

**CITY OF MT. ANGEL, OREGON**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2015**

**MERINA  
& COMPANY, LLP**

**CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS**

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**CITY OF MT. ANGEL, OREGON**

*JUNE 30, 2015*

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## **INTRODUCTORY SECTION**

*CITY OFFICIALS*

Andrew Otte, Mayor  
P.O. Box 960  
Mt. Angel, Oregon 97362

Kelly Grassman, Council President  
P.O. Box 960  
Mt. Angel, Oregon 97362

Darren Beyer, Councilor  
P.O. Box 960  
Mt. Angel, Oregon 97362

Karl Bischoff, Councilor  
P.O. Box 960  
Mt. Angel, Oregon 97362

Ray Eder, Councilor  
P.O. Box 960  
Mt. Angel, Oregon 97362

Pete Wall, Councilor  
P.O. Box 960  
Mt. Angel, Oregon 97362

Don Fleck, Councilor  
P.O. Box 960  
Mt. Angel, Oregon 97362

City Manager/City Recorder  
Eileen Stein

Finance Director  
Chaunee Seifried

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

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## **FINANCIAL SECTION**

**INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and City Council  
City of Mt. Angel, Oregon  
Mt. Angel, Oregon

**Report on the Financial Statements**

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mt. Angel, Oregon (the City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

**Auditor's Responsibility**

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

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

of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2015, and, the respective changes in modified cash basis financial position and the respective budgetary comparison statements for the General Fund, Street Fund, Capital Improvement Fund and Parks Fund, for the year then ended in accordance with the modified cash basis of accounting as described in the Summary of Significant Accounting Policies Note.

### **Basis of Accounting**

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

### **Other Matters**

#### *Supplementary and Other Information*

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

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

The introductory and management's discussion and analysis have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Report on Other Legal and Regulatory Requirements**

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 3, 2015, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

A handwritten signature in cursive script that reads "Merina & Company".

Merina & Company, LLP  
West Linn, Oregon  
December 3, 2015

## CITY OF MT. ANGEL, OREGON

Year Ended June 30, 2015

### MANAGEMENT'S DISCUSSION AND ANALYSIS

Dear Reader,

This narrative offers readers of the City of Mt. Angel's financial statements for the fiscal year ended June 30, 2015 a discussion and analysis of the City's financial activities by city management. The information presented here should be reviewed in conjunction with additional information furnished in the letter of transmittal, basic financial statements and accompanying notes prepared by the City's auditors.

#### FINANCIAL HIGHLIGHTS

	June 30,		Increase (decrease)	Percent change
	2015	2014		
Net position	\$4,651,297	\$ 4,982,322	\$ (331,025)	-6.64%
Change in net position	(331,025)	(238,107)	(92,918)	39.02%
Governmental net position	1,629,776	1,860,382	(230,606)	-12.40%
Proprietary net position	3,021,521	3,121,940	(100,419)	-3.22%
Change in governmental net position	(230,606)	90,450	(321,056)	-354.95%
Change in proprietary net position	(100,419)	(328,557)	228,138	-69.44%

#### 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 basic 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 are reported on the *modified cash basis* of accounting. They include:

*The Statement of Net Position.* The Statement of Net Position 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 position are what remain after the liabilities have been paid off or otherwise satisfied. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

*The Statement of Activities.* The Statement of Activities presents information showing how the net position of the City changed over the most recent fiscal year by tracking revenues, expenses and other transactions that increase or reduce net position utilizing the modified cash basis of accounting.

In the government-wide financial statements, the City's basic activities are shown as governmental activities. This includes administration, court, finance, library, parks, police, streets and capital projects not associated with a

proprietary fund. These activities are primarily supported through property taxes, fees and penalties, and other intergovernmental revenues.

The government-wide financial statements can be found on page 9.

**Fund financial statements.** The fund financial statements provide more detailed information on each of the City's funds, focusing on the most significant or "major" funds of the City. (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, like other state and 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 and services provided by the City. Such information may be useful in evaluating the City's specific financial requirements.

**Governmental funds.** The focus of the City's governmental funds is to provide information on relatively short-term cash flow needs and/or 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 the City's net resources available for spending at the end of a fiscal year. The governmental fund statements can be found on pages 13-19.

**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. Examples include water and wastewater (sewer) services. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position (modified cash basis) and the Statement of Activities (modified cash basis). One component of proprietary funds are the City's enterprise funds. They are also reported similarly the same as the business-type activities reported in the government-wide statements but provide more detail and additional information on that particular enterprise. The proprietary fund statements can be found on pages 20-23.

**Notes to the basic 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. This information can be found on pages 24-35.

**Other supplementary information.** In addition to the basic financial statements and accompanying notes, this report also presents certain other supplemental information, including the budgetary comparison schedules, the combining nonmajor fund financial statements, and other schedules. Supplementary information can be found starting on page 36.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Statement of Net Position.** The Statement of Net Position (modified cash basis) is provided on a comparative basis. As noted earlier, net position may serve over time as a useful indicator of the City's financial position. The City's assets exceeded liabilities by \$4,651,297 as of June 30, 2015.

*Restricted net position* – restricted represent sources that are subject to external restrictions on their use, such as debt service payments or capital projects

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

Statement of Net Position (Modified Cash Basis)

June 30,

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<u>2014-15</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2013-14</u>
Assets:						
Cash and cash equivalents	\$ 1,629,976	\$ 1,860,820	\$ 3,032,901	\$ 3,128,441	\$ 4,662,877	\$ 4,989,261
Liabilities	200	438	11,380	6,501	11,580	6,939
Net Position						
Restricted	205,681	159,399	377,169	832,788	582,850	992,187
Unrestricted	<u>1,424,095</u>	<u>1,700,983</u>	<u>2,644,352</u>	<u>2,289,152</u>	<u>4,068,447</u>	<u>3,990,135</u>
Total Net Position	<u>\$ 1,629,776</u>	<u>\$ 1,860,382</u>	<u>\$ 3,021,521</u>	<u>\$ 3,121,940</u>	<u>\$ 4,651,297</u>	<u>\$ 4,982,322</u>

Statement of Activity (Modified Cash Basis)

For the Years ended June 30,

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<u>2014-15</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2013-14</u>
Revenues						
Program Revenues						
Charges for service	\$ 391,087	\$ 417,276	\$ 1,226,825	\$ 1,226,621	\$ 1,617,912	\$ 1,643,897
Operating grants	1,000	5,500	6,570	55,624	7,570	61,124
Capital grants	194,688	1,000	-	-	194,688	1,000
General Revenues						
Taxes and assessments	725,164	887,325	-	-	725,164	887,325
Franchise taxes	154,991	90,067	-	-	154,991	90,067
Intergovernmental	296,325	9,385	-	15,843	296,325	25,228
Miscellaneous	<u>24,372</u>	<u>24,077</u>	<u>15,680</u>	<u>7,100</u>	<u>40,052</u>	<u>31,177</u>
Total Revenues	1,787,627	1,434,630	1,249,075	1,305,188	3,036,702	2,739,818
Expenses						
General government	239,135	391,424	-	-	239,135	391,424
Court and police	852,821	813,872	-	-	852,821	813,872
Community services and development	192,891	-	-	-	192,891	-
Culture and Rec	737,565	131,153	-	-	737,565	131,153
Public works	165,744	160,958	-	-	165,744	160,958
Water	-	-	743,232	429,669	743,232	429,669
Sewer	-	-	428,072	1,050,849	428,072	1,050,849
Storm	-	-	<u>8,267</u>	<u>-</u>	<u>8,267</u>	<u>-</u>
Total Expenses	2,188,156	1,497,407	1,179,571	1,480,518	3,367,727	2,977,925
Increase (decrease) in net position before transfers and loan repayment	(400,529)	(62,777)	69,504	(175,330)	(331,025)	(238,107)
Transfers	<u>169,923</u>	<u>153,227</u>	<u>(169,923)</u>	<u>(153,227)</u>	<u>-</u>	<u>-</u>
Change in net position	(230,606)	90,450	(100,419)	(328,557)	(331,025)	(238,107)
Net position - beginning	<u>1,860,382</u>	<u>1,769,932</u>	<u>3,121,940</u>	<u>3,450,497</u>	<u>4,982,322</u>	<u>5,220,429</u>
Net position - ending	<u>\$ 1,629,776</u>	<u>\$ 1,860,382</u>	<u>\$ 3,021,521</u>	<u>\$ 3,121,940</u>	<u>\$ 4,651,297</u>	<u>\$ 4,982,322</u>

## 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 requirements of state law and governmental accounting standards.

**Governmental funds.** As noted, the focus of the City's governmental funds is to provide information on relatively short-term cash flow needs and/or 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 the City's net resources available for spending at the end of a fiscal year.

The City's governmental funds reported combined ending fund balances of \$1,629,776 at June 30, 2015, a decrease of \$230,606 in comparison with prior year. Expenditures exceeded revenues, but transfers in offset the deficit.

*General Fund.* The General Fund is the primary operating fund of the City. The budgetary fund balance was \$1,004,790 as of June 30, 2015. The fund balance decreased by \$215,726 during the current fiscal year primarily due to transfers out compared to the prior 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 71% of total General Fund expenditures.

*Street Fund.* The majority of Street Fund activity was street maintenance and operations funded by State gas tax revenue. The budgetary fund balance was \$132,033 as of June 30, 2015, which represents an increase of \$48,408 as compared to the prior year. The primary reason for the change was additional beginning fund balance.

*Capital Improvement Fund.* This fund accounts for monies set aside for future capital improvements. The budgetary fund balance was \$273,131 as of June 30, 2015, which represents an increase of \$59,145 as compared to the prior year. The primary reason was transfers in.

**Proprietary funds.** As previously noted, the City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

Total business-type net position increased \$100,419 in the current fiscal year. Significant items regarding proprietary funds are as follow:

- The Water Utility Fund reported a \$29,354 increase in fund net position. The increase is primarily due to operating income of \$106,481 offset by \$77,127 of transfers out.
- The Sewer Utility Fund reported a \$33,058 decrease in fund net position. The decrease is primarily due to operating income of \$296,117 offset by \$263,059 of transfers out.
- The Water Utility Reserve Fund reported a decrease of \$286,983 in fund net position primarily due to capital outlay of \$280,923.
- The Sewer Utility Reserve Fund reported an increase of \$179,595 in fund net position primarily due to \$189,263 of transfers in.
- The Water Utility SDC Fund reported a decrease of \$63,802 in fund net position primarily due to capital outlay of \$90,140.
- The Sewer Sludge Fund reported an increase of \$4,733 due to interest revenues.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The budgetary statement for the General Fund, page 16, shows the original budget, final budget, actual revenues, expenditures and transfers in and out for the fiscal year ended June 30, 2015. There were no changes to the General Fund budget during the year. Variances between final budget and actual revenue and expenditure were mostly due to additional property taxes received.

## **DEBT ADMINISTRATION**

*Long-term debt.* The City had total revenue-backed bonded debt outstanding of \$0 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 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 on page 30 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 2015-16 fiscal year:

- a. Newly adopted financial management policies establishing standards for operating contingencies and other budgetary policies and guidelines
- b. Expected property tax revenues
- c. Population growth and economic development activity in the city
- d. Prior history of revenues and expenditures
- e. Projected staffing and labor costs
- f. Risk management and potential city liabilities, and
- g. Needed capital projects in the governmental and proprietary funds

## **REQUESTS FOR INFORMATION**

This financial report is designed to present the reader (citizens, taxpayers, investors and creditors) with a general overview of the City of Mt. Angel's finances and to demonstrate the City's accountability. For questions concerning any of the information provided in this report or requests for additional information please contact me at (503) 845-9291 or [estein@ci.mt-angel.or.us](mailto:estein@ci.mt-angel.or.us).

Respectfully submitted,

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

## **BASIC FINANCIAL STATEMENTS**

## **BASIC FINANCIAL STATEMENTS**

The basic financial statements include interrelated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements
  - Governmental Funds
  - Proprietary Funds

In addition, the notes to the basic financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

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**CITY OF MT. ANGEL, OREGON**  
**STATEMENT OF NET POSITION (MODIFIED CASH BASIS)**  
**June 30, 2015**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 1,629,976	\$ 3,032,901	\$ 4,662,877
Total assets	<u>\$ 1,629,976</u>	<u>\$ 3,032,901</u>	<u>\$ 4,662,877</u>
<b>LIABILITIES:</b>			
Current liabilities:			
Accounts payable and accrued expenses	\$ 200	\$ -	\$ 200
Deposits	-	11,380	11,380
Total liabilities	<u>200</u>	<u>11,380</u>	<u>11,580</u>
<b>NET POSITION:</b>			
Restricted for:			
Capital outlay	73,648	377,169	450,817
Streets	132,033	-	132,033
Unrestricted	1,424,095	2,644,352	4,068,447
Total net position	<u>1,629,776</u>	<u>3,021,521</u>	<u>4,651,297</u>
Total liabilities and net position	<u>\$ 1,629,976</u>	<u>\$ 3,032,901</u>	<u>\$ 4,662,877</u>

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

**CITY OF MT. ANGEL, OREGON**  
**STATEMENT OF ACTIVITIES (MODIFIED CASH BASIS)**  
**For the Fiscal Year Ended June 30, 2015**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 239,135	\$ 33,916	\$ -	\$ -
Highways and streets	165,744	-	-	-
Public safety	852,821	156,200	-	-
Economic development	192,891	-	-	-
Culture and recreation	737,565	200,971	1,000	194,688
Total governmental activities	<u>2,188,156</u>	<u>391,087</u>	<u>1,000</u>	<u>194,688</u>
Business type activities:				
Water Operations	743,232	501,258	-	-
Sewer Operations	428,072	724,511	6,570	-
Storm Operations	8,267	1,056	-	-
Total business type activities	<u>1,179,571</u>	<u>1,226,825</u>	<u>6,570</u>	<u>-</u>
Total government	<u>\$ 3,367,727</u>	<u>\$ 1,617,912</u>	<u>\$ 7,570</u>	<u>\$ 194,688</u>
General revenues:				
Taxes:				
Property taxes				
Public Service taxes and state revenue sharing				
Franchise taxes				
Interest and investment earnings				
Miscellaneous revenues				
Transfers in (out)				
Total general revenues and transfers				
Change in net position				
Net position - beginning				
Net position - ending				

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

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business Type Activities	Total
\$ (205,219)	\$ -	\$ (205,219)
(9,544)	-	(9,544)
(651,850)	-	(651,850)
(192,891)	-	(192,891)
(541,877)	-	(541,877)
<u>(1,601,381)</u>	<u>-</u>	<u>(1,601,381)</u>
-	(241,974)	(241,974)
-	303,009	303,009
-	(7,211)	(7,211)
<u>-</u>	<u>53,824</u>	<u>53,824</u>
<u>(1,601,381)</u>	<u>53,824</u>	<u>(1,547,557)</u>
725,164	-	725,164
296,325	-	296,325
154,991	-	154,991
8,149	14,420	22,569
16,223	1,260	17,483
169,923	(169,923)	-
<u>1,370,775</u>	<u>(154,243)</u>	<u>1,216,532</u>
(230,606)	(100,419)	(331,025)
<u>1,860,382</u>	<u>3,121,940</u>	<u>4,982,322</u>
<u>\$ 1,629,776</u>	<u>\$ 3,021,521</u>	<u>\$ 4,651,297</u>

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

## **FUND FINANCIAL STATEMENTS**

### **Major Governmental Funds**

#### **General Fund**

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

#### **Street Fund**

This fund accounts for revenues 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.

#### **Capital Improvement Fund**

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

#### **Parks Fund**

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

**CITY OF MT. ANGEL, OREGON**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET (MODIFIED CASH BASIS)**  
**June 30, 2015**

	General Fund	Street Fund	Capital Improvement Fund	Parks Fund	Other Governmental	Total Governmental
<b>ASSETS:</b>						
Cash and cash equivalents	\$ 1,004,990	\$ 132,033	\$ 273,131	\$ -	\$ 219,822	\$ 1,629,976
Total assets	<u>\$ 1,004,990</u>	<u>\$ 132,033</u>	<u>\$ 273,131</u>	<u>\$ -</u>	<u>\$ 219,822</u>	<u>\$ 1,629,976</u>
<b>LIABILITIES:</b>						
Accounts payable and accrued expenses	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ 200
Total liabilities	<u>200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200</u>
<b>FUND BALANCES:</b>						
Restricted for:						
Capital outlay	-	-	-	-	73,648	73,648
Streets	-	132,033	-	-	-	132,033
Committed to:						
Capital Outlay	-	-	-	-	137,229	137,229
Community development	-	-	273,131	-	8,945	282,076
Unassigned:	<u>1,004,790</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,004,790</u>
Total fund balances	<u>1,004,790</u>	<u>132,033</u>	<u>273,131</u>	<u>-</u>	<u>219,822</u>	<u>1,629,776</u>
Total liabilities and fund balance:	<u>\$ 1,004,990</u>	<u>\$ 132,033</u>	<u>\$ 273,131</u>	<u>\$ -</u>	<u>\$ 219,822</u>	<u>\$ 1,629,976</u>

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

**CITY OF MT. ANGEL, OREGON**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES (MODIFIED CASH BASIS)**  
**For the Fiscal Year Ended June 30, 2015**

	General Fund	Street Fund	Capital Improvement Fund	Parks Fund	Other Governmental	Total Governmental
<b>REVENUES:</b>						
Property taxes	\$ 725,164	\$ -	\$ -	\$ -	\$ -	\$ 725,164
Franchise fees	154,991	-	-	-	-	154,991
Licenses, permits and fees	108,731	-	-	-	-	108,731
Intergovernmental	105,695	190,630	-	-	-	296,325
Assessments	-	2,956	-	-	29,851	32,807
Grants	1,000	-	-	194,688	-	195,688
Fines and forfeitures	52,163	-	-	-	-	52,163
Charges for services	172,323	-	-	-	15,015	187,338
Interest revenue	5,116	527	1,087	-	1,419	8,149
Miscellaneous revenue	14,223	-	-	2,000	-	16,223
Rents	10,048	-	-	-	-	10,048
Total revenues	<u>1,349,454</u>	<u>194,113</u>	<u>1,087</u>	<u>196,688</u>	<u>46,285</u>	<u>1,787,627</u>
<b>EXPENDITURES:</b>						
Current:						
General government	152,906	-	-	-	-	152,906
Highways and streets	-	165,744	-	-	-	165,744
Public safety	852,821	-	-	-	-	852,821
Economic development	192,891	-	-	-	-	192,891
Culture and recreation	215,359	-	-	-	-	215,359
Capital outlay	5,050	-	63,795	522,206	17,384	608,435
Total expenditures	<u>1,419,027</u>	<u>165,744</u>	<u>63,795</u>	<u>522,206</u>	<u>17,384</u>	<u>2,188,156</u>
Revenues over (under) expenditures	<u>(69,573)</u>	<u>28,369</u>	<u>(62,708)</u>	<u>(325,518)</u>	<u>28,901</u>	<u>(400,529)</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	279,182	40,000	221,853	309,903	-	850,938
Transfers out	(425,335)	(19,961)	(100,000)	-	(135,719)	(681,015)
Total other financing sources (uses)	<u>(146,153)</u>	<u>20,039</u>	<u>121,853</u>	<u>309,903</u>	<u>(135,719)</u>	<u>169,923</u>
Net changes in fund balances	(215,726)	48,408	59,145	(15,615)	(106,818)	(230,606)
<b>FUND BALANCES, BEGINNING</b>	<u>1,220,516</u>	<u>83,625</u>	<u>213,986</u>	<u>15,615</u>	<u>326,640</u>	<u>1,860,382</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 1,004,790</u>	<u>\$ 132,033</u>	<u>\$ 273,131</u>	<u>\$ -</u>	<u>\$ 219,822</u>	<u>\$ 1,629,776</u>

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

**CITY OF MT. ANGEL, OREGON**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE (MODIFIED CASH BASIS) - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 704,500	\$ 704,500	\$ 725,164	\$ 20,664
Franchise fees	142,000	142,000	154,991	12,991
Licenses, permits and fees	15,510	86,510	108,731	22,221
Intergovernmental	93,040	93,040	105,695	12,655
Grants	2,100	3,200	1,000	(2,200)
Fines and forfeitures	48,500	48,500	52,163	3,663
Charges for services	118,010	195,534	172,323	(23,211)
Interest revenue	4,100	4,250	5,116	866
Miscellaneous revenue	2,620	7,120	14,223	7,103
Rents	10,000	10,000	10,048	48
Total revenues	<u>1,140,380</u>	<u>1,294,654</u>	<u>1,349,454</u>	<u>54,800</u>
<b>EXPENDITURES:</b>				
General government	301,867	315,667	152,906	162,761
Public safety	981,783	981,783	852,821	128,962
Economic development	59,057	228,557	192,891	35,666
Culture and recreation	252,561	252,561	215,359	37,202
Capital outlay	55,900	61,400	5,050	56,350
Contingency	372,455	372,455	-	372,455
Total expenditures	<u>2,023,623</u>	<u>2,212,423</u>	<u>1,419,027</u>	<u>793,396</u>
Revenues over (under) expenditures	(883,243)	(917,769)	(69,573)	848,196
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	245,359	284,190	279,182	(5,008)
Transfers out	<u>(382,349)</u>	<u>(425,335)</u>	<u>(425,335)</u>	<u>-</u>
Total other financing sources (uses)	<u>(136,990)</u>	<u>(141,145)</u>	<u>(146,153)</u>	<u>(5,008)</u>
Net change in fund balance	(1,020,233)	(1,058,914)	(215,726)	843,188
<b>FUND BALANCES, BEGINNING</b>	<u>1,020,233</u>	<u>1,058,914</u>	<u>1,220,516</u>	<u>161,602</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,004,790</u>	<u>\$ 1,004,790</u>

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

**CITY OF MT. ANGEL, OREGON**  
**STREET FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE (MODIFIED CASH BASIS) - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2015**

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	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 186,000	\$ 186,000	\$ 190,630	\$ 4,630
Assessments	3,500	3,500	2,956	(544)
Interest revenue	300	300	527	227
	<u>189,800</u>	<u>189,800</u>	<u>194,113</u>	<u>4,313</u>
<b>EXPENDITURES:</b>				
Personnel service	112,108	112,108	98,670	13,438
Materials and service	118,334	118,334	67,074	51,260
Contingency	34,100	34,100	-	34,100
	<u>264,542</u>	<u>264,542</u>	<u>165,744</u>	<u>98,798</u>
Revenues over (under) expenditures	(74,742)	(74,742)	28,369	103,111
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	40,000	40,000	40,000	-
Transfers out	(19,961)	(19,961)	(19,961)	-
	<u>20,039</u>	<u>20,039</u>	<u>20,039</u>	<u>-</u>
Total other financing sources (uses)				
Net change in fund balance	(54,703)	(54,703)	48,408	103,111
<b>FUND BALANCES, BEGINNING</b>	<u>54,703</u>	<u>54,703</u>	<u>83,625</u>	<u>28,922</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 132,033</u>	<u>\$ 132,033</u>

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

**CITY OF MT. ANGEL, OREGON  
CAPITAL IMPROVEMENT FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE (MODIFIED CASH BASIS) - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2015**

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	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Interest revenue	\$ 1,100	\$ 1,100	\$ 1,087	\$ (13)
Total revenues	1,100	1,100	1,087	(13)
<b>EXPENDITURES:</b>				
Capital outlay	264,630	264,630	63,795	200,835
Total expenditures	264,630	264,630	63,795	200,835
Revenues over (under) expenditures	(263,530)	(263,530)	(62,708)	200,822
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	149,838	149,838	221,853	72,015
Transfers out	(100,000)	(100,000)	(100,000)	-
Total other financing sources (uses)	49,838	49,838	121,853	72,015
Net change in fund balance	(213,692)	(213,692)	59,145	272,837
<b>FUND BALANCES, BEGINNING</b>	213,692	213,692	213,986	294
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 273,131	\$ 273,131

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

**CITY OF MT. ANGEL, OREGON**  
**PARKS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE (MODIFIED CASH BASIS) - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Grants	\$ 194,688	\$ 194,688	\$ 194,688	\$ -
Miscellaneous revenue	-	-	2,000	2,000
Total revenues	194,688	194,688	196,688	2,000
<b>EXPENDITURES:</b>				
Capital outlay	522,638	522,638	522,206	432
Total expenditures	522,638	522,638	522,206	432
Revenues over (under) expenditures	(327,950)	(327,950)	(325,518)	2,432
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	305,748	305,748	309,903	4,155
Total other financing sources (uses)	305,748	305,748	309,903	4,155
Net change in fund balance	(22,202)	(22,202)	(15,615)	6,587
<b>FUND BALANCES, BEGINNING BUDGETARY BASIS</b>	22,202	22,202	15,615	(6,587)
<b>FUND BALANCES, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	\$ -	\$ -

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

## FUND FINANCIAL STATEMENTS

### Proprietary Funds

#### Enterprise Funds

These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs of providing the services to the general public on a continuing basis be financed primarily through user charges. These funds represent three segments of operations – Water, Sewer, and Storm Drain. Included in these segments are:

#### **Water Operations**

##### **Water Utility Fund**

The Water Fund is used to account for the operations of the City's water department. Primary revenues are sales of water to users, connection fees and interest on invested funds. Expenditures are for operating costs.

##### **Water Utility Reserve Fund**

This fund is used to account for overages in the operations of the City's water department. Excess revenues from sales of water to users are transferred in and out as needed.

##### **Water Utility SDC Fund**

This fund is used to account for system development charges earmarked for the development and repair of the water system.

#### **Sewer Operations**

##### **Sewer Utility Fund**

This fund is used to account for the operations of the City's sewer utility. Primary revenues are charges to users of the sewer system and interest on invested funds.

##### **Sewer Reserve Fund**

This fund is used to account for overages in the operations of the City's sewer department. Excess revenues from charges to users of sewer system are transferred in and out as needed.

##### **Sewer Sludge Fund**

This fund accounts for money set aside for sewer sludge removal.

##### **Sewer SDC Fund**

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

## **Storm Operations**

### **Storm SDC Fund**

This fund accounts for storm drain operations, maintenance and capital system improvements. Revenues are charges to users of the system.

### **Stormwater Fund**

This fund accounts for storm drain operations and system fees.

**CITY OF MT. ANGEL, OREGON**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION (MODIFIED CASH BASIS)**  
**June 30, 2015**

	<u>Business-Type Activities - Enterprise Funds</u>			
	<u>Water Operations</u>	<u>Sewer Operations</u>	<u>Storm Operations</u>	<u>Total</u>
<b>ASSETS:</b>				
Current assets:				
Cash and cash equivalents	<u>\$ 1,218,102</u>	<u>\$ 1,801,057</u>	<u>\$ 13,742</u>	<u>\$ 3,032,901</u>
Total assets	<u><u>\$ 1,218,102</u></u>	<u><u>\$ 1,801,057</u></u>	<u><u>\$ 13,742</u></u>	<u><u>\$ 3,032,901</u></u>
<b>LIABILITIES:</b>				
Current liabilities:				
Deposits	<u>\$ 3,880</u>	<u>\$ 7,500</u>	<u>\$ -</u>	<u>\$ 11,380</u>
Total liabilities	<u>3,880</u>	<u>7,500</u>	<u>-</u>	<u>11,380</u>
<b>NET POSITION:</b>				
Restricted for:				
System development	351,416	13,014	12,739	377,169
Unrestricted	<u>862,806</u>	<u>1,780,543</u>	<u>1,003</u>	<u>2,644,352</u>
Total net position	<u>1,214,222</u>	<u>1,793,557</u>	<u>13,742</u>	<u>3,021,521</u>
Total liabilities and net position	<u><u>\$ 1,218,102</u></u>	<u><u>\$ 1,801,057</u></u>	<u><u>\$ 13,742</u></u>	<u><u>\$ 3,032,901</u></u>

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

**CITY OF MT. ANGEL, OREGON**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES**  
**IN NET POSITION (MODIFIED CASH BASIS)**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Business-Type Activities - Enterprise Funds</u>			
	<u>Water</u>	<u>Sewer</u>	<u>Storm</u>	<u>Total</u>
	<u>Operations</u>	<u>Operations</u>	<u>Operations</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 488,585	\$ 724,511	\$ 1,056	\$ 1,214,152
Licenses, permits and fees	12,673	-	-	12,673
Miscellaneous income	1,260	-	-	1,260
	<u>502,518</u>	<u>724,511</u>	<u>1,056</u>	<u>1,228,085</u>
<b>OPERATING EXPENSES:</b>				
Personnel services	261,008	273,452	-	534,460
Materials and services	108,311	87,589	-	195,900
	<u>369,319</u>	<u>361,041</u>	<u>-</u>	<u>730,360</u>
Total operating expenses	<u>369,319</u>	<u>361,041</u>	<u>-</u>	<u>730,360</u>
Operating income (loss)	<u>133,199</u>	<u>363,470</u>	<u>1,056</u>	<u>497,725</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Interest income	6,410	7,913	97	14,420
Grants	-	6,570	-	6,570
Capital outlay	(373,913)	(67,031)	(8,267)	(449,211)
	<u>(367,503)</u>	<u>(52,548)</u>	<u>(8,170)</u>	<u>(428,221)</u>
Total non-operating revenues (expenses)	<u>(367,503)</u>	<u>(52,548)</u>	<u>(8,170)</u>	<u>(428,221)</u>
Net income (loss) before transfers	(234,304)	310,922	(7,114)	69,504
<b>TRANSFERS:</b>				
Transfers in (out)	(87,127)	(83,796)	1,000	(169,923)
Change in net position	(321,431)	227,126	(6,114)	(100,419)
<b>NET POSITION, BEGINNING</b>	<u>1,535,653</u>	<u>1,566,431</u>	<u>19,856</u>	<u>3,121,940</u>
<b>NET POSITION, ENDING</b>	<u>\$ 1,214,222</u>	<u>\$ 1,793,557</u>	<u>\$ 13,742</u>	<u>\$ 3,021,521</u>

*The accompanying notes are an integral part of the basic 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; 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.

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

*Basic Financial Statements*

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as wither 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 Position (modified cash basis) and the Statement of Activities (modified cash basis).

The Statement of Net Position (modified cash basis) presents all the assets and liabilities of the City. Net position, representing assets less liabilities, is shown in three components: net investment in capital assets; restricted net position; and unrestricted net position. Net investment in capital assets represents capital assets less accumulated depreciation less outstanding principal of related debt. Net position invested in capital assets, net of related debt does not include the unspent proceeds of capital debt. Restricted net position represents net position restricted by parties outside of the City (such as creditors, grantors, contributors, laws, and regulations of other governments) and includes unspent proceeds of bonds issued to acquire or construct capital assets. The nonexpendable portion of permanent funds is reported as a component of restricted net position. The City's other restricted net position is temporarily restricted (ultimately expendable) assets. All other net position is considered unrestricted.

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

**CITY OF MT. ANGEL, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

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*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 (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.

*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, fund equity, revenues and expenditures/expenses. 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, revenues, or expenditures/expenses 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:

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

The *Street Fund* accounts for revenues 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.

The *Capital Improvements Fund* accounts for money set aside by the City Council and designated for capital improvements.

The *Parks Fund* accounts for money set aside by the City Council and designated for capital projects.

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

- Water Operations
- Sewer Operations
- Storm Operations

*Fund Balance*

In the fund financial statements, 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 purpose for which amounts in the funds can be spent. Fund balance is reported in five components – non-spendable, restricted, committed, assigned and unassigned.

Non-Spendable – Includes amounts not immediately converted to cash, such as prepaid items and inventory.

Restricted – Includes amounts that are restricted by external creditors, grantors or contributors, or restricted by enabling legislation.

**CITY OF MT. ANGEL, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

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Committed – Includes amounts that have been committed by resolution by the City Council which is the City’s “highest level of decision-making authority.” Committed amounts may not be used for any other purpose unless the City Council removes the constraint by similar council action. Commitments of fund balance must be made prior to the end of the fiscal year.

Assigned – Includes amounts assigned for specific purposes by council action who authorizes, by resolution, the City Manager to assign fund balance. Assigned fund balance is also established by the Council through adoption or amendment of the budget as intended for specific purpose.

Unassigned – This is the residual classification used for those balances not assigned to another category.

*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 used to account for payments on long-term debt.

Special Revenue Funds whose primary source of funding is transfers from the General Fund are reported as part of the General Fund. Therefore, in the Governmental Funds Statement of Assets and Liabilities and the Statement of Revenues, Expenditures and Changes in Fund Balances, the Unemployment, Retirement and Street Reserve Funds have been combined with the General Fund.

*Measurement Focus and Basis of Accounting*

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

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

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

- a. All governmental funds utilize a current financial resources measurement focus within the limitations of the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary funds utilize an economic resource measurement focus within the limitations of the modified cash basis of accounting. The accounting objectives of this measurement focus are the determination of operating

**CITY OF MT. ANGEL, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

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income, change in net position (or cost recovery), net financial position, and cash flows. All assets, deferred outflows, liabilities, and deferred inflows (whether current or noncurrent or financial or nonfinancial) associated with their activities are generally reported within the limitations of the modified cash basis of accounting.

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

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

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

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

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

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

#### *Use of Estimates*

The preparation of financial statements requires management to make estimates and assumptions that affect reporting amounts of certain assets, liabilities, revenues, and expenditures / expenses as of and for the year ended June 30, 2015. Actual results may differ from such estimates.

#### *Cash and Cash Equivalents*

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

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

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

Investments are stated at cost, which approximates fair value.

*Property Taxes*

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

*Capital Assets*

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

*Accrued Compensated Absences*

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

*Budgets and Budgetary Accounting*

The City adopts the budget on a departmental basis for the General Fund and on object basis for other funds. Therefore, cash expenditures of a fund may not legally exceed that department/object’s appropriations for cash expenditures. The City Council may amend the budget to expend unforeseen revenues by supplemental appropriations. All supplemental appropriations are included in the budget comparison statements. Appropriations lapse at year-end and may not be carried over. The City does not use encumbrance accounting.

*Use of Net Position - Restricted*

When expenditures are paid for purposes in which both net position – restricted net position – unrestricted are available, the City deems net position – restricted to be spent first.

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents are comprised of the following at June 30, 2015:

<b>Cash</b>	<u>2015</u>
Cash on hand	\$ 651
Deposits with financial institutions	222,679
<b>Investments</b>	
Local Government Investment Pool	<u>4,439,547</u>
	<u>\$ 4,662,877</u>

**CITY OF MT. ANGEL, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

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At June 30, 2015 investments included in cash and cash equivalents consist of the following:

	Weighted Average <u>Maturity (Years)</u>	Fair <u>Value</u>
Investments in the State Treasurer’s Local Government Investment Pool	<u>0.00</u>	<u>\$4,439,547</u>
Total cash equivalents	<u><u>0.00</u></u>	<u><u>\$4,439,547</u></u>

*Custodial Credit Risk - Deposits*

Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned. The City does not have a deposit policy for custodial credit risk. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City’s deposits up to \$250,000 for the combined total of all deposit accounts at each financial institution. The remaining deposits are covered by the Public Funds Collateralization program (PFCP) of the State of Oregon in accordance with ORS 295. Depositories qualified under this program are required to pledge collateral against any public funds deposits in excess of deposit insurance amounts. This provides additional protection for public funds in the event of a bank failure or loss. ORS 295 sets the specific value of the collateral, as well as the types of collateral that are acceptable. ORS 295 creates a shared liability structure for participating depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. As of June 30, 2015, the book value of the City’s deposits was \$222,679 and the bank balance was \$217,015. None of the City’s bank balances were exposed to custodial credit risk as they were collateralized under PFCP.

*Local Government Investment Pool*

The State Treasurer of the State of Oregon maintains the Oregon Short-Term Fund, of which the Local Government Investment Pool is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. The Oregon Short-Term Fund is the LGIP for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). At June 30, 2015, the fair value of the position in the Oregon State Treasurer’s Short-Term Investment Pool was approximately equal to the value of the pool shares. The investment in the Oregon Short-Term Fund is not subject to risk evaluation. LGIP is not rated for credit quality. Separate financial statements for the Oregon Short-Term Fund are available from the Oregon State Treasurer.

*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 – Local Government Investment Pool*

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

**CITY OF MT. ANGEL, OREGON**  
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**June 30, 2015**

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The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Commission. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of, or has control of any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short-Term Fund Board, which has established diversification percentages and specifies the types and maturities of the investments. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. These investments within the LGIP must be invested and managed as a prudent investor would, exercising reasonable care, skill and caution. Professional standards indicate that the investments in external investment pools are not subject to custodial risk because they are not evidenced by securities that exist in physical or book entry form. Nevertheless, management does not believe that there is any substantial custodial risk related to investments in the LGIP.

***LONG-TERM OBLIGATIONS***

As a result of the use of the modified cash basis of accounting in this report, obligations related to long-term debt and other obligations are not reported as liabilities in the financial statements. There are currently no Long-term debt transactions.

In prior years, The Sewer Reserve Fund Loaned \$56,833 to the Bancroft Sinking Fund with variable interest based on the LGIP interest rate. The interfund loan activity for the year ended June 30, 2015 was as follows:

	Outstanding July 1, 2014	Additions	Reductions	Outstanding June 30, 2015	Amounts Due within One Year
Sewer Fund to Bancroft Sinking Fund	\$ 6,848	\$ -	\$ (6,848)	\$ -	\$ -

***PENSION PLAN***

*Name of the Pension Plan*

The Oregon Public Employees Retirement System (OPERS) is a cost-sharing multiple-employer defined benefit plan.

*Plan Description*

Employees of the City are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. OPERS issues a publicly available financial report that can be obtained at [http://www.oregon.gov/pers/Pages/section/financial\\_reports/financials.aspx](http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx).

*Benefits provided under Chapter 238-Tier One / Tier Two*

*Pension Benefits:* The OPERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

**CITY OF MT. ANGEL, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

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A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

*Death Benefits:* Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- Member was employed by a OPERS employer at the time of death,
- Member died within 120 days after termination of OPERS-covered employment,
- Member died as a result of injury sustained while employed in a OPERS-covered job, or
- Member was on an official leave of absence from an OPERS-covered job at the time of death.

*Disability Benefits:* A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including OPERS judge members) for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

*Benefit Changes After Retirement:* Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

*Benefits provided under Chapter 238A-OPSRP Pension Program (OPSRP DB).*

*Pension Benefits:* The ORS 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

This portion of the OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

*Police and fire:* 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

*General Service:* 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and , if the pension program is terminated, the date on which termination becomes effective.

**CITY OF MT. ANGEL, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

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*Death Benefits:* Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

*Disability Benefit:* A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member’s salary determined as of the last full month of employment before the disability occurred.

*Benefit Changes After Retirement:* Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

*Funding Policy*

OPERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

*Contributions*

Employer contribution rates during the period were based on the December 31, 2011 actuarial valuation, as subsequently modified by 2013 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2013. The state of Oregon and certain schools, community colleges, and political subdivisions have made lump sum payments to establish side accounts, and their rates have been reduced.

Employer contributions for the year ended June 30, 2015 were \$68,914, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2015 were: (1) Tier1/Tier 2 –7.76 percent, (2) OPSRP general service – 5.15 percent, and (3) OPSRP police and fire – 7.88 percent.

Schedule of contributions

Year Ended June 30,	(a) Statutorily required contribution	(b) Actual contribution	(b/a) Actual contribution as a percentage of statutorily required contribution
2015	\$ 68,914	\$ 68,914	100%
2014	60,848	60,848	100%
2013	65,958	65,958	100%

*OPSRP Individual Account Program (OPSRP IAP)*

*Pension Benefits*

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active

**CITY OF MT. ANGEL, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

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member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

*Death Benefits*

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

*Contributions*

The City has chosen to pay the employees contributions to the plan. 6 percent of covered payroll is paid for general service employees. For fiscal year 2015 the City paid \$58,040.

*Recordkeeping*

PERS contracts with VOYA Financial to maintain IAP participant records

**CITY OF MT. ANGEL, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

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***INTERFUND TRANSFERS***

<b>Interfund Transfers</b>	<b><u>Transfers In</u></b>	<b><u>Transfers Out</u></b>
Major Governmental Funds:		
General Fund	\$ 273,912	\$ 248,151
Streets Fund	40,000	19,961
Capital Improvement Fund	221,853	100,000
Parks Fund	309,903	-
Unemployment Fund	-	38,831
Retirement Reserve Fund	-	138,353
Street Reserve Fund	5,270	-
Total Major Governmental Funds	<u>850,938</u>	<u>545,296</u>
Non Major Governmental Funds:		
Saalfeld Trust Fund	-	1,336
Vehicle Replacement Fund	-	127,535
Bancroft Sinking Fund	-	6,848
Total Major Governmental Funds	<u>-</u>	<u>135,719</u>
Proprietary Funds:		
Water Utility Fund	-	77,127
Sewer Utility Fund	-	263,059
Water Utility Reserve Fund	-	10,000
Sewer Utility Reserve Fund	189,263	10,000
Stormwater Fund	1,000	-
Total Proprietary Funds	<u>190,263</u>	<u>360,186</u>
	<u>\$ 1,041,201</u>	<u>\$ 1,041,201</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 revenues restricted to debt service from the funds collecting the revenues to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

***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.

**CITY OF MT. ANGEL, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

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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.

***New Accounting Pronouncement – GASB Statement No. 68 and 71***

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68. GASB Statement No. 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. GASB Statement No. 71 addresses an issue regarding application of the transition provisions of GASB Statement No. 68. The City implemented GASB Statement No. 68 and 71 in the year ending June 30, 2015.

## **SUPPLEMENTARY INFORMATION**

## **SUPPLEMENTARY INFORMATION**

Supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Combining Statements – Nonmajor Governmental Funds
- Combining Statement - General Fund
- Budgetary Comparison Schedules
- Budgetary Comparison Schedules – Enterprise Funds

## COMBINING STATEMENTS

### Nonmajor Governmental Funds

#### **Special Revenue Funds**

These funds account for revenue derived from specific taxes or other earmarked revenue sources, which are legally restricted to expenditures for specified purposes. Funds included in this category are:

#### **Housing Rehabilitation Fund**

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

#### **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 revenue and use of funds designated for the library.

#### **Saalfeld Trust Fund**

The Saalfeld family donated some land to the City to be used for a park. They also donated funds for the upkeep of the park.

#### **Capital Projects Funds**

These funds are used to account for financial resources to be used for the acquisition or construction of major capital items and facilities. Funds included in this category are:

#### **Transportation SDC Fund**

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

#### **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 use for capital projects.

**CITY OF MT. ANGEL, OREGON**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET (MODIFIED CASH BASIS)**  
**June 30, 2015**

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	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Fund	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 146,174	\$ 73,648	\$ 219,822
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 146,174</u>	<u>\$ 73,648</u>	<u>\$ 219,822</u>
<b>FUND BALANCES:</b>			
Restricted for:			
Capital outlay	\$ -	\$ 73,648	\$ 73,648
Committed to:			
Capital Outlay	137,229	-	137,229
Community development	8,945	-	8,945
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities and fund balances	<u>\$ 146,174</u>	<u>\$ 73,648</u>	<u>\$ 219,822</u>

**CITY OF MT. ANGEL, OREGON  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (MODIFIED CASH BASIS)  
For the Fiscal Year Ended June 30, 2015**

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Fund	Total
<b>REVENUES:</b>			
Assessments	\$ 29,706	\$ 145	\$ 29,851
Charges for services	-	15,015	15,015
Interest revenue	634	785	1,419
Total revenues	<u>30,340</u>	<u>15,945</u>	<u>46,285</u>
<b>EXPENDITURES:</b>			
Capital outlay	<u>7,899</u>	<u>9,485</u>	<u>17,384</u>
Total expenditures	<u>7,899</u>	<u>9,485</u>	<u>17,384</u>
Revenues over (under) expenditures	<u>22,441</u>	<u>6,460</u>	<u>28,901</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers out	<u>(1,336)</u>	<u>(134,383)</u>	<u>(135,719)</u>
Total other financing sources (uses)	<u>(1,336)</u>	<u>(134,383)</u>	<u>(135,719)</u>
Net change in fund balance	21,105	(127,923)	(106,818)
<b>FUND BALANCES, BEGINNING</b>	<u>125,069</u>	<u>201,571</u>	<u>326,640</u>
<b>FUND BALANCES, ENDING</b>	<u><u>\$ 146,174</u></u>	<u><u>\$ 73,648</u></u>	<u><u>\$ 219,822</u></u>

**CITY OF MT. ANGEL, OREGON**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET (MODIFIED CASH BASIS)**  
**June 30, 2015**

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	Housing Rehabilitation Fund	Library Endowment Fund	Saalfeld Trust Fund	Total
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 137,229	\$ 8,945	\$ -	\$ 146,174
Total assets	<u>\$ 137,229</u>	<u>\$ 8,945</u>	<u>\$ -</u>	<u>\$ 146,174</u>
<b>FUND BALANCES:</b>				
Committed to:				
Capital Outlay	\$ 137,229	\$ -	\$ -	\$ 137,229
Community development	<u>-</u>	<u>8,945</u>	<u>-</u>	<u>8,945</u>
Total liabilities and fund balances	<u>\$ 137,229</u>	<u>\$ 8,945</u>	<u>\$ -</u>	<u>\$ 146,174</u>

**CITY OF MT. ANGEL, OREGON**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (MODIFIED CASH BASIS)**  
**For the Fiscal Year Ended June 30, 2015**

	Housing Rehabilitation Fund	Library Endowment Fund	Saalfeld Trust Fund	Total
<b>REVENUES:</b>				
Assessments	\$ 29,706	\$ -	\$ -	\$ 29,706
Interest revenue	589	45	-	634
Total revenues	<u>30,295</u>	<u>45</u>	<u>-</u>	<u>30,340</u>
<b>EXPENDITURES:</b>				
Capital outlay	<u>7,899</u>	<u>-</u>	<u>-</u>	<u>7,899</u>
Total expenditures	<u>7,899</u>	<u>-</u>	<u>-</u>	<u>7,899</u>
Revenues over (under) expenditures	22,396	45	-	22,441
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	<u>-</u>	<u>-</u>	<u>(1,336)</u>	<u>(1,336)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,336)</u>	<u>(1,336)</u>
Net change in fund balance	22,396	45	(1,336)	21,105
<b>FUND BALANCES, BEGINNING</b>	<u>114,833</u>	<u>8,900</u>	<u>1,336</u>	<u>125,069</u>
<b>FUND BALANCES, ENDING</b>	<u><u>\$ 137,229</u></u>	<u><u>\$ 8,945</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 146,174</u></u>

**CITY OF MT. ANGEL, OREGON**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**COMBINING BALANCE SHEET (MODIFIED CASH BASIS)**  
**June 30, 2015**

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	Transportation SDC Fund	Parks SDC Fund	Vehicle Replacement Fund	Bancroft Sinking Fund	Total
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 71,131	\$ 2,517	\$ -	\$ -	\$ 73,648
Total assets	<u>\$ 71,131</u>	<u>\$ 2,517</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,648</u>
<b>FUND BALANCES:</b>					
Restricted for:					
Capital outlay	\$ 71,131	\$ 2,517	\$ -	\$ -	\$ 73,648
Total liabilities and fund equity	<u>\$ 71,131</u>	<u>\$ 2,517</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,648</u>

**CITY OF MT. ANGEL, OREGON**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (MODIFIED CASH BASIS)**  
**For the Fiscal Year Ended June 30, 2015**

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	Transportation SDC Fund	Parks SDC Fund	Vehicle Replacement Fund	Bancroft Sinking Fund	Total
<b>REVENUES:</b>					
Assessments	\$ -	\$ -	\$ -	\$ 145	\$ 145
Charges for services	14,410	605	-	-	15,015
Interest revenue	352	16	402	15	785
Total revenues	<u>14,762</u>	<u>621</u>	<u>402</u>	<u>160</u>	<u>15,945</u>
<b>EXPENDITURES:</b>					
Capital outlay	<u>8,317</u>	<u>1,168</u>	<u>-</u>	<u>-</u>	<u>9,485</u>
Total expenditures	<u>8,317</u>	<u>1,168</u>	<u>-</u>	<u>-</u>	<u>9,485</u>
Revenues over (under) expenditures	6,445	(547)	402	160	6,460
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers out	<u>-</u>	<u>-</u>	<u>(127,535)</u>	<u>(6,848)</u>	<u>(134,383)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(127,535)</u>	<u>(6,848)</u>	<u>(134,383)</u>
Net changes in fund balances	6,445	(547)	(127,133)	(6,688)	(127,923)
<b>FUND BALANCES, BEGINNING</b>	<u>64,686</u>	<u>3,064</u>	<u>127,133</u>	<u>6,688</u>	<u>201,571</u>
<b>FUND BALANCES, ENDING</b>	<u><u>\$ 71,131</u></u>	<u><u>\$ 2,517</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 73,648</u></u>

CITY OF MT. ANGEL, OREGON  
GENERAL FUND  
COMBINING BALANCE SHEET (MODIFIED CASH BASIS)  
June 30, 2015

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	<u>General Fund - Budgetary Basis</u>	<u>Unemployment Reserve Fund - Budgetary Basis</u>	<u>Retirement Reserve Fund - Budgetary Basis</u>	<u>Street Reserve Fund - Budgetary Basis</u>	<u>Total General Fund</u>
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 938,810	\$ -	\$ -	\$ 66,180	\$ 1,004,990
Total assets	<u>\$ 938,810</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,180</u>	<u>\$ 1,004,990</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES:</b>					
Accounts payable and accrued expenses	\$ 200	\$ -	\$ -	\$ -	\$ 200
Total liabilities	<u>200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200</u>
<b>FUND BALANCES:</b>					
Assigned to:					
Unassigned:	<u>938,610</u>	<u>-</u>	<u>-</u>	<u>66,180</u>	<u>1,004,790</u>
Total fund balance	<u>938,610</u>	<u>-</u>	<u>-</u>	<u>66,180</u>	<u>1,004,790</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 938,810</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,180</u>	<u>\$ 1,004,990</u>

**CITY OF MT. ANGEL, OREGON**  
**GENERAL FUND**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES (MODIFIED CASH BASIS)**  
**For the Fiscal Year Ended June 30, 2015**

	General Fund - Budgetary Basis	Unemployment Reserve Fund - Budgetary Basis	Retirement Reserve Fund - Budgetary Basis	Street Reserve Fund - Budgetary Basis	Total General Fund
<b>REVENUES:</b>					
Property taxes	\$ 725,164	\$ -	\$ -	\$ -	\$ 725,164
Franchise fees	154,991	-	-	-	154,991
Licenses, permits and fees	108,731	-	-	-	108,731
Intergovernmental	105,695	-	-	-	105,695
Grants	1,000	-	-	-	1,000
Fines and forfeitures	52,163	-	-	-	52,163
Charges for services	172,323	-	-	-	172,323
Interest revenue	4,640	150	-	326	5,116
Miscellaneous revenue	14,223	-	-	-	14,223
Rents	10,048	-	-	-	10,048
Total revenues	<u>1,348,978</u>	<u>150</u>	<u>-</u>	<u>326</u>	<u>1,349,454</u>
<b>EXPENDITURES:</b>					
General government	152,906	-	-	-	152,906
Public safety	852,821	-	-	-	852,821
Economic development	192,891	-	-	-	192,891
Culture and recreation	215,359	-	-	-	215,359
Capital outlay	5,050	-	-	-	5,050
Total expenditures	<u>1,419,027</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,419,027</u>
Revenues over (under) expenditures	(70,049)	150	-	326	(69,573)
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	273,912	-	-	5,270	279,182
Transfers out	(248,151)	(38,831)	(138,353)	-	(425,335)
Total other financing sources (uses)	<u>25,761</u>	<u>(38,831)</u>	<u>(138,353)</u>	<u>5,270</u>	<u>(146,153)</u>
Net change in fund balance	(44,288)	(38,681)	(138,353)	5,596	(215,726)
<b>FUND BALANCES, BEGINNING</b>	<u>982,898</u>	<u>38,681</u>	<u>138,353</u>	<u>60,584</u>	<u>1,220,516</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 938,610</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,180</u>	<u>\$ 1,004,790</u>

## BUDGETARY COMPARISON SCHEDULES

Pursuant to the provisions of Oregon Revised Statute, an individual schedule of revenues, expenditures, and changes in fund balances - budget and actual be displayed for each fund where legally adopted budgets are required.

Detailed General Fund Budgetary Comparison schedules include the following:

- General Fund - Budgetary Basis Schedule of Revenues, Expenditures and Changes in Fund Balance (Modified Cash Basis)
- Unemployment Reserve Fund - Budgetary Basis Schedule of Revenues, Expenditures and Changes in Fund Balance (Modified Cash Basis)
- Retirement Reserve Fund - Budgetary Basis Schedule of Revenues, Expenditures and Changes in Fund Balance (Modified Cash Basis)
- Street Reserve Fund - Budgetary Basis Schedule of Revenues, Expenditures and Changes in Fund Balance (Modified Cash Basis)

Nonmajor Governmental Budgetary Comparison schedules include the following:

- Special Revenue Funds
  - Housing Rehabilitation Fund
  - State Revenue Sharing Fund
  - Library Endowment Fund
  - Saalfeld Trust Fund
- Capital Project Funds
  - Transportation SDC Fund
  - Parks SDC Fund
  - Vehicle Replacement Fund
  - Bancroft Sinking Fund

**CITY OF MT. ANGEL, OREGON**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE (MODIFIED CASH BASIS) - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 704,500	\$ 704,500	\$ 725,164	\$ 20,664
Franchise fees	142,000	142,000	154,991	12,991
Licenses, permits and fees	15,510	86,510	108,731	22,221
Intergovernmental	93,040	93,040	105,695	12,655
Grants	2,100	3,200	1,000	(2,200)
Fines and forfeitures	48,500	48,500	52,163	3,663
Charges for services	118,010	195,534	172,323	(23,211)
Interest revenue	4,000	4,000	4,640	640
Miscellaneous revenue	2,620	7,120	14,223	7,103
Rents	10,000	10,000	10,048	48
Total revenues	<u>1,140,280</u>	<u>1,294,404</u>	<u>1,348,978</u>	<u>54,574</u>
<b>EXPENDITURES:</b>				
General government	291,867	305,667	152,906	152,761
Public safety	981,783	981,783	852,821	128,962
Economic development	59,057	228,557	192,891	35,666
Culture and recreation	252,561	252,561	215,359	37,202
Capital outlay	-	5,500	5,050	450
Contingency	372,455	372,455	-	372,455
Total expenditures	<u>1,957,723</u>	<u>2,146,523</u>	<u>1,419,027</u>	<u>727,496</u>
Revenues over (under) expenditures	<u>(817,443)</u>	<u>(852,119)</u>	<u>(70,049)</u>	<u>782,070</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	240,089	278,920	273,912	(5,008)
Transfers out	<u>(243,996)</u>	<u>(248,151)</u>	<u>(248,151)</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,907)</u>	<u>30,769</u>	<u>25,761</u>	<u>(5,008)</u>
Net change in fund balance	(821,350)	(821,350)	(44,288)	777,062
<b>FUND BALANCES, BEGINNING</b>	<u>821,350</u>	<u>821,350</u>	<u>982,898</u>	<u>161,548</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 938,610</u>	<u>\$ 938,610</u>

**CITY OF MT. ANGEL, OREGON**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES (MODIFIED CASH BASIS) - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Police operations:				
Personnel services	\$ 754,408	\$ 754,408	\$ 682,827	\$ 71,581
Materials and services	202,543	202,543	154,403	48,140
Subtotal	956,951	956,951	837,230	119,721
Municipal court:				
Personnel services	8,782	8,782	7,930	852
Materials and services	16,050	16,050	7,661	8,389
Subtotal	24,832	24,832	15,591	9,241
Administration & finance services:				
Personnel services	77,894	77,894	65,922	11,972
Materials and services	75,620	89,420	86,984	2,436
Subtotal	153,514	167,314	152,906	14,408
Oktoberfest:				
Personnel services	38,350	38,350	35,065	3,285
Materials and services	12,100	12,100	7,061	5,039
Subtotal	50,450	50,450	42,126	8,324
Library:				
Personnel services	102,610	102,610	82,433	20,177
Materials and services	25,760	25,760	25,505	255
Subtotal	128,370	128,370	107,938	20,432
Community development:				
Personnel services	28,107	28,107	18,233	9,874
Materials and services	30,950	200,450	174,658	25,792
Capital outlay	-	5,500	5,050	450
Subtotal	59,057	234,057	197,941	36,116
Parks:				
Personnel services	51,580	51,580	44,701	6,879
Materials and services	22,161	22,161	20,594	1,567
Subtotal	73,741	73,741	65,295	8,446
Retirement reserve:				
Personnel services	138,353	138,353	-	138,353
Subtotal	138,353	138,353	-	138,353
Total expenditures	\$ 1,585,268	\$ 1,774,068	\$ 1,419,027	\$ 355,041

**CITY OF MT. ANGEL, OREGON  
 UNEMPLOYMENT RESERVE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE (MODIFIED CASH BASIS) - BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2015**

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	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Interest revenue	\$ -	\$ 150	\$ 150	\$ -
Total revenues	-	150	150	-
<b>EXPENDITURES:</b>				
Total expenditures	-	-	-	-
Revenues over (under) expenditures	-	150	150	-
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(38,831)	(38,831)	-
Total other financing sources (uses)	-	(38,831)	(38,831)	-
Net change in fund balance	-	(38,681)	(38,681)	-
<b>FUND BALANCES, BEGINNING</b>	-	38,681	38,681	-
<b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF MT. ANGEL, OREGON**  
**RETIREMENT RESERVE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE (MODIFIED CASH BASIS) - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2015**

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	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Interest revenue	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<b>EXPENDITURES:</b>				
Total expenditures	-	-	-	-
Revenues over (under) expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(138,353)	(138,353)	(138,353)	-
Total other financing sources (uses)	(138,353)	(138,353)	(138,353)	-
Net changes in fund balances	(138,353)	(138,353)	(138,353)	-
<b>FUND BALANCES, BEGINNING</b>	138,353	138,353	138,353	-
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ -	\$ -

**CITY OF MT. ANGEL, OREGON**  
**STREET RESERVE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE (MODIFIED CASH BASIS) - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Interest revenue	\$ 100	\$ 100	\$ 326	\$ 226
Total revenues	100	100	326	226
<b>EXPENDITURES:</b>				
Materials and service	10,000	10,000	-	10,000
Capital outlay	55,900	55,900	-	55,900
Total expenditures	65,900	65,900	-	65,900
Revenues over (under) expenditures	(65,800)	(65,800)	326	66,126
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	5,270	5,270	5,270	-
Total other financing sources (uses)	5,270	5,270	5,270	-
Net changes in fund balances	(60,530)	(60,530)	5,596	66,126
<b>FUND BALANCES, BEGINNING</b>	60,530	60,530	60,584	54
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 66,180	\$ 66,180

**CITY OF MT. ANGEL, OREGON  
HOUSING REHABILITATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE (MODIFIED CASH BASIS) - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2015**

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	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Assessments	\$ 20,000	\$ 20,000	\$ 29,706	\$ 9,706
Interest revenue	500	500	589	89
Total revenues	<u>20,500</u>	<u>20,500</u>	<u>30,295</u>	<u>9,795</u>
<b>EXPENDITURES:</b>				
Capital outlay	<u>135,193</u>	<u>135,193</u>	<u>7,899</u>	<u>127,294</u>
Total expenditures	<u>135,193</u>	<u>135,193</u>	<u>7,899</u>	<u>127,294</u>
Net change in fund balance	(114,693)	(114,693)	22,396	137,089
<b>FUND BALANCES, BEGINNING</b>	<u>114,693</u>	<u>114,693</u>	<u>114,833</u>	<u>140</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,229</u>	<u>\$ 137,229</u>

**CITY OF MT. ANGEL, OREGON  
LIBRARY ENDOWMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE (MODIFIED CASH BASIS) - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2015**

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	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Interest revenue	\$ 50	\$ 50	\$ 45	\$ (5)
Total revenues	50	50	45	(5)
<b>EXPENDITURES:</b>				
Materials and service	2,000	2,000	-	2,000
Capital outlay	6,971	6,971	-	6,971
Total expenditures	8,971	8,971	-	8,971
Net changes in fund balances	(8,921)	(8,921)	45	8,966
<b>FUND BALANCES, BEGINNING</b>	8,921	8,921	8,900	(21)
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 8,945	\$ 8,945

**CITY OF MT. ANGEL, OREGON**  
**SAALFELD TRUST FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE (MODIFIED CASH BASIS) - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2015**

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	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES:</b>				
Total expenditures	-	-	-	-
Revenues over (under) expenditures	-	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(1,336)	(1,336)	(1,336)	-
Total other financing sources (uses)	(1,336)	(1,336)	(1,336)	-
Net change in fund balance	(1,336)	(1,336)	(1,336)	-
<b>FUND BALANCES, BEGINNING</b>	1,336	1,336	1,336	-
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ -	\$ -

**CITY OF MT. ANGEL, OREGON  
TRANSPORTATION SDC FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE (MODIFIED CASH BASIS) - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2015**

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	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 1,310	\$ 1,310	\$ 14,410	\$ 13,100
Interest revenue	260	260	352	92
Total revenues	<u>1,570</u>	<u>1,570</u>	<u>14,762</u>	<u>13,192</u>
<b>EXPENDITURES:</b>				
Capital outlay	<u>63,622</u>	<u>63,622</u>	<u>8,317</u>	<u>55,305</u>
Total expenditures	<u>63,622</u>	<u>63,622</u>	<u>8,317</u>	<u>55,305</u>
Net changes in fund balances	(62,052)	(62,052)	6,445	68,497
<b>FUND BALANCE, BEGINNING</b>	<u>62,052</u>	<u>62,052</u>	<u>64,686</u>	<u>2,634</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,131</u>	<u>\$ 71,131</u>

**CITY OF MT. ANGEL, OREGON**  
**PARKS SDC FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE (MODIFIED CASH BASIS) - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2015**

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	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 55	\$ 55	\$ 605	\$ 550
Interest revenue	14	14	16	2
Total revenues	<u>69</u>	<u>69</u>	<u>621</u>	<u>552</u>
<b>EXPENDITURES:</b>				
Capital outlay	<u>3,021</u>	<u>3,021</u>	<u>1,168</u>	<u>1,853</u>
Total expenditures	<u>3,021</u>	<u>3,021</u>	<u>1,168</u>	<u>1,853</u>
Net changes in fund balances	(2,952)	(2,952)	(547)	2,405
<b>FUND BALANCE, BEGINNING</b>	<u>2,952</u>	<u>2,952</u>	<u>3,064</u>	<u>112</u>
<b>FUND BALANCE, ENDING</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,517</u></u>	<u><u>\$ 2,517</u></u>

**CITY OF MT. ANGEL, OREGON  
VEHICLE REPLACEMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE (MODIFIED CASH BASIS) - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Interest revenue	\$ -	\$ -	\$ 402	\$ 402
Total revenues	-	-	402	402
<b>EXPENDITURES:</b>				
Total expenditures	-	-	-	-
Revenues over (under) expenditures	-	-	402	402
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(55,520)	(55,520)	(127,535)	(72,015)
Total other financing sources (uses)	(55,520)	(55,520)	(127,535)	(72,015)
Net changes in fund balances	(55,520)	(55,520)	(127,133)	(71,613)
<b>FUND BALANCE, BEGINNING</b>	<u>55,520</u>	<u>55,520</u>	<u>127,133</u>	<u>71,613</u>
<b>FUND BALANCE, ENDING</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**CITY OF MT. ANGEL, OREGON  
 BANCROFT SINKING FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE (MODIFIED CASH BASIS) - BUDGET AND ACTUAL  
 For the Fiscal Year Ended June 30, 2015**

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	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Assessments	\$ -	\$ -	\$ 145	\$ 145
Interest revenue	-	-	15	15
Total revenues	-	-	160	160
<b>EXPENDITURES:</b>				
Total expenditures	-	-	-	-
Revenues over (under) expenditures	-	-	160	160
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(6,848)	(6,848)	(6,848)	-
Total other financing sources (uses)	(6,848)	(6,848)	(6,848)	-
Net changes in fund balances	(6,848)	(6,848)	(6,688)	160
<b>FUND BALANCE, BEGINNING</b>	6,848	6,848	6,688	(160)
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	\$ -	\$ -

## **BUDGETARY COMPARISON SCHEDULES**

### **Enterprise Funds**

Pursuant to the provisions of Oregon Revised Statute, an individual schedule of revenues, expenditures, and changes in fund balances - budget and actual be displayed for each fund where legally adopted budgets are required.

Enterprise Budgetary Comparison schedules include the following:

- Water Operations
  - Water Utility Fund
  - Water Utility Reserve Fund
  - Water Utility SDC Fund
  
- Sewer Operations
  - Sewer Utility Fund
  - Sewer Reserve Fund
  - Sewer Sludge Fund
  - Sewer SDC Fund
  - Revenue Bond Debt Service Fund
  
- Storm Operations
  - Storm SDC Fund
  - Stormwater Fund

**CITY OF MT. ANGEL, OREGON**  
**WATER OPERATIONS COMBINED**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**CHANGES IN FUND BALANCE (MODIFIED CASH BASIS)**  
**For the Fiscal Year Ended June 30, 2015**

	<u>Water Utility Fund</u>	<u>Water Utility Reserve Fund</u>	<u>Water Utility SDC Fund</u>	<u>Total Water Operations</u>
<b>REVENUES:</b>				
Licenses, permits and fees	\$ 12,673	\$ -	\$ -	\$ 12,673
Charges for services	464,035	-	24,550	488,585
Interest revenue	682	3,940	1,788	6,410
Miscellaneous revenue	1,260	-	-	1,260
	<u>478,650</u>	<u>3,940</u>	<u>26,338</u>	<u>508,928</u>
<b>EXPENDITURES:</b>				
Personnel service	261,008	-	-	261,008
Materials and service	108,311	-	-	108,311
Capital outlay	2,850	280,923	90,140	373,913
	<u>372,169</u>	<u>280,923</u>	<u>90,140</u>	<u>743,232</u>
Total expenditures				
Revenues over (under) expenditures	106,481	(276,983)	(63,802)	(234,304)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	<u>(77,127)</u>	<u>(10,000)</u>	<u>-</u>	<u>(87,127)</u>
Total other financing sources (uses)	<u>(77,127)</u>	<u>(10,000)</u>	<u>-</u>	<u>(87,127)</u>
Net change in fund balance	29,354	(286,983)	(63,802)	(321,431)
<b>FUND BALANCE, BEGINNING</b>	<u>125,729</u>	<u>994,706</u>	<u>415,218</u>	<u>1,535,653</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 155,083</u>	<u>\$ 707,723</u>	<u>\$ 351,416</u>	<u>\$ 1,214,222</u>

**CITY OF MT. ANGEL, OREGON**  
**WATER UTILITY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE (MODIFIED CASH BASIS) - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Licenses, permits and fees	\$ 12,500	\$ 12,500	\$ 12,673	\$ 173
Charges for services	475,000	475,000	464,035	(10,965)
Interest revenue	500	500	682	182
Miscellaneous revenue	-	-	1,260	1,260
	<u>488,000</u>	<u>488,000</u>	<u>478,650</u>	<u>(9,350)</u>
Total revenues				
<b>EXPENDITURES:</b>				
Personnel service	273,980	273,980	261,008	12,972
Materials and service	134,897	134,897	108,311	26,586
Capital outlay	15,000	15,000	2,850	12,150
Contingency	61,500	61,500	-	61,500
	<u>485,377</u>	<u>485,377</u>	<u>372,169</u>	<u>113,208</u>
Total expenditures				
Revenues over (under) expenditures	2,623	2,623	106,481	103,858
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	<u>(80,900)</u>	<u>(80,900)</u>	<u>(77,127)</u>	<u>3,773</u>
Total other financing sources (uses)	<u>(80,900)</u>	<u>(80,900)</u>	<u>(77,127)</u>	<u>3,773</u>
Net change in fund balance	(78,277)	(78,277)	29,354	107,631
<b>FUND BALANCE, BEGINNING</b>	<u>78,277</u>	<u>78,277</u>	<u>125,729</u>	<u>47,452</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 155,083</u>	<u>\$ 155,083</u>

**CITY OF MT. ANGEL, OREGON**  
**WATER UTILITY RESERVE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE (MODIFIED CASH BASIS) - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Interest revenue	\$ 3,700	\$ 3,700	\$ 3,940	\$ 240
Total revenues	3,700	3,700	3,940	240
<b>EXPENDITURES:</b>				
Capital outlay	988,784	988,784	280,923	707,861
Total expenditures	988,784	988,784	280,923	707,861
Revenues over (under) expenditures	(985,084)	(985,084)	(276,983)	708,101
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(10,000)	(10,000)	(10,000)	-
Total other financing sources (uses)	(10,000)	(10,000)	(10,000)	-
Net change in fund balance	(995,084)	(995,084)	(286,983)	708,101
<b>FUND BALANCE, BEGINNING</b>	995,084	995,084	994,706	(378)
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	\$ 707,723	\$ 707,723

**CITY OF MT. ANGEL, OREGON**  
**WATER UTILITY SDC FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE (MODIFIED CASH BASIS) - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2015**

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	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 2,338	\$ 2,338	\$ 24,550	\$ 22,212
Interest revenue	1,800	1,800	1,788	(12)
Total revenues	4,138	4,138	26,338	22,200
<b>EXPENDITURES:</b>				
Capital outlay	416,561	416,561	90,140	326,421
Total expenditures	416,561	416,561	90,140	326,421
Revenues over (under) expenditures	(412,423)	(412,423)	(63,802)	348,621
<b>FUND BALANCE, BEGINNING</b>	412,423	412,423	415,218	2,795
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	\$ 351,416	\$ 351,416

**CITY OF MT. ANGEL, OREGON**  
**SEWER OPERATIONS COMBINED**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**CHANGES IN FUND BALANCE (MODIFIED CASH BASIS)**  
**For the Fiscal Year Ended June 30, 2015**

	Sewer Utility Fund	Sewer Reserve Fund	Sewer Sludge Fund	Sewer SDC Fund	Total Sewer Operations
<b>REVENUES:</b>					
Grants	\$ 6,570	\$ -	\$ -	\$ -	\$ 6,570
Charges for services	711,711	-	-	12,800	724,511
Interest revenue	808	2,332	4,733	40	7,913
Total revenues	<u>719,089</u>	<u>2,332</u>	<u>4,733</u>	<u>12,840</u>	<u>738,994</u>
<b>EXPENDITURES:</b>					
Personnel service	273,452	-	-	-	273,452
Materials and service	87,589	-	-	-	87,589
Capital outlay	61,931	2,000	-	3,100	67,031
Total expenditures	<u>422,972</u>	<u>2,000</u>	<u>-</u>	<u>3,100</u>	<u>428,072</u>
Revenues over (under) expenditures	296,117	332	4,733	9,740	310,922
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	189,263	-	-	189,263
Transfers out	(263,059)	(10,000)	-	-	(273,059)
Total other financing sources (uses)	<u>(263,059)</u>	<u>179,263</u>	<u>-</u>	<u>-</u>	<u>(83,796)</u>
Net change in fund balance	33,058	179,595	4,733	9,740	227,126
<b>FUND BALANCE, BEGINNING</b>	<u>202,291</u>	<u>353,720</u>	<u>1,007,144</u>	<u>3,276</u>	<u>1,566,431</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ 235,349</u>	<u>\$ 533,315</u>	<u>\$ 1,011,877</u>	<u>\$ 13,016</u>	<u>\$ 1,793,557</u>

**CITY OF MT. ANGEL, OREGON**  
**SEWER UTILITY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE (MODIFIED CASH BASIS) - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Grants	\$ -	\$ -	\$ 6,570	\$ 6,570
Charges for services	730,000	730,000	711,711	(18,289)
Interest revenue	1,000	1,000	808	(192)
Total revenues	<u>731,000</u>	<u>731,000</u>	<u>719,089</u>	<u>(11,911)</u>
<b>EXPENDITURES:</b>				
Personnel service	288,480	288,480	273,452	15,028
Materials and service	107,190	107,190	87,589	19,601
Capital outlay	125,000	125,000	61,931	63,069
Contingency	58,500	58,500	-	58,500
Total expenditures	<u>579,170</u>	<u>579,170</u>	<u>422,972</u>	<u>156,198</u>
Revenues over (under) expenditures	151,830	151,830	296,117	144,287
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	<u>(264,294)</u>	<u>(264,294)</u>	<u>(263,059)</u>	<u>1,235</u>
Total other financing sources (uses)	<u>(264,294)</u>	<u>(264,294)</u>	<u>(263,059)</u>	<u>1,235</u>
Net change in fund balance	(112,464)	(112,464)	33,058	145,522
<b>FUND BALANCE, BEGINNING</b>	<u>112,464</u>	<u>112,464</u>	<u>202,291</u>	<u>89,827</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 235,349</u>	<u>\$ 235,349</u>

**CITY OF MT. ANGEL, OREGON**  
**SEWER UTILITY RESERVE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE (MODIFIED CASH BASIS) - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Interest revenue	\$ 1,000	\$ 1,000	\$ 2,332	\$ 1,332
Total revenues	1,000	1,000	2,332	1,332
<b>EXPENDITURES:</b>				
Capital outlay	533,686	533,686	2,000	531,686
Total expenditures	533,686	533,686	2,000	531,686
Revenues over (under) expenditures	(532,686)	(532,686)	332	533,018
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	189,263	189,263	189,263	-
Transfers out	(10,000)	(10,000)	(10,000)	-
Total other financing sources (uses)	179,263	179,263	179,263	-
Net change in fund balance	(353,423)	(353,423)	179,595	533,018
<b>FUND BALANCE, BEGINNING</b>	353,423	353,423	353,720	297
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	\$ 533,315	\$ 533,315

**CITY OF MT. ANGEL, OREGON**  
**SEWER SLUDGE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE (MODIFIED CASH BASIS) - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2015**

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	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Interest revenue	\$ 4,000	\$ 4,000	\$ 4,733	\$ 733
Total revenues	4,000	4,000	4,733	733
<b>EXPENDITURES:</b>				
Capital outlay	1,009,906	1,009,906	-	1,009,906
Total expenditures	1,009,906	1,009,906	-	1,009,906
Net changes in fund balances	(1,005,906)	(1,005,906)	4,733	1,010,639
<b>FUND BALANCE, BEGINNING</b>	1,005,906	1,005,906	1,007,144	1,238
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	\$ 1,011,877	\$ 1,011,877

**CITY OF MT. ANGEL, OREGON**  
**SEWER SDC FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE (MODIFIED CASH BASIS) - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2015**

---

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 1,250	\$ 1,250	\$ 12,800	\$ 11,550
Interest revenue	6	6	40	34
	<u>1,256</u>	<u>1,256</u>	<u>12,840</u>	<u>11,584</u>
<b>EXPENDITURES:</b>				
Capital outlay	3,220	3,220	3,100	120
	<u>3,220</u>	<u>3,220</u>	<u>3,100</u>	<u>120</u>
Net changes in fund balances	(1,964)	(1,964)	9,740	11,704
<b>FUND BALANCE, BEGINNING</b>	<u>1,964</u>	<u>1,964</u>	<u>3,276</u>	<u>1,312</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,016</u>	<u>\$ 13,016</u>

**CITY OF MT. ANGEL, OREGON**  
**STORM OPERATIONS COMBINED**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**CHANGES IN FUND BALANCE (MODIFIED CASH BASIS)**  
**For the Fiscal Year Ended June 30, 2015**

	Storm SDC Fund	Stormwater Fund	Total Storm Operations
<b>REVENUES:</b>			
Charges for services	\$ 1,056	\$ -	\$ 1,056
Interest revenue	94	3	97
Total revenues	<u>1,150</u>	<u>3</u>	<u>1,153</u>
<b>EXPENDITURES:</b>			
Capital outlay	<u>8,267</u>	<u>-</u>	<u>8,267</u>
Total expenditures	<u>8,267</u>	<u>-</u>	<u>8,267</u>
Revenues over (under) expenditures	(7,117)	3	(7,114)
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	<u>-</u>	<u>1,000</u>	<u>1,000</u>
Total other financing sources (uses)	<u>-</u>	<u>1,000</u>	<u>1,000</u>
Net change in fund balance	(7,117)	1,003	(6,114)
<b>FUND BALANCE, BEGINNING</b>	<u>19,856</u>	<u>-</u>	<u>19,856</u>
<b>FUND BALANCE, ENDING</b>	<u><u>\$ 12,739</u></u>	<u><u>\$ 1,003</u></u>	<u><u>\$ 13,742</u></u>

**CITY OF MT. ANGEL, OREGON**  
**STORM SDC FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE (MODIFIED CASH BASIS) - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2015**

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	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 96	\$ 96	\$ 1,056	\$ 960
Interest revenue	100	100	94	(6)
Total revenues	196	196	1,150	954
<b>EXPENDITURES:</b>				
Capital outlay	19,853	19,853	8,267	11,586
Total expenditures	19,853	19,853	8,267	11,586
Net change in fund balance	(19,657)	(19,657)	(7,117)	12,540
<b>FUND BALANCE, BEGINNING</b>	19,657	19,657	19,856	199
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	\$ 12,739	\$ 12,739

**CITY OF MT. ANGEL, OREGON**  
**STORMWATER FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE (MODIFIED CASH BASIS) - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2015**

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	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Interest revenue	\$ 5	\$ 5	\$ 3	\$ (2)
Total revenues	5	5	3	(2)
<b>EXPENDITURES:</b>				
Capital outlay	1,005	1,005	-	1,005
Total expenditures	1,005	1,005	-	1,005
Revenues over (under) expenditures	(1,000)	(1,000)	3	1,003
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,000	1,000	1,000	-
Total other financing sources (uses)	1,000	1,000	1,000	-
Net change in fund balance	-	-	1,003	1,003
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	-	-	-	-
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,003</u>	<u>\$ 1,003</u>

**INDEPENDENT AUDITOR'S REPORT REQUIRED  
BY OREGON STATE REGULATION**

**INDEPENDENT AUDITOR'S REPORT  
REQUIRED BY OREGON STATE REGULATION**

We have audited the basic financial statements of the City of Mt. Angel, Oregon, as of and for the year ended June 30, 2015 and have issued our report thereon dated December 3, 2015. 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 the 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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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:

- Deposits of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions, and repayments.
- 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, and 279C).
- Accountability for collecting or receiving money by elected officials. The City does not have any elected officials collecting or receiving money.

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

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected 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.

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

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



Merina & Company, LLP  
West Linn, Oregon  
December 3, 2015