	1311
Traffic signals <sup>2</sup>	-	-	-	-	-	-	-	-	-
Culture and recreation									
Parks acreage	114	114	180	185	185	187	187	187	187
Swimming pools	1	1	1	1	1	1	1	1	1
Tennis courts	2	2	2	2	2	2	2	2	2
Community centers	1	1	1	1	1	1	1	1	1
Sewer									
Number of connections	5,151	5,233	5,338	5,498	6,136	6,200	6,214	6,220	6,221
Maximum daily treatment capacity (millions of gallons)	2.20	2.20	2.20	2.27	2.53	2.80	2.80	2.80	2.80

<sup>1</sup> Information is presented for years ended subsequent to the implementation of GASB Statement No. 34. Eventually, ten years of data will be shown.

<sup>2</sup> There are no traffic signals on city-owned streets, only on county and state roads.

Sources:  
 Police  
 Culture and recreation  
 Community center  
 Community development  
 Wastewater

