

*CITY OF MT. ANGEL, OREGON  
ANNUAL FINANCIAL REPORT  
Year Ended June 30, 2008*

*CITY OFFICIALS*

Thomas Bauman, Mayor  
1225 Academy Street  
Mt. Angel, Oregon 97362

William Schaecher, Council President  
274 Cherry Street  
Mt. Angel, Oregon 97362

Joan Cuff  
915 W. Marquam Street  
Mt. Angel, Oregon 97362

Michael Donohue  
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Ray Eder  
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Mt. Angel, Oregon 97362

City Administrator/City Recorder  
James Hunt

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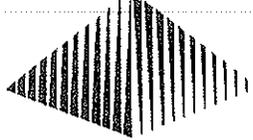
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## GROVE, MUELLER & SWANK, P.C.

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

### *INDEPENDENT AUDITOR'S REPORT*

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, 2008, 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 opinions 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. 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 opinions.

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.

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 our opinion, except for the matter discussed above, 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, 2008, 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.

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 opinions 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  
December 29, 2008

*BASIC FINANCIAL STATEMENTS*

**CITY OF MT. ANGEL, OREGON**  
**STATEMENT OF NET ASSETS (MODIFIED CASH BASIS)**  
**JUNE 30, 2008**

	<i>Governmental Activities</i>	<i>Business-type Activities</i>	<i>Totals</i>
<b>ASSETS</b>			
Cash and investments	\$ 990,475	\$ 2,252,564	\$ 3,243,039
Accounts receivable	714	134,590	135,304
Property taxes receivable	34,173	-	34,173
Notes receivable	371,929	-	371,929
Assessment liens receivable	29,158	-	29,158
Interfund loans	(219,266)	219,266	-
Capital assets	2,262,208	10,043,080	12,305,288
<i>Total Assets</i>	<u>3,469,391</u>	<u>12,649,500</u>	<u>16,118,891</u>
<b>LIABILITIES</b>			
Payroll liabilities	7,078	-	7,078
Deposits	-	11,526	11,526
Deferred revenue	435,260	134,590	569,850
Noncurrent liabilities:			
Due within one year:			
Notes payable	-	75,862	75,862
Due in more than one year:			
Notes payable	-	896,021	896,021
<i>Total Liabilities</i>	<u>442,338</u>	<u>1,117,999</u>	<u>1,560,337</u>
<b>NET ASSETS</b>			
Investment in capital assets (net of related debt)	2,262,208	9,071,197	11,333,405
Fund net assets			
Restricted for special purposes	17,056	839,204	856,260
Unrestricted	747,789	1,621,100	2,368,889
<i>Total Fund Net Assets</i>	<u>764,845</u>	<u>2,460,304</u>	<u>3,225,149</u>
<i>Total Net Assets</i>	<u>\$ 3,027,053</u>	<u>\$ 11,531,501</u>	<u>\$ 14,558,554</u>

*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, 2008**

	<u>Disbursements</u>	<u>Program Receipts</u>	
		<u>Fees, Fines and Charges for Services</u>	<u>Operating Grants and Contributions</u>
<b>FUNCTIONS/PROGRAMS</b>			
<b>Governmental activities:</b>			
General government	\$ 155,082	\$ 168,458	\$ -
Court and police	685,047	111,191	4,036
Community services and development	90,696	89,068	-
Library	564,894	16,115	-
Public works	182,281	49,685	162,214
	<hr/>	<hr/>	<hr/>
<i>Total Governmental Activities</i>	1,678,000	434,517	166,250
<b>Business-type activities:</b>			
Water	417,845	532,845	-
Sewer	926,227	662,873	-
	<hr/>	<hr/>	<hr/>
<i>Total Business-type Activities</i>	1,344,072	1,195,718	-
	<hr/>	<hr/>	<hr/>
<i>Total Activities</i>	<u>\$ 3,022,072</u>	<u>\$ 1,630,235</u>	<u>\$ 166,250</u>
<b>General receipts:</b>			
Property taxes			
Intergovernmental			
Miscellaneous			
<i>Total General Receipts</i>			
<b>Transfers</b>			
<b>Change in fund net assets</b>			
<b>Fund net assets, July 1, 2007</b>			
<b>Fund net assets, June 30, 2008</b>			

<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>
\$ -	\$ 13,376	\$ -	\$ 13,376
-	(569,820)	-	(569,820)
-	(1,628)	-	(1,628)
256,102	(292,677)	-	(292,677)
25,000	54,618	-	54,618
281,102	(796,131)	-	(796,131)
-	-	115,000	115,000
-	-	(263,354)	(263,354)
-	-	(148,354)	(148,354)
<u>\$ 281,102</u>	(796,131)	(148,354)	(944,485)
	563,863	-	563,863
	73,127	-	73,127
	231,089	95,829	326,918
	868,079	95,829	963,908
	(146,784)	146,784	-
	(74,836)	94,259	19,423
	839,681	2,366,045	3,205,726
	<u>\$ 764,845</u>	<u>\$ 2,460,304</u>	<u>\$ 3,225,149</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, 2008**

	<u>General</u>	<u>Street</u>
<b>ASSETS</b>		
Cash and investments	\$ 521,137	\$ 11,985
Accounts receivable	714	-
Property taxes receivable	34,173	-
Notes receivable	-	-
Assessment liens receivable	-	-
	<hr/>	<hr/>
<i>Total Assets</i>	\$ 556,024	\$ 11,985
	<hr/> <hr/>	<hr/> <hr/>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities</b>		
Payroll withholdings	\$ 7,078	\$ -
Deferred revenue	34,173	-
	<hr/>	<hr/>
<i>Total Liabilities</i>	41,251	-
<b>Fund Balances</b>		
Unreserved, reported in:		
General fund	514,773	-
Special revenue funds	-	11,985
Debt service fund	-	-
	<hr/>	<hr/>
<i>Total Fund Balances</i>	514,773	11,985
	<hr/>	<hr/>
<i>Total Liabilities and Fund Balances</i>	\$ 556,024	\$ 11,985
	<hr/> <hr/>	<hr/> <hr/>

<i>Community Development</i>	<i>Housing Rehabilitaiton</i>	<i>Other Governmental Funds</i>	<i>Totals</i>
\$ 21,013	\$ 140,035	\$ 296,305	\$ 990,475
-	-	-	714
-	-	-	34,173
-	371,929	-	371,929
-	-	29,158	29,158
<u>\$ 21,013</u>	<u>\$ 511,964</u>	<u>\$ 325,463</u>	<u>\$ 1,426,449</u>
\$ -	\$ -	\$ -	\$ 7,078
-	371,929	29,158	435,260
-	371,929	29,158	442,338
-	-	-	514,773
21,013	140,035	277,963	450,996
-	-	18,342	18,342
<u>21,013</u>	<u>140,035</u>	<u>296,305</u>	<u>984,111</u>
<u>\$ 21,013</u>	<u>\$ 511,964</u>	<u>\$ 325,463</u>	<u>\$ 1,426,449</u>
Total fund balances			\$ 984,111
Less: interfund loans			(219,266)
Fund net assets			<u>\$ 764,845</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 BALANCE****GOVERNMENTAL FUNDS (MODIFIED CASH BASIS)****YEAR ENDED JUNE 30, 2008**

	<u>General</u>	<u>Street</u>
<b>RECEIPTS</b>		
Taxes and assessments	\$ 563,863	\$ -
Licenses and permits	222,960	-
Charges for services	57,105	-
Intergovernmental	64,054	187,214
Fines and forfeitures	56,448	-
Miscellaneous	54,293	858
	<hr/>	<hr/>
<i>Total Receipts</i>	1,018,723	188,072
<b>DISBURSEMENTS</b>		
General government	144,394	-
Court and police	665,183	-
Community services & development	37,843	-
Library	55,619	-
Public works	6,871	135,294
Capital outlay	63,109	2,000
Debt service	-	-
	<hr/>	<hr/>
<i>Total Disbursements</i>	973,019	137,294
	<hr/>	<hr/>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	45,704	50,778
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	85,880	70,000
Transfers out	(98,576)	(137,000)
	<hr/>	<hr/>
<i>Total Other Financing Sources (Uses)</i>	(12,696)	(67,000)
	<hr/>	<hr/>
<b>NET CHANGE IN FUND BALANCES</b>	33,008	(16,222)
	<hr/>	<hr/>
<b>FUND BALANCES, Beginning of year</b>	481,765	28,207
	<hr/>	<hr/>
<b>FUND BALANCES, End of year</b>	\$ 514,773	\$ 11,985
	<hr/> <hr/>	<hr/> <hr/>

<i>Community Development</i>	<i>Housing Rehabilitaiton</i>	<i>Other Governmental Funds</i>	<i>Totals</i>
\$ -	\$ -	\$ 12,117	\$ 575,980
-	-	45,288	268,248
-	-	-	57,105
257,207	-	53,209	561,684
-	-	-	56,448
124,432	37,996	12,904	230,483
381,639	37,996	123,518	1,749,948
-	-	129	144,523
-	-	-	665,183
-	-	51,522	89,365
-	-	-	55,619
-	-	2,433	144,598
502,827	7,766	2,000	577,702
-	-	1,010	1,010
502,827	7,766	57,094	1,678,000
(121,188)	30,230	66,424	71,948
21,698	-	60,963	238,541
-	(21,698)	(128,051)	(385,325)
21,698	(21,698)	(67,088)	(146,784)
(99,490)	8,532	(664)	(74,836)
120,503	131,503	296,969	1,058,947
\$ 21,013	\$ 140,035	\$ 296,305	\$ 984,111

*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, 2008**

	<i>Water Utility</i>	<i>Sewer Utility</i>	<i>Other Proprietary Funds</i>
<b>ASSETS</b>			
Cash and investments	\$ 305,692	\$ 143,745	\$ 1,803,127
Accounts receivable	65,197	69,393	-
Capital assets	3,257,962	6,785,118	-
<i>Total Assets</i>	<u>\$ 3,628,851</u>	<u>\$ 6,998,256</u>	<u>\$ 1,803,127</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Liabilities</b>			
Deposits	\$ 3,576	\$ 7,950	\$ -
Deferred revenue	65,197	69,393	-
Noncurrent liabilities:			
Due within one year:			
Notes payable	-	75,862	-
Due in more than one year:			
Notes payable	-	896,021	-
<i>Total Liabilities</i>	<u>68,773</u>	<u>1,049,226</u>	<u>-</u>
<b>Net Assets</b>			
Investment in capital assets (net of related debt)	3,257,962	5,813,235	-
Fund net assets	302,116	135,795	1,803,127
<i>Total Net Assets</i>	<u>3,560,078</u>	<u>5,949,030</u>	<u>1,803,127</u>
<i>Total Liabilities and Net Assets</i>	<u>\$ 3,628,851</u>	<u>\$ 6,998,256</u>	<u>\$ 1,803,127</u>

Total fund balances  
Add: interfund loans

Fund net assets

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*Totals*

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\$ 2,252,564  
134,590  
10,043,080

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\$ 12,430,234

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\$ 11,526  
134,590

75,862

896,021

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1,117,999

9,071,197  
2,241,038

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11,312,235

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\$ 12,430,234

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\$ 11,312,235  
219,266

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\$ 11,531,501

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

**CITY OF MT. ANGEL, OREGON****STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND NET ASSETS -  
PROPRIETARY FUNDS (MODIFIED CASH BASIS)**

YEAR ENDED JUNE 30, 2008

	<u>Utility Construction</u>	<u>Water Utility</u>	<u>Sewer Utility</u>
<b>RECEIPTS</b>			
Licenses and permits	\$ -	\$ -	\$ -
Charges for services	-	494,334	635,988
Miscellaneous	3,705	9,803	6,906
	<hr/>	<hr/>	<hr/>
<i>Total Receipts</i>	3,705	504,137	642,894
<b>DISBURSEMENTS</b>			
Personal services	-	168,499	246,802
Materials and services	542,084	97,526	72,327
Capital outlay	-	30,932	61,525
Debt service	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Disbursements</i>	542,084	296,957	380,654
	<hr/>	<hr/>	<hr/>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	(538,379)	207,180	262,240
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	371,363	-	-
Transfers out	-	(178,000)	(272,880)
	<hr/>	<hr/>	<hr/>
<i>Total Other Financing Sources (Uses)</i>	371,363	(178,000)	(272,880)
	<hr/>	<hr/>	<hr/>
<b>NET CHANGE IN FUND NET ASSETS</b>	(167,016)	29,180	(10,640)
<b>FUND NET ASSETS, Beginning of year</b>	167,016	272,936	146,435
	<hr/>	<hr/>	<hr/>
<b>FUND NET ASSETS, End of year</b>	\$ -	\$ 302,116	\$ 135,795
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

<i>Other Proprietary Funds</i>	<i>Totals</i>
\$ 65,396	\$ 65,396
-	1,130,323
75,415	95,829
140,811	1,291,547
-	415,301
-	711,937
3,488	95,945
120,889	120,889
124,377	1,344,072
16,434	(52,525)
373,620	744,983
(147,319)	(598,199)
226,301	146,784
242,735	94,259
1,560,392	2,146,779
\$ 1,803,127	\$ 2,241,038

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

***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 Net Assets (Modified Cash Basis) presents all the assets and liabilities of the City, including capital assets and related debt. Net assets, representing assets less liabilities, is shown in three components. Investment in capital assets, less related outstanding debt used to acquire them, restricted for special purposes, amounts which must be spent in accordance with legal restrictions, and unrestricted, the amount available for ongoing City activities.

The Statement of Activities (Modified Cash Basis) demonstrates the degree to which the direct 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.

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

*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. 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. 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.

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. 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
- Community Development Fund

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

*Basis of Presentation (Continued)*

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

Water Utility  
Sewer Utility

*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, 2008. 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.

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, 2008. 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.

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

*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.

*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, 2008 were \$55,615.

*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.

*Use of Restricted Assets*

When disbursements are paid for purposes in which both restricted and unrestricted net assets are available, the City deems restricted assets to be spent first.

***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.

**ORGANIZATION AND OPERATION (Continued)**

*Governmental Fund Types (Continued)*

*Special Revenue Funds (Continued)*

*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.

*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 community projects.

*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 Community Development Block Grant monies used for home improvement loans to qualified residents in low-income housing.

**ORGANIZATION AND OPERATION (Continued)**

*Governmental Fund Types (Continued)*

*Special Revenue Funds (Continued)*

*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.

*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.

**CITY OF MT. ANGEL, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2008**

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**ORGANIZATION AND OPERATION (Continued)**

*Proprietary Fund Type (Continued)*

*Enterprise Funds (Continued)*

*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.

**CASH AND INVESTMENTS**

Cash and investments are comprised of the following at June 30, 2008:

***Cash***

Cash on hand	\$	500
Deposits with financial institutions		49,875

***Investments***

Local Government Investment Pool		3,192,664
		<hr/>
	\$	<u>3,243,039</u>

*Deposits*

At year end, the book balance of the City's bank deposits (checking accounts) was \$49,875 and the bank balance was \$114,138. The difference is due to transactions in process. Of these deposits, \$100,000 was covered by federal depository insurance. The remaining amount was collateralized in accordance with Oregon Revised Statutes, however the adequacy of collateral securing depository balances was not sufficient at times during the year ended June 30, 2008.

**CASH AND INVESTMENTS (Continued)**

*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, 2008, 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.

*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.

**CITY OF MT. ANGEL, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2008**

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**CASH AND INVESTMENTS (Continued)**

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, 2008 is as follows:

	<i>Balances</i> <i>July 1,</i> <i>2007</i>	<i>Additions</i>	<i>Retirements</i>	<i>Balances</i> <i>June 30,</i> <i>2008</i>
Water systems	\$ 3,214,404	\$ 43,558	\$ -	\$ 3,257,962
Sewer systems	6,723,592	61,526	-	6,785,118
	<u>\$ 9,937,996</u>	<u>\$ 105,084</u>	<u>\$ -</u>	<u>\$ 10,043,080</u>

**CITY OF MT. ANGEL, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2008**

**CAPITAL ASSETS (Continued)**

The changes in the capital assets for governmental activities for the year ended June 30, 2008 are as follows:

	<i>Balances July 1, 2007</i>	<i>Additions</i>	<i>Retirements</i>	<i>Balances June 30, 2008</i>
Land and improvements	\$ 54,390	\$ -	\$ -	\$ 54,390
Buildings	902,875	499,522	-	1,402,397
Equipment	753,328	52,093	-	805,421
	<u>\$ 1,710,593</u>	<u>\$ 551,615</u>	<u>\$ -</u>	<u>\$ 2,262,208</u>

**LONG-TERM OBLIGATIONS**

Business-type fund activities long-term debt transactions for the year ended June 30, 2008 were as follows:

	<i>Outstanding July 1, 2007</i>	<i>Issued</i>	<i>Matured/ Redeemed During Year</i>	<i>Outstanding June 30, 2008</i>	<i>Next Year Requirements</i>
1992 Farmers Home Administration - payable \$81,325 annually, including interest at 5%	\$ 853,359	\$ -	\$ (46,841)	\$ 806,518	\$ 40,999
State Revolving Loan Fund - payable biannually \$20,219, including interest at 3%	199,205	-	(33,840)	165,365	34,863
	<u>\$ 1,052,564</u>	<u>\$ -</u>	<u>\$ (80,681)</u>	<u>\$ 971,883</u>	<u>\$ 75,862</u>

Required debt service reserves are maintained in the Revenue Bond Debt Service Fund. At June 30, 2008 the City's reserves totaled \$219,664.

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

**CITY OF MT. ANGEL, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2008**

**LONG-TERM OBLIGATIONS (Continued)**

<i>Fiscal Year Ending June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2009	\$ 75,862	\$ 45,027	\$ 120,889
2010	78,965	41,924	120,889
2011	82,203	38,686	120,889
2012	85,582	35,307	120,889
2013	69,299	31,783	101,082
2014-2018	289,136	117,489	406,625
2019-2022	290,836	37,457	328,293
	<u>\$ 971,883</u>	<u>\$ 347,673</u>	<u>\$ 1,319,556</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:

<i>Fiscal Year Ending June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2009	\$ 71,947	\$ 863	\$ 72,810

In the current year, the Sewer Utility Reserve Fund loaned the Street Fund \$147,319 with interest at 3.2%. The remaining balance will be repaid through interfund transfers as follows:

<i>Fiscal Year Ending June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2009	\$ 30,200	\$ 4,800	\$ 35,000
2010	31,166	3,834	35,000
2011	32,164	2,836	35,000
2012	33,134	1,807	34,941
2013	20,655	747	21,402
	<u>\$ 147,319</u>	<u>\$ 14,024</u>	<u>\$ 161,343</u>

**PENSION PLAN**

*Plan Description*

The City is a participating employer in the Oregon Public Employees Retirement System ("OPERS"), a cost-sharing multiple-employer defined benefit pension plan. The 2003 legislature adopted certain changes in the Oregon Public Employee Retirement System, and created a new system for all people hired after August 29, 2003. The Public Employee Retirement System (PERS), which was established under Oregon Revised Statute (ORS) 238.600, applies to all employees who had established membership prior to August 29, 2003. The Oregon Public Service Retirement Plan (OPSRP), which was established under ORS 238A and went into effect on January 1, 2004, applies to all people who are first employed with a public employer after August 29, 2003. The Public Employees Retirement Board (PERB) governs and acts as a common investment and administrative agent for both plans which are the retirement plans for most public employers in the State of Oregon. Benefits are established by state statute, and employer contributions are made at the actuarially determined rate for each system as adopted by the PERB. The Oregon Public Employees Retirement System, a component unit of the State of Oregon, issues a comprehensive annual financial report, which may be obtained by writing to Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281-3700.

Both PERS and OPSRP plans provide retirement and disability benefits, post-employment healthcare benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries.

*Funding Status*

Covered employees are required by state statute to contribute 6.0 percent of their salary to the plan which is invested in the Individual Account Program (IAP). Employers are permitted to pay employee contributions to the fund.

The City is required by statute to contribute actuarially computed amounts as determined by OPERS. OPERS completes an actuarial valuation as of December 31 of odd numbered years for new rates to be implemented July 1 of the next odd numbered year. Rates are subject to change as a result of subsequent actuarial valuations and the proportion of the system that is funded for each local government employer. For rate changes implemented July 1, 2005, the PERB voted to phase in the rate changes for PERS (for most employers a rate increase). On July 1, 2007 the City's rate decreased to 3.43 percent based on the 2005 valuation.

For OPSRP, all employers are included in a single pool, with separate rates assigned for police and fire participants and general service participants. Beginning January 1, 2004 OPSRP rates were set at 13.48 percent for police and fire and 9.87 percent for general service employees. These rates changed to 15.14 percent and 11.87 percent, respectively, on July 1, 2007 based on the December 31, 2005 valuation.

*Annual Pension Cost*

The City's contributions to PERS for the fiscal years ending June 30, 2006, 2007, and 2008 were \$144,199, \$160,779, and \$134,972, respectively, which equaled the required contribution for the year.

**CITY OF MT. ANGEL, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2008**

**INTERFUND TRANSFERS**

<i>Transfers In</i>			<i>Capital</i>	<i> Bancroft</i>			<i>Sewer</i>			<i>Total</i>
	<i>General</i>	<i>Street</i>	<i>Improvement</i>	<i>Sinking</i>	<i>Water</i>	<i>Sewer</i>	<i>Utility</i>	<i>All Others</i>		
General	\$ -	\$ -	\$ -	\$ -	\$ 38,000	\$ 47,880	\$ -	\$ -	\$ -	\$ 85,880
Street	-	-	-	-	40,000	30,000	-	-	-	70,000
Street Reserve	-	12,000	-	-	-	-	-	-	-	12,000
Capital Improvement	26,880	-	-	-	-	-	-	-	21,698	48,578
Unemployment Reserve	385	-	-	-	-	-	-	-	-	385
Community Development	-	-	21,698	-	-	-	-	-	-	21,698
Utility Construction	-	125,000	-	-	-	-	147,319	99,044	-	371,363
Revenue Bonded Debt	-	-	-	-	-	120,000	-	-	-	120,000
Water Utility Reserve	-	-	-	-	100,000	-	-	-	-	100,000
Sewer Utility Reserve	71,311	-	-	7,309	-	75,000	-	-	-	153,620
	<u>\$ 98,576</u>	<u>\$ 137,000</u>	<u>\$ 21,698</u>	<u>\$ 7,309</u>	<u>\$ 178,000</u>	<u>\$ 272,880</u>	<u>\$ 147,319</u>	<u>\$ 120,742</u>	<u>\$ -</u>	<u>\$ 983,524</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move 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, 2008 occurred as follows:

	<i>Budget</i>	<i>Actual</i>	<i>Variance</i>
State Revenue Sharing			
Materials & Services	\$ 48,190	\$ 51,522	\$ (3,332)

**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.

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, 2008

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>RECEIPTS</b>				
Taxes and assessments	\$ 525,800	\$ 525,800	\$ 563,863	\$ 38,063
Licenses and permits	174,500	187,500	222,960	35,460
Charges for services	68,870	68,870	57,105	(11,765)
Intergovernmental	57,740	59,340	64,054	4,714
Fines and forfeitures	71,000	71,000	56,448	(14,552)
Miscellaneous	35,444	38,273	54,293	16,020
<i>Total Receipts</i>	933,354	950,783	1,018,723	67,940
<b>DISBURSEMENTS</b>				
Administration	136,492	183,417	150,639	32,778
Police	672,475	714,315	664,922	49,393
Library	90,435	92,035	65,372	26,663
Parks	34,750	34,750	32,788	1,962
Court	32,900	32,900	20,125	12,775
Oktoberfest	47,820	47,820	39,173	8,647
Contingency	260,000	260,000	-	260,000
<i>Total Disbursements</i>	1,274,872	1,365,237	973,019	392,218
<b>RECEIPTS OVER (UNDER)</b>				
<b>DISBURSEMENTS</b>	(341,518)	(414,454)	45,704	460,158
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	85,880	85,880	85,880	-
Transfers out	(148,701)	(148,701)	(98,576)	50,125
<i>Total Other Financing Sources (Uses)</i>	(62,821)	(62,821)	(12,696)	50,125
<b>NET CHANGE IN FUND BALANCE</b>	(404,339)	(477,275)	33,008	510,283
<b>FUND BALANCE, Beginning of year</b>	404,339	477,275	481,765	4,490
<b>FUND BALANCE, End of year</b>	\$ -	\$ -	\$ 514,773	\$ 514,773

**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, 2008**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>RECEIPTS</b>				
Intergovernmental	\$ 200,793	\$ 200,793	\$ 187,214	\$ (13,579)
Miscellaneous	4,100	4,100	858	(3,242)
<i>Total Receipts</i>	204,893	204,893	188,072	(16,821)
<b>DISBURSEMENTS</b>				
Personal services	93,449	93,449	79,282	14,167
Materials and services	72,125	72,125	56,012	16,113
Capital outlay	2,000	2,000	2,000	-
Contingency	7,000	7,000	-	7,000
<i>Total Disbursements</i>	174,574	174,574	137,294	37,280
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	30,319	30,319	50,778	20,459
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	70,000	70,000	70,000	-
Transfers out	(137,000)	(137,000)	(137,000)	-
<i>Total Other Financing Sources (Uses)</i>	(67,000)	(67,000)	(67,000)	-
<b>NET CHANGE IN FUND BALANCE</b>	(36,681)	(36,681)	(16,222)	20,459
<b>FUND BALANCE, Beginning of year</b>	36,681	36,681	28,207	(8,474)
<b>FUND BALANCE, End of year</b>	\$ -	\$ -	\$ 11,985	\$ 11,985

**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, 2008**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>RECEIPTS</b>				
Intergovernmental	\$ 321,000	\$ 324,305	\$ 257,207	\$ (67,098)
Miscellaneous	132,370	132,370	124,432	(7,938)
<i>Total Receipts</i>	453,370	456,675	381,639	(75,036)
<b>DISBURSEMENTS</b>				
Capital outlay	598,415	623,418	502,827	120,591
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	(145,045)	(166,743)	(121,188)	45,555
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	66,880	88,578	21,698	(66,880)
<b>NET CHANGE IN FUND BALANCE</b>	(78,165)	(78,165)	(99,490)	(21,325)
<b>FUND BALANCE, Beginning of year</b>	78,165	78,165	120,503	42,338
<b>FUND BALANCE, End of year</b>	\$ -	\$ -	\$ 21,013	\$ 21,013

**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, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>RECEIPTS</b>				
Miscellaneous	\$ 52,300	\$ 52,300	\$ 37,996	\$ (14,304)
<b>DISBURSEMENTS</b>				
Capital outlay	100,000	78,302	7,766	70,536
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	(47,700)	(26,002)	30,230	56,232
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(21,698)	(21,698)	0
<b>NET CHANGE IN FUND BALANCE</b>	(47,700)	(47,700)	8,532	56,232
<b>FUND BALANCE, Beginning of year</b>	112,118	112,118	131,503	19,385
<b>FUND BALANCE, End of year</b>	<u>\$ 64,418</u>	<u>\$ 64,418</u>	<u>\$ 140,035</u>	<u>\$ 75,617</u>

*OTHER SUPPLEMENTAL INFORMATION*

**CITY OF MT. ANGEL, OREGON**  
**COMBINING STATEMENT OF ASSETS AND LIABILITIES (MODIFIED CASH BASIS) -**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2008**

	<u>Capital Improvement</u>	<u>State Revenue Sharing</u>	<u>Unemployment Reserve</u>
<b>ASSETS</b>			
Cash and investments	\$ 172,663	\$ 38,382	\$ 21,969
Assessment liens receivable	-	-	-
	<u>172,663</u>	<u>38,382</u>	<u>21,969</u>
<i>Total Assets</i>	<u>\$ 172,663</u>	<u>\$ 38,382</u>	<u>\$ 21,969</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Deferred revenue	\$ -	\$ -	\$ -
<b>Fund Balances</b>			
Unreserved, reported in:			
Special revenue funds	172,663	38,382	21,969
Debt services fund	-	-	-
	<u>172,663</u>	<u>38,382</u>	<u>21,969</u>
<i>Total Fund Balances</i>	<u>172,663</u>	<u>38,382</u>	<u>21,969</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 172,663</u>	<u>\$ 38,382</u>	<u>\$ 21,969</u>

<i>Transportation SDC</i>	<i>Park System SDC</i>	<i>Debt Service</i>	<i>Totals</i>
\$ 32,432	\$ 12,517	\$ 18,342	\$ 296,305
-	-	29,158	29,158
<u>\$ 32,432</u>	<u>\$ 12,517</u>	<u>\$ 47,500</u>	<u>\$ 325,463</u>
\$ -	\$ -	\$ 29,158	\$ 29,158
32,432	12,517	-	277,963
-	-	18,342	18,342
<u>32,432</u>	<u>12,517</u>	<u>18,342</u>	<u>296,305</u>
<u>\$ 32,432</u>	<u>\$ 12,517</u>	<u>\$ 47,500</u>	<u>\$ 325,463</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, 2008**

	<u>Capital Improvement</u>	<u>Street Reserve</u>	<u>State Revenue Sharing</u>
<b>RECEIPTS</b>			
Taxes and assessments	\$ -	\$ -	\$ -
Licenses and permits	-	-	8,100
Intergovernmental	-	-	53,209
Miscellaneous	6,733	226	1,236
<i>Total Receipts</i>	<u>6,733</u>	<u>226</u>	<u>62,545</u>
<b>DISBURSEMENTS</b>			
Materials and services	-	2,432	51,523
Capital outlay	-	2,000	-
Debt service	-	-	-
<i>Total Disbursements</i>	<u>-</u>	<u>4,432</u>	<u>51,523</u>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	6,733	(4,206)	11,022
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	48,578	12,000	-
Transfers out	(21,698)	(14,044)	-
<i>Total Other Financing Sources (Uses)</i>	<u>26,880</u>	<u>(2,044)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	33,613	(6,250)	11,022
<b>FUND BALANCES, Beginning of year</b>	<u>139,050</u>	<u>6,250</u>	<u>27,360</u>
<b>FUND BALANCES, End of year</b>	<u>\$ 172,663</u>	<u>\$ -</u>	<u>\$ 38,382</u>

<i>Unemployment Reserve</i>	<i>Transportation SDC</i>	<i>Parks System SDC</i>	<i>Debt Service</i>	<i>Totals</i>
\$ -	\$ -	\$ -	\$ 12,117	\$ 12,117
-	36,418	770	-	45,288
-	-	-	-	53,209
942	2,552	524	691	12,904
942	38,970	1,294	12,808	123,518
129	-	-	-	54,084
-	-	-	-	2,000
-	-	-	1,010	1,010
129	-	-	1,010	57,094
813	38,970	1,294	11,798	66,424
385	-	-	-	60,963
-	(85,000)	-	(7,309)	(128,051)
385	(85,000)	-	(7,309)	(67,088)
1,198	(46,030)	1,294	4,489	(664)
20,771	78,462	11,223	13,853	296,969
\$ 21,969	\$ 32,432	\$ 12,517	\$ 18,342	\$ 296,305

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

YEAR ENDED JUNE 30, 2008

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>RECEIPTS</b>				
Miscellaneous	\$ 3,904	\$ 3,904	\$ 6,733	\$ 2,829
<b>DISBURSEMENTS</b>				
Capital outlay	144,050	144,050	-	144,050
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	(140,146)	(140,146)	6,733	146,879
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	76,880	98,578	48,578	(50,000)
Transfers out	(66,880)	(88,578)	(21,698)	66,880
<i>Total Other Financing Sources (Uses)</i>	10,000	10,000	26,880	16,880
<b>NET CHANGE IN FUND BALANCE</b>	(130,146)	(130,146)	33,613	163,759
<b>FUND BALANCE, Beginning of year</b>	130,146	130,146	139,050	8,904
<b>FUND BALANCE, End of year</b>	\$ -	\$ -	\$ 172,663	\$ 172,663

**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, 2008

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>RECEIPTS</b>				
Miscellaneous	\$ 2,000	\$ 2,000	\$ 226	\$ (1,774)
<b>DISBURSEMENTS</b>				
Materials and services	1,104	3,104	2,432	672
Capital outlay	12,000	10,000	2,000	8,000
<i>Total Disbursements</i>	<u>13,104</u>	<u>13,104</u>	<u>4,432</u>	<u>8,672</u>
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	(11,104)	(11,104)	(4,206)	6,898
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	12,000	12,000	12,000	-
Transfers out	(15,000)	(15,000)	(14,044)	956
<i>Total Other Financing Sources (Uses)</i>	<u>(3,000)</u>	<u>(3,000)</u>	<u>(2,044)</u>	<u>956</u>
<b>NET CHANGE IN FUND BALANCE</b>	(14,104)	(14,104)	(6,250)	7,854
<b>FUND BALANCE, Beginning of year</b>	14,104	14,104	6,250	(7,854)
<b>FUND BALANCE, End of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2008**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>RECEIPTS</b>				
Licenses and permits	\$ 5,000	\$ 7,500	\$ 8,100	\$ 600
Intergovernmental	31,000	34,890	53,209	18,319
Miscellaneous	1,500	1,500	1,236	(264)
<i>Total Receipts</i>	37,500	43,890	62,545	18,655
<b>DISBURSEMENTS</b>				
Materials and services	26,300	48,190	51,523	(3,333)
Contingency	23,051	23,051	-	23,051
<i>Total Disbursements</i>	49,351	71,241	51,523	19,718
<b>NET CHANGE IN FUND BALANCE</b>	(11,851)	(27,351)	11,022	38,373
<b>FUND BALANCE, Beginning of year</b>	11,851	27,351	27,360	9
<b>FUND BALANCE, End of year</b>	\$ -	\$ -	\$ 38,382	\$ 38,382

**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, 2008**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>RECEIPTS</b>				
Miscellaneous	\$ 500	\$ 500	\$ 942	\$ 442
<b>DISBURSEMENTS</b>				
Materials and services	21,285	21,285	129	21,156
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	(20,785)	(20,785)	813	21,598
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	500	500	385	(115)
<b>NET CHANGE IN FUND BALANCE</b>	(20,285)	(20,285)	1,198	21,483
<b>FUND BALANCE, Beginning of year</b>	20,285	20,285	20,771	486
<b>FUND BALANCE, End of year</b>	\$ -	\$ -	\$ 21,969	\$ 21,969

**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, 2008**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>RECEIPTS</b>				
Licenses and permits	\$ 17,500	\$ 17,500	\$ 36,418	\$ 18,918
Miscellaneous	4,650	4,650	2,552	(2,098)
<i>Total Receipts</i>	22,150	22,150	38,970	16,820
<b>DISBURSEMENTS</b>	-	-	-	-
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	22,150	22,150	38,970	16,820
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(85,000)	(85,000)	(85,000)	-
<b>NET CHANGE IN FUND BALANCE</b>	(62,850)	(62,850)	(46,030)	16,820
<b>FUND BALANCE, Beginning of year</b>	64,677	64,677	78,462	13,785
<b>FUND BALANCE, End of year</b>	\$ 1,827	\$ 1,827	\$ 32,432	\$ 30,605

**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, 2008**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>RECEIPTS</b>				
Licenses and permits	\$ 600	\$ 600	\$ 770	\$ 170
Miscellaneous	325	325	524	199
<i>Total Receipts</i>	925	925	1,294	369
<b>DISBURSEMENTS</b>				
Capital outlay	11,000	11,000	-	11,000
<b>NET CHANGE IN FUND BALANCE</b>	(10,075)	(10,075)	1,294	11,369
<b>FUND BALANCE, Beginning of year</b>	10,439	10,439	11,223	784
<b>FUND BALANCE, End of year</b>	\$ 364	\$ 364	\$ 12,517	\$ 12,153

**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, 2008**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>RECEIPTS</b>				
Taxes and assessments	\$ 4,600	\$ 4,600	\$ 12,117	\$ 7,517
Miscellaneous	300	300	691	391
<i>Total Receipts</i>	4,900	4,900	12,808	7,908
<b>DISBURSEMENTS</b>				
Debt service	1,010	1,010	1,010	-
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	3,890	3,890	11,798	7,908
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(7,309)	(7,309)	(7,309)	-
<b>NET CHANGE IN FUND BALANCE</b>	(3,419)	(3,419)	4,489	7,908
<b>FUND BALANCE, Beginning of year</b>	12,382	12,382	13,853	1,471
<b>FUND BALANCE, End of year</b>	\$ 8,963	\$ 8,963	\$ 18,342	\$ 9,379

**CITY OF MT. ANGEL, OREGON****SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -  
BUDGET AND ACTUAL - UTILITY CONSTRUCTION FUND  
YEAR ENDED JUNE 30, 2008**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>RECEIPTS</b>				
Miscellaneous	\$ 5,500	\$ 5,500	\$ 3,705	\$ (1,795)
<b>DISBURSEMENTS</b>				
Materials and services	413,459	563,459	542,084	21,375
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	(407,959)	(557,959)	(538,379)	19,580
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	360,000	375,000	371,363	(3,637)
<b>NET CHANGE IN FUND BALANCE</b>	(47,959)	(182,959)	(167,016)	15,943
<b>FUND BALANCE, Beginning of year</b>	182,959	182,959	167,016	(15,943)
<b>FUND BALANCE, End of year</b>	<u>\$ 135,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**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, 2008

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>RECEIPTS</b>				
Charges for services	\$ 455,000	\$ 455,000	\$ 494,334	\$ 39,334
Miscellaneous	8,271	8,271	9,803	1,532
<i>Total Receipts</i>	463,271	463,271	504,137	40,866
<b>DISBURSEMENTS</b>				
Personal services	188,570	188,570	168,499	20,071
Materials and services	117,250	117,250	97,526	19,724
Capital outlay	37,000	37,000	30,932	6,068
Contingency	155,657	155,657	-	155,657
<i>Total Disbursements</i>	498,477	498,477	296,957	201,520
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	(35,206)	(35,206)	207,180	242,386
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(178,000)	(178,000)	(178,000)	-
<b>NET CHANGE IN FUND BALANCE</b>	(213,206)	(213,206)	29,180	242,386
<b>FUND BALANCE, Beginning of year</b>	213,206	213,206	272,936	59,730
<b>FUND BALANCE, End of year</b>	\$ -	\$ -	\$ 302,116	\$ 302,116

**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, 2008**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>RECEIPTS</b>				
Charges for services	\$ 610,000	\$ 610,000	\$ 635,988	\$ 25,988
Miscellaneous	6,000	6,000	6,906	906
<i>Total Receipts</i>	616,000	616,000	642,894	26,894
<b>DISBURSEMENTS</b>				
Personal services	263,193	263,193	246,802	16,391
Materials and services	77,350	77,350	72,327	5,023
Capital outlay	86,500	86,500	61,525	24,975
Contingency	50,000	50,000	-	50,000
<i>Total Disbursements</i>	477,043	477,043	380,654	96,389
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>				
	138,957	138,957	262,240	123,283
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(272,880)	(272,880)	(272,880)	-
<b>NET CHANGE IN FUND BALANCE</b>				
	(133,923)	(133,923)	(10,640)	123,283
<b>FUND BALANCE, Beginning of year</b>				
	133,923	133,923	146,435	12,512
<b>FUND BALANCE, End of year</b>				
	\$ -	\$ -	\$ 135,795	\$ 135,795

**CITY OF MT. ANGEL, OREGON**

**COMBINING STATEMENT OF ASSETS AND LIABILITIES (MODIFIED CASH BASIS) -**

**NONMAJOR PROPRIETARY FUNDS**

**JUNE 30, 2008**

	<u>Revenue Bonded Debt Service</u>	<u>Water Utility Reserve</u>	<u>Sewer Utility Reserve</u>
<b>ASSETS</b>			
Cash and investments	\$ 219,664	\$ 377,418	\$ 586,506
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>	\$ -	\$ -	\$ -
<b>Fund Balances</b>			
Unreserved	219,664	377,418	586,506
<b>Total Liabilities and Fund Balances</b>	<u>\$ 219,664</u>	<u>\$ 377,418</u>	<u>\$ 586,506</u>

<i>Water Utility SDC</i>	<i>Sewer Utility SDC</i>	<i>Storm Sewer SDC</i>	<i>Totals</i>
\$ 387,077	\$ 209,258	\$ 23,204	\$ 1,803,127
\$ -	\$ -	\$ -	\$ -
387,077	209,258	23,204	1,803,127
\$ 387,077	\$ 209,258	\$ 23,204	\$ 1,803,127

**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, 2008**

	<i>Revenue Bonded Debt Service</i>	<i>Water Utility Reserve</i>	<i>Sewer Utility Reserve</i>
<b>RECEIPTS</b>			
Licenses and permits	\$ -	\$ -	\$ -
Miscellaneous	9,267	12,767	27,878
<i>Total Receipts</i>	9,267	12,767	27,878
<b>DISBURSEMENTS</b>			
Capital outlay	-	-	-
Debt service	120,889	-	-
<i>Total Disbursements</i>	120,889	-	-
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	(111,622)	12,767	27,878
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	120,000	100,000	153,620
Transfers out	-	-	(147,319)
<i>Total Other Financing Sources (Uses)</i>	120,000	100,000	6,301
<b>NET CHANGE IN FUND BALANCES</b>	8,378	112,767	34,179
<b>FUND BALANCES, Beginning of year</b>	211,286	264,651	552,327
<b>FUND BALANCES, End of year</b>	<u>\$ 219,664</u>	<u>\$ 377,418</u>	<u>\$ 586,506</u>

<i>Water Utility SDC</i>	<i>Sewer Utility SDC</i>	<i>Storm Sewer SDC</i>	<i>Totals</i>
\$ 38,512	\$ 24,465	\$ 2,419	\$ 65,396
15,905	8,505	1,093	75,415
54,417	32,970	3,512	140,811
-	-	3,488	3,488
-	-	-	120,889
-	-	3,488	124,377
54,417	32,970	24	16,434
-	-	-	373,620
-	-	-	(147,319)
-	-	-	226,301
54,417	32,970	24	242,735
332,660	176,288	23,180	1,560,392
\$ 387,077	\$ 209,258	\$ 23,204	\$ 1,803,127

**CITY OF MT. ANGEL, OREGON**

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

**BUDGET AND ACTUAL - REVENUE BONDED DEBT SERVICE FUND**

**YEAR ENDED JUNE 30, 2008**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>RECEIPTS</b>				
Miscellaneous	\$ -	\$ -	\$ 9,267	\$ 9,267
<b>DISBURSEMENTS</b>				
Debt service	120,975	120,975	120,889	86
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	(120,975)	(120,975)	(111,622)	9,353
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	120,000	120,000	120,000	-
<b>NET CHANGE IN FUND BALANCE</b>	(975)	(975)	8,378	9,353
<b>FUND BALANCE, Beginning of year</b>	206,924	206,924	211,286	4,362
<b>FUND BALANCE, End of year</b>	\$ 205,949	\$ 205,949	\$ 219,664	\$ 13,715

**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, 2008**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>RECEIPTS</b>				
Miscellaneous	\$ 8,500	\$ 8,500	\$ 12,767	\$ 4,267
<b>DISBURSEMENTS</b>				
Capital outlay	365,000	365,000	-	365,000
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>	(356,500)	(356,500)	12,767	369,267
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	100,000	100,000	100,000	-
<b>NET CHANGE IN FUND BALANCE</b>	(256,500)	(256,500)	112,767	369,267
<b>FUND BALANCE, Beginning of year</b>	259,740	259,740	264,651	4,911
<b>FUND BALANCE, End of year</b>	\$ 3,240	\$ 3,240	\$ 377,418	\$ 374,178

**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, 2008

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>RECEIPTS</b>				
Miscellaneous	\$ 21,580	\$ 21,580	\$ 27,878	\$ 6,298
<b>DISBURSEMENTS</b>				
Materials and services	600,000	450,000	-	450,000
<b>RECEIPTS OVER (UNDER) DISBURSEMENTS</b>				
	(578,420)	(428,420)	27,878	456,298
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	94,935	94,935	153,620	58,685
Transfers out	-	(150,000)	(147,319)	2,681
<i>Total Other Financing Sources (Uses)</i>	94,935	(55,065)	6,301	61,366
<b>NET CHANGE IN FUND BALANCE</b>	(483,485)	(483,485)	34,179	517,664
<b>FUND BALANCE, Beginning of year</b>	557,369	557,369	552,327	(5,042)
<b>FUND BALANCE, End of year</b>	\$ 73,884	\$ 73,884	\$ 586,506	\$ 512,622

**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, 2008**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>RECEIPTS</b>				
Licenses and permits	\$ 30,000	\$ 30,000	\$ 38,512	\$ 8,512
Miscellaneous	11,500	11,500	15,905	4,405
<i>Total Receipts</i>	41,500	41,500	54,417	12,917
<b>DISBURSEMENTS</b>				
Capital outlay	350,000	350,000	-	350,000
<b>NET CHANGE IN FUND BALANCE</b>	(308,500)	(308,500)	54,417	362,917
<b>FUND BALANCE, Beginning of year</b>	313,342	313,342	332,660	19,318
<b>FUND BALANCE, End of year</b>	\$ 4,842	\$ 4,842	\$ 387,077	\$ 382,235

**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, 2008**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>RECEIPTS</b>				
Licenses and permits	\$ 18,000	\$ 18,000	\$ 24,465	\$ 6,465
Miscellaneous	7,500	7,500	8,505	1,005
<i>Total Receipts</i>	25,500	25,500	32,970	7,470
<b>DISBURSEMENTS</b>				
Capital outlay	180,000	180,000	-	180,000
<b>NET CHANGE IN FUND BALANCE</b>	(154,500)	(154,500)	32,970	187,470
<b>FUND BALANCE, Beginning of year</b>	158,910	158,910	176,288	17,378
<b>FUND BALANCE, End of year</b>	\$ 4,410	\$ 4,410	\$ 209,258	\$ 204,848

**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, 2008**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>RECEIPTS</b>				
Licenses and permits	\$ 1,400	\$ 1,400	\$ 2,419	\$ 1,019
Miscellaneous	750	750	1,093	343
<i>Total Receipts</i>	2,150	2,150	3,512	1,362
<b>DISBURSEMENTS</b>				
Capital outlay	22,000	22,000	3,488	18,512
<b>NET CHANGE IN FUND BALANCE</b>	(19,850)	(19,850)	24	19,874
<b>FUND BALANCE, Beginning of year</b>	21,458	21,458	23,180	1,722
<b>FUND BALANCE, End of year</b>	\$ 1,608	\$ 1,608	\$ 23,204	\$ 21,596

*OTHER SCHEDULES*

**CITY OF MT. ANGEL, OREGON**  
**SCHEDULE OF PROPERTY TAX TRANSACTIONS**  
**YEAR ENDED JUNE 30, 2008**

<u>Tax Year</u>	<u>Uncollected Balance July 1, 2007</u>	<u>2007-2008 Levy</u>	<u>Added To Rolls</u>	<u>Interest, Discounts &amp; Adjustments</u>	<u>Turnovers</u>	<u>Uncollected Balance June 30, 2008</u>
2007-2008	\$ -	\$ 576,002	\$ 122	\$ (15,904)	\$ (539,462)	\$ 20,758
2006-2007	17,084	-	4	(173)	(10,218)	6,697
2005-2006	5,860	-	-	(87)	(2,408)	3,365
2004-2005	3,394	-	-	(42)	(1,823)	1,529
2003-2004	1,667	-	-	(42)	(1,196)	429
2002-2003	427	-	-	(22)	(51)	354
2001-2002	265	-	-	(31)	(9)	225
Prior Years	<u>877</u>	<u>-</u>	<u>-</u>	<u>(131)</u>	<u>70</u>	<u>816</u>
Total	<u>\$ 29,574</u>	<u>\$ 576,002</u>	<u>\$ 126</u>	<u>\$ (16,432)</u>	<u>\$ (555,097)</u>	<u>\$ 34,173</u>

**CITY OF MT. ANGEL, OREGON**  
**SCHEDULE OF LONG-TERM DEBT TRANSACTIONS**  
**JUNE 30, 2008**

	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Fiscal Year of Maturity</u>
<b>PRINCIPAL TRANSACTIONS</b>			
1992 FHA Loan	5.0%	1992	2021-22
SRF Loan	3.0%	1993	2012-13
			<i>Unmatured Interest Outstanding</i>
	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>July 1, 2007</u>
<b>INTEREST TRANSACTIONS</b>			
1992 FHA Loan	5.0%	1992	\$ 379,083
SRF Loan	3.0%	1993	18,372
			<u>\$ 397,455</u>

<i>Outstanding July 1, 2007</i>	<i>Loans Issued</i>	<i>Loans Paid</i>	<i>Outstanding June 30, 2008</i>
\$ 853,359	\$ -	\$ (46,841)	\$ 806,518
199,205	-	(33,840)	165,365
<u>\$ 1,052,564</u>	<u>\$ -</u>	<u>\$ (80,681)</u>	<u>\$ 971,883</u>

<i>New Issues</i>	<i>Interest Coupons Paid/ Refunded</i>	<i>Unmatured Interest June 30, 2008</i>
\$ -	\$ (44,058)	\$ 335,025
-	(5,724)	12,648
<u>\$ -</u>	<u>\$ (49,782)</u>	<u>\$ 347,673</u>

*CITY OF MT. ANGEL, OREGON*  
*SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS*  
*JUNE 30, 2008*

<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>
2009	\$ 40,999	\$ 40,326	\$ 81,325	\$ 34,863	\$ 4,701	\$ 39,564
2010	43,049	38,276	81,325	35,916	3,648	39,564
2011	45,201	36,124	81,325	37,002	2,562	39,564
2012	47,462	33,863	81,325	38,120	1,444	39,564
2013	49,835	31,490	81,325	19,464	293	19,757
2014	52,326	28,999	81,325	-	-	-
2015	54,943	26,382	81,325	-	-	-
2016	57,690	23,635	81,325	-	-	-
2017	60,574	20,751	81,325	-	-	-
2018	63,603	17,722	81,325	-	-	-
2019	66,783	14,542	81,325	-	-	-
2020	70,122	11,203	81,325	-	-	-
2021	73,628	7,697	81,325	-	-	-
2022	80,303	4,015	84,318	-	-	-
	<u>\$ 806,518</u>	<u>\$ 335,025</u>	<u>\$ 1,141,543</u>	<u>\$ 165,365</u>	<u>\$ 12,648</u>	<u>\$ 178,013</u>

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<i>Totals</i>		
<i>Principal</i>	<i>Interest</i>	<i>Total</i>
\$ 75,862	\$ 45,027	\$ 120,889
78,965	41,924	120,889
82,203	38,686	120,889
85,582	35,307	120,889
69,299	31,783	101,082
52,326	28,999	81,325
54,943	26,382	81,325
57,690	23,635	81,325
60,574	20,751	81,325
63,603	17,722	81,325
66,783	14,542	81,325
70,122	11,203	81,325
73,628	7,697	81,325
80,303	4,015	84,318
\$ 971,883	\$ 347,673	\$ 1,319,556

*COMPLIANCE SECTION*

***CITY OF MT. ANGEL, OREGON***

***AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS***

***YEAR ENDED JUNE 30, 2008***

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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 follow.

We have audited the 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 (the City), as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 29, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

*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 are documented on the title page and in the notes to the basic financial statements.

*Internal Accounting Control and Accounting Records*

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

**CITY OF MT. ANGEL, OREGON**

**AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS (Continued)**

**YEAR ENDED JUNE 30, 2008**

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*Adequacy of Accounting Records*

The City's accounting records were reasonably maintained and adequate to support our audit of the basic financial statements. The City does not maintain historical cost and depreciation records for capital assets.

*Indebtedness*

The City is in compliance with the general obligation bonded debt 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, 2008.

*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, 2008.

*Investments*

Our review of deposit and investment balances indicated that the City was in compliance with ORS 295, as it pertains to investment of public funds, during the year ended June 30, 2008.

*Budget Compliance*

The City appears to have complied with Local Budget Law (ORS 294.305 to 294.520) in the preparation, adoption and execution of its budget and tax levy for the year ended June 30, 2008, and the preparation and adoption of its budget for the year ending June 30, 2009, except as noted in the notes to the financial statements.

A description of the budgeting process is included in the notes to the basic financial statements.

*Insurance and Fidelity Bonds*

We have reviewed the City's insurance coverage at June 30, 2008. We ascertained that such policies appeared to be in force and in compliance with legal requirements. We are not competent by training to comment on the adequacy of the insurance policies covering City property at June 30, 2008.

*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.

*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. The City is in compliance with the guidelines in all material respects.

**CITY OF MT. ANGEL, OREGON**

*AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS (Continued)*

*YEAR ENDED JUNE 30, 2008*

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*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.

*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.

This report is intended for the information of the City Council and management of City of Mt. Angel, and the Oregon Secretary of State Audits Division, 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  
December 29, 2008

