

# CITY of CASCADE LOCKS

## AGENDA

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CITY COUNCIL MEETING, Monday, February 24, 2014, 7:00 PM, CITY HALL

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**Purpose:** The City Council meets on the 2<sup>nd</sup> and 4<sup>th</sup> Mondays of each month to conduct city business.

1. **Call to Order/Pledge of Allegiance/Roll Call.**
2. **Additions or amendments to the Agenda.** (The Mayor may add items to the agenda after it is printed and distributed only when required by business necessity and only after an explanation has been given. The addition of agenda items after the agenda has been printed is otherwise discouraged.)
3. **Adoption of Consent Agenda.** (Consent Agenda may be approved in its entirety in a single motion. Items are considered to be routine. Any Councilor may make a motion to remove any item from the Consent Agenda for individual discussion.)
  - a. **Approval of Minutes of February 11, 2014 Town Hall Meeting.**
  - b. **Approval of Minutes of February 12, 2014 Council Meeting.**
  - c. **Ratification of the Bills in the Amount of \$61,245.22.**
  - d. **Approve Resolution No. 1295 Authorizing Receipt of Unanticipated Revenue in the Amount of \$5,000, Making Appropriations, and Authorizing Expenditures.**
4. **Public Hearings: Supplemental Budget for Cemetery Plot Repayment**
5. **Action Items:**
  - a. **Appointment to Committees.**
  - b. **Approve Resolution No. 1294 Adopting a Supplemental Budget for Fiscal Year 2013/2014, Making Appropriations and Authorizing Expenditures from Cemetery Fund.**
  - c. **Approve Resolution No. 1296 Calling an Election to Submit to City Voters an Ordinance to Create an Emergency Medical Services (EMS) Fee on Property Served by the City of Cascade Locks Electric Utility to Assist in Covering the Costs Associated with Providing EMS Services to Residents and Businesses Served Within the City of Cascade Locks Ambulance Service Area.**
  - d. **Approve Resolution No. 1297 Adopting Policies for Large Projects Undertaken by the City of Cascade Locks.**
6. **Appearance of Interested Citizens to Share a Variety of Perspectives on Issues Facing Our Community.** (Comments on matters not on the agenda or previously discussed.)
7. **Reports and Presentations.**
  - a. **City Committees.**
  - b. **Audit Report.**
  - c. **City Administrator Zimmerman Report.**
8. **Mayor and City Council Comments.**
9. **Other matters.**
10. **Executive Session as may be required under ORS 196.220 2(e) Real Property Transactions and 2(a) Personnel**
11. **Adjournment.**

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, or for other accommodations for person with disabilities, should be made at least 48 hours in advance of the meeting by contacting the City of Cascade Locks office at 541-374-8484.

1. **Call to Order/Pledge of Allegiance/Roll Call.** Mayor Cramblett called the meeting to order at 7:00 PM. CM's Randall, Helfrich, and Mayor Cramblett were present. CM Busdieker was excused; CM Walker, CM Groves and CM Fitzpatrick were absent. Also present were City Administrator Gordon Zimmerman, Finance Officer Marianne Bump, Accounting Clerk Megan Webb, Station Captain Jesse Matheny, Receptionist/Cashier Kari Goben, Bryce Glovotsky, Dennis Muilenburg, James & Sharon Dean, Sherilyn Foley, Jamie Antis, Nancy Renault, Martha Lamont, Port General Manager Paul Koch, Buzzy Nielson, Steve Gast, Larry Cramblett, Joe Shelley, Don & Gyda Haight, Sandy Place, Pete & Shirley Carr, Brad & Debora Lorang, Randy & Anne Holmstrom, Virginia Fitzpatrick, Jed Hartley, Gary Munkhoff and Rob Brostoff.
2. **Additions or amendments to the Agenda.** None.
3. **Port Presentation on Current Economic Development Activity.** PGM Paul Koch presented to the Council and Community members that the Port currently has four property deals in the works. He said this does not include the potential Nestle facility. He explained the steps the Port staff and Commissioners are working on to be able to bring business into Cascade Locks to build Economic Development. PGM Koch said the Commissioners asked him to thank the Council for holding this meeting.
4. **Discussion Items.** CA Zimmerman explained the different parts of his handout.
  - a. **Water Master Plan:** Mayor Cramblett said the City is still waiting to receive the completed Plan. CA Zimmerman went over the proposed water tank install in the Crystal Springs area. He said this will allow the City to meet the required fire flow for new development within the Industrial Park as well as to any future development within the down town area. He said the proposed cost for the 450,000 gallon water tank and to decommission the 15000 feet of pipe coming from the Dry Creek reservoir is about 1.1 million dollars. He said staff is researching different potentials to get that funding. He said the Port has committed to funding the project to install a new water main to feed the Industrial Park.

Gyda Haight asked about what the interest rate would be on a loan. CA Zimmerman said the rate would fluctuate and would not be determined until we took out the loan. Randy Holmstrom asked if the water source for the new reservoir would be the same as Dry Creek. CA Zimmerman said yes it would be the same water source. Gary Munkhoff asked if the Nestle plant would exceed the fire flow demand of 2200 gpm. CA Zimmerman said it would not. Larry Cramblett asked if the water main from the west end of town to the east end of town would all be a 12 inch main. CA Zimmerman said the plan is to eventually replace the pipe to be a continuous 12 inch main. He said right now the piping will be sufficient to supply water from Crystal Springs to the industrial park. Mr. Cramblett said he is concerned that the current water supply lines are too old to withstand the greater pressure from a new reservoir.

Jamie Antis asked if the City has enough water to sell to Nestle after we provide water to new businesses in the Industrial Park. CA Zimmerman explained the different water rights the City has. He said the City does have adequate water. Mr. Antis asked how trucks would be getting to the Industrial Park. CA Zimmerman said that he, as well as the Mayor and Port Staff, attended a meeting with ODOT to discuss different options the City had to route truck traffic. He said they will discuss the different options and make a joint decision. Mr. Antis asked if the City was worried about asbestos in the drinking water from the section of concrete asbestos pipe. CA Zimmerman said Public Works test the water on a daily basis at the well as well as from different testing locations throughout the City once a month. He said the City has never had a problem with the asbestos.

Jed Hartley asked if the City is projecting the water usage. He said currently we have enough but what if there is a drought 4 or 5 years from now. He asked if there would still be adequate water in 20 years by selling our water now. CA Zimmerman said as a City, we have to plan for conservation as well as for a

drought. He said if and when that was to happen, we would have to decide how much of what water right the City would be willing to give up. Mayor Cramblett said that large of a water consumer takes a certain level of risk. He said if there is a drought, the consumer will understand that the City and its citizens will come first, then the sale of water to that consumer. He said Council will make sure this is understood in the contract for the water sales to the Consumer.

Brad Lorang asked if the City had any water usage projections for the new businesses in the Industrial Park. He asked if we would lose the Dry Creek Water rights if the City didn't use them. CA Zimmerman said the City could lose the rights even if we are using them. He said he has not seen any usage projections for the potential new companies, however they would not be consuming nearly as much as Nestle.

**b. Sewer Master Plan:** Staff applied for a CBDG grant for \$150,000 to complete the Wastewater Master Plan. He said we were notified today that the City was awarded the grant. He said it will take until October 2015 to complete the master plan.

**c. EMS Funding Options:** CA Zimmerman explained the gap in the 2014/15 EMS Department budget and the options to create funding that he has provided in his handout. He said that staff has estimated the amount needed to be funded to be about \$60,000. He said this will keep the department operating at their current level. Gyda Haight asked if the City could ask Multnomah County for more money for our contract. CA Zimmerman said the Finance Committee has made that recommendation to the forensic auditor and they are reviewing that request. CA Zimmerman said that he and staff are working on two options for volunteer recruitment and retention programs. Debora Lorang asked if the ambulance fees could be raised. CA Zimmerman said the fees were increased last year and currently we are billing at the same rates as our surrounding communities.

5. **Public Comment.**

Jim Dean said he feels the electric surcharge would be the best option. Mrs. Haight suggested the City asks for more money from Multnomah County. Virginia Fitzpatrick asked if other EMS Departments in our area are funded by property taxes. CA Zimmerman said generally yes, they receive money from the general fund which includes the revenues from property taxes. Buzzy Nielson said the City should go with the property taxes to cover a basic City service. Jamie Antis asked if there was any federal funding available because of the City being within the Scenic Area. Mayor Cramblett said the three City Initiative is looking into that. Larry Cramblett said he feels the EMS department should be able to stand on its own. SC Metheny said that an EMS Department is not meant to stand on its own. He said other communities in our area are funding 1/3 of their budgets with revenues. He said our City is funding about 1/2 of our budget with revenues.

Rob Brostoff asked what the Council is doing to bring more volunteers to the EMS Department. CA Zimmerman explained that he and staff are working on developing programs to promote volunteer recruitment and retentions. Mr. Nielson asked about forming a fire district. Mr. Munkhoff said there was a committee that looked into that and it wasn't doable for our City. Mrs. Carr said she would recommend option C. She said she is very proud of all the people that put aside their differences and came to tonight's meeting.

Mayor adjourned at 7:40pm.

Prepared by  
Megan Webb, Accounting Clerk

APPROVED:

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Tom Cramblett, Mayor

1. **Call to Order/Pledge of Allegiance/Roll Call.** Mayor Cramblett called the meeting to order at 7:00 PM. CM's Fitzpatrick (via conference phone), Randall, Walker, Helfrich, Groves, and Mayor Cramblett were present. CM Busdieker was excused. Also present were City Administrator Gordon Zimmerman, Accounting Clerk Megan Webb, Ralph Hesgard, Arni Kononen, Brad Lorang, and Anne & Randy Holmstrom.
2. **Additions or amendments to the Agenda.** CA Zimmerman would like to add 5g, Recommendation for EMS Funding, to the agenda.
3. **Adoption of Consent Agenda.**
  - a. **Approval of Minutes of January 27, 2014 Council Meeting.**
  - b. **Approval of Minutes of February 4, 2014 Council Work Session Meeting.**
  - c. **Ratification of the Bills in the Amount of \$182,366.94.**

Mayor Cramblett read the list of items on the Consent Agenda. **Motion:** CM Helfrich moved, seconded by CM Randall, to approve the Consent Agenda. The motion passed unanimously by CM's Fitzpatrick, Randall, Walker, Helfrich, Groves, and Mayor Cramblett.
4. **Public Hearings.** None.
5. **Action Items:**
  - a. **Appointment to Committees.** Mayor Cramblett said he had received an application from Tiffany Pruitt for the Finance Committee. **Motion:** CM Randall moved, seconded by CM Walker, to appoint Tiffany Pruitt to the vacant position on the City's Finance Committee. The motion passed with Mayor Cramblett, CM's Fitzpatrick, Randall, Walker and Groves voting in favor, and CM Helfrich opposing.
  - b. **Elect Council President.** Mayor Cramblett explained that with CM Fitzpatrick having a job that takes him out of town during Council meetings, he would like to elect a new President. CM Randall nominated CM Walker as Council President, CM Walker declined. CM Fitzpatrick nominated CM Groves as Council President, CM Groves declined. CM Groves nominated CM Randall as Council President. CM Groves nomination died due to lack of a second. Mayor Cramblett said CM Fitzpatrick will remain as Council President.
  - c. **Adopt Council Goals/Budget Priorities.** Mayor Cramblett would like to thank Staff for doing a good job at keeping next years goals simple. **Motion:** CM Helfrich moved, seconded by CM Groves, to adopt the Council Goals as identified in the February 4<sup>th</sup> work session. The motion passed unanimously by CM's Fitzpatrick, Randall, Walker, Helfrich, Groves and Mayor Cramblett.
  - d. **Potential Process for Appointment of Municipal Court Judge.** CA Zimmerman explained that staff was looking for which direction the Council would like to go to elect a Municipal Court judge. CM Helfrich asked if staff could approach the judge from Hood River County who will be retiring soon to see if he would like to be included as a possible candidate. CA Zimmerman said he would let the Attorney know to ask him. Mayor Cramblett said he would like to suggest contracting with local attorneys to be able to keep the cases held in Cascade Locks. The consensus of the Council was to have staff continue with Option 2, contract with local attorney's willing to be a judge for infrequent cases, to appoint a Municipal Court Judge.
  - e. **Water and Sewer Rate Study.** CA Zimmerman stated that he is seeking approval from Council to move forward with OAWU to conduct a water and sewer rate study. He said this is a critical step in creating industrial rates for potential new businesses coming into the Industrial Park. **Motion:** CM Helfrich moved, seconded by CM Groves, to approve the OAWU proposal for a water rate study not to exceed \$7,000. The motion passed with Mayor Cramblett, CM's Fitzpatrick, Randall, Helfrich and Groves voting in favor, and CM Walker opposing.
  - f. **Old Fire Hall Property Lot Line Adjustment.** CA Zimmerman stated that the Port would like to propose to the Council a lot line adjustment to "square up" the lots and make them easier to sell. He said this would be a square foot for square foot exchange. He said the Port has received an estimate to do the lot line adjustment and would like to look for the approval to split the cost with the Port for the survey

and Lot Line Adjustment Fees. CM Helfrich asked if this included an easement for the Ports future plans for their pedestrian bridge. CA Zimmerman said no, this does not include that easement. He said that would be done in the future if they move forward with that project. **Motion:** CM Helfrich moved, seconded by CM Randall, to direct staff to work with the Port to complete a lot line adjustment for the west property line of the old Fire Hall at 505 WaNaPa Street. The motion passed unanimously by CM's Fitzpatrick, Randall, Helfrich, Groves, Walker and Mayor Cramblett.

**g. Recommendation for EMS Funding.** Arni Kononen said he would like to see a sunset clause added to whatever option the Council decides to go with to fund the EMS Department. He said he is in favor of everyone who lives and works in Cascade Locks paying their fair share and would support the surcharge being added to the utility bill.

Brad Lorang said he feels the Electric Utility Surcharge would be the most equitable, easiest and stable option to generate funds for the EMS Department. He said this would also get those properties or Public Agencies that are tax exempt within our City to help fund services they are using. Mayor Cramblett read a letter from citizen Buzzy Nielson regarding EMS Department Funding.

CA Zimmerman stated staff presented four options to fund the EMS Department at the Town Hall meeting. He said after that meeting he made a few alterations. He explained those to the Council. CM Helfrich asked the Council what the plan is if the community votes against adding one of these charges. He said we need to have a plan. Mayor Cramblett said the citizens should understand what will happen if this fails. He said if the citizens vote against the measure, then the citizens are saying they don't want to add any funding. He said the Council will have to figure out how to run the department with the current funding available.

Mayor Cramblett said he would like to see the property tax option be put on the ballot. CM Helfrich said he would support the electric surcharge with a five year sunset. He said five years takes us to 2019 when the loans for the fire station are close to being paid off, and the new business in the Industrial park would be out of the Enterprise Zone tax abatement. He said this would allow Council to reassess and determine if the surcharge is still needed. CM Walker asked if the EMS department brought in more revenues this year than was projected would that money be "banked"? CA Zimmerman said yes, that would be carried over into the beginning fund balance for the next budget year. CM Walker said he would support the electric surcharge option and feels citizens would be more in favor knowing that Council would be assessing the necessity of the surcharge within the 5 year sunset.

CM Randall said he would support the electric surcharge option and the 5 year sunset. CM Groves said she doesn't agree with the property tax option because she feels the entire City needs to be responsible not just the property owners. She said she would support the electric surcharge option with the five year sunset. CM Fitzpatrick said he supports the electric surcharge option and the 5 year sunset. He said he likes the idea of revisiting the charge every year to make sure it is still needed. CM Helfrich said he would like to make sure to work with the attorney to get the correct wording in the measure addressing the administrative reduction of the surcharge as needed.

The consensus of the Council is to put option B, Electric Utility Surcharge, in place for five years, to be reviewed annually, on the ballot for the May primary.

6. **Appearance of Interested Citizens to Share a Variety of Perspectives on Issues Facing Our Community.**  
None.
7. **Reports and Presentations.**
  - a. **City Committees.** None.

- b. **Water Master Plan.** CA Zimmerman said he has received the preliminary final draft of the water master plan. He said he expects to receive the final draft by the end of the week.
- c. **City Administrator Zimmerman Report.** CA Zimmerman said the City has received a grant from CDBG for \$150,000 to complete the Wastewater Master Plan. He said as of the beginning of 2014, Cascade Locks is no longer eligible for CDBG funding. CA Zimmerman said BPA has established a new Contract High Water Mark. He said what this means for the City is that we will be paying Tier 2 rates sooner than anticipated. He said possibly as early as February 2015 when the Puff factory opens.

CA Zimmerman reports the Reverse 911 program is now in operation. He said the Tourism Committee has established their goals for the next budget year and they have received a \$5,000 grant from Cycle Oregon to install signage for the bike paths and trails within the City. CA Zimmerman reported that our Public Works and City Light crew did a fabulous job during the storm. He said there were no power outages or problems over the weekend.

- 8. **Mayor and City Council Comments** CM Fitzpatrick said he would like to thank CA Zimmerman and the City staff for helping to accomplish so many of the goals during the past year.

CM Helfrich said he would like to thank Public Works and City Lights for working so hard to keep the streets clear of snow. He said there was a great turn out for the Town Hall meeting and wants to thank everyone for coming.

CM Walker said Public Works did a great job plowing the streets and keeping them clean. He said he wants to thank everyone for doing such a great job.

CM Randall said he's very appreciative of the Staff for doing such a good job during the storm. He said he would also like to thank everyone who came to the Town Hall meeting.

CM Groves said she would also like to thank City Staff for accomplishing so many of the goals from this year.

Mayor Cramblett said the Public Works crew did a good job keeping the streets cleared. He said the EMS department did a good job responding to calls and car accidents on the freeway. He said he would also like to thank Dennis Snyder Jr. for stepping up as a citizen and helping out with plowing and being there for people who need help.

- 9. **Other matters.** None
- 10. **Adjournment.** CA Zimmerman said the Mayor could adjourn from regular session. He said there will be no issues to discuss at the end of the executive session. **Motion:** CM Helfrich moved, seconded by CM Walker, to adjourn. The motion passed unanimously by CM's Fitzpatrick, Randall, Walker, Helfrich, Groves and Mayor Cramblett. The meeting was adjourned at 8:36 PM.
- 11. **Executive Session as may be required under ORS 192.660 2(a) Employment of Public Officers, Employees and Agents.** Mayor Cramblett adjourned Regular Session at 8:36 PM and entered into Executive Session at 8:17 PM. CM's Fitzpatrick, Randall, Walker, Helfrich, Groves, and Mayor Cramblett were present. Also present were City Administrator Zimmerman and Accounting Clerk Megan Webb. Mayor Cramblett closed Executive Session at 9:00 PM.

Prepared by  
Megan Webb

APPROVED:

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Tom Cramblett, Mayor

BLANKET VOUCHER APPROVAL

PAGE NO. 1

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DEPARTMENT: CITY OF CASCADE LOCKS  
COVER SHEET AND SUMMARY

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DATE:	DESCRIPTION:	AMOUNT:
2/7/2014	Payroll	\$ 31,673.70
2/13/2014	A/P	\$ 29,571.52

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GRAND TOTAL \$ 61,245.22

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APPROVAL:

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Mayor

Report Criteria:  
Report type: GL detail

Check Number	GL Period	Check Issue Date	Vendor Number	Invoice No.	Payee	Description	GL Account	Amount
4430	02/14	02/13/2014				Void Check		.00 V
Total 4430:								
4431	02/14	02/13/2014				Void Check		.00 V
Total 4431:								
4432	02/14	02/13/2014				Void Check		.00 V
Total 4432:								
4433	02/14	02/13/2014	20	18238	ADDYLAB	Water Sample Testing	2140562150	45.00
Total 4433:								
4434	02/14	02/13/2014	6839	81337704	Bound Tree Medical, LLC	Meds/supplies	0540562351	26.29
4434	02/14	02/13/2014	6839	81339196	Bound Tree Medical, LLC	Meds	0540562351	4.28
Total 4434:								
4435	02/14	02/13/2014	450	12060231	BRAITAIN INTL. TRUCKS, INC	Bucket Truck Repair	5140562201	162.24
Total 4435:								
4436	02/14	02/13/2014	460	5098	BROWN & KYSSAR, INC	General Consulting	5140562190	1,410.00
4436	02/14	02/13/2014	460	5112	BROWN & KYSSAR, INC	Overhead Line Staking Guidelines	5645163941	94.80
Total 4436:								
4437	02/14	02/13/2014	6853	012914	Cascade Locks Business Association	membership fee	0140162030	25.00
Total 4437:								
4438	02/14	02/13/2014	670	02113 UBS	CASCADE LOCKS LIGHT CO.	City Utilities	0140462551	1,402.39
4438	02/14	02/13/2014	670	02113 UBS	CASCADE LOCKS LIGHT CO.	City Utilities	2142162071	327.68
4438	02/14	02/13/2014	670	02113 UBS	CASCADE LOCKS LIGHT CO.	City Utilities	5142162071	561.42

M = Manual Check, V = Void Check

Check Number	GL Period	Check Issue Date	Vendor Number	Invoice No.	Payee	Description	GL Account	Amount
4438	02/14	02/13/2014	670	02/14 UBS	CASCADE LOCKS LIGHT CO.	new fire station	0540562439	601.79
4438	02/14	02/13/2014	670	02/14 USB	CASCADE LOCKS LIGHT CO.	pump lift station	3140562070	21.30
4438	02/14	02/13/2014	670	1000382	CASCADE LOCKS LIGHT CO.	well house	2140562070	1,274.14
4438	02/14	02/13/2014	670	1003791	CASCADE LOCKS LIGHT CO.	treatment plant	3140562070	1,665.16
4438	02/14	02/13/2014	670	1037145	CASCADE LOCKS LIGHT CO.	wasco creek SW lift station	3140562070	21.30
4438	02/14	02/13/2014	670	20012	CASCADE LOCKS LIGHT CO.	cemetery	1740562551	21.30
4438	02/14	02/13/2014	670	3001551	CASCADE LOCKS LIGHT CO.	main lift station	3140562070	347.25
4438	02/14	02/13/2014	670	3001559	CASCADE LOCKS LIGHT CO.	museum	0140762630	172.93
4438	02/14	02/13/2014	670	300159202	CASCADE LOCKS LIGHT CO.	fire station	0540562439	24.43
4438	02/14	02/13/2014	670	3001718	CASCADE LOCKS LIGHT CO.	mail lighting	5140562800	21.30
4438	02/14	02/13/2014	670	3001839	CASCADE LOCKS LIGHT CO.	moody VWT lift station	2140562070	64.06
4438	02/14	02/13/2014	670	6001389	CASCADE LOCKS LIGHT CO.	87 Ruckel	3140562070	34.53
4438	02/14	02/13/2014	670	600137	CASCADE LOCKS LIGHT CO.	chlorinator	2140562070	21.30
4438	02/14	02/13/2014	670	6999998-214	CASCADE LOCKS LIGHT CO.	tourism	0840562071	15.00
4438	02/14	02/13/2014	670	CL-368	CASCADE LOCKS LIGHT CO.	COLEP 6001431.09	5140562138	150.00
4438	02/14	02/13/2014	670	JANUARY 20	CASCADE LOCKS LIGHT CO.	senior sewer rate subsidy	0140862025	204.30
Total 4438:								6,951.58
4439	02/14	02/13/2014	740	55303	CASELLE, INC.	Contract Support	0140162082	142.20
4439	02/14	02/13/2014	740	55303	CASELLE, INC.		0340562082	45.03
4439	02/14	02/13/2014	740	55303	CASELLE, INC.		0540562082	40.29
4439	02/14	02/13/2014	740	55303	CASELLE, INC.		2140562082	244.11
4439	02/14	02/13/2014	740	55303	CASELLE, INC.		3140562082	218.04
4439	02/14	02/13/2014	740	55303	CASELLE, INC.		5140562082	417.12
4439	02/14	02/13/2014	740	55303	CASELLE, INC.		5140662082	78.21
Total 4439:								1,185.00
4440	02/14	02/13/2014	790	313401451 1	CENTURYLINK	Sewer	3140562050	230.88
Total 4440:								230.88
4441	02/14	02/13/2014	940	012914	CITY OF SPRINGFIELD	Ambulance Billing Service	0540562111	456.00
Total 4441:								456.00
4442	02/14	02/13/2014	6852	POR1402 2/1	College of Emergency Services	Paramedic Training J. Metheny	0540562022	3,950.00

Check Number	GL Period	Check Issue Date	Vendor Number	Invoice No.	Payee	Description	GL Account	Amount
Total 4442:								
4443	02/14	02/13/2014	1120	A49349	COLUMBIA HARDWARE, LLC	propane	5140562770	7.58
4443	02/14	02/13/2014	1120	A50455	COLUMBIA HARDWARE, LLC	rope	0140462520	55.89
4443	02/14	02/13/2014	1120	A50884	COLUMBIA HARDWARE, LLC	kerosene	5140562201	44.89
4443	02/14	02/13/2014	1120	A50957	COLUMBIA HARDWARE, LLC	gloves	5140562210	48.21
4443	02/14	02/13/2014	1120	B61531	COLUMBIA HARDWARE, LLC	Misc supplies	0140462520	111.01
4443	02/14	02/13/2014	1120	B61532	COLUMBIA HARDWARE, LLC	cement	0140462520	12.99
4443	02/14	02/13/2014	1120	B61533	COLUMBIA HARDWARE, LLC	magnetic tray	0140462520	8.49
4443	02/14	02/13/2014	1120	B62094	COLUMBIA HARDWARE, LLC	vehicle bolts/brackets/fasteners	0540562441	69.83
Total 4443:								
4444	02/14	02/13/2014	1290	18852	CRUISE MASTER PRISMS, INC	nametags/plates	0540562029	22.39
Total 4444:								
4445	02/14	02/13/2014	1360	129786	DAVID R. CUNNINGHAM	Broadband	4140662570	215.57
4445	02/14	02/13/2014	1360	129912	DAVID R. CUNNINGHAM	Broadband	4140662570	120.00
4445	02/14	02/13/2014	1360	129913	DAVID R. CUNNINGHAM	CATV	4140562082	210.00
4445	02/14	02/13/2014	1360	129914	DAVID R. CUNNINGHAM	City Network	0140162082	77.40
4445	02/14	02/13/2014	1360	129914	DAVID R. CUNNINGHAM	City Network	0340562082	24.51
4445	02/14	02/13/2014	1360	129914	DAVID R. CUNNINGHAM	City Network	0540562082	21.93
4445	02/14	02/13/2014	1360	129914	DAVID R. CUNNINGHAM	City Network	2140562082	132.87
4445	02/14	02/13/2014	1360	129914	DAVID R. CUNNINGHAM	City Network	3140562082	118.68
4445	02/14	02/13/2014	1360	129914	DAVID R. CUNNINGHAM	City Network	5140562082	227.04
4445	02/14	02/13/2014	1360	129914	DAVID R. CUNNINGHAM	City Network	5140662082	42.57
4445	02/14	02/13/2014	1360	129915	DAVID R. CUNNINGHAM	Fire Department	0540562082	180.00
Total 4445:								
4446	02/14	02/13/2014	1620	318	EFFICIENCY SERVICES GROUP, LLC	BPA Program Services January 2014	5140562139	750.00
Total 4446:								
4447	02/14	02/13/2014	2020	1216600	GENERAL PACIFIC INC.	Wire, parts	5140562900	125.25
Total 4447:								

Check Number	GL Period	Check Issue Date	Vendor Number	Invoice No.	Payee	Description	GL Account	Amount
4448	02/14	02/13/2014	2440	PERMIT B-1	HOOD RIVER COUNTY	tower permit	0140162870	101.50
4448	02/14	02/13/2014	2440	PERMIT B-1	HOOD RIVER COUNTY	tower permit	0540562860	101.50
Total 4448:								
4449	02/14	02/13/2014	6874	JANUARY 20	LIN Television Corporation	programming	4140562740	217.28
Total 4449:								
4450	02/14	02/13/2014	4910	211913202	Luisa Paredes	Refund Overpmt on Final Bill	9911033	370.09
Total 4450:								
4451	02/14	02/13/2014	3150	02032014	MARIANNE BUMP	Reimburse Switch for Ch.23	4140562560	18.99
Total 4451:								
4452	02/14	02/13/2014	3380	JANUARY 20	Meredith Corporation	Retransmission	4140562740	164.90
4452	02/14	02/13/2014	3380	KPDX JANU	Meredith Corporation	Retransmission	4140562740	58.20
Total 4452:								
4453	02/14	02/13/2014	3490	2-15-14 96-0	MID-COLUMBIA ECONOMIC	Loan 96-01-01	4640562711	1,252.11
4453	02/14	02/13/2014	3490	2-15-14 96-0	MID-COLUMBIA ECONOMIC	Loan 96-01-01	4640562712	266.57
4453	02/14	02/13/2014	3490	2-15-14 96-0	MID-COLUMBIA ECONOMIC	Loan 96-01-02	4640562711	1,012.63
4453	02/14	02/13/2014	3490	2-15-14 96-0	MID-COLUMBIA ECONOMIC	Loan 96-01-02	4640562712	252.93
Total 4453:								
4454	02/14	02/13/2014	3820	12766605	Norco, INC	Cylinder Sale	0540562351	963.87
4454	02/14	02/13/2014	3820	12767932	Norco, INC	Cylinder Sale	0540562351	926.52
4454	02/14	02/13/2014	3820	12855995	Norco, INC	oxygen	0540562351	73.90
4454	02/14	02/13/2014	3820	12900359	Norco, INC	Cylinder Rental	0540562351	9.30
Total 4454:								
4455	02/14	02/13/2014	3980	2014	OCCMA	Zimmerman 2014 Membership	0140162020	53.60
4455	02/14	02/13/2014	3980	2014	OCCMA	Zimmerman 2014 Membership	2142162020	16.00
4455	02/14	02/13/2014	3980	2014	OCCMA	Zimmerman 2014 Membership	3142162020	11.43
4455	02/14	02/13/2014	3980	2014	OCCMA	Zimmerman 2014 Membership	5142162020	45.97

Check Number	GL Period	Check Issue Date	Vendor Number	Invoice No.	Payee	Description	GL Account	Amount
Total 4455:								
4456	02/14	02/13/2014	4530	400703200	PAPPE MACHINERY	fluid excavator rental	5140562770	379.50
Total 4456:								
4457	02/14	02/13/2014	6769	1-14-005	PARC Resources, LLC	Meeting Thunder Island Land Use	0140262090	198.00
Total 4457:								
4458	02/14	02/13/2014	4910	400261808	Paul Michael Swift	Refund Overpmt on FB	9911033	248.36
Total 4458:								
4459	02/14	02/13/2014	4650	B053218	Platt	Ligh Bulbs	0540562440	28.84
Total 4459:								
4460	02/14	02/13/2014	6879	11624	Precision Paving, LLC	asphalt patch	5140562810	600.00
Total 4460:								
4461	02/14	02/13/2014	4960	5029340907	Ricoh USA, Inc.	Rental/Copies	0140162110	29.88
4461	02/14	02/13/2014	4960	5029340907	Ricoh USA, Inc.	Rental/Copies	0542162110	2.21
4461	02/14	02/13/2014	4960	5029340907	Ricoh USA, Inc.	Rental/Copies	2142162110	8.17
4461	02/14	02/13/2014	4960	5029340907	Ricoh USA, Inc.	Rental/Copies	3142162110	9.52
4461	02/14	02/13/2014	4960	5029340907	Ricoh USA, Inc.	Rental/Copies	5142162110	70.18
Total 4461:								
4462	02/14	02/13/2014	5040	254	ROCKRANCH ENTERPRISES	Contract PW Super	0140262080	3.20
4462	02/14	02/13/2014	5040	254	ROCKRANCH ENTERPRISES	Contract PW Super	0140462080	51.20
4462	02/14	02/13/2014	5040	254	ROCKRANCH ENTERPRISES	Contract PW Super	0340562080	89.60
4462	02/14	02/13/2014	5040	254	ROCKRANCH ENTERPRISES	Contract PW Super	2140562080	96.00
4462	02/14	02/13/2014	5040	254	ROCKRANCH ENTERPRISES	Contract PW Super	3140562080	80.00
Total 4462:								
4463	02/14	02/13/2014	5060	W67901	ROTH HEATING AND COOLING	PS Heat Check	0540562440	190.00

Check Number	GL Period	Check Issue Date	Vendor Number	Invoice No.	Payee	Description	GL Account	Amount
Total 4463:								
4464	02/14	02/13/2014	5160	72252	SAWTOOTH TECHNOLOGIES, LLC	Internet Service	4140662050	802.00
Total 4464:								
Total 4465:								
4465	02/14	02/13/2014	5460		JANUARY 20 Sosnkowski & Cleaveland P. C.	Attorney Fees	0140162100	600.00
4465	02/14	02/13/2014	5460		JANUARY 20 Sosnkowski & Cleaveland P. C.	Attorney Fees	0140162100	53.00
4465	02/14	02/13/2014	5460		JANUARY 20 Sosnkowski & Cleaveland P. C.	Attorney Fees	0140262100	13.00
4465	02/14	02/13/2014	5460		JANUARY 20 Sosnkowski & Cleaveland P. C.	Attorney Fees	0542162100	3.00
4465	02/14	02/13/2014	5460		JANUARY 20 Sosnkowski & Cleaveland P. C.	Attorney Fees	2142162100	21.00
4465	02/14	02/13/2014	5460		JANUARY 20 Sosnkowski & Cleaveland P. C.	Attorney Fees	3142162100	35.00
4465	02/14	02/13/2014	5460		JANUARY 20 Sosnkowski & Cleaveland P. C.	Attorney Fees	5142162100	375.00
Total 4465:								
Total 4466:								
4466	02/14	02/13/2014	5510	8028533616	STAPLES CONTRACT & COMMERCIA	Office Supplies	0140162010	16.42
4466	02/14	02/13/2014	5510	8028533616	STAPLES CONTRACT & COMMERCIA	Office Supplies	0140262010	1.62
4466	02/14	02/13/2014	5510	8028533616	STAPLES CONTRACT & COMMERCIA	Office Supplies	0542162010	.42
4466	02/14	02/13/2014	5510	8028533616	STAPLES CONTRACT & COMMERCIA	Office Supplies	2142162010	8.18
4466	02/14	02/13/2014	5510	8028533616	STAPLES CONTRACT & COMMERCIA	Office Supplies	3142162010	8.11
4466	02/14	02/13/2014	5510	8028533616	STAPLES CONTRACT & COMMERCIA	Office Supplies	5142162010	35.73
4466	02/14	02/13/2014	5510	8028617899	STAPLES CONTRACT & COMMERCIA	Office Supplies	0140162010	35.74
4466	02/14	02/13/2014	5510	8028617899	STAPLES CONTRACT & COMMERCIA	Office Supplies	0140262010	3.53
4466	02/14	02/13/2014	5510	8028617899	STAPLES CONTRACT & COMMERCIA	Office Supplies	0542162010	.92
4466	02/14	02/13/2014	5510	8028617899	STAPLES CONTRACT & COMMERCIA	Office Supplies	2142162010	17.79
4466	02/14	02/13/2014	5510	8028617899	STAPLES CONTRACT & COMMERCIA	Office Supplies	3142162010	17.64
Total 4466:								
Total 4467:								
4467	02/14	02/13/2014	5810	132410	THE STEEL YARD, INC	Misc Steel	0340562560	167.25
4467	02/14	02/13/2014	5810	132410	THE STEEL YARD, INC	Misc Steel	2140562560	167.25
4467	02/14	02/13/2014	5810	132410	THE STEEL YARD, INC	Misc Steel	5140562810	1,234.00
Total 4467:								
Total 4468:								
4468	02/14	02/13/2014	6070	872905	TWGW, INC NAPA AUTO PARTS	hub bearing assembly	5140562201	226.04

Check Number	GL Period	Check Issue Date	Vendor Number	Invoice No.	Payee	Description	GL Account	Amount
4468	02/14	02/13/2014	6070	873014	TWGW, INC NAPA AUTO PARTS	wiper blades	0340562441	75.90
4468	02/14	02/13/2014	6070	873014	TWGW, INC NAPA AUTO PARTS	wiper blades	2140562441	75.90
4468	02/14	02/13/2014	6070	873198	TWGW, INC NAPA AUTO PARTS	hub bearing assembly	5140562201	226.04
4468	02/14	02/13/2014	6070	875742	TWGW, INC NAPA AUTO PARTS	socket	5140562201	16.80
4468	02/14	02/13/2014	6070	876349	TWGW, INC NAPA AUTO PARTS	battery	0340562441	69.99
4468	02/14	02/13/2014	6070	876349	TWGW, INC NAPA AUTO PARTS	battery	2140562441	69.99
4468	02/14	02/13/2014	6070	876349	TWGW, INC NAPA AUTO PARTS	battery	3140562441	70.00
4468	02/14	02/13/2014	6070	876503	TWGW, INC NAPA AUTO PARTS	antifreeze	5140562201	78.86
Total 4468:								909.52
4469	02/14	02/13/2014	6570	87716	WHEELER'S COMMUNICATIONS	Radio install for new medic	0540562442	771.03
Total 4469:								771.03
4470	02/14	02/13/2014	6730	120141980	ZCORUM INC.	Internet	4140662730	796.50
Total 4470:								796.50
Grand Totals:								29,571.52

Summary by General Ledger Account Number

GL Account	Debit	Credit	Proof
01-21010	8.49	3,364.80-	3,356.31-
01-401-62010	52.16	.00	52.16
01-401-62020	53.60	.00	53.60
01-401-62030	25.00	.00	25.00
01-401-62082	219.60	.00	219.60
01-401-62100	653.00	.00	653.00
01-401-62110	29.88	.00	29.88
01-401-62870	101.50	.00	101.50
01-402-62010	5.15	.00	5.15
01-402-62080	3.20	.00	3.20
01-402-62090	198.00	.00	198.00
01-402-62100	13.00	.00	13.00
01-404-62080	51.20	.00	51.20
01-404-62520	179.89	8.49-	171.40
01-404-62551	1,402.39	.00	1,402.39
01-407-62630	172.93	.00	172.93
01-408-62025	204.30	.00	204.30
03-21010	.00	472.28-	472.28-
03-405-62080	89.60	.00	89.60
03-405-62082	69.54	.00	69.54
03-405-62441	145.89	.00	145.89
03-405-62560	167.25	.00	167.25
05-21010	926.52	7,542.22-	6,615.70-
05-405-62022	3,950.00	.00	3,950.00
05-405-62029	22.39	.00	22.39
05-405-62082	242.22	.00	242.22
05-405-62111	456.00	.00	456.00
05-405-62351	1,077.64	926.52-	151.12
05-405-62439	626.22	.00	626.22
05-405-62440	218.84	.00	218.84
05-405-62441	69.83	.00	69.83
05-405-62442	771.03	.00	771.03
05-405-62860	101.50	.00	101.50
05-421-62010	1.34	.00	1.34
05-421-62100	3.00	.00	3.00
05-421-62110	2.21	.00	2.21
08-21010	.00	15.00-	15.00-
08-405-62071	15.00	.00	15.00

Check Issue Dates: 2/13/2014 - 2/13/2014

GL Account	Debit	Credit	Proof
17-21010	.00	21.30-	21.30-
17-405-62551	21.30	.00	21.30
21-21010	.00	2,589.44-	2,589.44-
21-405-62070	1,359.50	.00	1,359.50
21-405-62080	96.00	.00	96.00
21-405-62082	376.98	.00	376.98
21-405-62150	45.00	.00	45.00
21-405-62441	145.89	.00	145.89
21-405-62560	167.25	.00	167.25
21-421-62010	25.97	.00	25.97
21-421-62020	16.00	.00	16.00
21-421-62071	327.68	.00	327.68
21-421-62100	21.00	.00	21.00
21-421-62110	8.17	.00	8.17
31-21010	.00	2,888.84-	2,888.84-
31-405-62050	230.88	.00	230.88
31-405-62070	2,089.54	.00	2,089.54
31-405-62080	80.00	.00	80.00
31-405-62082	336.72	.00	336.72
31-405-62441	70.00	.00	70.00
31-421-62010	25.75	.00	25.75
31-421-62020	11.43	.00	11.43
31-421-62100	35.00	.00	35.00
31-421-62110	9.52	.00	9.52
41-21010	.00	2,603.44-	2,603.44-
41-405-62082	210.00	.00	210.00
41-405-62560	18.99	.00	18.99
41-405-62740	440.38	.00	440.38
41-406-62050	802.00	.00	802.00
41-406-62570	335.57	.00	335.57
41-406-62730	796.50	.00	796.50
46-21010	.00	2,784.24-	2,784.24-
46-405-62711	2,264.74	.00	2,264.74
46-405-62712	519.50	.00	519.50
51-21010	.00	7,511.72-	7,511.72-
51-405-62082	644.16	.00	644.16
51-405-62138	150.00	.00	150.00
51-405-62139	750.00	.00	750.00
51-405-62190	1,410.00	.00	1,410.00
51-405-62201	754.87	.00	754.87

M = Manual Check, V = Void Check

GL Account	Debit	Credit	Proof
51-405-62210	48.21	.00	48.21
51-405-62770	387.08	.00	387.08
51-405-62800	21.30	.00	21.30
51-405-62810	1,834.00	.00	1,834.00
51-405-62900	125.25	.00	125.25
51-406-62082	120.78	.00	120.78
51-421-62010	113.50	.00	113.50
51-421-62020	45.97	.00	45.97
51-421-62071	561.42	.00	561.42
51-421-62100	475.00	.00	475.00
51-421-62110	70.18	.00	70.18
56-21010	.00	94.80-	94.80-
56-451-63941	94.80	.00	94.80
99-11033	618.45	.00	618.45
99-21010	.00	618.45-	618.45-
<b>Grand Totals:</b>	<b>31,441.54</b>	<b>31,441.54-</b>	<b>.00</b>

Report Criteria:  
 Report type: GL detail

M = Manual Check, V = Void Check

**STAFF REPORT**

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**Date Prepared: 2/15/14**

**For City Council Meeting on: 2/24/14**

**TO: Honorable Mayor and City Council**

**PREPARED BY:** Marianne Bump, Finance Officer 

**APPROVED BY:** Gordon Zimmerman, City Administrator

**SUBJECT:** Approve Resolution No. 1295 authorizing receipt of unanticipated revenue in the amount of \$5,000, making appropriations, and authorizing expenditures.

**SYNOPSIS:** The City received a grant from Cycle Oregon for the purpose of trail signage. The grant requires a \$500 match. Tourism will be supplying the match amount. The grant must be completed within one year from the award date of January 21, 2014. These funds are for a specific purpose and under ORS 294.338(2) a resolution is required to receive and expend the funds.

**CITY COUNCIL OPTIONS:**

1. Approve Resolution No. 1295.
2. Establish other direction for staff to proceed
3. Take no action

**RECOMMENDATION:** The City Council, by motion, approve Resolution No. 1295 approving receipt of unanticipated revenue, making appropriations and authorizing expenditures.

**Legal Review and Opinion:** N/A

**Financial review and status:** N/A

**BACKGROUND INFORMATION:** N/A

**RESOLUTION NO. 1295**

**A RESOLUTION AUTHORIZING A BUDGET AMENDMENT FOR THE RECEIPT OF UNANTICIPATED REVENUE FROM A CYCLE OREGON GRANT WITH A MATCH FROM THE TOURISM FUND FOR TRAIL SIGNAGE FOR FISCAL YEAR 2013/2014, MAKING APPROPRIATIONS AND AUTHORIZING EXPENDITURES.**

**WHEREAS**, the Tourism applied for a grant in November 2013 and has received a \$5,000 check from Cycle Oregon for the purpose of trail signage; and

**WHEREAS**, the Grant requires a \$500 match which will be transferred from tourism to the Grant fund; and

**WHEREAS**, the grant funds are to be used within one year from the award date of January 21, 2014;

**THE COMMON COUNCIL FOR THE CITY OF CASCADE LOCKS, HOOD RIVER COUNTY, OREGON, RESOLVES AS FOLLOWS:**

**SECTION 1. Authorizing Budget Amendment:**

<b><u>FUND OR DEPT.</u></b>	<b><u>BUDGETED</u></b>	<b><u>ADJUSTMENTS</u></b>	<b><u>FINAL</u></b>
<b><u>Grant Fund</u></b>			
Revenue – Grant	\$56,000	+\$5,000	\$61,000
Revenue – Grant Match	\$61,000	+\$ 500	\$61,500
Materials & Services	\$56,000	+\$5,500	\$61,500

**SECTION 2. Effective Date.** This resolution shall become effective upon adoption by the City Council and approval by the Mayor.

**SECTION 3. Expiration.** This resolution shall remain in effect until completion and acceptance of the FY 13/14 audit.

**ADOPTED** by the City Council this **24th** day of **February** 2014.

**APPROVED** by the Council President this **24th** day of **February**, 2014.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Recorder



THE OREGON  
COMMUNITY  
FOUNDATION

Here for Oregon. Here for Good.

RECEIVED  
FEB 05 2014  
PORTLAND 1221 SW Yamhill St. Suite 100 Portland, OR 97205 503.227.8346  
BEND 15 SW Colorado Ave. Suite 375 Bend, OR 97702 541.382.1170

COOS BAY 915 S First St. Coos Bay, OR 97420 541.269.9650

EUGENE 440 E Broadway Suite 160 Eugene, OR 97401 541.431.7099

MEDFORD 818 W Eighth St. Medford, OR 97501 541.773.8987

SALEM 1313 Mill St. SE Suite 203 Salem OR 97301 503.779.1927

February 4, 2014

Re: Grant #202294

Tom Cramblett  
City of Cascade Locks  
PO Box 308  
Cascade Locks, OR 97013

Dear Mr. Cramblett:

Congratulations! We are pleased to inform you that a grant from the Cycle Oregon Fund in the amount of \$5,000 was approved for your organization by OCF's board of directors on January 21, 2014. Payment is enclosed.

Grant Purpose: for trail signs for the City of Cascade Locks Tourism Committee

**Award Terms:** Your organization's endorsement of the enclosed check will constitute agreement to use the funds as stated above and as stipulated in the following paragraphs.

Grantees are required to notify the foundation of any development that significantly affects the operation of the organization. Prior approval from the foundation must be obtained for any modifications to project objectives, site, personnel, timeline or budget. If there are any changes in your organization's status or tax classification, the foundation must be notified promptly. In the event of loss of tax-exempt status under federal laws, any unspent funds shall be returned to the foundation immediately.

The grant period ends one year from the date the funds were awarded. If all funds have not been expended at that point, a plan for use of the remaining funds must be provided to the foundation. If this plan is approved by the foundation, the unspent funds will not need to be returned to the foundation. Full records of revenues and expenditures related to this grant must be made available upon the foundation's request.

The foundation's donors and staff are to receive no personal benefits or services for this grant that are not otherwise extended to the general public without cost.

**Public Recognition for Your Project and Its Supporters:** Please consider sending a press release to your local media and *The Oregonian*, announcing this grant. An OCF logo is available for use in publications and promotional material (e-mail Kim Whitney at [kwhitney@oregoncf.org](mailto:kwhitney@oregoncf.org)). The names of funds participating should be listed as noted above. And, to help publicize your grant and increase awareness of philanthropy in Oregon, please consider announcing this grant on your website, with a link to OCF's website at [www.oregoncf.org](http://www.oregoncf.org).

PRESIDENT and CEO  
Max Williams

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**STAFF REPORT**

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**Date Prepared:** 2/13/14

**For City Council Meeting on:** 2/24/14

**TO:** Honorable Mayor and City Council

**PREPARED BY:** Marianne Bump, Finance Officer 

**APPROVED BY:** Gordon Zimmerman, City Administrator

**SUBJECT:** Authorizing Resolution No. 1294.

**SYNOPSIS:** The City has received a request for a refund of multiple cemetery plots. The budget for this year does not allow this amount to be refunded without doing a supplemental budget. Ordinance No. 151 says that plots may be resold to the City at a price equal to 10 percent less per grave space than the price paid.

**CITY COUNCIL OPTIONS:**

1. Approve Resolution No. 1294 as presented.
2. Establish other direction for staff to proceed
3. Take no action

**RECOMMENDATION:** The City Council, by motion, approve Resolution No. 1294.

**Legal Review and Opinion:** N/A

**Financial review and status:** This is a reallocation of resources.

**BACKGROUND INFORMATION:** N/A

**RESOLUTION NO. 1294**

**A RESOLUTION ADOPTING A SUPPLEMENTAL BUDGET FOR FISCAL YEAR 2013/2014, MAKING APPROPRIATIONS AND AUTHORIZING EXPENDITURES FROM CEMETERY FUND.**

**WHEREAS**, the City has received a request for a refund of multiple cemetery plots; and

**WHEREAS**, the current budget is not set up for this expense; and

**WHEREAS**, Notice of the Supplemental Budget was published in the February 19, 2014 issue of the Hood River News;

**THE COMMON COUNCIL FOR THE CITY OF CASCADE LOCKS, HOOD RIVER COUNTY, OREGON, RESOLVES AS FOLLOWS:**

**SECTION 1. Adopting a Supplemental Budget for Fiscal Year 2013/2014 to authorize expenditure for a refund of Cemetery Plots.** The Cascade Locks City Council hereby adopts the following supplemental budget.

<b>Summary of Supplemental Budget</b>				
<b>Fund</b>	<b>Resource</b>	<b>Amount</b>	<b>Requirement</b>	<b>Amount</b>
Cemetery	Contingency	\$700	Material & Services	\$5,808
	<b>Revised Total Resources</b>	<b>\$10,450</b>	<b>Revised Total Requirements</b>	<b>\$10,450</b>

NOTE: Decrease in Contingency and increase in Material & Services

**SECTION 2. Effective Date.** This resolution shall become effective upon adoption by the City Council and approval by the Mayor.

**SECTION 3. Expiration.** This resolution shall remain in effect until completion and acceptance of the FY 13/14 audit.

**ADOPTED** by the City Council this **24th** day of **February** 2014.

**APPROVED** by the Council President this **24th** day of **February**, 2014.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Recorder

## NOTICE OF SUPPLEMENTAL BUDGET HEARING

- For supplemental budgets proposing a change in any fund's expenditures by **more than 10 percent**.

A public hearing on a proposed supplemental budget for City of Cascade Locks  
*(District Name)*

for the current fiscal year will be held at 140 WaNaPa, Cascade Locks, Oregon  
*(Location)*

The hearing will take place on February 24, 2014 at 7:00PM  
*(Date) (Time)*

The purpose of the hearing is to discuss the supplemental budget with interested persons.

A copy of the supplemental budget document may be inspected or obtained on or after February 20, 2014 at  
*(Date)*

140 WaNaPa, Cascade Locks, between the hours of 9:00 AM. And 4:00PM.  
*(Location) (Time)*

### SUMMARY OF PROPOSED BUDGET CHANGES

AMOUNTS SHOWN ARE REVISED TOTALS IN THOSE FUNDS BEING MODIFIED

**FUND: CEMETERY**

Resource	Amount	Expenditure	Amount
1 Contingency	700	1 Material & Services	5,808
2		2	
3		3	
<b>Revised Total Fund Resources</b>	<b>10,450</b>	<b>Revised Total Fund Requirements</b>	<b>10,450</b>

**Comments:**

Received request for refund of Cemetery plots. Decrease in Contingency and increase in Material & Services

**CASCADE LOCKS STAFF REPORT**

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**Date Prepared: February 19, 2014**

**For City Council Meeting on: February 24, 2014**

**TO: Honorable Mayor and City Council**

**PREPARED BY: Gordon Zimmerman, City Administrator** ✓

**SUBJECT: Resolution 1296 Referring EMS Funding to the Primary Ballot**

**SYNOPSIS:** As we have discussed over the last several months, the City Council desires stable, long term funding for the EMS Department and in the spirit of the Charter limitation on fees, taxes and charges, this resolution refers a measure to the primary ballot on May 20, 2014, asking voters to approve an EMS Service Fee dedicated to the operation of the EMS Department. The proposed fee has a five year effective life span with an annual review where the Council may adjust the fee downward, if desired.

The fee structure is as follows:

- |    |   |                   |
|----|---|-------------------|
| a) | Residential electric meters in the City of Cascade Locks:       | \$6.00 per month. |
| b) | Commercial/public agency meters in the City of Cascade Locks:   | \$7.00 per month. |
| c) | Residential electric meters in the South Bank service area:     | \$8.00 per month. |
| d) | Commercial/public agency meters in the South Bank service area: | \$9.00 per month. |

This fee is limited only electric meters in the designated or contracted ambulance service area from the east end of the parking lot at Multnomah Falls (Exit 31) to the east end of Viento State Park (milepost 56) on Interstate 84. The fee is subject to review and can only be lowered or eliminated. An industrial fee may be added, if necessary.

**CITY COUNCIL OPTIONS:** Approve, modify, or reject Resolution No. 1296.

**RECOMMENDED MOTION:** "I move to approve Resolution No. 1296 referring an EMS funding measure to the May 20 Primary Ballot."

**RESOLUTION NO. 1296**

**A RESOLUTION CALLING AN ELECTION TO SUBMIT TO CITY VOTERS AN ORDINANCE TO CREATE AN EMERGENCY MEDICAL SERVICES (“EMS”) FEE ON PROPERTY SERVED BY THE CITY OF CASCADE LOCKS ELECTRIC UTILITY TO ASSIST IN COVERING THE COSTS ASSOCIATED WITH PROVIDING EMS SERVICES TO RESIDENTS AND BUSINESSES SERVED WITHIN THE CITY OF CASCADE LOCKS AMBULANCE SERVICE AREA.**

**WHEREAS**, the City of Cascade Locks currently provides EMS services within a local Ambulance Service Area;

**WHEREAS**, the costs associated with the provision of this service have been steadily rising and are paid out of the City’s EMS Fund, which is facing declining revenues for all services;

**WHEREAS**, the City Council believes it necessary to continue to utilize other funding mechanisms and sources to help pay costs associated with fire prevention, EMS and suppression services provided to the citizens and businesses within the City of Cascade Locks; and

**WHEREAS**, the City Council has determined that a fee on electric users served by the City of Cascade Locks electric utility to help defray the costs associated with these services is appropriate because the City’s electric utility service area encompasses the City limits and Ambulance Service Area;

**NOW, THEREFORE, THE COMMON COUNCIL FOR THE CITY OF CASCADE LOCKS, HOOD RIVER COUNTY, OREGON, RESOLVES AS FOLLOWS:**

**SECTION 1.** The City Council of the City of Cascade Locks will submit Exhibit “A”, attached hereto and by this reference incorporated herein, to be filed with the City Elections Officer to be referred to a vote of the people by placing the ordinance on the ballot at the General Election on May 20, 2014.

**SECTION 2.** May 20, 2014, is designated as the date for holding the election for voting on the measure.

**SECTION 3.** The election will be conducted by Hood River County Elections.

**SECTION 4.** The City Elections Officer will forward two copies of the referral to the City Attorney for preparation of ballot title and explanatory statement. After receipt of the ballot title and explanatory statement from the City Attorney, the City Elections Officer shall publish the ballot title as provided by state law, and file this measure with the Hood River County Elections Office.

**SECTION 5.** The City Recorder and other staff shall take all necessary steps to effectuate this resolution.

**SECTION 6.** This resolution is effective immediately upon adoption by the City Council.

**ADOPTED** by the City Council this 24<sup>th</sup> day of February, 2014.

**APPROVED** by the Mayor this 24<sup>th</sup> day of February, 2014.

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Mayor Tom Cramblett

ATTEST:

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City Recorder Kathy Woosley

**EXHIBIT A**

**ORDINANCE NO. 431**

**AN ORDINANCE CREATING AN EMERGENCY MEDICAL SERVICES (“EMS”) DEPARTMENT FEE ON PROPERTY SERVED BY THE CITY OF CASCADE LOCKS ELECTRIC UTILITY TO ASSIST IN COVERING THE COSTS ASSOCIATED WITH PROVIDING EMS SERVICES TO RESIDENTS AND BUSINESSES SERVED WITHIN THE CITY OF CASCADE LOCKS AMBULANCE SERVICE AREA.**

**WHEREAS**, the City of Cascade Locks currently provides EMS services within a local Ambulance Service Area;

**WHEREAS**, the provision of EMS services is critical to the community;

**WHEREAS**, the Ambulance Service Area is an area located between east end of Multnomah Falls (Exit 31) and east end of Viento State Park (milepost 56) on Interstate 84;

**WHEREAS**, the costs associated with the provision of this service have been steadily rising and are paid out of the City’s EMS Fund, which is facing declining revenues for all services;

**WHEREAS**, the City Council believes it is necessary to utilize other funding mechanisms and sources to help pay costs associated with EMS services provided to the citizens and businesses within the City of Cascade Locks and the City Ambulance Service Area; and

**WHEREAS**, the City Council has determined that a fee on electric users served by the City of Cascade Locks electric utility to help defray the costs associated with these services is appropriate because the City’s electric utility service area encompasses the City limits and Ambulance Service Area; and

**WHEREAS**, the City Council desires to provide stable funding for EMS Services for the next five (5) years;

**THE CITY OF CASCADE LOCKS, HOOD RIVER COUNTY, OREGON, ORDAINS AS FOLLOWS:**

**SECTION 1. EMS Service Fee Authorized to be Set by Resolution.** A monthly EMS Service Fee is hereby imposed on all electric service accounts served by the City of Cascade Locks electric utility within the assigned and contracted ambulance service area from the east end of the Multnomah Falls parking lot on Interstate 84 (Exit 31) eastward to the eastern edge of Viento State Park at milepost 56. The fee shall be set by resolution of the City Council and be applied to each electric meter as follows:

- a) Residential electric meters in the City of Cascade Locks: \$6.00 per month.
- b) Commercial/public agency meters in the City of Cascade Locks: \$7.00 per month.

- c) Residential electric meters in the South Bank service area: \$8.00 per month.
- d) Commercial/public agency meters in the South Bank service area: \$9.00 per month

**SECTION 2. Review, Adjustment, and Industrial Classifications.** The City Council may review the EMS Service Fee during the annual City budget process. The City Council may adjust the EMS Service Fee to a lower amount or eliminate it by resolution of the City Council. The EMS Service Fee shall not be raised above the amount set forth in Section 1 above. The City Council may add industrial classifications to the schedule in Section 1. The monthly EMS Service Fee for industrial classifications shall be set by resolution.

**SECTION 3. Use of Proceeds.** All revenue generated by the Fee shall be used solely for the payment of costs associated with Cascade Locks EMS services, including those associated with personnel, materials and services, capital purchases and savings for future capital expenditures, and the implementation of any intergovernmental agreement(s) for the delivery of EMS services and the administration of the agreements by the City.

**SECTION 4. Effective Date.** This Ordinance shall become effective on July 1, 2014 and remain in effect until June 30, 2019.

ATTEST:

\_\_\_\_\_  
City Recorder Kathy Woosley

AGENDA ITEM NO: 5.d.

## CASCADE LOCKS STAFF REPORT

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Date Prepared: February 19, 2014

For City Council Meeting on: February 24, 2014

TO: Honorable Mayor and City Council

PREPARED BY: Gordon Zimmerman, City Administrator ✓

SUBJECT: Resolution No. 1297 Adopting Large Project Policies

**SYNOPSIS:** At our last Council meeting we discussed a recommendation from the Finance Committee about the adoption of policies to help govern large projects. The City Attorney suggest some clarity was needed as to what a large policy is and when change notices need to be brought to the City Council. Those suggestions were reviewed by the Finance Committee on February 18, 2014. The following outlines the policies to be adopted incorporating the suggestions of the City Attorney and the Finance Committee.

1. The Oregon statutes define "small projects" as those under \$10,000 and "intermediate projects" as those between \$10,000 and \$150,000. The full statutory procurement provisions apply to projects greater than \$150,000. The City would designate projects over \$150,000 as "large projects."
2. Projects may not be artificially divided or fragmented so as to avoid large project policies.
3. The purchase order system should be tied into the inventory/work order system to insure prior approval of purchases or changes to the project.
4. Change Orders required from the original (or amended) accepted bid under \$2,500 should be reviewed and approved by the City Administrator.
5. Change Orders greater than \$2,500 of the total project cost must be reviewed and approved by the Cascade Locks City Council.
6. Each major project should have a project manager and a designated client representative providing budget oversight.
7. There shall be no verbal agreements between City Departments for work done on the project.

**CITY COUNCIL OPTIONS:** Approve, modify, or reject the Finance Committee recommendation.

**RECOMMENDED MOTION:** "I move to approve Res. No. 1297 adopting the Large Project Policies."

**RESOLUTION NO. 1297**

**A RESOLUTION ADOPTING POLICIES FOR LARGE PROJECTS  
UNDERTAKEN BY THE CITY OF CASCADE LOCKS**

**WHEREAS**, the City Council must from time to time undertake large projects such as infrastructure installation or building projects that may exceed \$150,000; and

**WHEREAS**, the City Council desires to provide the best management of the City's funds in the interest of all our citizens; and

**WHEREAS**, the Finance Committee and the City Attorney have reviewed the suggested policies and recommend approval of same;

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF CASCADE LOCKS** that the following policies shall be adopted to govern the management of large projects within the City resources;

**SECTION 1. Large Project Polices.** The following policies are herewith adopted:

1. The Oregon statutes define "small projects" as those under \$10,000 and "intermediate projects" as those between \$10,000 and \$150,000. The full statutory procurement provisions apply to projects greater than \$150,000. The City would designate projects over \$150,000 as "large projects."
2. Projects may not be artificially divided or fragmented so as to avoid large project policies.
3. The purchase order system should be tied into the inventory/work order system to insure prior approval of purchases or changes to the project.
4. Change Orders required from the original (or amended) accepted bid under \$2,500 should be reviewed and approved by the City Administrator.
5. Change Orders greater than \$2,500 of the total project cost must be reviewed and approved by the Cascade Locks City Council.
6. Each major project should have a project manager and a designated client representative providing budget oversight.
7. There shall be no verbal agreements between City Departments for work done on the project.

**SECTION 2. Effective Date.** This resolution shall become effective upon passage by the Council and approval by the Mayor.

**SECTION 3. Expiration.** This resolution shall remain in effect until repealed by Council action.

**ADOPTED** by the City Council this 24<sup>th</sup> day of February, 2014.

**APPROVED** by the Mayor this 24<sup>th</sup> day of February, 2014.

ATTEST:

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Mayor Tom Cramblett

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City Recorder Kathy Woosley

**CITY OF CASCADE LOCKS**  
**Cascade Locks, Oregon**  
**ANNUAL FINANCIAL REPORT**  
**For Year Ended June 30, 2013**

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**ONSTOTT, BROEHL & CYPHERS, P.C.**  
**Certified Public Accountants**  
**100 East 4<sup>th</sup> Street**  
**The Dalles, Oregon 97058**

## CITY OF CASCADE LOCKS, OREGON

Names and Addresses of Officers  
and Members of the City Council  
June 30, 2013

### MEMBERS OF THE CITY COUNCIL

Tom Cramblett, Mayor  
P.O. Box 511  
Cascade Locks, Oregon 97014

Bruce Fitzpatrick  
P.O. Box 674  
Cascade Locks, Oregon 97014

Jeff Helfrich, Councilmember  
P.O. Box 309  
Cascade Locks, Oregon 97014

Bobby Walker, Councilmember  
P.O. Box 491  
Cascade Locks, Oregon 97014

Glenda Groves, Councilmember  
P.O. Box 412  
Cascade Locks, Oregon 97014

Richard Randall, Councilmember  
P.O. Box 583  
Cascade Locks, Oregon 97014

Deanna Busdieker, Councilmember  
P.O. Box 433  
Stevenson, WA 98648

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### OTHER OFFICERS

Gordon Zimmerman, City Administrator  
Marianne Bump, Finance Officer  
Registered Office  
P.O. Box 308  
Cascade Locks, Oregon 97014

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### LEGAL COUNSEL

Alexandra Sosnkowski  
Attorney at Law  
PO Box 1698  
Hood River, Oregon 97031

# CITY OF CASCADE LOCKS, OREGON

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## FINANCIAL SECTION

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Council Members  
City of Cascade Locks, Oregon

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

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

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **Opinions**

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

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 10, and 31 through 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Cascade Locks' basic financial statements. The introductory section and combining and individual nonmajor fund financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

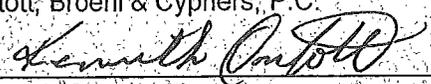
The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are 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 Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2014, on our consideration of the City of Cascade Locks' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Cascade Locks' internal control over financial reporting and compliance.

Onstott, Broehl & Cyphers, P.C.

By: 

a Shareholder

February 3, 2014

**City of Cascade Locks  
Management's Discussion and Analysis  
Fiscal Year 2012/2013**

As management of the City of Cascade Locks, Oregon (City), we offer this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2013 to the readers of the City's financial statements. We encourage readers to consider the information presented here in conjunction with the City's financial statements that follow. This Management Discussion and Analysis (MD&A) is intended to explain the significant changes in financial position and differences in operations between the current and prior years.

**FINANCIAL HIGHLIGHTS:**

The City's assets exceeded its liabilities at June 30 2013, by **\$12,541,010** (net assets). Of this amount, **\$178,273** is restricted for system/equipment upgrade and replacement, and capital improvement projects, and **\$60,979** is restricted for future years' debt service.

- The total net assets decreased by **\$263,427** for FY 12/13, as a result of a decrease in liabilities.
- As of the close of FY 12/13, the City's governmental funds reported combined ending fund balances of **\$2,015,366**.
- The City's total debt decreased by **\$128,287** (13.9%) during the fiscal year as a result of no additional debt, paying off OEDD Loan, and making contractual payments on current debt.

**STATEMENT OF NET POSITION:**

The focus of the statement of Net Position is to present the unrestricted assets of governmental and business-type activities. This includes the capital assets, including infrastructure and long-term liabilities, of governmental activities. A condensed version of the Statement of Net Position at June 30, 2013 is shown here:

**Net Assets at June 30, 2013:**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Cash and Investments	1,475,660	686,161	2,161,821
Other Assets	484,657	182,295	666,952
Capital Assets	1,166,403	9,753,986	10,920,389
<b>Total Assets</b>	<b>3,126,720</b>	<b>10,622,442</b>	<b>13,749,162</b>
Other Liabilities	17,318	194,956	212,274
Long-term Debt Outstanding	18,143	966,164	984,307
<b>Total Liabilities</b>	<b>35,461</b>	<b>1,161,120</b>	<b>1,196,581</b>
<b>Net Assets:</b>			
Invested in capital assets, net of related debt	1,166,403	8,830,653	9,997,056
Restricted	178,273	60,979	239,252
Unrestricted	1,735,012	569,690	2,304,702
<b>Total Net Position</b>	<b>3,079,688</b>	<b>9,461,322</b>	<b>12,541,010</b>

### **Governmental Activities**

Infrastructure, land, buildings, equipment and other improvements total **\$1,166,403**. Non-land portion of governmental capital assets are now depreciated and the accumulated depreciation at fiscal yearend is **\$1,571,252**. Governmental activities' assets, exclusive of capital assets, total **\$1,960,317** compared to total assets of **\$3,126,720** inclusive of capital assets. The City had governmental long-term debt of **\$18,143** as of June 30, 2013.

### **Business-type Activities**

Infrastructure and long-term debt have historically been included in the City's reporting of assets within the Water, Sewer, CATV/Telecom, and Light Funds. GASB 34 now requires that the infrastructure and debt associated with Streets and Cemetery also be reported. Capital assets at June 30, 2013 total **\$9,753,986**. Accumulated depreciation totals **\$5,756,541**. Business-type assets, exclusive of capital assets, total **\$868,456** compared to total assets of **\$10,622,442** inclusive of capital assets. The City had **\$750,732** in long-term business-type sewer plant debt as of June 30, 2013. Principal and interest is payable from sewer user fees and sewer system development charges. The City also had **\$172,601** in long-term debt from the Oregon Investment Board on the fire hall as June 30, 2013.

### **Restricted Net Position**

A portion of the year-end net position is restricted for specific purposes. The restrictions represent legal or contractual limitations on how the assets may be expended. Within both the governmental and business-type activities are system development charges, sewer bond reserves and sewer revenues that are limited to repayment of debt. Restrictions are also imposed on the assets within the Capital Reserve Fund by State Budget Regulations on the use of Capital Reserve Funds and by the City's resolve to use those funds for specific purposes, including facilities, system, vehicle and equipment purchase, upgrade or replacement.

### **STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2013**

This section will discuss and analyze significant differences between the current and prior year.

#### **Governmental Activities:**

Governmental related revenues increased by **\$16,731** from 11/12 to FY12/13, due to an increase in Charges for Services, Property Taxes, Payments in Lieu of Taxes. Governmental Expenses increased by **\$26,865**, due to an increase in General Government, Public Safety, Highways and Streets, and a decrease in Culture and Recreation.

#### **Business-type Activities:**

Business-type related revenues decreased from FY11/12 by **\$45,409** in FY12/13 due to a decline in Charges for Services. Business-type related expenses increased from FY11/12 by **\$ 274,115** in FY 12/13.

A summary version of the Statement of Activities follows:

**Comparison of Statement of Activities for FY12/13 and FY11/12**

	Governmental Activities	FY12/13 Business-type Activities	Total	Governmental Activities	FY11/12 Business-type Activities	Total
<b>Revenues:</b>						
Program revenues:						
Charges for services	8,419	2,373,426	2,381,845	7,281	2,386,468	2,393,749
Operating grants and contributions	342,755	45,196	387,951	378,000	77,370	455,370
Capital grants and contributions						
General revenues:						
Property taxes	197,577		197,577	185,965		185,985
Payments in lieu of taxes	150,850		150,850	109,021		109,021
Grants and contributions not restricted to specific programs						
Unrestricted investment earnings	8,097	4,565	12,662	10,680	4,758	15,438
<b>Total revenues</b>	<b>707,698</b>	<b>2,423,187</b>	<b>3,130,885</b>	<b>690,967</b>	<b>2,468,596</b>	<b>3,159,563</b>
<b>Expenses:</b>						
General government	273,044		273,044	227,413		227,413
Public safety	96,980		96,980	90,746		90,746
Highways and streets	92,814		92,814	91,136		91,136
Culture and recreation	47,673		47,673	74,351		74,351
Electric		1,684,621	1,684,621		1,569,999	1,569,999
Emergency Services		319,621	319,621		252,768	252,768
Sewer		445,620	445,620		399,005	399,005
Other		433,939	433,939		387,914	387,914
<b>Total expenses</b>	<b>510,511</b>	<b>2,863,801</b>	<b>3,394,312</b>	<b>483,646</b>	<b>2,609,688</b>	<b>3,093,332</b>
Increase (decrease) in net position before transfers	197,187	(460,614)	(263,427)	207,321	(141,090)	66,231
Transfers	(301,628)	301,628	-	(42,171)	42,171	-
Increase (decrease) in net position	(104,441)	(158,986)	(263,427)	165,150	(98,919)	66,231
Net position - beginning of year	3,184,129	9,620,308	12,804,437	3,018,978	9,719,227	12,738,205
<b>Net position - end of year</b>	<b>3,079,688</b>	<b>9,461,322</b>	<b>12,541,010</b>	<b>3,184,128</b>	<b>9,620,308</b>	<b>12,804,436</b>

**General Fund Budgetary Highlights**

A list of resolutions impacting the budget since 2006 is found at the end of this discussion.

Continued upward pressure on expenditures and downward trends in revenues cause the beginning fund balances of all funds, especially the General Fund which is the main source of support for the Emergency Services Department. The transfer of property taxes and increased 2% of utility payments to support the reformed Fire Department is the main reason for the decline in net assets. The continued increase for medical insurance and retirement funds will continue to bring added pressure to all budgets. Six to seven years of cutting personnel and material and services budgets has caused severe strain on the General Fund. The auditor and the forensic accountant hired by the Council in late 2013 both concur that administrative allocations will need to be adjusted across funds. Utility rate increases will be necessary to replace aging infrastructure and fund economic growth for Cascade Locks.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

As of June 30, 2013, the City had invested \$10,920,389 in capital assets, net of depreciation.

**Capital Assets at Fiscal Year-End (Net of Depreciation)**

	Governmental Activities	Business-Type Activities	Total
Land and other	171,265	167,432	338,697
Buildings and improvements System	99,556	1,495,633	1,595,189
	-	7,352,709	7,352,709
Machinery and equipment	108,076	724,280	832,356
Infrastructure	787,506	-	787,506
Construction in progress	-	13,932	13,932
<b>Total Assets</b>	<b>1,166,403</b>	<b>9,753,986</b>	<b>10,920,389</b>

**Increase/Decrease of Capital Assets between FY12/13 and Prior Fiscal Year FY11/12.  
(Net of Depreciation)**

	Governmental Activities	Business-Type Activities	Total
Land and other			
Buildings and improvements System	(27,475)	(32,516)	(59,991)
		(163,591)	(163,591)
Machinery and equipment	(13,536)	93,045	79,509
Infrastructure	(45,524)	-	(45,524)
Construction in progress	-	-	-
<b>Total Assets</b>	<b>(86,535)</b>	<b>(103,062)</b>	<b>(189,597)</b>

**Debt Outstanding**

As of June 30, 2013, the City had \$923,333 in debt outstanding, compared to \$1,051,620 as of June 30, 2012. As of June 30, 2013, \$43,120 is due within one year. Of this total, one loan payment is for the sewer plant and one loan payment is for the Fire Station.

**Outstanding Debt at Year End**

	2013	2012
Governmental		-
Business-type:		
Fire Station - OIB Loan (Oregon Investment Board)	172,601	197,479
Sewer - OEDD Loan (Oregon Economic Development Department)	-	86,176
Sewer - Rural Utilities	750,732	767,965
<b>Total Assets</b>	<b>923,333</b>	<b>1,051,620</b>

For more detailed information on the City's debt and amortization terms, please refer to the *Schedule of Future Debt Service Requirements* in the *Other Information* section of this report.

## ECONOMIC FACTORS

The City's Governmental activities are supported by a variety of revenues, with the majority of funds being received through Property Taxes, Internal Payments and Property Use Fees paid by the enterprise funds, 70% of the Transient Room Taxes, and Emergency Services Department Revenues. The City's economic flat line has not provided for any significant increases in any of these major funding sources. Estimated property tax revenues increased by approximately 6% between FY11/12 and FY12/13.

The City's Business-type activities are funded through utility charges, user fees, and system development charges. In the past, the City Council has directed staff to complete rate analysis at least annually and to contract for a formal rate study every two to three years, so that small rate increases can be made annually, instead of waiting for a long period and then initiating a large rate increase. The new charter amendment removes the Council's ability to increase rates in accordance with these principles. Electrical rate studies were completed in FY05/06. These rates were reviewed during the 2012-2013 Fiscal Year. The Council made no changes in the rates.

The City of Cascade Locks has shown signs of stagnation for several decades. Its unemployment rate is high, and its downtown is marked by a steady number of vacant storefronts and a general lack of new development. The City's population growth has not matched the growth of the State, or Hood River County, over the last decade, and is at a pause if not a very slow decline.

Many issues continue to challenge Cascade Locks economically. In 1986 the Columbia River National Scenic Area legislation was passed. The legislation encouraged environmental protection within the boundary and economic and recreational opportunities for cities in the area. The legislation has preserved the scenic character of the area which has maintained the quality of life for many communities in the gorge. However, with the general economic impact of this legislation, there have been continued challenges for resource-based economies attempting to shift to tourism and new industries. The result of this stipulation has limited economic growth for the city.

The City is spearheading a Three City Initiative working with North Bonneville and Stevenson, Washington, and the Columbia Gorge Commission to develop regional solutions to common problems. The Port of Cascade Locks is seeking to develop a Columbia Gorge-wide approach for economic development using the Scenic Area Act to bolster its requirements to develop solutions not only for environmental issues, but also economic issues in the Gorge.

The economic base of Cascade Locks continues to shift. Since the closure of the timber and aluminum plants the local economy has been largely dependent on tourism and the few remaining forest products businesses. The passage of Measures 5 and 50 has reduced property taxes collected by the city, the only steady revenue source for the small municipality, not including its enterprise funds. Subsequently, the 2008 charter amendment subjecting all fees, taxes, and charges to voter approval has and continues to impact enterprise revenue throughout the City's operations. With decreasing available funds each year, the City must seek funding for special projects from outside sources through grants, loans, assistance programs, and state and federal agencies.

The City continues to work with Nestlé Waters Group in siting a \$50,000,000 bottling plant in Cascade Locks. If successful, this project would bring a significant boost to the City's property tax, utility

revenues, and jobs base. In the meantime, the Port of Cascade Locks has been very aggressive in pursuing new industrial clients for the Industrial Park.

The City Council, in collaboration with the Port of Cascade Locks, has approved a new multi-faceted approach to economic development and is working very close with the County and State to enhance the local economy. The City Council, in setting its budget priorities for 2013-14 has established economic development and job creation among the very highest priorities for the city.

#### **FINANCIAL CONTACT**

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, please contact the City's Finance Officer at PO Box 308, Cascade Locks OR 97014, 541-374-8484 or [mbump@cascade-locks.or.us](mailto:mbump@cascade-locks.or.us).

Respectfully Submitted,

Gordon Zimmerman  
City Administrator

## List of Budget Resolutions Impacting the Financial Statements

New rates for administration of the Cascade Locks Fire Regulations were established by Resolution No. 1068 in January of 2006.

System Development Charges were established for Sewer and Water by Resolutions No. 1069 and 1070 for Municipal Parks in February of 2006. Resolution No. 1069 was repealed by Resolution No. 1249 in September 2012.

New rates were established for electrical use by Resolutions No. 1073 and 1074 in March 2006. Resolution No. 1073 was repealed by Resolution No. 1214 in June 2011. Resolution No. 1214 & 1074 was repealed by Resolution 1281 in September 2013.

Water and Sewer rates were established by Resolution No. 1006 and 1007 in February 2004. Resolution No. 1006 was repealed by Resolution No. 1273 in June 2013.

Resolution No 1147 was approved October 2008 to dissolve capital reserve fund 55 for the purpose of changing the description of use. Resolution No 1148 was approved October 2008 to establish a new capital reserve fund for the purpose of including Facilities in the description of use.

Resolution No. 1153 was approved November 2008 to loan \$450,000 to EMS from the Electric portion of capital reserve to provide financing for the new Fire Station. Resolution No. 1153 was repealed June 2011 by Resolution No. 1212.

Resolution No. 1156 and 1157 were approved December 2008 to comply with the newly approved Charter Amendments that prevent the City from raising fees without voter approval. Resolution No. 1156 was repealed by 1247 in August 2012. Resolution No. 1157 was repealed by Resolution No. 1281 in September 2013.

Resolution No. 1158 was approved December 2008 to receive a loan in the amount of \$150,000 to provide financing for the new Fire Station.

Resolution No. 1174 was approved June 2009 to close out the Urban Renewal Fund.

Resolution No. 1175 was approved June of 2009 to Loan EMS \$24,280 from Water portion of capital reserve for the finance completion of purchasing a new Fire Truck. Resolution No. 1175 was repealed June 2011 by Resolution No. 1213.

Resolution No. 1177 was approved June of 2009 to receive a loan in the amount of \$125,000 to complete the financing of the Fire Station.

Resolution No. 1212 was approved June 2011, to loan \$450,000 to EMS from Electric portion of Capital Reserve with a repayment schedule and adding interest of \$14,789.29 in accumulated unpaid interest from November 2008, and repealing Resolution No. 1153.

Resolution No. 1213 was approved June 2011 to loan EMS \$24,280 from Water portion of Capital Reserve with a repayment schedule and adding interest of \$309.86 in accumulated unpaid interest from June 2009, and repealing Resolution No. 1175.

Resolution No. 1237 was approved June 2012 to establish rates for Fire, Ambulance, Emergency & Non-Emergency Medical Services and repealing Resolution No. 1095.

Resolution No. 1239 was approved June 2012 amending Resolution No. 1194, Section 1., establishing internal payments to a rate of 7% from the Enterprise Funds to be paid to the General Fund with a sunset clause of June 30, 2014.

Resolution No. 1243 was approved on June 2012 to loan EMS \$57,000 from the General Fund portion of Capital Reserve for the purpose of bringing the estimated beginning fund balance to zero. Re-payment in full will be made in November 2012.

Resolution No. 1260 was approved April 2013 authorizing reimbursement for labor and equipment to the City Light Fund in the amount of \$14,362.79 for Columbia Cascade Senior Housing Development.

Resolution No. 1267 ending the Fire Suppression Fee increase authorized by Resolution No. 1240 and resetting the rates for Fire Department Fees Per Ordinance No. 374 and Resolution No. 1053 and repealing Resolutions No. 1053 and 1240.

Resolution No. 1268 was approved May 2013 establishing rates for Fire, Ambulance, Emergency & Non-Emergency Medical Services and repealing Resolution No. 1237.

Resolution No. 1273 was approved June 2013 establishing a fee for the maintenance, testing, and replacement of water meters; establishing water rates; and repealing Resolution No. 1006.

Resolution No. 1274 was approved June 2013 allocating appropriations across all funds for the contract with the Forensic Account in the amount of \$15,000.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF CASCADE LOCKS, OREGON**  
**Statement of Net Position**  
June 30, 2013

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$1,475,660	\$686,161	\$2,161,821
Receivables - net of allowance for uncollectibles	75,434	231,612	307,046
Due to (from) other funds	409,223	(409,223)	0
Prepaid expenses		4,527	4,527
Inventory		294,400	294,400
Restricted cash and investment		60,979	60,979
Capital assets (net of accumulated depreciation):			
Land and other	171,265	167,432	338,697
Buildings and improvements	99,556	1,495,633	1,595,189
System		7,352,709	7,352,709
Machinery and equipment	108,076	724,280	832,356
Infrastructure	787,506		787,506
Construction in progress		13,932	13,932
	<u>3,126,720</u>	<u>10,622,442</u>	<u>13,749,162</u>
<b>Total Assets</b>			
<b>LIABILITIES</b>			
Liabilities:			
Accounts payable	14,862	72,373	87,235
Accrued expenses	2,456	25,073	27,529
Customer deposits		97,510	97,510
Noncurrent liabilities:			
Payable within one year		43,120	43,120
Payable in more than one year	18,143	923,044	941,187
	<u>35,461</u>	<u>1,161,120</u>	<u>1,196,581</u>
<b>Total Liabilities</b>			
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred tax revenue	11,571	0	11,571
	<u>11,571</u>	<u>0</u>	<u>11,571</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,166,403	8,830,653	9,997,056
Restricted for:			
System development	52,388		52,388
Highways and streets	92,450		92,450
Culture and recreation	19,078		19,078
Cemetery maintenance	14,357		14,357
Debt service		60,979	60,979
Unrestricted	1,735,012	569,690	2,304,702
	<u>1,735,012</u>	<u>569,690</u>	<u>2,304,702</u>
<b>Total Net Position</b>	<u>\$3,079,688</u>	<u>\$9,461,322</u>	<u>\$12,541,010</u>

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

**CITY OF CASCADE LOCKS, OREGON**  
Statement of Activities  
Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
General government	\$ 273,044	\$ 8,419	\$ 219,693	\$ (44,932)	\$	\$ (44,932)
Public safety	96,980		8,855	(88,125)		(88,125)
Highways and streets	92,814		64,290	(28,524)		(28,524)
Culture and recreation	47,673		49,917	2,244		2,244
<b>Total Governmental Activities</b>	<b>510,511</b>	<b>8,419</b>	<b>342,755</b>	<b>(159,337)</b>		<b>(159,337)</b>
Business-type activities:						
Electric	1,684,621	1,524,058	45,196		\$ (115,367)	(115,367)
Emergency services	319,621	157,575			(162,046)	(162,046)
Sewer	445,620	358,878			(86,742)	(86,742)
Other	433,939	332,915			(101,024)	(101,024)
<b>Total Business-type Activities</b>	<b>2,883,801</b>	<b>2,373,426</b>	<b>45,196</b>	<b>0</b>	<b>(465,179)</b>	<b>(465,179)</b>
<b>Total</b>	<b>\$ 3,394,312</b>	<b>\$ 2,381,845</b>	<b>\$ 387,951</b>	<b>(159,337)</b>	<b>(465,179)</b>	<b>(624,516)</b>
General Revenues:						
Property taxes				197,577		197,577.00
Payments in lieu of taxes				150,850		150,850.00
Unrestricted investment earnings				8,097	4,565	12,662.00
Transfers				(301,628)	301,628	0
<b>Total General Revenues and Transfers</b>				<b>54,896</b>	<b>306,193</b>	<b>361,089</b>
<b>Change in Net Position</b>				<b>(104,441)</b>	<b>(158,986)</b>	<b>(263,427)</b>
<b>Net Position - July 1, 2012</b>				<b>3,184,129</b>	<b>9,620,308</b>	<b>12,804,437</b>
<b>Net Position - June 30, 2013</b>				<b>\$ 3,079,688</b>	<b>\$ 9,461,322</b>	<b>\$12,541,010</b>

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

**CITY OF CASCADE LOCKS, OREGON**

Balance Sheet  
Governmental Funds  
June 30, 2013

	<u>General</u>	<u>Street</u>	<u>Capital Reserve 08</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$100,099	\$93,408	\$1,169,993	\$107,881	\$1,471,381
Receivables - net of allowance for uncollectibles	<u>28,045</u>	<u>585</u>	<u>562,658</u>	<u>46,803</u>	<u>638,091</u>
Total Assets	<u>\$128,144</u>	<u>\$93,993</u>	<u>\$1,732,651</u>	<u>\$154,684</u>	<u>\$2,109,472</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$10,935	\$283		\$3,644	\$14,862
Accrued expenses	1,985	471			2,456
Due to other funds				<u>65,217</u>	<u>65,217</u>
Total Liabilities	<u>12,920</u>	<u>754</u>	<u>0</u>	<u>68,861</u>	<u>82,535</u>
Deferred inflows of resources:					
Deferred tax revenue	<u>11,571</u>				<u>11,571</u>
Fund Balances:					
Restricted for:					
Cemetery maintenance				14,357	14,357
Highways and streets		93,239			93,239
Public works				52,388	52,388
Committed for:					
Tourism				19,078	19,078
Capital projects			1,732,651		1,732,651
Unassigned	<u>103,653</u>				<u>103,653</u>
Total Fund Balances	<u>103,653</u>	<u>93,239</u>	<u>1,732,651</u>	<u>85,823</u>	<u>2,015,366</u>
Total Liabilities and Fund Balances	<u>128,144</u>	<u>\$93,993</u>	<u>\$1,732,651</u>	<u>\$154,684</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds 1,166,403

Interfund loan payments are reflected in the funds but are not reported as resources in governmental activities (83,938)

Prepaid construction deposits are not reported in the funds (10,502)

Accrued vacation pay in governmental activities is not reported in the funds (7,641)

Net position of governmental activities \$3,079,688

**CITY OF CASCADE LOCKS, OREGON**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2013**

	<u>General</u>	<u>Street</u>	<u>Capital Reserve 08</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Taxes	\$197,577				\$197,577
Payments in lieu of taxes from enterprise funds	150,850				150,850
Intergovernmental revenues	33,387	\$64,290		\$9,014	106,691
Charges for services	8,119				8,119
Fines and forfeitures	300				300
Interest on investments	522	505	\$6,527	543	8,097
Miscellaneous	149,256		28,714	59,694	237,664
<b>Total Revenues</b>	<u>540,011</u>	<u>64,795</u>	<u>35,241</u>	<u>69,251</u>	<u>709,298</u>
<b>EXPENDITURES</b>					
Current:					
General government	219,426				219,426
Public safety	87,132			10,007	97,139
Highways and streets		40,917			40,917
Culture and recreation	7,133			42,140	49,273
Capital outlay		29	245,427		245,456
<b>Total Expenditures</b>	<u>313,691</u>	<u>40,946</u>	<u>245,427</u>	<u>52,147</u>	<u>652,211</u>
Revenues Over (Under) Expenditures	<u>226,320</u>	<u>23,849</u>	<u>(210,186)</u>	<u>17,104</u>	<u>57,087</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	756		311,116	993	312,865
Operating transfers out	(199,010)	(25,199)	(33,327)	(47,000)	(304,536)
<b>Total Other Financing Sources (Uses)</b>	<u>(198,254)</u>	<u>(25,199)</u>	<u>277,789</u>	<u>(46,007)</u>	<u>8,329</u>
Net Change in Fund Balances	28,066	(1,350)	67,603	(28,903)	65,416
FUND BALANCE - July 1, 2012	75,587	94,589	1,665,048	114,726	1,949,950
FUND BALANCE - June 30, 2013	<u>\$103,653</u>	<u>\$93,239</u>	<u>\$1,732,651</u>	<u>\$85,823</u>	<u>\$2,015,366</u>

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

**CITY OF CASCADE LOCKS, OREGON**  
**Reconciliation of the Statement of Revenues, Expenditures and**  
**Changes in Fund Balances of Governmental Funds**  
**To the Statement of Activities**  
**Year Ended June 30, 2013**

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

Net change in fund balances - total governmental funds	\$65,416
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period	(65,248)
Interfund loan repayments recorded as revenue in governmental activities but not in the statement of activities	(83,938)
Loss on sale of property not reported in the fund expenditures	(21,288)
Changes in accrued vacation pay which is classified as long-term debt are not reported in the fund expenditures	<u>617</u>
Change in net position of governmental activities	<u><u>(\$104,441)</u></u>

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

**CITY OF CASCADE LOCKS, OREGON**

Statement of Net Position

Proprietary Funds

June 30, 2013

	Business-type Activities - Enterprise Funds				Total
	Electrical Fund	Emergency Services Fund	Sewer Fund	Other Enterprise Funds	
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$527,053	\$46,826	\$53,243	\$59,039	\$686,161
Accounts receivable	112,096	103,578	33,175	28,532	277,381
Less allowance for doubtful accounts	(225)	(45,544)		310	(45,769)
Prepaid expenses	0	4,217		20,008	4,527
Inventory of materials	273,151		1,241		294,400
<b>Total Current Assets</b>	<b>912,075</b>	<b>109,077</b>	<b>87,659</b>	<b>107,889</b>	<b>1,216,700</b>
<b>RESTRICTED ASSETS</b>					
Debt service:					
Cash and investments			60,979		60,979
<b>PROPERTY, PLANT AND EQUIPMENT - net of accumulated depreciation</b>					
	2,558,816	2,013,735	4,288,323	893,112	9,753,986
<b>Total Assets</b>	<b>\$3,470,891</b>	<b>\$2,122,812</b>	<b>\$4,436,961</b>	<b>\$1,001,001</b>	<b>\$11,031,665</b>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$48,767	\$2,726	\$13,600	\$7,280	\$72,373
Accrued expenses	18,298	3,648	867	2,260	25,073
Due to other funds		387,223		22,000	409,223
Customer deposits	94,395			3,115	97,510
Current portion of long-term debt		27,043	16,077		43,120
<b>Total Current Liabilities</b>	<b>161,460</b>	<b>420,640</b>	<b>30,544</b>	<b>34,655</b>	<b>647,299</b>
<b>LONG-TERM DEBT</b>					
Bonds and notes payable		145,558	734,655		880,213
Accrued vacation and other	32,459	2,653	2,305	5,414	42,831
<b>Total Long-Term Debt</b>	<b>32,459</b>	<b>148,211</b>	<b>736,960</b>	<b>5,414</b>	<b>923,044</b>
<b>Total Liabilities</b>	<b>193,919</b>	<b>568,851</b>	<b>767,504</b>	<b>40,069</b>	<b>1,570,343</b>
<b>NET POSITION</b>					
Net investment in capital assets	2,558,816	1,841,134	3,537,591	893,112	8,830,653
Restricted for debt service (expendable)			60,979		60,979
Unrestricted	718,156	(287,173)	70,887	67,820	569,690
<b>Total Net Position</b>	<b>3,276,972</b>	<b>1,553,961</b>	<b>3,669,457</b>	<b>960,932</b>	<b>9,461,322</b>
<b>Total Liabilities and Net Position</b>	<b>\$3,470,891</b>	<b>\$2,122,812</b>	<b>\$4,436,961</b>	<b>\$1,001,001</b>	<b>\$11,031,665</b>

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

**CITY OF CASCADE LOCKS, OREGON**  
Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
Year Ended June 30, 2013

	Business-type Activities - Enterprise Funds				Totals
	Electrical Fund	Emergency Services Fund	Sewer Fund	Other Enterprise Funds	
<b>OPERATING REVENUES</b>					
Sales and service charges	\$1,490,549	\$153,137	\$352,768	\$322,745	\$2,319,199
Connection fees and other	33,509	4,438	6,110	10,170	54,227
<b>Total Operating Revenues</b>	<u>1,524,058</u>	<u>157,575</u>	<u>358,878</u>	<u>332,915</u>	<u>2,373,426</u>
<b>OPERATING EXPENSES</b>					655,571
Purchased power	655,571				826,415
Personal services	555,020	84,139	47,334	139,922	287,463
Contractual services	66,592	16,638	141,952	62,281	85,186
Materials and supplies	6,025	53,905	9,182	16,074	381,663
Depreciation	106,365	84,336	135,009	55,953	597,781
Other	295,048	72,069	70,955	159,709	
<b>Total Operating Expenses</b>	<u>1,684,621</u>	<u>311,087</u>	<u>404,432</u>	<u>433,939</u>	<u>2,834,079</u>
<b>Operating Income (Loss)</b>	<u>(160,563)</u>	<u>(153,512)</u>	<u>(45,554)</u>	<u>(101,024)</u>	<u>(460,653)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>					4,565
Interest on investments	3,231	157	777	400	(49,722)
Bond and other interest expense		(8,534)	(41,188)		45,196
Miscellaneous nonoperating income	45,196				
<b>Total Nonoperating Revenues (Expenses)</b>	<u>48,427</u>	<u>(8,377)</u>	<u>(40,411)</u>	<u>400</u>	<u>39</u>
<b>Income (Loss) Before Operating Transfers</b>	<u>(112,136)</u>	<u>(161,889)</u>	<u>(85,965)</u>	<u>(100,624)</u>	<u>(460,614)</u>
<b>OPERATING TRANSFERS</b>					482,205
Operating transfers in	226,018	199,010	47,000	10,177	(180,577)
Operating transfers out	(79,600)	0	(66,756)	(34,221)	
<b>Total Operating Transfers</b>	<u>146,418</u>	<u>199,010</u>	<u>(19,756)</u>	<u>(24,044)</u>	<u>301,628</u>
<b>Change in Net Position</b>	<u>34,282</u>	<u>37,121</u>	<u>(105,721)</u>	<u>(124,668)</u>	<u>(158,986)</u>
<b>Total net position - July 1, 2012</b>	<u>3,242,690</u>	<u>1,516,840</u>	<u>3,775,178</u>	<u>1,085,600</u>	<u>9,620,308</u>
<b>Total net position - June 30, 2013</b>	<u>\$3,276,972</u>	<u>\$1,553,961</u>	<u>\$3,669,457</u>	<u>\$960,932</u>	<u>\$9,461,322</u>

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

**CITY OF CASCADE LOCKS, OREGON**

Statement of Cash Flows  
Proprietary Funds  
Year Ended June 30, 2013

	Electrical Fund	Emergency Services Fund	Sewer Fund	Other Enterprise Funds	Totals
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Cash received from customers	\$1,542,894	\$146,661	\$361,440	\$340,570	\$2,391,565
Cash paid to suppliers	(917,916)	(140,258)	(184,869)	(214,303)	(1,457,346)
Cash paid to employees	(561,018)	(78,469)	(46,821)	(138,956)	(825,264)
Payments in lieu of taxes	(82,978)		(24,694)	(21,818)	(129,490)
Interest received	3,231	157	777	400	4,565
Net Cash Provided (Used) by Operating Activities	<u>(15,787)</u>	<u>(71,909)</u>	<u>105,833</u>	<u>(34,107)</u>	<u>(15,970)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Operating transfers from other funds	226,018	199,010	47,000	10,177	482,205
Operating transfers to other funds	(79,600)		(66,000)	(34,221)	(179,821)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>146,418</u>	<u>199,010</u>	<u>(19,000)</u>	<u>(24,044)</u>	<u>302,384</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Loans from other funds				22,000	22,000
Repayments of interfund loans		(110,218)			(110,218)
Acquisition and construction of capital assets	(316,180)	39,605		(2,027)	(278,602)
Principal paid on maturity of long-term debt		(24,876)	(103,408)		(128,284)
Interest paid on long-term debt		(8,534)	(41,188)		(49,722)
Net Cash Used for Capital and Related Financing Activities	<u>(316,180)</u>	<u>(104,023)</u>	<u>(144,596)</u>	<u>19,973</u>	<u>(544,826)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Decrease (increase) in restricted cash and investments for debt service			18,943		18,943
Net Cash Provided by Investing Activities	<u>0</u>	<u>0</u>	<u>18,943</u>	<u>0</u>	<u>18,943</u>
Increase (Decrease) in Cash	(185,549)	23,078	(38,820)	(38,178)	(239,469)
CASH & CASH EQUIVALENTS - July 1, 2012	<u>712,602</u>	<u>23,748</u>	<u>92,063</u>	<u>97,217</u>	<u>925,630</u>
CASH & CASH EQUIVALENTS - June 30, 2013	<u>\$527,053</u>	<u>\$46,826</u>	<u>\$53,243</u>	<u>\$59,039</u>	<u>\$686,161</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>					
Operating income (loss)	(\$160,563)	(\$153,512)	(\$45,554)	(\$101,024)	(\$460,653)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation	106,365	84,336	135,009	55,953	381,663
Non-operating income	45,196				45,196
Interest received	3,231	157	777	400	4,565
Changes in assets - Decrease in:					
Accounts receivable	11,666	(10,914)	2,562	6,955	10,269
Prepaid expenses	2,262	3,539		452	6,253
Inventory	(6,875)		623	2,462	(3,790)
Changes in liabilities - Increase (decrease) in:					
Accounts payable	(18,241)	(1,185)	11,903	(971)	(8,494)
Accrued expenses	10,975	3,507	720	785	15,987
Accrued vacation	(16,973)	2,163	(207)	181	(14,836)
Customer deposits	7,170			700	7,870
Net cash provided (used) by operating activities	<u>(\$15,787)</u>	<u>(\$71,909)</u>	<u>\$105,833</u>	<u>(\$34,107)</u>	<u>(\$15,970)</u>

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

# CITY OF CASCADE LOCKS, OREGON

Notes to Financial Statements

June 30, 2013

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Reporting Entity

The City of Cascade Locks (the City) is a municipal corporation governed by a mayor and six council members elected by the citizens of the City. Administrative functions are delegated to individuals who report to and are responsible to the council. The chief administrative officer is the city administrator.

The accompanying financial statements present all funds and component units for which the City is considered to be financially accountable. The criteria used in making this determination includes appointment of a voting majority, imposition of will, financial benefit or burden on the primary government, and fiscal dependency on the primary government. Based upon the evaluation of these criteria, the City is a primary government with no includable component units.

### Government-wide and Fund Financial Statements

The government-wide financials statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type* activities, which rely to a significant extent, on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* includes 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among programs revenues are reported instead as *general revenues*.

Major individual governmental funds are reported as separate columns in the fund financial statements.

### Measurement Focus

The government-wide financial statements and proprietary funds financial statements are presented on a full accrual basis of accounting with an economic resource measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Under the full accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash inflows and outflows.

**CITY OF CASCADE LOCKS, OREGON**  
Notes to Financial Statements  
June 30, 2013

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**Measurement Focus - continued**

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, debt service expenditures, as well as claims and judgments, 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. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *street fund* accounts for the receipt and expenditure of funds associated with the construction and maintenance of streets within the City.

The *capital reserve 08 fund* is established to account for monies accumulated for major fixed asset additions. Principal funding is provided by annual budgeted transfers from other funds.

The City reports the following major proprietary funds:

The *electrical fund* accounts for the activities of the City's electric distribution operations.

The *emergency services fund* accounts for the activities of the City's fire and ambulance operations.

The *sewer fund* accounts for the activities of the City's sewage collection and treatment operations.

Additionally, the City reports the following fund types:

*Special revenue* funds that account for revenues derived from specific sources that have been restricted to finance particular functions or activities. These include the *system development fund*, *grants fund*, *tourism fund*, *911 emergency fund*, and *cemetery trust fund*.

Other *proprietary* funds including the *CATV*, *water*, and *cemetery* funds that account for the respective revenues and expenditures of these activities.

## CITY OF CASCADE LOCKS, OREGON

Notes to Financial Statements

June 30, 2013

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

#### **Measurement Focus—continued**

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those pronouncements do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's electric, water, sewer, and cable television functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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 *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. 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.

#### **Assets, Liabilities, and Net position or Equity**

##### **Cash and Cash Equivalents**

For financial reporting purposes, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

##### **Deposits and Investments**

Oregon Revised Statutes authorize the City to invest in obligations of the U.S. Treasury and its agencies, certain bonded obligations of Oregon municipalities, certificates of deposit, certain commercial paper, banker's acceptance, corporate debt, bank repurchase agreements, and the Oregon State Treasurer's Local Government Investment Pool. Investments for the City are reported at fair value.

##### **Receivables and payables**

All trade and property tax receivables are shown net of an allowance for uncollectible accounts.

## CITY OF CASCADE LOCKS, OREGON

### Notes to Financial Statements

June 30, 2013

#### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

##### **Assets, Liabilities, and Net position or Equity – continued**

###### **Receivables and payables - continued**

Ad valorem property taxes are levied on all taxable property as of January 1 preceding the beginning of the fiscal year. Property taxes become a lien on January 1 for personal property and on July 1 for real property. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Uncollected property taxes are shown in the combined balance sheet. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. Property taxes collected within approximately sixty days after fiscal year end are recognized as revenue. The remaining balance of taxes receivable is recorded as deferred revenue because it is not deemed available to finance operations of the current period. All property taxes receivable are due from property owners within the City.

###### **Inventory of Materials and Supplies**

Inventories of materials and supplies in Enterprise Funds are stated at the lower of cost or market using the first-in first-out (FIFO) method of costing. Inventories in the governmental type funds are not considered material and consequently are recorded by the City as expenditures at the time of purchase.

###### **Restricted Assets**

Certain fund balances are restricted to the purpose for which the fund was created. Restricted assets in the sewer fund result from sewer revenue bond debt service requirements specified by United States Department of Agriculture, Rural Utilities Service. These assets have been set aside to pay principal and interest on bonds payable in future years and emergency repairs or replacement caused by unforeseen catastrophe. Such restricted amounts at June 30, 2013 were \$60,979. Included in this amount is the RUS required restricted reserve of \$53,711.

Other assets are restricted by enabling legislation for system development, highway and street maintenance and construction, culture and recreation and cemetery maintenance.

###### **Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$3,000 and an estimated useful life extending beyond a single reporting period. Such assets are stated at historical cost, or estimated historical cost if purchased or constructed. In a prior year the City hired consultants to prepare an estimate of the original cost of the City's enterprise fund capital assets. Substantially all of the cost of such assets is based on this estimate. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

**CITY OF CASCADE LOCKS, OREGON**  
Notes to Financial Statements  
June 30, 2013

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**  
Assets, Liabilities, and Net position or Equity – continued

Capital Assets – continued

The City's policy is to capitalize material interest costs as part of the cost of capital assets based on the borrowing costs incurred. Such costs were not considered material in 2013.

Property, plant, and equipment of the City is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20-50
Public domain infrastructure	30-100
System infrastructure	25-50
Vehicles	10-20
Office and other equipment	5-10

Compensated Absences and Sick Pay

Compensated absences for vacation pay are accrued in the government-wide and proprietary fund financial statements. Sick pay, which does not vest, is recognized in all funds when leave is taken.

Long-Term Debt

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 applicable governmental activities, business-type activities, or proprietary fund type Statement of Net position.

Fund Equity

Beginning with fiscal year 2011, the City implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance—amounts that are not in spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance—amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e., City Council). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint.
- Assigned fund balance—amounts the City intends to use for a specific purpose. Intent can be expressed by the City Council or by an official or body to which the City Council delegates the authority.
- Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

**CITY OF CASCADE LOCKS, OREGON**

Notes to Financial Statements

June 30, 2013

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**Assets, Liabilities, and Net position or Equity – continued**

**Use of Estimates**

In preparing the City's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 – DETAILED NOTES ON ALL FUNDS**

**Deposits and investments**

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned or the City will not be able to recover collateral securities in the possession of an outside party. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Oregon Treasurer. At June 30, 2013, the carrying amount of the City's deposits was \$191,519 and the bank balance was \$259,209. Of the bank balance, all was covered by Federal depository insurance.

For investments, custodial credit risk 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 in the possession of an outside party. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments are diversified to minimize the risk of loss resulting from over-concentration of assets in a specific maturity period, a single issuer, or an individual class of securities. The City has not adopted a formal policy for these risks. At June 30, 2013 the City's investment balances were as follows:

	<u>Cost</u>	<u>Reported Amount/ Fair Value</u>
Oregon Local Government Investment Pool	<u>\$2,031,281</u>	<u>\$2,031,281</u>

The Local Government Investment Pool is included in the Oregon Short Term Fund (OSTF), which was established by the State Treasurer. OSTF is not subject to SEC regulation. OSTF is subject to requirements established in Oregon Revised Statutes, investment policies adopted by the Oregon Investment Council, and portfolio guidelines established by the Oregon Short Term Fund Board. The Governor appoints the members of the Oregon Investment Council and the Oregon Short Term Fund Board. The pool is unrated as to credit quality rating.

Cash and investments are reflected on the combined balance sheet as follows:

Unrestricted	\$2,161,821
Restricted for debt service	<u>60,979</u>
	<u>\$2,222,800</u>

**CITY OF CASCADE LOCKS, OREGON**  
**Notes to Financial Statements**  
**June 30, 2013**

**NOTE 2 – DETAILED NOTES ON ALL FUNDS - continued**

**Receivables**

Receivables as of June 30, 2013 for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>Accounts Receivable</u>	<u>Grants Receivable</u>	<u>Taxes Receivable</u>	<u>Total</u>	Less <u>Allowance for Uncollectibles</u>	<u>Total</u>
General	\$29,713		\$10,932	\$40,645	(\$12,600)	\$28,045
Streets	585			585		585
Electrical	112,096			112,096	(225)	111,871
Emergency Services	103,578			103,578	(45,544)	58,034
Sewer	33,175			33,175		33,175
Nonmajor Funds	19,255	\$56,081		75,336		75,336
	<u>\$298,402</u>	<u>\$56,081</u>	<u>\$10,932</u>	<u>\$365,415</u>	<u>(\$58,369)</u>	<u>\$307,046</u>

**Capital assets**

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

	<u>Balances July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances June 30, 2013</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$171,265			\$171,265
Total capital assets, not being depreciated	171,265	0	0	171,265
Capital assets, being depreciated:				
Buildings and improvements	272,281		25,000	247,281
Machinery and equipment	502,697	5,836	77,470	431,063
Infrastructure	1,888,046			1,888,046
Total capital assets being depreciated	2,663,024	5,836	102,470	2,566,390
Less accumulated depreciation for:				
Buildings and improvements	(145,250)	(6,226)	(3,750)	(147,726)
Machinery and equipment	(381,085)	(19,333)	(77,432)	(322,986)
Infrastructure	(1,055,016)	(45,524)		(1,100,540)
Total accumulated depreciation	(1,581,351)	(71,083)	(81,182)	(1,571,252)
Total capital assets, being depreciated, net	1,081,673	(65,247)	21,288	995,138
Governmental activities capital assets, net	<u>\$1,252,938</u>	<u>(\$65,247)</u>	<u>\$21,288</u>	<u>\$1,166,403</u>

**CITY OF CASCADE LOCKS, OREGON**  
Notes to Financial Statements  
June 30, 2013

**NOTE 2 – DETAILED NOTES ON ALL FUNDS – continued**  
**Capital assets - continued**

	<u>Balances</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>June 30, 2013</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$133,927			\$133,927
Construction in progress	13,932			13,932
Other	33,505			33,505
	<u>181,364</u>	<u>0</u>	<u>0</u>	<u>181,364</u>
Total capital assets, not being depreciated				
Capital assets, being depreciated:				
Buildings	1,631,036			1,631,036
System	11,942,238	107,836	3,523	12,046,551
Machinery and equipment	1,850,006	229,443	427,873	1,651,576
	<u>15,423,280</u>	<u>337,279</u>	<u>431,396</u>	<u>15,329,163</u>
Total capital assets, being depreciated				
Less accumulated depreciation for:				
Buildings	(102,887)	(32,516)		(135,403)
System	(4,425,938)	(271,427)	(3,523)	(4,693,842)
Machinery and equipment	(1,218,771)	(77,721)	(369,196)	(927,296)
	<u>(5,747,596)</u>	<u>(381,664)</u>	<u>(372,719)</u>	<u>(5,756,541)</u>
Total accumulated depreciation				
Total capital assets, being depreciated, net	<u>9,675,684</u>	<u>(44,385)</u>	<u>58,677</u>	<u>9,572,622</u>
Business-type activities capital assets, net	<u>\$9,857,048</u>	<u>(\$44,385)</u>	<u>\$58,677</u>	<u>\$9,753,986</u>

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

Governmental activities:	
General government	\$19,477
Highways and streets, including depreciation of general infrastructure assets	<u>51,606</u>
Total depreciation expense - governmental activities	<u>\$71,083</u>

Business-type activities:	
Water	\$30,635
Sewer	135,009
CATV	25,319
Electric	106,365
Public safety	<u>84,336</u>
Total depreciation expense - business-type activities	<u>\$381,664</u>

# CITY OF CASCADE LOCKS, OREGON

## Notes to Financial Statements June 30, 2013

### NOTE 2 – DETAILED NOTES ON ALL FUNDS – continued

#### Interfund transfers

The City routinely makes transfers between funds. These are primarily to the Capital Reserve Fund for future major capital purchases and other funds for current capital outlay. Interfund transfers for the year were as follows:

Transfer Out:	Transfer In:							Total
	General	Capital Reserve	Nonmajor Governmental	Electrical	Sewer	Emergency Services	Nonmajor Proprietary	
General						\$199,010		\$199,010
Street		\$25,199						25,199
Capital Reserve	\$5,836		\$1,750	\$226,018			\$6,577	240,181
Nonmajor governmental	\$756				\$47,000			47,756
Sewer		66,000						66,000
Electrical		76,000					3,600	79,600
Nonmajor proprietary		34,221						34,221
<b>Total transfers out</b>	<b>\$6,592</b>	<b>\$201,420</b>	<b>\$1,750</b>	<b>\$226,018</b>	<b>\$47,000</b>	<b>\$199,010</b>	<b>\$10,177</b>	<b>\$691,967</b>

#### Bonds payable and long-term debt

Bonds payable consists of a sewer revenue serial bond issue. The interest rate for the 1998 Rural Utilities Service Sewer Revenue Bond issue is 4.75. Long-term debt consists of a loan from Oregon Investment Board at a rate of 4%. Interest in the amount of \$49,722 is included as a direct expense on the statement of activities. During the year the City retired a loan from the Oregon Economic Development Department. Other long-term debt consists of accrued vacation and construction deposits. Maturities of bond principal and other long-term debt at June 30, 2013 were as follows:

	1998 Sewer Revenue Bonds		OIB Loan		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2013-14	\$16,077	\$37,633	\$27,043	\$6,368	\$43,120	\$44,001
2014-15	16,841	36,870	28,145	5,266	44,986	42,136
2015-16	17,641	36,070	29,292	4,119	46,933	40,189
2016-17	18,479	35,232	30,485	2,926	48,964	38,158
2017-18	19,357	34,354	31,727	1,684	51,084	36,038
2018-23	111,480	157,075	25,909	510	137,389	157,585
2023-28	140,593	127,960			140,593	127,960
2028-33	177,312	91,242			177,312	91,242
2033-38	223,618	44,935			223,618	44,935
2038-39	9,334	2,417			9,334	2,417
	<b>\$750,732</b>	<b>\$603,788</b>	<b>\$172,601</b>	<b>\$20,873</b>	<b>\$923,333</b>	<b>\$624,661</b>

**CITY OF CASCADE LOCKS, OREGON**

Notes to Financial Statements  
June 30, 2013

**NOTE 2 – DETAILED NOTES ON ALL FUNDS – continued**

**Bonds payable and long-term debt - continued**

Changes in Long-Term Debt were as follows:

	1998 Sewer Revenue Bonds	OEDD Loan	OIB Loan	Other	Total
<b>Governmental-type activities:</b>					
Balance - July 1, 2012				\$18,760	\$18,760
Payments				(617)	(617)
Balance - June 30, 2013				<u>18,143</u>	<u>18,143</u>
<b>Business-type activities:</b>					
Balance - July 1, 2012	\$767,965	\$86,176	\$197,478	74,795	1,126,414
Payments	<u>(17,233)</u>	<u>(86,176)</u>	<u>(24,877)</u>	<u>(17,128)</u>	<u>(145,414)</u>
Balance - June 30, 2013	<u>750,732</u>	0	<u>172,601</u>	<u>57,667</u>	<u>981,000</u>
Total - June 30, 2013	<u><u>\$750,732</u></u>	<u><u>\$0</u></u>	<u><u>\$172,601</u></u>	<u><u>\$75,810</u></u>	<u><u>\$999,143</u></u>

**NOTE 3 – OTHER INFORMATION**

**Risk management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. No settlements have exceeded coverage during the previous three years.

**Employee Retirement Plan**

**Plan Description.** The City is a participating employer in the Oregon Public Employees Retirement Fund (PERS), a cost-sharing multiple-employer defined benefit pension public employee retirement plan established under Oregon Revised Statute Chapter 238.600 that acts as a common investment and administrative agent for public employers in the State of Oregon. PERS provides retirement and disability benefits, postemployment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by state statute.

In the 2003 legislative session, the Oregon Legislative Assembly created a successor plan for PERS: The Oregon Public Service Retirement Plan (OPSRP) is effective for all new employees hired on or after August 29, 2003, and also applies to any inactive PERS members who return to employment following a six month or greater break in service. OPSRP is a hybrid cost-sharing multiple employer plan that consists of the following: (a) a pension program, which is the defined benefit portion of the plan, and (b) an Individual Account Program, which is the defined contribution of the plan. The 1998 Oregon Legislature established a different level of benefits for employees who began their six month waiting period on or after January 1, 1996. This level is called Tier Two.

**CITY OF CASCADE LOCKS, OREGON**

Notes to Financial Statements

June 30, 2013

**NOTE 3 – OTHER INFORMATION – continued**

**Employee Retirement Plan – continued**

Both PERS and OPSRP are administered by the Public Employees Retirement Board (OPERB). The comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to PERS, PO Box 23700, Tigard, OR, 97281-3700, by calling 1-503-598-7377 or by accessing the PERS web site at <http://www.oregon.gov/PERS>.

Funding Policy. Members of PERS are required to contribute 6.00% of their salary covered under the plan. The City is required by ORS 238.225 to contribute at an actuarially determined rate. The rates for the year were: PERS Tier 1/Tier2 –17.47%; OPSRP general service members – 16.73%; and OPSRP police and fire – 19.44% of salary covered under the plan. The contribution requirements for plan members and the City are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

Annual Pension Cost. For the year ended June 30, 2013, the City's annual pension cost for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the December 31, 2012 actuarial valuation using the projected unit credit cost method. The actuarial assumptions included (a) 8.00% investment rate of return (net of administrative expenses), (b) projected salary increases was 3.75% per year, (c) future interest credits on member contributions of 8.00% on regular member accounts and 8.25% on variable member accounts, and (d) 2.75% per year post-retirement cost-of-living increases. The underlying long-term assumed rate of inflation is 2.75% per year. The actuarial value of PERS assets are valued on the projected unit credit method. The City's unfunded actuarial liability is being amortized as a level percentage of payroll over a closed 20 year period for Tier 1/Tier 2 and 16 years for OPSRP.

**Annual Pension Cost**

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
6-30-11	\$138,563	100%	0
6-30-12	129,666	100%	0
6-30-13	138,724	100%	0

**Trend Information**

Trend information is designed to give an indication of the progress made in accumulating sufficient assets to pay benefits when due. Actuarial information for calendar year 2011 is the most recent available. As noted in the table, the City's actuarial valuation of assets and accrued liability is pooled as of the 2011 valuation.

**Schedule of Funding Progress for City of Cascade Locks**

<u>Actuarial</u> <u>Valuation</u> <u>Date</u>	<u>Unfunded</u> <u>Actuarial</u> <u>Liability</u>	<u>Funded</u> <u>Ratio</u>	<u>Covered</u> <u>Payroll</u>	<u>UAL /</u> <u>Payroll</u>
12-31-10	1,436,259	79%	800,925	179%
12-31-11	1,547,049	75%	706,952	219%
12-31-12	1,140,684	83%	655,246	174%

**CITY OF CASCADE LOCKS, OREGON**  
Notes to Financial Statements  
June 30, 2013

**NOTE 3 – OTHER INFORMATION – continued**

**Employee Retirement Plan, continued**

**Retirement Health Insurance Account (RHIA):** 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 postemployment benefit plan administered by OPERS. Eligible PERS retirees who receive benefits and are enrolled in certain PERS administered health insurance programs may receive a subsidy towards the payment of health insurance premiums. This report can be obtained within the same PERS report as stated in the PERS note. The authority to establish and amend the benefit provision of RHIA resides with the Oregon Legislature. Under ORS 238.420 retirees may receive a subsidy for Medicare supplemental health insurance of up to \$60 per month towards the cost of their health insurance premium under the RHIA. Participating governments are contractually required to contribute to the RHIA at a rate assessed each year by OPERS, currently .59% for tier 1/tier 2 and .50% for OPSRP annual covered payroll. The OPERS Board sets the employer contribution rates based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities of the plan over a period not to exceed thirty years. The City's allocated RHIA unfunded actuarial liability at December 31, 2012, 2011, and 2010 is \$13,747, \$18,314, and \$28,816, respectively. The City's contributions to RHIA for the years ended June 30, 2013, 2012, and 2011 were approximately \$3,571, \$2,050, and \$2,300, respectively, which equaled the required contributions each year.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF CASCADE LOCKS, OREGON**  
Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>GENERAL FUND</b>				
<b>REVENUES</b>				
Property taxes and interest	\$181,000	\$181,000	\$197,577	\$16,577
Payments in lieu of taxes from Enterprise Funds	151,831	151,831	150,850	(981)
Intergovernmental revenues:				
State liquor taxes	15,500	15,500	15,809	309
Library revenue	1,600	1,600	1,600	0
Cigarette taxes	1,650	1,650	1,670	20
State revenue sharing funds	6,000	6,000	12,655	6,655
	24,750	24,750	31,734	6,984
Charges for services:				
Use of city property fees	34,710	34,710	34,710	0
Copy and fax charges	350	350	487	137
Information service fees	75	75	760	685
Planning fees	10,000	10,000	4,758	(5,242)
Planning engineering estimates	10,000	10,000	0	(10,000)
Recreation fees	0	0	534	534
City hall rental	400	400	580	180
	55,535	55,535	41,829	(13,706)
Fines and forfeitures	300	300	300	0
Miscellaneous revenues:				
Interest on investments	300	300	522	222
Transient room assessment	91,700	91,700	100,768	9,068
Telephone franchises	3,500	3,500	4,379	879
Garbage service franchise fee	1,000	1,000	1,000	0
Recreation donations	10,000	10,000	3,253	(6,747)
Other	3,500	8,000	7,799	(201)
	110,000	114,500	117,721	3,221
Total Revenues	523,416	527,916	540,011	12,095
<b>EXPENDITURES</b>				
Administrative:				
Personal services	48,656	57,656	56,092	1,564
Materials and services	44,480	44,480	37,846	6,634
Capital outlay	300	300	0	300
	93,436	102,436	93,938	8,498
Planning:				
Personal services	47,396	47,396	42,357	5,039
Materials and services	32,131	26,806	12,124	14,682
	79,527	74,202	54,481	19,721

**CITY OF CASCADE LOCKS, OREGON**  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Property department:				
Personal services	69,731	69,731	48,200	21,531
Materials and services	19,979	19,979	16,331	3,648
Capital outlay	1,800	1,800	0	1,800
	<u>91,510</u>	<u>91,510</u>	<u>64,531</u>	<u>26,979</u>
Governmental/ Community Relations:				
Materials and services	6,200	6,200	4,548	1,652
Recreation department:				
Personal services	7,655	7,655	3,005	4,650
Materials and services	4,345	4,345	2,783	1,562
	<u>12,000</u>	<u>12,000</u>	<u>5,788</u>	<u>6,212</u>
Police Services:				
Materials and services	87,133	87,133	87,132	1
Contingencies	2,214	2,214	0	2,214
Total Expenditures	<u>372,020</u>	<u>375,695</u>	<u>310,418</u>	<u>65,277</u>
Revenues Over Expenditures	151,396	152,221	229,593	77,372
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	0	756	756	0
Operating transfers out	(118,801)	(119,626)	(119,120)	506
Repayment of interfund loans	(82,595)	(82,595)	(82,284)	311
Total Other Financing (Uses)	<u>(201,396)</u>	<u>(201,465)</u>	<u>(200,648)</u>	<u>817</u>
Revenues Over (Under ) Expenditures and Other Uses	(50,000)	(49,244)	28,945	78,189
FUND BALANCE - July 1, 2012	<u>50,000</u>	<u>50,000</u>	<u>57,355</u>	<u>7,355</u>
FUND BALANCE - June 30, 2013	<u>\$0</u>	<u>\$756</u>	<u>\$86,300</u>	<u>\$85,544</u>

**CITY OF CASCADE LOCKS, OREGON**  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual  
Year Ended June 30, 2013

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>STATE TAX STREET</b>			
<b>REVENUES</b>			
State gas tax apportionment	\$65,000	\$64,290	(\$710)
Interest on investments	275	506	231
Miscellaneous revenue	100	0	(100)
<b>Total Revenues</b>	<u>65,375</u>	<u>64,796</u>	<u>(579)</u>
<b>EXPENDITURES</b>			
Personal services	45,605	24,915	20,690
Materials and services	27,819	16,265	11,554
Capital outlay	12,500	29	12,471
Contingencies	7,826	0	7,826
<b>Total Expenditures</b>	<u>93,750</u>	<u>41,209</u>	<u>52,541</u>
<b>Revenues Over (Under) Expenditures</b>	<u>(28,375)</u>	<u>23,587</u>	<u>51,962</u>
<b>OTHER FINANCING USES</b>			
Operating transfers out	<u>(31,625)</u>	<u>(25,199)</u>	<u>6,426</u>
<b>Revenues and Other Uses Over (Under) Expenditures</b>	<u>(60,000)</u>	<u>(1,612)</u>	<u>58,388</u>
<b>FUND BALANCE - July 1, 2012</b>	<u>60,000</u>	<u>94,063</u>	<u>34,063</u>
<b>FUND BALANCE - June 30, 2013</b>	<u><u>\$0</u></u>	<u><u>\$92,451</u></u>	<u><u>\$92,451</u></u>

**CITY OF CASCADE LOCKS, OREGON**  
Notes to Required Supplementary Information  
June 30, 2013

**NOTE 1 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budgetary Information**

Annual budgets are adopted on a basis consistent with Oregon Revised Statutes (ORS 294 - Local Budget Law) for all governmental funds. All annual appropriations lapse at fiscal year end.

Each year, the budget officer submits a proposed budget to the Budget Committee for public hearing. The budget committee consists of the City Council and an equal number of lay citizens of the City appointed by the council. The budget committee reviews the proposed budget and approves the budget document. The Council holds a public hearing and adopts a final budget no later than June 30.

The budget is prepared by category (i.e., personal service, materials and services, capital outlay, debt service and other requirements) within funds except for the General Fund which budgets on a departmental basis. Adjustments to the budgetary appropriations require approval of the Council. Expenditure appropriations may not be overexpended except in the case of grant funding issued during the fiscal year. Council may transfer amounts between categories by resolution. Unexpected additional resources may be added to the budget through the use of a supplemental budget.

The following budgetary categories had expenditures exceeding appropriations for the year:

<u>Fund</u>	<u>Category</u>	<u>Amount</u>
Emergency Services	Materials and services	\$3,076
Emergency Services	Repayment of loans	2,999
Grants	Personal services	905

**Reconciliation of Budgetary Information with GAAP Information**

Following is a reconciliation of the budgetary basis of accounting with the GAAP basis of accounting for the General Fund and Street Fund:

	<u>General</u>	<u>Street</u>
Revenues over expenditures and other uses - budget basis	\$28,945	(\$1,612)
Depreciation expense	(19,478)	(51,606)
Capitalized expenses	5,836	
Loss on sale of property	(21,288)	
Change in net position - GAAP basis	<u>(\$5,985)</u>	<u>(\$53,218)</u>

## OTHER INFORMATION

**CITY OF CASCADE LOCKS, OREGON**  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual  
Year Ended June 30, 2013

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>ELECTRICAL FUND</b>			
<b>REVENUES</b>			
Residential sales	\$713,000	\$721,809	\$8,809
Commercial sales	518,000	481,359	(36,641)
Street lights	25,300	25,387	87
Sales to public bodies	252,000	261,994	9,994
Customer installation	7,000	8,310	1,310
Pole contacts	3,750	3,905	155
Interest on investments	3,000	3,230	230
Weatherization	25,000	21,481	(3,519)
Miscellaneous	1,006,000	42,615	(963,385)
	<u>2,553,050</u>	<u>1,570,090</u>	<u>(982,960)</u>
<b>Total Revenues</b>			
<b>EXPENDITURES</b>			
Operating:			
Personal services	900,440	501,817	398,623
Materials and services	1,830,475	983,278	847,197
Capital outlay	123,500	29,707	93,793
Contingencies	64,098	0	64,098
	<u>2,918,513</u>	<u>1,514,802</u>	<u>1,403,711</u>
Administration:			
Personal services	120,482	107,175	13,307
Materials and services	67,155	53,315	13,840
	<u>187,637</u>	<u>160,490</u>	<u>27,147</u>
<b>Total Expenditures</b>	<u>3,106,150</u>	<u>1,675,292</u>	<u>1,430,858</u>
<b>Revenues Over (Under) Expenditures</b>	(553,100)	(105,202)	447,898
<b>OTHER FINANCING SOURCES (USES)</b>			
Repayment of interfund loans	2,700	2,394	(306)
Operating transfers out	(79,600)	(79,600)	0
	<u>(76,900)</u>	<u>(77,206)</u>	<u>(306)</u>
<b>Total Other Sources (Uses)</b>			
<b>Revenues Over (Under) Expenditures and Other Uses</b>	(630,000)	(182,408)	447,592
<b>FUND BALANCE - July 1, 2012</b>	<u>630,000</u>	<u>627,415</u>	<u>(2,585)</u>
<b>FUND BALANCE - June 30, 2013</b>	<u>\$0.</u>	<u>\$445,007</u>	<u>\$445,007</u>

**CITY OF CASCADE LOCKS, OREGON**  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>WATER OPERATING FUND</b>				
<b>REVENUES</b>				
Water sales	\$181,200	\$181,200	\$184,985	\$3,785
Connection charges	1,800	1,800	5,031	3,231
Interest on investments	600	600	320	(280)
Miscellaneous revenues	200	200	3,020	2,820
<b>Total Revenues</b>	<b>183,800</b>	<b>183,800</b>	<b>193,356</b>	<b>9,556</b>
<b>EXPENDITURES</b>				
Operating:				
Personal services	57,824	53,824	52,469	1,355
Materials and services	107,446	111,446	100,024	11,422
Capital outlay	2,500	1,850	742	1,108
	<b>167,770</b>	<b>167,120</b>	<b>153,235</b>	<b>13,885</b>
Administration:				
Personal services	39,840	39,840	37,718	2,122
Materials and services	18,889	18,889	15,944	2,945
	<b>58,729</b>	<b>58,729</b>	<b>53,662</b>	<b>5,067</b>
<b>Total Expenditures</b>	<b>226,499</b>	<b>225,849</b>	<b>206,897</b>	<b>18,952</b>
Revenues Over (Under) Expenditures	(42,699)	(42,049)	(13,541)	28,508
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	3,600	3,600	3,600	0
Operating transfers out	(35,901)	(36,551)	(34,221)	2,330
<b>Total Other Financing Sources (Uses)</b>	<b>(32,301)</b>	<b>(32,951)</b>	<b>(30,621)</b>	<b>2,330</b>
Revenues Over (Under) Expenditures and Other Uses	(75,000)	(75,000)	(44,162)	30,838
<b>FUND BALANCE - July 1, 2012</b>	<b>75,000</b>	<b>75,000</b>	<b>86,355</b>	<b>11,355</b>
<b>FUND BALANCE - June 30, 2013</b>	<b>\$0</b>	<b>\$0</b>	<b>\$42,193</b>	<b>\$42,193</b>

**CITY OF CASCADE LOCKS, OREGON**  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>SEWER OPERATING FUND</b>				
<b>REVENUES</b>				
Sewer service fees	\$345,000	\$345,000	\$352,768	\$7,768
Miscellaneous revenues	700	700	6,110	5,410
Interest on investments	750	750	475	(275)
<b>Total Revenues</b>	<b>346,450</b>	<b>346,450</b>	<b>359,353</b>	<b>12,903</b>
<b>EXPENDITURES</b>				
Operating:				
Personal services	11,706	15,706	13,450	2,256
Materials and services	217,799	223,799	206,391	17,408
Capital outlay	17,500	7,500	0	7,500
Contingencies	15,731	15,731	0	15,731
	<b>262,736</b>	<b>262,736</b>	<b>219,841</b>	<b>42,895</b>
Administration:				
Personal services	36,082	36,082	33,883	2,199
Materials and services	18,280	18,280	15,075	3,205
	<b>54,362</b>	<b>54,362</b>	<b>48,958</b>	<b>5,404</b>
<b>Total Expenditures</b>	<b>317,098</b>	<b>317,098</b>	<b>268,799</b>	<b>48,299</b>
<b>Revenues Over Expenditures</b>	<b>29,352</b>	<b>29,352</b>	<b>90,554</b>	<b>61,202</b>
<b>OTHER FINANCING USES</b>				
Operating transfers out	(144,352)	(144,352)	(144,352)	0
<b>Revenues Over (Under) Expenditures and Other Uses</b>	<b>(115,000)</b>	<b>(115,000)</b>	<b>(53,798)</b>	<b>61,202</b>
FUND BALANCE - July 1, 2012	115,000	115,000	123,445	8,445
FUND BALANCE - June 30, 2013	\$0	\$0	\$69,647	\$69,647

**CITY OF CASCADE LOCKS, OREGON**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**Year Ended June 30, 2013**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>TELEVISION SYSTEM FUND</b>				
<b>REVENUES</b>				(\$6,877)
Cable service fees	\$76,000	\$76,000	\$69,123	(1,023)
HBO service fees	9,700	9,700	8,677	68
Channel 23 advertising income	450	450	518	649
Cable internet sales	55,000	55,000	55,649	(350)
Cable modem sales	900	900	550	105
Connection charges	1,800	1,800	1,905	(43)
Interest on investments	70	70	27	(76)
Miscellaneous revenues	740	740	664	
<b>Total Revenues</b>	<u>144,660</u>	<u>144,660</u>	<u>137,113</u>	<u>(7,547)</u>
<b>EXPENDITURES</b>				
Operating CATV:				1,330
Personal services	4,539	5,539	4,209	2,576
Materials and services	85,268	82,768	80,192	
	<u>89,807</u>	<u>88,307</u>	<u>84,401</u>	<u>3,906</u>
Operating Cable Internet:				1,510
Personal services	4,539	6,039	4,529	(450)
Materials and services	29,405	29,405	29,855	450
Capital outlay	450	450	0	
	<u>34,394</u>	<u>35,894</u>	<u>34,384</u>	<u>1,510</u>
Administration:				1,324
Personal services	39,194	39,194	37,870	(132)
Materials and services	9,842	9,842	9,974	
	<u>49,036</u>	<u>49,036</u>	<u>47,844</u>	<u>1,192</u>
<b>Total Expenditures</b>	<u>173,237</u>	<u>173,237</u>	<u>166,629</u>	<u>6,608</u>
Revenues Over (Under) Expenditures	(28,577)	(28,577)	(29,516)	(939)
<b>OTHER FINANCING SOURCES</b>				22,000
Operating transfers in	6,577	6,577	28,577	
Revenues Over (Under) Expenditures and Other Uses	(22,000)	(22,000)	(939)	21,061
<b>FUND BALANCE - July 1, 2012</b>	<u>22,000</u>	<u>22,000</u>	<u>20,023</u>	<u>(1,977)</u>
<b>FUND BALANCE - June 30, 2013</b>	<u>\$0</u>	<u>\$0</u>	<u>\$19,084</u>	<u>\$19,084</u>

**CITY OF CASCADE LOCKS, OREGON**  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual  
 Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>EMERGENCY SERVICES FUND</b>				
<b>REVENUES</b>				
Fire and ambulance fees	\$155,808	\$155,808	\$153,137	(\$2,671)
Interest revenue	0	0	157	157
Miscellaneous income	2,000	2,000	4,438	2,438
<b>Total Revenues</b>	<u>157,808</u>	<u>157,808</u>	<u>157,732</u>	<u>(76)</u>
<b>EXPENDITURES</b>				
Operating:				
Personal services	120,239	120,009	74,390	45,619
Materials and services	92,303	93,203	96,323	(3,120)
Capital outlay	4,430	3,760	3,750	10
	<u>216,972</u>	<u>216,972</u>	<u>174,463</u>	<u>42,509</u>
Administration:				
Personal services	9,599	9,599	9,749	(150)
Materials and services	2,578	2,578	2,534	44
	<u>12,177</u>	<u>12,177</u>	<u>12,283</u>	<u>(106)</u>
<b>Total Expenditures</b>	<u>229,149</u>	<u>229,149</u>	<u>186,746</u>	<u>42,403</u>
Revenues Over (Under) Expenditures	<u>(71,341)</u>	<u>(71,341)</u>	<u>(29,014)</u>	<u>42,327</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	118,801	118,801	122,120	3,319
Repayment of interfund loans	(59,460)	(59,460)	(62,459)	(2,999)
<b>Total Other Financing Sources (Uses)</b>	<u>59,341</u>	<u>59,341</u>	<u>59,661</u>	<u>320</u>
Revenues Over (Under) Expenditures and Other Sources	<u>(12,000)</u>	<u>(12,000)</u>	<u>30,647</u>	<u>42,647</u>
FUND BALANCE - July 1, 2012	<u>12,000</u>	<u>12,000</u>	<u>45,900</u>	<u>33,900</u>
FUND BALANCE - June 30, 2013	<u>\$0</u>	<u>\$0</u>	<u>\$76,547</u>	<u>\$76,547</u>

**CITY OF CASCADE LOCKS, OREGON**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**Year Ended June 30, 2013**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
<b>CEMETERY FUND</b>				
<b>REVENUES</b>				
Sales and fees	\$2,700	\$2,700	\$2,792	\$92
Interest on investments	50	50	53	3
Total Revenues	<u>2,750</u>	<u>2,750</u>	<u>2,845</u>	<u>95</u>
<b>EXPENDITURES</b>				
Personal services	2,710	4,010	3,624	386
Materials and services	2,225	925	400	525
Contingencies	4,815	4,815	0	4,815
Total Expenditures	<u>9,750</u>	<u>9,750</u>	<u>4,024</u>	<u>5,726</u>
Revenues Over (Under) Expenditures	(7,000)	(7,000)	(1,179)	5,821
FUND BALANCE - July 1, 2012	<u>7,000</u>	<u>7,000</u>	<u>9,718</u>	<u>2,718</u>
FUND BALANCE - June 30, 2013	<u>\$0</u>	<u>\$0</u>	<u>\$8,539</u>	<u>\$8,539</u>
<b>GRANTS FUND</b>				
<b>REVENUES</b>				
Grant revenues	<u>\$54,250</u>	<u>\$64,309</u>	<u>\$7,602</u>	<u>(\$56,707)</u>
<b>EXPENDITURES</b>				
Personal services	0	0	905	(905)
Materials and services	56,000	66,059	7,690	58,369
Total Expenditures	<u>56,000</u>	<u>66,059</u>	<u>8,595</u>	<u>57,464</u>
Revenues Over (Under) Expenditures	(1,750)	(1,750)	(993)	757
<b>OTHER FINANCING SOURCES</b>				
Operating transfers in	<u>1,750</u>	<u>1,750</u>	<u>993</u>	<u>(757)</u>
Revenues and Other Sources Over Expenditures	0	0	0	0
FUND BALANCE - July 1, 2012	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE - June 30, 2013	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**CITY OF CASCADE LOCKS, OREGON**  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual  
Year Ended June 30, 2013

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>1998 SEWER BOND FUND</b>			
<b>REVENUES</b>			
Interest on investments	\$300	\$302	\$2
<b>EXPENDITURES</b>			
Principal payments	15,348	17,233	(1,885)
Interest payments	38,363	36,478	1,885
Contingencies	60,300	0	60,300
Total Expenditures	114,011	53,711	60,300
Revenues Over (Under) Expenditures	(113,711)	(53,409)	60,302
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in	53,711	53,711	0
Revenues and Other Sources Over (Under) Expenditures	(60,000)	302	60,302
FUND BALANCE - July 1, 2012	60,000	60,678	678
FUND BALANCE - June 30, 2013	\$0	\$60,980	\$60,980

<b>OEDD LOAN FUND</b>			
<b>EXPENDITURES</b>			
Principal payments	\$86,931	\$86,176	\$755
Interest payments	4,710	4,710	0
Total Expenditures	91,641	90,886	755
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	71,641	71,641	0
Operating transfers out	(756)	(756)	0
Total Other Financing Sources	70,885	70,885	0
Other Sources Over (Under) Expenditures	(20,756)	(20,001)	755
FUND BALANCE - July 1, 2012	20,000	20,001	1
FUND BALANCE - June 30, 2013	(\$756)	\$0	\$756

**CITY OF CASCADE LOCKS, OREGON**  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual  
Year Ended June 30, 2013

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
<b>SYSTEM DEVELOPMENT FUND</b>			
<b>REVENUES</b>			
Interest on investments	\$150	\$346	\$196
Miscellaneous revenue	0	13,942	13,942
Total Revenues	150	14,288	14,138
<b>EXPENDITURES -</b>			
Capital outlay	33,150	0	33,150
Revenues Over (Under) Expenditures	(33,000)	14,288	47,288
<b>OTHER FINANCING USES</b>			
Operating transfers out	(47,000)	(47,000)	0
Revenues Over (Under) Expenditures and Other Uses	(80,000)	(32,712)	47,288
FUND BALANCE - July 1, 2012	80,000	85,100	5,100
FUND BALANCE - June 30, 2013	\$0	\$52,388	\$52,388

<b>911 EMERGENCY TELEPHONE FUND</b>			
<b>REVENUES</b>			
Telephone tax distribution	\$6,000	\$1,412	(\$4,588)
<b>EXPENDITURES</b>			
Materials and services	6,000	1,412	4,588
Revenues Over Expenditures	0	0	0
FUND BALANCE - July 1, 2012	0	0	0
FUND BALANCE - June 30, 2013	\$0	\$0	\$0

**CITY OF CASCADE LOCKS, OREGON**  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual  
Year Ended June 30, 2013

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>TOURISM FUND</b>			
<b>REVENUES</b>			
Room assessment	\$39,300	\$43,186	\$3,886
Interest on investments	200	119	(81)
Miscellaneous income	300	2,409	2,109
<b>Total Revenues</b>	<u>39,800</u>	<u>45,714</u>	<u>5,914</u>
<b>EXPENDITURES</b>			
Materials and services	75,478	42,139	33,339
Contingencies	322	0	322
<b>Total Expenditures</b>	<u>75,800</u>	<u>42,139</u>	<u>33,661</u>
Revenues Over (Under) Expenditures	(36,000)	3,575	39,575
<b>OTHER FINANCING USES</b>			
Operating transfers out	(4,000)	0	4,000
Revenues Over (Under) Expenditures and Other Uses	(40,000)	3,575	43,575
FUND BALANCE - July 1, 2012	<u>40,000</u>	<u>15,503</u>	<u>(24,497)</u>
FUND BALANCE - June 30, 2013	<u>\$0</u>	<u>\$19,078</u>	<u>\$19,078</u>

**CITY OF CASCADE LOCKS, OREGON**  
 Schedule of Revenues, Expenditures and  
 Changes in Fund Balances - Budget and Actual  
Year Ended June 30, 2013

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>CEMETERY TRUST FUND</b>			
<b>REVENUES</b>			
Interest on investments	\$75	\$77	\$2
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	225	157	(68)
Operating transfers out	(14,200)		14,200
Total Other Financing Sources (Uses)	(13,975)	157	14,132
Revenues Over (Under) Other Uses	(13,900)	234	14,134
FUND BALANCE - July 1, 2012	13,900	14,123	223
FUND BALANCE - June 30, 2013	<u>\$0</u>	<u>\$14,357</u>	<u>\$14,357</u>

<b>OIB FIRE HALL DEBT FUND</b>			
<b>EXPENDITURES</b>			
Principal payments	\$25,986	\$24,877	\$1,109
Interest payments	7,430	8,534	(1,104)
Total Expenditures	33,416	33,411	5
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in	33,416	33,411	(5)
Other Sources Over Expenditures	0	0	0
FUND BALANCE - July 1, 2012	0	0	0
FUND BALANCE - June 30, 2013	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**CITY OF CASCADE LOCKS, OREGON**  
**Schedule of Revenues, Expenditures and**  
**Changes in Fund Balances - Budget and Actual**  
**Year Ended June 30, 2013**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>CAPITAL RESERVE FUND - 08</b>				
<b>REVENUES</b>				
Interest on investments	\$3,200	\$3,200	\$6,527	\$3,327
Miscellaneous revenue	205,000	205,000	28,713	(176,287)
Total Revenues	<u>208,200</u>	<u>208,200</u>	<u>35,240</u>	<u>(172,960)</u>
<b>EXPENDITURES</b>				
Capital outlay	579,577	546,250	245,427	300,823
Contingencies	1,257,088	1,257,088	0	1,257,088
Total Expenditures	<u>1,836,665</u>	<u>1,803,338</u>	<u>245,427</u>	<u>1,557,911</u>
Revenues Over (Under) Expenditures	<u>(1,628,465)</u>	<u>(1,595,138)</u>	<u>(210,187)</u>	<u>1,384,951</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	328,465	328,465	311,116	(17,349)
Operating transfers out	0	(33,327)	(33,327)	0
Total Other Financing Sources (Uses)	<u>328,465</u>	<u>295,138</u>	<u>277,789</u>	<u>(17,349)</u>
Revenues and Other Sources (Uses) Over (Under) Expenditures	<u>(1,300,000)</u>	<u>(1,300,000)</u>	<u>67,602</u>	<u>1,367,602</u>
FUND BALANCE - July 1, 2012	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,205,784</u>	<u>(94,216)</u>
FUND BALANCE - June 30, 2013	<u>\$0</u>	<u>\$0</u>	<u>\$1,273,386</u>	<u>\$1,273,386</u>

**CITY OF CASCADE LOCKS, OREGON**

Combining Balance Sheet  
 Non-major Governmental Funds  
 June 30, 2013

	Special Revenue Funds					Total Non-major Governmental Funds
	System Development	Grants	Tourism	911 Emergency	Cemetery Trust	
<b>ASSETS</b>						
Cash and cash equivalents	\$52,388	\$24,057	\$17,079		\$14,357	\$107,881
Receivables - net of allowance for uncollectibles		41,653	5,150			46,803
Total Assets	<u>\$52,388</u>	<u>\$65,710</u>	<u>\$22,229</u>	<u>\$0</u>	<u>\$14,357</u>	<u>\$154,684</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable		\$493	\$3,151			\$3,644
Due to other funds		65,217				65,217
Total Liabilities	<u>0</u>	<u>65,710</u>	<u>3,151</u>	<u>0</u>	<u>0</u>	<u>68,861</u>
Fund Balances:						
Restricted for:						
Cemetery maintenance					14,357	14,357
Public works	52,388					52,388
Committed for tourism			19,078			19,078
Total Fund Balances	<u>52,388</u>	<u>0</u>	<u>19,078</u>	<u>0</u>	<u>14,357</u>	<u>85,823</u>
Total Liabilities and Fund Balances	<u>\$52,388</u>	<u>\$65,710</u>	<u>\$22,229</u>	<u>\$0</u>	<u>\$14,357</u>	<u>\$154,684</u>

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

**CITY OF CASCADE LOCKS, OREGON**

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
 Non-major Governmental Funds  
 Year Ended June 30, 2013

	Special Revenue Funds						Total Non-major Governmental Funds
	System Development	Grants	Tourism	911 Emergency	Cemetery Trust		
<b>REVENUES</b>							
Intergovernmental revenues		\$7,602		\$1,412			\$9,014
Interest on investments	\$346		\$120		\$77		543
Miscellaneous	13,942		45,595		157		59,694
<b>Total Revenues</b>	<u>14,288</u>	<u>7,602</u>	<u>45,715</u>	<u>1,412</u>	<u>234</u>		<u>69,251</u>
<b>EXPENDITURES</b>							
Current:							
Public safety		8,595		1,412			10,007
Culture and recreation			42,140				42,140
<b>Total Expenditures</b>	<u>0</u>	<u>8,595</u>	<u>42,140</u>	<u>1,412</u>	<u>0</u>		<u>52,147</u>
Revenues Over (Under) Expenditures	<u>14,288</u>	<u>(993)</u>	<u>3,575</u>	<u>0</u>	<u>234</u>		<u>17,104</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Operating transfers in	(47,000)	993					993
Operating transfers out							(47,000)
<b>Total Other Financing Sources (Uses)</b>	<u>(47,000)</u>	<u>993</u>	<u>0</u>	<u>0</u>	<u>0</u>		<u>(46,007)</u>
<b>Net Change in Fund Balances</b>	<u>(32,712)</u>	<u>0</u>	<u>3,575</u>	<u>0</u>	<u>234</u>		<u>(28,903)</u>
<b>FUND BALANCE - July 1, 2012</b>	<u>85,100</u>	<u>0</u>	<u>15,503</u>	<u>0</u>	<u>14,123</u>		<u>114,726</u>
<b>FUND BALANCE - June 30, 2013</b>	<u>\$52,388</u>	<u>\$0</u>	<u>\$19,078</u>	<u>\$0</u>	<u>\$14,357</u>		<u>\$85,823</u>

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

**CITY OF CASCADE LOCKS, OREGON**  
 Combining Schedule of Net Position  
 Non-major Proprietary Funds  
June 30, 2013

	Non-major Funds			Total Non-major Proprietary Funds
	Television System Fund	Cemetery Fund	Water Fund	
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$15,118	\$8,605	\$35,316	\$59,039
Accounts receivable	13,512		15,020	28,532
Prepaid expenses	310			310
Inventory of materials	13,385		6,623	20,008
<b>Total Current Assets</b>	<b>42,325</b>	<b>8,605</b>	<b>56,959</b>	<b>107,889</b>
<b>PROPERTY, PLANT AND EQUIPMENT - net of accumulated depreciation</b>	<b>152,387</b>	<b>30,817</b>	<b>709,908</b>	<b>893,112</b>
<b>Total Assets</b>	<b><u>\$194,712</u></b>	<b><u>\$39,422</u></b>	<b><u>\$766,867</u></b>	<b><u>\$1,001,001</u></b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$6,602	\$13	\$665	\$7,280
Accrued expenses	800	53	1,407	2,260
Due to other funds	22,000			22,000
Customer deposits			3,115	3,115
<b>Total Current Liabilities</b>	<b>29,402</b>	<b>66</b>	<b>5,187</b>	<b>34,655</b>
<b>LONG-TERM DEBT</b>				
Accrued vacation	2,147		3,267	5,414
<b>Total Liabilities</b>	<b>31,549</b>	<b>66</b>	<b>8,454</b>	<b>40,069</b>
<b>NET POSITION</b>				
Net investment in capital assets	152,387	30,817	709,908	893,112
Unrestricted	10,466	8,539	48,815	67,820
<b>Total Net Position</b>	<b>162,853</b>	<b>39,356</b>	<b>758,723</b>	<b>960,932</b>
<b>Total Liabilities and Net Position</b>	<b><u>\$194,402</u></b>	<b><u>\$39,422</u></b>	<b><u>\$767,177</u></b>	<b><u>\$1,001,001</u></b>

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

**CITY OF CASCADE LOCKS, OREGON**  
Combining Schedule of Revenues, Expenses and Changes in Fund Net Position  
Non-major Proprietary Funds  
Year Ended June 30, 2013

	Television System Fund	Cemetery Fund	Water Fund	Total Non-major Proprietary Funds
<b>OPERATING REVENUES</b>				
Sales and service charges	\$134,968	\$2,792	\$184,985	\$322,745
Connection fees and other	2,119		8,051	10,170
<b>Total Operating Revenues</b>	<u>137,087</u>	<u>2,792</u>	<u>193,036</u>	<u>332,915</u>
<b>OPERATING EXPENSES</b>				
Personal services	46,608	3,624	89,690	139,922
Contractual services	12,394		49,887	62,281
Materials and supplies	2,497		13,577	16,074
Depreciation	25,319		30,634	55,953
Other	105,491	400	53,818	159,709
<b>Total Operating Expenses</b>	<u>192,309</u>	<u>4,024</u>	<u>237,606</u>	<u>433,939</u>
Operating Income (Loss)	(55,222)	(1,232)	(44,570)	(101,024)
<b>NONOPERATING REVENUES -</b>				
Interest on investments	27	53	320	400
<b>Income (Loss) Before Operating Transfers</b>	<u>(55,195)</u>	<u>(1,179)</u>	<u>(44,250)</u>	<u>(100,624)</u>
<b>OPERATING TRANSFERS</b>				
Operating transfers in	6,577		3,600	10,177
Operating transfers out			(34,221)	(34,221)
<b>Total Operating Transfers</b>	<u>6,577</u>	<u>0</u>	<u>(30,621)</u>	<u>(24,044)</u>
<b>Change in Net Position</b>	<u>(48,618)</u>	<u>(1,179)</u>	<u>(74,871)</u>	<u>(124,668)</u>
<b>Total net position - July 1, 2012</b>	<u>211,471</u>	<u>40,535</u>	<u>833,594</u>	<u>1,085,600</u>
<b>Total net position - June 30, 2013</b>	<u>\$162,853</u>	<u>\$39,356</u>	<u>\$758,723</u>	<u>\$960,932</u>

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

**CITY OF CASCADE LOCKS, OREGON**  
**Comparative Balance Sheet**  
**Sewer Fund**  
**June 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$53,243	\$92,063
Accounts receivable	33,175	35,737
Inventory	<u>1,241</u>	<u>1,864</u>
Total Current Assets	<u>87,659</u>	<u>129,664</u>
<b>RESTRICTED ASSETS</b>		
Debt service:		
Cash and investments	<u>60,979</u>	<u>80,678</u>
Total Restricted Assets	<u>60,979</u>	<u>80,678</u>
<b>PROPERTY, PLANT AND EQUIPMENT -</b>		
net of accumulated depreciation	<u>4,288,323</u>	<u>4,423,332</u>
Total Assets	<u><u>\$4,436,961</u></u>	<u><u>\$4,633,674</u></u>
<b>LIABILITIES AND FUND EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$13,600	\$1,697
Accrued expenses	867	147
Current portion of long-term debt	<u>16,077</u>	<u>34,279</u>
Total Current Liabilities	<u>30,544</u>	<u>36,123</u>
<b>LONG-TERM DEBT</b>		
Bonds and notes payable	734,655	819,861
Accrued vacation	<u>2,305</u>	<u>2,512</u>
Total Long-term Debt	<u>736,960</u>	<u>822,373</u>
Total Liabilities	<u>767,504</u>	<u>858,496</u>
<b>NET POSITION</b>		
Net investment in capital assets	3,537,591	3,569,192
Restricted for debt service	60,979	80,678
Unrestricted	<u>70,887</u>	<u>125,308</u>
Total Net Position	<u>3,669,457</u>	<u>3,775,178</u>
Total Liabilities and Net Position	<u><u>\$4,436,961</u></u>	<u><u>\$4,633,674</u></u>

**CITY OF CASCADE LOCKS, OREGON**  
**Comparative Schedule of Revenues and Expenses**  
**Sewer Fund**  
Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
<b>OPERATING REVENUES</b>		
Sales and service charges	\$352,768	\$336,731
Connection fees and other	6,110	727
	<hr/>	<hr/>
Total Operating Revenues	358,878	337,458
	<hr/>	<hr/>
<b>OPERATING EXPENSES</b>		
Personal services	47,334	36,653
Contractual services	141,952	119,356
Materials and supplies	9,182	10,073
Depreciation	135,009	134,808
Other	70,955	56,860
	<hr/>	<hr/>
Total Operating Expenses	404,432	357,750
	<hr/>	<hr/>
Operating Income (Loss)	(45,554)	(20,292)
	<hr/>	<hr/>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest on investments	777	919
Bond and other interest expense	(41,188)	(41,255)
	<hr/>	<hr/>
Total Nonoperating Revenues (Expenses)	(40,411)	(40,336)
	<hr/>	<hr/>
Income (Loss) Before Operating Transfers	(85,965)	(60,628)
	<hr/>	<hr/>
<b>OPERATING TRANSFERS -</b>		
Operating transfers out	(19,756)	(55,785)
	<hr/>	<hr/>
Net Income (Loss)	<u>(\$105,721)</u>	<u>(\$116,413)</u>

**CITY OF CASCADE LOCKS, OREGON**

Schedule of Property Tax Transactions

Year Ended June 30, 2013

<u>Tax Year</u>	<u>Current Levy and Balance Receivable July 1, 2012</u>	<u>Adjustments</u>	<u>Discount</u>	<u>Cash Collections</u>	<u>Balance Receivable June 30, 2013</u>
<b>GENERAL FUND</b>					
2012-13	\$200,537	(\$1,046)	(\$5,001)	(\$189,450)	\$5,040
2011-12	6,281	(50)	0	(3,354)	2,877
2010-11	3,684	(45)	1	(1,832)	1,808
2009-10	2,276	(23)	0	(1,503)	750
2008-09	673	(27)	0	(364)	282
2007-08 and prior	341	(45)	0	(121)	175
	<u>\$213,792</u>	<u>(\$1,236)</u>	<u>(\$5,000)</u>	<u>(\$196,624)</u>	<u>\$10,932</u>

**CITY OF CASCADE LOCKS, OREGON**

Schedule of Bonded and Long-Term Debt Transactions

Year Ended June 30, 2013

	Oregon Economic Development Department Loan		Rural Utilities Service Sewer Revenue Bond		Oregon Investment Board Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
Original issue	<u>\$500,000</u>		<u>\$954,000</u>		<u>\$275,000</u>	
Matured during year	\$86,176	\$4,710	\$17,233	\$36,478	\$24,877	\$8,534
Paid during year	<u>(86,176)</u>	<u>(4,710)</u>	<u>(17,233)</u>	<u>(36,478)</u>	<u>(24,877)</u>	<u>(8,534)</u>
Matured and outstanding at June 30, 2013	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**CITY OF CASCADE LOCKS, OREGON**  
 Schedule of Future Debt Service Requirements  
June 30, 2013

Year of Maturity	Rural Utilities Service Sewer Revenue Bond		Oregon Investment Board Loan	
	Principal	Interest	Principal	Interest
2013-14	\$16,077	\$37,633	\$27,043	\$6,368
2014-15	16,841	36,870	28,145	5,266
2015-16	17,641	36,070	29,292	4,119
2016-17	18,479	35,232	30,485	2,926
2017-18	19,357	34,354	31,727	1,684
2018-19	20,276	33,435	22,282	498
2019-20	21,239	32,472	3,627	12
2020-21	22,248	31,463		
2021-22	23,305	30,406		
2022-23	24,412	29,299		
2023-24	25,571	28,139		
2024-25	26,786	26,925		
2025-26	28,058	25,652		
2026-27	29,391	24,320		
2027-28	30,787	22,924		
2028-29	32,250	21,461		
2029-30	33,781	19,929		
2030-31	35,386	18,325		
2031-32	37,067	16,644		
2032-33	38,828	14,883		
2033-34	40,672	13,039		
2034-35	42,604	11,107		
2035-36	44,627	9,083		
2036-37	46,747	6,963		
2037-38	48,968	4,743		
2038-39	9,334	2,417		
	<u>\$750,732</u>	<u>\$603,788</u>	<u>\$172,601</u>	<u>\$20,873</u>

## FEDERAL PROGRAMS

# Onstott, Broehl & Cyphers, P. C.

Certified Public Accountants

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JAMES T. BROEHL, c.p.a.  
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American Institute of c.p.a.'s  
Oregon Society of c.p.a.'s

## OFFICES:

100 EAST FOURTH STREET  
THE DALLES, OREGON 97058  
Telephone: (541) 296-9131  
Fax: (541) 296-6151

1313 BELMONT STREET  
HOOD RIVER, OREGON 97031  
Telephone: (541) 386-6661  
Fax: (541) 308-0178

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and Council Members  
City of Cascade Locks, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Cascade Locks as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise City of Cascade Locks' basic financial statements and have issued our report thereon dated February 3, 2014.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Cascade Locks' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Cascade Locks' internal control. Accordingly, we do not express an opinion on the effectiveness of City of Cascade Locks' internal control.

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 a 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in

internal control over financial reporting. This is referenced as finding 2014-1.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain other matters that we reported to management of City of Cascade Locks, in a separate letter dated February 3, 2014.

City of Cascade Locks' response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the City of Cascade Locks response, and, accordingly, we express no opinion on it.

#### **Purpose of this Report**

The purpose of this report is solely for the information and use of management, City Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

*Omatott, Broehl & Cyphers, PC*

February 3, 2014

**CITY OF CASCADE LOCKS, OREGON**  
**Schedule of Findings and Responses**

**Year Ended June 30, 2013**

**FINDINGS – FINANCIAL STATEMENTS AUDIT**

**SIGNIFICANT DEFICIENCY**

**2014-1 In-house Accounting Controls**

Condition The City does not presently have a system for performing some of the necessary procedures and processes to adequately prepare financial statements in accordance with generally accepted accounting principles. These include:

- A functioning workorder system to properly capitalize system construction projects performed by City personnel.
- Personnel with the necessary training and expertise to prepare the annual financial report.

Criteria Internal controls specify that an entity have the personnel and systems in place to prepare complete and accurate financial statements in accordance with generally accepted accounting principles.

Effect Because the City does not have the in-house expertise to properly capitalize system construction projects and prepare the annual financial report, these must be completed by the independent accountants as part of the annual audit.

Recommendation The City should carefully consider the cost-benefit of acquiring the expertise to complete these processes.

City of Cascade Locks Response:

- Hiring a third-party accountant to prepare the annual financial report would be limited by the City's size and funds. The City acknowledges this shortfall and will examine alternatives and the inherent risk of each to address these concerns. A more practical solution to this issue would be to invest in training for staff so they could learn how to prepare annual financials instead of having the auditors prepare.

**AUDIT COMMENTS AND DISCLOSURES  
REQUIRED BY STATE REGULATIONS**

# Onstott, Broehl & Cyphers, P. C.

Certified Public Accountants

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

We have audited the basic financial statements of the City of Cascade Locks as of and for the year ended June 30, 2013 and have issued our report thereon dated February 14, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*.

### Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 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:

- Deposit of public funds with financial institutions (ORS 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS 294).
- Insurance and fidelity bond 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 294).
- Public contracts and purchasing (ORS 279A, 279B, and 279C).

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

### Oregon Local Budget Law Compliance

The results of our tests disclosed three overexpenditures of budgetary categories in violation of Oregon Local Budget Law. See note 1 of the notes to required supplementary information of the City's financial statements.

### **OAR 162-10-0230 Internal Control**

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for determining 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's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting. A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above. We have noted other items than are included in a separate letter to management.

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

*Onstott, Bruhl & Cyphers, PC*

February 3, 2014

# Onstott, Broehl & Cyphers, P. C.

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## LETTER TO MANAGEMENT

February 3, 2014

Mayor and City Council Members  
City of Cascade Locks  
Cascade Locks, Oregon 97014

We have audited the financial statements of City of Cascade Locks as of and for the year ended June 30, 2013 and have issued our report thereon dated February 3, 2014.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Minimum Standards for Audits of Oregon Municipal Corporations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit of the financial statements of the City of Cascade Locks for the year ended June 30, 2013, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure. However, we noted certain matters involving the internal control structure and its operation that we consider to be deficiencies under standards established by the American Institute of Certified Public Accountants. A deficiency in internal control exists when the design or operation of a control does not allow management to prevent, or detect and correct misstatements on a timely basis.

Management's responsibility for establishing and maintaining an internal control structure and limitations on the scope of this letter are outlined on pages 55 through 56 of the report referred to above and are incorporated by reference herein.

Comments and recommendations follow.

### COMMENTS AND RECOMMENDATIONS

#### **STATUS OF ITEMS REPORTED IN PRIOR YEAR**

In prior years we have commented on several items. Following is the current status of these recommendations.

### Ambulance Billings

In prior years, ambulance billings were not always submitted to Springfield on a timely basis to be processed. Delays of several months between the time of the charge being incurred to the time it was submitted for billing were noted.

#### Current Status:

This condition was not noted during the year under audit.

### Utility Workorder System

It was recommended that the City implement a workorder system for utility material and labor expenditures to more accurately account for such expenditures.

#### Current Status:

During a prior fiscal year, the City purchased software to implement this recommendation. City staff attended training in the implementation and use of these programs. To date, however, the necessary information has not been input in order to use this software. The City should take the necessary steps to begin using this software.

### Administrative Allocations

The City allocates administrative expenses to the various funds and departments based on criteria developed in a prior year. It has been a number of years since this allocation formula was reviewed and evaluated. There are various ways that indirect and administrative expenses can be allocated to the many functions of the City. Over time the conditions and assumptions used in developing the allocation percentages can change and require modification. It was recommended that the City perform a study to evaluate the allocation percentages and procedures used to allocate administrative expenses to the various functions of the City.

#### Current Status

Progress has been made in this area but had not been fully implemented during the audit year.

## **CURRENT YEAR ITEMS**

### Budget Issues

There were two budget overexpenditures noted in the audit. They are outlined on page 34 of the audit report. The Oregon Local Budget Law prohibits overexpenditure of funds in the various budget categories.

#### Recommendation

Procedures should be implemented to assure that there are no overexpenditures of the categories of the City budget. Funds should be monitored closely for the last few months of the fiscal year and appropriate budget transfers made where necessary.

Approval for Disbursement

During testing of cash disbursements, it was noted that various disbursements did not bear the initials of the authorizing official as indication of approval. Each invoice should exhibit evidence of approval for disbursement prior to processing the check.

Recommendation

Each official authorizing payment of invoices should initial the document as evidence of approval.

Tourism Events

Fund raisers sponsored by the Tourism Committee should follow City policies for the receipt and disbursement of funds. It appears that cash reports were not properly completed and filed with the City Finance Officer. Vendors were sometimes paid out of the cash box. Such procedures result in a lack of internal control.

Recommendation

A complete accounting of all cash received and disbursed during the event should be prepared and submitted to the City Finance Officer. To the extent possible, vendors should be paid through the normal City disbursement process. The Committee should account for all receipts and disbursements for the event and balance the change fund upon its return to the City.

We encourage the City to make improvements in the areas noted above. While, independence requirements limit our ability to participate in the implementation of these recommendations, we will be pleased to assist you in any way possible.

This report is intended solely for the information and use of the City Council, State of Oregon and others within the organization.

*Onstott, Broehl & Cyphers, PC*

Onstott, Broehl & Cyphers, P.C.

MATTHEW T. ENGLISH  
SHERIFF

BRIAN ROCKETT  
CHIEF DEPUTY



RECEIVED  
FEB 13 2014

MARFA HADDAN  
911 COMMANDER

TERRY L. BRIGHT  
CHIEF CIVIL DEPUTY

JERRY KEITH  
EXECUTIVE ASSISTANT

## CASCADE LOCKS MONTHLY REPORT

January 2014

1. **TOTAL CALLS FOR SERVICE: 187** (Includes follow-ups, Officer initiated, agency assist, ect.)
2. **TOTAL PRIORITY CALLS: 9**
3. **TOTAL CRIMES/CALLS AGAINST FAMILIES: 5**
4. **TOTAL CASE NUMBERS ISSUED: 20**
5. **TRAFFIC STOPS: 55**
6. **TOTAL ANIMAL CONTROL CALLS/CITATIONS: 3**

Additional Investigative Support: Deputy Smith, Deputy Guertin, Deputy Stefanini, Deputy Anderson, Deputy Carmody, Reserve Deputy Pivarunas, Reserve Deputy Stewart, Deputy Cozad and Reserve Deputy Linker. Case numbers include: S140009, S140013, S140015, S140025, S140040, S140042, S140046 and S140050, S140051, S140055, S140056, S140072, S140073, S140074, S140082, S140087, S140085, S140092, S140095 and S140096.

Deputy Harvey worked 103.4 hours within the City of Cascade Locks. Hood River County Sheriff's Office Personnel worked an additional 76.5 hours within the City of Cascade Locks, (Sgt.Castaneda, Deputy Carmody, Deputy Anderson, Reserve Sergeant Renault, Deputy Paulsen, Deputy Cozad, Deputy Stefanini, Deputy Smith, Deputy Guertin, Sgt. Flem, Reserve Deputy Pivarunas, Reserve Deputy Linker, Deputy Nelson, Reserve Deputy Stewart, Sgt.Hughes and Chief Deputy Rockett.

**The information reflected above is supported by the Hood River County Sheriff's Office Monthly report for the City of Cascade Locks. The information in the support documents must be cleansed Per ORS 192.501 & 192.502, but is on file to support this excerpt.**

Brian Rockett  
Chief Deputy