

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

MAJOR FUNDS

General Fund

This fund accounts for the financial operations of the City which are not accounted for in any other fund. Principal sources of revenue are property taxes, licenses and permits, franchise fees, state shared revenues and charges for administrative services provided to other funds. Primary expenditures are for police protection, court, engineering and planning services, and general administration such as human resources, finance, city attorney and mayor's office.

Street Fund

Accounts for receipts of revenues from county gasoline tax and state gasoline taxes apportioned from the State of Oregon, and expenditures as specified under Article IX, Section 3 of the Constitution of the State of Oregon.

Library Fund

Accounts for receipts and expenditures of revenues from a county library special levy, property taxes levied, and donations and expenditures for operation of the City library. This fund consists of two budgetary funds (Library Fund and Library Donation Fund).

Capital Projects Fund

Accounts for the construction of streets and traffic enhancement projects. Grants and transfers from other funds and other governmental agencies comprise its major sources of funds.

OTHER GOVERNMENTAL FUNDS

Other Governmental Funds include State Revenue Sharing Fund, Building Operating Fund, Community Development Block Grant Fund, Street Lighting Fund, Traffic Impact Fee Fund, Beaverton Arts Commission Fund, General Obligation Debt Service Fund, Assessment Debt Service Fund and Assessment Projects Fund.

CITY OF BEAVERTON, OREGON
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2009

	General Fund	Street Fund	Library Fund	Capital Projects Fund	Other Governmental Funds	Total
Assets:						
Cash and investments	\$21,741,136	\$2,967,264	\$2,450,139	\$651,784	\$8,701,303	\$36,511,626
Property taxes receivable	1,077,828		76,344		131,993	1,286,165
Assessment liens receivable					211,698	211,698
Accounts and other receivables, net	2,446,021	14,871				2,460,892
Accrued interest receivable	123,674	14,831	11,558	3,950	60,917	214,930
Interfund loan receivable	4,674					4,674
Due from other governments	229,856	317,168		18,605	185,743	751,372
Grants receivable	89,195				49,093	138,288
TOTAL ASSETS	\$25,712,384	\$3,314,134	\$2,538,041	\$674,339	\$9,340,747	\$41,579,645
Liabilities and Fund Balances:						
Liabilities:						
Accounts payable	\$1,408,621	\$129,898	\$114,381	\$49,914	\$232,534	\$1,935,348
Accrued salaries and payroll taxes	906,111	52,338	98,884		64,295	1,121,628
Other accrued liabilities	52,840					52,840
Interfund loan payable					4,674	4,674
Due to other governments					229,603	229,603
Deferred revenues:						
Property taxes	935,234		66,235		114,639	1,116,108
Assessment liens, interest, and miscellaneous	123,674	14,831	11,558	3,950	272,615	426,628
Grants	2,498					2,498
Deposits and retainages payable	910,245	10,200	5,300	218,789	74,848	1,219,382
TOTAL LIABILITIES	4,339,223	207,267	296,358	272,653	993,208	6,108,709
Fund balances:						
Reserved for:						
Interfund loan receivable	4,674					4,674
Unreserved, designated for, reported in:						
Equip. replacement, reengineering	1,790,100					1,790,100
Special Revenue Funds, equipment replacement		448,600	18,000		170,450	637,050
Unreserved, undesignated reported in:						
General Fund	19,578,387					19,578,387
Special Revenue Funds		2,658,267	2,223,683		7,890,924	12,772,874
Debt Service Funds					252,936	252,936
Capital Projects Funds				401,686	33,229	434,915
TOTAL FUND BALANCES	21,373,161	3,106,867	2,241,683	401,686	8,347,539	35,470,936
TOTAL LIABILITIES AND FUND BALANCES	\$25,712,384	\$3,314,134	\$2,538,041	\$674,339	\$9,340,747	\$41,579,645

The notes to the basic financial statements are an integral part of this statement.

CITY OF BEAVERTON, OREGON
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET ASSETS
June 30, 2009

Total fund balances - governmental funds \$35,470,936

Capital assets used in governmental activities are not financial resources, therefore, are not reported in the governmental funds' balance sheet:

Acquisition cost	\$183,106,092	
Accumulated depreciation	<u>(28,462,350)</u>	154,643,742

Deferred property tax revenues are collected in subsequent years and are not available to pay for current-period expenditures and, therefore, are reported as deferred revenue in the governmental funds' balance sheet. 1,116,108

Deferred assessment liens and investment income revenues are collected in subsequent periods and are not available for current year's operation. However, on a full accrual basis of accounting, they are reported as revenues. 426,628

Internal service funds are used by management to charge the costs of services to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Assets. 5,527,215

Some deferred charges are amortized over the life of the related accounts on a full accrual basis of accounting, and are not reported in the fund's balance sheet. 104,923

Long-term liabilities, including bonds/loan payable, accrued interest and payroll liabilities are not due in the current period and, therefore, are not reported in the funds' balance sheet.

Bonds, contracts, loans payable, net	(20,870,947)	
Accrued interest payable	(66,240)	
Accrued payroll liability	(2,351,059)	
Other postemployment benefits obligation	(981,079)	
		<u>(24,269,325)</u>

Total net assets - governmental activities \$173,020,227

The notes to the basic financial statements are an integral part of this statement.

CITY OF BEAVERTON, OREGON
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2009

	General Fund	Street Fund	Library Fund	Capital Projects Fund	Other Governmental Funds	Total
Revenues:						
Taxes	\$24,305,462		\$1,720,731		\$2,938,215	\$28,964,408
Special assessments					220,250	220,250
Intergovernmental	1,773,345	\$3,646,968	4,205,960		732,430	10,358,703
Federal grants	300,151	6,609			621,789	928,549
Fees, licenses, and permits	1,261,637				2,499,987	3,761,624
Franchise fees	5,646,614	996,461				6,643,075
Fines and forfeits	3,847,350		165,956			4,013,306
Interest on investments and assessments	463,483	57,293	44,791	14,522	207,168	787,257
Charges for services	1,827,030	237,690				2,064,720
Contributions, donations, and other			18,923		16,477	35,400
Miscellaneous revenues and cash-in-lieu	640,220	153,959	73,581	40,000	417,291	1,325,051
TOTAL REVENUES	40,065,292	5,098,980	6,229,942	54,522	7,653,607	59,102,343
Expenditures:						
Current:						
General government	16,295,446				3,620,419	19,915,865
Public safety	21,457,716					21,457,716
Highways and streets		4,980,485		264,495	1,238,508	6,483,488
Education			6,237,630			6,237,630
Cultural					228,234	228,234
Debt service:						
Principal	431,503				1,138,000	1,569,503
Interest	93,287				649,409	742,696
TOTAL EXPENDITURES	38,277,952	4,980,485	6,237,630	264,495	6,874,570	56,635,132
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,787,340	118,495	(7,688)	(209,973)	779,037	2,467,211
Other financing sources (uses):						
Transfers in	154,451		541,935	165,632	189,167	1,051,185
Transfers out	(541,935)	(92,236)			(417,014)	(1,051,185)
Sale of capital assets	540	5,610				6,150
TOTAL OTHER FINANCING SOURCES (USES)	(386,944)	(86,626)	541,935	165,632	(227,847)	6,150
NET CHANGE IN FUND BALANCES	1,400,396	31,869	534,247	(44,341)	551,190	2,473,361
FUND BALANCES, Beginning of year	19,972,765	3,074,998	1,707,436	446,027	7,796,349	32,997,575
FUND BALANCES - End of year	\$21,373,161	\$3,106,867	\$2,241,683	\$401,686	\$8,347,539	\$35,470,936

The notes to the basic financial statements are an integral part of this statement.

CITY OF BEAVERTON, OREGON
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO
THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2009

Net change in fund balances - total governmental funds \$2,473,361

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

Governmental funds 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 capital outlay exceeded depreciation in the current period:

Expenditures for capital assets	\$881,205	
Less current year depreciation	<u>(3,776,107)</u>	(2,894,902)

The net effect of transactions involving capital assets, i.e., gain/loss on sales, donations. These transactions are not reported in the governmental funds. 6,102,695

Governmental funds defer revenues that do not provide current financial resources. However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received. 513,725

Repayments of long-term debt and long-term loan proceeds are reported as expenditures and revenues in governmental funds. However, it is reported as a decrease/increase in liabilities in the Statement of Net Assets. 1,569,503

Some expenses, such as accrued interest expense on long-term debt, accrued payroll liabilities or other postemployment benefits obligation are reported in the Statement of Activities. However they do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (1,360,645)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet services, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities. 343,643

Change in net assets of governmental activities \$6,747,380

The notes to the basic financial statements are an integral part of this statement.

PROPRIETARY FUND FINANCIAL STATEMENTS

MAJOR BUSINESS-TYPE FUNDS

These funds are used to finance and account for the acquisition, operation and maintenance of water, sewer, and storm drain facilities which are supported by user charges.

Water Fund - accounts for the City's water utility operations, debt service and construction. This fund consists of three budgetary funds (Water Operating Fund, Water Debt Service Fund, and Water Construction Fund) that are combined as one enterprise fund in accordance with accounting principles generally accepted in the United States of America.

Sewer Fund - accounts for the City's sewer utility operations.

Storm Drain Fund - accounts for storm drainage connection fees and a user fee charge to property owners to finance maintenance of the City drainage system.

GOVERNMENTAL ACTIVITIES – INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for services provided by the City of Beaverton for other departments within the City. Internal Service Funds include: Reprographics, Garage, Information Systems, Geographic Information Systems, Operations Administration, and Insurance.

CITY OF BEAVERTON, OREGON
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
June 30, 2009

	<u>Business -Type Activities - Enterprise Funds</u>				Governmental Activities- Internal Service Funds
	Water Fund	Sewer Fund	Storm Drain Fund	Totals	
Assets:					
Current assets:					
Cash and investments	\$11,235,595	\$9,895,706	\$8,173,458	\$29,304,759	\$5,454,063
Accounts receivable, net	1,256,975	1,528,256	294,586	3,079,817	7,030
Other receivables	496			496	
Accrued interest receivable	81,887	60,339	44,213	186,439	27,234
Due from other governments	148,074	805,327		953,401	
Inventory of materials and supplies	201,817	4,520	30,423	236,760	69,999
Total current assets	<u>12,924,844</u>	<u>12,294,148</u>	<u>8,542,680</u>	<u>33,761,672</u>	<u>5,558,326</u>
Noncurrent assets:					
Other assets					79,400
Deferred charge - bond issuance	399,625			399,625	
Investments in joint ventures	26,315,445			26,315,445	
Capital assets, net	63,511,881	42,837,674	46,553,190	152,902,745	645,518
Total noncurrent assets	<u>90,226,951</u>	<u>42,837,674</u>	<u>46,553,190</u>	<u>179,617,815</u>	<u>724,918</u>
TOTAL ASSETS	<u>103,151,795</u>	<u>55,131,822</u>	<u>55,095,870</u>	<u>213,379,487</u>	<u>6,283,244</u>
Liabilities:					
Current liabilities:					
Accounts payable	311,686	47,774	41,116	400,576	208,639
Accrued salaries and payroll taxes	157,155	112,859	170,033	440,047	272,638
Accrued interest payable	124,622			124,622	
Other accrued liabilities	10,067			10,067	505,334
Due to other governments	313,381	2,505,673	116,637	2,935,691	
Deposits and retainage payable	191,394	248,734	65,466	505,594	
Contract payable, net	15,689			15,689	
Bonds payable, net	1,861,746			1,861,746	
Total current liabilities	<u>2,985,740</u>	<u>2,915,040</u>	<u>393,252</u>	<u>6,294,032</u>	<u>986,611</u>
Long-term liabilities:					
Contract payable, net	655,348			655,348	
Bonds payable, net	19,387,552			19,387,552	
Net other postemployment benefits	41,174	34,591	43,190	118,955	
Total long-term liabilities	<u>20,084,074</u>	<u>34,591</u>	<u>43,190</u>	<u>20,161,855</u>	
TOTAL LIABILITIES	<u>23,069,814</u>	<u>2,949,631</u>	<u>436,442</u>	<u>26,455,887</u>	<u>986,611</u>
Net Assets:					
Invested in capital assets (net of debt)	55,462,793	42,837,674	46,553,190	144,853,657	645,518
Restricted for construction	4,971,437	5,417,906	6,753,057	17,142,400	
Restricted for debt service	124,910			124,910	
Unrestricted	19,522,841	3,926,611	1,353,181	24,802,633	4,651,115
TOTAL NET ASSETS	<u>\$80,081,981</u>	<u>\$52,182,191</u>	<u>\$54,659,428</u>	<u>186,923,600</u>	<u>\$5,296,633</u>
				Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	(230,581)
				Net assets of business-type activities	<u>\$186,693,019</u>

The notes to the basic financial statements are an integral part of this statement.

CITY OF BEAVERTON, OREGON
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
For the Fiscal Year Ended June 30, 2009

	Business-Type Activities - Enterprise Funds				Governmental Activities- Internal Service Funds
	Water Fund	Sewer Fund	Storm Drain Fund	Totals	
Operating revenues:					
Charges for services	\$8,637,039	\$3,928,469	\$3,199,064	\$15,764,572	\$13,845,688
Installation fees	12,423			12,423	
Erosion control fees			80,296	80,296	
Lease income	107,725			107,725	
Miscellaneous revenues	112,730	337,925	291,799	742,454	443,488
TOTAL OPERATING REVENUES	8,869,917	4,266,394	3,571,159	16,707,470	14,289,176
Operating expenses:					
Personal services	1,534,121	1,221,643	1,420,500	4,176,264	3,292,679
Water purchases	1,443,118			1,443,118	
Administration charges from General Fund	348,813	203,461	209,874	762,148	
Franchise fee payment	431,132	847,716	196,326	1,475,174	
Insurance claims					7,183,719
Contract charges					555,779
Supplies, repairs, and services	1,550,655	622,820	695,695	2,869,170	2,867,430
Depreciation and amortization	1,548,839	955,452	956,378	3,460,669	101,476
TOTAL OPERATING EXPENSES	6,856,678	3,851,092	3,478,773	14,186,543	14,001,083
OPERATING INCOME	2,013,239	415,302	92,386	2,520,927	288,093
Nonoperating revenues (expenses):					
Intergovernmental revenue		805,327	456,000	1,261,327	
Systems development charge revenues	202,896	356,628	497,163	1,056,687	
Interest on investments	320,897	236,729	173,458	731,084	106,411
Gain on sale of capital assets		5,025		5,025	17,798
Interest expense	(1,022,183)			(1,022,183)	
Net loss from joint ventures	(697,516)			(697,516)	
TOTAL NONOPERATING REVENUES (EXPENSES)	(1,195,906)	1,403,709	1,126,621	1,334,424	124,209
INCOME BEFORE CONTRIBUTIONS	817,333	1,819,011	1,219,007	3,855,351	412,302
Capital contributions	409,713	483,811	2,546,353	3,439,877	
CHANGE IN NET ASSETS	1,227,046	2,302,822	3,765,360	7,295,228	412,302
TOTAL NET ASSETS - BEGINNING	78,854,935	49,879,369	50,894,068	179,628,372	4,884,331
TOTAL NET ASSETS - ENDING	\$80,081,981	\$52,182,191	\$54,659,428	\$186,923,600	\$5,296,633
Change in net assets, above				\$7,295,228	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				68,660	
Change in net assets of business-type activities				<u>\$7,363,888</u>	

The notes to the basic financial statements are an integral part of this statement.

**CITY OF BEAVERTON, OREGON
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 For the Fiscal Year Ended June 30, 2009**

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Water Fund	Sewer Fund	Storm Drain Fund	Totals	
Cash flows from operating activities:					
Cash receipts from customers and miscellaneous revenue	\$8,866,858	\$4,109,484	\$3,331,730	\$16,308,072	\$449,140
Cash receipts from interfund services provided to other funds	36,518	290,558	241,380	568,456	13,845,636
Cash payments to suppliers	(2,192,681)	(192,278)	(329,332)	(2,714,291)	(10,219,931)
Cash payments to employees	(1,493,938)	(1,157,638)	(1,347,523)	(3,999,099)	(3,252,055)
Cash payments for interfund services used	<u>(1,327,177)</u>	<u>(1,459,619)</u>	<u>(839,453)</u>	<u>(3,626,249)</u>	<u>(370,730)</u>
 NET CASH FROM OPERATING ACTIVITIES	 <u>3,889,580</u>	 <u>1,590,507</u>	 <u>1,056,802</u>	 <u>6,536,889</u>	 <u>452,060</u>
 Cash flows from capital and related financing activities:					
Interest expense	(924,505)			(924,505)	
Purchase of equity in joint venture	(996,259)			(996,259)	
Acquisition of capital assets	(2,801,773)	(2,526,694)	(1,792,527)	(7,120,994)	(207,675)
Capital contributions		358,878	456,000	814,878	
Proceeds from sale of capital assets		5,025		5,025	17,798
Principal paid on bonds and contracts	(1,873,268)			(1,873,268)	
Systems development charge revenues	<u>202,896</u>	<u>356,628</u>	<u>497,163</u>	<u>1,056,687</u>	
 NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	 <u>(6,392,909)</u>	 <u>(1,806,163)</u>	 <u>(839,364)</u>	 <u>(9,038,436)</u>	 <u>(189,877)</u>
 Cash flows from investing activities:					
Interest received	<u>306,808</u>	<u>222,081</u>	<u>165,309</u>	<u>694,198</u>	<u>99,158</u>
 NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	 <u>(2,196,521)</u>	 <u>6,425</u>	 <u>382,747</u>	 <u>(1,807,349)</u>	 <u>361,341</u>
 CASH AND INVESTMENTS - Beginning of year	 <u>13,432,116</u>	 <u>9,889,281</u>	 <u>7,790,711</u>	 <u>31,112,108</u>	 <u>5,092,722</u>
 CASH AND INVESTMENTS - End of year	 <u><u>\$11,235,595</u></u>	 <u><u>\$9,895,706</u></u>	 <u><u>\$8,173,458</u></u>	 <u><u>\$29,304,759</u></u>	 <u><u>\$5,454,063</u></u>

The notes to the basic financial statements are an integral part of this statement.

**CITY OF BEAVERTON, OREGON
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS, Continued
 For the Fiscal Year Ended June 30, 2009**

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Water Fund	Sewer Fund	Storm Drain Fund	Totals	
Reconciliation of operating income to net cash from operating activities:					
Operating income	\$2,013,239	\$415,302	\$92,386	\$2,520,927	\$288,093
Adjustments to reconcile operating income to net cash from operating activities:					
Depreciation and amortization	1,548,839	955,452	956,378	3,460,669	101,476
Change in assets and liabilities:					
Accounts receivable	(59,956)	(67,227)	(2,611)	(129,794)	9,491
Other receivables and other assets	2,860	993	2,199	6,052	88,506
Inventory of materials and supplies	(28,955)	853	(4,417)	(32,519)	(15,661)
Accounts payable	231,914	21,137	(62,596)	190,455	(56,578)
Accrued salaries and payroll taxes	(991)	29,414	29,787	58,210	40,624
Other accrued liabilities	(3,420)			(3,420)	(3,891)
Due from other governments	93,975			93,975	
Due to other governments	50,901	199,992	2,486	253,379	
Other postemployment benefits obligation	41,174	34,591	43,190	118,955	
TOTAL ADJUSTMENTS	1,876,341	1,175,205	964,416	4,015,962	163,967
NET CASH FROM OPERATING ACTIVITIES	\$3,889,580	\$1,590,507	\$1,056,802	\$6,536,889	\$ 452,060
Schedule of non-cash transactions:					
Reduction in investments in joint ventures due to net loss in joint venture operations	\$697,516	\$ ----	\$ ----	\$697,516	\$ ----
Contributions of infrastructure by developers	\$322,813	\$407,911	\$828,444	\$1,559,168	\$ ----
Contributions of infrastructure by other government agencies	\$86,900	\$75,900	\$1,717,909	\$1,880,709	

The notes to the basic financial statements are an integral part of this statement.