



**Silverton, Oregon
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2014**

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CITY OF SILVERTON

OFFICERS AND MEMBERS OF THE GOVERNING BODY

For the Year Ended June 30, 2014

| | <u>Term Expiration</u> <u>January,</u> |
|--|---|
| <u>MAYOR</u> | |
| Stu Rasmussen 313 N. James St. Silverton, OR 97381 | 2015 |
| <u>CITY COUNCIL</u> | |
| Randal Thomas 111 Coolidge Street Silverton, OR 97381 | 2015 |
| Bill Cummins 104 Breyona Way Silverton, OR 97381 | 2015 |
| Jason Freilinger 1316 Frontier St. Silverton, OR 97381 | 2017 |
| Ken Hector 310 Apple Ave. Silverton, OR 97381 | 2017 |
| Laurie A. Carter 805 Shelokum Dr Silverton, OR 97381 | 2017 |
| Scott Walker 717 Eureka Ave Silverton, OR 97381 | 2015 |

CITY ADDRESS

306 South Water Street
Silverton, OR 97381

CITY MANAGER

Bob Willoughby

FINANCE DIRECTOR

Kathleen Zaragoza

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CITY OF SILVERTON

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INDEPENDENT AUDITOR'S REPORT

**Honorable Mayor and Members
of the City Council
CITY OF SILVERTON
Silverton, Oregon**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **CITY OF SILVERTON**, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **CITY OF SILVERTON**, as of June 30, 2014, the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparisons for the General and Street Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT (Continued)

Other Matters

Required Supplementary Information

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

Other Information

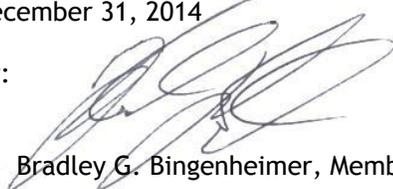
The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied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

Other Reporting Required by Oregon State Regulations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 31, 2014, on our consideration of the City's compliance with certain provisions of laws and regulation, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Boldt Carlisle + Smith
Certified Public Accountants
Salem, Oregon
December 31, 2014

By:



Bradley G. Bingenheimer, Member

MANAGEMENT'S DISCUSSION AND ANALYSIS

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CITY OF SILVERTON

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2014

This discussion and analysis presents the highlights of financial activities and financial position for the City of Silverton. The analysis focuses on significant financial issues, major financial activities and resulting changes in financial position, budget changes and variances from the budget, and specific issues related to funds and the economic factors affecting the City.

Management's Discussion and Analysis (MD&A) focuses on current year activities and resulting changes. Please read it in conjunction with the City's financial statements.

FINANCIAL HIGHLIGHTS

The City's assets exceeded its liabilities at June 30, 2014 by \$47,432,162 (*net position*). Of this amount, \$31,369,861 was invested in capital assets; \$7,537,888 was restricted for specific purposes resulting in unrestricted net position of \$8,524,413.

The City's total net position increased by \$3,575,412 (or 8.15%), which was due primarily to the increase of net position invested in capital assets section in governmental activities.

The City's business-type funds had an increase in net position of \$1,345,807, which is primarily due to the increase in net investment in capital assets.

OVERVIEW OF THE FINANCIAL STATEMENTS

The City's Annual Financial Report consists of several sections. Taken together they provide a Comprehensive Financial Report of the City's financial position. The components of the report include the following:

Management's Discussion and Analysis This section of the report provides financial highlights, overview and economic factors affecting the City.

Basic Financial Statements They include a statement of net position, a statement of activities, fund financial statements and the notes to the financial statements.

The statements of net position and activities focus on an entity-wide presentation using the accrual basis of accounting and provide both long-term and short-term information about the City's financial status. The Governmental activities include most of the City's basic services such as police, street maintenance and improvement, community planning and governance. The Business-type activities include the operation of the City's sewer and water utilities.

Fund financial statements focus separately on major governmental funds and proprietary funds. Governmental Fund Statements follow the more traditional presentation of financial statements. The City's major governmental funds are presented in their own columns and the remaining funds are combined into a column titled "Other Governmental Funds." Budgetary comparison statements are presented for the General Fund and the Community Development Block Grant Housing Rehabilitation Fund.

Statements for the City's proprietary funds follow the governmental funds and include net position; revenues, expenses and changes in fund net position; and cash flows.

The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the City's financial condition.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Combining and Individual Fund Statements and Schedules. Readers wanting additional information about other major funds not presented in the basic financial statements and non-major funds can find it in this section. Included within this section are:

- Combining statements of other governmental funds, which are classified as non-major. These statements include balance sheets and statements of revenues, expenditures and changes in fund balances.
- Budgetary comparisons. Budgetary information for all funds, except General Fund and Community Development Block Grant Housing Rehabilitation Fund, which are presented within the basic financial statements, are presented here.
- Combining statements of other proprietary funds which are classified as non-major. These statements include balance sheets, statements of revenues, expenses, and changes in fund net assets, and cash flows.

Audit comments and disclosures required by state regulations. These are supplemental communications on the city's compliance and internal controls as required by Oregon State Statutes.

FINANCIAL SUMMARY AND ANALYSIS

As mentioned earlier, the City's net position as of June 30, 2014 are \$47,432,162. The largest portion of net position is comprised of the City's investment in capital assets (e.g., land, buildings, equipment and public infrastructure); less any related debt outstanding used to acquire those assets. The City uses capital assets to provide services to citizens; therefore, these assets are not available for future spending. The resources to repay the related debt is not provided by capital assets, but will be provided from other sources such as charges for services.

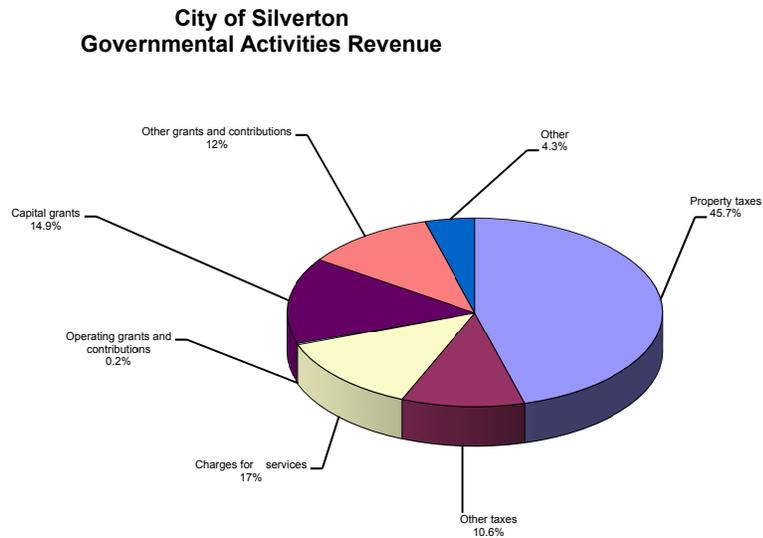
| | NET ASSETS | | | | | |
|----------------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|---------------------|
| | Governmental Activities | | Business-type Activities | | Totals | |
| | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 |
| <u>Assets</u> | | | | | | |
| Current and other assets | \$11,314,442 | \$ 12,214,019 | \$ 5,395,716 | \$ 6,185,050 | \$ 16,710,158 | \$ 18,399,069 |
| Capital assets, net | <u>12,007,346</u> | <u>12,574,882</u> | <u>33,188,094</u> | <u>33,111,098</u> | <u>45,195,440</u> | <u>45,685,980</u> |
| Total assets | <u>23,321,788</u> | <u>24,788,901</u> | <u>38,583,810</u> | <u>39,296,148</u> | <u>61,905,598</u> | <u>64,085,049</u> |
| <u>Liabilities</u> | | | | | | |
| Long-term liabilities | 3,816,837 | 3,072,296 | 13,435,872 | 12,979,191 | 17,252,709 | 16,051,487 |
| Other liabilities | <u>412,696</u> | <u>394,745</u> | <u>383,443</u> | <u>206,655</u> | <u>796,139</u> | <u>601,400</u> |
| Total liabilities | <u>4,229,533</u> | <u>3,467,041</u> | <u>13,819,315</u> | <u>13,185,846</u> | <u>18,048,848</u> | <u>16,652,887</u> |
| <u>Net position</u> | | | | | | |
| Net investment in capital assets | 9,408,890 | 10,699,707 | 20,313,081 | 20,670,154 | 29,721,971 | 31,369,861 |
| Restricted | 3,315,901 | 5,099,508 | 2,171,870 | 2,438,380 | 5,487,771 | 7,537,888 |
| Unrestricted | <u>6,367,464</u> | <u>5,522,645</u> | <u>2,279,544</u> | <u>3,001,768</u> | <u>8,647,008</u> | <u>8,524,413</u> |
| Total net position | <u>\$19,092,255</u> | <u>\$ 21,321,860</u> | <u>\$ 24,764,495</u> | <u>\$ 26,110,302</u> | <u>\$ 43,856,750</u> | <u>\$47,432,162</u> |

The unrestricted net position of governmental activities decreased by \$844,819, which is primarily due to the decrease in long-term liabilities.

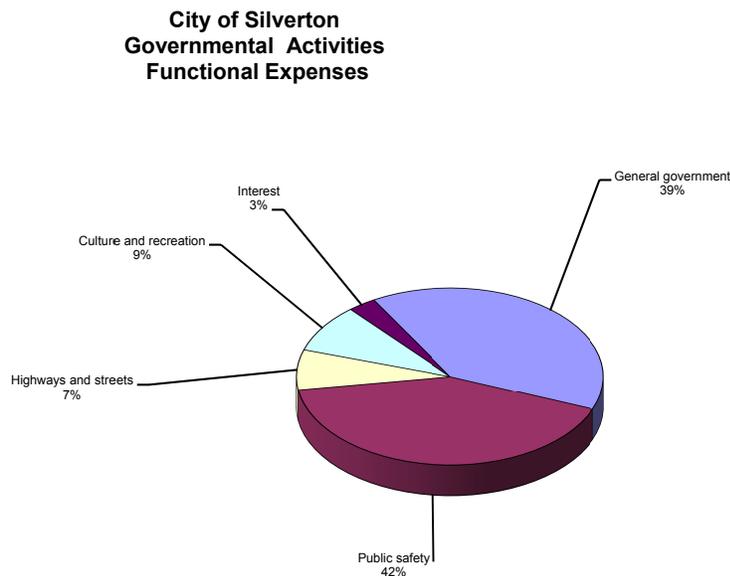
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL SUMMARY AND ANALYSIS (continued)

The governmental activities revenue comes primarily from property taxes, charges for services and various grants and contributions. The City's governmental expenses cover a wide variety of services, with general government, public safety and streets accounting for most of these expenses.



Property taxes are the City's primary source of revenue comprising 53% of the City's governmental revenue. The City's permanent tax rate is \$3.6678 per \$1,000 of assessed value. Additional taxes are levied, for the repayment of bonded indebtedness. The next largest revenue source is from



The primary expenses for governmental activities are public safety at 42% and general government activities at 39%. Public safety is greater than general government expenses by \$ 112,088. Both general government expenses and public safety expenses are up from the 2014 fiscal year as compared to the 2013 fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL SUMMARY AND ANALYSIS (continued)

Net position of the governmental activities increased by \$2,229,605, or 11.68%. Net position of the City's business-type activities increased by \$1,345,807 or 5.43%. Key elements of these changes are as follows:

| | Governmental Activities | | Business-type Activities | | Totals | |
|---|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 |
| Revenues | | | | | | |
| Program: | | | | | | |
| Charges for services | \$ 419,009 | \$ 893,970 | \$ 4,328,587 | \$ 4,815,717 | \$ 4,747,596 | \$ 5,709,687 |
| Operating grants and contributions | 20,971 | 15,569 | - | - | 20,971 | 15,569 |
| Capital grants and contributions | 346,336 | 1,018,797 | 107,460 | 437,448 | 453,796 | 1,456,245 |
| General: | | | | | | |
| Property taxes | 2,907,204 | 3,133,672 | - | - | 2,907,204 | 3,133,672 |
| Other taxes | 695,334 | 728,996 | - | - | 695,334 | 728,996 |
| Other grants and contributions | 739,236 | 767,286 | - | - | 739,236 | 767,286 |
| Other | 274,113 | 296,251 | 40,242 | 26,462 | 314,355 | 322,713 |
| Total revenues | <u>5,402,203</u> | <u>6,854,541</u> | <u>4,476,289</u> | <u>5,279,627</u> | <u>9,878,492</u> | <u>12,134,168</u> |
| Expenses | | | | | | |
| General government | 1,816,055 | 2,004,979 | - | - | 1,816,055 | 2,004,979 |
| Public safety | 2,070,875 | 2,117,067 | - | - | 2,070,875 | 2,117,067 |
| Highways and streets | 375,306 | 373,166 | - | - | 375,306 | 373,166 |
| Culture and recreation | 436,228 | 447,461 | - | - | 436,228 | 447,461 |
| Interest on long-term obligations | 170,790 | 150,158 | - | - | 170,790 | 150,158 |
| Sewer | - | - | 2,098,907 | 2,116,029 | 2,098,907 | 2,116,029 |
| Water | - | - | 1,149,167 | 1,169,896 | 1,149,167 | 1,169,896 |
| Total expenses | <u>4,869,254</u> | <u>5,092,831</u> | <u>3,248,074</u> | <u>3,285,925</u> | <u>8,117,328</u> | <u>8,378,756</u> |
| Change in net position before transfers | 532,949 | 1,761,710 | 1,228,215 | 1,993,702 | 1,761,164 | 3,755,412 |
| Transfers | <u>588,556</u> | <u>647,895</u> | <u>(588,556)</u> | <u>(647,895)</u> | <u>-</u> | <u>-</u> |
| Increase in net position | 1,121,505 | 2,409,605 | 639,659 | 1,345,807 | 1,761,164 | 3,755,412 |
| Net position - beginning | <u>17,970,750</u> | 19,092,255 | 24,141,910 | 24,764,495 | 42,112,660 | 43,856,750 |
| Prior period adjustment | | <u>(180,000)</u> | <u>(17,074)</u> | <u>-</u> | <u>(17,074)</u> | <u>(180,000)</u> |
| Net position - ending | <u>\$ 19,092,255</u> | <u>\$ 21,321,860</u> | <u>\$ 24,764,495</u> | <u>\$ 26,110,302</u> | <u>\$ 43,856,750</u> | <u>\$ 47,432,162</u> |

Governmental Activities

The change in net position for governmental activities for 2014 was an increase of \$ 2,229,605. A large part of the change is due to the increase in charges for service and an increase in capital grants and contributions. The other positive note is that expenditures remained relatively stable.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Business-type Activities

The increase in net position for business activities is \$ 1,345,807 and is from an increase in revenues and a slight decrease in transfers. Charges for services were up by \$487,130, which was about one third of the increase in net position. The other significant change was an increase in the capital grants and contributions of \$329,988.

FINANCIAL ANALYSIS OF FUNDS

As of June 30, 2014, the City's governmental funds reported a combined fund balance of \$7,964,360, which is an increase of \$1,154,607 from June 30, 2013. The increase is the result of an increase in cash and investments.

The General Fund is the primary operating fund of the City. As of June 30, 2014, the fund balance for the General Fund is \$3,238,817, which is an increase of \$ 485,251 from June 30, 2013. Of the increased amount, \$475,253 is an increase in cash and investments.

Proprietary funds provide the same type of information as presented in the government-wide statements of net position and activities, but in more detail. The proprietary fund's net position amounted to \$26,249,661 as of June 30, 2014, which is an increase of \$1,360,501 from June 30, 2013. The primary change is an increase in current assets of \$832,660 and a decrease in total liabilities in the amount of \$604,837.

GENERAL FUND BUDGETARY HIGHLIGHTS

There were seventeen budget transfer resolutions and two supplemental budget resolutions adopted by City Council during the fiscal year ended June 30, 2014. The General Fund budget changed with contingency appropriation being reduced to allow for expenditures for repairs to the Fischer building furnace, the Depot Building roof replacement, and Community Center building boiler repairs that were not anticipated. The General, Street, Sewer and Water Funds expenditures for capital purchases was increased to replace a mower and for costs related to bargaining that was unanticipated. Supplemental budgets were passed to increase appropriation authority related to the building inspection functions as more fees were being collected which required an increase in contracted service costs.

CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2014, the City has invested \$65,180,773 in capital assets of its governmental and business-type activities, before accumulated depreciation. This investment includes land and land improvements, buildings, equipment and public infrastructure of roads and bridges. The investment in governmental activities capital assets increased by \$878,623, and business-type activities increased by \$734,020. Significant additions during the year ended June 30, 2014 in governmental activities were related to the improvements for the Westfield skate park, dog park and infrastructure, for stairs and handrails at the Community Center, Sidewalk improvements, the purchase of a police Dodge Charger with equipment, a pool cover and to replace the heat exchanger, a heating system at the Gordon House, new phone system, a new Kubota Mower, a used Grader, and improvements to the West Main street storm sewer system. The investment in business-type activities increased for expenditures related to the purchase of a vactor truck, a generator, RAS/WAS building HVAC unit, improvements at the Pettit property owned by the Sewer Fund and the North 2nd waterline replacement.

Additional information regarding the City's capital assets may be found in note 4 of the financial statements.

The governmental long-term principal debt outstanding as of June 30, 2014 was \$3,072,296 and business-type principal debt was \$12,979,191.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

A summary of the City's principal long-term debt outstanding is as follows:

| | | |
|--|----|-----------|
| General Obligation refunding Bond series 2010 | \$ | 610,000 |
| Pension Obligation Bond | | 1,514,427 |
| Sewer Revenue Bonds payable to Bank of New York | | 7,060,000 |
| Sewer LOCAP Rev Bonds payable to Bank of New York | | 3,790,000 |
| Water Revenue loan payable to Citizens Bank | | 1,590,944 |
| Notes payable to Oregon Economic and Community Development Department | | 601,622 |
| Urban Renewal Loan to School District | | 663,553 |
| Compensated absences | | 220,941 |

Additional information pertaining to the City's long-term debt may be found in Note 7 of the financial statements.

ECONOMIC FACTORS

During the 2014 fiscal year, the City experienced an up swing in new housing construction and this allowed the City to go from contracting for building inspection services back to a staff member handling the inspections. Property taxes remained level from the prior fiscal year. Voters passed a five-year pool operating level to allow for year around operation of the current pool. This was necessary as property taxes and other General Fund revenues would only be sufficient to provide for a summer pool. The levy will allow for capital improvements and replacement of the cover that allow the pool to be open all year. During this fiscal year, three new fees were passed by City Council to provide a revenue source for capital improvements for streets, the stormwater system and parks. The park fee will also provide funding for the additional maintenance expenditures related to the new parks that added during this fiscal year. Debt owed by the Water Fund was refinanced and decreased the term of the debt by 13 years and will save the City over \$900,000. The economic outlook for the City of Silverton is good and I believe it will continue to improve.

FINANCIAL CONTACT

The City's financial statements are intended to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability.

If you have questions about the financial report or need additional financial information, please contact Kathleen Zaragoza, Finance Director at 306 S Water St, Silverton, OR 97381. Financial information can also be found on the City of Silverton website.

BASIC FINANCIAL STATEMENTS

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CITY OF SILVERTON

STATEMENT OF NET POSITION

June 30, 2014

| | Governmental Activities | Business-type Activities | Totals |
|---|----------------------------|-----------------------------|-------------------|
| <u>ASSETS</u> | | | |
| Cash and investments | \$ 9,351,200 | \$ 5,319,528 | \$ 14,670,728 |
| Receivables, net | 2,145,818 | 442,801 | 2,588,619 |
| Inventories | 8,400 | 80,807 | 89,207 |
| Prepaid pension costs, net | 708,601 | 341,914 | 1,050,515 |
| Capital assets: | | | |
| Land, improvements and construction in progress | 4,306,341 | 7,257,046 | 11,563,387 |
| Other capital assets, net | 8,268,541 | 25,854,052 | 34,122,593 |
| TOTAL ASSETS | 24,788,901 | 39,296,148 | 64,085,049 |
| <u>LIABILITIES</u> | | | |
| Accounts payable and accrued expenses | 293,554 | 109,736 | 403,290 |
| Accrued interest payable | 21,276 | 47,891 | 69,167 |
| Deposits | 61,012 | 67,931 | 128,943 |
| Internal balances | 18,903 | (18,903) | - |
| Long-term liabilities: | | | |
| Due within one year | 569,835 | 595,871 | 1,165,706 |
| Due in more than one year | 2,502,461 | 12,383,320 | 14,885,781 |
| TOTAL LIABILITIES | 3,467,041 | 13,185,846 | 16,652,887 |
| <u>NET POSITION</u> | | | |
| Net investment in capital assets | 10,699,707 | 20,670,154 | 31,369,861 |
| Restricted for: | | | |
| Capital projects | 1,367,952 | 2,438,380 | 3,806,332 |
| Debt service | 1,590,967 | - | 1,590,967 |
| Highways and streets | 749,788 | - | 749,788 |
| Community development | 1,054,874 | - | 1,054,874 |
| Pool operations | 98,351 | - | 98,351 |
| Other purposes | 237,576 | - | 237,576 |
| Unrestricted | 5,522,645 | 3,001,768 | 8,524,413 |
| TOTAL NET POSITION | \$ 21,321,860 | \$ 26,110,302 | \$ 47,432,162 |

See accompanying notes

CITY OF SILVERTON

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014**

| Functions/Programs | Expenses | Program Revenue | | | Net (Expense) Revenue and Changes in Net Position | | |
|---|---------------------|-------------------------|--|--|--|-----------------------------|----------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Totals |
| Governmental activities: | | | | | | | |
| General government | \$ 2,004,979 | \$ 345,824 | \$ 15,189 | \$ 58,432 | \$ (1,585,534) | | \$ (1,585,534) |
| Public safety | 2,117,067 | 204,338 | - | - | (1,912,729) | | (1,912,729) |
| Highways and streets | 373,166 | 272,204 | - | 349,380 | 248,418 | | 248,418 |
| Culture and recreation | 447,461 | 71,604 | 380 | 610,985 | 235,508 | | 235,508 |
| Interest on long-term obligations | 150,158 | - | - | - | (150,158) | | (150,158) |
| TOTAL GOVERNMENTAL ACTIVITIES | <u>5,092,831</u> | <u>893,970</u> | <u>15,569</u> | <u>1,018,797</u> | <u>(3,164,495)</u> | | <u>(3,164,495)</u> |
| Business-type activities: | | | | | | | |
| Sewer | 2,116,029 | 3,112,911 | - | 209,792 | | \$ 1,206,674 | 1,206,674 |
| Water | 1,169,896 | 1,702,806 | - | 227,656 | | 760,566 | 760,566 |
| TOTAL BUSINESS-TYPE ACTIVITIES | <u>3,285,925</u> | <u>4,815,717</u> | <u>-</u> | <u>437,448</u> | | <u>1,967,240</u> | <u>1,967,240</u> |
| TOTALS | <u>\$ 8,378,756</u> | <u>\$ 5,709,687</u> | <u>\$ 15,569</u> | <u>\$ 1,456,245</u> | <u>(3,164,495)</u> | <u>1,967,240</u> | <u>(1,197,255)</u> |
| General revenues: | | | | | | | |
| Taxes levied for: | | | | | | | |
| General purposes | | | | | 2,255,786 | - | 2,255,786 |
| Debt service | | | | | 877,886 | - | 877,886 |
| Miscellaneous taxes | | | | | 213,839 | - | 213,839 |
| Franchise fees | | | | | 515,157 | - | 515,157 |
| Grants and contributions not restricted to specific programs | | | | | 767,286 | - | 767,286 |
| Unrestricted investment earnings | | | | | 54,276 | 25,915 | 80,191 |
| Miscellaneous | | | | | 248,278 | 547 | 248,825 |
| Gain on sale of asset | | | | | (6,303) | - | (6,303) |
| Transfers | | | | | 647,895 | (647,895) | - |
| TOTAL GENERAL REVENUES AND TRANSFERS | | | | | <u>5,574,100</u> | <u>(621,433)</u> | <u>4,952,667</u> |
| Change in net position | | | | | 2,409,605 | 1,345,807 | 3,755,412 |
| Net position - beginning | | | | | 19,092,255 | 24,764,495 | 43,856,750 |
| Prior period adjustment | | | | | (180,000) | - | (180,000) |
| Net position - ending | | | | | <u>\$ 21,321,860</u> | <u>\$ 26,110,302</u> | <u>\$ 47,432,162</u> |

See accompanying notes

CITY OF SILVERTON
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014

| | General | Street | Total Nonmajor Funds | Total Governmental Funds |
|---|---------------------|-------------------|----------------------------|--------------------------------|
| <u>ASSETS</u> | | | | |
| Cash and investments | \$ 3,269,065 | \$ 507,537 | \$ 4,142,107 | \$ 7,918,709 |
| Receivables | 785,889 | 43,003 | 1,316,926 | 2,145,818 |
| Inventories | - | 6,439 | 1,961 | 8,400 |
| | - | 6,439 | 1,961 | 8,400 |
| TOTAL ASSETS | \$ 4,054,954 | \$ 556,979 | \$ 5,460,994 | \$ 10,072,927 |
| <u>LIABILITIES</u> | | | | |
| Accounts payable and accrued items | \$ 158,890 | \$ 18,124 | \$ 116,540 | \$ 293,554 |
| Due to other funds | - | - | 18,903 | 18,903 |
| Consumer deposits | 61,012 | - | - | 61,012 |
| | 61,012 | - | - | 61,012 |
| TOTAL LIABILITIES | 219,902 | 18,124 | 135,443 | 373,469 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | |
| Unavailable revenue | 596,235 | 68 | 1,138,795 | 1,735,098 |
| | 596,235 | 68 | 1,138,795 | 1,735,098 |
| <u>FUND BALANCES</u> | | | | |
| Nonspendable | - | 6,439 | 1,961 | 8,400 |
| Restricted | - | 532,348 | 3,419,897 | 3,952,245 |
| Assigned | 747,017 | - | 764,898 | 1,511,915 |
| Unassigned | 2,491,800 | - | - | 2,491,800 |
| | 2,491,800 | - | - | 2,491,800 |
| TOTAL FUND BALANCES | 3,238,817 | 538,787 | 4,186,756 | 7,964,360 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | \$ 4,054,954 | \$ 556,979 | \$ 5,460,994 | |

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

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

| | |
|---|-------------|
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds | 12,574,882 |
| Prepaid pension costs are not financial resources available for current period expenditures and, therefore, are not reported in the funds. | 708,601 |
| Other long-term assets are not available for current period expenditures and, therefore, are reported as unavailable in the funds. Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. | 1,735,098 |
| Internal service funds are used by management to charge the cost of certain activities such as capital asset replacement and payment of extended leave benefits. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position. | (3,093,572) |
| | 1,432,491 |

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 21,321,860

See accompanying notes

CITY OF SILVERTON

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2014**

| | General | Street | Total Nonmajor Funds | Total Governmental Funds |
|---|---------------------|-------------------|----------------------------|--------------------------------|
| REVENUES | | | | |
| Property taxes | \$ 2,287,828 | \$ - | \$ 875,981 | \$ 3,163,809 |
| Transient tax | - | - | 213,839 | 213,839 |
| Franchise fees | 515,157 | - | - | 515,157 |
| Licenses, permits and fees | 95,322 | 9,870 | 932,117 | 1,037,309 |
| Fines and forfeitures | 175,475 | - | - | 175,475 |
| Assessments | - | - | 104,096 | 104,096 |
| Intergovernmental | 240,204 | 532,126 | 490,064 | 1,262,394 |
| Loan repayments | - | - | 36,685 | 36,685 |
| Interest | 31,404 | 2,158 | 22,755 | 56,317 |
| Miscellaneous | 108,850 | 247 | 200,320 | 309,417 |
| TOTAL REVENUES | <u>3,454,240</u> | <u>544,401</u> | <u>2,875,857</u> | <u>6,874,498</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 1,414,156 | - | 553,816 | 1,967,972 |
| Public safety | 2,044,800 | - | - | 2,044,800 |
| Highways and streets | - | 230,497 | - | 230,497 |
| Culture and recreation | 171,537 | - | 144,585 | 316,122 |
| Debt service | - | - | 962,476 | 962,476 |
| Capital outlay | 97,929 | 30,962 | 809,342 | 938,233 |
| TOTAL EXPENDITURES | <u>3,728,422</u> | <u>261,459</u> | <u>2,470,219</u> | <u>6,460,100</u> |
| Excess (deficiency) of revenues over expenditures | <u>(274,182)</u> | <u>282,942</u> | <u>405,638</u> | <u>414,398</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 1,103,124 | - | 488,883 | 1,592,007 |
| Transfers out | (343,691) | (177,005) | (331,102) | (851,798) |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>759,433</u> | <u>(177,005)</u> | <u>157,781</u> | <u>740,209</u> |
| Net change in fund balances | 485,251 | 105,937 | 563,419 | 1,154,607 |
| Fund balances at beginning of year | <u>2,753,566</u> | <u>432,850</u> | <u>3,623,337</u> | <u>6,809,753</u> |
| Fund balance at end of year | <u>\$ 3,238,817</u> | <u>\$ 538,787</u> | <u>\$ 4,186,756</u> | <u>\$ 7,964,360</u> |

See accompanying notes

CITY OF SILVERTON

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 1,154,607

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. The difference between those two amounts is:

| | | |
|----------------|------------------|---------|
| Capital outlay | \$ 946,222 | |
| Depreciation | <u>(372,383)</u> | 573,839 |

The net effect of transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position (6,303)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds as follows:

| | | |
|------------------------------|-----------------|----------|
| Taxes | (30,139) | |
| Special assessments | 43,494 | |
| Fines and forfeitures | 14,531 | |
| Housing rehabilitation loans | <u>(49,716)</u> | (21,830) |

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:

| | | |
|----------------------|--|---------|
| Compensated absences | | (4,990) |
| Accrued interest | | 11,737 |

Repayment of long-term obligation principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the statement of net position. 749,533

Governmental funds do not report amortization of the unfunded pension liability as an expenditure, while the government-wide statements report the portion allocable to the current period only. (50,615)

Internal service funds are used by management to charge the cost of certain activities, such as major equipment replacement and extended leave payments, to individual funds. The net revenue (expense) of internal services funds, adjusted for interfund activity, is reported with governmental activities. 3,627

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 2,409,605

See accompanying notes

CITY OF SILVERTON

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | Budget | | Actual | Variance |
|---|--------------------|--------------------|---------------------|---------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Property taxes | \$ 2,189,133 | \$ 2,189,133 | \$ 2,287,828 | \$ 98,695 |
| Franchise fees | 465,000 | 465,000 | 515,157 | 50,157 |
| Licenses, permits and fees | 72,110 | 72,110 | 95,322 | 23,212 |
| Fines and forfeitures | 180,380 | 180,380 | 175,475 | (4,905) |
| Charges for services | 500 | 500 | - | (500) |
| Intergovernmental | 189,337 | 189,337 | 240,204 | 50,867 |
| Interest | 17,000 | 17,000 | 27,727 | 10,727 |
| Miscellaneous | 51,500 | 51,500 | 108,850 | 57,350 |
| TOTAL REVENUES | <u>3,164,960</u> | <u>3,164,960</u> | <u>3,450,563</u> | <u>285,603</u> |
| EXPENDITURES | | | | |
| City council | 11,300 | 11,300 | 3,993 | 7,307 |
| City management | 321,844 | 321,844 | 295,207 | 26,637 |
| Finance | 424,430 | 424,430 | 364,560 | 59,870 |
| Police | 2,287,171 | 2,287,171 | 2,034,142 | 253,029 |
| Parking | 46,835 | 46,835 | 17,389 | 29,446 |
| Planning | 229,000 | 229,000 | 208,730 | 20,270 |
| Facilities maintenance | 287,378 | 308,078 | 271,832 | 36,246 |
| Parks and recreation | 247,597 | 251,317 | 194,761 | 56,556 |
| Computer services | 49,000 | 59,000 | 52,411 | 6,589 |
| Non-departmental | 358,200 | 358,200 | 285,397 | 72,803 |
| Contingency and reserves | 1,282,605 | 1,248,185 | - | 1,248,185 |
| TOTAL EXPENDITURES | <u>5,545,360</u> | <u>5,545,360</u> | <u>3,728,422</u> | <u>1,816,938</u> |
| Excess (deficiency) of revenues over expenditures | <u>(2,380,400)</u> | <u>(2,380,400)</u> | <u>(277,859)</u> | <u>2,102,541</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 1,003,124 | 1,003,124 | 1,003,124 | - |
| Transfers out | <u>(343,691)</u> | <u>(343,691)</u> | <u>(343,691)</u> | <u>-</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>659,433</u> | <u>659,433</u> | <u>659,433</u> | <u>-</u> |
| Net change in fund balance | (1,720,967) | (1,720,967) | 381,574 | 2,102,541 |
| Fund balance at beginning of year | <u>1,720,967</u> | <u>1,720,967</u> | <u>2,110,226</u> | <u>389,259</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,491,800</u> | <u>\$ 2,491,800</u> |

See accompanying notes

CITY OF SILVERTON

**STREET
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | Original and Final Budget | Actual | Variance |
|---|---------------------------------|-------------------|-------------------|
| REVENUES | | | |
| Licenses, permits and fees | \$ 1,000 | \$ 9,870 | \$ 8,870 |
| Intergovernmental | 425,000 | 532,126 | 107,126 |
| Interest | 500 | 2,158 | 1,658 |
| Miscellaneous | 500 | 247 | (253) |
| TOTAL REVENUES | <u>427,000</u> | <u>544,401</u> | <u>117,401</u> |
| EXPENDITURES | | | |
| Personal services | 187,318 | 170,020 | 17,298 |
| Materials and services | 118,958 | 60,477 | 58,481 |
| Capital outlay | 34,800 | 30,962 | 3,838 |
| Contingency and reserves | 239,524 | - | 239,524 |
| TOTAL EXPENDITURES | <u>580,600</u> | <u>261,459</u> | <u>319,141</u> |
| Excess (deficiency) of revenues over expenditures | (153,600) | 282,942 | 436,542 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers out | <u>(177,005)</u> | <u>(177,005)</u> | <u>-</u> |
| Net change in fund balance | (330,605) | 105,937 | 436,542 |
| Fund balance at beginning of year | <u>330,605</u> | <u>432,850</u> | <u>102,245</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ 538,787</u> | <u>\$ 538,787</u> |

See accompanying notes

CITY OF SILVERTON

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2014**

| | Business-type Activities | | | | | Governmental |
|---|--------------------------|---------------------|-----------------------------|----------------------------|------------------------------|---------------------|
| | Sewer | Water | WWTP Digester Project | Total Nonmajor Funds | Total Enterprise Funds | Internal |
| | | | | | | Service Funds |
| ASSETS | | | | | | |
| Current assets | | | | | | |
| Cash and investments | \$ 938,444 | \$ 803,679 | \$ 1,041,125 | \$ 2,536,280 | \$ 5,319,528 | \$ 1,432,491 |
| Receivables, net | 269,340 | 173,461 | - | - | 442,801 | - |
| Due from other funds | - | - | - | 18,903 | 18,903 | - |
| Inventories | 11,121 | 69,686 | - | - | 80,807 | - |
| Total current assets | 1,218,905 | 1,046,826 | 1,041,125 | 2,555,183 | 5,862,039 | 1,432,491 |
| Capital assets | | | | | | |
| Land and construction in progress | 6,805,233 | 451,813 | - | - | 7,257,046 | - |
| Other capital assets, net | 17,814,107 | 8,039,945 | - | - | 25,854,052 | - |
| TOTAL ASSETS | 25,838,245 | 9,538,584 | 1,041,125 | 2,555,183 | 38,973,137 | 1,432,491 |
| LIABILITIES | | | | | | |
| Current liabilities | | | | | | |
| Accounts payable and accrued items | 79,048 | 26,362 | 450 | 3,876 | 109,736 | - |
| Consumer deposits | - | 67,931 | - | - | 67,931 | - |
| Accrued interest payable | 37,503 | 7,977 | - | - | 45,480 | - |
| Accumulated unpaid vacation | 34,631 | 24,754 | - | - | 59,385 | - |
| Long-term obligations due within one year | 380,000 | 147,088 | - | - | 527,088 | - |
| Total current liabilities | 531,182 | 274,112 | 450 | 3,876 | 809,620 | - |
| Long-term obligations due in more than one year | 10,470,000 | 1,443,856 | - | - | 11,913,856 | - |
| TOTAL LIABILITIES | 11,001,182 | 1,717,968 | 450 | 3,876 | 12,723,476 | - |
| NET POSITION | | | | | | |
| Net investment in capital assets | 13,769,340 | 6,900,814 | - | - | 20,670,154 | - |
| Restricted for: | | | | | | |
| Capital projects | - | - | 1,040,675 | 1,552,000 | 2,592,675 | - |
| Debt service | - | - | - | 999,307 | 999,307 | - |
| Unrestricted | 1,067,723 | 919,802 | - | - | 1,987,525 | 1,432,491 |
| TOTAL NET POSITION | \$ 14,837,063 | \$ 7,820,616 | \$ 1,040,675 | \$ 2,551,307 | \$ 26,249,661 | \$ 1,432,491 |
| Prepaid pension costs allocable to business-type activities in the statement of net position | | | | | 341,914 | |
| Long-term obligations issued to prepay the PERS unfunded actuarial liability are allocable to business-type activities in the statement of net position | | | | | (481,273) | |
| Net position of business-type activities | | | | | <u>\$ 26,110,302</u> | |

See accompanying notes

CITY OF SILVERTON

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2014**

| | Business-type Activities | | | | Governmental | |
|---|--------------------------|--------------|-----------------------------|----------------------------|------------------------------|------------------------------|
| | Sewer | Water | WWTP Digester Project | Total Nonmajor Funds | Total Enterprise Funds | Internal Service Funds |
| OPERATING REVENUES | | | | | | |
| Charges for services | \$ 3,112,911 | \$ 1,702,806 | \$ - | \$ - | \$ 4,815,717 | \$ - |
| OPERATING EXPENSES | | | | | | |
| Personal services | 700,373 | 532,090 | - | - | 1,232,463 | - |
| Materials and services | 396,416 | 252,634 | - | 498 | 649,548 | - |
| Depreciation | 517,104 | 293,912 | - | - | 811,016 | - |
| Total operating expenses | 1,613,893 | 1,078,636 | - | 498 | 2,693,027 | - |
| Operating income (loss) | 1,499,018 | 624,170 | - | (498) | 2,122,690 | - |
| NONOPERATING REVENUES (EXPENSES) | | | | | | |
| Interest | 3,722 | 3,894 | 5,589 | 12,710 | 25,915 | 8,174 |
| Miscellaneous | 105 | 442 | - | - | 547 | - |
| Interest | (466,295) | (60,859) | - | - | (527,154) | - |
| Total nonoperating revenue (expenses) | (462,468) | (56,523) | 5,589 | 12,710 | (500,692) | 8,174 |
| Income before capital contributions and transfers | 1,036,550 | 567,647 | 5,589 | 12,212 | 1,621,998 | 8,174 |
| Capital contributions | - | - | - | 437,448 | 437,448 | - |
| Transfers in | 47,664 | 573,255 | - | 233,651 | 854,570 | 197,408 |
| Transfers out | (538,631) | (536,456) | (3,915) | (474,513) | (1,553,515) | (201,955) |
| Change in net position | 545,583 | 604,446 | 1,674 | 208,798 | 1,360,501 | 3,627 |
| Net position at beginning of year | 14,291,480 | 7,216,170 | 1,039,001 | 2,342,509 | | 1,428,864 |
| Net position - ending | \$ 14,837,063 | \$ 7,820,616 | \$ 1,040,675 | \$ 2,551,307 | | \$ 1,432,491 |
| Amortization of prepaid pension costs related to enterprise funds | | | | | (24,423) | |
| Adjustment to reflect the changes in the pension bond related to enterprise funds | | | | | 9,729 | |
| CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES | | | | | <u>\$ 1,345,807</u> | |

See accompanying notes

CITY OF SILVERTON

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2014**

| | Business-type Activities | | | | | Governmental |
|---|--------------------------|-------------------|---------------------|---------------------|---------------------|---------------------|
| | Sewer | Water | WWTP | Total | Total | Internal |
| | | | Digester Project | Nonmajor Funds | Enterprise Funds | Service Funds |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Receipts from customers | \$ 3,115,338 | \$ 1,674,164 | \$ - | \$ - | \$ 4,789,502 | \$ - |
| Payments to suppliers | (356,981) | (248,377) | (81,280) | (109,592) | (796,230) | - |
| Payments to employees | (706,272) | (536,663) | - | - | (1,242,935) | - |
| NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | <u>2,052,085</u> | <u>889,124</u> | <u>(81,280)</u> | <u>(109,592)</u> | <u>2,750,337</u> | <u>-</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | |
| Transfers in | - | - | - | 233,651 | 233,651 | 197,408 |
| Transfers out | (538,631) | (536,456) | - | (35,000) | (1,110,087) | (61,181) |
| NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES | <u>(538,631)</u> | <u>(536,456)</u> | <u>-</u> | <u>198,651</u> | <u>(876,436)</u> | <u>136,227</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | |
| System development charges received | - | - | - | 437,448 | 437,448 | - |
| Due from other funds | - | - | - | (18,903) | (18,903) | - |
| Other | 105 | 442 | - | - | 547 | - |
| Acquisition of capital assets | (101,312) | (11,789) | (3,915) | (439,513) | (556,529) | (140,774) |
| Proceeds from long-term obligations | - | 1,663,000 | - | - | 1,663,000 | - |
| Principal paid on long-term obligations | (365,000) | (1,734,726) | - | - | (2,099,726) | - |
| Interest paid on long-term obligations | (460,291) | (59,449) | - | - | (519,740) | - |
| NET CASH (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES | <u>(926,498)</u> | <u>(142,522)</u> | <u>(3,915)</u> | <u>(20,968)</u> | <u>(1,093,903)</u> | <u>(140,774)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Interest on investments | 3,722 | 3,894 | 5,589 | 12,710 | 25,915 | 8,174 |
| Net increase (decrease) in cash | 590,678 | 214,040 | (79,606) | 80,801 | 805,913 | 3,627 |
| Cash - beginning of year | 347,766 | 589,639 | 1,120,731 | 2,455,479 | 4,513,615 | 1,428,864 |
| Cash - end of year | <u>\$ 938,444</u> | <u>\$ 803,679</u> | <u>\$ 1,041,125</u> | <u>\$ 2,536,280</u> | <u>\$ 5,319,528</u> | <u>\$ 1,432,491</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | | | | | | |
| Operating income (loss) | \$ 1,499,018 | \$ 624,170 | \$ - | \$ (498) | \$ 2,122,690 | \$ - |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities | | | | | | |
| Depreciation | 517,104 | 293,912 | - | - | 811,016 | - |
| Decrease (increase) in assets | | | | | | |
| Receivables | 2,427 | (25,660) | - | - | (23,233) | - |
| Inventories | 5,640 | 9,749 | - | - | 15,389 | - |
| Increase (decrease) in liabilities | | | | | | |
| Accounts payable and accrued items | 33,795 | (5,492) | (81,280) | (109,094) | (162,071) | - |
| Consumer deposits | - | (2,982) | - | - | (2,982) | - |
| Accumulated unpaid vacation | (5,899) | (4,573) | - | - | (10,472) | - |
| NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | <u>\$ 2,052,085</u> | <u>\$ 889,124</u> | <u>\$ (81,280)</u> | <u>\$ (109,592)</u> | <u>\$ 2,750,337</u> | <u>\$ -</u> |
| SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS | | | | | | |
| Transfers in | 47,664 | 573,255 | - | - | 620,919 | - |
| Transfers out | - | - | (3,915) | (439,513) | (443,428) | (140,774) |
| Total non-cash transactions | <u>\$ 47,664</u> | <u>\$ 573,255</u> | <u>\$ (3,915)</u> | <u>\$ (439,513)</u> | <u>\$ 177,491</u> | <u>\$ (140,774)</u> |

See accompanying notes

CITY OF SILVERTON

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2014

1. Summary of significant accounting policies

A. Financial reporting entity

The **CITY OF SILVERTON** (City) was organized under the general laws of the State of Oregon. Control of the City is vested in its Mayor and Council Members who are elected to office by voters within the City. Administrative functions are delegated to individuals who report to and are responsible to the Mayor and Council. The chief administrative officer is the City Manager.

The accompanying financial statements present all activities, funds and the component unit for which the City is considered to be financially accountable. The criteria used in making this determination includes appointment of a voting majority, imposition of will, financial benefit or burden on the primary government, and fiscal dependency on the primary government.

The City Council serves as the governing body of the Silverton Urban Renewal Agency. Therefore, the accounts of the agency are included in the financial statements of the City.

Complete financial statements for the Silverton Urban Renewal Agency may be obtained from the City's finance department.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City (the primary government) and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the functions of the City, the elimination of which would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Significant revenues, which are susceptible to accrual under the modified accrual basis of accounting, include property taxes and federal and state grants. Other revenue items are considered to be measurable and available when received by the City. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. The bases of accounting described above are in accordance with accounting principles generally accepted in the United States of America.

The City reports the following major governmental funds:

- *General* - accounts for the financial resources of the City that are not accounted for in any other fund. Principal sources of revenue are property taxes, franchise fees, and state shared revenues. Expenditures are primarily for general government operations, public safety, and culture and recreation. With the implementation of GASB 54, the General Operating Reserve Fund has been combined with the General Fund for financial reporting purposes.
- *Street* - revenue from taxes on motor vehicle fuel use for street construction and maintenance.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting and financial statement presentation (continued)

The City reports the following major proprietary funds:

- *Sewer* - accounts for the operation of the City's sewer system.
- *Water* - accounts for the operation of the City's water system.
- *WWTP Digester Project* – accounts for the construction of wastewater treatment plant digester construction.

The City includes the following nonmajor governmental fund types:

Special revenue - account for revenue derived from specific taxes or other revenue sources, which are legally restricted to finance particular functions or activities. When a special revenue fund is not an operating fund, transfers are made from the special revenue fund to the operating fund authorized to make expenditures.

Debt service - account for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

Capital projects - account for expenditures on major construction projects or equipment acquisition. The principal sources of revenues are proceeds from long-term obligations issued to finance capital acquisitions and improvements.

The City includes the following nonmajor proprietary fund types:

Enterprise - accounts for the operations of predominantly self-supporting activities. Enterprise funds account for services rendered to the public on a user charge basis.

Internal service - accounts for services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The principal sources of revenue are interfund charges and transfers.

D. Budget policies and budgetary control

Generally, Oregon Local Budget Law requires annual budgets be adopted for all funds except agency funds. The modified accrual basis of accounting is used for all budgets. All annual appropriations lapse at fiscal year-end.

The City begins its budgeting process by appointing budget committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the budget committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June and the hearing is held in June. The City Council adopts the budget, makes appropriations, and declares the tax levy no later than June 30. Expenditure appropriations may not be legally over-expended, except in the case of grant receipts and bond sale proceeds which could not be reasonably estimated at the time the budget was adopted.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

D. Budget policies and budgetary control (continued)

The resolution authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The City established the levels of budgetary control at the personal services, materials and services, capital outlay, operating contingencies, debt service, and all other requirement levels for all funds.

E. Use of estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Accordingly, upon settlement, actual results may differ from estimated amounts.

F. Cash and cash equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, checking, savings and money market accounts, and any highly-liquid debt instruments purchased with a maturity of three months or less.

G. User charges and fines receivable

User charges and fines receivable are reported at the amount management expects to collect on balances outstanding at year-end. Management closely monitors outstanding balances and writes off, as of year-end, all balances that have not been collected by the time the financial statements are issued.

H. Inventories

Inventories are valued at the lower of cost (first-in, first-out method) or market. Inventories consist of expendable supplies held for consumption.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

I. Capital assets

Capital assets are recorded in the statement of net position at cost or estimated historical cost if purchased or constructed. Donated items are recorded at their estimated fair value at the date of donation. The City records capital assets for items with original cost, or estimated fair value if donated, of \$5,000 or more and an expected economic useful life of 3 years or more.

Public domain (infrastructure) capital assets (e.g., roads, bridges, sidewalks, storm sewers, and other assets that are immovable and of value to the City) that have been acquired or significantly reconstructed since 1980 have been capitalized at estimated historical cost.

Upon disposal of capital assets, the accounts are relieved of the related costs and accumulated depreciation, and resulting gains or losses are reflected in the change in net assets. Depreciation taken on contributed capital assets is recorded as an expense of operations and charged to retained earnings.

Capital assets are depreciated using the straight-line method over the following estimated useful lives with prorated depreciation in the year of acquisition and prorated depreciation in the year of disposal.

| <u>Assets</u> | <u>Years</u> |
|----------------------------|--------------|
| Buildings and improvements | 50 |
| Plant in service | 50 |
| Machinery and equipment | 10 |
| Infrastructure | 60 |

J. Long-term obligations

Long-term obligations consist of loans, bonds, and compensated absences.

Long-term obligations expected to be repaid from proprietary funds are accounted for in the business-type activities and proprietary funds.

Long-term obligations expected to be repaid from governmental funds are accounted for in the governmental activities.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

K. Compensated absences - sick leave

The City has a policy which permits employees to earn sick leave at the rate of one day per month with no limit on accumulation.

L. Equity classification

i. Government-wide and proprietary fund reporting

In the government-wide and proprietary fund financial statements equity is classified as net position and displayed in three components:

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted net position– Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the government-wide and proprietary fund financial statements, 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.

ii. Governmental fund type fund balance reporting

GASB 54 requires governmental type fund balance amounts to be properly reported within one of the fund balance categories list below:

Non-spendable — Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted — Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed — Amounts that can be used only for specific purposes determined by a formal action of the City Council. The City Council is the highest level of decision making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the City Council.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

L. Equity classification (continued)

ii. Governmental fund type fund balance reporting (continued)

Assigned — Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The City Council has granted authority to the Administrative Services Director to assign fund balance amounts.

Unassigned — the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Additionally, other funds may report negative unassigned fund balance in certain circumstances.

In the governmental fund financial statements, when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City, considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

M. Risk management

The City is exposed to various risks of loss related to errors and omissions, automobile, damage to and destruction of assets, bodily injury, and worker's compensation for which the City carries commercial insurance. There has been no significant reduction in insurance coverage from the prior year and settled claims have not reached the level of commercial coverage in any of the past three fiscal years.

2. Deposits and investments

The City maintains a pool of cash and investments that are available for use by all funds. Each fund's portion of this pool is displayed on the financial statements as cash and investments. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances.

Investments, including amounts held in pooled cash and investments are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments with a remaining maturity of more than one year, at the time of purchase are stated at fair value. Fair value is determined at the quoted market price, if available; otherwise the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

2. Deposits and investments (continued)

The Oregon State Treasury administers the LGIP. The LGIP is an unrated, open-ended, no-load, diversified portfolio offered to any City, political subdivision or public corporation of the state who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the City's position in the LGIP is the same as the value of the pool shares.

Credit risk: Oregon statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool.

As of June 30, 2014, the City had the following investments:

| | <u>Maturities</u> | <u>Fair Value</u> |
|-----------------------------------|-------------------|----------------------|
| State Treasurer's Investment Pool | N/A | <u>\$ 14,127,152</u> |

Interest Rate Risk: The City does not have a formal policy that limits investment maturities as a means of managing its exposure to fair-value losses arising from increases in interest rates.

Concentration of Credit Risk: The City does not have a formal policy that places a limit on the amount that may be invested in any one issuer. 100 percent of the City's investments are in the State Treasurer's Investment Pool.

Custodial Credit Risk - Investments: This is the risk that, in the event of the failure of a counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City does not have a policy which limits the amount of investments that can be held by counterparties.

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 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are collateralized with securities held by the Federal Home Loan Bank of Seattle in the name of the institution. As of June 30, 2014, none of the City's bank balances were exposed to custodial risk.

A. The City's deposits and investments at June 30, 2014 are as follows:

| | |
|--------------------------------------|----------------------|
| Total investments | \$ 14,127,152 |
| Cash on hand | 2,500 |
| Deposits with financial institutions | <u>541,076</u> |
| Total deposits and investments | <u>\$ 14,670,728</u> |

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

2. Deposits and investments (continued)

B. Cash and investments by fund:

| | | |
|---------------------------------------|----|-------------------|
| <u>Governmental activities/funds</u> | | |
| General | \$ | 3,269,065 |
| Street | | 507,537 |
| Nonmajor governmental | | <u>4,142,107</u> |
| Governmental funds | | 7,918,709 |
| Internal service | | <u>1,432,491</u> |
| Total governmental activities | | <u>9,351,200</u> |
| <u>Business-type activities/funds</u> | | |
| Sewer | | 938,444 |
| Water | | 803,679 |
| WWTP digester project | | 1,041,125 |
| Nonmajor enterprise funds | | <u>2,536,280</u> |
| Total business-type activities/funds | | <u>5,319,528</u> |
| Total cash and investments | \$ | <u>14,670,728</u> |

3. Receivables

A. The City's receivables at June 30, 2014 are shown below:

| | Governmental Activities / Funds | | | | Business-type Activities / Proprietary funds | | |
|------------------------------------|---------------------------------|------------------|-----------------------------------|--------------------------------|--|-------------------|------------------------------|
| | General | Street | Nonmajor Governmental Funds | Total Governmental Funds | Sewer | Water | Total Enterprise Funds |
| User charges | \$ - | \$ - | \$ - | \$ - | \$ 270,896 | \$ 178,599 | \$ 449,495 |
| Property assessments | - | 273 | 479,841 | 480,114 | - | - | - |
| Property taxes | 140,225 | - | 54,059 | 194,284 | - | - | - |
| County treasurer | 19,575 | - | 7,848 | 27,423 | - | - | - |
| Accounts | 133,748 | 42,730 | 106,684 | 283,162 | - | 6,515 | 6,515 |
| Notes | - | - | 668,494 | 668,494 | - | - | - |
| Fines | 72,341 | - | - | 72,341 | - | - | - |
| Loans | 420,000 | - | - | 420,000 | - | - | - |
| Allowance for doubtful accounts | - | - | - | - | (1,556) | (11,653) | (13,209) |
| | <u>\$ 785,889</u> | <u>\$ 43,003</u> | <u>\$ 1,316,926</u> | <u>\$ 2,145,818</u> | <u>\$ 269,340</u> | <u>\$ 173,461</u> | <u>\$ 442,801</u> |

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

3. Receivables (continued)

B. Property taxes receivable

i. Collection procedures

Taxes are levied on July 1 and are payable in three installments due November 15, February 15 and May 15. Marion County bills and collects property taxes for the City.

ii. 2013-14 transactions

| | Balances July 1, 2013 | 2013-14 Levy | Adjust- ments | Net Interest (Discounts) | Collections | Balances June 30, 2014 |
|---------|-----------------------------|---------------------|--------------------|--------------------------------|---------------------|------------------------------|
| 2013-14 | \$ - | \$ 3,230,033 | \$ (28,175) | \$ (82,002) | \$ 3,023,553 | \$ 96,303 |
| 2012-13 | 102,939 | - | (1,111) | 3,862 | 57,885 | 47,805 |
| 2011-12 | 51,329 | - | (647) | 4,484 | 28,389 | 26,777 |
| 2010-11 | 32,761 | - | (967) | 6,613 | 28,449 | 9,958 |
| 2009-10 | 11,061 | - | 150 | 2,508 | 10,219 | 3,500 |
| 2008-09 | 3,643 | - | (689) | 536 | 1,538 | 1,952 |
| Prior | 10,595 | - | (1,698) | 775 | 1,683 | 7,989 |
| | <u>\$ 212,328</u> | <u>\$ 3,230,033</u> | <u>\$ (33,137)</u> | <u>\$ (63,224)</u> | \$ 3,151,716 | <u>\$ 194,284</u> |
| | | | | Prior year accrual | (38,759) | |
| | | | | Current year accrual | <u>50,852</u> | |
| | | | | | <u>\$ 3,163,809</u> | |

iii. Ensuing year's levies

The City's permanent tax rate is \$3.6678 per \$1,000 assessed value as limited by the Constitution of the State of Oregon.

The Urban Renewal Agency will levy 100 percent of the amount of its authority under option one of ORS 457.435(2)(a) for the retirement of long-term obligations principal and interest without making a special levy in 2014-15.

The tax rate limit of \$10.00 per thousand of assessed value imposed by the Oregon Constitution is not expected to affect these levies.

In addition, the City will levy \$256,878 for payment of long-term debt principal and interest due in 2014-15 and \$275,000 for pool operations.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

4. Capital assets

A. Activity for the year ended June 30, 2014 was as follows:

| | Balances July 1, 2013 | Additions | Deletions | Balances June 30, 2014 |
|--|--------------------------|-------------------|---------------------|---------------------------|
| <i>Governmental Activities</i> | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 3,542,587 | \$ - | \$ - | \$ 3,542,587 |
| Right of way | 479,624 | - | - | 479,624 |
| Construction in progress | 118,086 | 229,202 | (63,158) | 284,130 |
| Total capital assets not being depreciated | <u>4,140,297</u> | <u>229,202</u> | <u>(63,158)</u> | <u>4,306,341</u> |
| Capital assets being depreciated | | | | |
| Buildings and improvements | 3,554,486 | 46,322 | - | 3,600,808 |
| Equipment | 1,902,939 | 236,737 | (67,599) | 2,072,077 |
| Land improvements | 2,140,786 | - | - | 2,140,786 |
| Infrastructure | 3,549,434 | 497,119 | - | 4,046,553 |
| Total capital assets being depreciated | <u>11,147,645</u> | <u>780,178</u> | <u>(67,599)</u> | <u>11,860,224</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 667,058 | 89,261 | - | 756,319 |
| Equipment | 1,677,987 | 148,751 | (61,296) | 1,765,442 |
| Land improvements | 250,183 | - | - | 250,183 |
| Infrastructure | 685,368 | 134,371 | - | 819,739 |
| Total accumulated depreciation | <u>3,280,596</u> | <u>372,383</u> | <u>(61,296)</u> | <u>3,591,683</u> |
| Total capital assets being depreciated, net | <u>7,867,049</u> | <u>407,795</u> | <u>(6,303)</u> | <u>8,268,541</u> |
| Governmental activities capital assets, net | <u>\$ 12,007,346</u> | <u>\$ 636,997</u> | <u>\$ (69,461)</u> | <u>\$ 12,574,882</u> |
| <i>Business-type Activities</i> | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 2,254,610 | \$ - | \$ - | \$ 2,254,610 |
| Construction in progress | 4,824,921 | 316,771 | (139,256) | 5,002,436 |
| Total capital assets not being depreciated | <u>7,079,531</u> | <u>316,771</u> | <u>(139,256)</u> | <u>7,257,046</u> |
| Capital assets being depreciated | | | | |
| Water and sewer lines | 15,345,498 | 389,488 | - | 15,734,986 |
| Buildings and improvements | 6,719,612 | 22,842 | - | 6,742,454 |
| Plant and equipment | 18,854,680 | 87,209 | - | 18,941,889 |
| Land improvements | 280,867 | 56,966 | - | 337,833 |
| Total capital assets being depreciated | <u>41,200,657</u> | <u>556,505</u> | <u>-</u> | <u>41,757,162</u> |
| Less accumulated depreciation for: | | | | |
| Water and sewer lines | 6,597,378 | 279,498 | - | 6,876,876 |
| Buildings and improvements | 2,020,925 | 137,063 | - | 2,157,988 |
| Plant and equipment | 6,291,754 | 389,019 | - | 6,680,773 |
| Land improvements | 182,037 | 5,436 | - | 187,473 |
| Total accumulated depreciation | <u>15,092,094</u> | <u>811,016</u> | <u>-</u> | <u>15,903,110</u> |
| Total capital assets being depreciated, net | <u>26,108,563</u> | <u>(254,511)</u> | <u>-</u> | <u>25,854,052</u> |
| Business-type activities capital assets, net | <u>\$ 33,188,094</u> | <u>\$ 62,260</u> | <u>\$ (139,256)</u> | <u>\$ 33,111,098</u> |

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

4. Capital assets (continued)

B. Depreciation expense was charged to functions/programs of the City as follows:

Governmental activities

| | |
|--|-------------------|
| General government | \$ 80,834 |
| Public safety | 42,541 |
| Highways and streets | 137,272 |
| Culture and recreation | <u>111,736</u> |
| Total depreciation expense - governmental activities | <u>\$ 372,383</u> |

Business-type activities

| | |
|---|-------------------|
| Sewer | \$ 517,104 |
| Water | <u>293,912</u> |
| Total depreciation expense - business-type activities | <u>\$ 811,016</u> |

5. Unavailable revenue

| | Governmental Funds | | | |
|----------------------|--------------------|--------------|-----------------------------------|--------------------------------|
| | General | Street | Nonmajor Governmental Funds | Total Governmental Funds |
| Loans | \$ 420,000 | \$ - | \$ - | \$ 420,000 |
| Property taxes | 103,894 | - | 39,538 | 143,432 |
| Property assessments | - | 68 | 431,326 | 431,394 |
| Notes | - | - | 667,931 | 667,931 |
| Fines | <u>72,341</u> | - | - | <u>72,341</u> |
| | <u>\$ 596,235</u> | <u>\$ 68</u> | <u>\$ 1,138,795</u> | <u>\$ 1,735,098</u> |

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

6. Interfund transactions

The interfund transfers during the year ended June 30, 2014 were as follows:

| | <u>In</u> | <u>Out</u> |
|-------------------------------------|---------------------|---------------------|
| <u>Governmental Funds</u> | | |
| General | \$ 1,103,124 | \$ 343,691 |
| Street | - | 177,005 |
| Nonmajor governmental | 488,883 | 331,102 |
| Governmental activities - non-cash | 158,174 | 245,941 |
| <u>Proprietary Funds</u> | | |
| Enterprise | | |
| Sewer | - | 538,631 |
| Sewer - non-cash | 47,664 | - |
| Water | - | 536,456 |
| Water - non-cash | 573,255 | - |
| WWTP digester project - non-cash | - | 3,915 |
| Nonmajor enterprise | 233,651 | 35,000 |
| Nonmajor enterprise - non-cash | - | 439,513 |
| Internal Service | | |
| Internal Service | 197,408 | 61,181 |
| Internal Service - non-cash | - | 140,774 |
| Business-type activities - non-cash | <u>51,050</u> | <u>-</u> |
| Totals | <u>\$ 2,853,209</u> | <u>\$ 2,853,209</u> |

In the adopted budget, the City anticipates making interfund transfers to move resources between funds to provide resources for specific expenditures that are not supported by other revenues.

Non-cash transfers occur when a fund acquires capital assets which will be used in the operation of a different fund's activities, issues long-term obligations which will be repaid out of a different fund's resources, or pays principal and interest on long-term obligations reported as a liability in a different fund.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

7. Long-term obligations

A. Transactions for the governmental activities for the year ended June 30, 2014 were as follows:

| | Outstanding July 1, 2013 | Additions | Reductions | Outstanding June 30, 2014 | Balances Due Within One Year |
|---|--------------------------------|-----------------|-----------------|---------------------------------|------------------------------------|
| General Obligation Refunding Bond, Series 2010, original issue \$1,175,000, due over 7 years in semi- annual installments of interest payable on June 1 and December 1 with principal payments annually June 1, interest rate at 3.00 percent | | | | | |
| Principal | \$ 845,000 | \$ - | \$ 235,000 | \$ 610,000 | \$ 250,000 |
| Interest | <u>2,014</u> | <u>24,861</u> | <u>25,350</u> | <u>1,525</u> | |
| | <u>847,014</u> | <u>24,861</u> | <u>260,350</u> | <u>611,525</u> | |
| Pension Obligation Bonds, original issue of \$1,957,495, due over 27 years in semi-annual installments payable on June 1 and December 1 with principal payments annually June 1, variable interest rates at 2.00 to 7.36 percent | | | | | |
| Principal | 1,544,717 | - | 30,290 | 1,514,427 | |
| Interest | <u>8,100</u> | <u>130,679</u> | <u>131,158</u> | <u>7,621</u> | |
| | 1,552,817 | 130,679 | 161,448 | 1,522,048 | |
| Allocable to business-type activities | | | | | |
| Principal | (488,440) | - | (9,578) | (478,862) | |
| Interest | <u>(2,562)</u> | <u>(41,321)</u> | <u>(41,472)</u> | <u>(2,411)</u> | |
| | <u>1,061,815</u> | <u>89,358</u> | <u>110,398</u> | <u>1,040,775</u> | 20,325 |
| Note payable - [WEVP LID] Oregon Economic Development Department (OEDD), original issue of \$1,275,000, due over 25 years in annual installments payable on December 1, variable interest rates at 3.00 to 4.625 percent | | | | | |
| Principal | 944,839 | - | 343,217 | 601,622 | 42,450 |
| Interest | <u>23,955</u> | <u>31,722</u> | <u>42,461</u> | <u>13,216</u> | |
| | <u>968,794</u> | <u>31,722</u> | <u>385,678</u> | <u>614,838</u> | |

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

7. Long-term obligations (continued)

A. Transactions for the governmental activities for the year ended June 30, 2014 were as follows (continued):

| | Outstanding July 1, 2013 | Additions | Reductions | Outstanding June 30, 2014 | Balances Due Within One Year |
|---|--------------------------------|-------------------|-------------------|---------------------------------|------------------------------------|
| Note payable - [URA] Silver Falls School District 4J, original issue of \$1,255,000, due over 14 years in annual installments payable on February 15, interest at the prevailing rate of the Local Government Investment Pool on December 31 of each year | | | | | |
| Principal | \$ 814,157 | \$ - | \$ 150,604 | \$ 663,553 | \$ 95,504 |
| Interest | 1,506 | 4,215 | 4,396 | 1,325 | |
| | <u>815,663</u> | <u>4,215</u> | <u>155,000</u> | <u>664,878</u> | |
| Accumulated unpaid vacation | <u>156,566</u> | <u>161,556</u> | <u>156,566</u> | <u>161,556</u> | <u>161,556</u> |
| Total governmental activities long-term obligations | 3,849,852 | 311,712 | 1,067,992 | 3,093,572 | <u>\$ 569,835</u> |
| Less: accrued interest payable | <u>33,013</u> | <u>150,156</u> | <u>161,893</u> | <u>21,276</u> | |
| Principal | <u>\$ 3,816,839</u> | <u>\$ 161,556</u> | <u>\$ 906,099</u> | <u>\$ 3,072,296</u> | |

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

7. Long-term obligations (continued)

B. Transactions for the business-type activities for the year ended June 30, 2014 were as follows:

| | Outstanding July 1, 2013 | | | Outstanding June 30, 2014 | | Balances Due Within One Year |
|--|--------------------------------|---------------------|---------------------|---------------------------------|------------|------------------------------------|
| | Additions | Reductions | | | | |
| Water Revenue Bond - U.S. Department of Agriculture (USDA), Rural Development, original issue of \$2,127,000 due over 40 years in annual installments of \$121,856 payable on May 31, interest at 4.875 percent | | | | | | |
| Principal | \$ 1,662,575 | \$ - | \$ 1,662,575 | \$ - | | |
| Interest | 6,662 | 27,981 | 34,643 | - | | |
| | <u>1,669,237</u> | <u>27,981</u> | <u>1,697,218</u> | <u>-</u> | | |
| Sewer Revenue Refunding Bonds - Bank of NY, original issue of \$8,170,000, due over 25 years in semi-annual installments payable on June 1 and December 1 with principal payments annually in June, variable interest rates at 3.00 to 4.625 percent | | | | | | |
| Principal | 7,355,000 | - | 295,000 | 7,060,000 | \$ 295,000 | |
| Interest | 25,365 | 303,644 | 304,381 | 24,628 | | |
| | <u>7,380,365</u> | <u>303,644</u> | <u>599,381</u> | <u>7,084,628</u> | | |
| Local Oregon Capital Assets Program Bonds - Bank of NY, original issue of \$4,055,000, due over 20 years in annual installments payable on June 1, variable interest rates at 2.00 to 4.60 percent | | | | | | |
| Principal | 3,860,000 | - | 70,000 | 3,790,000 | 85,000 | |
| Interest | 6,134 | 162,652 | 155,910 | 12,876 | | |
| | <u>3,866,134</u> | <u>162,652</u> | <u>225,910</u> | <u>3,802,876</u> | | |
| Note payable - Citizens Bank, original issue of \$1,663,000, due over 10 years in semi-annual installments payable on April 30 and October 31, interest rate at 3.00 percent | | | | | | |
| Principal | - | 1,663,000 | 72,056 | 1,590,944 | 147,088 | |
| Interest | - | 32,783 | 24,806 | 7,977 | | |
| | <u>-</u> | <u>1,695,783</u> | <u>96,862</u> | <u>1,598,921</u> | | |
| Pension Obligation Bonds amount allocated from governmental activities | | | | | | |
| Principal | 488,440 | - | 9,578 | 478,862 | 9,398 | |
| Interest | 2,562 | 41,321 | 41,472 | 2,411 | | |
| | <u>491,002</u> | <u>41,321</u> | <u>51,050</u> | <u>481,273</u> | | |
| Accumulated unpaid vacation | 69,857 | 59,385 | 69,857 | 59,385 | 59,385 | |
| Total business-type activities long-term obligations | 13,476,595 | 2,290,765 | 2,740,278 | 13,027,082 | \$ 595,871 | |
| Less: accrued interest payable | 40,723 | 568,380 | 561,212 | 47,891 | | |
| Principal | <u>\$ 13,435,872</u> | <u>\$ 1,722,385</u> | <u>\$ 2,179,066</u> | <u>\$ 12,979,191</u> | | |

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

7. Long-term obligations (continued)

C. The future maturities of governmental activities long-term obligations are as follows:

| Fiscal Year | General Obligation | | Pension Obligation Bonds | | OEDD | |
|----------------|--|------------------|--------------------------|-------------------|-------------------|-------------------|
| | Refunding Bonds Series 2010 Principal | Interest | Principal | Interest | Principal | Interest |
| 2015 | \$ 250,000 | \$ 18,300 | \$ 20,325 | \$ 93,493 | \$ 42,450 | \$ 26,394 |
| 2016 | 265,000 | 10,800 | 21,180 | 99,475 | 47,748 | 24,696 |
| 2017 | 95,000 | 2,850 | 20,731 | 103,343 | 48,057 | 22,786 |
| 2018 | - | - | 21,408 | 109,504 | 48,388 | 20,815 |
| 2019 | - | - | 21,737 | 116,014 | 53,740 | 18,783 |
| 2020-24 | - | - | 475,458 | 315,342 | 294,855 | 57,228 |
| 2025-29 | - | - | 454,726 | 88,761 | 66,384 | 3,070 |
| | <u>\$ 610,000</u> | <u>\$ 31,950</u> | <u>\$ 1,035,565</u> | <u>\$ 925,932</u> | <u>\$ 601,622</u> | <u>\$ 173,772</u> |

| Fiscal Year | Accumulated | | | Totals | |
|----------------|-------------------|------------------|-------------------|---------------------|---------------------|
| | Silver Falls SD | | Unpaid | Principal | Interest |
| | Principal | Interest | Vacation | | |
| 2015 | \$ 95,504 | \$ 4,496 | \$ 161,556 | \$ 569,835 | \$ 142,683 |
| 2016 | 96,020 | 3,980 | - | 429,948 | 138,951 |
| 2017 | 96,538 | 3,462 | - | 260,326 | 132,441 |
| 2018 | 97,060 | 2,940 | - | 166,856 | 133,259 |
| 2019 | 97,584 | 2,416 | - | 173,061 | 137,213 |
| 2020-24 | 180,847 | 4,511 | - | 951,160 | 377,081 |
| 2025-29 | - | - | - | 521,110 | 91,831 |
| | <u>\$ 663,553</u> | <u>\$ 21,805</u> | <u>\$ 161,556</u> | <u>\$ 3,072,296</u> | <u>\$ 1,153,459</u> |

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

7. Long-term obligations (continued)

D. The future maturities of business-type activities long-term obligations are as follows:

| Fiscal Year | Sewer Revenue | | LOCAP | | Citizens Bank Loan | |
|----------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|
| | Refunding Bonds | | Principal | Interest | Principal | Interest |
| | Principal | Interest | | | | |
| 2015 | \$ 295,000 | \$ 295,531 | \$ 85,000 | \$ 154,510 | \$ 147,088 | \$ 44,431 |
| 2016 | 300,000 | 286,681 | 90,000 | 151,960 | 151,534 | 39,919 |
| 2017 | 265,000 | 277,681 | 135,000 | 149,260 | 156,114 | 35,270 |
| 2018 | 270,000 | 268,406 | 145,000 | 144,873 | 160,832 | 30,481 |
| 2019 | 225,000 | 258,956 | 205,000 | 139,798 | 165,693 | 25,547 |
| 2020-24 | 1,280,000 | 1,151,780 | 1,130,000 | 581,353 | 809,683 | 49,795 |
| 2025-29 | 1,570,000 | 866,224 | 1,365,000 | 336,513 | - | - |
| 2030-34 | 1,945,000 | 487,513 | 635,000 | 44,160 | - | - |
| 2035-39 | 910,000 | 63,597 | - | - | - | - |
| | <u>\$ 7,060,000</u> | <u>\$ 3,956,369</u> | <u>\$ 3,790,000</u> | <u>\$ 1,702,427</u> | <u>\$ 1,590,944</u> | <u>\$ 225,443</u> |

| Fiscal Year | Pension | | Accumulated | | Totals | |
|----------------|-------------------|-------------------|--------------------|----------------------|---------------------|----------|
| | Obligation Bonds | | Unpaid Vacation | Principal | Interest | Interest |
| | Principal | Interest | | | | |
| 2015 | \$ 9,398 | \$ 43,233 | \$ 59,385 | \$ 595,871 | \$ 537,705 | |
| 2016 | 9,794 | 45,999 | - | 551,328 | 524,559 | |
| 2017 | 9,587 | 47,787 | - | 565,701 | 509,998 | |
| 2018 | 9,899 | 50,637 | - | 585,731 | 494,397 | |
| 2019 | 10,051 | 53,646 | - | 605,744 | 477,947 | |
| 2020-24 | 219,859 | 145,819 | - | 3,439,542 | 1,928,747 | |
| 2025-29 | 210,274 | 41,045 | - | 3,145,274 | 1,243,782 | |
| 2030-34 | - | - | - | 2,580,000 | 531,673 | |
| 2035-39 | - | - | - | 910,000 | 63,597 | |
| | <u>\$ 478,862</u> | <u>\$ 428,166</u> | <u>\$ 59,385</u> | <u>\$ 12,979,191</u> | <u>\$ 6,312,405</u> | |

8. Defined benefit pension plan

The City contributes to the Oregon Public Employees' Retirement System (PERS); a cost-sharing, multiple-employer, defined benefit pension plan and the Oregon Public Service Retirement Plan (OPSRP); a cost-sharing, multiple-employer, hybrid pension plan. Both PERS and OPSRP are governed by the Public Employees' Retirement Board (PERB) under the provisions of Oregon Revised Statutes 238. PERS provides retirement benefits under a variety of benefit options, as selected by retiring employees, and provides death and disability benefits. OPSRP provides a combination of retirement benefits under a defined benefit plan and an individual account program (IAP), the balance of which will be paid out in either a lump sum or over a 5, 10, 15, or 20 year period. Employees hired on or after August 29, 2003, participate only in OPSRP. Beginning January 1, 2004, active PERS members hired before August 29, 2003, became members of the IAP of OPSRP. These members retain their existing PERS account; however, any future member contributions will be placed in the IAP. A copy of the Oregon Public Employees' Retirement System annual financial report may be obtained by writing to Public Employees' Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377 or at www.oregon.gov/PERS.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

8. Defined benefit pension plan (continued)

City employees are eligible to participate after completing six months of service. Covered employees are required by state statute to contribute 6 percent of their compensation to the plan. Current law permits the City to pay this amount on behalf of the employees. The City's contribution rate is set by PERB and is periodically adjusted based upon actuarial computations of the amount needed to provide retirement benefits. Effective July 1, 2009 the City elected to have the contribution rate for employees hired before August 29, 2003 split by employee class. The City's contribution rate for general service employees and police officers is 13.43 percent of covered compensation. For employees hired on or after August 29, 2003, the City's contribution rate for police officers is 11.84 percent of covered compensation and 9.11 percent of covered compensation for all other employees.

The City's contribution to the plan for the years ending June 30, 2014, 2013, and 2012, were equal to the City's required contributions for each year as follows:

| Year Ended June 30, | City Contribution | Member paid Contribution | Totals |
|------------------------|----------------------|-----------------------------|------------|
| 2014 | \$ 472,837 | \$ -- | \$ 472,837 |
| 2013 | 310,588 | 148,096 | 458,684 |
| 2012 | 317,094 | 377,619 | 474,929 |

9. Net position restricted by enabling legislation

The amount of net position restricted by enabling legislation is as follows:

Governmental Activities

Capital Projects – Ordinances imposing System Development Charges (SDC) and Local Improvement District (LID) assessments restrict the use to capital improvements which expand the capacity of the system for which the charge was made \$ 1,367,952

Highways and streets – Article IX, Section 3a of the Oregon State Constitution restricts the use of revenue from taxes on motor vehicle fuel use 538,855

Urban renewal taxes are restricted to improving and redeveloping designated areas (community development) 801,550

Business-type Activities

Capital Projects – Ordinances imposing System Development Charges (SDC) restrict the use to capital improvements which expand the capacity of the system for which the charge was made 1,397,705

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

10. Governmental fund balances

Fund balances for governmental funds have been reported in the categories of nonspendable, restricted, committed, assigned and unassigned. The specific purposes for these amounts are as follows:

| Fund balances: | <u>General</u> | <u>Street</u> | <u>Nonmajor Governmental Funds</u> | <u>Total</u> |
|--------------------------------|---------------------|-------------------|--|---------------------|
| Nonspendable | \$ - | \$ 6,439 | \$ 1,961 | \$ 8,400 |
| Restricted for: | | | | |
| Transportation | - | - | 49,496 | 49,496 |
| Transient tax | - | - | 54,223 | 54,223 |
| Highways and streets | - | 532,348 | 210,933 | 743,281 |
| CDBG housing rehabilitation | - | - | 386,943 | 386,943 |
| Pool operations | - | - | 83,726 | 83,726 |
| Debt service | - | - | 1,132,767 | 1,132,767 |
| Capital projects | - | - | 1,367,952 | 1,367,952 |
| Other purposes | - | - | 133,857 | 133,857 |
| Assigned for: | | | | |
| Unexpected future expenditures | 747,017 | - | - | 747,017 |
| Capital projects | - | - | 752,487 | 752,487 |
| Debt service | - | - | 12,411 | 12,411 |
| Unassigned | <u>2,491,800</u> | <u>-</u> | <u>-</u> | <u>2,491,800</u> |
| Total | <u>\$ 3,238,817</u> | <u>\$ 538,787</u> | <u>\$ 4,186,756</u> | <u>\$ 7,964,360</u> |

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

11. Segment information for enterprise funds

The City has issued revenue bonds to finance sewer and water systems. The two systems are accounted for in ten funds.

Summary financial information for the sewer and water systems for the year ended June 30, 2014 is as follows:

| Condensed statement of net position | Sewer | Water |
|---|----------------------|---------------------|
| Assets | | |
| Current | \$ 3,642,582 | \$ 2,219,457 |
| Capital | <u>24,619,340</u> | <u>8,491,758</u> |
| Total assets | <u>28,261,922</u> | <u>10,711,215</u> |
| Liabilities | | |
| Current | 531,632 | 277,988 |
| Noncurrent | <u>10,470,000</u> | <u>1,443,856</u> |
| Total liabilities | <u>11,001,632</u> | <u>1,721,844</u> |
| Net position | | |
| Net investment in capital assets | 13,769,340 | 6,900,814 |
| Restricted | 2,423,227 | 1,168,755 |
| Unrestricted | <u>1,067,723</u> | <u>919,802</u> |
| Total net position | <u>\$ 17,260,290</u> | <u>\$ 8,989,371</u> |
| | | |
| Condensed statement of revenues, expenses and changes in fund net position | | |
| Operating revenue | \$ 3,112,911 | \$ 1,702,806 |
| Depreciation expense | 517,104 | 293,912 |
| Other operating expenses | <u>1,097,287</u> | <u>784,724</u> |
| Operating income | 1,498,520 | 624,170 |
| Nonoperating revenues (expenses) | <u>(450,356)</u> | <u>(50,336)</u> |
| Income before capital contributions and transfers | 1,048,164 | 573,834 |
| Capital contributions | 209,792 | 227,656 |
| Transfers in | 171,815 | 682,755 |
| Transfers out | <u>(603,695)</u> | <u>(949,820)</u> |
| Change in net position | 826,076 | 534,425 |
| Net position – beginning | <u>16,434,214</u> | <u>8,454,946</u> |
| Net position – ending | <u>\$ 17,260,290</u> | <u>\$ 8,989,371</u> |

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

11. Segment information for enterprise funds (continued)

| Condensed statement of cash flows | <u>Sewer</u> | <u>Water</u> |
|--|----------------------------|----------------------------|
| Net cash provided by (used in): | | |
| Operating activities | \$ 1,900,244 | \$ 850,093 |
| Non-capital financing activities | (414,480) | (461,956) |
| Capital and related financing activities | (800,673) | (293,230) |
| Investing activities | <u>15,834</u> | <u>10,081</u> |
| Net increase in cash | 700,925 | 104,988 |
| Cash and cash equivalents - beginning | <u>2,642,293</u> | <u>1,871,322</u> |
| Cash and cash equivalents - ending | <u><u>\$ 3,343,218</u></u> | <u><u>\$ 1,976,310</u></u> |

12. Contingencies - accumulated sick leave

Portions of sick leave accumulated at any point in time can be expected to be redeemed before termination of employment; however, such redemptions cannot be reasonably estimated. As of June 30, 2014, City employees had accumulated 1,876 days of sick leave.

13. Risk management

The City is exposed to various risks of loss related to theft of, damage to, and destruction of assets; torts; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance for such risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

14. Prior period adjustment

A prior period adjustment was made to the governmental activities to remove accounts receivable which should not have been recorded. Beginning net position has been decreased \$180,000.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

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CITY OF SILVERTON

**COMBINING BALANCE SHEET
GENERAL FUNDS
June 30, 2014**

| | General | General Operating Reserve | Totals |
|---|---------------------|---------------------------------|---------------------|
| <u>ASSETS</u> | | | |
| Cash and investments | \$ 2,522,048 | \$ 747,017 | \$ 3,269,065 |
| Receivables | 785,889 | - | 785,889 |
| TOTAL ASSETS | \$ 3,307,937 | \$ 747,017 | \$ 4,054,954 |
| <u>LIABILITIES</u> | | | |
| Accounts payable and accrued items | \$ 158,890 | \$ - | \$ 158,890 |
| Consumer deposits | 61,012 | - | 61,012 |
| TOTAL LIABILITIES | 219,902 | - | 219,902 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | |
| Unavailable revenue | 596,235 | - | 596,235 |
| <u>FUND BALANCES</u> | | | |
| Assigned | - | 747,017 | 747,017 |
| Unassigned | 2,491,800 | - | 2,491,800 |
| TOTAL FUND BALANCES | 2,491,800 | 747,017 | 3,238,817 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | \$ 3,307,937 | \$ 747,017 | \$ 4,054,954 |

CITY OF SILVERTON

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCES
GENERAL FUNDS**

For the Year Ended June 30, 2014

| | General | General Operating Reserve | Totals |
|---|-------------------------|---------------------------------|-------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| REVENUES | | | |
| Property taxes | \$ 2,287,828 | \$ - | \$ 2,287,828 |
| Franchise fees | 515,157 | - | 515,157 |
| Licenses, permits and fees | 95,322 | - | 95,322 |
| Fines and forfeitures | 175,475 | - | 175,475 |
| Intergovernmental | 240,204 | - | 240,204 |
| Interest | 27,727 | 3,677 | 31,404 |
| Miscellaneous | <u>108,850</u> | <u>-</u> | <u>108,850</u> |
| TOTAL REVENUES | <u>3,450,563</u> | <u>3,677</u> | <u>3,454,240</u> |
| EXPENDITURES | | | |
| Current | | | |
| General government | 1,414,156 | - | 1,414,156 |
| Public safety | 2,044,800 | - | 2,044,800 |
| Culture and recreation | 171,537 | - | 171,537 |
| Capital outlay | <u>97,929</u> | <u>-</u> | <u>97,929</u> |
| TOTAL EXPENDITURES | <u>3,728,422</u> | <u>-</u> | <u>3,728,422</u> |
| Excess (deficiency) of revenues over expenditures | <u>(277,859)</u> | <u>3,677</u> | <u>(274,182)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 1,003,124 | 100,000 | 1,103,124 |
| Transfers out | <u>(343,691)</u> | <u>-</u> | <u>(343,691)</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>659,433</u> | <u>100,000</u> | <u>759,433</u> |
| Net change in fund balances | 381,574 | 103,677 | 485,251 |
| Fund balances at beginning of year | <u>2,110,226</u> | <u>643,340</u> | <u>2,753,566</u> |
| Fund balance at end of year | <u>\$ 2,491,800</u> | <u>\$ 747,017</u> | <u>\$ 3,238,817</u> |

CITY OF SILVERTON

**GENERAL OPERATING RESERVE - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|----------------|-------------------|-------------------|
| REVENUES | | | |
| Interest | \$ 3,250 | \$ 3,677 | \$ 427 |
| EXPENDITURES | | | |
| Contingency and reserves | <u>746,403</u> | <u>-</u> | <u>746,403</u> |
| Excess (deficiency) of revenues over expenditures | (743,153) | 3,677 | 746,830 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | <u>100,000</u> | <u>100,000</u> | <u>-</u> |
| Net change in fund balance | (643,153) | 103,677 | 746,830 |
| Fund balance at beginning of year | <u>643,153</u> | <u>643,340</u> | <u>187</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ 747,017</u> | <u>\$ 747,017</u> |

CITY OF SILVERTON

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

June 30, 2014

| | <u>Special Revenue</u> | <u>Debt Service</u> | <u>Capital Projects</u> | <u>Totals</u> |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| <u>ASSETS</u> | | | | |
| Cash and investments | \$ 910,029 | \$ 1,109,053 | \$ 2,123,025 | \$ 4,142,107 |
| Receivables | 790,083 | 522,277 | 4,566 | 1,316,926 |
| Inventories | 1,961 | - | - | 1,961 |
| TOTAL ASSETS | <u>\$ 1,702,073</u> | <u>\$ 1,631,330</u> | <u>\$ 2,127,591</u> | <u>\$ 5,460,994</u> |
| <u>LIABILITIES</u> | | | | |
| Accounts payable and accrued items | \$ 81,436 | \$ 27,952 | \$ 7,152 | \$ 116,540 |
| Due to other funds | 18,903 | - | - | 18,903 |
| TOTAL LIABILITIES | <u>100,339</u> | <u>27,952</u> | <u>7,152</u> | <u>135,443</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | |
| Unavailable revenue | 680,595 | 458,200 | - | 1,138,795 |
| <u>FUND BALANCES</u> | | | | |
| Non-spendable | 1,961 | - | - | 1,961 |
| Restricted | 919,178 | 1,132,767 | 1,367,952 | 3,419,897 |
| Assigned | - | 12,411 | 752,487 | 764,898 |
| TOTAL FUND BALANCES | <u>921,139</u> | <u>1,145,178</u> | <u>2,120,439</u> | <u>4,186,756</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | <u>\$ 1,702,073</u> | <u>\$ 1,631,330</u> | <u>\$ 2,127,591</u> | <u>\$ 5,460,994</u> |

CITY OF SILVERTON

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2014**

| | Special Revenue | Debt Service | Capital Projects | Totals |
|---|-------------------|---------------------|---------------------|---------------------|
| REVENUES | | | | |
| Property taxes | \$ 277,197 | \$ 598,784 | \$ - | \$ 875,981 |
| Transient tax | 213,839 | - | - | 213,839 |
| Licenses and permits | 486,843 | - | 445,274 | 932,117 |
| Assessments | - | 104,096 | - | 104,096 |
| Intergovernmental | 68,577 | - | 421,487 | 490,064 |
| Loan repayments | 36,685 | - | - | 36,685 |
| Interest | 4,610 | 11,279 | 6,866 | 22,755 |
| Miscellaneous | 5,460 | 11 | 194,849 | 200,320 |
| TOTAL REVENUES | <u>1,093,211</u> | <u>714,170</u> | <u>1,068,476</u> | <u>2,875,857</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 352,637 | 6,288 | 194,891 | 553,816 |
| Culture and recreation | 144,585 | - | - | 144,585 |
| Debt service | - | 962,476 | - | 962,476 |
| Capital outlay | 52,439 | 128,791 | 628,112 | 809,342 |
| TOTAL EXPENDITURES | <u>549,661</u> | <u>1,097,555</u> | <u>823,003</u> | <u>2,470,219</u> |
| Excess (deficiency) of revenues over expenditures | <u>543,550</u> | <u>(383,385)</u> | <u>245,473</u> | <u>405,638</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | 161,450 | 327,433 | 488,883 |
| Transfers out | (78,669) | - | (252,433) | (331,102) |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(78,669)</u> | <u>161,450</u> | <u>75,000</u> | <u>157,781</u> |
| Net change in fund balances | 464,881 | (221,935) | 320,473 | 563,419 |
| Fund balances at beginning of year | 456,258 | 1,367,113 | 1,799,966 | 3,623,337 |
| Fund balances at end of year | <u>\$ 921,139</u> | <u>\$ 1,145,178</u> | <u>\$ 2,120,439</u> | <u>\$ 4,186,756</u> |

CITY OF SILVERTON

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS**

June 30, 2014

| | Building Operations | Transportation | Electrical Inspection | Transient Tax |
|---|------------------------|----------------|--------------------------|---------------|
| <u>ASSETS</u> | | | | |
| Cash and investments | \$ 86,368 | \$ 36,077 | \$ 16,599 | \$ 47,818 |
| Receivables | - | 15,240 | - | 63,011 |
| Inventories | - | - | - | - |
| | \$ 86,368 | \$ 51,317 | \$ 16,599 | \$ 110,829 |
| <u>LIABILITIES</u> | | | | |
| Accounts payable and accrued items | \$ 27,016 | \$ 1,821 | \$ 2,508 | \$ 37,703 |
| Due to other funds | - | - | - | 18,903 |
| | 27,016 | 1,821 | 2,508 | 56,606 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | |
| Unavailable revenue | - | - | - | - |
| <u>FUND BALANCES</u> | | | | |
| Nonspendable | - | - | - | - |
| Restricted | 59,352 | 49,496 | 14,091 | 54,223 |
| | 59,352 | 49,496 | 14,091 | 54,223 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | \$ 86,368 | \$ 51,317 | \$ 16,599 | \$ 110,829 |

| Community Development Block Grant Housing Rehabilitation | Pool Operations Levy | Street Maintenance Fee | Parks Fee | Totals |
|--|-------------------------|------------------------------|------------------|---------------------|
| \$ 386,414 | \$ 89,273 | \$ 192,447 | \$ 55,033 | \$ 910,029 |
| 668,494 | 19,471 | 18,486 | 5,381 | 790,083 |
| - | 1,961 | - | - | 1,961 |
| <u>\$ 1,054,908</u> | <u>\$ 110,705</u> | <u>\$ 210,933</u> | <u>\$ 60,414</u> | <u>\$ 1,702,073</u> |
| \$ 34 | \$ 12,354 | \$ - | \$ - | \$ 81,436 |
| - | - | - | - | 18,903 |
| <u>34</u> | <u>12,354</u> | <u>-</u> | <u>-</u> | <u>100,339</u> |
| <u>667,931</u> | <u>12,664</u> | <u>-</u> | <u>-</u> | <u>680,595</u> |
| - | 1,961 | - | - | 1,961 |
| <u>386,943</u> | <u>83,726</u> | <u>210,933</u> | <u>60,414</u> | <u>919,178</u> |
| <u>386,943</u> | <u>85,687</u> | <u>210,933</u> | <u>60,414</u> | <u>921,139</u> |
| <u>\$ 1,054,908</u> | <u>\$ 110,705</u> | <u>\$ 210,933</u> | <u>\$ 60,414</u> | <u>\$ 1,702,073</u> |

CITY OF SILVERTON

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2014**

| | Building Operations | Transportation | Electrical Inspection | Transient Tax |
|---|------------------------|----------------|--------------------------|----------------|
| REVENUES | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - |
| Transient tax | - | - | - | 213,839 |
| Licenses, permits and fees | 189,851 | - | 23,241 | - |
| Intergovernmental | - | 68,577 | - | - |
| Loan repayments | - | - | - | - |
| Interest | 179 | 135 | 83 | 288 |
| Miscellaneous | 7 | 3,517 | - | - |
| | <u>190,037</u> | <u>72,229</u> | <u>23,324</u> | <u>214,127</u> |
| TOTAL REVENUES | | | | |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 133,941 | 54,448 | 17,885 | 146,295 |
| Culture and recreation | - | - | - | - |
| Capital outlay | - | - | - | - |
| | <u>133,941</u> | <u>54,448</u> | <u>17,885</u> | <u>146,295</u> |
| TOTAL EXPENDITURES | | | | |
| Excess (deficiency) of revenues over expenditures | 56,096 | 17,781 | 5,439 | 67,832 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (376) | (3,446) | (6,961) | (64,151) |
| Net change in fund balances | 55,720 | 14,335 | (1,522) | 3,681 |
| Fund balances at beginning of year | 3,632 | 35,161 | 15,613 | 50,542 |
| | <u>59,352</u> | <u>49,496</u> | <u>14,091</u> | <u>54,223</u> |
| Fund balances at end of year | | | | |

| Community Development Block Grant Housing Rehabilitation | Pool Operations Levy | Street Maintenance Fee | Parks Fee | Totals |
|--|-------------------------|---------------------------|------------------|-------------------|
| \$ - | \$ 277,197 | \$ - | \$ - | \$ 277,197 |
| - | - | - | - | 213,839 |
| - | - | 210,564 | 63,187 | 486,843 |
| - | - | - | - | 68,577 |
| 36,685 | - | - | - | 36,685 |
| 2,751 | 697 | 369 | 108 | 4,610 |
| - | 1,936 | - | - | 5,460 |
| <u>39,436</u> | <u>279,830</u> | <u>210,933</u> | <u>63,295</u> | <u>1,093,211</u> |
| 68 | - | - | - | 352,637 |
| - | 141,704 | - | 2,881 | 144,585 |
| - | 52,439 | - | - | 52,439 |
| <u>68</u> | <u>194,143</u> | <u>-</u> | <u>2,881</u> | <u>549,661</u> |
| 39,368 | 85,687 | 210,933 | 60,414 | 543,550 |
| <u>(3,735)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(78,669)</u> |
| 35,633 | 85,687 | 210,933 | 60,414 | 464,881 |
| <u>351,310</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>456,258</u> |
| <u>\$ 386,943</u> | <u>\$ 85,687</u> | <u>\$ 210,933</u> | <u>\$ 60,414</u> | <u>\$ 921,139</u> |

CITY OF SILVERTON

**COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
June 30, 2014**

| | Bonded Debt Service | Debt Service | Assessment | Urban Renewal | Totals |
|---|------------------------|------------------|-------------------|-------------------|---------------------|
| <u>ASSETS</u> | | | | | |
| Cash and investments | \$ 31,727 | \$ 12,411 | \$ 287,185 | \$ 777,730 | \$ 1,109,053 |
| Receivables | 15,578 | - | 479,841 | 26,858 | 522,277 |
| TOTAL ASSETS | \$ 47,305 | \$ 12,411 | \$ 767,026 | \$ 804,588 | \$ 1,631,330 |
| <u>LIABILITIES</u> | | | | | |
| Accounts payable and accrued items | \$ - | \$ - | \$ 24,914 | \$ 3,038 | \$ 27,952 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | | |
| Unavailable revenue | 10,158 | - | 431,326 | 16,716 | 458,200 |
| <u>FUND BALANCES</u> | | | | | |
| Restricted | 37,147 | - | 310,786 | 784,834 | 1,132,767 |
| Assigned | - | 12,411 | - | - | 12,411 |
| TOTAL FUND BALANCES | 37,147 | 12,411 | 310,786 | 784,834 | 1,145,178 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | \$ 47,305 | \$ 12,411 | \$ 767,026 | \$ 804,588 | \$ 1,631,330 |

CITY OF SILVERTON

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
For the Year Ended June 30, 2014**

| | Bonded Debt Service | Debt Service | Assessment | Urban Renewal | Totals |
|---|------------------------|------------------|-------------------|-------------------|---------------------|
| REVENUES | | | | | |
| Property taxes | \$ 221,799 | \$ - | \$ - | \$ 376,985 | \$ 598,784 |
| Assessments | - | - | 104,096 | - | 104,096 |
| Interest | 1,742 | 419 | 2,195 | 6,923 | 11,279 |
| Miscellaneous | 11 | - | - | - | 11 |
| TOTAL REVENUES | <u>223,552</u> | <u>419</u> | <u>106,291</u> | <u>383,908</u> | <u>714,170</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | - | - | - | 6,288 | 6,288 |
| Debt service | 260,350 | 161,448 | 385,678 | 155,000 | 962,476 |
| Capital outlay | - | - | - | 128,791 | 128,791 |
| TOTAL EXPENDITURES | <u>260,350</u> | <u>161,448</u> | <u>385,678</u> | <u>290,079</u> | <u>1,097,555</u> |
| Excess (deficiency) of revenues over expenditures | (36,798) | (161,029) | (279,387) | 93,829 | (383,385) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | - | 161,450 | - | - | 161,450 |
| Net change in fund balances | (36,798) | 421 | (279,387) | 93,829 | (221,935) |
| Fund balances at beginning of year | <u>73,945</u> | <u>11,990</u> | <u>590,173</u> | <u>691,005</u> | <u>1,367,113</u> |
| Fund balances at end of year | <u>\$ 37,147</u> | <u>\$ 12,411</u> | <u>\$ 310,786</u> | <u>\$ 784,834</u> | <u>\$ 1,145,178</u> |

CITY OF SILVERTON

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
June 30, 2014**

| | Building Capital Improvement Reserve | Dam Early Warning System | Steelhammer LID | Street Improvement SDC | Storm Water Improvement SDC | Street Lights Improvement |
|--|---|--------------------------------|---------------------|------------------------------|-----------------------------------|------------------------------|
| <u>ASSETS</u> | | | | | | |
| Cash and investments | \$ 410,984 | \$ 27,536 | \$ 89 | \$ 415,607 | \$ 534,835 | \$ 194,113 |
| Receivables | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| TOTAL ASSETS | <u>\$ 410,984</u> | <u>\$ 27,536</u> | <u>\$ 89</u> | <u>\$ 415,607</u> | <u>\$ 534,835</u> | <u>\$ 194,113</u> |
| <u>LIABILITIES</u> | | | | | | |
| Accounts payable and accrued items | <u>\$ -</u> | <u>\$ 4,124</u> | <u>\$ -</u> | <u>\$ 3,028</u> | <u>\$ -</u> | <u>\$ -</u> |
| <u>FUND BALANCE</u> | | | | | | |
| Restricted | - | - | 89 | 412,579 | 534,835 | - |
| Assigned | <u>410,984</u> | <u>23,412</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>194,113</u> |
| TOTAL FUND BALANCE | <u>410,984</u> | <u>23,412</u> | <u>89</u> | <u>412,579</u> | <u>534,835</u> | <u>194,113</u> |
| TOTAL LIABILITIES AND FUND BALANCES | <u>\$ 410,984</u> | <u>\$ 27,536</u> | <u>\$ 89</u> | <u>\$ 415,607</u> | <u>\$ 534,835</u> | <u>\$ 194,113</u> |

| Parks and Recreation Improvements SDC | Street Reimbursement SDC | Street Projects | Storm Water Projects | Parks Projects | Stormwater Fee | Stormwater Reimbursement SDC | Totals |
|--|--------------------------------|--------------------|-------------------------|-------------------|-------------------|------------------------------------|---------------------|
| \$ 339,647 | \$ 79,809 | \$ 40,716 | \$ 20,363 | \$ 11,038 | \$ 47,295 | \$ 993 | \$ 2,123,025 |
| - | - | - | - | - | 4,566 | - | 4,566 |
| <u>\$ 339,647</u> | <u>\$ 79,809</u> | <u>\$ 40,716</u> | <u>\$ 20,363</u> | <u>\$ 11,038</u> | <u>\$ 51,861</u> | <u>\$ 993</u> | <u>\$ 2,127,591</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 7,152</u> |
| 339,647 | 79,809 | - | - | - | - | 993 | 1,367,952 |
| - | - | 40,716 | 20,363 | 11,038 | 51,861 | - | 752,487 |
| <u>339,647</u> | <u>79,809</u> | <u>40,716</u> | <u>20,363</u> | <u>11,038</u> | <u>51,861</u> | <u>993</u> | <u>2,120,439</u> |
| <u>\$ 339,647</u> | <u>\$ 79,809</u> | <u>\$ 40,716</u> | <u>\$ 20,363</u> | <u>\$ 11,038</u> | <u>\$ 51,861</u> | <u>\$ 993</u> | <u>\$ 2,127,591</u> |

CITY OF SILVERTON

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
For the Year Ended June 30, 2014

| | Building Capital Improvement Reserve | Dam Early Warning System | Steelhammer LID | Street Improvement SDC | Storm Water Improvement SDC | Street Lights Improvement |
|---|---|--------------------------------|--------------------|------------------------------|-----------------------------------|------------------------------|
| REVENUES | | | | | | |
| Licenses, permits and fees | \$ - | \$ - | \$ - | \$ 132,510 | \$ 39,287 | \$ - |
| Intergovernmental | 2,038 | 778 | - | - | - | - |
| Interest | - | - | - | 1,798 | 2,718 | 244 |
| Miscellaneous | - | - | - | - | - | 193,869 |
| TOTAL REVENUES | <u>2,038</u> | <u>778</u> | <u>-</u> | <u>134,308</u> | <u>42,005</u> | <u>194,113</u> |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| General government | - | 194,891 | - | - | - | - |
| Capital outlay | - | - | - | 38,129 | 503 | - |
| TOTAL EXPENDITURES | <u>-</u> | <u>194,891</u> | <u>-</u> | <u>38,129</u> | <u>503</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | <u>2,038</u> | <u>(194,113)</u> | <u>-</u> | <u>96,179</u> | <u>41,502</u> | <u>194,113</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 50,000 | - | - | 252,433 | - | - |
| Transfers out | - | - | (252,433) | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>50,000</u> | <u>-</u> | <u>(252,433)</u> | <u>252,433</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 52,038 | (194,113) | (252,433) | 348,612 | 41,502 | 194,113 |
| Fund balances at beginning of year | 358,946 | 217,525 | 252,522 | 63,967 | 493,333 | - |
| Fund balances at end of year | <u>\$ 410,984</u> | <u>\$ 23,412</u> | <u>\$ 89</u> | <u>\$ 412,579</u> | <u>\$ 534,835</u> | <u>\$ 194,113</u> |

| Parks and Recreation Improvements SDC | Street Reimbursement SDC | Street Projects | Storm Water Projects | Parks Projects | Stormwater Fee | Stormwater Reimbursement SDC | Totals |
|---------------------------------------|--------------------------|------------------|----------------------|------------------|------------------|------------------------------|---------------------|
| \$ 191,714 | \$ 29,000 | \$ - | \$ - | \$ - | \$ 51,770 | \$ 993 | \$ 445,274 |
| 62,702 | - | - | - | 355,969 | - | - | 421,487 |
| 1,328 | 321 | 210 | 156 | - | 91 | - | 6,866 |
| 600 | - | - | - | 380 | - | - | 194,849 |
| <u>256,344</u> | <u>29,321</u> | <u>210</u> | <u>156</u> | <u>356,349</u> | <u>51,861</u> | <u>993</u> | <u>1,068,476</u> |
| - | - | - | - | - | - | - | 194,891 |
| <u>158,782</u> | <u>-</u> | <u>8,430</u> | <u>26,906</u> | <u>395,362</u> | <u>-</u> | <u>-</u> | <u>628,112</u> |
| <u>158,782</u> | <u>-</u> | <u>8,430</u> | <u>26,906</u> | <u>395,362</u> | <u>-</u> | <u>-</u> | <u>823,003</u> |
| <u>97,562</u> | <u>29,321</u> | <u>(8,220)</u> | <u>(26,750)</u> | <u>(39,013)</u> | <u>51,861</u> | <u>993</u> | <u>245,473</u> |
| - | - | 25,000 | - | - | - | - | 327,433 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(252,433)</u> |
| <u>-</u> | <u>-</u> | <u>25,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>75,000</u> |
| 97,562 | 29,321 | 16,780 | (26,750) | (39,013) | 51,861 | 993 | 320,473 |
| <u>242,085</u> | <u>50,488</u> | <u>23,936</u> | <u>47,113</u> | <u>50,051</u> | <u>-</u> | <u>-</u> | <u>1,799,966</u> |
| <u>\$ 339,647</u> | <u>\$ 79,809</u> | <u>\$ 40,716</u> | <u>\$ 20,363</u> | <u>\$ 11,038</u> | <u>\$ 51,861</u> | <u>\$ 993</u> | <u>\$ 2,120,439</u> |

CITY OF SILVERTON

**BUILDING OPERATIONS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | Budget | Actual | Variance |
|---|----------------|----------------|---------------|
| REVENUES | | | |
| Permits and fees | \$ 182,764 | \$ 189,851 | \$ 7,087 |
| Interest | 10 | 179 | 169 |
| Miscellaneous | - | 7 | 7 |
| TOTAL REVENUES | 182,774 | 190,037 | 7,263 |
| EXPENDITURES | | | |
| Personal services | 10,953 | 10,580 | 373 |
| Materials and services | 171,231 | 123,361 | 47,870 |
| Contingency | 5,150 | - | 5,150 |
| TOTAL EXPENDITURES | 187,334 | 133,941 | 53,393 |
| Excess (deficiency) of revenues over expenditures | (4,560) | 56,096 | 60,656 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers out | (376) | (376) | - |
| Net change in fund balance | (4,936) | 55,720 | 60,656 |
| Fund balance at beginning of year | 4,936 | 3,632 | (1,304) |
| Fund balance at end of year | \$ - | \$ 59,352 | \$ 59,352 |

CITY OF SILVERTON

**TRANSPORTATION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|----------------|------------------|------------------|
| REVENUES | | | |
| Intergovernmental | \$ 58,348 | \$ 68,577 | \$ 10,229 |
| Interest | 150 | 135 | (15) |
| Miscellaneous | <u>4,000</u> | <u>3,517</u> | <u>(483)</u> |
| TOTAL REVENUES | <u>62,498</u> | <u>72,229</u> | <u>9,731</u> |
| EXPENDITURES | | | |
| Personal services | 79,612 | 45,100 | 34,512 |
| Materials and services | 18,550 | 9,348 | 9,202 |
| Contingency | <u>9,398</u> | <u>-</u> | <u>9,398</u> |
| TOTAL EXPENDITURES | <u>107,560</u> | <u>54,448</u> | <u>53,112</u> |
| Excess (deficiency) of revenues over expenditures | (45,062) | 17,781 | 62,843 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers out | <u>(3,446)</u> | <u>(3,446)</u> | <u>-</u> |
| Net change in fund balance | (48,508) | 14,335 | 62,843 |
| Fund balance at beginning of year | <u>48,508</u> | <u>35,161</u> | <u>(13,347)</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ 49,496</u> | <u>\$ 49,496</u> |

CITY OF SILVERTON

**ELECTRICAL INSPECTION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | Budget | Actual | Variance |
|---|---------------|------------------|------------------|
| REVENUES | | | |
| Licenses, permits and fees | \$ 17,000 | \$ 23,241 | \$ 6,241 |
| Interest | 86 | 83 | (3) |
| TOTAL REVENUES | 17,086 | 23,324 | 6,238 |
| EXPENDITURES | | | |
| Personal services | 3,651 | 2,395 | 1,256 |
| Materials and services | 19,400 | 15,490 | 3,910 |
| Contingency | 2,823 | - | 2,823 |
| TOTAL EXPENDITURES | 25,874 | 17,885 | 7,989 |
| Excess (deficiency) of revenues over expenditures | (8,788) | 5,439 | 14,227 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers out | (6,961) | (6,961) | - |
| Net change in fund balance | (15,749) | (1,522) | 14,227 |
| Fund balance at beginning of year | 15,749 | 15,613 | (136) |
| Fund balance at end of year | \$ - | \$ 14,091 | \$ 14,091 |

CITY OF SILVERTON

**TRANSIENT TAX - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | Budget | Actual | Variance |
|---|----------------|------------------|------------------|
| REVENUES | | | |
| Transient room tax | \$ 215,000 | \$ 213,839 | \$ (1,161) |
| Interest | 200 | 288 | 88 |
| TOTAL REVENUES | <u>215,200</u> | <u>214,127</u> | <u>(1,073)</u> |
| EXPENDITURES | | | |
| Materials and services | 166,591 | 146,295 | 20,296 |
| Contingency | 19,000 | - | 19,000 |
| TOTAL EXPENDITURES | <u>185,591</u> | <u>146,295</u> | <u>39,296</u> |
| Excess (deficiency) of revenues over expenditures | 29,609 | 67,832 | 38,223 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers out | (64,795) | (64,151) | 644 |
| Net change in fund balance | (35,186) | 3,681 | 38,867 |
| Fund balance at beginning of year | 35,186 | 50,542 | 15,356 |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ 54,223</u> | <u>\$ 54,223</u> |

CITY OF SILVERTON

**COMMUNITY DEVELOPMENT BLOCK GRANT
HOUSING REHABILITATION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | Budget | Actual | Variance |
|---|----------------|-------------------|-------------------|
| REVENUES | | | |
| Loan repayments | \$ 9,300 | \$ 36,685 | \$ 27,385 |
| Interest | 2,100 | 2,751 | 651 |
| TOTAL REVENUES | 11,400 | 39,436 | 28,036 |
| EXPENDITURES | | | |
| Materials and services | 130,000 | 68 | 129,932 |
| Contingency and reserves | 228,123 | - | 228,123 |
| TOTAL EXPENDITURES | 358,123 | 68 | 358,055 |
| Excess (deficiency) of revenues over expenditures | (346,723) | 39,368 | 386,091 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers out | (3,735) | (3,735) | - |
| Net change in fund balance | (350,458) | 35,633 | 386,091 |
| Fund balance at beginning of year | 350,458 | 351,310 | 852 |
| Fund balance at end of year | \$ - | \$ 386,943 | \$ 386,943 |

CITY OF SILVERTON

**POOL OPERATIONS LEVY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-----------------------------------|----------------|------------------|------------------|
| REVENUES | | | |
| Property taxes | \$ 255,750 | \$ 277,197 | \$ 21,447 |
| Rentals | 8,000 | - | (8,000) |
| Interest | - | 697 | 697 |
| Miscellaneous | - | 1,936 | 1,936 |
| | <u>263,750</u> | <u>279,830</u> | <u>16,080</u> |
| EXPENDITURES | | | |
| Materials and services | 186,150 | 141,704 | 44,446 |
| Capital outlay | 60,300 | 52,439 | 7,861 |
| Contingency and reserves | 17,300 | - | 17,300 |
| | <u>263,750</u> | <u>194,143</u> | <u>69,607</u> |
| Net change in fund balance | - | 85,687 | 85,687 |
| Fund balance at beginning of year | - | - | - |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ 85,687</u> | <u>\$ 85,687</u> |

CITY OF SILVERTON

**STREET MAINTENANCE FEE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-----------------------------------|--------------------|--------------------------|--------------------------|
| REVENUES | | | |
| Licenses, permits and fees | \$ 195,000 | \$ 210,564 | \$ 15,564 |
| Interest | <u>-</u> | <u>369</u> | <u>369</u> |
| TOTAL REVENUES | <u>195,000</u> | <u>210,933</u> | <u>15,933</u> |
| EXPENDITURES | | | |
| Materials and services | 130,000 | - | 130,000 |
| Capital outlay | <u>65,000</u> | <u>-</u> | <u>65,000</u> |
| TOTAL EXPENDITURES | <u>195,000</u> | <u>-</u> | <u>195,000</u> |
| Net change in fund balance | - | 210,933 | 210,933 |
| Fund balance at beginning of year | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance at end of year | <u><u>\$ -</u></u> | <u><u>\$ 210,933</u></u> | <u><u>\$ 210,933</u></u> |

CITY OF SILVERTON

**PARKS FEE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-----------------------------------|---------------|------------------|------------------|
| REVENUES | | | |
| Licenses, permits and fees | \$ 97,500 | \$ 63,187 | \$ (34,313) |
| Interest | <u>-</u> | <u>108</u> | <u>108</u> |
| TOTAL REVENUES | <u>97,500</u> | <u>63,295</u> | <u>(34,205)</u> |
| EXPENDITURES | | | |
| Personal services | 3,623 | - | 3,623 |
| Materials and services | 9,650 | 2,881 | 6,769 |
| Capital outlay | 74,227 | - | 74,227 |
| Contingency and reserves | <u>10,000</u> | <u>-</u> | <u>10,000</u> |
| TOTAL EXPENDITURES | <u>97,500</u> | <u>2,881</u> | <u>94,619</u> |
| Net change in fund balance | - | 60,414 | 60,414 |
| Fund balance at beginning of year | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ 60,414</u> | <u>\$ 60,414</u> |

CITY OF SILVERTON

**BONDED DEBT SERVICE - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-----------------------------------|-----------------|----------------------|----------------------|
| REVENUES | | | |
| Property taxes | \$ 214,022 | \$ 221,799 | \$ 7,777 |
| Interest | 890 | 1,742 | 852 |
| Miscellaneous | <u>-</u> | <u>11</u> | <u>11</u> |
| TOTAL REVENUES | 214,912 | 223,552 | 8,640 |
| EXPENDITURES | | | |
| Debt service | <u>260,350</u> | <u>260,350</u> | <u>-</u> |
| Net change in fund balance | (45,438) | (36,798) | 8,640 |
| Fund balance at beginning of year | <u>45,438</u> | <u>73,945</u> | <u>28,507</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ 37,147</u> | <u>\$ 37,147</u> |

CITY OF SILVERTON

**DEBT SERVICE - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | Budget | Actual | Variance |
|---|----------------|----------------|---------------|
| REVENUES | | | |
| Interest | \$ 425 | \$ 419 | \$ (6) |
| EXPENDITURES | | | |
| Debt service | 161,450 | 161,448 | 2 |
| Contingency | 12,431 | - | 12,431 |
| TOTAL EXPENDITURES | 173,881 | 161,448 | 12,433 |
| Excess (deficiency) of revenues over expenditures | (173,456) | (161,029) | 12,427 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 161,450 | 161,450 | - |
| Net change in fund balance | (12,006) | 421 | 12,427 |
| Fund balance at beginning of year | 12,006 | 11,990 | (16) |
| Fund balance at end of year | \$ - | \$ 12,411 | \$ 12,411 |

CITY OF SILVERTON

**ASSESSMENT - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-----------------------------------|--------------------|-----------------------|-----------------------|
| REVENUES | | | |
| Assessments | \$ 77,120 | \$ 104,096 | \$ 26,976 |
| Interest | <u>1,350</u> | <u>2,195</u> | <u>845</u> |
| TOTAL REVENUES | <u>78,470</u> | <u>106,291</u> | <u>27,821</u> |
| EXPENDITURES | | | |
| Materials and services | 4,000 | - | 4,000 |
| Debt service | 437,170 | 385,678 | 51,492 |
| Contingency | <u>216,725</u> | <u>-</u> | <u>216,725</u> |
| TOTAL EXPENDITURES | <u>657,895</u> | <u>385,678</u> | <u>272,217</u> |
| Net change in fund balance | (579,425) | (279,387) | 300,038 |
| Fund balance at beginning of year | <u>579,425</u> | <u>590,173</u> | <u>10,748</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ 310,786</u> | <u>\$ 310,786</u> |

CITY OF SILVERTON

**URBAN RENEWAL - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | Budget | Actual | Variance |
|-----------------------------------|------------------|----------------|-------------------|
| REVENUES | | | |
| Property taxes | \$ 362,170 | \$ 376,985 | \$ 14,815 |
| Interest | 3,500 | 6,923 | 3,423 |
| TOTAL REVENUES | 365,670 | 383,908 | 18,238 |
| EXPENDITURES | | | |
| Materials and services | 9,800 | 6,288 | 3,512 |
| Debt service | 155,100 | 155,000 | 100 |
| Capital outlay | 619,242 | 128,791 | 490,451 |
| Contingency | 245,000 | - | 245,000 |
| TOTAL EXPENDITURES | 1,029,142 | 290,079 | 739,063 |
| Net change in fund balance | (663,472) | 93,829 | 757,301 |
| Fund balance at beginning of year | 663,472 | 691,005 | 27,533 |
| Fund balance at end of year | \$ - | 784,834 | \$ 784,834 |

CITY OF SILVERTON

**BUILDING CAPITAL IMPROVEMENT RESERVE - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | Budget | Actual | Variance |
|---|-----------|------------|------------|
| REVENUES | | | |
| Interest | \$ 1,500 | \$ 2,038 | \$ 538 |
| EXPENDITURES | | | |
| Capital outlay | 15,000 | - | 15,000 |
| Contingency | 395,366 | - | 395,366 |
| TOTAL EXPENDITURES | 410,366 | - | 410,366 |
| Excess (deficiency) of revenues over expenditures | (408,866) | 2,038 | 410,904 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 50,000 | 50,000 | - |
| Net change in fund balance | (358,866) | 52,038 | 410,904 |
| Fund balance at beginning of year | 358,866 | 358,946 | 80 |
| Fund balance at end of year | \$ - | \$ 410,984 | \$ 410,984 |

CITY OF SILVERTON

**DAM EARLY WARNING SYSTEM - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-----------------------------------|----------------|------------------|------------------|
| REVENUES | | | |
| Interest | \$ 200 | \$ 778 | \$ 578 |
| EXPENDITURES | | | |
| Materials and services | <u>216,193</u> | <u>194,891</u> | <u>21,302</u> |
| Net change in fund balance | (215,993) | (194,113) | 21,880 |
| Fund balance at beginning of year | <u>215,993</u> | <u>217,525</u> | <u>1,532</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ 23,412</u> | <u>\$ 23,412</u> |

CITY OF SILVERTON

**STEELHAMMER LID - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------------------|---------------------|---------------------|-----------------|
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers out | <u>\$ (252,433)</u> | <u>\$ (252,433)</u> | <u>\$ -</u> |
| Net change in fund balance | (252,433) | (252,433) | - |
| Fund balance at beginning of year | <u>252,433</u> | <u>252,522</u> | <u>89</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ 89</u> | <u>\$ 89</u> |

CITY OF SILVERTON

**STREET IMPROVEMENT SDC - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | Budget | Actual | Variance |
|---|----------------|-------------------|-------------------|
| REVENUES | | | |
| Licenses, permits and fees | \$ 11,948 | \$ 132,510 | \$ 120,562 |
| Interest | 145 | 1,798 | 1,653 |
| | 12,093 | 134,308 | 122,215 |
| TOTAL REVENUES | 12,093 | 134,308 | 122,215 |
| EXPENDITURES | | | |
| Capital outlay | 51,000 | 38,129 | 12,871 |
| Contingency and reserves | 253,692 | - | 253,692 |
| | 304,692 | 38,129 | 266,563 |
| TOTAL EXPENDITURES | 304,692 | 38,129 | 266,563 |
| Excess (deficiency) of revenues over expenditures | (292,599) | 96,179 | 388,778 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 252,433 | 252,433 | - |
| | (40,166) | 348,612 | 388,778 |
| Net change in fund balance | (40,166) | 348,612 | 388,778 |
| Fund balance at beginning of year | 40,166 | 63,967 | 23,801 |
| | - | 412,579 | 412,579 |
| Fund balance at end of year | \$ - | \$ 412,579 | \$ 412,579 |

CITY OF SILVERTON

**STORM WATER IMPROVEMENT SDC - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | Budget | Actual | Variance |
|-----------------------------------|----------------|-------------------|-------------------|
| REVENUES | | | |
| Licenses, permits and fees | \$ 4,386 | \$ 39,287 | \$ 34,901 |
| Interest | 2,800 | 2,718 | (82) |
| TOTAL REVENUES | 7,186 | 42,005 | 34,819 |
| EXPENDITURES | | | |
| Capital outlay | 11,500 | 503 | 10,997 |
| Contingency | 465,020 | - | 465,020 |
| TOTAL EXPENDITURES | 476,520 | 503 | 476,017 |
| Net change in fund balance | (469,334) | 41,502 | 510,836 |
| Fund balance at beginning of year | 469,334 | 493,333 | 23,999 |
| Fund balance at end of year | \$ - | \$ 534,835 | \$ 534,835 |

CITY OF SILVERTON

**STREET LIGHTS IMPROVEMENT - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-----------------------------------|---------------|-------------------|-------------------|
| REVENUES | | | |
| Interest | \$ - | \$ 244 | \$ 244 |
| Miscellaneous | <u>-</u> | <u>193,869</u> | <u>193,869</u> |
| TOTAL REVENUES | <u>-</u> | <u>194,113</u> | <u>194,113</u> |
| Net change in fund balance | - | 194,113 | 194,113 |
| Fund balance at beginning of year | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ 194,113</u> | <u>\$ 194,113</u> |

CITY OF SILVERTON

**PARKS AND RECREATION IMPROVEMENTS SDC - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | Budget | Actual | Variance |
|-----------------------------------|----------------|-------------------|-------------------|
| REVENUES | | | |
| Licenses, permits and fees | \$ 13,200 | \$ 191,714 | \$ 178,514 |
| Intergovernmental | 95,000 | 62,702 | (32,298) |
| Interest | 380 | 1,328 | 948 |
| Miscellaneous | - | 600 | 600 |
| TOTAL REVENUES | 108,580 | 256,344 | 147,764 |
| EXPENDITURES | | | |
| Capital outlay | 160,000 | 158,782 | 1,218 |
| Contingency | 32,360 | - | 32,360 |
| TOTAL EXPENDITURES | 192,360 | 158,782 | 33,578 |
| Net change in fund balance | (83,780) | 97,562 | 181,342 |
| Fund balance at beginning of year | 83,780 | 242,085 | 158,305 |
| Fund balance at end of year | \$ - | \$ 339,647 | \$ 339,647 |

CITY OF SILVERTON

**STREET REIMBURSEMENT SDG - CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
 For the Year Ended June 30, 2014**

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-----------------------------------|-----------------|----------------------|----------------------|
| REVENUES | | | |
| Licenses, permits and fees | \$ 1,389 | \$ 29,000 | \$ 27,611 |
| Interest | <u>200</u> | <u>321</u> | <u>121</u> |
| TOTAL REVENUES | 1,589 | 29,321 | 27,732 |
| EXPENDITURES | | | |
| Contingency | <u>45,337</u> | <u>-</u> | <u>45,337</u> |
| Net change in fund balance | (43,748) | 29,321 | 73,069 |
| Fund balance at beginning of year | <u>43,748</u> | <u>50,488</u> | <u>6,740</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ 79,809</u> | <u>\$ 79,809</u> |

CITY OF SILVERTON

**STREET PROJECTS - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | Budget | Actual | Variance |
|---|----------------|--------------|-----------------|
| REVENUES | | | |
| Intergovernmental | \$ 80,000 | \$ - | \$ (80,000) |
| Interest | 25 | 210 | 185 |
| Miscellaneous | 14,030 | - | (14,030) |
| TOTAL REVENUES | 94,055 | 210 | (93,845) |
| EXPENDITURES | | | |
| Capital outlay | 113,939 | 8,430 | 105,509 |
| Contingency and reserves | 15,000 | - | 15,000 |
| TOTAL EXPENDITURES | 128,939 | 8,430 | 120,509 |
| Excess (deficiency) of revenues over expenditures | (34,884) | (8,220) | 26,664 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 25,000 | 25,000 | - |
| Net change in fund balance | (9,884) | 16,780 | 26,664 |
| Fund balance at beginning of year | 9,884 | 23,936 | 14,052 |
| Fund balance at end of year | \$ - | \$ 40,716 | \$ 40,716 |

CITY OF SILVERTON

**STORM WATER PROJECTS - CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
 For the Year Ended June 30, 2014**

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-----------------------------------|---------------|------------------|------------------|
| REVENUES | | | |
| Interest | \$ 200 | \$ 156 | \$ (44) |
| EXPENDITURES | | | |
| Capital outlay | <u>80,125</u> | <u>26,906</u> | <u>53,219</u> |
| Net change in fund balance | (79,925) | (26,750) | 53,175 |
| Fund balance at beginning of year | <u>79,925</u> | <u>47,113</u> | <u>(32,812)</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ 20,363</u> | <u>\$ 20,363</u> |

CITY OF SILVERTON

**PARKS PROJECTS - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-----------------------------------|------------------------|-----------------------------|-----------------------------|
| REVENUES | | | |
| Intergovernmental | \$ 360,991 | \$ 355,969 | \$ (5,022) |
| Miscellaneous | <u>-</u> | <u>380</u> | <u>380</u> |
| TOTAL REVENUES | 360,991 | 356,349 | (4,642) |
| EXPENDITURES | | | |
| Capital outlay | <u>472,673</u> | <u>395,362</u> | <u>77,311</u> |
| Net change in fund balance | (111,682) | (39,013) | 72,669 |
| Fund balance at beginning of year | <u>111,682</u> | <u>50,051</u> | <u>(61,631)</u> |
| Fund balance at end of year | <u><u>\$ -</u></u> | <u><u>\$ 11,038</u></u> | <u><u>\$ 11,038</u></u> |

CITY OF SILVERTON

**STORMWATER FEE - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-----------------------------------|---------------|------------------|------------------|
| REVENUES | | | |
| Licenses, permits and fees | \$ 39,000 | \$ 51,770 | \$ 12,770 |
| Interest | <u>-</u> | <u>91</u> | <u>91</u> |
| | | | |
| TOTAL REVENUES | 39,000 | 51,861 | 12,861 |
| | | | |
| EXPENDITURES | | | |
| Capital outlay | <u>39,000</u> | <u>-</u> | <u>39,000</u> |
| | | | |
| Net change in fund balance | - | 51,861 | 51,861 |
| Fund balance at beginning of year | <u>-</u> | <u>-</u> | <u>-</u> |
| | | | |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ 51,861</u> | <u>\$ 51,861</u> |

CITY OF SILVERTON

**STORMWATER REIMBURSEMENT SDC - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-----------------------------------|--------------------|----------------------|----------------------|
| REVENUES | | | |
| Licenses, permits and fees | <u>\$ -</u> | <u>\$ 993</u> | <u>\$ 993</u> |
| Net change in fund balance | - | 993 | 993 |
| Fund balance at beginning of year | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balance at end of year | <u><u>\$ -</u></u> | <u><u>\$ 993</u></u> | <u><u>\$ 993</u></u> |

CITY OF SILVERTON

**SEWER - ENTERPRISE FUND (MAJOR FUND)
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | Budget | Actual | Variance |
|---|------------------|------------------|----------------|
| REVENUES | | | |
| Charges for services | \$ 2,689,400 | \$ 3,112,911 | \$ 423,511 |
| Interest | 1,500 | 3,722 | 2,222 |
| Other | - | 105 | 105 |
| TOTAL REVENUES | 2,690,900 | 3,116,738 | 425,838 |
| EXPENDITURES | | | |
| Personal services | 780,178 | 700,373 | 79,805 |
| Materials and services | 608,964 | 409,474 | 199,490 |
| Capital outlay | 101,590 | 88,254 | 13,336 |
| Debt service | 825,292 | 825,291 | 1 |
| Contingency and reserves | 106,577 | - | 106,577 |
| TOTAL EXPENDITURES | 2,422,601 | 2,023,392 | 399,209 |
| Excess (deficiency) of revenues over expenditures | 268,299 | 1,093,346 | 825,047 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers out | (538,631) | (538,631) | - |
| Net change in fund balance | (270,332) | 554,715 | 825,047 |
| Fund balance at beginning of year | 270,332 | 550,511 | 280,179 |
| Fund balance at end of year | \$ - | 1,105,226 | \$ 1,105,226 |
| Reconciliation to generally accepted accounting principles | | | |
| Capital assets, net | | 24,619,340 | |
| Accrued interest payable | | (37,503) | |
| Long-term obligations | | (10,850,000) | |
| Net position at end of year | | \$ 14,837,063 | |

CITY OF SILVERTON

**WATER - ENTERPRISE FUND (MAJOR FUND)
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | Budget | Actual | Variance |
|---|------------------|------------------|----------------|
| REVENUES | | | |
| Charges for services | \$ 1,660,500 | \$ 1,702,806 | \$ 42,306 |
| Interest | 2,250 | 3,894 | 1,644 |
| Other | 500 | 442 | (58) |
| TOTAL REVENUES | 1,663,250 | 1,707,142 | 43,892 |
| EXPENDITURES | | | |
| Personal services | 593,441 | 532,090 | 61,351 |
| Materials and services | 347,969 | 250,759 | 97,210 |
| Capital outlay | 25,950 | 13,664 | 12,286 |
| Debt service | 1,794,180 | 1,794,175 | 5 |
| Contingency and reserves | 503,180 | - | 503,180 |
| TOTAL EXPENDITURES | 3,264,720 | 2,590,688 | 674,032 |
| Excess (deficiency) of revenues over expenditures | (1,601,470) | (883,546) | 717,924 |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from long-term obligations | 1,663,000 | 1,663,000 | - |
| Transfers out | (536,456) | (536,456) | - |
| TOTAL OTHER FINANCING SOURCES (USES) | 1,126,544 | 1,126,544 | - |
| Net change in fund balance | (474,926) | 242,998 | 717,924 |
| Fund balance at beginning of year | 474,926 | 684,781 | 209,855 |
| Fund balance at end of year | \$ - | 927,779 | \$ 927,779 |
| Reconciliation to generally accepted accounting principles | | | |
| Capital assets, net | | 8,491,758 | |
| Accrued interest payable | | (7,977) | |
| Long-term obligations | | (1,590,944) | |
| Net position at end of year | | \$ 7,820,616 | |

CITY OF SILVERTON

**WWTP DIGESTER PROJECT - ENTERPRISE FUND (MAJOR FUND)
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-----------------------------------|----------------|---------------------|---------------------|
| REVENUES | | | |
| Interest | \$ 1,250 | \$ 5,589 | \$ 4,339 |
| EXPENDITURES | | | |
| Capital outlay | <u>641,218</u> | <u>3,915</u> | <u>637,303</u> |
| Net change in fund balance | (639,968) | 1,674 | 641,642 |
| Fund balance at beginning of year | <u>639,968</u> | <u>1,039,001</u> | <u>399,033</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ 1,040,675</u> | <u>\$ 1,040,675</u> |

CITY OF SILVERTON

**COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2014**

| | Sewer Improvement SDC | Sewer Reimbursement SDC | Water Improvement SDC |
|---------------------------------------|-----------------------------|-------------------------------|-----------------------------|
| <u>ASSETS</u> | | | |
| Current assets | | | |
| Cash and investments | \$ 194,198 | \$ 137,626 | \$ 934,390 |
| Due from other funds | - | - | - |
| TOTAL ASSETS | 194,198 | 137,626 | 934,390 |
| <u>LIABILITIES</u> | | | |
| Current liabilities | | | |
| Accounts payable and accrued items | - | - | - |
| <u>NET POSITION</u> | | | |
| Restricted for: | | | |
| Capital projects | 194,198 | 137,626 | 934,390 |
| Debt service | - | - | - |
| TOTAL NET POSITION | \$ 194,198 | \$ 137,626 | \$ 934,390 |

| Water Reimbursement SDC | Sewer Debt Reserve | Sewer Capital Project | Water Capital Project | Totals |
|-------------------------------|-----------------------|--------------------------|--------------------------|---------------------|
| \$ 131,491 | \$ 980,404 | \$ 51,421 | \$ 106,750 | \$ 2,536,280 |
| - | 18,903 | - | - | 18,903 |
| <u>131,491</u> | <u>999,307</u> | <u>51,421</u> | <u>106,750</u> | <u>2,555,183</u> |
| - | - | - | 3,876 | 3,876 |
| 131,491 | - | 51,421 | 102,874 | 1,552,000 |
| - | 999,307 | - | - | 999,307 |
| <u>\$ 131,491</u> | <u>\$ 999,307</u> | <u>\$ 51,421</u> | <u>\$ 102,874</u> | <u>\$ 2,551,307</u> |

CITY OF SILVERTON

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2014**

| | Sewer Improvement SDC | Sewer Reimbursement SDC | Water Improvement SDC |
|---|-----------------------------|-------------------------------|-----------------------------|
| OPERATING EXPENSES | | | |
| Materials and services | \$ - | \$ - | \$ - |
| Operating (loss) | - | - | - |
| NON-OPERATING REVENUES (EXPENSES) | | | |
| Interest | 696 | 424 | 4,419 |
| Income(loss) before capital contributions and transfer: | 696 | 424 | 4,419 |
| Capital contributions | 121,874 | 87,918 | 162,362 |
| Transfers in | - | - | 30,000 |
| Transfers out | (32,677) | - | (24,098) |
| Change in net position | 89,893 | 88,342 | 172,683 |
| Net position at beginning of year | 104,305 | 49,284 | 761,707 |
| Net position at end of year | \$ 194,198 | \$ 137,626 | \$ 934,390 |

| Water Reimbursement SDC | Sewer Debt Reserve | Sewer Capital Project | Water Capital Project | Totals |
|-------------------------------|-----------------------|--------------------------|--------------------------|---------------------|
| \$ - | \$ - | \$ 498 | \$ - | \$ 498 |
| - | - | (498) | - | (498) |
| <u>480</u> | <u>5,063</u> | <u>340</u> | <u>1,288</u> | <u>12,710</u> |
| 480 | 5,063 | (158) | 1,288 | 12,212 |
| 65,294 | - | - | - | 437,448 |
| - | 64,151 | 60,000 | 79,500 | 233,651 |
| <u>(30,000)</u> | <u>-</u> | <u>(28,472)</u> | <u>(359,266)</u> | <u>(474,513)</u> |
| 35,774 | 69,214 | 31,370 | (278,478) | 208,798 |
| <u>95,717</u> | <u>930,093</u> | <u>20,051</u> | <u>381,352</u> | <u>2,342,509</u> |
| <u>\$ 131,491</u> | <u>\$ 999,307</u> | <u>\$ 51,421</u> | <u>\$ 102,874</u> | <u>\$ 2,551,307</u> |

CITY OF SILVERTON

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2014**

| | Sewer Improvement SDC | Sewer Reimbursement SDC | Water Improvement SDC |
|---|-----------------------------|-------------------------------|-----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Payments to suppliers | \$ (12,107) | \$ - | \$ (16,740) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Transfers in | - | - | 30,000 |
| Transfers out | - | - | (5,000) |
| NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES | - | - | 25,000 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| System development charges received | 121,874 | 87,918 | 162,362 |
| Due from other funds | - | - | - |
| Acquisition of capital assets | (32,677) | - | (19,098) |
| NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES | 89,197 | 87,918 | 143,264 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest on investments | 696 | 424 | 4,419 |
| Net increase (decrease) in cash | 77,786 | 88,342 | 155,943 |
| Cash - beginning of year | 116,412 | 49,284 | 778,447 |
| Cash - end of year | \$ 194,198 | \$ 137,626 | \$ 934,390 |
| RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED IN) OPERATING ACTIVITIES | | | |
| Operating (loss) | \$ - | \$ - | \$ - |
| Adjustments to reconcile operating income (loss) to net cash (used in) operating activities | | | |
| (Decrease) in liabilities | | | |
| Accounts payable and accrued items | (12,107) | - | (16,740) |
| NET CASH (USED IN) OPERATING ACTIVITIES | \$ (12,107) | \$ - | \$ (16,740) |
| SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS | | | |
| Transfers out | \$ (32,677) | \$ - | \$ (19,098) |

| Water Reimbursement SDC | Sewer Debt Reserve | Sewer Capital Project | Water Capital Project | Totals |
|-------------------------------|--------------------------|-----------------------------|-----------------------------|---------------------|
| \$ - | \$ - | \$ (58,454) | \$ (22,291) | \$ (109,592) |
| - | 64,151 | 60,000 | 79,500 | 233,651 |
| <u>(30,000)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(35,000)</u> |
| <u>(30,000)</u> | <u>64,151</u> | <u>60,000</u> | <u>79,500</u> | <u>198,651</u> |
| 65,294 | - | - | - | 437,448 |
| - | (18,903) | - | - | (18,903) |
| <u>-</u> | <u>-</u> | <u>(28,472)</u> | <u>(359,266)</u> | <u>(439,513)</u> |
| <u>65,294</u> | <u>(18,903)</u> | <u>(28,472)</u> | <u>(359,266)</u> | <u>(20,968)</u> |
| 480 | 5,063 | 340 | 1,288 | 12,710 |
| 35,774 | 50,311 | (26,586) | (300,769) | 80,801 |
| <u>95,717</u> | <u>930,093</u> | <u>78,007</u> | <u>407,519</u> | <u>2,455,479</u> |
| <u>\$ 131,491</u> | <u>\$ 980,404</u> | <u>\$ 51,421</u> | <u>\$ 106,750</u> | <u>\$ 2,536,280</u> |
| \$ - | \$ - | \$ (498) | \$ - | \$ (498) |
| - | - | (57,956) | (22,291) | (109,094) |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ (58,454)</u> | <u>\$ (22,291)</u> | <u>\$ (109,592)</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ (28,472)</u> | <u>\$ (359,266)</u> | <u>\$ (439,513)</u> |

CITY OF SILVERTON

**SEWER IMPROVEMENT SDC - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-----------------------------------|-------------------|-----------------------|-----------------------|
| REVENUES | | | |
| System development charges | \$ 8,478 | \$ 121,874 | \$ 113,396 |
| Interest | <u>350</u> | <u>696</u> | <u>346</u> |
| TOTAL REVENUES | <u>8,828</u> | <u>122,570</u> | <u>113,742</u> |
| EXPENDITURES | | | |
| Capital outlay | 58,000 | 32,677 | 25,323 |
| Contingency | <u>28,265</u> | <u>-</u> | <u>28,265</u> |
| TOTAL EXPENDITURES | <u>86,265</u> | <u>32,677</u> | <u>53,588</u> |
| Net change in fund balance | (77,437) | 89,893 | 167,330 |
| Fund balance at beginning of year | <u>77,437</u> | <u>104,305</u> | <u>26,868</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ 194,198</u> | <u>\$ 194,198</u> |

CITY OF SILVERTON

**SEWER REIMBURSEMENT SDC - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-----------------------------------|-----------------|-----------------------|-----------------------|
| REVENUES | | | |
| System development charges | \$ 5,511 | \$ 87,918 | \$ 82,407 |
| Interest | <u>150</u> | <u>424</u> | <u>274</u> |
| TOTAL REVENUES | 5,661 | 88,342 | 82,681 |
| EXPENDITURES | | | |
| Contingency | <u>40,027</u> | <u>-</u> | <u>40,027</u> |
| Net change in fund balance | (34,366) | 88,342 | 122,708 |
| Fund balance at beginning of year | <u>34,366</u> | <u>49,284</u> | <u>14,918</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ 137,626</u> | <u>\$ 137,626</u> |

CITY OF SILVERTON

**WATER IMPROVEMENT SDC - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|------------------|-------------------|-------------------|
| REVENUES | | | |
| System development charges | \$ 9,807 | 162,362 | \$ 152,555 |
| Interest | <u>3,360</u> | <u>4,419</u> | <u>1,059</u> |
| TOTAL REVENUES | <u>13,167</u> | <u>166,781</u> | <u>153,614</u> |
| EXPENDITURES | | | |
| Capital outlay | 77,000 | 19,098 | 57,902 |
| Contingency | <u>684,249</u> | <u>-</u> | <u>684,249</u> |
| TOTAL EXPENDITURES | <u>761,249</u> | <u>19,098</u> | <u>742,151</u> |
| Excess (deficiency) of revenues over expenditures | <u>(748,082)</u> | <u>147,683</u> | <u>895,765</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 30,000 | 30,000 | - |
| Transfers out | <u>(5,000)</u> | <u>(5,000)</u> | <u>-</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>25,000</u> | <u>25,000</u> | <u>-</u> |
| Net change in fund balance | (723,082) | 172,683 | 895,765 |
| Fund balance at beginning of year | <u>723,082</u> | <u>761,707</u> | <u>38,625</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ 934,390</u> | <u>\$ 934,390</u> |

CITY OF SILVERTON

**WATER REIMBURSEMENT SDC - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | Budget | Actual | Variance |
|---|----------|------------|------------|
| REVENUES | | | |
| System development charges | \$ 5,511 | \$ 65,294 | \$ 59,783 |
| Interest | 375 | 480 | 105 |
| TOTAL REVENUES | 5,886 | 65,774 | 59,888 |
| EXPENDITURES | | | |
| Contingency | 59,657 | - | 59,657 |
| Excess (deficiency) of revenues over expenditures | (53,771) | 65,774 | 119,545 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers out | (30,000) | (30,000) | - |
| Net change in fund balance | (83,771) | 35,774 | 119,545 |
| Fund balance at beginning of year | 83,771 | 95,717 | 11,946 |
| Fund balance at end of year | \$ - | \$ 131,491 | \$ 131,491 |

CITY OF SILVERTON

**SEWER DEBT RESERVE - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|--------------------|--------------------------|--------------------------|
| REVENUES | | | |
| Interest | \$ 4,500 | \$ 5,063 | \$ 563 |
| EXPENDITURES | | | |
| Contingency | <u>998,971</u> | <u>-</u> | <u>998,971</u> |
| Excess (deficiency) of revenues over expenditures | (994,471) | 5,063 | 999,534 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | <u>64,795</u> | <u>64,151</u> | <u>(644)</u> |
| Net change in fund balance | (929,676) | 69,214 | 998,890 |
| Fund balance at beginning of year | <u>929,676</u> | <u>930,093</u> | <u>417</u> |
| Fund balance at end of year | <u><u>\$ -</u></u> | <u><u>\$ 999,307</u></u> | <u><u>\$ 999,307</u></u> |

CITY OF SILVERTON

**SEWER CAPITAL PROJECT - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|--------------------|-------------------------|-------------------------|
| REVENUES | | | |
| Interest | \$ 100 | \$ 340 | \$ 240 |
| EXPENDITURES | | | |
| Materials and services | 500 | - | 500 |
| Capital outlay | <u>61,957</u> | <u>28,970</u> | <u>32,987</u> |
| TOTAL EXPENDITURES | <u>62,457</u> | <u>28,970</u> | <u>33,487</u> |
| Excess (deficiency) of revenues over expenditures | (62,357) | (28,630) | 33,727 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | <u>60,000</u> | <u>60,000</u> | <u>-</u> |
| Net change in fund balance | (2,357) | 31,370 | 33,727 |
| Fund balance at beginning of year | <u>2,357</u> | <u>20,051</u> | <u>17,694</u> |
| Fund balance at end of year | <u><u>\$ -</u></u> | <u><u>\$ 51,421</u></u> | <u><u>\$ 51,421</u></u> |

CITY OF SILVERTON

**WATER CAPITAL PROJECT - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | Budget | Actual | Variance |
|---|----------------|----------------|----------------|
| REVENUES | | | |
| Interest | \$ 1,000 | \$ 1,288 | \$ 288 |
| EXPENDITURES | | | |
| Materials and services | 2,000 | 239 | 1,761 |
| Capital outlay | 475,797 | 359,027 | 116,770 |
| TOTAL EXPENDITURES | 477,797 | 359,266 | 118,531 |
| Excess (deficiency) of revenues over expenditures | (476,797) | (357,978) | 118,819 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 79,500 | 79,500 | - |
| Net change in fund balance | (397,297) | (278,478) | 118,819 |
| Fund balance at beginning of year | 397,297 | 381,352 | (15,945) |
| Fund balance at end of year | \$ - | \$ 102,874 | \$ 102,874 |

CITY OF SILVERTON

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2014**

| | <u>Fleet Replacement</u> | <u>Major Equipment Replacement</u> | <u>Extended Leave</u> | <u>Totals</u> |
|----------------------------|------------------------------|--|---------------------------|---------------------|
| <u>ASSETS</u> | | | | |
| Current assets | | | | |
| Cash and cash investments | <u>\$ 726,154</u> | <u>\$ 585,055</u> | <u>\$ 121,282</u> | <u>\$ 1,432,491</u> |
| <u>NET POSITION</u> | | | | |
| Unrestricted | <u>\$ 726,154</u> | <u>\$ 585,055</u> | <u>\$ 121,282</u> | <u>\$ 1,432,491</u> |

CITY OF SILVERTON

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2014**

| | Fleet Replacement | Major Equipment Replacement | Extended Leave | Totals |
|--|----------------------|-----------------------------------|-------------------|---------------------|
| NON-OPERATING REVENUES (EXPENSES) | | | | |
| Interest | \$ 4,076 | \$ 3,453 | \$ 645 | \$ 8,174 |
| Income before transfers | 4,076 | 3,453 | 645 | 8,174 |
| Transfers in | 104,875 | 92,533 | - | 197,408 |
| Transfers out | (85,628) | (116,327) | - | (201,955) |
| Change in net position | 23,323 | (20,341) | 645 | 3,627 |
| Net position at beginning of year | 702,831 | 605,396 | 120,637 | 1,428,864 |
| Net position at end of year | <u>\$ 726,154</u> | <u>\$ 585,055</u> | <u>\$ 121,282</u> | <u>\$ 1,432,491</u> |

CITY OF SILVERTON
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2014

| | <u>Fleet</u> | <u>Major</u> <u>Equipment</u> | <u>Extended</u> | <u>Totals</u> |
|---|--------------------|----------------------------------|-------------------|---------------------|
| | <u>Replacement</u> | <u>Replacement</u> | <u>Leave</u> | |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Transfers in | \$ 104,875 | \$ 92,533 | \$ - | \$ 197,408 |
| Transfers out | <u>(61,181)</u> | <u>-</u> | <u>-</u> | <u>(61,181)</u> |
| NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES | <u>43,694</u> | <u>92,533</u> | <u>-</u> | <u>136,227</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Acquisition of capital assets | <u>(24,447)</u> | <u>(116,327)</u> | <u>-</u> | <u>(140,774)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest on investments | <u>4,076</u> | <u>3,453</u> | <u>645</u> | <u>8,174</u> |
| Net increase (decrease) in cash | 23,323 | (20,341) | 645 | 3,627 |
| Cash - beginning of year | <u>702,831</u> | <u>605,396</u> | <u>120,637</u> | <u>1,428,864</u> |
| Cash - end of year | <u>\$ 726,154</u> | <u>\$ 585,055</u> | <u>\$ 121,282</u> | <u>\$ 1,432,491</u> |
| SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS | | | | |
| Transfers out | <u>\$ (24,447)</u> | <u>\$ (116,327)</u> | <u>\$ -</u> | <u>\$ (140,774)</u> |

CITY OF SILVERTON

**FLEET REPLACEMENT - INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | Budget | Actual | Variance |
|---|-----------|------------|------------|
| REVENUES | | | |
| Interest | \$ 3,750 | \$ 4,076 | \$ 326 |
| EXPENDITURES | | | |
| Capital outlay | 25,529 | 24,447 | 1,082 |
| Contingency | 720,797 | - | 720,797 |
| TOTAL EXPENDITURES | 746,326 | 24,447 | 721,879 |
| Excess (deficiency) of revenues over expenditures | (742,576) | (20,371) | 722,205 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 104,875 | 104,875 | - |
| Transfers out | (61,181) | (61,181) | - |
| TOAL OTHER FINANCING SOURCES (USES) | 43,694 | 43,694 | - |
| Net change in fund balance | (698,882) | 23,323 | 722,205 |
| Fund balance at beginning of year | 698,882 | 702,831 | 3,949 |
| Fund balance at end of year | \$ - | \$ 726,154 | \$ 726,154 |

CITY OF SILVERTON

**MAJOR EQUIPMENT REPLACEMENT - INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | Budget | Actual | Variance |
|---|-----------|------------|------------|
| REVENUES | | | |
| Interest | \$ 3,600 | \$ 3,453 | \$ (147) |
| EXPENDITURES | | | |
| Capital outlay | 117,200 | 116,327 | 873 |
| Contingency | 679,130 | - | 679,130 |
| TOTAL EXPENDITURES | 796,330 | 116,327 | 680,003 |
| Excess (deficiency) of revenues over expenditures | (792,730) | (112,874) | 679,856 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 92,533 | 92,533 | - |
| Net change in fund balance | (700,197) | (20,341) | 679,856 |
| Fund balance at beginning of year | 700,197 | 605,396 | (94,801) |
| Fund balance at end of year | \$ - | \$ 585,055 | \$ 585,055 |

CITY OF SILVERTON

**EXTENDED LEAVE - INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2014**

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-----------------------------------|----------------|-------------------|-------------------|
| REVENUES | | | |
| Interest | <u>\$ 600</u> | <u>\$ 645</u> | <u>\$ 45</u> |
| EXPENDITURES | | | |
| Personal services | 73,113 | - | 73,113 |
| Contingency | <u>48,089</u> | <u>-</u> | <u>48,089</u> |
| TOTAL EXPENDITURES | <u>121,202</u> | <u>-</u> | <u>121,202</u> |
| Net change in fund balance | (120,602) | 645 | 121,247 |
| Fund balance at beginning of year | <u>120,602</u> | <u>120,637</u> | <u>35</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ 121,282</u> | <u>\$ 121,282</u> |

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

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INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Honorable Mayor and Members of the City Council
CITY OF SILVERTON
Silverton, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the **CITY OF SILVERTON** as of and for the year ended June 30, 2014, and have issued our report thereon dated December 31, 2014.

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 Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. As such, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Highway revenues used for public highways, roads, and streets.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

**INDEPENDENT AUDITOR'S REPORT REQUIRED BY
OREGON STATE REGULATIONS (Continued)**

In connection with our testing nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

In planning and performing our audit of the financial statements, we considered the City internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the City's internal control. Deficiencies in internal control, if any, were communicated separately.

Restriction on Use

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

Boldt Carlisle + Smith
Certified Public Accountants
Salem, Oregon
December 31, 2014

By:



Bradley G. Bingenheimer, Member