

***CITY OF AUMSVILLE, OREGON  
ANNUAL FINANCIAL REPORT  
Year Ended June 30, 2019***

***MAYOR***

Derek Clevenger, Mayor

Aumsville, Oregon 97325

***CITY COUNCIL MEMBERS***

Della Seney, President, Transportation Commissioner

Gus Bedwell, Commissioner

Nico Casarez, Commissioner

Jim Case, Commissioner

Angelica Ceja, Commissioner

Larry Purdy, Commissioner

***CITY ADMINISTRATION***

Ronald Harding, City Administrator

***MAILING ADDRESS***

595 Main Street  
Aumsville, Oregon 97325  
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## GROVE, MUELLER & SWANK, P.C.

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

### ***INDEPENDENT AUDITOR'S REPORT***

Honorable Mayor and Members of the City Council  
City of Aumsville  
595 Main Street  
Aumsville, Oregon 97325

#### ***Report on the Financial Statements***

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Aumsville, Oregon, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

#### ***Auditor's Responsibility***

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

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

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

#### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Aumsville, as of June 30, 2019, and the respective changes in modified cash basis

financial position and, where applicable, cash flows, thereof for the year then ended in accordance with the modified cash basis of accounting described in the notes to the financial statements.

### ***Basis of Accounting***

We draw attention to the notes of the financial statements, which describe the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

### ***Emphasis of Matter***

#### *Change in Accounting Presentation*

During the year ended June 30, 2019, the City combined related proprietary funds into two operating funds, Water Operations and Sewer Operations. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### *Report on Supplemental and Other Information*

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

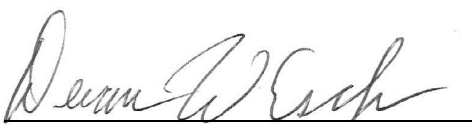
The supplemental information as listed in the table of contents is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures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

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

#### *Report on Other Legal and Regulatory Requirements*

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 26, 2019, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

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

By:   
Devan W. Esch, Shareholder  
December 26, 2019



# City of Aumsville

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## **FYE 2019 MANAGEMENT'S DISCUSSION AND ANALYSIS**

This discussion and analysis presents the highlights of the financial position of the City of Aumsville (City). The analysis focuses on the financial activities of the City for the fiscal year ending (FYE) June 30, 2019.

### **Financial Highlights**

	June 30,		change
	2019	2018	
Net position	\$ 12,259,981	\$ 10,658,776	\$ 1,601,205
Change in net position	1,601,205	1,241,040	360,165
Governmental net position	6,945,050	6,179,794	765,256
Proprietary net position	5,314,931	4,478,982	835,949
Change in governmental net position	765,256	651,701	113,555
Change in proprietary net position	835,949	589,339	246,610

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The intent of this overview and analysis is to explain the changes in the financial position of the City of Aumsville and the reasons they occurred. The City's detailed information is provided in the *audited financial statements* provided by an independent auditor similar to a private-sector business.

#### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City of Aumsville'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 Position (modified cash basis).* The *statement of net position* presents information on all of the assets and liabilities of the City as of the date on the statement. Net position is what remains after the liabilities have been paid off or otherwise satisfied. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

The City reports on the modified cash basis of accounting.

**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 Aumsville 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 Aumsville, 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. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

**Proprietary funds.** The City of Aumsville charges customers for the services it provides – whether to outside users or to other units of the City and these services are generally reported in proprietary funds. All of the City's proprietary funds are enterprise funds. Enterprise funds are used to report the same functions as business-type activities in the government-wide financial statements.

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

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *supplemental information* including the combining statements for the non-major funds and the budgetary comparison schedules.



## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of Aumsville, assets exceeded liabilities by \$12,259,981 at June 30, 2019.

**City of Aumsville**  
**Statements of Net Position (Modified Cash Basis)**  
**June 30,**

	2019			2018		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 2,283,033	\$ 2,640,977	\$ 4,924,010	\$ 1,788,804	\$ 1,854,405	\$ 3,643,209
Non-depreciable capital assets	316,206	146,415	462,621	332,780	11,457	344,237
Depreciable capital assets, net	4,358,506	4,309,685	8,668,191	4,102,439	4,488,852	8,591,291
<b>Total assets</b>	<b>6,957,745</b>	<b>7,097,077</b>	<b>14,054,822</b>	<b>6,224,023</b>	<b>6,354,714</b>	<b>12,578,737</b>
Deposits	1,540	61,116	62,656	24,429	55,672	80,101
Due to other governments	255	-	255	-	-	-
Long-term liabilities						
Portion due within one year	8,900	91,935	100,835	8,900	85,973	94,873
Portion due in more than one year	2,000	1,629,095	1,631,095	10,900	1,734,087	1,744,987
<b>Total liabilities</b>	<b>12,695</b>	<b>1,782,146</b>	<b>1,794,841</b>	<b>44,229</b>	<b>1,875,732</b>	<b>1,919,961</b>
Net position:						
Net investment in capital assets	4,663,812	2,735,070	7,398,882	4,415,419	2,680,249	7,095,668
Restricted	491,391	1,276,249	1,767,640	475,579	730,230	1,205,809
Unrestricted	1,789,847	1,303,612	3,093,459	1,288,796	1,068,503	2,357,299
<b>Total Net Position</b>	<b>\$ 6,945,050</b>	<b>\$ 5,314,931</b>	<b>\$ 12,259,981</b>	<b>\$ 6,179,794</b>	<b>\$ 4,478,982</b>	<b>\$ 10,658,776</b>

The *Net Position – Restricted* are funds that are legally restricted for capital projects and other specific purposes.

The *Net Position - Unrestricted* may be used to meet the City's ongoing obligations to citizens and creditors.

The *Net Investment in Capital Assets* represents the cost of capital assets less accumulated depreciation and less any debt incurred for the acquisition of capital assets.

**CITY OF AUMSVILLE**  
**CHANGES IN NET POSITION**

The City's total revenues were approximately \$4.8 million, of this an approximate 84% were from charges for services, fines, fees, permits, licenses and other sources. The remaining 16% came from property taxes.

The total cost of all programs and services was approximately \$3.2 million. Costs for utilities were approximately \$1.4 million (42%) and the remainder was for general government, public safety, streets, highways and other governmental activities.

**City of Aumsville**  
**Statements of Activities (Modified Cash Basis)**  
**June 30,**

	2019			2018		
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total
Revenues						
Program Revenues						
Charges for service	\$ 509,790	\$ 1,627,007	\$ 2,136,797	\$ 309,353	\$ 1,527,254	\$ 1,836,607
Operating grants	380,361	-	380,361	329,204	-	329,204
Capital grants	446,360	538,440	984,800	444,853	363,498	808,351
General Revenues						
Taxes and assessments	788,128	-	788,128	717,831	-	717,831
Franchise taxes	277,380	-	277,380	265,091	-	265,091
Intergovernmental	74,625	-	74,625	75,981	-	75,981
Miscellaneous	109,774	66,578	176,352	97,718	48,588	146,306
<i>Total Revenues</i>	<u>2,586,418</u>	<u>2,232,025</u>	<u>4,818,443</u>	<u>2,240,031</u>	<u>1,939,340</u>	<u>4,179,371</u>
Expenses						
General government	694,403	-	694,403	696,307	-	696,307
Public safety	834,940	-	834,940	826,671	-	826,671
Transportation	222,137	-	222,137	19,112	-	19,112
Community development	99,353	-	99,353	106,390	-	106,390
Water	-	659,230	659,230	-	625,899	625,899
Sewer	-	707,175	707,175	-	663,952	663,952
<i>Total Expenses</i>	<u>1,850,833</u>	<u>1,366,405</u>	<u>3,217,238</u>	<u>1,648,480</u>	<u>1,289,851</u>	<u>2,938,331</u>
Transfers	29,671	(29,671)	-	60,150	(60,150)	-
Change in net position	765,256	835,949	1,601,205	651,701	589,339	1,241,040
Net position, beginning of year	6,179,794	4,478,982	10,658,776	5,528,093	3,889,643	9,417,736
Net position, end of year	<u>\$ 6,945,050</u>	<u>\$ 5,314,931</u>	<u>\$ 12,259,981</u>	<u>\$ 6,179,794</u>	<u>\$ 4,478,982</u>	<u>\$ 10,658,776</u>

**GOVERNMENTAL ACTIVITIES**

The cost for all *governmental* activities was \$1,850,833 for the year ended June 30, 2019. The amount that our taxpayers paid was only \$788,128 through property taxes. Those who directly benefited from the programs (fines, fees and charges for services) paid \$509,790 or 24%.

Net position of the governmental-type activities increased by \$765,256 during the fiscal year ended June 30, 2019.

**BUSINESS-TYPE ACTIVITIES**

The cost for all *business-type* activities totaled \$1,366,405 for the year. The City utility costs are paid by utility service fees, system development charges, and other utility related income. The City's net position increased by \$835,949 from business-type activities.

**FINANCIAL ANALYSIS OF THE CITY OF AUMSVILLE FUNDS**

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The General Fund is the chief operating fund of the City. Proprietary funds are the City's business-type enterprise funds, which are water and sewer.

### *Major Governmental Funds:*

The City's governmental funds reported combined ending fund balances of \$2,281,238 at the end of the current fiscal year.

*General and Police Funds.* The General and Police Funds are the primary operating funds of the City. The combined fund balances were \$925,940 as of June 30, 2019. This was an increase of \$349,880 during the current fiscal year. As a measure of the liquidity, it may be useful to compare total fund balances to total fund expenditures. Fund balances represent 69% of total expenditures.

*Street Fund.* The Street Fund accounts for street maintenance and improvements. The fund balance increased by \$73,701 during the year, due to expenditures being under budget.

*Special Projects Fund.* This fund was created for the purpose of tracking grant money received from the Oregon Department of Transportation through the Safe Routes to Schools program. Nearly all the resources were spent during the year which left only a \$29 restricted fund balance.

*Transportation System SDC Fund.* The fund balance increased by \$153,941 during the year as a result of limited spending.

### *Major Proprietary Funds:*

The City's enterprise operations reported \$5,314,931 combined ending net position at year end.

*Water Operations* – Water operations' revenues are from charges for services and expenditures are for personal services, materials and services, capital acquisitions and debt payments. Net position increased \$417,954 during the year as a result of rate increases and conservative spending.

*Sewer Operations* – Sewer operations' revenues are from charges for services and expenditures are for personal services, materials and services, and capital acquisitions. Net position increased by \$417,995 during the year which was also the result of rate increases and conservative spending.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The City Council made two adjustments to the adopted budget for the General Fund during the fiscal year ended June 30, 2019.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital assets** The City's capital assets for governmental and business-type activities are shown below. Capital assets include land, buildings, distribution systems (water and sewer), machinery and equipment, and infrastructure. More detailed information on the City's capital assets can be found in the notes to the basic financial statements.

### Capital Assets As of June 30, 2019 and 2018

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	\$ 301,607	\$ 301,607	\$ -	\$ -	\$ 301,607	\$ 301,607
Construction in progress	14,599	31,173	146,415	11,457	161,014	42,630
Buildings	1,921,248	1,894,018	199,324	199,324	2,120,572	2,093,342
Equipment and vehicles	568,435	513,812	2,054,607	2,049,939	2,623,042	2,563,751
Infrastructure	3,680,043	3,335,526	5,167,219	5,167,219	8,847,262	8,502,745
	6,485,932	6,076,136	7,567,565	7,427,939	14,053,497	13,504,075
Less: accumulated depreciation	(1,811,220)	(1,640,917)	(3,111,465)	(2,927,630)	(4,922,685)	(4,568,547)
Net capital assets	\$ 4,674,712	\$ 4,435,219	\$ 4,456,100	\$ 4,500,309	\$ 9,130,812	\$ 8,935,528

**Long-term debt** The long-term debt of the City is shown below. The City made scheduled payments on existing debt during the year. More detailed information on the City's long-term debt can be found in the notes to the basic financial statements.

### Outstanding Debt As of June 30, 2019

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
OECD Water loan	\$ -	\$ -	\$ 77,832	\$ 103,852	\$ 77,832	\$ 103,852
OECD Public works loan	-	-	1,643,198	1,716,208	1,643,198	1,716,208
Vision Municipal Solutions	10,900	19,800	-	-	10,900	19,800
	\$ 10,900	\$ 19,800	\$ 1,721,030	\$ 1,820,060	\$ 1,731,930	\$ 1,839,860

## FUTURE ECONOMIC FACTORS FOR THE CITY OF AUMSVILLE

The City's cash reserves for vehicles, public works equipment, and major office equipment will provide funding for replacement, major repairs and new acquisitions, as they become necessary.

### Economic Factors and Fiscal Year 2019-20 Budgets and Rates

During the preparation of the budget for the ensuing fiscal year, the long-term impacts of the local economy were examined in conjunction with business decisions made by the City. The following are the major assumptions used in developing the 2019-20 budget:

- The City's tax rate remains \$3.6327 per \$1,000 of property valuation, which is the City's permanent levy rate.
- General fund revenues will continue to come in at or better than the financial forecast.
- No increase in employee retirement contribution rates in FY 2019-20.

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

It is my desire to provide you with factual, succinct, information on the genuine financial stability of Aumsville in this financial analysis. It was designed to provide City of Aumsville citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this analysis or need more detailed financial information, please contact Ronald Harding, City Administrator at (503) 749-2030 extension: 301, 595 Main Street, Aumsville, Oregon, 97325.

***BASIC FINANCIAL STATEMENTS***

**CITY OF AUMSVILLE, OREGON**  
**STATEMENT OF NET POSITION (MODIFIED CASH BASIS)**  
**JUNE 30, 2019**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,283,033	\$ 2,640,977	\$ 4,924,010
Non-depreciable capital assets	316,206	146,415	462,621
Depreciable capital assets, net	4,358,506	4,309,685	8,668,191
<i>Total Assets</i>	6,957,745	7,097,077	14,054,822
<b>LIABILITIES</b>			
Deposits	1,540	61,116	62,656
Due to other governments	255	-	255
Long-term liabilities			
Portion due within one year	8,900	91,935	100,835
Portion due in more than one year	2,000	1,629,095	1,631,095
<i>Total Liabilities</i>	12,695	1,782,146	1,794,841
<b>NET POSITION</b>			
Net investment in capital assets	4,663,812	2,735,070	7,398,882
Restricted for:			
Capital outlay	201,584	1,276,249	1,477,833
Streets	289,807	-	289,807
Unrestricted	1,789,847	1,303,612	3,093,459
<i>Total Net Position</i>	\$ 6,945,050	\$ 5,314,931	\$ 12,259,981

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

**CITY OF AUMSVILLE, OREGON**  
**STATEMENT OF ACTIVITIES (MODIFIED CASH BASIS)**  
**YEAR ENDED JUNE 30, 2019**

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenues and Changes in Net Position</u>		
		<u>Fees, Fines and Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>FUNCTIONS/PROGRAMS</b>							
<b>Governmental activities:</b>							
General government	\$ 694,403	\$ 206,524	\$ -	\$ 41,838	\$ (446,041)	\$ -	\$ (446,041)
Public safety	834,940	283,741	13,052	-	(538,147)	-	(538,147)
Transportation	222,137	-	286,421	200,205	264,489	-	264,489
Community development	99,353	19,525	80,888	204,317	205,377	-	205,377
<i>Total Governmental activities</i>	1,850,833	509,790	380,361	446,360	(514,322)	-	(514,322)
<b>Business-type activities:</b>							
Water	659,230	827,834	-	234,624	-	403,228	403,228
Sewer	707,175	799,173	-	303,816	-	395,814	395,814
<i>Total Business-type activities</i>	1,366,405	1,627,007	-	538,440	-	799,042	799,042
<i>Total Activities</i>	<u>\$ 3,217,238</u>	<u>\$ 2,136,797</u>	<u>\$ 380,361</u>	<u>\$ 984,800</u>	(514,322)	799,042	284,720
<b>General revenues:</b>							
Property taxes					788,128	-	788,128
Franchise taxes					277,380	-	277,380
Intergovernmental					74,625	-	74,625
Miscellaneous					109,774	66,578	176,352
<i>Total General revenues</i>					1,249,907	66,578	1,316,485
<b>Transfers</b>					29,671	(29,671)	-
<b>Change in net position</b>					765,256	835,949	1,601,205
<b>Net position - beginning of year</b>					6,179,794	4,478,982	10,658,776
<b>Net position - end of year</b>					<u>\$ 6,945,050</u>	<u>\$ 5,314,931</u>	<u>\$ 12,259,981</u>

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



**CITY OF AUMSVILLE, OREGON**  
**BALANCE SHEET (MODIFIED CASH BASIS) - GOVERNMENTAL FUNDS**  
**JUNE 30, 2019**

	<u>Special Revenue</u>			<u>Capital Projects</u>	<u>Other</u>	<u>Total</u>
	<u>General</u>	<u>Street</u>	<u>Special Projects</u>	<u>Transportation System SDC</u>	<u>Governmental Funds</u>	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 929,178	\$ 249,157	\$ 29	\$ 380,645	\$ 724,024	\$ 2,283,033
<b>LIABILITIES AND FUND BALANCE</b>						
<b>Liabilities</b>						
Deposits	\$ 1,540	\$ -	\$ -	\$ -	\$ -	\$ 1,540
Due to other governments	255	-	-	-	-	255
<i>Total Liabilities</i>	1,795	-	-	-	-	1,795
<b>Fund Balance</b>						
Restricted for:						
Capital acquisitions	-	-	-	-	201,584	201,584
Streets	-	249,157	29	-	40,621	289,807
Committed to:						
Community development	-	-	-	-	108,333	108,333
Public safety	359,571	-	-	-	-	359,571
Capital acquisitions	-	-	-	380,645	373,486	754,131
Unassigned	567,812	-	-	-	-	567,812
<i>Total Fund Balance</i>	927,383	249,157	29	380,645	724,024	2,281,238
<i>Total Liabilities and Fund Balance</i>	\$ 929,178	\$ 249,157	\$ 29	\$ 380,645	\$ 724,024	\$ 2,283,033

**Reconciliation of the Balance Sheet (Modified Cash Basis)  
to the Statement of Net Position (Modified Cash Basis)**

<i>Fund balances</i>		\$ 2,281,238
Capital assets are not financial resources in governmental funds, but are reported in the Statement of Net Position at their net depreciable value:		
Capital assets, cost		6,485,932
Accumulated depreciation		(1,811,220)
Long-term liabilities are not financial requirements of governmental funds, but are reported in the Statement of Net Position		(10,900)
<i>Net position</i>		\$ 6,945,050

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

**CITY OF AUMSVILLE, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**(MODIFIED CASH BASIS) - GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2019**

	<u>Special Revenue</u>			<u>Capital Projects</u>	<u>Other</u>	<u>Total</u>
	<u>General</u>	<u>Street</u>	<u>Special Projects</u>	<u>Transportation System SDC</u>	<u>Governmental Funds</u>	
<b>REVENUES</b>						
Taxes and assessments	\$ 788,128	\$ -	\$ -	\$ -	\$ 200	\$ 788,328
Fines and forfeitures	70,313	-	-	-	-	70,313
Licenses and permits	483,904	-	-	198,917	129,317	812,138
Charges for services	210,863	-	-	-	1,075	211,938
Intergovernmental	84,994	287,709	-	-	156,658	529,361
Miscellaneous	52,057	6,000	2,820	8,169	105,295	174,341
<i>Total Revenues</i>	<u>1,690,259</u>	<u>293,709</u>	<u>2,820</u>	<u>207,086</u>	<u>392,545</u>	<u>2,586,419</u>
<b>EXPENDITURES</b>						
General government	426,533	-	65,840	53,077	-	545,450
Public safety	911,738	-	-	-	95,621	1,007,359
Transportation	-	157,557	-	-	-	157,557
Community development	-	-	-	-	108,676	108,676
Capital acquisitions	4,133	59,952	166,579	-	40,621	271,285
Debt payments						
Principal	-	-	-	-	8,900	8,900
<i>Total Expenditures</i>	<u>1,342,404</u>	<u>217,509</u>	<u>232,419</u>	<u>53,077</u>	<u>253,818</u>	<u>2,099,227</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>347,855</u>	<u>76,200</u>	<u>(229,599)</u>	<u>154,009</u>	<u>138,727</u>	<u>487,192</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	866,468	11,251	-	-	125,323	1,003,042
Transfers out	(863,000)	(13,750)	-	(68)	(96,553)	(973,371)
<i>Total Other Financing Sources (Uses)</i>	<u>3,468</u>	<u>(2,499)</u>	<u>-</u>	<u>(68)</u>	<u>28,770</u>	<u>29,671</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>351,323</u>	<u>73,701</u>	<u>(229,599)</u>	<u>153,941</u>	<u>167,497</u>	<u>516,863</u>
<b>FUND BALANCE, beginning of year</b>	<u>576,060</u>	<u>175,456</u>	<u>229,628</u>	<u>226,704</u>	<u>556,527</u>	<u>1,764,375</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 927,383</u>	<u>\$ 249,157</u>	<u>\$ 29</u>	<u>\$ 380,645</u>	<u>\$ 724,024</u>	<u>\$ 2,281,238</u>

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance  
(Modified Cash Basis) to the Statement of Activities (Modified Cash Basis)**

Net change in fund balance						\$ 516,863
Capital acquisitions are reported as expenditures in governmental funds. However, the Statement of Activities allocates the cost of capital acquisitions over the estimated useful life as depreciation expense						
Capital acquisitions						460,473
Depreciation expense						(216,032)
Net book value of capital asset disposals						(4,948)
Debt principal paid is reported as an expenditure in governmental funds. However, it does not affect the Statement of Activities, but is reported as a decrease in noncurrent liabilities on the Statement of Net Position						8,900
Change in net position of governmental activities						<u>\$ 765,256</u>

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

**CITY OF AUMSVILLE, OREGON****STATEMENT OF NET POSITION (MODIFIED CASH BASIS) - PROPRIETARY OPERATIONS**

JUNE 30, 2019

	<i>Water Operations</i>	<i>Sewer Operations</i>	<i>Total</i>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	\$ 1,267,707	\$ 1,373,270	\$ 2,640,977
<b>Capital assets</b>			
Non-depreciable capital assets	146,415	-	146,415
Depreciable capital assets, net	1,400,894	2,908,791	4,309,685
<i>Total Assets</i>	2,815,016	4,282,061	7,097,077
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Deposits	30,558	30,558	61,116
<b>Long-term liabilities</b>			
Portion due within one year	13,535	78,400	91,935
Portion due in more than one year	64,297	1,564,798	1,629,095
<i>Total Liabilities</i>	108,390	1,673,756	1,782,146
<b>NET POSITION</b>			
Invested in capital assets, net of related debt	1,469,477	1,265,593	2,735,070
Restricted for:			
Capital outlay	517,270	758,979	1,276,249
Unrestricted	719,879	583,733	1,303,612
<i>Total Net Position</i>	\$ 2,706,626	\$ 2,608,305	\$ 5,314,931

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

**CITY OF AUMSVILLE, OREGON**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

**(MODIFIED CASH BASIS) - PROPRIETARY OPERATIONS**

**JUNE 30, 2019**

	<i>Water Operations</i>	<i>Sewer Operations</i>	<i>Total</i>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 827,834	\$ 799,173	\$ 1,627,007
Miscellaneous	17,916	30,086	48,002
<i>Total Operating Revenues</i>	845,750	829,259	1,675,009
<b>OPERATING EXPENSES</b>			
Personnel services	415,620	391,709	807,329
Materials and services	239,030	250,928	489,958
<i>Total Operating Expenses</i>	654,650	642,637	1,297,287
<b>OPERATING INCOME</b>	191,100	186,622	377,722
<b>NONOPERATING ITEMS</b>			
Interest revenue	10,392	8,184	18,576
Interest expense	(4,580)	(64,538)	(69,118)
<i>Total Nonoperating Items</i>	5,812	(56,354)	(50,542)
<b>NET INCOME BEFORE CONTRIBUTIONS AND TRANSFERS</b>			
Capital contributions	234,624	303,816	538,440
Transfers in	101,656	74,005	175,661
Transfers out	(115,238)	(90,094)	(205,332)
<b>CHANGE IN NET POSITION</b>	417,954	417,995	835,949
<b>NET POSITION, beginning of year</b>	2,288,672	2,190,310	4,478,982
<b>NET POSITION, end of year</b>	\$ 2,706,626	\$ 2,608,305	\$ 5,314,931

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

**CITY OF AUMSVILLE, OREGON**

**STATEMENT OF CASH FLOWS (MODIFIED CASH BASIS) - PROPRIETARY OPERATIONS**

**YEAR ENDED JUNE 30, 2019**

	<u>Water Operations</u>	<u>Sewer Operations</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 848,472	\$ 831,981	\$ 1,680,453
Cash paid to employees and others for salaries and benefits	(415,620)	(391,709)	(807,329)
Cash paid to suppliers and others	(166,806)	(139,317)	(306,123)
<i>Net Cash Provided by Operating Activities</i>	<u>266,046</u>	<u>300,955</u>	<u>567,001</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Transfers in	101,656	74,005	175,661
Transfers out	(115,238)	(90,094)	(205,332)
<i>Net Cash (Used for) Non-Capital Financing Activities</i>	<u>(13,582)</u>	<u>(16,089)</u>	<u>(29,671)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets	(137,292)	(2,334)	(139,626)
Interest paid on debt	(4,580)	(64,538)	(69,118)
Principal paid on debt	(26,020)	(73,010)	(99,030)
Capital contributions	234,624	303,816	538,440
<i>Net Cash Provided by Capital and Related Financing Activities</i>	<u>66,732</u>	<u>163,934</u>	<u>230,666</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	10,392	8,184	18,576
<i>Increase in Cash and Investments</i>	<u>329,588</u>	<u>456,984</u>	<u>786,572</u>
<b>CASH AND INVESTMENTS, Beginning of year</b>	<u>938,119</u>	<u>916,286</u>	<u>1,854,405</u>
<b>CASH AND INVESTMENTS, End of year</b>	<u>\$ 1,267,707</u>	<u>\$ 1,373,270</u>	<u>\$ 2,640,977</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 191,100	\$ 186,622	\$ 377,722
Adjustments			
Depreciation	72,224	111,611	183,835
Increase in deposits	2,722	2,722	5,444
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$ 266,046</u>	<u>\$ 300,955</u>	<u>\$ 567,001</u>

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

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Aumsville, Oregon is governed by an elected mayor and six council members who comprise the City Council. The City Council exercises supervisory responsibilities over the City operations, but day-to-day management control is the responsibility of a city manager. All significant activities and organizations for which the City is financially accountable are included in the financial statements.

There are certain governmental agencies and various service districts which provide services within the City. These agencies have independently elected governing boards and the City is not financially accountable for these organizations. Therefore, financial information for these agencies is not included in the accompanying basic financial statements.

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

*Basic Financial Statements*

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as 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 Position (Modified Cash Basis) and the Statement of Activities (Modified Cash Basis).

*The Statement of Net Position (Modified Cash Basis)* presents all the assets and liabilities of the City. Net position, representing assets less liabilities, is shown in three components. 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 expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

*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 and proprietary type funds. Major individual governmental funds, and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are consolidated into a single column within each fund type in the financial section of the basic financial statements and are detailed in the other supplementary information.

**CITY OF AUMSVILLE, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2019

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

*Basis of Presentation*

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

Government accounting standards set forth minimum criteria (percentage of the assets liabilities, revenues or expenditures/expenses of either fund category or the government and enterprise combined) for the determination of major funds.

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 revenues are property taxes, licenses and permits, franchise fees and State shared revenues. Primary expenditures are for general administration and municipal court operations of the City.

*Police Fund* - Accounts for the operation of the City's police department. This fund is combined with the general fund for reporting purposes.

*Street Fund* - Accounts for revenues and expenditures of State gas tax and other revenues related to streets.

*Special Projects Fund* – Accounts for revenues received from the Oregon Department of Transportation through the Safe Routes to Schools program.

*Transportation System SDC Fund* - Money set aside for the development and improvements of the City's streets.

The City reports the following nonmajor governmental funds:

*Park Fund* - Accounts for monies earmarked for operation of the City's parks.

*Bikeway/Pedestrian Fund* - Accounts for monies earmarked for use on the City's bikeways and sidewalks.

*Investment in Aumsville Families and Children Fund* - Accounts for monies earmarked for activities which promote family and community enhancement.

*Public Works Equipment Fund* - Money set aside for purchase of public works related equipment.

*Park System Development Charge (SDC) Fund* - Accounts for the development and improvements of the City's parks.

*Vehicle Replacement Fund* - Money set aside for purchase of police and public works vehicles.

*Major Office Equipment Fund* - Money set aside for the purchase of major office equipment.

*City Reserve Fund* - Money set aside for emergencies or unexpected City expenses and police reserves.

**CITY OF AUMSVILLE, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2019

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

*Basis of Presentation (Continued)*

The City reports the following proprietary funds as major 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.

*Water Operations* - The Water Fund is used to account for the operations, maintenance and capital construction projects of the City's water utility. Primary revenues are sales of water to users and related fees, interest on invested funds, and proceeds from the issuance of debt. Expenses are for operating costs.

*Sewer Operations* - This fund is used to account for the operations, maintenance and capital construction projects of the City's sewer utility. Primary revenues are charges for sewer services, interest on invested funds and proceeds from the issuance of debt. Expenses are for operating costs.

The City reports no nonmajor proprietary funds.

*Fund Balance*

In governmental funds, the City's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

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

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

Fund balance is reported as committed when the City Council takes formal action that places specific constraints on how the resources may be used. The City Council can modify or rescind the commitment at any time through taking a similar formal action.

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

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



**CITY OF AUMSVILLE, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2019

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

*Definitions of Governmental Fund Types*

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

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term “proceeds of specific revenues sources” means that the revenue sources for the fund must be from restricted or committed sources, specifically that a substantial portion of the revenue must be from these sources and be expended in accordance with those requirements. Budgetary Special Revenue Funds whose primary source of funding is transfers from the General Fund must be reported as part of the General Fund. Therefore, in the Governmental Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances, the Police Fund has been combined with the General Fund.

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

*Measurement Focus and Basis of Accounting*

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

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

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

- a. All governmental funds utilize a current financial resources measurement focus within the limitations of the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary funds utilize an economic resource measurement focus within the limitations of the modified cash basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, change in net position (or cost recovery), net financial position, and cash flows. All assets, deferred outflows, liabilities, and deferred inflows (whether current or noncurrent or financial or nonfinancial) associated with their activities are generally reported within the limitations of the modified cash basis of accounting.

**CITY OF AUMSVILLE, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2019

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

*Measurement Focus and Basis of Accounting (Continued)*

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

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

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

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

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

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

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

**CITY OF AUMSVILLE, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2017

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

*Cash and Cash Equivalents*

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

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

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

Investments in the Local Governmental Investment Pool are stated at cost, which approximates fair value.

*Property Taxes*

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

*Capital Assets*

Capital assets (items costing more than \$2,500 and lasting more than one year) are reported in the applicable governmental or business-type activities in the notes to the 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 not recorded. Maintenance and repairs are expensed as incurred. Replacements which improve or extend the lives of property are capitalized.

Capital assets are depreciated unless they are inexhaustible in nature (e.g., land and right-of-ways). Depreciation is an accounting process to allocate the cost of capital assets in a systematic and rational manner to those periods expected to benefit from the use of capital assets. Depreciation is not intended to represent an estimate in the decline of fair market value, nor are capital assets, net of accumulated depreciation, intended to represent an estimate of the current condition of the assets, or the maintenance requirements needed to maintain the assets at their current level of condition.

Depreciation is computed over the estimated useful lives of the capital assets. Depreciation is calculated on the straight-line basis. The estimated useful lives of the various categories of assets are as follows:

Buildings and improvements	30 - 40 years
Water and Sewer Systems	20 - 50 years
Infrastructure	20 - 50 years
Equipment	7 - 30 years

Upon disposal of capital assets, cost and accumulated depreciation are removed from the accounts.

**CITY OF AUMSVILLE, OREGON**  
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)  
 YEAR ENDED JUNE 30, 2017

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

*Long-Term Debt*

Long-term debt is presented in the government-wide financial statements, in the proprietary fund statements and in the notes to the financial statements. Payments of principal and interest are recorded as expenditures/expenses when paid.

*Accrued Compensated Absences*

Accumulated unpaid vacation and comp time is recorded as an expenditure/expense when paid.

*Budgets and Budgetary Accounting*

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

*Use of 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, revenues and expenditures as of and for the year ended June 30, 2019. Actual results may differ from such estimates.

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents are comprised of the following at June 30, 2019:

<b>Cash</b>	
Cash on hand	\$ 1,540
Demand deposits	95,281
<b>Investments</b>	
Local Government Investment Pool	4,827,189
	<u>4,924,010</u>
	<u><u>\$ 4,924,010</u></u>

*Deposits*

The book balance of the City's bank deposits was \$95,281 and the bank balance was \$202,727 at year end. The difference is due to transactions in process. Bank deposits are secured to legal limits by federal deposit insurance. The remaining amount is secured in accordance with ORS 295 under a collateral program administered by the Oregon State Treasurer.

**CITY OF AUMSVILLE, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2017

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**CASH AND CASH EQUIVALENTS (Continued)**

*Custodial Credit Risk - Deposits*

This is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City's deposits with financial institutions for up to \$250,000 each for the aggregate of all demand deposits and the aggregate of all time deposit and savings accounts at each financial institution. Deposits in excess of FDIC coverage are with institutions participating in the Oregon Public Funds Collateralization Program (PFCP). The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. As of June 30, 2019, all of the City's bank balances were covered by FDIC insurance.

*Local Government Investment Pool*

The State Treasurer of the State of Oregon maintains the Oregon Short-term Fund, of which the Local Government Investment Pool is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. The Oregon Short-term Fund is the LGIP for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations.

The investments are regulated by the Oregon Short-term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). At June 30, 2019, 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 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 – Local Governmental Investment Pool*

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

**CITY OF AUMSVILLE, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2019

**CASH AND CASH EQUIVALENTS (Continued)***Custodial Risk – Local Governmental Investment Pool (Continued)*

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

**CAPITAL ASSETS**

The summary of capital assets for governmental activities for the year ended June 30, 2019 is as follows:

	<i>Balances July 1, 2018</i>	<i>Additions</i>	<i>Retirements</i>	<i>Balances June 30, 2019</i>
Non-depreciable				
Construction in progress	\$ 31,173	\$ 333,061	\$ (349,635)	\$ 14,599
Land	301,607	-	-	301,607
<i>Total non-depreciable</i>	<u>332,780</u>	<u>333,061</u>	<u>(349,635)</u>	<u>316,206</u>
Depreciable				
Buildings and improvements	1,894,018	27,230	-	1,921,248
Equipment	513,812	100,182	(45,559)	568,435
Infrastructure	3,335,526	349,635	(5,118)	3,680,043
<i>Total depreciable</i>	<u>5,743,356</u>	<u>477,047</u>	<u>(50,677)</u>	<u>6,169,726</u>
Accumulated depreciation				
Buildings and improvements	(451,690)	(53,484)	-	(505,174)
Equipment	(388,552)	(48,411)	45,559	(391,404)
Infrastructure	(800,674)	(114,137)	169	(914,642)
Less accumulated depreciation	<u>(1,640,916)</u>	<u>(216,032)</u>	<u>45,728</u>	<u>(1,811,220)</u>
<i>Total depreciable capital assets, net</i>	<u>4,102,440</u>	<u>261,015</u>	<u>(4,949)</u>	<u>4,358,506</u>
<i>Governmental activities capital assets, net</i>	<u>\$ 4,435,220</u>	<u>\$ 594,076</u>	<u>\$ (354,584)</u>	<u>\$ 4,674,712</u>

**CITY OF AUMSVILLE, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 2019**

**CAPITAL ASSETS (Continued)**

The summary of capital assets for the business-type activities for the year ended June 30, 2019 is as follows:

	<i>Balances July 1, 2018</i>	<i>Additions</i>	<i>Retirements</i>	<i>Balances June 30, 2019</i>
Non-depreciable				
Construction in progress	\$ 11,457	\$ 134,958	\$ -	\$ 146,415
Depreciable				
Buildings and improvements	199,324	-	-	199,324
Equipment	1,869,761	4,668	-	1,874,429
Infrastructure	5,167,219	-	-	5,167,219
Vehicles	180,178	-	-	180,178
<i>Total depreciable</i>	<u>7,416,482</u>	<u>4,668</u>	<u>-</u>	<u>7,421,150</u>
Accumulated depreciation				
Buildings and improvements	(152,001)	(4,270)	-	(156,271)
Equipment	(648,184)	(58,273)	-	(706,457)
Infrastructure	(1,961,279)	(119,416)	-	(2,080,695)
Vehicles	(166,166)	(1,876)	-	(168,042)
Less accumulated depreciation	<u>(2,927,630)</u>	<u>(183,835)</u>	<u>-</u>	<u>(3,111,465)</u>
<i>Total depreciable capital assets, net</i>	<u>4,488,852</u>	<u>(179,167)</u>	<u>-</u>	<u>4,309,685</u>
<i>Business-type activities capital assets, net</i>	<u>\$ 4,500,309</u>	<u>\$ (44,209)</u>	<u>\$ -</u>	<u>\$ 4,456,100</u>

**CITY OF AUMSVILLE, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2019

**LONG-TERM DEBT**

Long-term debt transactions for the year were as follows:

	<u>Outstanding July 1, 2018</u>	<u>Issued</u>	<u>Matured/ Redeemed During Year</u>	<u>Outstanding June 30, 2019</u>	<u>Next Year Requirements</u>
<b>Governmental Activities</b>					
Vision Municipal Solutions	\$ 19,800	\$ -	\$ (8,900)	\$ 10,900	\$ 8,900
<b>Business-type Activities</b>					
OECD Water Improvement Loan	103,852	-	(26,020)	77,832	13,535
OECD Public Works Loan	1,716,208	-	(73,010)	1,643,198	78,400
Total business-type activities	\$ 1,820,060	\$ -	\$ (99,030)	\$ 1,721,030	\$ 91,935

*Notes/Loans from Direct Borrowings – Governmental Activities*

Vision Municipal Solutions: During the fiscal year ended June 30, 2016, the City financed the purchase of the Vision Municipal Solutions Court software in the amount of \$34,500. The note is non-interest bearing. Principal only payments are required to be paid annually through fiscal year 2021. The loan is secured by equipment. In the event of default, the loan becomes immediately due and payable.

Annual debt service requirements for governmental loans payable are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 8,900	\$ -	\$ 8,900
2021	2,000	-	2,000
	<u>\$ 10,900</u>	<u>\$ -</u>	<u>\$ 10,900</u>

*Notes/Loans from Direct Borrowings – Business Type Activities*

OECD Water Improvement Loan: During the fiscal year ended June 30, 2006, the City entered into an agreement with OECD under which, the City received \$210,000. Annual installments of \$20,045 including interest at 4.41% are required through December 2031. The City has historically made additional principal payments as cash flows allow.

The note is secured by the full faith and credit of the City. In addition, net revenues of the system have been pledged as payment for the obligation. In the event of default, the note becomes immediately due and payable.



**CITY OF AUMSVILLE, OREGON**  
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)  
 YEAR ENDED JUNE 30, 2019

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**LONG-TERM DEBT (Continued)**

Notes/Loans from Direct Borrowings – Business Type Activities (Continued)

Annual debt service requirements for the OECDD Water Improvement Loan are as follows:

<i>Fiscal Year</i> <i>Ending</i> <i>June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2020	\$ 13,535	\$ 6,510	\$ 20,045
2021	14,132	5,913	20,045
2022	14,755	5,290	20,045
2023	15,406	4,639	20,045
2024	16,085	3,960	20,045
2025	3,919	3,250	7,169
	<u>\$ 77,832</u>	<u>\$ 29,562</u>	<u>\$ 107,394</u>

OECDD Public Works Loan: During the fiscal year ended June 30, 2011, the City entered into an agreement with OECDD under which, the City received \$2,240,000. Annual installments ranging from \$139,000 to \$143,000 including interest from 2 to 4% are required through December 2034.

The note is secured by the full faith and credit of the City. In addition, net revenues of the system have been pledged as payment for the obligation. In the event of default, the note becomes immediately due and payable.

Annual debt service requirements for the OECDD Public Works Loan are as follows:

<i>Fiscal Year</i> <i>Ending</i> <i>June 30,</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2020	\$ 78,400	\$ 62,348	\$ 140,748
2021	78,802	59,996	138,798
2022	84,286	57,238	141,524
2023	84,785	54,288	139,073
2024	90,229	51,744	141,973
2025-2029	495,063	206,683	701,746
2030-2034	598,415	100,088	698,503
2035	133,218	5,329	138,547
	<u>\$ 1,643,198</u>	<u>\$ 597,714</u>	<u>\$ 2,240,912</u>

**CITY OF AUMSVILLE, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2019

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**LONG-TERM DEBT** (Continued)

The OECDD Public Works Loan requires the City to prepare its financial statements in accordance with generally accepted accounting principles as established by the Government Accounting Standards Board. The City prepares its financial statements on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**PENSION PLAN**

Plan Description - City employees are provided pension benefits through the Oregon Public Employees Retirement System (PERS). PERS is a cost-sharing multiple-employer defined benefit pension plan for units of state and local government in Oregon, containing multiple actuarial pools. Benefits are established and amended by the Oregon State Legislature pursuant to ORS Chapters 238 and 238A. The legislature has delegated the authority to administer and manage PERS to the Public Employees Retirement Board. PERS issues a publicly available financial report that can be found at: <https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

Benefits Provided - PERS provides retirement, disability, and death benefits which vary based on a qualified employee's hiring date and employment class (general service or police/fire). All City employees are eligible to participate after six months of covered employment. Details applicable to police/fire employees are noted in [square brackets] where different.

The Tier One/Tier Two Retirement Plan applies to qualifying employees hired before August 29, 2003 and is closed to new members.

Monthly retirement benefits are based on final 3-year average salary multiplied by years of service and a factor of 1.67% [2.00%]. Benefits may also be based on a money match computation, or formula plus annuity (for members contributing before August 21, 1981), if a greater benefit results. Employees are fully vested after making contributions in each of five calendar years, and are eligible to retire at age 55 [50]. Tier One benefits are reduced if retirement occurs prior to age 58 [55] with less than 30 [25] years of service; Tier Two benefits are reduced for retirement prior to age 60.

Employees are eligible for service-related disability benefits regardless of length of service; 10 years of service is required for nonservice-related benefits. Disability benefits are determined in the same manner as retirement benefits with service time computed to age 58 [55].

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance. The beneficiary may also receive a matching lump-sum payment from employer funds if the member was in covered employment at the time of death, or if the member died less than 120 days after termination, while on official leave of absence, or as a result of a job-related injury.

Monthly benefits are subject to annual cost-of-living adjustments (COLA). For benefits earned after the relevant effective dates, the COLA is subject to a cap of 1.25% on the first \$60,000 of annual benefits and 0.15% thereafter (ORS 238.360).

**CITY OF AUMSVILLE, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2019

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**PENSION PLAN (Continued)**

The Oregon Public Service Retirement Plan (OPSRP) applies to qualifying employees hired on or after August 29, 2003.

Monthly retirement benefits are based on final 3-year average salary multiplied by years of service and a factor of 1.50% [1.80%]. Employees are fully vested after completing 600 hours of service in each of five calendar years, and are eligible to retire at age 58 [53] with 30 [25] years of service, or at age 65 [60] otherwise.

Employees are eligible for service-related disability benefits regardless of length of service; 10 years of service is required for nonservice-related benefits. The benefit is 45% of the employee's salary during the last full month of employment before the disability occurred.

Upon the death of a non-retired member, the beneficiary receives a monthly benefit equal to 50% of the retirement benefit that would have been paid to the member.

Monthly benefits are subject to annual cost-of-living adjustments (COLA). For benefits earned after the relevant effective dates, the COLA is subject to a cap of 1.25% on the first \$60,000 of annual benefits and 0.15% thereafter (ORS 238A.210).

Contribution Requirements – As a participating employer, the City is required to make monthly contributions to PERS based on actuarially determined percentages of covered payroll. Rates in effect for fiscal year 2019 were 17.02% for Tier One/Tier Two employees, 8.95% for OPSRP general service employees, and 13.72% for OPSRP police/fire employees. The City's total contributions to PERS were \$193,039, for fiscal year ended June 30, 2019.

Contribution requirements are established by Oregon statute and may be amended by an act of the Oregon State Legislature. Employer contribution rates for fiscal year 2019 were based on the December 31, 2016 actuarial valuation using the entry age normal actuarial cost method. It is important to note that the actuarial valuations used for rate setting are based on different methods and assumptions than those used for financial reporting which are described later in this note.

Employee contributions are set by statute at 6% of salary and are remitted by participating employers, who may agree to make employee contributions on the employee's behalf. Prior to January 1, 2004, employee contributions were credited to the defined benefit pension plan. Beginning January 1, 2004, all employee contributions were placed in the OPSRP Individual Account Program (IAP), a defined contribution pension plan described in the subsequent note.

Pension Assets/Liabilities, Pension Expense, and Pension-Related Deferrals – At June 30, 2019, the City reported a net pension liability of \$1,485,150 as its proportionate share of the collective net pension liability for PERS, measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was based on a December 31, 2016 actuarial valuation, rolled forward to the measurement date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to PERS relative to the projected contributions of all participating employers, as actuarially determined. The City's proportion was 0.00894% as of the June 30, 2018 measurement date, compared to 0.00980% as of June 30, 2017.

**CITY OF AUMSVILLE, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2019

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**PENSION PLAN (Continued)**

Actuarial Methods and Assumptions – The total pension liability in the December 31, 2016 actuarial valuation was determined using the entry age normal method and the following actuarial assumptions, applied to all periods included in the measurement: inflation rate of 2.50%, projected salary increases of 3.50%, investment rate of return of 7.20%, and mortality rates based on the RP-2000 sex-distinct mortality tables, with generational adjustments per scale BB. These assumptions were based on the results of an actuarial experience study for the four-year period ending December 31, 2016.

The long-term expected rate of return on pension plan investments was developed by combining estimated rates of return for each major asset class weighted by target asset allocation percentages and adjusting for inflation.

Target allocations and estimated geometric rates of return for each major asset class are available in the PERS publicly available financial report previously mentioned.

The discount rate used to measure the total pension liability was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following chart shows the sensitivity of the net pension liability (asset) to changes in the discount rate, based on calculations using discount rates of 6.20%, 7.20%, and 8.20%.

	<b>1% Decrease (6.20%)</b>	<b>Discount Rate (7.20%)</b>	<b>1% Increase (8.20%)</b>
Proportionate share of the net pension liability	\$ 2,481,966	\$ 1,485,150	\$ 662,360

Pension Plan Fiduciary Net Position – Detailed information about PERS’ net position is available in its separately issued financial report.

Defined Contribution Plan – PERS-eligible employees are statutorily required to contribute 6% of their annual covered salary to the OPSRP Individual Account Program (IAP), a defined contribution pension plan. Benefits terms, including contribution requirements, are established by the Oregon Legislature. As permitted, the City has opted to pick-up the contributions on behalf of employees; contributions were \$60,639 for the year ended June 30, 2019. Employees are fully vested after completing 600 hours of service in each of five calendar years. PERS contracts with VOYA Financial to administer the IAP.

Changes in Plan Provisions Subsequent to Measurement Date – The PERS Board lowered the Assumed Rate of Return from 7.50% to 7.20% on July 28, 2017. This change is effective January 1, 2018, and will decrease the net OPEB asset or increase the net OPEB liability in future periods.

**CITY OF AUMSVILLE, OREGON**  
*NOTES TO BASIC FINANCIAL STATEMENTS (Continued)*  
 YEAR ENDED JUNE 30, 2019

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**TRANSFERS**

Interfund transfers in and out for all funds were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 31,468	\$ 845,000
Police	835,000	18,000
Street	11,251	13,750
Public Works Equipment	28,000	-
Transportation SDC	-	68
Park	-	78,099
Parks SDC	15,437	68
Vehicle Replacement	53,886	-
Major Office Equipment	28,000	-
City Reserve	-	18,386
Water	26,656	115,143
Sewer	24,005	90,026
Water Improvement	75,000	-
Sewer Improvement	50,000	-
Sewer SDC	-	68
Water SDC	-	95
	<u>\$ 1,178,703</u>	<u>\$ 1,178,703</u>

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

**COMMITMENTS AND CONTINGENCIES**

The City purchases commercial insurance to cover all commonly insurable risks, which includes property damage, liability and employee bonds. Most policies carry a small deductible amount. No insurance claims settled in each of the prior three years have exceeded policy coverage.

***SUPPLEMENTAL INFORMATION***

**CITY OF AUMSVILLE, OREGON**  
**RECONCILIATION OF BUDGETARY TO REPORTING FUNDS**  
**BALANCE SHEET - GENERAL FUND**  
**JUNE 30, 2019**

	<i>Budgetary funds</i>		<i>Total (reported as General)</i>
	<i>General</i>	<i>Police</i>	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 569,607	\$ 359,571	\$ 929,178
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Due to other governments	\$ 255	\$ -	\$ 255
Deposits	1,540	-	1,540
<i>Total Liabilities</i>	1,795	-	1,795
<b>Fund Balance</b>			
Committed to public safety	-	359,571	359,571
Unassigned	567,812	-	567,812
<i>Total Fund Balance</i>	567,812	359,571	927,383
<i>Total Liabilities and Fund Balance</i>	\$ 569,607	\$ 359,571	\$ 929,178

**CITY OF AUMSVILLE, OREGON**

**RECONCILIATION OF BUDGETARY TO REPORTING FUNDS**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND  
YEAR ENDED JUNE 30, 2019**

	<b>Budgetary funds</b>		<b>Total (reported as General)</b>
	<b>General</b>	<b>Police</b>	
<b>REVENUES</b>			
Taxes and assessments	\$ 788,121	\$ 7	\$ 788,128
Fines and forfeitures	62,177	8,136	70,313
Licenses and permits	483,904	-	483,904
Fees for services	-	210,863	210,863
Intergovernmental	74,625	10,369	84,994
Miscellaneous	41,699	10,358	52,057
<i>Total Revenues</i>	1,450,526	239,733	1,690,259
<b>EXPENDITURES</b>			
General government	426,533	-	426,533
Public safety	-	911,738	911,738
Capital acquisitions	134	3,999	4,133
<i>Total Expenditures</i>	426,667	915,737	1,342,404
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	1,023,859	(676,004)	347,855
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	31,468	835,000	866,468
Transfers out	(845,000)	(18,000)	(863,000)
<i>Total Other Financing Sources and Uses</i>	(813,532)	817,000	3,468
<b>NET CHANGE IN FUND BALANCE</b>	210,327	140,996	351,323
<b>FUND BALANCE, beginning of year</b>	357,485	218,575	576,060
<b>FUND BALANCE, end of year</b>	\$ 567,812	\$ 359,571	\$ 927,383



**CITY OF AUMSVILLE, OREGON**

**COMBINING BALANCE SHEET (MODIFIED CASH BASIS) - NONMAJOR GOVERNMENTAL FUNDS**

**JUNE 30, 2019**

	<i>Special Revenue</i>			<i>Capital Projects</i>					
	<i>Park</i>	<i>Bikeway / Pedestrian</i>	<i>Investment in Aumsville Family &amp; Children</i>	<i>Public Works Equipment</i>	<i>Parks SDC</i>	<i>Vehicle Replacement</i>	<i>Major Office Equipment</i>	<i>City Reserve</i>	<i>Total</i>
<b>ASSETS</b>									
Cash and cash equivalents	\$ 104,922	\$ 6,523	\$ 3,411	\$ 209,620	\$ 201,584	\$ 89,822	\$ 63,383	\$ 44,759	\$ 724,024
<b>LIABILITIES AND FUND BALANCE</b>									
<b>Liabilities</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Fund Balance:</b>									
Restricted for:									
Capital acquisitions	-	-	-	-	201,584	-	-	-	201,584
Streets	-	6,523	-	32,237	-	750	1,111	-	40,621
Committed to:									
Capital acquisitions	-	-	-	177,383	-	89,072	62,272	44,759	373,486
Community development	104,922	-	3,411	-	-	-	-	-	108,333
<i>Total Fund Balance</i>	104,922	6,523	3,411	209,620	201,584	89,822	63,383	44,759	724,024
<i>Total Liabilities and Fund Balance</i>	\$ 104,922	\$ 6,523	\$ 3,411	\$ 209,620	\$ 201,584	\$ 89,822	\$ 63,383	\$ 44,759	\$ 724,024

**CITY OF AUMSVILLE, OREGON**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

**(MODIFIED CASH BASIS) - NONMAJOR GOVERNMENTAL FUNDS**

**YEAR ENDED JUNE 30, 2019**

	<i>Special Revenue</i>			<i>Capital Projects</i>					<i>Total</i>
	<i>Park</i>	<i>Bikeway / Pedestrian</i>	<i>Investment in Aumsville Family &amp; Children</i>	<i>Public Works Equipment</i>	<i>Parks SDC</i>	<i>Vehicle Replacement</i>	<i>Major Office Equipment</i>	<i>City Reserve</i>	
<b>REVENUES</b>									
Taxes and assessments	\$ -	\$ -	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200
Licenses and permits	-	-	-	-	129,317	-	-	-	129,317
Charges for services	1,075	-	-	-	-	-	-	-	1,075
Intergovernmental	119,927	2,893	-	-	-	30,716	3,122	-	156,658
Miscellaneous	85,418	125	6,605	4,815	3,170	2,339	1,320	1,503	105,295
<i>Total Revenues</i>	206,420	3,018	6,805	4,815	132,487	33,055	4,442	1,503	392,545
<b>EXPENDITURES</b>									
Public Safety	-	-	-	-	-	92,099	3,522	-	95,621
Community development	97,307	-	6,435	-	4,934	-	-	-	108,676
Debt Service									
Principal	-	-	-	-	-	-	8,900	-	8,900
Capital acquisitions	9,579	-	-	3,378	8,328	-	19,336	-	40,621
<i>Total Expenditures</i>	106,886	-	6,435	3,378	13,262	92,099	31,758	-	253,818
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	99,534	3,018	370	1,437	119,225	(59,044)	(27,316)	1,503	138,727
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	-	-	-	28,000	15,437	53,886	28,000	-	125,323
Transfers out	(78,099)	-	-	-	(68)	-	-	(18,386)	(96,553)
<i>Total Other Financing Sources and Uses</i>	(78,099)	-	-	28,000	15,369	53,886	28,000	(18,386)	28,770
<b>NET CHANGE IN FUND BALANCE</b>	21,435	3,018	370	29,437	134,594	(5,158)	684	(16,883)	167,497
<b>FUND BALANCE, beginning of year</b>	83,487	3,505	3,041	180,183	66,990	94,980	62,699	61,642	556,527
<b>FUND BALANCE, end of year</b>	\$ 104,922	\$ 6,523	\$ 3,411	\$ 209,620	\$ 201,584	\$ 89,822	\$ 63,383	\$ 44,759	\$ 724,024

**CITY OF AUMSVILLE, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - GENERAL FUND**

**YEAR ENDED JUNE 30, 2019**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Taxes and assessments	\$ 741,800	\$ 741,800	\$ 788,121	\$ 46,321
Fines and forfeitures	55,800	55,800	62,177	6,377
Licenses and permits	438,200	438,200	483,904	45,704
Intergovernmental	70,600	70,600	74,625	4,025
Miscellaneous	20,700	20,700	41,699	20,999
<i>Total Revenues</i>	1,327,100	1,327,100	1,450,526	123,426
<b>EXPENDITURES</b>				
Administration	470,543	478,043	426,667	51,376
<i>Total Expenditures</i>	541,124	541,124	426,667	114,457
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	785,976	785,976	1,023,859	237,883
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	30,649	31,570	31,468	(102)
Transfers out	(903,000)	(903,000)	(845,000)	58,000
<i>Total Other Financing Sources and Uses</i>	(872,351)	(871,430)	(813,532)	57,898
<b>NET CHANGE IN FUND BALANCE</b>	(86,375)	(85,454)	210,327	295,781
<b>FUND BALANCE, beginning of year</b>	348,117	348,117	357,485	9,368
<b>FUND BALANCE, end of year</b>	\$ 261,742	\$ 262,663	\$ 567,812	\$ 305,149

**CITY OF AUMSVILLE, OREGON****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE****(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - POLICE FUND****YEAR ENDED JUNE 30, 2019**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Taxes and assessments	\$ 10	\$ 10	\$ 7	\$ (3)
Fines and forfeitures	2,200	2,200	8,136	5,936
Charges for services	206,064	206,064	210,863	4,799
Intergovernmental	16,700	16,700	10,369	(6,331)
Miscellaneous	7,300	7,300	10,358	3,058
<i>Total Revenues</i>	232,274	232,274	239,733	7,459
<b>EXPENDITURES</b>				
Police Department	1,082,346	1,082,346	915,737	166,609
Contingency	162,351	162,351	-	162,351
<i>Total Expenditures</i>	1,244,697	1,244,697	915,737	328,960
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(1,012,423)	(1,012,423)	(676,004)	336,419
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	893,000	893,000	835,000	(58,000)
Transfers out	(18,000)	(18,000)	(18,000)	-
<i>Total Other Financing Sources and Uses</i>	875,000	875,000	817,000	(58,000)
<b>NET CHANGE IN FUND BALANCE</b>	(137,423)	(137,423)	140,996	278,419
<b>FUND BALANCE, beginning of year</b>	252,156	252,156	218,575	(33,581)
<b>FUND BALANCE, end of year</b>	\$ 114,733	\$ 114,733	\$ 359,571	\$ 244,838

**CITY OF AUMSVILLE, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - STREET FUND**

**YEAR ENDED JUNE 30, 2019**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Intergovernmental	\$ 338,600	\$ 338,600	\$ 287,709	\$ (50,891)
Miscellaneous	61,951	61,951	6,000	(55,951)
<i>Total Revenues</i>	400,551	400,551	293,709	(106,842)
<b>EXPENDITURES</b>				
Public works	373,888	385,339	217,509	167,830
Contingency	56,083	55,883	-	55,883
<i>Total Expenditures</i>	429,971	441,222	217,509	223,713
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(29,420)	(40,671)	76,200	116,871
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	11,251	11,251	-
Transfers out	(13,750)	(13,750)	(13,750)	-
<i>Total Other Financing Sources and Uses</i>	(13,750)	(2,499)	(2,499)	-
<b>NET CHANGE IN FUND BALANCE</b>	(43,170)	(43,170)	73,701	116,871
<b>FUND BALANCE, beginning of year</b>	178,411	178,411	175,456	(2,955)
<b>FUND BALANCE, end of year</b>	\$ 135,241	\$ 135,241	\$ 249,157	\$ 113,916

**CITY OF AUMSVILLE, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - SPECIAL PROJECTS FUND**

**YEAR ENDED JUNE 30, 2019**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Intergovernmental	\$ 306,171	\$ 306,171	\$ -	\$ (306,171)
Miscellaneous	2,000	2,000	2,820	820
<i>Total Revenues</i>	308,171	308,171	2,820	(305,351)
<b>EXPENDITURES</b>				
Materials and services	67,170	67,170	65,840	1,330
Capital outlay	181,250	181,250	166,579	14,671
<i>Total Expenditures</i>	248,420	248,420	232,419	16,001
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	59,751	59,751	(229,599)	(289,350)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(59,751)	(59,751)	-	59,751
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(229,599)	(229,599)
<b>FUND BALANCE, beginning of year</b>	-	-	229,628	229,628
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 29	\$ 29

**CITY OF AUMSVILLE, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - TRANSPORTATION SYSTEM SDC FUND**

**YEAR ENDED JUNE 30, 2019**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Licenses and permits	\$ 85,000	\$ 85,000	\$ 198,917	\$ 113,917
Miscellaneous	1,700	1,700	8,169	6,469
<i>Total Revenues</i>	86,700	86,700	207,086	120,386
<b>EXPENDITURES</b>				
Public works	145,514	145,514	53,077	92,437
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(58,814)	(58,814)	154,009	212,823
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(100)	(100)	(68)	32
<b>NET CHANGE IN FUND BALANCE</b>	(58,914)	(58,914)	153,941	212,855
<b>FUND BALANCE, beginning of year</b>	205,156	205,156	226,704	21,548
<b>FUND BALANCE, end of year</b>	\$ 146,242	\$ 146,242	\$ 380,645	\$ 234,403

**CITY OF AUMSVILLE, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - PARK FUND**

**YEAR ENDED JUNE 30, 2019**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Charges for services	\$ 1,100	\$ 1,100	\$ 1,075	\$ (25)
Fines and forfeitures	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	121,300	121,300	119,927	(1,373)
Taxes and assessments	-	-	-	\$ -
Miscellaneous	82,000	82,000	85,418	3,418
<i>Total Revenues</i>	204,400	204,400	206,420	2,020
<b>EXPENDITURES</b>				
Public works	233,734	161,584	106,886	54,698
Contingency	35,060	29,860	-	29,860
<i>Total Expenditures</i>	268,794	191,444	106,886	84,558
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(64,394)	12,956	99,534	86,578
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(750)	(78,100)	(78,099)	1
<b>NET CHANGE IN FUND BALANCE</b>	(65,144)	(65,144)	21,435	86,579
<b>FUND BALANCE, beginning of year</b>	85,001	85,001	83,487	(1,514)
<b>FUND BALANCE, end of year</b>	\$ 19,857	\$ 19,857	\$ 104,922	\$ 85,065



**CITY OF AUMSVILLE, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - BIKEWAY / PEDESTRIAN FUND**

**YEAR ENDED JUNE 30, 2019**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Intergovernmental	\$ 2,900	\$ 2,900	\$ 2,893	\$ (7)
Miscellaneous	100	100	125	25
<i>Total Revenues</i>	3,000	3,000	3,018	18
<b>EXPENDITURES</b>				
Public works	6,443	6,443	-	6,443
Contingency	-	-	-	-
<i>Total Expenditures</i>	6,443	6,443	-	6,443
<b>NET CHANGE IN FUND BALANCE</b>	(3,443)	(3,443)	3,018	6,461
<b>FUND BALANCE, beginning of year</b>	3,443	3,443	3,505	62
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 6,523	\$ 6,523

**CITY OF AUMSVILLE, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (MODIFIED CASH BASIS) - BUDGET AND ACTUAL - INVESTMENT IN AUMSVILLE FAMILY & CHILDREN FUND  
YEAR ENDED JUNE 30, 2019**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Taxes and assessments	\$ 4,700	\$ 4,700	\$ 200	\$ (4,500)
Miscellaneous	2,900	2,900	6,605	\$ 3,705
<i>Total Revenues</i>	7,600	7,600	6,805	(795)
<b>EXPENDITURES</b>				
Park and recreation commission	7,500	7,500	6,435	1,065
<b>NET CHANGE IN FUND BALANCE</b>	100	100	370	270
<b>FUND BALANCE, beginning of year</b>	38	38	3,041	3,003
<b>FUND BALANCE, end of year</b>	\$ 138	\$ 138	\$ 3,411	\$ 3,273

**CITY OF AUMSVILLE, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - PUBLIC WORKS EQUIPMENT FUND**

**YEAR ENDED JUNE 30, 2019**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Miscellaneous	\$ 3,000	\$ 3,000	\$ 4,815	\$ 1,815
<b>EXPENDITURES</b>				
Public works	225,353	225,353	3,378	221,975
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(222,353)	(222,353)	1,437	223,790
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	28,000	28,000	28,000	-
<b>NET CHANGE IN FUND BALANCE</b>	(194,353)	(194,353)	29,437	223,790
<b>FUND BALANCE, beginning of year</b>	194,353	194,353	180,183	(14,170)
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 209,620	\$ 209,620

**CITY OF AUMSVILLE, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - PARKS SDC FUND**

**YEAR ENDED JUNE 30, 2019**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Licenses and permits	\$ 156,200	\$ 156,200	\$ 129,317	\$ (26,883)
Miscellaneous	1,900	1,900	3,170	1,270
<i>Total Revenues</i>	158,100	158,100	132,487	(25,613)
<b>EXPENDITURES</b>				
Public works	328,965	344,403	13,262	331,141
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(170,865)	(186,303)	119,225	305,528
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	15,438	15,437	(1)
Transfers out	(100)	(100)	(68)	32
<i>Total Other Financing Sources and Uses</i>	(100)	15,338	15,369	31
<b>NET CHANGE IN FUND BALANCE</b>	(170,965)	(170,965)	134,594	305,559
<b>FUND BALANCE, beginning of year</b>	170,965	170,965	66,990	(103,975)
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 201,584	\$ 201,584

**CITY OF AUMSVILLE, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - VEHICLE REPLACEMENT FUND**

**YEAR ENDED JUNE 30, 2019**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 32,800	\$ 30,716	\$ (2,084)
Miscellaneous	2,004	2,004	2,339	335
<i>Total Revenues</i>	2,004	34,804	33,055	(1,749)
<b>EXPENDITURES</b>				
Public works	82,084	82,084	-	82,084
Police Department	68,672	101,472	92,099	9,373
<i>Total Expenditures</i>	150,756	183,556	92,099	91,457
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(148,752)	(148,752)	(59,044)	89,708
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	53,886	53,886	53,886	-
<b>NET CHANGE IN FUND BALANCE</b>	(94,866)	(94,866)	(5,158)	89,708
<b>FUND BALANCE, beginning of year</b>	94,866	94,866	94,980	114
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 89,822	\$ 89,822

**CITY OF AUMSVILLE, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - MAJOR OFFICE EQUIPMENT FUND**

**YEAR ENDED JUNE 30, 2019**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 3,300	\$ 3,122	\$ (178)
Miscellaneous	1,813	1,813	1,320	(493)
<i>Total Revenues</i>	1,813	5,113	4,442	(671)
<b>EXPENDITURES</b>				
Debt service				
Principal	-	-	8,900	(8,900)
Administration	31,962	32,787	8,428	24,359
Public works	44,421	46,071	10,908	35,163
Police department	16,071	16,896	3,522	13,374
Contingency	-	-	-	-
<i>Total Expenditures</i>	92,454	95,754	31,758	63,996
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(90,641)	(90,641)	(27,316)	63,325
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	28,000	28,000	28,000	-
Transfers out	-	-	-	-
Proceeds from sale of assets	-	-	-	-
Proceeds from issuance of debt	-	-	-	-
<i>Total Other Financing Sources and Uses</i>	28,000	28,000	28,000	-
<b>NET CHANGE IN FUND BALANCE</b>	(62,641)	(62,641)	684	63,325
<b>FUND BALANCE, beginning of year</b>	62,641	62,641	62,699	58
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 63,383	\$ 63,383

**CITY OF AUMSVILLE, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - CITY RESERVE FUND**

**YEAR ENDED JUNE 30, 2019**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Miscellaneous	\$ 900	\$ 900	\$ 1,503	\$ 603
<b>EXPENDITURES</b>				
Materials and services	38,000	38,000	-	38,000
Capital outlay	5,995	5,995	-	5,995
<i>Total Expenditures</i>	43,995	43,995	-	43,995
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(43,095)	(43,095)	1,503	44,598
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(18,386)	(18,386)	(18,386)	-
<b>NET CHANGE IN FUND BALANCE</b>	(61,481)	(61,481)	(16,883)	44,598
<b>FUND BALANCE, beginning of year</b>	61,481	61,481	61,642	161
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 44,759	\$ 44,759

**CITY OF AUMSVILLE, OREGON**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**(MODIFIED CASH BASIS) - WATER FUNDS**

**YEAR ENDED JUNE 30, 2019**

	<u>Water</u>	<u>Water Improvement</u>	<u>Water SDC</u>	<u>Total Water Operations</u>
<b>REVENUES</b>				
Charges for services	\$ 827,834	\$ -	\$ -	\$ 827,834
Licenses and permits	-	-	234,624	234,624
Miscellaneous	11,477	6,727	10,104	28,308
<i>Total Revenues</i>	<u>839,311</u>	<u>6,727</u>	<u>244,728</u>	<u>1,090,766</u>
<b>EXPENDITURES</b>				
Public works	579,858	122,244	17,616	719,718
Debt service				
Principal	26,020	-	-	26,020
Interest	4,580	-	-	4,580
<i>Total Expenditures</i>	<u>610,458</u>	<u>122,244</u>	<u>17,616</u>	<u>750,318</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	228,853	(115,517)	227,112	340,448
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	26,656	75,000	-	101,656
Transfers out	(115,143)	-	(95)	(115,238)
<i>Total Other Financing Sources and Uses</i>	<u>(88,487)</u>	<u>75,000</u>	<u>(95)</u>	<u>(13,582)</u>
<b>CHANGE IN FUND BALANCE</b>	140,366	(40,517)	227,017	326,866
<b>FUND BALANCE, beginning of year</b>	<u>267,346</u>	<u>352,684</u>	<u>290,253</u>	<u>910,283</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 407,712</u>	<u>\$ 312,167</u>	<u>\$ 517,270</u>	<u>1,237,149</u>
<b>RECONCILIATION TO NET POSITION</b>				
Capital assets, net				1,547,309
Long-term debt				(77,832)
<b>NET POSITION</b>				<u>\$ 2,706,626</u>



**CITY OF AUMSVILLE, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - WATER FUND**

**YEAR ENDED JUNE 30, 2019**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Charges for services	\$ 789,900	\$ 789,900	\$ 827,834	\$ 37,934
Miscellaneous	11,000	11,000	11,477	477
<i>Total Revenues</i>	800,900	800,900	839,311	38,411
<b>EXPENDITURES</b>				
Public works	680,544	707,700	579,858	127,842
Debt service				
Principal	26,000	26,000	26,020	(20)
Interest	4,600	4,600	4,580	20
Contingency	102,081	101,128	-	101,128
<i>Total Expenditures</i>	813,225	839,428	610,458	228,970
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(12,325)	(38,528)	228,853	267,381
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	26,656	26,656	-
Transfers out	(114,690)	(115,143)	(115,143)	-
<i>Total Other Financing Sources and Uses</i>	(114,690)	(88,487)	(88,487)	-
<b>CHANGE IN FUND BALANCE</b>	(127,015)	(127,015)	140,366	267,381
<b>FUND BALANCE, beginning of year</b>	255,257	255,257	267,346	12,089
<b>FUND BALANCE, end of year</b>	\$ 128,242	\$ 128,242	\$ 407,712	\$ 279,470

**CITY OF AUMSVILLE, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - WATER IMPROVEMENT FUND  
YEAR ENDED JUNE 30, 2019**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Miscellaneous	\$ 5,600	\$ 5,600	\$ 6,727	\$ 1,127
<b>EXPENDITURES</b>				
Public works	435,975	435,975	122,244	313,731
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(430,375)	(430,375)	(115,517)	314,858
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	75,000	75,000	75,000	-
<b>CHANGE IN FUND BALANCE</b>	(355,375)	(355,375)	(40,517)	314,858
<b>FUND BALANCE, beginning of year</b>	355,375	355,375	352,684	(2,691)
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 312,167	\$ 312,167

**CITY OF AUMSVILLE, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - WATER SDC FUND**

**YEAR ENDED JUNE 30, 2019**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Licenses and permits	\$ 100,230	\$ 100,230	\$ 234,624	\$ 134,394
Miscellaneous	2,100	2,100	10,104	8,004
<i>Total Revenues</i>	102,330	102,330	244,728	142,398
<b>EXPENDITURES</b>				
Public works	110,000	110,000	17,616	92,384
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(7,670)	(7,670)	227,112	234,782
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(100)	(100)	(95)	5
<b>CHANGE IN FUND BALANCE</b>	(7,770)	(7,770)	227,017	234,787
<b>FUND BALANCE, beginning of year</b>	251,088	251,088	290,253	39,165
<b>FUND BALANCE, end of year</b>	\$ 243,318	\$ 243,318	\$ 517,270	\$ 273,952

**CITY OF AUMSVILLE, OREGON**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
(MODIFIED CASH BASIS) - SEWER FUNDS**

**YEAR ENDED JUNE 30, 2019**

	<u>Sewer</u>	<u>Sewer Improvement</u>	<u>Sewer SDC</u>	<u>Storm Drainage SDC</u>	<u>Total Sewer Operations</u>
<b>REVENUES</b>					
Charges for services	\$ 799,173	\$ -	\$ -	\$ -	\$ 799,173
Licenses and permits	-	-	291,216	12,600	303,816
Miscellaneous	17,632	5,384	15,169	85	38,270
<i>Total Revenues</i>	<u>816,805</u>	<u>5,384</u>	<u>306,385</u>	<u>12,685</u>	<u>1,141,259</u>
<b>EXPENDITURES</b>					
Public works	518,210	15,150	-	-	533,360
Debt service					
Principal	73,010	-	-	-	73,010
Interest	64,538	-	-	-	64,538
<i>Total Expenditures</i>	<u>655,758</u>	<u>15,150</u>	<u>-</u>	<u>-</u>	<u>670,908</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	161,047	(9,766)	306,385	12,685	470,351
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	24,005	50,000	-	-	74,005
Transfers out	(90,026)	-	(68)	-	(90,094)
<i>Total Other Financing Sources and Uses</i>	<u>(66,021)</u>	<u>50,000</u>	<u>(68)</u>	<u>-</u>	<u>(16,089)</u>
<b>CHANGE IN FUND BALANCE</b>	95,026	40,234	306,317	12,685	454,262
<b>FUND BALANCE, beginning of year</b>	<u>247,580</u>	<u>200,893</u>	<u>439,977</u>	<u>-</u>	<u>888,450</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 342,606</u>	<u>\$ 241,127</u>	<u>\$ 746,294</u>	<u>\$ 12,685</u>	<u>1,342,712</u>
<b>RECONCILIATION TO NET POSITION</b>					
Capital assets, net					2,908,791
Long-term debt					(1,643,198)
<b>NET POSITION</b>					<u>\$ 2,608,305</u>

**CITY OF AUMSVILLE, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - SEWER FUND**

**YEAR ENDED JUNE 30, 2019**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Charges for services	\$ 781,800	\$ 781,800	\$ 799,173	\$ 17,373
Miscellaneous	19,800	19,800	17,632	(2,168)
<i>Total Revenues</i>	801,600	801,600	816,805	15,205
<b>EXPENDITURES</b>				
Public works	578,640	603,145	518,210	84,935
Debt service				
Principal	73,100	73,100	73,010	90
Interest	64,600	64,600	64,538	62
Contingency	86,796	85,828	-	85,828
<i>Total Expenditures</i>	803,136	826,673	655,758	170,915
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(1,536)	(25,073)	161,047	186,120
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	24,005	24,005	-
Transfers out	(114,559)	(115,027)	(90,026)	25,001
<i>Total Other Financing Sources and Uses</i>	(114,559)	(91,022)	(66,021)	25,001
<b>CHANGE IN FUND BALANCE</b>	(116,095)	(116,095)	95,026	211,121
<b>FUND BALANCE, beginning of year</b>	250,628	250,628	247,580	(3,048)
<b>FUND BALANCE, end of year</b>	<u>\$ 134,533</u>	<u>\$ 134,533</u>	<u>\$ 342,606</u>	<u>\$ 208,073</u>

**CITY OF AUMSVILLE, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - SEWER IMPROVEMENT FUND  
YEAR ENDED JUNE 30, 2019**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Miscellaneous	\$ 3,200	\$ 3,200	\$ 5,384	\$ 2,184
<b>EXPENDITURES</b>				
Public works	274,349	274,349	15,150	259,199
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(271,149)	(271,149)	(9,766)	261,383
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	75,000	75,000	50,000	(25,000)
<b>CHANGE IN FUND BALANCE</b>	(196,149)	(196,149)	40,234	236,383
<b>FUND BALANCE, beginning of year</b>	196,149	196,149	200,893	4,744
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 241,127	\$ 241,127

**CITY OF AUMSVILLE, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

**(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - SEWER SDC FUND**

**YEAR ENDED JUNE 30, 2019**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Licenses and permits	\$ 124,400	\$ 124,400	\$ 291,216	\$ 166,816
Miscellaneous	4,400	4,400	15,169	10,769
<i>Total Revenues</i>	128,800	128,800	306,385	177,585
<b>EXPENDITURES</b>				
Public works	549,746	549,746	-	549,746
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(420,946)	(420,946)	306,385	727,331
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(100)	(100)	(68)	32
<b>CHANGE IN FUND BALANCE</b>	(421,046)	(421,046)	306,317	727,363
<b>FUND BALANCE, beginning of year</b>	421,046	421,046	439,977	18,931
<b>FUND BALANCE, end of year</b>	\$ -	\$ -	\$ 746,294	\$ 746,294

**CITY OF AUMSVILLE, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
(MODIFIED CASH BASIS) - BUDGET AND ACTUAL - STORM DRAINAGE SDC FUND  
YEAR ENDED JUNE 30, 2019**

	<i>Budget Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
<b>REVENUES</b>				
Licenses and permits	\$ 12,600	\$ 12,600	\$ 12,600	\$ -
Miscellaneous	-	-	85	85
<i>Total Revenues</i>	12,600	12,600	12,685	85
<b>EXPENDITURES</b>	-	-	-	-
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	12,600	12,600	12,685	85
<b>FUND BALANCE, beginning of year</b>	-	-	-	-
<b>FUND BALANCE, end of year</b>	\$ 12,600	\$ 12,600	\$ 12,685	\$ 85



***COMPLIANCE SECTION***



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

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

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

Mayor and City Council  
City of Aumsville  
595 Main Street  
Aumsville, Oregon 97325

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of Aumsville, Oregon as of and for the year ended June 30, 2019, and have issued our report thereon dated December 26, 2019.

#### ***Compliance and Other Matters***

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

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

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

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


***Internal Control Over Financial Reporting***

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

***Restriction on Use***

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

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

By:   
Devan W. Esch, A Shareholder  
December 26, 2019