

***CITY OF MT. ANGEL, OREGON  
ANNUAL FINANCIAL REPORT  
Year Ended June 30, 2011***

**CITY OFFICIALS**

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Mt. Angel, Oregon 97362

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Ray Eder, Council President  
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P.O. Box 960  
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City Administrator/City Recorder  
Susan Muir

Interim Finance Director  
Chaunee Seifried

P.O. Box 960  
Mt. Angel, Oregon 97362

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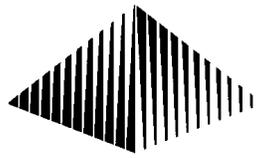
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## GROVE, MUELLER & SWANK, P.C.

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, 2011, 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 any historical cost and depreciation records for capital assets including infrastructure, and therefore, no information for capital assets is presented in the financial statements.

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, 2011, and the respective changes in financial position 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.

As described in the notes to the financial statements, during the year ended June 30, 2011, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis (MD&A)(pages 3 through 7), the schedule of funding progress – public employees retirement system (page 29) and budgetary comparison information (pages 30 through 32) be presented to supplement the basic

financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the MD&A and schedule of funding progress – public employees retirement system in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The other supplemental information is presented for purposes of additional analysis and is not a required part of the financial statements. The other supplemental information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

By:   
Charles A. Swank, A Shareholder  
December 23, 2011

# CITY OF MT. ANGEL, OREGON

## Management's Discussion and Analysis June 30, 2011

As management of the City of Mt. Angel, we offer readers of the financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2011.

### Financial Highlights

|                                   | June 30,     |              | change     |
|-----------------------------------|--------------|--------------|------------|
|                                   | 2011         | 2010         |            |
| Net assets                        | \$ 4,485,183 | \$ 3,890,045 | \$ 595,138 |
| Change in net assets              | 595,138      | 409,921      | 185,217    |
| Governmental net assets           | 1,600,039    | 1,267,078    | 332,961    |
| Proprietary net assets            | 2,885,144    | 2,622,967    | 262,177    |
| Change in governmental net assets | 332,961      | 180,364      | 152,597    |
| Change in proprietary net assets  | 262,177      | 229,557      | 32,620     |

### Overview of the Financial Statements

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

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

*The Statement of Net Assets (Modified Cash Basis).* The *statement of net assets* presents information on all of the assets and liabilities of the City as of the date on the statement using the modified cash basis of accounting. Net assets are what remain after the liabilities have been paid off or otherwise satisfied. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

*The Statement of Activities (Modified Cash Basis).* The *statement of activities* presents information showing how the net assets of the City changed over the most recent fiscal year by tracking receipts, disbursements and other transactions that increase or reduce net assets utilizing the modified cash basis of accounting.

In the government-wide financial statements, the City's basic activities are shown as governmental activities. All basic City government functions are shown here: such as, administration, city hall, legal, parks, streets and police. These activities are primarily financed through property taxes and other intergovernmental activities. The business-type activities of the City includes utility operations.

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

The fund statements are used to account for essentially the same functions reported in the government-wide financial statements. However, unlike the government-wide financial statements, fund financial statements focus on individual activities. Such information may be useful in evaluating a government's specific financing requirements.

**Governmental funds.** The focus of the City's governmental funds is to provide information on relatively short-term cash flow and funding for future basic services. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

**Proprietary funds.** The City of Mt. Angel charges customers for the utility services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets (modified cash basis) and the Statement of Activities (modified cash basis). In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information.

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

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information related to schedules of revenues, expenditures and changes in fund balance - budget and actual for the General Fund and major special revenue funds.

The combining statements for the nonmajor funds and schedules of revenues, expenditures and changes in fund balance - budget and actual for governmental not presented as required supplementary information and proprietary funds are presented following the required supplementary information. There are also other schedules to assist the reader in understanding financial statements following the budgetary information.

## **Government-wide Financial Analysis**

**Statement of Net Assets.** The Statement of Net Assets (modified cash basis) is provided on a comparative basis. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Mt. Angel, assets exceeded liabilities by \$4,485,183 as of June 30, 2011.

The City's assets consist mainly of investments, notes receivable, cash, property taxes receivable and lien assessment receivable.

The City's largest liability is for the repayment of long-term debt, but this liability is not recorded on the Statement of Net Assets. Current liabilities consist of deferred revenue and payroll liabilities.

Restricted net assets represent sources that are subject to external restrictions on their use, such as debt service payments or capital projects. Unrestricted net assets are available for general operations of the City.

**Statement of Net Assets (Modified Cash Basis)**

**June 30,**

|                          | 2011                       |                             |                     | 2010                       |                             |                     |
|--------------------------|----------------------------|-----------------------------|---------------------|----------------------------|-----------------------------|---------------------|
|                          | Governmental<br>Activities | Business-type<br>Activities | Total               | Governmental<br>Activities | Business-type<br>Activities | Total               |
| Cash and investments     | \$ 1,602,138               | \$ 2,899,242                | \$ 4,501,380        | \$ 1,272,088               | \$ 2,627,567                | \$ 3,899,655        |
| Receivables              | 426,001                    | 120,157                     | 546,158             | 423,822                    | 134,234                     | 558,056             |
| <b>Total assets</b>      | <b>2,028,139</b>           | <b>3,019,399</b>            | <b>5,047,538</b>    | <b>1,695,910</b>           | <b>2,761,801</b>            | <b>4,457,711</b>    |
| Other liabilities        | 428,101                    | 134,255                     | 562,356             | 428,832                    | 138,834                     | 567,666             |
| <b>Total liabilities</b> | <b>428,101</b>             | <b>134,255</b>              | <b>562,356</b>      | <b>428,832</b>             | <b>138,834</b>              | <b>567,666</b>      |
| Net assets:              |                            |                             |                     |                            |                             |                     |
| Restricted               | 116,478                    | 772,958                     | 889,436             | 124,712                    | 737,889                     | 862,601             |
| Unrestricted             | 1,483,561                  | 2,112,186                   | 3,595,747           | 1,142,366                  | 1,885,078                   | 3,027,444           |
| <b>Total Net Assets</b>  | <b>\$ 1,600,039</b>        | <b>\$ 2,885,144</b>         | <b>\$ 4,485,183</b> | <b>\$ 1,267,078</b>        | <b>\$ 2,622,967</b>         | <b>\$ 3,890,045</b> |

**Statements of Activities  
For the years ended June 30,**

|                                      | 2011                       |                                 |                     | 2010                       |                                 |                     |
|--------------------------------------|----------------------------|---------------------------------|---------------------|----------------------------|---------------------------------|---------------------|
|                                      | Governmental<br>Activities | Business-<br>type<br>Activities | Total               | Governmental<br>Activities | Business-<br>type<br>Activities | Total               |
| Receipts                             |                            |                                 |                     |                            |                                 |                     |
| Program receipts                     |                            |                                 |                     |                            |                                 |                     |
| Fines, fees, and charges for service | \$ 237,077                 | \$ 1,228,779                    | \$ 1,465,856        | \$ 194,701                 | \$ 1,199,868                    | \$ 1,394,569        |
| Charges for service                  |                            |                                 |                     |                            |                                 |                     |
| Operating grants and contributions   | 191,324                    | 19,042                          | 210,366             | 157,679                    | 57,274                          | 214,953             |
| Capital grants and contributions     | 22,958                     | 14,239                          | 37,197              | 25,883                     | 4,715                           | 30,598              |
| General receipts                     |                            |                                 |                     |                            |                                 |                     |
| Taxes and assessments                | 657,528                    | -                               | 657,528             | 641,516                    | -                               | 641,516             |
| Intergovernmental                    | 132,911                    | -                               | 132,911             | 130,035                    | -                               | 130,035             |
| Franchise fees                       | 174,521                    | -                               | 174,521             | 165,685                    | -                               | 165,685             |
| Miscellaneous                        | 40,332                     | 15,739                          | 56,071              | 25,325                     | 19,265                          | 44,590              |
| <b>Total receipts</b>                | <b>1,456,651</b>           | <b>1,277,799</b>                | <b>2,734,450</b>    | <b>1,340,824</b>           | <b>1,281,122</b>                | <b>2,621,946</b>    |
| Disbursements                        |                            |                                 |                     |                            |                                 |                     |
| General government                   | 227,927                    | -                               | 227,927             | 239,355                    | -                               | 239,355             |
| Court and police                     | 786,640                    | -                               | 786,640             | 753,218                    | -                               | 753,218             |
| Community services and development   | 55,936                     | -                               | 55,936              | 52,440                     | -                               | 52,440              |
| Public works                         | 220,965                    | -                               | 220,965             | 206,253                    | -                               | 206,253             |
| Library                              | 72,313                     | -                               | 72,313              | 89,320                     | -                               | 89,320              |
| Interest on long-term debt           | 2,943                      | -                               | 2,943               | 4,074                      | -                               | 4,074               |
| Water                                | -                          | 386,905                         | 386,905             | -                          | 510,322                         | 510,322             |
| Sewer                                | -                          | 385,683                         | 385,683             | -                          | 396,210                         | 396,210             |
| <b>Total disbursements</b>           | <b>1,366,724</b>           | <b>772,588</b>                  | <b>2,139,312</b>    | <b>1,344,660</b>           | <b>906,532</b>                  | <b>2,251,192</b>    |
| Loan repayment                       | (39,304)                   | 39,304                          | -                   | -                          | 39,167                          | 39,167              |
| Transfers                            | 282,338                    | (282,338)                       | -                   | 184,200                    | (184,200)                       | -                   |
| Change in net assets                 | 332,961                    | 262,177                         | 595,138             | 180,364                    | 229,557                         | 409,921             |
| Net assets, beginning of year        | 1,267,078                  | 2,622,967                       | 3,890,045           | 1,086,714                  | 2,393,410                       | 3,480,124           |
| Net assets, end of year              | <b>\$ 1,600,039</b>        | <b>\$ 2,885,144</b>             | <b>\$ 4,485,183</b> | <b>\$ 1,267,078</b>        | <b>\$ 2,622,967</b>             | <b>\$ 3,890,045</b> |

## **Financial Analysis of the City of Mt. Angel's Governmental Funds**

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

**Governmental funds.** The focus of the City's governmental funds is to provide information on relatively short-term cash flow and funding for future basic services. Such information is useful in assessing the City's financing requirements. In particular, *fund balance* may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

The City's governmental funds reported combined ending fund balances of \$1,600,039 at June 30, 2011, an increase of \$332,961 in comparison with prior year.

As detailed in the notes to the financial statements, the City adopted the provisions of GASB Statement #54 *Fund Balance Reporting and Governmental Fund Types Definitions*. Among the changes required is that Special Revenue Funds whose primary source of funding is transfers from the General Fund be reported as part of the General Fund. Therefore, in the Governmental Funds Statement of Assets and Liabilities and the Statement of Receipts, Disbursements and Changes in Fund Balances, the Unemployment, Retirement Reserve, Street Reserve and Community Development Funds have been combined with the General Fund. In addition, the Capital Improvement, Transportation SDC, Parks, Parks SDC, Vehicle Replacement and Bancroft Sinking Funds previously reported as Special Revenue Funds are now reported as Capital Projects Funds.

*General Fund.* The General Fund is the primary operating fund of the City. The budgetary fund balance was \$742,179 as of June 30, 2011. The fund balance increased by \$112,651 during the current fiscal year. As a measure of the fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Fund balance represents 69% of total General Fund expenditures.

*Street Fund.* The majority of Street Fund activity was capital projects funded by State gas tax revenue.

### **General Fund Budgetary Highlights**

The General Fund budget was increased by \$84,928 during the year to account for additional intergovernmental revenues and a higher beginning cash carryover.

### **Debt Administration**

*Long-term debt.* The City had total revenue-backed bonded debt outstanding of \$677,269 at the end of the current fiscal year.

State statutes limit the amount of general obligation debt a governmental entity may issue to 3 percent of its total assessed valuation. The assessed valuation of the City of Mt. Angel is \$302,106,769, therefore, the current debt limitation for the City of Mt. Angel is \$9,063,203. The City had no outstanding general obligation debt.

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

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

The City of Mt. Angel's Budget Committee considered all the following factors while preparing the City budget for the 2011-12 fiscal year:

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

**Requests for Information**

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

City Administrator  
City of Mt. Angel  
PO Box 960  
Mt. Angel, Oregon 97362

***BASIC FINANCIAL STATEMENTS***

**CITY OF MT. ANGEL, OREGON**  
**STATEMENT OF NET ASSETS (MODIFIED CASH BASIS)**  
**JUNE 30, 2011**

|                             | <i><b>Governmental<br/>Activities</b></i> | <i><b>Business-type<br/>Activities</b></i> | <i><b>Totals</b></i> |
|-----------------------------|---|--|----------------------|
| <b>ASSETS</b>               |   |  |                      |
| Cash and investments        | \$ 1,602,138                              | \$ 2,899,242                               | \$ 4,501,380         |
| Accounts receivable         | -   | 120,157                                    | 120,157              |
| Property taxes receivable   | 53,000                                    | -  | 53,000               |
| Notes receivable            | 350,849                                   | -  | 350,849              |
| Assessment liens receivable | 22,152                                    | -  | 22,152               |
|                             | <hr/>                                     | <hr/>                                      | <hr/>                |
| <i>Total Assets</i>         | 2,028,139                                 | 3,019,399                                  | 5,047,538            |
| <b>LIABILITIES</b>          |   |  |                      |
| Payroll liabilities         | 2,100                                     | -  | 2,100                |
| Deposits                    | -   | 14,098                                     | 14,098               |
| Deferred revenue            | 426,001                                   | 120,157                                    | 546,158              |
|                             | <hr/>                                     | <hr/>                                      | <hr/>                |
| <i>Total Liabilities</i>    | 428,101                                   | 134,255                                    | 562,356              |
| <b>NET ASSETS</b>           |   |  |                      |
| Restricted for:             |   |  |                      |
| Capital outlay              | 47,709                                    | 649,885                                    | 697,594              |
| Debt service                | 514                                       | 123,073                                    | 123,587              |
| Streets                     | 68,255                                    | -  | 68,255               |
| Unrestricted                | 1,483,561                                 | 2,112,186                                  | 3,595,747            |
|                             | <hr/>                                     | <hr/>                                      | <hr/>                |
| <i>Total Net Assets</i>     | \$ 1,600,039                              | \$ 2,885,144                               | \$ 4,485,183         |
|                             | <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, 2011**

|                                       | <u>Disbursements</u> | <u>Program Receipts</u>                             |   |
|---------------------------------------|----------------------|---|---|
|                                       |                      | <u>Fees, Fines<br/>and Charges<br/>for Services</u> | <u>Operating<br/>Grants and<br/>Contributions</u> |
| <b>FUNCTIONS/PROGRAMS</b>             |                      |   |   |
| <b>Governmental activities:</b>       |                      |   |   |
| General government                    | \$ 227,927           | \$ 1,875  | \$ 6,578  |
| Court and police                      | 786,640              | 124,488   | 7,894   |
| Community services and development    | 55,936               | 76,987  | -   |
| Library                               | 72,313               | 25,025  | -   |
| Public works                          | 220,965              | 8,702   | 176,852   |
| Interest on long-term debt            | 2,943                | -   | -   |
|                                       | <hr/>                | <hr/>   | <hr/>   |
| <i>Total Governmental Activities</i>  | 1,366,724            | 237,077   | 191,324   |
| <b>Business-type activities:</b>      |                      |   |   |
| Water                                 | 386,905              | 479,952   | 19,042  |
| Sewer                                 | 385,683              | 748,827   | -   |
|                                       | <hr/>                | <hr/>   | <hr/>   |
| <i>Total Business-type Activities</i> | 772,588              | 1,228,779   | 19,042  |
|                                       | <hr/>                | <hr/>   | <hr/>   |
| <i>Total Activities</i>               | <u>\$ 2,139,312</u>  | <u>\$ 1,465,856</u>                                 | <u>\$ 210,366</u>                                 |
| <b>General receipts:</b>              |                      |   |   |
| Property taxes                        |                      |   |   |
| Intergovernmental                     |                      |   |   |
| Franchise fees                        |                      |   |   |
| Miscellaneous                         |                      |   |   |
|                                       |                      |   |   |
| <i>Total General Receipts</i>         |                      |   |   |
| <b>Transfers</b>                      |                      |   |   |
| <b>Interfund loan repayment</b>       |                      |   |   |
| <b>Change in net assets</b>           |                      |   |   |
| <b>Net assets, July 1, 2010</b>       |                      |   |   |
| <b>Net assets, June 30, 2011</b>      |                      |   |   |

| <i>Net (Disbursements) Receipts and<br/>Changes in Net Assets</i> |                                    |                                     |               |
|---|------------------------------------|-------------------------------------|---------------|
| <i>Capital<br/>Grants and<br/>Contributions</i>                   | <i>Governmental<br/>Activities</i> | <i>Business-type<br/>Activities</i> | <i>Totals</i> |
| \$ -  | \$ (219,474)                       | \$ -                                | \$ (219,474)  |
| -   | (654,258)                          | -                                   | (654,258)     |
| -   | 21,051                             | -                                   | 21,051        |
| 1,000   | (46,288)                           | -                                   | (46,288)      |
| 21,958  | (13,453)                           | -                                   | (13,453)      |
| -   | (2,943)                            | -                                   | (2,943)       |
| 22,958  | (915,365)                          | -                                   | (915,365)     |
| 10,197  | -                                  | 122,286                             | 122,286       |
| 4,042   | -                                  | 367,186                             | 367,186       |
| 14,239  | -                                  | 489,472                             | 489,472       |
| \$ 37,197   | (915,365)                          | 489,472                             | (425,893)     |
|   | 657,528                            | -                                   | 657,528       |
|   | 132,911                            | -                                   | 132,911       |
|   | 174,521                            | -                                   | 174,521       |
|   | 40,332                             | 15,739                              | 56,071        |
|   | 1,005,292                          | 15,739                              | 1,021,031     |
|   | 282,338                            | (282,338)                           | -             |
|   | (39,304)                           | 39,304                              | -             |
|   | 332,961                            | 262,177                             | 595,138       |
|   | 1,267,078                          | 2,622,967                           | 3,890,045     |
| \$  | \$ 1,600,039                       | \$ 2,885,144                        | \$ 4,485,183  |

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

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

JUNE 30, 2011

|                                      | <u>Special Revenue</u> |                  |                                   |
|--------------------------------------|------------------------|------------------|-----------------------------------|
|                                      | <u>General</u>         | <u>Street</u>    | <u>Housing<br/>Rehabilitaiton</u> |
| <b>ASSETS</b>                        |                        |                  |                                   |
| Cash and investments                 | \$ 892,334             | \$ 68,255        | \$ 109,008                        |
| Property taxes receivable            | 53,000                 | -                | -                                 |
| Notes receivable                     | -                      | -                | 350,849                           |
| Assessment liens receivable          | -                      | -                | -                                 |
|                                      | <hr/>                  | <hr/>            | <hr/>                             |
| Total Assets                         | <u>\$ 945,334</u>      | <u>\$ 68,255</u> | <u>\$ 459,857</u>                 |
| <b>LIABILITIES AND FUND BALANCES</b> |                        |                  |                                   |
| <b>Liabilities</b>                   |                        |                  |                                   |
| Payroll withholdings                 | \$ 2,100               | \$ -             | \$ -                              |
| Deferred revenue                     | 53,000                 | -                | 350,849                           |
|                                      | <hr/>                  | <hr/>            | <hr/>                             |
| Total Liabilities                    | 55,100                 | -                | 350,849                           |
| <b>Fund Balances</b>                 |                        |                  |                                   |
| Restricted for:                      |                        |                  |                                   |
| Capital outlay                       | -                      | -                | -                                 |
| Debt service                         | -                      | -                | -                                 |
| Streets                              | -                      | 68,255           | -                                 |
| Committed to:                        |                        |                  |                                   |
| Capital outlay                       | -                      | -                | -                                 |
| Community development                | 24,013                 | -                | 109,008                           |
| General government                   | 124,043                | -                | -                                 |
| Unassigned                           | 742,179                | -                | -                                 |
|                                      | <hr/>                  | <hr/>            | <hr/>                             |
| Total Fund Balances                  | <u>890,235</u>         | <u>68,255</u>    | <u>109,008</u>                    |
|                                      | <hr/>                  | <hr/>            | <hr/>                             |
| Total Liabilities and Fund Balances  | <u>\$ 945,335</u>      | <u>\$ 68,255</u> | <u>\$ 459,857</u>                 |

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**Capital Projects**

| <b><u>Capital<br/>Improvement</u></b> | <b><u>Other<br/>Governmental<br/>Funds</u></b> | <b><u>Totals</u></b> |
|---------------------------------------|--|----------------------|
| \$ 276,992                            | \$ 255,549                                     | \$ 1,602,138         |
| -                                     | -  | 53,000               |
| -                                     | -  | 350,849              |
| -                                     | 22,152   | 22,152               |
| <hr/>                                 | <hr/>  | <hr/>                |
| \$ 276,992                            | \$ 277,701                                     | \$ 2,028,139         |
| <hr/> <hr/>                           | <hr/> <hr/>                                    | <hr/> <hr/>          |
| \$ -                                  | \$ -   | \$ 2,100             |
| -                                     | 22,152   | 426,001              |
| <hr/>                                 | <hr/>  | <hr/>                |
| -                                     | 22,152   | 428,101              |
| -                                     | 47,709   | 47,709               |
| -                                     | -  | -                    |
| -                                     | -  | 68,255               |
| 276,992                               | 129,746  | 406,738              |
| -                                     | 49,533   | 182,554              |
| -                                     | -  | 124,043              |
| -                                     | 28,561   | 770,740              |
| <hr/>                                 | <hr/>  | <hr/>                |
| 276,992                               | 255,549  | 1,600,039            |
| <hr/>                                 | <hr/>  | <hr/>                |
| \$ 276,992                            | \$ 277,701                                     | \$ 2,028,140         |
| <hr/> <hr/>                           | <hr/> <hr/>                                    | <hr/> <hr/>          |

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

**CITY OF MT. ANGEL, OREGON****COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE -  
GOVERNMENTAL FUNDS (MODIFIED CASH BASIS)  
YEAR ENDED JUNE 30, 2011**

|  | <u>Special Revenue</u> |                  |                                   |
|--|------------------------|------------------|-----------------------------------|
|  | <u>General</u>         | <u>Street</u>    | <u>Housing<br/>Rehabilitation</u> |
| <b>RECEIPTS</b>                                |                        |                  |                                   |
| Taxes and assessments                          | \$ 657,528             | \$ -             | \$ -                              |
| Licenses and permits                           | 246,217                | -                | -                                 |
| Charges for services                           | 52,554                 | -                | -                                 |
| Intergovernmental                              | 142,659                | 198,809          | -                                 |
| Fines and forfeitures                          | 70,822                 | -                | -                                 |
| Miscellaneous                                  | 18,353                 | 666              | 564                               |
|  | <hr/>                  | <hr/>            | <hr/>                             |
| <i>Total Receipts</i>                          | 1,188,133              | 199,475          | 564                               |
| <b>DISBURSEMENTS</b>                           |                        |                  |                                   |
| General government                             | 248,377                | -                | -                                 |
| Court and police                               | 743,870                | -                | -                                 |
| Community services and development             | 34,965                 | -                | 128                               |
| Library  | 63,033                 | -                | -                                 |
| Public works                                   | -                      | 126,913          | -                                 |
| Capital outlay                                 | 22,963                 | 22,843           | -                                 |
| Debt service                                   |                        |                  |                                   |
| Principal                                      | -                      | 32,304           | -                                 |
| Interest                                       | -                      | 2,699            | -                                 |
|  | <hr/>                  | <hr/>            | <hr/>                             |
| <i>Total Disbursements</i>                     | 1,113,208              | 184,759          | 128                               |
| <b>RECEIPTS OVER (UNDER)<br/>DISBURSEMENTS</b> |                        |                  |                                   |
|  | 74,925                 | 14,716           | 436                               |
| <b>OTHER FINANCING SOURCES (USES)</b>          |                        |                  |                                   |
| Transfers in                                   | 219,410                | 55,000           | -                                 |
| Transfers out                                  | (149,935)              | (49,529)         | (700)                             |
|  | <hr/>                  | <hr/>            | <hr/>                             |
| <i>Total Other Financing Sources (Uses)</i>    | 69,475                 | 5,471            | (700)                             |
| <b>NET CHANGE IN FUND BALANCES</b>             |                        |                  |                                   |
|  | 144,400                | 20,187           | (264)                             |
| <b>FUND BALANCES, Beginning of year</b>        |                        |                  |                                   |
|  | 745,835                | 48,068           | 109,272                           |
|  | <hr/>                  | <hr/>            | <hr/>                             |
| <b>FUND BALANCES, End of year</b>              | <u>\$ 890,235</u>      | <u>\$ 68,255</u> | <u>\$ 109,008</u>                 |

| <u>Capital Projects</u>        |   |               |
|--------------------------------|---|---------------|
| <u>Capital<br/>Improvement</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Totals</u> |
| \$ -                           | \$ 4,077                                | \$ 661,605    |
| -                              | 3,530                                   | 249,747       |
| -                              | -                                       | 52,554        |
| -                              | 32,562                                  | 374,030       |
| -                              | -                                       | 70,822        |
| 1,421                          | 26,888                                  | 47,892        |
| <hr/>                          | <hr/>                                   | <hr/>         |
| 1,421                          | 67,057                                  | 1,456,650     |
| -                              | -                                       | 248,377       |
| -                              | -                                       | 743,870       |
| -                              | -                                       | 35,093        |
| -                              | -                                       | 63,033        |
| -                              | 32,833                                  | 159,746       |
| 20,402                         | 47,453                                  | 113,661       |
| -                              | 7,000                                   | 39,304        |
| -                              | 244                                     | 2,943         |
| <hr/>                          | <hr/>                                   | <hr/>         |
| 20,402                         | 87,530                                  | 1,406,027     |
| <hr/>                          | <hr/>                                   | <hr/>         |
| (18,981)                       | (20,473)                                | 50,623        |
| 53,400                         | 217,547                                 | 545,357       |
| (17,855)                       | (45,000)                                | (263,019)     |
| <hr/>                          | <hr/>                                   | <hr/>         |
| 35,545                         | 172,547                                 | 282,338       |
| <hr/>                          | <hr/>                                   | <hr/>         |
| 16,564                         | 152,074                                 | 332,961       |
| 260,428                        | 103,475                                 | 1,267,078     |
| <hr/>                          | <hr/>                                   | <hr/>         |
| \$ 276,992                     | \$ 255,549                              | \$ 1,600,039  |
| <hr/> <hr/>                    | <hr/> <hr/>                             | <hr/> <hr/>   |

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

**CITY OF MT. ANGEL, OREGON**

**COMBINING STATEMENT OF NET ASSETS- PROPRIETARY FUNDS (MODIFIED CASH BASIS)**

**JUNE 30, 2011**

|                          | <i>Business-type -</i>   |                          |                                      |                          |
|--------------------------|--------------------------|--------------------------|--------------------------------------|--------------------------|
|                          | <u>Water<br/>Utility</u> | <u>Sewer<br/>Utility</u> | <u>Water<br/>Utility<br/>Reserve</u> | <u>Sewer<br/>Reserve</u> |
| <b>ASSETS</b>            |                          |                          |                                      |                          |
| Cash and investments     | \$ 182,358               | \$ 269,047               | \$ 776,615                           | \$ 898,264               |
| Accounts receivable      | 50,897                   | 69,260                   | -                                    | -                        |
| <i>Total Assets</i>      | <u>233,255</u>           | <u>338,307</u>           | <u>776,615</u>                       | <u>898,264</u>           |
| <b>LIABILITIES</b>       |                          |                          |                                      |                          |
| Deposits                 | 5,702                    | 8,396                    | -                                    | -                        |
| Deferred revenue         | 50,897                   | 69,260                   | -                                    | -                        |
| <i>Total Liabilities</i> | <u>56,599</u>            | <u>77,656</u>            | <u>-</u>                             | <u>-</u>                 |
| <b>NET ASSETS</b>        |                          |                          |                                      |                          |
| Restricted for:          |                          |                          |                                      |                          |
| Debt service             | -                        | -                        | -                                    | -                        |
| Construction             | -                        | -                        | -                                    | -                        |
| Unrestricted             | 176,657                  | 260,650                  | 776,615                              | 898,264                  |
| <i>Total Net Assets</i>  | <u>\$ 176,657</u>        | <u>\$ 260,650</u>        | <u>\$ 776,615</u>                    | <u>\$ 898,264</u>        |

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| <i>Enterprise Funds</i>          |  |                                       |                     |
|----------------------------------|--|---------------------------------------|---------------------|
| <i>Water<br/>Utility<br/>SDC</i> | <i>Revenue<br/>Bond Debt<br/>Service</i> | <i>Other<br/>Enterprise<br/>Funds</i> | <i>Totals</i>       |
| \$ 399,083                       | \$ 123,073                               | \$ 250,802                            | \$ 2,899,242        |
| -                                | -  | -                                     | 120,157             |
| 399,083                          | 123,073                                  | 250,802                               | 3,019,399           |
| -                                | -  | -                                     | 14,098              |
| -                                | -  | -                                     | 120,157             |
| -                                | -  | -                                     | 134,255             |
| -                                | 123,073                                  | -                                     | 123,073             |
| 399,083                          | -  | 250,802                               | 649,885             |
| -                                | -  | -                                     | 2,112,186           |
| <u>\$ 399,083</u>                | <u>\$ 123,073</u>                        | <u>\$ 250,802</u>                     | <u>\$ 2,885,144</u> |

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

**CITY OF MT. ANGEL, OREGON****COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN NET ASSETS -  
PROPRIETARY FUNDS (MODIFIED CASH BASIS)  
YEAR ENDED JUNE 30, 2011**

|  | <i>Business-type -</i>   |                          |                                      |
|--|--------------------------|--------------------------|--------------------------------------|
|  | <i>Water<br/>Utility</i> | <i>Sewer<br/>Utility</i> | <i>Water<br/>Utility<br/>Reserve</i> |
| <b>OPERATING RECEIPTS</b>  |                          |                          |                                      |
| Charges for services   | \$ 479,952               | \$ 748,827               | \$ -                                 |
| Miscellaneous  | 466                      | 533                      | 3,708                                |
| <i>Total Operating Receipts</i>                                    | 480,418                  | 749,360                  | 3,708                                |
| <b>OPERATING DISBURSEMENTS</b>                                     |                          |                          |                                      |
| Personal services  | 179,431                  | 281,836                  | -                                    |
| Materials and services   | 109,055                  | 83,399                   | -                                    |
| Capital outlay   | 14,241                   | 20,449                   | -                                    |
| <i>Total Operating Disbursements</i>                               | 302,727                  | 385,684                  | -                                    |
| <b>OPERATING RECEIPTS OVER (UNDER)<br/>OPERATING DISBURSEMENTS</b> | 177,691                  | 363,676                  | 3,708                                |
| <b>NONOPERATING RECEIPTS<br/>(DISBURSEMENTS)</b>                   |                          |                          |                                      |
| Intergovernmental receipts   | -                        | -                        | -                                    |
| Debt service disbursements   |                          |                          |                                      |
| Principal  | -                        | -                        | -                                    |
| Interest   | -                        | -                        | -                                    |
| <i>Total Nonoperating Receipts<br/>(Disbursements)</i>             | -                        | -                        | -                                    |
| <b>INCOME BEFORE CONTRIBUTIONS<br/>AND TRANSFERS</b>               | 177,691                  | 363,676                  | 3,708                                |
| <b>OTHER FINANCING SOURCES (USES)</b>                              |                          |                          |                                      |
| Capital contributions  | -                        | -                        | -                                    |
| Transfers in   | -                        | -                        | 92,500                               |
| Transfers out  | (217,118)                | (314,720)                | -                                    |
| Interfund loan repayment   | -                        | -                        | -                                    |
| <b>CHANGE IN NET ASSETS</b>  | (39,427)                 | 48,956                   | 96,208                               |
| <b>NET ASSETS, Beginning of year</b>                               | 216,084                  | 211,694                  | 680,407                              |
| <b>NET ASSETS, End of year</b>                                     | \$ 176,657               | \$ 260,650               | \$ 776,615                           |

***Enterprise Funds***

| <b><i>Sewer Reserve</i></b> | <b><i>Water Utility SDC</i></b> | <b><i>Revenue Bond Debt Service</i></b> | <b><i>Other Enterprise Funds</i></b> | <b><i>Totals</i></b> |
|-----------------------------|---------------------------------|---|--------------------------------------|----------------------|
| \$ -                        | \$ -                            | \$ -                                    | \$ -                                 | \$ 1,228,779         |
| 7,067                       | 2,015                           | 666                                     | 1,284                                | 15,739               |
| 7,067                       | 2,015                           | 666                                     | 1,284                                | 1,244,518            |
| -                           | -                               | -                                       | -                                    | 461,267              |
| -                           | 2,852                           | -                                       | -                                    | 195,306              |
| -                           | -                               | -                                       | -                                    | 34,690               |
| -                           | 2,852                           | -                                       | -                                    | 691,263              |
| 7,067                       | (837)                           | 666                                     | 1,284                                | 553,255              |
| -                           | 19,042                          | -                                       | -                                    | 19,042               |
| -                           | -                               | (45,201)                                | -                                    | (45,201)             |
| -                           | -                               | (36,124)                                | -                                    | (36,124)             |
| -                           | 19,042                          | (81,325)                                | -                                    | (62,283)             |
| 7,067                       | 18,205                          | (80,659)                                | 1,284                                | 490,972              |
| -                           | 10,197                          | -                                       | 4,042                                | 14,239               |
| 75,000                      | -                               | 82,000                                  | -                                    | 249,500              |
| -                           | -                               | -                                       | -                                    | (531,838)            |
| 39,304                      | -                               | -                                       | -                                    | 39,304               |
| 121,371                     | 28,402                          | 1,341                                   | 5,326                                | 262,177              |
| 776,893                     | 370,681                         | 121,732                                 | 245,476                              | 2,622,967            |
| \$ 898,264                  | \$ 399,083                      | \$ 123,073                              | \$ 250,802                           | \$ 2,885,144         |

*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.

**CITY OF MT. ANGEL, OREGON**

*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*

*YEAR ENDED JUNE 30, 2011*

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

*Basis of Presentation*

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that 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
- Housing Rehabilitation Fund
- Capital Improvement Fund

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

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

*Fund Balance*

In the year ended June 30, 2011, the City adopted GASB Statement #54 *Fund Balance Reporting and Governmental Fund Types Definitions*. In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Although not a major impact on the financial statements, Governmental Fund type fund balances are now reported in the following classifications. In governmental funds, the City's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

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

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

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

*Fund Balance (Continued)*

Fund balance is reported as committed when the City Council takes formal action that places specific constraints on how the resources may be used.

The City Council can modify or rescind the commitment at any time through taking a similar formal action.

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

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

*Definitions of Governmental Fund Types*

The General Fund is used to account for all financial resources not accounted for in another fund.

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

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

Debt Service Funds are utilized to account for the accumulation of resources for, and the payment of, long-term debt principal and interest.

Among the changes required by GASB Statement #54 is that Special Revenue Funds whose primary source of funding is transfers from the General Fund be reported as part of the General Fund. Therefore, in the Governmental Funds Statement of Assets and Liabilities and the Statement of Receipts, Disbursements and Changes in Fund Balances, the Unemployment, Retirement Reserve, Street Reserve and Community Development Funds have been combined with the General Fund. In addition, the Capital Improvement, Transportation SDC, Parks, Parks SDC, Vehicle Replacement and Bancroft Sinking Funds previously reported as Special Revenue Funds are now reported as Capital Projects Funds.

**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. The City does not maintain historical cost and depreciation records for capital assets, therefore, capital assets and the related debt obligations are not recorded. Debt obligations are presented in the notes to the financial statements. 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.

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

*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, 2011. Actual results may differ from such estimates.

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

*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. Collectability has not been evaluated as all amounts are offset by an equal deferred revenue amount.

*Accrued Compensated Absences*

Accumulated unpaid vacation pay is accrued, but not recorded. Earned but unpaid sick pay is recorded as a disbursement when paid.

*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.

For reporting purposes, the General Fund also consists of the following activities:

*Unemployment Fund*

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

*Retirement Reserve Fund*

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

*Street Reserve Fund*

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

*Community Development Fund*

This fund accounts for Community Development Block Grant monies used for community projects.

*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. The City has the following Special Revenue Funds:

*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.

*Housing Rehabilitation Fund*

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

**CITY OF MT. ANGEL, OREGON**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2011*

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**ORGANIZATION AND OPERATION (Continued)**

*Governmental Fund Types (Continued)*

*Special Revenue Funds (Continued)*

*State Revenue Sharing Fund*

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

*Library Endowment Fund*

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

*Capital Projects Fund*

*Capital Improvement Fund*

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

*Transportation SDC Fund*

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

*Parks Fund*

This fund accounts for park fees and donations collected for park development.

*Parks SDC Fund*

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

*Vehicle Replacement Fund*

This fund accounts for money set aside by the City Council and designated for vehicle purchases.

*Bancroft Sinking Fund*

This fund accounts for collection of local improvement assessments. Since the underlying debt was retired the fund is used for capital projects.

*Proprietary Fund Types*

*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.

**ORGANIZATION AND OPERATION** (Continued)

*Proprietary Fund Types (Continued)*

*Enterprise Funds (Continued)*

*Revenue Bond Debt Service Fund*

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

*Water Utility Fund*

This fund accounts for operation of the water public utility.

*Sewer Utility Fund*

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

*Water / Sewer Utility Reserve Funds*

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 SDC Fund*

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

*Storm 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, 2011**

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**CASH AND INVESTMENTS**

Cash and investments are comprised of the following at June 30, 2011:

|                                      | <u>Carrying<br/>Value</u> | <u>Fair<br/>Value</u> |
|--------------------------------------|---------------------------|-----------------------|
| <b>Cash</b>                          |                           |                       |
| Cash on hand                         | \$ 600                    | \$ 600                |
| Deposits with financial institutions | 289,745                   | 289,745               |
| <b>Investments</b>                   |                           |                       |
| Local Government Investment Pool     | 4,211,035                 | 4,211,035             |
|                                      | <u>\$ 4,501,380</u>       | <u>\$ 4,501,380</u>   |

*Deposits*

At year end, the book balance of the City's bank deposits (checking accounts) was \$289,745 and the bank balance was \$298,982. The difference is due to transactions in process. Bank deposits are secured to legal limits by federal deposit insurance. The remaining amount is secured in accordance with ORS 295 under a collateral program administered by the Oregon State Treasurer.

*Custodial Credit Risk - Deposits*

This is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides unlimited insurance for the City's deposits with financial institutions for the aggregate of all non-interest bearing accounts and up to \$250,000 for the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage are with institutions participating in the Oregon Public Funds Collateralization Program (PFCP). The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. As of June 30, 2011, none of the City's bank balances were exposed to custodial credit risk as part of the Public Funds Collateralization Program.

*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, 2011, 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, 2011**

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**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 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.

**LONG-TERM OBLIGATIONS**

Business-type fund activities long-term debt transactions for the year ended June 30, 2011 were as follows:

|   | <u>Outstanding</u><br><u>July 1,</u><br><u>2010</u> | <u>Issued</u> | <u>Matured/</u><br><u>Redeemed</u><br><u>During Year</u> | <u>Outstanding</u><br><u>June 30,</u><br><u>2011</u> | <u>Next</u><br><u>Year</u><br><u>Requirements</u> |
|---|---|---------------|--|--|---|
| 1992 Farmers Home Administration -<br>\$1,250,000 original issue, payable<br>payable \$81,325 annually, including<br>interest at 5% | \$ 722,470  | \$ -          | \$ (45,201)  | \$ 677,269   | \$ 47,462   |

**CITY OF MT. ANGEL, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2011**

**LONG-TERM OBLIGATIONS (Continued)**

Required debt service reserves are maintained in the Revenue Bond Debt Service Fund. The City's reserves totaled \$123,073 as of June 30, 2011.

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

| <b><i>Fiscal Year<br/>Ending<br/>June 30,</i></b> | <b><i>Principal</i></b> | <b><i>Interest</i></b> | <b><i>Total</i></b> |
|---|-------------------------|------------------------|---------------------|
| 2012  | \$ 47,462               | \$ 33,863              | \$ 81,325           |
| 2013  | 49,835                  | 31,490                 | 81,325              |
| 2014  | 52,326                  | 28,999                 | 81,325              |
| 2015  | 54,943                  | 26,382                 | 81,325              |
| 2016  | 57,690                  | 23,635                 | 81,325              |
| 2017-2021   | 334,710                 | 71,915                 | 406,625             |
| 2022  | 80,303                  | 4,015                  | 84,318              |
|   | <u>\$ 677,269</u>       | <u>\$ 220,299</u>      | <u>\$ 897,568</u>   |

In prior years, the Sewer Reserve Fund loaned \$56,833 to the Bancroft Sinking Fund and \$147,319 to the Street Fund with variable interest based on the LGIP interest rate. The interfund loan activity for the year ended June 30, 2011 was as follows:

|                                     | <b><i>Outstanding<br/>July 1,<br/>2010</i></b> | <b><i>Issued</i></b> | <b><i>Paid<br/>During Year</i></b> | <b><i>Outstanding<br/>June 30,<br/>2011</i></b> | <b><i>Next<br/>Year<br/>Requirements</i></b> |
|-------------------------------------|--|----------------------|------------------------------------|---|--|
| Sewer Fund to Bancroft Sinking Fund | \$ 48,833                                      | \$ -                 | \$ (7,000)                         | \$ 41,833                                       | \$ 7,000                                     |
| Sewer Fund to Street Fund           | 84,246   | -                    | (32,304)                           | 51,942  | 33,134                                       |
|                                     | <u>\$ 133,079</u>                              | <u>\$ -</u>          | <u>\$ (39,304)</u>                 | <u>\$ 93,775</u>                                | <u>\$ 40,134</u>                             |

The remaining balance of the interfund loan from the Sewer Reserve Fund to the Bancroft Sinking Fund will be repaid through interfund transfers as follows:

| <b><i>Fiscal Year<br/>Ending<br/>June 30,</i></b> |                  |
|---|------------------|
| 2012  | \$ 7,000         |
| 2013  | 7,000            |
| 2014  | 7,000            |
| 2015  | 7,000            |
| 2016  | 13,833           |
|   | <u>\$ 41,833</u> |

**CITY OF MT. ANGEL, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2011**

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**LONG-TERM OBLIGATIONS (Continued)**

The remaining balance of the interfund loan from the Sewer Reserve Fund to the Street Fund will be repaid through interfund transfers as follows:

| <i>Fiscal Year</i> |           |  |
|--------------------|-----------|--|
| <i>Ending</i>      |           |  |
| <i>June 30,</i>    |           |  |
|                    |           |  |
| 2012               | \$ 33,134 |  |
| 2013               | 18,808    |  |
|                    | \$ 51,942 |  |

**PENSION PLAN**

*Plan Description*

The City is a participating employer in the Oregon Public Employees Retirement System ("PERS"), an agent 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. As an independent employer, the City of Mt. Angel is considered to be participating in an agent-multiple employer plan for purposes of the Tier 1/Tier 2 pension liabilities and a cost sharing plan for purposes of their OPSRP pension liabilities.

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](http://www.oregon.gov/PERS).

**CITY OF MT. ANGEL, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2011**

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**PENSION PLAN (Continued)**

*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."

In addition to the 6.0% "pick-up," the City contributed 7.58% of Tier1/Tier2 subject payroll and 3.14% of OPSRP general service and OPSRP police and fire subject payroll for the fiscal year ended June 30, 2011. This contribution rate was determined as part of the December 31, 2010 actuarial evaluation and was recalculated to reflect the impact of recently passed legislation. Subject salary for the year was \$804,474 and the City's total payroll was \$926,444.

| <u>Year Ended<br/>June 30,</u> | <u>Amount</u> | <u>% of Required<br/>Contribution</u> |
|--------------------------------|---------------|---------------------------------------|
| 2011                           | \$ 96,077     | 100%                                  |
| 2010                           | 98,157        | 100%                                  |
| 2009                           | 161,883       | 100%                                  |

The City's pension liability and the annual required contribution rate were determined using the entry age cost method. The unfunded accrued 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% per year, projected salary increase of 3.75%, health cost inflation graded from 7% in 2011 to 4.5% in 2029, and a consumer price inflation component of 2.75%.

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.

**CITY OF MT. ANGEL, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2011**

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**INTERFUND TRANSFERS**

|                                | <u>Transfers In</u> | <u>Transfers Out</u> |
|--------------------------------|---------------------|----------------------|
| General Fund                   | \$ 140,996          | \$ 140,560           |
| Street Fund                    | 55,000              | 49,529               |
| Housing Rehabilitation Fund    | -                   | 700                  |
| Capital Improvement Fund       | 53,400              | 17,855               |
| Street Reserve Fund            | 21,400              | -                    |
| Retirement Reserve Fund        | 56,545              | -                    |
| State Revenue Sharing Fund     | -                   | 35,000               |
| Debt Service Fund              | 1,660               | -                    |
| Unemployment Fund              | 469                 | -                    |
| Parks Fund                     | 40,266              | 10,000               |
| Vehicle Replacement Fund       | 175,621             | -                    |
| Community Development Fund     | -                   | 9,375                |
| Revenue Bond Debt Service Fund | 82,000              | -                    |
| Water Utility Fund             | -                   | 217,118              |
| Sewer Utility Fund             | -                   | 314,720              |
| Sewer Reserve Fund             | 75,000              | -                    |
| Water Utility Reserve Fund     | 92,500              | -                    |
|                                | <u>\$ 794,857</u>   | <u>\$ 794,857</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.

**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.

**CITY OF MT. ANGEL, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2011**

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**EXPENDITURES IN EXCESS OF APPROPRIATIONS**

Expenditures in excess of appropriations in individual funds for the year ended June 30, 2011 occurred as follows:

| <u><i>Fund/Appropriation Category</i></u> | <u><i>Budget</i></u> | <u><i>Actual</i></u> | <u><i>Variance</i></u> |
|---|----------------------|----------------------|------------------------|
| Street                                    |                      |                      |                        |
| Debt service                              | \$ 33,949            | \$ 35,003            | \$ (1,054)             |
| Community Development                     |                      |                      |                        |
| Transfers out                             | \$ (9,358)           | \$ (9,375)           | \$ (17)                |

**SUBSEQUENT EVENTS**

The City follows the provisions of Statement of Financial Accounting Standards ("SFAS") No. 165, "Subsequent Events" (ASC 855). ASC 855 establishes accounting and disclosure requirements for subsequent events. Management has evaluated subsequent events through December 23, 2011, the date on which the financial statements were available to be issued. Management is not aware of any subsequent events that require recognition or disclosure in the financial statements.

***REQUIRED SUPPLEMENTAL INFORMATION***

**CITY OF MT. ANGEL, OREGON**

**SCHEDULE OF FUNDING PROGRESS – PUBLIC EMPLOYEES RETIREMENT SYSTEM**

**JUNE 30, 2011**

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The following table presents a schedule of funding progress for the City's defined benefit pension plan:

| <b><i>Actuarial<br/>Valuation<br/>Ending<br/>December 31</i></b> | <b><i>Actuarial<br/>Value of<br/>Assets</i></b> | <b><i>Actuarial<br/>Accrued<br/>Liability</i></b> | <b><i>Unfunded<br/>Actuarial<br/>Liability<br/>(UAL)</i></b> | <b><i>Funded<br/>Percent</i></b> | <b><i>Covered<br/>Payroll</i></b> | <b><i>UAL as a<br/>Percentage<br/>of Covered<br/>Payroll</i></b> |
|--|---|---|--|----------------------------------|-----------------------------------|--|
| 2005   | \$ 3,834,293                                    | \$ 3,712,860                                      | \$ (121,433)   | 103%                             | \$ 661,826                        | (18%)  |
| 2006   | 4,314,552                                       | 3,749,738   | (564,814)  | 115%                             | 697,185                           | (81%)  |
| 2007   | 4,829,585                                       | 3,996,812   | (832,773)  | 121%                             | 685,789                           | (121%)   |
| 2008   | 3,684,050                                       | 4,162,510   | 478,460  | 89%                              | 818,818                           | 58%  |
| 2009   | 3,759,794                                       | 3,886,213   | 126,419  | 97%                              | 715,310                           | (18%)  |
| 2010   | 4,098,119                                       | 3,915,133   | (182,986)  | 105%                             | 634,125                           | (29%)  |

**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, 2011**

|  | <i>Budgeted Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|--|-------------------------|--------------|---------------|-----------------|
|  | <i>Original</i>         | <i>Final</i> |               |                 |
| <b>RECEIPTS</b>                                |                         |              |               |                 |
| Taxes and assessments                          | \$ 624,000              | \$ 624,000   | \$ 657,528    | \$ 33,528       |
| Licenses and permits                           | 168,700                 | 225,700      | 246,217       | 20,517          |
| Charges for services                           | 62,479                  | 62,479       | 52,554        | (9,925)         |
| Intergovernmental                              | 104,319                 | 108,335      | 142,659       | 34,324          |
| Fines and forfeitures                          | 47,550                  | 47,550       | 70,822        | 23,272          |
| Miscellaneous                                  | 9,833                   | 28,980       | 17,781        | (11,199)        |
| <i>Total Receipts</i>                          | 1,016,881               | 1,097,044    | 1,187,561     | 90,517          |
| <b>DISBURSEMENTS</b>                           |                         |              |               |                 |
| Administration                                 | 174,457                 | 244,537      | 210,840       | 33,697          |
| Police   | 805,099                 | 813,834      | 732,931       | 80,903          |
| Library  | 98,423                  | 98,770       | 72,313        | 26,457          |
| Court  | 29,925                  | 29,925       | 24,297        | 5,628           |
| Oktoberfest                                    | 43,629                  | 43,629       | 34,965        | 8,664           |
| Contingency                                    | 299,000                 | 299,000      | -             | 299,000         |
| <i>Total Disbursements</i>                     | 1,450,533               | 1,529,695    | 1,075,346     | 454,349         |
| <b>RECEIPTS OVER (UNDER)<br/>DISBURSEMENTS</b> | (433,652)               | (432,651)    | 112,215       | 544,866         |
| <b>OTHER FINANCING SOURCES (USES)</b>          |                         |              |               |                 |
| Transfers in                                   | 148,458                 | 148,458      | 140,996       | (7,462)         |
| Transfers out                                  | (152,817)               | (158,583)    | (140,560)     | 18,023          |
| <i>Total Other Financing Sources (Uses)</i>    | (4,359)                 | (10,125)     | 436           | 10,561          |
| <b>NET CHANGE IN FUND BALANCE</b>              | (438,011)               | (442,776)    | 112,651       | 555,427         |
| <b>FUND BALANCE, Beginning of year</b>         | 441,024                 | 445,789      | 629,528       | 183,739         |
| <b>FUND BALANCE, End of year</b>               | \$ 3,013                | \$ 3,013     | \$ 742,179    | \$ 739,166      |

**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, 2011**

|  | <i>Budgeted Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|--|-------------------------|--------------|---------------|-----------------|
|  | <i>Original</i>         | <i>Final</i> |               |                 |
| <b>RECEIPTS</b>                                |                         |              |               |                 |
| Intergovernmental                              | \$ 175,000              | \$ 175,000   | \$ 198,809    | \$ 23,809       |
| Miscellaneous                                  | 100                     | 100          | 666           | 566             |
| <i>Total Receipts</i>                          | 175,100                 | 175,100      | 199,475       | 24,375          |
| <b>DISBURSEMENTS</b>                           |                         |              |               |                 |
| Personal services                              | 74,432                  | 74,432       | 60,524        | 13,908          |
| Materials and services                         | 80,200                  | 80,200       | 66,389        | 13,811          |
| Capital outlay                                 | 25,000                  | 25,000       | 22,843        | 2,157           |
| Debt service                                   | 33,949                  | 33,949       | 35,003        | (1,054)         |
| Contingency                                    | 7,197                   | 7,197        | -             | 7,197           |
| <i>Total Disbursements</i>                     | 220,778                 | 220,778      | 184,759       | 36,019          |
| <b>RECEIPTS OVER (UNDER)<br/>DISBURSEMENTS</b> | (45,678)                | (45,678)     | 14,716        | 60,394          |
| <b>OTHER FINANCING SOURCES (USES)</b>          |                         |              |               |                 |
| Transfers in                                   | 55,000                  | 55,000       | 55,000        | -               |
| Transfers out                                  | (51,308)                | (51,308)     | (49,529)      | 1,779           |
| <i>Total Other Financing Sources (Uses)</i>    | 3,692                   | 3,692        | 5,471         | 1,779           |
| <b>NET CHANGE IN FUND BALANCE</b>              | (41,986)                | (41,986)     | 20,187        | 62,173          |
| <b>FUND BALANCE, Beginning of year</b>         | 42,366                  | 42,366       | 48,068        | 5,702           |
| <b>FUND BALANCE, End of year</b>               | \$ 380                  | \$ 380       | \$ 68,255     | \$ 67,875       |

**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, 2011**

|  | <u>Budgeted Amounts</u> |              | <u>Actual</u> | <u>Variance</u> |
|--|-------------------------|--------------|---------------|-----------------|
|  | <u>Original</u>         | <u>Final</u> |               |                 |
| <b>RECEIPTS</b>                                |                         |              |               |                 |
| Miscellaneous                                  | \$ 50,435               | \$ 50,435    | \$ 564        | \$ (49,871)     |
| <b>DISBURSEMENTS</b>                           |                         |              |               |                 |
| Materials and services                         | 158,609                 | 158,609      | 128           | 158,481         |
| <b>RECEIPTS OVER (UNDER)<br/>DISBURSEMENTS</b> | (108,174)               | (108,174)    | 436           | 108,610         |
| <b>OTHER FINANCING SOURCES (USES)</b>          |                         |              |               |                 |
| Transfers out                                  | (700)                   | (700)        | (700)         | -               |
| <b>NET CHANGE IN FUND BALANCE</b>              | (108,874)               | (108,874)    | (264)         | 108,610         |
| <b>FUND BALANCE, Beginning of year</b>         | 108,874                 | 108,874      | 109,272       | 398             |
| <b>FUND BALANCE, End of year</b>               | \$ -                    | \$ -         | \$ 109,008    | \$ 109,008      |

***OTHER SUPPLEMENTAL INFORMATION***

**CITY OF MT. ANGEL, OREGON**

**RECONCILIATION OF BUDGETARY FUNDS TO REPORTING FUNDS STATEMENT OF ASSETS  
AND LIABILITIES (MODIFIED CASH BASIS) – GENERAL FUND  
JUNE 30, 2011**

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|  | <u>General</u> | <u>Unemployment</u> | <u>Retirement<br/>Reserve</u> |
|--|----------------|---------------------|-------------------------------|
| <b>ASSETS</b>                              |                |                     |                               |
| Cash and investments                       | \$ 744,278     | \$ 17,373           | \$ 106,670                    |
| Property taxes receivable                  | 53,000         | -                   | -                             |
|  | <hr/>          | <hr/>               | <hr/>                         |
| <i>Total Assets</i>                        | \$ 797,278     | \$ 17,373           | \$ 106,670                    |
|  | <hr/> <hr/>    | <hr/> <hr/>         | <hr/> <hr/>                   |
| <b>LIABILITIES AND FUND BALANCES</b>       |                |                     |                               |
| <b>Liabilities</b>                         |                |                     |                               |
| Payroll withholdings                       | \$ 2,100       | \$ -                | \$ -                          |
| Deferred revenue                           | 53,000         | -                   | -                             |
|  | <hr/>          | <hr/>               | <hr/>                         |
| <i>Total Liabilities</i>                   | 55,100         | -                   | -                             |
| <b>Fund Balances</b>                       |                |                     |                               |
| Committed to:                              |                |                     |                               |
| Community development                      | -              | -                   | -                             |
| General government                         | -              | 17,373              | 106,670                       |
| Unassigned                                 | 742,179        | -                   | -                             |
|  | <hr/>          | <hr/>               | <hr/>                         |
| <i>Total Fund Balances</i>                 | 742,179        | 17,373              | 106,670                       |
|  | <hr/>          | <hr/>               | <hr/>                         |
| <i>Total Liabilities and Fund Balances</i> | \$ 797,279     | \$ 17,373           | \$ 106,670                    |
|  | <hr/> <hr/>    | <hr/> <hr/>         | <hr/> <hr/>                   |

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| <i><u>Street Reserve</u></i> | <i><u>Community Development</u></i> | <i><u>Total (reported as General Fund)</u></i> |
|------------------------------|-------------------------------------|--|
| \$ 24,013                    | \$ -                                | \$ 892,334                                     |
| -                            | -                                   | 53,000   |
| <u>\$ 24,013</u>             | <u>\$ -</u>                         | <u>\$ 945,334</u>                              |
| \$ -                         | \$ -                                | \$ 2,100                                       |
| -                            | -                                   | 53,000   |
| -                            | -                                   | 55,100   |
| 24,013                       | -                                   | 24,013   |
| -                            | -                                   | 124,043  |
| -                            | -                                   | 742,179  |
| <u>24,013</u>                | <u>-</u>                            | <u>890,235</u>                                 |
| <u>\$ 24,013</u>             | <u>\$ -</u>                         | <u>\$ 945,335</u>                              |

**CITY OF MT. ANGEL, OREGON****RECONCILIATION OF BUDGETARY FUNDS TO REPORTING FUNDS STATEMENT OF RECEIPTS,  
DISBURSEMENTS AND CHANGES IN FUND BALANCES (MODIFIED CASH BASIS) – GENERAL FUND  
JUNE 30, 2011**

|  | <u>General</u>    | <u>Unemployment</u> | <u>Retirement<br/>Reserve</u> |
|--|-------------------|---------------------|-------------------------------|
| <b>RECEIPTS</b>                                |                   |                     |                               |
| Taxes and assessments                          | \$ 657,528        | \$ -                | \$ -                          |
| Licenses and permits                           | 246,217           | -                   | -                             |
| Charges for services                           | 52,554            | -                   | -                             |
| Intergovernmental                              | 142,659           | -                   | -                             |
| Fines and forfeitures                          | 70,822            | -                   | -                             |
| Miscellaneous                                  | 17,781            | 132                 | 248                           |
|  | <hr/>             | <hr/>               | <hr/>                         |
| <i>Total Receipts</i>                          | 1,187,561         | 132                 | 248                           |
| <b>DISBURSEMENTS</b>                           |                   |                     |                               |
| General government                             | 210,515           | 16,162              | -                             |
| Court and police                               | 743,870           | -                   | -                             |
| Community services and development             | 34,965            | -                   | -                             |
| Library  | 63,033            | -                   | -                             |
| Capital outlay                                 | 22,963            | -                   | -                             |
|  | <hr/>             | <hr/>               | <hr/>                         |
| <i>Total Disbursements</i>                     | 1,075,346         | 16,162              | -                             |
| <b>RECEIPTS OVER (UNDER)<br/>DISBURSEMENTS</b> |                   |                     |                               |
|  | 112,215           | (16,030)            | 248                           |
| <b>OTHER FINANCING SOURCES (USES)</b>          |                   |                     |                               |
| Transfers in                                   | 140,996           | 469                 | 56,545                        |
| Transfers out                                  | (140,560)         | -                   | -                             |
|  | <hr/>             | <hr/>               | <hr/>                         |
| <i>Total Other Financing Sources (Uses)</i>    | 436               | 469                 | 56,545                        |
| <b>NET CHANGE IN FUND BALANCES</b>             |                   |                     |                               |
|  | 112,651           | (15,561)            | 56,793                        |
| <b>FUND BALANCES, Beginning of year</b>        |                   |                     |                               |
|  | 629,528           | 32,934              | 49,877                        |
|  | <hr/>             | <hr/>               | <hr/>                         |
| <b>FUND BALANCES, End of year</b>              | <u>\$ 742,179</u> | <u>\$ 17,373</u>    | <u>\$ 106,670</u>             |

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| <i>Street<br/>Reserve</i> | <i>Community<br/>Development</i> | <i>Total<br/>(reported as<br/>General Fund)</i> |
|---------------------------|----------------------------------|---|
| \$ -                      | \$ -                             | \$ 657,528                                      |
| -                         | -                                | 246,217   |
| -                         | -                                | 52,554  |
| -                         | -                                | 142,659   |
| -                         | -                                | 70,822  |
| 165                       | 27                               | 18,353  |
| <hr/>                     |                                  |   |
| 165                       | 27                               | 1,188,133                                       |
| 21,700                    | -                                | 248,377   |
| -                         | -                                | 743,870   |
| -                         | -                                | 34,965  |
| -                         | -                                | 63,033  |
| -                         | -                                | 22,963  |
| <hr/>                     |                                  |   |
| 21,700                    | -                                | 1,113,208                                       |
| <hr/>                     |                                  |   |
| (21,535)                  | 27                               | 74,925  |
| 21,400                    | -                                | 219,410   |
| -                         | (9,375)                          | (149,935)                                       |
| <hr/>                     |                                  |   |
| 21,400                    | (9,375)                          | 69,475  |
| <hr/>                     |                                  |   |
| (135)                     | (9,348)                          | 144,400   |
| 24,148                    | 9,348                            | 745,835   |
| <hr/>                     |                                  |   |
| <u>\$ 24,013</u>          | <u>\$ -</u>                      | <u>\$ 890,235</u>                               |

**CITY OF MT. ANGEL, OREGON**

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

**NONMAJOR GOVERNMENTAL FUNDS**

**JUNE 30, 2011**

|  | <u>Special Revenue</u>               |                              |                               | <u>Capital</u>   |
|--|--------------------------------------|------------------------------|-------------------------------|------------------|
|  | <u>State<br/>Revenue<br/>Sharing</u> | <u>Library<br/>Endowment</u> | <u>Transportation<br/>SDC</u> | <u>Parks</u>     |
| <b>ASSETS</b>                              |                                      |                              |                               |                  |
| Cash and investments                       | \$ 28,561                            | \$ 5,776                     | \$ 45,457                     | \$ 43,757        |
| Assessment liens receivable                | -                                    | -                            | -                             | -                |
| <i>Total Assets</i>                        | <u>\$ 28,561</u>                     | <u>\$ 5,776</u>              | <u>\$ 45,457</u>              | <u>\$ 43,757</u> |
| <b>LIABILITIES AND FUND BALANCES</b>       |                                      |                              |                               |                  |
| <b>Liabilities</b>                         |                                      |                              |                               |                  |
| Deferred revenue                           | \$ -                                 | \$ -                         | \$ -                          | \$ -             |
| <b>Fund Balances</b>                       |                                      |                              |                               |                  |
| Restricted for:                            |                                      |                              |                               |                  |
| Capital outlay                             | -                                    | -                            | 45,457                        | -                |
| Debt service                               | -                                    | -                            | -                             | -                |
| Committed to:                              |                                      |                              |                               |                  |
| Capital outlay                             | -                                    | -                            | -                             | -                |
| Community development                      | -                                    | 5,776                        | -                             | 43,757           |
| Unassigned                                 | 28,561                               | -                            | -                             | -                |
| <i>Total Fund Balances</i>                 | <u>28,561</u>                        | <u>5,776</u>                 | <u>45,457</u>                 | <u>43,757</u>    |
| <i>Total Liabilities and Fund Balances</i> | <u>\$ 28,561</u>                     | <u>\$ 5,776</u>              | <u>\$ 45,457</u>              | <u>\$ 43,757</u> |

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**Projects**

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| <b><i>Parks<br/>SDC</i></b> | <b><i>Vehicle<br/>Replacement</i></b> | <b><i>Bancroft<br/>Sinking</i></b> | <b><i>Totals</i></b> |
|-----------------------------|---------------------------------------|------------------------------------|----------------------|
| \$ 2,252                    | \$ 129,232                            | \$ 514                             | \$ 255,549           |
| -                           | -                                     | 22,152                             | 22,152               |
| <hr/>                       | <hr/>                                 | <hr/>                              | <hr/>                |
| \$ 2,252                    | \$ 129,232                            | \$ 22,666                          | \$ 277,701           |
| <hr/>                       | <hr/>                                 | <hr/>                              | <hr/>                |
| \$ -                        | \$ -                                  | \$ 22,152                          | \$ 22,152            |
| 2,252                       | -                                     | -                                  | 47,709               |
| -                           | -                                     | -                                  | -                    |
| -                           | 129,232                               | 514                                | 129,746              |
| -                           | -                                     | -                                  | 49,533               |
| -                           | -                                     | -                                  | 28,561               |
| <hr/>                       | <hr/>                                 | <hr/>                              | <hr/>                |
| 2,252                       | 129,232                               | 514                                | 255,549              |
| <hr/>                       | <hr/>                                 | <hr/>                              | <hr/>                |
| \$ 2,252                    | \$ 129,232                            | \$ 22,666                          | \$ 277,701           |
| <hr/>                       | <hr/>                                 | <hr/>                              | <hr/>                |

**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, 2011**

|  | <u>Special Revenue</u>               |                              |                               | <u>Capital</u>   |
|--|--------------------------------------|------------------------------|-------------------------------|------------------|
|  | <u>State<br/>Revenue<br/>Sharing</u> | <u>Library<br/>Endowment</u> | <u>Transportation<br/>SDC</u> | <u>Parks</u>     |
| <b>RECEIPTS</b>                                |                                      |                              |                               |                  |
| Taxes and assessments                          | \$ -                                 | \$ -                         | \$ -                          | \$ -             |
| Licenses and permits                           | 800                                  | -                            | 2,620                         | -                |
| Intergovernmental                              | 32,562                               | -                            | -                             | -                |
| Miscellaneous                                  | 190                                  | 30                           | 229                           | 26,079           |
| <i>Total Receipts</i>                          | <u>33,552</u>                        | <u>30</u>                    | <u>2,849</u>                  | <u>26,079</u>    |
| <b>DISBURSEMENTS</b>                           |                                      |                              |                               |                  |
| Materials and services                         | 20,970                               | -                            | -                             | 11,863           |
| Capital outlay                                 | -                                    | -                            | -                             | 725              |
| Debt service                                   |                                      |                              |                               |                  |
| Principal                                      | -                                    | -                            | -                             | -                |
| Interest                                       | -                                    | -                            | -                             | -                |
| <i>Total Disbursements</i>                     | <u>20,970</u>                        | <u>-</u>                     | <u>-</u>                      | <u>12,588</u>    |
| <b>RECEIPTS OVER (UNDER)<br/>DISBURSEMENTS</b> | <u>12,582</u>                        | <u>30</u>                    | <u>2,849</u>                  | <u>13,491</u>    |
| <b>OTHER FINANCING SOURCES (USES)</b>          |                                      |                              |                               |                  |
| Transfers in                                   | -                                    | -                            | -                             | 40,266           |
| Transfers out                                  | (35,000)                             | -                            | -                             | (10,000)         |
| <i>Total Other Financing Sources (Uses)</i>    | <u>(35,000)</u>                      | <u>-</u>                     | <u>-</u>                      | <u>30,266</u>    |
| <b>NET CHANGE IN FUND BALANCES</b>             | <u>(22,418)</u>                      | <u>30</u>                    | <u>2,849</u>                  | <u>43,757</u>    |
| <b>FUND BALANCES, Beginning of year</b>        | <u>50,979</u>                        | <u>5,746</u>                 | <u>42,608</u>                 | <u>-</u>         |
| <b>FUND BALANCES, End of year</b>              | <u>\$ 28,561</u>                     | <u>\$ 5,776</u>              | <u>\$ 45,457</u>              | <u>\$ 43,757</u> |

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**Projects**

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| <b><i>Parks<br/>SDC</i></b> | <b><i>Vehicle<br/>Replacement</i></b> | <b><i>Bancroft<br/>Sinking</i></b> | <b><i>Totals</i></b> |
|-----------------------------|---------------------------------------|------------------------------------|----------------------|
| \$ -                        | \$ -                                  | \$ 4,077                           | \$ 4,077             |
| 110                         | -                                     | -                                  | 3,530                |
| -                           | -                                     | -                                  | 32,562               |
| 12                          | 313                                   | 35                                 | 26,888               |
| <hr/>                       |                                       |                                    |                      |
| 122                         | 313                                   | 4,112                              | 67,057               |
| <hr/>                       |                                       |                                    |                      |
| -                           | -                                     | -                                  | 32,833               |
| 26                          | 46,702                                | -                                  | 47,453               |
| -                           | -                                     | 7,000                              | 7,000                |
| -                           | -                                     | 244                                | 244                  |
| <hr/>                       |                                       |                                    |                      |
| 26                          | 46,702                                | 7,244                              | 87,530               |
| <hr/>                       |                                       |                                    |                      |
| 96                          | (46,389)                              | (3,132)                            | (20,473)             |
| -                           | 175,621                               | 1,660                              | 217,547              |
| -                           | -                                     | -                                  | (45,000)             |
| <hr/>                       |                                       |                                    |                      |
| -                           | 175,621                               | 1,660                              | 172,547              |
| <hr/>                       |                                       |                                    |                      |
| 96                          | 129,232                               | (1,472)                            | 152,074              |
| 2,156                       | -                                     | 1,986                              | 103,475              |
| <hr/>                       |                                       |                                    |                      |
| \$ 2,252                    | \$ 129,232                            | \$ 514                             | \$ 255,549           |
| <hr/> <hr/>                 |                                       |                                    |                      |

**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, 2011**

|  | <u>Budgeted Amounts</u> |              | <u>Actual</u> | <u>Variance</u> |
|--|-------------------------|--------------|---------------|-----------------|
|  | <u>Original</u>         | <u>Final</u> |               |                 |
| <b>RECEIPTS</b>                                |                         |              |               |                 |
| Miscellaneous                                  | \$ 979                  | \$ 979       | \$ 1,421      | \$ 442          |
| <b>DISBURSEMENTS</b>                           |                         |              |               |                 |
| Capital outlay                                 | 184,046                 | 184,046      | 20,402        | 163,644         |
| <b>RECEIPTS OVER (UNDER)<br/>DISBURSEMENTS</b> | (183,067)               | (183,067)    | (18,981)      | 164,086         |
| <b>OTHER FINANCING SOURCES (USES)</b>          |                         |              |               |                 |
| Transfers in                                   | 53,400                  | 53,400       | 53,400        | -               |
| Transfers out                                  | (17,855)                | (17,855)     | (17,855)      | -               |
| <i>Total Other Financing Sources (Uses)</i>    | 35,545                  | 35,545       | 35,545        | -               |
| <b>NET CHANGE IN FUND BALANCE</b>              | (147,522)               | (147,522)    | 16,564        | 164,086         |
| <b>FUND BALANCE, Beginning of year</b>         | 147,522                 | 147,522      | 260,428       | 112,906         |
| <b>FUND BALANCE, End of year</b>               | \$ -                    | \$ -         | \$ 276,992    | \$ 276,992      |

**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, 2011**

|  | <i>Budgeted Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|--|-------------------------|--------------|---------------|-----------------|
|  | <i>Original</i>         | <i>Final</i> |               |                 |
| <b>RECEIPTS</b>                                |                         |              |               |                 |
| Licenses and permits                           | \$ 300                  | \$ 300       | \$ 800        | \$ 500          |
| Intergovernmental                              | 25,000                  | 25,000       | 32,562        | 7,562           |
| Miscellaneous                                  | 100                     | 100          | 190           | 90              |
| <i>Total Receipts</i>                          | 25,400                  | 25,400       | 33,552        | 8,152           |
| <b>DISBURSEMENTS</b>                           |                         |              |               |                 |
| Materials and services                         | 26,726                  | 26,726       | 20,970        | 5,756           |
| <b>RECEIPTS OVER (UNDER)<br/>DISBURSEMENTS</b> | (1,326)                 | (1,326)      | 12,582        | 13,908          |
| <b>OTHER FINANCING SOURCES (USES)</b>          |                         |              |               |                 |
| Transfers out                                  | (35,000)                | (35,000)     | (35,000)      | -               |
| <b>NET CHANGE IN FUND BALANCE</b>              | (36,326)                | (36,326)     | (22,418)      | 13,908          |
| <b>FUND BALANCE, Beginning of year</b>         | 36,326                  | 36,326       | 50,979        | 14,653          |
| <b>FUND BALANCE, End of year</b>               | \$ -                    | \$ -         | \$ 28,561     | \$ 28,561       |

**CITY OF MT. ANGEL, OREGON**

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -  
BUDGET AND ACTUAL – UNEMPLOYMENT FUND  
YEAR ENDED JUNE 30, 2011**

|  | <u>Budgeted Amounts</u> |              | <u>Actual</u> | <u>Variance</u> |
|--|-------------------------|--------------|---------------|-----------------|
|  | <u>Original</u>         | <u>Final</u> |               |                 |
| <b>RECEIPTS</b>                                |                         |              |               |                 |
| Miscellaneous                                  | \$ 85                   | \$ 85        | \$ 132        | \$ 47           |
| <b>DISBURSEMENTS</b>                           |                         |              |               |                 |
| Materials and services                         | 23,109                  | 23,109       | 16,162        | 6,947           |
| <b>RECEIPTS OVER (UNDER)<br/>DISBURSEMENTS</b> | (23,024)                | (23,024)     | (16,030)      | 6,994           |
| <b>OTHER FINANCING SOURCES (USES)</b>          |                         |              |               |                 |
| Transfers in                                   | 500                     | 500          | 469           | (31)            |
| <b>NET CHANGE IN FUND BALANCE</b>              | (22,524)                | (22,524)     | (15,561)      | 6,963           |
| <b>FUND BALANCE, Beginning of year</b>         | 22,524                  | 22,524       | 32,934        | 10,410          |
| <b>FUND BALANCE, End of year</b>               | \$ -                    | \$ -         | \$ 17,373     | \$ 17,373       |

**CITY OF MT. ANGEL, OREGON**

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -  
BUDGET AND ACTUAL – RETIREMENT RESERVE FUND  
YEAR ENDED JUNE 30, 2011**

|  | <i>Budgeted Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|--|-------------------------|--------------|---------------|-----------------|
|  | <i>Original</i>         | <i>Final</i> |               |                 |
| <b>RECEIPTS</b>                                |                         |              |               |                 |
| Miscellaneous                                  | \$ 190                  | \$ 190       | \$ 248        | \$ 58           |
| <b>DISBURSEMENTS</b>                           |                         |              |               |                 |
| Personal services                              | 134,632                 | 134,632      | -             | 134,632         |
| <b>RECEIPTS OVER (UNDER)<br/>DISBURSEMENTS</b> | (134,442)               | (134,442)    | 248           | 134,690         |
| <b>OTHER FINANCING SOURCES (USES)</b>          |                         |              |               |                 |
| Transfers in                                   | 84,660                  | 84,660       | 56,545        | (28,115)        |
| <b>NET CHANGE IN FUND BALANCE</b>              | (49,782)                | (49,782)     | 56,793        | 106,575         |
| <b>FUND BALANCE, Beginning of year</b>         | 49,782                  | 49,782       | 49,877        | 95              |
| <b>FUND BALANCE, End of year</b>               | \$ -                    | \$ -         | \$ 106,670    | \$ 106,670      |

**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, 2011**

|  | <u>Budgeted Amounts</u> |                 | <u>Actual</u>   | <u>Variance</u> |
|--|-------------------------|-----------------|-----------------|-----------------|
|  | <u>Original</u>         | <u>Final</u>    |                 |                 |
| <b>RECEIPTS</b>                                |                         |                 |                 |                 |
| Miscellaneous                                  | \$ 12                   | \$ 12           | \$ 30           | \$ 18           |
| <b>DISBURSEMENTS</b>                           | -                       | -               | -               | -               |
| <b>RECEIPTS OVER (UNDER)<br/>DISBURSEMENTS</b> | 12                      | 12              | 30              | 18              |
| <b>FUND BALANCE, Beginning of year</b>         | 5,800                   | 5,800           | 5,746           | (54)            |
| <b>FUND BALANCE, End of year</b>               | <u>\$ 5,812</u>         | <u>\$ 5,812</u> | <u>\$ 5,776</u> | <u>\$ (36)</u>  |

**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, 2011**

|  | <u>Budgeted Amounts</u> |                  | <u>Actual</u>    | <u>Variance</u> |
|--|-------------------------|------------------|------------------|-----------------|
|  | <u>Original</u>         | <u>Final</u>     |                  |                 |
| <b>RECEIPTS</b>                                |                         |                  |                  |                 |
| Licenses and permits                           | \$ 50                   | \$ 50            | \$ 2,620         | \$ 2,570        |
| Miscellaneous                                  | 100                     | 100              | 229              | 129             |
|  | <hr/>                   | <hr/>            | <hr/>            | <hr/>           |
| <i>Total Receipts</i>                          | 150                     | 150              | 2,849            | 2,699           |
| <b>DISBURSEMENTS</b>                           | -                       | -                | -                | -               |
|  | <hr/>                   | <hr/>            | <hr/>            | <hr/>           |
| <b>RECEIPTS OVER (UNDER)<br/>DISBURSEMENTS</b> | 150                     | 150              | 2,849            | 2,699           |
| <b>FUND BALANCE, Beginning of year</b>         | 42,523                  | 42,523           | 42,608           | 85              |
|  | <hr/>                   | <hr/>            | <hr/>            | <hr/>           |
| <b>FUND BALANCE, End of year</b>               | <u>\$ 42,673</u>        | <u>\$ 42,673</u> | <u>\$ 45,457</u> | <u>\$ 2,784</u> |

**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, 2011**

|  | <u>Budgeted Amounts</u> |                  | <u>Actual</u>    | <u>Variance</u> |
|--|-------------------------|------------------|------------------|-----------------|
|  | <u>Original</u>         | <u>Final</u>     |                  |                 |
| <b>RECEIPTS</b>                                |                         |                  |                  |                 |
| Miscellaneous                                  | \$ 13                   | \$ 13            | \$ 165           | \$ 152          |
| <b>DISBURSEMENTS</b>                           |                         |                  |                  |                 |
| Materials and services                         | 21,700                  | 21,700           | 21,700           | -               |
| <b>RECEIPTS OVER (UNDER)<br/>DISBURSEMENTS</b> | (21,687)                | (21,687)         | (21,535)         | 152             |
| <b>OTHER FINANCING SOURCES (USES)</b>          |                         |                  |                  |                 |
| Transfers in                                   | 20,400                  | 20,400           | 21,400           | 1,000           |
| <b>NET CHANGE IN FUND BALANCE</b>              | (1,287)                 | (1,287)          | (135)            | 1,152           |
| <b>FUND BALANCE, Beginning of year</b>         | 24,094                  | 24,094           | 24,148           | 54              |
| <b>FUND BALANCE, End of year</b>               | <u>\$ 22,807</u>        | <u>\$ 22,807</u> | <u>\$ 24,013</u> | <u>\$ 1,206</u> |

**CITY OF MT. ANGEL, OREGON****SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -  
BUDGET AND ACTUAL - PARKS FUND  
YEAR ENDED JUNE 30, 2011**

|  | <u>Budgeted Amounts</u> |                  | <u>Actual</u>    | <u>Variance</u>  |
|--|-------------------------|------------------|------------------|------------------|
|  | <u>Original</u>         | <u>Final</u>     |                  |                  |
| <b>RECEIPTS</b>                                |                         |                  |                  |                  |
| Miscellaneous                                  | \$ 2,210                | \$ 2,210         | \$ 26,079        | \$ 23,869        |
| <b>DISBURSEMENTS</b>                           |                         |                  |                  |                  |
| Materials and services                         | 17,266                  | 22,266           | 11,863           | 10,403           |
| Capital outlay                                 | 5,210                   | 5,210            | 725              | 4,485            |
| <i>Total Disbursements</i>                     | <u>22,476</u>           | <u>27,476</u>    | <u>12,588</u>    | <u>14,888</u>    |
| <b>RECEIPTS OVER (UNDER)<br/>DISBURSEMENTS</b> | (20,266)                | (25,266)         | 13,491           | 38,757           |
| <b>OTHER FINANCING SOURCES (USES)</b>          |                         |                  |                  |                  |
| Transfers in                                   | 40,266                  | 45,266           | 40,266           | (5,000)          |
| Transfers out                                  | (10,000)                | (10,000)         | (10,000)         | -                |
| <i>Total Other Financing Sources (Uses)</i>    | <u>30,266</u>           | <u>35,266</u>    | <u>30,266</u>    | <u>(5,000)</u>   |
| <b>CHANGE IN FUND BALANCE</b>                  | 10,000                  | 10,000           | 43,757           | 33,757           |
| <b>FUND BALANCE, Beginning of year</b>         | <u>-</u>                | <u>-</u>         | <u>-</u>         | <u>-</u>         |
| <b>FUND BALANCE, End of year</b>               | <u>\$ 10,000</u>        | <u>\$ 10,000</u> | <u>\$ 43,757</u> | <u>\$ 33,757</u> |

**CITY OF MT. ANGEL, OREGON**

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -  
BUDGET AND ACTUAL - PARKS SDC FUND  
YEAR ENDED JUNE 30, 2011**

|  | <u>Budgeted Amounts</u> |              | <u>Actual</u> | <u>Variance</u> |
|--|-------------------------|--------------|---------------|-----------------|
|  | <u>Original</u>         | <u>Final</u> |               |                 |
| <b>RECEIPTS</b>                        |                         |              |               |                 |
| Licenses and permits                   | \$ 50                   | \$ 50        | \$ 110        | \$ 60           |
| Miscellaneous                          | 10                      | 10           | 12            | 2               |
|  | <hr/>                   | <hr/>        | <hr/>         | <hr/>           |
| <i>Total Receipts</i>                  | 60                      | 60           | 122           | 62              |
| <b>DISBURSEMENTS</b>                   |                         |              |               |                 |
| Capital outlay                         | 2,212                   | 2,212        | 26            | 2,186           |
|  | <hr/>                   | <hr/>        | <hr/>         | <hr/>           |
| <b>NET CHANGE IN FUND BALANCE</b>      | (2,152)                 | (2,152)      | 96            | 2,248           |
| <b>FUND BALANCE, Beginning of year</b> | 2,152                   | 2,152        | 2,156         | 4               |
|  | <hr/>                   | <hr/>        | <hr/>         | <hr/>           |
| <b>FUND BALANCE, End of year</b>       | \$ -                    | \$ -         | \$ 2,252      | \$ 2,252        |
|  | <hr/> <hr/>             | <hr/> <hr/>  | <hr/> <hr/>   | <hr/> <hr/>     |

**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, 2011**

|  | <u>Budgeted Amounts</u> |              | <u>Actual</u> | <u>Variance</u> |
|--|-------------------------|--------------|---------------|-----------------|
|  | <u>Original</u>         | <u>Final</u> |               |                 |
| <b>RECEIPTS</b>                                |                         |              |               |                 |
| Miscellaneous                                  | \$ -                    | \$ -         | \$ 27         | \$ 27           |
| <b>DISBURSEMENTS</b>                           | -                       | -            | -             | -               |
| <b>RECEIPTS OVER (UNDER)<br/>DISBURSEMENTS</b> | -                       | -            | 27            | 27              |
| <b>OTHER FINANCING SOURCES (USES)</b>          |                         |              |               |                 |
| Transfers out                                  | (9,358)                 | (9,358)      | (9,375)       | (17)            |
| <b>NET CHANGE IN FUND BALANCE</b>              | (9,358)                 | (9,358)      | (9,348)       | 10              |
| <b>FUND BALANCE, Beginning of year</b>         | 9,358                   | 9,358        | 9,348         | (10)            |
| <b>FUND BALANCE, End of year</b>               | \$ -                    | \$ -         | \$ -          | \$ -            |

**CITY OF MT. ANGEL, OREGON**

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -  
BUDGET AND ACTUAL – VEHICLE REPLACEMENT FUND  
YEAR ENDED JUNE 30, 2011**

|  | <u>Budgeted Amounts</u> |              | <u>Actual</u> | <u>Variance</u> |
|--|-------------------------|--------------|---------------|-----------------|
|  | <u>Original</u>         | <u>Final</u> |               |                 |
| <b>RECEIPTS</b>                                |                         |              |               |                 |
| Miscellaneous                                  | \$ 50                   | \$ 50        | \$ 313        | \$ 263          |
| <b>DISBURSEMENTS</b>                           |                         |              |               |                 |
| Capital outlay                                 | 59,905                  | 60,671       | 46,702        | 13,969          |
| <b>RECEIPTS OVER (UNDER)<br/>DISBURSEMENTS</b> | (59,855)                | (60,621)     | (46,389)      | 14,232          |
| <b>OTHER FINANCING SOURCES (USES)</b>          |                         |              |               |                 |
| Transfers in                                   | 174,855                 | 175,621      | 175,621       | -               |
| <b>CHANGE IN FUND BALANCE</b>                  | 115,000                 | 115,000      | 129,232       | 14,232          |
| <b>FUND BALANCE, Beginning of year</b>         | -                       | -            | -             | -               |
| <b>FUND BALANCE, End of year</b>               | \$ 115,000              | \$ 115,000   | \$ 129,232    | \$ 14,232       |

**CITY OF MT. ANGEL, OREGON**

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -  
BUDGET AND ACTUAL – BANCROFT SINKING FUND  
YEAR ENDED JUNE 30, 2011**

|  | <u>Budgeted Amounts</u> |              | <u>Actual</u> | <u>Variance</u> |
|--|-------------------------|--------------|---------------|-----------------|
|  | <u>Original</u>         | <u>Final</u> |               |                 |
| <b>RECEIPTS</b>                                |                         |              |               |                 |
| Taxes and assessments                          | \$ 3,404                | \$ 3,404     | \$ 4,077      | \$ 673          |
| Miscellaneous                                  | 9                       | 9            | 35            | 26              |
|  | <hr/>                   | <hr/>        | <hr/>         | <hr/>           |
| <i>Total Receipts</i>                          | 3,413                   | 3,413        | 4,112         | 699             |
| <b>DISBURSEMENTS</b>                           |                         |              |               |                 |
| Debt service                                   | 7,523                   | 7,523        | 7,244         | 279             |
|  | <hr/>                   | <hr/>        | <hr/>         | <hr/>           |
| <b>RECEIPTS OVER (UNDER)<br/>DISBURSEMENTS</b> | (4,110)                 | (4,110)      | (3,132)       | 978             |
| <b>OTHER FINANCING SOURCES (USES)</b>          |                         |              |               |                 |
| Transfers in                                   | 1,660                   | 1,660        | 1,660         | -               |
|  | <hr/>                   | <hr/>        | <hr/>         | <hr/>           |
| <b>NET CHANGE IN FUND BALANCE</b>              | (2,450)                 | (2,450)      | (1,472)       | 978             |
| <b>FUND BALANCE, Beginning of year</b>         | 2,450                   | 2,450        | 1,986         | (464)           |
|  | <hr/>                   | <hr/>        | <hr/>         | <hr/>           |
| <b>FUND BALANCE, End of year</b>               | \$ -                    | \$ -         | \$ 514        | \$ 514          |
|  | <hr/> <hr/>             | <hr/> <hr/>  | <hr/> <hr/>   | <hr/> <hr/>     |

**CITY OF MT. ANGEL, OREGON**

**COMBINING STATEMENT OF NET ASSETS (MODIFIED CASH BASIS) - NONMAJOR PROPRIETARY FUNDS  
JUNE 30, 2011**

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|                         | <u>Business Type - Enterprise Funds</u> |                  |                   |
|-------------------------|---|------------------|-------------------|
|                         | <u>Sewer</u>                            | <u>Storm</u>     |                   |
|                         | <u>SDC</u>                              | <u>SDC</u>       | <u>Totals</u>     |
| <b>ASSETS</b>           |   |                  |                   |
| Cash and investments    | \$ 232,688                              | \$ 18,114        | \$ 250,802        |
| <b>LIABILITIES</b>      |   |                  |                   |
|                         | -                                       | -                | -                 |
| <b>NET ASSETS</b>       |   |                  |                   |
| Restricted for:         |   |                  |                   |
| Construction            | 232,688                                 | 18,114           | 250,802           |
| <i>Total Net Assets</i> | <u>\$ 232,688</u>                       | <u>\$ 18,114</u> | <u>\$ 250,802</u> |

**CITY OF MT. ANGEL, OREGON**

**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND NET ASSETS  
(MODIFIED CASH BASIS) - NONMAJOR ENTERPRISE FUNDS  
YEAR ENDED JUNE 30, 2011**

|  | <i>Business Type - Enterprise Funds</i> |                      | <i>Totals</i> |
|--|---|----------------------|---------------|
|  | <i>Sewer<br/>SDC</i>                    | <i>Storm<br/>SDC</i> |               |
| <b>OPERATING RECEIPTS</b>  |   |                      |               |
| Miscellaneous  | 1,191                                   | 93                   | 1,284         |
| <b>OPERATING DISBURSEMENTS</b>                                     | -                                       | -                    | -             |
| <b>OPERATING RECEIPTS OVER (UNDER)<br/>OPERATING DISBURSEMENTS</b> | 1,191                                   | 93                   | 1,284         |
| Capital contributions  | 3,850                                   | 192                  | 4,042         |
| <b>CHANGE IN NET ASSETS</b>  | 5,041                                   | 285                  | 5,326         |
| <b>NET ASSETS, Beginning of year</b>                               | 227,647                                 | 17,829               | 245,476       |
| <b>NET ASSETS, End of year</b>                                     | \$ 232,688                              | \$ 18,114            | \$ 250,802    |

**CITY OF MT. ANGEL, OREGON****SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND NET ASSETS (CASH BASIS) -  
BUDGET AND ACTUAL – WATER UTILITY FUND  
YEAR ENDED JUNE 30, 2011**

|  | <i>Budgeted Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|--|-------------------------|--------------|---------------|-----------------|
|  | <i>Original</i>         | <i>Final</i> |               |                 |
| <b>RECEIPTS</b>                                |                         |              |               |                 |
| Charges for services                           | \$ 492,000              | \$ 492,000   | \$ 479,952    | \$ (12,048)     |
| Miscellaneous                                  | 700                     | 700          | 466           | (234)           |
| <i>Total Receipts</i>                          | 492,700                 | 492,700      | 480,418       | (12,282)        |
| <b>DISBURSEMENTS</b>                           |                         |              |               |                 |
| Personal services                              | 219,159                 | 219,159      | 179,431       | 39,728          |
| Materials and services                         | 124,450                 | 141,950      | 109,055       | 32,895          |
| Capital outlay                                 | 28,500                  | 28,500       | 14,241        | 14,259          |
| Contingency                                    | 93,721                  | 93,721       | -             | 93,721          |
| <i>Total Disbursements</i>                     | 465,830                 | 483,330      | 302,727       | 180,603         |
| <b>RECEIPTS OVER (UNDER)<br/>DISBURSEMENTS</b> | 26,870                  | 9,370        | 177,691       | 168,321         |
| <b>OTHER FINANCING SOURCES (USES)</b>          |                         |              |               |                 |
| Transfers out                                  | (250,461)               | (232,961)    | (217,118)     | 15,843          |
| <b>CHANGE IN NET ASSETS</b>                    | (223,591)               | (223,591)    | (39,427)      | 184,164         |
| <b>NET ASSETS, Beginning of year</b>           | 223,591                 | 223,591      | 216,084       | (7,507)         |
| <b>NET ASSETS, End of year</b>                 | \$ -                    | \$ -         | \$ 176,657    | \$ 176,657      |

**CITY OF MT. ANGEL, OREGON****SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND NET ASSETS (CASH BASIS) -  
BUDGET AND ACTUAL - SEWER UTILITY FUND  
YEAR ENDED JUNE 30, 2011**

|  | <i>Budgeted Amounts</i> |                  | <i>Actual</i>     | <i>Variance</i>   |
|--|-------------------------|------------------|-------------------|-------------------|
|  | <i>Original</i>         | <i>Final</i>     |                   |                   |
| <b>RECEIPTS</b>                                |                         |                  |                   |                   |
| Charges for services                           | \$ 705,000              | \$ 705,000       | \$ 748,827        | \$ 43,827         |
| Miscellaneous                                  | 200                     | 200              | 533               | 333               |
| <i>Total Receipts</i>                          | <u>705,200</u>          | <u>705,200</u>   | <u>749,360</u>    | <u>44,160</u>     |
| <b>DISBURSEMENTS</b>                           |                         |                  |                   |                   |
| Personal services                              | 319,844                 | 319,844          | 281,836           | 38,008            |
| Materials and services                         | 93,000                  | 93,000           | 83,399            | 9,601             |
| Capital outlay                                 | 81,000                  | 81,000           | 20,449            | 60,551            |
| Contingency                                    | 103,995                 | 103,995          | -                 | 103,995           |
| <i>Total Disbursements</i>                     | <u>597,839</u>          | <u>597,839</u>   | <u>385,684</u>    | <u>212,155</u>    |
| <b>RECEIPTS OVER (UNDER)<br/>DISBURSEMENTS</b> | <u>107,361</u>          | <u>107,361</u>   | <u>363,676</u>    | <u>256,315</u>    |
| <b>OTHER FINANCING SOURCES (USES)</b>          |                         |                  |                   |                   |
| Transfers out                                  | (319,600)               | (319,600)        | (314,720)         | 4,880             |
| <b>CHANGE IN NET ASSETS</b>                    | <u>(212,239)</u>        | <u>(212,239)</u> | <u>48,956</u>     | <u>261,195</u>    |
| <b>NET ASSETS, Beginning of year</b>           | <u>212,239</u>          | <u>212,239</u>   | <u>211,694</u>    | <u>(545)</u>      |
| <b>NET ASSETS, End of year</b>                 | <u>\$ -</u>             | <u>\$ -</u>      | <u>\$ 260,650</u> | <u>\$ 260,650</u> |

**CITY OF MT. ANGEL, OREGON**

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND NET ASSETS (CASH BASIS) -  
BUDGET AND ACTUAL – WATER UTILITY RESERVE FUND  
YEAR ENDED JUNE 30, 2011**

|  | <u>Budgeted Amounts</u> |              | <u>Actual</u> | <u>Variance</u> |
|--|-------------------------|--------------|---------------|-----------------|
|  | <u>Original</u>         | <u>Final</u> |               |                 |
| <b>RECEIPTS</b>                                |                         |              |               |                 |
| Miscellaneous                                  | \$ 2,400                | \$ 2,400     | \$ 3,708      | \$ 1,308        |
| <b>DISBURSEMENTS</b>                           |                         |              |               |                 |
| Capital outlay                                 | 784,785                 | 767,285      | -             | 767,285         |
| <b>RECEIPTS OVER (UNDER)<br/>DISBURSEMENTS</b> | (782,385)               | (764,885)    | 3,708         | 768,593         |
| <b>OTHER FINANCING SOURCES (USES)</b>          |                         |              |               |                 |
| Transfers in                                   | 110,000                 | 92,500       | 92,500        | -               |
| <b>CHANGE IN NET ASSETS</b>                    | (672,385)               | (672,385)    | 96,208        | 768,593         |
| <b>NET ASSETS, Beginning of year</b>           | 672,385                 | 672,385      | 680,407       | 8,022           |
| <b>NET ASSETS, End of year</b>                 | \$ -                    | \$ -         | \$ 776,615    | \$ 776,615      |

**CITY OF MT. ANGEL, OREGON****SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND NET ASSETS (CASH BASIS) -  
BUDGET AND ACTUAL – SEWER RESERVE FUND  
YEAR ENDED JUNE 30, 2011**

|  | <i>Budgeted Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|--|-------------------------|--------------|---------------|-----------------|
|  | <i>Original</i>         | <i>Final</i> |               |                 |
| <b>RECEIPTS</b>                                |                         |              |               |                 |
| Miscellaneous                                  | \$ 6,395                | \$ 6,395     | \$ 7,067      | \$ 672          |
| <b>DISBURSEMENTS</b>                           |                         |              |               |                 |
| Capital outlay                                 | 894,485                 | 894,485      | -             | 894,485         |
| <b>RECEIPTS OVER (UNDER)<br/>DISBURSEMENTS</b> | (888,090)               | (888,090)    | 7,067         | 895,157         |
| <b>OTHER FINANCING SOURCES (USES)</b>          |                         |              |               |                 |
| Transfers in                                   | 75,000                  | 75,000       | 75,000        | -               |
| Interfund loan repayment                       | 38,167                  | 38,167       | 39,304        | 1,137           |
| <i>Total Other Financing Sources (Uses)</i>    | 113,167                 | 113,167      | 114,304       | 1,137           |
| <b>CHANGE IN NET ASSETS</b>                    | (774,923)               | (774,923)    | 121,371       | 896,294         |
| <b>NET ASSETS, Beginning of year</b>           | 774,923                 | 774,923      | 776,893       | 1,970           |
| <b>NET ASSETS, End of year</b>                 | \$ -                    | \$ -         | \$ 898,264    | \$ 898,264      |

**CITY OF MT. ANGEL, OREGON****SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND NET ASSETS (CASH BASIS) -  
BUDGET AND ACTUAL – WATER UTILITY SDC FUND  
YEAR ENDED JUNE 30, 2011**

|                                      | <i>Budgeted Amounts</i> |              | <i>Actual</i> | <i>Variance</i> |
|--------------------------------------|-------------------------|--------------|---------------|-----------------|
|                                      | <i>Original</i>         | <i>Final</i> |               |                 |
| <b>RECEIPTS</b>                      |                         |              |               |                 |
| Licenses and permits                 | \$ 3,200                | \$ 3,200     | \$ 10,197     | \$ 6,997        |
| Intergovernmental                    | -                       | -            | 19,042        | 19,042          |
| Miscellaneous                        | 1,000                   | 1,000        | 2,015         | 1,015           |
| <i>Total Receipts</i>                | 4,200                   | 4,200        | 31,254        | 27,054          |
| <b>DISBURSEMENTS</b>                 |                         |              |               |                 |
| Materials and services               | 10,000                  | 10,000       | 2,852         | 7,148           |
| Capital outlay                       | 418,471                 | 418,471      | -             | 418,471         |
| <i>Total Disbursements</i>           | 428,471                 | 428,471      | 2,852         | 425,619         |
| <b>CHANGE IN NET ASSETS</b>          | (424,271)               | (424,271)    | 28,402        | 452,673         |
| <b>NET ASSETS, Beginning of year</b> | 424,271                 | 424,271      | 370,681       | (53,590)        |
| <b>NET ASSETS, End of year</b>       | \$ -                    | \$ -         | \$ 399,083    | \$ 399,083      |

**CITY OF MT. ANGEL, OREGON**

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND NET ASSETS (CASH BASIS) -  
BUDGET AND ACTUAL - REVENUE BOND DEBT SERVICE FUND  
YEAR ENDED JUNE 30, 2011**

|  | <u>Budgeted Amounts</u> |              | <u>Actual</u> | <u>Variance</u> |
|--|-------------------------|--------------|---------------|-----------------|
|  | <u>Original</u>         | <u>Final</u> |               |                 |
| <b>RECEIPTS</b>                                |                         |              |               |                 |
| Miscellaneous                                  | \$ 485                  | \$ 485       | \$ 666        | \$ 181          |
| <b>DISBURSEMENTS</b>                           |                         |              |               |                 |
| Debt service                                   | 81,325                  | 81,325       | 81,325        | -               |
| <b>RECEIPTS OVER (UNDER)<br/>DISBURSEMENTS</b> | (80,840)                | (80,840)     | (80,659)      | 181             |
| <b>OTHER FINANCING SOURCES (USES)</b>          |                         |              |               |                 |
| Transfers in                                   | 82,000                  | 82,000       | 82,000        | -               |
| <b>CHANGE IN NET ASSETS</b>                    | 1,160                   | 1,160        | 1,341         | 181             |
| <b>NET ASSETS, Beginning of year</b>           | 121,605                 | 121,605      | 121,732       | 127             |
| <b>NET ASSETS, End of year</b>                 | \$ 122,765              | \$ 122,765   | \$ 123,073    | \$ 308          |

**CITY OF MT. ANGEL, OREGON**

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND NET ASSETS (CASH BASIS) -  
BUDGET AND ACTUAL - SEWER SDC FUND  
YEAR ENDED JUNE 30, 2011**

|                                      | <u>Budgeted Amounts</u> |              | <u>Actual</u> | <u>Variance</u> |
|--------------------------------------|-------------------------|--------------|---------------|-----------------|
|                                      | <u>Original</u>         | <u>Final</u> |               |                 |
| <b>RECEIPTS</b>                      |                         |              |               |                 |
| Licenses and permits                 | \$ 50                   | \$ 50        | \$ 3,850      | \$ 3,800        |
| Miscellaneous                        | 900                     | 900          | 1,191         | 291             |
| <i>Total Receipts</i>                | 950                     | 950          | 5,041         | 4,091           |
| <b>DISBURSEMENTS</b>                 |                         |              |               |                 |
| Capital outlay                       | 143,332                 | 143,332      | -             | 143,332         |
| <b>CHANGE IN NET ASSETS</b>          | (142,382)               | (142,382)    | 5,041         | 147,423         |
| <b>NET ASSETS, Beginning of year</b> | 227,382                 | 227,382      | 227,647       | 265             |
| <b>NET ASSETS, End of year</b>       | \$ 85,000               | \$ 85,000    | \$ 232,688    | \$ 147,688      |

**CITY OF MT. ANGEL, OREGON**

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

**BUDGET AND ACTUAL - STORM SDC FUND**

**YEAR ENDED JUNE 30, 2011**

|                                      | <u>Budgeted Amounts</u> |              | <u>Actual</u> | <u>Variance</u> |
|--------------------------------------|-------------------------|--------------|---------------|-----------------|
|                                      | <u>Original</u>         | <u>Final</u> |               |                 |
| <b>RECEIPTS</b>                      |                         |              |               |                 |
| Licenses and permits                 | \$ 50                   | \$ 50        | \$ 192        | \$ 142          |
| Miscellaneous                        | 70                      | 70           | 93            | 23              |
| <i>Total Receipts</i>                | 120                     | 120          | 285           | 165             |
| <b>DISBURSEMENTS</b>                 |                         |              |               |                 |
| Capital outlay                       | 14,820                  | 14,820       | -             | 14,820          |
| <b>CHANGE IN NET ASSETS</b>          | (14,700)                | (14,700)     | 285           | 14,985          |
| <b>NET ASSETS, Beginning of year</b> | 17,800                  | 17,800       | 17,829        | 29              |
| <b>NET ASSETS, End of year</b>       | \$ 3,100                | \$ 3,100     | \$ 18,114     | \$ 15,014       |

***OTHER SCHEDULES***

**CITY OF MT. ANGEL, OREGON**  
**SCHEDULE OF PROPERTY TAX TRANSACTIONS**  
**YEAR ENDED JUNE 30, 2011**

| <b><u>Tax Year</u></b> | <b><u>2010-2011<br/>Levy</u></b> | <b><u>Uncollected<br/>Balance<br/>July 1, 2010</u></b> | <b><u>Added To<br/>Rolls</u></b> | <b><u>Interest,<br/>Discounts &amp;<br/>Adjustments</u></b> | <b><u>Turnovers</u></b>    | <b><u>Uncollected<br/>Balance<br/>June 30, 2011</u></b> |
|------------------------|----------------------------------|--|----------------------------------|---|----------------------------|---|
| 2010-2011              | \$ 670,272                       | \$ -   | \$ 86                            | \$ (18,265)   | \$ (624,471)               | \$ 27,622   |
| 2009-2010              | -                                | 27,260   | -                                | (134)   | (13,153)                   | 13,973  |
| 2008-2009              | -                                | 11,952   | -                                | (102)   | (4,555)                    | 7,295   |
| 2007-2008              | -                                | 5,089  | -                                | (63)  | (2,809)                    | 2,217   |
| 2006-2007              | -                                | 1,749  | -                                | (37)  | (1,194)                    | 518   |
| 2005-2006              | -                                | 417  | -                                | (48)  | (72)                       | 297   |
| 2004-2005              | -                                | 260  | -                                | (47)  | (26)                       | 187   |
| Prior years            | -                                | 948  | -                                | (20)  | (37)                       | 891   |
| <b>Total</b>           | <b><u>\$ 670,272</u></b>         | <b><u>\$ 47,675</u></b>                                | <b><u>\$ 86</u></b>              | <b><u>\$ (18,716)</u></b>                                   | <b><u>\$ (646,317)</u></b> | <b><u>\$ 53,000</u></b>                                 |

**CITY OF MT. ANGEL, OREGON**  
**SCHEDULE OF LONG-TERM DEBT TRANSACTIONS**  
**JUNE 30, 2011**

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|                                      | <u><i>Interest<br/>Rates</i></u> | <u><i>Date of<br/>Issue</i></u> | <u><i>Fiscal Year<br/>of Maturity</i></u> |
|--------------------------------------|----------------------------------|---------------------------------|---|
| <b><i>PRINCIPAL TRANSACTIONS</i></b> |                                  |                                 |   |
| 1992 FHA Loan                        | 5.0%                             | 1992                            | 2021-22                                   |
|                                      |                                  |                                 | <i>Unmatured<br/>Interest</i>             |
|                                      |                                  |                                 | <i>July 1,<br/>2010</i>                   |
| <b><i>INTEREST TRANSACTIONS</i></b>  |                                  |                                 |   |
| 1992 FHA Loan                        | 5.0%                             | 1992                            | \$ 256,423                                |

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| <i>Outstanding<br/>July 1,<br/>2010</i> | <i>Loans<br/>Issued</i> | <i>Loans<br/>Paid</i> | <i>Outstanding<br/>June 30,<br/>2011</i> |
|---|-------------------------|-----------------------|--|
| \$ 722,470                              | \$ -                    | \$ (45,201)           | \$ 677,269                               |

| <i>New<br/>Issues</i> | <i>Interest<br/>Paid</i> | <i>Unmatured<br/>Interest<br/>June 30,<br/>2011</i> |
|-----------------------|--------------------------|---|
| \$ -                  | \$ (36,124)              | \$ 220,299  |

**CITY OF MT. ANGEL, OREGON**  
**SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS**  
**JUNE 30, 2011**

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| <i>Fiscal Year</i><br><i>Ending</i><br><i>June 30,</i> | <i>1993 FHA Loan</i> |                   |                   |
|--|----------------------|-------------------|-------------------|
|  | <i>Principal</i>     | <i>Interest</i>   | <i>Total</i>      |
| 2012   | \$ 47,462            | \$ 33,863         | \$ 81,325         |
| 2013   | 49,835               | 31,490            | 81,325            |
| 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>\$ 677,269</u>    | <u>\$ 220,299</u> | <u>\$ 897,568</u> |

***COMPLIANCE SECTION***



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

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

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

Board of Directors  
City of Mt. Angel, Oregon  
Mt. Angel, Oregon

We have audited the basic financial statements of the City of Mt. Angel, Oregon as of and for the year ended June 30, 2011, and have issued our report thereon dated December 23, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

#### **Compliance**

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

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

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Highway revenues used for public highways, roads, and streets.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **Accountability for collecting or receiving money by elected officials - no money was collected or received by elected officials.**

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

- 1) The City does not maintain historical cost or depreciation records for capital assets.
- 2) Approved budget data presented in the published budget does not agree with the approved budget data in the adopted budget detail.

- 3) Required price quotes for purchases were not properly documented.
- 4) Overexpenditures as indicated in the notes to the financial statements.

**OAR 162-10-0230 Internal Control**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified.

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

We did issue a separate significant deficiency letter to management dated December 23, 2011.

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

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

By:   
\_\_\_\_\_  
Charles A. Swank, A Shareholder  
December 23, 2011