

***CITY OF AMITY, OREGON
ANNUAL FINANCIAL REPORT
Year Ended June 30, 2013***

CITY OF AMITY, OREGON
CITY OFFICIALS
JUNE 30, 2013

<u>Name</u>	MAYOR	<u>Term</u>
Michael Cape		December 31, 2016

CITY COUNCIL MEMBERS

Rudy van Soolen, President		December 31, 2016
Carmel Ball		December 31, 2014
Sharon Haggith		December 31, 2016
Mina Hansen		December 31, 2014
Walter Homen		December 31, 2014
Caralyn Miller		December 31, 2016

CITY ADMINISTRATOR

Larry Layton

CITY RECORDER

Jennifer Elkins

P.O. Box 159
Amity, Oregon 97101

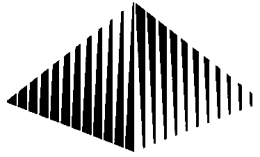
CITY OF AMITY, OREGON
TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
City Officials	
Table of Contents	
FINANCIAL SECTION	
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-8
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position (Modified Cash Basis)	9
Statement of Activities (Modified Cash Basis)	10
Fund Financial Statements	
Balance Sheet (Modified Cash Basis) - Governmental Funds	11
Statement of Revenues, Expenditures and Changes in Fund Balances (Modified Cash Basis) - Governmental Funds	12
Statement of Fund Net Position (Modified Cash Basis) – Proprietary (Enterprise) Funds	13
Statement of Revenues, Expenses and Changes in Fund Net Position (Modified Cash Basis) - Proprietary (Enterprise) Funds	14
Notes to Basic Financial Statements	15-29
Supplemental Information	
Governmental Funds - Statements and Schedules	
Combining Balance Sheet (Modified Cash Basis) - Nonmajor Governmental Funds	30
Combining Statement of Revenues, Expenditures and Changes in Fund Balance (Modified Cash Basis) - Nonmajor Governmental Funds	31
Schedule of Revenues, Expenditures and Changes in Fund Balances (Modified Cash Basis) - Budget and Actual	
General Fund	32
Street Fund	33
Police Equipment Reserve Fund	34
Building Fund	35
911 Fund	36
Street SDC Reimbursement Fund	37
Street SDC Improvement Fund	38
Storm Drain SDC Reimbursement Fund	39
Storm Drain SDC Improvement Fund	40
Parks SDC Reimbursement Fund	41
Parks SDC Improvement Fund	42
Street Reserve Fund	43
General Bond Debt Fund	44
Proprietary (Enterprise) Funds - Statements and Schedules	
Combining Statement of Fund Net Position (Modified Cash Basis) – Nonmajor Proprietary (Enterprise) Funds	45
Combining Statement of Revenues, Expenses and Changes in Fund Net Position (Modified Cash Basis) - Nonmajor Proprietary (Enterprise) Funds	46
Schedule of Revenues, Expenditures and Changes in Fund Balance (Modified Cash Basis) - Budget and Actual – Enterprise Funds	
Water Fund	47
Sewer Fund	48
Water Capital Projects Fund	49

CITY OF AMITY, OREGON
TABLE OF CONTENTS (Continued)

	<u>Page</u>
<i>FINANCIAL SECTION (Continued)</i>	
Supplemental Information (Continued)	
Schedule of Revenues, Expenditures and Changes in Fund Balance (Modified Cash Basis) - Budget and Actual – Enterprise Funds (Continued)	
Sewer SDC Improvement Fund	50
Sewer Bond Fund	51
Waterline Replacement Fund	52
Water Bond Debt Fund	53
Water SDC Improvement Fund	54
Water SDC Reimbursement Fund	55
Sewer Reserve Fund	56
Sewer SDC Reimbursement Fund	57
Other Schedules	
Schedule of Property Tax Transactions	58
Schedule of Long-Term Debt Transactions	59
Schedule of Future Bonded Debt Requirements	60-62
 <i>COMPLIANCE SECTION</i>	
Independent Auditor’s Report Required by Oregon State Regulations	63-64
Schedule of Expenditures of Federal Awards	65
Notes to Schedule of Expenditures of Federal Awards	66
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	67-68
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required By OMB Circular A-133	69-70
Summary of Findings and Questioned Costs	71

FINANCIAL SECTION



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
475 Cottage Street NE, Suite 200, Salem, Oregon 97301
(503) 581-7788

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor,
and Members of the City Council
P.O. Box 159
Amity, Oregon 97101

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Amity, Oregon, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in the notes to the financial statements. This includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these modified cash basis 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 City'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 City'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 modified cash basis financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Amity, Oregon as of June 30, 2013, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the basis of accounting described in the summary of significant accounting policies in the notes to the financial statements.

Other Matters

Report on Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the City's basic financial statements. The supplemental information and management's discussion and analysis are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purpose of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The supplemental information and schedule of expenditures of Federal awards as listed in the table of contents 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in notes to the financial statements.

Management's discussion and analysis 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 such information.

Basis of Accounting

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

Reports on Other Legal and Regulatory Requirements

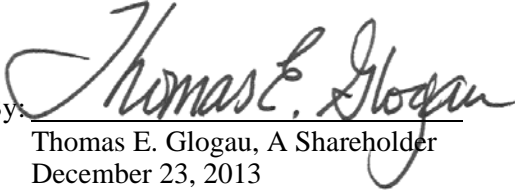
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2013, on our consideration of the City's 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 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 the City's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 23, 2013, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

GROVE, MUELLER & SWANK, PC
CERTIFIED PUBLIC ACCOUNTANTS

By: 
Thomas E. Glogau, A Shareholder
December 23, 2013

CITY OF AMITY, OREGON

Management's Discussion and Analysis June 30, 2013

As management of the City of Amity, we offer readers of the financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2013.

Financial Highlights

	June 30,		change
	2013	2012	
Net position	\$ 142,878	\$ 377,647	\$ (234,769)
Change in net position	(234,769)	185,900	(420,669)
Governmental net position	232,982	241,238	(8,256)
Proprietary net position	(90,104)	136,409	(226,513)
Change in governmental net position	(8,256)	20,753	(29,009)
Change in proprietary net position	(226,513)	165,147	(391,660)

Overview of the Financial Statements

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

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

The Statement of Net Position (Modified Cash Basis). This presents information on the assets and liabilities of the City as of the date on the statement utilizing the modified cash basis of accounting. Net position is what remains after the liabilities have been paid or otherwise satisfied. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities (Modified Cash Basis). The *statement of activities* presents information showing how the net position of the City changed over the most recent fiscal year by tracking revenues, expenses and other transactions that increase or reduce net position utilizing the modified cash basis of accounting.

In the government-wide financial statements, the City's basic activities are shown as governmental activities. All basic City government functions are shown here: such as, administration, city hall, legal, parks, streets, and police. These activities are primarily financed through property taxes and other intergovernmental activities. The business-type activities of the City include utility operations.

Fund financial statements. The *fund financial statements* provide more detailed information about the City’s funds, focusing on its most significant or “major” funds – not the City of Amity as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Amity, like state and other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. The *governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful in obtaining an understanding of each fund’s activity.

Proprietary (Enterprise) funds. The City of Amity charges customers for the utility services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds.

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *other supplemental information*, including the budgetary comparison schedules, the combining nonmajor fund financial statements, and other schedules.

Independent Auditor’s Report Required by Oregon State Regulations – These are supplemental communications on the City’s compliance and internal controls as required by Oregon statutes.

Single Audit – As a recipient of Federal funds in excess of \$500,000, the City is required to undergo a Single Audit. The results of the Single Audit are included within this report.

Government-wide Financial Analysis

Statement of Net Position. The Statement of Net Position (modified cash basis) is provided on a comparative basis. As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City of Amity, assets exceeded liabilities by \$142,878 as of June 30, 2013.

Restricted net position represents resources that are subject to external restrictions on their use, such as debt service payments or capital projects. Unrestricted net position is available for general operations of the City.

**City of Amity
Statements of Net Position (Modified Cash Basis)
June 30,**

	2013			2012		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 117,234	\$ 25,888	\$ 143,122	\$ 245,533	\$ 137,052	\$ 382,585
Internal balances	115,992	(115,992)	-	643	(643)	-
Total Assets	233,226	(90,104)	143,122	246,176	136,409	382,585
Other liabilities	244	-	244	4,938	-	4,938
Net Position:						
Restricted	34,292	68,332	102,624	27,821	12,415	40,236
Unrestricted	198,690	(158,436)	40,254	213,417	123,994	337,411
Total Net Position	\$ 232,982	\$ (90,104)	\$ 142,878	\$ 241,238	\$ 136,409	\$ 377,647

Statement of Activities (Modified Cash Basis). The changes in the City's net position are as follows:

	2013			2012		
	Government Activities	Business- type Activities	Total	Government Activities	Business- type Activities	Total
Revenues						
Program revenues						
Charges for service	\$ 58,871	\$ 725,724	\$ 784,595	\$ 63,931	\$ 727,632	\$ 791,563
Operating grants	98,500	-	98,500	104,018	-	104,018
Capital grants	22,423	2,164,527	2,186,950	-	492,220	492,220
General revenues						
Taxes and assessments	230,240	-	230,240	228,499	-	228,499
Franchise taxes	63,215	-	63,215	65,201	-	65,201
Intergovernmental	40,609	-	40,609	35,592	-	35,592
Proceeds from issuance of debt	-	1,708,388	1,708,388	-	49,138	49,138
Refunding of debt	-	(1,516,708)	(1,516,708)	-	-	-
Miscellaneous	11,096	9,604	20,700	16,176	41,199	57,375
<i>Total revenues</i>	<u>524,954</u>	<u>3,091,535</u>	<u>3,616,489</u>	<u>513,417</u>	<u>1,310,189</u>	<u>1,823,606</u>
Expenses						
General government	164,752	-	164,752	160,530	-	160,530
Community development	27,209	-	27,209	18,364	-	18,364
Street	83,630	-	83,630	72,079	-	72,079
Parks	30,925	-	30,925	27,399	-	27,399
Library	19,925	-	19,925	17,413	-	17,413
Public safety	194,220	-	194,220	200,445	-	200,445
Interest on long-term debt	6,449	-	6,449	-	-	-
Water	-	2,865,067	2,865,067	-	791,160	791,160
Sewer	-	459,081	459,081	-	350,316	350,316
<i>Total expenses</i>	<u>527,110</u>	<u>3,324,148</u>	<u>3,851,258</u>	<u>496,230</u>	<u>1,141,476</u>	<u>1,637,706</u>
Transfers	(6,100)	6,100	-	3,566	(3,566)	-
Change in net position	(8,256)	(226,513)	(234,769)	20,753	165,147	185,900
Net position, beginning of year	<u>241,238</u>	<u>136,409</u>	<u>377,647</u>	<u>220,485</u>	<u>(28,738)</u>	<u>191,747</u>
Net position, end of year	<u>\$ 232,982</u>	<u>\$ (90,104)</u>	<u>\$ 142,878</u>	<u>\$ 241,238</u>	<u>\$ 136,409</u>	<u>\$ 377,647</u>

Financial Analysis of the City's Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City's net position decreased by \$234,769 during the fiscal year 2012-2013. This decrease is explained in the government and business-type activities as follows:

Governmental activities: The City's net position decreased by \$8,256 from governmental activities. This decrease was due to a small increase in revenues combined with an increase in expenses.

Business-type activities: The City's net position decreased by \$226,513 from business-type activities. This decrease was due to a small decrease in charges for services and increased operating and capital expenses. There was significant capital outlay during the year which was funded by grants.

Governmental funds. The focus of the City's governmental funds is to provide information on relatively short-term cash flow and funding for future basic services. Such information is useful in assessing the City's financing requirements. In particular, *fund balance* may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

General Fund. The General Fund is the primary operating fund of the City of Amity. Fund balance was \$160,246 as of June 30, 2013. The fund balance decreased by \$17,790 during the current fiscal year. This was due mainly to a decrease in fines and forfeitures and intergovernmental revenues. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Fund balance represents 42% of total General Fund expenditures.

Street Fund. The majority of Street Fund revenues are State gas tax revenue. The fund balance at the end of the year was \$23,703 which was a decrease of \$320 from the prior year. This was due mainly to an increase in intergovernmental revenues and an increase in personal services and materials and services expenditures. The fund balance represents 28% of total Street Fund expenditures.

Police Equipment Reserve. The Police Equipment Reserve Fund is funded by transfers from the General Fund. There were no expenditures from this fund in the current year, so the balance increased \$3,000 to \$32,693 due to a transfer from the General Fund. This balance is committed to capital outlay.

Proprietary (Enterprise) funds. The focus of the City's enterprise funds is to account for the acquisition, operations and maintenance of the sewer and water systems. These funds are predominately self-supported through user charges to customers.

Water Fund. This fund accounts for the operations of the City's water system. The balance in this fund decreased during the year by \$19,828 due to an increase in materials and services expenditures.

Sewer Fund. This fund accounts for the operations of the City's sewer system. The balance in this fund decreased during the year by \$38,024 due to an increase in personal service and materials and service expenditures.

Water Capital Projects Fund. This fund accounts for activities associated with capital projects. The balance in this fund decreased during the year by \$173,951 due to capital outlay expenses exceeding revenues.

Sewer SDC Improvement Fund. This fund accounts for the collection and use of Sewer SDC charges. There were no expenditures from this fund in the current year, so balances increased by \$5,471 during the year. This balance is restricted to construction.

Sewer Bond Fund. This fund accounts for sewer debt service activity. The balance in this fund increased by \$97 during the year. There was issuance of new debt and the payoff of old debt during the year.

General Fund Budget

There were no changes to the General Fund budget during the year.

Debt Administration

Long-term debt. The City had total debt outstanding of \$2,919,554 at the end of the current fiscal year.

During the current fiscal year, the City's total debt decreased by \$61,351 net. As noted above, a state revolving fund loan was paid off from the proceeds of debt issuance.

State statutes limit the amount of general obligation debt a governmental entity may issue to 3 percent of its total assessed valuation. The assessed valuation of the City of Amity is \$86,722,595; therefore, the current debt limitation for the City of Amity is \$2,601,678. The City had no outstanding general obligation debt.

Additional information on the City of Amity's long-term debt can be found in the notes to the basic financial statements of this report.

Economic Factors and the Next Year's Budget

The City of Amity's Budget Committee considered all the following factors while preparing the City budget for the 2012-13 fiscal year:

- a. Prior history of revenues and expenses,
- b. Capital projects in the water, sewer, and street funds,
- c. Expected property tax revenue.

Requests for Information

This financial report is designed to present the user (citizens, taxpayers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

City Recorder
City of Amity
P. O. Box 159
Amity, Oregon 97101

BASIC FINANCIAL STATEMENTS

CITY OF AMITY, OREGON
STATEMENT OF NET POSITION (MODIFIED CASH BASIS)
JUNE 30, 2013

	<u><i>Governmental Activities</i></u>	<u><i>Business-type Activities</i></u>	<u><i>Totals</i></u>
ASSETS			
Cash and cash equivalents	\$ 117,234	\$ 25,888	\$ 143,122
LIABILITIES			
Payroll withholdings	244	-	244
Internal balances	(115,992)	115,992	-
<i>Total Liabilities</i>	<u>(115,748)</u>	<u>115,992</u>	<u>244</u>
NET POSITION			
Restricted for:			
Customer deposits	-	51,227	51,227
Debt Service	-	2,639	2,639
Construction	5,752	14,466	20,218
Streets	28,112	-	28,112
Public safety	428	-	428
Unrestricted	<u>198,690</u>	<u>(158,436)</u>	<u>40,254</u>
<i>Total Net Position</i>	<u>\$ 232,982</u>	<u>\$ (90,104)</u>	<u>\$ 142,878</u>

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

CITY OF AMITY, OREGON
STATEMENT OF ACTIVITIES (MODIFIED CASH BASIS)
YEAR ENDED JUNE 30, 2013

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Fees, Fines and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
FUNCTIONS/PROGRAMS				
Governmental activities:				
General government	\$ 164,752	\$ 1,495	\$ 6,479	\$ -
Community development	27,209	9,744	-	-
Street	83,630	16,967	88,080	19,635
Parks	30,925	1,500	-	2,788
Library	19,925	-	-	-
Public safety	194,220	29,165	3,941	-
Interest on long-term debt	6,449	-	-	-
	<u>527,110</u>	<u>58,871</u>	<u>98,500</u>	<u>22,423</u>
Total Governmental activities				
Business-type activities:				
Water	2,865,067	343,027	-	2,159,056
Sewer	459,081	382,697	-	5,471
	<u>3,324,148</u>	<u>725,724</u>	<u>-</u>	<u>2,164,527</u>
Total Business-type activities				
	<u>\$ 3,851,258</u>	<u>\$ 784,595</u>	<u>\$ 98,500</u>	<u>\$ 2,186,950</u>
Total Activities				

General Revenues:

Property taxes
Franchise taxes
Intergovernmental
Proceeds from issuance of debt
Refunding of debt
Miscellaneous

Total General Revenues

Transfers

Change in net position

Net position - beginning of year

Net position - end of year

***Net (Expenses) Revenues
and Changes in Net Position***

<i>Governmental Activities</i>	<i>Business-type Activities</i>	<i>Total</i>
\$ (156,778)	\$ -	\$ (156,778)
(17,465)	-	(17,465)
41,052	-	41,052
(26,637)	-	(26,637)
(19,925)	-	(19,925)
(161,114)	-	(161,114)
(6,449)	-	(6,449)
(347,316)	-	(347,316)
-	(362,984)	(362,984)
-	(70,913)	(70,913)
-	(433,897)	(433,897)
(347,316)	(433,897)	(781,213)
230,240	-	230,240
63,215	-	63,215
40,609	-	40,609
-	1,708,388	1,708,388
-	(1,516,708)	(1,516,708)
11,096	9,604	20,700
345,160	201,284	546,444
(6,100)	6,100	-
(8,256)	(226,513)	(234,769)
241,238	136,409	377,647
<u>\$ 232,982</u>	<u>\$ (90,104)</u>	<u>\$ 142,878</u>

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

CITY OF AMITY, OREGON**BALANCE SHEET (MODIFIED CASH BASIS) - GOVERNMENTAL FUNDS**JUNE 30, 2013

		<u>Special Revenue</u>	<u>Capital Projects</u>
	<u>General</u>	<u>Street</u>	<u>Police Equipment Reserve</u>
ASSETS			
Cash and cash equivalents	\$ 44,498	\$ 23,703	\$ 32,693
Due from other funds	115,992	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Assets</i>	\$ 160,490	\$ 23,703	\$ 32,693
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
 LIABILITIES AND FUND BALANCE			
Liabilities:			
Payroll withholdings	\$ 244	\$ -	\$ -
 Fund Balance:			
Restricted for:			
Construction	-	-	-
Streets	-	23,703	-
Public safety	-	-	-
Committed to:			
Debt service	-	-	-
Capital outlay	-	-	32,693
Community development	-	-	-
Unassigned	160,246	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Fund Balance</i>	160,246	23,703	32,693
	<hr/>	<hr/>	<hr/>
<i>Total Liabilities and Fund Balance</i>	\$ 160,490	\$ 23,703	\$ 32,693
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

<i>Other Governmental Funds</i>	<i>Total</i>
\$ 16,340	\$ 117,234
-	115,992
<u>\$ 16,340</u>	<u>\$ 233,226</u>
\$ -	\$ 244
5,752	5,752
4,409	28,112
428	428
185	185
-	32,693
5,566	5,566
-	160,246
<u>16,340</u>	<u>232,982</u>
<u>\$ 16,340</u>	<u>\$ 233,226</u>

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

CITY OF AMITY, OREGON**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
(MODIFIED CASH BASIS) - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013**

		<u>Special Revenue</u>	<u>Capital Projects</u>
	<u>General</u>	<u>Street</u>	<u>Police Equipment Reserve</u>
REVENUES			
Taxes and assessments	\$ 230,240	\$ -	\$ -
Fines and forfeitures	22,402	-	-
Licenses and permits	66,210	-	-
Charges for services	-	-	-
Intergovernmental	57,561	88,080	-
Miscellaneous	4,762	230	-
	<hr/>	<hr/>	<hr/>
<i>Total Revenues</i>	381,175	88,310	-
EXPENDITURES			
General government	159,752	-	-
Community development	17,343	-	-
Street	-	83,630	-
Parks	30,925	-	-
Library	19,925	-	-
Public safety	194,220	-	-
Debt Service			
Principal	-	-	-
Interest	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Expenditures</i>	422,165	83,630	-
REVENUES OVER (UNDER) EXPENDITURES	(40,990)	4,680	-
OTHER FINANCING SOURCES (USES)			
Transfers in	31,500	-	3,000
Transfers out	(8,300)	(5,000)	-
	<hr/>	<hr/>	<hr/>
<i>Total Other Financing Sources (Uses)</i>	23,200	(5,000)	3,000
NET CHANGE IN FUND BALANCE	(17,790)	(320)	3,000
FUND BALANCE, beginning of year	178,036	24,023	29,693
	<hr/>	<hr/>	<hr/>
FUND BALANCE, end of year	\$ 160,246	\$ 23,703	\$ 32,693
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

<i>Other Governmental Funds</i>	<i>Total</i>
\$ -	\$ 230,240
-	22,402
32,168	98,378
16,967	16,967
-	145,641
6,334	11,326
<hr/>	
55,469	524,954
-	159,752
9,866	27,209
-	83,630
-	30,925
-	19,925
-	194,220
5,000	5,000
6,449	6,449
<hr/>	
21,315	527,110
<hr/>	
34,154	(2,156)
5,300	39,800
(32,600)	(45,900)
<hr/>	
(27,300)	(6,100)
<hr/>	
6,854	(8,256)
9,486	241,238
<hr/>	
\$ 16,340	\$ 232,982
<hr/> <hr/>	

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

CITY OF AMITY, OREGON

**STATEMENT OF FUND NET POSITION (MODIFIED CASH BASIS) – PROPRIETARY (ENTERPRISE) FUNDS
JUNE 30, 2013**

	<u>Water</u>	<u>Sewer</u>	<u>Water Capital Projects</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ 1,024	\$ -
LIABILITIES			
Due to other funds	20,471	-	95,521
NET POSITION:			
Restricted for:			
Customer deposits	28,175	23,052	-
Debt service	-	-	-
Construction	-	-	-
Unrestricted	(48,646)	(22,028)	(95,521)
<i>Total Net Position</i>	<u>\$ (20,471)</u>	<u>\$ 1,024</u>	<u>\$ (95,521)</u>

<i>Sewer SDC Improvement</i>	<i>Sewer Bond</i>	<i>Other Business- type Funds</i>	<i>Total</i>
\$ 14,466	\$ 97	\$ 10,301	\$ 25,888
-	-	-	115,992
-	-	-	51,227
-	-	2,639	2,639
14,466	-	-	14,466
-	97	7,662	(158,436)
<u>\$ 14,466</u>	<u>\$ 97</u>	<u>\$ 10,301</u>	<u>\$ (90,104)</u>

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

CITY OF AMITY, OREGON**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
(MODIFIED CASH BASIS) – PROPRIETARY (ENTERPRISE) FUNDS
YEAR ENDED JUNE 30, 2013**

	<u>Water</u>	<u>Sewer</u>
OPERATING REVENUES		
Charges for services	\$ 333,211	\$ 382,697
Miscellaneous	1,040	50
<i>Total Operating Revenues</i>	334,251	382,747
OPERATING EXPENSES		
Personal services	156,649	124,430
Materials and services	105,930	107,456
<i>Total Operating Expenses</i>	262,579	231,886
OPERATING INCOME	71,672	150,861
NONOPERATING REVENUES (EXPENSES)		
<i>Noncapital Financing Revenues (Expenses)</i>		
Transfers in	-	115
Transfers out	(91,500)	(189,000)
<i>Total Noncapital Financing Revenues (Expenses)</i>	(91,500)	(188,885)
<i>Capital Financing Revenues (Expenses)</i>		
Intergovernmental	-	-
Capital contributions	-	-
Capital outlay	-	-
Proceeds from issuance of debt	-	-
Refunding of debt	-	-
Debt service		
Principal	-	-
Interest	-	-
<i>Total Capital Financing Revenues (Expenses)</i>	-	-
<i>Total Nonoperating Revenues (Expenses)</i>	(91,500)	(188,885)
CHANGE IN NET POSITION	(19,828)	(38,024)
NET POSITION, beginning of year	(643)	39,048
NET POSITION, end of year	\$ (20,471)	\$ 1,024

<i>Water Capital Projects</i>	<i>Sewer SDC Improvement</i>	<i>Sewer Bond</i>	<i>Other Business- type Funds</i>	<i>Total</i>
\$ -	\$ -	\$ -	\$ 9,816	\$ 725,724
8,514	-	-	-	9,604
8,514	-	-	9,816	735,328
110,451	-	-	-	391,530
115,654	-	-	-	329,040
226,105	-	-	-	720,570
(217,591)	-	-	9,816	14,758
90,600	-	144,000	65,000	299,715
-	-	-	(13,115)	(293,615)
90,600	-	144,000	51,885	6,100
2,156,538	-	-	-	2,156,538
-	5,471	-	2,518	7,989
(2,311,886)	-	(155,170)	-	(2,467,056)
108,388	-	1,600,000	-	1,708,388
-	-	(1,516,708)	-	(1,516,708)
-	-	-	(53,305)	(53,305)
-	-	(72,025)	(11,192)	(83,217)
(46,960)	5,471	(143,903)	(61,979)	(247,371)
43,640	5,471	97	(10,094)	(241,271)
(173,951)	5,471	97	(278)	(226,513)
78,430	8,995	-	10,579	136,409
\$ (95,521)	\$ 14,466	\$ 97	\$ 10,301	\$ (90,104)

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

City of Amity, Oregon (the “City”) is governed by an elected mayor and six council members who comprise the City Council. The City provides various services as authorized by its charter, including water and sewer utilities.

There are certain governmental agencies and various service entities which provide services within the City. These agencies have independently elected governing boards and the City is not financially accountable for these organizations. Therefore, financial information for these agencies is not included in the accompanying basic financial statements.

As discussed further under *Measurement Focus and Basis of Accounting*, these financial statements are presented on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) established by the Governmental Accounting Standards Board (GASB). These modified cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the modified cash basis of accounting.

Basic Financial Statements

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

Government-wide financial statements display information about the reporting government as a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Position (Modified Cash Basis) and the Statement of Activities (Modified Cash Basis).

The Statement of Net Position (Modified Cash Basis) presents all the assets and liabilities of the City. Net position, representing assets less liabilities, is shown in two components: restricted for special purposes, amounts which must be spent in accordance with legal restrictions, and unrestricted, the amount available for ongoing City activities.

The Statement of Activities (Modified Cash Basis) 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* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund financial statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, proprietary, or fiduciary. Currently, the City has governmental fund types (general and special revenue) and proprietary (enterprise) type funds (enterprise). Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are consolidated into a single column within each fund type in the financial section of the basic financial statements and are detailed in the supplemental information.

CITY OF AMITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2013

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation

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

Government accounting standards set forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures of either fund category or the government and enterprise combined) for the determination of major funds. Non-major funds are combined in a column in the fund financial statements and detailed in the combining section.

The City reports the following major governmental funds:

General Fund

This fund accounts for the financial operations of the City not accounted for in any other fund. Principal sources of revenues are property taxes, licenses and permits, franchise fees and State shared revenues. Primary expenditures are for police protection, insurance and general administration.

Street Fund

This fund accounts for street maintenance and improvements. Primary source of revenues are from motor vehicle fuel taxes and expenditures are for street maintenance and improvements.

Police Equipment Reserve Fund

This fund accounts for money set aside for police equipment. Principal revenues are from transfers in and primary expenditures are for police equipment.

The City reports the following nonmajor governmental funds:

Building Fund

This fund accounts for building permits revenues. Principal revenues are from building permits revenues and primary expenditures are for building inspection services.

911 Tax Fund

This fund accounts for 911 revenues. Principal revenues are from 911 revenues and transfers in. Primary expenditures are for dispatch services. There was no activity in this fund during the fiscal year.

Street SDC Reimbursement Fund

This fund accounts for system development charges for past street projects. Principal revenues are from SDC collections.

Street SDC Improvement Fund

This fund accounts for system development charges designated for streets.

Storm Drain SDC Reimbursement Fund

Principal revenues are from SDC collections.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Storm Drain SDC Improvement Fund

This fund accounts for system development charges designated for storm drainage. Principal revenues are from SDC collections.

Parks SDC Reimbursement Fund

There was no activity in this fund during the fiscal year.

Parks SDC Improvement Fund

This fund accounts for system development charges designated for parks. Principal revenue was from system development charges.

Street Reserve Fund

This fund accounts for revenues collected from utility customers earmarked for future street projects.

General Bond Debt Fund

This fund accounts for debt service payments on the Lee property note. Principal revenues are from rental income and transfers from the General Fund.

Sidewalk Reserve Fund

There was no activity in this fund during the fiscal year.

The City reports the following major proprietary (enterprise) funds. These funds are used to account for the acquisition, operation, and maintenance of the sewer and water systems. These funds are entirely or predominantly self-supported through user charges to customers.

Water Fund

This fund accounts for the operation of the City's water system. Principal revenues are from customer charges.

Sewer Fund

This fund accounts for the operation of the City's sewer system. Principal revenues are from customer charges.

Water Capital Project Fund

This fund accounts for the activity associated with capital projects. The principal revenues are from grants.

Sewer SDC Improvement Fund

This fund accounts for the collection and use of Sewer SDC charges. Principal revenues are from SDC charges collected and primary expenses are for system development.

Sewer Bond Fund

This fund accounts for sewer debt service activity. Principal revenues are from transfers in and primary expenses are for sewer debt service.

The City reports the following proprietary funds as nonmajor:

Water Reserve Fund

There was no activity in this fund during the fiscal year.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Water Line Replacement Fund

This fund accounts for money set aside for future uses. Principal revenues are from transfers in and primary expenses are for water line replacement.

Water Bond Fund

This fund accounts for water debt service activity. Principal revenues are from transfers in and primary expenses are for water debt service.

Water SDC Improvement Fund

This fund accounts for the collection and use of Water SDC revenues. Principal revenues are from SDC charges collected and primary expenses are for system development.

Water SDC Reimbursement Fund

There was no activity in this fund during the fiscal year.

Sewer Reserve Fund

This fund accounts for money set aside for future uses. Principal revenues are from transfers in and primary expenses are for capital outlay. This fund was closed during the year.

Sewer SDC Reimbursement Fund

There was no activity in this fund during the fiscal year.

Fund Balance

Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for resale.

Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the City Council takes formal action that places specific constraints on how the resources may be used.

The City Council can modify or rescind the commitment at any time through taking a similar formal action.

Resources that are constrained by the City's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent is expressed when the City Council approves which resources should be "reserved" during the adoption of the annual budget. The City uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the City's Annual Financial Report.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance (Continued)

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds. When expenditures are paid for purposes in which both net position - restricted and net position - unrestricted are available, the City deems net position - restricted to be spent first.

Definitions of Governmental Fund Types

The General Fund is used to account for all financial resources not accounted for in another fund.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenues sources" means that the revenue sources for the fund must be from restricted or committed sources, specifically that a substantial portion of the revenue must be from these sources and be expended in accordance with those requirements.

Capital Projects Funds are utilized to account for financial resources to be used for the acquisition or construction of capital equipment and facilities.

Debt Service Funds account for payments on the City's governmental debt.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe what transactions or events are recorded within the various financial statements. Basis of accounting refers to when and how transactions or events are recorded, regardless of the measurement focus applied.

In the government-wide Statement of Net Position (Modified Cash Basis) and Statement of Activities (Modified Cash Basis), both governmental and business-type activities are presented using the economic resource measurement focus, within the limitations of the modified cash basis of accounting, as defined below.

In the fund financial statements, the current financial resources measurement focus or the economic resources measurement focus is applied to the modified cash basis of accounting, is used as appropriate:

- a. All governmental funds utilize a current financial resources measurement focus within the limitations of the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary funds utilize an economic resource measurement focus within the limitations of the modified cash basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, change in net position (or cost recovery), net financial position, and cash flows. All assets, deferred outflows, liabilities, and deferred inflows (whether current or noncurrent or financial or nonfinancial) associated with their activities are generally reported within the limitations of the modified cash basis of accounting.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

The financial statements are presented on a modified cash basis of accounting, which is a basis of accounting other than GAAP as established by GASB. This basis of accounting involves modifications to the cash basis of accounting to report in the statements of net position or balance sheets cash transactions or events that provide a benefit or result in an obligation that covers a period greater than the period in which the cash transaction or event occurred. Such reported balances include:

1. Interfund receivables and payables that are temporary borrowing and result from transactions involving cash or cash equivalents are recognized.
2. Assets that normally convert to cash or cash equivalents (e.g., certificates of deposit, external cash pools, and marketable investments) that arise from transactions and events involving cash or cash equivalents are recognized.
3. Liabilities for cash (or cash equivalents) held on behalf of others or held in escrow are recognized.

The modified cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected and other accrued revenue and receivables) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods and services received but not yet paid and other accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows, liabilities, and deferred inflows that do not arise from a cash transaction or event are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value. Additionally, capital assets such as property and equipment, and long-term liabilities such as debt are only reported in the notes to the financial statements.

If the City utilized the basis of accounting recognized as generally accepted in the United States of America, the fund financial statements for the governmental funds would use the modified accrual basis of accounting, and the fund financial statements for the enterprise funds would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

The City's policy, although not in accordance with accounting principles generally accepted in the United States of America, is acceptable under Oregon Law (ORS 294.333), which leaves the selection of the method of accounting to the discretion of the municipal corporation.

Enterprise funds distinguish between operating revenues and expenses and nonoperating items. Operating revenues and expenses result from providing services to customers in connection with ongoing utility operations. The principal operating revenues are charges to customers for service. Operating expenses include payroll and related costs, and materials and supplies. All revenues not considered operating are reported as nonoperating items.

Cash and Cash Equivalents

The City maintains cash and cash equivalents in a common pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net position as cash and cash equivalents. The City considers cash on hand, demand deposits and savings accounts, and short-term investments with an original maturity of three months or less from the date of acquisition to be cash and cash equivalents.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents (Continued)

Oregon Revised Statutes authorize the City to invest in certificates of deposit, savings accounts, bank repurchase agreements, bankers' acceptances, general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities and the State Treasurer's Local Government Investment Pool, among others.

For the purpose of financial reporting, cash and cash equivalents includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less.

Investments are stated at cost, which approximates fair value.

Property Taxes

Property taxes are levied by the County Assessor and collected by the County Tax Collector. The taxes are levied and become a lien as of July 1. They may be paid in three installments payable in equal payments due November 15, February 15, and May 15. Uncollected property taxes levied for the current year are recorded as receivable at year-end. The City's property tax collection records show that most of the property taxes due are collected during the year of levy and delinquent taxes are collected in the next few years.

Capital Assets

The City does not maintain historical cost or depreciation records for capital assets. Therefore, capital assets are not reported on the government-wide Statement of Net Position or the Enterprise Fund Statements of Net Position.

Long-Term Debt

Long-term debt is presented only in the notes to the financial statements. Payments of principal and interest are recorded as expenditures / expenses when paid.

Accrued Compensated Absences

Accumulated unpaid vacation pay is not accrued. Earned but unpaid sick pay is recorded as an expenditure when paid. The amount payable for accumulated unpaid vacation and earned but unpaid sick pay at June 30, 2013 was not available.

Budgets and Budgetary Accounting

The City adopts the budget on an object basis. Therefore, cash expenditures of a fund may not legally exceed that fund's appropriations for specific objects. The City Council may amend the budget to expend unforeseen revenues by supplemental appropriations. All supplemental appropriations are included in the budget comparison statements. Appropriations lapse at year-end and may not be carried over. The City does not use encumbrance accounting.

CITY OF AMITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2013

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect reporting amounts of certain assets, liabilities, revenues and expenditures as of June 30, 2013. Actual results may differ from those estimates.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents are comprised of the following at June 30, 2013:

	<i>Carrying Value</i>	<i>Fair Value</i>
<i>Cash</i>		
Cash on hand	\$ 400	\$ 400
Deposits with financial institutions	28,726	28,726
<i>Investments</i>		
Local Government Investment Pool	113,995	113,995
	<u>\$ 143,121</u>	<u>\$ 143,121</u>

Deposits

The book balance of the City's bank deposits (checking accounts) was \$28,726 and the bank balance was \$103,752 at year end. The difference is due to transactions in process. Bank deposits are secured to legal limits by federal deposit insurance. The remaining amount is secured in accordance with ORS 295 under a collateral program administered by the Oregon State Treasurer.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City's deposits with financial institutions for up to \$250,000 each for the aggregate of all demand deposits and the aggregate of all time deposit and savings accounts at each financial institution. Deposits in excess of FDIC coverage are with institutions participating in the Oregon Public Funds Collateralization Program (PFCP). The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. As of June 30, 2013, all of the City's bank balances were covered by FDIC insurance.

CASH AND CASH EQUIVALENTS *(Continued)*

Local Government Investment Pool

The State Treasurer of the State of Oregon maintains the Oregon Short-Term Fund, of which the Local Government Investment Pool is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. The Oregon Short-Term Fund is the LGIP for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). At June 30, 2013, the fair value of the position in the Oregon State Treasurer's Short-Term Investment Pool was approximately equal to the value of the pool shares. The investment in the Oregon Short-Term Fund is not subject to risk evaluation. LGIP is not rated for credit quality. Separate financial statements for the Oregon Short-Term Fund are available from the Oregon State Treasurer.

Interest Rate Risk

In accordance with its investment policy, the City manages its exposure to declines in fair value of its investments by limiting its investments to the LGIP.

Custodial Risk - Investments

For an investment, this is the risk that, in the event of a failure of the counterparty, the City will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party.

The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Commission. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of, or has control of any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short-Term Fund Board, which has established diversification percentages and specifies the types and maturities of the investments. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. These investments within the LGIP must be invested and managed as a prudent investor would, exercising reasonable care, skill and caution. Professional standards indicate that the investments in external investment pools are not subject to custodial risk because they are not evidenced by securities that exist in physical or book entry form. Nevertheless, management does not believe that there is any substantial custodial risk related to investments in the LGIP.

CITY OF AMITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2013

LONG-TERM DEBT

As a result of the use of the modified cash basis of accounting in this report, obligations related to long-term debt and other obligations are not reported as liabilities in the financial statements. Long-term debt transactions for the year were as follows:

	<i>Outstanding July 1, 2012</i>	<i>Issued</i>	<i>Matured/ Redeemed During Year</i>	<i>Outstanding June 30, 2013</i>	<i>Due Within One Year</i>
<i>Governmental Activities</i>					
Lee Property Loan (US Bank) Due in annual installments of \$5,000 or \$10,000 (depending on year). Interest rates are 2.75%, 4.10%, 4.65%, and 5.10% for the four underlying debt issues due in 5, 10, 15, and 20 years respectively.	\$ 145,000	\$ -	\$ (5,000)	\$ 140,000	\$ 5,000
<i>Business-type Activities</i>					
Water system revenue bonds, series 1974 due in annual installments of \$2,964 including interest at 5.0% through 2014	\$ 6,615	\$ -	\$ (2,571)	\$ 4,044	\$ 3,948
Water system revenue bonds, series 1975 due in annual installments of \$4,742 including interest at 5.0% through 2015	12,725	-	(4,089)	8,636	4,340
Water system revenue bonds, series 1975 due in annual installments of \$4,150 including interest at 5.0% through 2015	10,979	-	(3,637)	7,342	3,808
State Revolving Fund, due in annual installments of \$53,011 including interest at 1.0%	999,459	-	(43,007)	956,452	43,438
State Revolving Fund, wastewater improvement project due in due in annual installments of \$150,000 to \$145,000 including interest from 3.0% to 5.0%	1,588,733	-	(1,588,733)	-	-
2002 Safe Drinking Water Revolving Fund loan 4.78% interest rate with a maturity date of approximately 25 years with the first payment on December 1 following the completion date	94,692	108,388	-	203,080	-

CITY OF AMITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2013

LONG-TERM DEBT (Continued)

	<i>Outstanding July 1, 2012</i>	<i>Issued</i>	<i>Matured/ Redeemed During Year</i>	<i>Outstanding June 30, 2013</i>	<i>Due Within One Year</i>
<i>Business-type Activities (continued)</i>					
Full Faith and Credit Refunding Obligations 2.0% - 3.5% interest rate with a maturity date of June 1, 2028, with the first payment on Decembr 1, 2013	\$ -	\$ 1,600,000	\$ -	\$ 1,600,000	\$ 80,000
	<u>\$ 2,713,203</u>	<u>\$ 1,708,388</u>	<u>\$ (1,642,037)</u>	<u>\$ 2,779,554</u>	<u>\$ 135,534</u>

The 2013 refunding saved the City approximately \$151,500 over the life of the bonds.

Future debt service requirements are as follows:

Governmental Activities

<i>Year</i>	<i>Total</i>		<i>Total</i>
	<i>Principal</i>	<i>Interest</i>	
2013-14	\$ 5,000	\$ 6,975	\$ 11,975
2014-15	5,000	6,750	11,750
2015-16	5,000	6,525	11,525
2016-17	5,000	6,300	11,300
2017-18	5,000	6,075	11,075
2019-2023	45,000	25,500	70,500
2024-2028	50,000	13,270	63,270
2029-2030	20,000	2,356	22,356
Totals	<u>\$ 140,000</u>	<u>\$ 73,751</u>	<u>\$ 213,751</u>

Business-type Activities

<i>Year</i>	<i>Total</i>		<i>Total</i>
	<i>Principal</i>	<i>Interest</i>	
2013-14	\$ 135,534	\$ 62,284	\$ 197,818
2014-15	146,798	49,841	196,639
2015-16	139,311	46,954	186,265
2016-17	139,754	44,610	184,364
2017-18	140,201	42,264	182,465
2019-2023	757,878	169,881	927,759
2024-2028	859,756	73,774	933,530
2029-2030 and unspecified	460,322	6,976	467,298
Totals	<u>\$ 2,779,554</u>	<u>\$ 496,584</u>	<u>\$ 3,276,138</u>

PENSION PLAN

Plan Description

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

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

Funding Policy

Members of PERS are required to contribute 6.00% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The City is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan, and a general service rate and a police/fire rate for the qualifying employees under the OPSRP plan. The OPERF and the OPSRP rates in effect for the year ended June 30, 2013 were 10.70%, 5.50% and 8.21% respectively. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

Annual Pension Cost

The City's contributions to PERS for the years ending June 30, 2011, 2012, and 2013 were \$40,702, \$64,055 and \$60,337, respectively, which equaled the required contribution for the year.

ENTERPRISE FUND DISCLOSURES

The following disclosures of certain information concerning individual funds is required by accounting principles generally accepted in the United States of America as part of the basic financial statements.

The City maintains twelve Enterprise Funds which provide sewer and water services. Segment information for fiscal year 2013 was as follows:

CITY OF AMITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2013

ENTERPRISE FUND DISCLOSURES (Continued)

	<u>Sewer</u>	<u>Water</u>	<u>Total</u>
Revenues	\$ 388,218	\$ 2,511,637	\$ 2,899,855
Expenditures	459,081	2,865,067	3,324,148
Excess (deficiency) of revenues over expenditures	(70,863)	(353,430)	(424,293)
Total assets	15,587	10,301	25,888
Total liabilities	-	115,992	115,992
Total net position	15,587	(105,691)	(90,104)

TRANSFERS

Interfund transfers in and out for all funds were as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
General	\$ 31,500	\$ 8,300
Street	-	5,000
Police Equipment Reserve	3,000	-
General Bond Debt	5,300	-
Street Reserve	-	18,000
Street SDC Improvement	-	2,600
Storm Drain SDC Improvement	-	12,000
Water	-	91,500
Water Bond	65,000	-
Water Capital Projects	90,600	-
Waterline Replacement	-	13,000
Sewer	115	189,000
Sewer Bond	144,000	-
Sewer Reserve	-	115
	<u>\$ 339,515</u>	<u>\$ 339,515</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move revenues restricted to debt service from the funds collecting the revenues to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Budgetary charges that do not represent services provided are reclassified as transfers for the fund financial statements.

CITY OF AMITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2013

CONTINGENCIES

The City purchases commercial insurance to cover all commonly insurable risks, which includes property damage, liability and employee bonds. Most policies carry a small deductible amount. There were no open claims at the time of this report.

From time to time, the City is a defendant in various litigation proceedings. Management believes any losses arising from these actions will not materially affect the City's financial position.

OVER-EXPENDITURE OF APPROPRIATIONS AND DEFICIT FUND BALANCES

Oregon law prohibits expenditures of a fund in excess of Council approved appropriations.

Expenditures in excess of appropriations in individual funds for the year ended June 30, 2013 occurred as follows:

<i>Fund / Appropriation category</i>	<i>Appropriation</i>	<i>Disbursement</i>	<i>Variance</i>
<i>General</i>			
Parks	\$ 27,779	\$ 30,925	\$ (3,146)
Library	18,490	19,925	(1,435)
Transfers out	(3,000)	(8,300)	(5,300)
<i>General Bond Debt</i>			
Debt service	8,300	11,449	(3,149)
<i>Sewer</i>			
Materials and services	101,300	107,456	(6,156)
<i>Water</i>			
Materials and services	100,750	105,930	(5,180)
<i>Capital Projects</i>			
Capital outlay	1,992,199	2,311,886	(319,687)

The Water Fund had a deficit fund balance of \$20,471 and the Water Capital Projects Fund had a deficit fund balance of \$95,521 at June 30, 2013.

NEW PRONOUNCEMENTS

GASB Statement No. 61 "The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34." This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. This Statement also amends the criteria for reporting component units as if they were part of the primary government. The statement was implemented in the current year.

GASB Statement No. 62 "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." The objective of this Statement is to incorporate into GASB's authoritative literature certain accounting and financial reporting guidance that were issued on or before November 30, 1989, which do not conflict with or contradict GASB pronouncements. The statement was implemented in the current year.

CITY OF AMITY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2013

NEW PRONOUNCEMENTS (Continued)

GASB Statement No. 63 “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.” The statement provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position. The statement was implemented in the current year.

The City will implement new GASB pronouncements no later than the required fiscal year. Management has not determined the effect on the financial statements from implementing any of the pronouncements.

GASB Statement No. 65 “Items Previously Reported as Assets and Liabilities.” The statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The statement is effective for fiscal years beginning after December 15, 2012.

GASB Statement No. 68 “Accounting and Reporting for Pension Plans—an amendment of GASB Statement No. 27.” The statement establishes accounting and financial reporting requirements related to pensions provided by governments. The statement is effective for fiscal years beginning after June 15, 2014.

GASB Statement No. 69 “Government Combinations and Disposals of Government Operations.” The statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The statement is effective for fiscal years beginning after December 15, 2013.

GASB Statement No. 70 “Accounting and Financial Reporting for Nonexchange Financial Guarantees.” The objective of the statement is to improve accounting and financial reporting by State and local governments that extend and receive nonexchange financial guarantees. The statement is effective for fiscal years beginning after June 15, 2013.

SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 23, 2013, the date on which the financial statements were available to be issued. Management is not aware of any subsequent events that require recognition or disclosure in the financial statements.

SUPPLEMENTAL INFORMATION

CITY OF AMITY, OREGON

COMBINING BALANCE SHEET (MODIFIED CASH BASIS) - NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2013

	<u>Special Revenue</u>		<u>Capital Projects</u>	
	<u>Building</u>	<u>911 Tax</u>	<u>Street SDC Reimburseme nt</u>	<u>Street SDC Improvement</u>
ASSETS				
Cash and cash equivalents	\$ 5,566	\$ 428	\$ 3,606	\$ 20
	<hr/>	<hr/>	<hr/>	<hr/>
LIABILITIES AND FUND BALANCE				
Liabilities:	\$ -	\$ -	\$ -	\$ -
Fund Balance:				
Restricted for:				
Capital outlay	-	-	-	-
Streets	-	-	3,606	20
Public safety	-	428	-	-
Committed to:				
Debt service	-	-	-	-
Community development	5,566	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total Fund Balance</i>	5,566	428	3,606	20
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Total Liabilities and Fund Balance</i>	\$ 5,566	\$ 428	\$ 3,606	\$ 20
	<hr/>	<hr/>	<hr/>	<hr/>

<i>Capital Projects</i>				<i>Debt Service</i>	
<i>Storm Drain SDC Reimburseme</i>	<i>Storm Drain SDC Improvement</i>	<i>Parks SDC Improvement</i>	<i>Street Reserve</i>	<i>General Bond Debt</i>	<i>Total</i>
\$ 96	\$ 2,109	\$ 3,547	\$ 783	\$ 185	\$ 16,340
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
96	2,109	3,547	-	-	5,752
-	-	-	783	-	4,409
-	-	-	-	-	428
-	-	-	-	185	185
-	-	-	-	-	5,566
96	2,109	3,547	783	185	16,340
\$ 96	\$ 2,109	\$ 3,547	\$ 783	\$ 185	\$ 16,340

CITY OF AMITY, OREGON**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(MODIFIED CASH BASIS) - NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013**

	<i>Special Revenue</i>		<i>Capital Projects</i>	
	<i>Building</i>	<i>911 Tax</i>	<i>Street SDC Reimbursement</i>	<i>Street SDC Improvement</i>
REVENUES				
Licenses and permits	\$ 9,744	\$ -	\$ 3,606	\$ 2,620
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
<i>Total Revenues</i>	9,744	-	3,606	2,620
EXPENDITURES				
Current				
Community development	9,866	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
<i>Total Expenditures</i>	9,866	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	(122)	-	3,606	2,620
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	(2,600)
<i>Total Other Financing Sources and Uses</i>	-	-	-	(2,600)
NET CHANGE IN FUND BALANCE	(122)	-	3,606	20
FUND BALANCE, beginning of year	5,688	428	-	-
FUND BALANCE, end of year	\$ 5,566	\$ 428	\$ 3,606	\$ 20

<i>Capital Projects</i>				<i>Debt Service</i>	
<i>Storm Drain SDC Reimbursement</i>	<i>Storm Drain SDC Improvement</i>	<i>Parks SDC Improvement</i>	<i>Street Reserve</i>	<i>General Bond Debt</i>	<i>Total</i>
\$ 96	\$ 13,314	\$ 2,788	\$ -	\$ -	\$ 32,168
-	-	-	16,967	-	16,967
-	-	-	-	6,334	6,334
96	13,314	2,788	16,967	6,334	55,469
-	-	-	-	-	9,866
-	-	-	-	5,000	5,000
-	-	-	-	6,449	6,449
-	-	-	-	11,449	21,315
96	13,314	2,788	16,967	(5,115)	34,154
-	-	-	-	5,300	5,300
-	(12,000)	-	(18,000)	-	(32,600)
-	(12,000)	-	(18,000)	5,300	(27,300)
96	1,314	2,788	(1,033)	185	6,854
-	795	759	1,816	-	9,486
\$ 96	\$ 2,109	\$ 3,547	\$ 783	\$ 185	\$ 16,340

CITY OF AMITY, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES****(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - GENERAL FUND****YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Taxes and assessments	\$ 228,000	\$ 228,000	\$ 230,240	\$ 2,240
Fines and forfeitures	38,100	38,100	22,402	(15,698)
Licenses and permits	63,900	63,900	66,210	2,310
Intergovernmental	54,250	54,250	57,561	3,311
Miscellaneous	7,000	7,000	4,762	(2,238)
<i>Total Revenues</i>	391,250	391,250	381,175	(10,075)
EXPENDITURES				
Administration and finance	180,525	180,525	159,752	20,773
Police	199,602	199,602	172,059	27,543
Community development	24,268	24,268	17,343	6,925
Parks	27,779	27,779	30,925	(3,146)
Municipal court	28,062	28,062	22,161	5,901
Library	18,490	18,490	19,925	(1,435)
<i>Total Expenditures</i>	478,726	478,726	422,165	56,561
REVENUES OVER (UNDER) EXPENDITURES	(87,476)	(87,476)	(40,990)	46,486
OTHER FINANCING SOURCES (USES)				
Transfers in	30,000	30,000	31,500	1,500
Transfers out	(3,000)	(3,000)	(8,300)	(5,300)
<i>Total Other Financing Sources and Uses</i>	27,000	27,000	23,200	(3,800)
NET CHANGE IN FUND BALANCE	(60,476)	(60,476)	(17,790)	42,686
FUND BALANCE, beginning of year	60,476	60,476	178,036	117,560
FUND BALANCE, end of year	\$ -	\$ -	\$ 160,246	\$ 160,246

CITY OF AMITY, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE****(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - STREET FUND****YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Intergovernmental	\$ 85,000	\$ 85,000	\$ 88,080	\$ 3,080
Miscellaneous	-	-	230	230
<i>Total Revenues</i>	85,000	85,000	88,310	3,310
EXPENDITURES				
Personal services	48,715	48,715	48,370	345
Materials and services	42,850	42,850	35,260	7,590
Capital outlay	1,000	1,000	-	1,000
Contingency	8,369	8,369	-	8,369
<i>Total Expenditures</i>	100,934	100,934	83,630	17,304
REVENUES OVER (UNDER) EXPENDITURES	(15,934)	(15,934)	4,680	(11,254)
OTHER FINANCING SOURCES (USES)				
Transfers out	(5,000)	(5,000)	(5,000)	-
NET CHANGE IN FUND BALANCE	(20,934)	(20,934)	(320)	20,614
FUND BALANCE, beginning of year	20,934	20,934	24,023	3,089
FUND BALANCE, end of year	\$ -	\$ -	\$ 23,703	\$ 23,703

CITY OF AMITY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(MODIFIED CASH BASIS) - BUDGET AND ACTUAL – POLICE EQUIPMENT RESERVE FUND

YEAR ENDED JUNE 30, 2013

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Capital outlay	32,908	32,908	-	32,908
REVENUES OVER (UNDER) EXPENDITURES	(32,908)	(32,908)	-	(32,908)
OTHER FINANCING SOURCES (USES)				
Transfers in	3,000	3,000	3,000	-
NET CHANGE IN FUND BALANCE	(29,908)	(29,908)	3,000	32,908
FUND BALANCE, beginning of year	29,908	29,908	29,693	(215)
FUND BALANCE, end of year	\$ -	\$ -	\$ 32,693	\$ 32,693

CITY OF AMITY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(MODIFIED CASH BASIS) - BUDGET AND ACTUAL – BUILDING FUND

YEAR ENDED JUNE 30, 2013

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Licenses and permits	\$ 9,300	\$ 9,300	\$ 9,744	\$ 444
Miscellaneous	1,000	1,000	-	(1,000)
<i>Total Revenues</i>	10,300	10,300	9,744	(556)
EXPENDITURES				
Personal services	1,483	1,483	1,178	305
Materials and services	9,205	9,205	8,688	517
<i>Total Expenditures</i>	10,688	10,688	9,866	822
NET CHANGE IN FUND BALANCE	(388)	(388)	(122)	266
FUND BALANCE, beginning of year	4,000	4,000	5,688	1,688
FUND BALANCE, end of year	\$ 3,612	\$ 3,612	\$ 5,566	\$ 1,954

CITY OF AMITY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - 911 FUND

YEAR ENDED JUNE 30, 2013

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, beginning of year	-	-	428	428
FUND BALANCE, end of year	\$ -	\$ -	\$ 428	\$ 428

CITY OF AMITY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - STREET SDC REIMBURSEMENT FUND

YEAR ENDED JUNE 30, 2013

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Licenses and permits	\$ 500	\$ 500	\$ 3,606	\$ 3,106
EXPENDITURES				
Capital outlay	600	600	-	600
NET CHANGE IN FUND BALANCE	(100)	(100)	3,606	3,706
FUND BALANCE, beginning of year	100	100	-	(100)
FUND BALANCE, end of year	\$ -	\$ -	\$ 3,606	\$ 3,606

CITY OF AMITY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - STREET SDC IMPROVEMENT FUND

YEAR ENDED JUNE 30, 2013

	<u>Budget Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Licenses and permits	\$ 42,500	\$ 42,500	\$ 2,620	\$ (39,880)
EXPENDITURES				
Capital outlay	42,600	42,600	-	42,600
REVENUES OVER (UNDER)				
EXPENDITURES	(100)	(100)	2,620	2,520
OTHER FINANCING SOURCES (USES)				
Transfers out	(4,000)	(4,000)	(2,600)	1,400
NET CHANGE IN FUND BALANCE	(4,100)	(4,100)	20	4,120
FUND BALANCE, beginning of year	4,100	4,100	-	(4,100)
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ 20</u>

CITY OF AMITY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(MODIFIED CASH BASIS) - BUDGET AND ACTUAL – STORM DRAIN SDC REIMBURSEMENT FUND

YEAR ENDED JUNE 30, 2013

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Licenses and permits	\$ 100	\$ 100	\$ 96	\$ (4)
EXPENDITURES				
Capital outlay	200	200	-	200
NET CHANGE IN FUND BALANCE	(100)	(100)	96	196
FUND BALANCE, beginning of year	100	100	-	(100)
FUND BALANCE, end of year	\$ -	\$ -	\$ 96	\$ 96

CITY OF AMITY, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE****(MODIFIED CASH BASIS) - BUDGET AND ACTUAL – STORM DRAIN SDC IMPROVEMENT FUND****YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Licenses and permits	\$ 800	\$ 800	\$ 13,314	\$ 12,514
EXPENDITURES				
Capital outlay	2,000	2,000	-	2,000
REVENUES OVER (UNDER) EXPENDITURES	(1,200)	(1,200)	13,314	12,114
OTHER FINANCING SOURCES (USES)				
Transfers out	(12,000)	(12,000)	(12,000)	-
NET CHANGE IN FUND BALANCE	(13,200)	(13,200)	1,314	14,514
FUND BALANCE, beginning of year	13,200	13,200	795	(12,405)
FUND BALANCE, end of year	\$ -	\$ -	\$ 2,109	\$ 2,109

CITY OF AMITY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(MODIFIED CASH BASIS) - BUDGET AND ACTUAL – PARKS SDC REIMBURSEMENT FUND

YEAR ENDED JUNE 30, 2013

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Licenses and permits	\$ 700	\$ 700	\$ -	\$ (700)
EXPENDITURES				
Capital outlay	900	900	-	900
NET CHANGE IN FUND BALANCE	(200)	(200)	-	200
FUND BALANCE, beginning of year	200	200	-	(200)
FUND BALANCE, end of year	\$ -	\$ -	\$ -	\$ -

CITY OF AMITY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(MODIFIED CASH BASIS) - BUDGET AND ACTUAL – PARKS SDC IMPROVEMENT FUND

YEAR ENDED JUNE 30, 2013

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Licenses and permits	\$ 12,300	\$ 12,300	\$ 2,788	\$ (9,512)
EXPENDITURES				
Capital outlay	14,500	14,500	-	14,500
NET CHANGE IN FUND BALANCE	(2,200)	(2,200)	2,788	4,988
FUND BALANCE, beginning of year	2,200	2,200	759	(1,441)
FUND BALANCE, end of year	\$ -	\$ -	\$ 3,547	\$ 3,547

CITY OF AMITY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(MODIFIED CASH BASIS) - BUDGET AND ACTUAL – STREET RESERVE FUND

YEAR ENDED JUNE 30, 2013

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Charges for services	\$ 17,000	\$ 17,000	\$ 16,967	\$ (33)
EXPENDITURES				
Materials and services	800	800	-	800
REVENUES OVER (UNDER) EXPENDITURES	16,200	16,200	16,967	33,167
OTHER FINANCING SOURCES (USES)				
Transfers out	(18,000)	(18,000)	(18,000)	-
NET CHANGE IN FUND BALANCE	(1,800)	(1,800)	(1,033)	767
FUND BALANCE, beginning of year	1,800	1,800	1,816	16
FUND BALANCE, end of year	\$ -	\$ -	\$ 783	\$ 783

CITY OF AMITY, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(MODIFIED CASH BASIS) - BUDGET AND ACTUAL – GENERAL BOND DEBT FUND
YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Miscellaneous	\$ 5,000	\$ 5,000	\$ 6,334	\$ 1,334
EXPENDITURES				
Debt service				
Principal	5,000	5,000	5,000	-
Interest	3,300	3,300	6,449	(3,149)
<i>Total Expenditures</i>	<u>8,300</u>	<u>8,300</u>	<u>11,449</u>	<u>(3,149)</u>
REVENUES OVER (UNDER) EXPENDITURES	(3,300)	(3,300)	(5,115)	(8,415)
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>5,300</u>	<u>5,300</u>	<u>5,300</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	2,000	2,000	185	(1,815)
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	<u>\$ 2,000</u>	<u>\$ 2,000</u>	<u>\$ 185</u>	<u>\$ (1,815)</u>

CITY OF AMITY, OREGON

**COMBINING STATEMENT OF FUND NET POSITION (MODIFIED CASH BASIS) –
NONMAJOR PROPRIETARY (ENTERPRISE) FUNDS**

JUNE 30, 2013

	<u><i>Water Line Replacement</i></u>	<u><i>Water Bond</i></u>	<u><i>Water SDC Improvement</i></u>
ASSETS			
Cash and cash equivalents	\$ 121	\$ 7,662	\$ 2,518
LIABILITIES	-	-	-
NET POSITION:			
Restricted for:			
Construction	121	-	2,518
Unrestricted	-	7,662	-
 <i>Total Net Position</i>	<u>\$ 121</u>	<u>\$ 7,662</u>	<u>\$ 2,518</u>

Total

\$ 10,301

-

2,639

7,662

\$ 10,301

CITY OF AMITY, OREGON**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
(MODIFIED CASH BASIS) - NONMAJOR PROPRIETARY (ENTERPRISE) FUNDS
YEAR ENDED JUNE 30, 2013**

	<u><i>Water Line Replacement</i></u>	<u><i>Water Bond</i></u>
OPERATING REVENUES		
Charges for services	\$ 9,816	\$ -
OPERATING EXPENSES	-	-
OPERATING INCOME	9,816	-
NONOPERATING REVENUES (EXPENSES)		
Noncapital Financing Revenues (Expenses)		
Transfers in	-	65,000
Transfers out	(13,000)	-
<i>Total Noncapital Financing Revenues (Expenses)</i>	(13,000)	65,000
Capital Financing Revenues (Expenses)		
Capital contributions	-	-
Debt service		
Principal	-	(53,305)
Interest	-	(11,192)
<i>Total Capital Financing Revenues (Expenses)</i>	-	(64,497)
<i>Total Nonoperating Revenues (Expenses)</i>	(13,000)	503
CHANGE IN NET POSITION	(3,184)	503
NET POSITION, beginning of year	3,305	7,159
NET POSITION, end of year	\$ 121	\$ 7,662

<i>Water SDC Improvement</i>	<i>Sewer Reserve</i>	<i>Total</i>
\$ -	\$ -	\$ 9,816
-	-	-
-	-	9,816
-	-	65,000
-	(115)	(13,115)
-	(115)	51,885
2,518	-	2,518
-	-	(53,305)
-	-	(11,192)
2,518	-	(61,979)
2,518	(115)	(10,094)
2,518	(115)	(278)
-	115	10,579
\$ 2,518	\$ -	\$ 10,301

CITY OF AMITY, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE****(MODIFIED CASH BASIS) – BUDGET AND ACTUAL - WATER FUND****YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Charges for services	\$ 351,000	\$ 351,000	\$ 333,211	\$ (17,789)
Miscellaneous	-	-	1,040	1,040
<i>Total Revenues</i>	351,000	351,000	334,251	(16,749)
EXPENDITURES				
Personal services	157,687	157,687	156,649	1,038
Materials and services	100,750	100,750	105,930	(5,180)
Capital outlay	1,000	1,000	-	1,000
Contingency	50	50	-	50
<i>Total Expenditures</i>	259,487	259,487	262,579	(3,092)
REVENUES OVER (UNDER) EXPENDITURES	91,513	91,513	71,672	(13,657)
OTHER FINANCING SOURCES (USES)				
Transfers out	(91,500)	(91,500)	(91,500)	-
CHANGE IN FUND BALANCE	13	13	(19,828)	(13,657)
FUND BALANCE (DEFICIT), beginning of year	(13)	(13)	(643)	(630)
FUND BALANCE (DEFICIT), end of year	\$ -	\$ -	\$ (20,471)	\$ (20,471)

CITY OF AMITY, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE****(MODIFIED CASH BASIS) – BUDGET AND ACTUAL - SEWER FUND****YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Charges for services	\$ 395,000	\$ 395,000	\$ 382,697	\$ (12,303)
Miscellaneous	-	-	50	50
<i>Total Revenues</i>	395,000	395,000	382,747	(12,253)
EXPENDITURES				
Personal services	127,224	127,224	124,430	2,794
Materials and services	101,300	101,300	107,456	(6,156)
Capital outlay	1,000	1,000	-	1,000
Contingency	5,000	5,000	-	5,000
<i>Total Expenditures</i>	234,524	234,524	231,886	2,638
REVENUES OVER (UNDER) EXPENDITURES	160,476	160,476	150,861	(14,891)
OTHER FINANCING SOURCES (USES)				
Transfers in	115	115	115	-
Transfers out	(189,000)	(189,000)	(189,000)	-
<i>Total Other Financing Sources and Uses</i>	(188,885)	(188,885)	(188,885)	-
CHANGE IN FUND BALANCE	(28,409)	(28,409)	(38,024)	(14,891)
FUND BALANCE, beginning of year	45,590	45,590	39,048	(6,542)
FUND BALANCE, end of year	\$ 17,181	\$ 17,181	\$ 1,024	\$ (16,157)

CITY OF AMITY, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE****(MODIFIED CASH BASIS) – BUDGET AND ACTUAL – WATER CAPITAL PROJECTS FUND****YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Intergovernmental	\$ 1,763,750	\$ 1,763,750	\$ 2,156,538	\$ 392,788
Miscellaneous	2,000	2,000	8,514	6,514
<i>Total Revenues</i>	1,765,750	1,765,750	2,165,052	399,302
EXPENDITURES				
Personal services	111,111	111,111	110,451	660
Materials and services	233,000	233,000	115,654	117,346
Capital outlay	1,992,199	1,992,199	2,311,886	(319,687)
Contingency	90	90	-	90
<i>Total Expenditures</i>	2,336,400	2,336,400	2,537,991	(201,591)
REVENUES OVER (UNDER) EXPENDITURES				
	(570,650)	(570,650)	(372,939)	600,893
OTHER FINANCING SOURCES (USES)				
Transfers in	92,000	92,000	90,600	(1,400)
Proceeds from issuance of debt	305,300	305,300	108,388	(196,912)
<i>Total Other Financing Sources and Uses</i>	397,300	397,300	198,988	(198,312)
CHANGE IN FUND BALANCE	(173,350)	(173,350)	(173,951)	402,581
FUND BALANCE, beginning of year	173,350	173,350	78,430	(94,920)
FUND BALANCE (DEFICIT), end of year	\$ -	\$ -	\$ (95,521)	\$ (95,521)

CITY OF AMITY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(MODIFIED CASH BASIS) – BUDGET AND ACTUAL – SEWER SDC IMPROVEMENT FUND

YEAR ENDED JUNE 30, 2013

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses and permits	\$ 48,700	\$ 48,700	\$ 5,471	\$ (43,229)
EXPENDITURES				
Capital outlay	57,700	57,700	-	57,700
CHANGE IN FUND BALANCE	(9,000)	(9,000)	5,471	(100,929)
FUND BALANCE, beginning of year	9,000	9,000	8,995	(5)
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,466</u>	<u>\$ 14,466</u>

CITY OF AMITY, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE****(MODIFIED CASH BASIS) – BUDGET AND ACTUAL – SEWER BOND FUND****YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal	72,025	72,025	72,025	-
Interest	71,878	71,878	155,170	(83,292) *
Contingency	97	97	-	97
<i>Total Expenditures</i>	<u>144,000</u>	<u>144,000</u>	<u>227,195</u>	<u>(83,195)</u>
REVENUES OVER (UNDER) EXPENDITURES	(144,000)	(144,000)	(227,195)	83,195
OTHER FINANCING SOURCES (USES)				
Transfers in	144,000	144,000	144,000	-
Proceeds from issuance of debt	-	-	1,600,000	1,600,000
Refunding of debt	-	-	(1,516,708)	(1,516,708)
<i>Total Other Financing Sources and Uses</i>	<u>144,000</u>	<u>144,000</u>	<u>227,292</u>	<u>83,292</u>
CHANGE IN FUND BALANCE	-	-	97	166,487
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97</u>	<u>\$ 97</u>

*Not an overexpenditure in year of issuance.

CITY OF AMITY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(MODIFIED CASH BASIS) – BUDGET AND ACTUAL – WATER LINE REPLACEMENT FUND

YEAR ENDED JUNE 30, 2013

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Charges for services	\$ 6,699	\$ 6,699	\$ 9,816	\$ 3,117
EXPENDITURES				
Capital outlay	5,000	5,000	-	5,000
REVENUES OVER (UNDER) EXPENDITURES	1,699	1,699	9,816	(1,883)
OTHER FINANCING SOURCES (USES)				
Transfers out	(13,000)	(13,000)	(13,000)	-
CHANGE IN FUND BALANCE	(11,301)	(11,301)	(3,184)	(1,883)
FUND BALANCE, beginning of year	11,301	11,301	3,305	(7,996)
FUND BALANCE, end of year	\$ -	\$ -	\$ 121	\$ 121

CITY OF AMITY, OREGON**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(MODIFIED CASH BASIS) – BUDGET AND ACTUAL - WATER BOND DEBT FUND
YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Debt service				
Principal	53,434	53,434	53,305	129
Interest	11,382	11,382	11,192	190
<i>Total Expenditures</i>	64,816	64,816	64,497	319
REVENUES OVER (UNDER) EXPENDITURES	(64,816)	(64,816)	(64,497)	(319)
OTHER FINANCING SOURCES (USES)				
Transfers in	65,000	65,000	65,000	-
CHANGE IN FUND BALANCE	184	184	503	(319)
FUND BALANCE, beginning of year	(184)	(184)	7,159	7,343
FUND BALANCE, end of year	\$ -	\$ -	\$ 7,662	\$ 7,662

CITY OF AMITY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(MODIFIED CASH BASIS) – BUDGET AND ACTUAL – WATER SDC IMPROVEMENT FUND

YEAR ENDED JUNE 30, 2013

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Licenses and permits	\$ 19,000	\$ 19,000	\$ 2,518	\$ (16,482)
EXPENDITURES				
Capital outlay	19,000	19,000	-	19,000
CHANGE IN FUND BALANCE	-	-	2,518	(35,482)
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	\$ -	\$ -	\$ 2,518	\$ 2,518

CITY OF AMITY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(MODIFIED CASH BASIS) – BUDGET AND ACTUAL – WATER SDC REIMBURSEMENT FUND

YEAR ENDED JUNE 30, 2013

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Licenses and permits	\$ 9,100	\$ 9,100	\$ -	\$ (9,100)
EXPENDITURES				
Capital outlay	9,100	9,100	-	9,100
CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	\$ -	\$ -	\$ -	\$ -

CITY OF AMITY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(MODIFIED CASH BASIS) – BUDGET AND ACTUAL - SEWER RESERVE FUND

YEAR ENDED JUNE 30, 2013

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers out	(115)	(115)	(115)	-
CHANGE IN FUND BALANCE	(115)	(115)	(115)	-
FUND BALANCE, beginning of year	115	115	115	-
FUND BALANCE, end of year	\$ -	\$ -	\$ -	\$ -

CITY OF AMITY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

(MODIFIED CASH BASIS) – BUDGET AND ACTUAL – SEWER SDC REIMBURSEMENT FUND

YEAR ENDED JUNE 30, 2013

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Licenses and permits	\$ 11,700	\$ 11,700	\$ -	\$ (11,700)
EXPENDITURES				
Capital outlay	11,700	11,700	-	11,700
CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	\$ -	\$ -	\$ -	\$ -

OTHER SCHEDULES

CITY OF AMITY, OREGON
SCHEDULE OF PROPERTY TAX TRANSACTIONS
YEAR ENDED JUNE 30, 2013

<i>Tax Year</i>	<i>Uncollected Balances July 1, 2012</i>	<i>2012-13 Levy</i>	<i>Added To Rolls</i>	<i>Interest, Discounts & Adjustments</i>	<i>Turnovers</i>	<i>Uncollected Balances June 30, 2013</i>
2012-2013	\$ -	\$ 236,712	\$ 4	\$ (7,306)	\$ (218,425)	\$ 10,985
2011-2012	10,457	-	-	(280)	(5,088)	5,089
2010-2011	6,020	-	-	(94)	(2,713)	3,213
2009-2010	3,218	-	-	(16)	(1,537)	1,665
2008-2009	1,138	-	-	(19)	(681)	438
2007-2008	363	-	-	(13)	(86)	264
2006-2007	248	-	-	(1)	(35)	212
Prior Years	888	-	-	(166)	(51)	671
Total	\$ 22,332	\$ 236,712	\$ 4	\$ (7,895)	\$ (228,616)	\$ 22,537

CITY OF AMITY, OREGON
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
YEAR ENDED JUNE 30, 2013

	<u><i>Interest Rates</i></u>	<u><i>Date of Issue</i></u>	<u><i>Fiscal Year of Maturity</i></u>
<i>BOND PRINCIPAL TRANSACTIONS</i>			
Revenue Bonds			
1974 Water Revenue Bonds	5.0%	1974	2013-14
1975 Water Revenue Bonds	5.0%	1975	2014-15
1975 Water Revenue Bonds	5.0%	1975	2014-15
<i>LOAN PRINCIPAL TRANSACTIONS</i>			
State Revolving Fund	1.0%	2002	2031-32
2002 Safe Drinking Water Revolving Fund Loan	3.0%-5.0%	2002	2027-28
2009 Lee Property Loan (US Bank)	2.75%-5.1%	2009	2029-30
2010 Wastewater System Improvement Loan	4.78%	2010	
2013 Full Faith and Credit Refunding Obligations	2.0%	2013	
			<i>Unmatured Interest Outstanding July 1, 2012</i>
<i>BOND INTEREST TRANSACTIONS</i>			
Revenue Bonds			
1974 Water Revenue Bonds	5.0%	1974	\$ 375
1975 Water Revenue Bonds	5.0%	1975	1,120
1975 Water Revenue Bonds	5.0%	1975	1,092
<i>LOAN INTEREST TRANSACTIONS</i>			
State Revolving Fund	1.0%	2002	112,791
2002 Safe Drinking Water Revolving Fund Loan	3.0%-5.0%	2003	699,074
2009 Lee Property Loan (US Bank)	2.75%-5.1%	2009	80,200
2013 Full Faith and Credit Refunding Obligations	2.0%	2013	-
			\$ 894,652

<i>Outstanding July 1, 2012</i>	<i>Issued</i>	<i>Paid</i>	<i>Outstanding June 30, 2013</i>
\$ 6,615	\$ -	\$ (2,571)	\$ 4,044
12,725	-	(4,089)	8,636
10,979	-	(3,637)	7,342
999,459	-	(43,007)	956,452
1,588,733	-	(1,588,733)	-
145,000	-	(5,000)	140,000
94,692	108,388	-	203,080
-	1,600,000	-	1,600,000
<u>\$ 2,858,203</u>	<u>\$ 1,708,388</u>	<u>\$ (1,647,037)</u>	<u>\$ 2,919,554</u>

<i>Early Payoff/ New Issues</i>	<i>Interest Paid</i>	<i>Unmatured Interest June 30, 2013</i>
\$ -	\$ (205)	\$ 170
-	(557)	563
-	(435)	657
-	(9,995)	102,796
(609,001)	(90,073)	-
-	(6,449)	73,751
392,398	-	392,398
<u>\$ (216,603)</u>	<u>\$ (107,714)</u>	<u>\$ 570,335</u>

CITY OF AMITY, OREGON
SCHEDULE OF FUTURE BONDED DEBT REQUIREMENTS
JUNE 30, 2013

Governmental Activities

<u>Year</u>	2009 Lee Property Loan (US Bank)		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013-14	\$ 5,000	\$ 6,975	\$ 11,975
2014-15	5,000	6,750	11,750
2015-16	5,000	6,525	11,525
2016-17	5,000	6,300	11,300
2017-18	5,000	6,075	11,075
2018-19	5,000	5,850	10,850
2019-20	10,000	5,625	15,625
2020-21	10,000	5,175	15,175
2021-22	10,000	4,675	14,675
2022-23	10,000	4,175	14,175
2023-24	10,000	3,675	13,675
2024-25	10,000	3,175	13,175
2025-26	10,000	2,675	12,675
2026-27	10,000	2,140	12,140
2027-28	10,000	1,605	11,605
2028-29	10,000	1,070	11,070
2029-30	10,000	1,286	11,286
2030-31	-	-	-
2031-32	-	-	-
2032-33	-	-	-
Unspecified	-	-	-
Totals	<u>\$ 140,000</u>	<u>\$ 73,751</u>	<u>\$ 213,751</u>

CITY OF AMITY, OREGON
SCHEDULE OF FUTURE BONDED DEBT REQUIREMENTS (Continued)
JUNE 30, 2013

Business-type Activities

Year	1974 Water Revenue			1975 Water Revenue		
	Bonds			Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2013-14	\$ 3,948	\$ 170	\$ 4,118	\$ 4,340	\$ 325	\$ 4,665
2014-15	96	-	96	4,296	238	4,534
2015-16	-	-	-	-	-	-
2016-17	-	-	-	-	-	-
2017-18	-	-	-	-	-	-
2018-19	-	-	-	-	-	-
2019-20	-	-	-	-	-	-
2020-21	-	-	-	-	-	-
2021-22	-	-	-	-	-	-
2022-23	-	-	-	-	-	-
2023-24	-	-	-	-	-	-
2024-25	-	-	-	-	-	-
2025-26	-	-	-	-	-	-
2026-27	-	-	-	-	-	-
2027-28	-	-	-	-	-	-
2028-29	-	-	-	-	-	-
2029-30	-	-	-	-	-	-
2030-31	-	-	-	-	-	-
2031-32	-	-	-	-	-	-
2032-33	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-
Totals	\$ 4,044	\$ 170	\$ 4,214	\$ 8,636	\$ 563	\$ 9,199

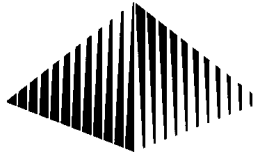
<i>1975 Water Revenue Bonds</i>			<i>2002 Safe Drinking Water Revolving Fund Loan</i>		
<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
\$ 3,808	\$ 346	\$ 4,154	\$ 43,438	\$ 9,564	\$ 53,002
3,534	311	3,845	43,872	9,130	53,002
-	-	-	44,311	8,691	53,002
-	-	-	44,754	8,248	53,002
-	-	-	45,201	7,801	53,002
-	-	-	45,653	7,349	53,002
-	-	-	46,110	6,892	53,002
-	-	-	46,571	6,431	53,002
-	-	-	47,037	5,965	53,002
-	-	-	47,507	5,495	53,002
-	-	-	47,982	5,020	53,002
-	-	-	48,462	4,540	53,002
-	-	-	48,946	4,056	53,002
-	-	-	49,436	3,566	53,002
-	-	-	49,930	3,072	53,002
-	-	-	50,430	2,573	53,003
-	-	-	50,934	2,068	53,002
-	-	-	51,443	1,559	53,002
-	-	-	51,958	776	52,734
-	-	-	52,477	-	52,477
-	-	-	-	-	-
<u>\$ 7,342</u>	<u>\$ 657</u>	<u>\$ 7,999</u>	<u>\$ 956,452</u>	<u>\$ 102,796</u>	<u>\$ 1,059,248</u>

CITY OF AMITY, OREGON
SCHEDULE OF FUTURE BONDED DEBT REQUIREMENTS (Continued)
JUNE 30, 2013

Business-type Activities (Continued)

<i>Year</i>	<i>2010 Wastewater System Improvement Loan</i>			<i>2013 Full Faith and Credit Refunding Obligation Loan</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2013-14	\$ -	\$ -	\$ -	\$ 80,000	\$ 51,879	\$ 131,879
2014-15	-	-	-	95,000	40,162	135,162
2015-16	-	-	-	95,000	38,263	133,263
2016-17	-	-	-	95,000	36,362	131,362
2017-18	-	-	-	95,000	34,463	129,463
2018-19	-	-	-	100,000	32,512	132,512
2019-20	-	-	-	105,000	30,331	135,331
2020-21	-	-	-	105,000	27,838	132,838
2021-22	-	-	-	105,000	25,081	130,081
2022-23	-	-	-	110,000	21,987	131,987
2023-24	-	-	-	115,000	18,613	133,613
2024-25	-	-	-	120,000	14,938	134,938
2025-26	-	-	-	125,000	10,956	135,956
2026-27	-	-	-	125,000	6,738	131,738
2027-28	-	-	-	130,000	2,275	132,275
2028-29	-	-	-	-	-	-
2029-30	-	-	-	-	-	-
2030-31	-	-	-	-	-	-
2031-32	-	-	-	-	-	-
2032-33	-	-	-	-	-	-
Unspecified	203,080	-	203,080	-	-	-
Totals	\$ 203,080	\$ -	\$ 203,080	\$ 1,600,000	\$ 392,398	\$ 1,992,398

<i>Principal</i>	<i>Total Interest</i>	<i>Total</i>
\$ 135,534	\$ 62,284	\$ 197,818
146,798	49,841	196,639
139,311	46,954	186,265
139,754	44,610	184,364
140,201	42,264	182,465
145,653	39,861	185,514
151,110	37,223	188,333
151,571	34,269	185,840
152,037	31,046	183,083
157,507	27,482	184,989
162,982	23,633	186,615
168,462	19,478	187,940
173,946	15,012	188,958
174,436	10,304	184,740
179,930	5,347	185,277
50,430	2,573	53,003
50,934	2,068	53,002
51,443	1,559	53,002
51,958	776	52,734
52,477	-	52,477
203,080	-	203,080
<u>\$ 2,779,554</u>	<u>\$ 496,584</u>	<u>\$ 3,276,138</u>



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
475 Cottage Street NE, Suite 200, Salem, Oregon 97301
(503) 581-7788

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

The Honorable Mayor
and Members of the City Council
City of Amity
P. O. Box 159
Amity, Oregon 97101

We have audited, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the City of Amity, Oregon as of and for the year ended June 30, 2013, and have issued our report thereon dated December 23, 2013.

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 grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Highway revenues used for public highways, roads, and streets.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **Accountability for collecting or receiving money by elected officials - no money was collected or received by elected officials.**

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:

1. Excess of actual revenues over actual expenditures in the second preceding year were not equal to the beginning balance in the first preceding year for the General fund.
2. Overexpenditures as noted in the notes to the financial statements.
3. Deficit fund balances as noted in the notes to the financial statements.
4. Budgeted transfers in did not equal budgeted transfers out.

OAR 162-10-0230 - Internal Control

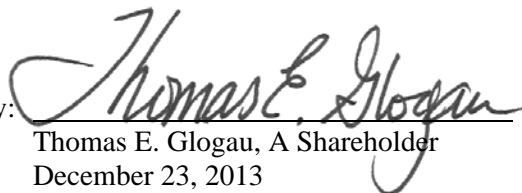
In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose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

Deficiencies in internal control and recommendations were reported to management in a letter dated December 23, 2013.

Restriction on Use

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

GROVE, MUELLER & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

By: 
Thomas E. Glogau, A Shareholder
December 23, 2013

CITY OF AMITY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2013

<i>Federal Grantor/Program Title</i>	<i>Pass-through Identification Number</i>	<i>Federal CFDA Number</i>	<i>Federal Expenditures</i>
<i>U.S. Department of Housing and Urban Development</i>			
<i>Passed through Oregon Business Development Department</i>			
Community Development Block Grant	P10018	14.228	\$ 21,940
Community Development Block Grant	P09017	14.228	1,707,180
<i>Total Community Development Block Grants</i>			1,729,120
<i>Total Expenditures of Federal Awards</i>			\$ 1,729,120

See notes to expenditures of federal awards.

CITY OF AMITY, OREGON

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2013

PURPOSE OF THE SCHEDULE

The accompanying schedule of expenditures of federal awards (the "Schedule") is a supplementary schedule to the City of Amity's basic financial statements and is presented for purposes of additional analysis. Because the Schedule presents only a selected portion of the activities of the City, it is not intended to and does not present either the financial position or the results of operations of the City.

SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The information in the Schedule is presented in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Federal Financial Assistance

Pursuant to the Single Audit Act Amendments of 1996 and OMB Circular A-133, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations. Accordingly, nonmonetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the Schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

Major Programs

The Single Audit Act Amendments of 1996 and OMB Circular A-133 establish criteria to be used in defining major federal financial assistance programs. Major programs for the City are those programs selected for testing by the auditor using a risk-assessment model, as well as certain minimum expenditure requirements, as outlined in OMB Circular A-133. Programs with similar requirements may be grouped into a cluster for testing purposes.

Reporting Entity

The reporting entity is fully described in the notes to the basic financial statements. Additionally, the Schedule includes all federal programs administered by the City for the year ended June 30, 2013.

Revenue and Expenditure Recognition

The revenue and expenditure of federal awards are accounted for under the modified cash basis of accounting. Revenues are recorded as received in cash. Expenditures are recorded when the liability is paid.



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
475 Cottage Street NE, Suite 200, Salem, Oregon 97301
(503) 581-7788

***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***

The Honorable Mayor
and Members of the City Council
City of Amity
P. O. Box 159
Amity, Oregon 97101

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 the City of Amity, Oregon 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, and have issued our report thereon dated December 23, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

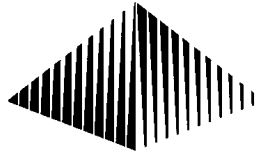
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS
December 23, 2013



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
475 Cottage Street NE, Suite 200, Salem, Oregon 97301
(503) 581-7788

***INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133***

The Honorable Mayor
and Members of the City Council
City of Amity
P. O. Box 159
Amity, Oregon 97101

Report on Compliance for Each Major Federal Program

We have audited the City of Amity, Oregon's (the City) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2013. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purposes of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS

December 23, 2013

CITY OF AMITY
SUMMARY OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2013

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's opinion issued:	Unmodified
Internal control reporting:	
• Material weakness(es) identified?	No
• Significant deficiencies identified that are not considered to be material weaknesses?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiencies identified that are not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No

Identification of major program:

CFDA Numbers

Name of Federal Program or Cluster

14.228

Community Development Block Grant

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	No

FINANCIAL STATEMENT FINDINGS

CURRENT YEAR FINDINGS

None

PRIOR YEAR FINDINGS

None