

AUDIT REPORT

C I T Y O F L E B A N O N

Linn County, Oregon

July 1, 1974, to June 30, 1975

Prepared by

Secretary of State
Division of Audits



OFFICE OF THE SECRETARY OF STATE

CLAY MYERS
SECRETARY OF STATE

KIM F. SKERRITT
RICHARD M. BANTON
ASSISTANTS

GEORGE RENNER, SUPERVISOR
AUDITS DIVISION

LABOR AND INDUSTRIES BUILDING
SALEM, OREGON 97310
378-3329

October 1, 1976

Honorable Mayor and Council Members
City of Lebanon
Lebanon, Oregon 97355

Gentlemen:

Report: City of Lebanon

In accordance with your request and by authority of the provisions of ORS 297.410 to 297.500, an audit has been made of the financial accounts and records of the City of Lebanon, Linn County, Oregon, for the period July 1, 1974, to June 30, 1975.

The report of audit is presented herewith and includes comments providing information as to the financial activities of the City of Lebanon followed by the accountant's report with pertinent financial statements, supporting schedules, and related notes.

Yours very truly,

George Renner
Certified Public Accountant
and Supervisor
Division of Audits

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C I T Y O F L E B A N O N

Linn County, Oregon

City Officials

June 30, 1975

Mayor:

Martha Scroggin Gonzales

Common Council:

Kenneth Swanson*

160 7th Street
Lebanon, Oregon 97355

Charles D. Zeek**

557 Tangent Street
Lebanon, Oregon 97355

Eldon McClain***

2830 Hazel Drive
Lebanon, Oregon 97355

Betty Collins

256 E Sherman Street
Lebanon, Oregon 97355

Arthur G. Denker

500 Mayor Drive
Lebanon, Oregon 97355

Lyle Winters

144 2nd Street
Lebanon, Oregon 97355

Recorder Treasurer:****

Robert Noren

520 East Rose Street
Lebanon, Oregon 97355

Assistant Treasurer:

Verla Olson

2889 Hazel Drive
Lebanon, Oregon 97355

City Attorney:

Warren Gill

75 East Oak Street
Lebanon, Oregon 97355

*Resigned July 28, 1975

**Resigned April 13, 1976

***Deceased May 3, 1976

****Resigned May 30, 1976

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FUND STRUCTURE AND FINANCIAL ACTIVITIES

General

The City of Lebanon is a municipal corporation incorporated under the provisions of ORS chapter 221. The City's governing body consists of a Mayor and a six member common council. The City's chief administrative officer is the City Administrator who reports to the Council.

Fund Structure

The City maintains 15 separate funds or groups of accounts for budgetary and financial accounting purposes. These funds and account groups are outlined below:

General Fund

Special Revenue Funds:

1. State Tax and Road Fund
2. Park Improvement Fund
3. Fire Equipment Fund
4. Federal Revenue Sharing Fund
5. Equipment Fund

Special Assessment Funds:

1. Public Improvement Fund
2. Bancroft Bond Fund

Debt Service Funds:

1. General Obligation Bond Fund
2. Off-Street Parking Facilities Bond Fund

Capital Projects Funds:

1. Capital Improvement Fund
2. Fire Hall Construction Fund

Ambulance Fund

Suspense Accounts

General Fixed Asset Group of Accounts

General Long-Term Debt Group of Accounts

The following paragraphs briefly describe these funds and account groups and the principal sources of revenue together with purposes for which they were established.

General Fund

The General Fund is used to account for all revenues received by the City which are not allocated to some specific purpose. The operations of a majority of the City's general governmental activities, are financed with General Fund revenues. Among those activities primarily funded by General Fund moneys are general City administration, police and fire protection, city library, sewage treatment and disposal, parks, municipal court, and others. The primary source of revenue is local property tax levies, with the balance coming from a variety of State and local sources. The following schedule presents an analysis of General Fund revenue sources for fiscal years 1973-74 and 1974-75.

<u>Source</u>	<u>Fiscal 1974-75</u>	<u>Fiscal 1973-74</u>	<u>Increase/ (Decrease)</u>
Property Tax Levies	\$481,446.89	\$418,424.72	\$ 63,022.17
State Apportionments:			
Liquor Tax	58,616.96	49,918.03	8,698.93
Cigarette Tax	20,533.25	20,452.87	80.38
Federal Funds	10,830.66	-	10,830.66
Other Sources:			
Rural Fire District	122,406.49	114,796.00	7,610.49
Franchises	76,477.47	65,865.61	10,611.86
Fines and Forfeitures*	45,745.34	30,609.90	15,135.44
Sewer Service Charges	44,409.21	-	44,409.21
Parking Meters	13,729.52	14,636.31	(906.79)
Other Receipts	<u>60,203.34</u>	<u>28,745.54</u>	<u>31,457.80</u>
Total	<u>\$934,399.13</u>	<u>\$743,448.98</u>	<u>\$190,950.15</u>

*Fines and Forfeitures collected during April, May, and June 1974 totaling \$11,597.50 were not turned over to the General Fund until July 1974. Since the City employs the cash basis of accounting, these revenues were recorded as resources for fiscal year 1974-75.

Special Revenue Funds

The Special Revenue Funds account for funds which, in accordance with federal, state, or local laws and ordinances, must be used for specific purposes.

At present, the City maintains five special revenue funds. These funds and relevant ordinances and statutes pertaining to the use of each fund are outlined below:

1. State Tax and Road Fund

The State Tax and Road Fund is used to account for distributions to the City from the State Highway Fund. Authority for this distribution and restrictions on the use of the funds distributed are found in ORS 366.785 to 366.820 and in Article IX, Section 3 of the Oregon Constitution. These distributions may be used only for acquisition, construction and maintenance of streets and for traffic control and enforcement.

2. Park Improvement Fund

The Park Improvement Fund was initially established to account for local property tax revenues provided by a special levy for park improvement. Current revenues of this fund are donations and other miscellaneous receipts dedicated to park improvement projects. Expenditures are for additions and improvements to the City park system.

3. Fire Equipment Fund

The Fire Equipment Fund is used to account for moneys dedicated to the purchase of equipment for the fire department. Revenues include delinquent property taxes representing the balance of special levies for fire equipment in fiscal years 1971 and 1972. Current revenues consist of transfers from the General Fund.

4. Federal Revenue Sharing Fund

The Federal Revenue Sharing Fund is used to account for distributions of federal moneys under the State and Local Fiscal Assistance Act of 1972 (Public Law 92-512). These moneys may be expended only for the following priority categories: Public safety, environmental protection,

public transportation, health, recreation, libraries, social services for the poor or aged, financial administration, and ordinary and necessary capital expenditures.

5. Equipment Fund

The Equipment Fund was established to account for moneys set aside to purchase equipment for use by various City departments. Current revenues consist of a transfer from the Revenue Sharing Fund.

Special Assessment Funds

The special assessment funds are used to account for the construction and financing of local improvement projects. Projects undertaken by the City are governed by ORS chapter 223. Additional rules and guidelines are provided in the City Charter. The City at present maintains two special assessment funds.

1. Public Improvement Fund

The Public Improvement Fund is used primarily to account for the construction costs of local improvement projects and the subsequent assessment of these costs to the benefited property owners. The following transactions represent those generally recorded in the Public Improvement Fund.

- a. Construction expenditures made to construct a local improvement.
- b. Warrants issued by the City to finance construction expenditures.
- c. Assessments to property owners for their share of the construction cost of local improvements.
- d. Assessments paid by property owners electing to pay assessments immediately or those seeking long-term financing under the Bancroft Bonding Act .
- e. Proceeds from the sale of Bancroft Bonds.
- f. Assessment payments and bond proceeds are used to redeem warrants issued to pay for construction expenditures.

2. Bancroft Bond Fund

The Bancroft Bonding Act (ORS 223.205 to 223.300) permits benefited property owners to pay assessments for improvements over a period of twenty years in equal semi-annual installments, together with interest at seven percent per annum on the unpaid balance. The assessments receivable and debt service requirements for the Bancroft Bond issues are recorded in this fund. The City has elected to limit to ten years the period in which to pay assessments and retire the bonds.

Debt Service Funds

The debt service funds are used to account for the payment of interest and principal on the City's long-term general obligation debt. The City at present maintains two debt service funds.

1. General Obligation Bond Fund

The General Obligation Bond Fund is used to account for local property tax revenues provided from serial tax levies authorized for the purpose of meeting the interest and principal requirements on the City's general obligation bonds.

2. Off-Street Parking Fund

This fund was established in 1966 with the enactment of Ordinance No. 1207 which authorized the City to issue revenue bonds in the amount of \$28,000.00 for the purpose of purchasing and improving off-street parking facilities in the City. The fund was further expanded with the enactment of Ordinance No. 1230 which authorized the City to issue revenue bonds in the amount of \$22,000.00 for the same purpose as the original issue. The bonds are payable solely from the income from off-street parking and parking meter receipts, and both types of revenue have been pledged to secure their payment.

The City records all parking meter receipts in the General Fund. The principal and interest on the bonds are budgeted in and paid from the General Fund. Prior audits have noted that the City Attorney gave an oral opinion that the procedure of depositing the parking meter receipts in the General Fund would satisfy the requirements of the bond indenture.

Since there are no transactions recorded in this fund, it has been excluded from the financial statements.

Capital Projects Funds

The capital projects funds are used by the City to account for local property tax revenues, bond proceeds, grants, and other resources which have been allocated for the acquisition or construction of major capital facilities or improvements. During fiscal year 1974-75, the City maintained two capital project funds.

1. Capital Improvement Fund

The Capital Improvement Fund is used to account for funds allocated for general capital improvements. Current revenues are derived from local property taxes collected from a six-year serial levy of \$12,000.00 per year for bridge construction which was approved at a Special Election in December 1969.

In addition to current revenues and expenditures for purposes of bridge construction, this fund also is used to account for \$72,835.00 in federal reimbursements. Expenditures of these moneys is restricted to either the retirement of sewer construction bonds or to further expansion of the sewer system.

2. Fire Hall Construction Fund

This fund is used to account for the proceeds of general obligation bonds issued on July 1, 1974, for the purpose of constructing a

new fire hall and for matching funds provided to the City by the Lebanon Rural Fire Protection District from a similar general obligation bond issue.

Ambulance Fund

The operation of the City's ambulance service is accounted for in this fund. The service was established in 1967 as a joint operation of the City and the Rural Fire District. The principal source of revenue for this fund is ambulance service charges. Remaining revenue is supplied by a City tax levy and matching funds provided by the Lebanon Rural Fire District from a similar tax levy.

General Fixed Assets Group of Accounts

A general fixed assets group of accounts is normally maintained to provide accountability for fixed assets. During fiscal year 1974-75, as in previous years, the City did not maintain formal fixed asset inventory records. As a result, detail records and documentation for historical costs of fixed assets held by the City were not available.

For purposes of financial statement presentation, the City has obtained detail lists of fixed assets from the Linn County Assessor, insurance appraisers, and actual physical inventories of City equipment. Appraisal values and estimated values have been used wherever actual cost was not readily available. (See Note (1) of Notes to the Financial Statements).

During fiscal year 1975-76, the City began efforts to establish a formal fixed assets inventory.

General Long-Term Debt Group of Accounts

The General Long-Term Debt Group of Accounts are maintained to account for unmatured general obligation bonds secured by the full faith and credit of the City of Lebanon and are not the specific obligation of any particular fund.

Since the City is servicing the debt on the Off-Street Parking Revenue Bonds through the General Fund, for convenience of financial statement presentation, the liability for these bonds is included in the General Long-Term Debt Group of Accounts even though the bonds are payable solely from income from off-street parking and from parking meter receipts.

Suspense Accounts

The City maintains accountability for a number of small funds which are held in either a trust/or agency capacity. Among the larger accounts in this category are the Recorder's Account, the Municipal Court Account, and CETA Program Account. In addition to these larger accounts, a number of smaller suspense accounts are maintained primarily to account for small gifts, donations and miscellaneous receipts.

A U D I T C O M M E N T S

Accounting System

During the audit period, the City began efforts to update and improve its accounting and financial management system. These efforts included purchase of automated accounting equipment, development of a uniform chart of accounts, revision of accounting forms and procedures, and the formal organization of a finance department.

In anticipation of these improvements, certain basic accounting procedures were not performed on a timely basis. The improvements were not ready for implementation until late in the fiscal year.

As a result of delays in posting the financial transactions, the City was unable to reconcile its budgetary accounting records to the cash transactions reflected in its primary bank account, or to determine the beginning fund or appropriation balances for fiscal year 1975-76. Efforts to properly record the

accounting transactions and reconcile the cash accounts with the budgetary accounts continued to April 1976. At that date, the City decided to discontinue efforts to reconcile the cash and budgetary accounting records for the 1974-75 fiscal period, although unidentified differences between these records remained.

The unidentified transactions include \$2,223.44 in receipts and \$13,881.09 in expenditures recorded in the cash records but not in the budgetary records. For purposes of financial statement presentation, these unidentified receipts and expenditures have been recorded as transactions of the General Fund.

Failure of the City to record its financial transactions on a timely basis appears to have resulted from the following:

1. Inadequate estimation of the lead time required to develop and implement major changes in the accounting system.
2. Personnel changes during the period.
3. Personnel shortages during the period.

The following paragraph's describe, in further detail, the condition of the accounting system during the audit period:

A. General Ledger

As in previous years, the City did not maintain either a complete general ledger or general journal. As a result, the City was not able to maintain adequate financial control over its assets, liabilities, revenues, expenditures, and fund balances.

Portions of the new accounting system which the City began implementing in July 1975 include provisions for a general ledger. The City intends to implement the general ledger portion of the system as of July 1976.

The City at present has not developed a general journal to be used in conjunction with the general ledger system. It is recommended that a

general journal be established for purposes of recording all opening and closing entries, transfers, adjustments, and fixed assets transactions not normally recorded in existing journals.

B. Accounts Receivable Subsidiary Ledgers

During the audit period, monthly trial balances of the Ambulance Fund accounts receivable ledger were not prepared. As a result, it was not possible for monthly reconciliations to be prepared to insure the timely detection and correction of errors. At June 30, 1975, accounts receivable control totals for the Ambulance Fund exceeded a computed accounts receivable subsidiary ledger total by \$2,785.72.

Effective September 1, 1975, the City began to prepare monthly trial balances of its Ambulance receivables and adopted procedures for a monthly reconciliation to a control ledger.

C. Investments

During the audit period, detail records of investments in time certificates of deposit were not maintained. For audit purposes, bank records were utilized to prepare a complete listing of investments. It is recommended that the City establish a formal detail recording system to insure more effective management and control of its invested funds.

D. Municipal Court

Apparently as a result of deficiencies in the accounting system employed by the Municipal Court, a balance of \$3,614.78 is being held in the Municipal Court bank account which cannot be identified as either bail held in trust or fines to be turned over to the City finance office. The unidentified funds appear to be bail forfeitures which have not been properly reclassified as funds to be turned over to the City finance office.

It is understood that the City has taken steps to correct the deficiencies in the Municipal Court's accounting system.

E. Improvement Fund

Files containing documentation to support the costs of improvement projects assessed to property owners benefited were reviewed during the course of the audit and found to be inadequate in the following respects:

1. The files were poorly organized and were not cross referenced.

2. The costs used to assess property owners for the projects, as shown by the computations on file, were not in agreement with the project costs recorded in the accounting records. As a result, the City appears to have under-assessed the property owners benefited.

In the future, costs of improvement projects to be assessed to individual property owners should be reconciled to costs recorded in the accounting records prior to making the assessments.

It is further recommended that files containing documentation relating to improvement districts be properly organized to support all costs and the computations used to allocate these costs to individual property owners.

F. Payroll Records

A review of payroll records maintained by the City revealed the following deficiencies:

1. There were no procedures for employees to review and sign individual time records.

2. Formal records were not maintained to account for accrual and use of holiday and sick pay.

It is understood that the City now maintains formal records for accrual and use of vacation, sick leave and holiday leave.

G. Recorder's Account

As in previous years, a review of the City Recorder's Account disclosed only checkbook entries were being maintained for accounting purposes. Summary ledgers to account for suspense items on deposit and their disposition were not maintained.

An analysis of the account balance at June 30, 1975, identified a number of unrefunded deposits which had been carried in the account for several years and credit balances representing overpayments on certain refunds. A portion of the balance carried in the account could not be identified as to its origin.

It is understood that during fiscal year 1975-1976, a summary ledger was developed to account for suspense items held in this account. It is recommended that the City continue to maintain these summary records and that regular reconciliations to the account balance be prepared to insure timely detection and correction of errors which may occur.

Internal Control

Internal control, when used in reference to accounting, is defined by the American Institute of Certified Public Accountants, as "all methods and procedures that are mainly concerned with and related directly to safeguarding of assets and the reliability of the financial records. They generally include such controls as the systems of authorization and approval, separation of duties concerned with record keeping and accounting reports from those concerned with operations or asset custody, physical control over assets, and internal auditing."

A review of the City's methods and procedures for processing financial transactions noted improvements in the overall system of internal control in relation to the preceding year. Among the improvements noted were the following:

1. A finance office was formally organized near the close of the audit period. Duties of employees within the office have been segregated in a manner which provides a greater degree of separation between the functions of record keeping and custody of cash than in previous audit periods.

2. Procedures were adopted by the City which provide for timely deposit of cash receipts.

3. Measures were taken to provide improved physical security over cash on hand.

Although improvements were made in the overall system of internal control, weaknesses in several areas existed at the close of the period. The cumulative effect of these weaknesses resulted in numerous undetected errors in the accounting records which substantially reduced their reliability and usefulness.

Outlined in the following paragraphs are recommendations for additional improvements to the system of internal control.

A. Bank Reconciliations

Problems associated with delays in posting the financial transactions and preparation of reconciliations of bank balances to balances recorded in the budgetary accounting records are described in previous sections of this report. It is recommended that the City prepare reconciliations of bank statements to the accounting records within a month of their receipt to insure timely detection and correction of errors in the accounting records.

B. Municipal Court

A review of the system of internal control for the Municipal Court noted the following deficiencies.

1. All duties related to financial transactions were performed by the Municipal Court Clerk. These duties included receipt and custody of cash, preparation of bank deposits, preparation and approval of checks drawn on the Municipal Court Account, posting of transactions to the accounting records, and reconciliation of bank accounts to the accounting records.

2. Bank statements were not reconciled to the accounting records during the audit period. Bank reconciliations prepared for audit purposes disclosed mathematical errors totaling \$862.00 and unrecorded transactions totaling \$1,249.00.

It is recommended that, (1) bank reconciliations of the Municipal Court Account be prepared at least monthly and, (2) certain duties of the Municipal Court Clerk be transferred to the finance office to provide segregation of the duties of record keeping and cash custody.

C. Accounts Receivable

A review of the subsidiary records for Ambulance and Sewer Service Charge Accounts Receivable revealed that detail totals obtained from the subsidiary records did not agree with control totals in the budgetary accounting records. It was also noted that no reconciliations were prepared between the detail and control ledgers.

It is recommended that reconciliations of accounts receivable detail totals to control totals in the budgetary accounting records and the general ledger be prepared monthly to insure accurate and reliable financial information.

D. Expenditures

A review of procedures used by the City to control expenditures showed that no formal procedures were in force to determine the mathematical accuracy of invoices submitted to the City for payment. Overpayments totaling \$2,136.39 were identified in a test of expenditure transactions

made during the course of the audit. These overpayments represent mathematical errors on invoices submitted to the City which were not detected prior to payment.

It is recommended that the City establish procedures to pre-audit invoices before approving them for payment. The pre-audit procedures should include checking mathematical extensions and footings on the invoices review of invoice terms to insure that all discounts are taken, and comparison of invoice prices to purchase agreements or contract prices.

Local Budget Law

A review of the budgetary process for compliance with legal requirements indicated the City failed to meet certain requirements in the fiscal year 1974-75. The following paragraphs summarize those requirements with which the City failed to comply.

A. Appropriation of Funds Prior to Expenditure

The City Council did not take formal action to make appropriations for the fiscal year beginning July 1, 1974, until September 6, 1974. ORS 294.326 (1) states that it shall be unlawful for any municipal corporation to expend money or levy a tax unless it has complied with the provisions of ORS 294.305 to 294.520. These provisions include a requirement that appropriations be made by fund, department, and major object or program. If a complete budget has not been adopted prior to the beginning of the fiscal year, a partial budget within the resources available, including the constitutional six percent limitation on property tax levies, should be adopted and appropriated. The appropriations can then be amended if a tax levy in excess of legal limitations is ultimately approved.

B. Overexpenditure of Appropriations

ORS 294.435 (5) prohibits the expenditure of an amount greater than that appropriated, except under certain conditions. A review of expenditures found overexpended appropriations totaling \$593,582.44 in the funds listed below:

General Fund	\$ 67,258.52
State Tax and Road Fund	54,782.30
Fire Equipment Fund	8,034.50
Federal Revenue Sharing Fund	42,094.02
Bancroft Bond Fund	640.48
Capital Improvement Fund	25,704.77
General Obligation Bond Fund	137.35
Fire Hall Construction Fund	<u>394,930.50</u>
Total	<u>\$593,582.44</u>

The detail of these overexpenditures may be found in Schedules A-4 through A-15.

Under the provisions of ORS 294.100, public officials who expend moneys not in accordance with legal requirements may be held personally liable for the return of such moneys.

It is understood that, during fiscal year 1975-76, accounting procedures were developed to summarize budgetary expenditures and provide for their review on a timely basis to insure compliance with legal requirements.

Collateral Security

Collateral securing depository balances as required by ORS 295.015 was not adequate for the City's time certificates of deposit during the month of June 1975. Collateral securing all other deposits during the audit period was adequate.

Insurance and Fidelity Bonds

Insurance and fidelity bonds in force at June 30, 1975, are presented in Exhibit C. The City appears to have complied with statutory provisions regarding fidelity bonds and insurance requirements.

Indebtedness

The City remained within legal debt limitations during the year.

Federal Programs

During fiscal year 1974-75, the City participated in four federal programs:

1. Federal Revenue Sharing, administered by the Department of the Treasury, Office of Revenue Sharing, under authority of Title I of the State and Local Fiscal Assistance Act of 1972.
2. Crime Prevention Program, operated under the authority of a Law Enforcement Assistance Administration grant, administered by the Oregon Law Enforcement Council.
3. The Dial-a-Bus Program, operated under the authority of Title III of the Older Americans Act of 1965, and administered by the Oregon State Program on Aging.
4. The Comprehensive Employment and Training Act of 1973, administered by the State of Oregon, Department of Human Resources and District No. 4, Council of Governments, for purposes of providing employment and training to unemployed and underemployed persons.

The accounting records relating to these programs and the financial reports submitted to the various responsible levels of government were reviewed during the course of the audit. Except as noted below, the accounting records were in agreement with the financial reports, and the reports were in compliance with financial reporting requirements.

1. The Actual Use Report submitted to the Office of Revenue Sharing for the year ending June 30, 1975, overstated actual expenditures of Revenue Sharing funds by \$2,448.09, apparently as the result of errors present in the accounting records at the time the report was submitted.
2. The City did not file standard form 308 requesting a wage determination from the Department of Labor, or comply with other provisions of the Davis-Bacon Act required for construction projects which are funded 25 percent or more from entitlement funds received from the Office of Revenue Sharing. Subpart D, Section 51.33 of the Revenue Sharing Regulations requires compliance with the Davis-Bacon Act in such cases.

Ambulance Fund

The financial activities of the Ambulance Fund have traditionally been maintained and presented on the cash basis of accounting, in the same manner as all other funds of the City. By its nature the Ambulance Fund is classified as an Enterprise Fund. It provides a service and a substantial amount of the revenue is derived from user charges.

An Income Statement (profit and loss) and a statement of changes in financial position should be prepared for the Ambulance Fund operation. These statements should be on the accrual basis of accounting and include all costs attributable to the ambulance operation. Such costs would include:

1. All expenses charged directly to the Ambulance Fund.
2. All expenses charged to and services provided by the General Fund such as: Building Space, Insurance, Communications, Group Medical and Hospital Insurance, Supervision by the Fire Department, and Accounting Services of the Finance office.
3. An allowance for depreciation of fixed assets.
4. An allowance for doubtful accounts.

Preparation of a statement of financial operations would enable the City to compare operating results from year to year and to determine the actual subsidy required from general tax revenues. Such information should also be of value in determining an equitable rate structure.

COMMENDATION

The courtesies and cooperation of the employes and officials of the City during the course of the audit were very commendable and are sincerely appreciated.

ACCOUNTANT'S REPORT

We have examined the financial statements of the various funds and account groups of the City of Lebanon, Oregon, for the year ending June 30, 1975, as listed in the Table of Contents. Our examination was made in accordance with generally accepted auditing standards and the Minimum Standards for Audits of Oregon Municipal Corporations and, accordingly included such tests of the accounting records and other auditing procedures as were considered necessary under the circumstances.

The City maintains its accounting records on a cash basis of accounting, with modifications as described in Note (1) of Notes to the Financial Statements. The modifications conform with Oregon legal requirements but do not conform with generally accepted accounting principles which consider the modified accrual basis of accounting as that which should be followed in recording the transactions of the General, Special Revenue, and Debt Service Funds and the full accrual basis of accounting as that which should be followed in recording the transactions of Enterprise, Capital Projects, Trust and Agency, and Special Assessment Funds. Note (1) of Notes to the Financial Statements describes the differences in the cash balance and accounts payable balance at June 30, 1975, which would have occurred if the City had conformed with the generally accepted bases of accounting. Revenues and expenditures reported by the City for the period July 1, 1974, to June 30, 1975, and the fund balances reported as of June 30, 1975, do not differ materially from the results that would have been obtained using the generally accepted basis of accounting with the exception of the Ambulance Fund.

The City's Ambulance Fund is an Enterprise Fund. Generally accepted accounting principles provide that the accrual basis is to be followed in recording the transactions of an enterprise fund. The City does not account for inventories nor are fixed assets depreciated, accounts receivable are fully

reserved, and revenue is recognized only when cash is received. An allowance for doubtful accounts is not maintained. These departures from generally accepted accounting principles with respect to recording the transactions of the Ambulance Fund provide materially different results than would be obtained using the accrual basis of accounting. The amounts of these differences are not known precisely. It is estimated at June 30, 1975, that accounts receivable are overstated by \$25,000.00, that fixed assets are overstated by \$10,000.00, and that the fund balance is understated by \$10,000.00.

The City did not maintain formal fixed asset inventory records. Because we were unable to satisfy ourselves as to the fairness of the recorded values of general fixed assets, we do not express an opinion on the general fixed asset group of accounts.

In our opinion, except as indicated in the preceding paragraph, the aforementioned financial statements present fairly the assets and liabilities of the City of Lebanon General Fund, Special Revenue Funds, Special Assessment Funds, Debt Service Funds, Capital Projects Funds, Ambulance Fund, and Suspense Accounts at June 30, 1975, arising from cash transactions and the receipts and disbursements for the year then ended on a basis consistent with that of the preceding year.

Yours very truly,



Certified Public Accountant
and Supervisor
Division of Audits

EXHIBIT A

C I T Y O F L E B A N O N

Linn County, Oregon

Summary Statement of Changes in Fund Balance

A L L F U N D S

July 1, 1974, to June 30, 1975

	<u>Note Reference</u>	<u>Memorandum Total</u>
Available Fund Balance July 1, 1974		\$ 549,868.49
Increases:		
Cash Receipts:		
Local Sources:		
Property Tax Revenues (Schedule B-5)		\$ 546,971.96
Assessments Received		120,225.76
Service Charges		76,393.33
Bonds and Warrants Issued		674,896.39
Rural Fire District		390,060.99
Others		225,771.66
State Sources		205,303.27
Federal Sources		188,624.66
Transfers from Other Funds		220,554.39
Unidentified	(2)	2,223.44
Subtotal		<u>\$2,651,025.85</u>
Changes in Accrued Items:		
Increase in Accounts Receivable		\$ 65,188.77
Increase in Prepaid Costs		226,554.24
Decrease in Current Liabilities		<u>67,123.95</u>
Subtotal		<u>\$ 358,866.96</u>
Total Increases		<u>\$3,009,892.81</u>
Total Funds Available		<u>\$3,559,761.30</u>
Decreases:		
Cash Expenditures:		
Personal Services		\$ 777,261.36
Services and Supplies		308,689.46
Capital Outlay		1,092,297.23
Debt Service		132,029.83
Redemption of Warrants		338,156.59
Transfers to Other Funds		220,554.39
Other		46,933.74
Unidentified	(2)	13,881.09
Subtotal		<u>\$2,929,803.69</u>

EXHIBIT A

<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Special Assessment Funds</u>	<u>General Obligation Bond Fund</u>	<u>Capital Projects Funds</u>	<u>Ambulance Fund</u>
<u>\$ 186,699.18</u>	<u>\$240,621.50</u>	<u>\$ 44,299.96</u>	<u>\$ 8,097.06</u>	<u>\$ 65,250.86</u>	<u>\$ 4,899.93</u>
\$ 481,446.89	\$ 147.97	\$ -	\$41,930.42	\$ 11,164.26	\$12,282.42
-	-	120,225.76	-	-	-
44,409.21	-	-	-	-	31,984.12
-	-	416,246.22	-	258,650.17	-
122,406.49	-	-	-	254,904.50	12,750.00
177,382.23	26,839.57	9,962.20	-	10,974.28	613.38
79,150.21	126,153.06	-	-	-	-
10,830.66	177,794.00	-	-	-	-
16,550.00	142,166.00	61,838.39	-	-	-
2,223.44	-	-	-	-	-
<u>\$ 934,399.13</u>	<u>\$473,100.60</u>	<u>\$608,272.57</u>	<u>\$41,930.42</u>	<u>\$535,693.21</u>	<u>\$57,629.92</u>
\$ -	\$ -	\$ 65,188.77	\$ -	\$ -	\$ -
-	-	226,554.24	-	-	-
-	-	43,698.21	-	23,425.74	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$335,441.22</u>	<u>\$ -</u>	<u>\$ 23,425.74</u>	<u>\$ -</u>
<u>\$ 934,399.13</u>	<u>\$473,100.60</u>	<u>\$943,713.79</u>	<u>\$41,930.42</u>	<u>\$559,118.95</u>	<u>\$57,629.92</u>
<u>\$1,121,098.31</u>	<u>\$713,722.10</u>	<u>\$988,013.75</u>	<u>\$50,027.48</u>	<u>\$624,369.81</u>	<u>\$62,529.85</u>
\$ 631,150.92	\$ 99,843.71	\$ 5,088.21	\$ -	\$ -	\$41,178.52
196,633.83	67,710.42	38,160.63	-	-	6,184.58
44,912.40	199,651.26	452,803.07	-	394,930.50	-
4,912.50	-	78,576.98	48,540.35	-	-
-	-	311,346.82	-	26,809.77	-
12,087.00	208,467.39	-	-	-	-
23,922.87	23,010.87	-	-	-	-
13,881.09	-	-	-	-	-
<u>\$ 927,500.61</u>	<u>\$598,683.65</u>	<u>\$885,975.71</u>	<u>\$48,540.35</u>	<u>\$421,740.27</u>	<u>\$47,363.10</u>

EXHIBIT A
(Continued)

Summary Statement of Changes in Fund Balances
ALL FUNDS
July 1, 1974, to June 30, 1975

	<u>Note Reference</u>	<u>Memorandum Total</u>
Decreases (Continued):		
Other Decreases:		
Increase in Current Liabilities		\$ 133,840.34
Increase in Bonds Payable		<u>57,944.50</u>
Subtotal		<u>\$ 191,784.84</u>
Total Decreases		<u>\$3,121,588.53</u>
Available Fund Balance June 30, 1975 (Exhibit B)	(3)	<u>\$ 438,172.77</u>

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

EXHIBIT A
(Continued)

<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Special Assessment Funds</u>	<u>General Obligation Bond Fund</u>	<u>Capital Projects Funds</u>	<u>Ambulance Fund</u>
\$ 133,840.34 -	\$ - -	\$ - 57,944.50	\$ - -	\$ - -	\$ - -
<u>\$ 133,840.34</u>	<u>\$ -</u>	<u>\$ 57,944.50</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$1,061,340.95</u>	<u>\$598,683.65</u>	<u>\$943,920.21</u>	<u>\$48,540.35</u>	<u>\$421,740.27</u>	<u>\$47,363.10</u>
<u>\$ 59,757.36</u>	<u>\$115,038.45</u> (Sch. A-1)	<u>\$ 44,093.54</u> (Sch. A-2)	<u>\$ 1,487.13</u>	<u>\$202,629.54</u> (Sch. A-3)	<u>\$15,166.75</u>

SCHEDULE A-1

C I T Y O F L E B A N O N

Linn County, Oregon

Summary Statement of Changes in Fund Balances

SPECIAL REVENUE FUNDS

July 1, 1974, to June 30, 1975

	<u>Note Reference</u>	<u>Memorandum Total</u>
Available Fund Balance July 1, 1974		<u>\$240,621.50</u>
Increases:		
Cash Receipts:		
Local Sources:		
Property Tax Revenues		\$ 147.97
Other		26,839.57
State Sources		126,153.06
Federal Sources		177,794.00
Transfers from Other Funds		<u>142,166.00</u>
Total Increases		<u>\$473,100.60</u>
Total Funds Available		<u>\$713,722.10</u>
Decreases:		
Cash Expenditures:		
Personal Services		\$ 99,843.71
Services and Supplies		67,710.42
Capital Outlay		199,651.26
Other		23,010.87
Transfers to Other Funds		<u>208,467.39</u>
Total Decreases		<u>\$598,683.65</u>
Available Fund Balance June 30, 1975	(3)	<u>\$115,038.45</u> (Exhibit A)

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

<u>State Tax and Road Fund</u>	<u>Park Improvement Fund</u>	<u>Fire Equipment Fund</u>	<u>Federal Revenue Sharing Fund</u>	<u>Equipment Fund</u>
<u>\$ 14,367.84</u>	<u>\$ 85.19</u>	<u>\$11,277.99</u>	<u>\$214,890.48</u>	<u>\$ -</u>
\$ -	\$ -	\$ 147.97	\$ -	\$ -
591.92	566.00	775.00	24,906.65	-
126,153.06	-	-	-	-
-	-	-	177,794.00	-
<u>79,428.00</u>	<u>-</u>	<u>7,078.00</u>	<u>-</u>	<u>55,660.00</u>
<u>\$206,172.98</u>	<u>\$566.00</u>	<u>\$ 8,000.97</u>	<u>\$202,700.65</u>	<u>\$55,660.00</u>
<u>\$220,540.82</u>	<u>\$651.19</u>	<u>\$19,278.96</u>	<u>\$417,591.13</u>	<u>\$55,660.00</u>
\$ 99,843.71	\$ -	\$ -	\$ -	\$ -
65,183.23	-	-	2,527.19	-
40,060.36	-	20,112.50	139,478.40	-
4,000.00	-	-	19,010.87	-
<u>72,210.00</u>	<u>-</u>	<u>-</u>	<u>136,257.39</u>	<u>-</u>
<u>\$281,297.30</u>	<u>\$ -</u>	<u>\$20,112.50</u>	<u>\$297,273.85</u>	<u>\$ -</u>
<u>\$(60,756.48)</u>	<u>\$651.19</u>	<u>\$ (833.54)</u>	<u>\$120,317.28</u>	<u>\$55,660.00</u>

CITY OF LEBANON

Linn County, Oregon

Summary Statement of Changes in Fund Balance
 SPECIAL ASSESSMENT FUNDS
 July 1, 1974, to June 30, 1975

	Note Reference	Memorandum Total	Public Improve- ment Fund	Bancroft Bond Fund
Available Fund Balance July 1, 1974		\$ 44,299.96	\$ 20,000.77	\$ 24,299.19
Increases:				
Cash Receipts:				
Local Sources:				
Assessments Received		\$120,225.76	\$ 27,388.62	\$ 92,837.14
Bonds Issued		113,730.63	113,730.63	-
Other		9,962.20	5,055.00	4,907.20
Transfers from Other Funds		61,838.39	61,838.39	-
Subtotal		\$305,756.98	\$208,012.64	\$ 97,744.34
Other Increases:				
Warrants Issued		\$302,515.59	\$302,515.59	\$ -
Increase in Accounts Receivable		65,188.77	33,108.85	32,079.92
Increase in Prepaid Costs		226,554.24	226,554.24	-
Decrease in Current Liabilities		43,698.21	42,793.21	905.00
Subtotal		\$637,956.81	\$604,971.89	\$ 32,984.92
Total Increases		\$943,713.79	\$812,984.53	\$130,729.26
Total Funds Available		\$988,013.75	\$832,985.30	\$155,028.45
Decreases:				
Cash Expenditures:				
Personal Services		\$ 5,088.21	\$ 5,088.21	\$ -
Services and Supplies		38,160.63	38,160.63	-
Capital Outlay		452,803.07	452,803.07	-
Debt Service		78,576.98	-	78,576.98
Redemption of Warrants		311,346.82	311,346.82	-
Subtotal		\$885,975.71	\$807,398.73	\$ 78,576.98

Summary Statement of Changes in Fund Balance
SPECIAL ASSESSMENT FUNDS
July 1, 1974, to June 30, 1975

	<u>Note Reference</u>	<u>Memorandum Total</u>	<u>Public Improve- ment Fund</u>	<u>Bancroft Bond Fund</u>
Decreases (Continued):				
Other Decreases:				
Increase in Bonds Payable		<u>\$ 57,944.50</u>	<u>\$ -</u>	<u>\$ 57,944.50</u>
Total Decreases		<u>\$943,920.21</u>	<u>\$807,398.73</u>	<u>\$136,521.48</u>
Available Fund Balance				
June 30, 1975	(3)	<u>\$ 44,093.54</u> (Exhibit A)	<u>\$ 25,586.57</u>	<u>\$ 18,506.97</u>

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

C I T Y O F L E B A N O N

Linn County, Oregon

Summary Statement of Changes in Fund Balance
 CAPITAL PROJECTS FUNDS
 July 1, 1974, to June 30, 1975

	<u>Note Reference</u>	<u>Memor- andum Total</u>	<u>Capital Improve- ment Fund</u>	<u>Fire Hall Construc- tion Fund</u>
Available Fund Balance July 1, 1974		\$ 65,250.86	\$65,250.86	\$ -
Increases:				
Cash Receipts:				
Local Sources:				
Property Tax Revenues		\$ 11,164.26	\$11,164.26	\$ -
Bonds Issued		258,650.17	-	258,650.17
Rural Fire District		254,904.50	-	254,904.50
Other		10,974.28	-	10,974.28
Subtotal		\$535,693.21	\$11,164.26	\$524,528.95
Other Increases:				
Decrease in Current Liabilities		23,425.74	23,425.74	-
Total Increases		\$559,118.95	\$34,590.00	\$524,528.95
Total Funds Available		\$624,369.81	\$99,840.86	\$524,528.95
Decreases:				
Cash Expenditures:				
Capital Outlay		\$394,930.50	\$ -	\$394,930.50
Redemption of Warrants		26,809.77	26,809.77	-
Total Decreases		\$421,740.27	\$26,809.77	\$394,930.50
Available Fund Balance June 30, 1975	(3)	\$202,629.54 (Exhibit A)	\$73,031.09	\$129,598.45

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

CITY OF LEBANON

Linn County, Oregon

Statement of Estimated and Actual Resources
and Expenditures
GENERAL FUND

July 1, 1974, to June 30, 1975

	<u>Note Reference</u>	<u>Budget Estimate</u>	<u>Actual</u>	<u>Budget Variance Favorable/ (Unfavorable)</u>
General Fund:				
Resources:				
Property Tax Levies:				
Prior Year's Levies		\$ 30,000.00	\$ 39,129.74	\$ 9,129.74
Current Year's Levies		465,066.00	442,317.15	(22,748.85)
State Apportionments:				
Liquor Tax		52,000.00	58,616.96	6,616.96
Cigarette Tax		21,165.00	20,533.25	(631.75)
Federal Funds:				
Crime Prevention Grant		13,707.00	10,830.66	(2,876.34)
Other Sources:				
Library		1,900.00	1,692.57	(207.43)
Fines and Bail				
Forfeitures		40,000.00	45,745.34	5,745.34
Franchises		66,000.00	76,477.47	10,477.47
Amusement Machine Tax		5,000.00	7,456.00	2,456.00
Building Permits		8,500.00	8,462.63	(37.37)
Business Licenses		3,100.00	2,671.25	(428.75)
Vehicle Fuel Tax Refund		1,600.00	-	(1,600.00)
Property Rentals		1,200.00	956.00	(244.00)
Miscellaneous Sales and Receipts		2,000.00	17,707.35	15,707.35
Parking Meter		15,000.00	13,729.52	(1,270.48)
Dog License Fees		1,900.00	2,484.10	584.10
Rural Fire District		121,756.00	122,406.49	650.49
Sewer Service Charge		23,998.00	44,409.21	20,411.21
Unidentified Receipts	(2)	-	2,223.44	2,223.44
Budgeted Transfers:				
Transfer from State				
Tax and Road Fund		16,550.00	16,550.00	-
Total Receipts		\$890,442.00	\$ 934,399.13	\$ 43,957.13
Beginning Cash Balance		80,000.00	186,699.18	106,699.18
Total Resources		\$970,442.00	\$1,121,098.31	\$150,656.31
Expenditures:				
Legislative and				
Administrative:				
Personal Services		\$ 56,651.00	\$ 57,357.81	\$ (706.81)

Statement of Estimated and Actual
Resources and Expenditures
GENERAL FUND
July 1, 1974, to June 30, 1975

	<u>Note Reference</u>	<u>Budget Estimate</u>	<u>Actual</u>	<u>Budget Variance Favorable/ (Unfavorable)</u>
General Fund (Continued):				
Expenditures (Continued):				
Legislative and Adminis-				
trative (Continued):				
Services and Supplies		\$ 9,350.00	\$ 21,199.88	\$(11,849.88)
Capital Outlay		<u>175.00</u>	<u>359.60</u>	<u>(184.60)</u>
Subtotal		<u>\$ 66,176.00</u>	<u>\$ 78,917.29</u>	<u>\$(12,741.29)</u>
Public Property:				
Personal Services		\$ 4,944.00	\$ 4,944.00	\$ -
Services and Supplies		5,700.00	8,856.76	(3,156.76)
Capital Outlay		<u>6,030.00</u>	<u>20,245.88</u>	<u>(14,215.88)</u>
Subtotal		<u>\$ 16,674.00</u>	<u>\$ 34,046.64</u>	<u>\$(17,372.64)</u>
Library:				
Personal Services		\$ 32,829.00	\$ 31,829.09	\$ 999.91
Services and Supplies		4,320.00	3,839.54	480.46
Capital Outlay		<u>9,100.00</u>	<u>9,247.52</u>	<u>(147.52)</u>
Subtotal		<u>\$ 46,249.00</u>	<u>\$ 44,916.15</u>	<u>\$ 1,332.85</u>
Municipal Court:				
Personal Services		\$ 19,074.00	\$ 18,574.01	\$ 499.99
Services and Supplies		2,450.00	1,261.84	1,188.16
Capital Outlay		<u>140.00</u>	<u>140.00</u>	<u>-</u>
Subtotal		<u>\$ 21,664.00</u>	<u>\$ 19,975.85</u>	<u>\$ 1,688.15</u>
Building-Planning:				
Personal Services		\$ 20,529.00	\$ 19,959.47	\$ 569.53
Services and Supplies		5,215.00	7,108.87	(1,893.87)
Capital Outlay		<u>450.00</u>	<u>131.84</u>	<u>318.16</u>
Subtotal		<u>\$ 26,194.00</u>	<u>\$ 27,200.18</u>	<u>\$ (1,006.18)</u>
Police:				
Personal Services		\$242,204.00	\$ 233,520.51	\$ 8,683.49
Services and Supplies		45,642.00	45,391.07	250.93
Capital Outlay		<u>7,150.00</u>	<u>6,005.86</u>	<u>1,144.14</u>
Subtotal		<u>\$294,996.00</u>	<u>\$ 284,917.44</u>	<u>\$ 10,078.56</u>

Statement of Estimated and Actual
Resources and Expenditures
GENERAL FUND
July 1, 1974, to June 30, 1975

	<u>Note Reference</u>	<u>Budget Estimate</u>	<u>Actual</u>	<u>Budget Variance Favorable/ (Unfavorable)</u>
General Fund (Continued):				
Expenditures (Continued):				
Communications:				
Personal Services		\$ 39,019.00	\$ 31,923.98	\$ 7,095.02
Services and Supplies		<u>3,300.00</u>	<u>3,410.83</u>	<u>(110.83)</u>
Subtotal		<u>\$ 42,319.00</u>	<u>\$ 35,334.81</u>	<u>\$ 6,984.19</u>
Fire:				
Personal Services		\$155,645.00	\$ 173,002.37	\$(17,357.37)
Services and Supplies		13,000.00	14,144.11	(1,144.11)
Volunteer Services		<u>15,800.00</u>	<u>9,923.00</u>	<u>5,877.00</u>
Subtotal		<u>\$184,445.00</u>	<u>\$ 197,069.48</u>	<u>\$(12,624.48)</u>
Public Works - Parks:				
Personal Services		\$ 28,973.00	\$ 31,582.80	\$ (2,609.80)
Services and Supplies		9,500.00	6,846.16	2,653.84
Capital Outlay		<u>11,625.00</u>	<u>8,781.70</u>	<u>2,843.30</u>
Subtotal		<u>\$ 50,098.00</u>	<u>\$ 47,210.66</u>	<u>\$ 2,887.34</u>
Public Works - Sewage Treatment:				
Personal Services		\$ 28,906.00	\$ 28,456.88	\$ 449.12
Services and Supplies		<u>19,090.00</u>	<u>16,754.24</u>	<u>2,335.76</u>
Subtotal		<u>\$ 47,996.00</u>	<u>\$ 45,211.12</u>	<u>\$ 2,784.88</u>
Special Expenditures:				
Special Payments*		\$ 20,700.00	\$ 19,352.00	\$ 1,348.00
Special Operating Expense		<u>98,931.00</u>	<u>79,467.90</u>	<u>19,463.10</u>
Subtotal		<u>\$119,631.00</u>	<u>\$ 98,819.90</u>	<u>\$ 20,811.10</u>

Statement of Estimated and Actual
Resources and Expenditures
GENERAL FUND
July 1, 1974, to June 30, 1975

	<u>Note Reference</u>	<u>Budget Estimate</u>	<u>Actual</u>	<u>Budget Variance Favorable/ (Unfavorable)</u>
General Fund (Continued):				
Expenditures (Continued):				
Unidentified Expenditures	(2)	\$ -	\$ 13,881.09	\$(13,881.09)
Total Expenditures		<u>\$916,442.00</u>	<u>\$ 927,500.61</u>	<u>\$(11,058.61)</u>
Ending Cash Balance		<u>\$ 54,000.00</u>	<u>\$ 193,597.70</u>	<u>\$139,597.70</u>

*Line items classified as special payments include the following which should be presented as separate classifications:

	<u>Budget Estimate</u>	<u>Actual</u>	<u>Budget Variance</u>
Transfers:			
Transfer to Fire Equipment Fund	\$ 7,078.00	\$ 7,078.00	\$ -
Transfer to State Tax and Road Fund	3,768.00	3,768.00	-
Transfer to Public Improvement Fund	<u>1,241.00</u>	<u>1,241.00</u>	<u>-</u>
Total	<u>\$ 12,087.00</u>	<u>\$ 12,087.00</u>	<u>\$ -</u>
Debt Service	<u>\$ 4,913.00</u>	<u>\$ 4,912.50</u>	<u>\$.50</u>

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

C I T Y O F L E B A N O N

Linn County, Oregon

Statement of Estimated and Actual Resources
and Expenditures

STATE TAX AND ROAD FUND

July 1, 1974, to June 30, 1975

	<u>Note Reference</u>	<u>Budget Estimate</u>	<u>Actual</u>	<u>Budget Variance Favorable/ (Unfavorable)</u>
Resources:				
State Vehicle Fuel Tax		\$146,187.00	\$126,153.06	\$(20,033.94)
Transfer from General Fund		3,768.00	3,768.00	-
Transfer from Federal Revenue Sharing Fund		75,660.00	75,660.00	-
Miscellaneous Receipts		-	591.92	591.92
Total Receipts		\$225,615.00	\$206,172.98	\$(19,442.02)
Beginning Cash Balance		900.00	14,367.84	13,467.84
Total Resources		\$226,515.00	\$220,540.82	\$ (5,974.18)
Expenditures:				
Personal Services		\$ 94,312.00	\$ 99,843.71	\$ (5,531.71)
Services and Supplies		49,328.00	65,183.23	(15,855.23)
Capital Outlay		10,665.00	40,060.36	(29,395.36)
Topics Program Matching Funds		-	4,000.00	(4,000.00)
Transfer to General Fund		16,550.00	16,550.00	-
Transfer to Equipment Fund		55,660.00	55,660.00	-
Total Expenditures		\$226,515.00	\$281,297.30	\$(54,782.30)
Ending Cash Balance		\$ -	\$(60,756.48)	\$(60,756.48)

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

C I T Y O F L E B A N O N

Linn County, Oregon

Schedule of Estimated and Actual Resources
and Expenditures

PARK IMPROVEMENT FUND

July 1, 1974, to June 30, 1975

	<u>Note Reference</u>	<u>Budget Estimate</u>	<u>Actual</u>	Budget Variance (Unfavorable)/ <u>Favorable</u>
Resources:				
Miscellaneous Receipts		\$ -	\$566.00	\$566.00
Total Receipts		\$ -	\$566.00	\$566.00
Beginning Cash Balance		-	85.19	85.19
Total Resources		\$ -	\$651.19	\$651.19
Expenditures		\$ -	\$ -	\$ -
Ending Cash Balance		\$ -	\$651.19	\$651.19

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

C I T Y O F L E B A N O N

Linn County, Oregon

Statement of Estimated and Actual Resources
and Expenditures

FIRE EQUIPMENT FUND

July 1, 1974, to June 30, 1975

	<u>Note Reference</u>	<u>Budget Estimate</u>	<u>Actual</u>	<u>Budget Variance Favorable/ (Unfavorable)</u>
Resources:				
Property Tax Levies		\$ -	\$ 147.97	\$ 147.97
Transfer from General Fund		7,078.00	7,078.00	-
Miscellaneous Receipts		-	775.00	775.00
 Total Receipts		\$ 7,078.00	\$ 8,000.97	\$ 922.97
 Beginning Cash Balance		5,000.00	11,277.99	6,277.99
 Total Resources		\$12,078.00	\$19,278.96	\$ 7,200.96
 Less Expenditures:				
Fire Equipment		\$12,078.00	\$20,112.50	\$(8,034.50)
 Ending Cash Balance		\$ -	\$ (833.54)	\$ (833.54)

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

CITY OF LEBANON

Linn County, Oregon

Statement of Estimated and Actual Resources
and ExpendituresFEDERAL REVENUE SHARING FUND
July 1, 1974, to June 30, 1975

	<u>Note Reference</u>	<u>Budget Estimate</u>	<u>Actual</u>	<u>Budget Variance Favorable/ (Unfavorable)</u>
Resources:				
1974-75 Federal Allotment		\$185,248.00	\$177,794.00	\$ (7,454.00)
Interest on Time Certi- ficates of Deposit		<u>6,000.00</u>	<u>24,906.65</u>	<u>18,906.65</u>
Total Receipts		\$191,248.00	\$202,700.65	\$ 11,452.65
Beginning Cash Balance		<u>181,069.00</u>	<u>214,890.48</u>	<u>33,821.48</u>
Total Resources		<u>\$372,317.00</u>	<u>\$417,591.13</u>	<u>\$ 45,274.13</u>
Expenditures:				
Finance Office Equipment		\$ 14,000.00	\$ 23,400.24	\$ (9,400.24)
Copy Machine		1,800.00	2,527.19	(727.19)
Electrical Services - City Hall		5,000.00	4,025.47	974.53
Sewer Treatment Plant Study		6,000.00	17,513.10	(11,513.10)
Tennis Court and Basket- ball Lights - Century Park		2,500.00	2,045.71	454.29
Library Equipment		2,000.00	2,131.66	(131.66)
Cox Creek Drainage Study		3,000.00	2,728.50	271.50
Cox Creek Construction		10,000.00	10,000.00	-
Transfer to Public Improvement Fund for Kees and 10th Street Improvement District Credits		50,000.00	47,497.39	2,502.61
Transfer to State Tax and Road Fund for Street Maintenance		20,000.00	20,000.00	-
Street Slurry or Chip Seal		44,474.00	44,474.00	-
Transfer to State Tax and Road Fund for Equipment		55,660.00	55,660.00	-
Transfer to Public Improve- ment Fund for City Share of Improvement District Costs		13,100.00	13,100.00	-

Statement of Estimated and Actual Resources
and Expenditures
FEDERAL REVENUE SHARING FUND
July 1, 1974, to June 30, 1975

	Note Reference	Budget Estimate	Actual	Budget Variance Favorable/ (Unfavorable)
Expenditures (Continued):				
Senior Citizen Center		\$ 5,000.00	\$ 19,010.87	\$(14,010.87)
Willamette Valley				
Rehabilitation				
Center - 24				
Passenger Bus		2,000.00	-	2,000.00
Municipal Court - Capital				
Outlay		2,000.00	742.00	1,258.00
Property Acquisition -				
City Complex		20,000.00	26,310.96	(6,310.96)
Park Curbing - River				
Park		<u>7,000.00</u>	<u>6,106.76</u>	<u>893.24</u>
Total Expenditures		<u>\$263,534.00</u>	<u>\$297,273.85</u>	<u>\$(33,739.85)</u>
Ending Cash Balance		<u>\$108,783.00</u>	<u>\$120,317.28</u>	<u>\$ 11,534.28</u>

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

C I T Y O F L E B A N O N

Linn County, Oregon

Statement of Estimated and Actual Resources
and Expenditures

EQUIPMENT FUND

July 1, 1974, to June 30, 1975

	<u>Note Reference</u>	<u>Budget Estimate</u>	<u>Actual</u>	Budget Variance Favorable/ (Unfavorable)
Resources:				
Transfer from State Tax and Road Fund		\$ -	\$55,660.00	\$55,660.00
Beginning Cash Balance		<u> -</u>	<u> -</u>	<u> -</u>
Total Resources		<u>\$ -</u>	<u>\$55,660.00</u>	<u>\$55,660.00</u>
Expenditures		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Ending Cash Balance		<u><u>\$ -</u></u>	<u><u>\$55,660.00</u></u>	<u><u>\$55,660.00</u></u>

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

C I T Y O F L E B A N O N

Linn County, Oregon

Statement of Estimated and Actual Resources
and Expenditures

PUBLIC IMPROVEMENT FUND

July 1, 1974, to June 30, 1975

	<u>Note Reference</u>	<u>Budget Estimate</u>	<u>Actual</u>	<u>Budget Variance Favorable/ (Unfavorable)</u>
Resources:				
Nonbonded Assessments:				
Principal		\$ 60,395.00	\$ 26,984.42	\$ (33,410.58)
Interest		300.00	404.20	104.20
Bancroft Bond Sale		225,000.00	113,730.63	(111,269.37)
Budgeted Transfers:				
Transfer from General Fund		1,241.00	1,241.00	-
Transfer from Federal Revenue Sharing Fund		-	60,597.39	60,597.39
Other Sources:				
Sale of Fill Dirt		<u>-</u>	<u>5,055.00</u>	<u>5,055.00</u>
Total Receipts		\$286,936.00	\$ 208,012.64	\$ (78,923.36)
Beginning Cash Balance		<u>-</u>	<u>89,201.97</u>	<u>89,201.97</u>
Total Resources		<u>\$286,936.00</u>	<u>\$ 297,214.61</u>	<u>\$ 10,278.61</u>
Expenditures:				
Personal Services		\$ 6,036.00	\$ 5,088.21	\$ 947.79
Services and Supplies		12,900.00	38,160.63	(25,260.63)
Capital Outlay		268,000.00	150,287.48	117,712.52
Redemption of Warrants		<u>-</u>	<u>311,346.82</u>	<u>(311,346.82)</u>
Total Expenditures		<u>\$286,936.00</u>	<u>\$ 504,883.14</u>	<u>\$(217,947.14)</u>
Ending Cash Balance		<u>\$ -</u>	<u>\$(207,668.53)</u>	<u>\$(207,668.53)</u>

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

C I T Y O F L E B A N O N

Linn County, Oregon

Statement of Estimated and Actual Resources
and Expenditures

BANCROFT BOND FUND

July 1, 1974, to June 30, 1975

	<u>Note Reference</u>	<u>Budget Estimates</u>	<u>Actual</u>	<u>Budget Variance Favorable/ (Unfavorable)</u>
Resources:				
Bonded Assessments:				
Principal		\$ 50,000.00	\$ 76,089.82	\$26,089.82
Interest		15,000.00	16,747.32	1,747.32
Other Sources:				
Interest on Time Certi- ficates of Deposit		<u>2,800.00</u>	<u>4,907.20</u>	<u>2,107.20</u>
Total Receipts		\$ 67,800.00	\$ 97,744.34	\$29,944.34
Beginning Cash Balance		<u>140,000.00</u>	<u>191,868.10</u>	<u>51,868.10</u>
Total Resources		<u>\$207,800.00</u>	<u>\$289,612.44</u>	<u>\$81,812.44</u>
Expenditures:				
Bond Principal		\$ 55,152.00	\$ 55,151.50	\$.50
Bond Interest		<u>22,785.00</u>	<u>23,425.48</u>	<u>(640.48)</u>
Total Expenditures		<u>\$ 77,937.00</u>	<u>\$ 78,576.98</u>	<u>\$ (639.98)</u>
Ending Cash Balance		<u>\$129,863.00</u>	<u>\$211,035.46</u>	<u>\$81,172.46</u>

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

C I T Y O F L E B A N O N

Linn County, Oregon

Statement of Estimated and Actual Resources
and ExpendituresGENERAL OBLIGATION BOND FUND
July 1, 1974, to June 30, 1975

	<u>Note Reference</u>	<u>Budget Estimate</u>	<u>Actual</u>	Budget Variance Favorable/ (Unfavorable)
Resources:				
Property Tax Levies:				
Prior Years' Levies		\$ 2,627.00	\$ 2,427.88	\$ (199.12)
Current Year's Levy		<u>38,776.00</u>	<u>39,502.54</u>	<u>726.54</u>
Total Receipts		\$41,403.00	\$41,930.42	\$ 527.42
Beginning Cash Balance		<u>7,000.00</u>	<u>8,097.06</u>	<u>1,097.06</u>
Total Resources		<u>\$48,403.00</u>	<u>\$50,027.48</u>	<u>\$1,624.48</u>
Expenditures:				
Bond Principal		\$33,000.00	\$33,000.00	\$ -
Bond Interest		<u>15,403.00</u>	<u>15,540.35</u>	<u>(137.35)</u>
Total Expenditures		<u>\$48,403.00</u>	<u>\$48,540.35</u>	<u>\$ (137.35)</u>
Ending Cash Balance		<u>\$ -</u>	<u>\$ 1,487.13</u>	<u>\$1,487.13</u>

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

CITY OF LEBANON

Linn County, Oregon

Statement of Estimated and Actual Resources
and Expenditures

CAPITAL IMPROVEMENT FUND

July 1, 1974, to June 30, 1975

	<u>Note Reference</u>	<u>Budget Estimate</u>	<u>Actual</u>	<u>Budget Variance Favorable/ (Unfavorable)</u>
Resources:				
Property Tax Levies:				
Prior Years' Levies		\$ 500.00	\$ 573.34	\$ 73.34
Current Year's Levy		<u>10,440.00</u>	<u>10,590.92</u>	<u>150.92</u>
Total Receipts		\$10,940.00	\$11,164.26	\$ 224.26
Beginning Cash Balance		<u>9,835.00</u>	<u>88,676.60</u>	<u>78,841.60</u>
Total Resources		<u>\$20,775.00</u>	<u>\$99,840.86</u>	<u>\$ 79,065.86</u>
Expenditures:				
Bridge Construction		<u>\$ 1,105.00</u>	<u>\$26,809.77</u>	<u>\$(25,704.77)</u>
Ending Cash Balance		<u>\$19,670.00</u>	<u>\$73,031.09</u>	<u>\$ 53,361.09</u>

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

C I T Y O F L E B A N O N

Linn County, Oregon

Statement of Estimated and Actual Resources
and ExpendituresFIRE HALL CONSTRUCTION FUND
July 1, 1974, to June 30, 1975

	Note Reference	Budget Estimate	Actual	Budget Variance Favorable/ (Unfavorable)
Resources:				
General Obligation Bond				
Proceeds		\$ -	\$258,650.17	\$ 258,650.17
Rural Fire District		-	254,904.50	254,904.50
Interest on Time Certificates of Deposit		-	10,974.28	10,974.28
Total Receipts		\$ -	\$524,528.95	\$ 524,528.95
Beginning Cash Balance		-	-	-
Total Resources		\$ -	\$524,528.95	\$ 524,528.95
Expenditures:				
Legal Services		\$ -	\$ 5,973.64	\$ (5,973.64)
Land		-	7,580.00	(7,580.00)
Site Preparation		-	52,961.11	(52,961.11)
Architectural Services		-	21,881.36	(21,881.36)
Building Construction		-	276,360.35	(276,360.35)
Equipment		-	24,617.76	(24,617.76)
Miscellaneous		-	5,556.28	(5,556.28)
Total Expenditures		\$ -	\$394,930.50	\$(394,930.50)
Ending Cash Balance		\$ -	\$129,598.45	\$(129,598.45)

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

C I T Y O F L E B A N O N

Linn County, Oregon

Statement of Estimated and Actual Resources
and Expenditures

AMBULANCE FUND

July 1, 1974, to June 30, 1975

	Note Reference	Budget Estimates	Actual	Budget Variance Favorable/ (Unfavorable)
Resources:				
Property Tax Levies:				
Prior Years' Levies		\$ 500.00	\$ 634.42	\$ 134.42
Current Year's Levies		11,093.00	11,648.00	555.00
Other Sources:				
Rural Fire District		12,750.00	12,750.00	-
Service Charges		25,500.00	31,984.12	6,484.12
Miscellaneous Receipts		-	613.38	613.38
Total Receipts		\$49,843.00	\$57,629.92	\$ 7,786.92
Beginning Cash Balance		2,562.00	4,899.93	2,337.93
Total Resources		\$52,405.00	\$62,529.85	\$10,124.85
Expenditures:				
Personal Services		\$44,790.00	\$41,178.52	\$ 3,611.48
Services and Supplies		7,615.00	6,184.58	1,430.42
Total Expenditures		\$52,405.00	\$47,363.10	\$ 5,041.90
Ending Cash Balance		\$ -	\$15,166.75	\$15,166.75

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

EXHIBIT B

CITY OF LEBANON

Linn County, Oregon

COMBINED BALANCE SHEET
ALL FUNDS
June 30, 1975

Assets	Note Ref- erence	Memorandum Total	General Fund	Special Revenue Funds
Cash:				
On Hand		\$ 300.00	\$ -	\$ -
In Depositories		352,836.15	184,184.06	115,027.84
With County Treasurer				
(Schedule B-5)		10,868.55	9,413.64	10.61
Time Certificates of Deposit		180,000.00	-	-
Accounts Receivable:				
Assessments		329,929.34	-	-
Property Taxes (Schedule B-5)		90,291.53	78,918.32	57.03
Service Charges		41,229.10	6,943.89	-
Due From Other Funds	(5)	98,790.34	-	-
Prepaid Costs:				
Deferred Assessments		11,674.50	-	-
Unassessed Improvements		416,247.02	-	-
Fixed Assets		1,360,804.51	-	-
Amount Available in Debt				
Service Funds		1,487.13	-	-
Amount to be Provided:				
From Off-Street Parking				
Revenues		18,000.00	-	-
From Future Taxation		418,857.87	-	-
Total Assets		<u>\$3,331,316.04</u>	<u>\$279,459.91</u>	<u>\$115,095.48</u>
				(Sch. B-1)

EXHIBIT B

<u>Special Assess- ment Funds</u>	<u>General Obliga- tion Bond Fund</u>	<u>Capital Improve- ment Funds</u>	<u>Ambulance Fund</u>	<u>General Fixed Assets</u>	<u>General Long- Term Debt</u>	<u>Suspense Accounts</u>
\$ - (76,633.07)	\$ - 535.56	\$ - 102,390.58	\$ - 14,912.98	\$ - -	\$ - -	\$ 300.00 12,418.20
- 80,000.00	951.57 -	238.96 100,000.00	253.77 -	- -	- -	- -
- 329,929.34	7,285.16 -	1,917.54 -	2,113.48 -	- -	- -	- -
- 98,068.05	- -	- -	34,285.21 -	- -	- -	- 722.29
11,674.50 416,247.02	- -	- -	- -	- -	- -	- -
-	-	-	34,563.38	1,326,241.13	-	-
-	-	-	-	-	1,487.13	-
-	-	-	-	-	18,000.00	-
-	-	-	-	-	418,857.87	-
<u>\$859,285.84</u> (Sch. B-2)	<u>\$8,772.29</u>	<u>\$204,547.08</u> (Sch. B-3)	<u>\$86,128.82</u>	<u>\$1,326,241.13</u>	<u>\$438,345.00</u>	<u>\$13,440.49</u> (Sch. B-4)

EXHIBIT B
(Continued)

COMBINED BALANCE SHEET
ALL FUNDS
June 30, 1975

Liabilities and Fund Balances	Note Ref- erence	Memorandum Total	General Fund	Special Revenue Funds
Current Liabilities:				
Due to Other Funds	(5)	\$ 98,790.34	\$ 98,790.34	\$ -
Endorsed Improvement Warrants		302,515.59	-	-
Matured Interest Coupons (Schedule B-7)		302.50	-	-
Prepaid Assessments	(6)	11,278.21	-	-
Installment Contracts Payable	(7)	35,050.00	35,050.00	-
Long-Term Liabilities:				
Bonds Payable (Schedule B-7)		<u>939,441.00</u>	<u>-</u>	<u>-</u>
Total Liabilities		<u>\$1,387,377.64</u>	<u>\$133,840.34</u>	<u>\$ -</u>
Fund Balances:				
Reserved and Invested:				
Reserved For:				
Petty Cash Funds		\$ 500.00	\$ -	\$ -
Trust and Agency Funds	(4)	9,295.19	-	-
Fines and Forfeitures		3,645.30	-	-
Property Taxes and Service Charges Receivable		131,520.63	85,862.21	57.03
Invested in Fixed Assets		1,360,804.51	-	-
Available for Appropriation	(3)	<u>438,172.77</u>	<u>59,757.36</u>	<u>115,038.45</u>
Total Fund Balances		<u>\$1,943,938.40</u>	<u>\$145,619.57</u>	<u>\$115,095.48</u>
Total Liabilities and Fund Balances		<u>\$3,331,316.04</u>	<u>\$279,459.91</u>	<u>\$115,095.48</u> (Sch. B-1)

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

EXHIBIT B
(Continued)

Special Assess- ment Funds	General Obliga- tion Bond Fund	Capital Improve- ment Funds	Ambulance Fund	General Fixed Assets	General Long- Term Debt	Suspense Accounts
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
302,515.59	-	-	-	-	-	-
302.50	-	-	-	-	-	-
11,278.21	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>501,096.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>438,345.00</u>	<u>-</u>
<u>\$815,192.30</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$438,345.00</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500.00
-	-	-	-	-	-	9,295.19
-	-	-	-	-	-	3,645.30
-	7,285.16	1,917.54	36,398.69	-	-	-
-	-	-	34,563.38	1,326,241.13	-	-
<u>44,093.54</u>	<u>1,487.13</u>	<u>202,629.54</u>	<u>15,166.75</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 44,093.54</u>	<u>\$8,772.29</u>	<u>\$204,547.08</u>	<u>\$86,128.82</u>	<u>\$1,326,241.13</u>	<u>\$ -</u>	<u>\$13,440.49</u>
<u>\$859,285.84</u>	<u>\$8,772.29</u>	<u>\$204,547.08</u>	<u>\$86,128.82</u>	<u>\$1,326,241.13</u>	<u>\$438,345.00</u>	<u>\$13,440.49</u>
(Sch. B-2)		(Sch. B-3)				(Sch. B-4)

SCHEDULE B-1

C I T Y O F L E B A N O N

Linn County, Oregon

C O M B I N E D B A L A N C E S H E E T
SPECIAL REVENUE FUNDS
June 30, 1975

<u>Assets</u>	<u>Note Reference</u>	<u>Memorandum Total</u>
Cash:		
In Depositories		\$115,027.84
With County Treasurer		10.61
Accounts Receivable:		
Property Taxes		<u>57.03</u>
Total Assets (Exhibit A)		<u>\$115,095.48</u>
<u>Fund Balances</u>		
Fund Balances:		
Reserved For:		
Property Taxes Receivable		\$ 57.03
Bicycle and Foot Paths		3,585.00
Available for Appropriation		<u>111,453.45</u>
Total Fund Balances (Exhibit A)		<u>\$115,095.48</u>

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

<u>State Tax and Road Fund</u>	<u>Park Improve- ment Fund</u>	<u>Fire Equip- ment Fund</u>	<u>Federal Revenue Sharing Fund</u>	<u>Equip- ment Fund</u>
\$(60,756.48)	\$651.19	\$(844.15)	\$120,317.28	\$55,660.00
-	-	10.61	-	-
-	-	57.03	-	-
<u>\$(60,756.48)</u>	<u>\$651.19</u>	<u>\$(776.51)</u>	<u>\$120,317.28</u>	<u>\$55,660.00</u>
\$ -	\$ -	\$ 57.03	\$ -	\$ -
3,585.00	-	-	-	-
<u>(64,341.48)</u>	<u>651.19</u>	<u>(833.54)</u>	<u>120,317.28</u>	<u>55,660.00</u>
<u>\$(60,756.48)</u>	<u>\$651.19</u>	<u>\$(776.51)</u>	<u>\$120,317.28</u>	<u>\$55,660.00</u>

C I T Y O F L E B A N O N

Linn County, Oregon

C O M B I N E D B A L A N C E S H E E T
SPECIAL ASSESSMENT FUNDS
June 30, 1975

<u>Assets</u>	<u>Note Reference</u>	<u>Memor- andum Total</u>	<u>Public Improve- ment Fund</u>	<u>Bancroft Bond Fund</u>
Cash:				
In Depositories		\$ (76,633.07)	\$ (207,668.53)	\$131,035.46
Time Certificates of Deposit		80,000.00	-	80,000.00
Accounts Receivable:				
Assessments (Schedule B-6)		329,929.34	21,059.33	308,870.01
Due from General Fund		98,068.05	98,068.05	-
Prepaid Costs:				
Deferred Assessments (Schedule B-6)		11,674.50	11,674.50	-
Unassessed Improvements		<u>416,247.02</u>	<u>416,247.02</u>	<u>-</u>
Total Assets (Exhibit A)		<u>\$859,285.84</u>	<u>\$ 339,380.37</u>	<u>\$519,905.47</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Current Liabilities:				
Endorsed Improvement Warrants		\$ 302,515.59	\$ 302,515.59	\$ -
Prepaid Assessments		11,278.21	11,278.21	-
Matured Interest Coupons		302.50	-	302.50
Long-Term Liabilities:				
Bonds Payable (Schedule B-7)		<u>501,096.00</u>	<u>-</u>	<u>501,096.00</u>
Total Liabilities		<u>\$815,192.30</u>	<u>\$ 313,793.80</u>	<u>\$501,398.50</u>
Fund Balances		<u>\$ 44,093.54</u>	<u>\$ 25,586.57</u>	<u>\$ 18,506.97</u>
Total Liabilities and Fund Balances (Exhibit A)		<u>\$859,285.84</u>	<u>\$ 339,380.37</u>	<u>\$519,905.47</u>

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

C I T Y O F L E B A N O N

Linn County, Oregon

C O M B I N E D B A L A N C E S H E E T
CAPITAL IMPROVEMENT FUNDS
June 30, 1975

<u>Assets</u>	<u>Note Reference</u>	<u>Memorandum Total</u>	<u>Capital Improve- ment Fund</u>	<u>Fire Hall Construc- tion Fund</u>
Cash:				
In Depositories		\$102,390.58	\$72,792.13	\$ 29,598.45
With County Treasurer		238.96	238.96	-
Time Certificates of Deposit		100,000.00	-	100,000.00
Accounts Receivable:				
Property Taxes		<u>1,917.54</u>	<u>1,917.54</u>	<u>-</u>
Total Assets (Exhibit A)		<u>\$204,547.08</u>	<u>\$74,948.63</u>	<u>\$129,598.45</u>
<u>Fund Balances</u>				
Fund Balances:				
Reserved for Property Taxes Receivable		\$ 1,917.54	\$ 1,917.54	\$ -
Reserved for Sewer Extention		72,835.00	72,835.00	-
Available for Appropriation		<u>129,794.54</u>	<u>196.09</u>	<u>129,598.45</u>
Total Fund Balances (Exhibit A)		<u>\$204,547.08</u>	<u>\$74,948.63</u>	<u>\$129,598.45</u>

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

C I T Y O F L E B A N O N

Linn County, Oregon

C O M B I N E D B A L A N C E S H E E T
S U S P E N S E A C C O U N T S
June 30, 1975

<u>Assets</u>	<u>Note Ref- erence</u>	<u>Memor- andum Total</u>	<u>Re- corder's Account</u>	<u>Municipal Court Account</u>	<u>CETA Program Account</u>	<u>Other Suspense Accounts</u>
Cash:						
On Hand		\$ 300.00	\$ 300.00	\$ -	\$ -	\$ -
In Depositories		12,418.20	242.10	8,244.08	1,584.81	2,347.21
Due from General Fund		<u>722.29</u>	<u>722.29</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets (Exhibit A)		<u>\$13,440.49</u>	<u>\$1,264.39</u>	<u>\$8,244.08</u>	<u>\$1,584.81</u>	<u>\$2,347.21</u>
<u>Fund Balances</u>						
Fund Balance Reserved For:						
Petty Cash Funds		\$ 500.00	\$ 500.00	\$ -	\$ -	\$ -
Trust and Agency Funds		9,295.19	764.39	4,598.78	1,584.81	2,347.21
Fines and Forfeitures		<u>3,645.30</u>	<u>-</u>	<u>3,645.30</u>	<u>-</u>	<u>-</u>
Total Fund Balances (Exhibit A)		<u>\$13,440.49</u>	<u>\$1,264.39</u>	<u>\$8,244.08</u>	<u>\$1,584.81</u>	<u>\$2,347.21</u>

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

SCHEDULE B-5

C I T Y O F L E B A N O N

Linn County, Oregon

Schedule of Property Tax Transactions
July 1, 1974, to June 30, 1975

<u>Levy</u>	<u>1974-75 Tax Levy and Taxes Receivable</u>	<u>Offsets and Adjust- ments</u>	<u>Add Interest Received</u>	<u>Deduct Discount Allowed</u>	<u>Turnovers to County Treasurer</u>
1974-75	\$584,502.25	\$ (45.87)	\$ 239.10	\$10,639.42	\$500,708.35
1973-74	44,118.01	117.27	760.48	-	35,100.98
1972-73	9,335.60	(760.21)	514.83	-	4,468.68
1971-72	5,110.20	(32.71)	588.36	-	3,433.88
1970-71	1,912.34	(19.61)	499.97	-	2,245.16
1969-70	229.62	(10.66)	55.55	-	226.52
1968-69	194.87	-	87.79	-	282.66
1967-68	<u>146.67</u>	<u>-</u>	<u>74.59</u>	<u>-</u>	<u>221.26</u>
Per County Tax Col- lector	<u>\$645,549.56</u>	<u>\$(751.79)</u>	<u>\$2,820.67</u>	<u>\$10,639.42</u>	\$546,687.49
Add:					
Tax Land Sales					251.18
Deferred Tax					<u>32.89</u>
Turnovers to County Treasurer (Exhibit A)					\$546,971.96
Cash with County Treasurer:					
July 1, 1974					3,362.14
June 30, 1975 (Exhibit B)					<u>(10,868.55)</u>
Turnovers to City Treasurer					<u>\$539,465.55</u>

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

Taxes Receivable June 30, 1975

<u>Total</u>	<u>General Fund</u>	<u>General Bond Fund</u>	<u>Fire Equip- ment Fund</u>	<u>Ambulance Fund</u>	<u>Capital Improve- ment Fund</u>
\$73,347.71	\$ 64,818.84	\$ 5,442.40	\$ -	\$ 1,624.65	\$ 1,461.82
9,894.78	8,541.06	872.47	-	247.91	233.34
4,621.54	3,674.49	608.98	-	193.18	144.89
2,231.97	1,741.14	322.71	53.09	44.24	70.79
147.54	107.13	28.59	3.94	2.63	5.25
47.99	35.66	10.01	-	.87	1.45
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$90,291.53</u>	<u>\$ 78,918.32</u> (Exh. B)	<u>\$ 7,285.16</u> (Exh. B)	<u>\$ 57.03</u> (Exh. B)	<u>\$ 2,113.48</u> (Exh. B)	<u>\$ 1,917.54</u> (Exh. B)
	\$481,446.89	\$41,930.42	\$147.97	\$12,282.42	\$11,164.26
	2,859.52 (9,413.64)	325.53 (951.57)	6.27 (10.61)	87.15 (253.77)	83.67 (238.96)
	<u>\$474,892.77</u>	<u>\$41,304.38</u>	<u>\$143.63</u>	<u>\$12,115.80</u>	<u>\$11,008.97</u>

SCHEDULE B-6

C I T Y O F L E B A N O N

Linn County, Oregon

Schedule of Assessments

A L L F U N D S

July 1, 1974, to June 30, 1975

	Note Ref- erence	Docket Number	Balance July 1, 1974	
			Within City Boundary	Outside City Boundary
Public Improvement Fund		4	\$ 265.74	\$ -
		15	210.79	-
		16	1,128.47	-
		21	598.77	-
		22	1,307.73	-
		23	3,021.89	2,341.33
		24	816.98	3,523.20
		25	214.51	-
		26	849.47	1,282.77
		27	2,281.58	-
		28	(1,500.69)	-
		29	-	-
Total			<u>\$ 9,195.24</u>	<u>\$7,147.30</u>
Bancroft Bond Fund		16	\$ 283.20	\$ -
		22	2,732.44	-
		23	3,809.50	-
		24	17,682.04	-
		25	12,126.96	-
		26	92,145.94	-
		27	46,800.89	-
		28	101,209.12	-
		29	-	-
Total			<u>\$276,790.09</u>	<u>\$ -</u>

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

New Assess- ments	Refunds Credit Balances	Transfers	Noncash Adjust- ments	Principal Collec- tions	Balance June 30, 1975	
					Within City Boundaries	Outside City Boundaries
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 265.74	\$ -
-	-	-	-	-	210.79	-
-	-	-	-	-	1,128.47	-
-	-	-	-	-	598.77	-
-	-	-	-	-	1,307.73	-
-	-	-	-	55.70	2,966.19	2,341.33
-	-	-	-	-	816.98	3,523.20
-	-	-	-	20.82	193.69	-
-	-	-	-	820.63	28.84	1,282.77
-	-	-	-	553.78	1,727.80	-
-	1,465.30	7,351.05	4,708.26	209.59	11,814.33	-
<u>194,219.95</u>	<u>-</u>	<u>(3,349.13)</u>	<u>(168,528.68)</u>	<u>17,814.94</u>	<u>-</u>	<u>4,527.20</u>
<u>\$194,219.95</u>	<u>\$1,465.30</u>	<u>\$ 4,001.92</u>	<u>\$(163,820.42)</u>	<u>\$19,475.46</u>	<u>\$ 21,059.33</u>	<u>\$11,674.50</u>
					(Sch. B-2)	(Sch. B-2)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 283.20	\$ -
-	-	-	-	833.42	1,899.02	-
-	-	-	-	1,345.36	2,464.14	-
-	-	-	-	10,112.26	7,569.78	-
-	52.87	(104.80)	-	4,371.24	7,703.79	-
-	-	(464.72)	-	19,932.90	71,748.32	-
-	-	(1,009.27)	-	4,299.60	41,492.02	-
-	-	(2,423.13)	(4,926.26)	27,134.46	66,725.27	-
-	-	-	113,096.00	4,111.53	108,984.47	-
<u>\$ -</u>	<u>\$ 52.87</u>	<u>\$(4,001.92)</u>	<u>\$(108,169.74)</u>	<u>\$72,140.77</u>	<u>\$308,870.01</u>	<u>\$ -</u>
					(Sch. B-2)	

SCHEDULE B-7

C I T Y O F L E B A N O N

Linn County, Oregon

Schedule of Bond Principal and Interest Transactions
July 1, 1974, to June 30, 1975

Bond Issue	Date of Issue	Rate of Interest		Bonds Outstanding		7-1-74 Matured	7-1-74 to Issued
		From	To	Unmatured			
General Obliga- tion Bonds:							
Sewer	5-1-65	3.25	3.25	\$ 13,000.00	\$ -	\$ -	-
Sewer	9-1-67	4.00	4.10	135,000.00	-	-	-
Capital							
Improvement	11-1-71	4.50	4.90	45,000.00	-	-	-
Fire Hall	7-1-75	6.00	6.25	-	-	-	260,345.00
Total				<u>\$193,000.00</u>	<u>\$ -</u>	<u>\$260,345.00</u>	
Bancroft Bonds:							
1965 Series A	10-1-65	3.50	3.50	\$ 8,000.00	\$ -	\$ -	-
1967 Series A	6-1-67	4.00	4.00	13,000.00	-	-	-
1970	6-1-70	6.00	8.00	80,000.00	-	-	-
1971	10-1-71	4.30	4.80	160,000.00	-	-	-
1973	4-1-73	4.60	6.00	65,000.00	-	-	-
1974	5-1-74	5.58	6.00	117,151.50	-	-	-
1975	5-1-75	6.00	6.25	-	-	-	113,096.00
Total				<u>\$443,151.50</u>	<u>\$ -</u>	<u>\$113,096.00</u>	
Revenue Bonds:							
Off-Street							
Parking	8-1-66	4.25	4.25	\$ 14,000.00	\$ -	\$ -	-
Off-Street							
Parking	2-1-67	4.50	4.50	8,000.00	-	-	-
Total				<u>\$ 22,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	
Total All Issues							
				<u>\$658,151.50</u>	<u>\$ -</u>	<u>\$373,441.00</u>	

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

SCHEDULE B-7

Transactions 6-30-75		Bonds Outstanding 6-30-75		Interest Coupon Transactions			
				Out- standing Matured 7-1-74			Out- standing Matured 6-30-75
					Matured	Redeemed	
Matured	Redeemed	Matured	Unmatured				
\$13,000.00	\$13,000.00	\$ -	\$ -	\$ -	\$ 422.50	\$ 422.50	\$ -
15,000.00	15,000.00	-	120,000.00	-	5,220.00	5,220.00	-
5,000.00	5,000.00	-	40,000.00	-	1,950.00	1,950.00	-
-	-	-	260,345.00	-	7,947.85	7,947.85	-
<u>\$33,000.00</u>	<u>\$33,000.00</u>	<u>\$ -</u>	<u>\$420,345.00</u>	<u>\$ -</u>	<u>\$15,540.35</u>	<u>\$15,540.35</u>	<u>\$ -</u>
			(Sch. B-8)				
\$ 4,000.00	\$ 4,000.00	\$ -	\$ 4,000.00	\$ -	\$ 210.00	\$ 210.00	\$ -
4,000.00	4,000.00	-	9,000.00	-	520.00	520.00	-
10,000.00	10,000.00	-	70,000.00	1,207.50	4,890.00	5,795.00	302.50
20,000.00	20,000.00	-	140,000.00	-	6,830.00	6,830.00	-
5,000.00	5,000.00	-	60,000.00	-	3,285.00	3,285.00	-
12,151.50	12,151.50	-	105,000.00	-	6,785.48	6,785.48	-
-	-	-	113,096.00	-	-	-	-
<u>\$55,151.50</u>	<u>\$55,151.50</u>	<u>\$ -</u>	<u>\$501,096.00</u>	<u>\$1,207.50</u>	<u>\$22,520.48</u>	<u>\$23,425.48</u>	<u>\$302.50</u>
			(Sch. B-9)				
\$ 2,000.00	\$ 2,000.00	\$ -	\$ 12,000.00	\$ -	\$ 552.50	\$ 552.50	\$ -
2,000.00	2,000.00	-	6,000.00	-	360.00	360.00	-
<u>\$ 4,000.00</u>	<u>\$ 4,000.00</u>	<u>\$ -</u>	<u>\$ 18,000.00</u>	<u>\$ -</u>	<u>\$ 912.50</u>	<u>\$ 912.50</u>	<u>\$ -</u>
			(Sch. B-10)				
<u>\$92,151.50</u>	<u>\$92,151.50</u>	<u>\$ -</u>	<u>\$939,441.00</u>	<u>\$1,207.50</u>	<u>\$38,973.33</u>	<u>\$39,878.33</u>	<u>\$302.50</u>
			(Exh. B)				(Exh. B)

SCHEDULE B-8

C I T Y O F L E B A N O N

Linn County, Oregon

Statement of Future Requirements for the Retirement
of General Obligation Bonds and Bond Interest Coupons
June 30, 1975

Fiscal Year	Total Requirements			1967
	Total	Principal	Interest	Principal
1975-76	\$ 52,267.85	\$ 30,345.00	\$ 21,922.85	\$ 15,000.00
1976-77	65,022.50	45,000.00	20,022.50	15,000.00
1977-78	62,682.50	45,000.00	17,682.50	15,000.00
1978-79	60,342.50	45,000.00	15,342.50	15,000.00
1979-80	58,002.50	45,000.00	13,002.50	15,000.00
1980-81	55,647.50	45,000.00	10,647.50	15,000.00
1981-82	53,273.75	45,000.00	8,273.75	15,000.00
1982-83	50,880.00	45,000.00	5,880.00	15,000.00
1983-84	28,900.00	25,000.00	3,900.00	-
1984-85	27,343.75	25,000.00	2,343.75	-
1985-86	25,781.25	25,000.00	781.25	-
Total	<u>\$540,144.10</u>	<u>\$420,345.00</u> (Sch. B-7)	<u>\$119,799.10</u>	<u>\$120,000.00</u>

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

Issue	1971 Issue		1974 Issue	
	Principal	Interest	Principal	Interest
\$ 4,612.50	\$ 5,000.00	\$1,725.00	\$ 10,345.00	\$15,585.35
3,997.50	5,000.00	1,500.00	25,000.00	14,525.00
3,382.50	5,000.00	1,275.00	25,000.00	13,025.00
2,767.50	5,000.00	1,050.00	25,000.00	11,525.00
2,152.50	5,000.00	825.00	25,000.00	10,025.00
1,537.50	5,000.00	597.50	25,000.00	8,512.50
922.50	5,000.00	363.75	25,000.00	6,987.50
307.50	5,000.00	122.50	25,000.00	5,450.00
-	-	-	25,000.00	3,900.00
-	-	-	25,000.00	2,343.75
-	-	-	25,000.00	781.25
<u>\$19,680.00</u>	<u>\$40,000.00</u>	<u>\$7,458.75</u>	<u>\$260,345.00</u>	<u>\$92,660.35</u>

SCHEDULE B-9

C I T Y O F L E B A N O N

Linn County, Oregon

Statement of Future Requirements for the Retirement of
Bancroft Improvement Bonds and Bond Interest Coupons
June 30, 1975

	<u>Total</u> <u>Requirements</u>	<u>1975-76</u>	<u>1976-77</u>	<u>1977-78</u>	<u>1978-79</u>
1965-A Issue:					
Principal	\$ 4,000.00	\$ 4,000.00	\$ -	\$ -	\$ -
Interest	70.00	70.00	-	-	-
1967-A Issue:					
Principal	9,000.00	4,000.00	5,000.00	-	-
Interest	560.00	360.00	200.00	-	-
1970 Issue:					
Principal	70,000.00	10,000.00	15,000.00	15,000.00	15,000.00
Interest	13,590.00	4,290.00	3,690.00	2,790.00	1,875.00
1971 Issue:					
Principal	140,000.00	20,000.00	20,000.00	20,000.00	20,000.00
Interest	22,650.00	5,930.00	5,030.00	4,150.00	3,270.00
1973-A Issue:					
Principal	60,000.00	5,000.00	5,000.00	5,000.00	5,000.00
Interest	15,090.00	2,985.00	2,650.00	2,435.00	2,160.00
1974-A Issue:					
Principal	105,000.00	10,000.00	10,000.00	10,000.00	10,000.00
Interest	32,437.50	6,056.25	5,456.25	4,856.25	4,256.25
1975-A Issue:					
Principal	113,096.00	8,096.00	10,000.00	10,000.00	10,000.00
Interest	<u>42,173.26</u>	<u>6,923.26</u>	<u>6,437.50</u>	<u>5,837.50</u>	<u>5,237.50</u>
Total	<u>\$627,666.76</u>	<u>\$87,710.51</u>	<u>\$88,463.75</u>	<u>\$80,068.75</u>	<u>\$76,798.75</u>
Principal (Sch. B-7)	<u>\$501,096.00</u>	<u>\$61,096.00</u>	<u>\$65,000.00</u>	<u>\$60,000.00</u>	<u>\$60,000.00</u>
Interest	<u>\$126,570.76</u>	<u>\$26,614.51</u>	<u>\$23,463.75</u>	<u>\$20,068.75</u>	<u>\$16,798.75</u>

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

<u>1979-80</u>	<u>1980-81</u>	<u>1981-82</u>	<u>1982-83</u>	<u>1983-84</u>	<u>1984-85</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
15,000.00	-	-	-	-	-
945.00	-	-	-	-	-
20,000.00	20,000.00	20,000.00	-	-	-
2,360.00	1,430.00	480.00	-	-	-
10,000.00	10,000.00	10,000.00	10,000.00	-	-
1,930.00	1,460.00	980.00	490.00	-	-
10,000.00	10,000.00	15,000.00	15,000.00	15,000.00	-
3,656.25	3,093.75	2,531.25	1,687.50	843.75	-
10,000.00	10,000.00	10,000.00	15,000.00	15,000.00	15,000.00
<u>4,637.50</u>	<u>4,037.50</u>	<u>3,437.50</u>	<u>2,812.50</u>	<u>1,875.00</u>	<u>937.50</u>
<u>\$78,528.75</u>	<u>\$60,021.25</u>	<u>\$62,428.75</u>	<u>\$44,990.00</u>	<u>\$32,718.75</u>	<u>\$15,937.50</u>
<u>\$65,000.00</u>	<u>\$50,000.00</u>	<u>\$55,000.00</u>	<u>\$40,000.00</u>	<u>\$30,000.00</u>	<u>\$15,000.00</u>
<u>\$13,528.75</u>	<u>\$10,021.25</u>	<u>\$ 7,428.75</u>	<u>\$ 4,990.00</u>	<u>\$ 2,718.75</u>	<u>\$ 937.50</u>

C I T Y O F L E B A N O N

Linn County, Oregon

Statement of Future Requirements for the Retirement
of Revenue Bonds and Bond Interest Coupons
June 30, 1975

Fiscal Year	Requirements			1966 Issue Off-Street Parking		1967 Issue Off-Street Parking	
	Total	Principal	Interest	Principal	Interest	Principal	Interest
1975-76	\$ 4,737.50	\$ 4,000.00	\$ 737.50	\$ 2,000.00	\$ 467.50	\$2,000.00	\$270.00
1976-77	4,562.50	4,000.00	562.50	2,000.00	382.50	2,000.00	180.00
1977-78	4,387.50	4,000.00	387.50	2,000.00	297.50	2,000.00	90.00
1978-79	2,212.50	2,000.00	212.50	2,000.00	212.50	-	-
1979-80	2,127.50	2,000.00	127.50	2,000.00	127.50	-	-
1980-81	<u>2,042.50</u>	<u>2,000.00</u>	<u>42.50</u>	<u>2,000.00</u>	<u>42.50</u>	<u>-</u>	<u>-</u>
Total	<u>\$20,070.00</u>	<u>\$18,000.00</u>	<u>\$2,070.00</u>	<u>\$12,000.00</u>	<u>\$1,530.00</u>	<u>\$6,000.00</u>	<u>\$540.00</u>

(Sch. B-7)

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

EXHIBIT C

C I T Y O F L E B A N O N

Linn County, Oregon

Schedule of Insurance Policies and
Fidelity Bonds in Force
June 30, 1975

<u>Company</u>	<u>Type of Coverage</u>	<u>Policy Number</u>
Providence Washington Insurance Company	Comprehensive Liability: General Liability Automobile Liability Automobile Physical Damage Malpractice Liability Uninsured Motorists Errors and Omissions	PS359944
Gulf Insurance Company	Excess Liability	CU5768733
Hartford Steam Boiler Insurance Company	Explosion and Property Damage	SE097411500
Industrial Indemnity) Company)		FS7322546
American Insurance) Company)	Fire, Extended Coverage Vandalism and Malicious	F8680539
American States Insur-) ance Company)	Mischief	
United Pacific Life Insurance Company	Mobile Equipment Policy Volunteer Workers Accident Policy Mobile Equipment Policy	SP1385273 SRA8539 SP1385273
Unites States Fidelity and Guaranty Company	Fidelity Bonds	63-0170-251-74 U 658503

Term		Amount of Coverage	
From	To		
10- 1-74	10- 1-75		
		\$ 300,000.00	Bodily Injury and Property Damage: Single Limit
		300/300,000.00	Bodily Injury and Property Damage: Single Limit
		300,000.00	Comprehensive, Fire, Theft, and Collision Deductible of \$1,000.00 or \$250.00 depending on vehicle classification
		ACV/100,000.00	Ambulance Personnel
		100/300,000.00	
		10/20,000.00	
		50/300,000.00	
10- 1-74	10- 1-75	2,000,000.00	
7- 1-73	7- 1-76	150,000.00	Sewage Disposal Plant
10-10-74	10-10-77	621,064.00)	
)	
		599,064.00)	Building and Contents at Replacement Cost
		57,000.00)	
8- 1-74	8- 1-75	10,000.00	Bodily Injury for Volunteer Firemen
11-19-74	11-19-75	1,500.00	Library Volunteer Workers
8- 1-74	8- 1-75	103,176.00	Ambulance, Communications, Public Works, and Contractor's Equipment
1- 1-75	1- 1-76	25,000.00	City Treasurer and Recorder
9-21-74	9-21-75	25,000.00	Assistant City Recorder

EXHIBIT C
(Continued)

Schedule of Insurance Policies and
Fidelity Bonds in Force
June 30, 1975

<u>Company</u>	<u>Type of Coverage</u>	<u>Policy Number</u>
United States Fidelity and Guaranty Company (Continued)	Public Employes Honesty Blanket Position Bond	58775-08-179-59
	Forgery and Check Alteration	58775-01-120-65
United Pacific Insurance Company	Notary Public Bond	B 767988 U 803243 U 803233 U 744727 U 744728 U 767981 U 803245

EXHIBIT C
(Continued)

Term				Amount of Coverage
From	To			
1- 1-74	1- 1-77	\$	7,500.00	for Mayor
			10,000.00	
1-26-74	1-26-77		3,000.00	
11-17-73	11-17-77		500.00	Zella Laswell
2-10-75	2-10-79		500.00	Loveta Allison
9-20-74	9-20-78		500.00	Jim Udell
3-30-73	3-30-77		500.00	Shery A. DeWeese
3-30-73	3-30-77		500.00	Judy Slyter
9-12-73	9-12-77		500.00	Ronald C. Miller
4- 7-75	4- 7-79		500.00	Linda Kennon

C I T Y O F L E B A N O N

Linn County, Oregon

Notes to the Financial Statements
July 1, 1974, to June 30, 1975

(1)

Summary of Significant Accounting Policies

The accounting policies of the City of Lebanon, Linn County, Oregon, are listed below.

Basis of Accounting The financial transactions are recorded on the cash basis, modified by holding the records open approximately fifteen days following each month end to record expenses in the appropriate period for all funds. This is not in accordance with generally accepted accounting principles which require accounts to be maintained on the modified accrual basis for General, Special Revenue, and Debt Service Funds, and on the full accrual basis for Enterprise, Capital Projects, Trust and Agency, and Special Assessment Funds.

The modified cash basis also understates the Cash in Depositories at the Balance Sheet date. Expenditures totaling about \$120,300.00 were charged to the 1974-75 budget accounts but were paid after June 30, 1975, and were included in the 1974-75 transactions. These transactions should have been set up as accounts payable and applied to cash as they were actually paid.

Investments Investments are stated at cost.

Accounts Receivable The accounts receivable are fully reserved except for the assessments receivable in the Improvement and Bancroft Bond Funds. A reserve for doubtful accounts has not been established in the Ambulance Fund.

Inventories Records are not maintained for inventories of materials and supplies and no values are included in the financial statements.

Fixed Assets Formal records are not maintained. Land is reported at the true cash value recorded by the County Treasurer. Buildings are reported at the insured value and automotive and other equipment is reported at cost where available or at estimated value. Generally accepted accounting principles require recording of assets at cost or estimated values when received or acquired.

Depreciation The City does not record depreciation of its fixed assets.

(2)

The unidentified differences represent apparent errors or omissions in recording revenue and expenditure transactions. The totals of the transactions recorded in the detail budgetary revenue and expenditure accounts do not agree

(2) (Continued)

with totals of transactions recorded in the City's cash accounts or with the bank accounts after all known reconciling items and unrecorded adjustments have been entered.

(3)

The fund balances available for appropriation may be restricted for specific purposes in certain funds. The known restrictions with respect to the City's fund balances are summarized below:

General Fund During 1974-75 donations were received to assist the operations of the Senior Services Department. At June 30, 1975, the unexpended balance of these donated funds totaled \$7,325.91.

State Tax and Road Fund ORS 366.514 provides that one percent of the distribution from the State Highway Fund to the City be set aside for the purpose of constructing footpaths and bikepaths. At June 30, 1975, funds totaling \$3,585.00 were available from this source for the purchase or construction of footpaths and bikepaths.

Bancroft Bond Fund The fund balance represents principal and interest payments received from property owners paying assessments in installments. ORS 223.285 provides that those receipts representing principal payments be expended for bond principal and that those receipts received from interest payments be expended for bond interest. Appropriations of moneys from this fund may be made only for the purpose of redeeming Bancroft Improvement Bonds and their related bond interest coupons.

Capital Improvement Fund Federal reimbursements totaling \$72,835.00 were available for either retirement of sewer construction bonds or further extensions of the sewer system.

(4)

Included in the trust and agency funds are receipts that were not specifically identified in the City's accounting records. The amounts are \$3,614.00 in the Municipal Court Account and \$166.15 in the City Recorder's Account.

(5)

At June 30, 1975, the General Fund was obligated to reimburse the Public Improvement Fund for certain costs incurred. These costs included the following:

City Share of Improvement Projects	\$87,875.56
Purchase of Easements and Right-of-Way	<u>10,192.49</u>
Total	<u>\$98,068.05</u>

Notes to the Financial Statements
July 1, 1974, to June 30, 1975

(5) (Continued)

The General Fund was also obligated to reimburse the Recorder's Account for expenditures made for the benefit of the General Fund.

(6)

Prepaid assessments represents payments received on proposed assessments which were not formally assessed at June 30, 1975.

(7)

Installment contracts payable represents the unpaid balance of three real property contracts. The remaining balance will be paid in two installments; one to be paid in fiscal year 1975-76 and the final installment to be paid in fiscal year 1976-77. Interest at the rate of six percent per annum is charged on the unpaid principal balance.