

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2013



12700 SW 72nd Ave.
Tigard, OR 97223

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

CASH BASIS FINANCIAL STATEMENTS

WITH
INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED JUNE 30, 2013

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CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

2012-2013
FINANCIAL REPORT

<u>CITY COUNCIL</u>	<u>TERM EXPIRES</u>
Bob Deaton, Mayor	December 31, 2014
Frank Braudt	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, 2014

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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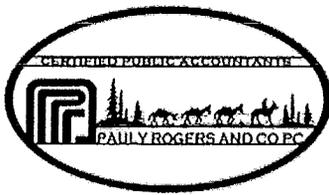
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January 27, 2014

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, 2013, 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, 2013, 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.

Emphasis of Matter

The City adopted the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for the year ended June 30, 2013. Our opinion is unmodified 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 January 27, 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".

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, 2013.

Financial Highlights

- The City's investment in capital assets for its governmental and business type activities as of June 30, 2013 amounts to \$10,527,629 (net of accumulated depreciation).
- The city's total net position increased by \$209 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 \$658,011, an increase of \$80,097 in comparison with the prior year. Approximately \$263,389 of the total amount constitutes unassigned fund balance, which is available for spending at the government's discretion.
- At the end of the current fiscal year, the unassigned fund balance of the general fund was \$260 thousand.
- The City did not incur any new debt in the current fiscal 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		Business		Total	
	2012	2013	Type	Activities	2012	2013
Current and other assets	577,914	658,011	1,883,969	1,046,095	2,461,883	2,671,391
Total assets	577,914	658,011	1,883,969	1,046,095	2,461,883	2,671,391
Net Position						
Restricted	220,776	216,015	67,348	67,348	67,348	283,363
Unrestricted	357,138	441,996	1,816,621	1,946,032	2,394,535	2,388,028
Total Net position	577,914	658,011	1,883,969	2,013,380	2,461,883	2,671,391

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* (\$2,388,028) may be used to meet the government's ongoing obligations to citizens and creditors.

The City's net position increased by \$209 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			
	2012	2013	2012	2013	2012	2013
Revenues:						
Program revenues:						
Charges for services	33,980	35,714	777,533	909,562	811,513	945,276
Operating grants						
/contributions	155,028	220,243	-	-	155,028	220,243
Capital grants						
and contributions	-	-	-	-	-	-
General revenues:						
Property taxes	270,942	266,339	-	-	270,942	266,339
Other taxes	149,832	124,211	-	-	149,832	124,211
Intergovernmental	125,773	145,487	-	-	125,773	145,487
Other Revenue	9,892	4,199	-	-	9,892	4,199
Investment Income	2,283	3,252	-	-	2,283	3,252
Total revenues	747,730	799,445	777,533	909,562	1,525,263	1,709,007
Expenses:						
General government	374,019	365,812	-	-	374,019	365,812
Public safety	14,632	14,422	-	-	14,632	14,422
Highways and streets	58,628	62,863	-	-	58,628	62,863
Culture and recreation	13,967	12,807	-	-	13,967	12,807
Community Development	138,170	206,441	-	-	138,170	206,441
Capital Outlay	56,903	34,160	-	-	56,903	34,160
Debt Service	18,850	18,845	-	-	18,850	18,845
Water	-	-	305,959	357,953	305,959	357,953
Wastewater	-	-	354,430	378,721	354,430	378,721
Total expenses	675,169	769,350	660,389	736,674	1,335,558	1,506,024
Transfers	57,000	50,000	-57,000	-50,000	0	0
Change in net position	129,561	80,095	65,844	129,421	195,405	209,516
Beginning net position	448,353	577,916	1,818,125	1,883,959	2,266,478	2,461,875
Ending net position	<u>577,914</u>	<u>658,011</u>	<u>1,883,969</u>	<u>2,013,380</u>	<u>2,461,883</u>	<u>2,671,391</u>

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 \$658,011, an increase of \$80,007 in comparison with the prior year. Approximately \$263,389 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 \$263,389, all of which is unreserved.

The fund balance of the City's general fund increased by \$35,060 during the current fiscal year, key factors in this increase were decreases in expenditures and a slight increase in revenue from the prior year.

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 \$110,000 which was not spent. The original budget and the final budget were the same for the fiscal year. The City actually received \$14,070 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, 2013 amounts to \$10,527,629 (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	
	2012	2013	2012	2013	2012	2013
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	-	-	\$6,273,081	\$6,190,014	\$ 6,273,031	\$6,190,014
Construction in progress	-	-	-	240,420	-	240,420
Buildings	475,601	473,141	-	-	475,601	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>\$ 1,492,207</u>	<u>\$1,489,747</u>	<u>\$8,880,529</u>	<u>\$9,037,882</u>	<u>\$ 10,372,736</u>	<u>\$10,527,629</u>

Long-term Debt

At the end of the current fiscal year, the city had a total bonded debt of \$348,220 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 water rate structure was revised to established two classifications, single family residential and all other users. The rate is based on the size of the meter and the classification. The rate for single family dwellings with ¾ inch meters remained at \$30.00 for the first 1200 cubic feet of use. However, the base rate for other users changed to \$40.00 for a ¾ inch meter plus \$2.00 per cubic foot of consumption over 1200 cubic feet. The base rate for larger meters was increase to match the maximum number of equivalent dwelling unit that can be served by that size of meter. The new rates were effective beginning June 15, 2012.

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 will be funded mostly 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 for the next four years.

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

Capital Reserve Water Fund 26	\$181,107.00
Water SDC Fund 20	<u>\$133,043.00</u>
Water Plant	\$314,150.00
Capital Reserve Sewer Fund 27	\$402,934.00
Wastewater SDC Fund 21	<u>\$773,017.00</u>
Sewer Plant	\$1,175,951.00
Bikeway/Footpath Fund 17	\$11,020.00
Equipment Replacement fund 08	\$135,387.00
Facility Reserve Fund 30	\$44,239.00

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, 2013

	<u>GOVERNMENTAL</u>	<u>BUSINESS TYPE</u>	<u>TOTAL</u>
ASSETS			
Cash and Investments	\$ 658,011	\$ 2,013,380	\$ 2,671,391
Total Assets	<u>658,011</u>	<u>2,013,380</u>	<u>2,671,391</u>
NET POSITION			
Restricted for Debt Covenant	36,043	67,348	103,391
Restricted for Other Purposes	179,972	-	179,972
Unrestricted	<u>441,996</u>	<u>1,946,032</u>	<u>2,388,028</u>
TOTAL NET POSITION	<u>\$ 658,011</u>	<u>\$ 2,013,380</u>	<u>\$ 2,671,391</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, 2013**

Functions/Programs	Disbursements	Program Cash Receipts		
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Governmental	\$ 365,812	\$ 19,665	\$ -	\$ -
Public Safety/Municipal Court	14,422	15,274	-	-
Highways and Streets	62,863	-	-	-
Culture and Recreation	12,807	775	-	-
Community Development	260,441	-	220,243	-
Capital Outlay	34,160	-	-	-
Long Term Debt Payments	18,845	-	-	-
Total Governmental Activities	769,350	35,714	220,243	-
Business-Type Activities				
Water	357,953	405,952	-	-
Sewer	378,721	503,610	-	-
Total Business Activities	736,674	909,562	-	-
Totals	\$ 1,506,024	\$ 945,276	\$ 220,243	\$ -

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
\$ (346,147)		\$ (346,147)
852		852
(62,863)		(62,863)
(12,032)		(12,032)
(40,198)		(40,198)
(34,160)		(34,160)
(18,845)		(18,845)
<u>(513,393)</u>		<u>(513,393)</u>
	\$ 47,999	47,999
	<u>124,889</u>	<u>124,889</u>
-	172,888	172,888
<u>(513,393)</u>	<u>172,888</u>	<u>(340,505)</u>
247,004	-	247,004
19,335	-	19,335
124,211	-	124,211
145,487	-	145,487
3,252	6,533	9,785
4,199	-	4,199
<u>50,000</u>	<u>(50,000)</u>	<u>-</u>
<u>593,488</u>	<u>(43,467)</u>	<u>550,021</u>
80,095	129,421	209,516
<u>577,916</u>	<u>1,883,959</u>	<u>2,461,875</u>
<u>\$ 658,011</u>	<u>\$ 2,013,380</u>	<u>\$ 2,671,391</u>

**CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON**

**BALANCE SHEET - CASH BASIS
GOVERNMENTAL FUNDS
June 30, 2013**

	GENERAL FUND	STREET FUND	OTHER GOVERNMENTAL FUNDS	TOTAL
ASSETS				
Cash and Investments	\$ 263,389	\$ 168,951	\$ 225,671	\$ 658,011
Total Assets	<u>\$ 263,389</u>	<u>\$ 168,951</u>	<u>\$ 225,671</u>	<u>\$ 658,011</u>
Cash Basis Fund Balances:				
Restricted for:				
Streets	-	168,951	-	168,951
Bikeway and Footpath	-	-	11,020	11,020
Housing Rehabilitation	-	-	1	1
CDBG	-	-	-	-
Debt Service	-	-	36,043	36,043
Committed				
Equipment Replacement	-	-	135,387	135,387
South County Community Center Facilities	-	-	1,662 44,239	1,662 44,239
Assigned	-	-	-	-
Unassigned	263,389	-	(2,681)	260,708
Total Cash Basis Fund Balances	<u>263,389</u>	<u>168,951</u>	<u>225,671</u>	<u>658,011</u>
Total Cash Basis Fund Balances	<u>\$ 263,389</u>	<u>\$ 168,951</u>	<u>\$ 225,671</u>	<u>\$ 658,011</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, 2013

	GENERAL FUND	STREET FUND	OTHER GOVERNMENTAL FUNDS	TOTAL
Receipts				
Taxes	\$ 247,004	\$ -	\$ 19,335	\$ 266,339
Interest	1,630	615	1,007	3,252
Intergovernmental	40,877	104,610	-	145,487
Grants	-	-	220,243	220,243
Fees, Permits, and Rents	144,651	-	-	144,651
Fines	15,274	-	-	15,274
Miscellaneous	1,284	1,915	1,000	4,199
Total Receipts	<u>450,720</u>	<u>107,140</u>	<u>241,585</u>	<u>799,445</u>
Disbursements				
Current				
General Governmental	365,812	-	-	365,812
Public Safety/Municipal Court	14,422	-	-	14,422
Highways and Streets	-	62,863	-	62,863
Culture and Recreation	11,771	-	1,036	12,807
Community Development	16	-	260,425	260,441
Capital Outlay	-	2,285	31,875	34,160
Debt Services	-	-	18,845	18,845
Total Disbursements	<u>392,021</u>	<u>65,148</u>	<u>312,181</u>	<u>769,350</u>
Excess of Receipts Over, -Under Disbursements	58,699	41,992	(70,596)	30,095
Other Financing Sources, -Uses				
Transfers In	-	-	101,231	101,231
Transfers Out	(40,371)	(10,860)	-	(51,231)
Total Other Financing Sources, -Uses	<u>(40,371)</u>	<u>(10,860)</u>	<u>101,231</u>	<u>50,000</u>
Net Change in Cash Basis Fund Balance	18,328	31,132	30,635	80,095
Beginning Cash Basis Fund Balance	<u>245,061</u>	<u>137,819</u>	<u>195,036</u>	<u>577,916</u>
Ending Cash Basis Fund Balance	<u>\$ 263,389</u>	<u>\$ 168,951</u>	<u>\$ 225,671</u>	<u>\$ 658,011</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, 2013

	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTAL</u>
ASSETS			
Cash and Investments	\$ 561,053	\$ 1,452,327	\$ 2,013,380
Total Assets	<u>561,053</u>	<u>1,452,327</u>	<u>2,013,380</u>
Net Assets			
Restricted	-	67,348	67,348
Unrestricted	<u>561,053</u>	<u>1,384,979</u>	<u>1,946,032</u>
Total Net Assets	<u>\$ 561,053</u>	<u>\$ 1,452,327</u>	<u>\$ 2,013,380</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, 2013**

	WATER FUND	SEWER FUND	TOTAL
Operating Receipts			
Charges for Services	\$ 401,168	\$ 492,782	\$ 893,950
Miscellaneous	4,784	10,828	15,612
Total Operating Receipts	<u>405,952</u>	<u>503,610</u>	<u>909,562</u>
Operating Disbursements			
Personal Services	208,250	151,521	359,771
Other Operating Disbursements	127,146	137,874	265,020
Capital Outlay	1,885	-	1,885
Debt Service	20,672	89,326	109,998
Total Operating Disbursements	<u>357,953</u>	<u>378,721</u>	<u>736,674</u>
Operating Income (Loss)	<u>47,999</u>	<u>124,889</u>	<u>172,888</u>
Non-Operating Receipts (Disbursements)			
Interest Income	3,004	3,529	6,533
Transfers In	-	130,000	130,000
Transfers Out	<u>(30,000)</u>	<u>(150,000)</u>	<u>(180,000)</u>
Total Non-Operating Receipts (Disbursements)	<u>(26,996)</u>	<u>(16,471)</u>	<u>(43,467)</u>
Net Change in Cash Basis Fund Balance	21,003	108,418	129,421
Beginning Cash Basis Fund Balance	<u>540,050</u>	<u>1,343,909</u>	<u>1,883,959</u>
Ending Cash Basis Fund Balance	<u>\$ 561,053</u>	<u>\$ 1,452,327</u>	<u>\$ 2,013,380</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, 2013

	<u>Balance at June 30, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at June 30, 2013</u>
<u>WATER AND SEWER DEPOSITS</u>				
Assets				
Cash	\$ 24,784	\$ 965	\$ 72	\$ 25,677
Total Assets	<u>\$ 24,784</u>	<u>\$ 965</u>	<u>\$ 72</u>	<u>\$ 25,677</u>
Liabilities				
Due to Customers	<u>\$ 24,784</u>	<u>\$ 965</u>	<u>\$ 72</u>	<u>\$ 25,677</u>

See accompanying notes to the basic financial statements

**CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

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

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

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 recorded in the General Fund to indicate the amount of uncollected taxes that the City can expect to receive in the future. Such taxes are offset by a liability to indicate that these amounts have not been recorded as receipts. 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 15th 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, 2013.

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 100.65% of the value of the pool shares at June 30, 2013. 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		136,778
Investments		<u>2,559,890</u>
	<u>\$</u>	<u>2,697,068</u>

The City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (months)	
		<u>Less Than 3</u>	<u>More than 3</u>
State Treasurers Investment Pool	<u>\$ 2,559,890</u>	<u>\$ 2,559,890</u>	<u>\$ -</u>
Total	<u>\$ 2,559,890</u>	<u>\$ 2,559,890</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, 2013, the City's bank balance of \$171,768 was 100% covered by FDIC insurance and therefore was not exposed to custodial credit risk.

3. CAPITAL ASSETS

The changes in the governmental funds capital assets for the fiscal year ended June 30, 2013 are as follows:

GOVERNMENTAL FUNDS

	Balances at July 1, 2012	Additions	Deletions	Balances at June 30, 2013
Land	\$ 143,400	\$ -	\$ -	\$ 143,400
Buildings	475,601	-	2,460	473,141
Equipment	215,226	-	-	215,226
Infrastructure	657,980	-	-	657,980
Total	<u>1,492,207</u>	<u>-</u>	<u>2,460</u>	<u>1,489,747</u>

The changes in capital assets in the enterprise funds for the fiscal year ended June 30, 2013 are as follows:

WATER FUND

	Balance Beginning of Year	Additions	(Deletions)	Balance End Of Year
Land	21,874	-	-	21,874
Dam and Water Impound Fac.	1,984,789	-	-	1,984,789
Utility Plant and Distribution Sys.	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

3. CAPITAL ASSETS (CONTINUED)

SEWER FUND

	Balance Beginning of Year	Additions	(Deletions)	Balance End Of Year
Fixed Assets				
Land	60,847	-	-	60,847
Utility Plant and Distribution System	2,454,772	-	83,067	2,371,705
Equipment	302,422	-	-	302,422
CIP	-	240,420	-	240,420
Total	<u>2,818,041</u>	<u>240,420</u>	<u>83,067</u>	<u>2,975,394</u>

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.

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 10.11% of covered payroll for Tier1/2, and 4.77% for OPSRP employees. The City's contribution to the plan for the years ending June 30, 2013, 2012 and 2011 were \$42,450, \$40,553, and \$33,429, respectively, and were equal to the required contributions for each year.

**CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

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.

6. LONG-TERM DEBT

The following changes occurred in the general long-term debt during the year ended June 30, 2013:

				June 30, 2013	
	July 1, 2012	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.	\$ 75,652	\$ 15,847	\$ -	\$ 59,805	\$ 16,658
\$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.	269,321	37,384	-	231,937	38,777
\$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.	93,513	37,055	-	56,458	37,519
Total Long Term Debt	\$ 438,486	\$ 90,286	\$ -	\$ 348,200	\$ 92,954

**CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG-TERM DEBT (CONTINUED)

	<u>1981 Water Bonds</u>		<u>1997 Loan</u>		<u>2009 Loan</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013-2014	16,658	2,612	38,777	9,364	37,519	1,053	92,954	13,029
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
	<u>\$ 59,805</u>	<u>\$ 5,317</u>	<u>\$ 231,937</u>	<u>\$ 30,359</u>	<u>\$ 56,458</u>	<u>\$ 1,642</u>	<u>\$ 348,200</u>	<u>\$ 37,318</u>

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 2012-2013 (all transfers are normal operating transfers):

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds		
General Fund	\$ -	\$ 40,371
State Street Fund	-	10,860
Non Major	101,231	-
Business Type Funds		
Water Fund	130,000	30,000
Sewer Fun	-	150,000
Total	<u>\$ 231,231</u>	<u>\$ 231,231</u>

CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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. DEFICIT FUND BALANCE

As of June 30, 2013, the CDBG Grant Fund had a deficit fund balance of \$2,681. The City plans to increase revenues to eliminate the deficit balance.

**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, 2013

	<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	\$ 233,000	\$ 233,000	\$ 237,576	\$ 4,576
Taxes, Prior	6,000	6,000	9,428	3,428
Interest	900	900	1,630	730
Intergovernmental	33,400	33,400	40,877	7,477
Planning, Engineering, and Review Fees	8,000	8,000	4,200	(3,800)
Fees, Licenses, and Permits	137,000	137,000	140,451	3,451
Fines	16,000	16,000	15,274	(726)
Miscellaneous	2,350	2,350	1,284	(1,066)
Total Receipts	<u>436,650</u>	<u>436,650</u>	<u>450,720</u>	<u>14,070</u>
Disbursements				
Administration	433,284	433,284 (1)	297,726	135,558
City/County Library	3,935	3,935 (1)	3,499	436
Pioneer Park	10,540	10,540 (1)	7,707	2,833
Community Projects	1,200	1,200 (1)	565	635
Public Officials	2,110	2,110 (1)	1,552	558
Municipal Court	16,450	16,450 (1)	14,422	2,028
Planning and Community Development	10,300	10,300 (1)	16	10,284
Auxiliary/ Support Services	98,460	98,460 (1)	66,534	31,926
Total Disbursements	<u>576,279</u>	<u>576,279</u>	<u>392,021</u>	<u>184,258</u>
Excess of Receipts Over, -Under Disbursements	(139,629)	(139,629)	58,699	198,328
Other Financing Sources, -Uses				
Transfers Out	(40,371)	(40,371) (1)	(40,371)	-
Total Other Financing Sources, -Uses	<u>(40,371)</u>	<u>(40,371)</u>	<u>(40,371)</u>	<u>-</u>
Net Change in Cash Basis Fund Balance	(180,000)	(180,000)	18,328	198,328
Beginning Cash Basis Fund Balance	180,000	180,000	245,061	65,061
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 263,389</u>	<u>\$ 263,389</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, 2013**

<u>STATE STREET FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
Receipts				
Interest	\$ 350	\$ 350	\$ 615	\$ 265
Intergovernmental	88,000	88,000	104,610	16,610
Miscellaneous	100	100	1,915	1,815
Total Receipts	<u>88,450</u>	<u>88,450</u>	<u>107,140</u>	<u>18,690</u>
Disbursements				
Personal Services	40,750	40,750 (1)	38,038	2,712
Materials and Services	28,715	28,715 (1)	24,825	3,890
Capital Outlay	60,000	60,000 (1)	2,285	57,715
Contingency	30,125	30,125 (1)	-	30,125
Total Disbursements	<u>159,590</u>	<u>159,590</u>	<u>65,148</u>	<u>94,442</u>
Excess of Receipts Over -Under Disbursements	(71,140)	(71,140)	41,992	113,132
OTHER FINANCING SOURCES				
Transfers Out	(10,860)	(10,860) (1)	(10,860)	-
Net Change in Cash Basis Fund Balance	(82,000)	(82,000)	31,132	113,132
Beginning Cash Basis Fund Balance	82,000	82,000	137,819	55,819
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 168,951</u>	<u>\$ 168,951</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, 2013**

	SPECIAL REVENUE FUNDS		
	BIKEWAY & FOOTPATH RESERVE FUND	HOUSING REHABILITATION FUND	CDBG GRANT FUND
ASSETS			
Cash and Investments	\$ 11,020	\$ 1	\$ (2,681)
Total Assets	\$ 11,020	\$ 1	\$ (2,681)
FUND BALANCE			
Restricted	11,020	1	(2,681)
Committed	-	-	-
Total Cash Basis Fund Balances	\$ 11,020	\$ 1	\$ (2,681)

CAPITAL PROJECTS FUNDS

<u>EQUIPMENT REPLACEMENT FUND</u>	<u>SOUTH COUNTY COMMUNITY CENTER FUND</u>	<u>FACILITY RESERVE FUND</u>	<u>CANYONVILLE DAM BOND & INTEREST FUND</u>	<u>TOTAL</u>
\$ 135,387	\$ 1,662	\$ 44,239	\$ 36,043	\$ 225,671
<u>\$ 135,387</u>	<u>\$ 1,662</u>	<u>\$ 44,239</u>	<u>\$ 36,043</u>	<u>\$ 225,671</u>
-	-	-	36,043	44,383
<u>135,387</u>	<u>1,662</u>	<u>44,239</u>	<u>-</u>	<u>181,288</u>
<u>\$ 135,387</u>	<u>\$ 1,662</u>	<u>\$ 44,239</u>	<u>\$ 36,043</u>	<u>\$ 225,671</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, 2013**

	<u>SPECIAL REVENUE FUNDS</u>		
	<u>BIKEWAY & FOOTPATH RESERVE FUND</u>	<u>HOUSING REHABILITATION FUND</u>	<u>CDBG GRANT FUND</u>
Receipts			
Property Taxes	\$ -	\$ -	\$ -
Interest	47	59	-
Miscellaneous	-	-	220,243
Total Receipts	<u>47</u>	<u>59</u>	<u>220,243</u>
Disbursements			
Materials and Services	-	20,005	240,420
Capital Outlay	-	-	-
Debt Services	-	-	-
Total Disbursements	<u>-</u>	<u>20,005</u>	<u>240,420</u>
Excess of Receipts Over, -Under Disbursements	47	(19,946)	(20,177)
Other Financing Sources, -Uses			
Transfers In	860	-	-
Total Other Financing Sources, -Uses	<u>860</u>	<u>-</u>	<u>-</u>
Net Change in Cash Basis Fund Balance	907	(19,946)	(20,177)
Beginning Cash Basis Fund Balance	<u>10,113</u>	<u>19,947</u>	<u>17,496</u>
Ending Cash Basis Fund Balance	<u>\$ 11,020</u>	<u>\$ 1</u>	<u>\$ (2,681)</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 & INTEREST FUND</u>	<u>TOTAL</u>
\$ -	\$ -	\$ -	\$ 19,335	\$ 19,335
596	5	150	150	1,007
-	1,000	-	-	221,243
<u>596</u>	<u>1,005</u>	<u>150</u>	<u>19,485</u>	<u>241,585</u>
-	1,036	-	-	261,461
24,342	-	7,533	-	31,875
-	-	-	18,845	18,845
<u>24,342</u>	<u>1,036</u>	<u>7,533</u>	<u>18,845</u>	<u>312,181</u>
(23,746)	(31)	(7,383)	640	(70,596)
<u>80,371</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>101,231</u>
<u>80,371</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>101,231</u>
56,625	(31)	12,617	640	30,635
<u>78,762</u>	<u>1,693</u>	<u>31,622</u>	<u>35,403</u>	<u>195,036</u>
<u>\$ 135,387</u>	<u>\$ 1,662</u>	<u>\$ 44,239</u>	<u>\$ 36,043</u>	<u>\$ 225,671</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, 2013

BIKEWAY & FOOTPATH RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
Receipts				
Interest	\$ 25	\$ 25	\$ 47	\$ 22
Total Receipts	25	25	47	22
Disbursements				
Capital Outlay	10,998	10,998 (1)	-	10,998
Total Disbursements	10,998	10,998	-	10,998
Excess of Receipts Over -Under Disbursements	(10,973)	(10,973)	47	11,020
OTHER FINANCING SOURCES				
Transfers In	860	860 (1)	860	-
Net Change in Cash Basis Fund Balance	(10,113)	(10,113)	907	11,020
Beginning Cash Basis Fund Balance	10,113	10,113	10,113	-
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,020</u>	<u>\$ 11,020</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, 2013**

HOUSING REHABILITATION GRANT FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE</u>
Receipts				
Interest	<u>79</u>	<u>79</u>	<u>59</u>	<u>(20)</u>
Total Receipts	<u>79</u>	<u>79</u>	<u>59</u>	<u>(20)</u>
Disbursements				
Materials and Services	<u>20,014</u>	<u>20,014 (1)</u>	<u>20,005</u>	<u>9</u>
Total Disbursements	<u>20,014</u>	<u>20,014</u>	<u>20,005</u>	<u>9</u>
Net Change in Cash Basis Fund Balance	<u>(19,935)</u>	<u>(19,935)</u>	<u>(19,946)</u>	<u>(11)</u>
Beginning Cash Basis Fund Balance	<u>19,935</u>	<u>19,935</u>	<u>19,947</u>	<u>12</u>
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</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, 2013**

<u>CDBG GRANT FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
Receipts				
CDBG Grant	480,183	480,183	220,243	(259,940)
Interest	12	12	-	(12)
Total Receipts	<u>480,195</u>	<u>480,195</u>	<u>220,243</u>	<u>(259,952)</u>
Disbursements				
Materials and Services	480,195	480,195 (1)	240,420	239,775
Total Disbursements	<u>480,195</u>	<u>480,195</u>	<u>240,420</u>	<u>239,775</u>
Net Change in Cash Basis Fund Balance	-	-	(20,177)	(20,177)
Beginning Cash Basis Fund Balance	-	-	17,496	17,496
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,681)</u>	<u>\$ (2,681)</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, 2013**

EQUIPMENT REPLACEMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
Receipts				
Interest	\$ 200	\$ 200	\$ 596	\$ 396
Total Receipts	<u>200</u>	<u>200</u>	<u>596</u>	<u>396</u>
Disbursements				
Materials and Services	194	194 (1)	-	194
Capital Outlay	<u>125,606</u>	<u>125,606 (1)</u>	<u>24,342</u>	<u>101,264</u>
Total Disbursements	<u>125,800</u>	<u>125,800</u>	<u>24,342</u>	<u>101,458</u>
Excess of Receipts Over -Under Disbursements	(125,600)	(125,600)	(23,746)	101,854
OTHER FINANCING SOURCES				
Proceeds from Sale of Assets	100	100	-	(100)
Transfers In	<u>80,371</u>	<u>80,371</u>	<u>80,371</u>	<u>-</u>
Net Change in Cash Basis Fund Balance	(45,129)	(45,129)	56,625	101,754
Beginning Cash Basis Fund Balance	<u>65,807</u>	<u>65,807</u>	<u>78,762</u>	<u>12,955</u>
Ending Cash Basis Fund Balance	<u>\$ 20,678</u>	<u>\$ 20,678</u>	<u>\$ 135,387</u>	<u>\$ 114,709</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, 2013**

SOUTH COUNTY COMMUNITY CENTER FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
Receipts				
Interest	\$ 2	\$ 2	\$ 5	\$ 3
Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>-</u>
Total Receipts	<u>1,002</u>	<u>1,002</u>	<u>1,005</u>	<u>3</u>
Disbursements				
Materials and Services	<u>3,324</u>	<u>3,324 (1)</u>	<u>1,036</u>	<u>2,288</u>
Total Disbursements	<u>3,324</u>	<u>3,324</u>	<u>1,036</u>	<u>2,288</u>
Net Change in Cash Basis Fund Balance	(2,322)	(2,322)	(31)	2,291
Beginning Cash Basis Fund Balance	<u>2,322</u>	<u>2,322</u>	<u>1,693</u>	<u>(629)</u>
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,662</u>	<u>\$ 1,662</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, 2013**

FACILITY RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
Receipts				
Interest	\$ 90	\$ 90	\$ 150	\$ 60
Total Receipts	<u>90</u>	<u>90</u>	<u>150</u>	<u>60</u>
Disbursements				
Materials and Services	3,000	3,000 (1)	-	3,000
Capital Outlay	47,451	47,451 (1)	7,533	39,918
Total Disbursements	<u>50,451</u>	<u>50,451</u>	<u>7,533</u>	<u>42,918</u>
Excess of Receipts Over -Under Disbursements	(50,361)	(50,361)	(7,383)	42,978
OTHER FINANCING SOURCES				
Transfers In	<u>20,000</u>	<u>20,000</u> (1)	<u>20,000</u>	<u>-</u>
Net Change in Cash Basis Fund Balance	(30,361)	(30,361)	12,617	42,978
Beginning Cash Basis Fund Balance	<u>46,961</u>	<u>46,961</u>	<u>31,622</u>	<u>(15,339)</u>
Ending Cash Basis Fund Balance	<u>\$ 16,600</u>	<u>\$ 16,600</u>	<u>\$ 44,239</u>	<u>\$ 27,639</u>

(1) Appropriation Level

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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, 2013

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	\$ 16,000	\$ 16,000	\$ 17,324	\$ 1,324
Prior	1,000	1,000	2,011	1,011
Interest	<u>60</u>	<u>60</u>	<u>150</u>	<u>90</u>
Total Receipts	<u>17,060</u>	<u>17,060</u>	<u>19,485</u>	<u>2,425</u>
Disbursements				
Debt Service				
Principal	14,600	14,600	14,600	-
Interest	<u>4,400</u>	<u>4,400</u>	<u>4,245</u>	<u>155</u>
Total Disbursements	<u>19,000</u>	<u>19,000</u> (1)	<u>18,845</u>	<u>155</u>
Net Change in Cash Basis Fund Balance	(1,940)	(1,940)	640	2,580
Beginning Cash Basis Fund Balance	<u>30,000</u>	<u>30,000</u>	<u>35,403</u>	<u>5,403</u>
Ending Cash Basis Fund Balance	<u>\$ 28,060</u>	<u>\$ 28,060</u>	<u>\$ 36,043</u>	<u>\$ 7,983</u>

(1) Appropriation Level

**CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON**

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

June 30, 2013

	WATER			
	WATER FUND	WATER SYSTEM DEVELOPMENT FUND	CAPITAL RESERVE WATER FUND	O'SHEA CREEK TIMBER FUND
ASSETS				
Cash and Investments	\$ 143,519	\$ 133,043	\$ 181,107	\$ 103,384
Total Assets	\$ 143,519	\$ 133,043	\$ 181,107	\$ 103,384
FUND BALANCE				
Restricted for Debt Covenants	-	-	-	-
Unreserved	143,519	133,043	181,107	103,384
Total Cash Basis Fund Balances	\$ 143,519	\$ 133,043	\$ 181,107	\$ 103,384

SEWER

SEWER FUND	WASTEWATER SYSTEM DEVELOPMENT FUND	CAPITAL RESERVE SEWER FUND	NONMAJOR TOTAL
\$ 276,375	\$ 773,018	\$ 402,934	\$ 2,013,380
<u>\$ 276,375</u>	<u>\$ 773,018</u>	<u>\$ 402,934</u>	<u>\$ 2,013,380</u>
67,348	-	-	67,348
209,028	773,017	402,934	1,946,032
<u>\$ 276,376</u>	<u>\$ 773,017</u>	<u>\$ 402,934</u>	<u>\$ 2,013,380</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, 2013

	WATER			
	WATER FUND	WATER SYSTEM DEVELOPMENT FUND	CAPITAL RESERVE WATER FUND	O'SHEA CREEK TIMBER FUND
Receipts				
Charges for Services	\$ 399,237	\$ -	\$ 1,931	\$ -
Interest	574	771	1,065	594
Other Receipts	4,784	-	-	-
Total Receipts	<u>404,595</u>	<u>771</u>	<u>2,996</u>	<u>594</u>
Disbursements				
Personal Services	208,250	-	-	-
Materials and Services	127,146	-	-	-
Capital Outlay	1,885	-	-	-
Debt Service	20,672	-	-	-
Total Disbursements	<u>357,953</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Receipts Over, -Under Disbursements	46,642	771	2,996	594
Other Financing Sources, -Uses				
Transfers In	-	-	-	-
Transfers Out	<u>(30,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources, -Uses	<u>(30,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Cash Basis Fund Balance	16,642	771	2,996	594
Beginning Cash Basis Fund Balance	<u>126,877</u>	<u>132,272</u>	<u>178,111</u>	<u>102,790</u>
Ending Cash Basis Fund Balance	<u>\$ 143,519</u>	<u>\$ 133,043</u>	<u>\$ 181,107</u>	<u>\$ 103,384</u>

SEWER

SEWER FUND	WASTEWATER SYSTEM DEVELOPMENT FUND	CAPITAL RESERVE SEWER FUND	NONMAJOR TOTAL
\$ 486,368	\$ 4,483	\$ 1,931	\$ 893,950
1,621	-	1,908	6,533
10,828	-	-	15,612
<u>498,817</u>	<u>4,483</u>	<u>3,839</u>	<u>916,095</u>
151,521	-	-	359,771
137,874	-	-	265,020
-	-	-	1,885
89,326	-	-	109,998
<u>378,721</u>	<u>-</u>	<u>-</u>	<u>736,674</u>
120,096	4,483	3,839	179,421
-	-	130,000	130,000
(150,000)	-	-	(180,000)
<u>(150,000)</u>	<u>-</u>	<u>130,000</u>	<u>(50,000)</u>
(29,904)	4,483	133,839	129,421
306,280	768,534	269,095	1,883,959
<u>\$ 276,376</u>	<u>\$ 773,017</u>	<u>\$ 402,934</u>	<u>\$ 2,013,380</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, 2013

<u>WATER FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
Receipts				
Interest	\$ 600	\$ 600	\$ 574	\$ (26)
Charges for Services				
New Service Connections	1,000	1,000	-	(1,000)
Utility Services	366,000	366,000	396,859	30,859
Miscellaneous Water Fees	2,600	2,600	2,378	(222)
Miscellaneous	500	500	4,784	4,284
Total Receipts	<u>370,700</u>	<u>370,700</u>	<u>404,595</u>	<u>33,895</u>
Disbursements				
Personal Services	227,050	227,050 (1)	208,250	18,800
Materials and Services	150,270	150,270 (1)	127,146	23,124
Capital Outlay	11,885	11,885 (1)	1,885	10,000
Debt Service	21,000	21,000 (1)	20,672	328
Contingency	20,495	20,495 (1)	-	20,495
Total Disbursements	<u>430,700</u>	<u>430,700</u>	<u>357,953</u>	<u>72,747</u>
Excess of Receipts Over -Under Disbursements	(60,000)	(60,000)	46,642	106,642
OTHER FINANCING SOURCES				
Transfers Out	<u>(30,000)</u>	<u>(30,000) (1)</u>	<u>(30,000)</u>	<u>-</u>
Net Change in Cash Basis Fund Balance	(90,000)	(90,000)	16,642	106,642
Beginning Cash Basis Fund Balance	<u>90,000</u>	<u>90,000</u>	<u>126,877</u>	<u>36,877</u>
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,519</u>	<u>\$ 143,519</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, 2013

<u>WATER SYSTEM DEVELOPMENT FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>POSITIVE -NEGATIVE</u>
Receipts				
Interest	\$ 647	\$ 647	\$ 771	\$ 124
System Development Fees	14,800	14,800	-	(14,800)
Total Receipts	<u>15,447</u>	<u>15,447</u>	<u>771</u>	<u>(14,676)</u>
Disbursements				
Materials and Services	147,657	147,657 (1)	-	147,657
Total Disbursements	<u>147,657</u>	<u>147,657</u>	<u>-</u>	<u>147,657</u>
Net Change in Cash Basis Fund Balance	(132,210)	(132,210)	771	132,981
Beginning Cash Basis Fund Balance	<u>132,210</u>	<u>132,210</u>	<u>132,272</u>	<u>62</u>
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 133,043</u>	<u>\$ 133,043</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, 2013**

CAPITAL RESERVE WATER FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
Receipts				
Interest	\$ 900	\$ 900	\$ 1,065	\$ 165
Late Fees	1,800	1,800	1,931	131
Total Receipts	<u>2,700</u>	<u>2,700</u>	<u>2,996</u>	<u>296</u>
Disbursements				
Materials and Services	20,000	20,000 (1)	-	20,000
Capital Outlay	169,373	169,373 (1)	-	169,373
Total Disbursements	<u>189,373</u>	<u>189,373</u>	<u>-</u>	<u>189,373</u>
Net Change in Cash Basis Fund Balance	(186,673)	(186,673)	2,996	189,669
Beginning Cash Basis Fund Balance	<u>186,673</u>	<u>186,673</u>	<u>178,111</u>	<u>(8,562)</u>
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 181,107</u>	<u>\$ 181,107</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, 2013**

O'SHEA CREEK TIMBER FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
Receipts				
Interest	\$ 480	\$ 480	\$ 594	\$ 114
Total Receipts	<u>480</u>	<u>480</u>	<u>594</u>	<u>114</u>
Disbursements				
Materials and Services	104,230	104,230 (1)	-	104,230
Total Disbursements	<u>104,230</u>	<u>104,230</u>	<u>-</u>	<u>104,230</u>
Net Change in Cash Basis Fund Balance	(103,750)	(103,750)	594	(104,116)
Beginning Cash Basis Fund Balance	<u>103,750</u>	<u>103,750</u>	<u>102,790</u>	<u>(960)</u>
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,384</u>	<u>\$ (105,076)</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, 2013**

	<u>SEWER FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
Receipts				
Interest	\$ 1,500	\$ 1,500	\$ 1,621	\$ 121
Charges for Services				
Utility Services	445,000	445,000	484,295	39,295
Miscellaneous Sewer Fees	1,000	1,000	2,073	1,073
Miscellaneous	900	900	10,828	9,928
Total Receipts	<u>448,400</u>	<u>448,400</u>	<u>498,817</u>	<u>50,417</u>
Disbursements				
Personal Services	165,965	165,965 (1)	151,521	14,444
Materials and Services	200,250	200,250 (1)	137,874	62,376
Contingency	52,585	52,585 (1)	-	52,585
Debt Service	89,600	89,600 (1)	89,326	274
Total Disbursements	<u>508,400</u>	<u>508,400</u>	<u>378,721</u>	<u>129,679</u>
Excess of Receipts Over -Under Disbursements	(60,000)	(60,000)	120,096	180,096
OTHER FINANCING SOURCES, -USES				
Transfers Out	(150,000)	(150,000) (1)	(150,000)	-
Total Other Financing Sources, -Uses	(150,000)	(150,000)	(150,000)	-
Net Change in Cash Basis Fund Balance	(210,000)	(210,000)	(29,904)	180,096
Beginning Cash Basis Fund Balance	<u>210,000</u>	<u>210,000</u>	<u>306,280</u>	<u>96,280</u>
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 276,376</u>	<u>\$ 276,376</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, 2013

WASTEWATER SYSTEM DEVELOPMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
Receipts				
Interest	\$ 4,000	\$ 4,000	\$ 4,483	\$ 483
System Development Fees	10,200	10,200	-	(10,200)
Total Receipts	<u>14,200</u>	<u>14,200</u>	<u>4,483</u>	<u>(9,717)</u>
Disbursements				
Materials and Services	115,478	115,478 (1)	-	115,478
Capital Outlay	666,983	666,983 (1)	-	666,983
Total Disbursements	<u>782,461</u>	<u>782,461</u>	<u>-</u>	<u>782,461</u>
Net Change in Cash Basis Fund Balance	(768,261)	(768,261)	4,483	772,744
Beginning Cash Basis Fund Balance	<u>768,261</u>	<u>768,261</u>	<u>768,534</u>	<u>273</u>
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 773,017</u>	<u>\$ 773,017</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, 2013**

CAPITAL RESERVE SEWER FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE -NEGATIVE
Receipts				
Interest	\$ 960	\$ 960	\$ 1,908	\$ 948
Late Fees	1,800	1,800	1,931	131
Total Receipts	<u>2,760</u>	<u>2,760</u>	<u>3,839</u>	<u>1,079</u>
Disbursements				
Materials and Services	64,000	64,000 (1)	-	64,000
Capital Outlay	307,473	307,473 (1)	-	307,473
Total Disbursements	<u>371,473</u>	<u>371,473</u>	<u>-</u>	<u>371,473</u>
Excess of Receipts Over, -Under Disbursements	(368,713)	(368,713)	3,839	372,552
OTHER FINANCING SOURCES, -USES				
Transfers In	100,000	100,000	130,000	30,000
Total Other Financing Sources, -Uses	100,000	100,000	130,000	-
Net Change in Cash Basis Fund Balance	(268,713)	(268,713)	133,839	402,552
Beginning Cash Basis Fund Balance	<u>268,713</u>	<u>268,713</u>	<u>269,095</u>	<u>382</u>
Ending Cash Basis Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 402,934</u>	<u>\$ 402,934</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, 2013**

TAX YEAR	IMPOSED LEVY OR UNCOLLECTED AT 7-1-12	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6-30-13
CURRENT:						
2012-13	\$ 282,700	\$ 6,823	\$ (1,493)	\$ 159	\$ 259,977	\$ 14,566
PRIOR YEARS:						
2011-12	\$ 16,150	\$ -	\$ (916)	\$ 557	\$ 7,278	\$ 8,513
2010-11	9,617	-	(756)	662	3,448	6,075
2009-10	6,087	-	(1,016)	939	3,009	3,001
2008-09	2,417	-	(692)	655	1,773	607
Prior	709	-	(156)	113	160	506
Total	\$ 317,680	\$ 6,823	\$ (5,029)	\$ 3,085	\$ 275,645	\$ 33,268

Revenue Allocation to Funds:

General Fund	\$ 247,004
Debt Services Fund	19,335
Sewer Fund	-
Other	7,233
	<u>273,572</u>
	<u>\$ 273,572</u>

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CITY OF CANYONVILLE
DOUGLAS COUNTY, OREGON

2012-2013 INDEPENDENT AUDITORS'
COMMENTS AND DISCLOSURES

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January 27, 2014

2012-2013 INDEPENDENT AUDITORS' COMMENTS AND DISCLOSURES

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, 2013, and have issued our report thereon dated January 27, 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.

2012-2013 INDEPENDENT AUDITORS' COMMENTS AND DISCLOSURES

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.



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