

**AGENDA**  
**Aurora City Council Meeting**  
Tuesday, January 14, 2014, at 7:00 P.M.  
City Council Chambers, Aurora City Hall  
21420 Main St. NE, Aurora, OR 97002

**1. Call to Order of the City Council Meeting**

**2. City Recorder Calls Roll**

**Mayor Graupp**  
**Councilor Sallee**  
**Councilor Brotherton**  
**Councilor Sahlin**  
**Councilor Vlcek**

**3. Consent Agenda**

- I. City Council Meeting Minutes – December 10, 2013
- II. Planning Commission Meeting Minutes – December, 2013
- III. Historic Review Board Minutes –November, 2013

**Correspondence**

- I. Future Discussion Item Franchise Renewal for Wave Division Cable Television.**
- II. Oregon Court of Appeals Regarding Water Rights**
- III. News letter Bairds Update and Email**
- IV. Information Regarding Independent Contracting.**

**4. Visitors**

Anyone wishing to address the City Council concerning items not already on the meeting agenda may do so in this section. No decision or action will be made, but the City Council could look into the matter and provide some response in the future.

**5. Mayor's Report**

**A.**

**6. Discussion with Parks Committee**

**7. Discussion with Traffic Safety Commission**

## **8. Reports**

### **A. Marion County Deputy Report – (included in your packet)**

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### **B. Finance Officer's Report – Financials ( included in your packets)**

1. Revenue & Expense Report
2. Discussion on Audit Report

### **C. Public Works Department's Report – ( not included in your packet)**

1. Monthly Status Report (Storm Water)
2. Monthly Status Report (Water)
3. Parks Report, OSU Tree Report

#### **A. Waste Water Treatment Plant Update (not included in your packet)**

### **D. City Recorder's Report (included in your packet)**

### **E. City Attorney's Report – (not Included in your packet)**

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## **9. Ordinances and Resolutions & Proclamations**

### **A. Discussion and or Action on Resolution Number 680 Regarding Bank Account Signers.**

## **10. New Business**

### **A. Discussion and or Action on OLCC Applications for**

- **Aurora Colony Market**
- **Aurora Market & Deli**
- **Pacific Hazel Nut Factory**
- **Colony Pub**
- **Vang Star Store & Gas**

### **B. Discussion and or Action on Historic Review Board Members Renewal for Member Townsend and Member Fraser.**

### **C. Discussion and or Action with Scott Mills, House Candidate 18**

### **D. Discussion and or Action on Draft Audit Report by Grove Mueller and Swank.**

### **E. Discussion and or Action on Supplemental Budget Proposal for 2013-2014**

- F. Discussion and or Action on ACVA Grant Fund Request for Island Maintenance.**
- G. Discussion and or Action on approval of ACVA Draft Letter to Citizens Regarding Weed Control.**

**11. Old Business**

- A.**

**12. Adjourn**

**Minutes**  
**Aurora City Council Meeting**  
Tuesday, December 10, 2013, at 7:00 P.M.  
City Council Chambers, Aurora City Hall  
21420 Main St. NE, Aurora, OR 97002

STAFF PRESENT: Kelly Richardson, City Recorder  
Jan Vlcek, Finance Officer  
Pete Marcellais, Marion County Deputy  
Dennis Koho, City Attorney  
Mary Lambert, Administrative Assistant

STAFF ABSENT: Bob Southard, Water Superintendent

VISITORS PRESENT: Bill Simon, Aurora  
Darrel Lockard

1. Call to Order of the City Council Meeting

The meeting was called to order by Mayor Bill Graupp at 7:02 p.m.

2. Administrative Assistant does roll call

Mayor Graupp – present  
Councilor Sallee- present  
Councilor Brotherton -present  
Councilor Sahlin – present  
Councilor Vlcek – present

**3. Consent Agenda**

- I. City Council Meeting Minutes – November 12, 2013, pg 2 of 7 typo on spray.  
Councilor Sallee points out a few more typos.
- II. Planning Commission Meeting Minutes – November 05, 2013
- III. Historic Review Board Minutes –October. 2013

**Correspondence**

- I. One Item Added by Mayor Graupp, SEDCOR has asked us to sign a letter of support for possible grant money from the State.**

Motion to approve consent agenda was made by Councilor Sallee, seconded by Councilor Vlcek. Motion passes.

**4. Visitors**

Anyone wishing to address the City Council concerning items not already on the meeting agenda may do so in this section. No decision or action will be made, but the City Council could look into the matter and provide some response in the future.

No one spoke during this section.

**5. Mayor's Report,**

A. I wanted to inform council that we are now officially a Certified Local Government, they did request to changes to title 17 that were very minor. But not required to achieve certification.

1. A sentence that states that we would follow all of the state and national historic guidelines and rules.
2. Mayor Graupp couldn't recall at this time.

B. Because of our accomplishment of Certified Local Government, we can now take advantage of many different grant opportunities.

- Oregon Main Street, is one that I would like to discuss there is approximately 3 various levels of participation
  1. Allows us to send representatives to their conference.
  2. Actual participation and how to improve your district through a team of people.
  3. Complete participation by forming an actual board with oversight and setting up an action plan.

I would like council to think about the level of commitment that we would be comfortable with. I think level 2 is a good starting point however there is some commitment and we would need to attend the conference.

There is a cost because you are committing at least one person to attend the conference at level 2.

Kuri Gill from SHPPO did offer to attend our next council meeting to explain further if we so choose.

I think a work session is a good idea and then we can invite Kuri Gill.

C. I would like to discuss with Council is the question regarding what are we doing at the local level/district to prepare for the impending legalization of Marijuana in Oregon. I had been asked this question at two recent events that I have attended.

- I gave this same question to our Planning Commission and gave them a year to think about it and to prepare their thoughts.

There were really no more questions at this time.

6. **Discussion with Parks Committee**, Councilor Sahlin points out that apparently it won't be Bob who will get the water supply done for the outside structure since his retirement is just around the corner.

7. **Discussion with Traffic Safety Commission**, nothing discussed.

## 8. Reports

**A. Marion County Deputy Report – (included in your packet)** Deputy Marcellais is Basic Report stats are given, one question regarding the reported sex offense, deputy Marcellais informs council that it happened out side of this jurisdiction.

- Councilor Sahlin asks about the status of speeding in town since the speed trailer has been in town.
- Informed Council that deputy Buckholtz is recovery at home from his recent gunshot wound.
- Soon the contract with City of Donald will be finalized and at that time there will be another officer in the area close by.

**B. Finance Officer's Report – Financials** (included in your packets)

### 1. Revenue & Expense Report

- As presented and at this time there are no individual funds that are of concern.
- The audit report is not available at this time for discussion.
- I would like to take a moment to recognize Mary Lambert as our new Finance Officer and welcome her aboard.
- We did not advertize for this position as we had a qualified applicant within our organization.

A motion to formally approve Mary Lambert as the new Finance Officer and department head effective January 1, 2014 is made by Councilor Brotherton and is seconded by Councilor Sahlin. Motion Approved Unanimously.

- Hours discussed are to remain at 32 hours.
- Councilor Sallee asks about contracts, Koho states that we would write it to retain our at will status.
- Councilor Vlcek states that we should basically have a template for the contracts so they are all similar.
- There will be a 6 month probationary period

- Currently as stated by City Recorder Richardson at this point our goal is that Mary Lambert and I will tag team all areas of the administration at City Hall until we know more regarding the budget.
- Councilor Sahlin asks that we keep the council up to date on the situation so we are not caught off guard.
- If at some point Jan is needed she is willing to come in on contract for her services.

**C. Public Works Department's Report – (included in your packet)**

**Councilor Vlcek**, did we officially end the water restrictions. Yes as of October 1<sup>st</sup>.

1. *Monthly Status Report (Storm Water)* Councilor Brotherton reads the Public Works report as Bob is currently in training along with assistant Ricky Sellers.
  - Well 5 is currently still down for repairs.
  - Council asks if the situation on Liberty and 4<sup>th</sup> has been resolved or is there a new leak?
2. *Monthly Status Report (Water)*  
Parks Report,
  - Mayor Graupp as this time discusses the open employee positions and his goals for these positions.
  - So currently Southard and Sellers are in training to renew their certifications as a backup plan if needed.
  - I have also been in discussion with the City of Hubbard as a contingency plan and currently City Attorney Koho is reviewing a possibly IGA with them. There is a discussion on what they would be charging.
  - Councilor Vlcek asks for clarification on the differences between the full time utility worker and the part time utility worker as does Councilor Sallee as far as what duties they will be performing. Mayor Graupp states I think as we go through this it will explain it.
  - So one of the items of concern was how do we market the positions ultimately it would be best to have one position have all certifications needed ultimately that would be the best coverage under the Superintendent. So at that point we were unclear of our path at this point however in the last week.
  - Currently we have a very viable candidate for our new Public Works Superintendent and at this time I would like to introduce Darrel Lockard to the council. He is currently the trainer in the area and has a very extensive background. I did some phone interviews and ruled out the other applicants because either they were not certified or out of State. Also it would be the recommendation of the interview committee that we hire Darrel.
  - Councilors at this time had a few questions of the new Superintendent candidate.

- Discussion of Darrel continuing as an instructor everyone on council agreed that this would be a consideration.
- Councilor Vlcek asks if our employees would and could receive their training from him as a trade off for the city to pay salary while he is teaching this would need to be in the contract. Also pointed out to the candidate that this is not necessarily a 40 hour a week position and certainly not behind a desk. Darrel was fine with that.

❖ Darrel asks a few questions regarding the water system.

- Councilor Sallee asks Mayor Graupp if it would be appropriate to discuss wages as she is uncomfortable approving it without knowing the numbers involved. Mayor Graupp states that it is within the allotted budgeted amount and left it at that as he didn't want to discuss specific numbers in an open public meeting.
- Koho you could state the amount budgeted if you would like.
- Councilor Sallee asked for clarification that we now will have one Department Head over both water and sewer and also asked the anticipated start date of the new Superintendent. (Within a week is the answer given by Mayor Graupp).

A motion to accept the recommendation of the interview panel to hire Darrel Lockard as the new Public Works Superintendent is made by Councilor Sahlin and seconded by Councilor Vlcek. Ayes are Brotherton, Vlcek, and Sahlin, Graupp. Nays Sallee.

Secondly at this time Mayor Graupp informs the Council that the full time assistant's position has been filled. We had a possibility of 5 candidates and during phone interviews discovered that many of the applicants didn't have certifications and or experience needed for this position except for one individual that has been volunteering for 10 months and has received a lot of training with our previous operator Otis Phillips and came highly recommended by him and that is Ray Lowe.

- Mayor Graupp states because of coverage issues we have already begun the hiring process of this candidate. I called everyone on council I attempted to call Vlcek and I was told you were out of town.
- That leaves a part time position which at this time we are putting on hold until we see what happens in the general fund.
- There is a brief discussion on protocol for hiring practices asked by Councilor Vlcek, Mayor Graupp states that he read the charter and the council procedures he did not see the employee handbook statement which doesn't match the other two. I struggle with the handbook being the most restrictive part in this. Koho states it should be descriptive not restrictive. Koho states that he looked at this and agrees that department heads are hired by Council and department heads can hire their employees. Richardson states history shows protocol in the past practices is stated to be that a

motion is made and recommendation by interview panel even through the police department.

- Councilor Vlcek states that he has concerns on how this process took place I think we need to follow the process so we keep ourselves out of problem areas.
- Also Councilor Vlcek strongly suggests to Mayor Graupp that there needs to be better communication between himself and the rest of the Council in making these types of decisions. Either through email or phone messages. We all need to be kept up to date. I am asking you point blank are you planning on not including me in other decisions the fact that you stated you cannot get a hold of me is nonsense staff can get a hold of me at all times. I have been left out of other decisions as well such as regarding the possibility of the RFP for Public Works. Councilor Brotherton agrees that we need to communicate better. Moving on Sahlin makes a motion .....

A motion is made by Councilor Sahlin to approve the recommendation by Public Works Superintendent, Bob Southard to hire Ray Lowe as the new full time Public Works Assistant/Utility Worker I and is seconded by Councilor Brotherton. Ayes Graupp, Sahlin, Brotherton and Sallee. Nays Councilor Vlcek not the employee but the process as stated by Vlcek.

Councilor Sallee after the motion is made makes comments that the council as a whole needs to have better communication and transparency and if it requires a special meeting to achieve this then that's what we need to do. I would feel much better about these types of decisions knowing that we are all together on them and are aware of what is happening.

Councilor Sahlin comments back that he felt the Superintendent was there along with the Mayor and Councilor Brotherton and they were capable of handling this situation with hiring the full time assistant position.

Councilor Sallee it really is more with me all about the budget and I need to know those numbers to be confident in what I am approving rather than the employee/applicant.

Councilor Sahlin the numbers were discussed in September however the Mayor states that Councilor Sallee was not here during that discussion.

City Recorder Richardson addresses the Council regarding a past warning of hitting reply all regarding their email responses that was issued by City Attorney Koho earlier and asks him for clarification at this time because ultimately the council should be able to hit reply all so that everyone knows what is being discussed and kept in the loop of discussion.

City Attorney Koho states that if you are emailing and in that email you say (what do you all think about that) then you are essentially having a meeting and it should be open to the public for review. If you are simply sending out information for everyone to review that would be ok.

- A. **Waste Water Treatment Plant Update** (not included in your packet)  
everything is looking good and Ricky Sellers is continuing the maintenance of the treatment plant until a suitable replacement is hired.

**D. City Recorder's Report** (included in your packet)

- Reads her report as included in packets
- I had added a few questions regarding the status of the part time utility worker which you answered already. (it's on hold)
- I also sent out the rejection/thank you letters for the full time utility position.
- You also answered the questions regarding the RFP status for Public Works that was a discussion only at this time.
- No questions from Council at this time

Councilor Sahlin does pose the question do we need to revisit the employee manual regarding what was discussed here tonight. City Attorney Koho I do believe that the employee manual is a reference only and anything in it should point to either the ORS or the Resolution that puts it into play. This would take some time to achieve this however.

City Recorder Richardson clarifies that after reviewing the city charter again and speaking with the attorney that the charter is clear and states officers and who is an officer so I believe a small adjustment to the employee handbook would take care of the issue.

**E. City Attorney's Report** – (not Included in your packet)

In Koho' absence the Mayor reports on their conversations prior to the meeting.

- Not a lot to report we did have a question regarding SDC's and when/if it would be applicable regarding replacement and new construction.
- Apparently we had a mobile home removed and the property owner wanted to rebuild a new stick built home and I had stated that this would be a good argument in favor of charging the SDC's Kelly did you find out other information regarding this?  
Richardson answers yes from both Councilor Sahlin and Chair Schaeffer which were both leaning towards charging initially and then they both decided that since water and sewer were already on site it wouldn't constitute a large enough increase however Chair Schaeffer did say to find out how many bathrooms were in the new structure and square footage verses the old. Richardson states that we have a good game plan and it may at a later date come before council.
- Koho goes on to say that the issue also is that no SDC's were charged initially to the property because it was before the city had those

charges. I spoke to a land use attorney and initial conversation was that we could.

- No contact as of yet from MR. Eddy and the lien has been filed.
- No more questions from the Council

❖ Discussion goes on regarding SDC'S a bit more some of these are a close call and the consensus of the council at this time for this particular application only is to not charge the SDC's and hand it down to the Planning Commission for further discussion for future instances. Also a part of the discussion is regarding on whether or not the applicant would be requesting a larger line hook up for water.

**9. Ordinances and Resolutions**

**10. New Business**

**A. Discussion and or Action on OLCC Special Events Applications.**

A consensus of the Council to acknowledge the applications as presented is made and approved by Council.

**B. Discussion and or Action on Code Language for Sidewalk Ownership and Maintenance Responsibilities.**

- Councilor Sallee, so you own a piece of property and your tax lot goes up to the sidewalk it is interesting to me that the property owner is responsible for maintenance.
- Councilor Vlcek, where does the city stand liability wise if someone were to trip on a side walk because we didn't notify someone that there sidewalk was in disrepair, City Attorney Koho we could be held liable whether we notify them or not?
- Councilor Brotherton states that he wants the new Superintendent at some point to do a list of areas that we need to look into.
- Mayor Graupp safety trumps everything.
- Councilor Brotherton safety improvement project but where are we going to get the money. We could look into some grants if they are out there.

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**11. Old Business**

A. NA

**Once I get budget numbers I will send out a summary for everyone's review.**

**12. Adjourn**

Mayor Graupp adjourns the meeting at 9:02 pm.

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Bill Graupp, Mayor

ATTEST:

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Kelly Richardson, City Recorder

**Minutes**  
**Aurora Planning Commission Meeting**  
Tuesday, December 03, 2013 at 7:00 P.M.  
Aurora Commons Room, Aurora City Hall  
21420 Main St. NE, Aurora, OR 97002

**STAFF PRESENT:** Kelly Richardson, City Recorder  
Renata Wakeley, City Planner

**STAFF ABSENT:**

**VISITORS PRESENT:** Kris Sallee, Aurora City Council Liaison

**1. Call to Order of Planning Commission Meeting**

The meeting was called to order by Planning Chair Joseph Schaefer at 7:05 p.m.

**2. City Recorder Did Roll Call**

Chairman, Schaefer -	Present
Commissioner, Willman	Absent
Commissioner, Gibson	Present
Commissioner, Graham	Absent
Commissioner, Fawcett	Present
Commissioner, Wiedman	Present

**3. Consent Agenda**

**Minutes**

- I. Aurora Planning Commission Meeting –November 5, 2013
- II. City Council Minutes – October, 2013
- III. Historic Review Board Minutes –

No comments....

A motion is made by Commissioner Gibson to approve the consent agenda as presented and seconded by Commissioner Fawcett. Motion Approved.

**Correspondence**

I. **Email Information on Comprehensive Plan Amendments**, (Schaeffer) very exciting news that they are now accepting emails for map amendments.

#### 4. Visitor

Anyone wishing to address the Planning Commission concerning items not already on the meeting agenda may do so in this section. No decision or action will be made, but the Planning Commission could look into the matter and provide some response in the future.

Mayor Graupp, informed the Planning Commission that we are now officially a Local Certified Government. This will open up many different grant opportunities.

A brief discussion regarding the possibility of recreational sale of Marijuana I believe that you may want to discuss this at your January meeting. We want to be prepared for what could be happening in and around the State. City Planner Wakeley states that she herself will be attending training on this very issue specifically pertaining to code language.

#### 5. New Business

**A. Discussion and or Action on Language for Parking Standards and Accessory Structures.** Recently during an application for a replacement manufactured home on a private lot that raised this question. I will turn it over to City Planner Wakeley, so currently under your current code in your R1 and R2 zone it requires a carport or garage included. This particular manufactured home predates that but my conversation with the builder was that the code does in fact require it now and that it would have to match the primary structure however it was nagging at me that I had missed something so I did some more research. I did find the section of the code that states it must match the primary structure however it was not in the spot that it should have been and easy to find. The two sections of the code that I included for you tonight are 16.12.040 letter

I. Impervious surfaces shall not cover more than sixty (60) percent of the lot or parcel.

J. Parking requirements shall be in accordance with Chapter 16.42. Parking requirements for residential units, including manufactured homes, require the construction of a garage or carport. Manufactured dwellings located in manufactured dwelling parks are required to install either a garage or carport.

K. Landscaping requirements shall be in accordance with Chapter 16.38.

L. All properties located outside the designated historic commercial overlay and the historic residential overlay and adjacent to Highway 99 or Ehlen Road shall be collectively referenced as "gateway properties." The standards of Chapter 16.56 shall apply to all aspects of the site including, but not limited to, structural facade, yard and landscaping that are immediately adjacent to and visible from Highway 99 or Ehlen Road.

M. Additional requirements shall include any applicable section of this title.

16:13:040

#### B. Design standards

1. Maximum height for an accessory building shall be eighteen (18) feet or seventy-five (75) percent of the height of the principal building, whichever is greater. Accessory dwelling units constructed above accessory buildings shall not exceed the height of the principal structure.

2. The maximum square footage for an accessory building shall be five hundred (500) square feet in the R-2 zone and seven hundred (700) square feet in the R-1 zone, except the maximum square footage for an accessory building on a lot or parcel greater than fifteen thousand (15,000) square feet shall be one thousand (1,000) square feet. Accessory buildings size may be interpolated between seven hundred and fifty (750) square feet and one thousand (1,000) square feet when lot size is between seventy five hundred (7,500) and fifteen thousand (15,000) square feet.

3. Only one accessory building exceeding two hundred (200) square feet is allowed per lot. no more than two accessory buildings two hundred (200) square feet or less permitted.

4. Accessory buildings greater than two hundred (200) square feet shall utilize at least two of the following design features to provide visual relief along the street frontage:

- a. Dormers;
- b. Recessed entries;
- c. Cupolas;
- d. Bay or bow windows;
- e. Gables;
- f. Covered porch entries;
- g. Pillars or posts;
- h. Eaves (minimum six inches projection); or
- i. Off-sets on building face or roof (minimum sixteen (16) inches).

C. Accessory buildings must meet the following standards:

1. Accessory buildings two hundred (200) square feet or less shall not exceed a height of ten (10) feet as measured from the finished floor level, to the average height of the roof surface. All setback requirements applicable to the base residential zone shall apply to accessory buildings, except for accessory buildings two hundred (200) square feet or less may be setback five (5) feet from rear or side lot lines.

2. A five (5) foot minimum separation is required between a principal building and each accessory building.

3. Accessory buildings greater than two hundred (200) square feet must have exterior finish material that is the same as or a visual match in type, size and placement of, the exterior finish material of the existing dwelling unit or manufactured home.

4. Accessory buildings greater than two hundred (200) square feet shall have a minimum nominal roof pitch of at least three (3) feet in height for each twelve (12) feet in width, as measured from the ridge line.

5. Structures connected to the principal building by a breezeway are accessory buildings unless the breezeway is enclosed and contains architectural elements such as windows, doors, trim, and roof lines compatible with the principal building. Breezeways shall be subject to building code requirements.

D. All properties located outside the designated historic commercial overlay and the historic residential overlay and adjacent to Highway 99 or Ehlen Road shall be collectively referenced as "gateway properties." The standards of Chapter 16.56 shall apply to all aspects of the site including, but not limited to, structural facade, yard and landscaping, and accessory buildings that are immediately adjacent to and visible from Highway 99 or Ehlen Road.

(Ord. 462 § 1, 2011; Ord. 455 § 8, 2010)

So the reason I brought it to Joseph was

1. To amend the code so it was easier to locate that section
2. Do you want to keep it a requirement for garages and or carports?
3. Do we want to keep the code to state that they must match?

Is anyone aware of a recently built home without a garage? Often times new construction loans require a garage or carport.

Wakeley also in section 16:36 Manufacture Homes, it states you must have one as well.

Commissioner Weidman, what would be the reason to require a garage or carport? (Schaefer) I would say mostly to keep clutter and items in it.

(Wakeley) Often times if you don't have a garage then you will see more accessory structures being built and you are only allowed two.

Commissioner Gibson, we keep our car in our garage. I see the banks point of view on resale to require it.

Chair Schaeffer I think what we're saying is leave it alone but possibly just move the information into a section that makes more sense. (Wakeley it would be my recommendation)

**B. Discussion and or Action on Housing Standards per Housing Authority,**  
Planners were contacted and I checked the city code to see if we are in compliance. I think it could have been a Scribner's error since this is allowed in R1 it should have included R2. If you allow multiple family housing then you must as well allow home health care in that section as well. Your definitions match as what is stated in ORS 443.

**PG 4 of the handout. (Definition)**

Licensed residential facilities (see above Definitions of Special Residences--your code may have a different name for this use) must be a permitted use in any zone where multifamily housing is a permitted use [ORS 197.667] and licensed residential facilities must be a permitted or conditional use in any zone where multifamily housing is a conditional use. [ORS 197.667]

- Your code must not impose use restrictions on residential facilities that are not imposed on multifamily housing.
- Your code must not impose notice criteria on residential facilities that are not required for multifamily housing.
- Your code must not impose restrictions or standards on residential facilities based on the degree to which the residents are disabled.
- Your code must not impose design requirements on residential facilities that it does not impose on other multifamily housing.
- Your code must not impose siting criteria (e.g., no residential facilities within 1000 feet of each other) that it does not impose on other multifamily housing. Note: This may be permissible if there is a current and real concern that residential facilities are segregated in a certain area, separate from the general population AND there is no other way to achieve integration.
- Your code must not impose impact or permit fees on residential facilities that it does not impose on other multifamily housing.

**So my (Wakeley) recommendation here is that as you currently allow residential care facility is in R1 zone I am saying to allow it also in R2 zone.**

**City Recorder Richardson reads ORS 197.667 as below,**

1.A residential facility shall be a permitted use in any zone where multifamily residential uses are a permitted use.

(2) A residential facility shall be a conditional use in any zone where multifamily residential uses are a conditional use.

(3) A city or county may allow a residential facility in a residential zone other than those zones described in subsections (1) and (2) of this section, including a zone where a single-family dwelling is allowed.

(4) A city or county may require an applicant proposing to site a residential facility within its jurisdiction to supply the city or county with a copy of the entire application and supporting documentation for state licensing of the facility, except for information which is exempt from public disclosure under ORS [192.410 \(Definitions for ORS 192.410 to 192.505\)](#) to [192.505 \(Exempt and nonexempt public record to be separated\)](#). However, cities and counties shall not require independent proof of the same conditions that have been required by the Department of Human Services under ORS [418.205 \(Definitions for ORS 418.205 to 418.310 and 418.992 to 418.998\)](#) to [418.327 \(Licensing of certain schools and organizations offering residential programs\)](#) for licensing of a residential facility. [1989 c.564 §5; 1991 c.801 §8; 2001 c.900 §48; 2003 c.86 §15]

**Any questions or comments?** There is a brief discussion on size that would be allowed and if there would be any conditions that would accompany that.

Wakeley, I am not sure when the city last did an Urban Growth Boundary expansion but that would be the time to look at your current zones and infill.

## **6. Old Business**

**A. Discussion and or Action on View Corridor's**, Chair Schaefer I would like to see the city's Franchise agreements before we move forward with any more discussion on this topic for the next meeting.

**B. Discussion and or Action on Traffic Impact Per Business Use/Change** pg 323 Our discussion has been on what the trigger should be set at and raising it to 25% rather than the current 10% along with that also the 30 trips a day before site review is required.

Ok no discussion we will leave it on as drafted.

## **C. Discussion and or Action on Proposed Text Amendment for Food Carts Associated with Existing Food Businesses**, chapter 16.22.40 second page of handout,

**16:22:40**

### **Proposed added text for discussion,**

C. Accessory, mobile food units (food and beverage carts) located on the same property and accessory to an established eating and drinking establishment.

1. No structures, product display, or storage shall be located within yard setback or buffering and screening areas.
2. Outdoor seating, subject to 16.34.060.D.
3. Drive-through units are prohibited.
4. Conditional use review and approval (PC to approve design standards?) and business permit required
5. Units shall not occupy parking needed to meet AMC section 16.54.  
Units shall be on a paved surface and meet requirements of AMC section?
6. Signage shall comply with AMC section and shall be calculated as a portion of total signage as permitted for the site.
7. Unit and pedestrian queuing shall provide at least 5 feet of separation from parking areas, vehicle and pedestrian access drives/pathways, and fire lane for the primary on site business.
8. Shall be limited to one accessory unit per site/primary business.

9. The following health and sanitation standards shall apply:

1. Applicants shall provide wastewater/graywater disposal documentation that indicates how the outputs will be stored (if applicable) and what wastewater/graywater disposal method will be used. The documentation shall indicate a proper disposal method that ensures fats, oils and grease do not enter the City's wastewater infrastructure. Non-stormwater discharges to the City's stormwater system are prohibited.
2. Carts shall ensure the availability of a restroom with hand washing facilities for employees and customers on site. Applicants shall provide the City with documentation that restrooms are available.
3. If the applicant intends to contract with a third party for wastewater/graywater disposal, a copy of the contract must be provided to the City within 30 days of receiving a permit.
4. The City may require the food or beverage service operator to provide proof of payment or other documentation that wastewater and graywater are being disposed of properly.

The applicant shall provide an estimate of the parking demand on the site and provide information about how parking demand will be accommodated, such as through off-street parking or on-street parking on adjacent blocks. That analysis shall consider parking needs of other uses on the site. Off-street parking may be required by the Planning Commission if the applicant cannot demonstrate adequate parking is available to meet demand or it has been determined that a renewing unit has experienced parking or related traffic issues on the site or on adjacent blocks.

Design standards?

Food and Beverage Carts that require a development permit shall only conduct business from a mobile unit that can be pulled or pushed down a street or highway, such as a trailer. Cart business cannot be conducted in a mobile unit that is self-propelled, such as trucks or recreational vehicles. Vehicles designed to be self-propelled that have had the engines removed shall still be considered self-propelled and shall not be used as Food and Beverage Carts that require a development permit.

Mobile units shall not have any internal floor space available to customers.

Food and Beverage Carts mobile units shall not exceed 26 feet in length.

Structures used to provide shelter to customers shall only be tents, canopies and similar membrane structures. Other structures for customer shelter are not allowed. This does not preclude the use of awnings attached to and supported by a mobile unit or umbrellas designed for café or picnic tables. All canopies, tents and other membrane structures erected on sites shall comply with Building Code anchoring and engineering standards and Fire Code standards.

Alcohol sales?

Length of time? Year round? Hours same as on site business or more restrictive?

**Discussion goes on to say adding section**

16.22.050 Open inventory display.

16.14.050 Open inventory display.

A. All business, service, repair, processing, storage or merchandise displays shall be conducted wholly within an enclosed building except for the following:

1. Off-street parking or loading;
2. Displays for resale purposes of small merchandise which shall be removed to the interior of the business after business hours;
3. Display, for resale purposes, of live trees, shrubs and other plants.
4. Outdoor seating in relation to permitted eating or drinking establishment subject to 16.34.060.D.

B. All open inventory displays shall be maintained, kept clean, and be situated in conformance with all applicable city ordinances. (Ord. 464, 2011; Ord. 415 § 7.60.050, 2002)

Points of discussion were,

- Not really any changes proposed on the first page
- 2<sup>nd</sup> page eating and drinking establishments are permitted outright however we are proposing food carts as conditional use.
- So under C the second page is all the new language that I (Schaefer) have proposed for discussion tonight.
- I ask that you ignore the numbering for now it will likely be different in the final draft.
- Item 5 we may need to reword this. Often times the Department of Health regulates this however we want the city to address it as well.
- There is a brief discussion on whether or not 26 feet is too long and through that it is determined to keep it at 26 feet.
- Some of the language used excluded drivable carts and I took that out.
- A skirt would be allowed to cover the tires.
- Design review has not been addressed as of yet.
- Discussion last month was that it was better suited for the downtown HRB district commercial area.
- Mayor Graupp, what about the painting and signage on the cart itself, it has been discussed that if the primary business has used their allotted signage then the cart cannot have a signage.
- Time and hours of operation, no restrictions on hours or on season.
- Alcohols permitted or not keep it to beer and wine was the discussed outcome and no walking around with it must be in the same area of food cart.
- Should we require insurance? No
- Pavement or Pad will not be a requirement.
- Are they allowed to take up parking spaces, yes however it cannot be along 99E
- Property site should be the same site as the primary business or not. Discussion is that it would need to be adjacent/contiguous to or on same site as primary business.
- There is a brief discussion on signage and what would or would not be allowed and how many signs are allowed or not.
- Delete the word yard.

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We will be moving forward with the first hearing in February and go before Council in March.

**7. Commission Action/Discussion**

**A.** City Planning Activity (in Your Packets)  
Status of Development Projects within the City.

- City Planner Wakeley had no discussion items in addition to what has been previously discussed.

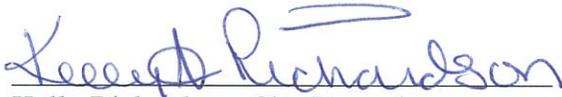
**8. Adjourn**

**Chairman Schaefer adjourned the meeting at 8:34 pm**



\_\_\_\_\_  
Chairman, Schaefer

**ATTEST:**



\_\_\_\_\_  
Kelly Richardson, City Recorder

**HISTORIC REVIEW BOARD MINUTES  
21420 MAIN ST. NE, AURORA OR 97002  
November 21, 2013**

**Staff Members Present:** Kelly Richardson, City Recorder

**Others Present:**

The meeting of November 21, 2013 was called to order at 7:01 p.m. by Chairman Townsend.

**Chairman Townsend takes Roll Call**

Chairman Karen Townsend – Present  
Vice-Chair Gayle Abernathy – Absent  
Member Bill Simon – Present  
Member Merrra Frochen – Present  
Member Mella Dee Fraser – Present

**CONSENT AGENDA**

**A. Minutes**

- I. Historic Review Board Minutes – October 24, 2013

A motion to approve the HRB minutes of October 24, 2013, with corrections stated/given in notes, was made by Member Simon, seconded by Member Fraser and passed unanimously.

The Board asks Mayor Graupp for the status on the Certified Local Government and he explains that the process is moving forward.

There will be more discussion on the grant cycle and the opportunities that will be available once this process is complete.

**CORRESPONDENCE**

- I. None

**VISITORS**

No one spoke.

## 5. OLD BUSINESS

**A. Discussion and/or action on paint color list.** Chairman Townsend informs the board of that it is currently being worked on however is not complete at this time.

- More discussion on trim combinations and possibly requiring applicants to go before the board if more than 3 colors are chosen.
- Paint Hue is discussed
- Chairman Townsend will continue with draft language for the next meeting.

There is brief discussion regarding terms of office among members. Chair Townsend informs the board that her term expires at the end of December 2013. She informs the board that at this time she would like to retire however if it places the board in a dilemma she will consider continuing on the board.

Other areas of discussion amongst the board are;

- Updating the guidelines to reflect the changes made by title 17.
- Sign locations and conformity to the code.

### **B. Discussion and/or action on Historic Inventory list.**

- The 1985 inventory which is currently being used, do we want to update at this time.
- Do we want to work with the 1985 version as a template.
- There are many items in the SHPPO version that are not accurate.
- Mayor Graupp informs the board of his ability to obtain a tremendous amount of information from Marion County that would be helpful for updating these inventories.
- Categories discussed were,
  - Address
  - Year built
  - Classification

Chair Townsend asks the board to hand in their notes from their research

**The board is tabling the inventory discussion until the December meeting awaiting the Mayors information that he can supply.**

6. NEW BUSINESS

A. NA

ADJOURN

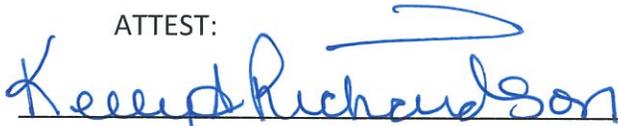
Chairman Townsend adjourned the meeting of November 21, 2013 at 8:11 pm.



---

Karen Townsend, Chairman

ATTEST:



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Kelly Richardson, City Recorder

COPY

VIA CERTIFIED MAIL – RETURN RECEIPT REQUESTED

October 1, 2013

City of Aurora  
Attn: Mr. Bill Graupp, Mayor  
21420 Main Street  
Aurora, OR 97002



Re: *Request for Cable Television Franchise Renewal*

Dear Mr. Graupp:

Our records indicate that the cable television franchise ordinance issued by the City of Aurora (the “City”) and held by WaveDivision VII, LLC, doing business as Wave Broadband (“Wave”) will expire on August 16, 2016. We are writing you now, approximately 34 months in advance of the franchise expiration date, to notify you of Wave’s desire to renew the franchise and to request that formal franchise renewal proceedings be commenced pursuant to Section 626(a) of the Cable Communications Policy Act of 1984, 47 U.S.C. § 546 (the “Cable Act”).

We also request that the City enter into informal renewal discussions with Wave pursuant to Section 626(h) of the Cable Act. During our informal renewal discussions, the formal procedures of the Cable Act will be held in abeyance. By electing to move forward with informal renewal negotiations, however, neither Wave nor the City waives any of their respective rights under the Cable Act and either may request that formal renewal negotiations be re-commenced at any time.

In the meantime, if you have any questions, please do not hesitate to contact me at 425-896-1891. Thank you for your attention to this matter.

Very truly yours,

James A. Penney  
Executive Vice President  
Business and Legal Affairs

Cc: Karen Daniher, VP Operations  
Dennis Koho, City Attorney

## **Oregon Court of Appeals Issues Opinion Affecting Municipal Water Rights**

Under Oregon water law, a city must apply for a permit from the Oregon Water Resources Department (OWRD) before diverting and treating water for its community. Once issued, the permit gives the city a certain amount of time to put the water to municipal use. If the city is unable to divert all of the water within that time period, it must either apply for an extension of time for the undeveloped portion or obtain a water right certificate for the amount of water that was developed. To show a good faith effort, it is not unusual for a city to continue its efforts to develop the water under the permit while the extension is pending.

In the case of *WaterWatch v. Oregon Water Resources Department*, WaterWatch challenged OWRD's issuance of a water right permit extension and water right certificate for the city of Cottage Grove. WaterWatch claimed that changes to state law in 2005 required OWRD to place certain conditions on Cottage Grove's permit extension to ensure the diversions did not affect the "persistence of fish" in the Row River (where Cottage Grove obtains its drinking water). In response, OWRD, Cottage Grove, and the League (which filed a brief in support) argued that state law only required the conditions to be placed on the undeveloped portions of the permit. OWRD, Cottage Grove, and the League further argued that, because Cottage Grove had developed all of the water under its permit before OWRD acted on the city's request for an extension, OWRD acted properly by not imposing the conditions and instead issuing the extension along with a certificate recognizing Cottage Grove's water right.

The court disagreed with OWRD, Cottage Grove, and the League's interpretation of the law. Instead, the court concluded that the law required the OWRD to place conditions on that portion of Cottage Grove's permit that was not developed at the time of its last extension, which was in 1999. Consequently, the court indicated OWRD was required to include conditions related to fish persistence on the construction of Cottage Grove's water works since 1999.

This case has far reaching impacts for cities across Oregon. Because of unrelated litigation and legislative activity, OWRD did not issue permit extensions from 1999 until 2005. Consequently, there are many cities, like Cottage Grove, that developed water under a permit that was last extended before 1999. Unless the parties appeal and the Oregon Supreme Court reverses this decision, or unless the Legislature steps in and amends the statute, when cities apply for future extensions or water right certificates, they may find themselves subject to retroactive conditioning for fish persistence at significant expense and retrofitting. City officials are encouraged to discuss this case with their attorney to determine the impact the case might have on their city's water right permits.

A copy of the opinion is available here.

<http://www.publications.ojd.state.or.us/docs/A147071.pdf>.

**Contact:** Tracy Rutten, Intergovernmental Relations Associate – [trutten@orcities.org](mailto:trutten@orcities.org)

# Monthly Market Update

Robert W. Baird & Co. - Public Finance

December 2013

BAIRD

# HAPPY HOLIDAYS!



"Bring me the most expensive toys. I think that's the best way to stimulate the economy."

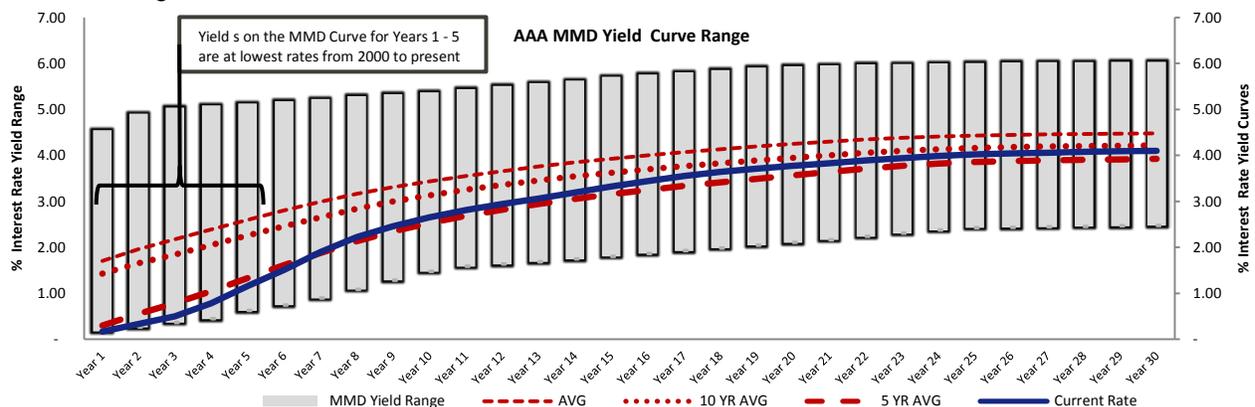
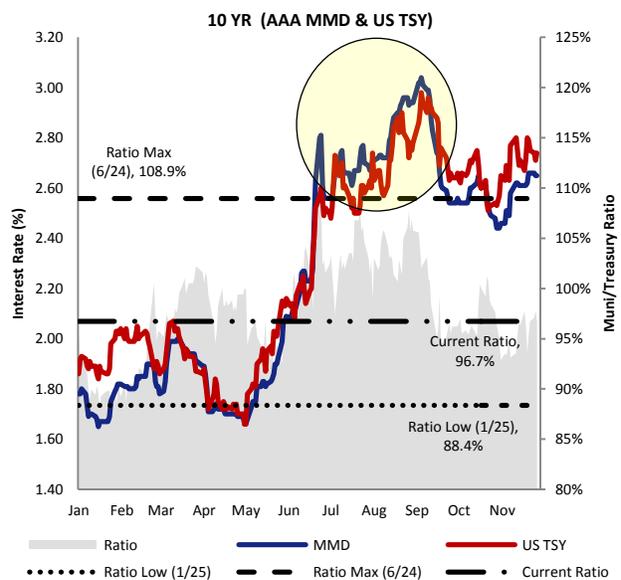
**Market Notes** – November proved to be relatively quiet compared to previous Novembers in recent years. In fact November 2013 supply was down 31% compared to November 2012 numbers helping to keep municipal yields low and investor demand high for municipal bonds. Although municipal bond outflows continued and the Fed made an announcement hinting at when they will taper, investors were eager to invest in munis particularly inside 10 years. On the longer end of the curve, municipal market participants continue to play the waiting game as to WHEN (not if) the Fed will initiate its tapering program in 2014 so investors are demanding 5% coupons potentially beginning in 2025 now. With her first comments released mid-November, Janet Yellin, Fed's new incoming chair, believes the current course for U.S. monetary policy will remain in place for some time as job growth is still concerning. Early events in 2014 to watch are U.S. Debt Ceiling negotiations and Budget Talks as we approach January 17<sup>th</sup> deadline.

## Rates relatively stable again....since summer shock

- Municipal rates have recovered some since the steep yield hikes in Treasuries and Municipals beginning in the summer and reaching 3.04% and 4.51% in the 10-year MMD and 30-year MMD respectively as late as early September. In November, MMD maintained a 10-year MMD range of 2.46 – 2.66% and 30-year MMD range of 4.04 – 4.16%.
- Municipal/Treasury Ratio (grey area in chart to right) has leveled off to early May levels ranging from 92 – 97% this month.
- Time periods of Municipals outperforming Treasuries (highlighted in yellow) may have passed as December supply (typically one of the lowest months of issuance) will be lighter than usual as we only have 3 full trading weeks in December.

## If you are seeking value, look to the short-end

- As the chart indicates below, although rates have increased, we are currently at levels that meet or are below average since 2000; especially the short-end of the curve reaching its lowest levels since 2000.



### The FED (*Jeopardy Music Playing...*)

The consensus among most economists and market participants alike (*...there's your Holiday Miracle*) is that the Fed will not take action on launching its wind down of QE3 purchases until after the first quarter in 2014. FOMC needs indication of "positive" economic indicators specified as overall economic growth in the upper 2% range, job gains at 200,000 per month (*October reported 204,000*) and inflation converging to the 2% target. Yellen is also behind the need for positive reinforcement from economic data. Although not formerly in charge until early March, Bernanke will not initiate any moves without her consent. Another variable to throw in the mix is another round of U.S. budget and debt ceiling negotiations with the U.S. Congressional Budget Committee beginning to meet in mid-December. Anticipation for a potential agreement is looming which may assist in the pushing tapering forward. Due to most of these factors being externally driven – key releases and meetings will provide signals as to the direction the market may go in 2014.

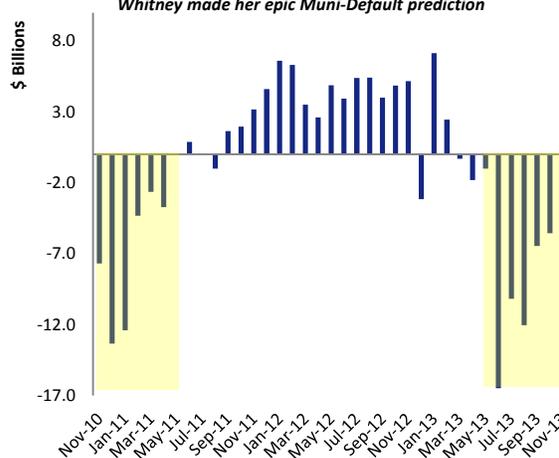
Date	Release/Meeting	Action Needed for Fed to Taper
December 5	October PCE Price Index	Price moves back to 2%
December 6	November Jobs Report	Unemployment rate declines to 7.2%/ Jobs growth 209,000
December 13	Budget Committee	Fiscal Agreement
December 18	FOMC Meeting	

### Municipal Bond Outflows – When will it Stop!

- Bond fund outflows continue, reaching over \$57 billion year to date and exceeding the big outflow period in November 2010 to August 2011. This exodus which lasted 42 consecutive weeks followed the epic Meredith Whitney "Muni-Default" prediction for the following year (2011) which (*as we all know*) did not occur although a few high profile stressed credits emerged (Detroit & Puerto Rico) shocking the market.
- Reasons for the onslaught of outflows include:
  - Customary March and April outflows due to investors selling muni's to meet April tax deadline
  - FOMC plan of initiating tapering program for municipal bonds in June
  - Largest municipal bankruptcy by the City of Detroit in July
  - Puerto Rico debt woes which started in October

Although Puerto Rico credit situation is moving away from crisis mode, expect outflows to continue particularly as the equities hold more interest for investors versus fixed income products.

27 consecutive weeks of municipal bond outflows netting over \$57 billion exceeds big outflow period of November 2011 when Meredith Whitney made her epic Muni-Default prediction



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SOURCES: Thomson The Municipal Market Monitor (TM3); Bloomberg; US Department of Treasury Website; We Just Saw The Worst Run Of Outflows In Muni Bond History ([businessinsider.com](http://businessinsider.com)); The Bond Buyer, SIFMA; Investment Company Institute; Reuters; Federal Reserve Website

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Happy Holidays! On behalf of the David Ulbricht and Baird's Oregon Public Finance Team, please find attached the latest month's issue of Baird's **Public Finance Monthly Market Update**. We hope that you find this information helpful as you explore refinancing opportunities and new money needs as 2013 comes to a close and you continue planning for 2014. In this month's edition, we highlight the following topics:

- *Interest Rates* - Municipal rates remained relatively low in the month of November compared to earlier months due to lack of supply creating higher demand for municipal bonds especially on the short-end of the curve where yields were flatter and less volatile. Expect more of the same in December.
- *Fed and tapering talks (Round....?)* – Many in the municipal market agree that the question is when, rather than if, the Fed will initiate its tapering program in 2014. Key factors that will prompt timing of tapering policy is job creation, U.S. budget talks, and what Janet Yellen, newly appointed Fed Chair believes our economy is doing once taking over Fed early next year.
- *The Bloodshed continues* – Municipal bond outflows have reached record levels of outflows totaling over \$57 billion since May.

As always if you have questions or need additional information please feel free to contact anyone on our team.

Best Regards,

Johanna Perrini  
Vice President  
Public Finance  
Robert W. Baird & Co.  
414-298-7780 -Direct  
800-792-2473 ext. 3827 – Toll Free  
414-213-8671 - Cell

**Baird – Financial Advisor/Underwriter to Deals of the Year in 2013, 2012, 2011, 2009, 2007 and 2005 by *The Bond Buyer***

**Baird – Ten consecutive years as one of FORTUNE® magazine's 100 Best Companies to Work For, 2004-2013**



# Independent Contractor: An Easy Solution Until the Other Shoe Drops

By *Ronald G. Guerra*



It seemed like an easy solution — get extra help. The company had transcription work that had to be done. So the company hired someone in the local community to help, based on the terms of a personal services contract ("PSK"). Problem solved?

Shortly after the PSK work was completed, the transcriber filed a claim for unemployment benefits with the employment department. The company learned of the claim upon receipt of a notice of claim from the employment department requesting the reason for the separation. The company responded that the person was not an employee, but rather an independent contractor, and provided a copy of the PSK to the employment department.

Unfortunately, the company had made one of the most common misclassification mistakes. The company erroneously believed that a PSK created an independent contractor relationship because the PSK said so. The company was wrong.

When a claim is filed for unemployment compensation, two things happen. First, the benefits side of the employment department must determine whether the claimant is eligible to receive unemployment compensation. Second, the tax side of the employment department must confirm an account to charge for the payments if the claim is to be paid.

When the tax side of the employment department discovers that no account exists, or otherwise questions the relationship between the claimant and an employer, it conducts an investigation. In this case, the tax side will look at the PSK and the department's evaluation of the independent contractor statute and its implementing administrative rules.

Oregon Revised Statute ("ORS") 670.600 is the independent contractor statute. It provides that an "independent contractor" is a person who provides services for remuneration and who, in the provision of the services:

- "(a) Is free from direction and control over the means and manner of providing the services, subject only to the right of the person for whom the services are provided to specify the desired results;
- (b) Is customarily engaged in an independently established business;
- (c) Is licensed under ORS Chapter 671 or 701 if the person provides services for which a license is required under ORS Chapter 671 or 701; and

(d) Is responsible for obtaining other licenses or certificates necessary to provide the services." ORS 670.600 (2)

The question of being "free from direction and control" is centered on the "means" and "manner" of providing the services. "Means" are the resources used or needed in performing the services. To be free of direction and control over the means, a contractor must be free to choose the tools, equipment, labor, devices, etc. For transcription work this would mean the transcription machine, the typewriter or computer and printer, the software, etc. "Manner" is the method by which the services are performed. To be free from direction and control over the manner of providing the services the contractor must determine how to perform the work. For transcription work this could include the work schedule, the process and procedures used to complete the transcription, and the delivery methods of the finished product.

To be "customarily engaged in an independently established business" requires meeting three of the following five elements:

- Contractor maintains a business location:
  - Separate from the business or work location of the person for whom the services are provided; or
  - That is in a portion of the person's residence and that portion is used primarily for business.
  
- Contractor bears the risk of loss related to the business or the provisions of services as shown by factors such as:
  - Contractor enters into fixed-price contracts;
  - Contractor is required to correct defective work;
  - Contractor warrants the services provided; or
  - Contractor negotiates indemnification agreements or purchases liability insurance, performance bonds, or errors and omissions insurance.
  
- Contractor provides contracted services for two or more different persons within a 12-month period or person routinely engages in business advertising, solicitation, or other marketing efforts reasonably calculated to obtain new contracts to provide similar services.
  
- Contractor makes significant investment in the business through means such as:
  - Purchasing tools and equipment;
  - Paying for premises or facilities where the services are provided; or
  - Paying for licenses, certificates, or specialized training to provide the services.
  
- Contractor has the authority to hire other persons to provide or to assist in providing the services and has the authority to fire those persons.

In the situation under discussion here, when the employment department tax auditor calls the claimant to discuss the nature of that person's business he learns that:

- She goes to the company for four hours twice each week to work;
- The company provides the work station, including the computer, software, printer, and other equipment;
- Someone in the company instructs the person and directs how she is to perform her work; and
- She does work for no one else, just the company.

On these facts, the employment department tax auditor concludes that the person was *not* an independent contractor but an *employee*. Finding that this person was not an independent contractor now makes the company liable for the payment of the unemployment claim if the person is otherwise eligible. This finding may also subject the company to additional penalties from the Oregon Department of Revenue and the Workers' Compensation Board for failing to withhold taxes or to pay a premium for workers' compensation coverage.

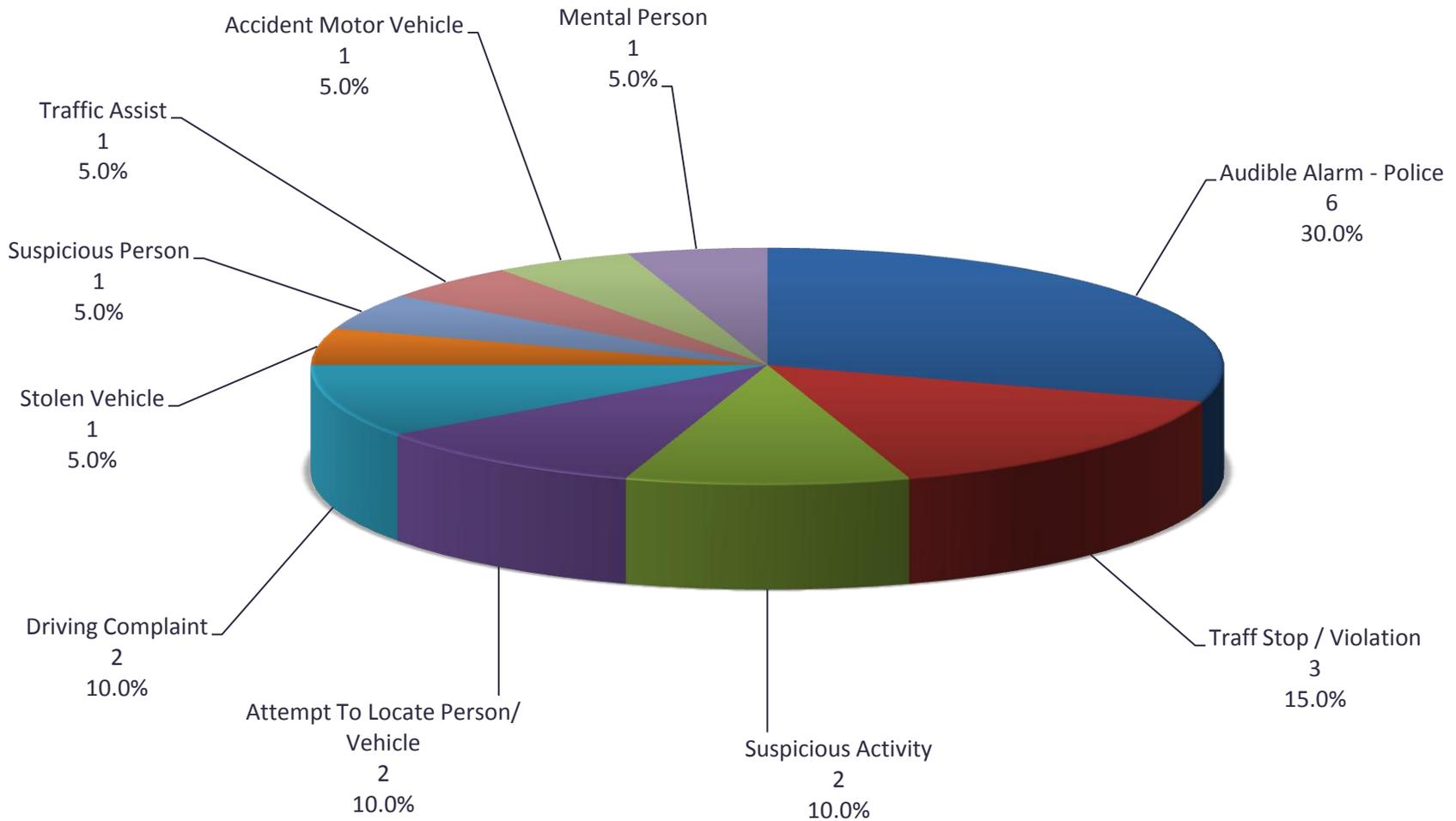
The lesson to be learned is that simply *saying* someone is an independent contractor in a PSK does not make it so. Further, every PSK should be evaluated in light of the independent contractor statute to make sure that the person or entity actually meets the necessary requirements. Failing to conduct this evaluation completely and carefully can have serious ramifications for any employer.

*Fall 2013*

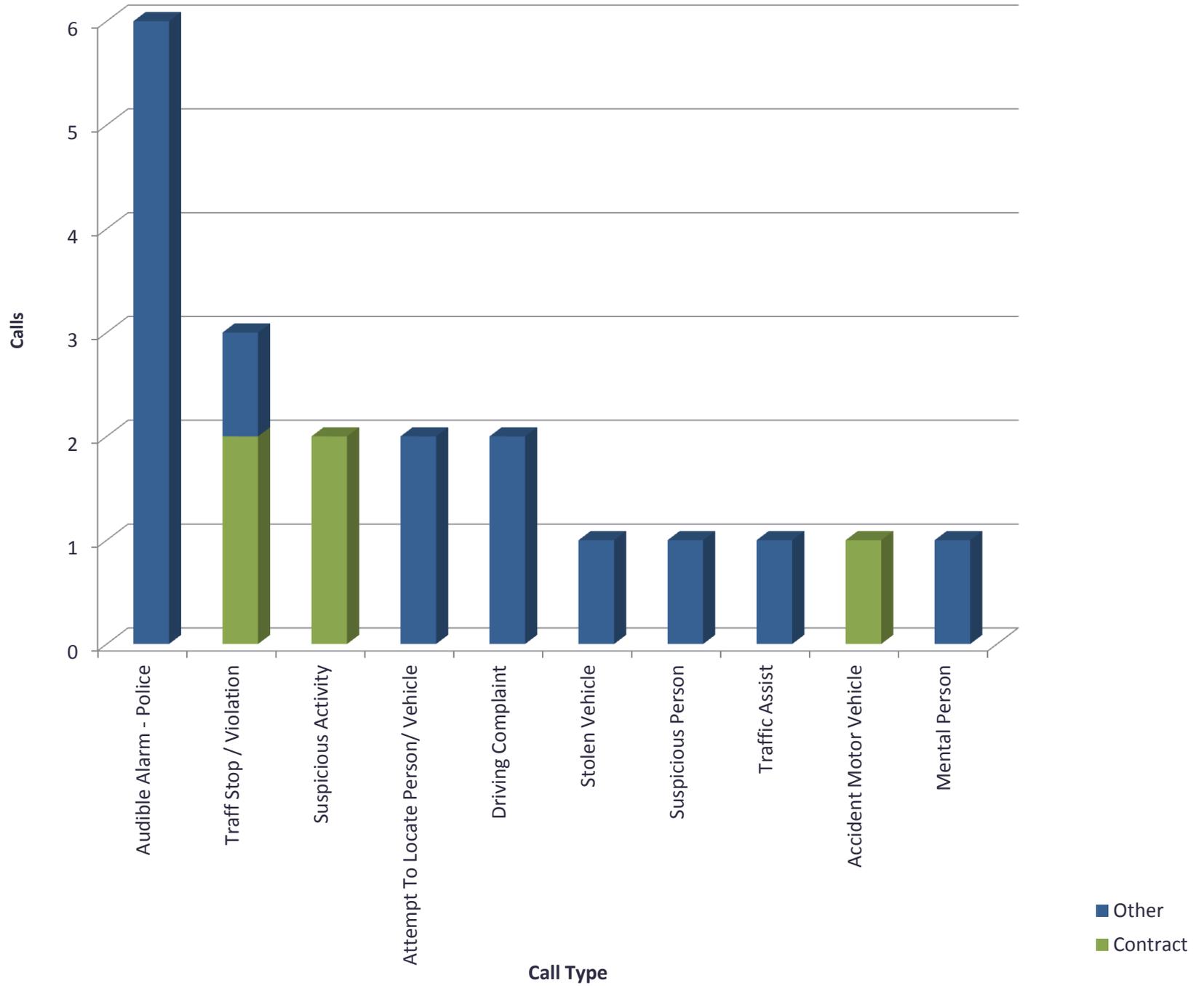
This article is intended to inform the reader of general legal principles applicable to the subject area. It is not intended to provide legal advice regarding specific problems or circumstances. Readers should consult with competent counsel with regard to specific situations.

[BACK TO TOP](#) | [BACK TO ARTICLE INDEX](#) | [PRINTER-FRIENDLY PAGE](#)

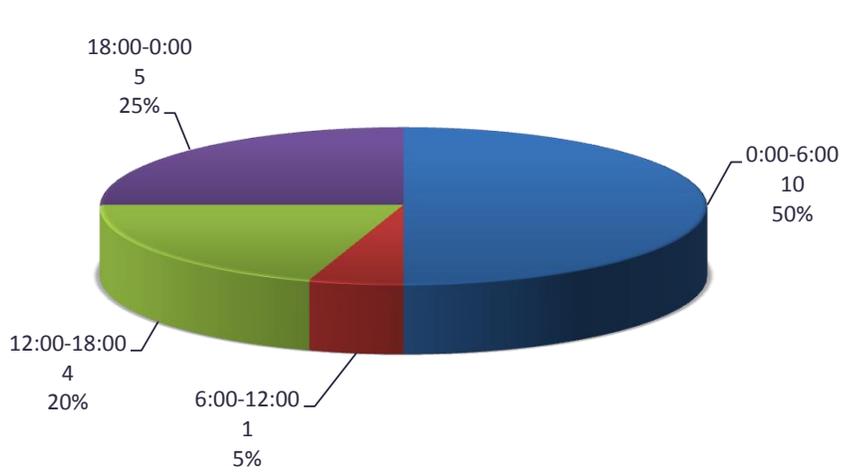
## Aurora Top Calls for Service December 2013



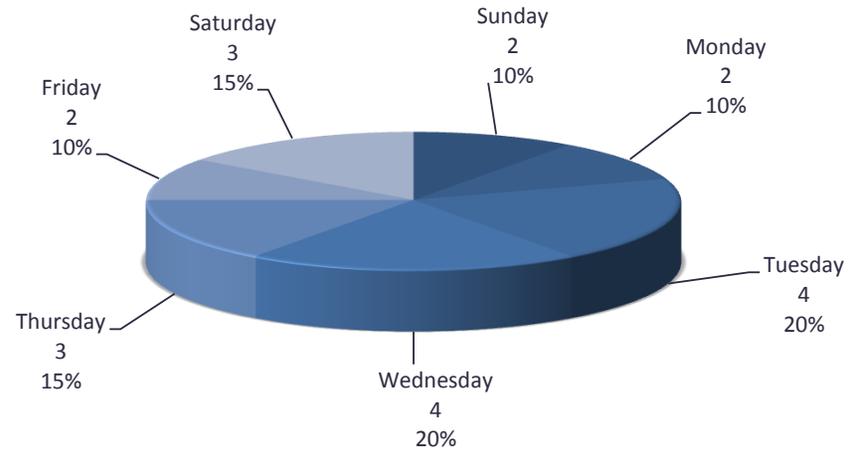
# Call Type by Primary Deputy December 2013



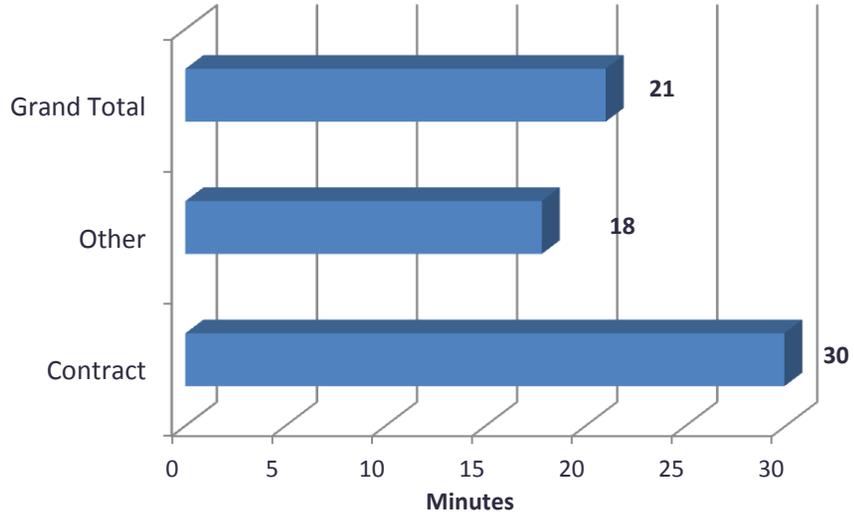
**Aurora Calls for Service by Hours Range  
December 2013**



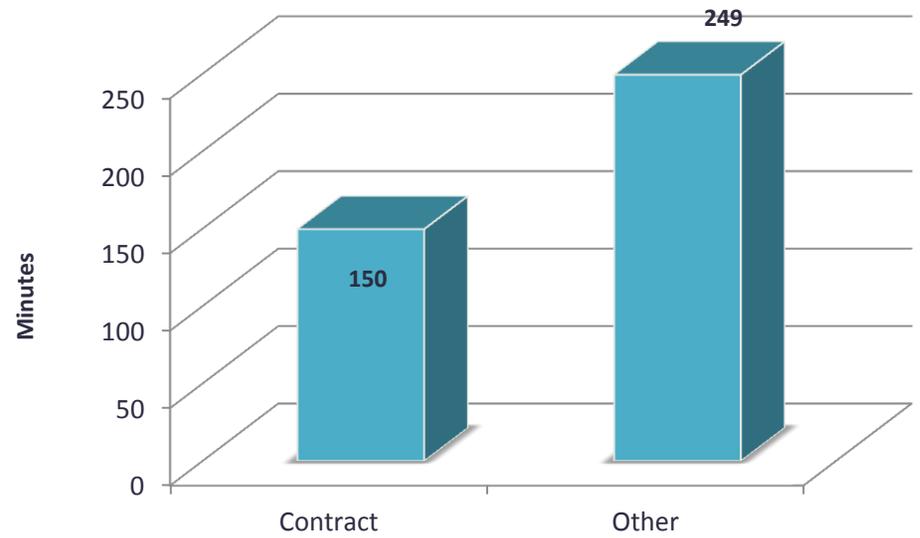
**Aurora Calls for Service by Day of Week  
December 2013**



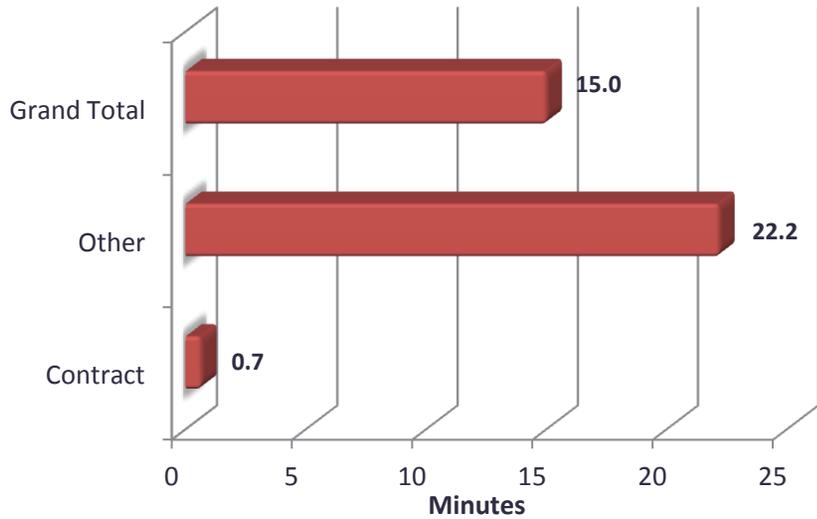
**Aurora Calls Average Call Length  
December 2013**



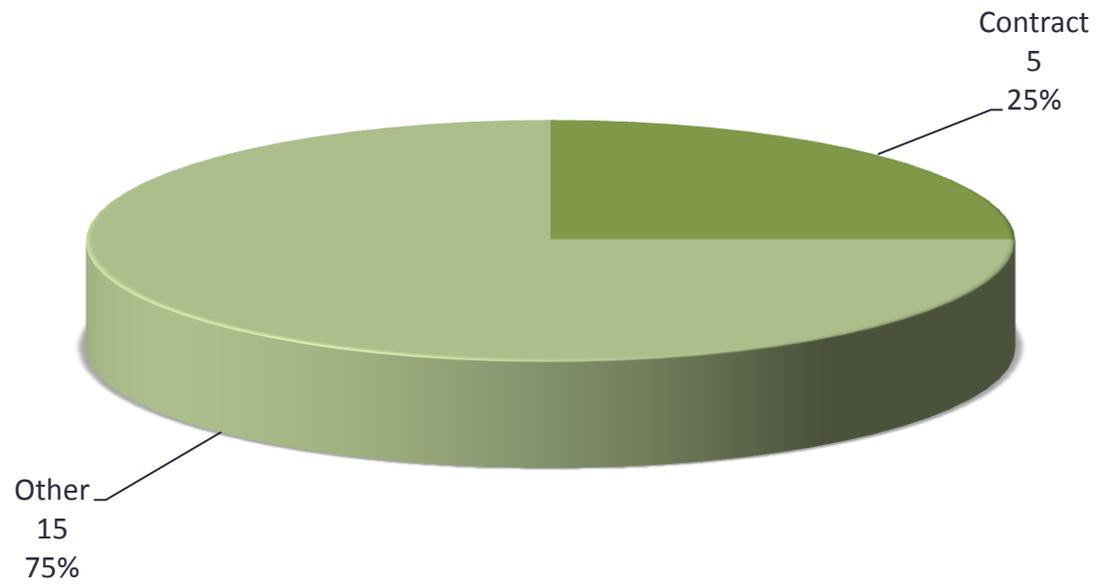
**Aurora Calls Total Call Length  
December 2013**



**Aurora Calls Average Call Arrival Time  
December 2013**



### Aurora Calls by Primary Deputy December 2013



## Aurora Calls for Service December 2013

EVENTID	CASEID	Combined Type	PRIMARY UNIT	CREATE DATE	DISPATCH DATE	ARRIVAL DATE	CLEARED DATE	Arrival in Minutes	Call Length in Minutes	DISPOSITION	ZONE	PRIORITY	AGENCY	SOURCE	LOCATION
SMS201312040031		Audible Alarm - Police		12/4/2013 7:52			12/4/2013 7:58				7 SMS01-AU	5 SMS			21610 MAIN ST NE (MapBook:1432), AURORA 97002 (1ST ST NE, EHLEN RD NE/2ND ST NE)
SMS201312060146	SMS13022336	Audible Alarm - Police	A148	12/6/2013 20:47	12/6/2013 20:48	12/6/2013 21:10	12/6/2013 21:15	21.90	5.57		5 SMS01-AU	5 SMS			21687 HIGHWAY 99E NE (MapBook:1432), AURORA (LIBERTY ST NE, 1ST ST NE/2ND ST NE)
SMS201312070030	SMS13022360	Stolen Vehicle	A136	12/7/2013 9:11	12/7/2013 9:20		12/7/2013 10:12		51.62		1 SMS01-AU	4 SMS			20855 WALNUT ST NE (MapBook:1532), AURORA (FILBERT ST NE/ORCHARD AV NE)
SMS201312100039	SMS13022523	Suspicious Activity	A195	12/10/2013 9:33	12/10/2013 10:24		12/10/2013 11:20		55.77		5 SMS01-AU	4 SMS			14923 SMITH ROCK AV NE (MapBook:1532), AURORA (YOSEMITE ST NE/YUKON ST NE)
SMS201312100093	SMS13022527	Suspicious Activity	A195	12/10/2013 12:52	12/10/2013 12:58	12/10/2013 13:01	12/10/2013 13:12	2.58	11.32		5 SMS01-AU	3 SMS			14666 KASEL CT NE (MapBook:1432), AURORA (AIRPORT RD NE/)
SMS201312110149		Traff Stop / Violation	A195	12/11/2013 15:15	12/11/2013 15:15	12/11/2013 15:15	12/11/2013 15:21	0.00	6.13		0 SMS01-AU T6	SMS			HIGHWAY 99E NE, AURORA/ORCHARD AV NE, AURORA(MapBook:1532)
SMS201312110171	SMS13022609	Audible Alarm - Police	A148	12/11/2013 20:41	12/11/2013 20:42	12/11/2013 20:57	12/11/2013 21:04	14.75	7.78		5 SMS01-AU	5 SMS			21687 HIGHWAY 99E NE (MapBook:1432), AURORA (LIBERTY ST NE, 1ST ST NE/2ND ST NE)
SMS201312140100	SMS13022759	Audible Alarm - Police	A152	12/14/2013 20:56	12/14/2013 20:57		12/14/2013 21:18		21.28		5 SMS01-AU	5 SMS			21687 HIGHWAY 99E NE (MapBook:1432), AURORA (LIBERTY ST NE, 1ST ST NE/2ND ST NE)
SMS201312160003	SMS13022831	Audible Alarm - Police	A113	12/16/2013 2:41	12/16/2013 3:14	12/16/2013 3:56	12/16/2013 4:05	41.35	9.03		5 SMS01-AU	5 SMS			21687 HIGHWAY 99E NE (MapBook:1432), AURORA (LIBERTY ST NE, 1ST ST NE/2ND ST NE)
SMS201312160113	SMS13022868	Traffic Assist	A037	12/16/2013 18:29	12/16/2013 18:39	12/16/2013 19:09	12/16/2013 19:19	29.63	10.22		5 SMS01-AU	3 SMS			EHLEN RD NE, MARION COUNTY/AIRPORT RD NE, AURORA(MapBook:1432)
SMS201312180052		Traff Stop / Violation	A171	12/18/2013 10:09	12/18/2013 10:09	12/18/2013 10:09	12/18/2013 10:17	0.00	8.23		0 SMS01-AU T6	SMS			MAIN ST NE, AURORA/EHLEN RD NE, AURORA(MapBook:1432)
SMS201312190006	SMS13023009	Audible Alarm - Police	A177	12/19/2013 2:02	12/19/2013 3:28	12/19/2013 3:50	12/19/2013 4:00	22.08	9.73		5 SMS01-AU	5 SMS			21687 HIGHWAY 99E NE (MapBook:1432), AURORA (LIBERTY ST NE, 1ST ST NE/2ND ST NE)
SMS201312210130	SMS13023158	Mental Person	A197	12/21/2013 18:34	12/21/2013 18:35	12/21/2013 19:04	12/21/2013 20:26	29.70	81.93		5 SMS01-AU	4 SMS			14805 ORCHARD AV NE (MapBook:1532), AURORA (/FILBERT ST NE)
SMS201312240146	SMS13023318	Attempt To Locate Person	A177	12/24/2013 21:34	12/24/2013 21:42		12/24/2013 21:49		6.98		5 SMS01-AU	5 SMS			HIGHWAY 99E NE, AURORA/ORCHARD AV NE, AURORA(MapBook:1532)
SMS201312240149	SMS13023323	Attempt To Locate Person	A177	12/24/2013 21:57	12/24/2013 22:33	12/24/2013 22:51	12/24/2013 23:06	18.08	14.27		5 SMS01-AU	5 SMS			HIGHWAY 99E NE, AURORA/ORCHARD AV NE, AURORA(MapBook:1532)
SMS201312260113	SMS13023401	Accident Motor Vehicle	A195	12/26/2013 14:38	12/26/2013 14:38	12/26/2013 14:38	12/26/2013 15:41	0.00	63.07		1 SMS01-AU	1 SMS			MAIN ST NE, AURORA/EHLEN RD NE, AURORA(MapBook:1432)
SMS201312260155	SMS13023422	Driving Complaint	A177	12/26/2013 21:21	12/26/2013 21:26		12/26/2013 21:34		7.65		5 SMS01-AU	1 SMS			EHLEN RD NE, MARION COUNTY/AIRPORT RD NE, AURORA(MapBook:1432)
SMS201312270116		Traff Stop / Violation	A195	12/27/2013 14:53	12/27/2013 14:53	12/27/2013 14:53	12/27/2013 15:07	0.02	13.40		0 SMS01-AU T6	SMS			AIRPORT RD NE, AURORA/EHLEN RD NE, MARION COUNTY(MapBook:1432)
SMS201312290001		Driving Complaint	A199	12/29/2013 0:03	12/29/2013 0:04		12/29/2013 0:11		6.98		0 SMS01-AU	1 SMS			EHLEN RD NE, MARION COUNTY/AIRPORT RD NE, AURORA(MapBook:1432)
SMS201312290112	SMS13023571	Suspicious Person	A138	12/29/2013 19:03	12/29/2013 19:47		12/29/2013 19:55		8.10		5 SMS01-AU	3 SMS			20780 YOSEMITE ST NE (MapBook:1532), AURORA (SMITH ROCK AV NE/SEAL ROCK AV NE)

# Memo

To: City Council  
From: Kelly Richardson  
CC: None  
Date: 1/9/2014  
Re: Recorders Report Month of December 2013 report

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Activities and ongoing projects are as follows:

- ❖ Ongoing secretarial duties for the City Council and Planning And Historic Review Board, along with attending the meetings once a month.
- ❖ Attending Conference Committee Meetings
- ❖ Records Request update
  - None pending at this time.
- ❖ **Code Enforcement issues.**
- ❖ Working with City Planner on Aurora Municipal Code Possible Updates.
- ❖ Working towards obtaining certification
- ❖ Training with Finance Officer as back up position.
- ❖ Working on fees schedule for Planning and Permits on going
- ❖ Working on policy and procedures for each department
- ❖ Working on year end regarding, planning finance, HRB, Council, email to name a few.
- ❖ Ongoing needs of the City

RESOLUTION NUMBER. 680

A RESOLUTION CHANGING BANK ACCOUNT SIGNERS FOR THE CITY OF AURORA, COLUMBIA BANK BUSINESS ACCOUNTS AND REPEALING RESOLUTION NO. 678.

WHEREAS, the City Council of the City of Aurora finds it necessary to designate new authorized account signatures at Columbia Bank due to a change in Council officers and Diminished Staff Levels; and

WHEREAS, the Aurora City Council has determined that each check signed for the General Fund checking account, shall contain the signature of one Council member and one City employee each; and

WHEREAS, the Aurora City Council has determined that each check signed for the General Fund checking account regarding payroll due to special circumstances existing during employee probationary period will allow two members of council to sign said payroll checks only; and

WHEREAS, the City of Aurora also maintains a safety deposit box at Columbia Bank and has determined that the access shall be granted to each authorized account signers;

/ / / /

/ / / /

/ / / /

NOW THEREFORE, BE IT RESOLVED that the City of Aurora designates the following as authorized account signers : that each check signed for the General Fund checking account, shall contain the signature of one Council member and one City employee each, except regarding payroll due to special circumstances existing during employee probationary period will allow two members of Council to sign payroll checks only and during the 6 month employee probationary period; and becomes effective January 14, 2014.

/ / / / /

/ / / / /

/ / / / /

**City of Aurora Council Members**

Bill Graupp, Mayor  
Jason Sahlin, Councilor

**City of Aurora Employees**

Kelly Richardson

**APPROVED** by the Aurora City Council this 14th day of January, 2014.

---

Bill Graupp - Mayor

ATTEST:

---

Kelly Richardson - City Recorder

Dist. #	License #	Tradename	Participant	License	Premises Address
<b>Local Government: AURORA</b>					
2	181755	AURORA COLONY MARKET	AHN, KWAN J	O	21637 HWY 99E, AURORA, OR
	184843	AURORA MARKET & DELI	AURORA MARKET & DELI INC	O	21338 NE HWY 99E, AURORA, OR
	183090	FIR POINT FARMS	ROMAINE'S PRODUCE & BAKERY LLC	L	14601 ARNDT RD, AURORA, OR
	184468	PACIFIC HAZELNUT FARMS	ANDREW HALLS ENTERPRISES LLC	O	14673 OTTAWAY RD NE, AURORA, OR
	182917	THE COLONY PUB	RLN CORP	F-COM	21568 HWY 99E, AURORA, OR
	194567	VANG STAR CONVENIENCE STORE	XIONG, ZE  VANG, ZONGKAI N	O	21687 HWY 99 E, AURORA, OR

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

***CITY OF AURORA, OREGON***  
***CITY OFFICIALS***  
***JUNE 30, 2013***

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**MAYOR**

Greg Taylor

PO Box 261  
Aurora, Oregon 97002

**CITY COUNCIL MEMBERS**

Bill Graupp

14629 Ehlen Road NE  
Aurora, Oregon 97002

Scott Brotherton

14955 4<sup>th</sup> Street NE  
Aurora, Oregon 97002

Jason Sahlin

21011 Main Street NE  
Aurora, Oregon 97002

Rick Vlcek

21340 Main Street NE  
Aurora, Oregon 97002

**CITY ADMINISTRATION**

Kelly Richardson, City Recorder  
35296 S. Sawtelle Road  
Molalla, Oregon 97038

Jan Vlcek, Finance Officer  
21340 Main Street NE  
Aurora, Oregon 97002

Dennis E. Koho, City Attorney  
5305B River Road N.  
(P.O. Box 20790)  
Keizer, Oregon 97307

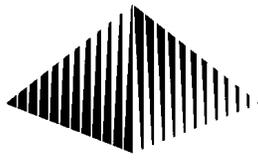
**MAILING ADDRESS**

21420 Main Street NE  
Aurora, Oregon 97002

**CITY OF AURORA, OREGON**  
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## **GROVE, MUELLER & SWANK, P.C.**

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

### ***INDEPENDENT AUDITOR'S REPORT***

Honorable Mayor and Council Members  
City of Aurora  
21420 Main Street NE  
Aurora, Oregon 97002

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

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

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

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

#### ***Auditor's Responsibility***

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

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

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

## ***Opinion***

In our opinion, the modified cash basis financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2013, and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the basis of accounting described in the summary of significant accounting policies in the notes to the financial statements.

## ***Other Matters***

### ***Report on Supplemental and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole that collectively comprise the City's basic financial statements. The supplemental information and management's discussion and analysis are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Management's discussion and analysis has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on such information.

### ***Basis of Accounting***

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

### ***Report on Other Legal and Regulatory Requirements***

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

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

By: \_\_\_\_\_  
Thomas E. Glogau, A Shareholder  
\*\*, 2013

CITY OF AURORA, OREGON  
Management's Discussion and Analysis  
June 30, 2013

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

**Financial Highlights**

	June 30,		change
	2013	2012	
Net position	\$ 1,021,158	\$ 998,568	\$ 22,590
Change in net position	22,590	130,360	(107,770)
Governmental net position	605,884	521,798	84,086
Proprietary net position	415,274	476,770	(61,496)
Change in governmental net position	84,086	87,216	(3,130)
Change in proprietary net position	(61,496)	43,144	(104,640)

**Overview of the Financial Statements**

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

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

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

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

In the government-wide financial statements, the City's activities are shown as governmental and business-type activities. Governmental activities include all basic City government functions, such as administration, city hall, legal, parks, streets and police. These activities are primarily financed through property taxes and other intergovernmental activities. Business-type activities are those which are primarily financed through charges to customers, and include water and sewer operations.

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

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

**Proprietary funds.** Proprietary funds are used to account for funds which are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Proprietary funds whose primary user is the public are known as enterprise funds.

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

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

### Government-wide Financial Analysis

#### Statements of Net Position (modified cash basis)

June 30,

	2013			2012		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 605,884	\$ 415,274	\$ 1,021,158	\$ 521,798	\$ 476,770	\$ 998,568
Liabilities	-	-	-	-	-	-
Net Position:						
Restricted	199,462	68,513	267,975	193,168	79,190	272,358
Unrestricted	406,422	346,761	753,183	328,630	397,580	726,210
Total Net Position	\$ 605,884	\$ 415,274	\$ 1,021,158	\$ 521,798	\$ 476,770	\$ 998,568

**Statement of Net Position (modified cash basis).** The *statement of net position* (modified cash basis) is provided on a comparative basis. As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the City of Aurora, assets exceeded liabilities by \$1,021,158 as of June 30, 2013.

Restricted net position represents sources that are subject to external restrictions on their use, such as debt service or capital projects.

Unrestricted net position is available for general operations of the City.

**Statements of Activities (modified cash basis)**  
**Year ended June 30,**

	2013			2012		
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total
<b>Revenues</b>						
Program revenues						
Charges for service	\$ 125,618	\$ 551,318	\$ 676,936	\$ 223,759	\$ 498,392	\$ 722,151
Operating grants	50,974	-	50,974	55,146	-	55,146
Capital grants	6,501	15,150	21,651	6,265	12,370	18,635
General receipts						
Taxes and assessments	228,037	304,587	532,624	221,131	289,021	510,152
Franchise taxes	58,902	-	58,902	60,430	-	60,430
Intergovernmental	21,874	-	21,874	20,263	20,927	41,190
Miscellaneous	39,780	2,892	42,672	32,098	2,651	34,749
<i>Total revenues</i>	<u>531,686</u>	<u>873,947</u>	<u>1,405,633</u>	<u>619,092</u>	<u>823,361</u>	<u>1,442,453</u>
<b>Expenses</b>						
General government	100,935	-	100,935	103,069	-	103,069
Public safety	150,497	-	150,497	265,052	-	265,052
Highways and streets	85,855	-	85,855	60,045	-	60,045
Community development	110,313	-	110,313	103,710	-	103,710
Water	-	357,250	357,250	-	241,731	241,731
Sewer	-	578,193	578,193	-	538,486	538,486
<i>Total expenses</i>	<u>447,600</u>	<u>935,443</u>	<u>1,383,043</u>	<u>531,876</u>	<u>780,217</u>	<u>1,312,093</u>
Change in net position	84,086	(61,496)	22,590	87,216	43,144	130,360
Net position, beginning of year	521,798	476,770	998,568	434,582	433,626	868,208
Net position, end of year	<u>\$ 605,884</u>	<u>\$ 415,274</u>	<u>\$ 1,021,158</u>	<u>\$ 521,798</u>	<u>\$ 476,770</u>	<u>\$ 998,568</u>

**Statement of Activities (modified cash basis).** During the current fiscal year, the City's total net position increased by \$22,590 to \$1,021,158 from \$998,568 at the beginning of the year. The key elements of the change in the City's net position for the year ended June 30, 2013 are as follows:

1. Intergovernmental revenues decreased by \$19,316
2. Charges for services decreased by \$45,215
3. Expenses for public safety decreased by \$114,555
4. Expenses for water increased by \$115,519
5. Expenses for sewer increased by \$39,707

**Financial Analysis of the City of Aurora's Government 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 relatively short-term cash flow and funding for future basic services. Such information is useful in assessing the City's financing requirements. In particular, *fund balance* may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

As of June 30, 2013 the City's governmental funds reported combined ending fund balances of \$605,884 an increase of \$84,086 over the prior year.

**Business-type funds.** The business-type funds account for the City's water and sewer operations. For the year ended June 30, 2013, operating revenues exceeded operating expenses by \$133,962.

### **General Fund Budgetary Highlights**

The governing body approved one supplemental budget, which made changes to the General Fund budget for the fiscal year ended June 30, 2013.

### **Significant Fund Transactions**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The following information details significant fund transactions during the year.

#### Major Governmental Funds:

- General: the General Fund increase in fund balance was primarily due to both a decrease in fines and forfeitures revenues and personal services expenditures from the prior year.
- Street/Storm: the Street/Storm Fund increase in fund balance was due to a spending under amounts budgeted.
- City Hall Building: the City Hall Building Fund increase in fund balance was due to no expenditures in the current year.

#### Major Proprietary Funds:

- Water: the Water Fund decrease in fund balance was primarily due to an increase in capital outlay compared to the prior year.
- Sewer: the Sewer Fund decrease in net position was primarily due to an increase in capital outlay expenditures.
- G.O. Wastewater Bond: the Wastewater Bond Fund increase increase in net position was due to an increase in taxes and assessments revenues.

### **Debt Administration**

The City had total debt outstanding of \$3,219,251 at the end of the current fiscal year.

During the current fiscal year, the City's total debt decreased by \$181,567 (6%).

State statutes limit the amount of general obligation debt a governmental entity may issue to 3 percent of its total assessed valuation. The assessed valuation of the City of Aurora is \$121,008,057 for the current year, therefore, the current debt limitation is \$3,630,242 for the City of Aurora. The City's general obligation debt was \$2,920,000 at June 30, 2013.

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

## **Economic Factors and the Next Year's Budget**

The City of Aurora's Budget Committee considered all the following factors while preparing the City budget for the 2013-14 fiscal year:

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

## **Requests for Information**

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

City Recorder  
City of Aurora  
21420 Main Street NE  
Aurora, Oregon 97002

***BASIC FINANCIAL STATEMENTS***

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

	<u><i>Governmental Activities</i></u>	<u><i>Business-type Activities</i></u>	<u><i>Totals</i></u>
<b><i>ASSETS</i></b>			
Cash and cash equivalents	\$ 605,884	\$ 415,274	\$ 1,021,158
<b><i>LIABILITIES</i></b>			
	-	-	-
<b><i>NET POSITION</i></b>			
Restricted for:			
Customer deposits	-	4,590	4,590
Debt Service	-	20,410	20,410
Capital outlay	77,930	43,513	121,443
Streets	121,532	-	121,532
Unrestricted	406,422	346,761	753,183
	<u>406,422</u>	<u>346,761</u>	<u>753,183</u>
<i>Total Net Position</i>	<u>\$ 605,884</u>	<u>\$ 415,274</u>	<u>\$ 1,021,158</u>

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

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

<i><b>FUNCTIONS/PROGRAMS</b></i>	<i><b>Expenses</b></i>	<i><b>Program Revenues</b></i>		
		<i><b>Fees, Fines and Charges for Services</b></i>	<i><b>Operating Grants and Contributions</b></i>	<i><b>Capital Grants and Contributions</b></i>
<i><b>Governmental activities:</b></i>				
General government	\$ 100,935	\$ 7,090	\$ -	\$ -
Public safety	150,497	63,486	460	-
Highways and streets	85,855	33,974	50,514	4,296
Community development	110,313	21,068	-	2,205
<i>Total Governmental activities</i>	<u>447,600</u>	<u>125,618</u>	<u>50,974</u>	<u>6,501</u>
<i><b>Business-type activities:</b></i>				
Water	357,250	283,478	-	11,086
Sewer	578,193	267,840	-	4,064
<i>Total Business-type activities</i>	<u>935,443</u>	<u>551,318</u>	<u>-</u>	<u>15,150</u>
<i>Total Activities</i>	<u>\$ 1,383,043</u>	<u>\$ 676,936</u>	<u>\$ 50,974</u>	<u>\$ 21,651</u>
<i><b>General Revenues:</b></i>				
Property taxes				
Franchise taxes				
Intergovernmental				
Miscellaneous				
<i>Total General Revenues</i>				
<i><b>Change in net position</b></i>				
<i><b>Net Position - beginning of year</b></i>				
<i><b>Net Position - end of year</b></i>				

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

<b><i>Governmental Activities</i></b>	<b><i>Business-type Activities</i></b>	<b><i>Total</i></b>
\$ (93,845)	\$ -	\$ (93,845)
(86,551)	-	(86,551)
2,929	-	2,929
(87,040)	-	(87,040)
(264,507)	-	(264,507)
-	(62,686)	(62,686)
-	(306,289)	(306,289)
-	(368,975)	(368,975)
(264,507)	(368,975)	(633,482)
228,037	304,587	532,624
58,902	-	58,902
21,874	-	21,874
39,780	2,892	42,672
348,593	307,479	656,072
84,086	(61,496)	22,590
521,798	476,770	998,568
<u>\$ 605,884</u>	<u>\$ 415,274</u>	<u>\$ 1,021,158</u>

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

**CITY OF AURORA, OREGON**

**BALANCE SHEET (MODIFIED CASH BASIS) - GOVERNMENTAL FUNDS**

**JUNE 30, 2013**

		<u>Special Revenue</u>	<u>Capital Projects</u>
	<u>General</u>	<u>Street / Storm Operating</u>	<u>City Hall Building</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 289,521	\$ 109,400	\$ 115,775
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities:</b>	\$ -	\$ -	\$ -
<b>Fund Balance:</b>			
Restricted for:			
Capital outlay	-	-	-
Streets	-	109,400	-
Committed to:			
Capital outlay	-	-	115,775
Unassigned	289,521	-	-
<b>Total Fund Balance</b>	<u>289,521</u>	<u>109,400</u>	<u>115,775</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 289,521</u>	<u>\$ 109,400</u>	<u>\$ 115,775</u>

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<i>Other Governmental Funds</i>	<i>Total</i>
\$ 91,188	\$ 605,884
\$ -	\$ -
77,930	77,930
12,132	121,532
1,126	116,901
-	289,521
91,188	605,884
\$ 91,188	\$ 605,884

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

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

		<u>Special Revenue</u>	<u>Capital Projects</u>
	<u>General</u>	<u>Street / Storm Operating</u>	<u>City Hall Building</u>
<b>REVENUES</b>			
Taxes and assessments	\$ 228,037	\$ -	\$ -
Fines and forfeitures	59,872	-	3,615
Licenses and permits	85,599	-	1,460
Charges for services	-	20,003	-
Intergovernmental	22,334	50,513	-
Miscellaneous	38,006	619	602
<i>Total Revenues</i>	<u>433,848</u>	<u>71,135</u>	<u>5,677</u>
<b>EXPENDITURES</b>			
Current			
General government	100,935	-	-
Public safety	146,191	-	-
Highways and streets	-	58,864	-
Community development	106,697	-	-
Capital outlay	4,538	11,404	-
<i>Total Expenditures</i>	<u>358,361</u>	<u>70,268</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>75,487</u>	<u>867</u>	<u>5,677</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	9,415	-
Transfers out	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>-</u>	<u>9,415</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>75,487</u>	<u>10,282</u>	<u>5,677</u>
<b>FUND BALANCE, beginning of year</b>	<u>214,034</u>	<u>99,118</u>	<u>110,098</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 289,521</u>	<u>\$ 109,400</u>	<u>\$ 115,775</u>

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<i>Other Governmental Funds</i>	<i>Total</i>
\$ -	\$ 228,037
-	63,487
7,238	94,297
13,235	33,238
-	72,847
553	39,780
<hr/>	<hr/>
21,026	531,686
-	100,935
-	146,191
-	58,864
-	106,697
18,971	34,913
<hr/>	<hr/>
18,971	447,600
<hr/>	<hr/>
2,055	84,086
-	9,415
(9,415)	(9,415)
<hr/>	<hr/>
(9,415)	-
<hr/>	<hr/>
(7,360)	84,086
98,548	521,798
<hr/>	<hr/>
\$ 91,188	\$ 605,884
<hr/> <hr/>	<hr/> <hr/>

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

**CITY OF AURORA, OREGON**

**STATEMENT OF NET POSITION (MODIFIED CASH BASIS) - ENTERPRISE FUNDS**

**JUNE 30, 2013**

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	<u><i>Water</i></u>	<u><i>Sewer</i></u>	<u><i>G.O. Wastewater Debt Service</i></u>
<b><i>ASSETS</i></b>			
Cash and cash equivalents	\$ 187,663	\$ 151,727	\$ 20,410
<b><i>LIABILITIES</i></b>	-	-	-
<b><i>NET POSITION:</i></b>			
Restricted for:			
Customer deposits	4,590	-	-
Debt service	-	-	20,410
Construction	-	-	-
Unrestricted	183,073	151,727	-
<i>Total Net Position</i>	<u>\$ 187,663</u>	<u>\$ 151,727</u>	<u>\$ 20,410</u>

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<i><b>Other Business- type Funds</b></i>	<i><b>Total</b></i>
\$ 55,474	\$ 415,274
-	-
-	4,590
-	20,410
43,513	43,513
11,961	346,761
\$ 55,474	\$ 415,274

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

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

	<u>Water</u>	<u>Sewer</u>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 283,478	\$ 267,840
Miscellaneous	116	-
<i>Total Operating Revenues</i>	<u>283,594</u>	<u>267,840</u>
<b>OPERATING EXPENSES</b>		
Personal services	108,030	106,994
Materials and services	90,036	112,412
<i>Total Operating Expenses</i>	<u>198,066</u>	<u>219,406</u>
<b>OPERATING INCOME</b>	85,528	48,434
<b>NONOPERATING REVENUES (EXPENSES)</b>		
<b>Noncapital Financing Revenues (Expenses)</b>		
Transfers in	20,000	-
Transfers out	(20,000)	-
Taxes and assessments	-	-
<i>Total Noncapital Financing Revenues (Expenses)</i>	<u>-</u>	<u>-</u>
<b>Capital Financing Revenues (Expenses)</b>		
Capital contributions	-	-
Capital outlay	(92,977)	(62,874)
Debt service		
Principal	(11,567)	-
Interest	(9,325)	-
<i>Total Capital Financing Revenues (Expenses)</i>	<u>(113,869)</u>	<u>(62,874)</u>
<b>Investing Revenues</b>	971	754
<i>Total Nonoperating Revenues (Expenses)</i>	<u>(112,898)</u>	<u>(62,120)</u>
<b>CHANGE IN NET POSITION</b>	(27,370)	(13,686)
<b>NET POSITION, beginning of year</b>	<u>215,033</u>	<u>165,413</u>
<b>NET POSITION, end of year</b>	<u>\$ 187,663</u>	<u>\$ 151,727</u>

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<i><b>G.O. Wastewater Debt Service</b></i>	<i><b>Other Business- type Funds</b></i>	<i><b>Total</b></i>
\$ -	\$ -	\$ 551,318
-	-	116
-	-	551,434
-	-	215,024
-	-	202,448
-	-	417,472
-	-	133,962
-	20,000	40,000
-	(20,000)	(40,000)
304,587	-	304,587
304,587	-	304,587
-	15,150	15,150
-	(45,315)	(201,166)
(170,000)	-	(181,567)
(125,913)	-	(135,238)
(295,913)	(30,165)	(502,821)
639	412	2,776
9,313	(29,753)	(195,458)
9,313	(29,753)	(61,496)
11,097	85,227	476,770
\$ 20,410	\$ 55,474	\$ 415,274

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Aurora, Oregon is governed by an elected mayor and four council members who comprise the City Council. The City Council exercises supervisory responsibilities over City operations, but day-to-day management control is the responsibility of a city recorder. All significant activities and organizations for which the City is financially accountable are included in the basic financial statements.

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

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

*Basic Financial Statements*

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

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

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

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

*Fund financial statements* display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, proprietary or fiduciary. Currently, the City has governmental funds (general, special revenue, and capital projects) and proprietary type funds (enterprise). Major individual governmental funds and proprietary funds are reported as separate columns in the fund financial statements.

**CITY OF AURORA, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2013

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Basis of Presentation*

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

Accounting principles generally accepted in the United States of America set forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures / expenses of either fund category or the government and enterprise combined) for the determination of major funds.

The City reports the following governmental funds as major funds:

*General Fund*

This fund accounts for the basic governmental financial operations of the City. Principal sources of revenues are property taxes, licenses and permits, franchise taxes and State shared revenues. Primary expenditures are for administration, police protection, parks, City Council and municipal court.

*Street/Storm Fund*

Gas tax apportionments received from the State are recorded in this fund. Expenditures are for road construction and maintenance.

*City Hall Building Fund*

This fund accounts for monies set aside by the City for the renovation of the City Hall building.

The following governmental funds are considered nonmajor:

*Park SDC Fund*

This fund was established to account for revenues from park system development charges and to provide for future parks capital improvement projects.

*Park Reserve Fund*

This fund accounts for monies set aside by the City Council and designated for park projects.

*Street/Storm SDC Fund*

This fund was established to account for revenues from street/storm system development charges and to provide for future capital improvements to the street and storm system.

*Street/Storm Reserve Fund*

This fund was established to account for revenues set aside to provide for future street/storm capital improvement projects.

**CITY OF AURORA, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2013

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Basis of Presentation (continued)*

*SPWF Project Maintenance Fund*

This fund was established to account for monies to be used for future payments of the local improvement district loan. Since the loan has been paid off, the money is used for capital outlay related to public works.

Proprietary funds are used to account for the acquisition, operation, maintenance and debt service of the sewer and water systems. These funds are entirely or predominantly self-supported through user charges to customers.

The City reports the following proprietary funds as major funds.

*Water Fund*

Financial activities of the City's water utility are recorded in this fund. Revenues consist primarily of user charges. Expenditures are primarily for operation of the utility and for acquisition of property, plant and equipment.

*Sewer Fund*

Financial activities of the City's sewer utility are recorded in this fund. Revenues consist primarily of user charges. Expenses are primarily for operation of the utility and for acquisition of property, plant and equipment.

*General Obligation Wastewater Bond Fund*

This fund was established to account for revenues set aside for debt service on the general obligation bond and loan repayments. Taxes and interfund transfers are the primary revenues. Payments are for debt service.

The following proprietary funds are considered non-major.

*Water SDC Fund*

This fund was established to account for revenues from water system development charges and to provide for future capital improvements to the water system.

*Water Reserve Fund*

This fund is used to accumulate resources for major repairs and improvements to the water system through transfers from other funds.

*Sewer SDC Fund*

This fund was established to account for revenues from sewer system development charges and to provide for future capital improvements to the sewer system.

**CITY OF AURORA, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2013

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Basis of Presentation (continued)*

*Sewer Reserve Fund*

This fund accumulates resources for major repairs and improvements to the sewer system through transfers from other funds.

*Fund Balance*

In governmental funds, the City's policy is to first apply the expenditure toward restricted fund balance and then to other less-restrictive classifications - committed and then assigned fund balances before using unassigned fund balances.

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

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

Fund balance is reported as committed when the City Council takes formal action that places specific constraints on how the resources may be used. The City Council can modify or rescind the commitment at any time through taking a similar formal action.

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

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

*Definitions of Governmental Fund Types*

The General Fund is used to account for the basic operations of the City, which include general government, public safety, highways and streets, and community development.

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

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

**CITY OF AURORA, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2013

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Measurement Focus and Basis of Accounting*

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

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

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

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

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

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

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

**CITY OF AURORA, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2013

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Measurement Focus and Basis of Accounting (Continued)*

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

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

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

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

*Cash and Cash Equivalents*

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

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

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

Investments in the Local Government Investment Pool are stated at cost, which approximates fair value.

*Property Taxes*

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

*Capital Assets*

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

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

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Long-Term Debt*

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

*Accrued Compensated Absences*

Accumulated unpaid vacation pay is not accrued. Earned but unpaid sick pay is recorded as an expenditure / expense when paid.

*Budget and Budgetary Accounting*

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

*Use of Estimates*

The preparation of basic financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results may differ from those estimates.

**CASH AND CASH EQUIVALENTS**

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

	<i>Carrying Value</i>	<i>Fair Value</i>
<b>Cash</b>	<hr/>	<hr/>
Cash on hand	\$ 400	\$ 400
Deposits with financial institutions	54,959	54,959
Local Government Investment Pool	965,799	965,799
	<hr/>	<hr/>
	\$ 1,021,158	\$ 1,021,158
	<hr/> <hr/>	<hr/> <hr/>

*Deposits*

The City's deposits with various financial institutions had a book value of \$54,959 a bank value of \$78,823 as of June 30, 2013. The difference is due to transactions in process. Bank deposits are secured to legal limits by federal deposit insurance. The remaining amount is secured in accordance with ORS 295 under a collateral program administered by the Oregon State Treasurer.

**CITY OF AURORA, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2013

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**CASH AND CASH EQUIVALENTS (Continued)**

*Custodial Credit Risk - Deposits*

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

*Local Government Investment Pool*

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

*Custodial Credit Risk - Investments*

For an investment, this is the risk that, in the event of a failure of the counterparty, the City will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. The City's investment policy limits the types of investments that may be held and does not allow securities to be held by the counterparty.

The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Commission. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of, or has control of any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short Term Fund Board, which has established diversification percentages and specifies the types and maturities of the investments. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. These investments within the LGIP must be invested and managed as a prudent investor would, exercising reasonable care, skill and caution.

Professional standards indicate that the investments in external investment pools are not subject to custodial risk because they are not evidenced by securities that exist in physical or book entry form. Nevertheless, management does not believe that there is any substantial custodial risk related to investments in the LGIP.

**CITY OF AURORA, OREGON**

*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*

YEAR ENDED JUNE 30, 2013

**CASH AND CASH EQUIVALENTS (Continued)**

*Interest Rate Risk*

In accordance with its investment policy, the City manages its exposure to declines in fair value of its investments by limiting the weighted average maturity of its investments through use of the Local Government Investment Pool.

**LONG-TERM DEBT**

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

	<u>Original Issue</u>	<u>Outstanding July 1, 2012</u>	<u>Issued</u>	<u>Matured/ Redeemed During Year</u>	<u>Outstanding June 30, 2013</u>	<u>Due Within One Year</u>
<i>Business-type activities</i>						
General Obligation Bonds issued May 2009, semi-annual payments with interest from 2.5% to 4.5%	\$ 3,530,000	\$ 3,090,000	\$ -	\$ (170,000)	\$ 2,920,000	\$ 185,000
Safe Drinking Water Revolving Loan Fund Award Contract Loan issued through OECD issued 2011 with interest and principal payments of \$20,892 through 2031 with interest at 3.0%	310,818	310,818	-	(11,567)	299,251	11,914
	<u>\$ 3,840,818</u>	<u>\$ 3,400,818</u>	<u>\$ -</u>	<u>\$ (181,567)</u>	<u>\$ 3,219,251</u>	<u>\$ 196,914</u>

Debt payments on the general obligation bonds are made from the G.O. Wastewater Bond Fund.

Future debt service requirements are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 196,914	\$ 129,791	\$ 326,705
2015	207,272	123,420	330,692
2016	227,640	116,227	343,867
2017	248,019	107,248	355,267
2018	263,410	97,457	360,867
2019-2023	1,638,330	309,430	1,947,760
2024-2028	360,009	31,824	391,833
2029-2032	77,657	5,909	83,566
	<u>\$ 3,219,251</u>	<u>\$ 921,306</u>	<u>\$ 4,140,557</u>

**CITY OF AURORA, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2013

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**PENSION PLAN**

*Plan Description*

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

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

*Funding Policy*

Members of PERS are required to contribute 6.00% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The City is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan, and a general service rate and a police/fire rate for the qualifying employees under the OPSRP plan. The OPERF and the OPSRP rates in effect for the year ended June 30, 2013 were 9.20%, 5.12%, and 7.83%, respectively. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

*Annual Pension Cost*

The City's contribution to PERS for the fiscal years ending June 30, 2011, 2012, and 2013 were \$22,872, \$18,170, and \$19,803, respectively, which equaled the required contributions for the years.

**TRANSFERS**

<i>Fund</i>	<i>Transfers In</i>	<i>Transfers Out</i>
Street/Storm Operating	\$ 9,415	\$ -
Street/Storm SDC	-	9,415
Water	20,000	20,000
Water SDC	-	20,000
Water Reserve	20,000	-
	<u>\$ 49,415</u>	<u>\$ 49,415</u>

**CITY OF AURORA, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2013

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**TRANSFERS (Continued)**

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

**EXPENDITURES IN EXCESS OF APPROPRIATIONS**

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

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

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
<i>Water Reserve</i>			
Capital outlay	\$ 20,000	\$ 25,278	\$ (5,278)

**CONTINGENCIES**

The City purchases commercial insurance to cover all commonly insurable risks, which includes property damage, liability and employee bonds. Most policies carry a small deductible amount. No insurance claims settled in each of the prior three years have exceeded policy coverage.

**NEW PRONOUNCEMENTS**

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

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

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

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

**CITY OF AURORA, OREGON**

*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*

*YEAR ENDED JUNE 30, 2013*

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***NEW PRONOUNCEMENTS (Continued)***

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

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

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

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

***SUBSEQUENT EVENTS***

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

***SUPPLEMENTAL INFORMATION***

**CITY OF AURORA, OREGON**

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

**JUNE 30, 2013**

	<u>Park SDC</u>	<u>Park Reserve</u>	<u>Capital Projects Street / Storm SDC</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 22,424	\$ 1,126	\$ 12,132
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities:</b>	\$ -	\$ -	\$ -
<b>Fund Balance:</b>			
Restricted for:			
Capital outlay	22,424	-	-
Streets	-	-	12,132
Committed to:			
Capital outlay	-	1,126	-
<i>Total Fund Balance</i>	<u>22,424</u>	<u>1,126</u>	<u>12,132</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 22,424</u>	<u>\$ 1,126</u>	<u>\$ 12,132</u>

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<i>Street / Storm Reserve</i>	<i>SPWF Project Maintenance</i>	<i>Total</i>
\$ 32,811	\$ 22,695	\$ 91,188
\$ -	\$ -	\$ -
32,811	22,695	77,930
-	-	12,132
-	-	1,126
32,811	22,695	91,188
\$ 32,811	\$ 22,695	\$ 91,188

**CITY OF AURORA, OREGON**

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

	<b>Capital Projects</b>		
	<b>Park SDC</b>	<b>Park Reserve</b>	<b>Street / Storm SDC</b>
<b>REVENUES</b>			
Licenses and permits	\$ 2,205	\$ -	\$ 4,296
Charges for services	-	-	-
Miscellaneous	116	13	100
<i>Total Revenues</i>	2,321	13	4,396
<b>EXPENDITURES</b>			
Capital outlay	-	3,385	-
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	2,321	(3,372)	4,396
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	-	-	(9,415)
<b>NET CHANGE IN FUND BALANCE</b>	2,321	(3,372)	(5,019)
<b>FUND BALANCE, beginning of year</b>	20,103	4,498	17,151
<b>FUND BALANCE, end of year</b>	\$ 22,424	\$ 1,126	\$ 12,132

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<i>Street / Storm Reserve</i>	<i>SPWF Project Maintenance</i>	<i>Total</i>
\$ -	\$ 737	\$ 7,238
13,235	-	13,235
206	118	553
13,441	855	21,026
15,586	-	18,971
(2,145)	855	2,055
-	-	(9,415)
(2,145)	855	(7,360)
34,956	21,840	98,548
<u>\$ 32,811</u>	<u>\$ 22,695</u>	<u>\$ 91,188</u>

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

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Taxes and assessments	\$ 215,845	\$ 215,345	\$ 228,037	\$ 12,692
Fines and forfeitures	150,100	36,030	59,872	23,842
Licenses and permits	80,100	99,600	85,599	(14,001)
Intergovernmental	31,294	22,754	22,334	(420)
Miscellaneous	29,300	41,737	38,006	(3,731)
<i>Total Revenues</i>	<u>506,639</u>	<u>415,466</u>	<u>433,848</u>	<u>18,382</u>
<b>EXPENDITURES</b>				
Personal services	232,764	137,767	126,079	11,688
Materials and services	284,460	307,129	227,744	79,385
Capital outlay	40,900	7,406	4,538	2,868
Contingency	100,447	174,198	-	174,198
<i>Total Expenditures</i>	<u>658,571</u>	<u>626,500</u>	<u>358,361</u>	<u>268,139</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(151,932)	(211,034)	75,487	286,521
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(3,000)	(3,000)	-	3,000
<b>NET CHANGE IN FUND BALANCE</b>	(154,932)	(214,034)	75,487	289,521
<b>FUND BALANCE, beginning of year</b>	<u>154,932</u>	<u>214,034</u>	<u>214,034</u>	<u>-</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 289,521</u>	<u>\$ 289,521</u>

**CITY OF AURORA, OREGON**

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

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Charges for services	\$ 19,745	\$ 19,745	\$ 20,003	\$ 258
Intergovernmental	101,612	51,612	50,513	(1,099)
Miscellaneous	250	250	619	369
<i>Total Revenues</i>	121,607	71,607	71,135	(472)
<b>EXPENDITURES</b>				
Personal services	24,280	23,477	21,900	1,577
Materials and services	44,300	45,567	36,964	8,603
Capital outlay	68,581	18,915	11,404	7,511
Contingency	82,425	92,181	-	92,181
<i>Total Expenditures</i>	219,586	180,140	70,268	109,872
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(97,979)	(108,533)	867	109,400
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	9,415	9,415	9,415	-
<b>NET CHANGE IN FUND BALANCE</b>	(88,564)	(99,118)	10,282	109,400
<b>FUND BALANCE, beginning of year</b>	88,564	99,118	99,118	-
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 109,400	\$ 109,400

**CITY OF AURORA, OREGON**

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

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Fines and forfeitures	\$ -	\$ -	\$ 3,615	\$ 3,615
Licenses and permits	3,000	3,000	1,460	(1,540)
Miscellaneous	200	200	602	402
<i>Total Revenues</i>	3,200	3,200	5,677	2,477
<b>EXPENDITURES</b>				
Personal services	1,000	1,000	-	1,000
Capital outlay	112,108	112,108	-	112,108
<i>Total Expenditures</i>	113,108	113,108	-	113,108
<b>NET CHANGE IN FUND BALANCE</b>	(109,908)	(109,908)	5,677	115,585
<b>FUND BALANCE, beginning of year</b>	109,908	109,908	110,098	190
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 115,775	\$ 115,775

**CITY OF AURORA, OREGON**

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

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Licenses and permits	\$ 4,410	\$ 4,410	\$ 2,205	\$ (2,205)
Miscellaneous	-	-	116	116
<i>Total Revenues</i>	4,410	4,410	2,321	(2,089)
<b>EXPENDITURES</b>				
Capital outlay	24,497	24,497	-	24,497
<b>NET CHANGE IN FUND BALANCE</b>	(20,087)	(20,087)	2,321	22,408
<b>FUND BALANCE, beginning of year</b>	20,087	20,087	20,103	16
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 22,424	\$ 22,424

**CITY OF AURORA, OREGON**

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

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	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ -	\$ 13	\$ 13
<b>EXPENDITURES</b>				
Capital outlay	7,506	7,506	3,385	4,121
<b>NET CHANGE IN FUND BALANCE</b>	(7,506)	(7,506)	(3,372)	4,134
<b>FUND BALANCE, beginning of year</b>	7,506	7,506	4,498	(3,008)
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 1,126	\$ 1,126

**CITY OF AURORA, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
(MODIFIED CASH BASIS) - BUDGET AND ACTUAL – STREET/STORM SDC FUND  
YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Licenses and permits	\$ 5,800	\$ 5,800	\$ 4,296	\$ (1,504)
Miscellaneous	50	50	100	50
<i>Total Revenues</i>	5,850	5,850	4,396	(1,454)
<b>EXPENDITURES</b>				
Capital outlay	13,573	13,573	-	13,573
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(7,723)	(7,723)	4,396	12,119
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(9,415)	(9,415)	(9,415)	-
<b>NET CHANGE IN FUND BALANCE</b>	(17,138)	(17,138)	(5,019)	12,119
<b>FUND BALANCE, beginning of year</b>	17,138	17,138	17,151	13
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 12,132	\$ 12,132

**CITY OF AURORA, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
(MODIFIED CASH BASIS) - BUDGET AND ACTUAL – STREET/STORM RESERVE FUND  
YEAR ENDED JUNE 30, 2013**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Charges for services	\$ 12,990	\$ 12,990	\$ 13,235	\$ 245
Miscellaneous	60	60	206	146
<i>Total Revenues</i>	13,050	13,050	13,441	391
<b>EXPENDITURES</b>				
Capital outlay	49,231	49,231	15,586	33,645
<b>NET CHANGE IN FUND BALANCE</b>	(36,181)	(36,181)	(2,145)	34,036
<b>FUND BALANCE, beginning of year</b>	36,181	36,181	34,956	(1,225)
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 32,811	\$ 32,811

**CITY OF AURORA, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**(MODIFIED CASH BASIS) - BUDGET AND ACTUAL – SPWF PROJECT MAINTENANCE FUND**

**YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Licenses and permits	736	736	737	1
Miscellaneous	-	-	118	118
<i>Total Revenues</i>	736	736	855	119
<b>EXPENDITURES</b>				
Materials and services	22,560	22,560	-	22,560
<b>NET CHANGE IN FUND BALANCE</b>	(21,824)	(21,824)	855	22,679
<b>FUND BALANCE, beginning of year</b>	21,824	21,824	21,840	16
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 22,695	\$ 22,695

**CITY OF AURORA, OREGON**

COMBINING STATEMENT OF NET POSITION (MODIFIED CASH BASIS) –

NONMAJOR ENTERPRISE FUNDS

JUNE 30, 2013

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	<u>Water SDC</u>	<u>Water Reserve</u>	<u>Sewer SDC</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 23,134	\$ 6,509	\$ 20,379
<b>LIABILITIES</b>	-	-	-
<b>NET POSITION:</b>			
Restricted for:			
Construction	23,134	-	20,379
Unrestricted	-	6,509	-
<i>Total Net Position</i>	<u>\$ 23,134</u>	<u>\$ 6,509</u>	<u>\$ 20,379</u>

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<u>Sewer Reserve</u>	<u>Total</u>
\$ 5,452	\$ 55,474
-	-
-	43,513
5,452	11,961
<u>\$ 5,452</u>	<u>\$ 55,474</u>

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

	<u>Water SDC</u>	<u>Water Reserve</u>	<u>Sewer SDC</u>
<b>OPERATING REVENUES</b>	\$ -	\$ -	\$ -
<b>OPERATING EXPENSES</b>	-	-	-
<b>OPERATING INCOME</b>	-	-	-
<b>NONOPERATING REVENUES (EXPENSES)</b>			
<b>Noncapital Financing Revenues (Expenses)</b>			
Transfers in	-	20,000	-
Transfers out	(20,000)	-	-
<b>Total Noncapital Financing Revenues (Expenses)</b>	(20,000)	20,000	-
<b>Capital Financing Revenues (Expenses)</b>			
Capital contributions	11,086	-	4,064
Capital outlay	(20,037)	(25,278)	-
<b>Total Capital Financing Revenues (Expenses)</b>	(8,951)	(25,278)	4,064
<b>Investing Revenues</b>	211	77	96
<b>Total Nonoperating Revenues (Expenses)</b>	(28,740)	(5,201)	4,160
<b>CHANGE IN NET POSITION</b>	(28,740)	(5,201)	4,160
<b>NET POSITION, beginning of year</b>	51,874	11,710	16,219
<b>NET POSITION, end of year</b>	\$ 23,134	\$ 6,509	\$ 20,379

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<u>Sewer Reserve</u>	<u>Total</u>
\$ -	\$ -
-	-
-	-
-	20,000
-	(20,000)
-	-
-	15,150
-	(45,315)
-	(30,165)
28	412
28	(29,753)
28	(29,753)
5,424	85,227
<u>\$ 5,452</u>	<u>\$ 55,474</u>

**CITY OF AURORA, OREGON**

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

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Charges for services	\$ 274,467	\$ 274,467	\$ 283,478	\$ 9,011
Miscellaneous	-	-	116	116
Interest earnings	600	600	971	371
<i>Total Revenues</i>	<i>275,067</i>	<i>275,067</i>	<i>284,565</i>	<i>9,498</i>
<b>EXPENDITURES</b>				
Personal services	116,144	116,080	108,030	8,050
Materials and services	111,200	113,809	90,036	23,773
Debt service				
Principal	-	11,567	11,567	-
Interest	23,500	9,325	9,325	-
Capital outlay	93,200	104,858	92,977	11,881
Contingency	147,532	134,676	-	134,676
<i>Total Expenditures</i>	<i>491,576</i>	<i>490,315</i>	<i>311,935</i>	<i>178,380</i>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(216,509)	(215,248)	(27,370)	187,878
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	20,000	20,000	20,000	-
Transfers out	(20,000)	(20,000)	(20,000)	-
<i>Total Other Financing Sources and Uses</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>CHANGE IN FUND BALANCE</b>	(216,509)	(215,248)	(27,370)	187,878
<b>FUND BALANCE, beginning of year</b>	216,509	215,248	215,033	(215)
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 187,663	\$ 187,663

**CITY OF AURORA, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - SEWER FUND**

**YEAR ENDED JUNE 30, 2013**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Charges for services	\$ 264,996	\$ 264,996	\$ 267,840	\$ 2,844
Interest earnings	300	300	754	454
<i>Total Revenues</i>	265,296	265,296	268,594	3,298
<b>EXPENDITURES</b>				
Personal services	116,493	114,660	106,994	7,666
Materials and services	126,725	127,108	112,412	14,696
Capital outlay	63,180	63,880	62,874	1,006
Contingency	98,963	125,262	-	125,262
<i>Total Expenditures</i>	405,361	430,910	282,280	148,630
<b>CHANGE IN FUND BALANCE</b>	(140,065)	(165,614)	(13,686)	151,928
<b>FUND BALANCE, beginning of year</b>	140,065	165,614	165,413	(201)
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 151,727	\$ 151,727

**CITY OF AURORA, OREGON**

*SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE*

*(MODIFIED CASH BASIS) - BUDGET AND ACTUAL – GENERAL OBLIGATION WASTEWATER BOND FUND  
YEAR ENDED JUNE 30, 2013*

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Taxes and assessments	\$ 295,278	\$ 295,278	\$ 304,587	\$ 9,309
Interest earnings	250	250	639	389
<i>Total Revenues</i>	295,528	295,528	305,226	9,698
<b>EXPENDITURES</b>				
Debt service				
Principal	170,000	170,000	170,000	-
Interest	125,913	125,913	125,913	-
<i>Total Expenditures</i>	295,913	295,913	295,913	-
<b>CHANGE IN FUND BALANCE</b>	(385)	(385)	9,313	9,698
<b>FUND BALANCE, beginning of year</b>	10,385	10,385	11,097	712
<b>FUND BALANCE, end of year</b>	\$ 10,000	\$ 10,000	\$ 20,410	\$ 10,410

**CITY OF AURORA, OREGON**

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

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Licenses and permits	\$ 18,480	\$ 18,480	\$ 11,086	\$ (7,394)
Interest earnings	-	90	211	121
<i>Total Revenues</i>	18,480	18,570	11,297	(7,273)
<b>EXPENDITURES</b>				
Capital outlay	50,316	50,444	20,037	30,407
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(31,836)	(31,874)	(8,740)	23,134
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(20,000)	(20,000)	(20,000)	-
<b>CHANGE IN FUND BALANCE</b>	(51,836)	(51,874)	(28,740)	23,134
<b>FUND BALANCE, beginning of year</b>	51,836	51,874	51,874	-
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 23,134	\$ 23,134

**CITY OF AURORA, OREGON**

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

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Interest earnings	\$ -	\$ -	\$ 77	\$ 77
<b>EXPENDITURES</b>				
Materials and services	11,690	11,690	-	11,690
Capital outlay	20,000	20,000	25,278	(5,278)
<i>Total Expenditures</i>	<u>31,690</u>	<u>31,690</u>	<u>25,278</u>	<u>6,412</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(31,690)	(31,690)	(25,201)	6,489
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
<b>CHANGE IN FUND BALANCE</b>	(11,690)	(11,690)	(5,201)	6,489
<b>FUND BALANCE, beginning of year</b>	<u>11,690</u>	<u>11,690</u>	<u>11,710</u>	<u>20</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,509</u>	<u>\$ 6,509</u>

**CITY OF AURORA, OREGON**

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

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Licenses and permits	\$ 4,064	\$ 4,064	\$ 4,064	\$ -
Interest earnings	100	100	96	(4)
<i>Total Revenues</i>	4,164	4,164	4,160	(4)
<b>EXPENDITURES</b>				
Capital outlay	20,372	20,372	-	20,372
<b>CHANGE IN FUND BALANCE</b>	(16,208)	(16,208)	4,160	20,368
<b>FUND BALANCE, beginning of year</b>	16,208	16,208	16,219	11
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 20,379	\$ 20,379

**CITY OF AURORA, OREGON**

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

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	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Interest earnings	\$ 25	\$ 25	\$ 28	\$ 3
<b>EXPENDITURES</b>				
Capital outlay	5,448	5,448	-	5,448
<b>CHANGE IN FUND BALANCE</b>	(5,423)	(5,423)	28	5,451
<b>FUND BALANCE, beginning of year</b>	5,423	5,423	5,424	1
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 5,452	\$ 5,452

***OTHER SCHEDULES***

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

<b>Tax Year</b>	<b>Uncollected Balance July 1, 2012</b>	<b>2012-2013 Levy</b>	<b>Added To Rolls</b>	<b>Interest, Discounts &amp; Adjustments</b>	<b>Turnovers</b>	<b>Uncollected Balance June 30, 2013</b>
2012-2013	\$ -	\$ 545,846	\$ 178	\$ (16,223)	\$ (511,009)	\$ 18,792
2011-2012	18,856	-	-	(844)	(8,774)	9,238
2010-2011	59,486	-	5	(1,700)	(22,720)	35,071
2009-2010	5,576	-	-	(277)	(3,415)	1,884
2008-2009	2,222	-	-	(22)	(1,544)	656
2007-2008	510	-	-	(23)	(112)	375
2006-2007	303	-	-	(14)	(45)	244
Prior Years	751	-	-	(12)	(49)	690
<b>Total</b>	<b>\$ 87,704</b>	<b>\$ 545,846</b>	<b>\$ 183</b>	<b>\$ (19,115)</b>	<b>\$ (547,668)</b>	<b>\$ 66,950</b>

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

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	<u><i>Interest Rates</i></u>	<u><i>Date of Issue</i></u>	<u><i>Fiscal Year of Maturity</i></u>
<b><i>PRINCIPAL TRANSACTIONS</i></b>			
<i>Business-type activities</i>			
Safe Drinking Water Revolving Loan OECD 2011	3.00%	2011	2031-32
General Obligation Bonds Bonds 2009	4.7%-5.6%	2009	2023-24
			<i>Unmatured Interest July 1, 2012</i>
<b><i>INTEREST TRANSACTIONS</i></b>			
<i>Business-type activities</i>			
Safe Drinking Water Revolving Loan OECD 2011	3.00%	2011	\$ 107,019
General Obligation Bonds Bonds 2009	4.7%-5.6%	2009	949,525
			<u>\$ 1,056,544</u>

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<i>Outstanding July 1, 2012</i>	<i>Issued</i>	<i>Paid</i>	<i>Outstanding June 30, 2013</i>
\$ 310,818	\$ -	\$ (11,567)	\$ 299,251
3,090,000	-	(170,000)	2,920,000
<u>\$ 3,400,818</u>	<u>\$ -</u>	<u>\$ (181,567)</u>	<u>\$ 3,219,251</u>

<i>New Issues</i>	<i>Interest Paid</i>	<i>Unmatured Interest June 30, 2013</i>
\$ -	\$ (9,325)	\$ 97,694
-	(125,913)	823,612
<u>\$ -</u>	<u>\$ (135,238)</u>	<u>\$ 921,306</u>

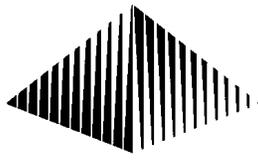
**CITY OF AURORA, OREGON**  
**SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS**  
**JUNE 30, 2013**

<i>Fiscal Year</i> <i>Ending</i> <i>June 30,</i>	<i>Safe Drinking Water OECDD Loan 2011</i>			<i>GO Bond 2009</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2014	\$ 11,914	\$ 8,978	\$ 20,892	\$ 185,000	\$ 120,813	\$ 305,813
2015	12,272	8,620	20,892	195,000	114,800	309,800
2016	12,640	8,252	20,892	215,000	107,975	322,975
2017	13,019	7,873	20,892	235,000	99,375	334,375
2018	13,410	7,482	20,892	250,000	89,975	339,975
2019	13,812	7,080	20,892	270,000	79,975	349,975
2020	14,226	6,666	20,892	295,000	69,175	364,175
2021	14,653	6,239	20,892	310,000	57,375	367,375
2022	15,093	5,799	20,892	335,000	43,425	378,425
2023	15,546	5,346	20,892	355,000	28,350	383,350
2024	16,012	4,880	20,892	275,000	12,374	287,374
2025	16,492	4,400	20,892	-	-	-
2026	16,987	3,905	20,892	-	-	-
2027	17,497	3,395	20,891	-	-	-
2028	18,021	2,870	20,892	-	-	-
2029	18,562	2,330	20,892	-	-	-
2030	19,119	1,773	20,892	-	-	-
2031	19,693	1,199	20,890	-	-	-
2032	20,283	607	-	-	-	-
	<u>\$ 299,251</u>	<u>\$ 97,694</u>	<u>\$ 396,945</u>	<u>\$ 2,920,000</u>	<u>\$ 823,612</u>	<u>\$ 3,743,612</u>

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<i>Totals</i>		
<i>Principal</i>	<i>Interest</i>	<i>Total</i>
\$ 196,914	\$ 129,791	\$ 326,705
207,272	123,420	330,692
227,640	116,227	343,867
248,019	107,248	355,267
263,410	97,457	360,867
283,812	87,055	370,867
309,226	75,841	385,067
324,653	63,614	388,267
350,093	49,224	399,317
370,546	33,696	404,242
291,012	17,254	308,266
16,492	4,400	20,892
16,987	3,905	20,892
17,497	3,395	20,892
18,021	2,870	20,891
18,562	2,330	20,892
19,119	1,773	20,892
19,693	1,199	20,892
20,283	607	20,890
\$ 3,219,251	\$ 921,306	\$ 4,140,557

***REGULATORY SECTION***



## **GROVE, MUELLER & SWANK, P.C.**

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

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

Honorable Mayor and Council Members  
City of Aurora  
21420 Main Street NE  
Aurora, Oregon 97002

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Aurora, Oregon as of and for the year ended June 30, 2013, and have issued our report thereon dated \*\*\*, 2013.

#### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City of Aurora, Oregon's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

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

- The City had overexpenditures of appropriations as noted in the notes to the financial statements.
- Some budgeted transfers out were not budgeted as resources in other funds.
- The excess of actual revenues over actual expenditures in second preceding year do not equal the beginning balance in first preceding year. This occurred across multiple funds.
- Budgeted amounts for the OECDD loan does not report principal and interest payments separately
- Debts service for the OECDD loan was budgeted as capital outlay instead of debt service.
- The amounts reported as Requirements by Object Classification on the LB-1 do not agree with the adopted amounts per the council resolution.
- The City does not maintain an annual accounting of SDC's by project.
- The City does not maintain adequate capital assets and depreciation records.

***OAR 162-10-0230 - Internal Control Over Financial Reporting***

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

We noted certain matters that we reported to management of the City, in a separate letter dated \*\*\*\*\*, 2013.

***Restriction on Use***

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

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

By: \_\_\_\_\_  
Thomas E. Glogau, A Shareholder  
\*\*, 2013

**AURORA COLONY VISITORS ASSOCIATION  
P.O. Box 86 AURORA, OREGON 97002  
(503)939-0312**

December 31, 2013

Aurora City Council

Re: State Revenue Sharing Funds for Landscape Right-of-way Areas

Dear Friends,

The visitors association is again applying for revenue sharing funds for the balance of the fiscal 2013-14 year for the purpose of resuming care of state and county right of way areas for landscaping and weed control within the city limits.

Enclosed is a budget for action from January through June, 2014. There is some catchup work to do this winter and spring due to the missed pruning of plantings last fall and a planned June "big weed" will allow us to have the large areas in shape for the beginning of summer.

Also enclosed is a draft letter to properties abutting the highway, reminding them that they, like all others within the city including residences, are to keep up the right-of-way areas in front of their properties. In fairness to other commercial properties in town, ALL commercial properties should be maintained by owners/tenants, not the city. (The enclosed budget takes this into account, only maintaining two properties on the south highway area which are residential and front onto Main Street.) We believe that by reminding (and prodding if necessary) the two or three properties along this area who have ignored their plantings in the past, they will come around to keep up regular maintenance.

Thank you for your consideration of this request. The past couple of months have had noticeable debris left along the roadsides as well as overgrown (and illegally high) plantings that were not trimmed last fall. As we head into spring, weeds will become significant and be a blight to the town. In the past volunteer maintenance efforts, with the exceptions of special events such as the initial grant project plantings and recent daffodil planting parties, have failed. It is imperative to have a minimum professional maintenance plan in place.

Yours truly,

Jan Peel  
Karen Townsend  
ACVA Directors

2014 Landscape Grant ACVA

Annual Schedule and Budget

Big June weed – Nagl point, 4 islands, Mill Cr bridge area, Lower Main Street sidewalk, corner 2 <sup>nd</sup> /99E	\$ 975
Weed chemicals	125
Pruning	100
Spring – catching low bows over walkways only - 4 hr	
Trimming hedge near restroom 3 hr	
Seasonally	
Lavender Island: check periodically for debris	
Big Islands ( 2 at Main Street)	200
Weed, check for debris/deadhead blooms	
Winter 8 hr	
Spring 13 6 hr	
South 99E (2 lots only, non-business)	100
Weed, check for debris, deadhead blooms	
Winter 2 hr	
Spring 4 hr	
	<hr/>
	\$1500

Re: Highway and City Street Sidewalk Areas

Dear tenants and property owners,

This is a reminder that with the growing season upon us, each property maintains the sidewalk area abutting the streets at their property. This includes residences throughout the city as well as business properties.

The state and county do not maintain their right-of-way areas within the city limits. The Aurora Colony Visitors Association has been receiving a modest state revenue sharing grant for the last few years to maintain the areas not bordered by private properties such as the islands, large northeast entrance and Mill Creek bridge areas.

If you are located on the recently constructed Hwy 99E sidewalk south of 3<sup>rd</sup> Street, you have an area planted with drought-hardy plantings that are designed to eventually keep weeding to a minimum. Please keep these areas regularly weeded so that the plants will fill in. Any watering that you can do during the driest months will encourage the ground covers to fill in faster. Do not plant additional items as the whole strip has been carefully designed to be a visual enhancement and traffic calming feature.

Some areas along the highway have no formal plantings and businesses there are encouraged to either keep weeds/grass cut or consider low maintenance plantings. The visitors association may be able to help you with the purchase of plantings.

If you have questions about the area in front of your business, please call city hall and a representative from the visitors association will address your concerns. The city's appearance encourages commerce as well as fostering civic pride. Thank you for your attention to this.

Yours truly,

Public works admin.