

**CITY OF CANYONVILLE**  
**DOUGLAS COUNTY, OREGON**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2014**



12700 SW 72<sup>nd</sup> Ave.  
Tigard, OR 97223

**CITY OF CANYONVILLE**  
**DOUGLAS COUNTY, OREGON**

**CASH BASIS FINANCIAL STATEMENTS**

**WITH**  
**INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED JUNE 30, 2014**

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**CITY OF CANYONVILLE**  
**DOUGLAS COUNTY, OREGON**

2013-2014  
**FINANCIAL REPORT**

<u>CITY COUNCIL</u>	<u>TERM EXPIRES</u>
Bob Deaton, Mayor	December 31, 2014
Frank Braudt, President	December 31, 2016
Judy Coleman	December 31, 2016
Louise Barton	December 31, 2014
Buddy Kovachy	December 31, 2014
Ed Parker	December 31, 2014
Marilyn Loomis	December 31, 2016

All council members receive mail at the address shown below.

**ADMINISTRATION**

Janelle Evans, City Administrator/Recorder  
250 N Main St.  
Canyonville, Oregon 97417

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**CITY OF CANYONVILLE**  
**DOUGLAS COUNTY, OREGON**

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**CITY OF CANYONVILLE**  
**DOUGLAS COUNTY, OREGON**

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**PAULY, ROGERS AND CO., P.C.**  
12700 SW 72<sup>nd</sup> Ave. ♦ Tigard, OR 97223  
(503) 620-2632 ♦ (503) 684-7523 FAX  
www.paulyrogersandcocpas.com

December 3, 2014

Mayor and City Council  
City of Canyonville  
Canyonville, Oregon

## **INDEPENDENT AUDITORS' REPORT**

### **Report on the Financial Statements**

We have audited the accompanying combined cash basis financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Canyonville, Douglas County, Oregon, as of and for the year ended June 30, 2014, and the related notes to the financial statements which collectively comprise the 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 the cash basis of accounting described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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.

### **Auditors' 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 basic financial statements are free of 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 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 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 cash basis financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Canyonville, as of June 30, 2014, and the respective changes in financial position and budgetary comparisons for the general fund and state street fund thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

## **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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.

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have 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 records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents are the responsibility of management and was 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 supplementary information, as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 3, 2014 on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

A handwritten signature in black ink, appearing to read "Kenny Allen". The signature is fluid and cursive, with a large initial "K" and a long, sweeping underline.

Kenny Allen, CPA  
Municipal Auditor  
**PAULY, ROGERS AND CO., P.C.**

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## Management's Discussion and Analysis

As management of City of Canyonville ("the City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2014.

### Financial Highlights

- The city's total net position increased by \$480 thousand. The increase is attributed primarily to the increase in the utility user fees.
- As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$817,213, an increase of \$159,202 in comparison with the prior year. Approximately \$354,604 of the total amount constitutes unreserved fund balance, which is available for spending at the government's discretion.
- At the end of the current fiscal year, the unreserved fund balance of the general fund was \$354 thousand.
- The City's total debt remained the same as the prior year.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused time off).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (*business-type activities*). The governmental activities of the City include general government, highways and streets, and culture and recreation. Business-type activities of the City include water, and wastewater.

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

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

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

The City maintains 9 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the street fund, both considered to be major funds. Data from the other 7 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund and street fund to demonstrate compliance with this budget.

*Proprietary funds.* The City has two proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for water and wastewater.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

*Fiduciary funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for governmental funds.

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

**Other information.**

The budgetary information for the nonmajor funds and the combining statements referred to earlier in connection with non-major governmental funds.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

	City of Canyonville's Net Position					
	Governmental	Activities	Business Type	Activities	Total	
	2013	2014	2013	2014	2013	2014
Current and other assets	658,011	817,213	2,013,380	2,334,224	2,671,391	3,151,437
<b>Total assets</b>	<b>658,011</b>	<b>817,213</b>	<b>1,046,095</b>	<b>1,065,684</b>	<b>2,671,391</b>	<b>3,151,437</b>
Restricted	213,334	232,276	67,348	67,348	280,682	299,624
Unrestricted	444,677	584,937	1,946,032	2,266,876	2,390,709	2,851,813
<b>Total Net position</b>	<b>658,011</b>	<b>817,213</b>	<b>2,013,380</b>	<b>2,334,224</b>	<b>2,671,391</b>	<b>3,151,437</b>

An additional portion of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$2,851,813.00) may be used to meet the government's ongoing obligations to citizens and creditors.

The City's net position increased by \$480 thousand during the fiscal year. This increase is due primarily to utility rate increases.

**Governmental Business.** Change in net position are as follows:

	Governmental		Business-Type		Total	
	Activities		Activities			
	2013	2014	2013	2014	2013	2014
<b>Revenues:</b>						
Program revenues:						
Charges for services	35,714	37,093	909,562	1,009,478	945,276	1,046,571
Operating grants						
/contributions	220,243				220,243	0
Capital grants						
and contributions		138,788			0	138,788
General revenues:						
Property taxes	266,339	287,859			266,339	287,859
Other taxes	124,211	131,298			124,211	131,298
Intergovernmental	145,487	159,476			145,487	159,476
Other Revenue	4,199	3,050			4,199	3,050
Investment Income	3,252	3,366	6,533	11,662	9,785	15,028
<b>Total revenues</b>	<b>799,445</b>	<b>760,930</b>	<b>916,095</b>	<b>1,021,140</b>	<b>1,715,540</b>	<b>1,782,070</b>
<b>Expenses:</b>						
General government	365,812	331,992			365,812	331,992
Public safety	14,422	16,302			14,422	16,302
Highways and streets	62,863	64,339			62,863	64,339
Culture and recreation	12,807	15,439			12,807	15,439
Community						
Development	206,441	134,089			206,441	134,089
Capital Outlay	34,160	45,608			34,160	45,608
Debt Service	18,845	18,958			18,845	18,958
Water			357,953	289,481	357,953	289,481
Wastewater			378,721	385,822	378,721	385,822
<b>Total expenses</b>	<b>769,350</b>	<b>626,727</b>	<b>736,674</b>	<b>675,303</b>	<b>1,506,024</b>	<b>1,302,030</b>
Transfers	50,000	25,000	-50,000	-25,000	0	0
Change in net position	80,065	159,203	129,421	302,837	209,516	480,040
Beginning net position	577,916	658,010	1,883,959	2,013,387	2,461,875	2,671,397
<b>Ending net position</b>	<b>658,011</b>	<b>817,213</b>	<b>2,013,380</b>	<b>2,334,224</b>	<b>2,671,391</b>	<b>3,151,437</b>

## Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$817,213.00, an increase of \$159,202.00 in comparison with the prior year. Approximately \$354,604.00 of the total amount constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, total fund balance reached \$354,604, all of which is unreserved.

The fund balance of the City's general fund increased by \$91,216.00 during the current fiscal year, key factors in this increase were decreases in expenditures and a reduction of staff.

### General Fund Budgetary Highlights

The City of Canyonville is not in compression so the General Fund is relatively stable. The City is extremely conservative with the money spent from the General Fund and has managed to build a little reserve. This year's budget included a contingency of approximately \$133,600.00 which was not spent. The original budget and the final budget were the same for the fiscal year. The City actually received \$51,758.00 more in revenue than estimated.

### Capital Assets and Debt Administration

**Capital assets.** The City's investment in capital assets for its governmental and business type activities as of June 30, 2014 amounts to \$10,658,343 (net of accumulated depreciation). This investment in capital assets includes land, buildings and utility systems, improvements, machinery and equipment, park facilities, and roads.

#### City of Canyonville's Capital Assets Net of Depreciation),

	Governmental Activity		Business-Type Activity		Total	
	2013	2014	2013	2014	2013	2014
Land	\$ 143,400	\$143,400	\$ 82,721	\$82,721	\$ 226,121	\$226,121
Dam and water impoundment fac			\$1,984,789	\$1,984,789	\$ 1,984,789	\$1,984,789
Utility Plant & distribution system			\$6,190,014	\$6,190,014	\$ 6,190,014	\$6,190,014
Construction in progress	-		240,420	371,134	240,420	371,134
Buildings	473,141	473,141			473,141	473,141
Machinery and equipment	215,226	215,226	539,938	539,938	755,164	755,164
Infrastructure / Systems	657,980	657,980			657,980	657,980
	<u>\$ 1,489,747</u>	<u>\$1,489,747</u>	<u>\$9,037,882</u>	<u>\$9,168,596</u>	<u>\$ 10,527,629</u>	<u>\$10,658,343</u>

## Long-term Debt

At the end of the current fiscal year, the city had a total bonded debt of \$255,246.00.00 consisting of general obligation bonds and loans payable, net of unamortized premiums. Additional information on the City's long term debt can be found on page 18 and 19 of this report.

## Economic Factors and Next Year's Budgets and Rates.

The City is under a Mutual Agreement Order from the Department of Environment Quality to upgrade the City's wastewater treatment plant. The City has completed a facility master plan and the total project cost is estimated at \$12.9 million. The project has been broken down into 2 phases. Phase 1 is approximately \$2.4 million and was funded with grants. Phase 2 is \$10.5 million and will be funded with a combination of low interest loans and grants. The City has completed a sewer rate study which projects that the sewer rate will reach \$89.00 by the end of the project which is schedule to be completed in 2018. In January 2013 the City adopted Resolution 604 establishing the necessary rate increases for the next 5 years. The sewer rate shall increase \$9.00 each year until July 1, 2018.

At the end of the fiscal year the following had accumulated for future needs:

Capital Reserve Water Fund 26	\$234,538.00
Water SDC Fund 20	<u>\$133,791.00</u>
Water Plant	\$368,329.00
Capital Reserve Sewer Fund 27	\$638,390.00
Wastewater SDC Fund 21	<u>\$773,364.00</u>
Sewer Plant	\$1,411,754.00
Bikeway/Footpath Fund 17	\$ 12,016.00
Equipment Replacement fund 08	\$144,563.00
Facility Reserve Fund 30	\$ 79,129.00

## Request for Information

This financial report is designed to provide a general overview of the City of Canyonville's finances for all or those interested in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Manager.

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**CITY OF CANYONVILLE  
DOUGLAS COUNTY, OREGON**

**BASIC FINANCIAL STATEMENTS**

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**CITY OF CANYONVILLE**  
**DOUGLAS COUNTY, OREGON**

**STATEMENT OF NET POSITION - CASH BASIS**  
**June 30, 2014**

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	<u>GOVERNMENTAL</u>	<u>BUSINESS TYPE</u>	<u>TOTAL</u>
ASSETS			
Cash and Investments	\$ 817,213	\$ 2,334,224	\$ 3,151,437
Total Assets	<u>817,213</u>	<u>2,334,224</u>	<u>3,151,437</u>
NET POSITION			
Restricted for Debt Covenant	38,540	67,348	105,888
Restricted for Other Purposes	193,736	-	193,736
Unrestricted	<u>584,937</u>	<u>2,266,876</u>	<u>2,851,813</u>
TOTAL NET POSITION	<u>\$ 817,213</u>	<u>\$ 2,334,224</u>	<u>\$ 3,151,437</u>

See accompanying notes to the basic financial statements

**CITY OF CANYONVILLE  
DOUGLAS COUNTY, OREGON**

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

Functions/Programs	Disbursements	Program Cash Receipts		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities</b>				
General Governmental	\$ 331,992	\$ 18,690	\$ -	\$ -
Public Safety/Municipal Court	16,302	17,853	-	-
Highways and Streets	64,339	-	-	-
Culture and Recreation	15,439	550	-	-
Community Development	134,089	-	-	138,788
Capital Outlay	45,608	-	-	-
Long Term Debt Payments	18,958	-	-	-
<b>Total Governmental Activities</b>	<u>626,727</u>	<u>37,093</u>	<u>-</u>	<u>138,788</u>
<b>Business-Type Activities</b>				
Water	289,481	412,776	-	-
Sewer	385,822	596,702	-	-
<b>Total Business Activities</b>	<u>675,303</u>	<u>1,009,478</u>	<u>-</u>	<u>-</u>
<b>Totals</b>	<u>\$ 1,302,030</u>	<u>\$ 1,046,571</u>	<u>\$ -</u>	<u>\$ 138,788</u>

General Receipts

Taxes:
Property Taxes
Levied for General Purpose
Levied for Debt Services
Franchise and other Taxes
Intergovernmental
Interest Income
Miscellaneous
Transfers
 Total General Receipts and Transfers
 Change in Cash Basis Net Position
 Beginning Cash Basis Net Position
 Ending Cash Basis Net Position

See accompanying notes to the basic financial statements

Net Receipts (Disbursements) and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (313,302)		\$ (313,302)
1,551		1,551
(64,339)		(64,339)
(14,889)		(14,889)
4,699		4,699
(45,608)		(45,608)
(18,958)		(18,958)
<u>(450,846)</u>		<u>(450,846)</u>
	\$ 123,295	123,295
	<u>210,880</u>	<u>210,880</u>
<u>-</u>	<u>334,175</u>	<u>334,175</u>
<u>(450,846)</u>	<u>334,175</u>	<u>(116,671)</u>
266,520	-	266,520
21,339	-	21,339
131,298	-	131,298
159,476	-	159,476
3,366	11,662	15,028
3,050	-	3,050
<u>25,000</u>	<u>(25,000)</u>	<u>-</u>
<u>610,049</u>	<u>(13,338)</u>	<u>596,711</u>
159,203	320,837	480,040
<u>658,010</u>	<u>2,013,387</u>	<u>2,671,397</u>
<u>\$ 817,213</u>	<u>\$ 2,334,224</u>	<u>\$ 3,151,437</u>

**CITY OF CANYONVILLE  
DOUGLAS COUNTY, OREGON**

**BALANCE SHEET - CASH BASIS  
GOVERNMENTAL FUNDS  
June 30, 2014**

	GENERAL FUND	STREET FUND	OTHER GOVERNMENTAL FUNDS	TOTAL
<b>ASSETS</b>				
Cash and Investments	\$ 354,604	\$ 181,719	\$ 280,890	\$ 817,213
Total Assets	<u>\$ 354,604</u>	<u>\$ 181,719</u>	<u>\$ 280,890</u>	<u>\$ 817,213</u>
<b>Cash Basis Fund Balances:</b>				
<b>Restricted for:</b>				
Streets	-	181,719	-	181,719
Bikeway and Footpath	-	-	12,016	12,016
Housing Rehabilitation	-	-	1	1
CDBG	-	-	5,393	5,393
Debt Service	-	-	38,540	38,540
<b>Committed</b>				
Equipment Replacement	-	-	144,563	144,563
South County Community Center	-	-	1,248	1,248
Facilities	-	-	79,129	79,129
Assigned	-	-	-	-
Unassigned	354,604	-	-	354,604
Total Cash Basis Fund Balances	<u>354,604</u>	<u>181,719</u>	<u>280,890</u>	<u>817,213</u>
Total Cash Basis Fund Balances	<u>\$ 354,604</u>	<u>\$ 181,719</u>	<u>\$ 280,890</u>	<u>\$ 817,213</u>

See accompanying notes to the basic financial statements

**CITY OF CANYONVILLE  
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2014**

	GENERAL FUND	STREET FUND	OTHER GOVERNMENTAL FUNDS	TOTAL
Receipts				
Taxes	\$ 266,520	\$ -	\$ 21,339	\$ 287,859
Interest	1,573	685	1,108	3,366
Intergovernmental	48,603	110,873	-	159,476
Grants	-	-	138,788	138,788
Fees, Permits, and Rents	148,237	-	-	148,237
Fines	17,853	-	-	17,853
Miscellaneous	4,122	229	1,000	5,351
Total Receipts	<u>486,908</u>	<u>111,787</u>	<u>162,235</u>	<u>760,930</u>
Disbursements				
Current				
General Governmental	331,992	-	-	331,992
Public Safety/Municipal Court	16,302	-	-	16,302
Highways and Streets	-	64,339	-	64,339
Culture and Recreation	14,023	-	1,416	15,439
Community Development	3,375	-	130,714	134,089
Capital Outlay	-	33,730	11,878	45,608
Debt Services	-	-	18,958	18,958
Total Disbursements	<u>365,692</u>	<u>98,069</u>	<u>162,966</u>	<u>626,727</u>
Excess of Receipts Over, -Under Disbursements	121,216	13,718	(731)	134,203
Other Financing Sources, -Uses				
Transfers In	-	-	55,950	55,950
Transfers Out	(30,000)	(950)	-	(30,950)
Total Other Financing Sources, -Uses	<u>(30,000)</u>	<u>(950)</u>	<u>55,950</u>	<u>25,000</u>
Net Change in Cash Basis Fund Balance	91,216	12,768	55,219	159,203
Beginning Cash Basis Fund Balance	<u>263,388</u>	<u>168,951</u>	<u>225,671</u>	<u>658,010</u>
Ending Cash Basis Fund Balance	<u>\$ 354,604</u>	<u>\$ 181,719</u>	<u>\$ 280,890</u>	<u>\$ 817,213</u>

See accompanying notes to the basic financial statements

**CITY OF CANYONVILLE  
DOUGLAS COUNTY, OREGON**

**STATEMENT OF NET POSITION - CASH BASIS  
PROPRIETARY FUNDS  
June 30, 2014**

	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash and Investments	\$ 672,288	\$ 1,661,936	\$ 2,334,224
Total Assets	<u>672,288</u>	<u>1,661,936</u>	<u>2,334,224</u>
<b>Net Position</b>			
Restricted	-	67,348	67,348
Unrestricted	<u>672,288</u>	<u>1,594,588</u>	<u>2,266,876</u>
Total Net Position	<u>\$ 672,288</u>	<u>\$ 1,661,936</u>	<u>\$ 2,334,224</u>

See accompanying notes to the basic financial statements

**CITY OF CANYONVILLE  
DOUGLAS COUNTY, OREGON**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2014**

	WATER FUND	SEWER FUND	TOTAL
Operating Receipts			
Charges for Services	\$ 411,981	\$ 594,113	\$ 1,006,094
Miscellaneous	795	2,589	3,384
Total Operating Receipts	<u>412,776</u>	<u>596,702</u>	<u>1,009,478</u>
Operating Disbursements			
Personal Services	187,001	175,371	362,372
Other Operating Disbursements	102,480	124,782	227,262
Capital Outlay	-	-	-
Debt Service	-	85,669	85,669
Total Operating Disbursements	<u>289,481</u>	<u>385,822</u>	<u>675,303</u>
Operating Income (Loss)	<u>123,295</u>	<u>210,880</u>	<u>334,175</u>
Non-Operating Receipts (Disbursements)			
Interest Income	2,937	8,725	11,662
Transfers In	50,000	230,000	280,000
Transfers Out	(65,000)	(240,000)	(305,000)
Total Non-Operating Receipts (Disbursements)	<u>(12,063)</u>	<u>(1,275)</u>	<u>(13,338)</u>
Net Change in Cash Basis Fund Balance	111,232	209,605	320,837
Beginning Cash Basis Fund Balance	<u>561,056</u>	<u>1,452,331</u>	<u>2,013,387</u>
Ending Cash Basis Fund Balance	<u>\$ 672,288</u>	<u>\$ 1,661,936</u>	<u>\$ 2,334,224</u>

See accompanying notes to the basic financial statements

**CITY OF CANYONVILLE**  
**DOUGLAS COUNTY, OREGON**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND**

**For the Year Ended June 30, 2014**

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	<u>Balance at June 30, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at June 30, 2014</u>
<b><u>WATER AND SEWER DEPOSITS</u></b>				
<b>Assets</b>				
Cash	\$ 25,677	\$ 2,275	\$ 72	\$ 27,880
Total Assets	<u>\$ 25,677</u>	<u>\$ 2,275</u>	<u>\$ 72</u>	<u>\$ 27,880</u>
<b>Liabilities</b>				
Due to Customers	<u>\$ 25,677</u>	<u>\$ 2,275</u>	<u>\$ 72</u>	<u>\$ 27,880</u>

See accompanying notes to the basic financial statements

**CITY OF CANYONVILLE  
DOUGLAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the City have been prepared in conformity with the cash basis of accounting. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

**A. THE FINANCIAL REPORTING ENTITY**

The City of Canyonville is a municipal corporation governed by an elected mayor and six-member governing council (council). The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. The City has no component units.

The City operates under a charter enacted in 1901. Under the charter, the City is governed by a mayor and six council members who comprise the City Council.

**B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION**

**BASIS OF ACCOUNTING**

The City follows the cash basis of accounting. Under the cash basis of accounting, receipts are recorded when received and disbursements are recorded as paid in cash or by check. This basis of accounting is applied to both the government-wide financial statements, and the governmental type fund financial statements uniformly.

This basis of accounting is not equivalent to the generally accepted accounting principles (GAAP) basis of accounting. Under GAAP the fund financial statements require that revenues be recorded as they become susceptible to accrual (i.e. when they become measurable and available) and expenditures recorded as goods and services received. For the government-wide statements GAAP requires that the accrual basis of accounting be applied. Under the accrual basis of accounting the cost of capital assets is capitalized and depreciated over their estimated useful lives, debt is recorded as incurred, revenues are recorded when earned irrespective of the collection of cash, and disbursements, including depreciation, are recorded when incurred. Management believes the cash basis of accounting is preferable for the City due to the City's small size and the necessity of assessing available cash resources. The cash basis of accounting is allowed under Oregon Local Budget Law.

**FUND FINANCIAL STATEMENTS**

The accounts of the City are organized and operated on the basis of fund accounting. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum numbers of funds are maintained consistent with legal and managerial requirements.

**CITY OF CANYONVILLE**  
**DOUGLAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. DESCRIPTION OF FUNDS**

The City reports the following major funds:

**GENERAL FUND**

The General Fund accounts for all financial resources and expenditures of the City, except those required to be accounted for in another fund. Its main sources of revenues are local property taxes, intergovernmental receipts, utility franchise fees, and permits.

**STATE STREET FUND**

This fund accounts for monies expended for maintenance and improvement of the City's roads and streets.

**WATER FUND**

The Water Fund is used to document revenues and expenditures for maintenance and operation of the City's water utility system. The primary revenue source is "user fees" paid by customers of the water utility for water consumed.

**SEWER FUND**

The Sewer Fund is used to document revenues and expenditures for maintenance, operation, and debt service of the City's sanitary sewer system. The primary revenue source is "user fees" paid by customers of the utility.

**D. BUDGET**

A budget is prepared and legally adopted for each governmental fund type on the cash basis of accounting in the main program categories required by the Oregon Local Budget Law. The City begins its budget process early in each fiscal year with the establishment of the budget committee. Recommendations are developed through late winter with the budget committee approving the budget in early spring. Public notices of the budget hearing are published generally in early spring with a public hearing being held approximately three weeks later. The Council may amend the budget prior to adoption, however, budgeted expenditures for each fund may not be increased by more than ten percent. The budget is then adopted, appropriations are made and the tax levy declared no later than June 30th.

Expenditure budgets are appropriated at the following levels for each fund: Personal Services, Materials and Services, Capital Outlay, Operating Contingency, and Interfund Transactions. Expenditures can not legally exceed the above appropriation levels except in the case of grants which could not be estimated at the time of budget adoption. Appropriations lapse at the fiscal year end. Management may amend line items in the budget without Council approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the Council approves them due to a need which exists which was not determined at the time the budget was adopted. Budget amounts shown in the Basic Financial Statements reflect the original budget and appropriation adjustments. Disbursements of the various funds were within authorized appropriations.

**CITY OF CANYONVILLE**  
**DOUGLAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. GOVERNMENT-WIDE FUND FINANCIAL STATEMENTS**

The City has adopted the principles of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* (GASB 34), as they are applicable to cash basis financial statements. The Statement requires that the City present both government-wide and fund financial statements, and reconcile the two types of statements, if necessary. The government-wide financial reports information on the primary government. 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 receipts, 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 disbursements of a given function or segments are offset by program receipts. Direct disbursements are those that are clearly identifiable with a specific function or segment. Program receipts include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program receipts are reported instead as general receipts.

**F. PROPERTY TAXES RECEIVABLE**

Property taxes receivable is disclosed to indicate the amount of uncollected taxes that the City can expect to receive in the future. Real and personal property are assessed and property taxes become a lien against the property as of July 1 of each year. Property taxes are payable in three installments, following the lien date on November 15, February 15, and May 15. Taxes not received by May 15<sup>th</sup> are considered delinquent. As required by law, Douglas County manages tax collections for the City. Substantially all taxes receivable are considered collectible through liens on the underlying property.

**G. CAPITAL ASSETS**

Non-expendable equipment purchased is usually recorded as a capital outlay disbursement in the governmental and proprietary funds. The original historical cost of such assets has been estimated or tracked and is recorded by the City, but, under the cash basis of accounting the cost of capital assets of the City are not required to be displayed in the financial statements. The costs of significant betterments to capital assets are similarly recorded as disbursements and not capitalized. Depreciation is not recorded. When assets are donated, the estimated value is used to increase the balances of the capital assets. No receipts or disbursements are recorded since no cash was received or used when assets are donated. Normal repairs and maintenance are charged to disbursements as capital outlay or as materials and services. When property is retired or sold, any related proceeds are recorded in a governmental or proprietary fund.

**H. LONG-TERM DEBT**

Although the cash basis of accounting does not require that debt be displayed, the City believes that presentation of this information is important. Accordingly, the details of debt are presented in these notes to the financial statements.

**CITY OF CANYONVILLE**  
**DOUGLAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. RETIREMENT PLAN**

City employees are participants in Public Employees Retirement System (PERS). Contributions to PERS are made on a current basis as required by the plan and are charged to expenditures as funded.

**J. NET POSITION**

Net position comprise the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net position are classified in the following two categories:

Restricted – consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. There are no restricted assets.

Unrestricted net position – consists of all other assets that are not included in the other categories previously mentioned.

**K. FUND BALANCE**

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – non-spendable, restricted, committed, assigned, and unassigned.

- Non-spendable fund balance represents amounts that are not in a spendable form.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. The governing body has given this authority to the City Manager.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

The governing body has approved the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

**CITY OF CANYONVILLE  
DOUGLAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**2. CASH AND INVESTMENTS**

State statutes govern the City’s cash management policies, because the City does not have an official investment policy. Statutes authorize the City to invest in banker’s acceptances, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer’s Local Government Investment Pool.

Investments

The State Treasurer’s Local Government Investment Pool is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the State’s investment policies. The State Treasurer is the investment officer for the Council and is responsible for all funds in the State Treasury. These funds must be invested, and the investments managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the Fund are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund was in compliance with all portfolio guidelines at June 30, 2014.

Amounts in the State Treasurer’s Local Government Investment Pool are not required to be collateralized. The fair value of the City’s position in the State Treasurer’s Local Government Investment Pool is equal to 100.8% of the value of the pool shares at June 30, 2014. There were no known violations of legal or contractual provisions for deposits and investments during the fiscal year.

The City maintains a cash pool that is available for use by all funds. Each fund’s portion of this pool is reported on the combined balance sheet as Cash and Investments or amounts Due to/from Other Funds. Cash and Investments (recorded at fair value) consisted of:

Petty Cash	\$	400
Demand Deposits		193,762
Investments		<u>2,985,155</u>
	<u>\$</u>	<u>3,179,317</u>

The City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (months)	
		Less Than 3	More than 3
State Treasurers Investment Pool	<u>\$ 2,985,155</u>	<u>\$ -</u>	<u>\$ -</u>
Total	<u>\$ 2,985,155</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF CANYONVILLE  
DOUGLAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**2. CASH AND INVESTMENTS (CONTINUED)**

Interest Rate Risk

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. The City does not have any investments that have a maturity date.

Credit Risk

Oregon Revised Statutes does not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE. The State Investment Pool is not rated.

Concentration of Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of June 30, 2014, the City's bank balance of \$213,144 was 100% covered by FDIC insurance and therefore was not exposed to custodial credit risk.

**3. CAPITAL ASSETS**

The changes in the capital assets for the fiscal year ended June 30, 2014 are as follows:

**Governmental Funds**

	Balance Beginning of Year	Additions	Deletions	Balance Beginning of Year
Land	\$ 143,400	\$ -	\$ -	\$ 143,400
Buildings	473,141	-	-	473,141
Equipment	215,226	-	-	215,226
Infrastructure	657,980	-	-	657,980
Total	<u>\$ 1,489,747</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,489,747</u>

**Sewer Fund**

	Beginning of Year	Additions	(Deletions)	Balance End of the Year
Land	\$ 60,847	\$ -	\$ -	\$ 60,847
Utility Plant and Distribution Systems	2,371,705	-	-	2,371,705
Equipment	302,422	-	-	302,422
Construction in Progress	240,420	130,714	-	371,134
Total	<u>\$ 2,975,394</u>	<u>\$ 130,714</u>	<u>\$ -</u>	<u>\$ 3,106,108</u>

**Water Fund**

	Balance Beginning of	Additions	(Deletions)	Balance End of the Year
Land	\$ 21,874	\$ -	\$ -	\$ 21,874
Dam and Water Impound Fac.	1,984,789	-	-	1,984,789
Utility Plant and Distribution Systems	3,818,309	-	-	3,818,309
Equipment	237,516	-	-	237,516
Total	<u>\$ 6,062,488</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,062,488</u>

**CITY OF CANYONVILLE  
DOUGLAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**4. PENSION PLAN**

Plan Description:

The City is a participating employer in the State of Oregon Public Employees Retirement System Plan. PERS is a defined benefit pension plan that provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. Benefits are established by state statute. In the 2003 legislative session, the Oregon Legislative Assembly created a successor plan for PERS. The Oregon Public Service Retirement Plan (“OPSRP”) is effective for all new employees hired on or after August 29, 2003, and applies to any inactive PERS members who returned to employment following a six month or greater break in service. The new plan consists of a defined benefit program (the Individual Account Program or “IAP”). The Pension Program portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service and a factor that varies based on type of service (general verses police or fire).

Both PERS and OPSRP are administered by the Oregon Public Employees Retirement Board (“OPERB”). The comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281-3700, by calling (503) 598-7377, or by accessing the PERS website at [www.state.or.us](http://www.state.or.us).

Description of Funding Policy:

Covered employees are required by State statute to contribute 6% of their salary to the plan. The City is required to contribute at actuarially determined rates, as adopted by the PERS Board. The current rate effective July 1, 2012 is 10.88% of covered payroll for Tier 1/2, 6.29% for OPSRP employees, and 9.02% for Police and Fire. The City's contribution to the plan for the years ending June 30, 2014, 2013 and 2012 were \$42,517, \$42,450, and \$40,553, respectively, and were equal to the required contributions for each year.

**5. RISK MANAGEMENT**

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

**CITY OF CANYONVILLE  
DOUGLAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**6. LONG-TERM DEBT**

The following changes occurred in the general long-term debt during the year ended June 30, 2014:

						June 30, 2014
	July 1, 2013	Payments	Additions	Total	Due Within	one year
\$325,000 Water bond issued, September 1981. The loan was issued from Farmers Home Administration, who sold loan to GE Capital. Principal is due at maturity, with interest rate of 5% annually. Loan is due 2017.	\$ 59,805	16,658	\$ -	43,147	\$	17,511
\$650,000 loan was issued in 1997. The loan was issued from State of Oregon DEQ. Terms are 20 year loan, with interest of 3.69%. Loan matures in 2018.	231,937	38,777	-	193,160		40,221
\$200,000 loan was issued in 2009, although City only used \$166,442 of loan amount. The loan was issued by State of Oregon DEQ. Terms are a 5 year loan, with interest of 1.25%. Loan matures in 2015.	56,458	37,519	-	18,939		18,939
<b>Total Long Term Debt</b>	<b>\$ 348,200</b>	<b>92,954</b>	<b>\$ -</b>	<b>255,246</b>	<b>\$</b>	<b>76,671</b>

	1981 Water Bonds		1997 Loan		2009 Loan		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014-2015	17,511	1,760	40,221	7,726	18,939	589	76,671	10,075
2015-2016	18,406	864	41,719	6,027	-	-	60,125	6,891
2016-2017	7,230	81	43,270	4,264	-	-	50,500	4,345
2017-2018	-	-	67,950	2,978	-	-	67,950	2,978
	\$43,147	\$ 2,705	\$ 193,160	\$ 20,995	\$ 18,939	\$ 589	\$ 255,246	\$ 24,289

**CITY OF CANYONVILLE**  
**DOUGLAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**7. PROPERTY TAX LIMITATIONS**

The State of Oregon imposes a constitutional limit on property taxes for schools and nonschool government operations. School operations include community colleges, local school districts, and education service districts. The limitation provides that property taxes for nonschool operations are limited to \$10 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. The State further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997. This reduction is accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The State Constitution sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State to minimize the impact to school districts from the impact of the tax cuts.

**8. INTERFUND TRANSFERS**

The following interfund transfers occurred during fiscal year 2013-2014 (all transfers are normal operating transfers):

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds		
General Fund	\$ -	\$ 30,000
State Street Fund	-	950
Non Major	55,950	-
Business Type Funds		
Water Fund	50,000	65,000
Sewer Fund	<u>230,000</u>	<u>240,000</u>
Total	<u>\$ 335,950</u>	<u>\$ 335,950</u>

**CITY OF CANYONVILLE**  
**DOUGLAS COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

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**9. INTERGOVERNMENTAL AGREEMENT**

On August 19, 1981, the City of Canyonville entered into an intergovernmental agreement with Douglas County to construct, maintain and operate a joint water impoundment project on the West Fork of Canyon Creek.

The City has taken title to all the assets and improvements and has in return indemnified the County against all claims, liens, demands, encumbrances or litigation related to the impound facilities and operations.

Through the year 2027, the City will pay the County an amount equal to \$1 for each resident within the area served by the City's water system and 50 percent of each new user fee or \$200 per new connect, whichever is greater.

**10. OUTSTANDING COMMITMENT**

At June 30, 2014, the City has an outstanding commitment for \$1,523,670. This is the balance remaining on a construction contract for wastewater system improvements.

**CITY OF CANYONVILLE  
DOUGLAS COUNTY, OREGON**

**REQUIRED SUPPLEMENTARY INFORMATION**

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**CITY OF CANYONVILLE  
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS  
ACTUAL AND BUDGET  
For the Year Ended June 30, 2014**

	<u>GENERAL FUND</u>			VARIANCE
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>TO FINAL BUDGET POSITIVE/(NEGATIVE)</u>
Receipts				
Taxes, Current	\$ 235,000	\$ 235,000	\$ 256,858	\$ 21,858
Taxes, Prior	6,000	6,000	9,662	3,662
Interest	1,000	1,000	1,573	573
Intergovernmental	37,400	37,400	48,603	11,203
Planning, Engineering, and Review Fees	10,000	10,000	1,400	(8,600)
Fees, Licenses, and Permits	129,100	129,100	146,837	17,737
Fines	14,000	14,000	17,853	3,853
Miscellaneous	2,650	2,650	4,122	1,472
Total Receipts	<u>435,150</u>	<u>435,150</u>	<u>486,908</u>	<u>51,758</u>
Disbursements				
Administration	471,915	471,915 (1)	273,165	198,750
City/County Library	3,955	3,955 (1)	3,755	200
Pioneer Park	12,400	12,400 (1)	9,653	2,747
Community Projects	1,200	1,200 (1)	615	585
Public Officials	2,110	2,110 (1)	1,570	540
Municipal Court	15,410	15,410 (1)	16,302	(892)
Planning and Community Development	12,300	12,300 (1)	3,375	8,925
Auxiliary/ Support Services	85,860	85,860 (1)	57,257	28,603
Total Disbursements	<u>605,150</u>	<u>605,150</u>	<u>365,692</u>	<u>239,458</u>
Excess of Receipts Over, -Under Disbursements	(170,000)	(170,000)	121,216	291,216
Other Financing Sources, -Uses				
Transfers Out	(30,000)	(30,000) (1)	(30,000)	-
Total Other Financing Sources, -Uses	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Net Change in Cash Basis Fund Balance	(200,000)	(200,000)	91,216	291,216
Beginning Cash Basis Fund Balance	200,000	200,000	263,388	63,388
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 354,604</u>	<u>\$ 354,604</u>

(1) Appropriation Level

**CITY OF CANYONVILLE  
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS  
ACTUAL AND BUDGET  
For the Year Ended June 30, 2014**

<u>STATE STREET FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
Receipts				
Interest	\$ 350	\$ 350	\$ 685	\$ 335
Intergovernmental	145,500	145,500	110,873	(34,627)
Miscellaneous	100	100	229	129
Total Receipts	<u>145,950</u>	<u>145,950</u>	<u>111,787</u>	<u>(34,163)</u>
Disbursements				
Personal Services	45,200	45,200 (1)	38,854	6,346
Materials and Services	31,765	31,765 (1)	25,485	6,280
Capital Outlay	110,000	110,000 (1)	33,730	76,270
Contingency	58,035	58,035 (1)	-	58,035
Total Disbursements	<u>245,000</u>	<u>245,000</u>	<u>98,069</u>	<u>146,931</u>
Excess of Receipts Over -Under Disbursements	(99,050)	(99,050)	13,718	112,768
OTHER FINANCING SOURCES				
Transfers Out	(950)	(950) (1)	(950)	-
Net Change in Cash Basis Fund Balance	(100,000)	(100,000)	12,768	112,768
Beginning Cash Basis Fund Balance	<u>100,000</u>	<u>100,000</u>	<u>168,951</u>	<u>68,951</u>
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 181,719</u>	<u>\$ 181,719</u>

(1) Appropriation Level

**CITY OF CANYONVILLE**  
**DOUGLAS COUNTY, OREGON**

**SUPPLEMENTARY INFORMATION**

Combining, Individual Fund,  
And Other Financial Statements

**CITY OF CANYONVILLE  
DOUGLAS COUNTY, OREGON**

**COMBINING BALANCE SHEET - ALL NON MAJOR GOVERNMENTAL FUNDS  
-CASH BASIS  
June 30, 2014**

SPECIAL REVENUE FUNDS

	BIKEWAY & FOOTPATH RESERVE FUND	HOUSING REHABILITATION FUND	CDBG GRANT FUND	CDBG 2013 GRANT FUND
<b>ASSETS</b>				
Cash and Investments	\$ 12,016	\$ 1	\$ -	\$ 5,393
Total Assets	\$ 12,016	\$ 1	\$ -	\$ 5,393
<b>FUND BALANCE</b>				
Restricted	12,016	1	-	5,393
Committed	-	-	-	-
Total Cash Basis Fund Balances	\$ 12,016	\$ 1	\$ -	\$ 5,393

CAPITAL PROJECTS FUNDS

<u>EQUIPMENT REPLACEMENT FUND</u>	<u>SOUTH COUNTY COMMUNITY CENTER FUND</u>	<u>FACILITY RESERVE FUND</u>	<u>CANYONVILLE DAM BOND &amp; INTEREST FUND</u>	<u>TOTAL</u>
\$ 144,563	\$ 1,248	\$ 79,129	\$ 38,540	\$ 280,890
<u>\$ 144,563</u>	<u>\$ 1,248</u>	<u>\$ 79,129</u>	<u>\$ 38,540</u>	<u>\$ 280,890</u>
-	-	-	38,540	55,950
<u>144,563</u>	<u>1,248</u>	<u>79,129</u>	<u>-</u>	<u>224,940</u>
<u>\$ 144,563</u>	<u>\$ 1,248</u>	<u>\$ 79,129</u>	<u>\$ 38,540</u>	<u>\$ 280,890</u>

**CITY OF CANYONVILLE  
DOUGLAS COUNTY, OREGON**

**COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN  
FUND BALANCE -CASH BASIS - ALL NON MAJOR GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2014**

	SPECIAL REVENUE FUNDS			
	BIKEWAY & FOOTPATH RESERVE FUND	HOUSING REHABILITATION FUND	CDBG GRANT FUND	CDBG 2013 GRANT FUND
Receipts				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Interest	46	-	-	-
Miscellaneous	-	-	-	138,788
Total Receipts	<u>46</u>	<u>-</u>	<u>-</u>	<u>138,788</u>
Disbursements				
Materials and Services	-	-	(2,681)	133,395
Capital Outlay	-	-	-	-
Debt Services	-	-	-	-
Total Disbursements	<u>-</u>	<u>-</u>	<u>(2,681)</u>	<u>133,395</u>
Excess of Receipts Over, -Under Disbursements	46	-	2,681	5,393
Other Financing Sources, -Uses				
Transfers In	<u>950</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources, -Uses	<u>950</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Cash Basis Fund Balance	996	-	2,681	5,393
Beginning Cash Basis Fund Balance	<u>11,020</u>	<u>1</u>	<u>(2,681)</u>	<u>-</u>
Ending Cash Basis Fund Balance	<u>\$ 12,016</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 5,393</u>

CAPITAL PROJECTS FUNDS

<u>EQUIPMENT REPLACEMENT FUND</u>	<u>SOUTH COUNTY COMMUNITY CENTER FUND</u>	<u>FACILITY RESERVE FUND</u>	<u>CANYONVILLE DAM BOND &amp; INTEREST FUND</u>	<u>TOTAL</u>
\$ -	\$ -	\$ -	\$ 21,339	\$ 21,339
698	2	246	116	1,108
-	1,000	-	-	139,788
<u>698</u>	<u>1,002</u>	<u>246</u>	<u>21,455</u>	<u>162,235</u>
-	1,416	-	-	132,130
11,522	-	356	-	11,878
-	-	-	18,958	18,958
<u>11,522</u>	<u>1,416</u>	<u>356</u>	<u>18,958</u>	<u>162,966</u>
(10,824)	(414)	(110)	2,497	(731)
<u>20,000</u>	<u>-</u>	<u>35,000</u>	<u>-</u>	<u>55,950</u>
<u>20,000</u>	<u>-</u>	<u>35,000</u>	<u>-</u>	<u>55,950</u>
9,176	(414)	34,890	2,497	55,219
<u>135,387</u>	<u>1,662</u>	<u>44,239</u>	<u>36,043</u>	<u>225,671</u>
<u>\$ 144,563</u>	<u>\$ 1,248</u>	<u>\$ 79,129</u>	<u>\$ 38,540</u>	<u>\$ 280,890</u>

**CITY OF CANYONVILLE  
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS  
ACTUAL AND BUDGET  
For the Year Ended June 30, 2014**

BIKEWAY & FOOTPATH RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
Receipts				
Interest	\$ 30	\$ 30	\$ 46	\$ 16
Total Receipts	30	30	46	16
Disbursements				
Capital Outlay	11,880	11,880 (1)	-	11,880
Total Disbursements	11,880	11,880	-	11,880
Excess of Receipts Over -Under Disbursements	(11,850)	(11,850)	46	11,896
OTHER FINANCING SOURCES				
Transfers In	950	950 (1)	950	-
Net Change in Cash Basis Fund Balance	(10,900)	(10,900)	996	11,896
Beginning Cash Basis Fund Balance	10,900	10,900	11,020	120
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,016</u>	<u>\$ 12,016</u>

(1) Appropriation Level

**CITY OF CANYONVILLE  
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS  
ACTUAL AND BUDGET  
For the Year Ended June 30, 2014**

HOUSING REHABILITATION GRANT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
Receipts				
Interest	-	-	-	-
Total Receipts	-	-	-	-
Disbursements				
Materials and Services	-	- (1)	-	-
Total Disbursements	-	-	-	-
Net Change in Cash Basis Fund Balance	-	-	-	-
Beginning Cash Basis Fund Balance	-	-	1	1
Ending Cash Basis Fund Balance	\$ -	\$ -	\$ 1	\$ 1

(1) Appropriation Level

**CITY OF CANYONVILLE  
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS  
ACTUAL AND BUDGET  
For the Year Ended June 30, 2014**

CDBG GRANT FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
Receipts				
CDBG Grant	-	-	-	-
Interest	-	-	-	-
Total Receipts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements				
Materials and Services	-	- (1)	(2,681)	2,681
Total Disbursements	<u>-</u>	<u>-</u>	<u>(2,681)</u>	<u>2,681</u>
Net Change in Cash Basis Fund Balance	-	-	2,681	2,681
Beginning Cash Basis Fund Balance	<u>-</u>	<u>-</u>	<u>(2,681)</u>	<u>(2,681)</u>
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Appropriation Level

**CITY OF CANYONVILLE  
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS  
ACTUAL AND BUDGET  
For the Year Ended June 30, 2014**

CDBG 2013 GRANT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
Receipts				
CDBG Grant	2,361,000	2,361,000	138,788	(2,222,212)
Interest	-	-	-	-
Total Receipts	<u>2,361,000</u>	<u>2,361,000</u>	<u>138,788</u>	<u>(2,222,212)</u>
Disbursements				
Materials and Services	2,177,500	2,177,500 (1)	133,395	2,044,105
Contingency	183,500	183,500 (1)	-	183,500
Total Disbursements	<u>2,361,000</u>	<u>2,361,000</u>	<u>133,395</u>	<u>2,227,605</u>
Net Change in Cash Basis Fund Balance	-	-	5,393	5,393
Beginning Cash Basis Fund Balance	-	-	-	-
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,393</u>	<u>\$ 5,393</u>

(1) Appropriation Level

**CITY OF CANYONVILLE  
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS  
ACTUAL AND BUDGET  
For the Year Ended June 30, 2014**

EQUIPMENT REPLACEMENT FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE</u>
Receipts				
Interest	\$ 400	\$ 400	\$ 698	\$ 298
Total Receipts	<u>400</u>	<u>400</u>	<u>698</u>	<u>298</u>
Disbursements				
Materials and Services	-	- (1)	-	-
Capital Outlay	151,500	151,500 (1)	11,522	139,978
Total Disbursements	<u>151,500</u>	<u>151,500</u>	<u>11,522</u>	<u>139,978</u>
Excess of Receipts Over -Under Disbursements	(151,100)	(151,100)	(10,824)	140,276
OTHER FINANCING SOURCES				
Proceeds from Sale of Assets	100	100	-	(100)
Transfers In	20,000	20,000	20,000	-
Net Change in Cash Basis Fund Balance	(131,000)	(131,000)	9,176	140,176
Beginning Cash Basis Fund Balance	<u>131,000</u>	<u>131,000</u>	<u>135,387</u>	<u>4,387</u>
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 144,563</u>	<u>\$ 144,563</u>

(1) Appropriation Level

**CITY OF CANYONVILLE  
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS  
ACTUAL AND BUDGET  
For the Year Ended June 30, 2014**

SOUTH COUNTY COMMUNITY CENTER FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE</u>
Receipts				
Interest	\$ 2	\$ 2	\$ 2	\$ -
Miscellaneous	1,000	1,000	1,000	-
Total Receipts	<u>1,002</u>	<u>1,002</u>	<u>1,002</u>	<u>-</u>
Disbursements				
Materials and Services	2,602	2,602 (1)	1,416	1,186
Total Disbursements	<u>2,602</u>	<u>2,602</u>	<u>1,416</u>	<u>1,186</u>
Net Change in Cash Basis Fund Balance	(1,600)	(1,600)	(414)	1,186
Beginning Cash Basis Fund Balance	<u>1,600</u>	<u>1,600</u>	<u>1,662</u>	<u>62</u>
Ending Cash Basis Fund Balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,248</u></u>	<u><u>\$ 1,248</u></u>

(1) Appropriation Level

**CITY OF CANYONVILLE  
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS  
ACTUAL AND BUDGET  
For the Year Ended June 30, 2014**

FACILITY RESERVE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
Receipts				
Interest	\$ 100	\$ 100	\$ 246	\$ 146
Total Receipts	<u>100</u>	<u>100</u>	<u>246</u>	<u>146</u>
Disbursements				
Materials and Services	2,500	2,500 (1)	-	2,500
Capital Outlay	<u>75,300</u>	<u>75,300 (1)</u>	<u>356</u>	<u>74,944</u>
Total Disbursements	<u>77,800</u>	<u>77,800</u>	<u>356</u>	<u>77,444</u>
Excess of Receipts Over -Under Disbursements	(77,700)	(77,700)	(110)	77,590
OTHER FINANCING SOURCES				
Transfers In	<u>35,000</u>	<u>35,000 (1)</u>	<u>35,000</u>	<u>-</u>
Net Change in Cash Basis Fund Balance	(42,700)	(42,700)	34,890	77,590
Beginning Cash Basis Fund Balance	<u>42,700</u>	<u>42,700</u>	<u>44,239</u>	<u>1,539</u>
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,129</u>	<u>\$ 79,129</u>

(1) Appropriation Level

**CITY OF CANYONVILLE  
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS  
ACTUAL AND BUDGET  
For the Year Ended June 30, 2014**

CANYONVILLE DAM BOND & INTEREST FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE</u>
Receipts				
Taxes				
Current	\$ 19,000	\$ 19,000	\$ 19,201	\$ 201
Prior	1,000	1,000	2,138	1,138
Interest	<u>80</u>	<u>80</u>	<u>116</u>	<u>36</u>
Total Receipts	<u>20,080</u>	<u>20,080</u>	<u>21,455</u>	<u>1,375</u>
Disbursements				
Debt Service				
Principal	16,400	16,400	16,294	106
Interest	<u>3,200</u>	<u>3,200</u>	<u>2,664</u>	<u>536</u>
Total Disbursements	<u>19,600</u>	<u>19,600 (1)</u>	<u>18,958</u>	<u>642</u>
Net Change in Cash Basis Fund Balance	480	480	2,497	2,017
Beginning Cash Basis Fund Balance	<u>30,580</u>	<u>30,580</u>	<u>36,043</u>	<u>5,463</u>
Ending Cash Basis Fund Balance	<u>\$ 31,060</u>	<u>\$ 31,060</u>	<u>\$ 38,540</u>	<u>\$ 7,480</u>

(1) Appropriation Level

**CITY OF CANYONVILLE**  
**DOUGLAS COUNTY, OREGON**

**COMBINING BALANCE SHEET - ALL NON MAJOR ENTERPRISE FUNDS - CASH BASIS**

**June 30, 2014**

	WATER			
	WATER FUND	WATER SYSTEM DEVELOPMENT FUND	CAPITAL RESERVE WATER FUND	O'SHEA CREEK TIMBER FUND
<b>ASSETS</b>				
Cash and Investments	\$ 199,999	\$ 133,791	\$ 234,538	\$ 103,960
Total Assets	\$ 199,999	\$ 133,791	\$ 234,538	\$ 103,960
<b>FUND BALANCE</b>				
Restricted for Debt Covenants	-	-	-	-
Unreserved	199,999	133,791	234,538	103,960
Total Cash Basis Fund Balances	\$ 199,999	\$ 133,791	\$ 234,538	\$ 103,960

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SEWER

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SEWER FUND	WASTEWATER SYSTEM DEVELOPMENT FUND	CAPITAL RESERVE SEWER FUND	NONMAJOR TOTAL
\$ 246,182	\$ 777,364	\$ 638,390	\$ 2,334,224
<u>\$ 246,182</u>	<u>\$ 777,364</u>	<u>\$ 638,390</u>	<u>\$ 2,334,224</u>
67,348	-	-	67,348
<u>178,834</u>	<u>777,364</u>	<u>638,390</u>	<u>2,266,876</u>
<u>\$ 246,182</u>	<u>\$ 777,364</u>	<u>\$ 638,390</u>	<u>\$ 2,334,224</u>

**CITY OF CANYONVILLE**  
**DOUGLAS COUNTY, OREGON**

**COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -**  
**CASH BASIS ALL NON MAJOR ENTERPRISE FUNDS**  
**For the Year Ended June 30, 2014**

	WATER			
	WATER FUND	WATER SYSTEM DEVELOPMENT FUND	CAPITAL RESERVE WATER FUND	O'SHEA CREEK TIMBER FUND
Receipts				
Charges for Services	\$ 409,667	\$ -	\$ 2,314	\$ -
Interest	495	748	1,118	576
Other Receipts	795	-	-	-
Total Receipts	<u>410,957</u>	<u>748</u>	<u>3,432</u>	<u>576</u>
Disbursements				
Personal Services	187,001	-	-	-
Materials and Services	102,480	-	-	-
Capital Outlay	-	-	-	-
Debt Service	-	-	-	-
Total Disbursements	<u>289,481</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Receipts Over, -Under Disbursements	121,476	748	3,432	576
Other Financing Sources, -Uses				
Transfers In	-	-	50,000	-
Transfers Out	(65,000)	-	-	-
Total Other Financing Sources, -Uses	<u>(65,000)</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
Net Change in Cash Basis Fund Balance	56,476	748	53,432	576
Beginning Cash Basis Fund Balance	<u>143,523</u>	<u>133,043</u>	<u>181,106</u>	<u>103,384</u>
Ending Cash Basis Fund Balance	<u>\$ 199,999</u>	<u>\$ 133,791</u>	<u>\$ 234,538</u>	<u>\$ 103,960</u>

SEWER

SEWER FUND	WASTEWATER SYSTEM DEVELOPMENT FUND	CAPITAL RESERVE SEWER FUND	NONMAJOR TOTAL
\$ 591,800	\$ -	\$ 2,313	\$ 1,006,094
1,236	4,346	3,143	11,662
2,589	-	-	3,384
<u>595,625</u>	<u>4,346</u>	<u>5,456</u>	<u>1,021,140</u>
175,371	-	-	362,372
124,782	-	-	227,262
-	-	-	-
85,669	-	-	85,669
<u>385,822</u>	<u>-</u>	<u>-</u>	<u>675,303</u>
209,803	4,346	5,456	345,837
-	-	230,000	280,000
(240,000)	-	-	(305,000)
<u>(240,000)</u>	<u>-</u>	<u>230,000</u>	<u>(25,000)</u>
(30,197)	4,346	235,456	320,837
276,379	773,018	402,934	2,013,387
<u>\$ 246,182</u>	<u>\$ 777,364</u>	<u>\$ 638,390</u>	<u>\$ 2,334,224</u>

**CITY OF CANYONVILLE  
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS  
ACTUAL AND BUDGET  
For the Year Ended June 30, 2014**

WATER FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
Receipts				
Interest	\$ 600	\$ 600	\$ 495	\$ (105)
Charges for Services				
New Service Connections	1,000	1,000	-	(1,000)
Utility Services	375,000	375,000	405,811	30,811
Miscellaneous Water Fees	3,500	3,500	3,856	356
Miscellaneous	500	500	795	295
Total Receipts	<u>380,600</u>	<u>380,600</u>	<u>410,957</u>	<u>30,357</u>
Disbursements				
Personal Services	210,450	210,450 (1)	187,001	23,449
Materials and Services	138,545	138,545 (1)	102,480	36,065
Capital Outlay	11,910	11,910 (1)	-	11,910
Debt Service	2,000	2,000 (1)	-	2,000
Contingency	44,695	44,695 (1)	-	44,695
Total Disbursements	<u>407,600</u>	<u>407,600</u>	<u>289,481</u>	<u>118,119</u>
Excess of Receipts Over -Under Disbursements	(27,000)	(27,000)	121,476	148,476
OTHER FINANCING SOURCES				
Transfers Out	(65,000)	(65,000) (1)	(65,000)	-
Net Change in Cash Basis Fund Balance	(92,000)	(92,000)	56,476	148,476
Beginning Cash Basis Fund Balance	<u>92,000</u>	<u>92,000</u>	<u>143,523</u>	<u>51,523</u>
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 199,999</u>	<u>\$ 199,999</u>

(1) Appropriation Level

**CITY OF CANYONVILLE  
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -CASH BASIS  
ACTUAL AND BUDGET  
For the Year Ended June 30, 2014**

WATER SYSTEM DEVELOPMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
Receipts				
Interest	\$ 650	\$ 650	\$ 748	\$ 98
System Development Fees	14,800	14,800	-	(14,800)
Total Receipts	<u>15,450</u>	<u>15,450</u>	<u>748</u>	<u>(14,702)</u>
Disbursements				
Materials and Services	147,950	147,950 (1)	-	147,950
Total Disbursements	<u>147,950</u>	<u>147,950</u>	<u>-</u>	<u>147,950</u>
Net Change in Cash Basis Fund Balance	(132,500)	(132,500)	748	133,248
Beginning Cash Basis Fund Balance	<u>132,500</u>	<u>132,500</u>	<u>133,043</u>	<u>543</u>
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,791</u>	<u>\$ 133,791</u>

(1) Appropriation Level

**CITY OF CANYONVILLE  
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS  
ACTUAL AND BUDGET  
For the Year Ended June 30, 2014**

CAPITAL RESERVE WATER FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE</u>
Receipts				
Interest	\$ 900	\$ 900	\$ 1,118	\$ 218
Late Fees	1,800	1,800	2,314	514
Total Receipts	<u>2,700</u>	<u>2,700</u>	<u>3,432</u>	<u>732</u>
Disbursements				
Materials and Services	20,000	20,000 (1)	-	20,000
Capital Outlay	213,736	213,736 (1)	-	213,736
Total Disbursements	<u>233,736</u>	<u>233,736</u>	<u>-</u>	<u>233,736</u>
Excess of Receipts Over, -Under Disbursements	(231,036)	(231,036)	3,432	234,468
OTHER FINANCING SOURCES, -USES				
Transfers In	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total Other Financing Sources, -Uses	50,000	50,000	50,000	-
Net Change in Cash Basis Fund Balance	(181,036)	(181,036)	53,432	234,468
Beginning Cash Basis Fund Balance	<u>181,036</u>	<u>181,036</u>	<u>181,106</u>	<u>70</u>
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 234,538</u>	<u>\$ 234,538</u>

(1) Appropriation Level

**CITY OF CANYONVILLE  
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS  
ACTUAL AND BUDGET  
For the Year Ended June 30, 2014**

O'SHEA CREEK TIMBER FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
Receipts				
Interest	\$ 600	\$ 600	\$ 576	\$ (24)
Total Receipts	600	600	576	(24)
Disbursements				
Materials and Services	102,600	102,600 (1)	-	102,600
Total Disbursements	102,600	102,600	-	102,600
Net Change in Cash Basis Fund Balance	(102,000)	(102,000)	576	102,576
Beginning Cash Basis Fund Balance	102,000	102,000	103,384	1,384
Ending Cash Basis Fund Balance	\$ -	\$ -	\$ 103,960	\$ 103,960

(1) Appropriation Level

**CITY OF CANYONVILLE  
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS  
ACTUAL AND BUDGET  
For the Year Ended June 30, 2014**

SEWER FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
Receipts				
Interest	\$ 1,500	\$ 1,500	\$ 1,236	\$ (264)
Charges for Services				
Utility Services	535,000	535,000	589,487	54,487
Miscellaneous Sewer Fees	2,100	2,100	2,313	213
Miscellaneous	1,600	1,600	2,589	989
Total Receipts	<u>540,200</u>	<u>540,200</u>	<u>595,625</u>	<u>55,425</u>
Disbursements				
Personal Services	203,450	203,450 (1)	175,371	28,079
Materials and Services	156,040	156,040 (1)	124,782	31,258
Contingency	55,110	55,110 (1)	-	55,110
Debt Service	89,600	89,600 (1)	85,669	3,931
Total Disbursements	<u>504,200</u>	<u>504,200</u>	<u>385,822</u>	<u>118,378</u>
Excess of Receipts Over -Under Disbursements	36,000	36,000	209,803	173,803
OTHER FINANCING SOURCES, -USES				
Transfers Out	<u>(240,000)</u>	<u>(240,000) (1)</u>	<u>(240,000)</u>	<u>-</u>
Total Other Financing Sources, -Uses	(240,000)	(240,000)	(240,000)	-
Net Change in Cash Basis Fund Balance	(204,000)	(204,000)	(30,197)	173,803
Beginning Cash Basis Fund Balance	<u>271,348</u>	<u>271,348</u>	<u>276,379</u>	<u>5,031</u>
Ending Cash Basis Fund Balance	<u>\$ 67,348</u>	<u>\$ 67,348</u>	<u>\$ 246,182</u>	<u>\$ 178,834</u>

(1) Appropriation Level

**CITY OF CANYONVILLE  
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -CASH BASIS  
ACTUAL AND BUDGET  
For the Year Ended June 30, 2014**

WASTEWATER SYSTEM DEVELOPMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
Receipts				
Interest	\$ 4,000	\$ 4,000	\$ 4,346	\$ 346
System Development Fees	10,200	10,200	-	(10,200)
Total Receipts	14,200	14,200	4,346	(9,854)
Disbursements				
Materials and Services	115,478	115,478 (1)	-	115,478
Capital Outlay	669,522	669,522 (1)	-	669,522
Total Disbursements	785,000	785,000	-	785,000
Net Change in Cash Basis Fund Balance	(770,800)	(770,800)	4,346	775,146
Beginning Cash Basis Fund Balance	770,800	770,800	773,018	2,218
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 777,364</u>	<u>\$ 777,364</u>

(1) Appropriation Level

**CITY OF CANYONVILLE  
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE - CASH BASIS  
ACTUAL AND BUDGET  
For the Year Ended June 30, 2014**

CAPITAL RESERVE SEWER FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
Receipts				
Interest	\$ 1,000	\$ 1,000	\$ 3,143	\$ 2,143
Late Fees	1,800	1,800	2,313	513
Total Receipts	2,800	2,800	5,456	2,656
Disbursements				
Materials and Services	64,000	64,000 (1)	-	64,000
Capital Outlay	581,415	581,415 (1)	-	581,415
Total Disbursements	645,415	645,415	-	645,415
Excess of Receipts Over, -Under Disbursements	(642,615)	(642,615)	5,456	648,071
OTHER FINANCING SOURCES, -USES				
Transfers In	240,000	240,000	230,000	(10,000)
Total Other Financing Sources, -Uses	240,000	240,000	230,000	-
Net Change in Cash Basis Fund Balance	(402,615)	(402,615)	235,456	638,071
Beginning Cash Basis Fund Balance	402,615	402,615	402,934	319
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 638,390</u>	<u>\$ 638,390</u>

(1) Appropriation Level

**CITY OF CANYONVILLE  
DOUGLAS COUNTY, OREGON**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES  
OF TAXES UNCOLLECTED - ALL FUNDS  
For the Year Ended June 30, 2014**

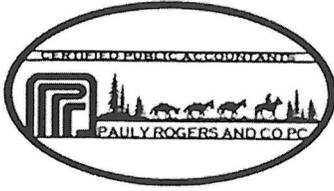
TAX YEAR	IMPOSED LEVY OR UNCOLLECTED AT 7-1-13	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6-30-14
<b>CURRENT:</b>						
2013-14	\$ 286,387	\$ 7,029	\$ -	\$ 168	\$ 265,468	\$ 14,058
<b>PRIOR YEARS:</b>						
2012-13	\$ 14,036	\$ -	\$ -	\$ 504	\$ 6,056	\$ 8,484
2011-12	8,037	-	-	584	2,926	5,695
2010-11	5,688	-	-	950	3,024	3,614
2009-10	2,628	-	-	686	1,797	1,517
Prior	1,114	-	-	219	334	999
<b>Total</b>	<b>\$ 317,890</b>	<b>\$ 7,029</b>	<b>\$ -</b>	<b>\$ 3,111</b>	<b>\$ 279,605</b>	<b>\$ 34,367</b>
<b>Revenue Allocation to Funds:</b>						
General Fund						\$ 266,520
Debt Services Fund						21,339
Other						(8,254)
						<u>\$ 279,605</u>

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**CITY OF CANYONVILLE  
DOUGLAS COUNTY, OREGON**

**2013-2014 INDEPENDENT AUDITORS'  
COMMENTS AND DISCLOSURES**

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December 3, 2014

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## 2013-2014 INDEPENDENT AUDITORS' COMMENTS AND DISCLOSURES

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### Report on Minimum Standards for Audits of Oregon Municipal Corporation

We have audited the basic financial statements of the City of Canyonville as of and for the year ended June 30, 2014, and have issued our report thereon dated December 3, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

#### Compliance

As part of obtaining reasonable assurance about whether the City of Canyonville'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).**

In connection with our testing nothing came to our attention that caused us to believe the City of Canyonville 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, we considered the City of Canyonville's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Canyonville's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Canyonville's internal control over financial reporting.

**2013-2014 INDEPENDENT AUDITORS' COMMENTS AND DISCLOSURES**

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

A handwritten signature in black ink, appearing to read "Kenny Allen".

Kenny Allen, CPA  
Municipal Auditor  
**PAULY, ROGERS AND CO., P.C.**