

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CITY OF PORTLAND
JAY COUNTY, INDIANA

January 1, 2013 to December 31, 2013



FILED
07/25/2014

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Michele R. Pensinger	01-01-12 to 12-31-15
Mayor	Randy D. Geesaman	01-01-12 to 12-31-15
President of the Board of Public Works and Safety	Randy D. Geesaman	01-01-12 to 12-31-15
President Pro Tempore of the Common Council	William E. Gibson	01-01-13 to 12-31-14



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CITY OF PORTLAND, JAY COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the City of Portland (City), which comprises the financial position and results of operations for the year ended December 31, 2013, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, 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 statement 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 statement.

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the City prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the City for the year ended December 31, 2013.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the City for the year ended December 31, 2013, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 24, 2014, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.


Accompanying Information

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.


Paul D. Joyce, CPA
State Examiner

June 24, 2014



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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

TO: THE OFFICIALS OF THE CITY OF PORTLAND, JAY COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the City of Portland (City), which comprises the financial position and results of operations for the year ended December 31, 2013, and the related notes to the financial statement, and have issued our report thereon dated June 24, 2014, wherein we noted the City followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, 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.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.


INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

June 24, 2014

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the City. The financial statement and notes are presented as intended by the City.

CITY OF PORTLAND
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2013

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
General	\$ 1,434,501	\$ 3,019,862	\$ 2,664,324	\$ 1,790,039
Motor Vehicle Highway	309,385	1,076,266	1,105,088	280,563
Local Road and Street	18,974	22,747	34,647	7,074
Aviation	131,123	194,106	168,452	156,777
Parking Meter	34,206	-	34,206	-
Economic Development Operating	1,157,562	243,553	1,044,409	356,706
Building Demolition	59,745	10,000	-	69,745
Court Clerk's Record Perpetuation	16,143	2,198	2,375	15,966
Court Deferral Program	732	8,157	8,717	172
Riverboat Wagering Tax Revenue	236,444	36,864	-	273,308
Drug Free Community	3,776	3,611	3,422	3,965
Parks and Recreation	195,861	228,845	181,313	243,393
User Fee-Court Continuing Education	314	4,120	4,112	322
Court Pretrial Diversion	110	218	328	-
Rainy Day	274,188	186,055	-	460,243
Levy Excess	22,685	-	22,685	-
TIF 2007 Allocation	679,769	322,862	284,658	717,973
Cumulative Capital Improvement	141,161	16,705	-	157,866
Cumulative Capital Development	303,181	337,515	38,835	601,861
Cumulative Capital	696,065	104,510	230,711	569,864
General Improvement	50,000	-	50,000	-
Police Pension	88,095	59,056	59,557	87,594
Fire Pension	191,974	128,992	130,004	190,962
Christmas Party Donation	-	940	646	294
Airport Improvement Project 3-18-0068-09	128,904	3,627	132,531	-
Airport Fuel Construct 3-18-0068-10	-	130,855	130,855	-
Park Bond and Interest	91,689	-	86,158	5,531
Cash Change and Petty Cash	1,175	-	-	1,175
Bulletproof Vest Program	1,262	-	1,167	95
Smoke Detector Donation	3,785	-	878	2,907
Recycling	16,756	116,517	113,867	19,406
Park Donation	205	-	-	205
DARE Donation	18,979	3,500	2,471	20,008
TIF 2007 Debt Service Reserve	191,386	356	-	191,742
Hudson Family Park Donation	12,552	-	10,000	2,552
TIF 2007 Bond and Interest	210,695	150,491	137,975	223,211
TIF 2007 Construction	-	134,658	126,500	8,158
LOIT-Public Safety	401,512	169,337	51,456	519,393
Revolving Loan	21,483	45,991	16,835	50,639
Park Concessions	9,632	3,195	2,556	10,271
Mayor's Annual Golf Outing	-	11,200	11,200	-
Police Continuing Education	20,262	7,158	12,725	14,695
Trading Card	71	-	-	71
Portland Forfeiture	2,420	2,426	2,500	2,346
Fire Department Investigative	5,471	3,850	1,524	7,797

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

CITY OF PORTLAND
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
Sidewalk Reconstruction	27,188	-	-	27,188
Hudson Family Park	184	-	-	184
Pre 1977 Pension Non-Reverting	119,549	-	102,957	16,592
Court Costs Due County	1,056	16,446	16,490	1,012
Insurance Surplus Non-Reverting	896,873	1,029	276,543	621,359
Portland City Court	10,315	185,752	182,089	13,978
Criminal Investigative	5,321	2,985	5,087	3,219
Self Insurance	397,144	1,051,564	980,150	468,558
Downtown Facade Program	50,656	-	7,887	42,769
Aviation Fuel	55,550	274,878	270,722	59,706
Portland Housing Authority	149	16,253	16,253	149
Local Match Boundary Pike/Wayne Street	101,529	319	101,848	-
Alternative West Side Sewer Project	-	745,324	-	745,324
Fed Disaster Rec Dr 2-09-207	-	3,500	3,500	-
Portland Fire Dept Non Rev. Equipment	-	54,200	-	54,200
Payroll	-	140	140	-
Payroll Federal Withholding	-	286,209	286,209	-
Payroll FICA/SS Withholding	-	195,168	195,168	-
Payroll Medicare Withholding	-	68,996	68,996	-
Payroll State Withholding	-	90,811	90,811	-
Payroll County Withholding	-	60,235	60,235	-
Payroll PERF	-	72,995	72,995	-
Payroll Police Pension	-	25,688	25,688	-
Payroll Fire Pension	-	17,344	17,344	-
Payroll AFLAC/AFLAC Tax	-	12,598	12,598	-
Payroll Direct Deposit	-	1,859,878	1,859,878	-
Payroll Allianz	-	390	390	-
Payroll Child Support	-	9,623	9,623	-
Payroll Dental Insurance	-	2,011	2,011	-
Payroll Garnishment	-	6,645	6,645	-
Payroll United Way	-	1,277	1,277	-
Payroll Benicomp	-	48,220	48,220	-
Wastewater Utility Debt Service Reserve	430,938	-	-	430,938
Wastewater Utility Construction	-	5,561,493	5,561,493	-
Wastewater Utility Bond and Interest	26,795	352,192	294,945	84,042
Peterson Construction Escrow	34,127	71,219	105,346	-
Brackney Inc Escrow	-	112,517	-	112,517
Wastewater Utility Operating	1,907,610	2,231,509	2,188,345	1,950,774
Wastewater Utility Depreciation	369,434	413,609	484,122	298,921
Water Utility Operating	2,835,120	1,573,435	1,200,531	3,208,024
Water Utility Improvement	823,513	105,216	123,658	805,071
Water Utility Meter Deposits	200,513	30,109	24,768	205,854
Totals	<u>\$ 15,477,797</u>	<u>\$ 22,352,120</u>	<u>\$ 21,614,649</u>	<u>\$ 16,215,268</u>

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

CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The City was established under the laws of the State of Indiana. The City operates under a Council-Mayor form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, storm water, trash, and urban redevelopment and housing.

The accompanying financial statement presents the financial information for the City.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the City.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENT
(Continued)

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution, or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the City. It includes all expenditures for the reduction of the principal and interest of the City's general obligation indebtedness.

CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENT
(Continued)

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The City may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the City. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the City. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the City in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the City submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the City in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the City to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The City may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the City to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the City authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
1 North Capitol Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

B. 1925 Police Officers' Pension Plan

Plan Description

The 1925 Police Officers' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute.

On Behalf Payments

The 1925 Police Officers' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

C. 1937 Firefighters' Pension Plan

Plan Description

The 1937 Firefighters' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute.

On Behalf Payments

The 1937 Firefighters' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

CITY OF PORTLAND
NOTES TO FINANCIAL STATEMENT
(Continued)

D. 1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
1 North Capitol Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy

The contribution requirements of plan members and the City are established by the Board of Trustees of INPRS.

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SUPPLEMENTARY INFORMATION - UNAUDITED

For additional financial information, the City's Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Report of the City which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was approved by management of the City. It is presented as intended by the City.

CITY OF PORTLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013

	General	Motor Vehicle Highway	Local Road and Street	Aviation	Parking Meter
Cash and investments - beginning	\$ 1,434,501	\$ 309,385	\$ 18,974	\$ 131,123	\$ 34,206
Receipts:					
Taxes	1,438,745	662,446	-	148,303	-
Licenses and permits	78,315	-	-	-	-
Intergovernmental	1,315,552	255,634	22,747	9,299	-
Charges for services	70,242	6,086	-	28,534	-
Fines and forfeits	30,445	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	86,563	152,100	-	7,970	-
Total receipts	<u>3,019,862</u>	<u>1,076,266</u>	<u>22,747</u>	<u>194,106</u>	<u>-</u>
Disbursements:					
Personal services	1,857,412	414,117	-	30,980	-
Supplies	85,824	50,172	-	158	-
Other services and charges	575,000	332,922	34,647	133,990	-
Debt service - principal and interest	30,608	-	-	-	-
Capital outlay	79,755	157,877	-	3,134	-
Utility operating expenses	-	-	-	-	-
Other disbursements	35,725	150,000	-	190	34,206
Total disbursements	<u>2,664,324</u>	<u>1,105,088</u>	<u>34,647</u>	<u>168,452</u>	<u>34,206</u>
Excess (deficiency) of receipts over (under) disbursements	<u>355,538</u>	<u>(28,822)</u>	<u>(11,900)</u>	<u>25,654</u>	<u>(34,206)</u>
Cash and investments - ending	<u>\$ 1,790,039</u>	<u>\$ 280,563</u>	<u>\$ 7,074</u>	<u>\$ 156,777</u>	<u>\$ -</u>

CITY OF PORTLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Economic Development Operating	Building Demolition	Court Clerk's Record Perpetuation	Court Deferral Program	Riverboat Wagering Tax Revenue
Cash and investments - beginning	\$ 1,157,562	\$ 59,745	\$ 16,143	\$ 732	\$ 236,444
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	200,556	-	-	-	36,864
Charges for services	21,450	-	-	-	-
Fines and forfeits	-	-	2,198	8,157	-
Utility fees	-	-	-	-	-
Other receipts	21,547	10,000	-	-	-
Total receipts	<u>243,553</u>	<u>10,000</u>	<u>2,198</u>	<u>8,157</u>	<u>36,864</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	991,151	-	2,375	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	53,258	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	8,717	-
Total disbursements	<u>1,044,409</u>	<u>-</u>	<u>2,375</u>	<u>8,717</u>	<u>-</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(800,856)</u>	<u>10,000</u>	<u>(177)</u>	<u>(560)</u>	<u>36,864</u>
Cash and investments - ending	<u>\$ 356,706</u>	<u>\$ 69,745</u>	<u>\$ 15,966</u>	<u>\$ 172</u>	<u>\$ 273,308</u>

CITY OF PORTLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Drug Free Community	Parks and Recreation	User Fee-Court Continuing Education	Court Pretrial Diversion	Rainy Day
Cash and investments - beginning	\$ 3,776	\$ 195,861	\$ 314	\$ 110	\$ 274,188
Receipts:					
Taxes	-	183,706	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	11,519	-	-	-
Charges for services	-	29,551	-	-	-
Fines and forfeits	-	-	4,120	218	-
Utility fees	-	-	-	-	-
Other receipts	3,611	4,069	-	-	186,055
Total receipts	<u>3,611</u>	<u>228,845</u>	<u>4,120</u>	<u>218</u>	<u>186,055</u>
Disbursements:					
Personal services	-	40,639	-	-	-
Supplies	-	32,987	-	-	-
Other services and charges	-	67,662	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	3,422	39,225	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	800	4,112	328	-
Total disbursements	<u>3,422</u>	<u>181,313</u>	<u>4,112</u>	<u>328</u>	<u>-</u>
Excess (deficiency) of receipts over (under) disbursements	<u>189</u>	<u>47,532</u>	<u>8</u>	<u>(110)</u>	<u>186,055</u>
Cash and investments - ending	<u>\$ 3,965</u>	<u>\$ 243,393</u>	<u>\$ 322</u>	<u>\$ -</u>	<u>\$ 460,243</u>

CITY OF PORTLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Levy Excess	TIF 2007 Allocation	Cumulative Capital Improvement	Cumulative Capital Development	Cumulative Capital
Cash and investments - beginning	\$ 22,685	\$ 679,769	\$ 141,161	\$ 303,181	\$ 696,065
Receipts:					
Taxes	-	321,733	-	73,168	98,344
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	16,705	4,588	6,166
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	-	1,129	-	259,759	-
Total receipts	<u>-</u>	<u>322,862</u>	<u>16,705</u>	<u>337,515</u>	<u>104,510</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	15,724	50,000
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	23,111	180,711
Utility operating expenses	-	-	-	-	-
Other disbursements	22,685	284,658	-	-	-
Total disbursements	<u>22,685</u>	<u>284,658</u>	<u>-</u>	<u>38,835</u>	<u>230,711</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(22,685)</u>	<u>38,204</u>	<u>16,705</u>	<u>298,680</u>	<u>(126,201)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 717,973</u>	<u>\$ 157,866</u>	<u>\$ 601,861</u>	<u>\$ 569,864</u>

CITY OF PORTLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	<u>General Improvement</u>	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Christmas Party Donation</u>
Cash and investments - beginning	\$ 50,000	\$ 88,095	\$ 191,974	\$ -
Receipts:				
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	58,896	128,640	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Utility fees	-	-	-	-
Other receipts	-	160	352	940
Total receipts	<u>-</u>	<u>59,056</u>	<u>128,992</u>	<u>940</u>
Disbursements:				
Personal services	-	100	625	-
Supplies	-	-	-	140
Other services and charges	-	-	25	506
Debt service - principal and interest	-	-	-	-
Capital outlay	-	-	-	-
Utility operating expenses	-	-	-	-
Other disbursements	50,000	59,457	129,354	-
Total disbursements	<u>50,000</u>	<u>59,557</u>	<u>130,004</u>	<u>646</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(50,000)</u>	<u>(501)</u>	<u>(1,012)</u>	<u>294</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 87,594</u>	<u>\$ 190,962</u>	<u>\$ 294</u>

CITY OF PORTLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Airport Improvement Project 3-18-0068-09	Airport Fuel Construct 3-18-0068-10	Park Bond and Interest	Cash Change and Petty Cash
Cash and investments - beginning	\$ 128,904	\$ -	\$ 91,689	\$ 1,175
Receipts:				
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	3,627	130,855	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Utility fees	-	-	-	-
Other receipts	-	-	-	-
Total receipts	<u>3,627</u>	<u>130,855</u>	<u>-</u>	<u>-</u>
Disbursements:				
Personal services	-	-	-	-
Supplies	-	-	-	-
Other services and charges	3,627	-	-	-
Debt service - principal and interest	-	-	86,158	-
Capital outlay	-	-	-	-
Utility operating expenses	-	-	-	-
Other disbursements	128,904	130,855	-	-
Total disbursements	<u>132,531</u>	<u>130,855</u>	<u>86,158</u>	<u>-</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(128,904)</u>	<u>-</u>	<u>(86,158)</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,531</u>	<u>\$ 1,175</u>

CITY OF PORTLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	<u>Bulletproof Vest Program</u>	<u>Smoke Detector Donation</u>	<u>Recycling</u>	<u>Park Donation</u>
Cash and investments - beginning	\$ 1,262	\$ 3,785	\$ 16,756	\$ 205
Receipts:				
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	106,136	-
Fines and forfeits	-	-	-	-
Utility fees	-	-	-	-
Other receipts	-	-	10,381	-
Total receipts	<u>-</u>	<u>-</u>	<u>116,517</u>	<u>-</u>
Disbursements:				
Personal services	-	-	-	-
Supplies	-	-	-	-
Other services and charges	1,167	878	113,856	-
Debt service - principal and interest	-	-	-	-
Capital outlay	-	-	-	-
Utility operating expenses	-	-	-	-
Other disbursements	-	-	11	-
Total disbursements	<u>1,167</u>	<u>878</u>	<u>113,867</u>	<u>-</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(1,167)</u>	<u>(878)</u>	<u>2,650</u>	<u>-</u>
Cash and investments - ending	<u>\$ 95</u>	<u>\$ 2,907</u>	<u>\$ 19,406</u>	<u>\$ 205</u>

CITY OF PORTLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	<u>DARE Donation</u>	<u>TIF 2007 Debt Service Reserve</u>	<u>Hudson Family Park Donation</u>	<u>TIF 2007 Bond and Interest</u>
Cash and investments - beginning	\$ 18,979	\$ 191,386	\$ 12,552	\$ 210,695
Receipts:				
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Utility fees	-	-	-	-
Other receipts	3,500	356	-	150,491
Total receipts	<u>3,500</u>	<u>356</u>	<u>-</u>	<u>150,491</u>
Disbursements:				
Personal services	-	-	-	-
Supplies	-	-	-	-
Other services and charges	175	-	10,000	-
Debt service - principal and interest	-	-	-	137,975
Capital outlay	2,296	-	-	-
Utility operating expenses	-	-	-	-
Other disbursements	-	-	-	-
Total disbursements	<u>2,471</u>	<u>-</u>	<u>10,000</u>	<u>137,975</u>
Excess (deficiency) of receipts over (under) disbursements	<u>1,029</u>	<u>356</u>	<u>(10,000)</u>	<u>12,516</u>
Cash and investments - ending	<u>\$ 20,008</u>	<u>\$ 191,742</u>	<u>\$ 2,552</u>	<u>\$ 223,211</u>

CITY OF PORTLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	TIF 2007 Construction	LOIT-Public Safety	Revolving Loan	Park Concessions
Cash and investments - beginning	\$ -	\$ 401,512	\$ 21,483	\$ 9,632
Receipts:				
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	169,337	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Utility fees	-	-	-	-
Other receipts	134,658	-	45,991	3,195
Total receipts	<u>134,658</u>	<u>169,337</u>	<u>45,991</u>	<u>3,195</u>
Disbursements:				
Personal services	-	8,000	-	-
Supplies	-	-	-	2,345
Other services and charges	126,500	-	16,835	211
Debt service - principal and interest	-	-	-	-
Capital outlay	-	43,456	-	-
Utility operating expenses	-	-	-	-
Other disbursements	-	-	-	-
Total disbursements	<u>126,500</u>	<u>51,456</u>	<u>16,835</u>	<u>2,556</u>
Excess (deficiency) of receipts over (under) disbursements	<u>8,158</u>	<u>117,881</u>	<u>29,156</u>	<u>639</u>
Cash and investments - ending	<u>\$ 8,158</u>	<u>\$ 519,393</u>	<u>\$ 50,639</u>	<u>\$ 10,271</u>

CITY OF PORTLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Mayor's Annual Golf Outing	Police Continuing Education	Trading Card	Portland Forfeiture
Cash and investments - beginning	\$ -	\$ 20,262	\$ 71	\$ 2,420
Receipts:				
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Utility fees	-	-	-	-
Other receipts	11,200	7,158	-	2,426
Total receipts	<u>11,200</u>	<u>7,158</u>	<u>-</u>	<u>2,426</u>
Disbursements:				
Personal services	-	-	-	-
Supplies	-	-	-	-
Other services and charges	11,200	8,473	-	2,500
Debt service - principal and interest	-	-	-	-
Capital outlay	-	4,252	-	-
Utility operating expenses	-	-	-	-
Other disbursements	-	-	-	-
Total disbursements	<u>11,200</u>	<u>12,725</u>	<u>-</u>	<u>2,500</u>
Excess (deficiency) of receipts over (under) disbursements	<u>-</u>	<u>(5,567)</u>	<u>-</u>	<u>(74)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 14,695</u>	<u>\$ 71</u>	<u>\$ 2,346</u>

CITY OF PORTLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	<u>Fire Department Investigative</u>	<u>Sidewalk Reconstruction</u>	<u>Hudson Family Park</u>	<u>Pre 1977 Pension Non-Reverting</u>
Cash and investments - beginning	\$ 5,471	\$ 27,188	\$ 184	\$ 119,549
Receipts:				
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Utility fees	-	-	-	-
Other receipts	3,850	-	-	-
Total receipts	<u>3,850</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:				
Personal services	-	-	-	102,957
Supplies	1,524	-	-	-
Other services and charges	-	-	-	-
Debt service - principal and interest	-	-	-	-
Capital outlay	-	-	-	-
Utility operating expenses	-	-	-	-
Other disbursements	-	-	-	-
Total disbursements	<u>1,524</u>	<u>-</u>	<u>-</u>	<u>102,957</u>
Excess (deficiency) of receipts over (under) disbursements	<u>2,326</u>	<u>-</u>	<u>-</u>	<u>(102,957)</u>
Cash and investments - ending	<u>\$ 7,797</u>	<u>\$ 27,188</u>	<u>\$ 184</u>	<u>\$ 16,592</u>

CITY OF PORTLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	<u>Court Costs Due County</u>	<u>Insurance Surplus Non-Reverting</u>	<u>Portland City Court</u>	<u>Criminal Investigative</u>
Cash and investments - beginning	\$ 1,056	\$ 896,873	\$ 10,315	\$ 5,321
Receipts:				
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	2,985
Fines and forfeits	16,446	-	185,752	-
Utility fees	-	-	-	-
Other receipts	-	1,029	-	-
Total receipts	<u>16,446</u>	<u>1,029</u>	<u>185,752</u>	<u>2,985</u>
Disbursements:				
Personal services	-	276,543	-	-
Supplies	-	-	-	-
Other services and charges	-	-	-	-
Debt service - principal and interest	-	-	-	-
Capital outlay	-	-	-	-
Utility operating expenses	-	-	-	-
Other disbursements	16,490	-	182,089	5,087
Total disbursements	<u>16,490</u>	<u>276,543</u>	<u>182,089</u>	<u>5,087</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(44)</u>	<u>(275,514)</u>	<u>3,663</u>	<u>(2,102)</u>
Cash and investments - ending	<u>\$ 1,012</u>	<u>\$ 621,359</u>	<u>\$ 13,978</u>	<u>\$ 3,219</u>

CITY OF PORTLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	<u>Self Insurance</u>	<u>Downtown Facade Program</u>	<u>Aviation Fuel</u>	<u>Portland Housing Authority</u>
Cash and investments - beginning	\$ 397,144	\$ 50,656	\$ 55,550	\$ 149
Receipts:				
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	273,682	-
Fines and forfeits	-	-	-	-
Utility fees	-	-	-	-
Other receipts	<u>1,051,564</u>	<u>-</u>	<u>1,196</u>	<u>16,253</u>
Total receipts	<u>1,051,564</u>	<u>-</u>	<u>274,878</u>	<u>16,253</u>
Disbursements:				
Personal services	-	-	-	16,253
Supplies	-	-	258,667	-
Other services and charges	980,150	7,887	-	-
Debt service - principal and interest	-	-	-	-
Capital outlay	-	-	-	-
Utility operating expenses	-	-	-	-
Other disbursements	<u>-</u>	<u>-</u>	<u>12,055</u>	<u>-</u>
Total disbursements	<u>980,150</u>	<u>7,887</u>	<u>270,722</u>	<u>16,253</u>
Excess (deficiency) of receipts over (under) disbursements	<u>71,414</u>	<u>(7,887)</u>	<u>4,156</u>	<u>-</u>
Cash and investments - ending	<u>\$ 468,558</u>	<u>\$ 42,769</u>	<u>\$ 59,706</u>	<u>\$ 149</u>

CITY OF PORTLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Local Match Boundary Pike/Wayne Street	Alternative West Side Sewer Project	Fed Disaster Rec Dr 2-09-207	Portland Fire Dept Non Rev. Equipment
Cash and investments - beginning	\$ 101,529	\$ -	\$ -	\$ -
Receipts:				
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	3,500	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Utility fees	-	-	-	-
Other receipts	319	745,324	-	54,200
Total receipts	<u>319</u>	<u>745,324</u>	<u>3,500</u>	<u>54,200</u>
Disbursements:				
Personal services	-	-	-	-
Supplies	-	-	-	-
Other services and charges	-	-	3,500	-
Debt service - principal and interest	-	-	-	-
Capital outlay	-	-	-	-
Utility operating expenses	-	-	-	-
Other disbursements	101,848	-	-	-
Total disbursements	<u>101,848</u>	<u>-</u>	<u>3,500</u>	<u>-</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(101,529)</u>	<u>745,324</u>	<u>-</u>	<u>54,200</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 745,324</u>	<u>\$ -</u>	<u>\$ 54,200</u>

CITY OF PORTLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	<u>Payroll</u>	<u>Payroll Federal Withholding</u>	<u>Payroll FICA/SS Withholding</u>	<u>Payroll Medicare Withholding</u>
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -
Receipts:				
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Utility fees	-	-	-	-
Other receipts	<u>140</u>	<u>286,209</u>	<u>195,168</u>	<u>68,996</u>
Total receipts	<u>140</u>	<u>286,209</u>	<u>195,168</u>	<u>68,996</u>
Disbursements:				
Personal services	-	-	-	-
Supplies	-	-	-	-
Other services and charges	-	-	-	-
Debt service - principal and interest	-	-	-	-
Capital outlay	-	-	-	-
Utility operating expenses	-	-	-	-
Other disbursements	<u>140</u>	<u>286,209</u>	<u>195,168</u>	<u>68,996</u>
Total disbursements	<u>140</u>	<u>286,209</u>	<u>195,168</u>	<u>68,996</u>
Excess (deficiency) of receipts over (under) disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF PORTLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	<u>Payroll State Withholding</u>	<u>Payroll County Withholding</u>	<u>Payroll PERF</u>	<u>Payroll Police Pension</u>
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -
Receipts:				
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Utility fees	-	-	-	-
Other receipts	<u>90,811</u>	<u>60,235</u>	<u>72,995</u>	<u>25,688</u>
Total receipts	<u>90,811</u>	<u>60,235</u>	<u>72,995</u>	<u>25,688</u>
Disbursements:				
Personal services	-	-	-	-
Supplies	-	-	-	-
Other services and charges	-	-	-	-
Debt service - principal and interest	-	-	-	-
Capital outlay	-	-	-	-
Utility operating expenses	-	-	-	-
Other disbursements	<u>90,811</u>	<u>60,235</u>	<u>72,995</u>	<u>25,688</u>
Total disbursements	<u>90,811</u>	<u>60,235</u>	<u>72,995</u>	<u>25,688</u>
Excess (deficiency) of receipts over (under) disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF PORTLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Payroll Fire Pension	Payroll AFLAC/AFLAC Tax	Payroll Direct Deposit	Payroll Allianz
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -
Receipts:				
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Utility fees	-	-	-	-
Other receipts	<u>17,344</u>	<u>12,598</u>	<u>1,859,878</u>	<u>390</u>
Total receipts	<u>17,344</u>	<u>12,598</u>	<u>1,859,878</u>	<u>390</u>
Disbursements:				
Personal services	-	-	-	-
Supplies	-	-	-	-
Other services and charges	-	-	-	-
Debt service - principal and interest	-	-	-	-
Capital outlay	-	-	-	-
Utility operating expenses	-	-	-	-
Other disbursements	<u>17,344</u>	<u>12,598</u>	<u>1,859,878</u>	<u>390</u>
Total disbursements	<u>17,344</u>	<u>12,598</u>	<u>1,859,878</u>	<u>390</u>
Excess (deficiency) of receipts over (under) disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF PORTLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	<u>Payroll Child Support</u>	<u>Payroll Dental Insurance</u>	<u>Payroll Garnishment</u>	<u>Payroll United Way</u>
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -
Receipts:				
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Utility fees	-	-	-	-
Other receipts	<u>9,623</u>	<u>2,011</u>	<u>6,645</u>	<u>1,277</u>
Total receipts	<u>9,623</u>	<u>2,011</u>	<u>6,645</u>	<u>1,277</u>
Disbursements:				
Personal services	-	-	-	-
Supplies	-	-	-	-
Other services and charges	-	-	-	-
Debt service - principal and interest	-	-	-	-
Capital outlay	-	-	-	-
Utility operating expenses	-	-	-	-
Other disbursements	<u>9,623</u>	<u>2,011</u>	<u>6,645</u>	<u>1,277</u>
Total disbursements	<u>9,623</u>	<u>2,011</u>	<u>6,645</u>	<u>1,277</u>
Excess (deficiency) of receipts over (under) disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF PORTLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Payroll Benicomp	Wastewater Utility Debt Service Reserve	Wastewater Utility Construction	Wastewater Utility Bond and Interest
Cash and investments - beginning	\$ -	\$ 430,938	\$ -	\$ 26,795
Receipts:				
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	5,561,493	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Utility fees	-	-	-	-
Other receipts	48,220	-	-	352,192
Total receipts	<u>48,220</u>	<u>-</u>	<u>5,561,493</u>	<u>352,192</u>
Disbursements:				
Personal services	-	-	-	-
Supplies	-	-	-	-
Other services and charges	-	-	-	-
Debt service - principal and interest	-	-	-	294,945
Capital outlay	-	-	5,561,493	-
Utility operating expenses	-	-	-	-
Other disbursements	48,220	-	-	-
Total disbursements	<u>48,220</u>	<u>-</u>	<u>5,561,493</u>	<u>294,945</u>
Excess (deficiency) of receipts over (under) disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,247</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 430,938</u>	<u>\$ -</u>	<u>\$ 84,042</u>

CITY OF PORTLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	<u>Peterson Construction Escrow</u>	<u>Brackney Inc Escrow</u>	<u>Wastewater Utility Operating</u>	<u>Wastewater Utility Depreciation</u>
Cash and investments - beginning	\$ 34,127	\$ -	\$ 1,907,610	\$ 369,434
Receipts:				
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Utility fees	-	-	2,172,798	-
Other receipts	71,219	112,517	58,711	413,609
Total receipts	<u>71,219</u>	<u>112,517</u>	<u>2,231,509</u>	<u>413,609</u>
Disbursements:				
Personal services	-	-	383,701	-
Supplies	-	-	-	-
Other services and charges	105,346	-	74,690	-
Debt service - principal and interest	-	-	-	-
Capital outlay	-	-	-	484,122
Utility operating expenses	-	-	625,881	-
Other disbursements	-	-	1,104,073	-
Total disbursements	<u>105,346</u>	<u>-</u>	<u>2,188,345</u>	<u>484,122</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(34,127)</u>	<u>112,517</u>	<u>43,164</u>	<u>(70,513)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 112,517</u>	<u>\$ 1,950,774</u>	<u>\$ 298,921</u>

CITY OF PORTLAND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Water Utility Operating	Water Utility Improvement	Water Utility Meter Deposits	Totals
Cash and investments - beginning	\$ 2,835,120	\$ 823,513	\$ 200,513	\$ 15,477,797
Receipts:				
Taxes	-	-	-	2,926,445
Licenses and permits	-	-	-	78,315
Intergovernmental	-	-	-	7,935,978
Charges for services	-	-	-	538,666
Fines and forfeits	-	-	-	247,336
Utility fees	1,385,770	-	-	3,558,568
Other receipts	187,665	105,216	30,109	7,066,812
Total receipts	<u>1,573,435</u>	<u>105,216</u>	<u>30,109</u>	<u>22,352,120</u>
Disbursements:				
Personal services	321,699	-	-	3,453,026
Supplies	-	-	-	431,817
Other services and charges	40,022	-	-	3,711,019
Debt service - principal and interest	-	-	-	549,686
Capital outlay	3,271	123,658	-	6,763,041
Utility operating expenses	346,149	-	-	972,030
Other disbursements	489,390	-	24,768	5,734,030
Total disbursements	<u>1,200,531</u>	<u>123,658</u>	<u>24,768</u>	<u>21,614,649</u>
Excess (deficiency) of receipts over (under) disbursements	<u>372,904</u>	<u>(18,442)</u>	<u>5,341</u>	<u>737,471</u>
Cash and investments - ending	<u>\$ 3,208,024</u>	<u>\$ 805,071</u>	<u>\$ 205,854</u>	<u>\$ 16,215,268</u>

CITY OF PORTLAND
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2013

Government or Enterprise	Accounts Payable	Accounts Receivable
Wastewater	\$ 56,411	\$ 160,575
Water	57,395	75,834
Governmental activities	<u>136,780</u>	<u>43,697</u>
Totals	<u>\$ 250,586</u>	<u>\$ 280,106</u>

CITY OF PORTLAND
SCHEDULE OF LEASES AND DEBT
December 31, 2013

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	Portland Park & Recreation Bonds - 2010	\$ 1,580,000	\$ 120,615
Revenue bonds	TIF Increment Revenue Bonds Series 2007A	1,270,000	79,063
Revenue bonds	TIF Increment Revenue Bonds Series 2007B	<u>450,000</u>	<u>66,263</u>
Total governmental activities		<u>3,300,000</u>	<u>265,941</u>
Wastewater:			
Revenue bonds	Sewage Revenue Bonds Series A	3,344,000	101,080
Revenue bonds	Sewage Revenue Bonds Series B	<u>2,987,699</u>	<u>*</u>
Total Wastewater		<u>6,331,699</u>	<u>101,080</u>
Totals		<u>\$ 9,631,699</u>	<u>\$ 367,021</u>

*Project not complete, amortization schedule not available.

CITY OF PORTLAND
SCHEDULE OF CAPITAL ASSETS
December 31, 2013

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Governmental activities:	
Land	\$ 1,157,677
Infrastructure	29,624,178
Buildings	3,487,703
Improvements other than buildings	2,873,215
Machinery, equipment, and vehicles	3,954,045
Construction in progress	1,887,009
Total governmental activities	42,983,827
Wastewater:	
Land	76,179
Infrastructure	8,297,455
Buildings	6,340,754
Improvements other than buildings	6,882,400
Machinery, equipment, and vehicles	2,423,661
Construction in progress	7,837,505
Total Wastewater	31,857,954
Water:	
Land	12,340
Infrastructure	4,553,220
Buildings	3,154,403
Improvements other than buildings	5,092,795
Machinery, equipment, and vehicles	1,035,015
Construction in progress	55,727
Total Water	13,903,500
Total capital assets	\$ 88,745,281

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF THE CITY OF PORTLAND, JAY COUNTY, INDIANA

Report on Compliance for the Major Federal Program

We have audited the City of Portland's (City) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2013. The City's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2013.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)


Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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


Paul D. Joyce, CPA
State Examiner

June 24, 2014

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTE

The Schedule of Expenditures of Federal Awards and accompanying note presented were approved by management of the City. The schedule and note are presented as intended by the City.

CITY OF PORTLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2013

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Housing and Urban Development</u>				
CDBG - State-Administered CDBG Cluster Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii Geesaman Industries	Indiana Office of Community and Rural Affairs	14.228	DR2-09-065	\$ <u>3,500</u>
Total - CDBG - State-Administered CDBG Cluster				<u>3,500</u>
Total - Department of Housing and Urban Development				<u>3,500</u>
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster Highway Planning and Construction Boundary Pike/Wayne Street	Indiana Department of Transportation	20.205	STP-P934 (002)	<u>319</u>
Total - Highway Planning and Construction Cluster				<u>319</u>
Airport Improvement Program PLD Fuel System Removal Airport Fuel Construction	Direct Grant	20.106	3-18-0068-09 3-18-0068-10	3,627 <u>130,855</u>
Total - Airport Improvement Program				<u>134,482</u>
Total - Department of Transportation				<u>134,801</u>
<u>Environmental Protection Agency</u>				
Capitalization Grants for Clean Water State Revolving Funds SRF A SRF B	Indiana Finance Authority	66.458	WW11203801 WW11203802	901,036 <u>1,003,284</u>
Total - Capitalization Grants for Clean Water State Revolving Funds				<u>1,904,320</u>
Total - Environmental Protection Agency				<u>1,904,320</u>
Total federal awards expended				<u>\$ 2,042,621</u>

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF PORTLAND
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

CITY OF PORTLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major program:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major program:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	no

Identification of Major Program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
66.458	Capitalization Grants for Clean Water State Revolving Funds

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?	no
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Section II - Financial Statement Findings

No matters are reportable.

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.