

"Making a difference through excellence of service"



CITY OF WARRENTON

AGENDA

CITY COMMISSION OF THE CITY OF WARRENTON
REGULAR MEETING
January 24, 2017 – 6:00 P.M.
Warrenton City Commission Chambers – 225 South Main Avenue
Warrenton, OR 97146

1. **CALL TO ORDER**
2. **PLEDGE OF ALLEGIANCE**
3. **ROLL CALL**
4. **COMMISSIONER COMMENTS/COMMUNICATIONS/AGENDA ADDITIONS**
5. **CONSENT CALENDAR**

- A. Commission Work Session Minutes – 1.10.17
- B. Finance Dept. Monthly Report – December 2016
- C. Liquor License Application – Amy’s Diner
- D. Police Dept. Monthly Statistics – December 2016
- E. Police Dept. 2016 Statistics Review

Items on the Consent Calendar have previously been discussed and/or are considered routine. Approval of the Consent Calendar requires a motion, a second, and no discussion, unless requested by a member of the City Commission.

8. **BUSINESS ITEMS**
 - A. Auditor’s Report for Fiscal Year Ending June 30, 2016
 - B. Consideration of Committee Applications/Appointments
 - C. Consideration of Resolution No. 2475; Approving and Adopting Increases to the 2016/2017 Budget by Increasing Appropriations for Unanticipated Revenues

D. Consideration of Hammond Concrete Dock Disposal

9. PUBLIC COMMENT

At this time, anyone wishing to address the City Commission concerning items of interest not already on the Agenda may do so. The person addressing the Commission will, when recognized, give his or her name and address for the record. All remarks will be addressed to the whole City Commission and limited to 3 minutes per person. The Commission reserves the right to delay any action, if required, until such time as they are fully informed on a matter.

10. ADJOURNMENT

CITY HALL IS ACCESSIBLE TO THE DISABLED. AN INTERPRETER FOR THE HEARING IMPAIRED MAY BE REQUESTED UNDER THE TERMS OF ORS 192.630, BY CONTACTING LINDA ENGBRETSON AT LEAST 48 HOURS IN ADVANCE OF THE MEETING

5-A

MINUTES
Warrenton City Commission
WORK SESSION – January 10, 2017
5:00 p.m.
Warrenton City Hall - Commission Chambers
225 S. Main
Warrenton, Or 97146

Mayor Kujala called the meeting to order at 5:00.

Commissioners Present: Mayor Mark Kujala, Tom Dyer, Henry Balensifer, Pam Ackley and Rick Newton

Staff Present: City Manager Linda Engbretson, Fire Chief Tim Demers, Finance Director April Clark, Deputy City Recorder Dawne Shaw, Library Site Manager Nettie Lee Calog,

Library Board Members Present: Chair Kelsey Balensifer, Rochelle Coulombe and Baret Murphy-Becker

Mayor Kujala noted the purpose of the work session is to discuss funding for the library. City Manager Linda Engbretson stated it is time to renew the levy, and noted Finance Director April Clark put together numbers of where we are and possible funding scenarios. Ms. Engbretson stated to the press that these are strictly preliminary numbers and assumptions. Ms. Clark reviewed estimates. The discussion continued on the need to request more money on the next levy and the amount of the lease for the new location. It was noted the school district is in the process of notifying the tenant they will not renew their lease, which is through June. There was brief discussion on the possibility of buying the building in the future and Commissioner Balensifer noted it is premature to talk about ownership and suggested leasing the building for a year or two and see how it works out.

City Manager Linda Engbretson stated the city currently has a serial levy, and suggested going out on the May ballot for a new levy. Commissioner Balensifer asked if the library board is ready or willing to go out and advertise and campaign for the levy. Library board member Rochelle Coulombe stated it is awkward and difficult to go out and “cheerlead” and gain support for a levy without something “to put your arms around”, noting it would be better to have more information. Ms. Coulombe stated the board is enthusiastic but more information would be beneficial. Brief discussion continued and Ms. Engbretson stated if it is going on the May ballot, we need to move fairly quickly; we need to have it ready and the ballot title adopted by the first meeting in February, and in to the County by March 8th. The discussion continued on whether to place it on the May or November ballot, or both. Commissioner Balensifer noted his desire to make sure there is a clearly thought out and good strategy to move forward on this; he stated the need to have a very clearly communicated strategy to explain the need to ask for more money. “It

is very clear we need more". Mayor Kujala noted the timeline and current lease is until June 30th so theoretically we cannot move in until July. Discussion continued on the current tenant and the need to wait and see what she does in regards to moving out. It was noted the revenues from the new levy will not start coming in until November 2018. Commissioner Newton noted the recent public support for the continuation and expansion of the library and Mayor Kujala stated there has not been much resistance to library levies in the past. Mayor Kujala asked the Commission their thoughts on whether to go out in May or November and after brief discussion the consensus is it would be better to have more time to get information out and to gather community support, so November would be better. Finance Director April Clark noted there is a risk that if it does not pass in November, we will have no library as of July 1, 2018. Ms. Clark continued her review of the budget document and the percentages needed to continue current library operations and the increases needed to expand services and operations. Discussion continued on the levy percentage and Commissioner Newton suggested 25 cents. Mayor Kujala noted there is a goal setting meeting next week, so it's a good time to focus on the library.

Library Board Chair Kelsey Balensifer stated the library is an integral part of community and has limped along for a longtime. She noted it will be nice to have a better location, with expanded services and hours, and feels the community would be supportive. Commissioner Balensifer stated he would like to see a building (inspection) report to see what needs to be done. The discussion continued on the condition of the building and the school district's plans going forward. There was also brief discussion on the Vision Plan and the Heritage Museum sharing the space.

There being no further business Mayor Kujala adjourned the work session 5:46 p.m.

APPROVED:

Mark Kujala, Mayor

ATTEST:

Dawne Shaw, Deputy City Recorder

Volume 10, Issue 6

Monthly Finance Report
December 2016

January 24, 2017

Economic Indicators

	Current	1 year ago
◆ Interest Rates:		
LGIP :	1.03%	.59%
Columbia Bank:	.05%	.05%
◆ Prime Rate:	3.75%	3.50%
◆ CPI-U change:	2.1%	0.7%
◆ Unemployment Rates:		
Clatsop County:	not avail.	5.2%
Oregon:	4.6%	5.5%
U.S.:	4.7%	5.0%

Department Statistics

◆ Utility Bills mailed	3,278
◆ New Service Connections	2
◆ Reminder Letters	409
◆ Door Hangers	79
◆ Water Service Discontinued	11
◆ Walk-in counter payments	708
◆ Mail payments	1,241
◆ Auto Pay Customers/pmts	552
◆ Online (Web) payments	525
◆ Checks Issued	338

Current and Pending Projects

- ◆ 2017-2018 Budget Preparation
- ◆ 2018-2023 Capital Improvement Program

Financial Narrative as of December 31, 2016

Note: Revenues and expenses should track at 6/12 or 50% of the budget.

General Fund: Year to date revenues amount to \$2,239,595, which is 61% of the budget, compared to the prior year amount of \$2,077,051, which was 59% of the budget and are up by \$162,544. Increases are shown in property taxes, franchise fees, transient room tax, police charges, leases, interest and miscellaneous and are offset by decreases in state revenue sharing, municipal court, and planning charges.

Expenses year to date amount to \$2,006,803, which is 48.2% of the budget, compared to the prior year amount of \$1,957,104, which was 49.7% of the budget. All departments are tracking under budget except the Admin/Comm/Fin department which has large expenditures at the beginning of the year and has had unexpected increased spending in Professional Services.

WBA: Business license revenue amounts to \$47,865 compared to \$45,450 last year at this time, a difference of \$2,415.

Building Department: Permit revenues this month amount to \$54,399 and \$114,693 year to date, which is 53.8% of the budgeted amount. Last year to date permit revenue was \$88,349, which was 101% of the budgeted amount.

State Tax Street: State gas taxes re-

ceived this month amount to \$26,452 for fuel sold in November and \$133,974 year to date. City gas taxes received this month amount to \$26,252 for fuel sold in October and are \$124,146 year to date.

Warrenton Marina: Total revenues to date are \$423,638, 86.6% of the budgeted amount, compared to the prior year amount of \$434,410 and was 79.2% of the budgeted amount. There is \$46,357 in moorage receivables outstanding.

Hammond Marina: Total revenues to date are \$265,173, 97.6% of the budgeted amount, compared to the prior year amount of \$267,516 and was 66.4% of the budgeted amount. There is \$7,149 in moorage receivables outstanding.

Of the total outstanding receivables \$30,703 is over 90 days old.

Water Fund: Utility fees charged this month are \$116,943 and \$61,963 and \$852,607 and \$669,440 year to date, for in-city and out-city respectively and totals \$1,522,047 which is 61.3% of the budget. Last year at this time year to date fees were \$744,344 and \$668,124, for in-city and out-city, respectively, and totaled 1,412,468 which was 59.6% of the budgeted amount.

Sewer Fund: Utility fees charged this month are \$161,318 and \$1,001,620 year to date, which is 53.1% of the budget.

Last year at this time year to date fees were \$910,437. Shoreline Sanitary Fees year to date are \$56,955. Septage revenue year to date is \$162,649 and is 58.1% of the budget. Total revenues year to date are \$1,323,583 compared to \$1,078,187 at this time last year.

Storm Sewer: Utility Fees (20% of sewer fees) this month are \$32,254 and \$200,264 year to date and is 53.1% of the budget. Total revenues year to date revenues are \$200,496 compared to \$190,256 at this time last year.

Sanitation Fund: Service fees charged this month for garbage and recycling were \$73,974 and \$14,560, and \$458,271 and \$87,096, year to date, and are 54.2% and 51.6% of the budget, respectively.

Library: Year to date property taxes received amount to \$43,952 and is 92.8% of the budgeted amount. Last year at this time \$42,441 was received and was 95.2% of the budgeted amount. A Ready to Read Grant in the amount of \$1,000 was received this month.

Community Center: Rental revenue to date is \$4,759 and represents 56.6% of the budget. Total expenses are \$9,865 and total revenues are \$8,200.

Financial data as of December 2016

	General Fund				
	Current Month	Year to Date	Budget	% of Budget	
Beginning Fund Balance	1,649,552	1,269,879	950,000	133.67	
Plus: Revenues	223,018	2,239,595	3,668,832	61.04	(see details of revenue, page 4)
Less: Expenditures					
Municipal Court	7,231	52,588	126,320	41.63	
Admin/Comm/Fin (ACF)	55,225	594,581	1,006,408	59.08	
Planning	10,646	71,448	197,533	36.17	
Police	161,485	809,444	1,702,215	47.55	
Fire	126,057	379,250	833,463	45.50	
Parks	9,255	64,914	171,673	37.81	
Transfers	-	34,578	129,578	26.69	
Total Expenditures	369,899	2,006,803	4,167,190	48.16	
Ending Fund Balance	1,502,671	1,502,671	451,642	332.71	

	WBA				Building Department			
	Current Month	Year to Date	Budget	% of Budget	Current Month	Year to Date	Budget	% of Budget
Beginning Fund Balance	124,701	137,741	150,850	91.31	235,751	261,655	230,000	113.76
Plus: Revenues	1,539	53,426	46,200	115.64	54,493	115,524	213,890	54.01
Less: Expenditures	1,413	66,340	155,047	42.79	16,404	103,339	231,551	44.63
Ending Fund Balance	124,827	124,827	42,003	297.19	273,840	273,840	212,339	128.96

	State Tax Street				Warrenton Marina			
	Current Month	Year to Date	Budget	% of Budget	Current Month	Year to Date	Budget	% of Budget
Beginning Fund Balance	1,305,623	1,421,947	1,180,000	120.50	388,319	195,027	170,000	114.72
Plus: Revenues	53,503	264,306	799,407	33.06	18,282	423,638	489,001	86.63
Less: Expenditures	14,425	341,552	1,842,462	18.54	31,848	243,912	614,841	39.67
Ending Fund Balance	1,344,701	1,344,701	136,945	981.93	374,753	374,753	44,160	848.63

Financial data as of December 2016, continued

	Hammond Marina				Water Fund			
	Current Month	Year to Date	Budget	% of Budget	Current Month	Year to Date	Budget	% of Budget
Beginning Fund Balance	273,148	168,011	170,000	98.83	1,827,058	1,140,492	910,000	125.33
Plus: Revenues	3,831	265,173	271,701	97.60	185,262	1,577,203	4,236,400	37.23
Less: Expenditures	19,337	175,542	389,770	45.04	737,799	1,443,174	4,761,435	30.31
Ending Fund Balance	<u>257,642</u>	<u>257,642</u>	<u>51,931</u>	<u>496.12</u>	<u>1,274,521</u>	<u>1,274,521</u>	<u>384,965</u>	<u>331.07</u>

	Sewer Fund				Storm Sewer			
	Current Month	Year to Date	Budget	% of Budget	Current Month	Year to Date	Budget	% of Budget
Beginning Fund Balance	1,823,073	1,369,458	1,300,000	105.34	313,228	284,330	210,000	135.40
Plus: Revenues	264,479	1,323,583	4,328,279	30.58	32,271	200,496	377,960	53.05
Less: Expenditures	247,984	853,473	4,411,210	19.35	16,767	171,598	532,049	32.25
Ending Fund Balance	<u>1,839,568</u>	<u>1,839,568</u>	<u>1,217,069</u>	<u>151.15</u>	<u>328,732</u>	<u>313,228</u>	<u>55,911</u>	<u>560.23</u>

	Sanitation Fund				Community Center			
	Current Month	Year to Date	Budget	% of Budget	Current Month	Year to Date	Budget	% of Budget
Beginning Fund Balance	393,630	354,473	375,000	94.53	9,769	11,801	11,000	107.28
Plus: Revenues	88,764	547,973	1,016,132	53.93	2,191	8,200	12,515	65.52
Less: Expenditures	47,674	467,726	1,170,371	39.96	1,824	9,865	21,308	46.30
Ending Fund Balance	<u>434,720</u>	<u>434,720</u>	<u>220,761</u>	<u>196.92</u>	<u>10,136</u>	<u>10,136</u>	<u>2,207</u>	<u>-</u>

	Library				Warrenton Urban Renewal Agency Capital Projects Fund			
	Current Month	Year to Date	Budget	% of Budget	Current Month	Year to Date	Budget	% of Budget
Beginning Fund Balance	54,478	31,129	21,000	148.23	1,671,977	42,123	19,154	219.92
Plus: Revenues	2,124	49,770	55,727	89.31	799	2,200,986	4,222,122	52.13
Less: Expenditures	3,844	28,141	60,172	46.77	502,810	1,073,143	4,241,276	25.30
Ending Fund Balance	<u>52,758</u>	<u>52,758</u>	<u>16,555</u>	<u>318.68</u>	<u>1,169,966</u>	<u>1,169,966</u>	<u>-</u>	<u>-</u>

Financial data as of December 2016, continued

(\$) Cash Balances as of December, 2016

General Fund	1,689,856	Warrenton Marina	330,937	Storm Sewer	262,685
WBA	125,553	Hammond Marina	253,590	Sanitation Fund	316,408
Building Department	279,891	Water Fund	910,430	Community Center	12,510
State Tax Street	1,353,632	Sewer Fund	1,508,066	Library	53,096

Warrenton Urban Renewal Agency

Capital Projects	1,697,753
Debt Service	1,140,468

General Fund Revenues	Collection Frequency	2016-2017 Budget	Actual as a % of Current Budget	Collections/Accruals Year to date		(over) under budget
				December 2016	December 2015	
Property taxes-current	AP	884,586	92.03	814,077	788,428	70,509
Property taxes-prior	AP	35,000	46.38	16,233	18,069	18,767
County land sales	A	-	0.00	-	-	-
Franchise fees	MA	534,000	43.98	234,831	166,247	299,169
COW - franchise fees	M	124,338	55.56	69,081	62,423	55,257
Transient room tax	Q	462,109	59.80	276,348	263,841	185,761
Liquor licenses	A	625	4.00	25	25	600
State revenue sharing	MQ	125,559	35.86	45,028	45,262	80,531
Municipal court	M	127,175	40.11	51,004	56,381	76,171
Planning charges	I	55,000	26.68	14,675	53,188	40,325
Police charges	I	6,000	68.08	4,085	1,824	1,915
Fire charges	SM	92,481	0.00	-	571	92,481
Park charges	I	-	0.00	250	100	-
Housing rehab loans	I	-	0.00	-	689	-
Miscellaneous	I	1,300	721.62	9,381	7,366	(8,081)
Interest	M	5,000	90.70	4,535	2,771	465
Lease receipts	M	209,251	50.40	105,461	80,499	103,790
Donations	I	-	0.00	-	-	-
Sub-total		2,662,424	61.79	1,645,014	1,547,684	1,017,410
Overhead	M	1,006,408	59.08	594,581	529,367	411,827
Total revenues		3,668,832	61.04	2,239,595	2,077,051	1,429,237

M - monthly

Q - quarterly

SM - Semi-annual in November then monthly

AP - As paid by taxpayer beginning in November

MA - pacificorp-monthly, Century Link-quarterly, others annually in March A - annual

S - semi-annual

I - intermittently

MQ - Monthly, cigarette and liquor and Quarterly, revenue sharing

R - renewals due in July and new licenses intermittently

Note: Budget columns do not include contingencies as a separate line item but are included in the ending fund balance. Unless the Commission authorizes the use of contingency, these amounts should roll over to the following year beginning fund balance. For budget details, please refer to the City of Warrenton Adopted Budget for fiscal year ending June 30, 2017. Budget amounts reflect budget adjustments approved by the Commission during the fiscal year. Information and data presented in this report is unaudited.



OREGON LIQUOR CONTROL COMMISSION
LIQUOR LICENSE APPLICATION

ORIGINAL 5-C

Application is being made for:

LICENSE TYPES

- Full On-Premises Sales (\$402.60/yr)
Commercial Establishment
Caterer
Passenger Carrier
Other Public Location
Private Club
Limited On-Premises Sales (\$202.60/yr)
Off-Premises Sales (\$100/yr) with Fuel Pumps
Brewery Public House (\$252.60)
Winery (\$250/yr)
Other:

ACTIONS

- Change Ownership
New Outlet
Greater Privilege
Additional Privilege
Other

90-DAY AUTHORITY

Check here if you are applying for a change of ownership at a business that has a current liquor license, or if you are applying for an Off-Premises Sales license and are requesting a 90-Day Temporary Authority

APPLYING AS:

- Limited Partnership
Corporation
Limited Liability Company
Individuals

CITY AND COUNTY USE ONLY

Date application received:

The City Council or County Commission:

(name of city or county)

recommends that this license be:

- Granted
Denied

By: (signature) (date)

Name:

Title:

OLCC USE ONLY

Application Rec'd by: [Signature]

Date: 1/17/2017

90-day authority: Yes No

1. Entity or Individuals applying for the license: [See SECTION 1 of the Guide]

- 1. HSH Properties, LLC
2.
3.
4.

2. Trade Name (dba): Amy's Diner

3. Business Location: 1605 East Harbor Drive Warrenton Clatsop Oregon 97146

4. Business Mailing Address: 1632 Wailea Ct Medford OR 97104

5. Business Numbers: (phone) (fax)

6. Is the business at this location currently licensed by OLCC? Yes No

7. If yes to whom: Type of License:

8. Former Business Name:

9. Will you have a manager? Yes No Name: Daniel Baltas

10. What is the local governing body where your business is located? Warrenton, OR

11. Contact person for this application: Daniel Baltas 5413246614
1632 Wailea CT dan@hshgc.net

I understand that if my answers are not true and complete, the OLCC may deny my license application.

Applicant(s) Signature(s) and Date:

- 1. [Signature] Date 1-16-17
2. Date

CITY OF WARRENTON FINANCE DEPT JAN 17 2017

RECEIVED WARRENTON, OR 97146

OREGON LIQUOR CONTROL COMMISSION
LIMITED LIABILITY COMPANY QUESTIONNAIRE



Please Print or Type

LLC Name: HSH Properties, LLC Year Filed: 2015

Trade Name (dba): Amy's Diner

Business Location Address: 1609 East Harbor Drive

City: Warrenton ZIP Code: 97146

List Members of LLC:

Percentage of Membership Interest:

1. Daniel A Baltes
(managing member)

49

2. Amy Lynn Baltes
(members)

51

3. _____

4. _____

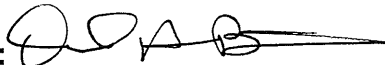
5. _____

6. _____

(Note: If any LLC member is another legal entity, that entity must also complete an LLC, Limited Partnership or Corporation Questionnaire. If the LLC has officers, please list them on a separate sheet of paper with their titles.)

Server Education Designee: Daniel A Baltes DOB: 06/29/1959

I understand that if my answers are not true and complete, the OLCC may deny my license application.

Signature:  manager Date: 1-16-17
(name) (title)



OREGON LIQUOR CONTROL COMMISSION INDIVIDUAL HISTORY

1. Trade Name Amy's Diner 2. City Warrenton
 3. Name Baltes Daniel Arthur
 (Last) (First) (Middle)
 4. Other names used (maiden, other) Daniel Arthur Elliott
 5. *SSN 518 - 78 - 3775 6. Place of Birth Idaho 7. DOB 06 / 29 / 1959 8. Sex M F
 (State or Country) (mm) (dd) (yyyy)

*SOCIAL SECURITY NUMBER DISCLOSURE: As part of your application for an initial or renewal license, Federal and State laws require you to provide your Social Security Number (SSN) to the Oregon Liquor Control Commission (OLCC) for child support enforcement purposes (42 USC § 666(a)(13) & ORS 25.785). If you are an applicant or licensee and fail to provide your SSN, the OLCC may refuse to process your application. Your SSN will be used only for child support enforcement purposes unless you sign below.

Based on our authority under ORS 471.311 and OAR 845-005-0312(6), we are requesting your voluntary consent to use your SSN for the following administrative purposes only: to match your license application to your Alcohol Server Education records (where applicable), and to ensure your identity for criminal records checks. OLCC will not deny you any rights, benefits or privileges otherwise provided by law if you do not consent to use of your SSN for these administrative purposes (5 USC§ 552(a). If you consent to these uses, please sign here:

Applicant Signature:

9. Driver License or State ID # A048281 10. State Oregon
 11. Residence Address 1632 Wailea Ct Medford Oregon 97504
 (number and street) (city) (state) (zip code)
 12. Mailing Address (if different) _____
 (number and street) (city) (state) (zip code)
 13. Contact Phone 541-324-6614 14. E-Mail address (optional) dan@hsh-gc.net

15. Do you have a spouse or domestic partner? Yes No
 If yes, list his/her full name: Amy Lynn Baltes

16. If yes to #15, will this person work at or be involved in the operation or management of the business?
 Yes No

17. List all states, other than Oregon, where you have lived during the past ten years:
Utah, Minnesota

18. In the past 12 years, have you been **convicted** ("convicted" includes paying a fine) in Oregon or any other state of driving a car with a suspended driver's license or driving a car with no insurance?
 Yes No Unsure If yes, list the date(s), or approximate dates, and type(s) of convictions.
 If unsure, explain. You may include the information on a separate sheet.

19. In the past 12 years, have you been **convicted** ("convicted" includes paying a fine) in Oregon or any other state of a misdemeanor or a felony? Yes No Unsure
 If yes, list the date(s), or approximate dates, and type(s) of convictions. If unsure, explain. You may include the information on a separate sheet.

20. Trade Name Amy's Diner 21. City Warrenton

22. Do you have any arrests or citations that have not been resolved? Yes No Unsure
If yes or unsure, explain here or include the information on a separate sheet.

23. Have you ever been in a drug or alcohol **diversion program** in Oregon or any other state? (A diversion program is where you are required, usually by the court or another government agency, to complete certain requirements in place of being convicted of a drug or alcohol-related offense.) Yes No Unsure
If yes, list the date(s), or approximate dates. If unsure, explain. You may include the information on a separate sheet.

24. Do you, or any legal entity that you are a part of, **currently hold** or **have previously held** a liquor license in Oregon or another US state? (Note: a service permit is not a liquor license.) Yes No Unsure
If yes, list the name(s) of the business, the city (or cities) and state (or states) where located, and the date(s) of the license(s). If unsure, explain. You may include the information on a separate sheet.

25. Have you, or any legal entity that you are a part of, ever had an application for a license, permit, or certificate **denied or cancelled** by the OLCC or any other governmental agency in the US?
 Yes No Unsure If yes, list the date(s), or approximate dates. If unsure, explain. You may include the information on a separate sheet.

Questions 26 and 27 apply if you, or any legal entity that you are part of, are applying for a Full On-Premises, Limited On-Premises, Off-Premises, or Brewery-Public House license. If you are not applying for one of those licenses, mark "N/A" on Questions 26 & 27.

26. Do you have any ownership interest in any other business that makes, wholesales, or distributes alcohol? N/A Yes No Unsure If yes, list the date(s), or approximate dates. If unsure, explain. You may include the information on a separate sheet.

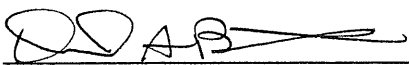
27. Does, or will, a maker, wholesaler, or distributor of alcohol have any ownership interest in your business?
 N/A Yes No Unsure If yes or unsure, explain:

Question 28 applies if you, or any legal entity that you are part of, are applying for a Brewery, Brewery-Public House, Distillery, Grower Sales Privilege, Warehouse, Wholesale Malt Beverage & Wine, or Winery license. If you are not applying for one of those licenses, mark "N/A" on Question 28.

28. Do you, or any legal entity that you are part of, have any ownership interest in any other business that sells alcohol at retail in Oregon? N/A Yes No Unsure If yes or unsure, explain:

You must sign your own form (you can't have your attorney or a person with power of attorney sign your form).

I affirm that my answers are true and complete. I understand the OLCC will use the above information to check my records, including but not limited to, criminal history. I understand that if my answers are not true and complete, the OLCC may deny my license application.

Applicant Signature:  Date: 11-6-17



OREGON LIQUOR CONTROL COMMISSION
INDIVIDUAL HISTORY

1. Trade Name Amy's Diner 2. City Warrenton


3. Name Baltes Amy Lynn
 (Last) (First) (Middle)

4. Other names used (maiden, other) n/a

5. *SSN 471 - 04 - 8947 6. Place of Birth Minnesota 7. DOB 10 / 01 / 1983 8. Sex M F
 (State or Country) (mm) (dd) (yyyy)

*SOCIAL SECURITY NUMBER DISCLOSURE: As part of your application for an initial or renewal license, Federal and State laws require you to provide your Social Security Number (SSN) to the Oregon Liquor Control Commission (OLCC) for child support enforcement purposes (42 USC § 666(a)(13) & ORS 25.785). If you are an applicant or licensee and fail to provide your SSN, the OLCC may refuse to process your application. Your SSN will be used only for child support enforcement purposes unless you sign below.

Based on our authority under ORS 471.311 and OAR 845-005-0312(6), we are requesting your voluntary consent to use your SSN for the following administrative purposes only: to match your license application to your Alcohol Server Education records (where applicable), and to ensure your identity for criminal records checks. OLCC will not deny you any rights, benefits or privileges otherwise provided by law if you do not consent to use of your SSN for these administrative purposes (5 USC § 552(a). If you consent to these uses, please sign here:

Applicant Signature: 

9. Driver License or State ID # A048278 10. State Oregon

11. Residence Address 1632 Wailea Ct Medford Oregon 97504
 (number and street) (city) (state) (zip code)

12. Mailing Address (if different) _____
 (number and street) (city) (state) (zip code)

13. Contact Phone 541-324-6614 14. E-Mail address (optional) dan@hsh-gc.net

15. Do you have a spouse or domestic partner? Yes No
 If yes, list his/her full name: Daniel Arthur Baltes

16. If yes to #15, will this person work at or be involved in the operation or management of the business?
 Yes No

17. List all states, other than Oregon, where you have lived during the past ten years:
Utah, Minnesota

18. In the past 12 years, have you been **convicted** ("convicted" includes paying a fine) in Oregon or any other state of driving a car with a suspended driver's license or driving a car with no insurance?
 Yes No Unsure If yes, list the date(s), or approximate dates, and type(s) of convictions.
 If unsure, explain. You may include the information on a separate sheet.

19. In the past 12 years, have you been **convicted** ("convicted" includes paying a fine) in Oregon or any other state of a misdemeanor or a felony? Yes No Unsure
 If yes, list the date(s), or approximate dates, and type(s) of convictions. If unsure, explain. You may include the information on a separate sheet.

20. Trade Name Amy's Diner 21. City Warrenton

22. Do you have any arrests or citations that have not been resolved? Yes No Unsure
If yes or unsure, explain here or include the information on a separate sheet.

23. Have you ever been in a drug or alcohol **diversion program** in Oregon or any other state? (A diversion program is where you are required, usually by the court or another government agency, to complete certain requirements in place of being convicted of a drug or alcohol-related offense.) Yes No Unsure
If yes, list the date(s), or approximate dates. If unsure, explain. You may include the information on a separate sheet.

24. Do you, or any legal entity that you are a part of, **currently hold** or **have previously held** a liquor license in Oregon or another US state? (Note: a service permit is not a liquor license.) Yes No Unsure
If yes, list the name(s) of the business, the city (or cities) and state (or states) where located, and the date(s) of the license(s). If unsure, explain. You may include the information on a separate sheet.

25. Have you, or any legal entity that you are a part of, ever had an application for a license, permit, or certificate **denied or cancelled** by the OLCC or any other governmental agency in the US?
 Yes No Unsure If yes, list the date(s), or approximate dates. If unsure, explain. You may include the information on a separate sheet.

Questions 26 and 27 apply if you, or any legal entity that you are part of, are applying for a Full On-Premises, Limited On-Premises, Off-Premises, or Brewery-Public House license. If you are not applying for one of those licenses, mark "N/A" on Questions 26 & 27.

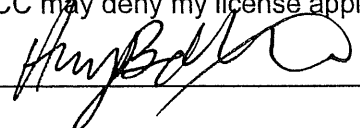
26. Do you have any ownership interest in any other business that makes, wholesales, or distributes alcohol? N/A Yes No Unsure If yes, list the date(s), or approximate dates. If unsure, explain. You may include the information on a separate sheet.

27. Does, or will, a maker, wholesaler, or distributor of alcohol have any ownership interest in your business?
 N/A Yes No Unsure If yes or unsure, explain:

Question 28 applies if you, or any legal entity that you are part of, are applying for a Brewery, Brewery-Public House, Distillery, Grower Sales Privilege, Warehouse, Wholesale Malt Beverage & Wine, or Winery license. If you are not applying for one of those licenses, mark "N/A" on Question 28.

28. Do you, or any legal entity that you are part of, have any ownership interest in any other business that sells alcohol at retail in Oregon? N/A Yes No Unsure If yes or unsure, explain:

You must sign your own form (you can't have your attorney or a person with power of attorney sign your form).
I affirm that my answers are true and complete. I understand the OLCC will use the above information to check my records, including but not limited to, criminal history. I understand that if my answers are not true and complete, the OLCC may deny my license application.

Applicant Signature:  Date: _____



STATEMENT OF FUNDING SOURCES

Please Print or Type

Each person who invests money in this licensed business must complete this form which will become a part of the permanent file. The information must be printed legibly in ink or typed.

New outlet, change of ownership, change of location

Not including amounts you will owe on contract, what is the approximate total amount you will put into this business to buy or start it up? (For example: advance rent payment, down payments on contracts, buying inventory, remodeling, city and licensing fees, purchasing stock in a corporation or membership interest in an LLC.)

Total \$

OR

Change to existing license (greater privilege, additional privilege, change in legal entity, extension of premises, remodel)

What is the approximate total amount you will put into making the change you are requesting? (For example: buying inventory, remodeling, city and licensing fees, purchasing stock in a corporation or membership interest in an LLC.)

Total \$

Identify where you got your investment money. List the full name of the bank, lender, or person who loaned or gave you money. The total in this section should be equal to, or more than, the total amount listed above.

HSH General Contractors, LLC

\$

Daniel Baltes

\$

Amy L. Baltes

\$

\$

Sworn Statement: I swear the above information is true, accurate and complete. I understand that the OLCC may require me to give proof of the above information and that if the information is not true, accurate or complete the OLCC may prosecute me criminally for False Swearing under ORS 162.075. The OLCC may also refuse to grant my license application or if the license is granted may act to revoke my license based on a false sworn statement.

Trade Name (d.b.a.) Amy's Diner

Warrenton

City _____

Printed Name Daniel A. Baltes

Signature

Date 1-16-17



OREGON LIQUOR CONTROL COMMISSION
WRITTEN PROPOSAL FOR A FULL ON-PREMISES SALES
LICENSE COMMERCIAL ESTABLISHMENT

Please Print or Type

Trade Name (dba): Amy's Diner

City: Warrenton

I will offer at least five different meals during my regular meal period. My regular meal period must last at least 3 hours if my business is open past 5 PM, and must last at least 2 hours if my business is not open after 5 PM.

My regular meal period will be from 7A to 7A. 24 hours
(start time) (end time)

My menu for this regular meal period is attached

At all other times I will make at least five different substantial food items available in all areas where alcohol service is available. Substantial food items are food items that are typically served as a main course or entrée. Some examples include but are not limited to fish, steak, chicken, pasta, pizza, sandwiches, dinner salads, hot dogs, soup and sausages.

My menu of substantial food items is attached; or

My entire menu is available during all hours that alcohol service is available.

During my required meal period, I will have at least 70 (number) indoor dining seats at tables or food counters. This seating will be in areas of the licensed premises regularly open to the general public. (Note: Seats at counters in entertainment areas, seats at bars, and seats in outdoor areas do not qualify as dining seating.)

I have attached a floor plan showing the seats at tables, counters and bars in indoor and outdoor areas where alcoholic beverages will be sold, served, or consumed at my business. I understand that I must make food available to patrons in all areas where alcohol service is available.

I understand that discouraging food service is a violation of OAR 845-006-0466. Examples of discouraging food service include not taking, preparing, or delivering a food order in a timely manner; over-pricing food for the clientele of my business; offering or serving unpalatable food; failing to provide required food service; and failing to provide a food service menu in a timely manner when requested by the patron.

I understand that if my answers are not true and complete, the OLCC may deny my license application.

Signature: 

Date: 1-16-17

RESTAURANT LEASE AGREEMENT
SHILO INN, WARRENTON

THIS RESTAURANT LEASE AGREEMENT (this “Lease”) is dated January __, 2017, by and between Shilo Inn, Warrenton, LLC, an Oregon limited liability company (the “Landlord”) and HSH Properties, LLC, an Oregon limited liability company d/b/a Amy’s Diner (the “Tenant”).

RECITALS

A. Landlord is the owner of the land and improvements (collectively, the “Property”) as described on Exhibit A hereto and incorporated herein by this reference. Landlord owns and operates a Shilo Inn Hotel (the “Hotel”) on the Property.

B. Tenant desires to Lease from Landlord the restaurant located in a separate building adjacent to the Hotel (the “Premises”). The building on the Premises is also sometimes referred to herein as the “Restaurant Building” or “Restaurant”. The Premises are depicted on Exhibit B attached hereto and incorporated herein by this reference. The Premises has a separate address: 1605 E. Harbor St, Warrenton, OR 97146.

THE PARTIES AGREE AS FOLLOWS:

1. Premises.

1.1. Lease of Premises. In consideration of the payment of Rent and the performance of the covenants and agreements hereinafter set forth, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises, together with and subject to all conditions, restrictions, obligations, rights, privileges, easements and appurtenances thereto or any other easement(s), use or restriction agreements for the Premises as have been or are hereafter executed by Landlord, including all amendments thereto, which cover the Premises. By and upon taking possession of the Premises, Tenant agrees that the Premises are in good order and satisfactory condition, and accepts the Premises in its as-is condition as of the Commencement Date (as defined below), and except as may be otherwise expressly provided herein, Landlord shall not be obligated to make any repairs or alterations to the Premises. Tenant acknowledges that Landlord has made no representation or warranty as to the suitability of the Premises for the conduct of Tenant’s business, and Tenant waives any implied warranty that the Premises are suitable for Tenant’s intended purposes.

1.2. Parking Areas. Tenant shall have, at all times, the non-exclusive right, together with its employees, customers and invitees, to the reasonable use of the parking area and driveway appurtenant thereto, for purposes of egress, ingress, parking of motor vehicles for Tenant, its customers, invitees and employees, and the loading and unloading of vehicles in connection with and incidental to the business conducted by Tenant on the Premises, all without charge. Tenant’s employees shall be subject to the same rules as the Hotel’s employees with respect to limitations on use of the parking areas, or other rules promulgated by Landlord with respect to employee parking. Landlord may place reasonable restrictions upon the times and places delivery and other service vehicles may utilize the parking and loading docks or loading areas, if any. Landlord retains the right to reserve some parking spaces for guest check-in. Landlord reserves the right to require Tenant to use signage to direct restaurant customers to a specific area of the parking lot during times of peak business so as to keep more of the parking near the Hotel for hotel guests.

2. Term.

2.1. Primary Term. The primary term (the “Primary Term”) of the Lease shall be for ten (10) years, commencing on February 1, 2017 (the “Commencement Date”) and ending 11:59 p.m. (Portland, Oregon time) on January 31, 2027. Notwithstanding, the foregoing, Landlord and Tenant may agree on an



OREGON LIQUOR CONTROL COMMISSION BUSINESS INFORMATION

Please Print or Type

Applicant Name: Daniel A Beltes Phone: 541-324-6614

Trade Name (dba): Amy's Diner

Business Location Address: 1605 E Harbor

City: Warrenton ZIP Code: 97146

DAYS AND HOURS OF OPERATION

Business Hours:

Sunday 7A to 7A
 Monday 7A to 7A
 Tuesday 7A to 7A
 Wednesday 7A to 7A
 Thursday 7A to 7A
 Friday 7A to 7A
 Saturday 7A to 7A

24 hour operation

Outdoor Area Hours:

Sunday _____ to _____
 Monday _____ to _____
 Tuesday _____ to _____
 Wednesday _____ to _____
 Thursday _____ to _____
 Friday _____ to _____
 Saturday _____ to _____

The outdoor area is used for:

- Food service Hours: _____ to _____
 Alcohol service Hours: _____ to _____
 Enclosed, how _____

The exterior area is adequately viewed and/or supervised by Service Permittees.

(Investigator's Initials)

Seasonal Variations: Yes No If yes, explain: _____

ENTERTAINMENT

Check all that apply:

- Live Music Karaoke
 Recorded Music Coin-operated Games
 DJ Music Video Lottery Machines
 Dancing Social Gaming
 Nude Entertainers Pool Tables
 Other: _____

DAYS & HOURS OF LIVE OR DJ MUSIC

Sunday _____ to _____
 Monday _____ to _____
 Tuesday _____ to _____
 Wednesday _____ to _____
 Thursday _____ to _____
 Friday _____ to _____
 Saturday _____ to _____

SEATING COUNT

Restaurant: 24 Outdoor: _____
 Lounge: 20 Other (explain): _____
 Banquet: _____ Total Seating: 94

OLCC USE ONLY	
Investigator Verified Seating: _____(Y) _____(N)	
Investigator Initials: _____	
Date: _____	

I understand if my answers are not true and complete, the OLCC may deny my license application.

Applicant Signature: [Signature] Date: 1-16-17

1-800-452-OLCC (6522)

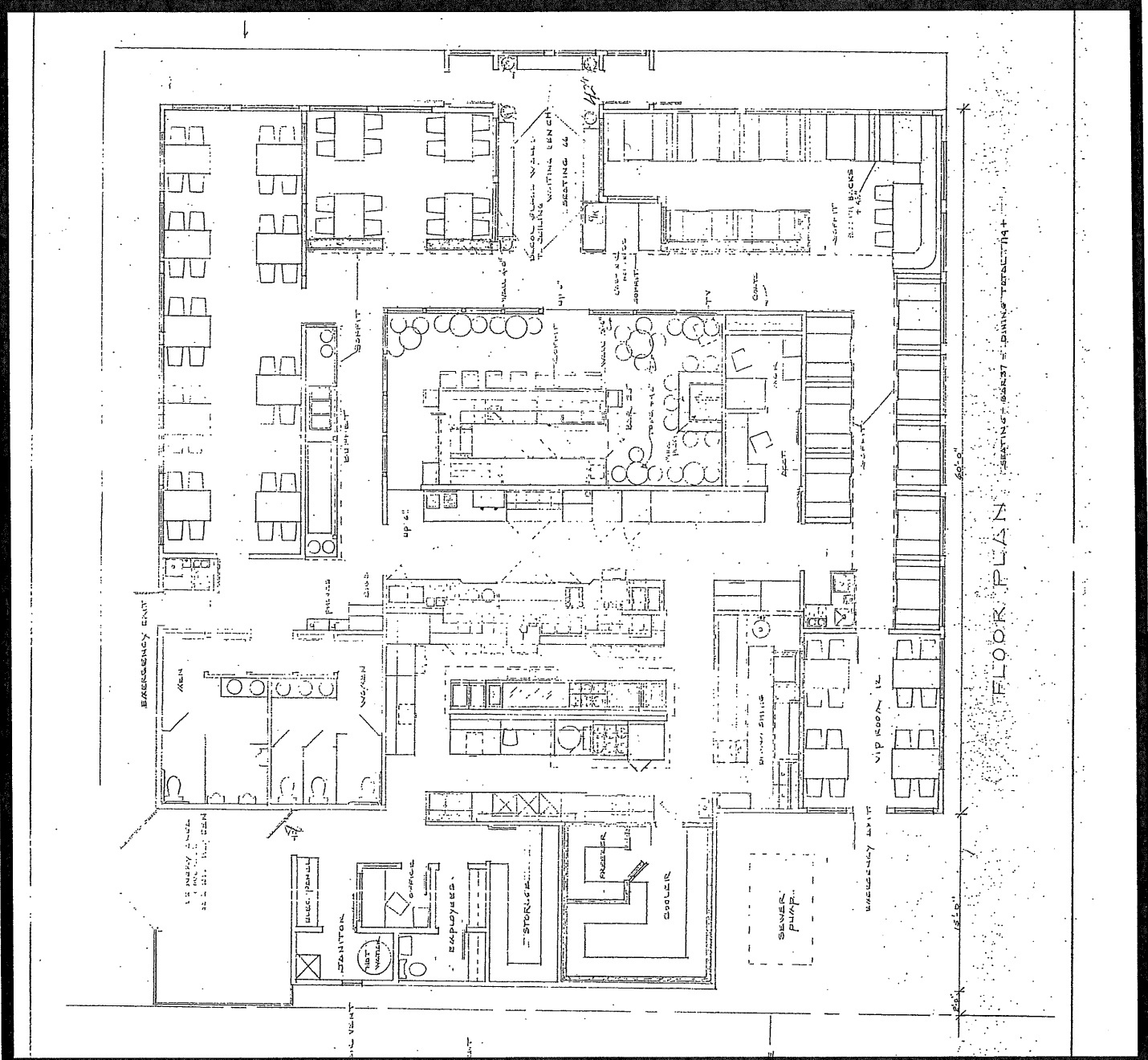
www.oregon.gov/olcc

(rev. 12/07)



FLOOR PLAN

- **Your floor plan must be submitted on this form.**
- Use a separate Floor Plan Form for each level or floor of the building.
- The floor plan(s) must show the specific areas of your premises (e.g. dining area, bar, lounge, dance floor, video lottery room, kitchen, restrooms, outside patio and sidewalk cafe areas.)
- Include all tables and chairs (see example on back of this form). Include dimensions for each table if you are applying for a Full On-Premises Sales license.



Applicant Name _____

Trade Name (dba): _____

City and ZIP Code _____

.....OLCC USE ONLY.....
 MINOR POSTING ASSIGNMENT(S)
 Date: _____ Initials: _____

Cashier: jbarrett

City of Warrenton
225 S. Main Avenue
P.O. Box 250
Warrenton, OR 97146

Customer Receipt

Rcpt No: 08710484

Date: 01/17/2017

Time: 14:01

Customer No: 116578

Name: AMY'S DINER,
Address: 1632 WAILEA COURT

MEDFORD, OR 97104

Accounts Paid:

CR 25.00

LIQ
LIQUOR LICENSE FEES 25.00

Amount Paid: 25.00
Check Amount: 0.00
Check No:
Cash Paid: 25.00

Thank you for your payment.

General Ledger Accounts:

001-000-321100
LIQUOR LICENSE FEES 25.00

5-D



WARRENTON POLICE DEPARTMENT

DECEMBER 2016 STATISTICS

JANUARY 24, 2017



News & Events:

- The first police officer candidate was given a conditional offer of employment but after discussing it with his wife and crunching the financial numbers he declined. The second candidate was given a conditional offer and has accepted. He is currently completing the documents necessary, the medical physical, drug screen, and we will begin his thorough background investigation soon.
- The WPD's Clatsop Community College Work Experience student has started and has been riding with officers, observing court, and will be experiencing other facets the department through March.
- Newly certified Firearms Instructor Officer Matthew Riley was able to do his first officer qualification course when he instructed the make-up shoot for officers who could not make the previous shoot.
- Chief Workman attended a Clatsop County Law Enforcement Administrator's meeting on January 11th at the Uptown Café. Several topics were discussed as well as introductions to the newest OSP Captain for the region and to an OSP detective for the region.
- Chief Workman attended the Clatsop Community College Criminal Justice Advisory Committee meeting on January 13th. CCC is in the process of getting their Criminal Justice program fully implemented again and the advisory committee offered several suggestions for curriculum and in other facets of the program.

December Statistics (% changes are compared to 2016)							
Category	2016	2015	% Chg	2014	% Chg	2013	% Chg
Calls for Service	622	709	-12%	671	-7%	797	-22%
Incident Reports	143	163	-12%	124	15%	91	57%
Arrests/Citations	85	81	5%	98	-13%	42	102%
Traffic Events	157	221	-29%	208	-25%	100	57%
DUII Calls	5	4	25%	1	400%	2	150%
Traffic Accidents	24	30	-20%	22	9%	31	-23%
Property Crimes	65	60	8%	53	23%	117	-44%
Disturbances	84	61	38%	46	83%	116	-28%
Drug/Narcotics Calls	8	8	0%	2	300%	1	700%
Animal Complaints	13	18	-28%	14	-7%	17	-24%
Officer O.T.	314	93.75	235%	76.75	309%	87.5	259%
Reserve Hours	46.5	57	-18%	59.5	-22%	25	86%

Category	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Calls for Service	637	647	716	685	737	696	763	690	691
Incident Reports	124	125	143	132	160	166	173	146	161
Arrests/Citations	64	69	111	88	113	83	90	63	84
Traffic Events	254	231	260	279	249	179	175	158	199
DUII Calls	2	3	5	2	7	3	2	1	4
Traffic Accidents	16	15	13	24	21	14	18	23	17
Property Crimes	46	68	92	39	58	92	130	78	56
Disturbances	66	58	73	62	76	62	93	76	72
Drug/Narcotics Calls	8	4	6	3	8	4	4	5	9
Animal Complaints	19	18	27	30	29	29	27	40	27
Officer O.T.	148.25	236.75	107.5	45	55.75	57	124.75	137	135
Reserve Hours	30	82	57	125	65	55.5	34	35	32

Oct	Nov	Dec	2016 YTD	2016 Estimate	2015	2016 v 2015	2014	2016 v. 2014	2013	2016 v. 2013
557	541	622	7982	7982	8239	-3%	8317	-4%	7132	12%
133	133	143	1739	1739	1749	-1%	1515	15%	1364	27%
50	61	85	961	961	925	4%	994	-3%	841	14%
122	144	157	2407	2407	2353	2%	2220	8%	2075	16%
1	2	5	37	37	15	147%	14	164%	33	12%
13	21	24	219	219	291	-25%	408	-46%	498	-56%
64	62	65	850	850	805	6%	1374	-38%	1312	-35%
81	52	84	855	855	781	9%	1359	-37%	1372	-38%
10	4	8	73	73	42	74%	80	-9%	69	6%
20	15	13	294	294	311	-5%	318	-8%	329	-11%
160.5	267.5	314	1789	1789	1249	43%	997.5	79%	999	79%
8	7	46.5	577	577	901.75	-36%	804.75	-28%	1016	-43%

The following is a graphic representation of statistics for December 2016 using our CrimeReports.com membership. If you go to the website you can zoom in on each incident for more details.

Violent

- Assault
- Assault with Deadly Weapon
- Homicide
- Kidnapping
- Robbery
- Other Sexual Offense
- Sexual Assault
- Sexual Offense

Property

- Breaking & Entering
- Property Crime
- Property Crime Commercial
- Property Crime Residential
- Theft
- Theft from Vehicle
- Theft of Vehicle

Quality Of Life

- Disorder
- Quality of Life
- Drugs
- Liquor

911 & Other

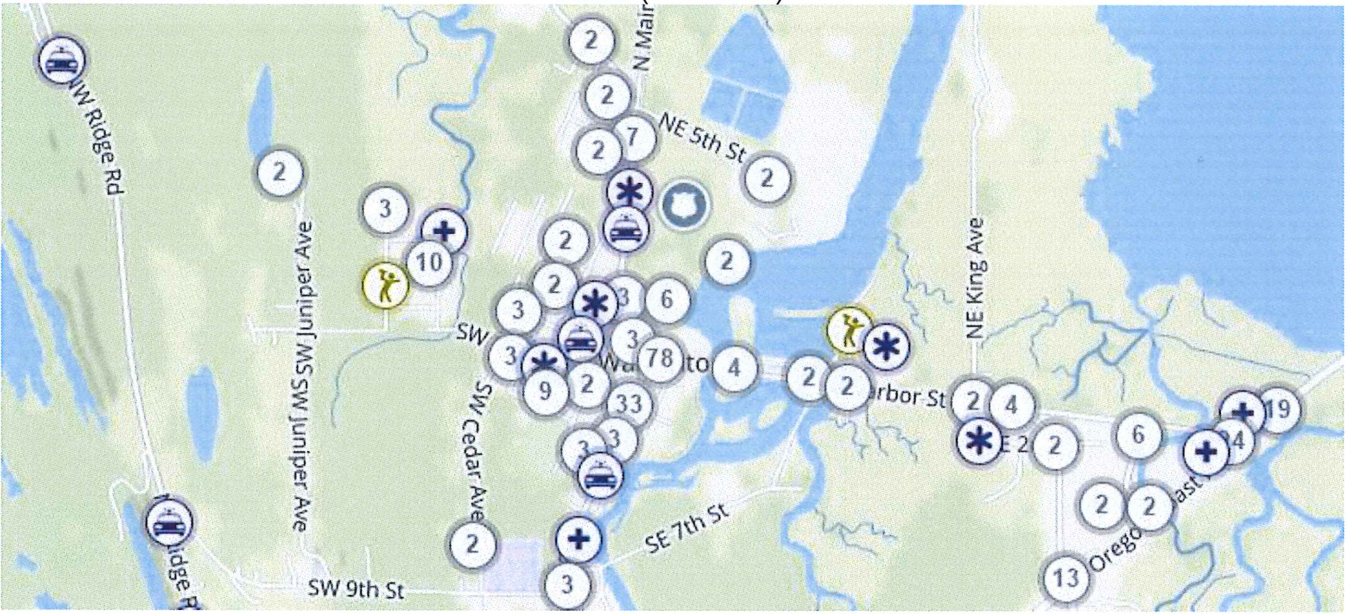
- Alarm
- Arson
- Death
- Family Offense
- Missing Person
- Other
- Pedestrian Stop
- Vehicle Recovery

Vehicle Stop

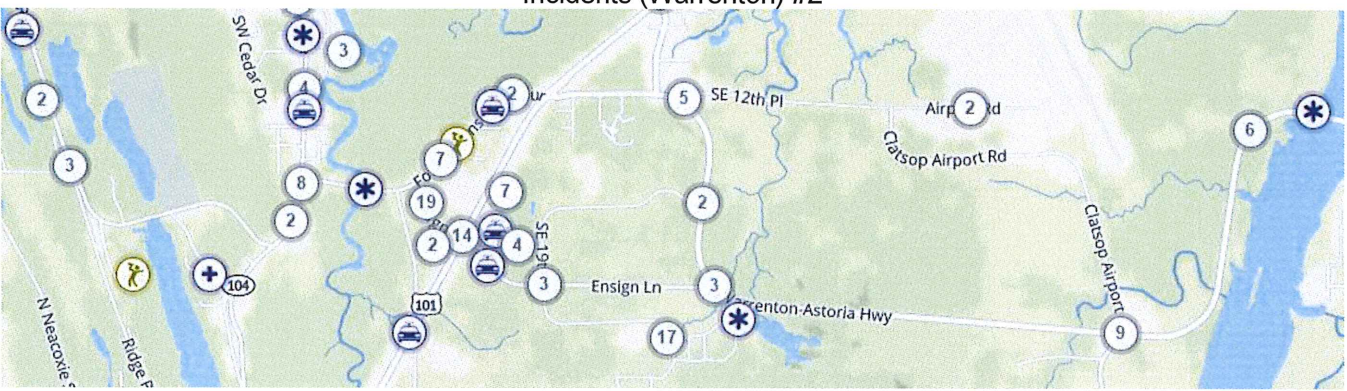
- Weapons Offense
- Community Policing
- Proactive Policing
- Emergency
- Fire
- Traffic



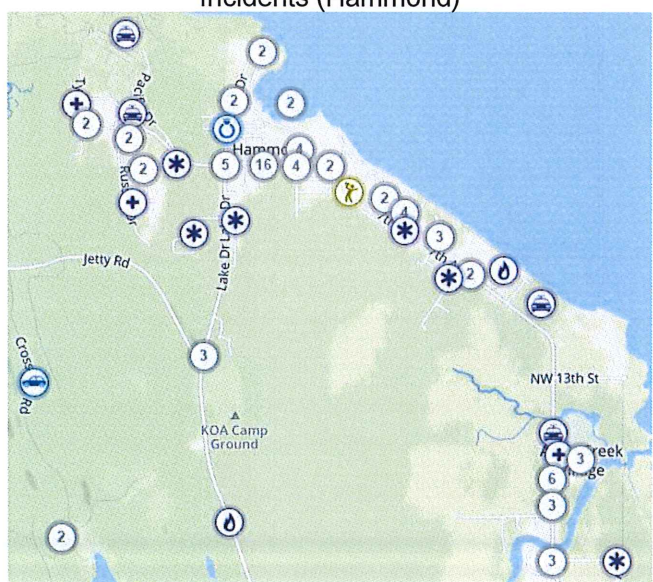
Incidents (Warrenton) #1



Incidents (Warrenton) #2



Incidents (Hammond)





WARRENTON POLICE DEPARTMENT
2016 STATISTICS REVIEW
JANUARY 24, 2017



The following is a 4-year statistical comparison for the WPD.

Some statistics of note are as follows:

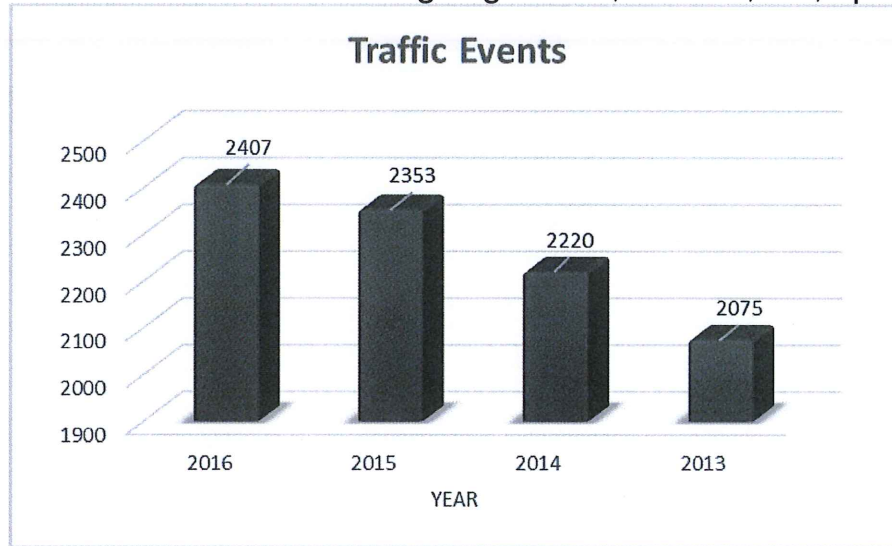
- Calls for service were at the 7,982 mark with a 3% decrease over 2015.



- Incident reports decreased 1% from 1,749 to 1,739.

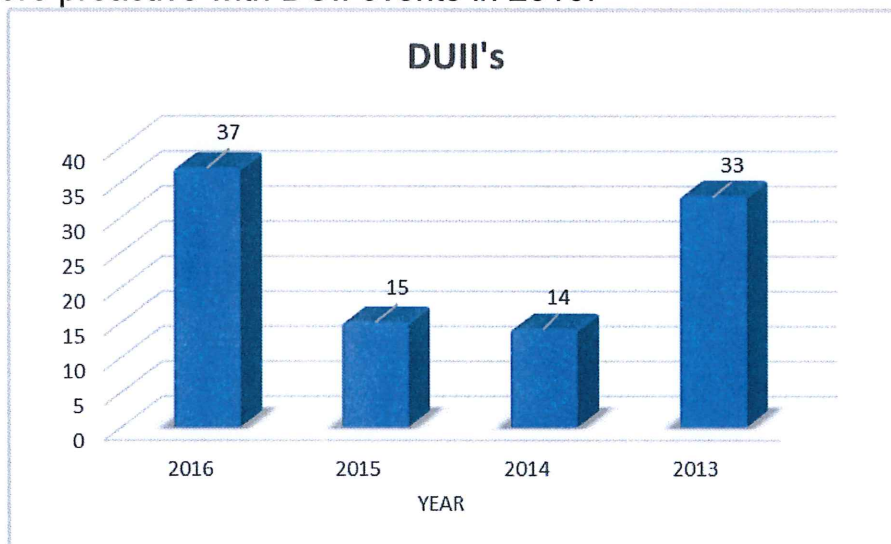


- Traffic Events continued to increase going from 2,353 to 2,407, up 4%.

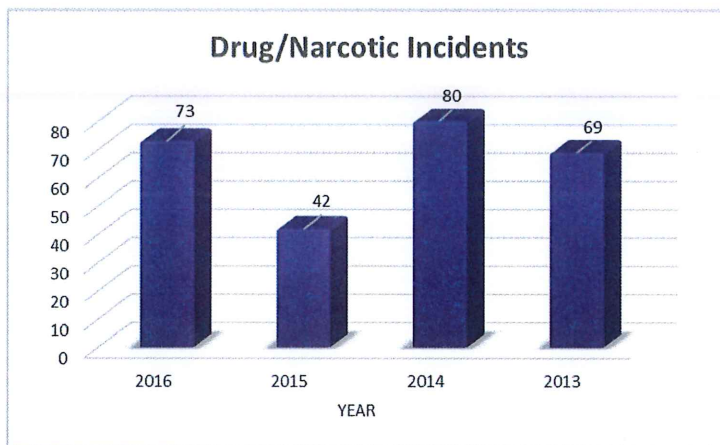


Last year we added two officers and made a commitment to be more proactive. For around half of the year we were at full-staffing levels and followed through on this commitment. Though we have been short-staffed the remainder of the year we continued with the commitment to be more proactive and the statistics showed that though we can still do more, especially in the areas of DUII's and Drugs. We plan to continue this proactive commitment into 2017 but we need to get our manpower issues remedied and even increase our manpower to prepare for the continues growth in the community.

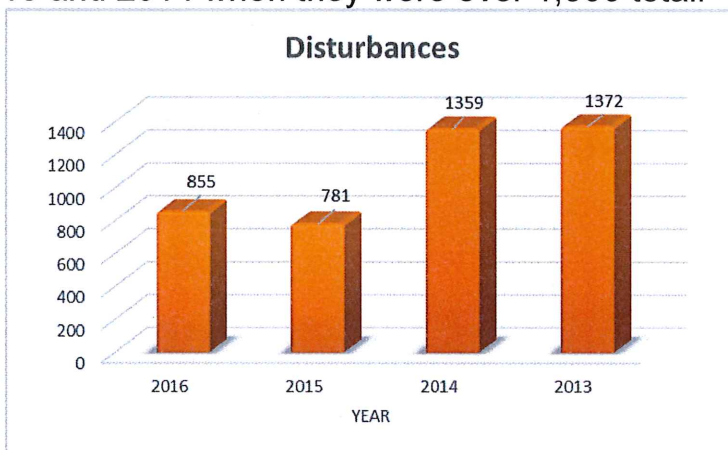
- DUII events increased from 15 to 37, up 147%... Officers followed through on being more proactive with DUII events in 2016.



- Drug/Narcotics Incidents were up 74% going from 42 to 73... Officers continued their commitment to be more proactive in 2016 and beyond.



- Disturbances increased last year by 9% (781 to 855) but still were substantially lower than 2013 and 2014 when they were over 1,300 total.



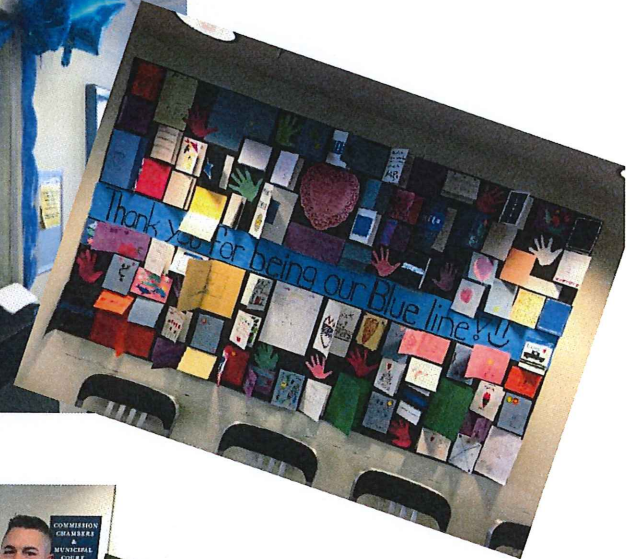
- Property Crimes were up slightly by 6% (805 to 850).



Over all statistics saw the following increases:

- **0.69% increase** in 2016 over 2015
- **3.65% decrease** in 2016 over 2014
- **4.36% increase** in 2016 over 2013

Here are some photos taken in 2016 from two different recognition ceremonies at City Hall and some examples of the items received during Police Recognition Week.



GA

"Making a difference through excellence of service"



CITY OF WARRENTON

Finance Department Agenda Memorandum

To: The Honorable Mayor and Members of the Warrenton City Commission
From: April Clark
Finance Director
Date: January 24, 2017

Regarding – Audit for Fiscal Year Ending June 30, 2016

The financial Statements, for the City of Warrenton, for the period ending June 30, 2016 are attached.

Our auditor, Paul Nielson, of Isler, CPA will be here this evening to present the financial statements and the results of the audit.

Approved by City Manager:

Linda Engstrom

All supporting documentation, i.e., maps, exhibits, etc., must be attached to this memorandum.

"Making a difference through excellence of service"



CITY OF WARRENTON

FINANCIAL STATEMENTS AND SUPPLEMENTAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2016

WITH

INDEPENDENT AUDITOR'S REPORT

CITY OF WARRENTON, OREGON
FINANCIAL STATEMENTS AND SUPPLEMENTAL
INFORMATION
FOR THE YEAR ENDED JUNE 30, 2016
WITH
INDEPENDENT AUDITOR'S REPORT

CITY OF WARRENTON, OREGON
 Financial Statements and Supplemental Information
 For the Year Ended June 30, 2016

Table of Contents

INTRODUCTORY SECTION

List of Elected and Appointed Officials	i
---	---

FINANCIAL SECTION

Independent Auditor's Report	1 - 2
Management's Discussion and Analysis	3 - 16
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	17
Statement of Activities	18 - 19
Fund Financial Statements:	
Balance Sheet - Governmental Funds	20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	21
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	23
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:	
General Fund	24
State Tax Street Fund	25
Warrenton Urban Renewal Capital Projects Fund	26
Statement of Net Position - Proprietary Funds	27
Reconciliation of the Statement of Net Position of Enterprise Funds to the Statement of Net Position	28
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	29
Reconciliation of the Statement of Revenues, Expenses, and Changes in Net Position of Enterprise Funds to the Statement of Activities	29
Statement of Cash Flows - Proprietary Funds	30 - 31
Notes to the Financial Statements	32 - 55
Required Supplementary Information:	
Schedule of the Proportionate Share of the Net Pension Liability	56
Schedule of Pension Contributions	56
Notes to Required Supplementary Information	56
Combining and Individual Fund Statements and Schedules:	
Nonmajor Governmental Funds:	
Combining Balance Sheet	57
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	58
Nonmajor Special Revenue Funds:	
Combining Balance Sheet	59 - 60
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	61 - 62
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:	
Community Center Fund	63
Warrenton Business Association Fund	64
Grant Fund	65

CITY OF WARRENTON, OREGON
 Financial Statements and Supplemental Information
 For the Year Ended June 30, 2016

Table of Contents, Continued

FINANCIAL SECTION, Continued

Combining and Individual Fund Statements and Schedules, Continued:

Nonmajor Governmental Funds, Continued:

Nonmajor Special Revenue Funds, Continued:

Library Fund	66
Building Department Fund	67
Transient Room Tax Fund	68
Quincy Robinson Park Trust Fund	69

Nonmajor Debt Service Funds:

Combining Balance Sheet	70
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	71
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:	
Public Safety Building GO Bond Fund	72
Wastewater Treatment GO Bond Fund	73
Warrenton Urban Renewal Agency Debt Service Fund	74
Warrenton Urban Renewal Agency Debt Reserve Fund	75

Nonmajor Capital Projects Funds:

Combining Balance Sheet	76 - 77
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	78 - 79
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual:	
Parks System Development Charges Fund	80
Community Center Capital Reserve Fund	81
Facilities Maintenance Fund	82
Streets System Development Charges Fund	83
Police Vehicle Replacement Fund	84
Fire Apparatus Replacement Fund	85
Tansy Point Dock Capital Reserve Fund	86

Enterprise Funds:

Water Enterprise:

Combining Statement of Net Position	87
Combining Statement of Revenues, Expenses, and Changes in Net Position	88
Combining Statement of Cash Flows	89 - 90

Sewer Enterprise:

Combining Statement of Net Position	91
Combining Statement of Revenues, Expenses, and Changes in Net Position	92
Combining Statement of Cash Flows	93 - 94

Sanitation Enterprise:

Combining Statement of Net Position	95
Combining Statement of Revenues, Expenses, and Changes in Net Position	96
Combining Statement of Cash Flows	97 - 98

Nonmajor Enterprise Funds:

Combining Statement of Net Position	99
Combining Statement of Revenues, Expenses, and Changes in Net Position	100
Combining Statement of Cash Flows	101 - 102

CITY OF WARRENTON, OREGON
Financial Statements and Supplemental Information
For the Year Ended June 30, 2016

Table of Contents, Continued

FINANCIAL SECTION, Continued

Combining and Individual Fund Statements and Schedules, Continued:

Enterprise Funds, Continued:

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:

Water Fund	103
Water Systems Development Fund	104
Water Capital Reserve Fund	105
Sewer Fund	106
Sewer Systems Development Fund	107
Sewer Capital Reserve Fund	108
Storm Sewer Fund	109
Storm Sewer System Development Charges Fund	110
Sanitation Fund	111
Sanitation Capital Reserve Fund	112
Warrenton Marina Fund	113
Warrenton Marina Capital Reserve Fund	114
Hammond Marina Fund	115
Hammond Marina Capital Reserve Fund	116

Internal Service Fund:

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:

Engineering Internal Service Fund	117
-----------------------------------	-----

COMPLIANCE SECTION

Comments and Disclosures of Independent Auditor Required by State Statute

118 - 119

Table of Contents - Continued

FINANCIAL SECTION, Continued

Combining and Individual Fund Statements and Schedule, Continued
Interfund Funds, Continued

Schedule of Revenues, Expenses, and Changes in Fund Balance - Budget and Actual

- 100
- 101
- 102
- 103
- 104
- 105
- 106
- 107
- 108
- 109
- 110
- 111
- 112
- 113
- 114
- 115
- 116

"Making a difference through excellence of service"



CITY OF WARRENTON

Financial Report

Schedule of Revenues, Expenses, and Changes in Fund Balance - Budget and Actual
Combining and Individual Fund

117

COMPLIANCE SECTION

Compliance with the provisions of the Governmental Accounting Standards Board (GASB) 34

118-119

INTRODUCTORY SECTION

"Making a difference through excellence of service"



CITY OF WARRENTON

CITY OF WARRENTON, OREGON

List of Elected and Appointed Officials

June 30, 2016

ELECTED OFFICIALS - CITY COMMISSION

Mayor	Mark Kujala
Position No. 1	Pam Ackley
Position No. 2	Henry Balensifer III, Mayor Pro-tem
Position No. 3	Tom M. Dyer
Position No. 4	Rick Newton

APPOINTED OFFICIALS

City Manager Pro Tem	Linda Engbretson
City Recorder	Linda Engbretson
City Attorney	Harold Snow

Mailing Address

PO Box 250
Warrenton, Oregon 97146

ELECTED OFFICIALS - CITY COMMISSION

Mayor	Mark Kops
Commissioner No. 1	Paul Kelley
Commissioner No. 2	Henry Bester III, Mayor Pro-Tem
Commissioner No. 3	Tom M. Lyle
Commissioner No. 4	Karen W. ...

"Making a difference through excellence of service"



CITY OF WARRENTON

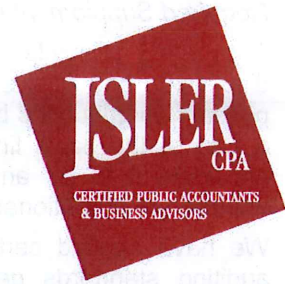
City Manager: Tom ...
City Recorder: ...
City Attorney: ...

FINANCIAL SECTION

"Making a difference through excellence of service"



CITY OF WARRENTON



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Commission
City of Warrenton, Oregon
Warrenton, Oregon

An Independently Owned Member
McGLADREY ALLIANCE



Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Warrenton, Oregon ("City") as of and for the year ended June 30, 2016, 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 accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Warrenton, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the major governmental funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of the net pension liability, and the schedule of pension contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual fund financial statements and other supplemental information are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and other supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Report on Other Legal and Regulatory Requirements

In accordance with the Minimum Standards of Audits of Oregon Municipal Corporations, we have issued our report dated December 21, 2016 on our consideration of the City of Warrenton'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.

Isler CPA

By:



Paul R Nielson, CPA, a member of the firm

Eugene, Oregon
December 21, 2016

"Making a difference through excellence of service"



CITY OF WARRENTON

Management's Discussion and Analysis

As management of the City of Warrenton, Oregon, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our annual financial report.

Financial Highlights

- The City's total assets and deferred outflows at June 30, 2016 were \$53,672,841.
- The City's total liabilities and deferred inflows at June 30, 2016 were \$18,752,193.
- The net position of the City at June 30, 2016 was \$34,920,648. Of this amount, \$1,377,739 represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- At June 30, 2016, the City's governmental funds reported combined ending fund balances of \$6,254,941.
- At the end of the fiscal year, the City's total combined governmental funds had a restricted fund balance of \$3,751,381, a committed fund balance of \$154,686, an assigned fund balance of \$270,224, and an unassigned fund balance of \$1,269,406.
- The General Fund's unassigned fund balance is \$1,269,406 at the end of the current fiscal year, or 33.2% of General Fund expenditures and transfers out.

Overview of Financial Statements

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

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

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

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave). Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The governmental activities of the City include the following:

- General government
- Fire and emergency medical services
- Police
- Planning and development
- Library and culture
- Public works

The business-type activities of the City include the following:

- Water utility
- Sewer utility
- Sanitation utility
- Marinas

The government-wide financial statements can be found in the basic financial statements as listed in the table of contents.

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

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

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

The City of Warrenton maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, State Tax Street Fund, and the Warrenton Urban Renewal Agency Capital Projects Fund, which are considered to be major funds. Data from the remaining governmental funds (nonmajor governmental funds) are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Warrenton adopts an annual appropriated budget for all governmental funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with the budget. To demonstrate compliance, budgetary comparison statements for all of the governmental funds have been prepared and can be found in the basic financial statements and supplemental information as listed in the table of contents.

The basic governmental fund financial statements and respective reconciliations can also be found in the basic financial statements as listed in the table of contents.

Proprietary Funds. Proprietary funds are used to account for activities where the emphasis is placed on net income determination. Enterprise funds are used to report the same functions presented as business-type activities in the governmental-wide financial statements. The City uses enterprise funds to account for its water and sewer utilities, sanitation utility, and marinas.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Sewer, and Sanitation utilities, of which all are considered to be major funds of the City of Warrenton. The Marina funds are considered to be nonmajor funds.

The City also adopts an annual appropriated budget for all proprietary funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided for the enterprise funds as supplemental information, as listed in the table of contents. The proprietary fund financial statements can also be found in the basic financial statements as listed in the table of contents.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support City programs. The accounting used for fiduciary funds is similar to that used for proprietary funds. The City of Warrenton currently does not have any fiduciary funds.

Notes to the basic financial statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found in the basic financial statements as listed in the table of contents.

Required Supplementary Information. Information regarding the City's share of the net pension liability and pension contributions can be found in the required supplementary information as listed in the table of contents.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$34,920,648 at the close of the most recent fiscal year.

By far, the largest portion of the City's net position, 84.2%, reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, 11.9%, represents resources that are subject to external restrictions on how they may be used. The remaining portion represents 3.9% of total net position, and may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole and for its separate business-type activities. The governmental activities category, unrestricted, is reported as negative \$3,548,849. The negative balance in unrestricted net position is a result of the City issuing general obligation bonded debt for the Wastewater Treatment Facility (an asset in the Sewer Enterprise). The debt reduces unrestricted net position in the governmental activities column by \$4,948,360 while the related capital asset increases net investment in capital assets for business-type activities. In essence, the general government has taken on debt for the Sewer Utility.

City of Warrenton's Net Position						
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 6,987,072	\$ 6,536,334	\$ 7,368,224	\$ 6,470,681	\$ 14,355,296	\$ 13,007,015
Capital assets, net	9,821,428	9,874,876	28,936,040	29,828,816	38,757,468	39,703,692
Total assets	16,808,500	16,411,210	36,304,264	36,299,497	53,112,764	52,710,707
Deferred outflows	332,966	187,712	227,111	116,590	560,077	304,302
Noncurrent liabilities	8,309,839	7,243,904	8,352,751	8,199,807	16,662,590	15,443,711
Other liabilities	615,712	808,349	979,299	719,969	1,595,011	1,528,318
Total liabilities	8,925,551	8,052,253	9,332,050	8,919,776	18,257,601	16,972,029
Deferred inflows	294,035	822,330	200,557	510,758	494,592	1,333,088
Net position:						
Net investment in						
capital assets	7,702,910	7,998,104	21,688,263	21,943,326	29,391,173	29,941,430
Restricted	3,767,819	3,313,825	383,917	309,155	4,151,736	3,622,980
Unrestricted	(3,548,849)	(3,587,590)	4,926,588	4,733,072	1,377,739	1,145,482
Total net position	\$ 7,921,880	\$ 7,724,339	\$ 26,998,768	\$ 26,985,553	\$ 34,920,648	\$ 34,709,892

The government's net position increased by \$210,756. A prior period adjustment to inventory increased net position by \$52,609. Transactions occurring during the current fiscal year increased net position by \$158,147.

The City's total assets and deferred outflows at June 30, 2016 increased \$657,832 from \$53,015,009 to \$53,672,841, or 1.24% from the prior year. Cash increased by \$1,026,245, or 9.6% from the prior year. Receivables increased by \$122,420, or 9.6% from the prior year. Inventories increased by \$83,275, or 26% from the prior year. Capital assets, net, decreased by \$946,224, or 2.4%, from the prior year. The remaining current assets, prepayments, increased by \$806,244, or 103.8%, from the prior year.

The City's total liabilities and deferred inflows at June 30, 2016 increased by \$447,076, or 2.4%, from the prior year. Accounts payable increased \$45,347, or 3.9%, from the prior year. Interest payable on long term debt decreased by \$6,614 or 4.1% from the prior year. The City's outstanding debt decreased \$801,033, or 5%.

City of Warrenton's Change in Net Position

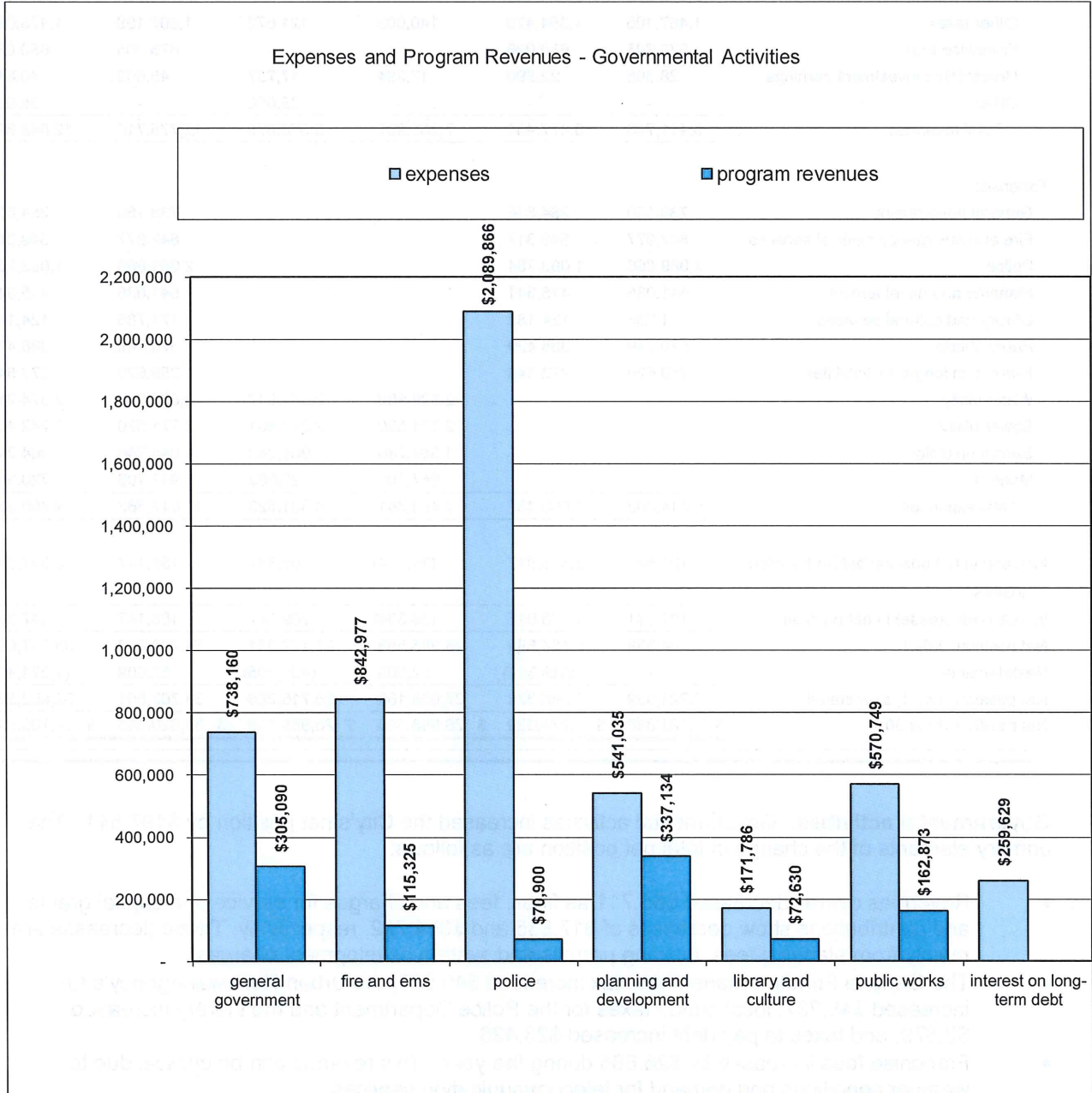
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Fines, fees, and charges for services	\$ 835,006	\$ 852,841	\$ 7,028,427	\$ 6,184,042	\$ 7,863,433	\$ 7,036,883
Operating grants and contributions	69,985	29,391	4,975	4,825	74,960	34,216
Capital grants and contributions	158,961	513,743	173,268	207,573	332,229	721,316
General revenues:						
Property taxes	2,175,672	2,054,143	-	-	2,175,672	2,054,143
Other taxes	1,467,106	1,354,426	140,003	121,673	1,607,109	1,476,099
Franchise fees	676,705	650,020	-	-	676,705	650,020
Unrestricted investment earnings	28,308	22,890	17,294	17,757	45,602	40,647
Other	-	-	-	35,000	-	35,000
Total revenues	5,411,743	5,477,454	7,363,967	6,570,870	12,775,710	12,048,324
Expenses:						
General government	738,160	284,836			738,160	284,836
Fire and emergency medical services	842,977	549,317			842,977	549,317
Police	2,089,866	1,063,784			2,089,866	1,063,784
Planning and development	541,035	415,341			541,035	415,341
Library and cultural services	171,786	124,182			171,786	124,182
Public Works	570,749	388,429			570,749	388,429
Interest on long-term liabilities	259,629	273,548			259,629	273,548
Water utility			2,639,989	2,374,217	2,639,989	2,374,217
Sewer utility			2,771,520	2,242,401	2,771,520	2,242,401
Sanitation utility			1,044,746	964,243	1,044,746	964,243
Marinas			947,106	720,662	947,106	720,662
Total expenses	5,214,202	3,099,437	7,403,361	6,301,523	12,617,563	9,400,960
Increase in net position before transfers	197,541	2,378,017	(39,394)	269,347	158,147	2,647,364
Transfers	-	-	-	-	-	-
Increase (decrease) in net position	197,541	2,378,017	(39,394)	269,347	158,147	2,647,364
Net position, July 1	7,724,339	6,164,689	26,985,553	27,172,311	34,709,892	33,337,000
Restatements	-	(818,367)	52,609	(456,105)	52,609	(1,274,472)
Net position, July 1, as restated	7,724,339	5,346,322	27,038,162	26,716,206	34,762,501	32,062,528
Net position, June 30	\$ 7,921,880	\$ 7,724,339	\$ 26,998,768	\$ 26,985,553	\$ 34,920,648	\$ 34,709,892

Governmental activities. Governmental activities increased the City's net position by \$197,541. The primary elements of the change in total net position are as follows:

- Revenues overall decreased \$65,711 as fines, fees and charges for service and capital grants and contributions show decreases of \$17,835 and \$354,782, respectively. These decreases are mainly from planning fees, building permits and system development charges.
- The General Fund permanent rate tax increased \$49,987, the Urban Renewal Agency's tax increased \$45,237, local option taxes for the Police Department and the Library increased \$2,879, and taxes to pay debt increased \$23,426.
- Franchise fees increased by \$26,685 during the year. This revenue can be cyclical due to weather conditions and demand for telecommunication services.
- Unrestricted investment earnings (interest from bank accounts) increased by \$5,418 during the year.
- Interest expense on debt decreased \$13,919 from the prior year.

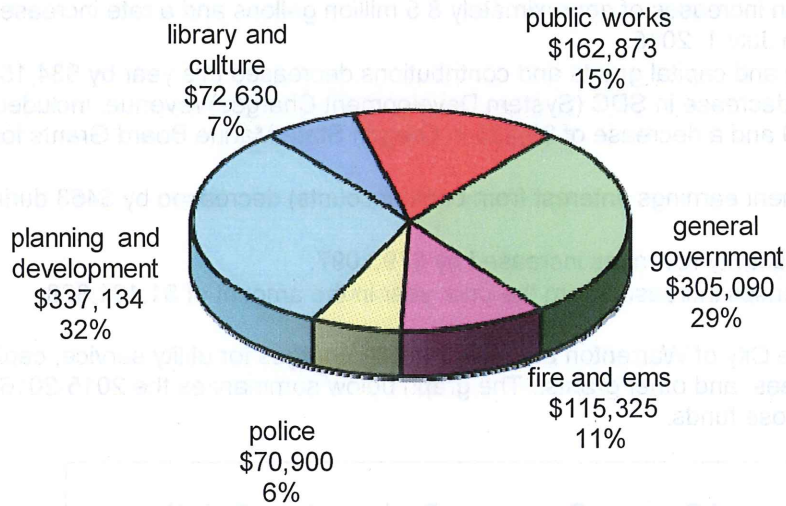
- Total expenses increased by \$2,114,765. Most of this increase is a result of recording additional pension liability related to future PERS contributions.

The following graph summarizes the 2015-2016 governmental activity program revenues and corresponding expenses. The revenues shown total \$1,063,952, a decrease from the prior year of \$332,023, are directly attributable to each activity (program revenues) and **do not** include property taxes, other taxes, franchise fees, investment earnings, and other one-time or extraordinary revenue streams which are discretionary (general revenues). Discretionary revenues amount to \$4,347,791 and increased by \$266,312 from the prior year.



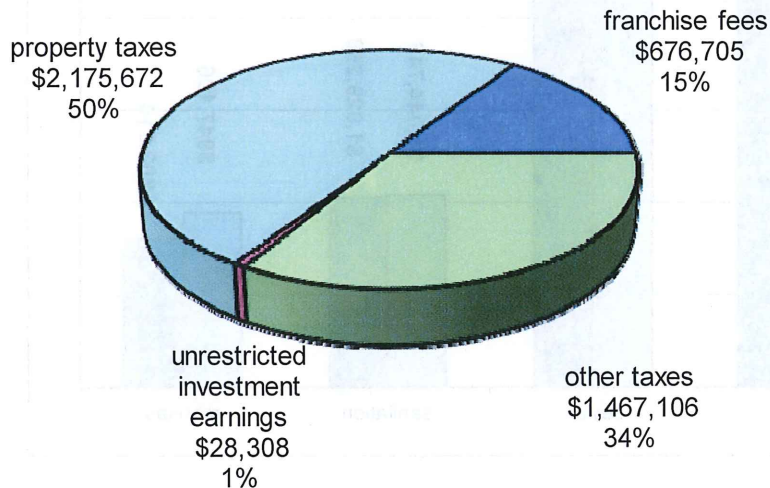
This next chart shows the total functional revenues for each program in the amount of \$1,063,952 and the percentage of the total.

**Program Revenues - Governmental Activities -
Charges for Service, Operating and Capital Grants**



As the next chart reflects, most 2015-2016 governmental activities relied on general discretionary revenues to support the function. This graph shows total discretionary revenues in the amount of \$4,347,791 and the percentage in each category.

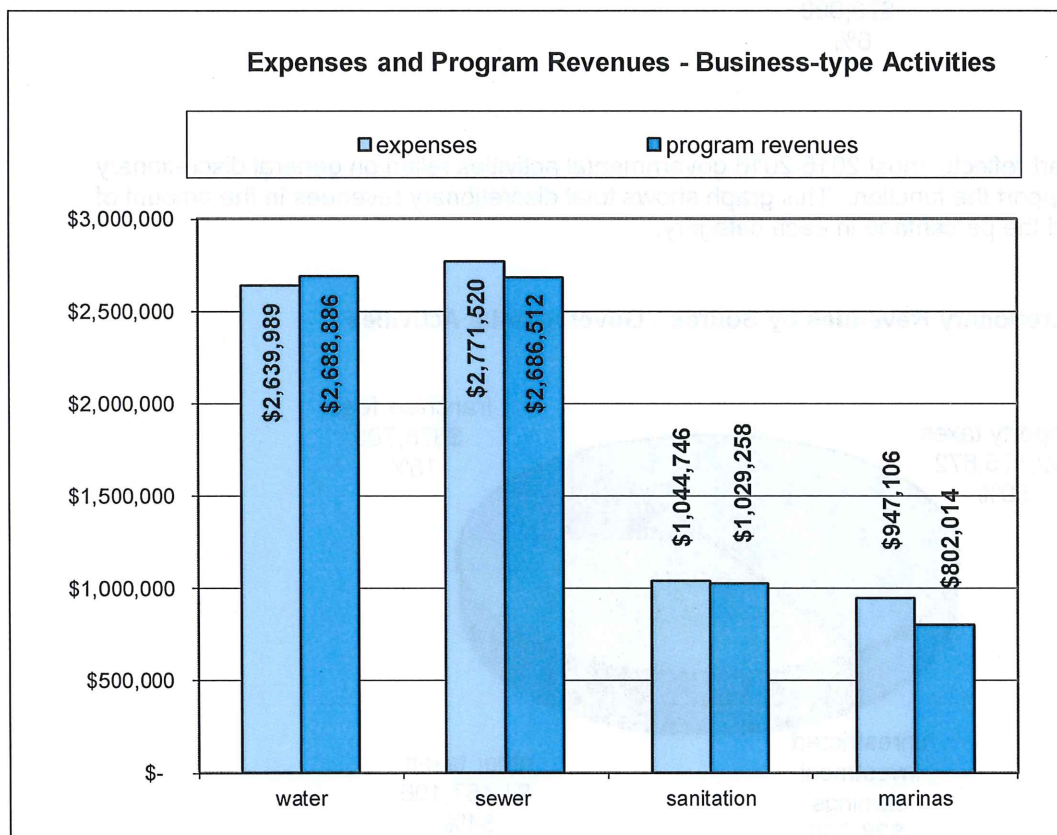
Discretionary Revenues by Source - Governmental Activities



Business-type activities. Business-type activities increased the City's net position by \$13,215. A prior period adjustment increased net position by \$52,609. Transactions occurring during the current fiscal year decreased net position by \$39,394. Key elements of this decrease are as follows:

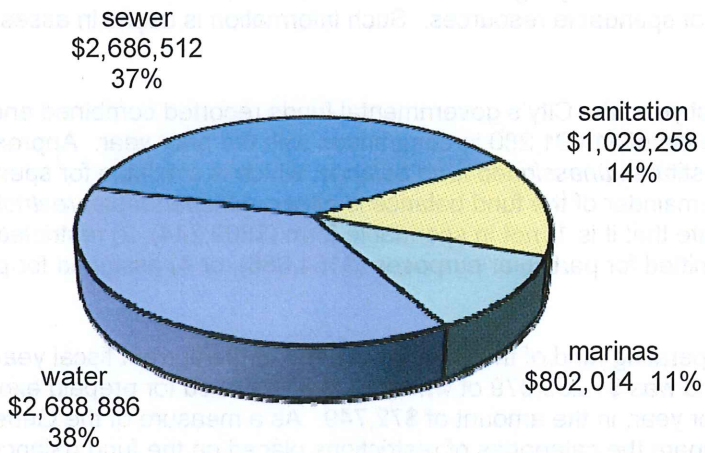
- Fines, fees, and charges for services had a net increase this year of 844,385 from the prior year. Revenues increased in the Water fund, this year by \$376,656, they increased in the Sewer Fund by \$391,664, and increased in the Sanitation Fund by \$29,906, and the Marinas show increases of \$60,846. Gross water sales increased by \$363,263, or 17.1%, from the prior year, as a result of water consumption increases of approximately 8.5 million gallons and a rate increase of 15% that was effective on July 1, 2015.
- Combined operating and capital grants and contributions decreased this year by \$34,155 and are mostly due to a decrease in SDC (System Development Charges) revenue, included in this category, of \$24,930 and a decrease of \$9,225 in Oregon State Marine Board Grants for the Marinas.
- Unrestricted investment earnings (interest from bank accounts) decreased by \$463 during the year.
- Total business-type activity revenues increased by \$793,097.
- Total operating expenses increased from the prior year in the amount of \$1,101,838.

Business-type activities of the City of Warrenton are supported by charges for utility service, capital contributions, development fees, and other grants. The graph below summarizes the 2015-2016 expenses and revenues of those funds.



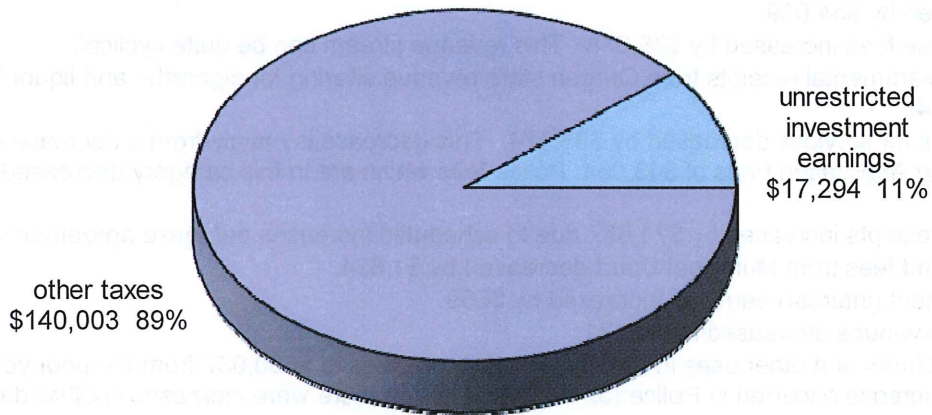
Total program revenues in the business-type activities of the City total \$7,206,670 as represented by the percentages in the chart below for 2015-2016.

**Program Revenues - Business-type Activities
Charges for Service, Operating and Capital Grants**



In the following graph, discretionary revenues amount to \$157,297. Other taxes are transient room tax dedicated to the Hammond Marina.

Discretionary Revenues by Source - Business Activities



Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$6,254,941 an increase of \$1,091,280 in comparison with the prior year. Approximately 20% of this amount (\$1,269,406) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of the fund balance is either, *nonspendable, restricted, committed, or assigned* to indicate that it is 1) not in spendable form (\$809,244), 2) restricted for particular purposes (\$3,751,381), 3) committed for particular purposes (\$154,686), or 4) assigned for particular purposes (\$270,224).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance of the General Fund was \$1,269,879 of which \$473 is reserved for prepaid expenses. This balance decreased from the prior year, in the amount of \$72,749. As a measure of the General Fund's liquidity, it may be useful to compare the categories of restrictions placed on the fund balance to total fund expenditures. Unassigned fund balance represents approximately 33.2% of total General Fund expenditures and transfers out, while total fund balance represents 33.3% of that same amount.

The fund balance of the City's General Fund decreased by \$72,749 during the current fiscal year. While revenues increased \$309,177, expenses also increased by \$500,037. Key elements of the decrease to fund balance are as follows:

- Taxes increased by \$110,013 during the year. Revenue in this category comes mostly from property taxes and land sales which increased by \$45,974 and transient room tax which increased by \$64,039.
- Franchise fees increased by \$26,078. This revenue stream can be quite cyclical.
- Intergovernmental receipts from Oregon state revenue sharing for cigarette, and liquor increased by \$6,648.
- Charges for services decreased by \$33,574. This decrease is mainly from a decrease in Planning Application Fees of \$43,064. Police fees which are in this category decreased by \$5,686.
- Lease receipts increased by \$71,657 due to scheduled increases per lease agreements.
- Fines and fees from Municipal Court decreased by \$1,634.
- Investment (interest) earnings increased by \$569.
- Other revenues decreased by \$3,131.
- Expenditures and other uses in the General Fund increased \$500,037 from the prior year. Most of the increase occurred in Police (\$241,822) although there were increases in other departments as follows: General Government (Administration, Commission, Finance), \$143,572, Public Works (Parks) \$9,596, General Government (Municipal Court), \$16,439, Fire and Emergency Medical Services, \$66,083 which includes the debt service cost of \$41,466, and Transfers, \$50,974. The Planning Department showed a decrease of \$28,449.

The State Tax Street Fund has a total fund balance of \$1,421,947, all of which is restricted to road maintenance. The net increase in fund balance during the current year in the State Tax Street Fund was \$266,029.

- Revenue, from all sources, decreased from the prior year by \$5,097. State and City fuel taxes decreased by \$4,115. Other nominal revenues decreased by \$982.
- Total expenses, including capital outlay, decreased this year by \$418,789. Operational expenses increased this year by \$23,900 and capital project costs this year decreased by \$442,689.

The Warrenton Urban Renewal Capital Projects Fund, has a total fund balance of \$42,123, all of which is restricted for community development as set forth in the Warrenton Urban Renewal District Plan document. The net increase in fund balance during the current year was \$20,275 and is attributable to the following:

- Revenue, from all sources, decreased from the prior year by \$22,387 mainly from loan proceeds from a credit line with Columbia Bank of \$180,000. In the prior year \$200,000 was drawn from this credit line.
- Total expenses, including capital outlay, decreased this year by \$486,969. Operational expenses increased this year by \$12,363 and capital project costs this year decreased by \$499,332.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water, Sewer, and Sanitation utilities amount to \$4,140,509, and those for the marinas, the nonmajor funds, amount to \$784,939.

The total change in net position for all funds was a negative \$40,534. Other factors concerning the finances of these three funds have already been addressed in the discussion of the City's business-type activities.

Budgetary Highlights

The budgetary statements for the General Fund, Water Fund, Water Capital Reserve Fund, Storm Sewer Fund, State Tax Street Fund, Quincy Robinson Park Trust Fund, and Tansy Point Dock Capital Reserve Fund show the original budget, final budget, actual revenues, expenditures and transfers in and out for the fiscal year ended June 30, 2016. As shown, the Commission approved changes to the original budget during the year ended.

In the General Fund a transfer was made in the Admin/Commission Department to provide spending authority in materials and services in the amount of \$25,000, to allow for increased legal services. An adjustment was also made in the Planning Department to increase revenues and expenses, which would be reimbursed by another entity, related to a land use application in the amount of \$52,000.

Transfers made in the Water Fund (\$55,481), Water Capital Reserve Fund (\$55,481), Storm Sewer Fund (\$3,046) and State Tax Street Fund (\$34,588) were to allow for additional spending authority for completion of a capital project not completed in the prior year.

A transfer was made in the Tansy Point Capital Reserve Fund from capital outlay to allow for additional spending authority in materials and services for a reimbursement to Warrenton Fiber for an inspection report in the amount of \$10,000.

A transfer was made in the Quincy Robinson Park Trust Fund from contingency to allow for additional spending authority in capital outlay in the amount of \$15,000 to complete projects at the ballfields and purchase of playground equipment.

City of Warrenton's Capital Assets, Net of Accumulated Depreciation

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 2,410,432	\$ 2,410,432	\$ 379,622	\$ 379,622	\$ 2,790,054	\$ 2,790,054
Buildings	3,364,207	3,469,993	1,351,338	1,342,872	4,715,545	4,812,865
Equipment	715,769	848,302	1,084,340	915,572	1,800,109	1,763,874
Improvements	399,637	364,540	518,874	563,024	918,511	927,564
Facilities	-	-	25,150,909	26,325,630	25,150,909	26,325,630
Infrastructure	2,381,897	2,302,632	-	-	2,381,897	2,302,632
Construction in progress	549,486	478,977	450,957	302,096	1,000,443	781,073
Total	\$ 9,821,428	\$ 9,874,876	\$ 28,936,040	\$ 29,828,816	\$ 38,757,468	\$ 39,703,692

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2016, amounts to \$38,757,468. This investment in capital assets includes land, buildings and improvements, furniture and equipment, heavy equipment, vehicles, facilities (utilities) and work in progress. Net capital assets decreased by \$946,224 during the year because capital asset additions of \$1,061,797 less current year depreciation, in the amount of \$2,008,021, net to the overall decrease of capital assets at the end of the year.

Major capital asset additions during the current fiscal year included the following:

Equipment and vehicle acquisitions amounted to a total of \$362,002, which includes a public works service truck for \$23,889 and a garbage collection truck purchased by Public Works for \$325,113. The fire department had initial financing costs for an Aerial Ladder Truck to be purchased in the following year, in the amount of \$13,000.

Major capital improvements were as follows:

Engineering costs for construction of the core conveyance amounted to \$97,945.

Final construction costs for Holbrook Slough Bridge Water Main Crossing in the amount of \$97,260.

Bank Stabilization at the Hammond Marina in the amount of \$56,247.

Park improvements to ballfield drainage, bleachers and dugouts in the amount of \$55,193.

Improvements were made to the Food Bank Roadway on Chokeberry Avenue in the amount of \$55,023.

Construction of a storage building at the Waste Water Treatment Plant in the amount of \$40,137.

Engineering costs for SE 2nd Street and Marlin Avenue Sewer Pump Station in the amount of \$25,013.

Engineering costs for SE 4th & Main Storm Water Pump Station in the amount of \$18,835.

A new sound system for the Commission Chambers in the amount of \$13,763.

The Warrenton Urban Renewal Agency incurred \$133,918 of capital improvements this year for Marina Phase I improvements. Of this amount, \$133,157 was for engineering and project management for F-Dock improvements and \$761 was for NE Heron street/utility improvements.

Overall, these construction and equipment additions total \$955,337 and represent approximately 90% of the total additions.

Additional information regarding the City's capital assets can be found at Note III C.

Long-term Debt. At the end of the current fiscal year, the City had total noncurrent liabilities of \$14,642,678. Of this amount, \$7,247,777 is proprietary fund secured loans, \$285,900 is the outstanding liability for landfill post closure care costs, \$116,863 is a capital lease, and \$6,370,367 represents outstanding bonded indebtedness. The bonded indebtedness represents debt backed by the full faith and credit of the government.

City of Warrenton's Outstanding Debt						
General Obligation and Revenue Bonds						
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
General Obligation Bonds	\$5,083,360	\$5,610,284	\$ -	\$ -	\$ 5,083,360	\$ 5,610,284
Urban Renewal Bonds Series 2012	1,287,007	1,380,186			1,287,007	1,380,186
Notes Payable	621,771	100,000	7,247,777	7,885,490	7,869,548	7,985,490
Capital Lease payable	116,863	153,434	-	-	116,863	153,434
Landfill Postclosure Care	-	-	285,900	314,317	285,900	314,317
Total	<u>\$7,109,001</u>	<u>\$7,243,904</u>	<u>\$7,533,677</u>	<u>\$8,199,807</u>	<u>\$14,642,678</u>	<u>\$15,443,711</u>

Additional information on the City of Warrenton's long-term debt can be found in note III (F).

Economic Factors and Next Year's Budgets and Rates

During the preparation of the budget for the ensuing fiscal year, the long-term impacts of the local economy were examined in conjunction with business decisions made by the City. The following are the major assumptions used in developing the FY 2017 budget:

- A 3% increase in assessed property values resulting in the same increase in property tax revenue.
- Cost of living adjustment to wages of 2.5%.
- A 7% increase in water utility rates, a 6% increase in sewer utility rates and storm sewer rates to fund future capital needs.
- Interest rates on money market and savings accounts will continue to be flat.
- On the expenditure side, increases are expected in health insurance premiums.
- The City of Warrenton continues to purchase a catastrophic liability insurance policy to protect itself from unforeseen losses in excess of \$5 million.

Requests for Information

This financial report is designed to provide a general overview of City's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the following address:

April Clark
Finance Director
City of Warrenton
P. O. Box 250
Warrenton, OR 97146

BASIC FINANCIAL STATEMENTS

"Making a difference through excellence of service"



ESTABLISHED 1858

CITY OF WARRENTON

CITY OF WARRENTON, OREGON

Statement of Net Position

June 30, 2016

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 5,490,271	\$ 6,197,379	\$ 11,687,650
Receivables	687,557	710,851	1,398,408
Inventory, at cost	-	403,016	403,016
Prepaid items	809,244	4,764	814,008
Restricted cash - loan reserve	-	52,214	52,214
Capital assets:			
Nondepreciable assets	2,959,918	830,579	3,790,497
Depreciable assets (net of accumulated depreciation)	<u>6,861,510</u>	<u>28,105,461</u>	<u>34,966,971</u>
 Total assets	 16,808,500	 36,304,264	 53,112,764
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	<u>332,966</u>	<u>227,111</u>	<u>560,077</u>
 Total assets and deferred outflows	 <u>17,141,466</u>	 <u>36,531,375</u>	 <u>53,672,841</u>
LIABILITIES			
Accounts payable and other current liabilities	466,117	721,602	1,187,719
Accrued interest payable	24,555	130,513	155,068
Compensated absences	123,408	111,168	234,576
Unearned revenue	1,632	16,016	17,648
Noncurrent liabilities:			
Due within one year	732,908	651,415	1,384,323
Due in more than one year	6,376,093	6,882,262	13,258,355
Net pension liability	<u>1,200,838</u>	<u>819,074</u>	<u>2,019,912</u>
 Total liabilities	 8,925,551	 9,332,050	 18,257,601
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	<u>294,035</u>	<u>200,557</u>	<u>494,592</u>
 Total liabilities and deferred inflows	 <u>9,219,586</u>	 <u>9,532,607</u>	 <u>18,752,193</u>
NET POSITION			
Net investment in capital assets	7,702,910	21,688,263	29,391,173
Restricted for:			
Road maintenance	1,418,940	-	1,418,940
Debt service	1,290,124	-	1,290,124
Library and culture	31,995	-	31,995
Public works	141,784	-	141,784
Building inspection program	258,609	-	258,609
System development	626,367	383,917	1,010,284
Unrestricted (deficit)	<u>(3,548,849)</u>	<u>4,926,588</u>	<u>1,377,739</u>
 Total net position	 <u>\$ 7,921,880</u>	 <u>\$ 26,998,768</u>	 <u>\$ 34,920,648</u>

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

CITY OF WARRENTON, OREGON

Statement of Activities

For the Year Ended June 30, 2016

<u>Functions/Programs</u>	Program Revenues				
	Expenses	Indirect Expense Allocation	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:					
General government	\$ 1,724,355	\$ (986,195)	\$ 305,090	\$ -	\$ -
Fire and emergency medical services	790,589	52,388	115,325	-	-
Police	2,042,113	47,753	14,576	56,324	-
Planning and development	524,412	16,623	337,134	-	-
Library and culture	148,010	23,776	61,574	10,336	720
Public works	507,179	63,570	1,307	3,325	158,241
Interest on long-term liabilities	<u>259,629</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>5,996,287</u>	<u>(782,085)</u>	<u>835,006</u>	<u>69,985</u>	<u>158,961</u>
Business-type activities:					
Water utilities	2,334,731	305,258	2,598,641	-	90,245
Sewer utilities	2,463,039	308,481	2,603,489	-	83,023
Sanitation utilities	973,015	71,731	1,029,258	-	-
Marinas	<u>850,491</u>	<u>96,615</u>	<u>797,039</u>	<u>4,975</u>	<u>-</u>
Total business-type activities	<u>6,621,276</u>	<u>782,085</u>	<u>7,028,427</u>	<u>4,975</u>	<u>173,268</u>
Total activities	<u>\$ 12,617,563</u>	<u>\$ -</u>	<u>\$ 7,863,433</u>	<u>\$ 74,960</u>	<u>\$ 332,229</u>

General revenues:

Taxes:

Property taxes levied for general purposes

Property taxes levied for debt service

Other taxes

Franchise fees

Unrestricted investment earnings

Total general revenues

Change in net position

Net position, beginning, as restated

Net position, ending

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

Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (433,070)	\$ -	\$ (433,070)
(727,652)	-	(727,652)
(2,018,966)	-	(2,018,966)
(203,901)	-	(203,901)
(99,156)	-	(99,156)
(407,876)	-	(407,876)
<u>(259,629)</u>	<u>-</u>	<u>(259,629)</u>
<u>(4,150,250)</u>	<u>-</u>	<u>(4,150,250)</u>
-	48,897	48,897
-	(85,008)	(85,008)
-	(15,488)	(15,488)
-	<u>(145,092)</u>	<u>(145,092)</u>
<u>-</u>	<u>(196,691)</u>	<u>(196,691)</u>
<u>(4,150,250)</u>	<u>(196,691)</u>	<u>(4,346,941)</u>
943,362	-	943,362
1,232,310	-	1,232,310
1,467,106	140,003	1,607,109
676,705	-	676,705
<u>28,308</u>	<u>17,294</u>	<u>45,602</u>
<u>4,347,791</u>	<u>157,297</u>	<u>4,505,088</u>
197,541	(39,394)	158,147
<u>7,724,339</u>	<u>27,038,162</u>	<u>34,762,501</u>
<u>\$ 7,921,880</u>	<u>\$ 26,998,768</u>	<u>\$ 34,920,648</u>

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

CITY OF WARRENTON, OREGON
GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2016

	General (001)	State Tax Street (040)	Warrenton Urban Renewal Agency Capital Projects (200)	Nonmajor Governmental Funds	Total
ASSETS					
Cash and cash equivalents	\$ 1,355,027	\$ 1,356,242	\$ 69,480	\$ 2,709,522	\$ 5,490,271
Receivables:					
Taxes	74,113	-	-	106,600	180,713
Accounts	245,479	-	250	65,709	311,438
Rehabilitation loans	70,427	-	-	-	70,427
Intergovernmental	26,686	83,933	-	-	110,619
Grants	-	-	-	14,170	14,170
Other	-	190	-	-	190
Due from other funds	13,335	-	-	-	13,335
Prepaid items	473	-	-	808,771	809,244
	<u>473</u>	<u>-</u>	<u>-</u>	<u>808,771</u>	<u>809,244</u>
Total assets	<u>\$ 1,785,540</u>	<u>\$ 1,440,365</u>	<u>\$ 69,730</u>	<u>\$ 3,704,772</u>	<u>\$ 7,000,407</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable and other current liabilities	\$ 331,874	\$ 18,418	\$ 27,607	\$ 88,218	\$ 466,117
Unearned revenues	558	-	-	1,074	1,632
Due to other funds	-	-	-	13,335	13,335
	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,335</u>	<u>13,335</u>
Total liabilities	332,432	18,418	27,607	102,627	481,084
Deferred Inflows of Resources:					
Unavailable revenues	183,229	-	-	81,153	264,382
	<u>183,229</u>	<u>-</u>	<u>-</u>	<u>81,153</u>	<u>264,382</u>
Total liabilities & deferred inflows	515,661	18,418	27,607	183,780	745,466
	<u>515,661</u>	<u>18,418</u>	<u>27,607</u>	<u>183,780</u>	<u>745,466</u>
Fund Balances:					
Nonspendable - Prepaid items	473	-	-	808,771	809,244
Restricted for:					
Road maintenance	-	1,421,947	-	-	1,421,947
Debt service	-	-	-	1,226,376	1,226,376
Library and culture	-	-	-	31,129	31,129
Public works	-	-	-	141,784	141,784
Community development	-	-	42,123	-	42,123
Building inspection programs	-	-	-	261,655	261,655
System development	-	-	-	626,367	626,367
Committed to:					
Library and culture	-	-	-	149,542	149,542
Grant expenditures	-	-	-	5,144	5,144
Assigned to:					
Capital projects	-	-	-	270,224	270,224
Unassigned	1,269,406	-	-	-	1,269,406
	<u>1,269,406</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,269,406</u>
Total fund balances	1,269,879	1,421,947	42,123	3,520,992	6,254,941
	<u>1,269,879</u>	<u>1,421,947</u>	<u>42,123</u>	<u>3,520,992</u>	<u>6,254,941</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,785,540</u>	<u>\$ 1,440,365</u>	<u>\$ 69,730</u>	<u>\$ 3,704,772</u>	<u>\$ 7,000,407</u>

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

CITY OF WARRENTON, OREGON
 Reconciliation of the Balance Sheet of Governmental
 Funds to the Statement of Net Position
 June 30, 2016

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

Fund balances - governmental funds		\$ 6,254,941
Receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		264,382
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds:		
Nondepreciable assets	\$ 2,959,918	
Depreciable assets	11,351,133	
Accumulated depreciation	<u>(4,489,623)</u>	
		9,821,428
Assets, liabilities, deferred inflows and deferred outflows related to the City's portion of the State-wide pension plan are not current resources or requirements and therefore are not reported in the funds:		
Deferred outflows of resources related to pensions	332,966	
Net pension liability	(1,200,838)	
Deferred inflows of resources related to pensions	<u>(294,035)</u>	
		(1,161,907)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated absences	(123,408)	
Accrued interest payable	(24,555)	
Capital leases	(116,863)	
Long-term debt	<u>(6,992,138)</u>	
		<u>(7,256,964)</u>
Net position of governmental activities		<u>\$ 7,921,880</u>

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

CITY OF WARRENTON, OREGON
GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2016

	General (001)	State Tax Street (040)	Warrenton Urban Renewal Agency Capital Projects (200)	Nonmajor Governmental Funds	Total
Revenues:					
Taxes	\$ 1,387,943	\$ 317,430	\$ -	\$ 1,516,103	\$ 3,221,476
Franchise fees	675,339	-	-	-	675,339
Licenses and permits	650	-	-	262,470	263,120
Intergovernmental	123,365	306,134	-	56,324	485,823
Charges for services	230,393	-	-	11,975	242,368
Lease receipts	181,996	-	-	-	181,996
Fines and forfeits	119,328	-	-	275	119,603
Investment earnings	7,058	7,107	16	14,124	28,305
Donations	3,325	-	-	56,281	59,606
Indirect cost allocation	1,007,452	-	-	-	1,007,452
Other revenues	9,041	1,076	250	14,740	25,107
Total revenues	<u>3,745,890</u>	<u>631,747</u>	<u>266</u>	<u>1,932,292</u>	<u>6,310,195</u>
Expenditures:					
Current:					
General government	1,125,401	-	26,073	293,873	1,445,347
Fire and emergency medical services	621,564	-	-	-	621,564
Police	1,494,316	-	-	56,297	1,550,613
Planning and development	239,307	-	-	206,895	446,202
Library and culture	-	-	-	138,789	138,789
Public works	137,078	365,718	-	80,394	583,190
Debt service:					
Principal retirement	36,571	-	-	900,104	936,675
Interest	4,895	-	-	247,973	252,868
Capital outlay	-	-	133,918	26,886	160,804
Total expenditures	<u>3,659,132</u>	<u>365,718</u>	<u>159,991</u>	<u>1,951,211</u>	<u>6,136,052</u>
Excess (deficiency) of revenues over (under) expenditures	<u>86,758</u>	<u>266,029</u>	<u>(159,725)</u>	<u>(18,919)</u>	<u>174,143</u>
Other Financing Sources (Uses):					
Transfers in	-	-	-	159,507	159,507
Transfers out	(159,507)	-	-	-	(159,507)
Proceeds from sale of capital assets	-	-	-	2,350	2,350
Loan proceeds	-	-	180,000	621,771	801,771
Capital contributions	-	-	-	113,016	113,016
Total other financing sources (uses)	<u>(159,507)</u>	<u>-</u>	<u>180,000</u>	<u>896,644</u>	<u>917,137</u>
Net change in fund balances	(72,749)	266,029	20,275	877,725	1,091,280
Fund Balances:					
Beginning of year, as restated	<u>1,342,628</u>	<u>1,155,918</u>	<u>21,848</u>	<u>2,643,267</u>	<u>5,163,661</u>
End of year	<u>\$ 1,269,879</u>	<u>\$ 1,421,947</u>	<u>\$ 42,123</u>	<u>\$ 3,520,992</u>	<u>\$ 6,254,941</u>

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

CITY OF WARRENTON, OREGON

Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2016

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

Net change in fund balances - governmental funds		\$ 1,091,280
--	--	--------------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Change in unavailable revenues		(6,366)
--------------------------------	--	---------

Capital outlays are reported as expenditures in governmental funds. However, the Statement of Activities allocates the cost of capital outlays over their estimated useful lives as depreciation expense.

Expenditures for capital assets	386,120	
Current year depreciation	<u>(439,568)</u>	
		(53,448)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in:		
Compensated absences	\$ (9,203)	
Interest	(6,761)	
Expenses related to pension obligations	<u>(952,864)</u>	
		(968,828)

Proceeds from the issuance of long-term debt provide current financial resources to governmental funds and are reported as other financing sources. In the same way, repayments of long-term debt use current financial resources and are reported as expenditures in governmental funds. However, neither the receipt of debt proceeds nor the payment of debt principal affect the Statement of Activities, but are reported as increases and decreases in noncurrent liabilities in the Statement of Net Position.

Proceeds from issuance of debt	(801,771)	
Repayment of long-term debt	<u>936,674</u>	
		<u>134,903</u>

Change in net position of governmental activities		<u>\$ 197,541</u>
---	--	-------------------

CITY OF WARRENTON, OREGON

GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Taxes	\$ 1,282,707	\$ 1,282,707	\$ 1,387,943	\$ 105,236
Franchise fees	631,377	631,377	675,339	43,962
Licenses and permits	600	600	650	50
Intergovernmental	141,024	141,024	123,365	(17,659)
Charges for services	185,152	237,152	230,393	(6,759)
Lease receipts	181,996	181,996	181,996	-
Fines and forfeits	133,645	133,645	119,328	(14,317)
Investment earnings	5,000	5,000	7,058	2,058
Indirect cost allocation	955,176	955,176	1,007,452	52,276
Donations	-	-	3,325	3,325
Other revenue	2,400	2,400	9,041	6,641
Total revenues	3,519,077	3,571,077	3,745,890	174,813
Expenditures:				
Municipal Court	123,741	123,741	117,949	5,792
Administration/Commission/Finance	960,176	985,176	1,007,452	(22,276)
Planning/Development	223,682	275,682	239,307	36,375
Police	1,592,493	1,592,493	1,494,316	98,177
Fire	729,145	729,145	663,030	66,115
Parks	151,786	151,786	137,078	14,708
Contingency	265,777	240,777	-	240,777
Total expenditures	4,046,800	4,098,800	3,659,132	439,668
Excess (deficiency) of revenues over (under) expenditures	(527,723)	(527,723)	86,758	614,481
Other financing sources (uses):				
Transfers out	(159,507)	(159,507)	(159,507)	-
Net change in fund balance	(687,230)	(687,230)	(72,749)	614,481
Fund Balance:				
Beginning of year	950,000	950,000	1,342,628	392,628
End of year	\$ 262,770	\$ 262,770	\$ 1,269,879	\$ 1,007,109

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

CITY OF WARRENTON, OREGON

STATE TAX STREET FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes	\$ 288,000	\$ 288,000	\$ 317,430	\$ 29,430
Intergovernmental	398,391	398,391	306,134	(92,257)
Investment earnings	5,000	5,000	7,107	2,107
Other revenue	<u>-</u>	<u>-</u>	<u>1,076</u>	<u>1,076</u>
Total revenues	<u>691,391</u>	<u>691,391</u>	<u>631,747</u>	<u>(59,644)</u>
Expenditures:				
Personal services	73,643	73,643	69,080	4,563
Materials and services	374,033	374,033	134,910	239,123
Capital outlay	938,326	972,914	161,728	811,186
Contingency	<u>89,535</u>	<u>54,947</u>	<u>-</u>	<u>54,947</u>
Total expenditures	<u>1,475,537</u>	<u>1,475,537</u>	<u>365,718</u>	<u>1,109,819</u>
Net change in fund balance	(784,146)	(784,146)	266,029	1,050,175
Fund Balance:				
Beginning of year	<u>1,050,000</u>	<u>1,050,000</u>	<u>1,155,918</u>	<u>105,918</u>
End of year	<u>\$ 265,854</u>	<u>\$ 265,854</u>	<u>\$ 1,421,947</u>	<u>\$ 1,156,093</u>

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

CITY OF WARRENTON, OREGON
WARRENTON URBAN RENEWAL CAPITAL PROJECTS
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	\$ -	\$ -	\$ 16	\$ 16
Other revenue	-	-	250	250
Total revenues	<u>-</u>	<u>-</u>	<u>266</u>	<u>266</u>
Expenditures:				
Materials and services	129,000	129,000	26,073	102,927
Capital outlay	<u>4,289,499</u>	<u>4,289,499</u>	<u>133,918</u>	<u>4,155,581</u>
Total expenditures	<u>4,418,499</u>	<u>4,418,499</u>	<u>159,991</u>	<u>4,258,508</u>
Excess (deficiency) of revenues over (under) expenditures	(4,418,499)	(4,418,499)	(159,725)	4,258,774
Other financing sources (uses):				
Loan proceeds	<u>4,402,122</u>	<u>4,402,122</u>	<u>180,000</u>	<u>(4,222,122)</u>
Net change in fund balance	(16,377)	(16,377)	20,275	36,652
Fund Balance:				
Beginning of year	<u>16,377</u>	<u>16,377</u>	<u>21,848</u>	<u>5,471</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,123</u>	<u>\$ 42,123</u>

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

CITY OF WARRENTON, OREGON

PROPRIETARY FUNDS

Statement of Net Position

June 30, 2016

	Business-type Activities - Enterprise Funds					Business-type
	Water	Sewer	Sanitation	Nonmajor	Total	Activities
	Enterprise	Enterprise	Enterprise	Enterprise		Engineering
Fund	Fund	Fund	Funds		Internal Service	
						Fund (042)
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 2,197,708	\$ 2,190,491	\$ 889,480	\$ 906,970	\$ 6,184,649	\$ 12,730
Utility receivables	245,522	270,724	107,519	-	623,765	-
Accounts receivable	-	-	-	33,234	33,234	-
Intergovernmental receivables	-	-	-	40,005	40,005	-
Other receivables	10,262	3,013	-	572	13,847	-
Inventory, at cost	225,591	140,506	36,919	-	403,016	-
Prepaid expenses	6,907	3,068	347	-	10,322	-
Total current assets	<u>2,685,990</u>	<u>2,607,802</u>	<u>1,034,265</u>	<u>980,781</u>	<u>7,308,838</u>	<u>12,730</u>
Noncurrent assets:						
Restricted cash - loan reserve	-	52,214	-	-	52,214	-
Capital assets:						
Nondepreciable assets	273,646	366,819	29,669	160,445	830,579	-
Depreciable assets, net	<u>16,196,289</u>	<u>10,255,161</u>	<u>553,593</u>	<u>1,100,418</u>	<u>28,105,461</u>	<u>-</u>
Total noncurrent assets	<u>16,469,935</u>	<u>10,674,194</u>	<u>583,262</u>	<u>1,260,863</u>	<u>28,988,254</u>	<u>-</u>
Total assets	19,155,925	13,281,996	1,617,527	2,241,644	36,297,092	12,730
DEFERRED OUTFLOWS OF RESOURCES						
Related to pensions	<u>77,514</u>	<u>88,436</u>	<u>22,683</u>	<u>38,478</u>	<u>227,111</u>	<u>-</u>
Total assets & deferred outflows	<u>19,233,439</u>	<u>13,370,432</u>	<u>1,640,210</u>	<u>2,280,122</u>	<u>36,524,203</u>	<u>12,730</u>
LIABILITIES						
Current liabilities:						
Accounts payable and other current liabilities	129,799	136,573	435,627	19,457	721,456	146
Accrued interest payable	118,701	11,812	-	-	130,513	-
Compensated absences	35,386	40,109	3,687	26,573	105,755	5,413
Unearned revenue	-	-	-	15,543	15,543	6,031
Loans payable - current	505,416	134,349	-	-	639,765	-
Landfill postclosure care - current	-	-	11,650	-	11,650	-
Total current liabilities	<u>789,302</u>	<u>322,843</u>	<u>450,964</u>	<u>61,573</u>	<u>1,624,682</u>	<u>11,590</u>
Noncurrent liabilities:						
Loans payable	5,766,853	841,159	-	-	6,608,012	-
Landfill postclosure care liability	-	-	274,250	-	274,250	-
Net pension liability	<u>279,556</u>	<u>318,944</u>	<u>81,806</u>	<u>138,768</u>	<u>819,074</u>	<u>-</u>
Total liabilities	6,835,711	1,482,946	807,020	200,341	9,326,018	11,590
DEFERRED INFLOWS OF RESOURCES						
Related to pensions	<u>68,451</u>	<u>78,096</u>	<u>20,031</u>	<u>33,979</u>	<u>200,557</u>	<u>-</u>
Total liabilities & deferred inflows	<u>6,904,162</u>	<u>1,561,042</u>	<u>827,051</u>	<u>234,320</u>	<u>9,526,575</u>	<u>11,590</u>
NET POSITION						
Net investment in capital assets	10,197,666	9,646,472	583,262	1,260,863	21,688,263	-
Restricted for system development	104,480	279,437	-	-	383,917	-
Unrestricted	<u>2,027,131</u>	<u>1,883,481</u>	<u>229,897</u>	<u>784,939</u>	<u>4,925,448</u>	<u>1,140</u>
Total net position	<u>\$ 12,329,277</u>	<u>\$ 11,809,390</u>	<u>\$ 813,159</u>	<u>\$ 2,045,802</u>	<u>\$ 26,997,628</u>	<u>\$ 1,140</u>

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

CITY OF WARRENTON, OREGON
Reconciliation of the Statement of Net Position of Enterprise
Funds to the Statement of Net Position
June 30, 2016

Net position - enterprise funds \$ 26,997,628

Amounts reported for business-type activities in the statement of net position are different because:

Internal service funds are used by management to charge the cost of engineering to individual funds. The assets, deferred outflows of resources, liabilities and deferred inflows of resources of the internal service fund are included in business-type activities in the statement of net position.

1,140

Net position of business-type activities \$ 26,998,768

CITY OF WARRENTON, OREGON
PROPRIETARY FUNDS
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2016

	Business-type Activities - Enterprise Funds					Business-type
	Water	Sewer	Sanitation	Nonmajor	Total	Activities
	Enterprise Fund	Enterprise Fund	Enterprise Fund	Enterprise Funds		Engineering Internal Service Fund (042)
Operating Revenues:						
Charges for services	\$ 2,594,014	\$ 2,588,094	\$ 1,027,350	\$ 746,090	\$ 6,955,548	\$ 50,742
Lease receipts	-	-	-	41,778	41,778	-
Other operating revenues	4,627	15,395	1,908	9,171	31,101	-
Total operating revenues	<u>2,598,641</u>	<u>2,603,489</u>	<u>1,029,258</u>	<u>797,039</u>	<u>7,028,427</u>	<u>50,742</u>
Operating Expenses:						
Payroll and payroll benefits	972,847	1,189,175	304,682	547,253	3,013,957	49,329
Contracted services	88,699	92,798	541,849	10,879	734,225	12
Utilities and telephone	95,477	190,056	4,679	129,200	419,412	263
Repairs and maintenance	278,527	321,399	26,484	60,058	686,468	-
Other operating expenses	137,072	140,881	71,060	48,899	397,912	-
Overhead cost allocation	128,638	129,996	30,228	40,714	329,576	-
Depreciation	726,154	666,421	65,764	110,114	1,568,453	-
Total operating expenses	<u>2,427,414</u>	<u>2,730,726</u>	<u>1,044,746</u>	<u>947,117</u>	<u>7,150,003</u>	<u>49,604</u>
Operating income (loss)	<u>171,227</u>	<u>(127,237)</u>	<u>(15,488)</u>	<u>(150,078)</u>	<u>(121,576)</u>	<u>1,138</u>
Nonoperating Revenues (Expenses):						
Investment earnings	4,240	4,342	2,052	6,660	17,294	2
Taxes	-	-	-	140,003	140,003	-
Intergovernmental	-	-	-	4,975	4,975	-
Debt service - interest expense	(212,792)	(41,706)	-	-	(254,498)	-
Total nonoperating revenues (expenses)	<u>(208,552)</u>	<u>(37,364)</u>	<u>2,052</u>	<u>151,638</u>	<u>(92,226)</u>	<u>2</u>
Income (loss) before contributions	(37,325)	(164,601)	(13,436)	1,560	(213,802)	1,140
Capital contributions	90,245	83,023	-	-	173,268	-
Change in net position	52,920	(81,578)	(13,436)	1,560	(40,534)	1,140
Net Position:						
Beginning of year, as restated	12,276,357	11,890,968	826,595	2,044,242	27,038,162	-
End of year	<u>\$ 12,329,277</u>	<u>\$ 11,809,390</u>	<u>\$ 813,159</u>	<u>\$ 2,045,802</u>	<u>\$ 26,997,628</u>	<u>\$ 1,140</u>

Reconciliation of the Statement of Revenues, Expenses, and Changes
in Net Position of Enterprise Funds to the Statement of Activities

Change in net position - enterprise funds \$ (40,534)

Amounts reported for business-type activities in the statement of activities are different because:

The internal service fund is used by management to charge the cost of engineering services to individual funds. The net revenue is reported with business-type activities in the statement of activities 1,140

Change in net position - business-type activities \$ (39,394)

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

CITY OF WARRENTON, OREGON

PROPRIETARY FUNDS

Statement of Cash Flows

For the Year Ended June 30, 2016

	Business-type Activities - Enterprise Funds					Business-type
	Water	Sewer	Sanitation	Nonmajor	Total	Activities
	Enterprise Fund	Enterprise Fund	Enterprise Fund	Enterprise Funds		Engineering Internal Service Fund (042)
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 2,558,938	\$ 2,582,438	\$ 1,024,293	\$ 804,173	\$ 6,969,842	\$ -
Receipts from interfund charges	-	-	-	-	-	56,773
Payments to suppliers and contractors	(579,401)	(770,166)	(631,610)	(257,825)	(2,239,002)	(275)
Payments to employees	(577,454)	(744,455)	(199,243)	(378,011)	(1,899,163)	(43,916)
Payments for interfund services	(305,258)	(308,481)	(71,731)	(96,615)	(782,085)	-
Net cash provided by (used in) operating activities	<u>1,096,825</u>	<u>759,336</u>	<u>121,709</u>	<u>71,722</u>	<u>2,049,592</u>	<u>12,582</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Intergovernmental operating grants received	-	-	-	14,350	14,350	-
Taxes collected	-	-	-	131,987	131,987	-
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>146,337</u>	<u>146,337</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital contributions	88,045	83,023	-	-	171,068	-
Acquisition and construction of capital assets	(144,499)	(275,872)	(4,372)	(57,178)	(481,921)	146
Principal paid on debt	(507,066)	(130,647)	-	-	(637,713)	-
Interest paid on debt	(224,143)	(43,730)	-	-	(267,873)	-
Net cash used in capital and related financing activities	<u>(787,663)</u>	<u>(367,226)</u>	<u>(4,372)</u>	<u>(57,178)</u>	<u>(1,216,439)</u>	<u>146</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest and dividends received	<u>4,240</u>	<u>4,342</u>	<u>2,052</u>	<u>6,660</u>	<u>17,294</u>	<u>2</u>
Net change in cash and cash equivalents	313,402	396,452	119,389	167,541	996,784	12,730
Cash and cash equivalents:						
Beginning of year	<u>1,884,306</u>	<u>1,846,253</u>	<u>770,091</u>	<u>739,429</u>	<u>5,240,079</u>	<u>-</u>
End of year	<u>\$ 2,197,708</u>	<u>\$ 2,242,705</u>	<u>\$ 889,480</u>	<u>\$ 906,970</u>	<u>\$ 6,236,863</u>	<u>\$ 12,730</u>

Cash and cash equivalents are reported on the Statement of Net Position as follows:

Cash and cash equivalents	\$ 2,197,708	\$ 2,190,491	\$ 889,480	\$ 906,970	\$ 6,184,649	\$ 12,730
Restricted cash - loan reserve	-	52,214	-	-	52,214	-
	<u>\$ 2,197,708</u>	<u>\$ 2,242,705</u>	<u>\$ 889,480</u>	<u>\$ 906,970</u>	<u>\$ 6,236,863</u>	<u>\$ 12,730</u>

Continued on next page

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

CITY OF WARRENTON, OREGON

PROPRIETARY FUNDS

Statement of Cash Flows, Continued

For the Year Ended June 30, 2016

	Business-type Activities - Enterprise Funds					Business-type
	Water	Sewer	Sanitation	Nonmajor	Total	Activities
	Enterprise Fund	Enterprise Fund	Enterprise Fund	Enterprise Funds		Engineering Internal Service Fund (042)
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ 171,227	\$ (127,237)	\$ (15,488)	\$ (150,078)	\$ (121,576)	\$ 1,138
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	726,154	666,421	65,764	110,114	1,568,453	-
Net reduction of expense under GASB 68	220,819	266,120	66,820	108,921	662,680	-
(Increase) decrease in assets:						
Receivables	(39,703)	(21,051)	(4,965)	(5,522)	(71,241)	-
Inventory	(28,473)	16,939	(19,132)	-	(30,666)	-
Prepaid expenses	(172)	(2,386)	-	-	(2,558)	-
Increase (decrease) in liabilities:						
Accounts payable and other accrued expenses	49,019	(39,585)	60,011	(8,789)	60,656	-
Compensated absences	(2,046)	115	(2,884)	4,420	(395)	5,413
Unearned revenue	-	-	-	12,656	12,656	6,031
Landfill postclosure care liability	-	-	(28,417)	-	(28,417)	-
Net cash provided by (used in) operating activities	<u>\$ 1,096,825</u>	<u>\$ 759,336</u>	<u>\$ 121,709</u>	<u>\$ 71,722</u>	<u>\$ 2,049,592</u>	<u>\$ 12,582</u>

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

CITY OF WARRENTON, OREGON

Notes to the Financial Statements

June 30, 2016

Note I - Summary of significant accounting policies

A. Reporting Entity

The City of Warrenton, Oregon ("City") is a municipal corporation incorporated on February 11, 1899. The City operates under a council-city manager form of government. The governing body (City Commission) consists of five elected members who serve four-year terms. The City Manager administers policies and coordinates the activities of the City. The City Manager reports to, and is responsible to the City Commission. The heads of various departments, formed to provide various services, are under the direct supervision of the City Manager.

The City has the authority to levy taxes on property within the city for basic services and for payment of general obligation bonds. It has exercised that authority for several years.

Blended component unit. The Warrenton Urban Renewal Agency ("Agency") serves all citizens of the City and is governed by a Board comprised of members of the City Commission. The Agency was formed by the City to implement various public improvement programs in the revitalization plan of the City. Projects are funded through tax increment dollars. Separate financial statements for the Agency can be obtained from the City.

B. Government-wide and fund financial statements

The 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 and the statement of activities.

The statement of activities demonstrates the degree to which the direct and allocated indirect expenses of a given function or program are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or program. *Indirect expenses* are those costs, usually administrative in nature, that support all City functions, programs, and enable direct services to be provided. *Program revenues* include 1) fees, fines, and charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide and proprietary funds financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and *available*. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

CITY OF WARRENTON, OREGON

Notes to the Financial Statements

June 30, 2016

Note I - Summary of significant accounting policies, continued

C. Measurement focus, basis of accounting, and financial statement presentation, continued

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

The City reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all of the financial operations of the City except those required to be accounted for in another fund. Principal sources of revenue are property taxes, licenses and permits, state and county shared revenues and charges for administrative services from other funds. Primary expenditures are for general government and police and fire protection.

The *state tax street fund* accounts for funds provided by the Oregon State Department of Transportation and State Highway Trust Fund that are set aside for bicycle lanes, pedestrian paths, street maintenance and repair, and street lighting. The fund also accounts for the City fuel tax.

The *Warrenton Urban Renewal Agency capital projects* fund accounts for the property tax revenue collected and improvements to the downtown area completed through the Warrenton Urban Renewal Agency.

Additionally, the City reports the following nonmajor funds within the governmental fund type:

Special revenue funds account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specific purposes.

Debt service funds account for the servicing of general long-term debt. Revenue sources are property taxes levied for general obligation bonds and other general governmental revenues.

Capital project funds account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by business-type or proprietary funds).

The City reports the following major proprietary funds:

The *water enterprise fund* (a combination of the operating, system development, and capital reserve funds) accounts for the costs of operating the water system of the City and paying for its costs and renovation. User fees provide revenue.

The *sewer enterprise fund* (a combination of the operating, system development, capital reserve, and storm sewer funds) accounts for the costs of operating the sewer and storm facilities. User fees provide the revenue.

The *sanitation enterprise fund* (a combination of the operating and capital reserve funds) accounts for the costs of providing trash removal services. User fees provide the revenue.

Additionally, the City reports the *engineering internal service fund* to account for the cost of providing engineering services to other departments of the City. Internal user fees provide revenue to the fund.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's enterprise funds and various other functions of the City. The City allocates charges as reimbursement for services provided by the general fund in support of those functions based on levels of service provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. These charges are included in direct program expenses.

CITY OF WARRENTON, OREGON

Notes to the Financial Statements

June 30, 2016

Note I - Summary of significant accounting policies, continued

C. Measurement focus, basis of accounting, and financial statement presentation, continued

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Significant operating expenses include personnel, contracted services, repairs and maintenance, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, liabilities, deferred outflows/inflows of resources, and net position or fund balance

1. Deposits and investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits, investments in the State of Oregon Local Government Investment Pool ("LGIP"), and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, and repurchase agreements.

Investments are reported at fair value.

2. Receivables and payables

Service and property taxes receivable that meet the measurable and available criteria for revenue recognition are accrued as revenue in the governmental funds financial statements. Receivables in the government-wide and proprietary fund financial statements are accrued as revenue when earned. In governmental funds, any revenues not meeting the revenue recognition criteria are offset by unavailable revenue accounts.

Special assessments receivable in the governmental funds and proprietary funds are recognized at the time the property owners are assessed for property improvements. In governmental funds special assessments receivable are offset by unavailable revenue accounts and, accordingly, have not been recognized as revenue.

Property taxes are levied and become a lien on July 1st. Property taxes are assessed in October and tax payments are due November 15th of the same year. Under the partial payment schedule, the first one-third of taxes are due November 15th of the same year, the second one-third on February 15th, and the remaining one-third on May 15th. A three percent discount is allowed if full payment is made by November 15th and a two percent discount is allowed if two-thirds payment is made by November 15th. Taxes become delinquent if not paid by the due date and interest accrues after each trimester at a rate of one percent per month. Property foreclosure proceedings are initiated four years after the due date.

Receivables for housing rehabilitation loans in the general fund are recognized at the time the loan is made. The loans receivable are offset by an unavailable revenue account and accordingly, have not been recognized as revenue in the governmental fund financial statements.

CITY OF WARRENTON, OREGON

Notes to the Financial Statements

June 30, 2016

Note I - Summary of significant accounting policies, continued

D. Assets, liabilities, deferred outflows/inflows of resources, and net position or fund balance, continued

2. Receivables and payables, continued

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

The governmental fund financial statements report advances to/from other funds as nonspendable fund balance to indicate funds are not available for appropriation and are not expendable financial resources.

In the government-wide financial statements any residual balances outstanding between the governmental and business-type activities are reported as "internal balances."

3. Inventories and prepaid items

Inventories of materials and supplies in the proprietary funds are stated at cost, on a first-in, first-out basis, and charged to expense as used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted cash

Cash whose use is restricted for construction, debt service or by other agreement are segregated on the government-wide statement and the proprietary funds statement of net position and the governmental funds balance sheet.

5. Capital assets

Capital assets, which include land, right-of-way (included with land), buildings, improvements, equipment, infrastructure, and other tangible and intangible assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life beyond a single reporting period. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of the donation.

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

No depreciation is taken in the year the assets are acquired. Gains or losses from sales or retirements of capital assets are included in operations of the current period.

Capital assets of the City are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Parking and land improvements	10 - 50
Buildings	10 - 50
Equipment and vehicles	5 - 40
Dike and flood control	20 - 40
Infrastructure	20 - 25
Utility facilities	5 - 40

CITY OF WARRENTON, OREGON

Notes to the Financial Statements

June 30, 2016

Note I - Summary of significant accounting policies, continued

D. Assets, liabilities, deferred outflows/inflows of resources, and net position or fund balance, continued

6. *Deferred outflows/inflows of resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government-wide statements and the enterprise funds report deferred outflows of resources related to pensions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports two types of deferred inflows. Unavailable revenues, which arises only under a modified accrual basis of accounting, are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, occupancy taxes, franchise fees and rehabilitation loans. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The government-wide statements and the enterprise funds report deferred inflows of resources related to pensions.

A detailed description of deferred outflows and inflows of resources related to pensions and how they are calculated can be found in note III.G.

7. *Compensated absences*

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The compensated absences liability is extinguished by the fund in which the liability is incurred.

8. *Long-term obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds-outstanding method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. *Net position flow assumption*

Sometimes the City will fund outlays for a particular resource from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

CITY OF WARRENTON, OREGON

Notes to the Financial Statements

June 30, 2016

Note I - Summary of significant accounting policies, continued

D. Assets, liabilities, deferred outflows/inflows of resources, and net position or fund balance, continued

10. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

11. Fund balance flow assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

12. Fund balance policies

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The fund balance classifications are:

Nonspendable - 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 sale.

Restricted - constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grants, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - the City Commission passes an ordinance that places specific constraints on how the resources may be used. The City Commission can modify or rescind the ordinance at any time through passage of an additional ordinance.

Assigned - resources that are constrained by the City's intent to use them for a specific purpose, but are neither restricted, nor committed. Intent is expressed when the City Commission approves which resources should be "reserved" during the adoption of the annual budget.

Unassigned - resources that have 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.

13. Use of estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CITY OF WARRENTON, OREGON

Notes to the Financial Statements

June 30, 2016

Note II - Stewardship, compliance, and accountability

A. Budgetary information

Annual budgets are adopted on a basis consistent with Oregon Revised Statutes (ORS 294 - Local Budget Law).

A budget is prepared by the City Manager in the early winter preceding the fiscal year the budget will be used. The City is required to budget for all funds. The City's budget is prepared for each fund on the modified accrual basis of accounting. The budget committee, with public input, deliberates and approves the budget for transmittal to the City Commission in early spring. After public notices and a hearing, the final budget is adopted, appropriations made, and a tax levy declared no later than June 30.

The City Commission resolution adopting the budget and authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriation. The level of control for all funds and departments is the object group level of personal services, materials and services, capital outlay, debt service, interfund transfers, and contingency except the general fund where the levy is by department. Appropriations lapse as of year-end.

Expenditures cannot legally exceed appropriations except in the case of grants which could not be estimated at the time of budget adoption. Supplemental appropriations and appropriation transfers may occur with notice and City Commission action. During the fiscal year ended June 30, 2016, the City Commission approved two budget adjustments through supplemental budgets and three adjustments through resolution.

B. Excess of expenditures over appropriations

For the year ended June 30, 2016, Administration/Commission/Finance expenditures exceeded appropriations in the General fund by \$22,276. The excess of expenditures over appropriations occurred due to the payment of a severance package at year-end.

For the year ended June 30, 2016, personal service expenditures exceeded appropriations in the Warrenton Business Association fund by \$313.

Note III - Detailed notes on all funds

A. Deposits and investments

The City maintains a cash and investment pool for its cash and cash equivalents in which each fund participates. Cash and investments comprise the following:

Petty cash	\$	1,200
Deposits with financial institution		6,341,479
Investments - State of Oregon Local Government Investment Pool		<u>5,397,185</u>
Total	\$	<u>11,739,864</u>

Cash and investments are reflected in the government-wide statement of net assets as follows:

Cash and cash equivalents	\$	11,687,650
Temporarily restricted cash		<u>52,214</u>
Total	\$	<u>11,739,864</u>

CITY OF WARRENTON, OREGON

Notes to the Financial Statements

June 30, 2016

Note III - Detailed notes on all funds, continued

A. Deposits and investments, continued

Deposits. All deposits not covered by FDIC insurance are covered by the Public Funds Collateralization Program ("PFCP") of the State of Oregon. The PFCP is a shared liability structure for participating bank depositories. 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 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.

Investments. The Oregon Local Government Investment Pool (LGIP) is an open-ended, no-load diversified portfolio offered to any municipality, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any public funds. The Office of the State Treasurer (OST) manages the LGIP. The LGIP is commingled with other State funds in the Oregon Short-Term Fund (OSTF). The OSTF is not managed as a stable net asset value fund; therefore, the preservation of principal is not assured. Additional information about the OSTF can be obtained at www.ost.state.or.us and www.oregon.gov/treasury.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At June 30, 2016, the City's deposits were covered and collateralized by federal depository insurance and the PFCP.

Credit Risk -- Investments. The City has no investment policy for credit risk, but in practice follows state statutes which authorize the City to invest primarily in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers acceptances, certain commercial papers and the State Treasurer's Investment Pool, among others. The LGIP is not rated by a national rating service.

Interest Rate Risk. The City does not have a formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates. The weighted-average maturity of LGIP is less than one year.

B. Receivables and deferred inflows of resources

Housing rehabilitation loans

The City has lent money to qualifying property owners through a federally funded low-income housing rehabilitation program. The loans are non interest-bearing and become a lien against the property, payable upon sale of the property or death of the owner.

Unavailable revenues

At the end of the current fiscal year, the components of unavailable revenue reported in the governmental funds were as follows:

	General Fund	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Total
Delinquent property taxes receivable	\$ 56,471	\$ 3,018	\$ 78,135	\$ 137,624
Franchise fees	56,331	-	-	56,331
Rehabilitation loans	70,427	-	-	70,427
Total unavailable revenues	\$ 183,229	\$ 3,018	\$ 78,135	\$ 264,382

CITY OF WARRENTON, OREGON

Notes to the Financial Statements

June 30, 2016

Note III - Detailed notes on all funds, continued

C. Capital assets

Capital asset activity for the year ended June 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 2,410,432	\$ -	\$ -	\$ -	\$ 2,410,432
Construction in progress	<u>478,977</u>	<u>216,847</u>	<u>-</u>	<u>(146,338)</u>	<u>549,486</u>
Total capital assets, not being depreciated	<u>2,889,409</u>	<u>216,847</u>	<u>-</u>	<u>(146,338)</u>	<u>2,959,918</u>
Capital assets, being depreciated:					
Parking and land improvements	716,543	50,304	-	14,237	781,084
Buildings	4,721,040	-	-	-	4,721,040
Equipment and vehicles	2,154,604	16,389	(100,396)	-	2,070,597
Infrastructure	<u>3,543,731</u>	<u>102,580</u>	<u>-</u>	<u>132,101</u>	<u>3,778,412</u>
Total capital assets being depreciated	11,135,918	169,273	(100,396)	146,338	11,351,133
Less accumulated depreciation for:					
Parking and land improvements	(352,003)	(29,444)	-	-	(381,447)
Buildings	(1,251,047)	(105,786)	-	-	(1,356,833)
Equipment and vehicles	(1,306,302)	(148,922)	100,396	-	(1,354,828)
Infrastructure	<u>(1,241,099)</u>	<u>(155,416)</u>	<u>-</u>	<u>-</u>	<u>(1,396,515)</u>
Total accumulated depreciation	<u>(4,150,451)</u>	<u>(439,568)</u>	<u>100,396</u>	<u>-</u>	<u>(4,489,623)</u>
Total capital assets, being depreciated, net	<u>6,985,467</u>	<u>(270,295)</u>	<u>-</u>	<u>146,338</u>	<u>6,861,510</u>
Governmental activities capital assets, net	<u>\$ 9,874,876</u>	<u>\$ (53,448)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,821,428</u>

CITY OF WARRENTON, OREGON

Notes to the Financial Statements

June 30, 2016

Note III - Detailed notes on all funds, continued

C. Capital assets, continued

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 379,622	\$ -	\$ -	\$ -	\$ 379,622
Construction in progress	<u>302,096</u>	<u>223,670</u>	<u>-</u>	<u>(74,809)</u>	<u>450,957</u>
Total capital assets, not being depreciated	<u>681,718</u>	<u>223,670</u>	<u>-</u>	<u>(74,809)</u>	<u>830,579</u>
Capital assets, being depreciated:					
Parking areas	920,676	-	-	-	920,676
Buildings	2,420,278	40,137	(32,799)	19,754	2,447,370
Equipment and vehicles	4,630,791	346,376	-	-	4,977,167
Utility facilities	<u>41,500,678</u>	<u>65,494</u>	<u>-</u>	<u>55,055</u>	<u>41,621,227</u>
Total capital assets being depreciated	49,472,423	452,007	(32,799)	74,809	49,966,440
Less accumulated depreciation for:					
Parking areas	(357,652)	(44,150)	-	-	(401,802)
Buildings	(1,077,406)	(51,425)	32,799	-	(1,096,032)
Equipment and vehicles	(3,715,219)	(177,608)	-	-	(3,892,827)
Utility facilities	<u>(15,175,048)</u>	<u>(1,295,270)</u>	<u>-</u>	<u>-</u>	<u>(16,470,318)</u>
Total accumulated depreciation	<u>(20,325,325)</u>	<u>(1,568,453)</u>	<u>32,799</u>	<u>-</u>	<u>(21,860,979)</u>
Total capital assets, being depreciated, net	<u>29,147,098</u>	<u>(1,116,446)</u>	<u>-</u>	<u>74,809</u>	<u>28,105,461</u>
Business-type activities capital assets, net	<u>\$ 29,828,816</u>	<u>\$ (892,776)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,936,040</u>

CITY OF WARRENTON, OREGON

Notes to the Financial Statements

June 30, 2016

Note III - Detailed notes on all funds, continued

C. Capital assets, continued

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

Governmental activities:	
General government	\$ 99,485
Fire and emergency medical services	79,253
Police	52,931
Planning and development	4,499
Library and culture	23,635
Public works	<u>179,765</u>
Total depreciation expense - governmental activities	<u>\$ 439,568</u>
Business-type activities:	
Water utilities	\$ 726,154
Sewer utilities	666,421
Sanitation utilities	65,764
Marinas	<u>110,114</u>
Total depreciation expense - business-type activities	<u>\$ 1,568,453</u>

D. Interfund receivables, payables, and transfers

At June 30, 2016 the grants fund, a nonmajor governmental fund, owed \$13,335 to the general fund to cover expenditures which have not yet been reimbursed by the granting agency.

The interfund transfer activity for the year ended June 30, 2016 was as follows:

	Transfers Out:
	<u>General Fund</u>
Transfers In:	
Nonmajor Governmental Funds	<u>\$ 159,507</u>

Interfund transfers are used to provide funds for debt service, contribute towards the cost of capital projects, and to provide operational resources.

CITY OF WARRENTON, OREGON

Notes to the Financial Statements

June 30, 2016

Note III - Detailed notes on all funds, continued

E. Leases

Capital Leases

The government has entered into lease agreements as lessee for financing equipment. These lease agreements qualify as capital leases for accounting purposes and therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Amortization of leased assets is included in current year depreciation expense.

The assets acquired through capital leases are as follows:

	Governmental Activities
Asset:	
2010 E-One Pumper Truck	\$ 281,776
Less: accumulated depreciation	(75,140)
Total	\$ 206,636

The future minimum lease payments under the capital lease at June 30, 2016, are as follows:

<u>Year ending June 30,</u>	Future Minimum Lease Payments		
	Present Value	Interest	Total
2017	\$ 37,737	\$ 3,728	\$ 41,465
2018	38,941	2,525	41,466
2019	40,185	1,282	41,466
Total minimum lease payments	116,863	\$ 7,535	\$ 124,397
Less current maturities	(37,737)		
Long-term portion	\$ 79,126		

F. Long-term debt

Long-term debt outstanding at year end is as follows:

Purpose	Interest Rates	Amount
<p>The general obligation bonds series 1998 in the original amount of \$1,740,000 were facilities and refunding bonds. The nonrefunding portion of the bond was authorized by taxpayers in November 1997 to finance construction of police, fire, municipal court, and meeting facilities. These general obligation bonds are direct obligations and pledge the full faith and credit of the City. The Public Safety Building GO Bond fund is used to liquidate these bonds. Final maturity of these 19-year bonds is June 15, 2017.</p>	<p>4.20% to 5.00%</p>	<p>\$ 135,000</p>
<p>The general obligation bonds series 2007 in the original amount of \$8,079,696 were facilities bonds. The bonds were authorized by taxpayers in November 2006 to finance improvements to the wastewater treatment and disposal system of the City. These general obligation bonds are direct obligations and pledge the full faith and credit of the City. The Wastewater Treatment GO Bond fund is used to liquidate these bonds. Final maturity of these 20-year bonds is December 1, 2026.</p>	<p>2.94% plus 0.5% annual fee</p>	<p>4,948,360</p>

CITY OF WARRENTON, OREGON

Notes to the Financial Statements

June 30, 2016

Note III - Detailed notes on all funds, continued

F. Long-term debt, continued

<p>The urban renewal bond series 2012, in the original amount of \$1,640,000, was used to finance urban renewal projects. This tax increment financing is secured by assignment of incremental tax revenues. The bond matures on June 15, 2027.</p>	<p>3.75%</p>	<p>1,287,007</p>
<p>The Full Faith and Credit Note, Series 2015, in the original amount of \$621,771, was used as a deposit on the purchase of an aerial fire truck that is expected to be purchased in FY2017. The loan is secured by Warrenton Fiber Revenues and matures on December 29, 2025.</p>	<p>2.7690%</p>	<p>621,771</p>
<p>The Oregon Economic Development Department loan B97004A NCIP Bond in the original amount of \$933,600 was used in the water and sewer enterprises for equipment and facilities. The loan matures on December 1, 2017 and is unsecured.</p>	<p>5.01%</p>	<p>151,106</p>
<p>The Oregon Economic Development Department loan B97004B NCIP Bond in the original amount of \$120,675 was used in the water and sewer enterprises for equipment and facilities. The loan matures on December 1, 2018 and is unsecured.</p>	<p>6.0%</p>	<p>28,123</p>
<p>The Oregon Economic Development Department loan G99001A Bond in the original amount of \$3,165,000 was used in the water enterprise for equipment and facilities. The loan matures on December 1, 2023 and is secured by water facilities.</p>	<p>5.16%</p>	<p>1,447,450</p>
<p>The Oregon Economic Development Department loan S99005 in the original amount of \$2,000,000 was used in the water enterprise for equipment and facilities. The loan matures on December 1, 2021 and is secured by water facilities.</p>	<p>4.1%</p>	<p>775,770</p>
<p>The Oregon Economic Development Department loan G99001B in the original amount of \$300,000 was used in the water enterprise for equipment and facilities. The loan matures on December 1, 2024 and is secured by water facilities.</p>	<p>5.16%</p>	<p>178,154</p>
<p>The Oregon Economic Development Department loan S02011 in the original amount of \$2,657,000 was used in the water enterprise for equipment and facilities. The loan matures on December 1, 2031 and is secured by water facilities.</p>	<p>1.0%</p>	<p>1,515,264</p>
<p>The Oregon Infrastructure Finance Authority loan SZ9012 was issued in the original amount up to \$5,399,048 and was used in the design and construction of a new covered-water reservoir. \$2,699,524 of the loan was forgiven upon completion of the project and was recognized as a capital contribution in 2013. The loan matures on December 1, 2033 and is secured by the net revenues of the water fund.</p>	<p>3.0%</p>	<p>2,264,226</p>
<p>The Oregon Economic Development Department loan Y04001 in the original amount of \$506,000 was used in the sewer enterprise for equipment and facilities. The loan matures on December 1, 2024 and is secured by sewer and general revenues.</p>	<p>4.62%</p>	<p>284,161</p>
<p>The Oregon Department of Environmental Quality loan R94940 in the original amount of \$216,266 was used in the sewer enterprise for equipment and facilities. The loan matures on June 1, 2020 and is secured by sewer revenues.</p>	<p>3.77%</p>	<p>62,523</p>

CITY OF WARRENTON, OREGON

Notes to the Financial Statements

June 30, 2016

Note III - Detailed notes on all funds, continued

F. Long-term debt, continued

<p>The Oregon Department of Environmental Quality loan R94942 in the original amount of \$1,200,000 was used in the sewer enterprise for biosolids removal. The loan matures on June 1, 2025 and is secured by sewer revenues.</p>	<p>2.91% plus 0.5% annual fee</p>	<p>541,000</p>
<p>The Columbia Bank loan is a line of credit issued in October 2014 with a two-year maturity. During the year ended June 30, 2016 the City withdrew \$180,000 and made repayments on the line of \$280,000. The funds were used in the urban renewal capital projects fund for downtown improvements. The loan carried a variable interest rate identified as the Columbia Bank Base Rate plus 1%, with a minimum rate of 5%. The loan matures on October 1, 2016 and is secured by tax-increment revenues.</p>	<p>5.00%</p>	<p><u>-</u></p>
<p>Total debt outstanding</p>		<p>14,239,915</p>
<p>Less current portion</p>		<p><u>1,334,936</u></p>
<p>Long-term portion</p>		<p><u>\$ 12,904,979</u></p>

The total debt outstanding is reported in the schedule of changes in long-term liabilities as follows:

	<u>Ending Balance</u>	<u>Due within One Year</u>
Governmental activities - General obligation bonds payable	\$ 5,083,360	\$ 543,680
Governmental activities - Tax Increment Financial Bonds	1,287,007	96,674
Governmental activities - Notes/loan payable	621,771	54,817
Business-type activities - Loans payable	<u>7,247,777</u>	<u>639,765</u>
Total	<u>\$ 14,239,915</u>	<u>\$ 1,334,936</u>

By bond loan covenants, the City is required to establish reserves as follows:

Oregon Department of Environmental Quality:	
Loan R94940	\$ 17,661
Loan R94942	<u>34,553</u>
Total	<u>\$ 52,214</u>

These reserves are reported as restricted cash on the statement of net position.

CITY OF WARRENTON, OREGON

Notes to the Financial Statements

June 30, 2016

Note III - Detailed notes on all funds, continued

F. Long-term debt, continued

Annual debt service requirements to maturity at year end are as follows:

Year ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2017	\$ 695,171	\$ 238,457	\$ 639,765	\$ 242,865
2018	577,418	212,387	664,661	218,522
2019	595,200	192,469	611,281	191,801
2020	613,538	171,934	621,246	168,146
2021	632,443	150,765	629,597	145,388
2022 - 2026	3,467,093	412,584	2,308,345	399,324
2027 - 2031	411,275	8,780	1,205,273	154,271
2032 - 2034	-	-	567,609	29,234
Total	\$ 6,992,138	\$ 1,387,376	\$ 7,247,777	\$ 1,549,551

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2016 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
General obligation bonds payable	\$ 5,610,284	\$ -	\$ (526,924)	\$ 5,083,360	\$ 543,680
Tax Incremental Financial Bonds	1,380,186	-	(93,179)	1,287,007	96,674
Notes/loan payable	<u>100,000</u>	<u>801,771</u>	<u>(280,000)</u>	<u>621,771</u>	<u>54,817</u>
Total long-term debt	7,090,470	801,771	(900,103)	6,992,138	695,171
Capital leases	<u>153,434</u>	<u>-</u>	<u>(36,571)</u>	<u>116,863</u>	<u>37,737</u>
Total noncurrent liabilities	7,243,904	801,771	(936,674)	7,109,001	732,908
Compensated absences	<u>114,205</u>	<u>123,408</u>	<u>(114,205)</u>	<u>123,408</u>	<u>123,408</u>
Governmental activities long-term liabilities	<u>\$ 7,358,109</u>	<u>\$ 925,179</u>	<u>\$ (1,050,879)</u>	<u>\$ 7,232,409</u>	<u>\$ 856,316</u>
Business-type activities:					
Loans payable	\$ 7,885,490	\$ -	\$ (637,713)	\$ 7,247,777	\$ 639,765
Landfill postclosure care (see note IV D)	<u>314,317</u>	<u>-</u>	<u>(28,417)</u>	<u>285,900</u>	<u>11,650</u>
Total noncurrent liabilities	8,199,807	-	(666,130)	7,533,677	651,415
Compensated absences	<u>106,150</u>	<u>111,168</u>	<u>(106,150)</u>	<u>111,168</u>	<u>111,168</u>
Business-type activities long-term liabilities	<u>\$ 8,305,957</u>	<u>\$ 111,168</u>	<u>\$ (772,280)</u>	<u>\$ 7,644,845</u>	<u>\$ 762,583</u>

CITY OF WARRENTON, OREGON

Notes to the Financial Statements

June 30, 2016

Note III - Detailed notes on all funds, continued

G. Pension plan

Employees of the City are provided with pensions through the Oregon Public Employees Retirement System (OPERS) a cost-sharing multiple-employer defined benefit pension plan. The Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at

http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx.

Benefits Provided

1. Tier One/Tier Two Retirement Benefit (ORS Chapter 238)

Pension Benefits

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by a PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in a PERS-covered job, or
- the member was on an official leave of absence from a PERS-covered job at the time of death.

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

CITY OF WARRENTON, OREGON

Notes to the Financial Statements

June 30, 2016

Note III - Detailed notes on all funds, continued

G. Pension plan, continued

Benefit Changes

After Retirement Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000

2. OPSRP Pension Program (OPSRP DB)

Pension Benefits.

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

Police and Fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death Benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability Benefits

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit Changes After Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

CITY OF WARRENTON, OREGON

Notes to the Financial Statements

June 30, 2016

Note III - Detailed notes on all funds, continued

G. Pension plan, continued

3. OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Recordkeeping

OPERS contracts with VOYA Financial to maintain IAP participant records.

Contributions:

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2013 actuarial valuation as subsequently modified by 2015 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2015. Employer contributions for the year ended June 30, 2016 were \$545,611 excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2016 were 17.56 percent for Tier One/Tier Two General Service Member, 17.56 percent for Tier One/Tier Two Police and Fire, 10.36 percent for OPSRP Pension Program General Services, 14.47 percent for OPSRP Police and Fire members and 6 percent for OPSRP Individual Account Program.

Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016 the City reported a liability of \$2,019,912 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013 rolled forward to June 30, 2015. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2015, the City's proportion was 0.03518114 percent, which was a change from its proportion measured as of June 30, 2014 of 0.03043630 percent.

CITY OF WARRENTON, OREGON

Notes to the Financial Statements

June 30, 2016

Note III - Detailed notes on all funds, continued

G. Pension plan, continued

For the year ended June 30, 2016 the City recognized pension expense (income) of \$1,985,232. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 108,924	\$ -
Net difference between projected and actual earnings on pension plan investments	-	423,419
Changes in proportionate share	81,465	-
Differences between City contributions and proportionate share of contributions	-	71,173
City contributions subsequent to the measurement date	<u>369,688</u>	<u>-</u>
Total	<u>\$ 560,077</u>	<u>\$ 494,592</u>

Deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
2017	\$ 412,958	\$ 218,276
2018	43,270	218,276
2019	43,270	218,276
2020	43,270	(166,577)
2021	<u>17,309</u>	<u>6,341</u>
Total	<u>\$ 560,077</u>	<u>\$ 494,592</u>

Actuarial Assumptions:

The employer contribution rates effective July 1, 2013, through June 30, 2015, and effective July 1, 2015 through June 30, 2017, were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

CITY OF WARRENTON, OREGON

Notes to the Financial Statements

June 30, 2016

Note III - Detailed notes on all funds, continued

G. Pension plan, continued

The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2013
Measurement Date	June 30, 2015
Experience Study Report	2014, published September 18, 2015
Actuarial Cost Method	Entry Age normal
Actuarial Assumptions:	
Inflation Rate	2.75 percent
Long-Term Expected Rate of Return	7.75 percent
Discount Rate	7.25 percent
Project Salary Increases	3.75 percent overall payroll growth
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and Grade COLA
Mortality	<p>Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation.</p> <p>Active Members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.</p> <p>Disabled retirees: Mortality rates are a percentage (65% for males, 90% for females) of the RP-2000 statistic combined disabled mortality sex-distinct table.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2014 Experience Study which reviewed experience for the four-year period ending on December 31, 2014.

Long-term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

CITY OF WARRENTON, OREGON

Notes to the Financial Statements

June 30, 2016

Note III - Detailed notes on all funds, continued

G. Pension plan, continued

Assumed Asset Allocation

<u>Asset Class/Strategy</u>	<u>Low Range</u>	<u>High Range</u>	<u>OIC Target</u>
Cash	0.0 %	3.0 %	0.0 %
Debt Securities	15.0 %	25.0 %	20.0
Public Equity	32.5 %	42.5 %	37.5
Private Equity	16.0 %	24.0 %	20.0
Real Estate	9.5 %	15.5 %	12.5
Alternative Equity	0.0 %	10.0 %	10.0
Opportunity Portfolio	0.0 %	3.0 %	0.0
Total			<u>100.0 %</u>

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Compounded Annual Return (Geometric)</u>
Core Fixed Income	7.20 %	4.50 %
Short-Term Bonds	8.00 %	3.70 %
Intermediate-Term Bonds	3.00 %	4.10 %
High Yield Bonds	1.80 %	6.66 %
Large Cap US Equities	11.65 %	7.20 %
Mid Cap US Equities	3.88 %	7.30 %
Small Cap US Equities	2.27 %	7.45 %
Developed Foreign Equities	14.21 %	6.90 %
Emerging Foreign Equities	5.49 %	7.40 %
Private Equities	20.00 %	8.26 %
Opportunity Funds/Absolute Return	5.00 %	6.01 %
Real Estate (Property)	13.75 %	6.51 %
Real Estate (REITS)	2.50 %	6.76 %
Commodities	1.25 %	6.07 %
Total	<u>100.00 %</u>	

Assumed Inflation - Mean 2.75 %

Depletion Date Projection

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for PERS:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.

CITY OF WARRENTON, OREGON

Notes to the Financial Statements

June 30, 2016

Note III - Detailed notes on all funds, continued

G. Pension plan, continued

- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is our independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

Discount Rate

The discount rate used to measure the total pension liability was 7.75 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.75 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Discount Rate (7.75%)	1% Increase (8.75%)
Proportionate Share of Net Pension Liability (Asset)	\$ 4,874,981	\$ (2,019,912)	\$ (386,162)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

Changes in Plan Provisions During the Measurement Period

The Oregon Supreme Court on April 30, 2015, ruled that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law was unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. OPERS will make restoration payments to those benefit recipients. OPERS members who have accrued benefits before and after the effective periods of the 2013 legislation will have a blended COLA rate when they retire.

This change in benefit terms were reflected in the current valuation.

Changes in Plan Provisions Subsequent to Measurement Date

There were no changes subsequent to the June 30, 2015 measurement date.

CITY OF WARRENTON, OREGON

Notes to the Financial Statements

June 30, 2016

Note IV - Other information

A. Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. In 1981, the League of Oregon Cities joined together with the Association of Oregon Cities to form City County Insurance Services ("CCIS"), a public entity risk pool currently operating a common risk management and insurance program. The City pays an annual premium to CCIS for insurance coverage. Based on the experience of the City and CCIS, the City may be liable for an additional premium of up to 20% of its initial premium or it may receive a refund. The City has not had to pay an additional premium. Predetermined limits and deductible amounts are stated in the policy. Settled claims have not exceeded commercial insurance coverage in any of the past three years.

B. Contingencies under grant provisions

Under terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under terms of the grants. Such audits could lead to reimbursement to the grantor agencies. The City believes disallowances, if any, will be immaterial.

C. Contingent liabilities

The City is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations and capital projects. Management intends to contest these matters and does not believe their ultimate resolution will have a material effect upon the City's financial position, results of operations, or cash flows.

The City is a co-defendant along with the State of Oregon in an action asserting that an intergovernmental agreement between ODOT and the City that addressed the relocation of access points to Highway 101 constituted a "takings" under both the federal and state constitutions.

D. Postclosure landfill care

The Municipal Solid Waste Landfill ("MSWLF") ceased accepting solid waste in the fall of 1985 and final cover was applied subsequently in conformity with state regulations. The landfill closure permit for the MSWLF was renewed by the Oregon Department of Environmental Quality on February 20, 1997. State and federal laws and regulations require the City to perform certain maintenance and monitoring functions at the site for thirty years after closure.

The City has recorded a liability for the estimated costs of landfill postclosure care. Annually, the City evaluates the liability by examining the estimated costs needed to perform the postclosure care over the remaining life and adjusts the liability accordingly. During the year ended June 30, 2016 the City's estimated liability changed as follows:

	<u>Landfill postclosure care liability</u>
Balance at June 30, 2015	\$ 314,317
Change in estimate	(16,767)
Maintenance costs paid in 2016	<u>(11,650)</u>
Balance at June 30, 2016	<u>\$ 285,900</u>

The estimated future costs to maintain and monitor the landfill may change due to one or more of the following factors: inflation, deflation, changes in technology or changes to applicable laws or regulations.

CITY OF WARRENTON, OREGON

Notes to the Financial Statements

June 30, 2016

Note IV - Other information, continued

E. Restatement of Net Position

The City discovered during their inventory count that pumps and actuators had been purchased in prior years and not included in inventory counts for the wastewater treatment plant. The value of these items (\$52,609) has been adjusted into beginning net position for the sewer fund as follows:

<u>Opinion Unit</u>	<u>Beginning Net Position</u>	<u>Record inventory items purchased in prior years</u>	<u>Restated Net Position</u>
Business-type Activities	\$ 26,985,553	\$ 52,609	\$ 27,038,162
Sewer Enterprise	11,838,359	52,609	11,890,968

JUNE 2016

Public Works Department

Statement of Net Position

The City has adopted using the following assumptions and estimates that have been prepared in prior years and not included in operating costs for the wastewater treatment plant. The value of these items is \$27,600. The cost of depreciation and amortization for the sewer fund is as follows:

Item	Value
Inventory	\$27,600
Equipment	\$1,800,000
Buildings	\$1,200,000
Land	\$1,200,000
Other	\$1,200,000
Total	\$3,427,600

"Making a difference through excellence of service"



CITY OF WARRENTON

REQUIRED SUPPLEMENTARY INFORMATION

"Making a difference through excellence of service"



REGULATORY SERVICES DEPARTMENT

CITY OF WARRENTON

CITY OF WARRENTON

Required Supplementary Information

June 30, 2016

Schedule of the Proportionate Share of the Net Pension Liability

Oregon Public Employees Retirement System

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability (asset)	0.03518114 %	0.03043630 %	0.03043630 %
Proportionate share of the net pension liability (asset)	\$ 2,019,912	\$ (689,904)	\$ 1,553,209
Covered payroll	\$ 3,036,331	\$ 2,744,201	\$ 2,744,201
Proportionate share of the pension liability (asset) as a percentage of its covered employee payroll	66.52 %	(25.14)%	56.60 %
Plan net position as a percentage of the total pension liability	91.88 %	103.59 %	92.00 %

Schedule of Pension Contributions

Oregon Public Employees Retirement System

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 545,611	\$ 475,054	\$ 448,503
Contributions in relation to the contractually required contribution	545,611	475,054	448,503
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 3,036,331	\$ 2,744,201	\$ 2,594,589
Contributions as a percentage of covered employee payroll	17.97 %	17.31 %	17.29 %

Notes to Required Supplementary Information

Note I - Changes in Benefit Terms

The Oregon Supreme Court on April 30, 2015, ruled that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law was unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. OPERS will make restoration payments to those benefit recipients.

OPERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire.

This change in benefit terms was not included in the net pension liability (asset) proportionate shares provided by OPERS for the years ending June 30, 2015 and June 30, 2014.

Note II - Changes in Assumptions

Details and a comprehensive list of changes in methods and assumptions can be found in the 2012 and 2014 Experience Study for the System, which were published on September 18, 2013 and September 23, 2015. These reports can be found at: http://www.oregon.gov/pers/Pages/section/financial_reports/mercereports.aspx.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

"Making a difference through excellence of service"



COMMUNITY DEVELOPMENT DEPARTMENT AND COMMUNITY DEVELOPMENT DIVISION

CITY OF WARRENTON

CITY OF WARRENTON, OREGON
NONMAJOR GOVERNMENTAL FUNDS
Combining Balance Sheet
June 30, 2016

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 598,185	\$ 1,202,947	\$ 908,390	\$ 2,709,522
Receivables:				
Taxes	3,966	102,634	-	106,600
Accounts	65,709	-	-	65,709
Grants	14,170	-	-	14,170
Prepaid items	-	-	808,771	808,771
Total assets	\$ 682,030	\$ 1,305,581	\$ 1,717,161	\$ 3,704,772
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and other current liabilities	\$ 75,349	\$ 1,070	\$ 11,799	\$ 88,218
Unearned revenues	1,074	-	-	1,074
Due to other funds	13,335	-	-	13,335
Total liabilities	89,758	1,070	11,799	102,627
Deferred Inflows of Resources:				
Unavailable revenues	3,018	78,135	-	81,153
Total liabilities & deferred inflows	92,776	79,205	11,799	183,780
Fund Balances:				
Nonspendable - Prepaid items	-	-	808,771	808,771
Restricted for:				
Debt service	-	1,226,376	-	1,226,376
Library and culture	31,129	-	-	31,129
Public works	141,784	-	-	141,784
Building inspection programs	261,655	-	-	261,655
Capital projects	-	-	626,367	626,367
Committed to:				
Library and culture	149,542	-	-	149,542
Grant expenditures	5,144	-	-	5,144
Assigned to:				
Capital projects	-	-	270,224	270,224
Total fund balances	589,254	1,226,376	1,705,362	3,520,992
Total liabilities, deferred inflows of resources and fund balances	\$ 682,030	\$ 1,305,581	\$ 1,717,161	\$ 3,704,772

CITY OF WARRENTON, OREGON

NONMAJOR GOVERNMENTAL FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2016

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Taxes	\$ 279,408	\$ 1,236,695	\$ -	\$ 1,516,103
Licenses and permits	262,470	-	-	262,470
Intergovernmental	56,324	-	-	56,324
Charges for services	11,975	-	-	11,975
Fines and forfeits	275	-	-	275
Investment earnings	2,140	10,230	1,754	14,124
Donations	56,281	-	-	56,281
Other revenues	3,658	-	11,082	14,740
Total revenues	<u>672,531</u>	<u>1,246,925</u>	<u>12,836</u>	<u>1,932,292</u>
Expenditures:				
Current:				
General government	231,060	-	62,813	293,873
Police	56,297	-	-	56,297
Planning and development	206,895	-	-	206,895
Library and culture	138,190	-	599	138,789
Public works	80,394	-	-	80,394
Debt service:				
Principal retirement	-	900,104	-	900,104
Interest	-	247,973	-	247,973
Capital outlay	-	-	26,886	26,886
Total expenditures	<u>712,836</u>	<u>1,148,077</u>	<u>90,298</u>	<u>1,951,211</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(40,305)</u>	<u>98,848</u>	<u>(77,462)</u>	<u>(18,919)</u>
Other Financing Sources (Uses):				
Transfers in	7,629	-	151,878	159,507
Proceeds from sale of capital assets	-	-	2,350	2,350
Loan proceeds	-	-	621,771	621,771
Capital contributions	-	-	113,016	113,016
Total other financing sources (uses)	<u>7,629</u>	<u>-</u>	<u>889,015</u>	<u>896,644</u>
Net change in fund balances	(32,676)	98,848	811,553	877,725
Fund Balances:				
Beginning of year, as restated	<u>621,930</u>	<u>1,127,528</u>	<u>893,809</u>	<u>2,643,267</u>
End of year	<u>\$ 589,254</u>	<u>\$ 1,226,376</u>	<u>\$ 1,705,362</u>	<u>\$ 3,520,992</u>

NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds account for revenues derived from specific tax or other earmarked revenue sources, including federal and state grant awards, which are restricted to finance particular functions or activities. Funds included in this fund category are:

Community Center Fund - Accounts for the operational activities of the Community Center.

Warrenton Business Association Fund - Accounts for the operational activities of the Warrenton Business Association, whose goal is to enhance the business community by providing funds for a variety of projects.

Grant Fund - Accounts for grants received from a variety of sources.

Library Fund - Accounts for the operational activity of the library.

Building Department Fund - Accounts for the activities of the Building Division, which is responsible for the enforcement of building, plumbing, mechanical, fire and life safety codes of the State of Oregon.

Transient Room Tax Fund - Accounts for transient room tax to be expended on police, first response medical assistance and infrastructure usage by tourists and other short term visitors, as well as to provide funds for tourist promotion.

Quincy Robinson Park Trust Fund - Accounts for the establishment and maintenance of public parks.

CITY OF WARRENTON, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2016

	Community Center (005)	Warrenton Business Association (006)	Grant (015)	Library (020)	Building Department (021)
ASSETS					
Cash and cash equivalents	\$ 14,333	\$ 140,042	\$ 4,309	\$ 31,188	\$ 266,152
Receivables:					
Taxes	-	-	-	3,966	-
Accounts	-	70	-	-	-
Grants	-	-	14,170	-	-
	<u>-</u>	<u>-</u>	<u>14,170</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 14,333</u>	<u>\$ 140,112</u>	<u>\$ 18,479</u>	<u>\$ 35,154</u>	<u>\$ 266,152</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable and other current liabilities	\$ 1,458	\$ 2,371	\$ -	\$ 1,007	\$ 4,497
Unearned revenues	1,074	-	-	-	-
Due to other funds	-	-	13,335	-	-
	<u>-</u>	<u>-</u>	<u>13,335</u>	<u>-</u>	<u>-</u>
Total liabilities	2,532	2,371	13,335	1,007	4,497
Deferred Inflows of Resources:					
Unavailable revenues	-	-	-	3,018	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,018</u>	<u>-</u>
Total liabilities & deferred inflows	<u>2,532</u>	<u>2,371</u>	<u>13,335</u>	<u>4,025</u>	<u>4,497</u>
Fund Balances:					
Restricted for:					
Library and culture	-	-	-	31,129	-
Public works	-	-	-	-	-
Building inspection programs	-	-	-	-	261,655
Committed to:					
Library and culture	11,801	137,741	-	-	-
Grant expenditures	-	-	5,144	-	-
	<u>-</u>	<u>-</u>	<u>5,144</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>11,801</u>	<u>137,741</u>	<u>5,144</u>	<u>31,129</u>	<u>261,655</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 14,333</u>	<u>\$ 140,112</u>	<u>\$ 18,479</u>	<u>\$ 35,154</u>	<u>\$ 266,152</u>

Transient Room Tax (024)	Quincy Robinson Park Trust (065)	Total Nonmajor Special Revenue Funds
\$ 377	\$ 141,784	\$ 598,185
-	-	3,966
65,639	-	65,709
-	-	14,170
<u>\$ 66,016</u>	<u>\$ 141,784</u>	<u>\$ 682,030</u>
\$ 66,016	\$ -	\$ 75,349
-	-	1,074
-	-	13,335
66,016	-	89,758
-	-	3,018
<u>66,016</u>	<u>-</u>	<u>92,776</u>
-	-	31,129
-	141,784	141,784
-	-	261,655
-	-	149,542
-	-	5,144
<u>-</u>	<u>141,784</u>	<u>589,254</u>
<u>\$ 66,016</u>	<u>\$ 141,784</u>	<u>\$ 682,030</u>

CITY OF WARRENTON, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2016

	Community Center (005)	Warrenton Business Association (006)	Grant (015)	Library (020)	Building Department (021)
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ 48,375	\$ -
Licenses and permits	-	45,830	-	-	216,640
Intergovernmental	-	-	56,324	-	-
Charges for services	11,975	-	-	-	-
Fines and forfeits	-	-	-	275	-
Investment earnings	17	913	-	108	802
Donations	4,423	5	-	6,628	-
Other revenues	25	-	-	3,410	223
Total revenues	<u>16,440</u>	<u>46,748</u>	<u>56,324</u>	<u>58,796</u>	<u>217,665</u>
Expenditures:					
Current:					
General government	-	-	27	-	-
Police	-	-	56,297	-	-
Planning and development	-	-	-	-	206,895
Library and culture	19,807	62,338	-	56,045	-
Public works	-	-	-	-	-
Total expenditures	<u>19,807</u>	<u>62,338</u>	<u>56,324</u>	<u>56,045</u>	<u>206,895</u>
Excess (deficiency) of revenues over (under) expenditures	(3,367)	(15,590)	-	2,751	10,770
Other Financing Sources (Uses):					
Transfers in	<u>7,629</u>	-	-	-	-
Net change in fund balances	4,262	(15,590)	-	2,751	10,770
Fund Balances:					
Beginning of year	<u>7,539</u>	<u>153,331</u>	<u>5,144</u>	<u>28,378</u>	<u>250,885</u>
End of year	<u>\$ 11,801</u>	<u>\$ 137,741</u>	<u>\$ 5,144</u>	<u>\$ 31,129</u>	<u>\$ 261,655</u>

Transient Room Tax (024)	Quincy Robinson Park Trust (065)	Total Nonmajor Special Revenue Funds
\$ 231,033	\$ -	\$ 279,408
-	-	262,470
-	-	56,324
-	-	11,975
-	-	275
-	300	2,140
-	45,225	56,281
-	-	3,658
<u>231,033</u>	<u>45,525</u>	<u>672,531</u>
231,033	-	231,060
-	-	56,297
-	-	206,895
-	-	138,190
-	80,394	80,394
<u>231,033</u>	<u>80,394</u>	<u>712,836</u>
-	(34,869)	(40,305)
-	-	7,629
-	(34,869)	(32,676)
-	176,653	621,930
<u>\$ -</u>	<u>\$ 141,784</u>	<u>\$ 589,254</u>

CITY OF WARRENTON, OREGON

COMMUNITY CENTER FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Charges for services	\$ 8,800	\$ 8,800	\$ 11,975	\$ 3,175
Investment earnings	15	15	17	2
Donations	1,600	1,600	4,423	2,823
Other revenue	-	-	25	25
Total revenues	<u>10,415</u>	<u>10,415</u>	<u>16,440</u>	<u>6,025</u>
Expenditures:				
Personal services	7,739	7,739	6,940	799
Materials and services	12,952	12,952	12,867	85
Contingency	<u>953</u>	<u>953</u>	-	<u>953</u>
Total expenditures	<u>21,644</u>	<u>21,644</u>	<u>19,807</u>	<u>1,837</u>
Transfers in	<u>7,629</u>	<u>7,629</u>	<u>7,629</u>	<u>-</u>
Net change in fund balance	(3,600)	(3,600)	4,262	7,862
Fund Balance:				
Beginning of year	<u>3,600</u>	<u>3,600</u>	<u>7,539</u>	<u>3,939</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,801</u>	<u>\$ 11,801</u>

CITY OF WARRENTON, OREGON
WARRENTON BUSINESS ASSOCIATION FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Licenses and permits	\$ 45,000	\$ 45,000	\$ 45,830	\$ 830
Investment earnings	660	660	913	253
Donations	-	-	5	5
Total revenues	<u>45,660</u>	<u>45,660</u>	<u>46,748</u>	<u>1,088</u>
Expenditures:				
Personal services	7,381	7,381	7,694	(313)
Materials and services	117,024	117,024	54,644	62,380
Contingency	<u>10,000</u>	<u>10,000</u>	-	<u>10,000</u>
Total expenditures	<u>134,405</u>	<u>134,405</u>	<u>62,338</u>	<u>72,067</u>
Net change in fund balance	(88,745)	(88,745)	(15,590)	73,155
Fund Balance:				
Beginning of year	<u>166,950</u>	<u>166,950</u>	<u>153,331</u>	<u>(13,619)</u>
End of year	<u>\$ 78,205</u>	<u>\$ 78,205</u>	<u>\$ 137,741</u>	<u>\$ 59,536</u>

CITY OF WARRENTON, OREGON

GRANTS FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental	\$ 75,518	\$ 75,518	\$ 56,324	\$ (19,194)
Donations	300	300	-	(300)
Total revenues	<u>75,818</u>	<u>75,818</u>	<u>56,324</u>	<u>(19,494)</u>
Expenditures:				
Personal services	64,018	64,018	54,136	9,882
Materials and services	<u>13,909</u>	<u>13,909</u>	<u>2,188</u>	<u>11,721</u>
Total expenditures	<u>77,927</u>	<u>77,927</u>	<u>56,324</u>	<u>21,603</u>
Net change in fund balance	(2,109)	(2,109)	-	2,109
Fund Balance:				
Beginning of year	<u>5,144</u>	<u>5,144</u>	<u>5,144</u>	<u>-</u>
End of year	<u>\$ 3,035</u>	<u>\$ 3,035</u>	<u>\$ 5,144</u>	<u>\$ 2,109</u>

CITY OF WARRENTON, OREGON

LIBRARY FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes	\$ 46,803	\$ 46,803	\$ 48,375	\$ 1,572
Fines and forfeits	400	400	275	(125)
Investment earnings	100	100	108	8
Donations	1,400	1,400	6,628	5,228
Other revenue	<u>1,275</u>	<u>1,275</u>	<u>3,410</u>	<u>2,135</u>
Total revenues	<u>49,978</u>	<u>49,978</u>	<u>58,796</u>	<u>8,818</u>
Expenditures:				
Personal services	37,048	37,048	36,796	252
Materials and services	20,667	20,667	19,249	1,418
Contingency	<u>19,238</u>	<u>19,238</u>	-	<u>19,238</u>
Total expenditures	<u>76,953</u>	<u>76,953</u>	<u>56,045</u>	<u>20,908</u>
Net change in fund balance	(26,975)	(26,975)	2,751	29,726
Fund Balance:				
Beginning of year	<u>29,000</u>	<u>29,000</u>	<u>28,378</u>	<u>(622)</u>
End of year	<u>\$ 2,025</u>	<u>\$ 2,025</u>	<u>\$ 31,129</u>	<u>\$ 29,104</u>

CITY OF WARRENTON, OREGON

BUILDING DEPARTMENT FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Licenses and permits	\$ 87,434	\$ 87,434	\$ 216,640	\$ 129,206
Investment earnings	700	700	802	102
Other revenue	-	-	223	223
Total revenues	<u>88,134</u>	<u>88,134</u>	<u>217,665</u>	<u>129,531</u>
Expenditures:				
Personal services	188,453	188,453	185,091	3,362
Materials and services	29,362	29,362	21,804	7,558
Contingency	43,563	43,563	-	43,563
Total expenditures	<u>261,378</u>	<u>261,378</u>	<u>206,895</u>	<u>54,483</u>
Net change in fund balance	(173,244)	(173,244)	10,770	184,014
Fund Balance:				
Beginning of year	<u>250,000</u>	<u>250,000</u>	<u>250,885</u>	<u>885</u>
End of year	<u>\$ 76,756</u>	<u>\$ 76,756</u>	<u>\$ 261,655</u>	<u>\$ 184,899</u>

CITY OF WARRENTON, OREGON

TRANSIENT ROOM TAX FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes	\$ 250,000	\$ 250,000	\$ 231,033	\$ (18,967)
Expenditures:				
Materials and services	<u>250,000</u>	<u>250,000</u>	<u>231,033</u>	<u>18,967</u>
Net change in fund balance	-	-	-	-
Fund Balance:				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF WARRENTON, OREGON
QUINCY ROBINSON PARK TRUST FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	\$ 300	\$ 300	\$ 300	\$ -
Donations	<u>51,000</u>	<u>51,000</u>	<u>45,225</u>	<u>(5,775)</u>
Total revenues	<u>51,300</u>	<u>51,300</u>	<u>45,525</u>	<u>(5,775)</u>
Expenditures:				
Capital outlay	78,250	93,250	80,394	12,856
Contingency	<u>15,650</u>	<u>650</u>	<u>-</u>	<u>650</u>
Total expenditures	<u>93,900</u>	<u>93,900</u>	<u>80,394</u>	<u>13,506</u>
Net change in fund balance	(42,600)	(42,600)	(34,869)	7,731
Fund Balance:				
Beginning of year	<u>167,584</u>	<u>167,584</u>	<u>176,653</u>	<u>9,069</u>
End of year	<u>\$ 124,984</u>	<u>\$ 124,984</u>	<u>\$ 141,784</u>	<u>\$ 16,800</u>

DEBT SERVICE FUNDS

Debt Service Funds account for the accumulation of resources for and payment of general long-term debt principal and interest. Funds included in this category are:

Public Safety Building GO Bond Fund - Accounts for the payment of principal and interest on the general obligation bonds issued on November 4, 1997 for the construction of a Public Safety Building.

Wastewater Treatment GO Bond Fund - Accounts for the payment of principal and interest on the general obligation bonds approved by voters on November 7, 2006 for the construction of the wastewater treatment facility.

Warrenton Urban Renewal Agency Debt Service Fund - Accounts for the payment of principal and interest on the debt related to improvements of the downtown area funded through the Warrenton Urban Renewal Agency.

Warrenton Urban Renewal Agency Debt Reserve Fund - Accounts for funds set aside for the payment of principal and interest on the debt related to improvements of the downtown area funded through the Warrenton Urban Renewal Agency.

DEBT SERVICE FUND

Debt service funds record for the administration of securities for and payment of principal and interest on long-term debt.

Public Safety: Public Safety GO Bond Fund: Accounts for the payment of principal and interest on the general obligation bonds issued in November 1997 for the construction of a Public Safety building.

Warrenton Treatment GO Bond Fund: Accounts for principal and interest on the general obligation bonds issued in November 1997 for the construction of the Warrenton treatment facility.

"Making a difference through excellence of service"



CITY OF WARRENTON

Warrenton Union: Warrenton Union: Accounts for the payment of principal and interest on the debt related to the construction of the Warrenton Union High School.

CITY OF WARRENTON, OREGON
NONMAJOR DEBT SERVICE FUNDS
Combining Balance Sheet
June 30, 2016

	Public Safety Building GO Bond (057)	Wastewater Treatment GO Bond Fund (059)	Warrenton Urban Renewal Agency Debt Service (300)	Warrenton Urban Renewal Agency Debt Reserve (400)	Total Nonmajor Debt Service Funds
ASSETS					
Cash and cash equivalents	\$ 24,526	\$ 96,896	\$ 917,525	\$ 164,000	\$ 1,202,947
Receivables:					
Taxes	<u>11,836</u>	<u>48,058</u>	<u>42,740</u>	<u>-</u>	<u>102,634</u>
Total assets	<u>\$ 36,362</u>	<u>\$ 144,954</u>	<u>\$ 960,265</u>	<u>\$ 164,000</u>	<u>\$ 1,305,581</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable and other current liabilities	\$ -	\$ -	\$ 1,070	\$ -	\$ 1,070
Deferred Inflows of Resources:					
Unavailable revenues	<u>9,022</u>	<u>36,769</u>	<u>32,344</u>	<u>-</u>	<u>78,135</u>
Total liabilities & deferred inflows	<u>9,022</u>	<u>36,769</u>	<u>33,414</u>	<u>-</u>	<u>79,205</u>
Fund Balances:					
Restricted for:					
Debt service	<u>27,340</u>	<u>108,185</u>	<u>926,851</u>	<u>164,000</u>	<u>1,226,376</u>
Total fund balances	<u>27,340</u>	<u>108,185</u>	<u>926,851</u>	<u>164,000</u>	<u>1,226,376</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 36,362</u>	<u>\$ 144,954</u>	<u>\$ 960,265</u>	<u>\$ 164,000</u>	<u>\$ 1,305,581</u>

CITY OF WARRENTON, OREGON

NONMAJOR DEBT SERVICE FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2016

	Public Safety Building GO Bond (057)	Wastewater Treatment GO Bond Fund (059)	Warrenton Urban Renewal Agency Debt Service (300)	Warrenton Urban Renewal Agency Debt Reserve (400)	Total Nonmajor Debt Service Funds
Revenues:					
Taxes	\$ 138,902	\$ 566,682	\$ 531,111	\$ -	\$ 1,236,695
Investment earnings	688	1,852	7,690	-	10,230
Total revenues	<u>139,590</u>	<u>568,534</u>	<u>538,801</u>	<u>-</u>	<u>1,246,925</u>
Expenditures:					
Debt service:					
Principal retirement	130,000	396,924	373,180	-	900,104
Interest	13,250	179,997	54,726	-	247,973
Total expenditures	<u>143,250</u>	<u>576,921</u>	<u>427,906</u>	<u>-</u>	<u>1,148,077</u>
Net change in fund balances	(3,660)	(8,387)	110,895	-	98,848
Fund Balances:					
Beginning of year	<u>31,000</u>	<u>116,572</u>	<u>815,956</u>	<u>164,000</u>	<u>1,127,528</u>
End of year	<u>\$ 27,340</u>	<u>\$ 108,185</u>	<u>\$ 926,851</u>	<u>\$ 164,000</u>	<u>\$ 1,226,376</u>

CITY OF WARRENTON, OREGON
PUBLIC SAFETY BUILDING GO BOND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes	\$ 136,410	\$ 136,410	\$ 138,902	\$ 2,492
Investment earnings	<u>300</u>	<u>300</u>	<u>688</u>	<u>388</u>
Total revenues	136,710	136,710	139,590	2,880
Expenditures:				
Debt service	<u>143,250</u>	<u>143,250</u>	<u>143,250</u>	<u>-</u>
Net change in fund balance	(6,540)	(6,540)	(3,660)	2,880
Fund Balance:				
Beginning of year	<u>18,000</u>	<u>18,000</u>	<u>31,000</u>	<u>13,000</u>
End of year	<u>\$ 11,460</u>	<u>\$ 11,460</u>	<u>\$ 27,340</u>	<u>\$ 15,880</u>

CITY OF WARRENTON, OREGON
WASTEWATER TREATMENT GO BOND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes	\$ 558,175	\$ 558,175	\$ 566,682	\$ 8,507
Investment earnings	900	900	1,852	952
Total revenues	<u>559,075</u>	<u>559,075</u>	<u>568,534</u>	<u>9,459</u>
Expenditures:				
Debt service	<u>576,921</u>	<u>576,921</u>	<u>576,921</u>	<u>-</u>
Net change in fund balance	(17,846)	(17,846)	(8,387)	9,459
Fund Balance:				
Beginning of year	<u>64,000</u>	<u>64,000</u>	<u>116,572</u>	<u>52,572</u>
End of year	<u>\$ 46,154</u>	<u>\$ 46,154</u>	<u>\$ 108,185</u>	<u>\$ 62,031</u>

CITY OF WARRENTON, OREGON
WARRENTON URBAN RENEWAL AGENCY DEBT SERVICE
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes	\$ 508,982	\$ 508,982	\$ 531,111	\$ 22,129
Investment earnings	<u>6,365</u>	<u>6,365</u>	<u>7,690</u>	<u>1,325</u>
Total revenues	515,347	515,347	538,801	23,454
Expenditures:				
Debt service	<u>645,800</u>	<u>645,800</u>	<u>427,906</u>	<u>217,894</u>
Excess (deficiency) of revenues over (under) expenditures	(130,453)	(130,453)	110,895	241,348
Other financing sources (uses):				
Transfers out	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>	<u>300,000</u>
Net change in fund balance	(430,453)	(430,453)	110,895	541,348
Fund Balance:				
Beginning of year	<u>909,710</u>	<u>909,710</u>	<u>815,956</u>	<u>(93,754)</u>
End of year	<u>\$ 479,257</u>	<u>\$ 479,257</u>	<u>\$ 926,851</u>	<u>\$ 447,594</u>

CITY OF WARRENTON, OREGON
WARRENTON URBAN RENEWAL AGENCY DEBT RESERVE
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Expenditures:				
Debt service	\$ 464,000	\$ 464,000	\$ -	\$ 464,000
Excess (deficiency) of revenues over (under) expenditures	(464,000)	(464,000)	-	464,000
Other financing sources (uses):				
Transfers in	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>(300,000)</u>
Net change in fund balance	(164,000)	(164,000)	-	164,000
Fund Balance:				
Beginning of year	<u>164,000</u>	<u>164,000</u>	<u>164,000</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 164,000</u>	<u>\$ 164,000</u>

NONMAJOR CAPITAL PROJECT FUNDS

Capital Project Funds are used to account for the acquisition or construction of major capital facilities. Funds included in this category are:

Park System Development Charges Fund - Accounts for fees on new construction that are used for capital projects and improvements made necessary by the increased usage of infrastructure caused by development within the community.

Community Center Capital Reserve Fund - Accumulates resources from the operational surplus of the Community Center Fund for the financing of services, projects, property, and equipment purchases.

Facilities Maintenance Fund - Accumulates money for financing the costs of major maintenance and capital improvements of the Municipal Building, Head Start Building, and Park Facilities.

Streets System Development Charges Fund - Accounts for fees on new construction that are used for capital projects and improvements made necessary by the increased usage of infrastructure caused by development within the community.

Storm Sewer System Development Charges Fund - Accounts for fees on new construction that are used for capital projects and improvements made necessary by the increased usage of infrastructure caused by development within the community.

Police Vehicle Replacement Fund - Accumulates money for financing the costs of police vehicles.

Fire Apparatus Replacement Fund - Accumulates money for financing the costs of fire apparatus.

Tansy Point Dock Capital Reserve Fund - Accumulates money for financing the costs of major maintenance and capital improvements to the Tansy Point Dock.

CITY OF WARRENTON, OREGON
NONMAJOR CAPITAL PROJECTS FUNDS
Combining Balance Sheet
June 30, 2016

	Park System Development Charges (003)	Community Center Capital Reserve (004)	Facilities Maintenance (035)	Streets System Development Charges (041)	Police Vehicle Replacement (070)
ASSETS					
Cash and cash equivalents	\$ 56,113	\$ 1,587	\$ 79,247	\$ 570,254	\$ 34,758
Prepaid items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 56,113</u>	<u>\$ 1,587</u>	<u>\$ 79,247</u>	<u>\$ 570,254</u>	<u>\$ 34,758</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable and other current liabilities	\$ -	\$ -	\$ 11,799	\$ -	\$ -
Fund Balances:					
Nonspendable - Prepaid items	-	-	-	-	-
Restricted for:					
System development	56,113	-	-	570,254	-
Assigned to:					
Capital projects	<u>-</u>	<u>1,587</u>	<u>67,448</u>	<u>-</u>	<u>34,758</u>
Total fund balances	<u>56,113</u>	<u>1,587</u>	<u>67,448</u>	<u>570,254</u>	<u>34,758</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 56,113</u>	<u>\$ 1,587</u>	<u>\$ 79,247</u>	<u>\$ 570,254</u>	<u>\$ 34,758</u>

Fire Apparatus Replacement (071)	Tansy Point Dock Capital Reserve (072)	Total Nonmajor Capital Projects Funds
\$ 84,266	\$ 82,165	\$ 908,390
<u>808,771</u>	<u>-</u>	<u>808,771</u>
<u>\$ 893,037</u>	<u>\$ 82,165</u>	<u>\$ 1,717,161</u>
\$ -	\$ -	\$ 11,799
808,771	-	808,771
-	-	626,367
<u>84,266</u>	<u>82,165</u>	<u>270,224</u>
<u>893,037</u>	<u>82,165</u>	<u>1,705,362</u>
<u>\$ 893,037</u>	<u>\$ 82,165</u>	<u>\$ 1,717,161</u>

CITY OF WARRENTON, OREGON
NONMAJOR CAPITAL PROJECTS FUNDS
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2016

	Park System Development Charges (003)	Community Center Capital Reserve (004)	Facilities Maintenance (035)	Streets System Development Charges (041)	Police Vehicle Replacement (070)
Revenues:					
Investment earnings	\$ 51	\$ -	\$ 295	\$ 349	\$ 16
Other revenues	-	-	-	-	-
Total revenues	<u>51</u>	<u>-</u>	<u>295</u>	<u>349</u>	<u>16</u>
Expenditures:					
Current:					
General government	-	-	43,370	-	-
Library and culture	-	599	-	-	-
Capital outlay	-	-	13,886	-	-
Total expenditures	<u>-</u>	<u>599</u>	<u>57,256</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>51</u>	<u>(599)</u>	<u>(56,961)</u>	<u>349</u>	<u>16</u>
Other Financing Sources (Uses):					
Transfers in	-	-	55,000	-	30,000
Proceeds from sale of capital assets	-	-	-	-	2,350
Loan proceeds	-	-	-	-	-
Capital contributions	<u>27,500</u>	<u>-</u>	<u>-</u>	<u>85,516</u>	<u>-</u>
Total other financing sources (uses)	<u>27,500</u>	<u>-</u>	<u>55,000</u>	<u>85,516</u>	<u>32,350</u>
Net change in fund balances	27,551	(599)	(1,961)	85,865	32,366
Fund Balances:					
Beginning of year	<u>28,562</u>	<u>2,186</u>	<u>69,409</u>	<u>484,389</u>	<u>2,392</u>
End of year	<u>\$ 56,113</u>	<u>\$ 1,587</u>	<u>\$ 67,448</u>	<u>\$ 570,254</u>	<u>\$ 34,758</u>

Fire Apparatus Replacement (071)	Tansy Point Dock Capital Reserve (072)	Total Nonmajor Capital Projects Funds
\$ 688	\$ 355	\$ 1,754
<u>11,082</u>	<u>-</u>	<u>11,082</u>
<u>11,770</u>	<u>355</u>	<u>12,836</u>
-	19,443	62,813
-	-	599
<u>13,000</u>	<u>-</u>	<u>26,886</u>
<u>13,000</u>	<u>19,443</u>	<u>90,298</u>
<u>(1,230)</u>	<u>(19,088)</u>	<u>(77,462)</u>
40,000	26,878	151,878
-	-	2,350
621,771	-	621,771
<u>-</u>	<u>-</u>	<u>113,016</u>
<u>661,771</u>	<u>26,878</u>	<u>889,015</u>
660,541	7,790	811,553
<u>232,496</u>	<u>74,375</u>	<u>893,809</u>
<u>\$ 893,037</u>	<u>\$ 82,165</u>	<u>\$ 1,705,362</u>

CITY OF WARRENTON, OREGON
PARKS SYSTEM DEVELOPMENT CHARGES FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	\$ -	\$ -	\$ 51	\$ 51
System development charges	<u>12,000</u>	<u>12,000</u>	<u>27,500</u>	<u>15,500</u>
Total revenues	12,000	12,000	27,551	15,551
Expenditures:				
Capital outlay	<u>37,060</u>	<u>37,060</u>	<u>-</u>	<u>37,060</u>
Net change in fund balance	(25,060)	(25,060)	27,551	52,611
Fund Balance:				
Beginning of year	<u>25,060</u>	<u>25,060</u>	<u>28,562</u>	<u>3,502</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,113</u>	<u>\$ 56,113</u>

CITY OF WARRENTON, OREGON
COMMUNITY CENTER CAPITAL RESERVE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Expenditures:				
Materials and services	\$ 2,186	\$ 2,186	\$ 599	\$ 1,587
Net change in fund balance	(2,186)	(2,186)	(599)	(1,587)
Fund Balance:				
Beginning of year	<u>2,186</u>	<u>2,186</u>	<u>2,186</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,587</u>	<u>\$ 1,587</u>

CITY OF WARRENTON, OREGON
FACILITIES MAINTENANCE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	\$ 270	\$ 270	\$ 295	\$ 25
Expenditures:				
Materials and services	59,812	59,812	43,370	16,442
Capital outlay	43,000	43,000	13,886	29,114
Contingency	<u>27,458</u>	<u>27,458</u>	-	<u>27,458</u>
Total expenditures	<u>130,270</u>	<u>130,270</u>	<u>57,256</u>	<u>73,014</u>
Excess (deficiency) of revenues over (under) expenditures	(130,000)	(130,000)	(56,961)	73,039
Other financing sources (uses):				
Transfers in	<u>55,000</u>	<u>55,000</u>	<u>55,000</u>	-
Net change in fund balance	(75,000)	(75,000)	(1,961)	73,039
Fund Balance:				
Beginning of year	<u>75,000</u>	<u>75,000</u>	<u>69,409</u>	<u>(5,591)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,448</u>	<u>\$ 67,448</u>

CITY OF WARRENTON, OREGON
STREETS SYSTEM DEVELOPMENT CHARGES FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	\$ 2,300	\$ 2,300	\$ 349	\$ (1,951)
System development charges	<u>72,000</u>	<u>72,000</u>	<u>85,516</u>	<u>13,516</u>
Total revenues	74,300	74,300	85,865	11,565
Expenditures:				
Capital outlay	<u>550,650</u>	<u>550,650</u>	<u>-</u>	<u>550,650</u>
Net change in fund balance	(476,350)	(476,350)	85,865	562,215
Fund Balance:				
Beginning of year	<u>476,350</u>	<u>476,350</u>	<u>484,389</u>	<u>8,039</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 570,254</u>	<u>\$ 570,254</u>

CITY OF WARRENTON, OREGON
POLICE VEHICLE REPLACEMENT FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	\$ 25	\$ 25	\$ 16	\$ (9)
Expenditures:				
Capital outlay	<u>32,410</u>	<u>32,410</u>	<u>-</u>	<u>32,410</u>
Excess (deficiency) of revenues over (under) expenditures	(32,385)	(32,385)	16	32,401
Other financing sources (uses):				
Transfers in	30,000	30,000	30,000	-
Sale of capital assets	<u>-</u>	<u>-</u>	<u>2,350</u>	<u>2,350</u>
Net change in fund balance	(2,385)	(2,385)	32,366	34,751
Fund Balance:				
Beginning of year	<u>2,385</u>	<u>2,385</u>	<u>2,392</u>	<u>7</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,758</u>	<u>\$ 34,758</u>

CITY OF WARRENTON, OREGON
FIRE APPARATUS REPLACEMENT FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	\$ 825	\$ 825	\$ 688	\$ (137)
Other revenue	-	-	11,082	11,082
Expenditures:				
Capital outlay	<u>278,466</u>	<u>278,466</u>	<u>13,000</u>	<u>265,466</u>
Excess (deficiency) of revenues over (under) expenditures	(277,641)	(277,641)	(1,230)	276,411
Other financing sources (uses):				
Transfers in	40,000	40,000	40,000	-
Loan proceeds	<u>-</u>	<u>-</u>	<u>621,771</u>	<u>621,771</u>
Net change in fund balances	(237,641)	(237,641)	660,541	898,182
Fund Balance:				
Beginning of year	<u>237,641</u>	<u>237,641</u>	<u>232,496</u>	<u>(5,145)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 893,037</u>	<u>\$ 893,037</u>

CITY OF WARRENTON, OREGON
TANSY POINT DOCK CAPITAL RESERVE
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	\$ 300	\$ 300	\$ 355	\$ 55
Expenditures:				
Materials and services	10,000	20,000	19,443	557
Capital outlay	<u>91,538</u>	<u>81,538</u>	<u>-</u>	<u>81,538</u>
Excess (deficiency) of revenues over (under) expenditures	(101,238)	(101,238)	(19,088)	82,150
Other financing sources (uses):				
Transfers in	<u>26,878</u>	<u>26,878</u>	<u>26,878</u>	<u>-</u>
Net change in fund balances	(74,360)	(74,360)	7,790	82,150
Fund Balance:				
Beginning of year	<u>74,360</u>	<u>74,360</u>	<u>74,375</u>	<u>15</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,165</u>	<u>\$ 82,165</u>

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs of providing services are financed or recovered primarily through user charges. Funds included in this category are:

Water Operating Fund - Accounts for the operation, maintenance, and improvements of the water treatment, transmission and distribution systems.

Water System Development Fund - Accounts for fees on new construction that are used for capital projects and improvements made necessary by the increased usage of infrastructure caused by development.

Water Capital Reserve Fund - Accumulates money for major maintenance and capital improvement projects.

Sewer Operating Fund - Accounts for the operation, maintenance, and improvements of the sewer system.

Sewer System Development Fund - Accounts for fees on new construction that are used for capital projects and improvements made necessary by the increased usage of infrastructure caused by development.

Sewer Capital Reserve Fund - Accumulates money for major maintenance and capital improvement projects.

Storm Sewer Fund - Accounts for the storm sewer surcharge on all sewer bills and is used to expand and improve storm drainage systems.

Sanitation Operating Fund - Accounts for the operations of the residential and commercial trash collection unit.

Sanitation Fund Capital Reserve Fund - Accumulates money for major maintenance and capital improvement projects.

Warrenton Marina Fund - Accounts for the operation, maintenance and improvements of the Marina.

Warrenton Marina Capital Reserve Fund - Accumulates money for major maintenance and capital improvement projects.

Hammond Marina Fund - Accounts for the operation, maintenance and improvements of the Marina.

Hammond Marina Capital Reserve Fund - Accumulates money for major maintenance and capital improvement projects.

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprise when the intent is that the costs of providing a service be recovered or exceeded by their through user charges. Funds included in this category are:

Water Operating Fund - Accounts for the operation, maintenance and improvement of the water distribution transmission and distribution systems.

Water System Improvement Fund - Accounts for fees on new construction that are used for capital projects and improvements made necessary by the increased usage of infrastructure caused by development.

Water Capital Reserve Fund - Accumulates money for major water projects such as capital improvement projects.

Water Operations Fund - Accounts for the operation, maintenance and improvement of the water system.

Water System Development Fund - Accounts for new construction that are used for capital projects and improvements made necessary by the increased usage of infrastructure caused by development.

Water Capital Reserve Fund - Accumulates money for major water projects and capital improvement projects.

"Making a difference through excellence of service"



CITY OF WARRENTON

Water Operating Fund - Accounts for the operation of the transmission and distribution water system and

Water Capital Reserve Fund - Accumulates money for major water projects and capital improvement projects.

Water Operations Fund - Accounts for the operation, maintenance and improvement of the water system.

Water System Development Fund - Accounts for new construction that are used for capital projects and improvements made necessary by the increased usage of infrastructure caused by development.

Water Capital Reserve Fund - Accumulates money for major water projects and capital improvement projects.

Water Operations Fund - Accounts for the operation, maintenance and improvement of the water system.

CITY OF WARRENTON, OREGON
WATER ENTERPRISE
Combining Statement of Net Position
June 30, 2016

	<u>Operating (025)</u>	<u>System Development (026)</u>	<u>Capital Reserve (029)</u>	<u>Total Water Enterprise</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 785,309	\$ 101,180	\$ 1,311,219	\$ 2,197,708
Utility receivables	245,522	-	-	245,522
Other receivables	6,962	3,300	-	10,262
Inventory, at cost	225,591	-	-	225,591
Prepaid expenses	6,907	-	-	6,907
Total current assets	<u>1,270,291</u>	<u>104,480</u>	<u>1,311,219</u>	<u>2,685,990</u>
Noncurrent assets:				
Capital assets:				
Nondepreciable assets	273,646	-	-	273,646
Depreciable assets, net	16,196,289	-	-	16,196,289
Total noncurrent assets	<u>16,469,935</u>	<u>-</u>	<u>-</u>	<u>16,469,935</u>
Total assets	17,740,226	104,480	1,311,219	19,155,925
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions	<u>77,514</u>	<u>-</u>	<u>-</u>	<u>77,514</u>
Total assets & deferred outflows	<u>17,817,740</u>	<u>104,480</u>	<u>1,311,219</u>	<u>19,233,439</u>
LIABILITIES				
Current liabilities:				
Accounts payable and other current liabilities	129,799	-	-	129,799
Accrued interest payable	118,701	-	-	118,701
Compensated absences	35,386	-	-	35,386
Loans payable - current	505,416	-	-	505,416
Total current liabilities	<u>789,302</u>	<u>-</u>	<u>-</u>	<u>789,302</u>
Noncurrent liabilities:				
Loans payable	5,766,853	-	-	5,766,853
Net pension liability	279,556	-	-	279,556
Total liabilities	6,835,711	-	-	6,835,711
DEFERRED INFLOWS OF RESOURCES				
Related to pensions	<u>68,451</u>	<u>-</u>	<u>-</u>	<u>68,451</u>
Total liabilities & deferred inflows	<u>6,904,162</u>	<u>-</u>	<u>-</u>	<u>6,904,162</u>
NET POSITION				
Net investment in capital assets	10,197,666	-	-	10,197,666
Restricted for system development	-	104,480	-	104,480
Unrestricted	715,912	-	1,311,219	2,027,131
Total net position	<u>\$ 10,913,578</u>	<u>\$ 104,480</u>	<u>\$ 1,311,219</u>	<u>\$ 12,329,277</u>

CITY OF WARRENTON, OREGON
WATER ENTERPRISE
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2016

	Operating (025)	System Development (026)	Capital Reserve (029)	Total Water Enterprise
Operating Revenues:				
Charges for services	\$ 2,594,014	\$ -	\$ -	\$ 2,594,014
Other operating revenues	4,627	-	-	4,627
Total operating revenues	<u>2,598,641</u>	<u>-</u>	<u>-</u>	<u>2,598,641</u>
Operating Expenses:				
Payroll and payroll benefits	972,847	-	-	972,847
Contracted services	88,699	-	-	88,699
Utilities and telephone	95,477	-	-	95,477
Repairs and maintenance	278,527	-	-	278,527
Other operating expenses	137,072	-	-	137,072
Overhead cost allocation	128,638	-	-	128,638
Depreciation	726,154	-	-	726,154
Total operating expenses	<u>2,427,414</u>	<u>-</u>	<u>-</u>	<u>2,427,414</u>
Operating income (loss)	<u>171,227</u>	<u>-</u>	<u>-</u>	<u>171,227</u>
Nonoperating Revenues (Expenses):				
Investment earnings	4,140	100	-	4,240
Debt service - interest expense	(212,792)	-	-	(212,792)
Total nonoperating revenues (expenses)	<u>(208,652)</u>	<u>100</u>	<u>-</u>	<u>(208,552)</u>
Income (loss) before contributions	(37,425)	100	-	(37,325)
Capital contributions	-	90,245	-	90,245
Capital transfers, net	77,264	-	(77,264)	-
Debt transfers, net	99,000	(99,000)	-	-
Transfers within enterprise, net	(279,776)	-	279,776	-
Change in net position	(140,937)	(8,655)	202,512	52,920
Net Position:				
Beginning of year	<u>11,054,515</u>	<u>113,135</u>	<u>1,108,707</u>	<u>12,276,357</u>
End of year	<u>\$ 10,913,578</u>	<u>\$ 104,480</u>	<u>\$ 1,311,219</u>	<u>\$ 12,329,277</u>

CITY OF WARRENTON, OREGON
WATER ENTERPRISE
Combining Statement of Cash Flows
For the Year Ended June 30, 2016

	Operating (025)	System Development (026)	Capital Reserve (029)	Total Water Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 2,558,938	\$ -	\$ -	\$ 2,558,938
Payments to suppliers and contractors	(579,401)	-	-	(579,401)
Payments to employees	(577,454)	-	-	(577,454)
Payments for interfund services	(305,258)	-	-	(305,258)
Net cash provided by (used in) operating activities	<u>1,096,825</u>	<u>-</u>	<u>-</u>	<u>1,096,825</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers within enterprise, net	(279,776)	-	279,776	-
Net cash provided by (used in) noncapital financing activities	<u>(279,776)</u>	<u>-</u>	<u>279,776</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	-	88,045	-	88,045
Acquisition and construction of capital assets	(1)	-	(144,498)	(144,499)
Principal paid on debt	(408,066)	(99,000)	-	(507,066)
Interest paid on debt	(224,143)	-	-	(224,143)
Net cash used in capital and related financing activities	<u>(632,210)</u>	<u>(10,955)</u>	<u>(144,498)</u>	<u>(787,663)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends received	4,140	100	-	4,240
Net change in cash and cash equivalents	188,979	(10,855)	135,278	313,402
Cash and cash equivalents:				
Beginning of year	<u>596,330</u>	<u>112,035</u>	<u>1,175,941</u>	<u>1,884,306</u>
End of year	<u>\$ 785,309</u>	<u>\$ 101,180</u>	<u>\$ 1,311,219</u>	<u>\$ 2,197,708</u>

Continued on next page

CITY OF WARRENTON, OREGON
WATER ENTERPRISE
Combining Statement of Cash Flows, Continued
For the Year Ended June 30, 2016

	<u>Operating (025)</u>	<u>System Development (026)</u>	<u>Capital Reserve (029)</u>	<u>Total Water Enterprise</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 171,227	\$ -	\$ -	\$ 171,227
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	726,154	-	-	726,154
Net increase of expense under GASB 68	220,819	-	-	220,819
(Increase) decrease in assets:				
Receivables	(39,703)	-	-	(39,703)
Inventory	(28,473)	-	-	(28,473)
Prepaid expenses	(172)	-	-	(172)
Increase (decrease) in liabilities:				
Accounts payable and other accrued expenses	49,019	-	-	49,019
Compensated absences	(2,046)	-	-	(2,046)
Net cash provided by (used in) operating activities	<u>\$ 1,096,825</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,096,825</u>
 Schedule of noncash transactions:				
Capital assets transferred between funds	<u>\$ 77,264</u>	<u>\$ -</u>	<u>\$ (77,264)</u>	<u>\$ -</u>
Debt principal payments transferred between funds	<u>\$ 99,000</u>	<u>\$ (99,000)</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF WARRENTON, OREGON
SEWER ENTERPRISE
Combining Statement of Net Position
June 30, 2016

	Operating (030)	System Development (036)	Capital Reserve (038)	Storm (028)	Storm System Development (051)	Total Sewer Enterprise
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 1,053,109	\$ 181,739	\$ 598,868	\$ 259,077	\$ 97,698	\$ 2,190,491
Utility receivables	233,523	-	-	37,201	-	270,724
Other receivables	2,564	-	-	449	-	3,013
Inventory, at cost	134,033	-	-	6,473	-	140,506
Prepaid expenses	3,006	-	-	62	-	3,068
Total current assets	<u>1,426,235</u>	<u>181,739</u>	<u>598,868</u>	<u>303,262</u>	<u>97,698</u>	<u>2,607,802</u>
Noncurrent assets:						
Restricted cash - loan reserve	52,214	-	-	-	-	52,214
Capital assets:						
Nondepreciable assets	325,619	-	-	41,200	-	366,819
Depreciable assets, net	9,714,025	-	-	541,136	-	10,255,161
Total noncurrent assets	<u>10,091,858</u>	<u>-</u>	<u>-</u>	<u>582,336</u>	<u>-</u>	<u>10,674,194</u>
Total assets	11,518,093	181,739	598,868	885,598	97,698	13,281,996
DEFERRED OUTFLOWS OF RESOURCES						
Related to pensions	82,611	-	-	5,825	-	88,436
Total assets and deferred outflows of resources	<u>11,600,704</u>	<u>181,739</u>	<u>598,868</u>	<u>891,423</u>	<u>97,698</u>	<u>13,370,432</u>
LIABILITIES						
Current liabilities:						
Accounts payable and other current liabilities	108,991	-	8,650	18,932	-	136,573
Accrued interest payable	11,812	-	-	-	-	11,812
Compensated absences	36,940	-	-	3,169	-	40,109
Loans payable - current	134,349	-	-	-	-	134,349
Total current liabilities	292,092	-	8,650	22,101	-	322,843
Noncurrent liabilities:						
Loans payable	841,159	-	-	-	-	841,159
Net pension liability	297,937	-	-	21,007	-	318,944
Total liabilities	1,431,188	-	8,650	43,108	-	1,482,946
DEFERRED INFLOWS OF RESOURCES						
Related to pensions	72,952	-	-	5,144	-	78,096
Total liabilities and deferred inflows of resources	<u>1,504,140</u>	<u>-</u>	<u>8,650</u>	<u>48,252</u>	<u>-</u>	<u>1,561,042</u>
NET POSITION						
Net investment in capital assets	9,064,136	-	-	582,336	-	9,646,472
Restricted for system development	-	181,739	-	-	97,698	279,437
Unrestricted	1,032,428	-	590,218	260,835	-	1,883,481
Total net position	<u>\$ 10,096,564</u>	<u>\$ 181,739</u>	<u>\$ 590,218</u>	<u>\$ 843,171</u>	<u>\$ 97,698</u>	<u>\$ 11,809,390</u>

CITY OF WARRENTON, OREGON
SEWER ENTERPRISE
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2016

	Operating (030)	System Development (036)	Capital Reserve (038)	Storm (028)	Storm System Development (051)	Total Sewer Enterprise
Operating Revenues:						
Charges for services	\$ 2,226,010	\$ -	\$ -	\$ 362,084	\$ -	\$ 2,588,094
Other operating revenues	3,412	-	-	11,983	-	15,395
Total operating revenues	<u>2,229,422</u>	<u>-</u>	<u>-</u>	<u>374,067</u>	<u>-</u>	<u>2,603,489</u>
Operating Expenses:						
Payroll and payroll benefits	1,101,254	-	-	87,921	-	1,189,175
Contracted services	63,268	-	-	29,530	-	92,798
Utilities and telephone	181,804	-	-	8,252	-	190,056
Repairs and maintenance	260,635	-	4,425	56,339	-	321,399
Other operating expenses	137,718	-	-	3,163	-	140,881
Overhead cost allocation	112,972	-	-	17,024	-	129,996
Depreciation	614,793	-	-	51,628	-	666,421
Total operating expenses	<u>2,472,444</u>	<u>-</u>	<u>4,425</u>	<u>253,857</u>	<u>-</u>	<u>2,730,726</u>
Operating income (loss)	<u>(243,022)</u>	<u>-</u>	<u>(4,425)</u>	<u>120,210</u>	<u>-</u>	<u>(127,237)</u>
Nonoperating Revenues (Expenses):						
Investment earnings	3,344	264	-	604	130	4,342
Debt service - interest expense	<u>(41,706)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(41,706)</u>
Total nonoperating revenues (expenses)	<u>(38,362)</u>	<u>264</u>	<u>-</u>	<u>604</u>	<u>130</u>	<u>(37,364)</u>
Income (loss) before contributions	(281,384)	264	(4,425)	120,814	130	(164,601)
Capital contributions	-	60,507	-	-	22,516	83,023
Capital transfers, net	179,837	-	(179,837)	-	-	-
Transfers within enterprise, net	<u>(237,445)</u>	<u>-</u>	<u>237,445</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	(338,992)	60,771	53,183	120,814	22,646	(81,578)
Net Position:						
Beginning of year, as restated	<u>10,435,556</u>	<u>120,968</u>	<u>537,035</u>	<u>722,357</u>	<u>75,052</u>	<u>11,890,968</u>
End of year	<u>\$ 10,096,564</u>	<u>\$ 181,739</u>	<u>\$ 590,218</u>	<u>\$ 843,171</u>	<u>\$ 97,698</u>	<u>\$ 11,809,390</u>

CITY OF WARRENTON, OREGON
SEWER ENTERPRISE
Combining Statement of Cash Flows
For the Year Ended June 30, 2016

	Operating (030)	System Development (036)	Capital Reserve (038)	Storm (028)	Storm System Development (051)	Total Sewer Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 2,216,999	\$ -	\$ -	\$ 365,439	\$ -	\$ 2,582,438
Payments to suppliers and contractors	(586,990)	-	(4,425)	(178,751)	-	(770,166)
Payments to employees	(693,491)	-	-	(50,964)	-	(744,455)
Payments for interfund services	(268,083)	-	-	(40,398)	-	(308,481)
Net cash provided by (used in) operating activities	<u>668,435</u>	<u>-</u>	<u>(4,425)</u>	<u>95,326</u>	<u>-</u>	<u>759,336</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers within enterprise, net	(237,445)	-	237,445	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>(237,445)</u>	<u>-</u>	<u>237,445</u>	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital contributions	-	60,507	-	-	22,516	83,023
Acquisition and construction of capital assets	(5,200)	-	(241,759)	(28,913)	-	(275,872)
Principal paid on debt	(130,647)	-	-	-	-	(130,647)
Interest paid on debt	(43,730)	-	-	-	-	(43,730)
Net cash provided by (used in) capital and related financing activities	<u>(179,577)</u>	<u>60,507</u>	<u>(241,759)</u>	<u>(28,913)</u>	<u>22,516</u>	<u>(367,226)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest and dividends received	3,344	264	-	604	130	4,342
Net change in cash and cash equivalents	254,757	60,771	(8,739)	67,017	22,646	396,452
Cash and cash equivalents:						
Beginning of year	850,566	120,968	607,607	192,060	75,052	1,846,253
End of year	<u>\$ 1,105,323</u>	<u>\$ 181,739</u>	<u>\$ 598,868</u>	<u>\$ 259,077</u>	<u>\$ 97,698</u>	<u>\$ 2,242,705</u>

Cash and cash equivalents are reported on the Statement of Net Position as follows:

Cash and cash equivalents	\$ 1,053,109	\$ 181,739	\$ 598,868	\$ 259,077	\$ 97,698	\$ 2,190,491
Restricted cash - loan reserve	52,214	-	-	-	-	52,214
	<u>\$ 1,105,323</u>	<u>\$ 181,739</u>	<u>\$ 598,868</u>	<u>\$ 259,077</u>	<u>\$ 97,698</u>	<u>\$ 2,242,705</u>

Continued on next page

CITY OF WARRENTON, OREGON
SEWER ENTERPRISE
Combining Statement of Cash Flows, Continued
For the Year Ended June 30, 2016

	Operating (030)	System Development (036)	Capital Reserve (038)	Storm (028)	Storm System Development (051)	Total Sewer Enterprise
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ (243,022)	\$ -	\$ (4,425)	\$ 120,210	\$ -	\$ (127,237)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	614,793	-	-	51,628	-	666,421
Net increase of expense under GASB 68	250,828	-	-	15,292	-	266,120
(Increase) decrease in assets:						
Receivables	(12,423)	-	-	(8,628)	-	(21,051)
Inventory	17,898	-	-	(959)	-	16,939
Prepaid expenses	(2,386)	-	-	-	-	(2,386)
Increase (decrease) in liabilities:						
Accounts payable and other accrued expenses	40,923	-	-	(80,508)	-	(39,585)
Compensated absences	1,824	-	-	(1,709)	-	115
Net cash provided by (used in) operating activities	<u>\$ 668,435</u>	<u>\$ -</u>	<u>\$ (4,425)</u>	<u>\$ 95,326</u>	<u>\$ -</u>	<u>\$ 759,336</u>
 Schedule of noncash transactions:						
Capital assets transferred between funds	<u>\$ 179,837</u>	<u>\$ -</u>	<u>\$ (179,837)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF WARRENTON, OREGON
SANITATION ENTERPRISE
Combining Statement of Net Position
June 30, 2016

	Operating (032)	Capital Reserve (034)	Total Sanitation Enterprise
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 321,472	\$ 568,008	\$ 889,480
Utility receivables	107,519	-	107,519
Inventory, at cost	36,919	-	36,919
Prepaid expenses	347	-	347
Total current assets	<u>466,257</u>	<u>568,008</u>	<u>1,034,265</u>
Noncurrent assets:			
Capital assets:			
Nondepreciable assets	29,669	-	29,669
Depreciable assets, net	553,593	-	553,593
Total noncurrent assets	<u>583,262</u>	<u>-</u>	<u>583,262</u>
Total assets	1,049,519	568,008	1,617,527
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	22,683	-	22,683
Total assets & deferred outflows	<u>1,072,202</u>	<u>568,008</u>	<u>1,640,210</u>
LIABILITIES			
Current liabilities:			
Accounts payable and other current liabilities	111,784	323,843	435,627
Compensated absences	3,687	-	3,687
Landfill postclosure care - current	11,650	-	11,650
Total current liabilities	<u>127,121</u>	<u>323,843</u>	<u>450,964</u>
Noncurrent liabilities:			
Landfill postclosure care liability	274,250	-	274,250
Net pension liability	81,806	-	81,806
Total liabilities	<u>483,177</u>	<u>323,843</u>	<u>807,020</u>
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	20,031	-	20,031
Total liabilities & deferred inflows	<u>503,208</u>	<u>323,843</u>	<u>827,051</u>
NET POSITION			
Net investment in capital assets	583,262	-	583,262
Unrestricted	(14,268)	244,165	229,897
Total net position	<u>\$ 568,994</u>	<u>\$ 244,165</u>	<u>\$ 813,159</u>

CITY OF WARRENTON, OREGON

SANITATION ENTERPRISE

Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2016

	Operating (032)	Capital Reserve (034)	Total Sanitation Enterprise
Operating Revenues:			
Charges for services	\$ 1,027,350	\$ -	\$ 1,027,350
Other operating revenues	<u>1,908</u>	<u>-</u>	<u>1,908</u>
Total operating revenues	<u>1,029,258</u>	<u>-</u>	<u>1,029,258</u>
Operating Expenses:			
Payroll and payroll benefits	304,682	-	304,682
Contracted services	541,849	-	541,849
Utilities and telephone	4,679	-	4,679
Repairs and maintenance	26,484	-	26,484
Other operating expenses	71,060	-	71,060
Overhead cost allocation	30,228	-	30,228
Depreciation	<u>65,764</u>	<u>-</u>	<u>65,764</u>
Total operating expenses	<u>1,044,746</u>	<u>-</u>	<u>1,044,746</u>
Operating income (loss)	(15,488)	-	(15,488)
Nonoperating Revenues (Expenses):			
Investment earnings	<u>2,052</u>	<u>-</u>	<u>2,052</u>
Income (loss) before contributions	(13,436)	-	(13,436)
Capital transfers, net	328,215	(328,215)	-
Transfers within enterprise, net	<u>(63,996)</u>	<u>63,996</u>	<u>-</u>
Change in net position	250,783	(264,219)	(13,436)
Net Position:			
Beginning of year	<u>318,211</u>	<u>508,384</u>	<u>826,595</u>
End of year	<u>\$ 568,994</u>	<u>\$ 244,165</u>	<u>\$ 813,159</u>

CITY OF WARRENTON, OREGON
SANITATION ENTERPRISE
Combining Statement of Cash Flows
For the Year Ended June 30, 2016

	Operating (032)	Capital Reserve (034)	Total Sanitation Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 1,024,293	\$ -	\$ 1,024,293
Payments to suppliers and contractors	(631,610)	-	(631,610)
Payments to employees	(199,243)	-	(199,243)
Payments for interfund services	(71,731)	-	(71,731)
Net cash provided by (used in) operating activities	<u>121,709</u>	<u>-</u>	<u>121,709</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers within enterprise, net	<u>(63,996)</u>	<u>63,996</u>	<u>-</u>
Net cash provided by (used in) noncapital financing activities	<u>(63,996)</u>	<u>63,996</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	<u>-</u>	<u>(4,372)</u>	<u>(4,372)</u>
Net cash used in capital and related financing activities	<u>-</u>	<u>(4,372)</u>	<u>(4,372)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends received	<u>2,052</u>	<u>-</u>	<u>2,052</u>
Net change in cash and cash equivalents	59,765	59,624	119,389
Cash and cash equivalents:			
Beginning of year	<u>261,707</u>	<u>508,384</u>	<u>770,091</u>
End of year	<u>\$ 321,472</u>	<u>\$ 568,008</u>	<u>\$ 889,480</u>

Continued on next page

CITY OF WARRENTON, OREGON
SANITATION ENTERPRISE
Combining Statement of Cash Flows, Continued
For the Year Ended June 30, 2016

	Operating (032)	Capital Reserve (034)	Total Sanitation Enterprise
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (15,488)	\$ -	\$ (15,488)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	65,764	-	65,764
Net increase of expense under GASB 68	66,820	-	66,820
(Increase) decrease in assets:			
Receivables	(4,965)	-	(4,965)
Inventory	(19,132)	-	(19,132)
Increase (decrease) in liabilities:			
Accounts payable and other accrued expenses	60,011	-	60,011
Compensated absences	(2,884)	-	(2,884)
Landfill postclosure care liability	(28,417)	-	(28,417)
Net cash provided by (used in) operating activities	\$ 121,709	\$ -	\$ 121,709
 Schedule of noncash transactions:			
Capital assets transferred between funds	\$ 328,215	\$ (328,215)	\$ -

CITY OF WARRENTON, OREGON
NONMAJOR ENTERPRISE FUNDS
Combining Statement of Net Position
June 30, 2016

	Warrenton Marina (010)	Warrenton Marina Capital Reserve (012)	Hammond Marina (011)	Hammond Marina Capital Reserve (013)	Total Nonmajor Enterprise Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 177,099	\$ 144,477	\$ 175,898	\$ 409,496	\$ 906,970
Accounts receivable	29,838	-	3,396	-	33,234
Intergovernmental receivables	-	-	-	40,005	40,005
Other receivables	572	-	-	-	572
Total current assets	<u>207,509</u>	<u>144,477</u>	<u>179,294</u>	<u>449,501</u>	<u>980,781</u>
Noncurrent assets:					
Capital assets:					
Nondepreciable assets	36,953	-	123,492	-	160,445
Depreciable assets, net	410,168	-	690,250	-	1,100,418
Total noncurrent assets	<u>447,121</u>	<u>-</u>	<u>813,742</u>	<u>-</u>	<u>1,260,863</u>
Total assets	654,630	144,477	993,036	449,501	2,241,644
DEFERRED OUTFLOWS OF RESOURCES					
Related to pensions	<u>24,028</u>	<u>-</u>	<u>14,450</u>	<u>-</u>	<u>38,478</u>
Total assets & deferred outflows	<u>678,658</u>	<u>144,477</u>	<u>1,007,486</u>	<u>449,501</u>	<u>2,280,122</u>
LIABILITIES					
Current liabilities:					
Accounts payable and other current liabilities	9,298	-	10,159	-	19,457
Compensated absences	16,652	-	9,921	-	26,573
Unearned revenue	13,801	-	1,742	-	15,543
Total current liabilities	39,751	-	21,822	-	61,573
Noncurrent liabilities:					
Net pension liability	<u>86,654</u>	<u>-</u>	<u>52,114</u>	<u>-</u>	<u>138,768</u>
Total liabilities	126,405	-	73,936	-	200,341
DEFERRED INFLOWS OF RESOURCES					
Related to pensions	<u>21,219</u>	<u>-</u>	<u>12,760</u>	<u>-</u>	<u>33,979</u>
Total liabilities & deferred inflows	<u>147,624</u>	<u>-</u>	<u>86,696</u>	<u>-</u>	<u>234,320</u>
NET POSITION					
Net investment in capital assets	447,121	-	813,742	-	1,260,863
Unrestricted	83,913	144,477	107,048	449,501	784,939
Total net position	<u>\$ 531,034</u>	<u>\$ 144,477</u>	<u>\$ 920,790</u>	<u>\$ 449,501</u>	<u>\$ 2,045,802</u>

CITY OF WARRENTON, OREGON
NONMAJOR ENTERPRISE FUNDS
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2016

	Warrenton Marina (010)	Warrenton Marina Capital Reserve (012)	Hammond Marina (011)	Hammond Marina Capital Reserve (013)	Total Nonmajor Enterprise Funds
Operating Revenues:					
Charges for services	\$ 483,399	\$ -	\$ 262,691	\$ -	\$ 746,090
Lease receipts	28,657	-	13,121	-	41,778
Other operating revenues	5,886	-	3,285	-	9,171
Total operating revenues	<u>517,942</u>	<u>-</u>	<u>279,097</u>	<u>-</u>	<u>797,039</u>
Operating Expenses:					
Payroll and payroll benefits	339,896	-	207,357	-	547,253
Contracted services	4,233	-	6,646	-	10,879
Utilities and telephone	84,367	-	44,833	-	129,200
Repairs and maintenance	32,586	-	27,472	-	60,058
Other operating expenses	30,030	-	18,869	-	48,899
Overhead cost allocation	25,515	-	15,199	-	40,714
Depreciation	51,776	-	58,338	-	110,114
Total operating expenses	<u>568,403</u>	<u>-</u>	<u>378,714</u>	<u>-</u>	<u>947,117</u>
Operating income (loss)	<u>(50,461)</u>	<u>-</u>	<u>(99,617)</u>	<u>-</u>	<u>(150,078)</u>
Nonoperating Revenues (Expenses):					
Investment earnings	4,859	-	1,801	-	6,660
Taxes	-	-	-	140,003	140,003
Intergovernmental	3,745	-	1,230	-	4,975
Total nonoperating revenues (expenses)	<u>8,604</u>	<u>-</u>	<u>3,031</u>	<u>140,003</u>	<u>151,638</u>
Income (loss) before contributions	(41,857)	-	(96,586)	140,003	1,560
Capital transfers, net	<u>-</u>	<u>-</u>	<u>56,247</u>	<u>(56,247)</u>	<u>-</u>
Change in net position	(41,857)	-	(40,339)	83,756	1,560
Net Position:					
Beginning of year	<u>572,891</u>	<u>144,477</u>	<u>961,129</u>	<u>365,745</u>	<u>2,044,242</u>
End of year	<u>\$ 531,034</u>	<u>\$ 144,477</u>	<u>\$ 920,790</u>	<u>\$ 449,501</u>	<u>\$ 2,045,802</u>

CITY OF WARRENTON, OREGON
NONMAJOR ENTERPRISE FUNDS
Combining Statement of Cash Flows
For the Year Ended June 30, 2016

	Warrenton Warrenton Marina (010)	Warrenton Marina Capital Reserve (012)	Hammond Marina (011)	Hammond Marina Capital Reserve (013)	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 527,297	\$ -	\$ 276,876	\$ -	\$ 804,173
Payments to suppliers and contractors	(156,953)	-	(100,872)	-	(257,825)
Payments to employees	(235,084)	-	(142,927)	-	(378,011)
Payments for interfund services	(60,548)	-	(36,067)	-	(96,615)
Net cash provided by (used in) operating activities	<u>74,712</u>	<u>-</u>	<u>(2,990)</u>	<u>-</u>	<u>71,722</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Intergovernmental operating grants received	3,745	-	10,605	-	14,350
Taxes collected	-	-	-	131,987	131,987
Net cash provided by (used in) noncapital financing activities	<u>3,745</u>	<u>-</u>	<u>10,605</u>	<u>131,987</u>	<u>146,337</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	-	-	-	(57,178)	(57,178)
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(57,178)</u>	<u>(57,178)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and dividends received	4,859	-	1,801	-	6,660
Net change in cash and cash equivalents	83,316	-	9,416	74,809	167,541
Cash and cash equivalents:					
Beginning of year	<u>93,783</u>	<u>144,477</u>	<u>166,482</u>	<u>334,687</u>	<u>739,429</u>
End of year	<u>\$ 177,099</u>	<u>\$ 144,477</u>	<u>\$ 175,898</u>	<u>\$ 409,496</u>	<u>\$ 906,970</u>

Continued on next page

CITY OF WARRENTON, OREGON
NONMAJOR ENTERPRISE FUNDS
Combining Statement of Cash Flows, Continued
For the Year Ended June 30, 2016

	Warrenton Marina (010)	Warrenton Marina Capital Reserve (012)	Hammond Marina (011)	Hammond Marina Capital Reserve (013)	Total Nonmajor Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (50,461)	\$ -	\$ (99,617)	\$ -	\$ (150,078)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	51,776	-	58,338	-	110,114
Net increase of expense under GASB 68	68,259	-	40,662	-	108,921
(Increase) decrease in assets:					
Receivables	(4,057)	-	(1,465)	-	(5,522)
Increase (decrease) in liabilities:					
Accounts payable and other accrued expenses	(5,737)	-	(3,052)	-	(8,789)
Compensated absences	1,520	-	2,900	-	4,420
Unearned revenue	13,412	-	(756)	-	12,656
Net cash provided by (used in) operating activities	<u>\$ 74,712</u>	<u>\$ -</u>	<u>\$ (2,990)</u>	<u>\$ -</u>	<u>\$ 71,722</u>
 Schedule of noncash transactions:					
Capital assets transferred between funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,247</u>	<u>\$ (56,247)</u>	<u>\$ -</u>

CITY OF WARRENTON, OREGON

WATER FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Charges for services	\$ 2,479,500	\$ 2,479,500	\$ 2,594,014	\$ 114,514
Investment earnings	6,000	6,000	4,140	(1,860)
Other revenue	<u>1,000</u>	<u>1,000</u>	<u>4,628</u>	<u>3,628</u>
Total revenues	<u>2,486,500</u>	<u>2,486,500</u>	<u>2,602,782</u>	<u>116,282</u>
Expenditures:				
Personal services	794,564	794,564	754,074	40,490
Materials and services	995,025	995,025	728,414	266,611
Debt service	632,211	632,211	632,210	1
Contingency	<u>484,360</u>	<u>428,879</u>	<u>-</u>	<u>428,879</u>
Total expenditures	<u>2,906,160</u>	<u>2,850,679</u>	<u>2,114,698</u>	<u>735,981</u>
Excess (deficiency) of revenues over (under) expenditures	(419,660)	(364,179)	488,084	852,263
Other financing sources (uses):				
Transfers out	(1,909,776)	(1,965,257)	(279,776)	1,685,481
Loan proceeds	<u>1,630,000</u>	<u>1,630,000</u>	<u>-</u>	<u>(1,630,000)</u>
Net change in fund balance	(699,436)	(699,436)	208,308	907,744
Fund Balance:				
Beginning of year	<u>900,000</u>	<u>900,000</u>	<u>932,184</u>	<u>32,184</u>
End of year	<u>\$ 200,564</u>	<u>\$ 200,564</u>	1,140,492	<u>\$ 939,928</u>
Reconciliation to GAAP Basis:				
Capital assets			16,469,935	
Deferred outflows of resources related to pensions			77,514	
Accrued interest payable			(118,701)	
Compensated absences			(35,386)	
Net pension liability			(279,556)	
Loans payable			(6,272,269)	
Deferred inflows of resources related to pensions			<u>(68,451)</u>	
GAAP Net Position - end of year			<u>\$ 10,913,578</u>	

CITY OF WARRENTON, OREGON

WATER SYSTEMS DEVELOPMENT

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	\$ 200	\$ 200	\$ 100	\$ (100)
System development charges	<u>50,800</u>	<u>50,800</u>	<u>90,245</u>	<u>39,445</u>
Total revenues	<u>51,000</u>	<u>51,000</u>	<u>90,345</u>	<u>39,345</u>
Expenditures:				
Capital outlay	51,440	51,440	-	51,440
Debt service	<u>99,000</u>	<u>99,000</u>	<u>99,000</u>	<u>-</u>
Total expenditures	<u>150,440</u>	<u>150,440</u>	<u>99,000</u>	<u>51,440</u>
Net change in fund balance	(99,440)	(99,440)	(8,655)	90,785
Fund Balance:				
Beginning of year	<u>99,440</u>	<u>99,440</u>	<u>113,135</u>	<u>13,695</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,480</u>	<u>\$ 104,480</u>

CITY OF WARRENTON, OREGON
WATER CAPITAL RESERVE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Expenditures:				
Capital outlay	\$ 1,679,960	\$ 1,735,441	\$ 77,264	\$ 1,658,177
Other financing sources (uses):				
Transfers in	<u>1,909,776</u>	<u>1,965,257</u>	<u>279,776</u>	<u>(1,685,481)</u>
Net change in fund balance	229,816	229,816	202,512	(27,304)
Fund Balance:				
Beginning of year	<u>1,054,470</u>	<u>1,054,470</u>	<u>1,108,707</u>	<u>54,237</u>
End of year	<u>\$ 1,284,286</u>	<u>\$ 1,284,286</u>	<u>\$ 1,311,219</u>	<u>\$ 26,933</u>

CITY OF WARRENTON, OREGON

SEWER FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Charges for services	\$ 1,964,115	\$ 1,964,115	\$ 2,226,010	\$ 261,895
Investment earnings	4,000	4,000	3,344	(656)
Other revenue	-	-	3,412	3,412
Total revenues	<u>1,968,115</u>	<u>1,968,115</u>	<u>2,232,766</u>	<u>264,651</u>
Expenditures:				
Personal services	883,263	883,263	848,602	34,661
Materials and services	959,032	959,032	761,597	197,435
Debt service	174,377	174,377	174,377	-
Contingency	<u>445,548</u>	<u>445,548</u>	<u>-</u>	<u>445,548</u>
Total expenditures	<u>2,462,220</u>	<u>2,462,220</u>	<u>1,784,576</u>	<u>677,644</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(494,105)</u>	<u>(494,105)</u>	<u>448,190</u>	<u>942,295</u>
Other financing sources (uses):				
Transfers out	(2,157,749)	(2,157,749)	(237,445)	1,920,304
Loan proceeds	1,920,304	1,920,304	-	(1,920,304)
Other (sources) uses	<u>-</u>	<u>-</u>	<u>52,609</u>	<u>52,609</u>
Total other financing sources (uses)	<u>(237,445)</u>	<u>(237,445)</u>	<u>(184,836)</u>	<u>52,609</u>
Net change in fund balance	(731,550)	(731,550)	263,354	994,904
Fund Balance:				
Beginning of year	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,106,104</u>	<u>106,104</u>
End of year	<u>\$ 268,450</u>	<u>\$ 268,450</u>	1,369,458	<u>\$ 1,101,008</u>
Reconciliation to GAAP Basis:				
Capital assets			10,039,644	
Deferred outflows of resources related to pensions			82,611	
Accrued interest payable			(11,812)	
Compensated absences			(36,940)	
Loans payable			(975,508)	
Net pension liability			(297,937)	
Deferred inflows of resources related to pensions			<u>(72,952)</u>	
GAAP Net Position - end of year			<u>\$ 10,096,564</u>	

CITY OF WARRENTON, OREGON
SEWER SYSTEMS DEVELOPMENT FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	\$ 400	\$ 400	\$ 264	\$ (136)
System development charges	<u>44,000</u>	<u>44,000</u>	<u>60,507</u>	<u>16,507</u>
Total revenues	<u>44,400</u>	<u>44,400</u>	<u>60,771</u>	<u>16,371</u>
Expenditures:				
Capital outlay	<u>183,400</u>	<u>183,400</u>	<u>-</u>	<u>183,400</u>
Total expenditures	<u>183,400</u>	<u>183,400</u>	<u>-</u>	<u>183,400</u>
Net change in fund balance	(139,000)	(139,000)	60,771	199,771
Fund Balance:				
Beginning of year	<u>139,000</u>	<u>139,000</u>	<u>120,968</u>	<u>(18,032)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 181,739</u>	<u>\$ 181,739</u>

CITY OF WARRENTON, OREGON
SEWER CAPITAL RESERVE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Expenditures:				
Capital outlay	\$ 2,241,084	\$ 2,241,084	\$ 184,262	\$ 2,056,822
Other financing sources (uses):				
Transfers in	<u>2,157,749</u>	<u>2,157,749</u>	<u>237,445</u>	<u>(1,920,304)</u>
Net change in fund balance	(83,335)	(83,335)	53,183	136,518
Fund Balance:				
Beginning of year	<u>500,000</u>	<u>500,000</u>	<u>537,035</u>	<u>37,035</u>
End of year	<u>\$ 416,665</u>	<u>\$ 416,665</u>	<u>\$ 590,218</u>	<u>\$ 173,553</u>

CITY OF WARRENTON, OREGON

STORM SEWER FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Charges for services	\$ 348,500	\$ 348,500	\$ 362,084	\$ 13,584
Investment earnings	1,500	1,500	604	(896)
Other revenue	<u>-</u>	<u>-</u>	<u>11,983</u>	<u>11,983</u>
Total revenues	<u>350,000</u>	<u>350,000</u>	<u>374,671</u>	<u>24,671</u>
Expenditures:				
Personal services	80,382	80,382	74,338	6,044
Materials and services	156,481	156,481	100,121	56,360
Capital outlay	200,140	203,186	43,100	160,086
Contingency	<u>47,373</u>	<u>44,327</u>	<u>-</u>	<u>44,327</u>
Total expenditures	<u>484,376</u>	<u>484,376</u>	<u>217,559</u>	<u>266,817</u>
Net change in fund balance	(134,376)	(134,376)	157,112	291,488
Fund Balance:				
Beginning of year	<u>140,000</u>	<u>140,000</u>	<u>127,218</u>	<u>(12,782)</u>
End of year	<u>\$ 5,624</u>	<u>\$ 5,624</u>	<u>284,330</u>	<u>\$ 278,706</u>
Reconciliation to GAAP Basis:				
Capital assets			582,335	
Deferred outflows of resources related to pensions			5,825	
Compensated absences			(3,169)	
Net pension liability			(21,007)	
Deferred inflows of resources related to pensions			<u>(5,144)</u>	
GAAP Net Position - end of year			<u>\$ 843,170</u>	

CITY OF WARRENTON, OREGON
STORM SEWER SYSTEM DEVELOPMENT CHARGES
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	\$ 100	\$ 100	\$ 130	\$ 30
System development charges	<u>6,000</u>	<u>6,000</u>	<u>22,516</u>	<u>16,516</u>
Total revenues	6,100	6,100	22,646	16,546
Expenditures:				
Capital outlay	<u>78,270</u>	<u>78,270</u>	<u>-</u>	<u>78,270</u>
Net change in fund balance	(72,170)	(72,170)	22,646	94,816
Fund Balance:				
Beginning of year	<u>72,170</u>	<u>72,170</u>	<u>75,052</u>	<u>2,882</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,698</u>	<u>\$ 97,698</u>

CITY OF WARRENTON, OREGON

SANITATION FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Charges for services	\$ 980,000	\$ 980,000	\$ 1,027,350	\$ 47,350
Investment earnings	2,000	2,000	2,052	52
Other revenue	<u>-</u>	<u>-</u>	<u>1,908</u>	<u>1,908</u>
Total revenues	<u>982,000</u>	<u>982,000</u>	<u>1,031,310</u>	<u>49,310</u>
Expenditures:				
Personal services	251,030	251,030	240,746	10,284
Materials and services	764,654	764,654	702,717	61,937
Contingency	<u>202,320</u>	<u>202,320</u>	<u>-</u>	<u>202,320</u>
Total expenditures	<u>1,218,004</u>	<u>1,218,004</u>	<u>943,463</u>	<u>274,541</u>
Excess (deficiency) of revenues over (under) expenditures	(236,004)	(236,004)	87,847	323,851
Other financing sources (uses):				
Transfers out	<u>(63,996)</u>	<u>(63,996)</u>	<u>(63,996)</u>	<u>-</u>
Net change in fund balance	(300,000)	(300,000)	23,851	323,851
Fund Balance:				
Beginning of year	<u>300,000</u>	<u>300,000</u>	<u>330,622</u>	<u>30,622</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>354,473</u>	<u>\$ 354,473</u>
Reconciliation to GAAP Basis:				
Capital assets			583,262	
Deferred outflows of resources related to pensions			22,683	
Compensated absences			(3,687)	
Landfill postclosure care liability			(285,900)	
Net pension liability			(81,806)	
Deferred inflows of resources related to pensions			<u>(20,031)</u>	
GAAP Net Position - end of year			<u>\$ 568,994</u>	

CITY OF WARRENTON, OREGON
SANITATION CAPITAL RESERVE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Expenditures:				
Capital outlay	\$ 337,940	\$ 337,940	\$ 328,215	\$ 9,725
Other financing sources (uses):				
Transfers in	<u>63,996</u>	<u>63,996</u>	<u>63,996</u>	<u>-</u>
Net change in fund balance	(273,944)	(273,944)	(264,219)	9,725
Fund Balance:				
Beginning of year	<u>508,000</u>	<u>508,000</u>	<u>508,384</u>	<u>384</u>
End of year	<u>\$ 234,056</u>	<u>\$ 234,056</u>	<u>\$ 244,165</u>	<u>\$ 10,109</u>

CITY OF WARRENTON, OREGON

WARRENTON MARINA FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental	\$ 3,175	\$ 3,175	\$ 3,745	\$ 570
Charges for services	434,848	434,848	494,016	59,168
Lease receipts	27,749	27,749	28,657	908
Investment earnings	4,500	4,500	4,859	359
Other revenue	-	-	5,887	5,887
Total revenues	<u>470,272</u>	<u>470,272</u>	<u>537,164</u>	<u>66,892</u>
Expenditures:				
Personal services	279,255	279,255	270,117	9,138
Materials and services	204,184	204,184	176,732	27,452
Contingency	65,333	65,333	-	65,333
Total expenditures	<u>548,772</u>	<u>548,772</u>	<u>446,849</u>	<u>101,923</u>
Excess (deficiency) of revenues over (under) expenditures	(78,500)	(78,500)	90,315	168,815
Other financing sources (uses):				
Net change in fund balance	(78,500)	(78,500)	90,315	168,815
Fund Balance:				
Beginning of year	<u>78,500</u>	<u>78,500</u>	<u>104,712</u>	<u>26,212</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>195,027</u>	<u>\$ 195,027</u>
Reconciliation to GAAP Basis:				
Allowance for doubtful accounts			(10,617)	
Capital assets			447,121	
Deferred outflows of resources related to pensions			24,028	
Compensated absences			(16,652)	
Net pension liability			(86,654)	
Deferred inflows of resources related to pensions			<u>(21,219)</u>	
GAAP Net Position - end of year			<u>\$ 531,034</u>	

CITY OF WARRENTON, OREGON
WARRENTON MARINA CAPITAL RESERVE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Expenditures:				
Capital outlay	\$ 144,477	\$ 144,477	\$ -	\$ 144,477
Other financing sources (uses):				
Net change in fund balance	(144,477)	(144,477)	-	144,477
Fund Balance:				
Beginning of year	144,477	144,477	144,477	-
End of year	\$ -	\$ -	\$ 144,477	\$ 144,477

CITY OF WARRENTON, OREGON

HAMMOND MARINA FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental	\$ 1,600	\$ 1,600	\$ 1,230	\$ (370)
Charges for services	244,680	244,680	263,309	18,629
Lease receipts	12,901	12,901	13,121	220
Investment earnings	2,200	2,200	1,801	(399)
Other revenue	<u>1,500</u>	<u>1,500</u>	<u>3,285</u>	<u>1,785</u>
Total revenues	<u>262,881</u>	<u>262,881</u>	<u>282,746</u>	<u>19,865</u>
Expenditures:				
Personal services	173,012	173,012	163,795	9,217
Materials and services	137,286	137,286	113,019	24,267
Contingency	<u>62,060</u>	<u>62,060</u>	-	<u>62,060</u>
Total expenditures	<u>372,358</u>	<u>372,358</u>	<u>276,814</u>	<u>95,544</u>
Excess (deficiency) of revenues over (under) expenditures	(109,477)	(109,477)	5,932	115,409
Other financing sources (uses):				
Net change in fund balance	(109,477)	(109,477)	5,932	115,409
Fund Balance:				
Beginning of year	<u>140,000</u>	<u>140,000</u>	<u>162,079</u>	<u>22,079</u>
End of year	<u>\$ 30,523</u>	<u>\$ 30,523</u>	168,011	<u>\$ 137,488</u>
Reconciliation to GAAP Basis:				
Allowance for doubtful accounts			(618)	
Capital assets			813,742	
Deferred outflows of resources related to pensions			14,450	
Compensated absences			(9,921)	
Net pension liability			(52,114)	
Deferred inflows of resources related to pensions			<u>(12,760)</u>	
GAAP Net Position - end of year			<u>\$ 920,790</u>	

CITY OF WARRENTON, OREGON
HAMMOND MARINA CAPITAL RESERVE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes	\$ 120,000	\$ 120,000	\$ 140,003	\$ 20,003
Expenditures:				
Capital outlay	<u>419,000</u>	<u>419,000</u>	<u>56,247</u>	<u>362,753</u>
Excess (deficiency) of revenues over (under) expenditures	(299,000)	(299,000)	83,756	382,756
Other financing sources (uses):				
Net change in fund balance	(299,000)	(299,000)	83,756	382,756
Fund Balance:				
Beginning of year	<u>299,000</u>	<u>299,000</u>	<u>365,745</u>	<u>66,745</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 449,501</u>	<u>\$ 449,501</u>

INTERNAL SERVICE FUND

Internal Service Funds are used to report activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or other governments, on a cost reimbursement basis. Funds included in this category are:

Engineering Internal Service Fund - The City began using an in-house engineer in 2016. The costs associated with the engineer are accumulated in this fund and reimbursed by the appropriate departments and projects.

INTERNAL SERVICES

Internal Service Funds are used to report activity that provides goods or services to other funds, departments or agencies of the primary government and its component units, or other governments, on a cost-plus basis. Funds included in the category are:

Engineering Internal Service Fund - The City began using an in-house engineer in 2018. The costs associated with the engineer are included in the appropriate fund. Internal Service Funds are used to report activity that provides goods or services to other funds, departments or agencies of the primary government and its component units, or other governments, on a cost-plus basis. Funds included in the category are:

"Making a difference through excellence of service"



CITY OF WARRENTON

CITY OF WARRENTON, OREGON
ENGINEERING INTERNAL SERVICE FUND
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Charges for services	\$ 156,826	\$ 156,826	\$ 50,742	\$ (106,084)
Investment earnings	-	-	2	2
Total revenues	<u>156,826</u>	<u>156,826</u>	<u>50,744</u>	<u>(106,082)</u>
Expenditures:				
Personal services	124,026	124,026	43,916	80,110
Materials and services	<u>32,800</u>	<u>32,800</u>	<u>275</u>	<u>32,525</u>
Total expenditures	<u>156,826</u>	<u>156,826</u>	<u>44,191</u>	<u>112,635</u>
Net change in fund balances	-	-	6,553	6,553
Fund Balance:				
Beginning of year	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	6,553	<u>\$ 6,553</u>
Reconciliation to GAAP Basis:				
Compensated absences			<u>(5,413)</u>	
GAAP Net Position - end of year			<u>\$ 1,140</u>	

Financial Statement
 Statement of Financial Position and Changes in Fund Balance
 Budget and Actual (Proposed) Basis
 For the Year Ended June 30, 2018

Account	Actual	Proposed	Change
Assets			
Current Assets			
Cash	100,000	100,000	0
Accounts Receivable	50,000	50,000	0
Inventory	20,000	20,000	0
Prepaid Expenses	10,000	10,000	0
Other Current Assets	0	0	0
Total Current Assets	180,000	180,000	0
Non-Current Assets			
Capital Assets	0	0	0
Total Non-Current Assets	0	0	0
Total Assets	180,000	180,000	0
Liabilities and Fund Balance			
Liabilities			
Accounts Payable	0	0	0
Other Liabilities	0	0	0
Total Liabilities	0	0	0
Fund Balance	180,000	180,000	0
Total Liabilities and Fund Balance	180,000	180,000	0

"Making a difference through excellence of service"



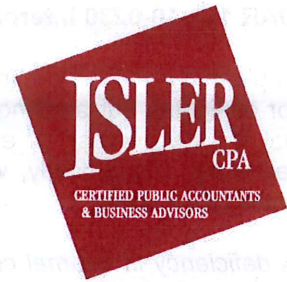
CITY OF WARRENTON

COMPLIANCE SECTION

"Making a difference through excellence of service"



CITY OF WARRENTON



**COMMENTS AND DISCLOSURES OF INDEPENDENT AUDITOR
REQUIRED BY STATE STATUTE**

An Independently Owned Member
McGLADREY ALLIANCE

Honorable Mayor and City Commission
City of Warrenton, Oregon



We have audited the basic financial statements of the City of Warrenton, Oregon (City) as of and for the year ended June 30, 2016, and have issued our report thereon dated December 21, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 to 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on 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:

- Deposits of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Highway revenues used for public highways, roads, and streets.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

In connection with our testing nothing came to our attention that caused us to believe the City of Warrenton, Oregon was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except for the excess of expenditures over appropriations, which are described in Note II.B.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended for the information of the City Commission and the Secretary of State Division of Audits of the State of Oregon. However, this report is a matter of public record and is not intended to be and should not be used by anyone other than these parties.

ISLER CPA

by:

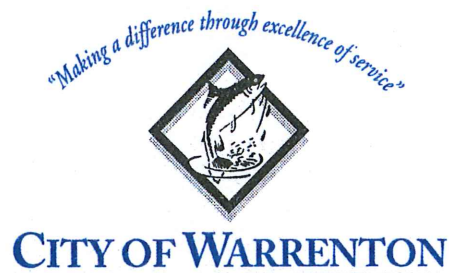


Paul Nielson, CPA, a member of the firm

Eugene, Oregon

December 21, 2016

6B



AGENDA MEMORANDUM

TO: The Warrenton City Commission

FROM: Dawne Shaw, Deputy City Recorder

DATE: January 24, 2017

SUBJ: Committee Applications/Appointments

SUMMARY

We have received applications from Ms. Rebecca Hoth for the Budget Committee and from Ms. Rebecca Herren for the Community Library Board. If approved, Ms. Hoth would be appointed to Position No. 1 on the Budget Committee and Ms. Herron would be appointed to Position No. 6 on the Community Library Board.

RECOMMENDATION/SUGGESTED MOTION

I move to appoint Ms. Rebecca Hoth to Position No. 1 on the Budget Committee and Ms. Rebecca Herren to Position No. 6 on the Community Library Board.

ALTERNATIVE

Other action as deemed appropriate by the City Commission

FISCAL IMPACT

N/A

Approved by City Manager: Linda Engelson

Rec'd
1/18/17

"Making a difference through excellence of service"



CITY OF WARRENTON

Application for Committee Appointment

To: Warrenton City Commission and Warrenton City Manager

I, Rebecca Hoth, hereby apply for appointment to serve on the following:

- Budget Committee
- Community Center Board
- Parks Advisory Committee
- Planning Commission
- Warrenton Business Association
- Warrenton Community Library Board
- Warrenton Urban Renewal Advisory Board

What is your interest in applying for this position?

Be involved in decision making process for budget in community. Focused on community involvement and understanding business model.

What experience or qualifications do you have for this position?

20 years of program/project management in corporate & small business. Managed multimillion dollar budgets.

How much time could you give to serving on this committee?

Weekly Monthly Quarterly 40 hrs

Rebecca L Hoth

01/09/16

Full Name (please print)

Date

"Making a difference through excellence of service"



CITY OF WARRENTON

Rec'd
1/17/17

Application for Committee Appointment

To: Warrenton City Commission and Warrenton City Manager

I, Rebecca Herren, hereby apply for appointment to serve on the following:

- Budget Committee
- Community Center Board
- Parks Advisory Committee
- Planning Commission
- Warrenton Business Association
- Warrenton Community Library Board
- Warrenton Urban Renewal Advisory Board

What is your interest in applying for this position?

I would like to introduce new programs to engage the community: writing workshops, author readings, art displays, etc.

What experience or qualifications do you have for this position?

I'm a former editor, managing editor, project manager and writer/artist. I have also served on the Seaside Chamber of Commerce board, and was a member of Seaside Kiwanis, President Elect and President of the club as well.

How much time could you give to serving on this committee?

Weekly Monthly Quarterly

Rebecca Herren

1/10/17

Full Name (please print)

Date

6C

AGENDA MEMORANDUM

"Making a difference through excellence of service"



CITY OF WARRENTON

TO: Warrenton City Commission
FROM: Nettie-Lee Calog
DATE: January 18, 2017
SUBJ: Budget Adjustment

SUMMARY

The Warrenton Community Library received a grant from the Clatsop County Cultural Coalition. The grant amount was \$600.00 and it is exclusively for the purchase of Spanish language and Hispanic heritage books.

RECOMMENDATION/SUGGESTED MOTION

I move to adopt Resolution No. 2475; *Approving and Adopting Increases to the 2016/2017 Budget by Increasing Appropriations for Unanticipated Revenues*

FISCAL IMPACT

The library will spend the \$600.00 on the purchase of books in Spanish and books pertaining to Hispanic heritage.

Approved by City Manager

A handwritten signature in blue ink that reads "Linda Eytelson". The signature is written over a horizontal line.

RESOLUTION NO. 2475

Introduced by All Commissioners

**APPROVING AND ADOPTING INCREASES TO THE 2016-2017 BUDGET BY
INCREASING APPROPRIATIONS FOR UNANTICIPATED REVENUES**

BE IT RESOLVED that the City Commission of the City of Warrenton hereby adopts the following 2016-2017 budget changes for unanticipated revenues and expenses.

Whereas, the city has been awarded a grant from the Clatsop County Cultural Coalition for the purpose of purchasing Spanish and or Bilingual English/Spanish children’s books, and

Whereas, these funds will be recorded in the Library Fund along with the associated expenditures, and

Whereas, this donation has a total value of \$600.00:

<u>Library Fund</u>	<u>Adopted</u>	<u>Changes</u>	<u>Amended</u>
Total Resources	<u>76,727</u>	<u>600</u>	<u>77,327</u>
Library	60,172	600	60,772
Contingency	0		0
Total Expenditures	<u>\$ 60,172</u>	<u>\$ 600</u>	<u>\$ 60,772</u>

PASSED by the City Commission of the City of Warrenton this ____ day of _____, 2017

APPROVED by the Mayor of the City of Warrenton this ____ day of _____, 2017

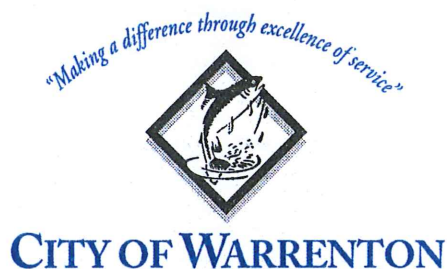
This resolution is effective on January 24, 2017.

Mayor

ATTEST:

City Recorder

6-D



AGENDA MEMORANDUM

TO: The Warrenton City Commission

FROM: Jane Sweet Interim/Assistant Harbormaster

DATE: Commission Meeting January 24, 2017

SUBJ: Hammond Concrete Dock Disposal

SUMMARY: Discuss the removal of the concrete docks located in Hammond Marina received from Bergerson Construction's deconstruction of docks at The Port of Everett.

The docks were estimated to have been installed in the Port of Everett in the 1970's. Due to age and the lack of light transparency, which ODF&W is suggesting to be at 60%, we would like to remove the concrete docks in the Hammond basin to allow for more room for vehicle parking.

The use of 40 year old docks would not be cost effective in using to update the Hammond Marina.

RECOMMENDATION/SUGGESTED MOTION

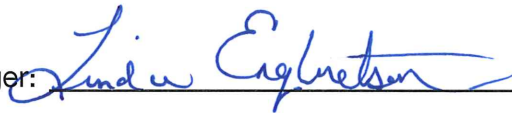
"I move to accept dispose of the concrete docks received from Bergerson Construction/The Port of Everett. Removal will be done at no charge to the city by interested private parties.

ALTERNATIVE

None Recommended

FISCAL IMPACT

Approved by City Manager:

A handwritten signature in blue ink, appearing to read "Andrew Egbertson", written over a horizontal line.

All supporting documentation, i.e., maps, exhibits, etc., should be attached to the memorandum.