

CITY OF AMITY, OREGON
ANNUAL FINANCIAL REPORT
Year Ended June 30, 2009

CITY OF AMITY, OREGON
CITY OFFICIALS
JUNE 30, 2009

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Amity, Oregon 97101

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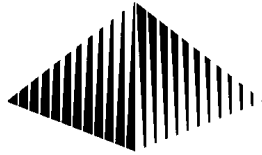
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FINANCIAL SECTION



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, 2009, 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 any historical cost and depreciation records for capital assets including infrastructure, and therefore, no information for capital assets is presented in the financial statements.

In our opinion, except for the 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, 2009, 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
March 22, 2010

CITY OF AMITY, OREGON

Management's Discussion and Analysis June 30, 2009

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, 2009.

Financial Highlights

	June 30,		change
	2009	2008	
Net assets	\$ 637,498	\$ 714,883	\$ (77,385)
Change in net assets	132,950	82,958	49,992
Governmental fund balances	297,951	311,924	(13,973)
Change in governmental fund balances	(13,973)	25,451	(39,424)
Proprietary fund balances	339,547	402,959	(63,412)
Change in proprietary fund balances	146,923	57,507	89,416

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 \$637,498 as of June 30, 2009.

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.

	Net Assets at June 30,					
	2009			2008		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Cash and investments	\$ 302,037	\$ 339,547	\$ 641,584	\$ 316,642	\$ 402,959	\$ 719,601
Receivables	18,633	-	18,633	13,351	-	13,351
Total assets	320,670	339,547	660,217	329,993	402,959	732,952
Other liabilities	22,719	-	22,719	18,069	-	18,069
Total liabilities	22,719	-	22,719	18,069	-	18,069
Net assets:						
Restricted	100,948	111,364	212,312	138,229	168,353	306,582
Unrestricted	197,003	228,183	425,186	173,695	234,606	408,301
Total Net Assets	\$ 297,951	\$ 339,547	\$ 637,498	\$ 311,924	\$ 402,959	\$ 714,883

Statement of Activities (Modified Cash Basis). The changes in the City's net assets are as follows:

Statements of Activities For the years ended June 30,						
2009			2008			
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total
Receipts						
Charges for service	\$ -	\$ 677,158	\$ 677,158	\$ -	\$ 676,687	\$ 676,687
Taxes and assessments	239,923	-	239,923	195,079	-	195,079
Intergovernmental	100,452	-	100,452	109,857	-	109,857
Licenses and permits	75,993	7,529	83,522	139,787	21,040	160,827
Miscellaneous	23,822	8,931	32,753	36,135	19,863	55,998
Fines and forfeitures	34,897	-	34,897	33,935	-	33,935
<i>Total Receipts</i>	475,087	693,618	1,168,705	514,793	717,590	1,232,383
Disbursements						
Personal services	307,193	205,608	512,801	266,976	174,465	441,441
Materials and services	186,627	242,672	429,299	203,835	229,788	433,623
Capital outlay	25,240	68,415	93,655	18,531	44,468	62,999
Debt service	-	-	-	-	211,362	211,362
<i>Total Disbursements</i>	519,060	516,695	1,035,755	489,342	660,083	1,149,425
Change in net assets	(13,973)	146,923	132,950	25,451	57,507	82,958
Net assets – July 1	311,924	402,959	714,883	286,473	345,452	631,925
Net assets	\$ 297,951	\$ 549,882	\$ 847,833	\$ 311,924	\$ 402,959	\$ 714,883

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 changes to the General fund budget during the year to move budgeted amounts from contingency to various expense accounts.

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.

Debt Administration

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of \$2,974,279.

During the current fiscal year, the City's total debt decreased by \$111,773 due to debt principal paid.

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 2009-10 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, 2009**

	<i>Governmental Activities</i>	<i>Business-type Activities</i>	<i>Totals</i>
<i>ASSETS</i>			
Cash and investments	\$ 302,037	\$ 339,547	\$ 641,584
Property taxes receivable	18,633	-	18,633
<i>Total Assets</i>	<u>320,670</u>	<u>339,547</u>	<u>660,217</u>
<i>LIABILITIES</i>			
Payroll withholdings payable	4,086	-	4,086
Deferred revenue	18,633	-	18,633
<i>Total Liabilities</i>	<u>22,719</u>	<u>-</u>	<u>22,719</u>
<i>NET ASSETS</i>			
Restricted for:			
Debt service	-	9,580	9,580
Construction	100,948	101,784	202,732
Unrestricted	197,003	228,183	425,186
<i>Total Net Assets</i>	<u>\$ 297,951</u>	<u>\$ 339,547</u>	<u>\$ 637,498</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, 2009

		Program Receipts		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
	<u>Disbursements</u>			
FUNCTIONS/PROGRAMS				
Governmental activities:				
General government	\$ 153,247	\$ 5,984	\$ 4,736	\$ -
Community development	23,610	3,916	-	-
Street	111,697	-	57,166	2,973
Parks	19,916	1,100	-	622
Library	13,612	-	-	-
Public safety	196,978	44,982	7,957	-
<i>Total governmental activities</i>	<u>519,060</u>	<u>55,982</u>	<u>69,859</u>	<u>3,595</u>
Business-type activities:				
Sewer	405,048	324,827	-	2,793
Water	321,982	352,684	-	4,736
<i>Total business-type activities</i>	<u>727,030</u>	<u>677,511</u>	<u>-</u>	<u>7,529</u>
<i>Total activities</i>	<u>\$ 1,246,090</u>	<u>\$ 733,493</u>	<u>\$ 69,859</u>	<u>\$ 11,124</u>
General receipts:				
Property taxes				
Franchise fees				
Intergovernmental				
Miscellaneous				
<i>Total general receipts</i>				
Transfers				
Change in net assets				
Net assets, July 1, 2008				
Net assets, June 30, 2009				

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

<i>Governmental Activities</i>	<i>Business-type Activities</i>	<i>Totals</i>
\$ (142,527)	\$ -	\$ (142,527)
(19,694)	-	(19,694)
(51,558)	-	(51,558)
(18,194)	-	(18,194)
(13,612)	-	(13,612)
(144,039)	-	(144,039)
<hr/> (389,624)	<hr/> -	<hr/> (389,624)
-	(77,428)	(77,428)
-	35,438	35,438
<hr/> -	<hr/> (41,990)	<hr/> (41,990)
(389,624)	(41,990)	(431,614)
239,923	-	239,923
61,399	-	61,399
33,377	-	33,377
10,952	8,578	19,530
<hr/> 345,651	<hr/> 8,578	<hr/> 354,229
30,000	(30,000)	-
(13,973)	(63,412)	(77,385)
311,924	402,959	714,883
<hr/> \$ 297,951	<hr/> \$ 339,547	<hr/> \$ 637,498

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, 2009**

	<i>General</i>	<i>Street</i>	<i>Street SDC</i>
<i>ASSETS</i>			
Cash and investments	\$ 176,348	\$ 19,370	\$ 38,873
Property taxes receivable	18,633	-	-
<i>Total Assets</i>	<u>\$ 194,981</u>	<u>\$ 19,370</u>	<u>\$ 38,873</u>
<i>LIABILITIES AND FUND BALANCES</i>			
<i>Liabilities</i>			
Payroll withholdings payable	\$ 4,086	-	-
Deferred revenue	18,633	-	-
<i>Total Liabilities</i>	22,719	-	-
<i>Fund Balances</i>			
Unreserved, reported in:			
General fund	172,262	-	-
Special revenue funds	-	19,370	38,873
<i>Total Fund Balances</i>	<u>172,262</u>	<u>19,370</u>	<u>38,873</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 194,981</u>	<u>\$ 19,370</u>	<u>\$ 38,873</u>

<i>Other Governmental Funds</i>	<i>Totals</i>
<u> </u>	<u> </u>
\$ 67,446	\$ 302,037
-	18,633
<u> </u>	<u> </u>
\$ 67,446	\$ 320,670
<u> </u>	<u> </u>
\$ -	\$ 4,086
-	18,633
<u> </u>	<u> </u>
-	22,719
-	172,262
67,446	125,689
<u> </u>	<u> </u>
67,446	297,951
<u> </u>	<u> </u>
\$ 67,446	\$ 320,670
<u> </u>	<u> </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, 2009**

	<i>General</i>	<i>Street</i>	<i>Street SDC</i>
RECEIPTS			
Taxes and assessments	\$ 239,923	\$ -	\$ -
Licenses and permits	68,482	-	737
Intergovernmental	43,286	57,166	-
Fines and forfeitures	34,897	-	-
Miscellaneous	19,603	1,909	1,017
<i>Total Receipts</i>	406,191	59,075	1,754
DISBURSEMENTS			
Personal services	252,962	52,132	-
Materials and services	145,282	37,433	-
Capital outlay	277	1,010	5,835
<i>Total Disbursements</i>	398,521	90,575	5,835
RECEIPTS OVER (UNDER) DISBURSEMENTS	7,670	(31,500)	(4,081)
OTHER FINANCING SOURCES (USES)			
Transfers in	30,000	-	-
Transfers out	(3,000)	-	-
<i>Total Other Financing Sources (Uses)</i>	27,000	-	-
NET CHANGE IN FUND BALANCES	34,670	(31,500)	(4,081)
FUND BALANCES, Beginning of year	137,592	50,870	42,954
FUND BALANCES, End of year	\$ 172,262	\$ 19,370	\$ 38,873

<i>Other</i>	
<i>Governmental</i>	
<i>Funds</i>	<i>Totals</i>
<hr/>	<hr/>
\$ -	\$ 239,923
6,774	75,993
-	100,452
-	34,897
1,293	23,822
<hr/>	<hr/>
8,067	475,087
2,099	307,193
3,912	186,627
18,118	25,240
<hr/>	<hr/>
24,129	519,060
<hr/>	<hr/>
(16,062)	(43,973)
3,000	33,000
-	(3,000)
<hr/>	<hr/>
3,000	30,000
<hr/>	<hr/>
(13,062)	(13,973)
80,508	311,924
<hr/>	<hr/>
\$ 67,446	\$ 297,951
<hr/> <hr/>	<hr/> <hr/>

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, 2009**

	<i><u>Sewer</u></i>	<i><u>Water</u></i>	<i><u>Water Line Replacement</u></i>
ASSETS			
Cash and investments	\$ -	\$ 69,819	\$ 104,372
Due from other funds	-	27,919	-
	<u> </u>	<u> </u>	<u> </u>
<i>Total Assets</i>	<u>\$ -</u>	<u>\$ 97,738</u>	<u>\$ 104,372</u>
 LIABILITIES AND NET ASSETS			
Liabilities			
Due to other funds	\$ 27,919	\$ -	\$ -
 Net Assets			
Fund net assets			
Restricted for debt service	-	-	-
Restricted for construction	-	-	-
Unrestricted	(27,919)	97,738	104,372
	<u> </u>	<u> </u>	<u> </u>
<i>Total Net Assets</i>	<u>(27,919)</u>	<u>97,738</u>	<u>104,372</u>
	<u> </u>	<u> </u>	<u> </u>
<i>Total Liabilities and Net Assets</i>	<u>\$ -</u>	<u>\$ 97,738</u>	<u>\$ 104,372</u>

<i>Sewer SDC</i>	<i>Other Enterprise Funds</i>	<i>Totals</i>
\$ 67,758	\$ 97,598	\$ 339,547
-	-	27,919
<u>\$ 67,758</u>	<u>\$ 97,598</u>	<u>\$ 367,466</u>
\$ -	\$ -	\$ 27,919
-	9,580	9,580
67,758	34,026	101,784
-	53,992	228,183
<u>67,758</u>	<u>97,598</u>	<u>339,547</u>
<u>\$ 67,758</u>	<u>\$ 97,598</u>	<u>\$ 367,466</u>

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, 2009**

	<u><i>Sewer</i></u>	<u><i>Water</i></u>	<u><i>Water Line Replacement</i></u>
RECEIPTS			
Licenses and permits	\$ -	\$ -	\$ -
Charges for services	324,828	328,587	23,743
Miscellaneous	1,700	580	1,251
	<hr/>	<hr/>	<hr/>
<i>Total Receipts</i>	326,528	329,167	24,994
DISBURSEMENTS			
Personal services	93,771	111,837	-
Materials and services	109,300	96,061	-
Capital outlay	4,485	3,754	29
Debt service			
Principal	-	-	-
Interest	-	-	-
	<hr/>	<hr/>	<hr/>
<i>Total Disbursements</i>	207,556	211,652	29
	<hr/>	<hr/>	<hr/>
RECEIPTS OVER (UNDER) DISBURSEMENTS	118,972	117,515	24,965
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(153,458)	(133,318)	-
	<hr/>	<hr/>	<hr/>
<i>Total Other Financing Sources (Uses)</i>	(153,458)	(133,318)	-
	<hr/>	<hr/>	<hr/>
CHANGE IN FUND NET ASSETS	(34,486)	(15,803)	24,965
FUND NET ASSETS, Beginning of year	6,567	113,541	79,407
	<hr/>	<hr/>	<hr/>
FUND NET ASSETS, End of year	<u><u>\$ (27,919)</u></u>	<u><u>\$ 97,738</u></u>	<u><u>\$ 104,372</u></u>

<i>Sewer SDC</i>	<i>Sewer Bond</i>	<i>Other Enterprise Funds</i>	<i>Totals</i>
\$ 2,793	\$ -	\$ 4,736	\$ 7,529
-	-	-	677,158
2,272	\$ -	3,128	8,931
5,065	-	7,864	693,618
-	-	-	205,608
-	-	37,311	242,672
55,902	-	4,245	68,415
-	60,540	51,233	111,773
-	80,583	17,979	98,562
55,902	141,123	110,768	727,030
(50,837)	(141,123)	(102,904)	(33,412)
-	139,058	117,718	256,776
-	-	-	(286,776)
-	139,058	117,718	(30,000)
(50,837)	(2,065)	14,814	(63,412)
118,595	2,065	82,784	402,959
\$ 67,758	\$ -	\$ 97,598	\$ 339,547

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, 2009

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. 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.

Street SDC Fund

This fund accounts for system development changes designated for streets.

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.

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, 2009

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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.

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 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.

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:

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.

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.

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.

CITY OF AMITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

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. 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, 2009. Actual results may differ from such estimates.

CITY OF AMITY, OREGON**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2009**

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

Long-term debt is presented only in the notes to the financial statements.

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, 2009 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.

CASH AND INVESTMENTS

Cash and investments are comprised of the following at June 30, 2009:

Cash

Cash on hand	\$	400
Deposits with financial institutions		31,801

Investments

Local Government Investment Pool		609,383
		<hr/>
	\$	641,584
		<hr/>

CITY OF AMITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

CASH AND INVESTMENTS (Continued)

Deposits

At year end, the book balance of the City's bank deposits (checking accounts) was \$31,801 and the bank balance was \$71,762. The difference is due to transactions in process. Deposits are secured to legal limits by federal deposit insurance. The remaining amount is secured in accordance with ORS 295 under a collateral program administered by the Oregon State Treasurer.

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. At June 30, 2009, 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. The 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 the weighted average maturity of its investments through use of the Local Government Investment Pool.

Custodial Risk - Investments

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

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

CITY OF AMITY, OREGON**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2009**

LONG-TERM DEBT

Business-type activity long-term debt transactions for the year ended June 30, 2009 were as follows:

	<i>Original Issue</i>	<i>Balance July 1, 2008</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	\$ 6,780	\$ -
Water system revenue bonds, series 1974 due in annual installments of \$2,964 including interest at 5.0% through 2014	50,000	15,221	-
Water system revenue bonds, series 1975 due in annual installments of \$4,742 including interest at 5.0% through 2015	80,000	26,151	-
Water system revenue bonds, series 1975 due in annual installments of \$4,150 including interest at 5.0% through 2015	70,000	22,677	-
State Revolving Fund, due in annual installments of \$53,011 including interest at 1.0%	1,368,084	1,167,273	-
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	1,847,950	-
		<u>\$ 3,086,052</u>	<u>\$ -</u>

<i>Principal Paid</i>	<i>Balance June 30, 2009</i>	<i>Next Year Requirement</i>
\$ (3,746)	\$ 3,034	\$ 3,034
(1,559)	13,662	2,304
(2,579)	23,572	3,571
(2,020)	20,657	3,133
(41,329)	1,125,944	41,743
(60,540)	1,787,410	65,856
<u>\$ (111,773)</u>	<u>\$ 2,974,279</u>	<u>\$ 119,641</u>

CITY OF AMITY, OREGON**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2009****LONG-TERM DEBT (Continued)**

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

<u>Year</u>	<u>Total</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009-10	\$ 119,641	\$ 92,874	\$ 212,515
2010-11	117,831	89,835	207,666
2011-12	119,120	86,532	205,652
2012-13	125,459	82,431	207,890
2013-14	127,794	78,741	206,535
2014-2019	788,422	395,570	1,183,992
2019-2024	779,293	200,279	979,572
2024-2029	640,841	53,067	693,908
2029-2033	155,878	3,163	159,041
Totals	<u>\$ 2,974,279</u>	<u>\$ 1,082,492</u>	<u>\$ 4,056,771</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, 2009**

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, 2007, 2008, and 2009 were \$44,423, \$35,031, and 47,306, 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 2009 was as follows:

	<u><i>Sewer</i></u>	<u><i>Water</i></u>	<u><i>Total</i></u>
Receipts	\$ 333,144	\$ 360,474	\$ 693,618
Disbursements	419,448	337,582	757,030
Excess (deficiency) of receipts over disbursements	(86,304)	22,892	(63,412)
Total assets	90,354	277,112	367,466
Total liabilities	27,919	-	27,919
Total net assets	62,435	277,112	339,547

CITY OF AMITY, OREGON**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2009**

TRANSFERS

	<u><i>Transfers in</i></u>	<u><i>Transfers out</i></u>
General	\$ 30,000	\$ 3,000
Police Equipment	3,000	-
Water	-	132,118
Water Bond	62,718	-
Water Reserve	55,000	-
Sewer	-	154,658
Sewer Bond	139,058	-
	<u>\$ 289,776</u>	<u>\$ 289,776</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.

Budgetary charges that do not represent services provided are reclassified as transfers for the fund financial statements.

OVER-EXPENDITURE OF APPROPRIATIONS AND DEFICIT FUND BALANCES

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

<u><i>Fund</i></u>	<u><i>Category</i></u>	<u><i>Amount</i></u>
Sidewalk Reserve	Capital outlay	\$ 12,699
Sewer	Materials and services	13,300

The sewer fund had a deficit fund balance at year end.

CITY OF AMITY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2009

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 District 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 District 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, 2009**

	<i>Budgeted Amounts</i>			
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance</i>
RECEIPTS				
Taxes and assessments	\$ 208,845	\$ 208,845	\$ 239,923	\$ 31,078
Licenses and permits	104,800	104,800	98,482	(6,318)
Intergovernmental	36,400	36,400	43,286	6,886
Fines and forfeitures	33,000	33,000	34,897	1,897
Miscellaneous	18,769	18,769	19,603	834
<i>Total Receipts</i>	401,814	401,814	436,191	34,377
DISBURSEMENTS				
Personal services	243,284	261,900	252,962	8,938
Materials and services	170,003	172,403	145,282	27,121
Capital outlay	3,000	3,000	277	2,723
Contingency	50,000	28,984	-	28,984
<i>Total Disbursements</i>	466,287	466,287	398,521	67,766
RECEIPTS OVER (UNDER) DISBURSEMENTS				
	(64,473)	(64,473)	37,670	102,143
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(3,000)	(3,000)	(3,000)	-
NET CHANGE IN FUND BALANCE	(67,473)	(67,473)	34,670	102,143
FUND BALANCE, Beginning of year	67,473	67,473	137,592	70,119
FUND BALANCE, End of year	\$ -	\$ -	\$ 172,262	\$ 172,262

CITY OF AMITY, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -****BUDGET AND ACTUAL - STREET FUND****YEAR ENDED JUNE 30, 2009**

	<i>Budgeted Amounts</i>			
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance</i>
RECEIPTS				
Intergovernmental	\$ 93,000	\$ 93,000	\$ 57,166	\$ (35,834)
Miscellaneous	2,528	2,528	1,909	(619)
<i>Total Receipts</i>	95,528	95,528	59,075	(36,453)
DISBURSEMENTS				
Personal services	45,379	52,360	52,132	228
Materials and services	43,523	45,023	37,433	7,590
Capital outlay	36,200	36,200	1,010	35,190
Contingency	10,000	1,519	-	1,519
<i>Total Disbursements</i>	135,102	135,102	90,575	44,527
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(39,574)	(39,574)	(31,500)	8,074
FUND BALANCE, Beginning of year	39,574	39,574	50,870	11,296
FUND BALANCE, End of year	\$ -	\$ -	\$ 19,370	\$ 19,370

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, 2009**

	Budgeted Amounts		Actual	Variance
	Original	Final		
RECEIPTS				
Licenses and permits	\$ 6,570	\$ 6,570	\$ 737	\$ (5,833)
Miscellaneous	1,420	1,420	1,017	(403)
<i>Total Receipts</i>	7,990	7,990	1,754	(6,236)
DISBURSEMENTS				
Capital outlay	50,000	50,000	5,835	44,165
RECEIPTS OVER (UNDER) DISBURSEMENTS	(42,010)	(42,010)	(4,081)	37,929
FUND BALANCE, Beginning of year	42,010	42,010	42,954	944
FUND BALANCE, End of year	\$ -	\$ -	\$ 38,873	\$ 38,873

OTHER SUPPLEMENTARY INFORMATION

CITY OF AMITY, OREGON

COMBINING STATEMENT OF ASSETS AND LIABILITIES (MODIFIED CASH BASIS) -
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

	<i>Building Permits</i>	<i>911</i>	<i>Police Equipment Reserve</i>
<i>ASSETS</i>			
Cash and investments	\$ 1,370	\$ 428	\$ 20,589
<i>LIABILITIES AND FUND BALANCES</i>			
<i>Liabilities</i>	\$ -	\$ -	\$ -
<i>Fund Balances (Deficit)</i>			
Unreserved, reported in:			
Special revenue funds	1,370	428	20,589
<i>Total Liabilities and Fund Balances</i>	\$ 1,370	\$ 428	\$ 20,589

<i>Sidewalk Reserve</i>	<i>Storm SDC</i>	<i>Parks SDC</i>	<i>Totals</i>
<u>\$ 2,782</u>	<u>\$ 28,122</u>	<u>\$ 14,155</u>	<u>\$ 67,446</u>
\$ -	\$ -	\$ -	\$ -
<u>2,782</u>	<u>28,122</u>	<u>14,155</u>	<u>67,446</u>
<u>\$ 2,782</u>	<u>\$ 28,122</u>	<u>\$ 14,155</u>	<u>\$ 67,446</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, 2009**

	<i>Building Permits</i>	<i>911</i>	<i>Police Equipment Reserve</i>
<i>RECEIPTS</i>			
Licenses and permits	\$ 3,916	\$ -	\$ -
Miscellaneous	-	10	320
<i>Total Receipts</i>	3,916	10	320
<i>DISBURSEMENTS</i>			
Personal services	2,099	-	-
Materials and services	3,912	-	-
Capital outlay	-	-	-
<i>Total Disbursements</i>	6,011	-	-
<i>RECEIPTS OVER (UNDER) DISBURSEMENTS</i>	(2,095)	10	320
<i>OTHER FINANCING SOURCES (USES)</i>			
Transfers in	-	-	3,000
<i>NET CHANGE IN FUND BALANCES</i>	(2,095)	10	3,320
<i>FUND BALANCES (Deficit), Beginning of year</i>	3,465	418	17,269
<i>FUND BALANCES, End of year</i>	\$ 1,370	\$ 428	\$ 20,589

<i>Sidewalk Reserve</i>	<i>Storm SDC</i>	<i>Parks SDC</i>	<i>Totals</i>
\$ -	\$ 2,236	\$ 622	\$ 6,774
250	424	289	1,293
250	2,660	911	8,067
-	-	-	2,099
-	-	-	3,912
12,836	2,451	2,831	18,118
12,836	2,451	2,831	24,129
(12,586)	209	(1,920)	(16,062)
-	-	-	3,000
(12,586)	209	(1,920)	(13,062)
15,368	27,913	16,075	80,508
\$ 2,782	\$ 28,122	\$ 14,155	\$ 67,446

CITY OF AMITY, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE****(CASH BASIS) - BUDGET AND ACTUAL – BUILDING PERMITS FUND****YEAR ENDED JUNE 30, 2009**

	Budgeted Amounts		Actual	Variance
	Original	Final		
RECEIPTS				
Licenses and permits	\$ 15,000	\$ 15,000	\$ 3,916	\$ (11,084)
Miscellaneous	600	600	-	(600)
<i>Total Receipts</i>	15,600	15,600	3,916	(11,684)
DISBURSEMENTS				
Personal services	2,557	2,557	2,099	458
Materials and services	14,300	14,300	3,912	10,388
<i>Total Disbursements</i>	16,857	16,857	6,011	10,846
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,257)	(1,257)	(2,095)	(838)
FUND BALANCE, Beginning of year	1,257	1,257	3,465	2,208
FUND BALANCE, End of year	\$ -	\$ -	\$ 1,370	\$ 1,370

CITY OF AMITY, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE****(CASH BASIS) - BUDGET AND ACTUAL - 911 FUND****YEAR ENDED JUNE 30, 2009**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<i>RECEIPTS</i>				
Miscellaneous	\$ -	\$ -	\$ 10	\$ 10
<i>DISBURSEMENTS</i>	-	-	-	-
<i>RECEIPTS OVER (UNDER)</i>				
<i>DISBURSEMENTS</i>	-	-	10	10
<i>FUND BALANCE, Beginning of year</i>	-	-	418	418
<i>FUND BALANCE, End of year</i>	\$ -	\$ -	\$ 428	\$ 428

CITY OF AMITY, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE****(CASH BASIS) - BUDGET AND ACTUAL - POLICE EQUIPMENT RESERVE FUND****YEAR ENDED JUNE 30, 2009**

	Budgeted Amounts		Actual	Variance
	Original	Final		
RECEIPTS				
Miscellaneous	\$ 446	\$ 446	\$ 320	\$ (126)
DISBURSEMENTS	-	-	-	-
RECEIPTS OVER (UNDER) DISBURSEMENTS	446	446	320	(126)
OTHER FINANCING SOURCES (USES)				
Transfers in	3,000	3,000	3,000	-
NET CHANGE IN FUND BALANCE	3,446	3,446	3,320	(126)
FUND BALANCE, Beginning of year	(3,446)	(3,446)	17,269	20,715
FUND BALANCE, End of year	\$ -	\$ -	\$ 20,589	\$ 20,589

CITY OF AMITY, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE****(CASH BASIS) - BUDGET AND ACTUAL - SIDEWALK RESERVE FUND****YEAR ENDED JUNE 30, 2009**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<i>RECEIPTS</i>				
Miscellaneous	\$ 348	\$ 348	\$ 250	\$ (98)
<i>DISBURSEMENTS</i>				
Capital outlay	137	137	12,836	(12,699)
<i>RECEIPTS OVER (UNDER)</i>				
<i>DISBURSEMENTS</i>	211	211	(12,586)	(12,797)
<i>FUND BALANCE, Beginning of year</i>	(211)	(211)	15,368	15,579
<i>FUND BALANCE, End of year</i>	\$ -	\$ -	\$ 2,782	\$ 2,782

CITY OF AMITY, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE****(CASH BASIS) - BUDGET AND ACTUAL - STORM SDC FUND****YEAR ENDED JUNE 30, 2009**

	<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	\$ 2,236	\$ (17,764)
Miscellaneous	591	591	424	(167)
<i>Total Receipts</i>	20,591	20,591	2,660	(17,931)
<i>DISBURSEMENTS</i>				
Capital outlay	42,000	42,000	2,451	39,549
<i>RECEIPTS OVER (UNDER)</i>				
<i>DISBURSEMENTS</i>	(21,409)	(21,409)	209	21,618
<i>FUND BALANCE, Beginning of year</i>	21,409	21,409	27,913	6,504
<i>FUND BALANCE, End of year</i>	\$ -	\$ -	\$ 28,122	\$ 28,122

CITY OF AMITY, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE****(CASH BASIS) - BUDGET AND ACTUAL - PARKS SDC FUND****YEAR ENDED JUNE 30, 2009**

	Budgeted Amounts		Actual	Variance
	Original	Final		
RECEIPTS				
Licenses and permits	\$ 5,570	\$ 5,570	\$ 622	\$ (4,948)
Miscellaneous	605	605	289	(316)
<i>Total Receipts</i>	6,175	6,175	911	(5,264)
DISBURSEMENTS				
Materials and services	200	200	-	200
Capital outlay	20,000	20,000	2,831	17,169
<i>Total Disbursements</i>	20,200	20,200	2,831	17,369
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(14,025)	(14,025)	(1,920)	12,105
FUND BALANCE, Beginning of year	14,025	14,025	16,075	2,050
FUND BALANCE, End of year	\$ -	\$ -	\$ 14,155	\$ 14,155

CITY OF AMITY, OREGON**COMBINING STATEMENT OF ASSETS AND LIABILITIES (MODIFIED CASH BASIS) - NONMAJOR
ENTERPRISE FUNDS
JUNE 30, 2009**

	<i>Water SDC</i>	<i>Water Bond</i>	<i>Sewer Reserve</i>
<i>ASSETS</i>			
Cash and investments	\$ 34,026	\$ 9,580	\$ 22,596
<i>LIABILITIES AND FUND BALANCE</i>			
<i>Liabilities</i>	\$ -	\$ -	\$ -
<i>Fund Balance</i>			
Restricted for debt service	-	9,580	-
Restricted for construction	34,026	-	-
Unrestricted	-	-	22,596
<i>Total Fund Balances</i>	34,026	9,580	22,596
<i>Total Liabilities and Fund Balance</i>	\$ 34,026	\$ 9,580	\$ 22,596

<i>Water Reserve</i>	<i>Totals</i>
\$ 31,396	\$ 97,598
\$ -	\$ -
-	9,580
-	34,026
31,396	53,992
31,396	97,598
\$ 31,396	\$ 97,598

CITY OF AMITY, OREGON**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES
(MODIFIED CASH BASIS) - NONMAJOR ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2009**

	<i>Water SDC</i>	<i>Water Bond</i>	<i>Sewer Reserve</i>
<i>RECEIPTS</i>			
Licenses and permits	\$ 4,736	\$ -	\$ -
Miscellaneous	1,310	139	1,551
<i>Total Receipts</i>	6,046	139	1,551
<i>DISBURSEMENTS</i>			
Materials and services	-	-	-
Capital outlay	3,778	-	467
Debt service			
Principal	-	51,233	-
Interest	-	17,979	-
<i>Total Disbursements</i>	3,778	69,212	467
<i>RECEIPTS OVER (UNDER) DISBURSEMENTS</i>	2,268	(69,073)	1,084
<i>OTHER FINANCING SOURCES (USES)</i>			
Transfers in	-	62,718	-
<i>NET CHANGE IN FUND BALANCES</i>	2,268	(6,355)	1,084
<i>FUND BALANCES, Beginning of year</i>	31,758	15,935	21,512
<i>FUND BALANCES, End of year</i>	\$ 34,026	\$ 9,580	\$ 22,596

<i>Water Reserve</i>	<i>Totals</i>
\$ -	\$ 4,736
128	3,128
128	7,864
37,311	37,311
-	4,245
-	51,233
-	17,979
37,311	110,768
(37,183)	(102,904)
55,000	117,718
17,817	14,814
13,579	82,784
\$ 31,396	\$ 97,598

CITY OF AMITY, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -****BUDGET AND ACTUAL - SEWER FUND****YEAR ENDED JUNE 30, 2009**

	<i>Budgeted Amounts</i>			
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance</i>
<i>RECEIPTS</i>				
Charges for services	\$ 317,000	\$ 317,000	\$ 324,828	\$ 7,828
Miscellaneous	1,566	1,566	1,700	134
<i>Total Receipts</i>	318,566	318,566	326,528	7,962
<i>DISBURSEMENTS</i>				
Personal services	92,554	99,535	93,771	5,764
Materials and services	108,900	110,400	123,700	(13,300)
Capital outlay	20,000	20,000	4,485	15,515
Contingency	30,000	21,519	-	21,519
<i>Total Disbursements</i>	251,454	251,454	221,956	29,498
<i>RECEIPTS OVER (UNDER) DISBURSEMENTS</i>				
	67,112	67,112	104,572	37,460
<i>OTHER FINANCING SOURCES (USES)</i>				
Transfers out	(139,058)	(139,058)	(139,058)	-
<i>NET CHANGE IN FUND BALANCE</i>	(71,946)	(71,946)	(34,486)	37,460
<i>FUND BALANCE, Beginning of year</i>	71,946	71,946	6,567	(65,379)
<i>FUND BALANCE (DEFICIT), End of year</i>				
	\$ -	\$ -	\$ (27,919)	\$ (27,919)

CITY OF AMITY, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE (CASH BASIS) -****BUDGET AND ACTUAL - WATER FUND****YEAR ENDED JUNE 30, 2009**

	Budgeted Amounts			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
RECEIPTS				
Charges for services	\$ 330,000	\$ 330,000	\$ 328,587	\$ (1,413)
Miscellaneous	1,100	1,100	580	(520)
<i>Total Receipts</i>	331,100	331,100	329,167	(1,933)
DISBURSEMENTS				
Personal services	104,035	117,997	111,837	6,160
Materials and services	131,500	133,000	111,661	21,339
Capital outlay	5,000	5,000	3,754	1,246
Contingency	30,000	14,538	-	14,538
<i>Total Disbursements</i>	270,535	270,535	227,252	43,283
RECEIPTS OVER (UNDER) DISBURSEMENTS	60,565	60,565	101,915	41,350
OTHER FINANCING SOURCES (USES)				
Transfers out	(117,718)	(117,718)	(117,718)	-
NET CHANGE IN FUND BALANCE	(57,153)	(57,153)	(15,803)	41,350
FUND BALANCE, Beginning of year	57,153	57,153	113,541	56,388
FUND BALANCE, End of year	\$ -	\$ -	\$ 97,738	\$ 97,738

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, 2009**

	Budgeted Amounts		Actual	Variance
	Original	Final		
RECEIPTS				
Charges for services	\$ 20,000	\$ 20,000	\$ 23,743	\$ 3,743
Miscellaneous	1,745	1,745	1,251	(494)
<i>Total Receipts</i>	21,745	21,745	24,994	3,249
DISBURSEMENTS				
Capital outlay	85,000	85,000	29	84,971
RECEIPTS OVER (UNDER) DISBURSEMENTS	(63,255)	(63,255)	24,965	88,220
FUND BALANCE, Beginning of year	63,255	63,255	79,407	16,152
FUND BALANCE, End of year	\$ -	\$ -	\$ 104,372	\$ 104,372

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, 2009**

	Budgeted Amounts		Actual	Variance
	Original	Final		
RECEIPTS				
Licenses and permits	\$ 25,000	\$ 25,000	\$ 2,793	\$ (22,207)
Miscellaneous	3,169	3,169	2,272	(897)
<i>Total Receipts</i>	28,169	28,169	5,065	(23,104)
DISBURSEMENTS				
Capital outlay	95,000	95,000	55,902	39,098
RECEIPTS OVER (UNDER) DISBURSEMENTS	(66,831)	(66,831)	(50,837)	15,994
FUND BALANCE, Beginning of year	66,831	66,831	118,595	51,764
FUND BALANCE, End of year	\$ -	\$ -	\$ 67,758	\$ 67,758

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, 2009**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<i>RECEIPTS</i>	\$ -	\$ -	\$ -	\$ -
<i>DISBURSEMENTS</i>				
Debt service	141,123	141,123	141,123	-
<i>RECEIPTS OVER (UNDER) DISBURSEMENTS</i>	(141,123)	(141,123)	(141,123)	-
<i>OTHER FINANCING SOURCES (USES)</i>				
Transfers in	139,058	139,058	139,058	-
<i>NET CHANGE IN FUND BALANCE</i>	(2,065)	(2,065)	(2,065)	-
<i>FUND BALANCE, Beginning of year</i>	2,065	2,065	2,065	-
<i>FUND BALANCE, End of year</i>	\$ -	\$ -	\$ -	\$ -

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, 2009**

	Budgeted Amounts		Actual	Variance
	Original	Final		
RECEIPTS				
Licenses and permits	\$ 10,148	\$ 10,148	\$ 4,736	\$ (5,412)
Miscellaneous	1,827	1,827	1,310	(517)
<i>Total Receipts</i>	11,975	11,975	6,046	(5,929)
DISBURSEMENTS				
Capital outlay	37,000	37,000	3,778	33,222
RECEIPTS OVER (UNDER) DISBURSEMENTS	(25,025)	(25,025)	2,268	27,293
FUND BALANCE, Beginning of year	25,025	25,025	31,758	6,733
FUND BALANCE, End of year	\$ -	\$ -	\$ 34,026	\$ 34,026

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, 2009**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<i>RECEIPTS</i>				
Miscellaneous	\$ 181	\$ 181	\$ 139	\$ (42)
<i>DISBURSEMENTS</i>				
Debt service	69,265	69,265	69,212	53
<i>RECEIPTS OVER (UNDER) DISBURSEMENTS</i>	(69,084)	(69,084)	(69,073)	11
<i>OTHER FINANCING SOURCES (USES)</i>				
Transfers in	62,718	62,718	62,718	-
<i>NET CHANGE IN FUND BALANCE</i>	(6,366)	(6,366)	(6,355)	11
<i>FUND BALANCE, Beginning of year</i>	6,366	6,366	15,935	9,569
<i>FUND BALANCE, End of year</i>	\$ -	\$ -	\$ 9,580	\$ 9,580

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, 2009**

	Budgeted Amounts		Actual	Variance
	Original	Final		
RECEIPTS				
Miscellaneous	\$ 2,162	\$ 2,162	\$ 1,551	\$ (611)
DISBURSEMENTS				
Capital outlay	30,000	30,000	467	29,533
RECEIPTS OVER (UNDER) DISBURSEMENTS	(27,838)	(27,838)	1,084	28,922
FUND BALANCE, Beginning of year	27,838	27,838	21,512	(6,326)
FUND BALANCE, End of year	\$ -	\$ -	\$ 22,596	\$ 22,596

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, 2009**

	Budgeted Amounts		Actual	Variance
	Original	Final		
RECEIPTS				
Miscellaneous	\$ 178	\$ 178	\$ 128	\$ (50)
DISBURSEMENTS				
Materials and services	40,000	40,000	37,311	2,689
RECEIPTS OVER (UNDER) DISBURSEMENTS	(39,822)	(39,822)	(37,183)	2,639
OTHER FINANCING SOURCES (USES)				
Transfers in	55,000	55,000	55,000	-
NET CHANGE IN FUND BALANCE	15,178	15,178	17,817	2,639
FUND BALANCE, Beginning of year	(15,178)	(15,178)	13,579	28,757
FUND BALANCE, End of year	\$ -	\$ -	\$ 31,396	\$ 31,396

CITY OF AMITY, OREGON
SCHEDULE OF PROPERTY TAX TRANSACTIONS
YEAR ENDED JUNE 30, 2009

<i>Tax Year</i>	<i>Uncollected Balances July 1, 2008</i>	<i>2008-09 Levy</i>	<i>Added To Rolls</i>	<i>Interest, Discounts & Adjustments</i>	<i>Turnovers</i>	<i>Uncollected Balances June 30, 2009</i>
2008-2009	\$ -	\$ 253,044	\$ 246	\$ (7,332)	\$ (233,673)	\$ 12,285
2007-2008	8,224	-	-	(352)	(4,433)	3,439
2006-2007	2,555	-	-	(28)	(1,087)	1,440
2005-2006	1,255	-	-	(18)	(713)	524
2004-2005	478	-	-	(14)	(266)	198
2003-2004	147	-	-	(7)	(14)	126
2002-2003	127	-	-	(5)	(11)	111
Prior Years	560	-	-	(9)	(41)	510
Total	<u>\$ 13,346</u>	<u>\$ 253,044</u>	<u>\$ 246</u>	<u>\$ (7,765)</u>	<u>\$ (240,238)</u>	<u>\$ 18,633</u>

CITY OF AMITY, OREGON
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
YEAR ENDED JUNE 30, 2009

	<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			
State Revolving Fund	1.0%	2000	2031-32
State Revolving Fund	3.0%-5.0%	2003	2027-28
	<i>Interest Rates</i>	<i>Date of Issue</i>	<i>Unmatured Interest Outstanding July 1, 2008</i>
BOND INTEREST TRANSACTIONS			
Revenue Bonds			
1970 Water Revenue Bonds	5.0%	1970	\$ 594
1974 Water Revenue Bonds	5.0%	1974	2,897
1975 Water Revenue Bonds	5.0%	1975	5,568
1975 Water Revenue Bonds	5.0%	1975	4,888
LOAN INTEREST TRANSACTIONS			
Oregon Economic & Community			
State Revolving Fund	1.0%	2000	157,813
State Revolving Fund	3.0%-5.0%	2003	1,009,294
			<hr/>
			\$ 1,181,054
			<hr/>

<i>Outstanding July 1, 2008</i>	<i>Issued</i>	<i>Paid</i>	<i>Outstanding June 30, 2009</i>
\$ 6,780	\$ -	\$ (3,746)	\$ 3,034
15,221	-	(1,559)	13,662
26,151	-	(2,579)	23,572
22,677	-	(2,020)	20,657
1,167,273	-	(41,329)	1,125,944
1,847,950	-	(60,540)	1,787,410
<u>\$ 3,086,052</u>	<u>\$ -</u>	<u>\$ (111,773)</u>	<u>\$ 2,974,279</u>

<i>New Issues</i>	<i>Interest Paid</i>	<i>Unmatured Interest June 30, 2009</i>
\$ -	\$ (594)	\$ -
-	(1,357)	1,540
-	(2,195)	3,373
-	(2,160)	2,728
-	(11,673)	146,140
-	(80,583)	928,711
<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ (98,562)</u>	<u>\$ 1,082,492</u>

CITY OF AMITY, OREGON
SCHEDULE OF FUTURE BONDED DEBT REQUIREMENTS
JUNE 30, 2009

<i>Year</i>	<i>1970 Water Revenue</i>			<i>1974 Water Revenue</i>		
	<i>Bonds</i>			<i>Bonds</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2009-10	\$ 3,034	\$ -	\$ 3,034	\$ 2,304	\$ 660	\$ 2,964
2010-11	-	-	-	2,419	545	2,964
2011-12	-	-	-	2,540	335	2,875
2012-13	-	-	-	2,667	-	2,667
2013-14	-	-	-	3,732	-	3,732
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>\$ 3,034</u>	<u>\$ -</u>	<u>\$ 3,034</u>	<u>\$ 13,662</u>	<u>\$ 1,540</u>	<u>\$ 15,202</u>

[illegible]

CITY OF AMITY, OREGON**SCHEDULE OF FUTURE BONDED DEBT REQUIREMENTS (Continued)****JUNE 30, 2009**

<i>Year</i>	<i>Safe Drinking Water Revolving Loan</i>			<i>Safe Drinking Water Revolving Loan</i>		
	<i>Principal</i>	<i>Interest</i>	<i>Total</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
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>\$ 1,125,944</u>	<u>\$ 146,140</u>	<u>\$ 1,272,084</u>	<u>\$ 1,787,410</u>	<u>\$ 928,711</u>	<u>\$ 2,716,121</u>

<i>Total</i>		
<i>Principal</i>	<i>Interest</i>	<i>Total</i>
\$ 119,641	\$ 92,874	\$ 212,515
117,831	89,835	207,666
119,120	86,532	205,652
125,459	82,431	207,890
127,794	78,741	206,535
129,022	75,481	204,503
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>\$ 2,974,279</u>	<u>\$ 1,082,492</u>	<u>\$ 4,056,771</u>

CITY OF AMITY, OREGON

INDEPENDENT AUDITOR'S COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS YEAR ENDED JUNE 30, 2009

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, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 22, 2010. 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 March 22, 2010.

CITY OF AMITY, OREGON

INDEPENDENT AUDITOR'S COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS

(Continued)

YEAR ENDED JUNE 30, 2009

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, 2009.

Adequacy of Collateral Securing Depository Balances

The City has complied with Oregon Revised Statutes Chapter 295 in relation to deposit accounts.

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, 2009.

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, 2009, and the preparation and adoption of its budget for the year ending June 30, 2010, except as noted in the notes to the financial statements and the City did not ensure that the excess of actual revenues over actual expenditures in 2007 agreed to the beginning balances for 2008 in their budget document.

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, 2009. We ascertained that such policies appeared to be in force and in compliance with legal requirements relating to insurance and fidelity bond coverage.

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, 2009

Highway Funds

The City complied with the legal requirements, Article IX, Section 3a of the Oregon Constitution pertaining to the use of revenue from taxes on motor vehicle fuel.

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
March 22, 2010