MERINA
& COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

CITY OF GLADSTONE, OREGON

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
For the Fiscal Year Ended
June 30, 2013
with
Independent Auditor's Report

MERINA
& COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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CITY OF GLADSTONE, OREGON
TABLE OF CONTENTS

Page

INTRODUCTORY SECTION
City Officials i

FINANCIAL SECTION
Independent Auditor's Report 1
Management's Discussion and Analysis 5

Basic Financial Statements 11
Government-Wide Financial Statements:
Statement of Net Position 12
Statement of Activities 13
Fund Financial Statements: 15
Major Governmental Funds:
Balance Sheet 16
Statement of Revenues, Expenditures, and Changes in Fund Balances 18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities 20
Proprietary Funds: 21
Statement of Net Position 22
Statement of Revenues, Expenses, and Changes in Net Position 23
Statement of Cash Flows 24
Fiduciary Funds: 25
Statement of Fiduciary Net Position 26

Notes to the Basic Financial Statements 27

Required Supplementary Information 46
Budgetary Comparison Schedules:
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:
General Fund 47
State Revenue Sharing Fund 48
Road and Street Fund 49
Urban Renewal Agency Fund 50

Schedule of Funding Progress 51

Notes to the Required Supplementary Information 52

Other Supplementary Information 53
Combining Statements:
Non-major Special Revenue Funds Combining Balance Sheet 54
Non-major Special Revenue Funds Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances 55
Agency Funds Combining Schedule of Changes in Assets and Liabilities 56

Budgetary Comparison Schedules: 57
Schedule of Expenditures – Budget and Actual - General Fund 58

Page

Library Capital Fund 60

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:
Special Revenue Funds – Non-major Governmental Funds:
911 Excise Tax Resources Fund 61
Police and Communications Special Levy Fund 62
Fire and Emergency Services Special Levy Fund 63
Enterprise Funds: 64
Water Fund 65
Sewer Fund 66
Other Financial Schedules: 67
Schedule of Property Tax Transactions and Outstanding Balances 68

Independent Auditor's Report Required
By Oregon State Regulations 69

INTRODUCTORY SECTION

CITY OF GLADSTONE, OREGON
CITY OFFICIALS
June 30, 2013

City Officials	Term Expires
Wade Byers, Mayor Gladstone, Oregon 97027	December 31, 2014
Council Members	
Ray Jaren, President Gladstone, Oregon 97027	December 31, 2014
Kari Martinez Gladstone, Oregon 97027	December 31, 2014
Neal Reisner Gladstone, Oregon 97027	December 31, 2016
Len Nelson Gladstone, Oregon 97027	December 31, 2016
Hal Busch Gladstone, Oregon 97027	December 31, 2014
Thomas Mersereau Gladstone, Oregon 97027	December 31, 2016

City Administrator

Peter Boyce
Gladstone, Oregon 97027

Assistant City Administrator

Jolene Morishita
Gladstone, Oregon 97027

Municipal Judge

Linda Beloof
Gladstone, Oregon 97027

Chief of Police

Jim Pryde
Gladstone, Oregon 97027

Fire Chief

Stan Monte
Gladstone, Oregon 97027

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FINANCIAL SECTION

MERINA
& COMPANY, LLP
Certified Public Accountants and Consultants

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

PARTNERS
KAMALA K. AUSTIN, CPA • TONYA M. MOFFITT, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Gladstone, Oregon
Gladstone, Oregon

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gladstone, Oregon, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City of Gladstone, Oregon's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of North Clackamas County Water Commission, a joint venture of the City of Gladstone, which represents 26 percent and 32 percent, respectively, of the assets and net position of the business-type activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for North Clackamas County Water Commission, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gladstone, Oregon, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof , for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 18 to the financial statements, the City adopted the new accounting guidance, 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*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

We have applied certain limited procedures to the management's discussion and analysis and schedule of funding progress 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, as listed in the table of contents, is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Our audit and the audit of other auditor were conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Gladstone, Oregon's basic financial statements. The introductory section and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Oregon Revised Statutes

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 27, 2013, on our consideration of the City of Gladstone, Oregon's internal control over financial reporting and on tests of its compliance with the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 162-10-320. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

Merina & Company

Merina & Company, LLP
West Linn, Oregon
December 27, 2013

JUNE 30, 2013
City of Gladstone
Management's Discussion and Analysis

Management staff of the City of Gladstone offers this executive summary of financial activities of the City for the fiscal year ended June 30, 2013.

Financial Highlights

The assets of the City of Gladstone exceeded its liabilities at the close of the most recent fiscal year by $30,984,217 (net position). Of this amount, $17,593,426 is investment in capital assets, $4,209,105 is restricted for specific purposes, and $9,181,686 (unrestricted) may be used to meet the government's obligations to creditors and to meet service expectations by its citizens. The City's total net position decreased by $513,892 from prior year.

The City's governmental activities reported total net position of $21,566,860. Of this amount $4,711,388 is unrestricted and thus available for spending at the City's discretion.

The City's business-type activities reported total net position of $9,417,357. Of this amount $4,470,298 is unrestricted and thus available for spending at the City's discretion.

The City's governmental funds reported combined ending fund balances of $8,711,771, a decrease of $298,386 compared to the prior year. The decrease is due to the reimbursement of $1,500,000 contributed by Clackamas County for the City's library project which was rejected in the November 2012 election.

Overview of the Financial Statements

The Management Discussion and Analysis (MD&A) is intended to serve as an introduction to the City of Gladstone basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. The report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

These two statements present an overview of the City's finances, in a manner similar to the private sector. Each statement presents highly condensed, entity-wide information and uses the full accrual basis of accounting.

The Statement of Net Position presents information on the City's total assets and liabilities, with the resulting difference between the two presented as net position. Over time, increases or decreases to net position may serve as a useful indicator of whether the City's financial position is improving or deteriorating. The financial position of the City is best indicated by changes in cash flow and cash reserve as described in the Financial Analysis section of the City's most recent budget.

The Statement of Activities focuses on the change in net position over the last 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 vacation leave). Governmental activities of the City of Gladstone include general government, public safety, highways and streets, culture and recreation and urban renewal. Urban renewal is considered a component of the City of Gladstone even though it has separate financial statements and management discussion and analysis. Business type activities consist of water and sewer.

Fund Financial Statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Gladstone, 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 of Gladstone 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 City's near term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and change in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Gladstone maintains eight individual governmental funds. Information is presented separately in the governmental balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Street Fund, State Revenue Sharing Fund, Urban Renewal Fund and Library Capital Project Fund. All of these funds are considered to be major funds. Data from the other three non-major governmental funds are combined into a single aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining schedules in the other supplementary information described below.

Proprietary Funds. Proprietary funds represent two segments of operations, water and sewer, used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent is that the costs of providing these services to the general public on a continuing basis be financed primarily through user charges.

Fiduciary funds. Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency Funds consisting of a Municipal Court Fund and Library Board Trust Fund are custodial in nature

and do not involve measurement of results of operations.

Notes to the Basic Financial Statements. Notes to the basic financial statements provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

Required Supplementary Information. Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered part of basic financial statements. A budgetary comparison schedule for major governmental funds is presented immediately following the notes to the basic financial statements.

Other Supplementary Information. The schedules for the non-major governmental funds and budgetary comparison schedules for both the non-major governmental funds and the proprietary funds are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indictor of a government's financial position. Assets exceeded liabilities by $30,984,217 at the close of the most recent fiscal year. The following table reflects a Summary of Net Position for these fiscal years.

TABLE 1
Summary of Net Position as of June 30,

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Cash and investments	$ 8,026,439	$ 8,165,139	$ 1,665,602	$ 1,658,170	$ 9,692,041	$ 9,823,309
Restricted cash and investments	264,609	278,606	283,962	272,733	548,571	551,339
Other assets	918,977	962,361	3,113,990	3,188,087	4,032,967	4,150,448
Capital assets	12,930,329	13,078,293	6,598,097	6,670,911	19,528,426	19,749,204
Total assets	$ 22,140,354	$ 22,484,399	$ 11,661,651	$ 11,789,901	$ 33,802,005	$ 34,274,300
Current liabilites	$ 417,061	$ 331,918	$ 410,796	$ 359,901	$ 827,857	$ 691,819
Long-term debt	156,433	133,931	1,833,498	1,950,441	1,989,931	2,084,372
Total liabilites	573,494	465,849	2,244,294	2,310,342	2,817,788	2,776,191
Net position						
Net investment in capital assets	$ 12,930,329	$ 13,078,293	$ 4,663,097	$ 4,620,911	$ 17,593,426	$ 17,699,204
Restricted	3,925,143	4,629,793	283,962	272,733	4,209,105	4,902,526
Unrestricted	4,711,388	4,310,464	4,470,298	4,585,915	9,181,686	8,896,379
Total net position	$ 21,566,860	$ 22,018,550	$ 9,417,357	$ 9,479,559	$ 30,984,217	$ 31,498,109

By far the largest portion of the City of Gladstone's net position reflect its investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets do not have financial liquidity easily available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to pay these liabilities. The remaining balance of $9,181,686 is unrestricted net position and may be used to meet the City's ongoing obligations to citizens and creditors.

The following table summarizes revenues and expenses for fiscal years 2013 and 2012.

TABLE 2
Governmental and Proprietary Activities

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Receipts						
Program receipts						
Charges for services	$ 307,467	$ 409,395	$2,744,532	$2,551,173	$ 3,051,999	$ 2,960,568
Operating grants and contributions	40,437	44,603	-	-	40,437	44,603
Capital grants and contributions	105,990	143,068	-	-	105,990	143,068
General receipts						
Property tax	4,870,744	4,835,387	-	-	4,870,744	4,835,387
Franchise fees and public services tax	2,034,347	1,961,921	-	-	2,034,347	1,961,921
Interest	62,810	51,499	-	-	62,810	51,499
Other	94,940	57,754	5,853	4,917	100,793	62,671
Total receipts	7,516,735	7,503,627	2,750,385	2,556,090	10,267,120	10,059,717
Expenses						
Governmental activites						
General government	941,058	920,437	-	-	941,058	920,437
Public safety	3,682,376	3,592,482	-	-	3,682,376	3,592,482
Highways and streets	539,069	623,193	-	-	539,069	623,193
Culture and recreation	1,296,225	1,404,812	-	-	1,296,225	1,404,812
Urban renewal	46,974	28,361	-	-	46,974	28,361
Business type activities						
Water	-	-	1,060,655	742,615	1,060,655	742,615
Sewer	-	-	1,595,691	1,407,357	1,595,691	1,407,357
Total expenses	6,505,702	6,569,285	2,656,346	2,149,972	9,162,048	8,719,257
Change in net position before transfers	1,011,033	934,342	94,039	406,118	1,105,072	1,340,460
Transfers	37,277	23,270	(37,277)	(23,270)	-	-
Reimbursement to Clackamas County	(1,500,000)	-	-	-	(1,500,000)	-
Equity income (loss) in joint venture	-	-	(75,418)	(155,190)	(75,418)	(155,190)
Changes in net position	(451,690)	957,612	(18,656)	227,658	(470,346)	1,185,270
Beginning net position	22,018,550	21,039,395	9,479,559	9,251,901	31,498,109	30,291,296
Prior period adjustments	-	21,543	(43,546)	-	(43,546)	21,543
Ending net position	$21,566,860	$22,018,550	$9,417,357	$9,479,559	$30,984,217	$31,498,109

Governmental activities. Governmental activities decreased the City of Gladstone's net position by $451,690.

Business-type activities. Business-type activities decreased the City of Gladstone's net position by $18,656.

Financial Analysis of the City's funds

Governmental funds. The focus of the City of Gladstone'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 of Gladstone's financial requirements. In particular, unassigned fund balance may serve as useful measure of a government's net resources available for spending at the end of the fiscal year as they have not been limited to use for a particular purpose.

At the end of the fiscal year, the City of Gladstone's governmental funds reported combined ending fund balances of $8,711,771.

Proprietary funds. The City's proprietary funds are enterprise funds and fiduciary funds. An enterprise fund is used to account for activities for which a fee is charged to external users for services. These funds provide the same type of information found in the government-wide financial statements, but in more detail. Fiduciary funds do not involve results of operations and are custodial in nature.

Budgetary Highlights

Changes to the General Fund budget included an appropriation transfer from Contingency of $170,000 to cover operations in the Parks Department, Recreation Department, and Police Department.

Capital Assets and Debt Administration

The following tables compare capital assets and changes in capital assets as of June 30, 2013 and June 30, 2012.

Table 3
Capital Assets at Year-end
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total Government	
	2013	2012	2013	2012	2013	2012
Land	$ 5,519,830	$ 5,519,830	$ 640,964	$ 640,964	$ 6,160,794	$ 6,160,794
Construction in Progress	1,223,341	1,223,341	-	-	1,223,341	1,223,341
Buildings	3,589,007	3,577,792	299,113	299,113	3,888,120	3,876,905
Motor vehicles and equipment	3,854,530	3,751,860	281,641	281,641	4,136,171	4,033,501
Intangible Assets	59,086	17,475	-	-	59,086	17,475
Infrastructure	3,885,906	3,750,461	10,688,976	10,510,143	14,574,882	14,260,604
Total	$18,131,700	$17,840,759	$11,910,694	$11,731,861	$30,042,394	$29,572,620

Table 4
Changes in Capital Assets

	Governmental Activities		Business-type Activities		Total Government	
	2013	2012	2013	2012	2013	2012
Beginning balance	$13,078,293	$12,838,725	$ 6,670,911	$ 6,680,557	$19,749,204	$19,519,282
Additions	319,844	715,716	178,833	216,679	498,677	932,395
Depreciation	(467,808)	(467,349)	(251,647)	(226,325)	(719,455)	(693,674)
Deletions	-	(8,799)	-	-	-	(8,799)
Ending Balance	$12,930,329	$13,078,293	$ 6,598,097	$ 6,670,911	$19,528,426	$19,749,204

Long-term debt. At June 30, 2013, the City had bonded debt outstanding of $1,935,000 compared to $2,050,000 at June 30, 2012. State statutes limit the amount of general obligation debt an Oregon city may issue to 3% of total real market value of all taxable property within its boundary. The current debt limitation for the City of Gladstone is $25,962,010.

Economic Factors and next year's budget. The Gladstone community is part of the Portland Metropolitan area and business, employment and other factors generally do not directly affect the City's financial conditions. Gladstone has virtually no vacant land and has limited potential for significant increase in property tax revenue from "qualifying improvements" as allowed by property tax limitation commonly known as Measure 50. The following fiscal year revenues should exceed expenditures.

Requests for information. This report was modeled after "Management's Discussion and Analysis" prepared by other cities, based on figures furnished by the City's auditor. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Administrator at 525 Portland Avenue, Gladstone, 97027, who may consult with the City's auditor, Merina & Company, LLP.

BASIC FINANCIAL STATEMENTS

BASIC FINANCIAL STATEMENTS

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

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

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

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CITY OF GLADSTONE, OREGON
STATEMENT OF NET POSITION
June 30, 2013

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Current assets:			
Cash and investments	$ 8,003,761	$ 1,665,602	$ 9,669,363
Cash with county treasurer	22,678	-	22,678
Accounts receivable	23,792	461,777	485,569
Property taxes receivable	325,862	-	325,862
Prepaids	-	158,096	158,096
Due from other governments	55,190	-	55,190
Miscellaneous	17,149	-	17,149
Total current assets	8,448,432	2,285,475	10,733,907
Noncurrent assets:			
Internal balances	496,984	(496,984)	-
Restricted cash and investments	264,609	283,962	548,571
Assessments receivable	-	6,062	6,062
Interest receivable	-	2,564	2,564
Investment in joint venture	-	2,982,475	2,982,475
Capital assets:			
Non depreciable	6,743,171	640,964	7,384,135
Depreciable, net	6,187,158	5,957,133	12,144,291
Total noncurrent assets	13,691,922	9,376,176	23,068,098
Total assets	$ 22,140,354	$ 11,661,651	$ 33,802,005
LIABILITIES:			
Current liabilities:			
Accounts payable	$ 196,635	$ 236,238	$ 432,873
Interest payable	-	38,096	38,096
Accrued compensated absences	220,426	16,462	236,888
Bonds payable - current maturity	-	120,000	120,000
Total current liabilities	417,061	410,796	827,857
Noncurrent liabilities:			
Bonds payable	-	1,815,000	1,815,000
OPEB liability	156,433	18,498	174,931
Total noncurrent liabilities	156,433	1,833,498	1,989,931
Total liabilities	573,494	2,244,294	2,817,788
NET POSITION:			
Net investment in capital assets	12,930,329	4,663,097	17,593,426
Restricted for:			
911 system	1,654	-	1,654
Street operations	529,660	-	529,660
Senior center	143,895	-	143,895
Library capital projects	536,245	-	536,245
System development	-	283,962	283,962
Urban Renewal development	2,713,689	-	2,713,689
Unrestricted	4,711,388	4,470,298	9,181,686
Total net position	21,566,860	9,417,357	30,984,217
Total liabilities and net position	$ 22,140,354	$ 11,661,651	$ 33,802,005

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

CITY OF GLADSTONE, OREGON
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities:				
General government	$ 941,058	$ -	$ -	$ -
Public safety	3,682,376	234,588	1,589	105,990
Highways and streets	539,069	8,123	-	-
Urban and renewal	46,974	-	-	-
Culture and recreation	1,296,225	64,756	38,848	-
Total governmental activities	6,505,702	307,467	40,437	105,990
Business-type activities:				
Water Fund	1,060,655	1,119,897	-	-
Sewer Fund	1,595,691	1,624,635	-	-
Total business type activities	2,656,346	2,744,532	-	-
Total government	$ 9,162,048	$ 3,051,999	$ 40,437	$ 105,990

General revenues:
Taxes:
Property taxes
Public service taxes
Franchise fees
Interest and investment earnings
Gain (loss) in joint venture
Miscellaneous
Reimbursement to Clackamas County
Transfers in (out)

Total general revenues and transfers

Change in net position

Net position - beginning

Prior period adjustment

Net position - ending

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

Net Expense Revenue and Change in Net Position		
Governmental Activities	Business Type Activities	Total
$ (941,058)	$ -	$ (941,058)
(3,340,209)	-	(3,340,209)
(530,946)	-	(530,946)
(46,974)	-	(46,974)
(1,192,621)	-	(1,192,621)
(6,051,808)	-	(6,051,808)
-	59,242	59,242
-	28,944	28,944
-	88,186	88,186
(6,051,808)	88,186	(5,963,622)
4,870,744	-	4,870,744
1,541,604	-	1,541,604
492,743	-	492,743
62,810	-	62,810
-	(75,418)	(75,418)
94,940	5,853	100,793
(1,500,000)	-	(1,500,000)
37,277	(37,277)	-
5,600,118	(106,842)	5,493,276
(451,690)	(18,656)	(470,346)
22,018,550	9,479,559	31,498,109
-	(43,546)	(43,546)
$ 21,566,860	$ 9,417,357	$ 30,984,217

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

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FUND FINANCIAL STATEMENTS
Major Governmental Funds

General Fund

The General Fund accounts for the financial resources of the City which are not accounted for in any other fund. Principal sources of revenue are property taxes, franchise fees, and state shared revenues. Primary expenditures are for police protection, fire protection, maintenance of parks, operation of the library and senior center, and general administration.

State Revenue Sharing Fund

The State Revenue Sharing Fund accounts for the receipt and expenditure of revenue sharing funds received from the State of Oregon.

Road and Street Fund

The Road and Street Fund accounts for revenues from state gasoline taxes apportioned from the State of Oregon.

Urban Renewal Agency Fund

The Urban Renewal Agency Fund accounts for property tax revenue received for the rehabilitation of blighted and deteriorated areas within the City's designated urban renewal area.

Library Capital Fund

The Library Capital Fund accounts for the construction of the City's new library. The primary source of funds are debt proceeds or current Urban Renewal funds dedicated to the library design and construction.

CITY OF GLADSTONE, OREGON
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2013

	General Fund	State Revenue Sharing Fund	Road and Street Fund
ASSETS:			
Cash and investments	$ 2,788,366	$ 706,103	$ 366,029
Restricted cash and investments	143,895	-	120,714
Cash with county treasurer	15,360	-	-
Accounts receivable	-	23,792	-
Property taxes receivable	221,267	-	-
Due from other funds	-	496,984	-
Due from other governments	-	-	55,190
Miscellaneous	17,149	-	-
Total assets	$ 3,186,037	$ 1,226,879	$ 541,933
LIABILITIES:			
Accounts payable	$ 177,208	$ -	$ 12,273
Total liabilities	177,208	-	12,273
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenues - property taxes	204,843	-	-
Total deferred inflows of resources	204,843	-	-
FUND BALANCES:			
Restricted:			
911 system	-	-	-
Street operations	-	-	529,660
Senior center	143,895	-	-
Library capital projects	-	-	-
Urban Renewal development			
Assigned:			
Capital projects	-	1,226,879	-
Police services	-	-	-
Fire and emergency services	-	-	-
Unassigned	2,660,091	-	-
Total fund balance	2,803,986	1,226,879	529,660
Total liabilities, deferred inflows of resources and fund balance	$ 3,186,037	$ 1,226,879	$ 541,933

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds

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

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds

Net position of governmental activities

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

Urban Renewal Agency Fund	Library Capital Fund	Other Governmental	Total Governmental
$ 2,705,622	$ 536,245	$ 901,396	$ 8,003,761
-	-	-	264,609
3,901	-	3,417	22,678
-	-	-	23,792
55,965	-	48,630	325,862
-	-	-	496,984
-	-	-	55,190
-	-	-	17,149
$ 2,765,488	$ 536,245	$ 953,443	$ 9,210,025
$ -	$ -	$ 7,154	$ 196,635
-	-	7,154	196,635
51,799	-	44,977	301,619
51,799	-	44,977	301,619
-	-	1,654	1,654
-	-	-	529,660
-	-	-	143,895
	536,245	-	536,245
2,713,689			2,713,689
-		-	1,226,879
-	-	334,258	334,258
-	-	565,400	565,400
-	-	-	2,660,091
2,713,689	536,245	901,312	8,711,771
$ 2,765,488	$ 536,245	$ 953,443	
			12,930,329
			301,619
			(376,859)
			$ 21,566,860

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

CITY OF GLADSTONE, OREGON
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2013

	General Fund	State Revenue Sharing Fund	Road and Street Fund
REVENUES:			
Property taxes	$ 3,295,049	$ -	$ -
Public service taxes	797,831	101,182	628,655
Franchise taxes	492,743	-	-
Grants	110,088		-
Charges for services	64,756	-	8,123
Licenses and permits	20,726	-	-
Fines and forfeitures	213,862	-	-
Contributions and donations	36,170	-	-
Interest	30,041	3,372	-
Miscellaneous	85,080	-	9,860
Total revenues	5,146,346	104,554	646,638
EXPENDITURES:			
Current:			
General government	918,452	-	-
Public safety	2,636,629	-	-
Highways and streets	-	-	364,846
Urban and renewal	-	-	-
Culture and recreation	1,153,954	-	-
Capital outlay	298,198	17,297	128,146
Total expenditures	5,007,233	17,297	492,992
Revenues over (under) expenditures	139,113	87,257	153,646
OTHER FINANCING SOURCES (USES):			
Reimbursement to Clackamas County	-		-
Transfers in	110,452	-	-
Transfers out	-	-	(55,360)
Total other financing sources (uses)	110,452	-	(55,360)
Net changes in fund balances	249,565	87,257	98,286
FUND BALANCES, BEGINNING	2,554,421	1,139,622	431,374
FUND BALANCES, ENDING	$ 2,803,986	$ 1,226,879	$ 529,660

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

Urban Renewal Agency Fund	Library Capital Fund	Other Governmental	Total Governmental
$ 839,549	$ -	$ 733,056	$ 4,867,654
-	-	13,936	1,541,604
-	-	-	492,743
-	-	-	110,088
-	-	-	72,879
-	-	-	20,726
-	-	-	213,862
-	-	169	36,339
13,553	10,277	5,567	62,810
-	-	-	94,940
853,102	10,277	752,728	7,513,645
-	-	-	918,452
-	-	695,365	3,331,994
-	-	-	364,846
46,906	-	-	46,906
-	-	-	1,153,954
68,055	3,370	18,090	533,156
114,961	3,370	713,455	6,349,308
738,141	6,907	39,273	1,164,337
-	(1,500,000)	-	(1,500,000)
-	-	-	110,452
-	-	(17,815)	(73,175)
-	(1,500,000)	(17,815)	(1,462,723)
738,141	(1,493,093)	21,458	(298,386)
1,975,548	2,029,338	879,854	9,010,157
$ 2,713,689	$ 536,245	$ 901,312	$ 8,711,771

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

CITY OF GLADSTONE, OREGON
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2013

Amounts reported in the statement of activities are different because:

Net change in fund balances	$	(298,386)
The statement of revenues, expenditures, and changes in fund balances report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		(147,964)
Some revenue reported in the statement of activities do not provide current financial resources in the governmental funds.		3,090
Accrued compensated absences and OPEB obligations are not due and payable in the current period and therefore are not reported in the funds.		(8,430)
Change in net position of governmental activities	$	(451,690)

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

FUND FINANCIAL STATEMENTS
Proprietary Funds

Enterprise Funds

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

Water Fund

The Water Fund accounts for the City's water utility operations.

Sewer Fund

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

CITY OF GLADSTONE, OREGON
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2013

	Business-Type Activities - Enterprise Funds		
	Water Fund	Sewer Fund	Total
ASSETS:			
Current assets:			
Cash and investments	$ 751,857	$ 913,745	$ 1,665,602
Trade accounts receivable	189,716	272,061	461,777
Prepaids	158,096	-	158,096
Total current assets	1,099,669	1,185,806	2,285,475
Noncurrent assets:			
Assessments receivable	-	6,062	6,062
Interest receivable	-	2,564	2,564
Restricted cash	138,754	145,208	283,962
Due from other funds	-	150,000	150,000
Investment in joint venture	2,982,475	-	2,982,475
Capital assets:			
Non-depreciable	129,414	511,550	640,964
Depreciable	3,870,252	2,086,881	5,957,133
Total noncurrent assets	7,120,895	2,902,265	10,023,160
Total assets	$ 8,220,564	$ 4,088,071	$ 12,308,635
LIABILITIES:			
Accounts payable	$ 37,806	$ 198,432	$ 236,238
Interest payable	38,096	-	38,096
Accrued compensated absences	8,316	8,146	16,462
Bonds payable - current maturity	120,000	-	120,000
Bonds payable	1,815,000	-	1,815,000
Due to other funds	646,984	-	646,984
OPEB liability	8,603	9,895	18,498
Total liabilities	2,674,805	216,473	2,891,278
NET POSITION:			
Net investment in capital assets	2,064,666	2,598,431	4,663,097
Restricted for:			
System development	138,754	145,208	283,962
Unrestricted	3,342,339	1,127,959	4,470,298
Total net position	5,545,759	3,871,598	9,417,357
Total liabilities and net position	$ 8,220,564	$ 4,088,071	$ 12,308,635

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

CITY OF GLADSTONE, OREGON
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2013

	Business-Type Activities - Enterprise Funds		
	Water Fund	Sewer Fund	Total
OPERATING REVENUES:			
Service charges	$ 1,107,498	$ 1,617,125	$ 2,724,623
Connection and installation fees	2,520	6,160	8,680
System development charge	9,879	1,350	11,229
Miscellaneous	2,753	3,100	5,853
Total operating revenues	1,122,650	1,627,735	2,750,385
OPERATING EXPENSES:			
Purchases	254,024	1,106,612	1,360,636
Salaries and fringe benefits	264,822	230,222	495,044
Maintenance and repairs	268,834	174,270	443,104
Utilities	14,378	367	14,745
Depreciation and amortization	169,335	82,312	251,647
Net OPEB obligation	1,149	1,908	3,057
Miscellaneous	11,922	-	11,922
Total operating expenses	984,464	1,595,691	2,580,155
Operating income (loss)	138,186	32,044	170,230
NON-OPERATING INCOME (EXPENSE):			
Interest expense	(76,191)	-	(76,191)
Gain (loss) in joint venture	(75,418)	-	(75,418)
Total non-operating income (expenses)	(151,609)	-	(151,609)
Net income (loss) before operating transfers	(13,423)	32,044	18,621
TRANSFERS:			
Transfers in (out)	(13,286)	(23,991)	(37,277)
Change in net position	(26,709)	8,053	(18,656)
NET POSITION, BEGINNING	5,616,014	3,863,545	9,479,559
Prior period adjustment	(43,546)	-	(43,546)
NET POSITION, ENDING	$ 5,545,759	$ 3,871,598	$ 9,417,357

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

CITY OF GLADSTONE, OREGON
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2013

	Business-Type Activities - Enterprise Funds		
	Water Fund	Sewer Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	$ 1,113,289	$ 1,594,750	$ 2,708,039
Cash paid to employees and others for salaries and benefits	(260,666)	(226,550)	(487,216)
Cash paid to suppliers and others	(544,228)	(1,248,477)	(1,792,705)
Net cash provided (used) by operating activities	308,395	119,723	428,118
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Transfers in (out)	(13,286)	(23,991)	(37,277)
Net cash provided (used) by non-capital financing activities	(13,286)	(23,991)	(37,277)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of capital assets	(57,941)	(120,892)	(178,833)
Principal paid on capital debt	(115,000)	-	(115,000)
Interest paid on capital debt	(78,347)	-	(78,347)
Net cash provided (used) by capital and related financing activities	(251,288)	(120,892)	(372,180)
Net increase in cash and cash equivalents	43,821	(25,160)	18,661
CASH AND CASH EQUIVALENTS, BEGINNING	846,790	1,084,113	1,930,903
CASH AND CASH EQUIVALENTS, ENDING	$ 890,611	$ 1,058,953	$ 1,949,564
COMPRISED AS FOLLOWS:			
Unrestricted	$ 751,857	$ 913,745	$ 1,665,602
Restricted	138,754	145,208	283,962
Total	$ 890,611	$ 1,058,953	$ 1,949,564
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating Income	$ 138,186	$ 32,044	$ 170,230
Adjustments			
Depreciation and amortization	169,335	82,312	251,647
Decrease (increase) in:			
Accounts receivable	(9,361)	(32,985)	(42,346)
Prepaids	(2,521)	-	(2,521)
Increase (decrease) in:			
Accounts payable and accrued expenses	8,600	34,680	43,280
Accrued compensated absences	3,007	1,764	4,771
OPEB obligation	1,149	1,908	3,057
Net cash provided (used) by operating activities	$ 308,395	$ 119,723	$ 428,118

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

FUND FINANCIAL STATEMENTS
Fiduciary Funds

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

Agency Funds

Municipal Court Fund

The Municipal Court Fund accounts for resources received and held by the City in a fiduciary capacity.

Library Board Trust Fund

The Library Board Trust Fund accounts for resources received and held by the City in a fiduciary capacity.

CITY OF GLADSTONE, OREGON
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
June 30, 2013

	Agency Funds
ASSETS:	
Cash and investments	$ 28,170
Total assets	$ 28,170
LIABILITIES:	
Other current liabilities	$ 28,170
Total liabilities	28,170
NET POSITION:	
Total liabilities and net position	$ 28,170

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

1. Summary of Significant Accounting Policies

The financial statements of the City have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applied to government units. GAAP statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The more significant accounting policies of the City are described below.

A. Description of Reporting Entity

The City was incorporated in 1911. The City operates under the voter-approved City of Gladstone, Oregon charter of 1984. Under the charter, the City is governed by an elected mayor and six council members who comprise the City Council.

The City is a municipal corporation governed by an elected mayor and six-member council. As required by GAAP, these financial statements present the government and its component unit (Gladstone Urban Renewal Agency), entities for which the government is considered to be financially accountable.

Gladstone Urban Renewal Agency

The Agency was formed to plan, direct, and manage certain projects within Gladstone. Pursuant to ORS 457.055, the City Council has been appointed governing body of the Agency. The Urban Renewal Agency Fund is reported as governmental fund type and is considered a blended component unit.

Blended component units, although legally separate entities are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. The Gladstone Urban Renewal Agency has a June 30 year-end. The Gladstone Urban Renewal Agency is governed by the City Council of The City of Gladstone. Complete financial statements for the Agency may be obtained at the City of Gladstone – City Hall, 525 Portland Avenue, Gladstone, Oregon 97027.

Based on the criteria from Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statement No. 14 and No. 34*, the Gladstone Seniors Foundation, a nonprofit 501(c)(3), and Gladstone Public Library Foundation, a nonprofit 501(c)(3), are considered discretely presented component units. These discretely presented component units are not considered material in relation to the City of Gladstone and accordingly, have not been included in the City of Gladstone's financial report. Only those revenues and expenditures directly processed by the City of Gladstone finance department are included in the financial statements.

The City is a ten percent partner with the Sunrise Water Authority and the Oak Lodge Water District in the North Clackamas County Water Commission, a joint venture. The purpose of this joint venture is to operate, maintain, and enhance a regional water supply system with water rights from the Clackamas River and to cooperatively conduct water resource planning (see Note 6).

B. Basic Financial Statements

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Government-wide statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include all the financial activities of the City, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities.

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

Fund financial statements

These statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, proprietary, and fiduciary, even though the latter are excluded from government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. Non-major funds are consolidated into a single column in the financial section of the basic financial statements and are detailed in the supplemental information.

C. Basis of Presentation

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

The new GASB 34 model sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenditures/expenses of either fund category or the governmental and proprietary combined) for the determination of major funds. Non-major funds are combined in a column in the fund financial statements and detailed in the combining section.

The City reports the following major governmental funds:

The *General Fund* accounts for the financial resources of the City which are not accounted for in any other fund. Principal sources of revenue are property taxes, franchise fees, and state shared revenues. Primary expenditures are for police protection, fire protection, maintenance of parks, operation of the library and senior center, and general administration.

The *State Revenue Sharing Fund* accounts for the receipt and expenditures of revenue sharing funds received from the State of Oregon.

The *Road and Street Fund* accounts for revenues from state gasoline taxes apportioned from the State of Oregon.

The *Urban Renewal Agency Fund* accounts for property tax revenue received for the rehabilitation of blighted and deteriorated areas within the City's designated urban renewal area.

The *Library Capital Fund* accounts for the construction of the City's new library. The primary source of funds are debt proceeds or current Urban Renewal funds dedicated to the library design and construction.

The City reports each of its two proprietary funds as major funds. These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs of providing the services to the general public on a continuing basis be financed primarily through user charges. The City reports the following proprietary funds:

- *Water Fund*
- *Sewer Fund*

Fiduciary Funds reporting focuses on net position and changes in net position. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Fiduciary funds are used to account for assets the City holds in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. The City's only fiduciary funds are agency funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The City reports the following fiduciary funds:

- *Municipal Court Fund*
- *Library Board Trust Fund*

D. Measurement Focus and Basis of Accounting

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

The government-wide financial statements and the Proprietary Funds Financial Statements are reported using the *economic resources measurement focus* and the *full accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement *focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current

fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, long-term compensated absences are recorded only when payment is due.

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

A deferred inflow of resources arises in the Governmental Funds Balance Sheet when potential revenue does not meet both the measurable and available criteria for recognition in the current period. This unavailable revenue consists primarily of uncollected property taxes and assessments not deemed available to financial operation of the current period. In the government-wide Statement of Net Position, with a full accrual basis of accounting, revenue must be recognized as soon as it is earned regardless of its availability. Thus, the liability created on the Governmental Fund Balance Sheet for unavailable revenue is eliminated. Note that deferred inflow of resources also arise outside the scope of measurement focus and basis of accounting, such as when the City receives resources before it has a legal claim to them. For instance, when grant monies are received prior to the incurrence of qualifying expenditures.

Similar to the way its revenues are recorded, governmental funds only record those expenditures that affect current financial resources. Principal and interest on general long-term debt are recorded as fund liabilities only when due, or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Vested compensated absences are recorded as expenditures only to the extent that they are expended to be liquidated with expendable financial resources. In the government-wide financial statements, however, with a full accrual basis of accounting, all expenditures affecting the economic resource status of the government must be recognized, Thus, the expense and related accrued liability for long term portions of debt and compensated absences must be included.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is necessary to explain the adjustments needed to transform the fund based financial statements into the governmental column of the government-wide presentation. This reconciliation is part of the financial statements. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

E. Cash and Cash Equivalents

For purposes of the statements of cash flows, the City considers cash equivalents as all highly liquid debt instruments purchased with maturity of three months or less.

Investments included in cash and cash equivalents are reported at fair value. The City invests in the State of Oregon Local Government Investment Pool, which is authorized by Oregon Revised Statutes. Interest earned from pooled investments is allocated based on a fund's portion of the total investment balance. The City maintains depository insurance under Federal depository insurance funds and state and financial institution collateral pools for its cash deposits and investments, except the Local Government Investment Pool, which is exempt from statutes requiring such insurance.

F. Investments

Investments are stated at share value, which approximates fair value.

G. Restricted Cash and Investments

Assets whose use is restricted to specific purposes by state statute are segregated on the balance sheet.

H. Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – non-spendable, restricted, committed, assigned and unassigned.

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

Restricted – Includes amounts that are restricted by external creditors, grantors or contributors, or restricted by enabling legislation.

Committed – Includes amounts that have been committed by resolution by the City Council which is the City's "highest level of decision-making authority." Committed amounts may not be used for any other purpose unless the City Council removes the constraint by similar council action. Commitments of fund balance must be made prior to the end of the fiscal year.

Assigned – Includes amounts assigned for specific purposes by council action. In accordance with the City's adopted fund policy, adopted by resolution, amounts may be assigned by the City Administrator.

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

I. Use of Restricted Resources

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

J. Receivables and Payables

Property taxes receivable in the Governmental Fund Types, which have been collected within sixty days following year end, are considered measurable and available and are recognized as revenues in Governmental Funds. All other property taxes receivable for the Governmental Fund Types are offset by deferred inflows of resources and, accordingly, have not been recorded as revenue. Property taxes become a lien against the property as of July 1 each year and are payable in three installments on November 15, February 15 and May 15 following the lien date. All property taxes receivable are due from property owners within the City.

Activity between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Receivables of the proprietary funds are recognized as revenue when earned, including services provided but not billed. Management believes that any uncollectible accounts included in the governmental fund receivable balances are not significant, and therefore no provision for uncollectible accounts has been made. Receivables in proprietary funds are stated net of an allowance for uncollectible accounts

K. Capital Assets and Depreciation

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, street lights, etc.), are reported in the applicable governmental or business-type activities column in the governmental-wide financial statements. Capital assets are charged to expenditures as purchased in the governmental fund statements, and capitalized in the proprietary fund statements. Capital assets are recorded at historical cost, or estimated historical cost if actual cost is unknown. Donated fixed assets are recorded at their estimated fair market value at the time received.

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

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest costs were capitalized during the year ended June 30, 2013.

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

- *Building and improvements - 50 years*
- *Supply and distribution systems (including utility plant infrastructure) - 50 years*
- *Machinery and equipment – 5-10 years*

L. Investments Accounted For By The Equity Method

The City's investment in the North Clackamas County Water Commission is accounted for under the equity method, as prescribed by GASB 14 for joint ventures. Under the equity method, the investment in an equity investee is increased or decreased by the investor's equity in the increase or decrease in the net position of the investee. Profit on operating transactions between the investor and investee is eliminated in the calculation of this equity interest. Non-operating transactions increase or decrease the investment in the equity investee.

M. Compensated Absences

Accumulated vested vacation pay is accrued as it is earned. For governmental funds, accumulated vested vacation pay is maintained separately and represents a reconciling item between the fund-level and government-wide presentations. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. Sick pay, which does not vest, is recorded in all funds when leave is taken.

Funds used to liquidate accrued compensated absences included the General Fund, Road and Street Fund, Police Communications Special Levy Fund, Fire and Emergency Services Special Levy Fund, Water Fund, and Sewer Fund.

N. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financial sources while discounts on debt proceeds received are reported as debt service expenditures.

O. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expenditure) until then. The City does not have deferred outflows of resources.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City only has one type of item that qualifies for reporting in this category, which arises only under the modified accrual basis of accounting. Accordingly, the item "unavailable revenue," is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

P. Net Position

In the government-wide financial statements and proprietary funds financial statements, net position is reported in three categories: net position invested in capital assets; restricted net position; and unrestricted net position. Net position invested in capital assets represents capital assets less accumulated depreciation less outstanding principal of related debt. Net position invested in capital assets does not include the unspent proceeds of capital debt. Restricted net position represents net position restricted by parties outside of the City (such as creditors, grantors, contributors, laws, and regulations of other governments) and includes unspent proceeds of bonds issued to acquire or construct capital assets. The City's other restricted net position is temporarily restricted (ultimately expendable) assets. The remaining net position is considered unrestricted.

Q. Accounting Estimates

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

2. Cash and Investments

At June 30, 2013 investments of the City and its component unit consist of the following:

	Weighted Average Maturity (Years)	Fair Value
Investments in the State Treasurer's Local Government Investment Pool	0.00	$ 9,906,512
Municipal bond	14.80	30,444
Portfolio weighted average maturity	0.05	$ 9,936,956

A. Interest rate risk

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

B. Credit risk

State statutes authorize the City to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, and the State Treasure's Oregon Local Government Investment Pool, among others. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations, but is not regulated by other laws, organizations or regulations. The reported value of the Pool is the same as the fair value of Pool shares. Investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). The Pool is not registered with the SEC as an investment company and is unrated. The City also invests in U.S. government obligations and agency obligation and commercial paper with a Standard & Poor's rating of A or better.

C. Concentration of credit risk

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

D. Custodial credit risk – deposits

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City's deposits up to $250,000 for the combined total of all deposit accounts at each financial institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are considered fully collateralized. As of June 30, 2013, none of the City's bank balances were exposed to custodial credit risk.

E. Custodial credit risk – investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At June 30, 2013, the City had no investments exposed to custodial credit risk.

F. Restricted Deposits

Restricted cash and investments represent system development charges and transportation impact fees collected by the City which can be expended only for capital improvement projects and a bequest to the Senior Center which can only be expended for Senior Center projects.

3. Assessment Liens Receivable

Assessment liens receivable represent the uncollected amounts levied against benefited property for the cost of local improvements. Because the assessments are liens against the benefited property, an allowance for uncollectible amounts is not deemed necessary.

4. Interfund Loans Receivable, Payable, and Transfers

Interfund loans made to the Water Fund relate to water improvement projects. These loans are not expected to be paid in the subsequent year. Loans receivable/payable to other funds include:

Receivable Fund	Payable Fund	Amount
Sewer Fund	Water Fund	$ 150,000
State Revenue Sharing Fund	Water Fund	496,984
Total		$ 646,984

Transfers between funds during the year were as follows:

	Transfers In	Transfers Out
Major Governmental Funds		
General Fund	$ 110,452	$ -
Road & Street Fund	-	55,360
Total Major Governmental Funds	110,452	55,360
Non-major Governmental Funds		
Police / Comm. Levy Fund	-	12,543
Fire / Emergency Services Fund	-	5,272
Total Non-major Governmental Funds	-	17,815
Proprietary Funds		
Water Fund	-	13,286
Sewer Fund	-	23,991
Total Proprietary Funds	-	37,277
Total All Funds	$ 110,452	$ 110,452

The Police and Communications Special Levy Fund, Fire and Emergency Services Special Levy Fund, Water Fund, Sewer Fund, and the Road and Street Fund transferred $55,092 to the General Fund to cover general operating and administrative expenses.

5. Capital Assets

Capital asset activity for the year ended June 30, 2013 is as follows:

Primary Government	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, non-depreciable:				
Land	$ 5,519,830	$ -	$ -	$ 5,519,830
Construction in progress	1,223,341	-	-	1,223,341
Total capital assets, non-deprec	6,743,171	-	-	6,743,171
Capital assets, depreciable:				
Intangible assets	17,475	41,611	-	59,086
Buildings, structures and improve	3,577,792	11,215	-	3,589,007
Equipment	1,238,016	15,963	(7,206)	1,246,773
Vehicles	2,513,844	115,610	(21,697)	2,607,757
Infrastructure	3,750,461	135,445	-	3,885,906
Total capital assets, depreciable	11,097,588	319,844	(28,903)	11,388,529
Total assets	17,840,759	319,844	(28,903)	18,131,700
Less accum depreciation for:				
Intangible assets	(437)	(5,229)	-	(5,666)
Buildings, structures and improve	(1,370,142)	(86,621)	-	(1,456,763)
Equipment	(1,106,592)	(48,887)	7,206	(1,148,273)
Vehicles	(1,824,520)	(222,133)	21,697	(2,024,956)
Infrastructure	(460,775)	(104,938)	-	(565,713)
Total accumulated depreciation	(4,762,466)	(467,808)	28,903	(5,201,371)
Net depreciable capital assets	6,335,122	(147,964)	-	6,187,158
Net capital assets	$ 13,078,293	$ (147,964)	$ -	$ 12,930,329

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

Governmental activities:	
General government	$ 21,275
Public safety	238,896
Roads and highways	131,032
Culture and recreations	76,605
Total depreciation expense	$ 467,808

Business-type activities Totals	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets, non-depreciable:				
Land	$ 640,964	$ -	$ -	$ 640,964
Total capital assets, non-depreciable	640,964	-	-	640,964
Capital assets, depreciable:				
Buildings	299,113	-	-	299,113
Equipment	155,650	-	-	155,650
Vehicles	125,991	-	-	125,991
Infrastructure	10,510,143	178,833	-	10,688,976
Total capital assets, depreciable	11,090,897	178,833	-	11,269,730
Total	11,731,861	178,833	-	11,910,694
Less accumulated depreciation for:				
Buildings	(279,648)	(2,215)	-	(281,863)
Equipment	(118,874)	(17,981)	-	(136,855)
Vehicles	(109,301)	(3,311)	-	(112,612)
Infrastructure	(4,553,127)	(228,140)	-	(4,781,267)
Total accumulated depreciation	(5,060,950)	(251,647)	-	(5,312,597)
Net depreciable capital assets	6,029,947	(72,814)	-	5,957,133
Net capital assets	$6,670,911	$ (72,814)	$ -	$6,598,097

Business-type activities:	
Water	$ (169,335)
Sewer	(82,312)
Total depreciation expense - business-type activities	$ (251,647)

6. Joint Venture

The City is a member of a joint venture known as the North Clackamas County Water Commission, in which the City has a ten percent interest and the Sunrise Water Authority and the Oak Lodge Water District have forty-eight and forty-two percent interests, respectively. The joint venture was created in 1998 by the First Intergovernmental Agreement between the Damascus and Mt. Scott Water Districts (which became the Sunrise Water Authority) and the Oak Lodge Water District to plan, construct, and operate a regional water supply system with water rights from the Clackamas River; to operate, maintain, and facilities for the production of potable water from the headworks on the Clackamas River, and to cooperatively conduct water resource planning and management. The Second Intergovernmental Agreement between Sunrise Water Authority and Oak Lodge Water District in 2004

provided for the expansion of the water treatment works operated by the Commission to handle the full capacity of the intake at the headworks on the Clackamas River.

The City of Gladstone became a partner in the joint venture through the First Addendum to the Second Intergovernmental Agreement, paying $2,609,118, transferring rights to 8,900,000 gallons per day of Clackamas River Water, and supporting the substitution of the North Clackamas County Water Commission for the City as a member of the Willamette Water Resources Commission to acquire ten percent interest in the assets and liabilities of the North Clackamas County Water Commission and an allocation of 2,500,000 gallons per day of treated water from the Commission's water treatment facility. The Addendum also requires each of the parties to allow the other parties of the agreement access to use of their facilities to the extent that they are not needed for service of the party's own customers. Fees for such usage are determined on a cost basis.

The Addendum to the second intergovernmental agreement reconstituted the Board of Commissioners for the North Clackamas County Water Commission. The Board of Commissioners consists of seven members: the Boards of Commissioners for Sunrise Water Authority and Oak Lodge Water District will select three commissioners each, and the Gladstone City Council will select one commissioner. The commissioners are required to be voting members of the governing body, council, or board of commissioners of the party making the selection. The commissioners will select a Chair from among their members to serve a term of one year, beginning July 1 of each year. The position of Chair will rotate each year to represent each party. The commissioners will also select a Vice Chair to serve in the absence of the Chair. Each commissioner will have one vote. Five commissioners must be present to meet requirements for a quorum, and five affirmative votes will be required for adoption of any measure, ordinance, or resolution.

The City's net position in the joint venture as of June 30, 2013 was $2,982,475. The current year operation of the Commission resulted in a net loss on investment to the City of $74,418. The City had water purchases from the Commission of $223,924 for the year ended June 30, 2013.

Separate financial statements for the North Clackamas County Water Commission can be obtained from the Commission at 14496 SE River Road, Milwaukie, Oregon 97267.

7. Construction in Process

For the year ended June 30, 2013 the City had $1,233,341 in construction in process. The City had set out to design and build a new library that would support the City of Gladstone and Oak Lodge area two years ago. Near the end of the design process citizens approved ballot measures amending the City Charter. These amendments required the City to seek voter approval to move forward with the library construction project. On November 6, 2012, the project was rejected by the voters.

In May 2013 the City reimbursed Clackamas County $1,500,000 in previously contributed funds to support the project. However, Clackamas County will return the money if the City comes up with a revised library project. The City is working to find a revised library project that will meet voter approval. There is a possibility the revised project could use a portion of the previously designed building. The City must submit a revised plan by June 30, 2014 for the funds to be returned.

8. Deferred Inflows of Resources

Deferred revenue as of June 30, 2013 consists of the following:

	General Fund	Fire & Emergency Services Special Levy Fund	Police & Communications Special Levy Fund	Urban Renewal Fund	Total
Property taxes	$ 204,843	$ 14,800	$ 30,177	$ 51,799	$ 301,619

9. Long Term Debt

A. Changes in General Long-Term Liabilities

During the year ended June 30, 2013, long-term liability activity was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
Governmental Activities					
Compensated absences	$ 234,498	$ 220,426	$ (234,498)	$ 220,426	$ 220,426
Other postemployment benefits	133,931	22,502	-	156,433	-
Governmental activities Long-term liabilities	$ 368,429	$ 242,928	$ (234,498)	$ 376,859	$ 220,426
Business-type Activities					
Bonds	$ 2,050,000	$ -	$ (115,000)	$ 1,935,000	$ 120,000
Compensated absences	11,691	16,462	(11,691)	16,462	16,462
Other postemployment benefits	15,441	3,057	-	18,498	-
Business-type activities Long-term liabilities	$ 2,077,132	$ 19,519	$ (126,691)	$ 1,969,960	$ 136,462

For governmental activities, compensated absences are liquidated by the general fund.

B. Bonds Payable

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital improvements. These bonds are reported in the proprietary funds if they are expected to be repaid from proprietary fund revenues. General obligation bonds are direct obligations and pledge the full faith and credit of the City.

Business Activities	
During 2005-2006, the City issued $2,650,000 in general obligations bonds to finance the purchase of a portion of a water treatment plant and for capital improvements to the City's water system. The bonds carry interest rates varying from 3.00% to 4.00%. Interest is payable semiannually on January 1 and July 1 of each year. Bond principal is payable annually through July 2025.	$ 1,935,000
Total bonds payable	$ 1,935,000

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

	Business-type Activities			
Year Ending June 30,	Interest Rates	Principal	Interest	Total
2014	4.000 %	$ 120,000	$ 73,941	$ 193,941
2015	4.000 %	120,000	69,290	189,290
2016	3.700 %	125,000	64,579	189,579
2017	3.700 %	130,000	59,861	189,861
2018	3.800 %	135,000	54,891	189,891
2019-2023	3.800 - 4.125 %	765,000	190,550	955,550
2024-2028	4.000 – 4.125 %	540,000	32,800	572,800
Total		$ 1,935,000	$ 545,912	$ 2,480,912

10. Net Position

Net position resulting from the City's receipt of state gas tax revenue is restricted for road and street repairs and improvement in the amount of $529,660.

11. Pension Plan

A. Plan Description

The City contributes to two pension plans administered by the Oregon Public Employees Retirement System (PERS). The Oregon Public Employees Retirement Fund (OPERF) applies to the City's contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: The Pension Program, the defined benefit portion of the plan, applies to qualifying City employees hired after August 29, 2003, and to inactive employees who return to employment following a six-month or greater break in service. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. Beginning January 1, 2004, all PERS member contributions go into the Individual Account Program (IAP), the defined contribution portion of the plan. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account.

Both PERS plans provide retirement and disability benefits, post employment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute Chapter 238, which establishes the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to PERS, PO Box 23700, Tigard, OR, 97281-3700 or by calling 503-598-7377.

B. Funding Policy

Members of PERS are required to contribute 6.00% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program; this is paid by the City. The City is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan, and a general service rate for the qualifying employees under the OPSRP plan. The OPERF rate for the year ended June 30, 2013 was 12.84% and the annual pension cost was $417,726. The OPSRP rates in effect for the year ended June 30, 2013 was 7.02% for general employees and 9.73% for police and fire employees. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

C. Annual Pension Cost

Contribution information for the years ended June 30, 2013, 2012 and 2011 was as follows:

Fiscal Year Ended	Annual Pension Cost (APC)	% of APC Contributed	Net Pension Obligation
6/30/11	$ 341,456	100%	-
6/30/12	419,507	100%	-
6/30/13	417,726	100%	-

12. Post Employment Benefits Other than Pensions

A. Plan Description

The City does not have a formal post-employment benefits plan for its employees; however, the City will allow retirees to continue health insurance coverage for themselves and their qualified dependents at the same rates as active employees, until they become eligible for Medicare, as required by ORS 243.303. Retirees' electing to remain on the City's sponsored health care plan pay the entire premium to maintain coverage. Although the City does not pay any portion of the retiree premium there is an implicit subsidy with respect to the retired employee as the medical premium rates charged are less than would they would be if the retiree were in a separately rated health care plan.

B. Funding Policy

The City funds the plan only to the extent of current year insurance premium requirements on a pay-as-you-go basis. The current monthly health care premium for plan members at June 30, 2013 is:

	Regence	Kaiser
Employee	$ 490	$ 540
Employee + child	896	977
Employee + spouse	1,224	1,114
Employee + family	1,408	1,572

C. Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost is calculated based on the annual required contribution (ARC) determined by the actuary. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

The annual OPEB cost and net OPEB obligation at June 30, 2013 is as follows:

	2013
Annual Required Contribution (ARC)	$ 32,438
Interest on Net OPEB Obligation	5,975
Adjustment to ARC	(5,335)
Annual OPEB cost	33,078
Contributions made	(7,519)
Increase in Net OPEB Obligation	25,559
Net OPEB Obligation – beginning of year	149,372
Net OPEB Obligation – end of year	$ 174,931

The annual OPEB cost, percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contribution	Net OPEB Obligation
6/30/2013	$ 33,078	23%	$ 174,931
6/30/2012	$ 82,432	49%	$ 149,372
6/30/2011	$ 79,622	36%	$ 106,971

D. Funding Status

As of July 1, 2012, the most recent actuarial valuation, the plan was zero percent funded. The actuarial accrued liability (AAL) for benefits was $296,770 and also equaled the unfunded actuarial accrued liability (UAAL). The annual payroll of active employees covered by the plan (covered payroll) was $2,525,297 and the ratio of the UAAL to the covered payroll was 11.8%.

E. Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about the future employment, mortality, and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new assumptions are made about the future. Calculations are based on types of benefits provided at the time of valuation and the pattern of cost-sharing between the employer and plan members to that point. Actuarial calculations reflect a long-term prospective, including techniques designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the July 1, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include an accrued liability discount rate of 4.0%, projected salary increases of 3.5%, and a healthcare cost trend rate of 8% for 2013, grading down over seventeen years to 5%. The Unfunded Actuarial Accrued Liability (UAAL) is being amortized over an open period of 30 years.

13. Retirement Health Insurance Account (RHIA)

A. Plan Description

As a member of Oregon Public Employees Retirement System (OPERS), the City contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other post-employment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provision of RHIA resides with the Oregon Legislature. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

B. Funding Policy

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to $60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever, is less shall be paid by the eligible retired member in the manner provided in ORS 238.410.

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.59% of annual coverall payroll. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represent a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortized any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The City's contributions to RHIA for the years ended June 30, 2013 equaled the required contributions.

14. Agreements with Service Districts

The City has agreements with certain service districts to collect and process City sewage. General terms of these agreements are as follows:

- The City will process and review all permit applications for hookup and inspection thereof; operate and maintain local collection facilities; bill and collect use charges and bill and collect connection charges.
- The City will collect and remit all connections charges to the service districts, except for a portion to reimburse administrative costs.
- The City or the service districts may terminate the agreements upon 30 to 180 days notice.

Payments of $1,1066,612 were made to the service districts during fiscal year 2013 under these agreements.

15. Risk Management

The City is exposed to various risks of loss related to torts; theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. Except for unemployment compensation, the City purchases commercial insurance to minimize its exposure to these risks. There has been no reduction in commercial insurance coverage from fiscal year 2012 to 2013. Workers compensation claims are insured through incurred loss retrospective policies. Settled claims have not exceeded this commercial coverage for any of the past three years.

16. Contingency

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

17. Subsequent Event

On October 8, 2013, Resolution 1030 and 1031 were passed for the Water Fund to repay $150,000 borrowed from the Sewer Fund by June 30, 2014 and to forgive the $496,984 loan from the State Revenue Sharing Fund to the Water Fund as it was an appropriate use for revenue sharing.

18. New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued Statement No. 61, *The Financial Reporting Entity: Omnibus*, Statement No. 62, *Codification of Accounting and Financial Reporting Guidance in Pre-November 30, 1989 FASB and AICPA Pronouncements*, Statement No. 63, *Financial Reporting of Deferred Outflows of Resource, Deferred Inflows of Resources, and Net Position*, and Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The City implemented GASB Statement No. 61, 62, 63, and 65.

19. Prior Period Adjustment

In accordance with the provisions of GASB Statement No. 65, bond issuance costs are to be expensed in the period incurred. This change in accounting principle resulted in a prior period adjustment in the amount of $43,546.

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REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

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

- Budgetary Comparison Schedules
  - General Fund
  - State Revenue Sharing Fund
  - Road and Street Fund
  - Urban Renewal Agency Fund

CITY OF GLADSTONE, OREGON
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2013

	Budget			Variance Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Property taxes	$ 3,072,387	$ 3,072,387	$ 3,295,049	$ 222,662
Public service taxes	681,000	681,000	797,831	116,831
Franchise taxes	486,525	486,525	492,743	6,218
Grants	609,535	609,535	110,088	(499,447)
Charges for services	62,400	62,400	64,756	2,356
Licenses and permits	19,500	19,500	20,726	1,226
Fines and forfeitures	170,000	170,000	213,862	43,862
Contributions and donations	31,500	31,500	36,170	4,670
Interest	15,000	15,000	30,041	15,041
Miscellaneous	83,140	83,140	85,080	1,940
Total revenues	5,230,987	5,230,987	5,146,346	(84,641)
EXPENDITURES:				
General government	1,045,785	1,045,785	918,452	127,333
Public safety	2,944,290	3,014,290	2,636,629	377,661
Cultural and recreation	1,223,902	1,323,902	1,153,954	169,948
Capital outlay	1,341,457	1,341,457	298,198	1,043,259
Contingency	401,471	231,471	-	231,471
Total expenditures	6,956,905	6,956,905	5,007,233	1,949,672
Revenues over (under) expenditures	(1,725,918)	(1,725,918)	139,113	1,865,031
OTHER FINANCING SOURCES (USES):				
Transfers in	110,452	110,452	110,452	-
Total other financing sources (uses)	110,452	110,452	110,452	-
Net changes in fund balances	(1,615,466)	(1,615,466)	249,565	1,865,031
FUND BALANCES, BEGINNING	2,165,320	2,165,320	2,554,421	389,101
FUND BALANCES, ENDING	$ 549,854	$ 549,854	$ 2,803,986	$ 2,254,132

CITY OF GLADSTONE, OREGON
STATE REVENUE SHARING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2013

	Budget			Variance Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Grants	$ 92,000	$ 92,000	$ 101,182	$ 9,182
Interest	1,700	1,700	3,372	1,672
Total revenues	93,700	93,700	104,554	10,854
EXPENDITURES:				
Capital outlay	809,218	809,218	17,297	791,921
Total expenditures	809,218	809,218	17,297	791,921
Revenues over (under) expenditures	(715,518)	(715,518)	87,257	802,775
OTHER FINANCING SOURCES (USES):				
Interfund loan receipts	99,396	99,396	-	(99,396)
Total other financing sources (uses)	99,396	99,396	-	(99,396)
Net changes in fund balances	(616,122)	(616,122)	87,257	703,379
FUND BALANCES, BEGINNING BUDGETARY BASIS	616,122	616,122	642,638	26,516
FUND BALANCES, ENDING BUDGETARY BASIS	$ -	$ -	729,895	$ 729,895
Interfund loan and interest receivable			496,984	
FUND BALANCES, ENDING			$ 1,226,879	

CITY OF GLADSTONE, OREGON
ROAD AND STREET FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2013

	Budget			Variance Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Public service taxes	$ 584,562	$ 584,562	$ 628,655	$ 44,093
Charges for services	5,000	5,000	8,123	3,123
Miscellaneous	500	500	9,860	9,360
Total revenues	590,062	590,062	646,638	56,576
EXPENDITURES:				
Personnel service	171,034	171,034	163,116	7,918
Materials and service	223,575	248,575	201,730	46,845
Capital outlay	393,783	368,783	128,146	240,637
Total expenditures	788,392	788,392	492,992	295,400
Revenues over (under) expenditures	(198,330)	(198,330)	153,646	351,976
OTHER FINANCING SOURCES (USES):				
Transfers out	(55,360)	(55,360)	(55,360)	-
Total other financing sources (uses)	(55,360)	(55,360)	(55,360)	-
Net changes in fund balances	(253,690)	(253,690)	98,286	351,976
FUND BALANCES, BEGINNING	253,690	253,690	431,374	177,684
FUND BALANCES, ENDING	$ -	$ -	$ 529,660	$ 529,660

CITY OF GLADSTONE, OREGON
URBAN RENEWAL AGENCY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2013

	Budget			Variance Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Property taxes	$ 826,633	$ 826,633	$ 839,549	$ 12,916
Interest	4,000	4,000	13,553	9,553
Total revenues	830,633	830,633	853,102	22,469
EXPENDITURES:				
Materials and service	61,300	61,300	46,906	14,394
Capital outlay	2,175,754	2,175,754	68,055	2,107,699
Debt service:				
Principal	230,000	230,000	-	230,000
Interest	300,000	300,000	-	300,000
Total expenditures	2,767,054	2,767,054	114,961	2,652,093
Revenues over (under) expenditures	(1,936,421)	(1,936,421)	738,141	2,674,562
OTHER FINANCING SOURCES (USES):				
Issuance of debt	7,500,000	7,500,000	-	(7,500,000)
Transfers out	(7,500,000)	(7,500,000)	-	7,500,000
Total other financing sources (uses)	-	-	-	-
Net changes in fund balances	(1,936,421)	(1,936,421)	738,141	2,674,562
FUND BALANCES, BEGINNING	1,936,421	1,936,421	1,975,548	39,127
FUND BALANCES, ENDING	$ -	$ -	$ 2,713,689	$ 2,713,689

CITY OF GLADSTONE, OREGON
SCHEDULE OF FUNDING PROGRESS
OTHER POST-EMPLOYMENT BENEFITS
June 30, 2013

Other Post-Employment Benefits

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2009	$ -	$ 699,333	$ 699,333	0.00%	$ 2,937,298	24.00%
7/1/2012	-	296,770	296,770	0.00%	2,525,297	11.80%

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

1. Stewardship, Compliance, and Accountability

A. Budgetary Information

On or before June 30 of each year, the City enacts a resolution approving the budget, appropriating the expenditures, and levying the property taxes. Prior to enacting this resolution, the proposed budget is presented to a budget committee consisting of members of the City Council and a like number of interested citizens. The budget committee presents the budget to the City Council for budget hearings prior to enactment of the resolution. The City budgets all funds, except the Fiduciary Funds, as required by Oregon Local Budget Law. The basis of budgeting for all major funds is the same as GAAP.

The resolution authorizing appropriations for each fund sets the legal level of control by which expenditures cannot legally exceed appropriations. Total expenditures by department as established by the resolution are the legal level of control for the General Fund. Expenditure categories of personal services, materials and services, capital outlay, debt service transfers, and contingency are the legal level of control for all other funds. The detail budget document, however, is required to contain more specific information for the above mentioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers, and adoption by the City Council. Management may modify original and supplemental budgets by the use of appropriation transfers between the legal levels of control within a fund. Such transfers require approval by the City Council. The City had appropriation transfers during the year ended June 30, 2013. Appropriations lapse as of year-end.

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OTHER SUPPLEMENTARY INFORMATION

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

- Combining Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules
  - General Fund
  - Capital Project Fund
  - Nonmajor Governmental Funds
  - Enterprise Funds
- Other Financial Schedules

COMBINING STATEMENTS

Nonmajor Governmental Funds

Special Revenue Funds

These funds account for revenue derived from specific taxes or other earmarked revenue sources, which are legally restricted to expenditures for specified purposes. Funds included in this category are:

911 Excise Tax Resource Fund

The 911 Excise Tax Resource Fund accounts for revenue received from the State of Oregon from the "911" state emergency telephone system.

Police and Communications Special Levy Fund

The Police and Communications Special Levy Fund accounts for the receipts and expenditure of taxes received from a five year local option levy. Proceeds from the levy will be used to increase police personnel.

Fire and Emergency Services Special Levy Fund

The Fire and Emergency Services Special Levy Fund accounts for the receipt and expenditure of taxes received from a five year local option levy. Proceeds from the levy will be used to increase fire personnel and to increase current services.

Agency Funds

Municipal Court Fund

Library Board Trust Fund

CITY OF GLADSTONE, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2013

	911 Excise Tax Resource Fund	Police and Communications Special Levy Fund	Fire and Emergency Services Special Levy Fund	Total
ASSETS:				
Cash and investments	$ 1,654	$ 336,634	$ 563,108	$ 901,396
Cash with county treasurer	-	2,309	1,108	3,417
Property taxes receivable	-	32,646	15,984	48,630
Total assets	$ 1,654	$ 371,589	$ 580,200	$ 953,443
LIABILITIES:				
Accounts payable	$ -	$ 7,154	$ -	$ 7,154
Total liabilities	-	7,154	-	7,154
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenues - property taxes	-	30,177	14,800	44,977
Total deferred inflows of resources	-	30,177	14,800	44,977
FUND BALANCES:				
Restricted:				
911 system	1,654	-	-	1,654
Assigned:				
Police services	-	334,258		334,258
Fire and emergency services	-	-	565,400	565,400
Total fund balances	1,654	334,258	565,400	901,312
Total liabilities, deferred inflows of resources and fund balances	$ 1,654	$ 371,589	$ 580,200	$ 953,443

CITY OF GLADSTONE, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2013

	911 Excise Tax Resource Fund	Police and Communications Special Levy Fund	Fire and Emergency Services Special Levy Fund	Total
REVENUES:				
Property taxes	$ -	$ 495,530	$ 237,526	$ 733,056
Public service taxes	13,936	-	-	13,936
Contributions and donations	-	169	-	169
Interest	200	2,346	3,021	5,567
Total revenues	14,136	498,045	240,547	752,728
EXPENDITURES:				
Public safety	40,000	539,876	115,489	695,365
Capital outlay	-	16,583	1,507	18,090
Total expenditures	40,000	556,459	116,996	713,455
Revenues over (under) expenditures	(25,864)	(58,414)	123,551	39,273
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(12,543)	(5,272)	(17,815)
Total other financing sources (uses)	-	(12,543)	(5,272)	(17,815)
Net changes in fund balances	(25,864)	(70,957)	118,279	21,458
FUND BALANCES, BEGINNING	27,518	405,215	447,121	879,854
FUND BALANCES, ENDING	$ 1,654	$ 334,258	$ 565,400	$ 901,312

CITY OF GLADSTONE, OREGON
AGENCY FUNDS
COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
For the Fiscal Year Ended June 30, 2013

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
Municipal Court Fund				
Assets				
Cash	$ 3,348	$ 2,767	$ -	$ 6,115
Liabilities				
Other current liabilities	$ 3,348	$ 2,767	$ -	$ 6,115
Library Board Trust Fund				
Assets				
Cash	$ 21,928	$ 127	$ -	$ 22,055
Liabilities				
Other current liabilities	$ 21,928	$ 127	$ -	$ 22,055
Totals - All Agency Funds				
Assets				
Cash	$ 25,276	$ 2,894	$ -	$ 28,170
Liabilities				
Other current liabilities	$ 25,276	$ 2,894	$ -	$ 28,170

BUDGETARY COMPARISON SCHEDULES

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

These Budgetary Comparison schedules included the following:

- General Fund Schedule of Expenditures
- Capital Library Fund
- Special Revenue Funds - Nonmajor Governmental Funds
  - 911 Excise Tax Resource Fund
  - Police and Communications Special Levy Fund
  - Fire and Emergency Services Special Levy Fund

CITY OF GLADSTONE, OREGON
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2013

	Budget			Variance Positive
	Original	Final	Actual	(Negative)
General Administration:				
Personnel services	$ 474,585	$ 474,585	$ 448,341	$ 26,244
Materials and services	571,200	571,200	470,111	101,089
Subtotal	1,045,785	1,045,785	918,452	127,333
Municipal Court:				
Personnel services	172,063	172,063	158,059	14,004
Materials and services	93,860	93,860	77,699	16,161
Subtotal	265,923	265,923	235,758	30,165
Police:				
Personnel services	1,696,229	1,696,229	1,518,353	177,876
Materials and services	226,000	296,000	239,815	56,185
Subtotal	1,922,229	1,992,229	1,758,168	234,061
Fire:				
Personnel services	432,888	432,888	407,746	25,142
Materials and services	323,250	323,250	234,957	88,293
Capital outlay	728,000	728,000	165,078	562,922
Subtotal	1,484,138	1,484,138	807,781	676,357
Parks:				
Personnel services	148,589	148,589	142,615	5,974
Materials and services	109,050	179,050	155,347	23,703
Capital outlay	311,835	311,835	25,950	285,885
Subtotal	569,474	639,474	323,912	315,562
Recreation:				
Personnel services	27,000	27,000	14,551	12,449
Materials and services	35,150	65,150	44,240	20,910
Subtotal	62,150	92,150	58,791	33,359

CITY OF GLADSTONE, OREGON
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2013

	Budget			Variance Positive
	Original	Final	Actual	(Negative)
Senior Center:				
Personnel services	206,061	206,061	198,886	7,175
Materials and services	47,200	47,200	36,874	10,326
Capital outlay	198,622	198,622	25,480	173,142
Subtotal	451,883	451,883	261,240	190,643
Library:				
Personnel services	568,498	568,498	485,806	82,692
Materials and services	82,354	82,354	75,635	6,719
Capital outlay	103,000	103,000	81,690	21,310
Subtotal	753,852	753,852	643,131	110,721
Total expenditures	$ 6,555,434	$ 6,725,434	$ 5,007,233	$ 1,718,201

CITY OF GLADSTONE, OREGON
LIBRARY CAPITAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2013

	Budget			Variance Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Interest	$ 8,000	$ 8,000	$ 10,277	$ 2,277
Miscellaneous	500,000	500,000	-	(500,000)
Total revenues	508,000	508,000	10,277	(497,723)
EXPENDITURES:				
Capital outlay	9,114,814	9,114,814	3,370	9,111,444
Total expenditures	9,114,814	9,114,814	3,370	9,111,444
Revenues over (under) expenditures	(8,606,814)	(8,606,814)	6,907	8,613,721
OTHER FINANCING SOURCES (USES):				
Reimbursement to Clackamas County	-	-	(1,500,000)	(1,500,000) *
Transfers in	7,000,000	7,000,000	-	(7,000,000)
Transfers out	(393,186)	(393,186)	-	393,186
Total other financing sources (uses)	6,606,814	6,606,814	(1,500,000)	(8,106,814)
Net changes in fund balances	(2,000,000)	(2,000,000)	(1,493,093)	506,907
FUND BALANCES, BEGINNING	2,000,000	2,000,000	2,029,338	29,338
FUND BALANCES, ENDING	$ -	$ -	$ 536,245	$ 536,245

* Exempt from Oregon Budget Law

CITY OF GLADSTONE, OREGON
911 EXCISE TAX RESOURCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2013

	Budget			Variance Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Public service taxes	$ 30,000	$ 30,000	$ 13,936	$ (16,064)
Interest	-	-	200	200
Total revenues	30,000	30,000	14,136	(15,864)
EXPENDITURES:				
Materials and service	40,000	40,000	40,000	-
Total expenditures	40,000	40,000	40,000	-
Revenues over (under) expenditures	(10,000)	(10,000)	(25,864)	(15,864)
Net changes in fund balances	(10,000)	(10,000)	(25,864)	(15,864)
FUND BALANCES, BEGINNING	10,000	10,000	27,518	17,518
FUND BALANCES, ENDING	$ -	$ -	$ 1,654	$ 1,654

CITY OF GLADSTONE, OREGON
POLICE AND COMMUNICATIONS SPECIAL LEVY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2013

	Budget			Variance Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Property taxes	$ 485,968	$ 485,968	$ 495,530	$ 9,562
Contributions and donations	-	-	169	169
Interest	2,500	2,500	2,346	(154)
Total revenues	488,468	488,468	498,045	9,577
EXPENDITURES:				
Personnel service	541,270	541,270	538,598	2,672
Materials and service	114,850	154,850	1,278	153,572
Capital outlay	270,134	230,134	16,583	213,551
Total expenditures	926,254	926,254	556,459	369,795
Revenues over (under) expenditures	(437,786)	(437,786)	(58,414)	379,372
OTHER FINANCING SOURCES (USES):				
Transfers out	(12,543)	(12,543)	(12,543)	-
Total other financing sources (uses)	(12,543)	(12,543)	(12,543)	-
Net changes in fund balances	(450,329)	(450,329)	(70,957)	379,372
FUND BALANCES, BEGINNING	450,329	450,329	405,215	(45,114)
FUND BALANCES, ENDING	$ -	$ -	$ 334,258	$ 334,258

CITY OF GLADSTONE, OREGON
FIRE AND EMERGENCY SERVICES SPECIAL LEVY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2013

	Budget			Variance Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Property taxes	$ 225,859	$ 225,859	$ 237,526	$ 11,667
Interest	2,000	2,000	3,021	1,021
Total revenues	227,859	227,859	240,547	12,688
EXPENDITURES:				
Personnel service	130,841	130,841	110,405	20,436
Materials and service	20,000	20,000	5,084	14,916
Capital outlay	512,690	512,690	1,507	511,183
Total expenditures	663,531	663,531	116,996	546,535
Revenues over (under) expenditures	(435,672)	(435,672)	123,551	559,223
OTHER FINANCING SOURCES (USES):				
Transfers out	(5,272)	(5,272)	(5,272)	-
Total other financing sources (uses)	(5,272)	(5,272)	(5,272)	-
Net changes in fund balances	(440,944)	(440,944)	118,279	559,223
FUND BALANCES, BEGINNING	440,944	440,944	447,121	6,177
FUND BALANCES, ENDING	$ -	$ -	$ 565,400	$ 565,400

BUDGETARY COMPARISON SCHEDULES
Enterprise Funds

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

Enterprise Budgetary Comparison schedules include the following:

- Water Fund
- Sewer Fund

CITY OF GLADSTONE, OREGON
WATER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2013

	Budget			Variance Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Service charges	$ 1,050,000	$ 1,050,000	1,107,498	$ 57,498
Connection and installation fees	2,500	2,500	2,520	20
System development charge	1,500	1,500	9,879	8,379
Miscellaneous	500	500	2,753	2,253
Total revenues	1,054,500	1,054,500	1,122,650	68,150
EXPENDITURES:				
Personnel service	298,090	298,090	264,822	33,268
Materials and service	672,100	672,100	511,170	160,930
Capital outlay	368,444	363,444	95,929	267,515
Debt service:				
Principal	115,000	120,000	115,000	5,000
Interest	78,347	78,347	78,347	-
Total expenditures	1,531,981	1,531,981	1,065,268	466,713
Revenues over (under) expenditures	(477,481)	(477,481)	57,382	534,863
OTHER FINANCING SOURCES (USES):				
Interfund loan receipts	(129,396)	(129,396)	-	129,396
Transfers out	(13,286)	(13,286)	(13,286)	-
Total other financing sources (uses)	(142,682)	(142,682)	(13,286)	129,396
Net changes in fund balances	(620,163)	(620,163)	44,096	664,259
FUND BALANCES, BEGINNING	620,163	620,163	962,977	342,814
FUND BALANCES, ENDING	$ -	$ -	$ 1,007,073	$ 1,007,073

	Revenues	Expenditures
Total revenue and expenditures above	$ 1,122,650	$ 1,065,268
Operating transfers in/out	-	13,286
Expenditures capitalized	-	(57,941)
Debt service principal payments	-	(115,000)
Depreciation expense	-	169,335
Accrued interest payable	-	(2,156)
Net OPEB obligation	-	1,149
Equity in net income/loss of joint venture	(75,418)	-
Total revenues and expenses - generally accepted accounting principles	$ 1,047,232	1,073,941
Change in net position		$ (26,709)

CITY OF GLADSTONE, OREGON
SEWER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2013

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
REVENUES:				
Service charge	$ 1,552,742	$ 1,552,742	$ 1,617,125	$ 64,383
Connection and installation fees	2,000	2,000	6,160	4,160
System development charge	500	500	1,350	850
Miscellaneous	600	600	3,100	2,500
Total revenues	1,555,842	1,555,842	1,627,735	71,893
EXPENDITURES:				
Personnel service	239,987	239,987	230,222	9,765
Materials and service	1,434,257	1,574,257	1,189,809	384,448
Capital outlay	741,868	601,868	212,332	389,536
Total expenditures	2,416,112	2,416,112	1,632,363	783,749
Revenues over (under) expenditures	(860,270)	(860,270)	(4,628)	855,642
OTHER FINANCING SOURCES (USES):				
Transfers out	(23,991)	(23,991)	(23,991)	-
Total other financing sources (uses)	(23,991)	(23,991)	(23,991)	-
Net changes in fund balances	(884,261)	(884,261)	(28,619)	855,642
FUND BALANCES, BEGINNING	884,261	884,261	937,457	53,196
FUND BALANCES, ENDING	$ -	$ -	$ 908,838	$ 908,838

	Revenues	Expenditures
Total revenue and expenditures above	$ 1,627,735	$ 1,632,363
Operating transfers in/out	-	23,991
Expenditures capitalized	-	(120,892)
Depreciation and amortization expense	-	82,312
Net OPEB obligation	-	1,908
Total revenues and expenses - generally accepted accounting principles	$ 1,627,735	1,619,682
Change in net position		$ 8,053

OTHER FINANCIAL SCHEDULES

CITY OF GLADSTONE, OREGON
SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES
For the Fiscal Year Ended June 30, 2013

Fiscal Year	Uncollected Balance June 30, 2012	2012-2013 Levy	Adjustments/ Discount	Collections	Uncollected Balance June 30, 2013
2012-2013	$ -	$ 5,003,420	$ (138,994)	$ (4,716,514)	$ 147,912
2011-2012	161,708	-	(6,063)	(72,383)	83,262
2010-2011	81,909	-	(4,208)	(24,859)	52,842
2009-2010	53,826	-	(641)	(23,398)	29,787
2008-2009	16,296	-	(307)	(10,714)	5,275
2007-2008	3,075	-	(230)	(794)	2,051
Prior years	5,600	-	(228)	(639)	4,733
Totals	$ 322,414	$ 5,003,420	$ (150,671)	$ (4,849,301)	$ 325,862

Taxes receivable classified by fund:	
General Fund	$ 221,267
Police Fund	32,646
Fire Fund	15,984
Urban Renewal Agency Debt Service Fund	55,965
	$ 325,862

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATION

MERINA
& COMPANY, LLP
Certified Public Accountants and Consultants

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

PARTNERS
KAMALA K. AUSTIN, CPA • TONYA M. MOFFITT, CPA

INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATION

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gladstone, Oregon, as of and for the year ended June 30, 2013 and have issued our report thereon dated December 27, 2013. 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 City of Gladstone, Oregon's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in the Oregon Administrative Rules 162-10-000 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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

- Deposits of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions, and repayments.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Highway revenues used for public highways, roads, and streets.
- Authorized investment of surplus funds. (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, and 279C).
- Accountability for collecting or receiving money by elected officials. The City does not have any elected officials collecting or receiving money.

5499 AMY STREET • WEST LINN, OREGON 97068 • PHONE: (503) 723-0300 • FAX: (503) 723-9946 WWW.MERINACPAS.COM

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

- Amounts in the budget resolution did not all agree to the budget document as the approved column was used rather than the adopted.

OAR 162-10-0230 Internal Control

Management of City of Gladstone, Oregon is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered City of Gladstone, Oregon'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 Gladstone, Oregon's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Gladstone, Oregon's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

We have communicated suggestions for improvements of the City of Gladstone, Oregon's processes in a separate letter to management dated December 27, 2013.

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

Merina & Company

Merina & Company, LLP
West Linn, Oregon
December 27, 2013

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General Ledger
Expense vs Budget

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Account Number	Description	Budget	Period Amt	End Bal	Available	% Available
001	**GENERAL FUND**					
001-000-400001	UNAPPROP END FUND BALANCE	549,853.00	0.00	0.00	549,853.00	100.00
	UNAPPROPRIATED	549,853.00	0.00	0.00	549,853.00	100.00
021	GENERAL ADMINISTRATION					
001-021-100000	CITY ADMINISTRATOR	110,625.00	9,218.72	110,651.23	-26.23	-0.02
001-021-100500	ASSISTANT CITY ADMINSTRATOR	85,086.00	7,090.00	85,080.00	6.00	0.01
001-021-101500	ADMIN SECRETARYREC COORDINATO	57,348.00	4,791.60	58,335.15	-987.15	-1.72
001-021-102000	ACCOUNT CLERK (FINANCE)	54,610.00	4,422.00	53,064.00	1,546.00	2.83
001-021-102100	PART TIME	0.00	0.00	0.00	0.00	0.00
001-021-102300	OVERTIME	500.00	0.00	0.00	500.00	100.00
001-021-102400	CAREER RECOGNITION PAY	1,600.00	132.66	1,591.92	8.08	0.51
001-021-102500	PAYROLL COSTS	164,817.00	11,724.38	139,618.28	25,198.72	15.29
	PAYROLL RELATED EXPEN	474,586.00	37,379.36	448,340.58	26,245.42	5.53
001-021-105500	CITY ATTORNEY HOURLY	90,000.00	8,486.47	93,491.75	-3,491.75	-3.88
001-021-106000	FIRE & LIABILITY INSURANCE	95,000.00	0.00	97,154.18	-2,154.18	-2.27
001-021-106500	SELF INSURANCE FUND	0.00	0.00	0.00	0.00	0.00
001-021-107000	COUNTY PLANNING SVCS CONTRACT	40,000.00	0.00	36,284.58	3,715.42	9.29
001-021-107500	MUNICIPAL AUDIT CONTRACT	28,000.00	0.00	23,276.00	4,724.00	16.87
001-021-108500	JANITOR SERVICES	8,000.00	382.96	5,590.38	2,409.62	30.12
001-021-109500	UTILITIES (LIGHTS & FUEL)	13,000.00	809.77	11,088.58	1,911.42	14.70
001-021-110000	TELEPHONES	25,000.00	691.08	16,480.76	8,519.24	34.08
001-021-110500	BUILDING MAINTENANCE	16,000.00	421.60	8,751.63	7,248.37	45.30
001-021-111000	LEAGUE OF OREGON CITIES DUES	9,000.00	0.00	0.00	9,000.00	100.00
001-021-113000	OFFICE SUPPLIESPRINTPOSTAGE	30,000.00	3,058.72	24,756.51	5,243.49	17.48
001-021-113500	CITY NEWSLETTER	17,000.00	1,328.76	16,070.05	929.95	5.47
001-021-114500	MEMBERSHIPS,CONF & PUBLICATION	6,000.00	0.00	3,370.56	2,629.44	43.82
001-021-115000	CENTENNIAL EXPENSES	0.00	0.00	0.00	0.00	0.00
001-021-115500	DATA PROCESSINGMAINTLIC	120,000.00	20,679.34	96,082.54	23,917.46	19.93
001-021-116000	SURVEYS & CONSULTANTS	20,000.00	1,451.96	30,493.16	-10,493.16	-52.47
001-021-116500	PERSONNEL RECRUITMENT	10,000.00	2,136.48	2,936.48	7,063.52	70.64
001-021-117000	EMPLOYEE APPRECIATION	2,000.00	0.00	903.40	1,096.60	54.83
001-021-117500	VEHICLE MAINTENANCE	1,600.00	0.00	1,831.72	-231.72	-14.48
001-021-119000	DONATE HSKRAXBRG GRADUATIONS	600.00	0.00	0.00	600.00	100.00
001-021-119300	CONTINUING HEALTH CARE COVERAG	30,000.00	0.00	0.00	30,000.00	100.00
001-021-119500	LOCAL GOVT PERSONNEL INST DUES	10,000.00	0.00	1,549.00	8,451.00	84.51
	MATL SUPPLIES & EXP	571,200.00	39,447.14	470,111.28	101,088.72	17.70
001-021-120000	RE-ROOF CITY HALLPOLICE STATI	0.00	0.00	0.00	0.00	0.00
	CAPITAL OUTLAY	0.00	0.00	0.00	0.00	0.00
021	GENERAL ADMINISTRATION	1,045,786.00	76,826.50	918,451.86	127,334.14	12.18

Account Number	Description	Budget	Period Amt	End Bal	Available	% Available
022	MUNICIPAL COURT					
001-022-102500	PAYROLL COSTS	52,575.00	3,033.26	38,697.66	13,877.34	26.40
001-022-120000	MUNICIPAL COURT JUDGE	37,034.00	3,000.00	36,162.50	871.50	2.35
001-022-120500	MUNICIPAL COURT CLERK	55,715.00	4,643.10	55,717.20	-2.20	0.00
001-022-121000	ASSISTANT COURT CLERK	26,238.00	2,117.64	27,481.27	-1,243.27	-4.74
001-022-121200	COURT BAILIFF	0.00	0.00	0.00	0.00	0.00
001-022-121500	OVERTIME	500.00	0.00	0.00	500.00	100.00
	PAYROLL RELATED EXPEN	172,062.00	12,794.00	158,058.63	14,003.37	8.14
001-022-123000	PROSECUTING ATTY COURT TIME	40,000.00	3,000.00	39,000.00	1,000.00	2.50
001-022-123500	ATTORNEYS FOR INDIGENT CLIENTS	27,000.00	1,840.00	16,775.40	10,224.60	37.87
001-022-124500	COURT SUPPLIES & EXPENSES	8,660.00	167.72	6,994.77	1,665.23	19.23
001-022-125000	PRINTING,POSTAGE,COPIES	6,000.00	695.80	4,233.20	1,766.80	29.45
001-022-125500	PRO-TEM JUDGEJURY EXPENSES	2,500.00	97.50	1,284.47	1,215.53	48.62
001-022-126000	DATA PROCESSING EXPENSES	0.00	0.00	0.00	0.00	0.00
001-022-126500	COLLECTION SERVICES	1,900.00	149.83	2,439.24	-539.24	-28.38
001-022-127000	COURTROOM SECURITY	7,000.00	734.00	6,971.90	28.10	0.40
001-022-127200	HEARING DEVICES	0.00	0.00	0.00	0.00	0.00
001-022-127500	DOCUMENT IMAGING	800.00	0.00	0.00	800.00	100.00
	MATL SUPPLIES & EXP	93,860.00	6,684.85	77,698.98	16,161.02	17.22
022	MUNICIPAL COURT	265,922.00	19,478.85	235,757.61	30,164.39	11.34
024	POLICE DEPARTMENT					
001-024-102500	PAYROLL COSTS	696,352.00	40,326.88	475,551.48	220,800.52	31.71
001-024-140000	POLICE CHIEF	103,510.00	8,626.00	113,219.73	-9,709.73	-9.38
001-024-140500	POLICE SERGEANT	70,836.00	6,506.00	80,145.79	-9,309.79	-13.14
001-024-141000	POLICE SERGEANT	78,459.00	6,506.00	87,719.67	-9,260.67	-11.80
001-024-141500	POLICE SERGEANT	78,459.00	5,903.00	58,575.93	19,883.07	25.34
001-024-142000	POLICE DETECTIVE	56,465.00	5,605.20	67,262.40	-10,797.40	-19.12
001-024-142300	POLICE DETECTIVE	65,610.00	68,051.39	68,051.39	-2,441.39	-3.72
001-024-142500	POLICE OFFICER	62,582.00	5,701.02	65,507.17	-2,925.17	-4.67
001-024-143000	POLICE OFFICER	56,465.00	5,250.00	61,550.61	-5,085.61	-9.01
001-024-143500	POLICE OFFICER	0.00	-62,705.69	0.00	0.00	0.00
001-024-144000	POLICE OFFICER	53,799.00	5,345.70	64,183.89	-10,384.89	-19.30
001-024-144500	POLICE OFFICER	62,278.00	5,345.70	64,148.29	-1,870.29	-3.00
001-024-145000	POLICE OFFICER	62,278.00	5,109.97	58,750.57	3,527.43	5.66
001-024-146000	POLICE OFFICER	59,266.00	5,190.00	62,679.90	-3,413.90	-5.76
001-024-146500	MUNICIPAL ORDINANCE SPECIALIST	0.00	0.00	0.00	0.00	0.00
001-024-150000	POLICE RECORDS CLERK	43,839.00	3,653.00	43,836.00	3.00	0.01
001-024-150300	POLICE RECORDS CLERK ON-CALL	0.00	0.00	0.00	0.00	0.00
001-024-150500	POLICE RESERVES	4,000.00	0.00	1,061.18	2,938.82	73.47
001-024-151000	PROFICIENCY PAY	32,417.00	2,701.76	30,345.12	2,071.88	6.39
001-024-151500	HOLIDAY PAY	25,000.00	0.00	7,975.24	17,024.76	68.10
001-024-152000	CAREER RECOGNITION PAY	9,616.00	636.70	7,640.40	1,975.60	20.54
001-024-152500	OVERTIME	70,000.00	4,819.41	81,507.58	-11,507.58	-16.44
001-024-152600	TRAINING OVERTIME	5,000.00	1,367.61	18,641.00	-13,641.00	-272.82
	PAYROLL RELATED EXPEN	1,696,231.00	123,939.65	1,518,353.34	177,877.66	10.49
001-024-155000	AUTOMOBILE MAINTFUEL	85,000.00	449.46	67,214.95	17,785.05	20.92
001-024-155200	PARK PATROL	5,000.00	0.00	4,555.50	444.50	8.89
001-024-155500	CLASSPPDS	11,000.00	2,317.50	9,576.00	1,424.00	12.95
001-024-156000	EQUIPMENT & SUPPLIES	10,000.00	768.28	7,799.82	2,200.18	22.00
001-024-156500	OFFICE SUPPLIESFORMS	8,000.00	54.75	8,402.89	-402.89	-5.04
001-024-157000	PRINTING,POSTAGE,COPIES	4,500.00	747.30	5,153.00	-653.00	-14.51
001-024-158000	RADIO MAINTREPLACEMENT	13,000.00	0.00	10,804.20	2,195.80	16.89
001-024-158200	RADAR MAINTENANCE REPLACEMENT	3,000.00	0.00	719.00	2,281.00	76.03

Account Number	Description	Budget	Period Amt	End Bal	Available	% Available
001-024-158500	DOCUMENT IMAGAING, SERVICE	0.00	0.00	0.00	0.00	0.00
001-024-158700	TRAINING	30,000.00	4,649.95	22,672.97	7,327.03	24.42
001-024-159000	CONFERENCES, TRAVEL	0.00	0.00	0.00	0.00	0.00
001-024-159500	UNIFORM & EQUIPMENT	22,000.00	281.00	18,013.46	3,986.54	18.12
001-024-160000	POLICE RESERVE LIFE INSURANCE	0.00	0.00	15.40	-15.40	0.00
001-024-161000	CONTRACTUAL SERVICES	75,000.00	3,759.84	60,152.75	14,847.25	19.80
001-024-161500	FIREARMSAMMUNITION	14,000.00	166.00	11,861.77	2,138.23	15.27
001-024-163000	COMPUTERTECHNOLOGY SERVICES	0.00	93.92	1,056.76	-1,056.76	0.00
001-024-163500	DUES AND SUBSCRIPTIONS	4,500.00	0.00	1,887.00	2,613.00	58.07
001-024-164000	CELL PHONES, PAGERS,RADIOS	7,500.00	481.58	6,003.02	1,496.98	19.96
001-024-164200	POLICE GRANTS	0.00	0.00	0.00	0.00	0.00
001-024-164600	EMERGENCY MANAGEMENT	1,000.00	108.52	1,404.63	-404.63	-40.46
001-024-164800	SHARE OF COSTCCOM DISPATCH SV	0.00	0.00	0.00	0.00	0.00
001-024-164900	JUVENILE DIVERSION PROGRAM	2,500.00	0.00	2,500.00	0.00	0.00
	MATL SUPPLIES & EXP	296,000.00	13,878.10	239,793.12	56,206.88	18.99
001-024-165000	VEHICLES	0.00	0.00	0.00	0.00	0.00
001-024-165500	MISCELLANEOUS EQUIPMENT	0.00	0.00	0.00	0.00	0.00
001-024-166000	POLICE STATION IMPROVEMENTS	0.00	-67.38	22.46	-22.46	0.00
	CAPITAL OUTLAY	0.00	-67.38	22.46	-22.46	0.00
024	POLICE DEPARTMENT	1,992,231.00	137,750.37	1,758,168.92	234,062.08	11.75
025	FIRE DEPARTMENT					
001-025-102500	PAYROLL COSTS	90,000.00	6,307.77	80,701.58	9,298.42	10.33
001-025-170000	VOLUNTEER FIRE CHIEF	13,800.00	1,137.37	13,594.98	205.02	1.49
001-025-170300	FIRE MARSHAL	79,088.00	6,591.00	79,244.10	-156.10	-0.20
001-025-171000	ON-CALL REIMBURSEMENT	250,000.00	17,552.32	234,205.66	15,794.34	6.32
	PAYROLL RELATED EXPEN	432,888.00	31,588.46	407,746.32	25,141.68	5.81
001-025-173000	ENGINE & VEHICLE MAINTENANCE	45,000.00	2,248.52	49,055.79	-4,055.79	-9.01
001-025-173500	OFFICE SUPPLIESPRINTING	4,500.00	141.77	1,562.30	2,937.70	65.28
001-025-174000	VOLUNTEER SCHOOLS & CONFERENCE	4,500.00	0.00	1,367.81	3,132.19	69.60
001-025-174500	UNIFORMS	6,500.00	105.44	3,058.42	3,441.58	52.95
001-025-175000	VOLUNTEER FIREFIGHTER TRAINING	12,500.00	2,457.95	13,198.20	-698.20	-5.59
001-025-175500	STATION MAINTENANCE & SUPPLIES	28,000.00	5,241.17	18,176.18	9,823.82	35.09
001-025-176000	JANITORIAL SERVICES	4,000.00	280.14	3,250.78	749.22	18.73
001-025-176500	PULICATIONSMEMBERSHIPS	4,000.00	700.00	3,322.95	677.05	16.93
001-025-177000	LIFEDISBABILITYACTIVITY INS	9,000.00	41.15	1,701.91	7,298.09	81.09
001-025-177500	HEAT & LIGHTS	15,000.00	623.51	8,552.76	6,447.24	42.98
001-025-177800	CELL PHONES,PAGERS,RADIOS	34,000.00	3,586.90	25,849.28	8,150.72	23.97
001-025-178000	FIRE PREVENTION & INVESTIGATN	4,500.00	800.00	2,063.20	2,436.80	54.15
001-025-178500	PHYSICAL EXAMINATIONS	18,000.00	0.00	13,206.24	4,793.76	26.63
001-025-179000	DIVE RESCUE TRAINING	3,000.00	3,000.00	3,000.00	0.00	0.00
001-025-179500	DATA PROCESSING	13,000.00	1,691.67	9,511.23	3,488.77	26.84
001-025-180000	FIRST RESPONDER SUPPLIES	20,000.00	1,715.32	15,017.39	4,982.61	24.91
001-025-180500	SUPERVISING PHYSICIAN CONTRACT	12,000.00	600.00	7,200.00	4,800.00	40.00
001-025-181000	EMS TRAINING & RECERTIFICATION	10,000.00	0.00	3,092.50	6,907.50	69.08
001-025-181400	SCBA MAINTENANCE	10,000.00	4,672.70	8,823.12	1,176.88	11.77
001-025-181700	PPE TEST,REPAIR,REPLACE	10,000.00	115.00	6,512.06	3,487.94	34.88
001-025-181800	DEPARTMENTAL EVALUATION	0.00	0.00	0.00	0.00	0.00
001-025-181900	SHARE COST CCOM DISPATCH SERVI	55,750.00	-33,315.37	37,434.61	18,315.39	32.85
	MATL SUPPLIES & EXP	323,250.00	-5,294.13	234,956.73	88,293.27	27.31
001-025-182000	ROUTINE EQUIP REPLACEMENT	25,000.00	831.73	21,562.04	3,437.96	13.75
001-025-182500	TURN-OUTS & SCBA RESERVE	134,000.00	12,012.87	25,076.87	108,923.13	81.29

Account Number	Description	Budget	Period Amt	End Bal	Available	% Available
001-025-184000	DIVE RESCUE EQUIPMENT	6,000.00	1,400.00	5,970.00	30.00	0.50
001-025-185500	FIRE APPARATUS & EQUIP RESERVE	79,000.00	0.00	5,390.00	73,610.00	93.18
001-025-187000	FEMA GRANT,EARTHQUAKE IMPROVE	0.00	0.00	0.00	0.00	0.00
001-025-188500	FIRE GRANTS	390,000.00	0.00	107,079.55	282,920.45	72.54
001-025-189500	RADIO & COMPUTER RESERVE	94,000.00	0.00	0.00	94,000.00	100.00
	CAPITAL OUTLAY	728,000.00	14,244.60	165,078.46	562,921.54	77.32
025	FIRE DEPARTMENT	1,484,138.00	40,538.93	807,781.51	676,356.49	45.57
026	PARK DEPARTMENT					
001-026-102500	PAYROLL COSTS	59,000.00	3,236.68	43,670.75	15,329.25	25.98
001-026-190000	PUBLIC WORKS SUPERVISOR	7,909.00	659.09	7,909.20	-0.20	0.00
001-026-190500	UTILITY WORKER, JOURNEY	55,680.00	4,640.00	55,680.00	0.00	0.00
001-026-191500	SEASONAL HELP	25,000.00	0.00	34,034.70	-9,034.70	-36.14
001-026-192000	OVERTIME	1,000.00	0.00	1,319.92	-319.92	-31.99
	PAYROLL RELATED EXPEN	148,589.00	8,535.77	142,614.57	5,974.43	4.02
001-026-193000	PARK MAINTENANCE SUPPLIES	43,250.00	626.50	37,627.60	5,622.40	13.00
001-026-193200	HAZARDOUS TREE REMOVAL	60,000.00	3,080.00	53,641.00	6,359.00	10.60
001-026-193500	LIGHTS & POWER	18,000.00	845.34	10,044.60	7,955.40	44.20
001-026-194000	EQUIPMENT OPERATIONMAINTENANC	37,000.00	1,534.53	37,475.00	-475.00	-1.28
001-026-194200	SPRAY PK OPERATE & MAINTENANCE	2,000.00	105.60	874.65	1,125.35	56.27
001-026-194500	SCHOOLS	1,500.00	0.00	0.00	1,500.00	100.00
001-026-195000	MARINE BOARD ASSISTANCE PROGRM	3,000.00	141.44	491.44	2,508.56	83.62
001-026-195500	PORTABLE RESTROOM RENTALS	12,600.00	1,231.22	14,152.48	-1,552.48	-12.32
001-026-196000	POW WOW TREE MAINT CONTRACT	1,700.00	207.50	1,040.00	660.00	38.82
	MATL SUPPLIES & EXP	179,050.00	7,772.13	155,346.77	23,703.23	13.24
001-026-196200	MARINE BOARD BOATING IMPROVE	0.00	0.00	0.00	0.00	0.00
001-026-196500	PARK IMPROVE INC SPRAY POOL	0.00	0.00	0.00	0.00	0.00
001-026-197000	VEHICLES AND EQUIPMENT	89,900.00	0.00	14,329.76	75,570.24	84.06
001-026-197500	METRO LOCAL SHARE	221,935.00	7,623.00	11,620.00	210,315.00	94.76
	CAPITAL OUTLAY	311,835.00	7,623.00	25,949.76	285,885.24	91.68
026	PARK DEPARTMENT	639,474.00	23,930.90	323,911.10	315,562.90	49.35
027	RECREATION DEPARTMENT					
001-027-102500	PAYROLL COSTS	6,000.00	430.31	1,625.46	4,374.54	72.91
001-027-201000	PLAYGROUND AIDES	13,000.00	1,424.79	10,634.41	2,365.59	18.20
001-027-201500	FIELD MAINTENANCE CREW	8,000.00	1,975.60	2,291.44	5,708.56	71.36
	PAYROLL RELATED EXPEN	27,000.00	3,830.70	14,551.31	12,448.69	46.11
001-027-204000	SUMMER PROGRAMS	2,000.00	357.99	1,198.59	801.41	40.07
001-027-204500	SPECIAL EVENTS	750.00	0.00	416.95	333.05	44.41
001-027-204800	REC FIELDS MAINTEN & SUPPLIES	6,000.00	0.00	0.00	6,000.00	100.00
001-027-205800	COMMUNITY SCHOOL CONTRACT	52,000.00	0.00	41,724.00	10,276.00	19.76
001-027-206000	MIDDLE SCHOOL RECREATION PRGRM	3,500.00	0.00	0.00	3,500.00	100.00
001-027-206500	CHAUTAUQUA ADVERT GAZETTE	900.00	0.00	900.00	0.00	0.00
001-027-207000	RESERVE	0.00	0.00	0.00	0.00	0.00

Account Number	Description	Budget	Period Amt	End Bal	Available	% Available
	MATL SUPPLIES & EXP	65,150.00	357.99	44,239.54	20,910.46	32.10
027	RECREATION DEPARTMENT	92,150.00	4,188.69	58,790.85	33,359.15	36.20
028	SENIOR CENTER					
001-028-102400	CAREER RECOGNITION PAY	1,700.00	97.93	1,114.47	585.53	34.44
001-028-102500	PAYROLL COSTS	63,241.00	5,515.32	65,836.61	-2,595.61	-4.10
001-028-208500	SENIOR CENTER MANAGER	69,999.00	5,834.00	70,008.00	-9.00	-0.01
001-028-209500	TRAM DRIVER	28,500.00	1,944.55	24,837.34	3,662.66	12.85
001-028-210000	OFFICE ASSISTANT	12,000.00	904.06	11,553.70	446.30	3.72
001-028-210500	NUTRITION CATERER	30,622.00	2,011.67	25,535.94	5,086.06	16.61
	PAYROLL RELATED EXPEN	206,062.00	16,307.53	198,886.06	7,175.94	3.48
001-028-212000	BUILDING MAINTENANCESUPPLIES	7,000.00	284.85	3,511.69	3,488.31	49.83
001-028-212500	OFFICEMISCELLANEOUS SUPPLIES	1,000.00	85.76	1,312.62	-312.62	-31.26
001-028-213000	TELEPHONES	2,500.00	142.61	1,573.11	926.89	37.08
001-028-213500	OTHER UTILITIES	12,000.00	590.07	9,565.78	2,434.22	20.29
001-028-214000	TRAM EXPENSES	5,000.00	0.00	3,863.09	1,136.91	22.74
001-028-214500	MILEAGE REIMBURSEMENT	300.00	0.00	284.30	15.70	5.23
001-028-215000	CONFERENCE,SCHOOLS,ASSN. DUES	400.00	0.00	0.00	400.00	100.00
001-028-215500	JANITORIAL SERVICES	8,500.00	895.33	9,159.40	-659.40	-7.76
001-028-216500	BUILDING MONITOR FOR RENTALS	2,500.00	240.80	2,434.72	65.28	2.61
001-028-217000	DATA PROCESSING	2,000.00	0.00	0.00	2,000.00	100.00
001-028-217500	NUTRITION PROGRAM SUPPLIES	6,000.00	340.63	5,169.04	830.96	13.85
001-028-217600	MEDICAID MATCH	0.00	0.00	0.00	0.00	0.00
	MATL SUPPLIES & EXP	47,200.00	2,580.05	36,873.75	10,326.25	21.88
001-028-218000	PLANTON ESTATE	163,622.00	15,963.00	22,389.78	141,232.22	86.32
001-028-219500	BUILDING REPAIR	25,000.00	0.00	3,088.80	21,911.20	87.64
001-028-219800	MISCELLANEOUS EQUIPMENT	10,000.00	0.00	0.00	10,000.00	100.00
	CAPITAL OUTLAY	198,622.00	15,963.00	25,478.58	173,143.42	87.17
028	SENIOR CENTER	451,884.00	34,850.58	261,238.39	190,645.61	42.19
029	LIBRARY					
001-029-102400	CAREER RECOGNITION PAY	3,000.00	231.15	2,773.80	226.20	7.54
001-029-102500	PAYROLL COSTS	189,534.00	10,277.59	131,967.94	57,566.06	30.37
001-029-220000	LIBRARY DIRECTOR	85,092.00	5,416.67	41,780.31	43,311.69	50.90
001-029-221000	INTERIM ASST LIBRARY DIRECTOR	0.00	0.00	0.00	0.00	0.00
001-029-221500	LIBRARY ASSISTANT II	48,326.00	3,913.00	47,830.56	495.44	1.03
001-029-222000	LIBRARY ASSISTANT II	47,413.00	3,913.00	47,262.51	150.49	0.32
001-029-222500	LIBRARY ASSISTANT II	47,413.00	4,171.33	48,819.83	-1,406.83	-2.97
001-029-222800	LIBRARY ASSISTANT I	43,027.00	3,726.00	44,865.15	-1,838.15	-4.27
001-029-223000	LIBRARY ASSISTANT I	42,605.00	3,550.00	42,786.18	-181.18	-0.43
001-029-223200	LIBRARY AIDE	7,088.00	572.40	4,798.50	2,289.50	32.30
001-029-223500	ON CALL LIB ASSISTANT	55,000.00	2,653.72	72,921.23	-17,921.23	-32.58
	PAYROLL RELATED EXPEN	568,498.00	38,424.86	485,806.01	82,691.99	14.55
001-029-224500	UTILITIES	12,000.00	790.74	10,841.69	1,158.31	9.65
001-029-225000	BUILDING MAINTENANCESUPPLIES	10,000.00	152.18	8,234.97	1,765.03	17.65
001-029-225500	OFFICE SUPPLPROCESSNG MATERIA	12,000.00	1,148.67	9,092.79	2,907.21	24.23
001-029-226000	TELEPHONES	2,400.00	0.00	741.25	1,658.75	69.11
001-029-226500	EQUIP LEASE,MAINT & SUPPLIES	7,000.00	0.00	7,261.89	-261.89	-3.74
001-029-227000	SUBSCRIPTIONS	5,000.00	0.00	4,627.63	372.37	7.45

Account Number	Description	Budget	Period Amt	End Bal	Available	% Available
001-029-227500	CONFERENCE & SCHOOLS	2,000.00	125.00	639.04	1,360.96	68.05
001-029-228000	JANITORIAL SERVICE	7,500.00	1,200.00	14,850.00	-7,350.00	-98.00
001-029-228500	ADULTCHILDREN'S PROGRAMS	3,500.00	1,493.74	2,526.91	973.09	27.80
001-029-229000	DATA PROCESSING & LINCC	13,215.00	4,768.55	13,202.68	12.32	0.09
001-029-229500	READY TO READ GRANT	2,749.00	185.50	185.50	2,563.50	93.25
001-029-229600	LIB FOUNDATION FUNDED PROGRAMS	4,990.00	0.00	3,430.65	1,559.35	31.25
	MATL SUPPLIES & EXP	82,354.00	9,864.38	75,635.00	6,719.00	8.16
001-029-230500	NEW BOOKS	48,000.00	8,674.20	48,183.88	-183.88	-0.38
001-029-231000	BOOK REPLACEREBINDAV REPAIR	8,000.00	266.33	4,557.68	3,442.32	43.03
001-029-231500	NON-PRINT ITEMS	32,000.00	3,078.94	23,997.62	8,002.38	25.01
001-029-234000	LIBRARY BUILDING RESERVE	15,000.00	1,047.00	4,951.00	10,049.00	66.99
	CAPITAL OUTLAY	103,000.00	13,066.47	81,690.18	21,309.82	20.69
001-029-234100	TRNSFR TO LIBRARY CAPITOL FUND	0.00	0.00	0.00	0.00	0.00
	CONTINGENCY	0.00	0.00	0.00	0.00	0.00
029	LIBRARY	753,852.00	61,355.71	643,131.19	110,720.81	14.69
099	CONTINGENCY					
001-099-235500	CONTINGENCY FUNDS	231,471.00	0.00	0.00	231,471.00	100.00
	CONTINGENCY	231,471.00	0.00	0.00	231,471.00	100.00
099	CONTINGENCY	231,471.00	0.00	0.00	231,471.00	100.00
001	**GENERAL FUND**	**7,506,761.00**	**398,920.53**	**5,007,231.43**	**2,499,529.57**	**33.30**
002	**URBAN RENEWAL DISTRICT**					
002	URBAN RENEWAL DISTRICT					
002-002-200000	ENGINEERING AND INSPECTION	10,000.00	0.00	22,628.05	-12,628.05	-126.28
002-002-200500	CONSULTING SERVICES	25,000.00	0.00	3,212.50	21,787.50	87.15
002-002-201000	CITY STAFFPLANNING REIMBURSE	15,000.00	15,000.00	15,000.00	0.00	0.00
002-002-201500	MEETING MATERIEALS,SUPPLIES,AD	1,000.00	0.00	26.02	973.98	97.40
002-002-202500	INSURANCE	3,000.00	0.00	0.00	3,000.00	100.00
002-002-203000	AUDIT	7,300.00	0.00	6,039.00	1,261.00	17.27
	MATL SUPPLIES & EXP	61,300.00	15,000.00	46,905.57	14,394.43	23.48
002-002-301000	URB RENEW PROJECT RESERVE	2,175,754.18	0.00	68,054.92	2,107,699.26	96.87
	CAPITAL OUTLAY	2,175,754.18	0.00	68,054.92	2,107,699.26	96.87
002-002-422700	2012 BONDED DEBT SERVICE PRINC	230,000.00	0.00	0.00	230,000.00	100.00
002-002-422900	2012 BONDED DEBT SERVICE INTER	300,000.00	0.00	0.00	300,000.00	100.00
	DEBT SERVICE	530,000.00	0.00	0.00	530,000.00	100.00
002-002-304700	TRNSFR TO LIBRARY CAPITAL FUND	7,500,000.00	0.00	0.00	7,500,000.00	100.00
	CONTINGENCY	7,500,000.00	0.00	0.00	7,500,000.00	100.00

Account Number	Description	Budget	Period Amt	End Bal	Available	% Available
002	URBAN RENEWAL DISTRICT	10,267,054.18	15,000.00	114,960.49	10,152,093.69	98.88
099	CONTINGENCY					
002-099-500000	CONTINGENCY FUNDS	0.00	0.00	0.00	0.00	0.00
002-099-501000	CITY LOAN REIMBURSEMENT	0.00	0.00	0.00	0.00	0.00
	CONTINGENCY	0.00	0.00	0.00	0.00	0.00
099	CONTINGENCY	0.00	0.00	0.00	0.00	0.00
002	**URBAN RENEWAL DISTRICT**	**10,267,054.18**	**15,000.00**	**114,960.49**	**10,152,093.69**	**98.88**
003	**SEWER FUND**					
003	SEWER DEPARTMENT					
003-003-102400	CAREER RECOGNITION PAY	3,845.00	358.05	4,296.60	-451.60	-11.75
003-003-102500	PAYROLL COSTS	84,598.00	6,097.75	71,819.78	12,778.22	15.10
003-003-300300	PUBLIC WORKS SUPERVISOR	27,681.00	2,306.85	27,682.14	-1.14	0.00
003-003-300700	UTILITY WKR,JOURNEYMAINT TECH	27,840.00	2,250.41	27,078.52	761.48	2.74
003-003-301000	UTILITY WORKER	55,680.00	4,640.00	55,679.91	0.09	0.00
003-003-301200	ACCOUNT CLERK	39,341.00	3,546.17	41,723.93	-2,382.93	-6.06
003-003-301500	OVERTIME	1,000.00	0.00	177.33	822.67	82.27
	PAYROLL RELATED EXPEN	239,985.00	19,199.23	228,458.21	11,526.79	4.80
003-003-302500	ELECTRIC POWER	1,155.00	38.66	366.56	788.44	68.26
003-003-303000	SEWER SYST MAINTENANCEREPAIR	45,000.00	1,951.51	27,166.03	17,833.97	39.63
003-003-303500	CONNECTION TURNOVERS	20,000.00	0.00	6,060.00	13,940.00	69.70
003-003-304000	OAK LODGE SANITARY DISTRICT	363,522.00	60,191.28	361,147.68	2,374.32	0.65
003-003-305000	TRI-CITY SERVICE DISTRICT	744,083.00	125,180.84	745,463.82	-1,380.82	-0.19
003-003-305500	SCHOOLS & TRAINING	3,000.00	0.00	1,912.69	1,087.31	36.24
003-003-306000	ENGINEERING SERVICES	33,000.00	0.00	11,664.00	21,336.00	64.65
003-003-306500	EQUIPMENT REPAIR	8,085.00	26.92	3,333.67	4,751.33	58.77
003-003-307000	PUMP STATION MAINTENANCE	11,550.00	0.00	6,729.06	4,820.94	41.74
003-003-307500	STORM WATER CONSULTING SERVICE	63,000.00	9,584.35	25,965.14	37,034.86	58.79
003-003-307700	STORMSANITARY MASTER PLAN	180,000.00	0.00	60,609.79	119,390.21	66.33
	MATL SUPPLIES & EXP	1,472,395.00	196,973.56	1,250,418.44	221,976.56	15.08
003-003-308000	STORMSANI SYSTEM IMPROVEMENTS	358,706.00	1,454.93	119,627.65	239,078.35	66.65
003-003-308200	EQUIPMENT REPLACEMENT	125,000.00	0.00	32,095.00	92,905.00	74.32
003-003-308400	RESERVE FROM SDC'S	141,562.00	0.00	0.00	141,562.00	100.00
003-003-308700	RIPARIAN RESTORATION	7,500.00	0.00	0.00	7,500.00	100.00
	CAPITAL OUTLAY	632,768.00	1,454.93	151,722.65	481,045.35	76.02
003-003-308800	INTERFUND TRNSFR GEN FUND	23,991.00	23,991.00	23,991.00	0.00	0.00
003-003-309000	OPERATING CONTINGENCY	0.00	0.00	0.00	0.00	0.00
	CONTINGENCY	23,991.00	23,991.00	23,991.00	0.00	0.00
003	SEWER DEPARTMENT	2,369,139.00	241,618.72	1,654,590.30	714,548.70	30.16
003	**SEWER FUND**	**2,369,139.00**	**241,618.72**	**1,654,590.30**	**714,548.70**	**30.16**
004	**WATER FUND**					
004	WATER DEPARTMENT					

Account Number	Description	Budget	Period Amt	End Bal	Available	% Available
004-004-102400	CAREER RECOGNITION PAY	2,181.00	46.40	556.80	1,624.20	74.47
004-004-102500	PAYROLL COSTS	126,280.00	7,092.79	84,687.17	41,592.83	32.94
004-004-400300	PUBLIC WORKS SUPERVISOR	23,727.00	1,977.31	23,727.64	-0.64	0.00
004-004-400700	UTILITY WKR,JOURNEYMAINT TECH	27,840.00	2,389.59	28,748.99	-908.99	-3.27
004-004-401000	WATERWORKS, JOURNEY	58,387.00	4,640.00	55,680.00	2,707.00	4.64
004-004-401500	UTILITY WORKER, JOURNEY	55,675.00	4,640.00	55,679.82	-4.82	-0.01
004-004-402500	OVERTIME	4,000.00	1,216.66	12,734.41	-8,734.41	-218.36
	PAYROLL RELATED EXPEN	298,090.00	22,002.75	261,814.83	36,275.17	12.17
004-004-403000	WATER BILLS & POSTAGE	12,000.00	1,706.59	11,122.21	877.79	7.31
004-004-403500	OFFICE SUPPLIES,COPIES	1,500.00	1,323.43	1,382.92	117.08	7.81
004-004-404000	OFFICE EQUIPMENT MAINTENANCE	1,000.00	0.00	207.75	792.25	79.23
004-004-404200	DATA PROCESSING	10,000.00	0.00	3,550.63	6,449.37	64.49
004-004-404500	MEMBERSHIP,PUBLICATIONS,SCHOOL	5,500.00	0.00	1,603.04	3,896.96	70.85
004-004-405000	OAK LODGE WATER PURCHASES	18,000.00	1,059.30	30,078.07	-12,078.07	-67.10
004-004-405500	NCCWC WATER PURCHASES	260,000.00	20,312.11	201,609.45	58,390.55	22.46
004-004-406000	ELECTRIC POWERLEASE LINE	20,000.00	1,369.47	14,377.60	5,622.40	28.11
004-004-406500	WATER SYSTEM MAINTENANCE	95,000.00	6,223.21	109,037.47	-14,037.47	-14.78
004-004-407000	EQUIPMENT OPERATIONMAINTENANC	35,600.00	0.00	9,433.79	26,166.21	73.50
004-004-407500	REFUNDS & COLLECTION SERVICES	3,000.00	0.00	1,605.13	1,394.87	46.50
004-004-407800	PORTLAND CONSORTIUM DUES	6,500.00	0.00	6,248.00	252.00	3.88
004-004-408000	LABORATORY WATER TESTS	30,000.00	1,577.00	16,692.00	13,308.00	44.36
004-004-408500	UNIFORMSSAFETY EQUIPMENT	9,000.00	163.00	5,182.09	3,817.91	42.42
004-004-409000	METER READING CONTRACT	15,000.00	1,965.04	11,784.44	3,215.56	21.44
004-004-409500	ENGINEERING SERVICES	150,000.00	0.00	64,937.79	85,062.21	56.71
	MATL SUPPLIES & EXP	672,100.00	35,699.15	488,852.38	183,247.62	27.26
004-004-414000	FIRE HYDRANT REPLACEMENTS	15,000.00	0.00	3,330.47	11,669.53	77.80
004-004-414500	METER REPLACEMENTSBACKFLOW	16,800.00	1,320.00	9,729.83	7,070.17	42.08
004-004-415000	EQUIPMENT REPLACEMENT	74,000.00	0.00	37,647.67	36,352.33	49.12
004-004-415200	RESERVE FR SDC CHARGES	112,048.00	0.00	0.00	112,048.00	100.00
004-004-415500	WATER SYST IMPROVEMENTS	145,596.00	2,265.00	45,220.57	100,375.43	68.94
	CAPITAL OUTLAY	363,444.00	3,585.00	95,928.54	267,515.46	73.61
004-004-422700	2005 BONDED DEBTPRINCIPAL	120,000.00	120,000.00	120,000.00	0.00	0.00
004-004-422900	2005 BONDED DEBTINTEREST	78,347.00	38,095.63	76,191.26	2,155.74	2.75
	DEBT SERVICE	198,347.00	158,095.63	196,191.26	2,155.74	1.09
004-004-423500	INTERFUND TRNSFR GEN FUND	13,286.00	13,286.00	13,286.00	0.00	0.00
004-004-423700	INTERFUND LOAN REPAYSEWER	30,000.00	0.00	0.00	30,000.00	100.00
004-004-424000	INTERFUND LOAN REPAY STATE REV	99,396.00	0.00	0.00	99,396.00	100.00
	CONTINGENCY	142,682.00	13,286.00	13,286.00	129,396.00	90.69
004	WATER DEPARTMENT	1,674,663.00	232,668.53	1,056,073.01	618,589.99	36.94
004	**WATER FUND**	**1,674,663.00**	**232,668.53**	**1,056,073.01**	**618,589.99**	**36.94**
005	**ROAD & STREET FUND**					
005	STREET DEPARTMENT					
005-005-102400	CAREER RECOGNITION PAY	1,923.00	139.20	1,670.40	252.60	13.14
005-005-102500	PAYROLL COSTS	58,949.00	4,125.77	54,006.94	4,942.06	8.38
005-005-501500	PUBLIC WKS SUPERVISOR	19,772.00	1,647.75	19,773.02	-1.02	-0.01
005-005-502000	UTILITY WORKER, JOURNEY	55,680.00	4,872.00	58,695.05	-3,015.05	-5.41
005-005-502300	SEASONAL HELP	29,709.00	1,111.36	26,086.08	3,622.92	12.19

Account Number	Description	Budget	Period Amt	End Bal	Available	% Available
005-005-502500	OVERTIME	5,000.00	88.83	2,885.22	2,114.78	42.30
	PAYROLL RELATED EXPEN	171,033.00	11,984.91	163,116.71	7,916.29	4.63
005-005-504000	EQUIPMENT OPERATION	22,500.00	1,021.01	12,487.75	10,012.25	44.50
005-005-504500	EQUIPMENT REPAIRS	20,000.00	743.68	21,980.08	-1,980.08	-9.90
005-005-505000	EQUIPMENT RENTAL	7,000.00	0.00	5,091.70	1,908.30	27.26
005-005-505500	STREET MAINTENANCE SUPPLIES	18,000.00	0.00	8,211.88	9,788.12	54.38
005-005-506000	STREET LIGHT POWERMAINTENANCE	85,000.00	113.84	74,845.33	10,154.67	11.95
005-005-507000	SHOP SUPPLIES & UTILITIES	30,000.00	1,758.16	30,005.11	-5.11	-0.02
005-005-507500	CONFERENCE & TRAVEL	1,575.00	0.00	0.00	1,575.00	100.00
005-005-508000	TRAFFIC SIGNAL MAINTENANCE	17,500.00	520.66	17,013.46	486.54	2.78
005-005-508500	STREET SIGN MAINTENANCE	10,000.00	0.00	8,836.38	1,163.62	11.64
005-005-509000	ENGINEERING SERVICES	25,000.00	0.00	19,025.60	5,974.40	23.90
005-005-509200	BUILDING & FACILITIES IMPROVE	12,000.00	4,233.17	4,233.17	7,766.83	64.72
	MATL SUPPLIES & EXP	248,575.00	8,390.52	201,730.46	46,844.54	18.85
005-005-513500	BIKEWAY & SIDEWALK IMPROVEMENT	25,913.00	0.00	18,627.00	7,286.00	28.12
005-005-514500	NEW STREET LIGHTS	10,000.00	0.00	0.00	10,000.00	100.00
005-005-515000	STREET MAINTENANCE	136,624.00	4,100.00	74,963.72	61,660.28	45.13
005-005-517000	EQUIPMENT REPLACEMENT	79,000.00	0.00	32,295.00	46,705.00	59.12
005-005-517500	FEDERAL STIMULUS PROJ GRANTS	0.00	0.00	0.00	0.00	0.00
005-005-518500	FUEL TANK MAINTENANCE	7,000.00	203.00	2,260.24	4,739.76	67.71
005-005-518900	RESV FROM TRANSPORTATION SDC'S	110,246.00	0.00	0.00	110,246.00	100.00
	CAPITAL OUTLAY	368,783.00	4,303.00	128,145.96	240,637.04	65.25
005-005-519300	INTRFND TRNSFR GENERAL FUND	55,360.00	55,360.00	55,360.00	0.00	0.00
	CONTINGENCY	55,360.00	55,360.00	55,360.00	0.00	0.00
005	STREET DEPARTMENT	843,751.00	80,038.43	548,353.13	295,397.87	35.01
005	**ROAD & STREET FUND**	**843,751.00**	**80,038.43**	**548,353.13**	**295,397.87**	**35.01**
006	**LIBRARY CAPITAL FUND**					
006	Section 2					
006-006-634200	NEW LIB - ARCHITECT	501,961.00	0.00	3,370.00	498,591.00	99.33
006-006-634300	NEW LIB - CONSTR PROJECT MNGR	69,398.00	0.00	0.00	69,398.00	100.00
006-006-634400	NEW LIB - FINANCIAL ADVISOR	46,070.00	0.00	0.00	46,070.00	100.00
006-006-634500	NEW LIB - CONSTRUCTION	7,912,753.00	0.00	1,500,000.00	6,412,753.00	81.04
006-006-634700	NEW LIB - FURNITURE & EQUIP	360,000.00	0.00	0.00	360,000.00	100.00
006-006-634900	NEW LIB - MISCELLANEOUS	224,633.00	0.00	0.00	224,633.00	100.00
	CAPITAL OUTLAY	9,114,815.00	0.00	1,503,370.00	7,611,445.00	83.51
006-006-635100	REIMBURSE URBAN RENEW FUND	393,186.00	0.00	0.00	393,186.00	100.00
	CONTINGENCY	393,186.00	0.00	0.00	393,186.00	100.00
006	Section 2	9,508,001.00	0.00	1,503,370.00	8,004,631.00	84.19
006	**LIBRARY CAPITAL FUND**	**9,508,001.00**	**0.00**	**1,503,370.00**	**8,004,631.00**	**84.19**
007	**9-1-1 EXCISE TAX FUND**					
007	9-1-1 TAX FUND					

Account Number	Description	Budget	Period Amt	End Bal	Available	% Available
007-007-704500	DISPATCH CONTINGENCY	0.00	0.00	0.00	0.00	0.00
007-007-705500	C-COM DISPATCH SERVICES	40,000.00	40,000.00	40,000.00	0.00	0.00
	MATL SUPPLIES & EXP	40,000.00	40,000.00	40,000.00	0.00	0.00
007	9-1-1 TAX FUND	40,000.00	40,000.00	40,000.00	0.00	0.00
007	**9-1-1 EXCISE TAX FUND**	**40,000.00**	**40,000.00**	**40,000.00**	**0.00**	**0.00**
008	**POLICECOMMUNC LEVY FUND**					
008	POLICECOMMUNC LEVY DEPT					
008-008-102500	PAYROLL COSTS	163,940.00	15,218.98	135,916.88	28,023.12	17.09
008-008-143500	POLICE OFFICER	62,582.00	4,705.00	12,364.42	50,217.58	80.24
008-008-800500	SCHOOL RESOURCE OFFICER	65,711.00	5,449.50	65,428.60	282.40	0.43
008-008-801000	POLICE OFFICER	62,582.00	4,483.00	35,860.73	26,721.27	42.70
008-008-801500	POLICE OFFICER	52,577.00	4,939.00	57,613.15	-5,036.15	-9.58
008-008-802000	CAREER RECOGNITION PAY	0.00	169.98	2,039.76	-2,039.76	0.00
008-008-802500	MUNICIPAL ORDINANCE SPECIALIST	48,515.00	4,023.00	48,510.42	4.58	0.01
008-008-802700	ADMINISTRATIVE ASSISTANT	49,788.00	4,149.00	50,974.28	-1,186.28	-2.38
008-008-802800	ON CALL POLICE RECORDS CLERK	1,000.00	0.00	0.00	1,000.00	100.00
008-008-803000	OVERTIME	20,000.00	1,994.78	10,780.92	9,219.08	46.10
008-008-803200	PROFICIENCY PAY	7,510.00	830.40	5,812.80	1,697.20	22.60
008-008-803500	HOLIDAY PAY	5,500.00	0.00	271.44	5,228.56	95.06
008-008-805200	CAREER RECOGNITION PAY	1,565.00	0.00	0.00	1,565.00	100.00
	PAYROLL RELATED EXPEN	541,270.00	45,962.64	425,573.40	115,696.60	21.38
008-008-164800	SHARE CCOM DISPATCH SERVICES	147,850.00	9,029.83	112,524.96	35,325.04	23.89
008-008-805000	UNIFORM ALLOWANCES,SHOES	1,000.00	0.00	500.00	500.00	50.00
008-008-805500	EQUIPMENT	2,000.00	0.00	0.00	2,000.00	100.00
008-008-805800	SRO EXPENSES	1,000.00	0.00	0.00	1,000.00	100.00
008-008-805900	K-9 EXPENSES	3,000.00	67.70	1,278.38	1,721.62	57.39
008-008-816480	SHARE COST CCOM DISPATCH SVC	0.00	0.00	0.01	-0.01	0.00
	MATL SUPPLIES & EXP	154,850.00	9,097.53	114,303.35	40,546.65	26.18
008-008-806000	CAPITOL & EQUIP RESERVE	180,134.00	0.00	0.00	180,134.00	100.00
008-008-806500	VEHICLES	25,000.00	0.00	4,574.60	20,425.40	81.70
008-008-806700	MISCELLANEOUS EQUIPMENT	5,000.00	4,995.00	4,995.00	5.00	0.10
008-008-806800	POLICE STATION IMPROVEMENTS	20,000.00	2,159.00	7,013.00	12,987.00	64.94
	CAPITAL OUTLAY	230,134.00	7,154.00	16,582.60	213,551.40	92.79
008-008-805700	TRANSFER TO GENERAL FUNDADMIN	12,543.00	12,543.00	12,543.00	0.00	0.00
	CONTINGENCY	12,543.00	12,543.00	12,543.00	0.00	0.00
008	POLICECOMMUNC LEVY DEPT	938,797.00	74,757.17	569,002.35	369,794.65	39.39
008	**POLICECOMMUNC LEVY FUND**	**938,797.00**	**74,757.17**	**569,002.35**	**369,794.65**	**39.39**
009	**FIREEMERG SERVICES LEVY FUND**					
009	FIREEMERG SERVICES DEPT					
009-009-102500	PAYROLL COSTS	43,774.00	2,871.24	34,449.86	9,324.14	21.30
009-009-900500	VOLUNTEER FIRE COORDINATOR	65,067.00	5,437.64	65,079.64	-12.64	-0.02
009-009-901500	CONTRACT SERVICES	22,000.00	258.84	10,874.87	11,125.13	50.57
	PAYROLL RELATED EXPEN	130,841.00	8,567.72	110,404.37	20,436.63	15.62

Account Number	Description	Budget	Period Amt	End Bal	Available	% Available
009-009-905000	MISCELLANEOUS SUPPLIES	10,000.00	0.00	0.00	10,000.00	100.00
009-009-905200	TESTING-HOSE PUMP LADDERS	10,000.00	0.00	5,084.39	4,915.61	49.16
009-009-905400	SHARE COST CCOM DISPATCH SVC	0.00	0.00	0.00	0.00	0.00
	MATL SUPPLIES & EXP	20,000.00	0.00	5,084.39	14,915.61	74.58
009-009-906000	LEVY RESERVE	408,690.00	0.00	1,500.00	407,190.00	99.63
009-009-906500	THERMAL IMAGING CAMERAS	0.00	0.00	0.00	0.00	0.00
009-009-908000	DEFIBRILLATORHOLMATRO UNIT	4,000.00	0.00	0.00	4,000.00	100.00
009-009-909000	TRAINING FACILITY	100,000.00	0.00	6.61	99,993.39	99.99
	CAPITAL OUTLAY	512,690.00	0.00	1,506.61	511,183.39	99.71
009-009-907000	TRANSFER GENERAL FUND	5,272.00	5,272.00	5,272.00	0.00	0.00
	CONTINGENCY	5,272.00	5,272.00	5,272.00	0.00	0.00
009	FIREEMERG SERVICES DEPT	668,803.00	13,839.72	122,267.37	546,535.63	81.72
009	**FIREEMERG SERVICES LEVY FUND**	**668,803.00**	**13,839.72**	**122,267.37**	**546,535.63**	**81.72**
010	**STATE REV. SHARING**					
010	STATE REV. SHARING					
010-010-904000	CAPITAL OUTLAY	100,000.00	0.00	9,798.18	90,201.82	90.20
010-010-904100	CITY HALL POLICE ROOF REPLACE	709,218.00	0.00	7,498.72	701,719.28	98.94
	CAPITAL OUTLAY	809,218.00	0.00	17,296.90	791,921.10	97.86
010	STATE REV. SHARING	809,218.00	0.00	17,296.90	791,921.10	97.86
010	**STATE REV. SHARING**	**809,218.00**	**0.00**	**17,296.90**	**791,921.10**	**97.86**
Expense Total		**34,626,187.18**	**1,096,843.10**	**10,633,144.98**	**23,993,042.20**	**0.69**