

CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON

ANNUAL FINANCIAL REPORT

For the year ended June 30, 2007



GREGOR PROFESSIONAL
C O R P O R A T I O N

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON
June 30, 2007**

MAYOR AND COUNCIL

<u>Name/Address</u>	<u>Position</u>	<u>Term Expires</u>
Scott Burge 33470 Chinook Plaza, #272 Scappoose, Oregon 97056	Mayor	December 31, 2008
Judie Ingham 51836 SE 6 th Street Scappoose, Oregon 97056	Council President	December 31, 2010
Donna Gedlich 51918 SE 5 th , P O Box 218 Scappoose, Oregon 97056	Councilor	December 31, 2008
Lisa Smith 33567 SE Maple Scappoose, Oregon 97056	Councilor	December 31, 2010
Jeff Bernhard 33115 NW Onna Way Scappoose, Oregon 97056	Councilor	December 31, 2008
Charles Judd 32937 SW Keys Crest Drive Scappoose, Oregon 97056	Councilor	December 31, 2008
Larry Meres 51704 SE 4 th Street Scappoose, Oregon 97056	Councilor	December 31, 2010

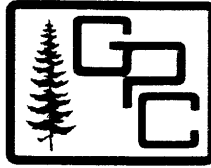
ADMINISTRATION

<u>Name</u>	<u>Position</u>	<u>Date Appointed</u>
Jon Hanken	City Manager	November 1, 2003
Jill Herr	Finance Administrator	July 28, 2002
Susan Pentecost	City Recorder/ Budget Secretary	July 28, 2002
Doug Greisen	Police Chief	September 18, 2000
E. Andrew Jordan	City Attorney	June 1, 1990

MAILING ADDRESS

CITY OF SCAPPOOSE
33568 E Columbia Avenue
SCAPPOOSE, OR 97056
TEL: (503) 543-7146 / FAX: (503) 543-7182

400 COUNTRY CLUB ROAD
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EUGENE, OREGON 97401



GREGOR PROFESSIONAL
CORPORATION

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MANAGEMENT LETTER OF THE INDEPENDENT ACCOUNTANTS

Honorable Mayor and City Council
City of Scappoose
33568 E Columbia Ave.
Scappoose, Oregon 97056

In planning and performing our audit of the financial statements of the City of Scappoose, Oregon (the City) for the year ended June 30, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

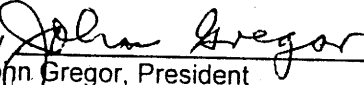
A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency or combination of control deficiencies,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

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

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

We would like to express our appreciation for the courtesy and assistance extended to us by your staff. This report is intended for the use of management and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

GREGOR PROFESSIONAL CORPORATION
Certified Public Accountants

By 
John Gregor, President

Eugene, Oregon
December 20, 2007

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON
ANNUAL FINANCIAL REPORT
For the year ended June 30, 2007**

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REPORT OF THE INDEPENDENT AUDITORS

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REPORT OF THE INDEPENDENT AUDITORS

Honorable Mayor and City Council
City of Scappoose
33568 E Columbia Avenue
Scappoose, Oregon 97056

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Scappoose (the City), Oregon, as of and for the year ended June 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the City. Our responsibility is to express an opinion 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

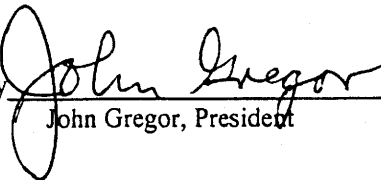
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2007 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management discussion and analysis (MD&A) and budgetary comparison information on page 26-31 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Honorable Mayor and City Council
City of Scappoose
Page 2 of 2

Our audit was made for the purpose of forming opinions on the collectively comprised basic financial statements of the City. The Other Supplementary Information is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Those statements and information have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

GREGOR PROFESSIONAL CORPORATION
Certified Public Accountants

By 
John Gregor, President

Eugene, Oregon
December 20, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Scappoose Management's Discussion and Analysis

The management of the City of Scappoose, Oregon presents this narrative overview and analysis to facilitate both a short and a long-term analysis of the financial activities of the City for the fiscal year ended June 30, 2007. This Management's Discussion and Analysis (MD&A) is based on currently known facts, decisions, and conditions that existed as of the date of the independent auditor's report. Please read it in conjunction with the City's financial statements, which follow this section. In future years, comparative analysis will be provided as the information becomes available.

Financial Highlights

The City's Total Assets at June 30, 2007 are \$57,186,326.

The City's Total Liabilities at June 30, 2007 are \$9,626,068.

The net assets of the City (assets minus liabilities) at June 30, 2007 are \$47,560,258. This represents an increase of \$1,192,874. Net assets for the City at the beginning of the fiscal year were \$46,367,384, which includes a prior year revenue adjustment of \$1,250.

Overview of the Financial Statements

The following discussion and analysis is intended to serve as an introduction to the City's basic financial statements and other required supplementary information. The City's basic financial statements are comprised of three components:

1. Government-wide Financial Statements
2. Fund Financial Statements
3. Notes to the basic financial statements

The information that is utilized in this section is provided in the ***annual financial report***, audited by independent auditors.

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.

The ***Statement of Net Assets*** presents information all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The ***Statement of Activities*** presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes, accounts receivable, grants receivable, deferred revenue, accounts payable, and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (***governmental activities***) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (***business-type activities***).

The governmental activities of the City include the following:

- General Government
- Community Development
- Public Safety
- Public Works

The Business-type activities of the City include the following:

- Water Utility
- Sewer Utility

Fund financial statements 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 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. Governmental funds are used to account for activities where the emphasis is placed on available financial resources, rather than upon net income determination. Therefore, unlike the government-wide financial statements, governmental fund financial statements focus on the acquisition and use of current 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 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 decisions. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 13 individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the Statement of Revenues, Expenditures, and Changes in Governmental Fund Balances for those funds that are considered significant (major) to the City taken as a whole. These financial statements report five major funds, the General Fund, Building Fund, Street SDC Fund, State Street Tax Fund, and Parks SDC Fund. Data from the other governmental funds are combined into a single, aggregated presentation.

The City adopts an annual appropriated budget for all governmental funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided for major governmental funds on page 27-31.

Proprietary funds. Proprietary funds are used to account for activities where the emphasis is placed on net income determination. The City maintains one type of proprietary fund known as an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the governmental-wide financial statements. The City uses enterprise funds to account for its water utility and sewer utility operations.

The City reports water and sewer activities in separate columns in the proprietary fund financial statements.

Notes to the basic financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. They are an integral part of the financial statements and should be read in conjunction with them.

Government-wide Financial Analysis

As earlier noted, net assets may over time serve as a useful indicator of the City's financial position. In the case of Scappoose, assets exceeded liabilities by \$47,560,258 at the close of FY'07.

By far the largest portion of the City's net assets (82 percent) reflects its investment in capital assets (e.g. land, buildings, roads, vehicles and equipment); less any related debt used to acquire those assets that is still outstanding. The City of Scappoose uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending unless real estate is sold. Although the City's investment in capital assets is reported as *Net of Related Debt*, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF SCAPPOOSE NET ASSETS

	<u>2007</u>	<u>2006</u> (for the purpose of comparison)
CURRENT AND OTHER ASSETS	\$ 10,331,037	\$ 7,593,803
CAPITAL ASSETS	<u>\$ 46,855,289</u>	<u>\$48,857,796</u>
TOTAL ASSETS	\$ 57,186,326	\$56,451,599
CURRENT AND OTHER LIABILITIES	\$ 1,474,752	\$ 905,607
NON-CURRENT LIABILITIES	<u>\$ 8,151,316</u>	<u>\$ 9,179,858</u>
TOTAL LIABILITIES	\$ 9,626,068	\$10,085,465
NET ASSETS:		
INVESTED IN CAPITAL ASSETS, NET RELATED DEBT	\$ 38,081,110	\$39,638,533
RESTRICTED	\$ 103,483	\$ 0
UNRESTRICTED	<u>\$ 9,375,763</u>	<u>\$ 6,727,601</u>
TOTAL NET ASSETS	\$ 47,560,258	\$46,366,134

CITY OF SCAPPOOSE CHANGE IN REVENUES

The City's total revenues were \$7.8 million, of this \$2.53 million or 32 percent were from Charges for Services, taxes and franchise fees were \$2.08 million and accounted for 27 percent of revenues, operating grants and contributions were \$1.42 million and accounted for 18 percent of revenues, capital grants and contributions were \$1.3 million and accounted for 17 percent of revenues.

The total cost of all programs and services were \$6.62 million; \$4.26 million or 64 percent were for Government Activities and 36 percent, or \$2.37 million, were for Business-Type Activities.

For the Year ended 06/30/07

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
PROGRAM REVENUES			
Charge for Services	\$ 713,026	\$ 1,819,327	\$2,532,353
Operating Grants & Contributions	\$ 555,745	\$ 866,847	\$1,422,592
Capital Grants & Contributions	\$ 751,968	\$ 565,943	\$1,317,911
GENERAL REVENUES			
Property Taxes, General	\$1,179,520		\$1,179,520
Property Taxes, Debt	\$ 209,527		\$ 209,527
Franchise Fees	\$ 354,472		\$ 354,472
Public Service Taxes	\$ 335,515		\$ 335,515
Investment Earnings	\$ 205,240	\$ 177,438	\$ 382,678
Miscellaneous	\$ 28,163	\$ 52,700	\$ 80,863
Transfers	\$ (162,231)	\$ 162,231	\$ -
TOTAL REVENUES	\$ 4,170,945	\$ 3,644,486	\$ 7,815,431
PROGRAM EXPENSES			
Government Activities			
General Government	\$ 548,206		
Public safety	\$ 1,398,942		
Cultural and recreation	\$ 105,496		
Highway and Streets	\$ 2,153,473		
Interest, LT Debt	\$ 51,131		
Business Activities			
Water		\$1,489,703	
Sewer		\$ 875,605	
TOTAL EXPEDITURES	\$ 4,257,248	\$ 2,365,308	\$ 6,622,556
CHANGE IN NET ASSETS			\$1,192,875

For the Year ended 06/30/06
(for the purpose of comparison)

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
PROGRAM REVENUES			
Charge for Services	\$ 349,355	\$1,401,769	\$1,751,124
Operating Grants & Contributions	\$ 525,570	\$ 598,394	\$1,123,964
Capital Grants & Contributions	\$ 211,038	\$ 400,443	\$ 611,481
GENERAL REVENUES			
Property Taxes, General	\$1,060,748		\$1,060,748
Property Taxes, Debt	\$ 200,550		\$ 200,550
Franchise Fees	\$ 304,484		\$ 304,484
Public Service Taxes	\$ 332,361		\$ 332,361
Investment Earnings	\$ 107,744	\$ 91,153	\$ 198,897
Miscellaneous	\$ 19,370	\$ 1,394	\$ 20,764
Transfers	\$ (153,015)	\$ 153,015	\$ -
TOTAL REVENUES	\$ 2,958,205	\$ 2,646,168	\$5,604,373
PROGRAM EXPENSES			
Government Activities			
General Government	\$ 2,370,766		
Public safety	\$ 1,299,323		
Cultural and recreation	\$ 74,331		
Highway and Streets	\$ 249,183		
Interest, LT Debt	\$ 62,998		
Business Activities			
Water		\$1,277,264	
Sewer		\$ 834,477	
TOTAL EXPEDITURES	\$ 4,056,601	\$2,111,741	\$ 6,168,342
CHANGE IN NET ASSETS			\$ (563,969)

Fund-based Financial Analysis

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

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$5,017,034, an increase of \$1,675,186 in comparison with the prior year. Approximately 87% of this total amount, \$4,384,138 constitutes unreserved fund balance, which is available for spending at the government's discretion, subject to reporting fund-type limitations.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$2,225,644, while the total fund balance for the General Fund was \$2,230,508.

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

Total unrestricted net assets is \$4,451,625.

General Fund Budgetary Highlights

During the year, actual revenues exceeded budgetary estimates and actual expenditures were less than budgetary appropriations. The net change in general fund balances under budgetary basis during the year was an increase of \$412,222 and ending fund balances under budgetary basis of General Fund was \$2,162,710.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2007 was \$46,855,289 (net of accumulated depreciation). This investment in capital assets includes land, right-of-way, buildings and improvements, improvements other than buildings (such as parks and park improvements), equipment, and infrastructure (transportation, water, and wastewater).

Bonded Debt. At the end of the current fiscal year, the City had total long-term liabilities of \$8,767,006. Of this amount, \$1,079,649 represented outstanding bonded indebtedness. Outstanding bonded debt is general obligation bonds to finance the water facility. Net revenues of the facility are pledged to the payment of the bonds, though the City Council has the authority to levy taxes sufficient to make scheduled debt payments.

Economic Factors and Next Year's 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 fiscal year 2008 budget.

- Interest rates on investments will continue to be low and projected to be not much more than 2.0%.
- Cautious outlook for improving economic conditions.
- Property tax revenue is anticipated to increase 3% and with residential construction in several new subdivisions there should be some new tax revenue from the new homes.
- Health benefits and liability insurance continue to increase above inflation.

Requests for Information

The financial report is designed to provide a general overview of the City's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Jon G. Hanken
City of Scappoose
33568 E Columbia Avenue
Scappoose, OR 97056

BASIC FINANCIAL STATEMENTS

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

STATEMENT OF NET ASSETS

June 30, 2007

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 4,932,274	\$ 4,178,551	\$ 9,110,825
Restricted cash deposits	27,621	75,862	103,483
Property taxes receivable	116,024	-	116,024
Accounts receivable	77,109	308,639	385,748
Special assessment receivable	-	-	-
Notes receivable-Steinfeld	10,685	-	10,685
Notes receivable-Port of St. Helens	-	569,894	569,894
Inventories	8,252	26,126	34,378
Capital assets, net of accumulated depreciation, where applicable,(Note 2B)	33,957,047	12,898,242	46,855,289
Total assets	\$ 39,129,012	\$ 18,057,314	\$ 57,186,326
LIABILITIES			
Accounts payable	\$ 28,037	\$ 5,791	\$ 33,828
Deposits payable	27,620	75,862	103,482
Deferred revenue-Steinfeld	10,685	-	10,685
Deferred revenue-Port of St. Helens	-	569,894	569,894
Accrued Interest payable	17,704	123,469	141,173
Compensated absences payable	78,100	55,900	134,000
Other Long-term debt (Note 2C):			
Due within one year	76,198	405,492	481,690
Due in more than one year	1,045,438	7,105,878	8,151,316
Total liabilities	1,283,782	8,342,286	9,626,068
NET ASSETS			
Invested in capital assets, net of related debt	32,817,707	5,263,403	38,081,110
Restricted	27,621	75,862	103,483
Unrestricted	4,999,902	4,375,763	9,375,665
Total net assets	37,845,230	9,715,028	47,560,258
Total liabilities and fund balances:	\$ 39,129,012	\$ 18,057,314	\$ 57,186,326

The accompanying notes are an integral part of these financial statements

CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2007

Functions/Programs	Expenses	Program Revenues			Net(Expenses)Revenues and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	\$ 548,206	\$ 642,072	\$ 78,048	\$ -	\$ 171,914	\$ -	\$ 171,914
Public safety	1,398,942	-	473,547	-	(925,395)	-	(925,395)
Cultural and recreation	105,496	6,887	4,150	260,496	166,037	-	166,037
Highway and Streets	2,153,473	64,067	-	491,472	(1,597,934)	-	(1,597,934)
Interest on long-term debt	51,131	-	-	-	(51,131)	-	(51,131)
Total governmental activities	4,257,249	713,026	555,745	751,968	(2,236,510)	-	(2,236,510)
Business-type activities							
Water	1,489,703	900,766	778,102	244,760	-	433,925	433,925
Sewer	875,605	918,561	88,745	321,183	-	452,884	452,884
Total business-type activities	2,365,308	1,819,327	866,847	565,943	-	886,809	886,809
Total Primary government	\$ 6,622,556	\$ 2,532,353	\$ 1,422,592	\$ 1,317,911	(2,236,510)	886,809	(1,349,701)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					1,179,520	-	1,179,520
Property taxes, levied for debt service					209,527	-	209,527
Franchise taxes					354,472	-	354,472
Public service taxes					335,515	-	335,515
Grants and contributions not restricted to specific programs					-	-	-
Investment earnings					205,240	177,438	382,678
Miscellaneous					28,163	52,700	80,863
Transfers					(162,231)	162,231	-
Total general revenues and transfers					2,150,206	392,369	2,542,575
Changes in net assets					(86,304)	1,279,178	1,192,874
Net assets-beginning					37,930,284	8,435,850	46,366,134
Prior year adjustments					1,250	-	1,250
Net assets-beginning, restated					37,931,534	8,435,850	46,367,384
Net assets-ending					\$ 37,845,230	\$ 9,715,028	\$ 47,560,258

The accompanying notes are an integral part of these financial statements

CITY OF SCAPOOSE, OREGON
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2007

	General Fund	Building Fund	Street SDC Fund	State Street Tax Fund	Parks SDC Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 2,162,619	\$ 391,806	\$ 722,111	\$ 291,475	\$ 474,654	\$ 889,609	\$ 4,932,274
Restricted cash deposits	27,621	-	-	-	-	-	27,621
Property taxes receivable	97,460	-	-	-	-	18,564	116,024
Accounts receivable	51,641	-	-	21,815	-	3,653	77,109
Special assessment receivable	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	10,685	10,685
Grants receivable	-	-	-	-	-	-	-
Inventory	4,864	-	-	3,388	-	-	8,252
Due from other funds	-	-	-	-	-	-	-
Total assets	\$ 2,344,205	\$ 391,806	\$ 722,111	\$ 316,678	\$ 474,654	\$ 922,511	\$ 5,171,965
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 14,934	\$ 897	\$ -	\$ 2,081	\$ -	\$ 10,125	\$ 28,037
Deposits payable	27,620	-	-	-	-	-	27,620
Due to other funds	-	-	-	-	-	-	-
Deferred assessment revenue	-	-	-	-	-	-	-
Deferred revenue-steinfield	-	-	-	-	-	10,685	10,685
Deferred tax revenue	71,143	-	-	-	-	17,446	88,589
Total liabilities	\$ 113,697	\$ 897	\$ -	\$ 2,081	\$ -	\$ 38,256	\$ 154,931
Fund balances:							
Reserved for:							
Inventory	4,864	-	-	3,388	-	-	8,252
Debt service	-	-	-	-	474,654	149,990	624,644
Unreserved, reported in:							
General Fund	2,225,644	-	-	-	-	-	2,225,644
Special Revenue Funds	-	390,909	722,111	311,209	-	734,265	2,158,494
Total fund balances	2,230,508	390,909	722,111	314,597	474,654	884,255	5,017,034
Total liabilities and fund balances:	\$ 2,344,205	\$ 391,806	\$ 722,111	\$ 316,678	\$ 474,654	\$ 922,511	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in the governmental activities are not financial resources and,

therefore, are not reported in the funds.

Other long-term assets are not available to pay for current period

expenditures and, therefore, are deferred in the funds.

Long-term liabilities, including bonds payable, are not due and

payable in the current period, and, therefore, are not reported in the funds.

Net assets of governmental activities(See Page 1)

	33,957,047
	88,589
	(1,217,440)
\$	\$ 37,845,230

CITY OF SCAPPOOSE, OREGON
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2007

	General Fund	Building Fund	Street SDC Fund	State Street Tax Fund	Parks SDC Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:							
Property taxes	\$ 1,168,064	\$ -	\$ -	\$ -	\$ -	\$ 201,798	\$ 1,369,862
Licenses and fees	136,476	489,404	443,965	85,495	260,496	23,079	1,438,915
Fines and forfeits	303,792	-	-	-	-	26,605	330,397
Franchise fees	354,472	-	-	-	-	-	354,472
Special assessments	-	-	-	-	-	3,527	3,527
Intergovernmental	193,127	-	-	292,045	-	2,685	487,857
Interest	98,271	10,578	25,466	11,501	17,592	41,832	205,240
Miscellaneous	101,889	-	16,939	743	-	4,150	123,721
Total revenues	<u>2,356,091</u>	<u>499,982</u>	<u>486,370</u>	<u>389,784</u>	<u>278,088</u>	<u>303,676</u>	<u>4,313,991</u>
EXPENDITURES:							
Current:							
General government	276,619	191,432	-	-	-	10,670	478,721
Public safety	1,368,756	-	-	-	-	20,000	1,388,756
Cultural and recreation	82,062	-	-	-	-	21,239	103,301
Highways and streets	-	-	-	285,438	-	72	285,510
Debt service	-	-	56,213	-	47,804	-	104,017
Capital outlay	83,421	-	10,736	-	643	22,719	117,519
Contingency	-	-	-	-	-	-	-
Total expenditures	<u>1,810,858</u>	<u>191,432</u>	<u>66,949</u>	<u>285,438</u>	<u>48,447</u>	<u>74,700</u>	<u>2,477,824</u>
Excess(deficiency) of revenues over expenditures	<u>545,233</u>	<u>308,550</u>	<u>419,421</u>	<u>104,346</u>	<u>229,641</u>	<u>228,976</u>	<u>1,836,167</u>
OTHER FINANCING SOURCES (USES):							
Proceeds from long term debt	-	-	-	-	-	-	-
Interfund transfers in	104,031	-	-	-	-	-	104,031
Interfund transfers out	(207,163)	(3,185)	(7,866)	(8,895)	(4,587)	186,057	290,088
Total other financing sources& uses	<u>(103,132)</u>	<u>(3,185)</u>	<u>(7,866)</u>	<u>(8,895)</u>	<u>(4,587)</u>	<u>(34,566)</u>	<u>(162,231)</u>
Net change in fund balances	442,101	305,365	411,555	95,451	225,054	194,410	1,673,936
FUND BALANCES - July 1, as previously stated	1,787,157	85,544	310,556	219,146	249,600	689,845	3,341,807
Prior period adjustment	1,250	-	-	-	-	-	1,250
FUND BALANCES - July 1, as restated	<u>1,788,407</u>	<u>85,544</u>	<u>310,556</u>	<u>219,146</u>	<u>249,600</u>	<u>689,845</u>	<u>3,342,057</u>
FUND BALANCES - June 30	<u>\$ 2,230,508</u>	<u>\$ 390,909</u>	<u>\$ 722,111</u>	<u>\$ 314,597</u>	<u>\$ 474,654</u>	<u>\$ 884,255</u>	<u>\$ 4,017,034</u>

Amounts reported for governmental activities in the statement of activities are different because:
 Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.
 Governmental funds report debt (including bonds and compensated absences payable) principal payments as expenditures. However, in the statement of activities this payment is a decrease of long-term debt.
 Some expenses reported in the statement of activities do not require the use of current financial resources and are reported as expenses in the funds.
 Changes in net assets of governmental activities (See Page 2)

**CITY OF SCAPPOOSE, OREGON
COLUMBIA COUNTY, OREGON**

**PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
June 30, 2007**

	Business-type Activities- Enterprise Funds		
	Water	Sewer	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,391,406	\$ 1,787,145	\$ 4,178,551
Accounts receivable	191,356	117,283	308,639
Inventory	25,533	594	26,126
Meter deposits-cash	75,862	-	75,862
Notes receivable-Port of St. Helens	569,894	-	569,894
Total current assets	<u>3,254,051</u>	<u>1,905,021</u>	<u>5,159,072</u>
Non-current assets:			
Capital assets:			
Land	208,586	92,320	300,906
Buildings	1,390,779	3,347,047	4,737,826
Infrastructure	4,908,127	1,942,170	6,850,297
Construction in progress	7,172,754	-	7,172,754
Vehicles	32,507	32,107	64,614
Equipment	1,138,038	709,189	1,847,227
Less accumulated depreciation	<u>(4,448,985)</u>	<u>(3,626,396)</u>	<u>(8,075,381)</u>
Total non-current assets	<u>10,401,806</u>	<u>2,496,436</u>	<u>12,898,242</u>
Total assets	<u>\$ 13,655,857</u>	<u>\$ 4,401,457</u>	<u>\$ 18,057,314</u>
LIABILITIES			
Current liabilities			
Accounts payable	\$ 2,882	\$ 2,909	\$ 5,791
Deposits payable	75,862	-	75,862
Deferred revenue	569,894	-	569,894
Accrued interest payable	100,750	22,719	123,469
Notes payable	168,106	-	168,106
Bonds payable	100,392	136,994	237,386
Total current liabilities	<u>1,017,886</u>	<u>162,622</u>	<u>1,180,508</u>
Non-current liabilities			
Compensated absences	32,000	23,900	55,900
Notes payable	5,298,349	-	5,298,349
Bonds payable	1,314,696	492,833	1,807,529
Total non-current liabilities	<u>6,645,045</u>	<u>516,733</u>	<u>7,161,778</u>
Total liabilities	<u>7,662,931</u>	<u>679,355</u>	<u>8,342,286</u>
NET ASSETS			
Invested in capital assets, net of related debt	3,419,513	1,843,890	5,263,403
Restricted	-	-	-
Unrestricted	<u>2,573,413</u>	<u>1,878,212</u>	<u>4,451,625</u>
Total net assets	<u>5,992,926</u>	<u>3,722,102</u>	<u>9,715,028</u>
Total liabilities and net assets	<u>\$ 13,655,857</u>	<u>\$ 4,401,457</u>	<u>\$ 18,057,314</u>

The accompanying notes are an integral part of these financial statements

**CITY OF SCAPPOOSE, OREGON
COLUMBIA COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended June 30, 2007**

	Business-type Activities- Enterprise Funds		
	Water	Sewer	Totals
Operating revenues			
Charges for services	\$ 900,766	\$ 918,561	\$ 1,819,327
Infrastructure fees	772,184	88,745	860,929
Miscellaneous revenues	50,650	2,050	52,700
Intergovernmental	-	-	-
Construction water	5,918	-	5,918
Total operating revenues	<u>1,729,518</u>	<u>1,009,356</u>	<u>2,738,874</u>
Operating expenses:			
Personal services	587,564	428,925	1,016,489
Materials and services	345,069	292,411	637,480
Capital outlay	21,740	-	21,740
Depreciation	348,332	113,458	461,790
Total operating expenses	<u>1,302,705</u>	<u>834,794</u>	<u>2,137,499</u>
Net operating revenue(expenses)	<u>426,813</u>	<u>174,562</u>	<u>601,375</u>
Non-operating revenues(expenses)			
Interest income	99,554	77,884	177,438
Interest expense	(186,998)	(40,811)	(227,809)
Reimbursement from Port of St. Helens	74,495	(40,811)	33,684
Total non-operating revenues(expenses)	<u>(12,949)</u>	<u>37,073</u>	<u>24,124</u>
Income(loss)before contributions and transfers	<u>413,864</u>	<u>211,635</u>	<u>625,499</u>
Capital contribution	170,265	321,183	491,448
Transfer in	749,363	160,960	910,323
Transfer out	(723,103)	(24,989)	(748,092)
Changes in net assets	610,389	668,789	1,279,178
Total net assets-beginning	<u>5,382,537</u>	<u>3,053,313</u>	<u>8,435,850</u>
Total net assets-ending	<u>\$ 5,992,926</u>	<u>\$ 3,722,102</u>	<u>\$ 9,715,028</u>

The accompanying notes are an integral part of these financial statements

**CITY OF SCAPPOOSE, OREGON
COLUMBIA COUNTY, OREGON**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2007**

	Business-type Activities- Enterprise Funds		
	Water	Sewer	Totals
Cash flows from operating activities			
Receipts from customers and others	\$ 1,690,604	\$ 976,445	\$ 2,667,049
Payments to suppliers and others	(365,856)	(290,883)	(656,739)
Payments to employees	(586,064)	(423,025)	(1,009,089)
Net cash provided(used)by operating activities	<u>738,684</u>	<u>262,537</u>	<u>1,001,221</u>
Cash flows from non-capital financing activities			
Operating subsidies and transfers to other funds	<u>15,453</u>	<u>135,971</u>	<u>151,423</u>
Cash flows from capital and related financing activities			
Proceeds from capital debt	-	-	-
Capital contribution	170,265	321,183	491,448
Principal paid on capital debt	(265,933)	(128,985)	(394,918)
Interest paid on capital debt	(190,779)	(46,947)	(237,726)
Net cash provided(used)by capital and related financing activities	<u>(286,447)</u>	<u>145,251</u>	<u>(141,196)</u>
Cash flows from investing activities			
Purchase of fixed assets	(41,997)	(211,453)	(253,450)
Reimbursement from Port of St. Helens	74,495		
Interest received	99,553	77,883	177,436
Net cash provided(used) by investing activities	<u>132,051</u>	<u>(133,570)</u>	<u>(1,519)</u>
Net (decrease) in cash and cash equivalents	599,741	410,188	1,009,929
Balances-beginning of the year	1,791,665	1,376,957	3,168,622
Balances-end of the year	<u>\$ 2,391,406</u>	<u>\$ 1,787,145</u>	<u>\$ 4,178,551</u>
Reconciliation of operating income to cash provided (used) by operating activities			
Operating income(loss)	\$ 426,813	\$ 174,562	\$ 601,375
Adjustment to reconcile net income to net cash provided (used) by operating activities:			
Depreciation	348,332	113,458	461,790
Change in assets and liabilities:			
Accounts receivables	(38,914)	(32,911)	(71,825)
Meter deposits	(10,337)	-	(10,337)
Inventories	(574)	90	(483)
Accounts payable	1,527	1,437	2,964
Deposits payable	10,337	-	10,337
Deferred revenue	-	-	-
Compensated absences payable	1,500	5,900	7,400
Net cash provided by operating activities	<u>\$ 738,684</u>	<u>\$ 262,537</u>	<u>\$ 1,001,221</u>

The accompanying notes are an integral part of these financial statements

NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The City of Scappoose operates under a charter granted by the State of Oregon in 1961. The City is governed by the City Council, composed of an elected Mayor and six elected council members. A Council -City Manager form of government is allowed by the charter, where the City Council hires a City Manager to administer policies and to coordinate the activities of the City. The heads of the various departments, formed to provide various services, are under the direct supervision of the City Manager.

The City of Scappoose, Oregon, is a primary government. A primary government is a financial reporting entity, which has a separately elected governing body, is legally separate and is fiscally independent of other state and local governments. The City has considered all organizations for which the City is financially accountable. Financial accountability may be evidenced by the ability to appoint the voting majority of the governing body, and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific burdens on, the primary government; or a fiscal dependency or intergovernmental relationship so close that exclusion from the primary government would render the financial statements incomplete or misleading. The City has determined that there is no component units required to be included in these financial statements.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on the entire City. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 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.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are proprietary funds financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Building Fund* accounts for financial resources set aside for enforcing building ,plumbing , mechanical and fire and life safety codes of the State of Oregon.

The *Street SDC Fund* accounts for receipts from street development charges and the usage of such resources.

The *State Street Tax Fund* accounts for receipts for the state revenue sharing program, state gasoline taxes, and interest. The monies are expended primarily for the repair and maintenance of City roads.

The *Parks SDC Fund* accounts for the collection and expenditure of parks system development charges.

The City reports the following major proprietary funds:

The *Water Fund* accounts for the operations of the City's water department. Primary revenues are charge for services, sale of water to users, connection fees and interest on invested funds.

The *Sewer Fund* accounts for the operation of the City's sewer department. Primary revenues are charges for services and interest on invested funds.

Additionally, the City reports the following fund types:

Special Revenue Funds are primarily operating funds that are derived from specific taxes or other revenue sources, which are legally restricted to finance particular function or activities.

Debt Service Funds account for the resources accumulated and payments made for principal and interest on long-term debt of governmental and proprietary funds.

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

For proprietary funds, the City applies all applicable Government Accounting Standards Board (GASB) guidance as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Statements and Interpretations of the Financial Accounting Standards Board (FASB), Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City enterprise funds are charges to customers for sales and services. The City recognize revenues as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. ASSETS, LIABILITIES AND NET ASSETS

1. DEPOSITS AND INVESTMENTS

The cash and cash equivalents include petty cash and change funds, demand deposits held by financial institutions and deposits with the Local Government Investment Pool of the Oregon Short-Term Fund, which is managed by the State Treasurer's office. The Local Government Investment Pool is managed in accordance with the "prudent person rule" and administrative regulations of the State Treasurer, which may change from time to time. Eligible investments include U.S. Treasury obligations, US Agency securities, bankers' acceptances, high grade commercial paper, and repurchase agreements, all subject to certain size and maturity limitations. The pool has the general characteristics of a demand deposit account in that investors may deposit additional cash at any time and may withdraw cash at any time without prior notice or penalty. The City reports the fair value of the position in the pool as the same as the value of the pool shares.

2. RECEIVABLES AND PAYABLES

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" or "advances to/from other funds" on the funds financial statements. All other outstanding balances between funds are reported as "due to/from other funds".

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Receivables are recorded on government wide and fund financial statements in accordance with the policies enumerated in paragraph above.

Property taxes are levied and attach as an enforceable lien on property on July 1 of each fiscal year. Taxes are payable in three installments on November 15, February 15 and May 15. A 3% discount is allowed for payment in full on November 15. Columbia County, Oregon, make all assessments of property value, and levies and collects the taxes for the City of Scappoose, and all other taxing entities within the county.

For the current year, the City levied taxes at the rate of 3.2268 per \$1,000 of assessed value of all taxable property within the City. Measure 50 establishes the permanent rate and allows for an increase of the assessed value of property of 3% per year.

The City also levied \$220,680, which is excluded from the limitation, to cover general obligation water and wastewater debt payments.

3. INVENTORIES

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed.

4. CAPITAL ASSETS

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Infrastructure	20-30
Buildings	40-50
Building improvements	45-50
Vehicles	5-7
Equipment	5-26

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2007**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

5. LONG-TERM DEBT OBLIGATION

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities and business-type activities. In governmental fund types, bond discounts and issuance costs are recognized in the current period. Bond discounts and issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond discounts are presented as a reduction of the face amount of bonds payable whereas issuance costs are recorded as deferred charges.

6. COMPENSATED ABSENCES PAYABLE

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

NOTE 2 - DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The cash and cash equivalents as of June 30, 2007 was as follows:

Petty cash	\$ 1,800
Deposits in financial institution	516,061
Deposits in financial institution held for other parties	103,483
Deposits with state local government investment pool	<u>8,592,964</u>
	<u>\$9,214,308</u>

Deposits: Deposits with financial institutions are bank deposits. Oregon Revised Statutes require the depository institution to maintain on deposit with custodian bank collateral pool securities having a value of not less than 25% of the outstanding certificates of participation issued by the pool manager. At year-end June 30, 2007, the balance of the bank statements was \$789,005, all of which were covered by federal depository insurance or collateralized to the extent required by law.

Custodial credit risk – deposits: In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. In order to minimize this risk, Oregon Revised Statutes require cash on deposits in any one bank not exceed federal depository insurance without procuring collateral certificates of participation from the bank's pool manager.

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2007**

NOTE 2 - DETAILED NOTES ON ALL FUNDS (Cont'd)

Investments: The City's investments in the Oregon State Local Government Investment Pool (LGIP) managed by the State Treasurer in accordance with the "prudent person rule" and administrative rules that may be subject to change. The investments that make up the State Local Government Pool are those allowed by Oregon Statute and the reported fair value of the investment is the same as the value of the pool shares. The City's investments are internally pooled and are not subject to risk categorization.

Credit risk and Concentration of credit risk: State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations. As of June 30, 2007, all of the City's investments were in the Local Government Investment Pool. LGIP was unrated.

B. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2007 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 771,299	\$ -	\$ -	\$ 771,299
Capital assets, being depreciated:				
Infrastructure	59,886,970	27,282	-	59,914,252
Construction in progress	214,572	25,815	-	240,387
Buildings	619,645	-	-	619,645
Building improvement	638,047	-	-	638,047
Equipment	136,923	57,840	-	194,763
Vehicles	188,129	39,441	-	227,570
Total capital assets, being depreciated:	<u>61,684,286</u>	<u>150,378</u>	<u>-</u>	<u>61,834,664</u>
Total capital assets being depreciated:				
Infrastructure	25,643,135	1,892,125	-	27,535,260
Construction in progress	-	-	-	-
Buildings	619,645	-	-	619,645
Buildings improvement	267,980	12,761	-	280,741
Equipment	82,542	20,421	-	102,963
Vehicles	80,261	30,046	-	110,307
Total accumulated depreciation	<u>26,693,563</u>	<u>1,955,353</u>	<u>-</u>	<u>28,648,916</u>
Total capital assets being depreciated, net	<u>34,990,723</u>	<u>(1,804,975)</u>	<u>-</u>	<u>33,185,748</u>
Governmental activities, capital assets, net	<u>\$35,762,022</u>	<u>\$(1,804,975)</u>	<u>\$ -</u>	<u>\$33,957,047</u>

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2007**

NOTE 2 - DETAILED NOTES ON ALL FUNDS (Cont'd)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business type activities				
Capital assets, not being depreciated:				
Land	\$ 300,906	\$ -	\$ -	\$ 300,906
Capital assets, being depreciated:				
Buildings	4,737,826	-	-	4,737,826
Infrastructure	13,911,298	53,804	-	13,965,102
Construction in progress	-	30,466	-	30,466
Vehicles	64,614	-	-	64,614
Equipment	<u>1,694,722</u>	<u>179,988</u>	-	<u>1,874,710</u>
Total capital assets, being depreciated:	<u>20,408,460</u>	<u>264,258</u>	-	<u>20,672,718</u>
Total capital assets being depreciated:				
Buildings	1,684,431	116,004	-	1,800,435
Infrastructure	4,237,123	302,039	-	4,539,162
Construction in progress	-	-	-	-
Vehicles	53,933	3,900	-	57,833
Equipment	<u>1,638,105</u>	<u>39,847</u>	-	<u>1,677,952</u>
Total accumulated depreciation	<u>7,613,592</u>	<u>461,790</u>	-	<u>8,075,382</u>
Total capital assets being depreciated, net	<u>12,794,868</u>	<u>(197,532)</u>	-	<u>12,597,336</u>
Business type activities, capital assets, net	<u>\$ 13,095,774</u>	<u>\$ (197,532)</u>	<u>\$ -</u>	<u>\$ 12,898,242</u>

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2007**

NOTE 2 - DETAILED NOTES ON ALL FUNDS (Cont'd)

Depreciation expense was charged to funds of the City as follows:

Governmental activities:	
General	\$ 59,711
Building	197
State Street Tax	1,894,446
Watts House Fund	999
Total	<u>\$ 1,955,353</u>
Business-type activities:	
Water	\$ 175,767
Water SDC Expansion	172,565
Sewer	111,193
Sewer SDC Expansion	2,265
Total	<u>\$ 461,790</u>

C. LONG-TERM DEBT

1. COMPENSATED ABSENCES PAYABLE

The City has accrued earned vacation pay as outlined in Note I. The liability for accrued vacation pay at year-end for governmental activities was \$63,400. For business type activities, it was \$48,500.

2. CAPITAL LEASES

The City has entered into three separate lease agreements as lessee for financing the acquisition of police vehicles with Ford Financing Motor Credit Company. The lease agreements qualify as a capital leases for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date as part of the long-term liabilities. The liability for capital leases as of June 30, 2007 is \$61,756.

**Schedule of future debt service requirement on the capital lease
(2005 Chevy Tahoe)**

Year ending	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 30			
2008	6,454	1,377	7,831
2009	6,885	946	7,831
2010	7,343	488	7,831
Total	<u>\$ 20,682</u>	<u>\$ 2,811</u>	<u>\$ 23,493</u>

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2007**

NOTE 2 - DETAILED NOTES ON ALL FUNDS (Cont'd)

Schedule of future debt service requirement on the capital lease
(2006 Ford Victoria)

Year ending			
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	7,499	911	8,410
2009	<u>7,940</u>	<u>470</u>	<u>8,410</u>
Total	<u>\$ 15,439</u>	<u>\$ 1,381</u>	<u>\$ 16,820</u>

Schedule of future debt service requirement on the capital lease
(2007 Ford Victoria)

Year ending			
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 5,856	\$ 1,551	\$ 7,406
2009	6,210	1,197	7,406
2010	6,585	821	7,406
2011	<u>6,984</u>	<u>423</u>	<u>7,406</u>
Total	<u>\$ 25,635</u>	<u>\$ 3,991</u>	<u>\$ 29,626</u>

3. NOTES PAYABLE

The City has following notes payable outstanding at year-end.

<u>Purpose</u>	<u>Borrowed from</u>	<u>Loan date</u>	<u>Maturity date</u>	<u>Interest Rates</u>	<u>Balance</u>
Water system	OECD	Sep. 1998	Aug. 2017	5.33%	\$ 469,183
Water system	OECD	Sep. 1997	Aug. 2017	6.00%	229,443
Water system	OECD	July 1998	June 2018	4.74%	266,640
Aquatic and community center	US Bank	Nov., 2004	Oct., 2009	5.00%	548,835
Crown zellerbach project	OTIB	Aug. 2003	2019	4.00%	511,045
WTP Phase 1&2	OECD	Dec. 2002	2028	4.40%	1,621,461
Safedrinking water project	OECD	Apr. 2004	2034	1.00%	<u>3,844,994</u>
				Total	<u>\$7,491,601</u>

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2007**

NOTE 2 - DETAILED NOTES ON ALL FUNDS (Cont'd)

Airpark Water Improvement Loan

The City entered loan contracts with the Oregon Economic Development Department to extend water to the Scappoose Airport project. The loans are payable from Water and Sewer SDC charges and payments from Port of St. Helens.

Annual debt service requirements to maturity for Airpark Loan

Year ending June 30	<u>Sep. 1998 Airpark Loan</u>		<u>Sep. 1997 Airpark Loan</u>		<u>July 1998 Airpark Loan</u>		<u>Total payment</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2008	36,178	25,586	18,887	13,767	18,339	12,829	73,404	52,182
2009	36,502	23,686	20,021	12,633	18,489	12,013	75,012	48,332
2010	41,852	21,724	21,222	11,432	18,646	11,181	81,720	44,337
2011	42,222	19,464	22,495	10,159	23,813	10,332	88,530	39,955
2012	47,611	17,184	23,845	8,809	23,990	9,224	95,446	35,217
2013	48,030	14,566	25,276	7,378	24,179	8,084	97,485	30,028
2014-2018	<u>216,788</u>	<u>30,771</u>	<u>97,697</u>	<u>13,410</u>	<u>139,184</u>	<u>21,678</u>	<u>453,669</u>	<u>65,859</u>
Total	<u>\$ 469,183</u>	<u>\$ 152,981</u>	<u>\$ 229,443</u>	<u>\$ 77,588</u>	<u>\$ 266,640</u>	<u>\$ 85,341</u>	<u>\$ 965,266</u>	<u>\$ 315,910</u>

Aquatic and Community Center Loan Refinance

On November 18, 2004, the City entered a contract with US Bank National Association to borrow \$600,000 for the purpose of building Aquatics and Community Center. The interest rate is 5%. The unpaid balance as of June 30, 2006 is \$568,486.

**Schedule of future debt service requirement on the notes payable
Aquatic and community center(US Bank)**

Year ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	20,617	27,187	47,804
2009	21,661	26,143	47,804
2010	<u>506,557</u>	<u>12,664</u>	<u>519,221</u>
Total	<u>\$ 548,835</u>	<u>\$ 65,994</u>	<u>\$ 614,829</u>

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2007**

NOTE 2 - DETAILED NOTES ON ALL FUNDS (Cont'd)

Crown Zellerbach Project Loan

On November 8, 2002, the City entered a contract with State of Oregon, Department of Transportation to construct of roadway with traffic signal and a signalized railroad crossing from US 30 to West Lane to improve truck access on to Crown Zellerbach Road. Total estimate project cost \$2,562,850 consisted of Oregon Transportation Investment (OTIA) grants \$1,782,850 and the City's matching fund \$780,000. To cover this matching amount the City made a loan agreement in the principal amount of \$625,000(interest rate 4%) with Oregon Department of Transportation on August 28,2003. The unpaid balance as of June 30, 2007 was \$ 511,045.

Schedule of future debt service requirement on the notes payable
Crown Zellerbach Project Loan(OTIB)

Year ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	35,771	20,442	56,213
2009	37,202	19,011	56,213
2010	38,690	17,523	56,213
2011	40,238	15,975	56,213
2012	41,847	14,366	56,213
2013-2017	235,724	45,341	281,065
2018-2019	81,573	4,404	85,977
Total	<u>\$ 511,045</u>	<u>\$ 137,062</u>	<u>\$ 648,107</u>

WTP Phase 1 & 2 Loan and Safe Drinking Water Project Loan

On December 4, 2002, the City entered contract with Oregon Economic and Community Development Department (OECD) for waste system improvement projects phase 1&2. Total estimated projects costs are \$6,974,000, which consists of water/wastewater grants \$500,000, water/wastewater loan \$1,814,000 (interest rate 4.4%), Safe drinking water revolving loan \$4,000,000 (interest rate 1%), including forgivable note \$250,000 and the City's matching fund \$660,000.

As of June 30, 2007, the unpaid balance of the WTP phase 1 &2 loan was \$1,621,461.

As of June 30, 2007, the unpaid balance of the Safe drinking water loan was \$3,844,994.

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2007**

NOTE 2 - DETAILED NOTES ON ALL FUNDS (Cont'd)

Schedule of future debt service requirement on the notes payable
WTP Phase 1 & 2 Loan(G03003)

Year ending			
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	48,754	70,028	118,782
2009	54,016	68,566	122,582
2010	54,287	66,945	121,232
2011	54,593	65,154	119,747
2012	59,929	63,243	123,172
2013	60,286	61,085	121,371
2014-2018	337,812	268,213	606,025
2019-2023	421,599	187,173	608,772
2024-2028	<u>530,185</u>	<u>77,612</u>	<u>607,797</u>
Total	<u>\$ 1,621,461</u>	<u>\$ 928,019</u>	<u>\$ 2,549,480</u>

Schedule of future debt service requirement on the notes payable
Safe Drinking Loan(S03003)

Year ending			
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	119,351	38,450	157,801
2009	120,545	37,256	157,801
2010	121,750	36,051	157,801
2011	122,968	34,833	157,801
2012	124,197	33,604	157,801
2013-2017	639,869	149,138	789,007
2018-2022	672,508	116,499	789,007
2023-2027	706,813	82,194	789,007
2028-2032	742,868	46,141	789,009
2033-2036	<u>474,125</u>	<u>9,720</u>	<u>483,845</u>
Total	<u>\$ 3,844,994</u>	<u>\$ 583,886</u>	<u>\$ 4,428,880</u>

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2007**

NOTE 2 - DETAILED NOTES ON ALL FUNDS (Cont'd)

4. GENERAL OBLIGATION BONDS

The City issued general obligation bonds to provide funds for the acquisition and construction of utility system. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 35 to 40 years serial bonds with equal amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

Purpose	Borrowed from	Loan date	Maturity date	Interest rates	Balance
Water system(Water Go Bond)	GMAC	Feb. 1979	Feb. 2019	5.00%	\$ 449,823
Sewer system(SPWF Waste Bond)	OECD	Sep. 1991	Aug. 2011	6.59%	550,317
Sewer system(SPWF Bond II)	OECD	Nov. 1993	Oct.2013	6.00%	44,688
Sewer system(SPWF Loan III)	OECD	Nov. 1993	Oct. 2011	0.00%	<u>34,821</u>
				Total	<u>\$1,079,649</u>

Water GO Bonds Payable

The City issued water go bonds to finance the water system construction on Feb. 2019.

Schedule of future debt service requirement on the bonds payable

Water Go Bond

Year ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	26,988	23,849	50,837
2009	28,276	22,561	50,837
2010	29,626	21,211	50,837
2011	31,040	19,797	50,837
2012	32,521	18,316	50,837
2013-2017	187,420	66,765	254,185
2018-2020	<u>113,952</u>	<u>17,592</u>	<u>131,544</u>
Total	<u>\$ 449,823</u>	<u>\$ 190,091</u>	<u>\$ 508,370</u>

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2007**

NOTE 2 - DETAILED NOTES ON ALL FUNDS (Cont'd)

SPWF Waste Bonds Payable

The City issued SPWF waste bonds to finance the sewer system construction on Sep. 1991 and Nov. 1993.

Schedule of future debt service requirement on the bonds payable
SPWF Waste Bond

Year ending June 30	SPWF bond 1991		SPWF bond II		SPWF bond III	Total	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2008	124,706	36,254	5,324	2,681	6,964	136,994	38,935
2009	132,921	28,038	5,643	2,362	6,964	145,528	30,400
2010	141,678	19,282	5,982	2,023	6,964	154,624	21,305
2011	151,012	9,949	6,341	1,664	6,964	164,317	11,613
2012	-	-	6,721	1,284	6,965	13,686	1,284
2013-2014	-	-	14,677	1,334	-	14,677	1,334
Total	\$ 550,317	\$ 93,523	\$ 44,688	\$ 11,348	\$ 34,821	\$ 629,826	\$ 104,871

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2007**

NOTE 2 - DETAILED NOTES ON ALL FUNDS (Cont'd)

5. CHANGES IN LONG-TERM LIABILITIES

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	Amounts Due within <u>One year</u>
Governmental activities					
Compensated absences payable	\$ 63,400	\$ 14,700	\$ -	\$ 78,100	\$ -
Capital lease	49,255	33,041	(20,540)	61,756	19,810
US Bank notes payable	568,486	-	(19,651)	548,835	20,617
Crown zellerbach notes payable	<u>543,929</u>	<u>-</u>	<u>(32,884)</u>	<u>511,045</u>	<u>35,771</u>
Governmental activities total	<u>1,225,070</u>	<u>47,741</u>	<u>(73,075)</u>	<u>1,199,736</u>	<u>76,198</u>
Business type activities					
Compensated absences payable	48,500	7,400	-	55,900	-
Airpark notes payable(Sep. 98)	505,060	-	(35,877)	469,183	36,178
Airpark notes payable(Sep. 97)	245,865	-	(16,422)	229,443	18,887
Airpark notes payable(July, 98)	284,841	-	(18,201)	266,640	18,339
Water Go bonds payable	477,061	-	(27,238)	449,823	26,988
SPWF waste bonds payable(I)	667,315	-	(116,998)	550,317	124,706
SPWF waste bonds payable(II)	49,711	-	(5,023)	44,688	5,324
SPWF waste bonds payable(III)	41,785	-	(6,964)	34,821	6,964
WTP phase 1 & 2 notes payable(G03003)	1,669,960	-	(48,499)	1,621,461	48,754
Safe drinking water notes payable(S03003)	<u>3,964,690</u>	<u>-</u>	<u>(119,696)</u>	<u>3,844,994</u>	<u>119,352</u>
Business type activities total	<u>7,954,788</u>	<u>7,400</u>	<u>(394,918)</u>	<u>7,567,270</u>	<u>405,492</u>
Total	<u>\$ 9,179,858</u>	<u>\$ 55,141</u>	<u>\$ (467,993)</u>	<u>\$ 8,767,006</u>	<u>\$ 481,690</u>

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2007**

NOTE 2 - DETAILED NOTES ON ALL FUNDS (Cont'd)

D. INTERFUND TRANSFERS

Major Interfund transfers for the year ended June 30, 2007, consisted of the following:

		<u>Transfer from</u>								
		Building	State Street	Street SDC	Park SDC			Water SDC	Sewer SDC	
		Fund	Tax Fund	Fund	Fund	Water Fund	Sewer Fund	Fund	Fund	Total
<u>Transfer</u>	General Fund	\$ 3,185	\$ 8,895	\$ 64,079	\$ 4,587	\$ 17,953	\$ 14,900	\$ 8,416	\$ 6,058	\$ 128,073
<u>to</u>	Water SDC Fund	-	-	-	-	116,717	-	-	-	116,717
		<u>\$ 3,185</u>	<u>\$ 8,895</u>	<u>\$ 64,079</u>	<u>\$ 4,587</u>	<u>\$ 134,670</u>	<u>\$ 14,900</u>	<u>\$ 8,416</u>	<u>\$ 6,058</u>	<u>\$ 244,790</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 then, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

E. PRIOR PERIOD ADJUSTMENTS

The City held petty cash that was not recorded on the financial statements in prior years. An adjustment of \$1,250 has been made to account for the recording of the petty cash in the general fund.

Petty cash	<u>\$ 1,250</u>
Total prior year adjustment:	<u>\$ 1,250</u>

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2007**

NOTE 3 - OTHER INFORMATION

A. PENSION PLAN

1. PLAN DESCRIPTION

The City contributes to the State of Oregon Public Employees Retirement System (PERS), a cost-sharing multiple-employer defined benefit pension plan administered by the Oregon Public Employees Retirement System. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan member and beneficiaries. The Oregon Public Employees Retirement Fund ("OPERF") applies to the City's contribution for qualifying employees who were hired before August 29, 2003. Oregon Revised Statutes 238 assigns the authority to establish and amend benefit provisions to the PERS Board of Trustees and the State Legislature.

In the 2003 legislative session, the Oregon Legislative Assembly created a successor plan for PERS. The Oregon Public Service Retirement Plan ("OPSRP") is effective for all new employees hired on or after August 29, 2003, and applies to any inactive PERS members who return to employment following a six month or greater break in service. The new plan consists of a defined benefit program (the "Pension Program") and a defined contribution portion (the Individual Account Program or "IAP"). The Pension Program portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service and a factor that varies based on type of service (general versus police or fire).

Beginning January 1, 2004, all PERS member's contributions go into the IAP portion of OPSRP. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account. Those employees who had established a PERS membership prior to creation of OPSRP will be members of both the PERS and OPSRP system as long as they remain in covered employment.

Both PERS and OPSRP are administered by the Oregon Public Employees Retirement Board ("OPERB"). The comprehensive annual financial report for the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281-3700, by calling (503) 598-7377, or by accessing the PERS web site at www.pers.state.or.us.

2. FUNDING POLICY

Members of PERS are required to contribute 6.00% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The City is required by ORS 238.225 to contribute at an actuarially determined rate for all the qualifying employees under the OPERF plan, and a general service rate for the qualifying employees under the OPSRP plan. The OPERF and OPSRP rates in effect for the year ended June 30, 2007 were 15.43% and 9.76% respectively. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2007**

NOTE 3 - OTHER INFORMATION (Cont'd)

3. ANNUAL PENSION COST

Contribution information for the years ended June 30, 2007, 2006, and 2005 were as follows:

<u>Fiscal Year</u> <u>Ending</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of APC</u> <u>Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
06/30/05	\$ 211,478	100%	-
06/30/06	294,241	100%	-
06/30/07	324,408	100%	-

B. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time although management expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably being estimated.

Management has represented that there are no other contingent liabilities which were understood to include among other things: notes or accounts receivable which have been discounted; pending suits, proceedings, hearings, or negotiations possibly involving retroactive judgements or claims; taxes in dispute; endorsements or guarantees; and options given that would require disclosure.

C. RISK MANAGEMENT

The City is operated under various risks and the City participates in various insurance programs to hedge against those risks. The insurance coverage include property liability, general liability, ethics complaint defense liability, pesticide/herbicide application liability, auto liability, boiler, pressure vessel, mechanical and electrical objects liability and others. There have been no losses in excess of insurance coverage for the past three years.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE -BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended June 30, 2007

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u> <u>Budgetary Basis</u>	<u>Budget to GAAP</u>	
	<u>Original</u>	<u>Final</u>		<u>Differences</u> <u>Over(Under)</u>	<u>Actual Amounts</u> <u>GAAP Basis</u>
REVENUES:					
Property taxes	\$ 1,096,330	\$ 1,096,330	\$ 1,161,173 (1)	\$ 6,891	\$ 1,168,064
Licenses and fees	376,000	376,000	440,268	-	440,268
Franchise fees	305,800	305,800	353,116 (1)	1,356	354,472
Intergovernmental	164,200	164,200	175,806 (1)	17,321	193,127
Interest	45,000	45,000	98,271	-	98,271
Miscellaneous	125,500	125,500	101,890	-	101,890
Total revenues	<u>2,112,830</u>	<u>2,112,830</u>	<u>2,330,523</u>	<u>25,568</u>	<u>2,356,091</u>
EXPENDITURES:					
Personal services	1,310,738	1,310,738	1,135,169	-	1,135,169
Materials and services	771,009	771,009	596,579 (1)	(4,311)	592,268
Capital outlay	153,645	153,645	83,421 (1)	-	83,421
Contingency	523,431	508,905	-	-	-
Total expenditures	<u>2,758,823</u>	<u>2,744,297</u>	<u>1,815,169</u>	<u>(4,311)</u>	<u>1,810,858</u>
Excess(deficiency) of revenues over expenditures:	<u>(645,993)</u>	<u>(631,467)</u>	<u>515,354</u>	<u>29,879</u>	<u>545,233</u>
OTHER FINANCING SOURCES (USES):					
Operating transfers in	103,997	103,997	104,031	-	104,031
Operating transfers out	(192,637)	(207,163)	(207,163)	-	(207,163)
Total other financing sources and uses	<u>(88,640)</u>	<u>(103,166)</u>	<u>(103,132)</u>	<u>-</u>	<u>(103,132)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(734,633)</u>	<u>(734,633)</u>	<u>412,222</u>	<u>29,879</u>	<u>442,101</u>
FUND BALANCES - July 1	<u>1,534,633</u>	<u>1,534,633</u>	<u>1,750,488</u> (2)	<u>37,919</u>	<u>1,788,407</u>
FUND BALANCES - June 30	<u>\$ 800,000</u>	<u>\$ 800,000</u>	<u>\$ 2,162,710</u>	<u>\$ 67,798</u>	<u>\$ 2,230,508</u>

Explanation of differences:

(1) The City budgets revenues only to the extent expected to be received, rather than on the modified accrual basis.

\$ 25,568

The City budgets expenditures only to the extent expected to be paid, rather than on the modified accrual basis.

4,311

Net increase in fund balance-budget to GAAP

\$ 29,879

(2) The amount reported as "fund balance" on the budgetary basis of accounting derives from the basis of accounting used in preparing the City's budget. (See Note 2 A for a description of the District's budgetary accounting method.) This amount differs from the fund balance reported in the statement of revenues, expenditures, and changes in fund balances because of the cumulative effect of transactions such as those described above.

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUILDING FUND**

For the Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Budget to GAAP	Actual Amounts
	Original	Final	Budgetary Basis	Differences Over(Under)	GAAP Basis
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and fees	206,400	206,400	489,404	-	489,404
Franchise fees	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Interest	3,100	3,100	10,578	-	10,578
Miscellaneous	200	200	-	-	-
Total revenues	209,700	209,700	499,982	-	499,982
EXPENDITURES:					
Personal services	145,204	145,204	131,742	-	131,742
Materials and services	80,076	100,076	63,223 (1)	(3,532)	59,691
Capital outlay	2,000	2,000	-	-	-
Contingency	41,011	21,011	-	-	-
Total expenditures	268,291	268,291	194,965	(3,532)	191,433
Excess(deficiency) of revenues over expenditures	(58,591)	(58,591)	305,018	3,532	308,550
OTHER FINANCING SOURCES (USES):					
Operating transfers in	-	-	-	-	-
Operating transfers out	(3,185)	(3,185)	(3,185)	-	(3,185)
Total other financing sources and uses	(3,185)	(3,185)	(3,185)	-	(3,185)
Excess of revenues and other sources over (under) expenditures and other uses	(61,776)	(61,776)	301,833	3,532	305,365
FUND BALANCES - July 1	61,776	61,776	89,973 (2)	(4,429)	85,544
FUND BALANCES - June 30	\$ -	\$ -	\$ 391,806	\$ (897)	\$ 390,909

Explanation of differences:

(1) The City budgets revenues only to the extent expected to be received, rather than on the modified accrual basis.

\$ -

The City budgets expenditures only to the extent expected to be paid, rather than on the modified accrual basis.

(3,532)

Net increase in fund balance-budget to GAAP

\$ 3,532

(2) The amount reported as "fund balance" on the budgetary basis of accounting derives from the basis of accounting used in preparing the City's budget. (See Note 2 A for a description of the District's budgetary accounting method.) This amount differs from the fund balance reported in the statement of revenues, expenditures, and changes in fund balances because of the cumulative effect of transactions such as those described above.

See Report of Independent Auditors

CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE -BUDGET AND ACTUAL
STREET SDC FUND

For the Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Budget to GAAP	Actual Amounts
	Original	Final	Budgetary Basis	Differences Over(Under)	GAAP Basis
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and fees	157,320	157,320	443,964	-	443,964
Franchise fees	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Interest	6,000	6,000	25,466	-	25,466
Miscellaneous	-	-	16,939	-	16,939
Total revenues	<u>163,320</u>	<u>163,320</u>	<u>486,369</u>	<u>-</u>	<u>486,369</u>
EXPENDITURES:					
Personal services	-	-	-	-	-
Materials and services	-	-	-	-	-
Capital outlay	225,000	225,000	10,736	-	10,736
Debt service-					
Principal	32,462	32,462	32,462	-	32,462
Interest	23,751	23,751	23,751	-	23,751
Contingency	<u>191,002</u>	<u>191,002</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>472,215</u>	<u>472,215</u>	<u>66,949</u>	<u>-</u>	<u>66,949</u>
Excess(deficiency) of revenues over expenditures	<u>(308,895)</u>	<u>(308,895)</u>	<u>419,421</u>	<u>-</u>	<u>419,421</u>
OTHER FINANCING SOURCES (USES):					
Operating transfers in	-	-	-	-	-
Operating transfers out	<u>(7,866)</u>	<u>(7,866)</u>	<u>(7,866)</u>	<u>-</u>	<u>(7,866)</u>
Total other financing sources and uses	<u>(7,866)</u>	<u>(7,866)</u>	<u>(7,866)</u>	<u>-</u>	<u>(7,866)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(316,761)</u>	<u>(316,761)</u>	<u>411,555</u>	<u>-</u>	<u>411,555</u>
FUND BALANCES - July 1	<u>316,761</u>	<u>316,761</u>	<u>310,556</u>	<u>-</u>	<u>310,556</u>
FUND BALANCES - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 722,111</u>	<u>\$ -</u>	<u>\$ 722,111</u>

See Report of Independent Auditors

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE -BUDGET AND ACTUAL
STATE STREET TAX FUND
For the Year Ended June 30, 2007**

	Budgeted Amounts		Actual Amounts		Budget to GAAP	Actual Amounts
	Original	Final	Budgetary Basis		Differences Over(Under)	GAAP Basis
REVENUES:						
Surface trans program funds	\$ 190,000	\$ 190,000	\$ 26,080		\$ -	\$ 26,080
Licenses and fees	50,000	50,000	64,067		-	64,067
Franchise fees	-	-	-		-	-
Intergovernmental	264,919	264,919	267,481	(1)	(1,516)	265,965
Interest	4,000	4,000	11,501		-	11,501
Miscellaneous	500	500	22,171		-	22,171
Total revenues	509,419	509,419	391,300		(1,516)	389,784
EXPENDITURES:						
Personal services	171,800	171,800	154,073		-	154,073
Materials and services	165,932	165,932	104,601	(1)	(519)	104,082
Capital outlay	166,250	166,250	27,282		-	27,282
Contingency	177,729	177,729	-		-	-
Total expenditures	681,711	681,711	285,957		(519)	285,438
Excess(deficiency) of revenues over expenditures	(172,292)	(172,292)	105,343		(997)	104,346
OTHER FINANCING SOURCES (USES):						
Operating transfers in	-	-	-		-	-
Operating transfers out	(8,895)	(8,895)	(8,895)		-	(8,895)
Total other financing sources and uses	(8,895)	(8,895)	(8,895)		-	(8,895)
Excess of revenues and other sources over (under) expenditures and other uses	(181,187)	(181,187)	96,448		(997)	95,451
FUND BALANCES - July 1	181,187	181,187	195,027	(2)	24,119	219,146
FUND BALANCES - June 30	\$ -	\$ -	\$ 291,475		\$ 23,122	\$ 314,597

Explanation of differences:

- (1) The City budgets revenues only to the extent expected to be received, rather than on the modified accrual basis. \$ (1,516)
- The City budgets expenditures only to the extent expected to be paid, rather than on the modified accrual basis. 519
- Net increase in fund balance-budget to GAAP \$ (997)

- (2) The amount reported as "fund balance" on the budgetary basis of accounting derives from the basis of accounting used in preparing the City's budget. (See Note 2 A for a description of the District's budgetary accounting method.) This amount differs from the fund balance reported in the statement of revenues, expenditures, and changes in fund balances because of the cumulative effect of transactions such as those described above.

See Report of Independent Auditors

CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE -BUDGET AND ACTUAL
PARKS SDC FUND
For the Year Ended June 30, 2007

	Budgeted Amounts		Actual Amounts	Budget to GAAP	
	Original	Final	Budgetary Basis	Differences Over(Under)	Actual Amounts GAAP Basis
REVENUES:					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and fees	91,735	91,735	260,496	-	260,496
Interest	4,000	4,000	17,592	-	17,592
Miscellaneous	-	-	-	-	-
Total revenues	<u>95,735</u>	<u>95,735</u>	<u>278,088</u>	<u>-</u>	<u>278,088</u>
EXPENDITURES:					
Personal services	-	-	-	-	-
Materials and services	-	-	-	-	-
Debt service-					
Principal	19,412	19,412	19,535	-	19,535
Interest	28,392	28,392	28,269	-	28,269
Capital outlay	250,000	250,000	643	-	643
Contingency	<u>39,663</u>	<u>39,663</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>337,467</u>	<u>337,467</u>	<u>48,447</u>	<u>-</u>	<u>48,446</u>
Excess(deficiency) of revenues over expenditures	<u>(241,732)</u>	<u>(241,732)</u>	<u>229,641</u>	<u>-</u>	<u>229,641</u>
OTHER FINANCING SOURCES (USES):					
Operating transfers in	-	-	-	-	-
Operating transfers out	<u>(4,587)</u>	<u>(4,587)</u>	<u>(4,587)</u>	<u>-</u>	<u>(4,587)</u>
Total other financing sources and uses	<u>(4,587)</u>	<u>(4,587)</u>	<u>(4,587)</u>	<u>-</u>	<u>(4,587)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(246,319)</u>	<u>(246,319)</u>	<u>225,054</u>	<u>-</u>	<u>225,054</u>
FUND BALANCES - July 1	<u>246,319</u>	<u>246,319</u>	<u>249,600</u>	<u>-</u>	<u>249,600</u>
FUND BALANCES - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 474,654</u>	<u>\$ -</u>	<u>\$ 474,654</u>

See Report of Independent Auditors

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

**NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION
For the Year Ended June 30, 2007**

NOTES 1 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Budgets are prepared and adopted, and expenditures are appropriated, in accordance with Oregon Local Budget Law. Budgets are adopted on the cash-basis of accounting, which is not in conformity with generally accepted accounting principles, but is an acceptable method for Oregon Municipal Corporations under Oregon Local Budget Law. All annual appropriations lapse at fiscal year end. The City does not use encumbrance accounting.

On or before June 30 of each year, the City enacts a resolution approving the budget, appropriating the expenditures, and levying the property taxes. Prior to enacting this resolution, the proposed budget is presented to the City Council for a budget hearing by a budget committee.

The budget is prepared by fund, department, activity and line item, and includes information of the past year, current year estimates, and requested appropriations for the next fiscal year. Expenditures may not exceed budgeted appropriations at the level of Personal Services, Material and Services, Capital Outlay, Debt Service, Contingency, or other expenditures for each fund, or for each department of the General Fund, at the level of : Administration, Police, Parks and Grounds, and Non-Departmental.

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

No expenditures exceeded the budgeted appropriations for major funds for the fiscal year ended June 30, 2007.

OTHER SCHEDULES AND SUPPLEMENTARY INFORMATION

CITY OF SCAPOOSE
COLUMBIA COUNTY, OREGON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2007

	Special Revenue Funds					
	Parks and Recreation Reserve Fund	Foot Paths & Bicycle Trails Fund	Havlik Highway 30 Fund	Unemployment Insurance Fund	Municipal Park Fund	Municipal Skate Park Fund
ASSETS						
Cash and cash equivalents	\$ 332,581	\$ 53,527	\$ 138,162	\$ 40,991	\$ 78,934	\$ 29,139
Receivables:						
Property taxes receivable	-	-	-	-	-	-
Accounts receivable	-	220	-	-	-	-
Special assessment receivable	-	-	-	-	-	-
Notes receivable-Steinfeld	-	-	-	-	-	-
Restricted assets-deposits	-	-	-	-	-	-
Total assets	\$ 332,581	\$ 53,747	\$ 138,162	\$ 40,991	\$ 78,934	\$ 29,139
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	-	-	72	-	9,973	-
Deposits payable	-	-	-	-	-	-
Deferred revenue-steinfield	-	-	-	-	-	-
Deferred assessment	-	-	-	-	-	-
Deferred tax revenue	-	-	-	-	-	-
Total liabilities	\$ -	\$ -	\$ 72	\$ -	\$ 9,973	\$ -
Fund balances:						
Reserved for:						
Debt Service	-	-	-	-	-	-
Unreserved, reported in:						
General Fund	-	-	-	-	-	-
Special Revenue Funds	332,581	53,747	138,090	40,991	68,961	29,139
Total fund balances	332,581	53,747	138,090	40,991	68,961	29,139
Total liabilities and fund balances:	\$ 332,581	\$ 53,747	\$ 138,162	\$ 40,991	\$ 78,934	\$ 29,139

(Cont'd)

CITY OF SCAPOOSE
COLUMBIA COUNTY, OREGON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Cont'd)

June 30, 2007

	Special Revenue Funds				Debt Service Funds			Total Nonmajor Governmental Funds
	Farmer's Market Pavillion Fund	Peg Fee Fund	Watts House Fund	Law Enforcement Fee Fund	Water/Sewer GO Bond Fund	Bancroft Bond Fund		
ASSETS								
Cash and cash equivalents	\$ 4,991	\$ 32,786	\$ 2,072	\$ 27,554	\$ 148,872	\$ -	\$ -	\$ 889,609
Receivables:								0
Property taxes receivable	-	-	-	-	18,564	-	-	18,564
Accounts receivable	-	3,433	-	-	-	-	-	3,653
Special assessment receivable	-	-	-	-	-	-	-	-
Notes receivable-Steinfeld	-	-	-	-	10,685	-	-	10,685
Restricted assets-deposits	-	-	-	-	-	-	-	-
Total assets	\$ 4,991	\$ 36,219	\$ 2,072	\$ 27,554	\$ 178,121	\$ -	\$ -	\$ 673,554
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ 80	\$ -	\$ -	\$ -	\$ -	\$ 10,125
Deposits payable	-	-	-	-	-	-	-	-
Deferred revenue-steinfield	-	-	-	-	10,685	-	-	10,685
Deferred assessment	-	-	-	-	-	-	-	-
Deferred tax revenue	-	-	-	-	17,446	-	-	17,446
Total liabilities	\$ -	\$ -	\$ 80	\$ -	\$ 28,131	\$ -	\$ -	\$ 10,045
Fund balances:								
Reserved for:								
Debt Service	-	-	-	-	149,990	-	-	149,990
Unreserved, reported in:								
General Fund	-	-	-	-	-	-	-	-
Special Revenue Funds	4,991	36,219	1,992	27,554	-	-	-	734,265
Total fund balances	4,991	36,219	1,992	27,554	149,990	-	-	884,255
Total liabilities and fund balances:	\$ 4,991	\$ 36,219	\$ 2,072	\$ 27,554	\$ 178,121	\$ -	\$ -	\$ 673,554

CITY OF SCAPOOSE
COLUMBIA COUNTIES, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2007

	Special Revenue Funds					Municipal Skate Park Fund
	Parks and Recreation Reserve Fund	Foot Paths & Bicycle Trails Fund	Havlik Highway 30 Fund	Unemployment Insurance Fund	Municipal Park Fund	
REVENUES:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and fees	-	-	-	-	-	1,887
Fines and forfeits	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Intergovernmental	-	2,685	-	-	-	-
Interest	15,843	2,481	6,728	1,933	3,719	1,252
Miscellaneous	-	-	-	-	-	-
Total revenues	15,843	5,166	6,728	1,933	3,719	3,139
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Cultural and recreation	-	-	-	-	9,973	-
Highways and streets	-	-	72	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	5,294	-	9,785	-
Contingency	-	-	-	-	-	-
Total expenditures	-	-	5,366	-	19,758	-
Excess(deficiency) of revenues over expenditures	15,843	5,166	1,362	1,933	(16,039)	3,139
OTHER FINANCING SOURCES (USES):						
Interfund transfers in	-	-	-	5,000	85,000	26,000
Interfund transfers out	-	-	-	-	-	-
Total other financing sources & uses	-	-	-	5,000	85,000	26,000
Net change in fund balances	15,843	5,166	1,362	6,933	68,961	29,139
FUND BALANCES - July 1	316,738	48,581	136,728	34,058	-	-
FUND BALANCES - June 30	\$ 332,581	\$ 53,747	\$ 138,090	\$ 40,991	\$ 68,961	\$ 29,139

(Cont'd)

CITY OF SCAPOOSE
 COLUMBIA COUNTIES, OREGON
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS (Cont'd)
 For the Year Ended June 30, 2007

	Special Revenue Funds					Debt Service Funds			Total Nonmajor Governmental Funds
	Farmer's Market Pavillion Fund	Peg Fee Fund	Watts House Fund	Law Enforcement Fee Fund	Water/Sewer GO Bond Fund	Bancroft Bond Fund			
REVENUES:									
Property taxes	-	-	-	-	201,798	-	-	201,798	
Licenses and fees	5,000	16,192	-	-	-	-	-	23,079	
Fines and forfeits	-	-	-	26,605	-	-	-	26,605	
Special assessments	-	-	-	-	-	3,527	-	3,527	
Intergovernmental	-	-	-	-	-	-	-	2,685	
Interest	141	1,197	72	949	7,453	64	-	41,832	
Miscellaneous	-	-	4,150	-	-	-	-	4,150	
Total revenues	5,141	17,389	4,222	27,554	209,251	3,591		36,528	
EXPENDITURES:									
Current:									
General government	-	10,670	-	-	-	-	-	10,670	
Public safety	-	-	-	20,000	-	-	-	20,000	
Cultural and recreation	-	-	11,266	-	-	-	-	21,239	
Highways and streets	-	-	-	-	-	-	-	72	
Debt service	-	-	-	-	213,589	-	-	213,589	
Capital outlay	150	-	7,490	-	-	-	-	22,719	
Contingency	-	-	-	-	-	-	-	-	
Total expenditures	150	10,670	18,756	20,000	213,589			25,124	
Excess(deficiency) of revenues over expenditures	4,991	6,719	(14,534)	7,554	(4,338)	3,591		11,404	
OTHER FINANCING SOURCES (USES):									
Interfund transfers in	-	29,500	16,526	20,000	4,031	-	-	186,057	
Interfund transfers out	-	-	-	-	-	(7,034)	-	(7,034)	
Total other financing sources & uses	-	29,500	16,526	20,000	4,031	(7,034)		179,023	
Net change in fund balances	4,991	36,219	1,992	27,554	(307)	(3,443)		194,410	
FUND BALANCES - July 1					150,297	3,443		689,845	
FUND BALANCES - June 30	4,991	36,219	1,992	27,554	149,990			884,255	

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2007**

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Budget Positive (Negative)</u>
Personal Services			
Administration			
Salaries	\$ 29,418	\$ 28,839	\$ 579
Health insurance	6,006	4,465	1,541
Retirement benefits	6,352	6,180	172
Social security	1,872	2,317	(445)
Worker's compensation	549	412	137
Total administration	<u>44,197</u>	<u>42,212</u>	<u>1,985</u>
Police department			
Salaries	610,833	581,647	29,186
Overtime	29,903	38,179	(8,276)
Health insurance	185,972	126,553	59,419
Retirement benefits	157,625	123,209	34,416
Social security	41,903	47,306	(5,403)
Worker's compensation	45,329	20,619	24,710
Total police department	<u>1,071,565</u>	<u>937,513</u>	<u>134,052</u>
Parks & grounds			
Salaries	43,860	42,442	1,418
Health insurance	11,743	7,879	3,864
Retirement benefits	10,389	8,437	1,952
Social security	2,813	3,247	(434)
Worker's compensation	2,598	1,195	1,403
Total parks & grounds	<u>71,403</u>	<u>63,201</u>	<u>8,202</u>
Municipal court			
Salaries	46,268	36,317	9,951
Health insurance	18,139	5,965	12,174
Retirement benefits	10,783	7,633	3,150
Social security	2,879	2,778	101
Worker's compensation	755	450	305
Total court	<u>78,824</u>	<u>53,143</u>	<u>25,681</u>
Planning			
Salaries	28,548	28,072	476
Health insurance	6,809	3,540	3,269
Retirement benefits	6,735	4,926	1,809
Social security	1,846	2,148	(302)
Worker's compensation	810	415	395
Total planning	<u>44,748</u>	<u>39,101</u>	<u>5,647</u>
Total Personal Services	<u>1,310,737</u>	<u>1,135,169</u>	<u>175,568</u>

(to be continued)

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended June 30, 2007 (continued)

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Budget Positive (Negative)</u>
Materials and Services			
Administration			
Building/Facilities maintenance	51,050	33,488	17,562
Equipment maintenance	250	-	250
Maintenance agreements	12,900	8,012	4,888
Vehicle maintenance	1,000	-	1,000
Office supplies	13,360	9,525	3,835
Utilities	18,240	11,105	7,135
Contractual/Professional	62,000	35,865	26,135
Miscellaneous	200	259	(59)
Elections	3,000	537	2,463
Insurance	3,500	2,175	1,325
Travel/training	11,475	6,132	5,343
Dues/fees/subscriptions	20,755	15,614	5,141
Economic development	25,000	5,000	20,000
Publications/notices/advertisement	5,400	1,751	3,649
Emergency management	6,000	-	6,000
Community contributionn	30,000	30,000	-
Total administration M&S	<u>264,130</u>	<u>159,463</u>	<u>104,667</u>
Police department			
Building maintenance	10,100	9,695	405
Equipment maintenance	6,080	3,206	2,874
Maintenance agreements	6,469	6,443	26
Vehicle maintenance	36,495	41,311	(4,816)
Office supplies	8,000	10,460	(2,460)
Operational supplies	5,018	5,463	(445)
Utilities	30,380	28,252	2,128
Contractual/Professional	49,200	28,960	20,240
Miscellaneous	300	301	(1)
Medical mandates	1,300	1,227	73
Insurance	55,000	52,043	2,957
Travel/training	8,000	7,991	9
Dues/fees/subscriptions	935	937	(2)
Publications/Notiece/advertisement	825	900	(75)
Uniforms	8,600	9,240	(640)
Special investigation	1,800	2,055	(255)
Leased cars	27,147	23,717	3,430
Total police department M&S	<u>255,649</u>	<u>232,201</u>	<u>23,448</u>

(To be continued)

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON
SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended June 30, 2007 (continued)

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Budget Positive (Negative)</u>
Parks department			
Building/Facilities maintenance	400	418	(18)
Equipment maintenance	1,500	520	980
Maintenance agreements	900	737	163
Vehicle maintenance	1,500	1,223	277
Fuel, oil, lube	2,185	1,550	635
Office supplies	500	471	29
Operational supplies	5,070	2,440	2,630
Shop maintenance supplies	250	40	210
Utilities	2,400	2,378	22
Contractual/Professional	2,000	6,051	(4,051)
Miscellaneous	250	688	(438)
Insurance	2,000	1,500	500
Travel/training	500	73	428
Dues/fees/subscriptions	450	64	386
Publications/Notice/advertisement	250	-	250
Uniforms/safety/equipment	500	498	2
Total Parks department M&S	<u>20,655</u>	<u>18,650</u>	<u>2,005</u>
Municipal court			
Building/Facilities maint.	300	-	300
Equipment maintenance	250	-	250
Maintenance agreements	3,580	2,742	838
Office supplies	4,200	2,043	2,157
Utilities	660	244	416
Contractual/professional	77,040	70,031	7,009
Miscellaneous	100	(2)	102
Insurance	2,000	1,500	500
Travel/training	4,400	3,895	505
Dues/fees/subscriptions	400	82	319
Publications/Notice/advertisement	100	-	100
Jail/jury	225	262	(37)
Assessments	100,000	70,985	29,015
Total court M&S	<u>193,255</u>	<u>151,783</u>	<u>41,472</u>
Planning			
Equipment maintenance	2,190	4,096	(1,906)
Office supplies	2,400	2,651	(251)
Utilities	3,000	3,492	(492)
Contractual/professional	24,280	16,853	7,427
Miscellaneous	250	197	53
Travel/training	500	144	356
Dues/fees/subscriptions	500	483	17
Publications/Notice/advertisement	4,200	6,566	(2,366)
Total planning M&S	<u>37,320</u>	<u>34,481</u>	<u>2,839</u>
Total materials and services	<u>771,009</u>	<u>596,579</u>	<u>174,430</u>
Capital Outlay	<u>153,645</u>	<u>83,421</u>	<u>70,224</u>
Contingency	<u>523,431</u>	<u>-</u>	<u>523,431</u>
Total Expenditures	<u>\$ 2,758,822</u>	<u>\$ 1,815,169</u>	<u>\$ 943,653</u>

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
BUILDING FUND**

For the Year Ended June 30, 2007

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Budget Positive (Negative)</u>
Personal Services			
Salaries	\$ 88,183	\$ 86,132	\$ 2,051
Health insurance	26,325	20,993	5,332
Retirement benefits	22,073	17,560	4,513
Social security	5,879	6,589	(710)
Workers' compensation	2,744	468	2,276
Total personal services	<u>145,204</u>	<u>131,742</u>	<u>13,462</u>
Materials and Services			
Building/facilities maintenance	-	600	(600)
Equipment maintenance	300	-	300
Maintenance agreements	1,080	946	134
Vehicle maintenance	840	120	720
Fuel, oil, lube	1,510	1,266	244
Office supplies	2,000	1,370	630
Operational supplies	704	805	(101)
Utilities	2,788	3,820	(1,032)
Contractual/professional	63,820	51,151	12,669
Miscellaneous	250	-	250
Insurance	2,724	1,500	1,224
Travel/training	3,000	1,390	1,610
Dues/fees/subscription	560	180	380
Publications/notice/advertising	150	-	150
Uniforms & safety equipment	200	75	125
Equipment rental	150	-	150
Total Materials and Services	<u>80,076</u>	<u>63,223</u>	<u>16,853</u>
Capital Outlay	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Contingency	<u>41,011</u>	<u>-</u>	<u>41,011</u>
Total expenditures	<u>\$ 268,291</u>	<u>\$ 194,965</u>	<u>\$ 73,326</u>

CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON

SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
STREET SDC FUND
For the Year Ended June 30, 2007

	Budgeted Amounts	Actual Amounts	Variance with Budget Positive (Negative)
Materials and Services	\$ -	\$ -	\$ -
Capital Outlay			
Council approved projects	15,000	10,736	4,264
Street extra capacity improvements	210,000	-	210,000
Total Capital Outlay	<u>225,000</u>	<u>10,736</u>	<u>214,264</u>
Debt Services			
Principal Crownzellerbach	32,462	32,462	-
Interest Crownzellerbach	23,751	23,751	-
Total Debt Services	<u>56,213</u>	<u>56,213</u>	<u>-</u>
Contingency -	<u>191,002</u>	<u>-</u>	<u>191,002</u>
Total expenditures	<u>\$ 472,215</u>	<u>\$ 66,949</u>	<u>\$ 405,266</u>

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
STATE STREET TAX FUND
For the Year Ended June 30, 2007**

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Budget Positive (Negative)</u>
Personal Services			
Salaries	\$ 109,188	\$ 106,272	\$ 2,916
Health insurance	24,844	16,575	8,269
Retirement benefits	25,742	21,069	4,673
Social security	7,004	8,130	(1,126)
Worker's compensation	5,022	2,027	2,995
Total Personal Services	<u>171,800</u>	<u>154,073</u>	<u>17,727</u>
Materials and Services			
Building/facilities maintenance	600	826	(226)
Equipment maintenance	1,200	1,376	(176)
Maintenance agreements	1,000	1,211	(211)
Vehicle maintenance	2,000	1,941	59
Fuel/oil/lube	1,872	1,205	667
Street maintenance	15,480	4,470	11,010
Street light maintenance	9,500	8,113	1,387
Sign maintenance	2,640	2,176	464
Office supplies	1,300	1,206	94
Operational supplies	5,800	3,393	2,407
Shop maintenance supplies	250	163	87
Electrical operations	46,500	31,961	14,539
Utilities	4,000	3,900	100
Contractual/professional	55,360	30,441	24,919
Miscellaneous	1,150	225	925
Property tax	700	806	(106)
Insurance	13,200	10,000	3,200
Travel/training	1,500	334	1,166
Dues/fees/subscriptions	360	94	266
Publications/Notice/Advertisement	695	-	695
Uniforms/safety	675	761	(86)
Equipment rental	150	-	150
Total Materials and Services	<u>165,932</u>	<u>104,601</u>	<u>61,331</u>
Capital Outlay	<u>166,250</u>	<u>27,282</u>	<u>138,968</u>
Contingency	<u>177,729</u>	<u>-</u>	<u>177,729</u>
Total Expenditures	<u>\$ 681,711</u>	<u>\$ 285,957</u>	<u>\$ 395,754</u>

CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON

SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
PARKS SDC FUND
For the Year Ended June 30, 2007

	Budgeted Amounts	Actual Amounts	Variance with Budget Positive (Negative)
Debt Services			
Installment note principal	\$ 19,412	\$ 19,535	\$ (123)
Installment note interest	28,392	28,269	123
Total Debt Services	<u>47,804</u>	<u>47,804</u>	<u>-</u>
Capital Outlay			
Parks extra capacity improvements	<u>250,000</u>	<u>643</u>	<u>249,357</u>
Contingency	<u>39,663</u>	<u>-</u>	<u>39,663</u>
Total expenditures	<u>\$ 337,467</u>	<u>\$ 48,447</u>	<u>\$ 289,020</u>

CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON

SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FOOT PATHS & BICYCLE TRAILS FUND
For the Year Ended June 30, 2007

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Budget Positive (Negative)</u>
Capital Outlay			
Council approved projects	<u>7,500</u>	<u>-</u>	<u>7,500</u>
Total Capital Outlay	<u>7,500</u>	<u>-</u>	<u>7,500</u>
Contingency	<u>42,878</u>	<u>-</u>	<u>42,878</u>
Total expenditures	<u>\$ 50,378</u>	<u>\$ -</u>	<u>\$ 50,378</u>

CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON

SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
HAVLIK HIGHWAY 30 FUND
For the Year Ended June 30, 2007

	Budgeted Amounts	Actual Amounts	Variance with Budget Positive (Negative)
Capital Outlay			
Design work & crossing permit	\$ 300,356	\$ 5,294	\$ 295,062
Matching grant funds	-	-	-
Total Capital outlay	<u>300,356</u>	<u>5,294</u>	<u>295,062</u>
Total expenditures	<u>\$ 300,356</u>	<u>\$ 5,294</u>	<u>\$ 295,062</u>

CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON

SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
UNEMPLOYMENT INSURANCE FUND
For the Year Ended June 30, 2007

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Budget Positive (Negative)</u>
Personal Services			
Unemployment insurance benefits	\$ 10,000	\$ -	\$ 10,000
Total personal services	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 10,000</u>
Contingency	<u>27,410</u>	<u>-</u>	<u>27,410</u>
Total expenditures	<u>\$ 37,410</u>	<u>\$ -</u>	<u>\$ 37,410</u>

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
MUNICIPAL PARK FUND
For the Year Ended June 30, 2007**

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Budget Positive (Negative)</u>
Capital Outlay			
Council approved projects	\$ 88,000	\$ 9,785	\$ 78,215
Total Capital Outlay	<u>88,000</u>	<u>9,785</u>	<u>78,215</u>
Total expenditures	<u>\$ 88,000</u>	<u>\$ 9,785</u>	<u>\$ 78,215</u>

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
MUNICIPAL SKATE PARK FUND
For the Year Ended June 30, 2007**

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Budget Positive (Negative)</u>
Capital Outlay			
Council approved projects	\$ 15,000	\$ -	\$ 15,000
Total Capital Outlay	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Contingency	<u>13,884</u>	<u>-</u>	<u>13,884</u>
Total expenditures	<u>\$ 28,884</u>	<u>\$ -</u>	<u>\$ 28,884</u>

CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON

SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
FARMER'S MARKET PAVILION FUND
For the Year Ended June 30, 2007

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Budget Positive (Negative)</u>
Capital Outlay	<u>-</u>	<u>150</u>	<u>(150)</u>
Total expenditures	<u>\$ -</u>	<u>\$ 150</u>	<u>\$ (150)</u>

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
PEG FEE FUND
For the Year Ended June 30, 2007**

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Budget Positive (Negative)</u>
Materials and Services			
Contribution for equipment purchase	10,670	10,670	-
Total Materials and Services	<u>10,670</u>	<u>10,670</u>	<u>-</u>
Contingency	29,030	-	29,030
Total expenditures	<u>\$ 39,700</u>	<u>\$ 10,670</u>	<u>\$ 29,030</u>

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
WATTS HOUSE FUND**

For the Year Ended June 30, 2007

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Budget Positive (Negative)</u>
Materials and Services			
Watts House	5,000	11,186	(6,186)
Total Materials and Services	<u>5,000</u>	<u>11,186</u>	<u>(6,186)</u>
Capital Outlay	-	7,490	(7,490)
Contingency	50	-	50
Total expenditures	<u>\$ 5,050</u>	<u>\$ 18,676</u>	<u>\$ (13,626)</u>

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
LAW ENFORCEMENT ASSESSMENT FUND
For the Year Ended June 30, 2007**

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Budget Positive (Negative)</u>
Materials and Services			
Law enforcement & prevention	\$ 20,000	\$ 20,000	\$ -
Total Materials and Services	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Contingency	<u>25,100</u>	<u>-</u>	<u>25,100</u>
Total expenditures	<u>\$ 45,100</u>	<u>\$ 20,000</u>	<u>\$ 25,100</u>

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
WATER/SEWER GO BOND FUND
For the Year Ended June 30, 2007**

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Budget Positive (Negative)</u>
Debt Services			
Water-Principal	\$ 25,780	\$ 29,233	\$ (3,453)
Water-Interest	25,057	23,396	1,661
Sewer-Principal	116,998	116,998	-
Sewer-Interest	43,961	43,962	(1)
Total Debt Services	<u>211,796</u>	<u>213,588</u>	<u>(1,792)</u>
Contingency	<u>129,805</u>	<u>-</u>	<u>129,805</u>
Total expenditures	<u>\$ 341,601</u>	<u>\$ 213,588</u>	<u>\$ 128,013</u>

CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON

SCHEDULE OF EXPENDITURES-BUDGET AND ACTUAL
BANCROFT BOND FUND
For the Year Ended June 30, 2007

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Budget Positive (Negative)</u>
Contingency	\$ 3,176	\$ -	\$ 3,176
Total expenditures	<u>\$ 3,176</u>	<u>\$ -</u>	<u>\$ 3,176</u>

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

**COMBINING STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2007**

	WATER FUNDS TYPES				
	Water Fund	Water SDC Expansion Reserve Fund	Airpark Water Improvement Fund	Dutch Canyon Water Line Replacement Fund	Total (Page 5)
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 1,658,529	\$ 398,671	\$ 72,889	\$ 261,317	\$ 2,391,406
Accounts receivable	191,356	-	-	-	191,356
Inventory	25,533	-	-	-	25,533
Meter deposits-cash	75,862	-	-	-	75,862
Notes receivable-Port of St. Helens	-	-	569,894	-	569,894
Due from other funds	-	-	-	-	-
Total current assets	<u>1,951,280</u>	<u>398,671</u>	<u>642,783</u>	<u>261,317</u>	<u>3,254,051</u>
Non-current assets:					
Capital assets:					
Land	208,586	-	-	-	208,586
Buildings	1,390,779	-	-	-	1,390,779
Infrastructure	4,782,884	125,243	-	-	4,908,127
Construction in progress	395,435	6,777,319	-	-	7,172,754
Vehicles	32,507	-	-	-	32,507
Equipment	1,138,038	-	-	-	1,138,038
Less accumulated depreciation	(4,268,006)	(180,979)	-	-	(4,448,985)
Total non-current assets	<u>3,680,223</u>	<u>6,721,583</u>	<u>-</u>	<u>-</u>	<u>10,401,806</u>
Total assets	<u>\$ 5,631,503</u>	<u>\$ 7,120,254</u>	<u>\$ 642,783</u>	<u>\$ 261,317</u>	<u>\$ 13,655,857</u>
LIABILITIES					
Current liabilities					
Accounts payable	\$ 2,291	\$ -	\$ -	\$ 591	\$ 2,882
Deposits payable	75,862	-	-	-	75,862
Due to Other funds	-	-	-	-	-
Deferred revenue	-	-	569,894	-	569,894
Accrued interest payable	36,704	64,046	-	-	100,750
Notes payable	-	168,106	-	-	168,106
Bonds payable	100,392	-	-	-	100,392
Total current liabilities	<u>215,249</u>	<u>232,152</u>	<u>569,894</u>	<u>591</u>	<u>1,017,886</u>
Non-current liabilities					
Compensated absences	32,000	-	-	-	32,000
Notes payable	-	5,298,349	-	-	5,298,349
Bonds payable	1,314,696	-	-	-	1,314,696
Total non-current liabilities	<u>1,346,696</u>	<u>5,298,349</u>	<u>-</u>	<u>-</u>	<u>6,645,045</u>
Total liabilities	<u>1,561,945</u>	<u>5,530,501</u>	<u>569,894</u>	<u>591</u>	<u>7,662,931</u>
NET ASSETS					
Invested in capital assets, net of related debt	2,228,431	1,191,082	-	-	3,419,513
Restricted	-	-	-	-	-
Unrestricted	1,841,127	398,671	72,889	260,726	2,573,413
Total net assets	<u>4,069,558</u>	<u>1,589,753</u>	<u>72,889</u>	<u>260,726</u>	<u>5,992,926</u>
Total liabilities and net assets	<u>\$ 5,631,503</u>	<u>\$ 7,120,254</u>	<u>\$ 642,783</u>	<u>\$ 261,317</u>	<u>\$ 13,655,857</u>

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

**COMBINING STATEMENT OF NET ASSETS (Continued)
PROPRIETARY FUNDS (Continued)
June 30, 2007**

	SEWER FUNDS TYPES		
	Sewer Fund	Sewer SDC Expansion Reserve Fund	Total (Page 5)
ASSETS			
Current assets			
Cash and cash equivalents	\$ 456,765	\$ 1,330,380	\$ 1,787,145
Accounts receivable	117,283	-	117,283
Inventory	594	-	594
Total current assets	<u>574,641</u>	<u>1,330,380</u>	<u>1,905,021</u>
Non-current assets:			
Capital assets:			
Land	92,320	-	92,320
Buildings	3,347,047	-	3,347,047
Infrastructure	1,888,226	53,943	1,942,170
Vehicles	32,107	-	32,107
Equipment	709,189	-	709,189
Less accumulated depreciation	<u>(3,623,787)</u>	<u>(2,609)</u>	<u>(3,626,396)</u>
Total non-current assets	<u>2,445,102</u>	<u>51,334</u>	<u>2,496,436</u>
Total assets	<u>\$ 3,019,743</u>	<u>\$ 1,381,714</u>	<u>\$ 4,401,457</u>
LIABILITIES			
Current liabilities			
Accounts payable	\$ 2,909	\$ -	\$ 2,909
Accrued interest payable	22,719	-	22,719
Bonds payable	<u>136,994</u>	<u>-</u>	<u>136,994</u>
Total current liabilities	<u>162,622</u>	<u>-</u>	<u>162,622</u>
Non-current liabilities			
Compensated absences payable	23,900	-	23,900
Bonds payable	<u>492,833</u>	<u>-</u>	<u>492,833</u>
Total liabilities	<u>679,355</u>	<u>-</u>	<u>679,355</u>
NET ASSETS			
Invested in capital assets, net of related debt	1,792,556	51,334	1,843,890
Restricted	-	-	-
Unrestricted	<u>547,832</u>	<u>1,330,380</u>	<u>1,878,212</u>
Total net assets	<u>2,340,388</u>	<u>1,381,714</u>	<u>3,722,102</u>
Total liabilities and net assets	<u>\$ 3,019,743</u>	<u>\$ 1,381,714</u>	<u>\$ 4,401,457</u>

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended June 30, 2007**

	WATER FUND TYPES				Total (Page 6)
	Water Fund	Water SDC Expansion Reserve Fund	Airpark Water Improvement Fund	Dutch Canyon WaterLine Replacement Fund	
Operating revenues					
Charges for services	\$ 900,766	\$ -	\$ -	\$ -	\$ 900,766
Infrastructure fees	315,694	456,490	-	-	772,184
Miscellaneous revenues	50,650	-	-	-	50,650
Intergovernmental	-	-	-	-	-
Construction water	5,918	-	-	-	5,918
Total operating revenues	<u>1,273,028</u>	<u>456,490</u>	<u>-</u>	<u>-</u>	<u>1,729,518</u>
Operating expenses:					
Personal services	587,564	-	-	-	587,564
Materials and services	344,477	-	-	592	345,069
Capital outlay	21,740	-	-	-	21,740
Depreciation	175,767	172,565	-	-	348,332
Total operating expenses	<u>1,129,548</u>	<u>172,565</u>	<u>-</u>	<u>592</u>	<u>1,302,705</u>
Net operating revenue(expenses)	<u>143,480</u>	<u>283,925</u>	<u>-</u>	<u>(592)</u>	<u>426,813</u>
Non-operating revenues(expenses)					
Interest income	73,517	10,530	2,795	12,712	99,554
Interest expense	(77,740)	(109,258)	-	-	(186,998)
Reimbursement from Port of St. Helens	-	-	74,495	-	74,495
Total non-operating revenues(expenses)	<u>(4,223)</u>	<u>(98,728)</u>	<u>77,290</u>	<u>12,712</u>	<u>(12,949)</u>
Income(loss) before contributions and transfers	<u>139,257</u>	<u>185,197</u>	<u>77,290</u>	<u>12,120</u>	<u>413,864</u>
Capital contribution	170,265	-	-	-	170,265
Transfer in	189,735	501,345	53,283	5,000	749,363
Transfer out	(524,298)	(61,699)	(126,299)	(10,807)	(723,103)
Changes in net assets	<u>(25,041)</u>	<u>624,843</u>	<u>4,274</u>	<u>6,313</u>	<u>610,389</u>
Total net assets-beginning	<u>4,094,599</u>	<u>964,910</u>	<u>68,615</u>	<u>254,413</u>	<u>5,382,537</u>
Total net assets-ending	<u>\$ 4,069,558</u>	<u>\$ 1,589,753</u>	<u>\$ 72,889</u>	<u>\$ 260,726</u>	<u>\$ 5,992,926</u>

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS (Continued)
PROPRIETARY FUNDS (Continued)
For the Year Ended June 30, 2007**

	SEWER FUND TYPES		
	Sewer Fund	Sewer SDC Expansion Reserve Fund	Total (Page 5)
Operating revenues			
Charges for services	\$ 918,561	\$ -	\$ 918,561
Infrastructure fees	88,745	-	88,745
Miscellaneous revenues	2,050	-	2,050
Total operating revenues	<u>1,009,356</u>	<u>-</u>	<u>1,009,356</u>
Operating expenses:			
Personal services	428,925	-	428,925
Materials and services	292,411	-	292,411
Capital outlay	-	-	-
Depreciation	111,193	2,265	113,458
Total operating expenses	<u>832,529</u>	<u>2,265</u>	<u>834,794</u>
Net operating revenue(expenses)	<u>176,827</u>	<u>(2,265)</u>	<u>174,562</u>
Non-operating revenues(expenses)			
Interest income	20,908	56,976	77,884
Interest expense	(40,811)	-	(40,811)
Total non-operating revenues(expenses)	<u>(19,903)</u>	<u>56,976</u>	<u>37,073</u>
Income(loss) before contributions and transfers	<u>156,924</u>	<u>54,711</u>	<u>211,635</u>
Capital contribution	-	321,183	321,183
Transfer in	160,960	-	160,960
Transfer out	(14,900)	(10,089)	(24,989)
Changes in net assets	<u>302,984</u>	<u>365,805</u>	<u>668,789</u>
Total net assets-beginning	<u>2,037,404</u>	<u>1,015,909</u>	<u>3,053,313</u>
Total net assets-ending	<u>\$ 2,340,388</u>	<u>\$ 1,381,714</u>	<u>\$ 3,722,102</u>

CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2007

	WATER FUND TYPES				
	Water	Water	Airpark Water	Dutch Canyon	Total
	Fund	SDC Expansion Reserve Fund	Improvement Fund	WaterLine Replacement Fund	(Page 6)
Cash flows from operating activities					
Receipts from customers and others	\$ 1,234,114	\$ 456,490	\$ -	\$ -	\$ 1,690,604
Payments to suppliers and others	(365,856)	-	-	-	(365,856)
Payments to employees	(586,064)	-	-	-	(586,064)
Net cash provided(used)by operating activities	<u>282,194</u>	<u>456,490</u>	<u>-</u>	<u>-</u>	<u>738,684</u>
Cash flows from non-capital financing activities					
Operating subsidies and transfers to other funds	39,258	55,018	(73,016)	(5,807)	15,453
Cash flows from capital and related financing activities					
Proceeds from capital debt	-	-	-	-	-
Capital contribution	170,265	-	-	-	170,265
Principal paid on capital debt	(97,738)	(168,195)	-	-	(265,933)
Interest paid on capital debt	(81,190)	(109,589)	-	-	(190,779)
Net cash provided(used)by capital and related financing activities	<u>(8,663)</u>	<u>(277,784)</u>	<u>-</u>	<u>-</u>	<u>(286,447)</u>
Cash flows from investing activities					
Purchase of fixed assets	(41,997)	-	-	-	(41,997)
Interfund loans	-	-	-	-	-
Interest received	73,517	10,530	2,795	12,711	99,553
Reimbursements from Port of St. Helens	-	-	74,495	-	74,495
Net cash provided(used) by investing activities	<u>31,520</u>	<u>10,530</u>	<u>77,290</u>	<u>12,711</u>	<u>132,051</u>
Net (decrease) in cash and cash equivalents	344,309	244,254	4,274	6,904	599,741
Balances-beginning of the year	1,314,220	154,417	68,615	254,413	1,791,665
Balances-end of the year	<u>\$ 1,658,529</u>	<u>\$ 398,671</u>	<u>\$ 72,889</u>	<u>\$ 261,317</u>	<u>\$ 2,391,406</u>
Reconciliation of operating income to cash provided (used) by operating activities					
Operating income(loss)	\$ 143,480	\$ 283,925	\$ -	\$ (592)	\$ 426,813
Adjustment to reconcile net income to net cash provided (used) by operating activities:					
Depreciation	175,767	172,565	-	-	348,332
Change in assets and liabilities:					
Accounts receivables	(38,914)	-	-	-	(38,914)
Meter deposits	(10,337)	-	-	-	(10,337)
Inventories	(574)	-	-	-	(574)
Accounts payable	935	-	-	592	1,527
Deposits payable	10,337	-	-	-	10,337
Deferred revenue	-	-	-	-	-
Compensated absences payable	1,500	-	-	-	1,500
Net cash provided by operating activities	<u>\$ 282,194</u>	<u>\$ 456,490</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 738,684</u>

CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON

COMBINING STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS (Continued)
For the Year Ended June 30, 2007

	SEWER FUND TYPES		
	Sewer Fund	Sewer SDC Expansion Reserve Fund	Total (Page 5)
Cash flows from operating activities			
Receipts from customers and others	\$ 976,445	\$ -	\$ 976,445
Payments to suppliers and others	(290,883)	-	(290,883)
Payments to employees	(423,025)	-	(423,025)
Net cash provided(used)by operating activities	<u>262,537</u>	<u>-</u>	<u>262,537</u>
Cash flows from non-capital financing activities			
Operating subsidies and transfers to other funds	<u>146,060</u>	<u>(10,089)</u>	<u>135,971</u>
Cash flows from capital and related financing activities			
Proceeds from capital debt	-	-	-
Capital contribution	-	321,183	321,183
Principal paid on capital debt	(128,985)	-	(128,985)
Interest paid on capital debt	(46,947)	-	(46,947)
Net cash provided(used)by capital and related financing activities	<u>(175,932)</u>	<u>321,183</u>	<u>145,251</u>
Cash flows from investing activities			
Purchase of fixed assets	(164,540)	(46,913)	(211,453)
Interfund loans	-	-	-
Interest received	<u>20,908</u>	<u>56,975</u>	<u>77,883</u>
Net cash provided(used) by investing activities	<u>(143,632)</u>	<u>10,062</u>	<u>(133,570)</u>
Net (decrease) in cash and cash equivalents	89,032	321,156	410,188
Balances-beginning of the year	<u>367,733</u>	<u>1,009,224</u>	<u>1,376,957</u>
Balances-end of the year	<u>\$ 456,765</u>	<u>\$ 1,330,380</u>	<u>\$ 1,787,145</u>
Reconciliation of operating income to cash provided (used) by operating activities			
Operating income(loss)	\$ 176,827	\$ (2,265)	\$ 174,562
Adjustment to reconcile net income to net cash provided (used) by operating activities:			
Depreciation	111,193	2,265	113,458
Change in assets and liabilities:			
Accounts receivables	(32,911)	-	(32,911)
Inventories	90	-	90
Accounts payable	1,437	-	1,437
Compensated absences payable	<u>5,900</u>	<u>-</u>	<u>5,900</u>
Net cash provided by operating activities	<u>\$ 262,537</u>	<u>\$ -</u>	<u>\$ 262,537</u>

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND NET ASSETS-BUDGET AND ACTUAL
WATER FUND**

For the Year Ended June 30, 2006

	Budgeted Amounts	Actual Amounts	Variance with Budget Positive (Negative)
Revenues			
Charges for services	\$ 944,963	\$ 932,351	\$ (12,612)
Infrastructure fees	190,000	232,631	42,631
Miscellaneous	1,000	50,650	49,650
Interest income	20,000	73,517	53,517
Airpark intergovernmental	-	-	-
SDC charges	60,952	188,744	127,792
Construction water	-	-	-
Total Revenues	<u>1,216,915</u>	<u>1,477,893</u>	<u>260,978</u>
Expenditures			
Personal services			
Salaries	395,877	387,358	8,519
Overtime	3,035	1,563	1,472
Health insurance	113,959	79,467	34,492
Retirement benefits	95,795	78,709	17,086
Social security	25,604	29,753	(4,149)
Worker's compensation	23,564	9,214	14,350
Total Personal Services	<u>657,834</u>	<u>586,063</u>	<u>71,771</u>
Material and services			
Building/facilities maintenance	24,213	23,338	875
Equipment maintenance	12,000	23,411	(11,411)
Maintenance agreements	2,255	1,210	1,045
Vehicle maintenance	3,300	3,160	140
Fuel/oil/lube	6,250	4,472	1,778
Office supplies	7,000	5,549	1,451
Operational supplies	37,729	34,876	2,853
Shop maintenance supplies	650	214	436
Lab supplies	1,500	1,211	289
Chemicals	22,665	19,108	3,557
Electrical operation-treat	60,000	51,202	8,798
Utilities	20,010	19,983	27
Electrical operation-pump	20,714	7,640	13,074
Contractual/professional	117,328	103,152	14,176
Miscellaneous	500	1,265	(765)
Insurance	60,000	36,022	23,978
Travel/training	5,505	4,252	1,253
Dues/fees/subscriptions	3,875	2,767	1,108
Publications/notices/advertisement	4,500	-	4,500
Uniform safety	4,500	1,165	3,335
Equipment rental	2,000	118	1,882
Total Materials and Services	<u>416,494</u>	<u>344,114</u>	<u>72,380</u>

(to be continued)

CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND NET ASSETS-BUDGET AND ACTUAL
WATER FUND (Cont'd)
For the Year Ended June 30, 2007

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Budget Positive (Negative)</u>
Capital outlay	142,750	63,737	79,013
Total Expenditures	<u>1,217,078</u>	<u>993,914</u>	<u>223,164</u>
Excess(deficiency) of revenue over (under) expenditures	<u>(163)</u>	<u>483,979</u>	<u>37,814</u>
Contingency	(776,097)	-	776,097
Other Financing Sources			
Transfers in	233,333	-	(233,333)
Transfers out	<u>(139,670)</u>	<u>(139,670)</u>	<u>-</u>
Net income(loss)	(682,597)	344,309	1,026,906
Fund Net Assets-Beginning	<u>682,597</u>	<u>1,314,220</u>	<u>631,623</u>
Fund Net Assets-Ending	<u>\$ -</u>	<u>\$ 1,658,529</u>	<u>\$ 1,658,529</u>
Reconciliation to GAAP Basis			
Invested in capital assets, net of related debt		2,228,431	
Accounts recievable		191,356	
Inventory		25,533	
Accounts payable		(2,291)	
Compensated absences		<u>(32,000)</u>	
Fund Net Assets-GAAP Basis		<u>\$ 4,069,558</u>	

CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND NET ASSETS-BUDGET AND ACTUAL
WATER SDC EXPANSION RESERVE FUND
For the Year Ended June 30, 2007

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$ -	\$ -	\$ -
Interest income	6,000	10,530	4,530
SDC charges	168,323	456,489	288,166
Long term debt proceeds	-	-	-
Total Revenues	<u>174,323</u>	<u>467,019</u>	<u>292,696</u>
Expenditures			
Capital outlay	-	-	-
Debt service			
Principal G03003	48,499	48,499	-
Interest G03003	71,483	71,483	-
Principal S03003	119,695	119,695	-
Interest S03003	38,107	38,106	1
Total Debt Services	<u>277,784</u>	<u>277,783</u>	<u>1</u>
Total Expenditures	<u>277,784</u>	<u>277,783</u>	<u>1</u>
Excess(deficiency) of revenue over (under) expenditures	<u>(103,461)</u>	<u>189,236</u>	<u>292,695</u>
Contingency	(161,072)	-	161,072
Other Financing Sources			
Transfers in	116,717	116,717	-
Transfers out	(295,032)	(61,699)	233,333
Net income(loss)	(442,848)	244,254	687,102
Fund Net Assets-Beginning	<u>442,848</u>	<u>154,417</u>	<u>(288,431)</u>
Fund Net Assets-Ending	<u>\$ -</u>	<u>\$ 398,671</u>	<u>\$ 398,671</u>
Reconciliation to GAAP Basis			
Invested in capital assets, net of related debt		<u>1,191,082</u>	
Fund Net Assets-GAAP Basis		<u>\$ 1,589,753</u>	

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND NET ASSETS-BUDGET AND ACTUAL
AIRPARK WATER IMPROVEMENT FUND
For the Year Ended June 30, 2007**

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Budget Positive (Negative)</u>
Revenues			
Intergovernmental	\$ 74,495	\$ 74,495	\$ -
Interest income	2,000	2,795	795
Total Revenues	<u>76,495</u>	<u>77,290</u>	<u>795</u>
Expenditures			
Capital outlay	-	-	-
Debt service	126,299	126,299	-
Total Expenditures	<u>126,299</u>	<u>126,299</u>	<u>-</u>
Excess(deficiency) of revenue over (under) expenditures	<u>(49,804)</u>	<u>(49,009)</u>	<u>795</u>
Contingency	(71,803)	-	71,803
Other Financing Sources			
Transfers in	53,283	53,283	-
Transfers out	-	-	-
Net income(loss)	<u>(68,324)</u>	<u>4,274</u>	<u>72,598</u>
Fund Net Assets-Beginning	<u>68,324</u>	<u>68,615</u>	<u>291</u>
Fund Net Assets-Ending	<u>\$ -</u>	<u>\$ 72,889</u>	<u>\$ 72,889</u>

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND NET ASSETS-BUDGET AND ACTUAL
DUTCH CANYON WATER LINE REPLACEMENT FUND
For the Year Ended June 30, 2007**

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Budget Positive (Negative)</u>
Revenues			
Interest income	\$ 8,300	\$ 12,712	\$ 4,412
Long term debt proceeds	1,798,375	-	(1,798,375)
Total Revenues	<u>1,806,675</u>	<u>12,712</u>	<u>(1,793,963)</u>
Expenditures			
Capital Outlay	2,064,463	10,807	2,053,656
Total Expenditures	<u>2,064,463</u>	<u>10,807</u>	<u>2,053,656</u>
Excess(deficiency) revenue over (under) expenditures	<u>(257,788)</u>	<u>1,905</u>	<u>259,693</u>
Contingency	-	-	-
Other Financing Sources			
Transfers in	5,000	5,000	-
Transfers out	-	-	-
Net income(loss)	<u>(252,788)</u>	<u>6,905</u>	<u>259,693</u>
Fund Net Assets-Beginning	<u>252,788</u>	<u>254,413</u>	<u>1,625</u>
Fund Net Assets-Ending	<u>\$ -</u>	<u>\$ 261,318</u>	<u>\$ 261,318</u>
Reconciliation to GAAP Basis			
Accounts payable		(592)	
Fund Net Assets-GAAP Basis		<u>\$ 260,726</u>	

**CITY OF SCAPOOSE
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND NET ASSETS-BUDGET AND ACTUAL
SEWER FUND**

For the Year Ended June 30, 2007

	Budgeted Amounts	Actual Amounts	Variance with Budget Positive (Negative)
Revenues			
Charges for services	\$ 879,134	\$ 904,673	\$ 25,539
Interest income	10,000	20,908	10,908
Infrastructure fees	50,000	69,721	19,721
Miscellaneous	1,000	2,050	1,050
Total Revenues	<u>940,134</u>	<u>997,352</u>	<u>57,218</u>
Expenditures			
Personal services			
Salaries	281,757	277,840	3,917
Overtime	2,695	604	2,091
Health insurance	80,736	60,575	20,161
Retirement benefits	67,597	57,437	10,160
Social security	18,142	21,301	(3,159)
Workers' compensation	16,279	5,270	11,009
Total Personal Services	<u>467,206</u>	<u>423,027</u>	<u>44,179</u>
Materials and services			
Building/facility maintenance	2,444	7,685	(5,241)
Equipment maintenance	19,514	23,853	(4,339)
Maintenance agreements	1,476	1,279	197
Vehicle maintenance	2,673	2,878	(205)
Fuel/Oil/Lube	3,713	2,720	993
Office supplies	5,200	4,394	806
Operational supplies	5,897	6,693	(796)
Shop maintenance supplies	484	169	315
Lab supplies	2,979	2,738	241
Chemicals	5,155	926	4,229
Electrical operations	132,000	99,115	32,885
Utilities	6,492	5,123	1,369
Electrical operations pumps	6,960	5,327	1,633
Contractual/professional	132,760	91,676	41,084
Miscellaneous	250	(30)	280
Property tax	1,550	1,307	243
Insurance	40,000	25,000	15,000
Travel/training	3,900	1,887	2,013
Dues/fees/subscriptions	3,560	2,986	574
Publications/notices/advertisement	600	573	28
Uniform/safety	3,140	2,851	289
Equipment rental	1,360	594	766
Total Materials and services	<u>382,107</u>	<u>289,745</u>	<u>92,362</u>

(to be continued)

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND NET ASSETS-BUDGET AND ACTUAL
SEWER FUND (Cont'd)**

For the Year Ended June 30, 2007

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Budget Positive (Negative)</u>
Debt Service			
Principal B92001B	5,023	5,023	-
Interest B92001C	2,983	2,983	-
Principal B95001C	6,964	6,964	-
Total Debt services	<u>14,970</u>	<u>14,970</u>	<u>-</u>
Capital outlay	<u>201,000</u>	<u>165,678</u>	<u>35,322</u>
Total Expenditures	<u>1,065,283</u>	<u>893,420</u>	<u>171,863</u>
Excess(deficiency) of revenue over (under) expenditures	<u>(125,149)</u>	<u>103,932</u>	<u>229,081</u>
Contingency	(165,556)	-	165,556
Other Financing Sources			
Transfers in	-	-	-
Transfers out	(14,900)	(14,900)	-
Net income(loss)	<u>(305,605)</u>	<u>89,032</u>	<u>394,637</u>
Fund Net Assets-Beginning	<u>305,605</u>	<u>367,733</u>	<u>62,128</u>
Fund Net Assets-Ending	<u>\$ -</u>	<u>\$ 456,765</u>	<u>\$ 456,765</u>
Reconciliation to GAAP Basis			
Invested in capital assets, net of related debt		1,792,556	
Accounts receivable		117,283	
Inventory		594	
Accounts payable		(2,909)	
Compensated absences payable		(23,900)	
Fund Net Assets-GAAP Basis		<u>\$ 2,340,388</u>	

CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND NET ASSETS-BUDGET AND ACTUAL
SEWER SDC EXPANSION RESERVE FUND
For the Year Ended June 30, 2007

	Budgeted Amounts	Actual Amounts	Variance with Budget Positive (Negative)
Revenues			
System development charges	\$ 121,168	\$ 321,183	\$ 200,015
Interest income	31,300	56,976	25,676
Total Revenues	152,468	378,159	225,691
Expenditures			
Capital outlay	810,000	46,913	(763,087)
Excess(deficiency) revenue over (under) expenditures	(657,532)	331,246	988,778
Contingency	(330,364)	-	330,364
Other Financing Sources			
Transfers in	-	-	-
Transfers out	(10,089)	(10,089)	-
Net income(loss)	(997,985)	321,157	1,319,142
Fund Net Assets-Beginning	997,985	1,009,224	11,239
Fund Net Assets-Ending	\$ -	\$ 1,330,381	\$ 1,330,381
Reconciliation to GAAP Basis			
Invested in capital assets, net of related debt		51,333	
Fund Net Assets-GAAP Basis		\$ 1,381,714	

**CITY OF SCAPPOOSE
COLUMBIA COUNTY, OREGON**

SCHEDULE OF PROPERTY TAX TRANSACTIONS

For the Year Ended June 30, 2007

	<u>Uncollected at 7-1-06</u>	<u>Levy 2006/2007</u>	<u>Interest Discounts & Adjustments</u>	<u>Collections</u>	<u>Uncollected at 6-30-07</u>
General Fund					
2006-2007	\$ -	\$ 1,186,142	\$ (6,295)	\$ 1,120,034	\$ 59,813
2005-2006	37,523	-	(281)	17,544	19,697
2004-2005	15,561	-	2,286	7,392	10,456
2003-2004	8,243	-	1,298	4,430	5,112
2002-2003	3,387	-	(1,327)	804	1,255
2001-2002	754	-	(9)	312	433
2000-2001	344	-	21	141	224
1999-2000	207	-	4	10	201
Prior years	436	-	(151)	16	269
	-	-	-	-	-
Total	<u>\$ 66,455</u>	<u>\$ 1,186,142</u>	<u>\$ (4,453)</u>	<u>\$ 1,150,684</u>	<u>\$ 97,460</u>
Debt Funds					
2006-2007	\$ -	\$ 225,932	\$ (1,199)	\$ 213,340	\$ 11,393
2005-2006	7,147	-	(54)	3,342	3,752
2004-2005	2,964	-	436	1,408	1,992
2003-2004	1,570	-	247	844	974
2002-2003	645	-	(253)	153	239
2001-2002	144	-	(2)	59	83
2000-2001	65	-	4	27	43
1999-2000	40	-	1	2	38
Prior years	83	-	(29)	3	51
	-	-	-	-	-
Total	<u>\$ 12,658</u>	<u>\$ 225,932</u>	<u>\$ (848)</u>	<u>\$ 219,178</u>	<u>\$ 18,564</u>
All Funds					
2006-2007	\$ -	\$ 1,412,074	\$ (7,494)	\$ 1,333,374	\$ 71,206
2005-2006	44,670	-	(335)	20,886	23,449
2004-2005	18,525	-	2,722	8,800	12,447
2003-2004	9,813	-	1,546	5,274	6,085
2002-2003	4,032	-	(1,580)	957	1,494
2001-2002	898	-	(10)	372	516
2000-2001	409	-	25	167	266
1999-2000	247	-	4	12	239
Prior years	519	-	(179)	19	320
	-	-	-	-	-
Total	<u>\$ 79,113</u>	<u>\$ 1,412,074</u>	<u>\$ (5,301)</u>	<u>\$ 1,369,862</u>	<u>\$ 116,024</u>

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GREGOR PROFESSIONAL
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COMMENTS OF THE INDEPENDENT ACCOUNTANTS REQUIRED BY
THE STATE OF OREGON MINIMUM STANDARDS FOR
AUDITS OF OREGON MUNICIPAL CORPORATIONS

Honorable Mayor and City Council
City of Scappoose
33568 E Columbia Avenue
Scappoose, Oregon 97056

We have audited the basic financial statements of City of Scappoose, Oregon, as of and for the year ended June 30, 2007, and have issued our report thereon dated December 20, 2007.

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

The State of Oregon *Minimum Standards for Audits of Oregon Municipal Corporations* requires that we make comments and disclosures relating to our review of fiscal affairs and compliance with legal requirements and the applicable provisions of the Oregon Revised Statutes as follow:

- The amount and adequacy of collateral pledged by depositories to secure the deposit of public funds.
- The legal requirements relating to short-term and long-term debt.
- Compliance with the requirements of Local Budget Law in the preparation, adoption and execution of the annual budget for the current fiscal year and preparation and adoption of the annual budget for the subsequent fiscal year.
- The legal requirements relating to insurance and fidelity bond coverage.
- Compliance with the laws and regulations of programs funded wholly or partially by other government agencies.
- The legal requirements covering the use of revenue from motor vehicle fuel tax.
- The policies and procedures pertaining to the investment of public funds.
- The legal requirements covering the awarding of public contracts and construction of public improvements.
- To our knowledge no independently elected official was accountable for collecting or receiving cash.

The results of our tests disclosed no other instances of noncompliance by the City with the foregoing requirements. However, it should be noted that our audit was not directed primarily toward obtaining knowledge of noncompliance with these requirements.

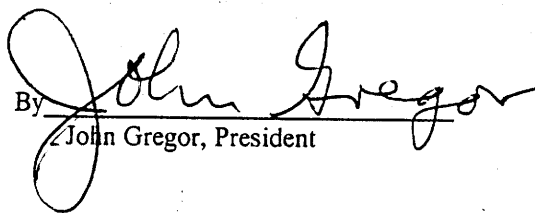
Honorable Mayor and City Council
City of Scappoose
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Additionally, we make the following comments:

- The accounting records were adequate for the audit.
- Our review of the insurance and fidelity bond was limited to the existing coverage for the period. We are not experts in insurance and make no representation as to the adequacy of coverage.

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

GREGOR PROFESSIONAL CORPORATION
Certified Public Accountants

By 
John Gregor, President

Eugene, Oregon
December 20, 2007