

***CITY OF AMITY, OREGON
ANNUAL FINANCIAL REPORT
Year Ended June 30, 2008***

CITY OF AMITY, OREGON
CITY OFFICIALS
JUNE 30, 2008

MAYOR

Michael Cape
P.O. Box 159
Amity, Oregon 97101

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c/o P.O. Box 159
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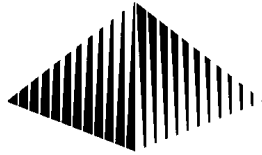
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FINANCIAL SECTION



GROVE, MUELLER & SWANK, P.C.

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

INDEPENDENT AUDITOR'S REPORT

The Honorable Michael Cape, Mayor
and Members of the City Council
City of Amity, Oregon

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund and aggregate remaining fund information of the City of Amity, Oregon, as of June 30, 2008, and for the year then ended, which collectively comprise the City's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

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


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

In our opinion, except for the matters discussed above, the financial statements referred to above, present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and aggregate remaining fund information of the City of Amity, Oregon, as of June 30, 2008, and the respective changes in financial position thereof for the year then ended in conformity with the basis of accounting described in the summary of significant accounting policies in the notes to the financial statements.

Management's discussion and analysis is not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures that consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Amity's basic financial statements. The schedule of receipts, disbursements and changes in fund balance - budget and actual - for the General Fund and the Street Fund and other supplementary information listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole, on the basis of accounting described in the notes to the financial statements.

GROVE, MUELLER & SWANK, PC
CERTIFIED PUBLIC ACCOUNTANTS

By: 
Charles A. Swank, A Shareholder
October 5, 2009

CITY OF AMITY, OREGON

Management's Discussion and Analysis June 30, 2008

As management of the City of Amity, we offer readers of the financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2008.

Financial Highlights

	June 30,	
	2008	2007
Net assets	\$ 6,782,859	\$ 6,580,862
Change in net assets	201,997	420,226
Governmental fund balances	311,924	286,473
Change in governmental fund balances	25,451	44,702
Proprietary fund balances	402,959	345,452
Change in proprietary fund balances	57,507	117,835

Overview of the Financial Statements

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

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

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

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

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

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

Governmental funds. The *governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful in obtaining an understanding of each fund's activity.

Proprietary funds. The City of Amity 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.

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* and *other supplemental information*.

Government-wide Financial Analysis

Statement of Net Assets. The Statement of Net Assets (modified cash basis) is provided on a comparative basis. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Amity, assets exceeded liabilities by \$6,782,859 as of June 30, 2008. Overall, the financial position of the City improved.

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

	2008			2007		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Cash and investments	\$ 316,642	\$ 402,959	\$ 719,601	\$ 288,396	\$ 345,452	\$ 633,848
Receivables	13,351	-	13,351	10,716	-	10,716
Capital assets	813,393	8,340,635	9,154,028	811,792	8,338,635	9,150,427
Total assets	1,143,386	8,743,594	9,886,980	1,110,904	8,684,087	9,794,991
Other liabilities	18,069	-	18,069	12,639	-	12,639
Long-term debt	-	3,086,052	3,086,052	-	3,201,490	3,201,490
Total liabilities	18,069	3,086,052	3,104,121	12,639	3,201,490	3,214,129
Net assets:						
Invested in capital assets, net of related debt	813,393	5,254,583	6,067,976	811,792	5,137,145	5,948,937
Restricted	153,179	150,353	303,532	153,066	134,040	287,106
Unrestricted	158,745	252,606	411,351	133,407	211,412	344,819
Total Net Assets	\$ 1,125,317	\$ 5,657,542	\$ 6,782,859	\$ 1,098,265	\$ 5,482,597	\$ 6,580,862

Statement of Activities (Modified Cash Basis). The key elements of the change in the City's net assets for the year ended June 30, 2008 are as follows:

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Financial Analysis of the City of Amity's Government Funds

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

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

General Fund Budget

There were no changes to the General fund budget during the year.

Significant Fund Transactions

The Street fund had a deficit of receipts over disbursements due to budgeted disbursements in excess of budgeted receipts during the current year.

Capital Assets

At June 30, 2008, the City had approximately \$9.15 million invested in a broad range of capital assets, including land, buildings and improvements, equipment, roads, water and sewer lines. There were minimal additions to capital assets.

Additional information on the City of Amity's capital assets can be found in the notes to the basic financial statements of this report.

Debt Administration

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of \$3,086,052.

During the current fiscal year, the City's total debt decreased by \$115,438 due to debt payments made.

State statutes limit the amount of general obligation debt a governmental entity may issue to 3 percent of its total assessed valuation. The assessed valuation of the City of Amity is \$70,085,857, therefore, the current debt limitation for the City of Amity is \$2,102,576. The City had no outstanding general obligation debt.

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

Economic Factors and the Next Year's Budget

The City of Amity's Budget Committee considered all the following factors while preparing the City budget for the 2008-09 fiscal year:

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

Requests for Information

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

City Recorder
City of Amity
P. O. Box 159
Amity, Oregon 97101

BASIC FINANCIAL STATEMENTS

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

	<i>Governmental Activities</i>	<i>Business-type Activities</i>	<i>Totals</i>
<i>ASSETS</i>			
Cash and investments	\$ 316,642	\$ 402,959	\$ 719,601
Property taxes receivable	13,351	-	13,351
Capital assets	813,393	8,340,635	9,154,028
<i>Total Assets</i>	<u>1,143,386</u>	<u>8,743,594</u>	<u>9,886,980</u>
<i>LIABILITIES</i>			
Payroll withholdings payable	4,718	-	4,718
Deferred revenue	13,351	-	13,351
Noncurrent liabilities:			
Due within one year:			
Loans payable	-	101,869	101,869
Bonds payable	-	12,635	12,635
Due in more than one year:			
Loans payable	-	2,913,354	2,913,354
Bonds payable	-	58,194	58,194
<i>Total Liabilities</i>	<u>18,069</u>	<u>3,086,052</u>	<u>3,104,121</u>
<i>NET ASSETS</i>			
Investment in capital assets (net of related debt)	813,393	5,254,583	6,067,976
Fund net assets			
Restricted for construction	153,179	150,353	303,532
Unrestricted	158,745	252,606	411,351
<i>Total Fund Net Assets</i>	<u>311,924</u>	<u>402,959</u>	<u>714,883</u>
<i>Total Net Assets</i>	<u>\$ 1,125,317</u>	<u>\$ 5,657,542</u>	<u>\$ 6,782,859</u>

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

CITY OF AMITY, OREGON**STATEMENT OF ACTIVITIES (MODIFIED CASH BASIS)****YEAR ENDED JUNE 30, 2008**

		Program Receipts		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
	Disbursements			
FUNCTIONS/PROGRAMS				
Governmental activities:				
General government	\$ 139,788	\$ 5,790	\$ 4,610	\$ -
Community development	37,623	25,876	-	-
Street	96,135	-	64,742	12,300
Parks	11,278	700	-	2,429
Library	16,863	-	-	-
Public safety	187,655	39,510	11,575	-
<i>Total governmental activities</i>	<u>489,342</u>	<u>71,876</u>	<u>80,927</u>	<u>14,729</u>
Business-type activities:				
Sewer	377,930	354,314	-	8,240
Water	282,153	322,952	-	12,800
<i>Total business-type activities</i>	<u>660,083</u>	<u>677,266</u>	<u>-</u>	<u>21,040</u>
<i>Total activities</i>	<u>\$ 1,149,425</u>	<u>\$ 749,142</u>	<u>\$ 80,927</u>	<u>\$ 35,769</u>
General receipts:				
Property taxes				
Franchise fees				
Intergovernmental				
Miscellaneous				
<i>Total general receipts</i>				
Change in fund net assets				
Fund net assets, July 1, 2007				
Fund net assets, June 30, 2008				
Capital assets, net				
Long-term debt				
Net assets				

***Net (Disbursements) Receipts and
Changes in Unrestricted Net Assets***

<i>Governmental Activities</i>	<i>Business-type Activities</i>	<i>Totals</i>
\$ (129,388)	\$ -	\$ (129,388)
(11,747)	-	(11,747)
(19,093)	-	(19,093)
(8,149)	-	(8,149)
(16,863)	-	(16,863)
(136,570)	-	(136,570)
<hr/>	<hr/>	<hr/>
(321,810)	-	(321,810)
<hr/>	<hr/>	<hr/>
-	(15,376)	(15,376)
-	53,599	53,599
<hr/>	<hr/>	<hr/>
-	38,223	38,223
<hr/>	<hr/>	<hr/>
(321,810)	38,223	(283,587)
195,079	-	195,079
92,692	-	92,692
31,739	-	31,739
27,751	19,284	47,035
<hr/>	<hr/>	<hr/>
347,261	19,284	366,545
<hr/>	<hr/>	<hr/>
25,451	57,507	82,958
286,473	345,452	631,925
<hr/>	<hr/>	<hr/>
311,924	402,959	714,883
813,393	8,340,635	9,154,028
-	(3,086,052)	(3,086,052)
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\$ 1,125,317	\$ 5,657,542	\$ 6,782,859
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The accompanying notes are an integral part of the financial statements.

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

JUNE 30, 2008

	<i>General</i>	<i>Street</i>	<i>Other Governmental Funds</i>	<i>Totals</i>
<i>ASSETS</i>				
Cash and investments	\$ 142,311	\$ 50,870	\$ 123,461	\$ 316,642
Property taxes receivable	13,351	-	-	13,351
<i>Total Assets</i>	<u>\$ 155,662</u>	<u>\$ 50,870</u>	<u>\$ 123,461</u>	<u>\$ 329,993</u>
<i>LIABILITIES AND FUND BALANCES</i>				
<i>Liabilities</i>				
Payroll withholdings payable	\$ 4,718	-	\$ -	\$ 4,718
Deferred revenue	13,351	-	-	13,351
<i>Total Liabilities</i>	18,069	-	-	18,069
<i>Fund Balances</i>				
Unreserved, reported in:				
General fund	137,593	-	-	137,593
Special revenue funds	-	50,870	123,461	174,331
<i>Total Fund Balances</i>	<u>137,593</u>	<u>50,870</u>	<u>123,461</u>	<u>311,924</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 155,662</u>	<u>\$ 50,870</u>	<u>\$ 123,461</u>	<u>\$ 329,993</u>

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

CITY OF AMITY, OREGON**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES -
(MODIFIED CASH BASIS) - GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2008**

	<i>General</i>	<i>Street</i>	<i>Other Governmental Funds</i>	<i>Totals</i>
RECEIPTS				
Taxes and assessments	\$ 195,079	\$ -	\$ -	\$ 195,079
Licenses and permits	99,182	-	40,605	139,787
Intergovernmental	45,115	64,742	-	109,857
Fines and forfeitures	33,935	-	-	33,935
Miscellaneous	29,773	2,481	3,881	36,135
<i>Total Receipts</i>	403,084	67,223	44,486	514,793
DISBURSEMENTS				
Personal services	223,091	41,705	2,180	266,976
Materials and services	145,927	37,677	20,231	203,835
Capital outlay	726	875	16,930	18,531
<i>Total Disbursements</i>	369,744	80,257	39,341	489,342
RECEIPTS OVER (UNDER) DISBURSEMENTS	33,340	(13,034)	5,145	25,451
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	6,800	6,800
Transfers out	(2,800)	(4,000)	-	(6,800)
<i>Total Other Financing Sources (Uses)</i>	(2,800)	(4,000)	6,800	-
NET CHANGE IN FUND BALANCES	30,540	(17,034)	11,945	25,451
FUND BALANCES, Beginning of year	107,053	67,904	111,516	286,473
FUND BALANCES, End of year	\$ 137,593	\$ 50,870	\$ 123,461	\$ 311,924

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

CITY OF AMITY, OREGON**STATEMENT OF ASSETS AND LIABILITIES (MODIFIED CASH BASIS) - ENTERPRISE FUNDS****JUNE 30, 2008**

	<i>Sewer</i>	<i>Water</i>	<i>Sewer Bond</i>
<i>ASSETS</i>			
Cash and investments	\$ 6,567	\$ 113,541	\$ 2,065
Capital assets	3,906,847	4,433,788	-
<i>Total Assets</i>	<i>\$ 3,913,414</i>	<i>\$ 4,547,329</i>	<i>\$ 2,065</i>
<i>LIABILITIES AND NET ASSETS</i>			
<i>Liabilities</i>			
Noncurrent liabilities:			
Due within one year:			
Loans payable	\$ 60,540	\$ 41,329	\$ -
Bonds payable		12,635	-
Due in more than one year:			
Loans payable	1,787,410	1,125,944	-
Bonds payable	-	58,194	-
<i>Total Liabilities</i>	<i>1,847,950</i>	<i>1,238,102</i>	<i>-</i>
<i>Net Assets</i>			
Investment in capital assets (net of related debt)	2,058,897	3,195,686	-
Fund net assets			
Restricted for construction	-	-	-
Unrestricted	6,567	113,541	2,065
<i>Total Net Assets</i>	<i>2,065,464</i>	<i>3,309,227</i>	<i>2,065</i>
<i>Total Liabilities and Net Assets</i>	<i>\$ 3,913,414</i>	<i>\$ 4,547,329</i>	<i>\$ 2,065</i>

<i>Water Bond</i>	<i>Other Enterprise Funds</i>	<i>Totals</i>
\$ 15,935	\$ 264,851	\$ 402,959
-	-	8,340,635
\$ 15,935	\$ 264,851	\$ 8,743,594
\$ -	\$ -	\$ 101,869
-	-	12,635
-	-	2,913,354
-	-	58,194
-	-	3,086,052
-	-	5,254,583
-	150,353	150,353
15,935	114,498	252,606
15,935	264,851	5,657,542
\$ 15,935	\$ 264,851	\$ 8,743,594

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

CITY OF AMITY, OREGON**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND NET ASSETS****(MODIFIED CASH BASIS) - ENTERPRISE FUNDS****YEAR ENDED JUNE 30, 2008**

	<i>Sewer</i>	<i>Water</i>	<i>Sewer Bond</i>
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RECEIPTS			
Licenses and permits	\$ -	\$ -	\$ -
Charges for services	322,953	330,008	-
Miscellaneous	1,533	9,823	-
	<hr/>	<hr/>	<hr/>
<i>Total Receipts</i>	324,486	339,831	-
DISBURSEMENTS			
Personal services	82,325	92,140	-
Materials and services	113,033	116,755	-
Capital outlay	24,099	-	-
Debt service	-	-	142,623
	<hr/>	<hr/>	<hr/>
<i>Total Disbursements</i>	219,457	208,895	142,623
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RECEIPTS OVER (UNDER) DISBURSEMENTS	105,029	130,936	(142,623)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	142,570
Transfers out	(142,570)	(71,931)	-
	<hr/>	<hr/>	<hr/>
<i>Total Other Financing Sources (Uses)</i>	(142,570)	(71,931)	142,570
	<hr/>	<hr/>	<hr/>
CHANGE IN FUND NET ASSETS	(37,541)	59,005	(53)
FUND NET ASSETS, Beginning of year	44,108	54,536	2,118
	<hr/>	<hr/>	<hr/>
FUND NET ASSETS, End of year	\$ 6,567	\$ 113,541	\$ 2,065
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<i>Water Bond</i>	<i>Other Enterprise Funds</i>	<i>Totals</i>
\$ -	\$ 21,040	\$ 21,040
-	23,726	676,687
529	7,978	19,863
529	52,744	717,590
-	-	174,465
-	-	229,788
-	20,369	44,468
68,739	-	211,362
68,739	20,369	660,083
(68,210)	32,375	57,507
68,931	3,000	214,501
-	-	(214,501)
68,931	3,000	-
721	35,375	57,507
15,214	229,476	345,452
\$ 15,935	\$ 264,851	\$ 402,959

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

City of Amity, Oregon (the "City") is governed by an elected mayor and six council members who comprise the City Council. The City provides various services as authorized by its charter, including water and sewer utilities.

There are certain governmental agencies and various service entities 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 basic financial statements.

Basic Financial Statements

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

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

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

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

Fund financial statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, proprietary, or fiduciary. Currently, the City has governmental fund types (general and special revenue) and proprietary type funds (enterprise). Major individual governmental and 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, reserves, fund equity, receipts and disbursements. The various funds are reported by generic classification within the financial statements.

CITY OF AMITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2008

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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

The City reports the following major governmental funds:

General Fund

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

Street Fund

This fund accounts for street maintenance and improvements. Primary source of receipts are from motor vehicle fuel taxes and disbursements are for street maintenance and improvements.

The City reports the following nonmajor governmental funds:

Building Permits Fund

This fund accounts for building permits revenue. Principal receipts are from building permits revenue received and primary disbursements are for building inspection services.

911 Fund

This fund accounts for 911 revenue. Principal receipts are from 911 revenue received and transfers in. Primary disbursements are for dispatch services.

Police Equipment Fund

This fund accounts for money set aside for police equipment. Principal receipts are from transfers in and primary disbursements are for police equipment.

Sidewalk Reserve Fund

This fund accounts for money set aside for sidewalk repairs. Principal receipts are from transfers in and primary disbursements are for sidewalk repairs and improvements.

Street Reserve Fund

This fund accounts for money set aside for street repairs. Principal receipts are from transfers in and primary disbursements are for street repairs and improvements.

Storm SDC Fund

This fund accounts for system development changes designated for storm drainage.

Parks SDC Fund

This fund accounts for system development changes designated for parks.

CITY OF AMITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2008

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Street SDC Fund

This fund accounts for system development changes designated for streets.

The City reports the following major proprietary funds. These funds are used to account for the acquisition, operation, and maintenance of the sewer and water systems. These funds are entirely or predominantly self-supported through user charges to customers.

Sewer Fund

This fund accounts for the operation of the City's sewer system.

Water Fund

This fund accounts for the operation of the City's water system.

Water Bond Fund

This fund accounts for water debt service activity. Principal receipts are from transfers in and primary disbursements are for water debt service.

Sewer Bond Fund

This fund accounts for sewer debt service activity. Principal receipts are from transfers in and primary disbursements are for sewer debt service.

The City reports the following proprietary funds as nonmajor:

Sewer SDC Fund

This fund accounts for the collection and use of Sewer SDC charges. Principal receipts are from SDC charges collected and primary disbursements are for system development.

Waterline Replacement Fund

This fund accounts for money set aside for future uses. Principal receipts are from transfers in and primary disbursements are for water line replacement.

Sewer Reserve Fund

This fund accounts for money set aside for future uses. Principal receipts are from transfers in and primary disbursements are for capital outlay.

Water Reserve Fund

This fund accounts for money set aside for future purposes. Principal receipts are from transfers in and primary disbursements are for capital outlay.

Water SDC Fund

This fund accounts for the collection and use of Water SDC revenue. Principal receipts are from SDC charges collected and primary disbursements are for system development.

CITY OF AMITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2008

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting

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

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

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

Cash and Investments

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

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

Investments are stated at cost, which approximates fair value.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect reporting amounts of certain assets, liabilities, receipts and disbursements as of and for the year ended June 30, 2008. Actual results may differ from such estimates.

CITY OF AMITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2008

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables and Deferred Revenues

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

Property tax receivables are offset by deferred revenue and, accordingly, have not been recorded as revenues.

Long-Term Debt

In the government-wide financial statements long-term debt is reported as a liability. Payment of principal and interest is charged to expenditures when paid. The backhoe lease and truck note are reported as business-type long-term debt. Repayments are made from the Sewer and Water funds.

Capital Assets

Capital assets (items costing more than \$500 and lasting more than one year) are reported in the applicable governmental or business-type activities of the government-wide financial statements. In the fund statements, capital assets are charged as expenditures as purchased. Capital assets are recorded at cost or estimated historical cost where records are available. Donated assets are recorded at estimated market value at date of donation. Maintenance and repairs are expensed as incurred. Replacements which improve or extend the lives of property are capitalized. Depreciation is not recorded. Interest is not capitalized as a cost of construction of capital assets.

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

Accrued Compensated Absences

Accumulated unpaid vacation pay is not accrued. Earned but unpaid sick pay is recorded as an expenditure when paid. The amount payable for accumulated unpaid vacation and earned but unpaid sick pay at June 30, 2008 was not available.

Budgets and Budgetary Accounting

The City adopts the budget on an object basis. Therefore, cash disbursements of a fund may not legally exceed that fund's appropriations for specific objects. The City Council may amend the budget to expend unforeseen receipts by supplemental appropriations. All supplemental appropriations are included in the budget comparison statements. Appropriations lapse at year-end and may not be carried over. The City does not use encumbrance accounting.

Use of Restricted Assets

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

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

CASH AND INVESTMENTS

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

Cash

Cash on hand	\$	400
Deposits with financial institutions		322,464

Investments

Local Government Investment Pool		396,737
		<hr/>
	\$	719,601
		<hr/>

Deposits

At year end, the book balance of the City's bank deposits (checking accounts) is \$322,464 and the bank balance is \$353,416. The difference is due to transactions in process. Deposits are secured to legal limits by federal deposit insurance. The balance in excess of FDIC insurance limits was not collateralized.

Custodial Risk - Deposits

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

Investments

The State Treasurer of the State of Oregon maintains the Oregon Short-Term Fund, of which the Local Government Investment Pool is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. The Oregon Short-Term Fund is the LGIP for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). At June 30, 2008, the fair value of the position in the Oregon State Treasurer's Short-Term Investment Pool was approximately equal to the value of the pool shares. The investment in the Oregon Short-Term Fund is not subject to risk evaluation. LGIP is not rated for credit quality. Separate financial statements for the Oregon Short-Term Fund are available from the Oregon State Treasurer.

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

CASH AND INVESTMENTS (Continued)*Interest Rate Risk*

In accordance with its investment policy, the City manages its exposure to declines in fair value of its investments by limiting its investments to the LGIP.

Custodial Risk - Investments

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

CAPITAL ASSETS

The summary of capital assets for the governmental activities for the year ended June 30, 2008 is as follows:

	<i>Balances July 1, 2007</i>	<i>Additions</i>	<i>Retirements</i>	<i>Balances June 30, 2008</i>
Land and buildings	\$ 293,544	\$ -	\$ -	\$ 293,544
Equipment	518,248	1,601	-	519,849
	<u>\$ 811,792</u>	<u>\$ 1,601</u>	<u>\$ -</u>	<u>\$ 813,393</u>

CITY OF AMITY, OREGON**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2008****CAPITAL ASSETS (Continued)**

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

	<i>Balances July 1, 2007</i>	<i>Additions</i>	<i>Retirements</i>	<i>Balances June 30, 2008</i>
Plant, Property and Equipment				
Sewer Fund	\$ 3,904,847	\$ 2,000	\$ -	\$ 3,906,847
Water Fund	4,433,788	-	-	4,433,788
	<u>\$ 8,338,635</u>	<u>\$ 2,000</u>	<u>\$ -</u>	<u>\$ 8,340,635</u>

Information to distinguish depreciable from non-depreciable capital assets was not available.

LONG-TERM DEBT

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

	<i>Original Issue</i>	<i>Balance July 1, 2007</i>	<i>Issued</i>
Water system revenue bonds, series 1970 due in annual installments of \$4,407 including interest at 5.0% through 2010	\$ 75,000	\$ 10,941	\$ -
Water system revenue bonds, series 1974 due in annual installments of \$2,964 including interest at 5.0% through 2014	50,000	17,719	-
Water system revenue bonds, series 1975 due in annual installments of \$4,742 including interest at 5.0% through 2015	80,000	30,218	-
Water system revenue bonds, series 1975 due in annual installments of \$4,150 including interest at 5.0% through 2015	70,000	26,236	-
State Revolving Fund, due in annual installments of \$53,011 including interest at 1.0%	1,368,084	1,208,193	-
State Revolving Fund, wastewater improvement project due in annual installments of \$150,000 to \$145,000 including interest from 3.0% to 5.0%.	2,131,220	1,908,183	-
		<u>\$ 3,201,490</u>	<u>\$ -</u>

CITY OF AMITY, OREGON**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2008****LONG-TERM DEBT (Continued)**

Future maturities of unmatured principal and interest for the fiscal years ending June 30 are as follows.

Year	Total	
	Principal	Interest
2008-09	\$ 114,504	\$ 95,884
2009-10	119,330	93,099
2010-11	117,831	89,835
2011-12	119,120	86,621
2012-13	125,459	83,302
2013-2018	771,729	420,215
2019-2024	752,812	227,025
2025-2029	758,455	79,823
2030-2033	206,812	5,231
Totals	<u>\$ 3,086,052</u>	<u>\$ 1,181,035</u>

PENSION PLAN*Plan Description*

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

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

Funding Status

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

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

PENSION PLAN (Continued)

The City is required by statute to contribute actuarially computed amounts as determined by OPERS. OPERS completes an actuarial valuation as of December 31 of odd numbered years for new rates to be implemented July 1 of the next odd numbered year. Rates are subject to change as a result of subsequent actuarial valuations and the proportion of the system that is funded for each local government employer. For rate changes implemented July 1, 2005, the PERB voted to phase in the rate changes for PERS (for most employers a rate increase). On July 1, 2007 the City's rate decreased to 7.66% for Tier 1/Tier 2, 6.82% for OPSRP General Service, and 10.09% for OPSRP Police and Fire percent based on the 2005 valuation.

Annual Pension Cost

The City's contributions to PERS for the fiscal years ending June 30, 2006, 2007, and 2008 were \$59,934, \$44,423, and \$35,031, respectively, which equaled the required contribution for the year.

ENTERPRISE FUND DISCLOSURES

The following disclosures of certain information concerning individual funds is required by accounting principles generally accepted in the United States of America as part of the basic financial statements.

The City maintains ten Enterprise Funds which provide sewer and water services. Segment information for fiscal year 2008 was as follows:

	<u><i>Sewer</i></u>	<u><i>Water</i></u>	<u><i>Total</i></u>
Receipts	\$ 342,096	\$ 375,494	\$ 717,590
Disbursements	377,930	282,153	660,083
Excess (deficiency) of receipts over disbursements	(35,834)	93,341	57,507
Total assets	4,055,586	4,688,008	8,743,594
Total liabilities	-	58,194	58,194
Total net assets	2,207,636	3,449,906	5,657,542

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

TRANSFERS

	<u><i>Transfers in</i></u>	<u><i>Transfers out</i></u>
General	\$ -	\$ 2,800
Street	-	4,000
Police Equipment	2,800	-
Sidewalk Reserve	2,000	-
Street Reserve	2,000	-
Water	-	71,931
Water Bond	68,931	-
Water Reserve	3,000	-
Sewer	-	142,570
Sewer Bond	142,570	-
	<u>\$ 221,301</u>	<u>\$ 221,301</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

OVER-EXPENDITURE OF APPROPRIATIONS AND DEFICIT FUND BALANCES

The City had the following appropriation over-expenditures during the year:

<i>Fund</i>	<i>Category</i>	<i>Amount</i>
Building Permit	Personal services	\$ 1,834
	Materials and services	8,831
Street	Personal services	1,516
Water	Materials and services	3,355
Sewer	Capital outlay	21,599

CITY OF AMITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2008

GASB PRONOUNCEMENTS ISSUED, NOT YET IN EFFECT

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have future effective dates that may impact future financial presentations.

Management has not currently determined what, if any, impact implementation of the following statements may have on future financial statements.

GASB Statement No. 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", issued June 30, 2004, will be effective for the City beginning with its year ending June 30, 2010. This Statement establishes standards for measurement, recognition, and display of other postemployment benefits, expenses, and related liabilities or assets, note disclosures, and if applicable, required supplementary information in the financial reports.

GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions", issued February, 2009 will be effective for the City Beginning with its fiscal year ending June 30, 2011. The Statement establishes new classifications for fund equity and new definitions for governmental fund types.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF AMITY, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES (CASH BASIS) -****BUDGET AND ACTUAL - GENERAL FUND****YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts			
	Original	Final	Actual	Variance
RECEIPTS				
Taxes and assessments	\$ 190,148	\$ 190,148	\$ 195,079	\$ 4,931
Licenses and permits	95,450	95,450	99,182	3,732
Intergovernmental	38,600	40,000	45,115	5,115
Fines and forfeitures	33,000	33,000	33,935	935
Miscellaneous	14,500	14,500	29,773	15,273
<i>Total Receipts</i>	371,698	373,098	403,084	29,986
DISBURSEMENTS				
Personal services	226,077	226,077	223,091	2,986
Materials and services	147,918	151,868	145,927	5,941
Capital outlay	1,700	1,700	726	974
Contingency	5,300	2,750	-	2,750
<i>Total Disbursements</i>	380,995	382,395	369,744	12,651
RECEIPTS OVER (UNDER) DISBURSEMENTS	(9,297)	(9,297)	33,340	42,637
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,800)	(2,800)	(2,800)	-
NET CHANGE IN FUND BALANCE	(12,097)	(12,097)	30,540	42,637
FUND BALANCE, Beginning of year	48,075	48,075	107,053	58,978
FUND BALANCE, End of year	\$ 35,978	\$ 35,978	\$ 137,593	\$ 101,615

CITY OF AMITY, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -****BUDGET AND ACTUAL - STREET FUND****YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts			
	Original	Final	Actual	Variance
RECEIPTS				
Intergovernmental	\$ 93,000	\$ 93,000	\$ 64,742	\$ (28,258)
Miscellaneous	300	300	2,481	2,181
<i>Total Receipts</i>	93,300	93,300	67,223	(26,077)
DISBURSEMENTS				
Personal services	40,189	40,189	41,705	(1,516)
Materials and services	48,500	51,700	37,677	14,023
Capital outlay	26,100	26,100	875	25,225
Contingency	10,000	6,800	-	6,800
<i>Total Disbursements</i>	124,789	124,789	80,257	44,532
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(31,489)	(31,489)	(13,034)	18,455
OTHER FINANCING SOURCES (USES)				
Transfers out	(4,000)	(4,000)	(4,000)	-
NET CHANGE IN FUND BALANCE	(35,489)	(35,489)	(17,034)	18,455
FUND BALANCE, Beginning of year	46,000	46,000	67,904	21,904
FUND BALANCE, End of year	\$ 10,511	\$ 10,511	\$ 50,870	\$ 40,359

OTHER SUPPLEMENTARY INFORMATION

CITY OF AMITY, OREGON

COMBINING STATEMENT OF ASSETS AND LIABILITIES (MODIFIED CASH BASIS) -
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008

	<u><i>Building Permits</i></u>	<u><i>911</i></u>	<u><i>Police Equipment Reserve</i></u>
<i>ASSETS</i>			
Cash and investments	\$ 3,465	\$ 418	\$ 17,269
	<u> </u>	<u> </u>	<u> </u>
<i>LIABILITIES AND FUND BALANCES</i>			
<i>Liabilities</i>	\$ -	\$ -	\$ -
<i>Fund Balances (Deficit)</i>			
Unreserved, reported in:			
Special revenue funds	3,465	418	17,269
	<u> </u>	<u> </u>	<u> </u>
<i>Total Liabilities and Fund Balances</i>	\$ 3,465	\$ 418	\$ 17,269
	<u> </u>	<u> </u>	<u> </u>

<i>Sidewalk Reserve</i>	<i>Storm SDC</i>	<i>Parks SDC</i>	<i>Street SDC</i>	<i>Totals</i>
<u>\$ 15,368</u>	<u>\$ 27,913</u>	<u>\$ 16,075</u>	<u>\$ 42,953</u>	<u>\$ 123,461</u>
\$ -	\$ -	\$ -	\$ -	\$ -
<u>15,368</u>	<u>27,913</u>	<u>16,075</u>	<u>42,953</u>	<u>123,461</u>
<u>\$ 15,368</u>	<u>\$ 27,913</u>	<u>\$ 16,075</u>	<u>\$ 42,953</u>	<u>\$ 123,461</u>

CITY OF AMITY, OREGON**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE****(MODIFIED CASH BASIS) - NONMAJOR GOVERNMENTAL FUNDS****YEAR ENDED JUNE 30, 2008**

	<i>Building Permits</i>	<i>911</i>	<i>Police Equipment Reserve</i>
	<hr/>	<hr/>	<hr/>
<i>RECEIPTS</i>			
Licenses and permits	\$ 25,876	\$ -	\$ -
Miscellaneous	-	-	486
	<hr/>	<hr/>	<hr/>
<i>Total Receipts</i>	25,876	-	486
<i>DISBURSEMENTS</i>			
Personal services	2,180	-	-
Materials and services	20,231	-	-
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Disbursements</i>	22,411	-	-
	<hr/>	<hr/>	<hr/>
<i>RECEIPTS OVER (UNDER) DISBURSEMENTS</i>	3,465	-	486
<i>OTHER FINANCING SOURCES (USES)</i>			
Transfers in	-	-	2,800
	<hr/>	<hr/>	<hr/>
<i>NET CHANGE IN FUND BALANCES</i>	3,465	-	3,286
<i>FUND BALANCES (Deficit), Beginning of year</i>	-	418	13,983
	<hr/>	<hr/>	<hr/>
<i>FUND BALANCES, End of year</i>	\$ 3,465	\$ 418	\$ 17,269
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

<i>Sidewalk Reserve</i>	<i>Street Reserve</i>	<i>Storm SDC</i>	<i>Parks SDC</i>	<i>Street SDC</i>	<i>Totals</i>
\$ - 449	\$ - -	\$ 8,240 852	\$ 2,429 493	4,060 1,601	\$ 40,605 3,881
449	-	9,092	2,922	5,661	44,486
-	-	-	-	-	2,180
-	-	-	-	-	20,231
-	1,452	5,673	1,052	8,753	16,930
-	1,452	5,673	1,052	8,753	39,341
449	(1,452)	3,419	1,870	(3,092)	5,145
2,000	2,000	-	-	-	6,800
2,449	548	3,419	1,870	(3,092)	11,945
12,919	(548)	24,494	14,205	46,045	111,516
\$ 15,368	\$ -	\$ 27,913	\$ 16,075	\$ 42,953	\$ 123,461

CITY OF AMITY, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE****(MODIFIED CASH BASIS) - BUDGET AND ACTUAL – BUILDING PERMITS FUND****YEAR ENDED JUNE 30, 2008**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<i>RECEIPTS</i>				
Licenses and permits	\$ 15,000	\$ 15,000	\$ 25,876	\$ 10,876
Miscellaneous	200	200	-	(200)
<i>Total Receipts</i>	15,200	15,200	25,876	10,676
<i>DISBURSEMENTS</i>				
Personal services	346	346	2,180	(1,834)
Materials and services	11,400	11,400	20,231	(8,831)
<i>Total Disbursements</i>	11,746	11,746	22,411	(10,665)
<i>RECEIPTS OVER (UNDER)</i>				
<i>DISBURSEMENTS</i>	3,454	3,454	3,465	11
<i>FUND BALANCE, Beginning of year</i>	-	-	-	-
<i>FUND BALANCE, End of year</i>	\$ 3,454	\$ 3,454	\$ 3,465	\$ 11

CITY OF AMITY, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE****(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - 911 FUND****YEAR ENDED JUNE 30, 2008**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<i>RECEIPTS</i>	\$ -	\$ -	\$ -	\$ -
<i>DISBURSEMENTS</i>	-	-	-	-
<i>RECEIPTS OVER (UNDER) DISBURSEMENTS</i>	-	-	-	-
<i>FUND BALANCE, Beginning of year</i>	-	-	418	418
<i>FUND BALANCE, End of year</i>	\$ -	\$ -	\$ 418	\$ 418

CITY OF AMITY, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE****(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - POLICE EQUIPMENT RESERVE FUND****YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts		Actual	Variance
	Original	Final		
RECEIPTS				
Miscellaneous	\$ 50	\$ 50	\$ 486	\$ 436
DISBURSEMENTS	-	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	50	50	486	436
OTHER FINANCING SOURCES (USES)				
Transfers in	2,800	2,800	2,800	-
NET CHANGE IN FUND BALANCE	2,850	2,850	3,286	436
FUND BALANCE, Beginning of year	10,000	10,000	13,983	3,983
FUND BALANCE, End of year	\$ 12,850	\$ 12,850	\$ 17,269	\$ 4,419

CITY OF AMITY, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE****(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - SIDEWALK RESERVE FUND****YEAR ENDED JUNE 30, 2008**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<i>RECEIPTS</i>				
Miscellaneous	\$ 40	\$ 40	\$ 449	\$ 409
<i>DISBURSEMENTS</i>				
Capital outlay	7,500	7,500	-	7,500
<i>RECEIPTS OVER (UNDER) DISBURSEMENTS</i>	(7,460)	(7,460)	449	7,909
<i>OTHER FINANCING SOURCES (USES)</i>				
Transfers in	2,000	2,000	2,000	-
<i>NET CHANGE IN FUND BALANCE</i>	(5,460)	(5,460)	2,449	7,909
<i>FUND BALANCE, Beginning of year</i>	7,000	7,000	12,919	5,919
<i>FUND BALANCE, End of year</i>	\$ 1,540	\$ 1,540	\$ 15,368	\$ 13,828

CITY OF AMITY, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE****(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - STREET RESERVE FUND****YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts		Actual	Variance
	Original	Final		
RECEIPTS				
Miscellaneous	\$ 40	\$ 40	\$ -	\$ (40)
DISBURSEMENTS				
Capital outlay	5,000	5,000	1,452	3,548
RECEIPTS OVER (UNDER) DISBURSEMENTS	(4,960)	(4,960)	(1,452)	3,508
OTHER FINANCING SOURCES (USES)				
Transfers in	2,000	2,000	2,000	-
NET CHANGE IN FUND BALANCE	(2,960)	(2,960)	548	3,508
FUND BALANCE (Deficit), Beginning of year	3,540	3,540	(548)	(4,088)
FUND BALANCE, End of year	\$ 580	\$ 580	\$ -	\$ (580)

CITY OF AMITY, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE****(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - STORM SDC FUND****YEAR ENDED JUNE 30, 2008**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<i>RECEIPTS</i>				
Licenses and permits	\$ 8,000	\$ 8,000	\$ 8,240	\$ 240
Miscellaneous	-	-	852	852
<i>Total Receipts</i>	8,000	8,000	9,092	1,092
<i>DISBURSEMENTS</i>				
Capital outlay	8,000	8,000	5,673	2,327
<i>RECEIPTS OVER (UNDER)</i>				
<i>DISBURSEMENTS</i>	-	-	3,419	3,419
<i>FUND BALANCE, Beginning of year</i>	10,100	10,100	24,494	14,394
<i>FUND BALANCE, End of year</i>	\$ 10,100	\$ 10,100	\$ 27,913	\$ 17,813

CITY OF AMITY, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE****(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - PARKS SDC FUND****YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts		Actual	Variance
	Original	Final		
RECEIPTS				
Licenses and permits	\$ 7,245	\$ 7,245	\$ 2,429	\$ (4,816)
Miscellaneous	-	-	493	493
<i>Total Receipts</i>	7,245	7,245	2,922	(4,323)
DISBURSEMENTS				
Capital outlay	4,000	4,000	1,052	2,948
RECEIPTS OVER (UNDER) DISBURSEMENTS	3,245	3,245	1,870	(1,375)
FUND BALANCE, Beginning of year	7,245	7,245	14,205	6,960
FUND BALANCE, End of year	\$ 10,490	\$ 10,490	\$ 16,075	\$ 5,585

CITY OF AMITY, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -
BUDGET AND ACTUAL - STREET SDC FUND
YEAR ENDED JUNE 30, 2008**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<i>RECEIPTS</i>				
Licenses and permits	\$ 6,570	\$ 6,570	\$ 2,048	\$ (4,522)
Miscellaneous	40	40	170	130
<i>Total Receipts</i>	6,610	6,610	2,218	(4,392)
<i>DISBURSEMENTS</i>				
Materials and services	13,258	13,258	-	13,258
<i>RECEIPTS OVER (UNDER) DISBURSEMENTS</i>	(6,648)	(6,648)	2,218	8,866
<i>FUND BALANCE, Beginning of year</i>	30,118	30,118	43,827	13,709
<i>FUND BALANCE, End of year</i>	\$ 23,470	\$ 23,470	\$ 46,045	\$ 22,575

CITY OF AMITY, OREGON**COMBINING STATEMENT OF ASSETS AND LIABILITIES (MODIFIED CASH BASIS) - NONMAJOR
ENTERPRISE FUNDS
JUNE 30, 2008**

	<i>Sewer Reserve</i>	<i>Water Reserve</i>	<i>Water SDC</i>
<i>ASSETS</i>			
Cash and investments	\$ 21,512	\$ 13,579	\$ 31,758
<i>LIABILITIES AND FUND BALANCE</i>			
<i>Liabilities</i>	\$ -	\$ -	\$ -
<i>Fund Balance</i>			
Restricted for construction	-	-	31,758
Unrestricted	21,512	13,579	-
<i>Total Liabilities and Fund Balance</i>	\$ 21,512	\$ 13,579	\$ 31,758

<i><u>Water Line Replacement</u></i>	<i><u>Sewer SDC</u></i>	<i><u>Totals</u></i>
\$ 79,407	\$ 118,595	\$ 264,851
\$ -	\$ -	\$ -
-	118,595	150,353
79,407	-	114,498
\$ 79,407	\$ 118,595	\$ 264,851

CITY OF AMITY, OREGON**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES****(MODIFIED CASH BASIS) - NONMAJOR ENTERPRISE FUNDS****YEAR ENDED JUNE 30, 2008**

	<i>Sewer Reserve</i>	<i>Water Reserve</i>	<i>Water SDC</i>
RECEIPTS			
Licenses and permits	\$ -	\$ -	\$ 8,240
Charges for services	-	-	-
Miscellaneous	1,079	355	929
<i>Total Receipts</i>	1,079	355	9,169
DISBURSEMENTS			
Capital outlay	10,596	-	4,133
RECEIPTS OVER (UNDER) DISBURSEMENTS	(9,517)	355	5,036
OTHER FINANCING SOURCES (USES)			
Transfers in	-	3,000	-
NET CHANGE IN FUND BALANCES	(9,517)	3,355	5,036
FUND BALANCES, Beginning of year	31,029	10,224	26,722
FUND BALANCES, End of year	\$ 21,512	\$ 13,579	\$ 31,758

<i>Water Line Replacement</i>	<i>Sewer SDC</i>	<i>Totals</i>
\$ -	\$ 12,800	\$ 21,040
23,726	-	23,726
1,884	3,731	7,978
25,610	16,531	52,744
386	5,254	20,369
25,224	11,277	32,375
-	-	3,000
25,224	11,277	35,375
54,183	107,318	229,476
\$ 79,407	\$ 118,595	\$ 264,851

CITY OF AMITY, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -****BUDGET AND ACTUAL - SEWER FUND****YEAR ENDED JUNE 30, 2008**

	<i>Budgeted Amounts</i>			
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance</i>
RECEIPTS				
Charges for services	\$ 305,000	\$ 305,000	\$ 322,953	\$ 17,953
Intergovernmental	85,485	85,485	-	(85,485)
Miscellaneous	850	7,600	1,533	(6,067)
<i>Total Receipts</i>	391,335	398,085	324,486	(73,599)
DISBURSEMENTS				
Personal services	84,063	84,063	82,325	1,738
Materials and services	171,754	178,592	113,033	65,559
Capital outlay	2,500	2,500	24,099	(21,599)
Contingency	6,000	4,673	-	4,673
<i>Total Disbursements</i>	264,317	269,828	219,457	50,371
RECEIPTS OVER (UNDER) DISBURSEMENTS				
	127,018	128,257	105,029	(23,228)
OTHER FINANCING SOURCES (USES)				
Transfers out	(142,570)	(142,570)	(142,570)	-
NET CHANGE IN FUND BALANCE	(15,552)	(14,313)	(37,541)	(23,228)
FUND BALANCE, Beginning of year	30,000	30,000	44,108	14,108
FUND BALANCE, End of year	\$ 14,448	\$ 15,687	\$ 6,567	\$ (9,120)

CITY OF AMITY, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -****BUDGET AND ACTUAL - WATER FUND****YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts		Actual	Variance
	Original	Final		
RECEIPTS				
Charges for services	\$ 328,500	\$ 328,500	\$ 330,008	\$ 1,508
Intergovernmental	5,000	5,000	-	(5,000)
Miscellaneous	1,390	1,390	9,823	8,433
<i>Total Receipts</i>	334,890	334,890	339,831	4,941
DISBURSEMENTS				
Personal services	94,470	94,470	92,140	2,330
Materials and services	113,400	113,400	116,755	(3,355)
Capital outlay	8,000	8,000	-	8,000
Contingency	22,373	22,373	-	22,373
<i>Total Disbursements</i>	238,243	238,243	208,895	29,348
RECEIPTS OVER (UNDER) DISBURSEMENTS	96,647	96,647	130,936	34,289
OTHER FINANCING SOURCES (USES)				
Transfers out	(71,931)	(71,931)	(71,931)	-
NET CHANGE IN FUND BALANCE	24,716	24,716	59,005	34,289
FUND BALANCE (Deficit), Beginning of year	32,000	32,000	54,536	22,536
FUND BALANCE, End of year	\$ 56,716	\$ 56,716	\$ 113,541	\$ 56,825

CITY OF AMITY, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -
BUDGET AND ACTUAL - SEWER BOND DEBT FUND
YEAR ENDED JUNE 30, 2008**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<i>RECEIPTS</i>	\$ -	\$ -	\$ -	\$ -
<i>DISBURSEMENTS</i>				
Debt service	142,623	142,623	142,623	-
<i>RECEIPTS OVER (UNDER) DISBURSEMENTS</i>	(142,623)	(142,623)	(142,623)	-
<i>OTHER FINANCING SOURCES (USES)</i>				
Transfers in	142,570	142,570	142,570	-
<i>NET CHANGE IN FUND BALANCE</i>	(53)	(53)	(53)	-
<i>FUND BALANCE (Deficit), Beginning of year</i>	53	53	2,118	2,065
<i>FUND BALANCE, End of year</i>	\$ -	\$ -	\$ 2,065	\$ 2,065

CITY OF AMITY, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -
BUDGET AND ACTUAL - WATER BOND DEBT FUND
YEAR ENDED JUNE 30, 2008**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<i>RECEIPTS</i>				
Miscellaneous	\$ -	\$ -	\$ 529	\$ 529
<i>DISBURSEMENTS</i>				
Debt service	69,274	69,274	68,739	535
<i>RECEIPTS OVER (UNDER) DISBURSEMENTS</i>	(69,274)	(69,274)	(68,210)	1,064
<i>OTHER FINANCING SOURCES (USES)</i>				
Transfers in	68,931	68,931	68,931	-
<i>NET CHANGE IN FUND BALANCE</i>	(343)	(343)	721	1,064
<i>FUND BALANCE, Beginning of year</i>	343	343	15,214	14,871
<i>FUND BALANCE, End of year</i>	\$ -	\$ -	\$ 15,935	\$ 15,935

CITY OF AMITY, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -
BUDGET AND ACTUAL - SEWER RESERVE FUND
YEAR ENDED JUNE 30, 2008**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<i>RECEIPTS</i>				
Miscellaneous	\$ 300	\$ 300	\$ 1,079	\$ 779
<i>DISBURSEMENTS</i>				
Capital outlay	14,000	14,000	10,596	3,404
<i>RECEIPTS OVER (UNDER) DISBURSEMENTS</i>	(13,700)	(13,700)	(9,517)	4,183
<i>FUND BALANCE, Beginning of year</i>	31,400	31,400	31,029	(371)
<i>FUND BALANCE, End of year</i>	\$ 17,700	\$ 17,700	\$ 21,512	\$ 3,812

CITY OF AMITY, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -
BUDGET AND ACTUAL - WATER RESERVE FUND
YEAR ENDED JUNE 30, 2008**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<i>RECEIPTS</i>				
Miscellaneous	\$ 400	\$ 400	\$ 355	\$ (45)
<i>Total Receipts</i>	400	400	355	(45)
<i>DISBURSEMENTS</i>				
Capital outlay	2,000	2,000	-	2,000
<i>RECEIPTS OVER (UNDER) DISBURSEMENTS</i>	(1,600)	(1,600)	355	1,955
<i>OTHER FINANCING SOURCES (USES)</i>				
Transfers in	3,000	3,000	3,000	-
<i>NET CHANGE IN FUND BALANCE</i>	1,400	1,400	3,355	1,955
<i>FUND BALANCE, Beginning of year</i>	8,000	8,000	10,224	2,224
<i>FUND BALANCE, End of year</i>	\$ 9,400	\$ 9,400	\$ 13,579	\$ 4,179

CITY OF AMITY, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -
BUDGET AND ACTUAL - WATER SDC FUND
YEAR ENDED JUNE 30, 2008**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<i>RECEIPTS</i>				
Licenses and permits	\$ 20,000	\$ 20,000	\$ 8,240	\$ (11,760)
Miscellaneous	450	450	929	479
<i>Total Receipts</i>	20,450	20,450	9,169	(11,281)
<i>DISBURSEMENTS</i>				
Capital outlay	55,000	55,000	4,133	50,867
<i>RECEIPTS OVER (UNDER) DISBURSEMENTS</i>	(34,550)	(34,550)	5,036	39,586
<i>FUND BALANCE, Beginning of year</i>	60,695	60,695	26,722	(33,973)
<i>FUND BALANCE, End of year</i>	\$ 26,145	\$ 26,145	\$ 31,758	\$ 5,613

CITY OF AMITY, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -
BUDGET AND ACTUAL - WATER REPLACEMENT LINE FUND
YEAR ENDED JUNE 30, 2008**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<i>RECEIPTS</i>				
Charges for services	\$ 18,000	\$ 18,000	\$ 23,726	\$ 5,726
Miscellaneous	400	400	1,884	1,484
<i>Total Receipts</i>	18,400	18,400	25,610	7,210
<i>DISBURSEMENTS</i>				
Capital outlay	45,000	45,000	386	44,614
<i>RECEIPTS OVER (UNDER) DISBURSEMENTS</i>	(26,600)	(26,600)	25,224	51,824
<i>FUND BALANCE, Beginning of year</i>	58,620	58,620	54,183	(4,437)
<i>FUND BALANCE, End of year</i>	\$ 32,020	\$ 32,020	\$ 79,407	\$ 47,387

CITY OF AMITY, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -
BUDGET AND ACTUAL - SEWER SDC FUND
YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts		Actual	Variance
	Original	Final		
RECEIPTS				
Licenses and permits	\$ 25,000	\$ 25,000	\$ 12,800	\$ (12,200)
Miscellaneous	400	400	3,731	3,331
<i>Total Receipts</i>	25,400	25,400	16,531	(8,869)
DISBURSEMENTS				
Capital outlay	50,000	50,000	5,254	44,746
RECEIPTS OVER (UNDER) DISBURSEMENTS	(24,600)	(24,600)	11,277	35,877
FUND BALANCE, Beginning of year	50,000	50,000	107,318	57,318
FUND BALANCE, End of year	\$ 25,400	\$ 25,400	\$ 118,595	\$ 93,195

CITY OF AMITY, OREGON
SCHEDULE OF PROPERTY TAX TRANSACTIONS
YEAR ENDED JUNE 30, 2008

<i>Tax Year</i>	<i>Uncollected Balances July 1, 2007</i>	<i>2006-07 Levy</i>	<i>Added To Rolls</i>	<i>Interest, Discounts & Adjustments</i>	<i>Turnovers</i>	<i>Uncollected Balances June 30, 2008</i>
2007-2008	\$ -	\$ 201,821	\$ -	\$ (5,241)	\$ (188,355)	\$ 8,225
2006-2007	6,106	-	-	(74)	(3,476)	2,556
2005-2006	2,132	-	-	(49)	(828)	1,255
2004-2005	1,117	-	-	(7)	(632)	478
2003-2004	521	-	-	(4)	(369)	148
2002-2003	186	-	-	(4)	(55)	127
2001-2002	122	-	-	(4)	(33)	85
Prior Years	533	-	-	(29)	(27)	477
Total	<u>\$ 10,717</u>	<u>\$ 201,821</u>	<u>\$ -</u>	<u>\$ (5,412)</u>	<u>\$ (193,775)</u>	<u>\$ 13,351</u>

CITY OF AMITY, OREGON
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
YEAR ENDED JUNE 30, 2008

	<i>Interest Rates</i>	<i>Date of Issue</i>	<i>Fiscal Year of Maturity</i>
BOND PRINCIPAL TRANSACTIONS			
Revenue Bonds			
1970 Water Revenue Bonds	5.0%	1970	2009-10
1974 Water Revenue Bonds	5.0%	1974	2013-14
1975 Water Revenue Bonds	5.0%	1975	2014-15
1975 Water Revenue Bonds	5.0%	1975	2014-15
LOAN PRINCIPAL TRANSACTIONS			
Oregon Economic & Community Development Water Master Plan Loan	6.0%	1997	2006-07
State Revolving Fund	1.0%	2000	2031-32
State Revolving Fund	3.0%-5.0%	2003	2027-28
			<i>Unmatured Interest Outstanding July 1, 2007</i>
BOND INTEREST TRANSACTIONS			
Revenue Bonds			
1970 Water Revenue Bonds	5.0%	1970	\$ 1,118
1974 Water Revenue Bonds	5.0%	1974	3,771
1975 Water Revenue Bonds	5.0%	1975	7,071
1975 Water Revenue Bonds	5.0%	1975	6,197
LOAN INTEREST TRANSACTIONS			
Oregon Economic & Community Development Water Master Plan Loan	6.0%	1997	-
State Revolving Fund	1.0%	2000	169,895
State Revolving Fund	3.0%-5.0%	2003	1,091,684
			\$ 1,279,736

<i>Outstanding July 1, 2007</i>	<i>Issued</i>	<i>Paid</i>	<i>Outstanding June 30, 2008</i>
\$ 10,941	\$ -	\$ (4,161)	\$ 6,780
17,719	-	(2,498)	15,221
30,218	-	(4,067)	26,151
26,236	-	(3,559)	22,677
-	-	-	-
1,208,193	-	(40,920)	1,167,273
1,908,183	-	(60,233)	1,847,950
<u>\$ 3,201,490</u>	<u>\$ -</u>	<u>\$ (115,438)</u>	<u>\$ 3,086,052</u>

<i>New Issues</i>	<i>Interest Coupons Paid</i>	<i>Unmatured Interest June 30, 2008</i>
\$ -	\$ (543)	\$ 575
-	(874)	2,897
-	(1,503)	5,568
-	(1,309)	4,888
-	-	-
-	(12,082)	157,813
-	(82,390)	1,009,294
<u>\$ -</u>	<u>\$ (98,701)</u>	<u>\$ 1,181,035</u>

CITY OF AMITY, OREGON
SCHEDULE OF FUTURE BONDED DEBT REQUIREMENTS
JUNE 30, 2008

Year	1970 Water Revenue Bonds			1974 Water Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2008-09	\$ 4,057	\$ 350	\$ 4,407	\$ 2,194	\$ 770	\$ 2,964
2009-10	2,723	225	2,948	2,304	660	2,964
2010-11	-	-	-	2,419	545	2,964
2011-12	-	-	-	2,540	424	2,964
2012-13	-	-	-	2,667	297	2,964
2013-14	-	-	-	3,097	201	3,298
2014-15	-	-	-	-	-	-
2015-16	-	-	-	-	-	-
2016-17	-	-	-	-	-	-
2017-18	-	-	-	-	-	-
2018-19	-	-	-	-	-	-
2019-20	-	-	-	-	-	-
2020-21	-	-	-	-	-	-
2021-22	-	-	-	-	-	-
2022-23	-	-	-	-	-	-
2023-24	-	-	-	-	-	-
2024-25	-	-	-	-	-	-
2025-26	-	-	-	-	-	-
2026-27	-	-	-	-	-	-
2027-28	-	-	-	-	-	-
2028-29	-	-	-	-	-	-
2029-30	-	-	-	-	-	-
2030-31	-	-	-	-	-	-
2031-32	-	-	-	-	-	-
2032-33	-	-	-	-	-	-
Totals	<u>\$ 6,780</u>	<u>\$ 575</u>	<u>\$ 7,355</u>	<u>\$ 15,221</u>	<u>\$ 2,897</u>	<u>\$ 18,118</u>

1975 Water Revenue Bonds			1975 Water Revenue Bond		
Principal	Interest	Total	Principal	Interest	Total
\$ 3,401	\$ 1,341	\$ 4,742	\$ 2,983	\$ 1,167	\$ 4,150
3,571	1,171	4,742	3,133	1,017	4,150
3,749	993	4,742	3,289	861	4,150
3,937	805	4,742	3,454	696	4,150
4,134	608	4,742	3,626	524	4,150
4,340	402	4,742	3,808	342	4,150
3,019	248	3,267	2,384	281	2,665
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 26,151	\$ 5,568	\$ 31,719	\$ 22,677	\$ 4,888	\$ 27,565

CITY OF AMITY, OREGON**SCHEDULE OF FUTURE BONDED DEBT REQUIREMENTS (Continued)****JUNE 30, 2008**

Year	Safe Drinking Water Revolving Loan			Safe Drinking Water Revolving Loan		
	Principal	Interest	Total	Principal	Interest	Total
2008-09	\$ 41,329	\$ 11,673	\$ 53,002	\$ 60,540	\$ 80,583	\$ 141,123
2009-10	41,743	11,259	53,002	65,856	78,767	144,623
2010-11	42,160	10,842	53,002	66,214	76,594	142,808
2011-12	42,582	10,420	53,002	66,607	74,276	140,883
2012-13	43,007	9,995	53,002	72,025	71,878	143,903
2013-14	43,438	9,564	53,002	72,476	69,177	141,653
2014-15	43,872	9,130	53,002	77,962	66,351	144,313
2015-16	44,311	8,691	53,002	78,481	63,232	141,713
2016-17	44,754	8,248	53,002	84,033	60,014	144,047
2017-18	45,201	7,801	53,002	84,630	56,443	141,073
2018-19	45,653	7,349	53,002	90,270	52,741	143,011
2019-20	46,110	6,892	53,002	95,957	48,678	144,635
2020-21	46,571	6,431	53,002	96,691	44,264	140,955
2021-22	47,037	5,965	53,002	102,476	39,720	142,196
2022-23	47,507	5,495	53,002	108,306	34,852	143,158
2023-24	47,982	5,020	53,002	114,175	29,708	143,883
2024-25	48,462	4,540	53,002	120,086	24,284	144,370
2025-26	48,946	4,056	53,002	126,040	18,580	144,620
2026-27	49,436	3,566	53,002	127,039	12,593	139,632
2027-28	49,930	3,072	53,002	138,086	6,559	144,645
2028-29	50,430	2,573	53,003	-	-	-
2029-30	50,934	2,068	53,002	-	-	-
2030-31	51,443	1,559	53,002	-	-	-
2031-32	51,958	1,044	53,002	-	-	-
2032-33	52,477	560	53,037	-	-	-
Totals	<u>\$ 1,167,273</u>	<u>\$ 157,813</u>	<u>\$ 1,325,086</u>	<u>\$ 1,847,950</u>	<u>\$ 1,009,294</u>	<u>\$ 2,857,244</u>

		<i>Total</i>	
<i>Principal</i>		<i>Interest</i>	<i>Total</i>
\$ 114,504	\$ 95,884	\$ 210,388	
119,330	93,099	212,429	
117,831	89,835	207,666	
119,120	86,621	205,741	
125,459	83,302	208,761	
127,159	79,686	206,845	
127,237	76,010	203,247	
122,792	71,923	194,715	
128,787	68,262	197,049	
129,831	64,244	194,075	
135,923	60,090	196,013	
142,067	55,570	197,637	
143,262	50,695	193,957	
149,513	45,685	195,198	
155,813	40,347	196,160	
162,157	34,728	196,885	
168,548	28,824	197,372	
174,986	22,636	197,622	
176,475	16,159	192,634	
188,016	9,631	197,647	
50,430	2,573	53,003	
50,934	2,068	53,002	
51,443	1,559	53,002	
51,958	1,044	53,002	
52,477	560	53,037	
<u>\$ 3,086,052</u>	<u>\$ 1,181,035</u>	<u>\$ 4,267,087</u>	

CITY OF AMITY, OREGON

INDEPENDENT AUDITOR'S COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS YEAR ENDED JUNE 30, 2008

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Amity (the City), as of and for the year ended June 30, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated October 5, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Significant Accounting Policies

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

Organization and Fund Structure

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

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement will not be prevented or detected by the entity's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. We have issued a separate letter on significant deficiencies dated October 5, 2009.

CITY OF AMITY, OREGON

INDEPENDENT AUDITOR'S COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS

(Continued)

YEAR ENDED JUNE 30, 2008

Adequacy of Accounting Records

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

Indebtedness

The City has no general obligation bonded debt. We noted no defaults in principal, interest, sinking fund, or redemption provisions with respect to any of the City's liabilities, and no breach of the bond agreements, at June 30, 2008.

Adequacy of Collateral Securing Depository Balances

ORS 295 provides that each depository, throughout the period of its possession of public fund deposits, shall maintain on deposit with its custodians, at its own expense, securities having a value not less than 25% of the certificates of participation issued by the pool manager for funds in excess of those insured by the Federal Deposit Insurance Corporation. Our review of the adequacy of collateral securing depository balances indicated the collateral was not sufficient during the year ended June 30, 2008.

Investments

Our review of deposit and investment balances indicated that the City was in compliance with ORS 294, as it pertains to investment of public funds, during the year ended June 30, 2008.

Budget Compliance

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

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

Insurance Policies and Fidelity Bonds

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

Public Contracting and Purchasing

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

Programs Funded From Outside Sources and Reporting Requirements

The City did not receive or spend significant amounts on programs funded wholly or partially by other governmental agencies during the year.

CITY OF AMITY, OREGON

INDEPENDENT AUDITOR'S COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS

(Continued)

YEAR ENDED JUNE 30, 2008

Highway Funds

The City's procedures for utilizing gas tax funds were reviewed and found to be in accordance with ORS Chapter 294.

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

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

By:



Charles A. Swank, A Shareholder
October 5, 2009