

*CITY OF MT. ANGEL, OREGON
ANNUAL FINANCIAL REPORT
Year Ended June 30, 2007*

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Gene Miles

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GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
475 Cottage Street NE, Suite 200 • Salem, Oregon 97301
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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
and Members of the City Council
City of Mt. Angel, Oregon

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 Mt. Angel, Oregon, as of June 30, 2007, and for the year then ended, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as described below, we conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in the summary of significant accounting policies of the notes to the financial statements, the City prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the modified cash basis and budget laws of the State of Oregon, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, except for the matters discussed below, the financial statements referred to above, present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Mt. Angel, Oregon, as of June 30, 2007, and the respective changes in financial position - modified cash basis thereof for the year then ended in conformity with the basis of accounting described in the summary of significant accounting policies in the notes to the financial statements.

The City does not maintain historical cost and depreciation records for capital assets, including infrastructure. We were unable to apply alternative procedures to satisfy ourselves regarding the historical cost and depreciation of capital assets. Consequently the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the capital assets.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2007 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 and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting standards generally accepted in the United States of America require that financial statements include Management's Discussion and Analysis as supplemental information. Management has not presented the required Management's Discussion and Analysis.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The required supplementary and other supplementary information listed in the foregoing table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City of Mt. Angel. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

By: 
Charles A. Swank, A Shareholder
November 27, 2007

BASIC FINANCIAL STATEMENTS

CITY OF MT. ANGEL, OREGON
STATEMENT OF NET ASSETS (MODIFIED CASH BASIS)
JUNE 30, 2007

	<i>Governmental Activities</i>	<i>Business-type Activities</i>	<i>Totals</i>
ASSETS			
Cash and investments	\$ 1,086,267	\$ 2,157,849	\$ 3,244,116
Accounts receivable	1,259	146,523	147,782
Municipal court receivable	407,998	-	407,998
Property taxes receivable	29,572	-	29,572
Notes receivable	396,929	-	396,929
Assessment liens receivable	38,985	-	38,985
Due to/from other funds	(150,568)	150,568	-
Capital assets	1,710,593	9,937,996	11,648,589
	<hr/>	<hr/>	<hr/>
<i>Total Assets</i>	3,521,035	12,392,936	15,913,971
	<hr/>	<hr/>	<hr/>
LIABILITIES			
Payroll liabilities	28,579	-	28,579
Deposits	-	11,070	11,070
Deferred revenue	873,484	146,523	1,020,007
Noncurrent liabilities:			
Due within one year:			
Notes payable	-	71,107	71,107
Due in more than one year:			
Notes payable	-	981,457	981,457
	<hr/>	<hr/>	<hr/>
<i>Total Liabilities</i>	902,063	1,210,157	2,112,220
	<hr/>	<hr/>	<hr/>
NET ASSETS			
Investment in capital assets (net of related debt)	1,710,593	8,885,432	10,596,025
Fund net assets			
Restricted for special purposes	331,516	910,430	1,241,946
Unrestricted	576,863	1,386,917	1,963,780
	<hr/>	<hr/>	<hr/>
<i>Total Fund Net Assets</i>	908,379	2,297,347	3,205,726
	<hr/>	<hr/>	<hr/>
<i>Total Net Assets</i>	\$ 2,618,972	\$ 11,182,779	\$ 13,801,751
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

CITY OF MT. ANGEL, OREGON
STATEMENT OF ACTIVITIES (MODIFIED CASH BASIS)
YEAR ENDED JUNE 30, 2007

	<u>Disbursements</u>	<u>Program Receipts</u>	
		<u>Fees, Fines and Charges for Services</u>	<u>Operating Grants and Contributions</u>
FUNCTIONS/PROGRAMS			
Governmental activities:			
General government	\$ 473,638	\$ 156,863	\$ 23,675
Court and police	682,825	122,762	4,472
Community services and development	77,061	103,270	-
Library	541,714	15,877	251,863
Public works	248,427	49,112	170,744
	<hr/>	<hr/>	<hr/>
<i>Total governmental activities</i>	2,023,665	447,884	450,754
Business-type activities:			
Water	404,423	544,759	-
Sewer	801,582	650,485	-
	<hr/>	<hr/>	<hr/>
<i>Total business-type activities</i>	1,206,005	1,195,244	-
	<hr/>	<hr/>	<hr/>
<i>Total activities</i>	\$ 3,229,670	\$ 1,643,128	\$ 450,754
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
General receipts:			
Property taxes			
Intergovernmental			
Miscellaneous			
<i>Total general receipts</i>			
Transfers			
Change in fund net assets			
Fund net assets, July 1, 2006			
Fund net assets, June 30, 2007			

<i>Net (Disbursements) Receipts and Changes in Fund Net Assets</i>			
<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ -	\$ (293,100)	\$ -	\$ (293,100)
-	(555,591)	-	(555,591)
-	26,209	-	26,209
-	(273,974)	-	(273,974)
25,000	(3,571)	-	(3,571)
25,000	(1,100,027)	-	(1,100,027)
-	-	140,336	140,336
-	-	(151,097)	(151,097)
-	-	(10,761)	(10,761)
<u>\$ 25,000</u>	<u>(1,100,027)</u>	<u>(10,761)</u>	<u>(1,110,788)</u>
	538,903	-	538,903
	70,125	-	70,125
	425,007	99,840	524,847
	1,034,035	99,840	1,133,875
	(83,827)	83,827	-
	(149,819)	172,906	23,087
	1,058,198	2,124,441	3,182,639
<u>\$ 908,379</u>	<u>\$ 2,297,347</u>	<u>\$ 3,205,726</u>	

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

CITY OF MT. ANGEL, OREGON**STATEMENT OF ASSETS AND LIABILITIES - GOVERNMENTAL FUNDS (MODIFIED CASH BASIS)**

JUNE 30, 2007

	<u>General</u>	<u>Street</u>	<u>Community Development</u>
ASSETS			
Cash and investments	\$ 509,085	\$ 28,207	\$ 120,503
Accounts receivable	1,259	-	-
Municipal court receivable	407,998	-	-
Property taxes receivable	29,572	-	-
Notes receivable	-	-	396,929
Assessment liens receivable	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Assets</i>	\$ 947,914	\$ 28,207	\$ 517,432
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND FUND BALANCES			
Liabilities			
Payroll withholdings	\$ 28,579	\$ -	\$ -
Deferred revenue	437,570	-	396,929
	<hr/>	<hr/>	<hr/>
<i>Total Liabilities</i>	466,149	-	396,929
Fund Balances			
Unreserved, reported in:			
General fund	481,765	-	-
Special revenue funds	-	28,207	120,503
Debt service fund	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Fund Balances</i>	481,765	28,207	120,503
	<hr/>	<hr/>	<hr/>
<i>Total Liabilities and Fund Balances</i>	\$ 947,914	\$ 28,207	\$ 517,432
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
\$ 139,050	\$ 289,422	\$ 1,086,267
-	-	1,259
-	-	407,998
-	-	29,572
-	-	396,929
-	38,985	38,985
<hr/>		
\$ 139,050	\$ 328,407	\$ 1,961,010
<hr/>		
\$ -	\$ -	\$ 28,579
-	38,985	873,484
<hr/>		
-	38,985	902,063
-	-	481,765
139,050	275,569	563,329
-	13,853	13,853
<hr/>		
139,050	289,422	1,058,947
<hr/>		
\$ 139,050	\$ 328,407	\$ 1,961,010
<hr/>		
Total fund balances		\$ 1,058,947
Less: due to other funds		(150,568)
<hr/>		
Fund net assets		\$ 908,379
<hr/>		

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

CITY OF MT. ANGEL, OREGON**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE****GOVERNMENTAL FUNDS (MODIFIED CASH BASIS)****YEAR ENDED JUNE 30, 2007**

	<u>General</u>	<u>Street</u>	<u>Community Development</u>
RECEIPTS			
Taxes and assessments	\$ 538,903	\$ -	\$ -
Licenses and permits	228,260	-	-
Charges for services	61,900	-	-
Intergovernmental	63,501	195,744	521,163
Fines and forfeitures	60,692	-	-
Miscellaneous	54,165	2,926	11,653
	<hr/>	<hr/>	<hr/>
<i>Total Receipts</i>	1,007,421	198,670	532,816
DISBURSEMENTS			
General government	155,756	-	-
Court and police	675,763	-	-
Community services & development	38,622	-	-
Library	49,445	-	-
Public works	6,850	141,696	-
Capital outlay	14,644	71,681	801,871
Debt service	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Disbursements</i>	941,080	213,377	801,871
RECEIPTS OVER (UNDER) DISBURSEMENTS			
	66,341	(14,707)	(269,055)
OTHER FINANCING SOURCES (USES)			
Transfers in	122,831	62,000	346,458
Transfers out	(63,130)	(110,000)	-
	<hr/>	<hr/>	<hr/>
<i>Total Other Financing Sources (Uses)</i>	59,701	(48,000)	346,458
NET CHANGE IN FUND BALANCES			
	126,042	(62,707)	77,403
FUND BALANCES, Beginning of year			
	355,723	90,914	43,100
	<hr/>	<hr/>	<hr/>
FUND BALANCES, End of year	\$ 481,765	\$ 28,207	\$ 120,503
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

<u>Capital Improvement</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
\$ -	\$ 8,207	\$ 547,110
-	51,590	279,850
-	-	61,900
-	43,990	824,398
-	-	60,692
9,359	105,620	183,723
<hr/>	<hr/>	<hr/>
9,359	209,407	1,957,673
-	42	155,798
-	-	675,763
-	38,144	76,766
-	-	49,445
-	11,316	159,862
-	16,884	905,080
-	951	951
<hr/>	<hr/>	<hr/>
-	67,337	2,023,665
<hr/>	<hr/>	<hr/>
9,359	142,070	(65,992)
74,196	391	605,876
(318,805)	(197,768)	(689,703)
<hr/>	<hr/>	<hr/>
(244,609)	(197,377)	(83,827)
<hr/>	<hr/>	<hr/>
(235,250)	(55,307)	(149,819)
374,300	344,729	1,208,766
<hr/>	<hr/>	<hr/>
\$ 139,050	\$ 289,422	\$ 1,058,947
<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

CITY OF MT. ANGEL, OREGON

STATEMENT OF ASSETS AND LIABILITIES - PROPRIETARY FUNDS (MODIFIED CASH BASIS)

JUNE 30, 2007

	<u>Revenue Bond Debt Service</u>	<u>Water Utility</u>	<u>Sewer Utility</u>
ASSETS			
Cash and investments	\$ 211,286	\$ 276,406	\$ 154,035
Accounts receivable	-	70,787	75,736
	<hr/>	<hr/>	<hr/>
<i>Total Assets</i>	\$ 211,286	\$ 347,193	\$ 229,771
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND FUND BALANCES			
Liabilities			
Deposits	\$ -	\$ 3,470	\$ 7,600
Deferred revenue	-	70,787	75,736
	<hr/>	<hr/>	<hr/>
<i>Total Liabilities</i>	-	74,257	83,336
Fund Balances			
Unreserved	211,286	272,936	146,435
	<hr/>	<hr/>	<hr/>
<i>Total Fund Balances</i>	211,286	272,936	146,435
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Total Liabilities and Fund Balances</i>	\$ 211,286	\$ 347,193	\$ 229,771
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

<i>Sewer Utility Reserve</i>	<i>Water Utility SDC</i>	<i>Other Proprietary Funds</i>	<i>Totals</i>
\$ 552,327	\$ 332,660	\$ 631,135	\$ 2,157,849
-	-	-	146,523
<u>\$ 552,327</u>	<u>\$ 332,660</u>	<u>\$ 631,135</u>	<u>\$ 2,304,372</u>
\$ -	\$ -	\$ -	\$ 11,070
-	-	-	146,523
-	-	-	157,593
<u>552,327</u>	<u>332,660</u>	<u>631,135</u>	<u>2,146,779</u>
<u>552,327</u>	<u>332,660</u>	<u>631,135</u>	<u>2,146,779</u>
<u>\$ 552,327</u>	<u>\$ 332,660</u>	<u>\$ 631,135</u>	<u>\$ 2,304,372</u>
	Total fund balances		\$ 2,146,779
	Add: due from other funds		150,568
	Fund net assets		<u>\$ 2,297,347</u>

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

CITY OF MT. ANGEL, OREGON**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES -
PROPRIETARY FUNDS (MODIFIED CASH BASIS)
YEAR ENDED JUNE 30, 2007**

	<u>Revenue Bond Debt Service</u>	<u>Water Utility</u>	<u>Sewer Utility</u>
RECEIPTS			
Licenses and permits	\$ -	\$ -	\$ -
Charges for services	-	481,633	607,299
Miscellaneous	11,162	8,546	5,082
	<hr/>	<hr/>	<hr/>
<i>Total Receipts</i>	11,162	490,179	612,381
DISBURSEMENTS			
Personal services	-	172,451	247,425
Materials and services	-	84,182	60,263
Capital outlay	-	26,901	67,083
Debt service	120,889	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Disbursements</i>	120,889	283,534	374,771
RECEIPTS OVER (UNDER) DISBURSEMENTS			
	(109,727)	206,645	237,610
OTHER FINANCING SOURCES (USES)			
Transfers in	121,000	-	-
Transfers out	-	(213,359)	(215,472)
	<hr/>	<hr/>	<hr/>
<i>Total Other Financing Sources (Uses)</i>	121,000	(213,359)	(215,472)
NET CHANGE IN FUND BALANCES			
	11,273	(6,714)	22,138
FUND BALANCES, Beginning of year			
	200,013	279,650	124,297
	<hr/>	<hr/>	<hr/>
FUND BALANCES, End of year			
	\$ 211,286	\$ 272,936	\$ 146,435
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

<i>Sewer Utility Reserve</i>	<i>Water Utility SDC</i>	<i>Other Proprietary Funds</i>	<i>Totals</i>
\$ -	\$ 63,126	\$ 43,186	\$ 106,312
-	-	-	1,088,932
29,390	14,692	30,968	99,840
29,390	77,818	74,154	1,295,084
-	-	-	419,876
-	-	218,741	363,186
-	-	208,070	302,054
-	-	-	120,889
-	-	426,811	1,206,005
29,390	77,818	(352,657)	89,079
41,658	-	540,120	702,778
(110,000)	-	(80,120)	(618,951)
(68,342)	-	460,000	83,827
(38,952)	77,818	107,343	172,906
591,279	254,842	523,792	1,973,873
<u>\$ 552,327</u>	<u>\$ 332,660</u>	<u>\$ 631,135</u>	<u>\$ 2,146,779</u>

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

CITY OF MT. ANGEL, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basic Financial Statements

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

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

The Statement of Activities (Modified Cash Basis) demonstrates the degree to which the direct disbursements of a given function or segment are offset by program receipts. *Direct disbursements* are those that are clearly identifiable with a specific function or segment. *Program receipts* 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 receipts*.

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 (general, special revenue, and debt service) and proprietary type (enterprise) funds. Major individual governmental funds, and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are consolidated into a single column within each fund type in the financial section of the basic financial statements and are detailed in the supplemental information.

Measurement Focus and Basis of Accounting

Accounting principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards Board, define principles that should be used to report financial transactions. The government-wide and proprietary fund financial statements are reported using the economic resources and accrual basis of accounting. Under the accrual basis of accounting revenues are recorded when earned and expenses are recorded when the liability is incurred. The governmental fund financial statements are reported using the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recorded when they become both measurable and available, while expenditures are recorded when the related liability is incurred.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

The City's policy is to prepare its financial statements on the basis of modified cash receipts and disbursements. Consequently, certain receipts and the related assets are recognized when received rather than when earned, and certain disbursements and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred. Also, assets that are measurable, but not yet collected are recorded on the City's statement of assets and liabilities as an asset and deferred revenue. Capital assets and the related debt obligations are recorded. Depreciation is not recorded on capital assets. 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 294.445), which leaves the selection of the method of accounting to the discretion of the municipal corporation.

The City has adopted Governmental Accounting Standards Board (GASB) Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting." The City has elected to apply all applicable GASB pronouncements, as well as Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions, issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. As allowed under GASB No. 20, the City has elected not to apply FASB guidance issued subsequent to November 30, 1989, unless specifically adopted by the GASB.

Basis of Presentation

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

Generally accepted accounting principles set forth minimum criteria (percentage of the assets liabilities, receipts or disbursements of either fund category or the government and enterprise combined) for the determination of major funds. The City electively added funds as major funds, which either had debt outstanding or specific community focus. Non-major funds are combined in a column in the fund financial statements and detailed in the combining section.

The City reports the following major governmental funds:

- General Fund
- Street Fund
- Capital Improvement Fund
- Community Development Fund

The City reports the following business-type funds as major funds

- Revenue Bond Debt Service
- Water Utility
- Water Utility SDC
- Sewer Utility
- Sewer Utility Reserve

CITY OF MT. ANGEL, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2007

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect reporting amounts of certain assets, liabilities, receipts and disbursements as of and for the year ended June 30, 2007. Actual results may differ from such estimates.

Cash and Investments

The City maintains cash and investments in a common pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the statement of net assets as cash and investments.

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

Investments are stated at cost, which approximates fair value.

Receivables and Deferred Revenues

Property taxes are levied by the County Assessor and collected by the County Tax Collector. The taxes are levied and become a lien as of July 1. They may be paid in three installments payable in equal payments due November 15, February 15, and May 15. Uncollected property taxes levied for the current year are recorded as receivable at year-end. The City's property tax collection records show that most of the property taxes due are collected during the year of levy and delinquent taxes are collected in the next few years. Property taxes receivable are offset by deferred revenue and, accordingly, have not been recorded as revenues.

Municipal court receivables, notes receivable and assessment liens receivable are all recorded at the gross receivable amounts. Collection could be over a period of years. No revenue has been recognized on these amounts as of June 30, 2007. Collectibility has not been evaluated as all amounts are offset by an equal deferred revenue amount.

Capital Assets

Capital assets (items costing in excess of \$1,000 and lasting more than one year) are valued at estimated historical cost or actual historical cost. Capital assets are recorded as expenditures in the fund financial statements. Maintenance and repairs of capital assets are charged to expenditures as incurred and are not capitalized.

Purchases of public domain capital assets (streets, sidewalks, lighting systems, curbs, gutters and similar assets) that are immovable and of value only to the City as a governmental unit are reported as expenditures as incurred and are not capitalized.

Long-Term Debt

Long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities on the Statement of Net Assets (Modified Cash Basis). Bond premiums, discounts, and issuance costs are reported as disbursements when paid.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued Compensated Absences

Accumulated unpaid vacation pay is not reported on the Statement of Net Assets (Modified Cash Basis). Earned but unpaid sick pay is recorded as an expenditure when paid. Accrued compensated absences at June 30, 2007 were \$46,830.

Budgets and Budgetary Accounting

The City adopts the budget on a departmental basis for the General Fund and an object basis for other funds. Therefore, cash disbursements of a fund may not legally exceed that department/object's appropriations for cash disbursements. The City Council may amend the budget to expend unforeseen receipts 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.

ORGANIZATION AND OPERATION

The City's financial operations are accounted for in the following funds:

Governmental Fund Types

General Fund

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

Special Revenue Funds

These funds account for revenue derived from specific taxes or other earmarked revenue sources, including Federal and State grant awards, which are legally restricted to finance particular functions or activities.

Street Fund

This fund accounts for receipts received from state gasoline taxes which are to be expended as outlined in Article IX, Section 3 of the Constitution of the State of Oregon.

Street Reserve Fund

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

State Revenue Sharing Fund

This fund accounts for monies received from the State of Oregon as State Revenue Sharing.

ORGANIZATION AND OPERATION (Continued)

Governmental Fund Types (Continued)

Special Revenue Funds (Continued)

Capital Improvement Fund

This fund accounts for money set aside by the City Council and designated for capital improvements.

Unemployment Reserve Fund

This fund accounts for monies set aside by the City Council and designated for the payment of unemployment benefits.

Community Development Fund

This fund accounts for Community Development Block Grant monies used for home improvement loans to qualified residents.

Library Endowment Fund

This fund accounts for the receipt and use of funds designated for the library.

Transportation SDC Fund

This fund accounts for system development fees collected for future transportation capital improvement projects.

Housing Rehabilitation Fund

This fund accounts for loans and repayment of loans for home repair and improvement projects for low-income housing.

Park System SDC Fund

This fund accounts for system development fees collected for future parks capital improvement projects.

Debt Service Fund

Debt Service Funds are used to accumulate resources for payment of general long-term debt. Property taxes are the primary revenue source.

ORGANIZATION AND OPERATION (Continued)

Proprietary Fund Type

Enterprise Funds

These funds account for the financing of predominantly self-supporting activities which render services on a user charge basis to the general public.

Utility Construction

This fund is used to account for water and sewer construction projects.

Revenue Bond Debt Service

This fund accounts for the principal and interest payments on the Water General Obligation bonds.

Water Utility

This fund accounts for operation of the water public utility.

Sewer Utility

This fund accounts for the operation of the sewer public utility.

Water / Sewer Utility Reserve

These funds are used to accumulate resources for utility related capital projects.

Water Utility SDC Fund

This fund accounts for system development fees collected for future water utility capital improvement projects.

Sewer Utility SDC Fund

This fund accounts for system development fees collected for future sewer utility capital improvement projects.

Storm Sewer SDC Fund

This fund accounts for system development fees collected for future storm sewer capital improvement projects.

CITY OF MT. ANGEL, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2007

CASH AND INVESTMENTS

Cash and investments are comprised of the following at June 30, 2007:

	<u>Carrying Value</u>
Cash	
Cash on hand	\$ 500
Deposits with financial institutions	81,048
Investments	
Local Government Investment Pool	3,162,568
	<u>\$ 3,244,116</u>

Deposits

At year end, the book balance of the City's bank deposits (checking accounts) was \$81,049 and the bank balance was \$103,162. The difference is due to transactions in process. Of these deposits, \$100,000 was covered by federal depository insurance, the remaining amount is not collateralized in accordance with Oregon Revised Statutes.

Custodial Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. Oregon laws require governmental deposits to be made in banks to be protected either by depository insurance or the financial institution is required to maintain on deposit with a collateral pool manager securities having a value of not less than 25% of the face value of the certificate issued by the pool manager. When such securities are deposited with the pool manager, covered funds are considered fully collateralized under Oregon law. The collateral is held by a state-sponsored pool manager which is a commercial bank in the name of the pool manager, with the collateral certificate issued by the pool manager in the name of the City. This does not constitute full collateral of deposits, but meets Oregon legal requirements.

Investments

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, 2007, 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. Separate financial statements for the Oregon Short-term Fund are available from the Oregon State Treasurer.

CITY OF MT. ANGEL, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2007

CASH AND INVESTMENTS (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 its investments to the LGIP.

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-loan 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.

NOTES RECEIVABLE

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

CAPITAL ASSETS

The summary of capital assets for the business-type activities for the year ended June 30, 2007 is as follows:

	<i>Balances July 1, 2006</i>	<i>Additions</i>	<i>Retirements</i>	<i>Balances June 30, 2007</i>
Water systems	\$ 3,187,503	\$ 26,901	\$ -	\$ 3,214,404
Sewer systems	6,467,305	256,287	-	6,723,592
	<u>\$ 9,654,808</u>	<u>\$ 283,188</u>	<u>\$ -</u>	<u>\$ 9,937,996</u>

CITY OF MT. ANGEL, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2007

CAPITAL ASSETS (Continued)

The changes in the capital assets for governmental activities for the year ended June 30, 2007 are as follows:

	<i>Balances July 1, 2006</i>	<i>Additions</i>	<i>Retirements</i>	<i>Balances June 30, 2007</i>
Land and improvements	\$ 54,390	\$ -	\$ -	\$ 54,390
Buildings	416,598	486,277	-	902,875
Equipment	739,846	13,482	-	753,328
	<u>\$ 1,210,834</u>	<u>\$ 499,759</u>	<u>\$ -</u>	<u>\$ 1,710,593</u>

LONG-TERM OBLIGATIONS

Business-type activities fund long-term debt transactions for the year ended June 30, 2007 were as follows:

	<i>Outstanding July 1, 2006</i>	<i>Issued</i>	<i>Matured/ Redeemed During Year</i>	<i>Outstanding June 30, 2007</i>	<i>Next Year Requirements</i>
1993 Farmers Home Administration - payable \$81,325 annually, including interest at 5%	\$ 888,851	\$ -	\$ (35,492)	\$ 853,359	\$ 37,267
State Revolving Loan Fund - payable biannually \$20,219, including interest at 3%	232,052	-	(32,847)	199,205	33,840
	<u>\$ 1,120,903</u>	<u>\$ -</u>	<u>\$ (68,339)</u>	<u>\$ 1,052,564</u>	<u>\$ 71,107</u>

Required debt service reserves are maintained in the Revenue Bond Debt Service Fund. At June 30, 2007 the City's reserves totaled \$211,286.

CITY OF MT. ANGEL, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2007

LONG-TERM OBLIGATIONS (Continued)

The future maturities of unmatured principal and interest for the fiscal years ending June 30 are as follows:

Business-type Activities

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 71,107	\$ 49,782	\$ 120,889
2009	73,993	46,896	120,889
2010	77,002	43,887	120,889
2011	80,143	40,746	120,889
2012	83,418	37,471	120,889
2013-2017	282,279	144,103	426,382
2018-2022	384,622	71,201	455,823
	<u>\$ 1,052,564</u>	<u>\$ 434,086</u>	<u>\$ 1,486,650</u>

In a prior year, the Sewer Reserve Fund loaned the Bancroft Bond Fund \$95,175 with interest at 1.2%. The remaining balance will be repaid through interfund transfers as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 5,990	\$ 1,010	\$ 7,000
2009	73,266	938	74,204
	<u>\$ 79,256</u>	<u>\$ 1,948</u>	<u>\$ 81,204</u>

CITY OF MT. ANGEL, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2007

LONG-TERM OBLIGATIONS (Continued)

In a prior year, the Sewer Reserve Fund loaned the General Fund \$121,250 with interest at 1.5%. The remaining balance will be repaid through interfund transfers as follows:

<i>Fiscal Year</i> <i>Ending</i> <i>June 30,</i>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 71,312	\$ 1,070	\$ 72,382

PENSION PLAN

Plan Description

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

In the 2003 legislative session, the Oregon Legislative Assembly created a successor plan for PERS. The Oregon Public Service Retirement Plan ("OPSRP") is effective for all new employees hired on or after August 29, 2003, and applies to any inactive PERS members who return to employment following a six month or greater break in service. The new plan consists of a defined benefit program (the "Pension Program") and a defined contribution portion (the Individual Account Program or "IAP"). The Pension Program portion of OPSRP provides a life pension funded by employer contributions. 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 and a factor that varies based on type of service (general versus police or fire).

Beginning January 1, 2004, all PERS member contributions go into the IAP portion of OPSRP. 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. Those employees who had established a PERS membership prior to creation of OPSRP will be members of both the PERS and OPSRP system as long as they remain in covered employment.

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

Funding Policy

Employer contributions are required by state statute and made at actuarially determined rates as adopted by the OPERB. Covered employees are required by state statute to contribute 6.0% of their annual salary to the system, but the employer is allowed to pay any or all of the employees' contribution in addition to the required employers' contribution. The City has elected to contribute the 6.0% "pick-up."

CITY OF MT. ANGEL, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2007

PENSION PLAN (Continued)

Funding Policy (Continued)

In addition to the 6.0% "pick-up," the City contributed 16.83% of covered payroll to PERS for the fiscal year ended June 30, 2007. This contribution rate was determined as part of the December 31, 2003 actuarial evaluation and was recalculated to reflect the impact of recently passed legislation (House Bills 2001, 2003, and 2004). Subject salary for the year was \$704,149 and the City's total payroll was \$776,183.

<u>Year Ended</u> <u>June 30,</u>	<u>Employer</u> <u>Contributions</u>
2007	\$ 160,779
2006	144,199
2005	109,778

The City's pension liability and the annual required contribution rate were determined using the entry age cost method. The unfunded actuarial liability ("UAL") created by this method, including gains and losses, is amortized as a level percentage of salary over a period commencing on the valuation date (2001, 2003, 2005, and 2007) and ending on December 31, 2027 using closed amortization. Beginning in 2007, each valuation's UAL will be amortized over 20 years, again using closed amortization. The actuarial assumptions include an investment return of 8.0% per year, projected salary increase of 4.25%, health cost inflation graded from 8.5% in 2004 to 0% in 2011, and a consumer price inflation component of 3.25%.

The OPERB utilizes a technique called asset smoothing to determine the actuarial value of assets. The actuarial value of assets are reported at fair market value, less a reserve equal to a pro-rata portion of the investment gains (losses) over the four-year period ending on the valuation date. Investment gains (losses), effective from January 1, 2000, are recognized at the rate of 25% per year. The actuarial value of assets is limited to a 10% corridor above and below the fair market value.

INTERFUND TRANSFERS

<u>Transfers In</u>	<u>General</u>	<u>Street</u>	<u>Capital</u> <u>Improvement</u>	<u>Bancroft</u> <u>Sinking</u>	<u>Water</u>	<u>Sewer</u>	<u>Sewer</u> <u>Utility</u> <u>Reserve</u>	<u>All Others</u>	<u>Total</u>
General	\$ -	\$ -	\$ -	\$ -	\$ 38,359	\$ 49,472	\$ -	\$ 35,000	\$ 122,831
Street	-	-	-	-	40,000	22,000	-	-	62,000
Capital Improvement	50,000	-	-	-	-	-	-	24,196	74,196
Unemployment Reserve	391	-	-	-	-	-	-	-	391
Community Development	-	-	318,805	-	-	-	-	27,653	346,458
Utility Construction	-	110,000	-	-	35,000	-	110,000	185,120	440,120
Revenue Bonded Debt	-	-	-	-	-	121,000	-	-	121,000
Water Utility Reserve	-	-	-	-	100,000	-	-	-	100,000
Sewer Utility Reserve	12,739	-	-	5,919	-	23,000	-	-	41,658
	<u>\$ 63,130</u>	<u>\$ 110,000</u>	<u>\$ 318,805</u>	<u>\$ 5,919</u>	<u>\$ 213,359</u>	<u>\$ 215,472</u>	<u>\$ 110,000</u>	<u>\$ 271,969</u>	<u>\$ 1,308,654</u>

CITY OF MT. ANGEL, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2007

INTERFUND TRANSFERS (Continued)

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts 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. The City Council approves appropriations by department for the General Fund and by major object class (personnel services, materials and services, capital outlay and debt service) for all other funds.

Expenditures in excess of appropriations in individual funds for the year ended June 30, 2007 occurred as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Capital Improvement			
Transfer out	\$ 301,546	\$ 318,805	\$ (17,259)
Library Endowment			
Transfer out	26,506	27,653	(1,147)
Housing Rehabilitation			
Transfer out	18,993	24,196	(5,203)
Water			
Transfer out	208,055	213,359	(5,304)
Sewer			
Transfer out	213,600	215,472	(1,872)

CONTINGENCIES

Portions of sick pay accumulated at any point in time can be expected to be redeemed before termination of employment; however, such redemptions cannot be reasonably estimated. As of June 30, 2007, city employees had accumulated 411 days of sick leave.

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. The City maintains a special revenue fund to cover unemployment insurance claims.

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

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF MT. ANGEL, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES (CASH BASIS) -****BUDGET AND ACTUAL - GENERAL FUND**

YEAR ENDED JUNE 30, 2007

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Taxes and assessments	\$ 498,527	\$ 498,527	\$ 538,903	\$ 40,376
Licenses and permits	160,050	208,050	228,260	20,210
Charges for services	66,075	66,075	61,900	(4,175)
Intergovernmental	53,600	58,218	63,501	5,283
Fines and forfeitures	63,500	63,500	60,692	(2,808)
Miscellaneous	20,700	20,956	54,165	33,209
<i>Total Receipts</i>	862,452	915,326	1,007,421	92,095
DISBURSEMENTS				
Administration	112,213	172,963	157,051	15,912
Police	673,612	682,486	654,520	27,966
Library	63,805	63,805	55,437	8,368
Parks	23,100	23,100	6,850	16,250
Court	30,392	30,392	28,305	2,087
Oktoberfest	46,225	46,225	38,917	7,308
Contingency	200,000	250,000	-	250,000
<i>Total Disbursements</i>	1,149,347	1,268,971	941,080	327,891
RECEIPTS OVER (UNDER) DISBURSEMENTS				
	(286,895)	(353,645)	66,341	419,986
OTHER FINANCING SOURCES (USES)				
Transfers in	115,655	115,655	122,831	7,176
Transfers out	(63,190)	(63,190)	(63,130)	60
<i>Total Other Financing Sources (Uses)</i>	52,465	52,465	59,701	7,236
NET CHANGE IN FUND BALANCE	(234,430)	(301,180)	126,042	427,222
FUND BALANCE, Beginning of year	234,430	301,180	355,723	54,543
FUND BALANCE, End of year	\$ -	\$ -	\$ 481,765	\$ 481,765

CITY OF MT. ANGEL, OREGON
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES (CASH BASIS) -
BUDGET AND ACTUAL - STREET FUND
YEAR ENDED JUNE 30, 2007

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Intergovernmental	\$ 198,170	\$ 198,170	\$ 195,744	\$ (2,426)
Miscellaneous	2,453	2,453	2,926	473
<i>Total Receipts</i>	200,623	200,623	198,670	(1,953)
DISBURSEMENTS				
Personal services	83,875	86,875	81,518	5,357
Materials and services	64,475	64,475	60,178	4,297
Capital outlay	60,000	82,000	71,681	10,319
Contingency	45,000	20,000	-	20,000
<i>Total Disbursements</i>	253,350	253,350	213,377	39,973
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(52,727)	(52,727)	(14,707)	38,020
OTHER FINANCING SOURCES (USES)				
Transfers in	62,000	62,000	62,000	-
Transfers out	(110,000)	(110,000)	(110,000)	-
<i>Total Other Financing Sources (Uses)</i>	(48,000)	(48,000)	(48,000)	-
NET CHANGE IN FUND BALANCE	(100,727)	(100,727)	(62,707)	38,020
FUND BALANCE, Beginning of year	100,727	100,727	90,914	(9,813)
FUND BALANCE, End of year	\$ -	\$ -	\$ 28,207	\$ 28,207

CITY OF MT. ANGEL, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES (CASH BASIS) -

BUDGET AND ACTUAL - COMMUNITY DEVELOPMENT FUND

YEAR ENDED JUNE 30, 2007

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Intergovernmental	\$ 542,500	\$ 713,100	\$ 521,163	\$ (191,937)
Miscellaneous	117,350	117,350	11,653	(105,697)
<i>Total Receipts</i>	659,850	830,450	532,816	(297,634)
DISBURSEMENTS				
Capital outlay	988,402	1,159,002	801,871	357,131
RECEIPTS OVER (UNDER) DISBURSEMENTS				
	(328,552)	(328,552)	(269,055)	59,497
OTHER FINANCING SOURCES (USES)				
Transfers in	328,052	328,052	346,458	18,406
NET CHANGE IN FUND BALANCE	(500)	(500)	77,403	77,903
FUND BALANCE, Beginning of year	500	500	43,100	42,600
FUND BALANCE, End of year	\$ -	\$ -	\$ 120,503	\$ 120,503

CITY OF MT. ANGEL, OREGON

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES (CASH BASIS) -
BUDGET AND ACTUAL - CAPITAL IMPROVEMENT FUND
YEAR ENDED JUNE 30, 2007**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Miscellaneous	\$ 500	\$ 500	\$ 9,359	\$ 8,859
DISBURSEMENTS				
Capital outlay	19,050	19,050	-	19,050
<i>Total Disbursements</i>	19,050	19,050	-	19,050
RECEIPTS OVER (UNDER) DISBURSEMENTS				
	(18,550)	(18,550)	9,359	27,909
OTHER FINANCING SOURCES (USES)				
Transfers in	68,993	68,993	74,196	5,203
Transfers out	(301,546)	(301,546)	(318,805)	(17,259)
<i>Total Other Financing Sources (Uses)</i>	(232,553)	(232,553)	(244,609)	(12,056)
NET CHANGE IN FUND BALANCE				
	(251,103)	(251,103)	(235,250)	15,853
FUND BALANCE, Beginning of year				
	251,103	251,103	374,300	123,197
FUND BALANCE, End of year				
	\$ -	\$ -	\$ 139,050	\$ 139,050

OTHER SUPPLEMENTAL INFORMATION

CITY OF MT. ANGEL, OREGON
COMBINING STATEMENT OF ASSETS AND LIABILITIES (MODIFIED CASH BASIS) -
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007

	<u>Street Reserve</u>	<u>State Revenue Sharing</u>	<u>Unemployment Reserve</u>
ASSETS			
Cash and investments	\$ 6,250	\$ 27,360	\$ 20,771
Assessment liens receivable	-	-	-
	<u>6,250</u>	<u>27,360</u>	<u>20,771</u>
<i>Total Assets</i>	<u>\$ 6,250</u>	<u>\$ 27,360</u>	<u>\$ 20,771</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Deferred revenue	\$ -	\$ -	\$ -
Fund Balances			
Unreserved, reported in:			
Special revenue funds	6,250	27,360	20,771
Debt services fund	-	-	-
	<u>6,250</u>	<u>27,360</u>	<u>20,771</u>
<i>Total Fund Balances</i>	<u>6,250</u>	<u>27,360</u>	<u>20,771</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 6,250</u>	<u>\$ 27,360</u>	<u>\$ 20,771</u>

<i>Transportation SDC</i>	<i>Housing Rehabilitation</i>	<i>Park System SDC</i>	<i>Debt Service</i>	<i>Totals</i>
\$ 78,462	\$ 131,503	\$ 11,223	\$ 13,853	\$ 289,422
-	-	-	38,985	38,985
<u>\$ 78,462</u>	<u>\$ 131,503</u>	<u>\$ 11,223</u>	<u>\$ 52,838</u>	<u>\$ 328,407</u>
\$ -	\$ -	\$ -	\$ 38,985	\$ 38,985
78,462	131,503	11,223	-	275,569
-	-	-	13,853	13,853
<u>78,462</u>	<u>131,503</u>	<u>11,223</u>	<u>13,853</u>	<u>289,422</u>
<u>\$ 78,462</u>	<u>\$ 131,503</u>	<u>\$ 11,223</u>	<u>\$ 52,838</u>	<u>\$ 328,407</u>

CITY OF MT. ANGEL, OREGON**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES****(MODIFIED CASH BASIS) - NONMAJOR GOVERNMENTAL FUNDS****YEAR ENDED JUNE 30, 2007**

	<u>Street Reserve</u>	<u>State Revenue Sharing</u>	<u>Unemployment Reserve</u>
RECEIPTS			
Taxes and assessments	\$ -	\$ -	\$ -
Licenses and permits	-	10,150	-
Intergovernmental	-	43,990	-
Miscellaneous	1,584	1,658	1,029
	<hr/>	<hr/>	<hr/>
<i>Total Receipts</i>	1,584	55,798	1,029
DISBURSEMENTS			
Materials and services	11,316	38,144	42
Capital outlay	6,560	-	-
Debt service	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Disbursements</i>	17,876	38,144	42
	<hr/>	<hr/>	<hr/>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(16,292)	17,654	987
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	391
Transfers out	(25,000)	(35,000)	-
	<hr/>	<hr/>	<hr/>
<i>Total Other Financing Sources (Uses)</i>	(25,000)	(35,000)	391
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCES	(41,292)	(17,346)	1,378
FUND BALANCES, Beginning of year	47,542	44,706	19,393
	<hr/>	<hr/>	<hr/>
FUND BALANCES, End of year	\$ 6,250	\$ 27,360	\$ 20,771
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

<i>Library Endowment</i>	<i>Transportation SDC</i>	<i>Housing Rehabilitaiton</i>	<i>Parks System SDC</i>	<i>Debt Service</i>	<i>Totals</i>
\$ -	\$ -	\$ -	\$ -	\$ 8,207	\$ 8,207
-	39,955	-	1,485	-	51,590
-	-	-	-	-	43,990
693	4,680	94,709	514	753	105,620
693	44,635	94,709	1,999	8,960	209,407
-	-	-	-	-	49,502
-	-	10,324	-	-	16,884
-	-	-	-	951	951
-	-	10,324	-	951	67,337
693	44,635	84,385	1,999	8,009	142,070
-	-	-	-	-	391
(27,653)	(80,000)	(24,196)	-	(5,919)	(197,768)
(27,653)	(80,000)	(24,196)	-	(5,919)	(197,377)
(26,960)	(35,365)	60,189	1,999	2,090	(55,307)
26,960	113,827	71,314	9,224	11,763	344,729
\$ -	\$ 78,462	\$ 131,503	\$ 11,223	\$ 13,853	\$ 289,422

CITY OF MT. ANGEL, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -

BUDGET AND ACTUAL - STREET RESERVE FUND

YEAR ENDED JUNE 30, 2007

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Miscellaneous	\$ 2,000	\$ 2,000	\$ 1,584	\$ (416)
DISBURSEMENTS				
Materials and services	17,980	17,980	11,316	6,664
Capital outlay	10,000	10,000	6,560	3,440
<i>Total Disbursements</i>	<u>27,980</u>	<u>27,980</u>	<u>17,876</u>	<u>10,104</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	(25,980)	(25,980)	(16,292)	9,688
OTHER FINANCING SOURCES (USES)				
Transfers out	(25,000)	(25,000)	(25,000)	-
NET CHANGE IN FUND BALANCE	(50,980)	(50,980)	(41,292)	9,688
FUND BALANCE, Beginning of year	50,980	50,980	47,542	(3,438)
FUND BALANCE, End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,250</u>	<u>\$ 6,250</u>

CITY OF MT. ANGEL, OREGON

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -
BUDGET AND ACTUAL - STATE REVENUE SHARING FUND
YEAR ENDED JUNE 30, 2007**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Licenses and permits	\$ 6,275	\$ 6,275	\$ 10,150	\$ 3,875
Intergovernmental	36,500	36,500	43,990	7,490
Miscellaneous	500	500	1,658	1,158
<i>Total Receipts</i>	<u>43,275</u>	<u>43,275</u>	<u>55,798</u>	<u>12,523</u>
DISBURSEMENTS				
Materials and services	22,500	42,000	38,144	3,856
Contingency	24,919	10,919	-	10,919
<i>Total Disbursements</i>	<u>47,419</u>	<u>52,919</u>	<u>38,144</u>	<u>14,775</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS				
	(4,144)	(9,644)	17,654	27,298
OTHER FINANCING SOURCES (USES)				
Transfers out	(35,000)	(35,000)	(35,000)	-
NET CHANGE IN FUND BALANCE	<u>(39,144)</u>	<u>(44,644)</u>	<u>(17,346)</u>	<u>27,298</u>
FUND BALANCE, Beginning of year	<u>39,144</u>	<u>44,644</u>	<u>44,706</u>	<u>62</u>
FUND BALANCE, End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,360</u>	<u>\$ 27,360</u>

CITY OF MT. ANGEL, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -

BUDGET AND ACTUAL - UNEMPLOYMENT RESERVE FUND

YEAR ENDED JUNE 30, 2007

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Miscellaneous	\$ 250	\$ 250	\$ 1,029	\$ 779
DISBURSEMENTS				
Materials and services	19,661	19,661	42	19,619
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(19,411)	(19,411)	987	20,398
OTHER FINANCING SOURCES (USES)				
Transfers in	400	400	391	(9)
NET CHANGE IN FUND BALANCE	(19,011)	(19,011)	1,378	20,389
FUND BALANCE, Beginning of year	19,011	19,011	19,393	382
FUND BALANCE, End of year	\$ -	\$ -	\$ 20,771	\$ 20,771

CITY OF MT. ANGEL, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -

BUDGET AND ACTUAL - LIBRARY ENDOWMENT FUND

YEAR ENDED JUNE 30, 2007

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Miscellaneous	\$ 100	\$ 100	\$ 693	\$ 593
DISBURSEMENTS				
	-	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS				
	100	100	693	593
OTHER FINANCING SOURCES (USES)				
Transfers out	(26,506)	(26,506)	(27,653)	(1,147)
NET CHANGE IN FUND BALANCE				
	(26,406)	(26,406)	(26,960)	(554)
FUND BALANCE, Beginning of year				
	26,406	26,406	26,960	554
FUND BALANCE, End of year				
	\$ -	\$ -	\$ -	\$ -

CITY OF MT. ANGEL, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -****BUDGET AND ACTUAL - TRANSPORTATION SDC FUND****YEAR ENDED JUNE 30, 2007**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Licenses and permits	\$ 6,550	\$ 6,550	\$ 39,955	\$ 33,405
Miscellaneous	2,500	2,500	4,680	2,180
<i>Total Receipts</i>	9,050	9,050	44,635	35,585
DISBURSEMENTS				
Capital outlay	23,731	23,731	-	23,731
RECEIPTS OVER (UNDER) DISBURSEMENTS				
	(14,681)	(14,681)	44,635	59,316
OTHER FINANCING SOURCES (USES)				
Transfers out	(80,000)	(80,000)	(80,000)	-
NET CHANGE IN FUND BALANCE	(94,681)	(94,681)	(35,365)	59,316
FUND BALANCE, Beginning of year	96,502	96,502	113,827	17,325
FUND BALANCE, End of year	\$ 1,821	\$ 1,821	\$ 78,462	\$ 76,641

CITY OF MT. ANGEL, OREGON

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -
BUDGET AND ACTUAL - HOUSING REHABILITATION FUND
YEAR ENDED JUNE 30, 2007**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Miscellaneous	\$ 51,900	\$ 51,900	\$ 94,709	\$ 42,809
DISBURSEMENTS				
Capital outlay	104,400	104,400	10,324	94,076
RECEIPTS OVER (UNDER) DISBURSEMENTS				
	(52,500)	(52,500)	84,385	136,885
OTHER FINANCING SOURCES (USES)				
Transfers out	(18,993)	(18,993)	(24,196)	(5,203)
NET CHANGE IN FUND BALANCE				
	(71,493)	(71,493)	60,189	131,682
FUND BALANCE, Beginning of year				
	73,400	73,400	71,314	(2,086)
FUND BALANCE, End of year				
	\$ 1,907	\$ 1,907	\$ 131,503	\$ 129,596

CITY OF MT. ANGEL, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -

BUDGET AND ACTUAL - PARK SYSTEM SDC FUND

YEAR ENDED JUNE 30, 2007

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Licenses and permits	\$ 275	\$ 275	\$ 1,485	\$ 1,210
Miscellaneous	150	150	514	364
<i>Total Receipts</i>	425	425	1,999	1,574
DISBURSEMENTS				
Capital outlay	8,675	8,675	-	8,675
RECEIPTS OVER (UNDER) DISBURSEMENTS	(8,250)	(8,250)	1,999	10,249
FUND BALANCE, Beginning of year	8,408	8,408	9,224	816
FUND BALANCE, End of year	\$ 158	\$ 158	\$ 11,223	\$ 11,065

CITY OF MT. ANGEL, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -

BUDGET AND ACTUAL - DEBT SERVICE FUND

YEAR ENDED JUNE 30, 2007

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Taxes and assessments	\$ 5,153	\$ 5,153	\$ 8,207	\$ 3,054
Miscellaneous	100	100	753	653
<i>Total Receipts</i>	5,253	5,253	8,960	3,707
DISBURSEMENTS				
Debt service	1,081	1,081	951	130
RECEIPTS OVER (UNDER) DISBURSEMENTS				
	4,172	4,172	8,009	3,837
OTHER FINANCING SOURCES (USES)				
Transfers out	(7,000)	(7,000)	(5,919)	1,081
NET CHANGE IN FUND BALANCE				
	(2,828)	(2,828)	2,090	4,918
FUND BALANCE, Beginning of year				
	5,430	5,430	11,763	6,333
FUND BALANCE, End of year				
	\$ 2,602	\$ 2,602	\$ 13,853	\$ 11,251

CITY OF MT. ANGEL, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -

BUDGET AND ACTUAL - REVENUE BONDED DEBT FUND

YEAR ENDED JUNE 30, 2007

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Miscellaneous	\$ 4,000	\$ 4,000	\$ 11,162	\$ 7,162
DISBURSEMENTS				
Debt service	121,100	121,100	120,889	211
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(117,100)	(117,100)	(109,727)	7,373
OTHER FINANCING SOURCES (USES)				
Transfers in	121,000	121,000	121,000	-
NET CHANGE IN FUND BALANCE				
	3,900	3,900	11,273	7,373
FUND BALANCE, Beginning of year				
	195,901	195,901	200,013	4,112
FUND BALANCE, End of year				
	\$ 199,801	\$ 199,801	\$ 211,286	\$ 11,485

CITY OF MT. ANGEL, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -

BUDGET AND ACTUAL - WATER FUND

YEAR ENDED JUNE 30, 2007

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Charges for services	\$ 410,000	\$ 410,000	\$ 481,633	\$ 71,633
Miscellaneous	3,100	3,100	8,546	5,446
<i>Total Receipts</i>	413,100	413,100	490,179	77,079
DISBURSEMENTS				
Personal services	180,595	180,595	172,451	8,144
Materials and services	121,600	121,600	84,182	37,418
Capital outlay	35,000	35,000	26,901	8,099
Contingency	100,830	100,830	-	100,830
<i>Total Disbursements</i>	438,025	438,025	283,534	154,491
RECEIPTS OVER (UNDER) DISBURSEMENTS	(24,925)	(24,925)	206,645	231,570
OTHER FINANCING SOURCES (USES)				
Transfers out	(208,055)	(208,055)	(213,359)	(5,304)
NET CHANGE IN FUND BALANCE	(232,980)	(232,980)	(6,714)	226,266
FUND BALANCE, Beginning of year	232,980	232,980	279,650	46,670
FUND BALANCE, End of year	\$ -	\$ -	\$ 272,936	\$ 272,936

CITY OF MT. ANGEL, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -

BUDGET AND ACTUAL - SEWER FUND

YEAR ENDED JUNE 30, 2007

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Charges for services	\$ 595,017	\$ 595,017	\$ 607,299	\$ 12,282
Miscellaneous	3,000	3,000	5,082	2,082
<i>Total Receipts</i>	598,017	598,017	612,381	14,364
DISBURSEMENTS				
Personal services	262,865	262,865	247,425	15,440
Materials and services	75,250	75,250	60,263	14,987
Capital outlay	70,000	70,000	67,083	2,917
Contingency	25,000	25,000	-	25,000
<i>Total Disbursements</i>	433,115	433,115	374,771	58,344
RECEIPTS OVER (UNDER) DISBURSEMENTS	164,902	164,902	237,610	72,708
OTHER FINANCING SOURCES (USES)				
Transfers out	(213,600)	(213,600)	(215,472)	(1,872)
NET CHANGE IN FUND BALANCE	(48,698)	(48,698)	22,138	70,836
FUND BALANCE, Beginning of year	48,698	48,698	124,297	75,599
FUND BALANCE, End of year	\$ -	\$ -	\$ 146,435	\$ 146,435

CITY OF MT. ANGEL, OREGON

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -
BUDGET AND ACTUAL - SEWER UTILITY RESERVE FUND
YEAR ENDED JUNE 30, 2007**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Miscellaneous	\$ 11,850	\$ 11,850	\$ 29,390	\$ 17,540
DISBURSEMENTS				
Materials and services	430,000	430,000	-	430,000
RECEIPTS OVER (UNDER) DISBURSEMENTS				
	(418,150)	(418,150)	29,390	447,540
OTHER FINANCING SOURCES (USES)				
Transfers in	41,660	41,660	41,658	(2)
Transfers out	(200,000)	(200,000)	(110,000)	90,000
<i>Total Other Financing Sources (Uses)</i>	(158,340)	(158,340)	(68,342)	89,998
NET CHANGE IN FUND BALANCE	(576,490)	(576,490)	(38,952)	537,538
FUND BALANCE, Beginning of year	581,490	581,490	591,279	9,789
FUND BALANCE, End of year	\$ 5,000	\$ 5,000	\$ 552,327	\$ 547,327

CITY OF MT. ANGEL, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -

BUDGET AND ACTUAL - WATER UTILITY SDC FUND

YEAR ENDED JUNE 30, 2007

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Licenses and permits	\$ 11,690	\$ 11,690	\$ 63,126	\$ 51,436
Miscellaneous	5,000	5,000	14,692	9,692
<i>Total Receipts</i>	16,690	16,690	77,818	61,128
DISBURSEMENTS				
Capital outlay	240,015	240,015	-	240,015
RECEIPTS OVER (UNDER) DISBURSEMENTS	(223,325)	(223,325)	77,818	301,143
FUND BALANCE, Beginning of year	225,845	225,845	254,842	28,997
FUND BALANCE, End of year	\$ 2,520	\$ 2,520	\$ 332,660	\$ 330,140

CITY OF MT. ANGEL, OREGON
COMBINING STATEMENT OF ASSETS AND LIABILITIES (MODIFIED CASH BASIS) -
NONMAJOR PROPRIETARY FUNDS
JUNE 30, 2007

	<u>Utility Construction</u>	<u>Water Utility Reserve</u>	<u>Sewer Utility SDC</u>
ASSETS			
Cash and investments	\$ 167,016	\$ 264,651	\$ 176,288
<i>Total Assets</i>	<u>\$ 167,016</u>	<u>\$ 264,651</u>	<u>\$ 176,288</u>
LIABILITIES AND FUND BALANCES			
<i>Liabilities</i>	\$ -	\$ -	\$ -
Fund Balances			
Unreserved	<u>167,016</u>	<u>264,651</u>	<u>176,288</u>
<i>Total Fund Balances</i>	<u>167,016</u>	<u>264,651</u>	<u>176,288</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 167,016</u>	<u>\$ 264,651</u>	<u>\$ 176,288</u>

<i>Storm Sewer SDC</i>	<i>Totals</i>
\$ 23,180	\$ 631,135
\$ 23,180	\$ 631,135
\$ -	\$ -
<u>23,180</u>	<u>631,135</u>
<u>23,180</u>	<u>631,135</u>
<u>\$ 23,180</u>	<u>\$ 631,135</u>

CITY OF MT. ANGEL, OREGON**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES****(MODIFIED CASH BASIS) - NONMAJOR PROPRIETARY FUNDS****YEAR ENDED JUNE 30, 2007**

	<u>Utility Construction</u>	<u>Water Utility Reserve</u>	<u>Sewer Utility SDC</u>
RECEIPTS			
Licenses and permits	\$ -	\$ -	\$ 40,037
Miscellaneous	9,063	11,266	9,591
<i>Total Receipts</i>	9,063	11,266	49,628
DISBURSEMENTS			
Materials and services	218,741	-	-
Capital outlay	208,070	-	-
<i>Total Disbursements</i>	426,811	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	(417,748)	11,266	49,628
OTHER FINANCING SOURCES (USES)			
Transfers in	440,120	100,000	-
Transfers out	-	-	(80,120)
<i>Total Other Financing Sources (Uses)</i>	440,120	100,000	(80,120)
NET CHANGE IN FUND BALANCES	22,372	111,266	(30,492)
FUND BALANCES, Beginning of year	144,644	153,385	206,780
FUND BALANCES, End of year	<u>\$ 167,016</u>	<u>\$ 264,651</u>	<u>\$ 176,288</u>

<i>Storm Sewer SDC</i>	<i>Totals</i>
\$ 3,149	\$ 43,186
1,048	30,968
<hr/>	<hr/>
4,197	74,154
-	218,741
-	208,070
<hr/>	<hr/>
-	426,811
<hr/>	<hr/>
4,197	(352,657)
-	540,120
-	(80,120)
<hr/>	<hr/>
-	460,000
<hr/>	<hr/>
4,197	107,343
18,983	523,792
<hr/>	<hr/>
\$ 23,180	\$ 631,135
<hr/> <hr/>	<hr/> <hr/>

CITY OF MT. ANGEL, OREGON

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES (CASH BASIS) -
BUDGET AND ACTUAL - UTILITY CONSTRUCTION FUND
YEAR ENDED JUNE 30, 2007**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Miscellaneous	\$ 2,000	\$ 2,000	\$ 9,063	\$ 7,063
DISBURSEMENTS				
Materials and services	382,742	382,742	218,741	164,001
Capital outlay	346,000	346,000	208,070	137,930
<i>Total Disbursements</i>	<u>728,742</u>	<u>728,742</u>	<u>426,811</u>	<u>301,931</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS				
	(726,742)	(726,742)	(417,748)	308,994
OTHER FINANCING SOURCES (USES)				
Transfers in	600,000	600,000	440,120	(159,880)
NET CHANGE IN FUND BALANCE	(126,742)	(126,742)	22,372	149,114
FUND BALANCE, Beginning of year	<u>126,742</u>	<u>126,742</u>	<u>144,644</u>	<u>17,902</u>
FUND BALANCE, End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 167,016</u>	<u>\$ 167,016</u>

CITY OF MT. ANGEL, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -

BUDGET AND ACTUAL - WATER UTILITY RESERVE FUND

YEAR ENDED JUNE 30, 2007

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Miscellaneous	\$ 500	\$ 500	\$ 11,266	\$ 10,766
DISBURSEMENTS				
Capital outlay	248,500	248,500	-	248,500
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(248,000)	(248,000)	11,266	259,266
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	100,000	100,000	-
NET CHANGE IN FUND BALANCE				
	(148,000)	(148,000)	111,266	259,266
FUND BALANCE, Beginning of year				
	151,272	151,272	153,385	2,113
FUND BALANCE, End of year				
	\$ 3,272	\$ 3,272	\$ 264,651	\$ 261,379

CITY OF MT. ANGEL, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -

BUDGET AND ACTUAL - SEWER UTILITY SDC FUND

YEAR ENDED JUNE 30, 2007

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Licenses and permits	\$ 6,250	\$ 6,250	\$ 40,037	\$ 33,787
Miscellaneous	3,000	3,000	9,591	6,591
<i>Total Receipts</i>	9,250	9,250	49,628	40,378
DISBURSEMENTS				
Capital outlay	43,472	43,472	-	43,472
RECEIPTS OVER (UNDER) DISBURSEMENTS				
	(34,222)	(34,222)	49,628	83,850
OTHER FINANCING SOURCES (USES)				
Transfers out	(150,000)	(150,000)	(80,120)	69,880
NET CHANGE IN FUND BALANCE	(184,222)	(184,222)	(30,492)	153,730
FUND BALANCE, Beginning of year	186,743	186,743	206,780	20,037
FUND BALANCE, End of year	\$ 2,521	\$ 2,521	\$ 176,288	\$ 173,767

CITY OF MT. ANGEL, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -

BUDGET AND ACTUAL - STORM WATER SDC FUND

YEAR ENDED JUNE 30, 2007

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Licenses and permits	\$ 480	\$ 480	\$ 3,149	\$ 2,669
Miscellaneous	350	350	1,048	698
<i>Total Receipts</i>	830	830	4,197	3,367
DISBURSEMENTS				
Capital outlay	16,000	16,000	-	16,000
RECEIPTS OVER (UNDER) DISBURSEMENTS	(15,170)	(15,170)	4,197	19,367
FUND BALANCE, Beginning of year	17,496	17,496	18,983	1,487
FUND BALANCE, End of year	\$ 2,326	\$ 2,326	\$ 23,180	\$ 20,854

OTHER SCHEDULES

CITY OF MT. ANGEL, OREGON
SCHEDULE OF PROPERTY TAX TRANSACTIONS
YEAR ENDED JUNE 30, 2007

<u>Tax Year</u>	<u>Uncollected Balances July 1, 2006</u>	<u>2006-2007 Levy</u>	<u>Added To Rolls</u>	<u>Discounts & Adjustments</u>	<u>Turnovers</u>	<u>Uncollected Balances June 30, 2007</u>
2006-2007	\$ -	\$ 549,803	\$ 445	\$ (14,998)	\$ (518,167)	\$ 17,083
2005-2006	16,242	-	-	(356)	(10,027)	5,859
2004-2005	6,309	-	-	(128)	(2,787)	3,394
2003-2004	3,360	-	-	(57)	(1,637)	1,666
2002-2003	1,569	-	-	(30)	(1,112)	427
2002-2001	368	-	-	(14)	(88)	266
Prior Years	1,173	-	-	(11)	(285)	877
Total	<u>\$ 29,021</u>	<u>\$ 549,803</u>	<u>\$ 445</u>	<u>\$ (15,594)</u>	<u>\$ (534,103)</u>	<u>\$ 29,572</u>

CITY OF MT. ANGEL, OREGON
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
JUNE 30, 2007

	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Fiscal Year of Maturity</u>
PRINCIPAL TRANSACTIONS			
1993 FHA Loan	5.0%	1993	2021-22
SRF Loan	3.0%	1998	2012-13
			<i>Unmatured Interest Outstanding July 1, 2006</i>
INTEREST TRANSACTIONS			
	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Unmatured Interest Outstanding July 1, 2006</u>
1993 FHA Loan	5.0%	1993	\$ 461,547
SRF Loan	3.0%	1998	25,089
			<u>\$ 486,636</u>

<i>Outstanding July 1, 2006</i>	<i>Loans Issued</i>	<i>Loans Paid</i>	<i>Outstanding June 30, 2007</i>
\$ 888,851	\$ -	\$ (35,492)	\$ 853,359
232,052	-	(32,847)	199,205
<u>\$ 1,120,903</u>	<u>\$ -</u>	<u>\$ (68,339)</u>	<u>\$ 1,052,564</u>

<i>New Issues</i>	<i>Interest Coupons Paid/ Refunded</i>	<i>Unmatured Interest June 30, 2007</i>
\$ -	\$ (45,833)	\$ 415,714
-	(6,717)	18,372
<u>\$ -</u>	<u>\$ (52,550)</u>	<u>\$ 434,086</u>

CITY OF MT. ANGEL, OREGON
SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS
JUNE 30, 2007

<i>Fiscal Year</i> <i>Ending</i> <i>June 30,</i>	<i>1993 FHA Loan</i>			<i>State Revolving Fund Loan</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2008	\$ 37,267	\$ 44,058	\$ 81,325	\$ 33,840	\$ 5,724	\$ 39,564
2009	39,130	42,195	81,325	34,863	4,701	39,564
2010	41,086	40,239	81,325	35,916	3,648	39,564
2011	43,141	38,184	81,325	37,002	2,562	39,564
2012	45,298	36,027	81,325	38,120	1,444	39,564
2013	47,563	33,762	81,325	19,464	293	19,757
2014	49,941	31,384	81,325	-	-	-
2015	52,438	28,887	81,325	-	-	-
2016	55,060	26,265	81,325	-	-	-
2017	57,813	23,512	81,325	-	-	-
2018	60,703	20,622	81,325	-	-	-
2019	63,739	17,586	81,325	-	-	-
2020	66,925	14,400	81,325	-	-	-
2021	70,272	11,053	81,325	-	-	-
2022	122,983	7,540	130,523	-	-	-
	<u>\$ 853,359</u>	<u>\$ 415,714</u>	<u>\$ 1,269,073</u>	<u>\$ 199,205</u>	<u>\$ 18,372</u>	<u>\$ 217,577</u>

<i>Totals</i>		
<u>Principal</u>	<u>Interest</u>	<u>Total</u>
\$ 71,107	\$ 49,782	\$ 120,889
73,993	46,896	120,889
77,002	43,887	120,889
80,143	40,746	120,889
83,418	37,471	120,889
67,027	34,055	101,082
49,941	31,384	81,325
52,438	28,887	81,325
55,060	26,265	81,325
57,813	23,512	81,325
60,703	20,622	81,325
63,739	17,586	81,325
66,925	14,400	81,325
70,272	11,053	81,325
122,983	7,540	130,523
<u>\$ 1,052,564</u>	<u>\$ 434,086</u>	<u>\$ 1,486,650</u>

COMPLIANCE SECTION

CITY OF MT. ANGEL, OREGON
AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS
YEAR ENDED JUNE 30, 2007

Oregon Administrative Rules 162-10-050 through 162-10-320 incorporated in the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, comments and disclosures required in audit reports. The required statements and schedules are set forth in the preceding sections of this report. Required comments and disclosures related to our audit of such statements and schedules are set forth as follows:

Significant Accounting Policies

The significant accounting policies followed in preparing the City's financial statements are summarized in the notes to the financial statements.

Organization and Fund Structure

The organization and fund structure of the City is documented on the title page and in the notes to the financial statements.

Internal Accounting Control and Accounting Records

We have audited the basic financial statements of Mt. Angel, Oregon, as of and for the year ended June 30, 2007, and have issued our report thereon dated November 27, 2007. As part of our audit, we made a study and evaluation of accounting systems and controls as required by auditing standards generally accepted in the United States of America. The purpose of our study and evaluation was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the City's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control of the City taken as a whole. We issued our separate Single Audit disclosure on significant deficiencies in internal control.

Indebtedness

The general obligation bonded debt of the City is in compliance with the limitation imposed by ORS 264.250 (3). We noted no defaults in principal, interest, sinking fund, or redemption provisions with respect to any of the City's liabilities, and no breach of the bond agreements, at June 30, 2007.

Adequacy of Collateral Securing Depository Balances

ORS 295 provides that each depository, throughout the period of its possession of public fund deposits, shall maintain on deposit with its custodians, at its own expense, securities having a value not less than 25% of the certificates of participation issued by the pool manager for funds in excess of those insured by the Federal Deposit Insurance Corporation. Our review of the adequacy of collateral securing depository balances indicated the collateral was not sufficient at times during the year ended June 30, 2007.

Budget Compliance

The City has complied with Local Budget Law (ORS 294) and ORS 264.300 in the preparation, adoption and execution of its budget and tax levy for fiscal years ending June 30, 2007 and 2008, except as noted.

CITY OF MT. ANGEL, OREGON

AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS (Continued)

YEAR ENDED JUNE 30, 2007

Insurance and Fidelity Bonds

We have reviewed the City's insurance and fidelity bond coverage at June 30, 2007. We ascertained that such policies appeared to be in force and in compliance with legal requirements relating to insurance and fidelity bond coverage. We are not competent by training to comment on the adequacy of the insurance policies.

Investments

Our review of deposit and investment balances indicated that the City was in compliance with ORS 294, as it pertains to investment of public funds, during the year ended June 30, 2007.

Public Contracting and Purchasing

Our review of the City's public contracting, purchasing procedures and construction of public improvement requirements (ORS 279) indicated that the City was in compliance.

Highway Funds

The City complied with the legal requirements of Article IX, Section 3a of the Oregon Constitution pertaining to the use of revenue from taxes on motor vehicle fuel, and the statutory requirements of ORS 294, 368 and 373 as they pertain to the use of road funds.

Programs Funded From Outside Sources

We have reviewed the City's compliance with appropriate laws, rules, and regulations pertaining to programs funded wholly or partially by the other governmental agencies. See the separate Single Audit disclosures.

Schedule of Accountability of Independently Elected Officials

There are no elected City officials who collect or receive funds on behalf of the City.

Financial Reporting Requirements

We have reviewed financial reports and other data relating to programs funded wholly or partially by other governmental agencies. This data, filed with other governmental agencies, is in agreement with and supported by the accounting records.

This report is intended for the information of the City Council and management of City of Mt. Angel, federal, State of Oregon and pass-through funding agencies, and the State of Oregon Division of Audits and is not intended to be and should not be used by anyone other than those specified parties.

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

By: 

Charles A. Swank, A Shareholder
November 27, 2007