

AUDIT REPORT

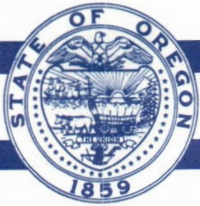
C I T Y O F L E B A N O N

Linn County, Oregon

July 1, 1975, to June 30, 1976

Prepared by

Secretary of State
Division of Audits



OFFICE OF THE SECRETARY OF STATE

RECEIVED

NORMA PAULUS
SECRETARY OF STATE

By

APR 26 1977

**CITY OF LEBANON
Administrators Office**

GEORGE RENNER, SUPERVISOR
AUDITS DIVISION
LABOR AND INDUSTRIES BUILDING
SALEM, OREGON 97310
378-3329

April 21, 1977

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, 1975, to June 30, 1976.

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,

Certified Public Accountant
and Supervisor
Division of Audits

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ORGANIZATION OF VARIOUS
AND SUBSIDIARY

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Administrators Office

CITY OF GEORGIA

APR 28 1911

BY

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OFFICE OF THE CLERK OF THE CITY

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

Linn County, Oregon

City Officials

June 30, 1976

Mayor:

Martha Scroggin Gonzales

860 Park Street
Lebanon, Oregon 97355

Common Council:

Victor Chiavetta

2796 S. Main Road
Lebanon, Oregon 97355

Ron Miller

14 Grove Street
Lebanon, Oregon 97355

Robert Scott

460 2nd Street
Lebanon, Oregon 97355

Betty Collins

659 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:*

Vacant

Treasurer:

Verla Olson**

2889 Hazel Drive
Lebanon, Oregon 97355

City Attorney:

Warren Gill

75 East Oak Street
Lebanon, Oregon 97355

*Vacancy filled by Edward Ivey, September 1976

**Resigned September 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 18 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
6. Grant Program 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
3. Sewage Treatment Plant Construction Fund

Enterprise Funds:

1. Ambulance Fund
2. Sewer Service 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, 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 1974-75 and 1975-76.

Source	1975-76 Per- centage	Fiscal 1975-76	Fiscal 1974-75	Increase/ (Decrease)
Property Tax Levies	41.9%	\$ 541,541.02	\$ 481,446.89	\$ 60,094.13
State Apportionments:				
Liquor Tax	5.3	69,209.70	58,616.96	10,592.74
Cigarette Tax	1.9	24,824.40	20,533.25	4,291.15
Federal Funds	.5	6,861.04	10,830.66	(3,969.62)
Transfers from Other Funds	8.7	113,109.56	16,550.00	96,559.56
Other Sources:				
Rural Fire District	13.0	168,708.00	122,406.49	46,301.51
Franchises	6.9	89,917.67	76,477.47	13,440.20
Fines and Forfeitures*	3.3	43,292.34	45,745.34	(2,453.00)
Building Permits	1.5	18,819.12	8,462.63	10,356.49
Parking Meters	1.2	15,227.55	13,729.52	1,498.03
Other Receipts	2.5	32,364.56	35,190.71	(2,826.15)
Cash Carryover	13.3	171,794.05	186,699.18	(14,905.13)
Total	<u>100.0</u>	<u>\$1,295,669.01</u>	<u>\$1,076,689.10</u>	<u>\$218,979.91</u>

*Fines and forfeitures totaling \$11,597.50 collected in fiscal year 1973-74 were not turned over to the General Fund until fiscal year 1974-75. 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 parks 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 transfers from the Revenue Sharing Fund and the General Fund.

6. Grant Program Fund

The Grant Program Fund is used to account for the proceeds of federal grants administered by the City. Expenditures from this fund are restricted by the provisions of federal and state laws and regulations authorizing the grants.

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. 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 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 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 Improvement 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 1975-76, the City maintained three 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 \$80,635.00 in federal reimbursements. Expenditure 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.

3. Sewage Treatment Plant Construction Fund

This fund is used to account for the proceeds of general obligation bonds issued on December 1, 1975, and the proceeds of a Water Pollution Control Grant from the U. S. Environmental Protection Agency (under the provisions of Public Law 92-500) for the construction of a waste water treatment facility.

Enterprise Funds

The enterprise funds are used to account for the financial activities of city services the cost of which are to be paid primarily from user charges.

1. 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.

2. Sewer Service Fund

Effective January 1, 1975, the City imposed a sewer service charge on the users of the City's sewer system to finance the maintenance and operation of the City's sewer lines and disposal plant. The Sewer Service Fund was established to account for these revenues and expenditures. Prior to 1975, the operation and maintenance of the City's sewage disposal system was financed by General Fund revenues.

General Fixed Assets Group of Accounts

A general fixed assets group of accounts is normally maintained to provide accountability for fixed assets other than those related to operation of enterprise activities. During fiscal year 1975-76, 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 system.

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, the Payroll 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 fiscal year 1974-75, 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.

During fiscal year 1975-76, the City implemented three automated accounting systems; a revenue and expenditure system, a payroll system, and an accounts receivable system, for sewer service charges. In addition, changes were made in the areas of accounting forms and procedures and the duties of finance office personnel.

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. One apparent result of this lack of adequate financial control was the accumulation of deficits by the City in the General Fund, State Tax and Road Fund, and General Obligation Bond Fund.

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 July 1, 1977.

B. General Journal

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 cash journals.

C. Accounts Receivable Subsidiary Ledgers

1. Assessment Liens Receivable The accounts receivable control ledgers for assessment liens receivable maintain accountability over the principal balance of the lien only. A control figure is not maintained on the amount of interest receivable for each lien docket.

It is recommended that a control total for interest receivable be established for each lien docket and that a trial balance of the individual accounts be reconciled to this balance on a periodic basis.

2. Ambulance Accounts Receivable Delinquent ambulance service charge accounts receivable considered by the City to have doubtful collection prospects are turned over to a collection agency for more intensive collection efforts. Upon turnover to the collection agency, the accounts are written off the City's control ledger. The subsidiary records for accounts at the collection agency are maintained in a separate file. No control ledger is maintained for these receivables.

It is recommended that the City establish a control ledger for accounts held by the collection agency and that trial balances be prepared on a periodic basis and reconciled to the control ledger.

3. Sewer Service Charges Receivable Problems in the implementation of the accounts receivable accounting system made it impossible for the City to prepare an accounts receivable trial balance for sewer service charges during the audit period. As a result, a complete reconciliation of the accounts receivable control balances was not possible.

Effective January 1, 1977, the City completed implementation of a revised accounts receivable program which includes an accounts receivable trial balance report.

D. Municipal Court

Apparently as a result of deficiencies in the accounting system employed by the Municipal Court, a balance of \$3,965.10 was held in the Municipal Court bank account at June 30, 1976, which could not 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 intends to take steps to correct the deficiencies in the Municipal Court's accounting system.

E. Payroll Suspense Account

A control ledger was not maintained for the assets and liabilities of the payroll suspense account. As a result, an unencumbered balance of \$12,933.59 was accumulated in this account and not detected until a reconciliation was prepared during the course of the audit.

It is recommended that the City establish a control ledger and that accountability be maintained for all moneys deposited in the payroll suspense account.

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 recordkeeping 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 system of internal control in relation to the preceding year.

Although improvements were made in the overall system of internal control, weaknesses in several areas existed at the close of the period.

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

A. Bank Reconciliations

Although timely reconciliations of bank balances to cash receipts and cash expenditures records were prepared during the audit period, the City failed to prepare reconciliations of bank balances to the budgetary accounting records. As a result, the reliability and accuracy of monthly budgetary statements submitted to the City Council were reduced by numerous undetected errors.

It is recommended that the City prepare reconciliations of bank statements to the general ledger and budgetary accounting records within a month of their receipt to insure timely detection and correction of errors.

B. Municipal Court

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

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.

In September 1976, the City closed the Municipal Court Account and transferred all municipal court accounting functions to the finance office. A procedure was established providing that the Municipal Court Clerk turn over cash receipts to the finance office on a daily basis.

C. Accounts Receivable

1. Reconciliations A review of revenues reported as collections of accounts receivable on the City's accounting records revealed the cash collections reported in the City's budgetary records were not in agreement with the cash collections recorded in the accounts receivable control records.

It is recommended that the City prepare reconciliations of accounts receivable records to budgetary records monthly.

2. Posting of Cash Receipts A review of sewer accounts receivable transactions, indicated a considerable time lag between the date a cash payment was receipted and the date this payment was posted to the accounts receivable subsidiary ledger. It was also noted that batch totals were not always checked to insure that cash receipted balanced to credits posted in the accounts receivable subsidiary ledger. As a result, certain sewer service payments received by the City were not properly credited to the customer accounts.

It is recommended that the City adopt procedures which provide for more timely posting of cash receipts to the accounts receivable subsidiary ledger and that batch totals of cash receipts be balanced to machine totals of cash payments posted prior to the completion of each posting routine.

D. Assignment of Account Numbers

In reviewing detail transactions recorded in the City's budgetary accounting system, numerous errors were noted in the assignment of account numbers to revenues and expenditures posted in the budgetary accounting records. These errors resulted in misclassified revenues and expenditures which reduced the accuracy and reliability of the monthly budgetary reports.

It is recommended that the City review the procedures employed to prepare documents for use in the accounting system to determine if these errors can be reduced.

E. Interest Coupons Payable

The City does not maintain accountability over the numerical sequence of interest coupons redeemed and unredeemed. As a result, it appears the City made duplicate payments amounting to \$1,002.50 for interest coupons redeemed during the audit period.

It is recommended that all interest coupon payments be posted to a numerical register and that no payments for coupons be authorized until it has been ascertained that no previous payments have been entered in the register for the coupon presented.

Budgets

A review of the budgetary process for compliance with legal requirements indicated the City failed to meet certain requirements in the fiscal year 1975-76 . The following paragraphs summarize those requirements with which the City failed to comply.

A. 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 \$187,041.53 in the funds listed below:

General Fund	\$ 1,878.28
General Obligation Bond Fund	26,133.25
Fire Hall Construction Fund	157,137.33
Ambulance Fund	<u>1,892.67</u>
Total	<u>\$187,041.53</u>

The detail of these overexpenditures may be found in Schedules A-5 through A-19.

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.

B. Tax Levy

As the result of apparent footing errors in the budget document, the amount of taxes levied for the City's General Fund was \$2,000 less than the amount necessary to balance General Fund budgeted resources to budgeted expenditures.

C. Appropriations

The ordinance levying taxes and making appropriations did not appropriate expenditures by major object class for the Grant Program Fund as required by ORS 294.435 (3).

Collateral Security

Collateral securing depository balances as required by ORS 295.015 was not adequate to secure the City's deposits in the Citizen's Valley Bank during the period December 1975 through March 1976 or the City's deposits in the First National Bank of Oregon during June 1976. 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 Supplemental Schedule I. 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 1975-76, the City participated in seven 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.

5. HUD 701 Planning Grant operated under the authority of Section 701 of the Housing Act of 1954 (as amended by the Housing and Community Development Act of 1974).

6. Water Pollution Control Grant administered by the U. S. Environmental Protection Agency under the authority of Public Law 92-500, the Federal Water Pollution Control Act.

7. The Weldwood Park Project financed in part by a grant from the Bureau of Outdoor Recreation, Department of the Interior.

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, 1976, understated the cash balance at June 30, 1975, by \$156 and expenditures for fiscal year 1975-76 by \$3,390.

2. Revenue Sharing Report RS-9 filed with the Census Bureau for the fiscal year 1974-75 included several misclassifications of revenue.

3. The costs reported for the Crime Prevention Program to District No. 4, Council of Governments exceed the costs recorded for the Crime Prevention Program in the City's accounting records. Although the reimbursements from the program exceed the City's expenditures, the City does not appear to have violated the terms of the agreement with District No. 4, Council of Governments.

4. The financial reports of the Dial-a-Bus program could not be completely reconciled to the accounting records. Apparently, some costs claimed by the City were not charged to the Dial-a-Bus program in the City's accounting records.

Enterprise Funds

The financial activities of the Ambulance Fund and the Sewer Service Fund are maintained and presented on the cash basis of accounting, in the same manner as all other funds of the City. By their nature these funds are classified as Enterprise Funds. They provide a service and a substantial amount of their revenue is derived from user charges.

An Income Statement (profit and loss) and a statement of changes in financial position should be prepared for these funds. These statements should be prepared on the accrual basis of accounting and include all revenues earned and costs incurred in their respective operations. Such costs would include:

1. All expenses charged directly to the 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 employees and officials of the City during the course of the audit were very commendable and are sincerely appreciated.

SUPPLEMENTAL SCHEDULE I

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, 1976

<u>Company</u>	<u>Type of Coverage</u>	<u>Policy Number</u>
American States Insurance Company	Comprehensive Liability: General Liability Automobile Liability Automobile Physical Damage Uninsured Motorists	AP 15713
Western World Insurance Company	Malpractice Liability	GLA 20744
Covenant Mutual Insurance Company	Errors and Omissions	GLA 1983763
Stonewall Insurance Company	Umbrella Liability	31000712
American Re-Insurance Company	Comprehensive Liability	1042064
Industrial Indemnity) Company)		FS 7322546
American Insurance) Company)	Fire, Extended Coverage	F8680539
American States) Insurance Company)	Vandalism and Malicious Mischief	EF086038
United Pacific Life Insurance Company	Mobile Equipment Policy Volunteer Workers Accident Policy Mobile Equipment Policy	SRF 4320 SRA 8539 SP 1385273
United States Fidelity and Guaranty Company	Public Employes Honesty Blanket Position Bond Forgery and Check Alteration	58775-08-179-59 58775-01-120-65

SUPPLEMENTAL SCHEDULE I

Term		Amount of Coverage	
From	To		
10- 1-75	10- 1-76	\$300/100/100,000	Bodily Injury and Property Damage
		300/300/100,000	Bodily Injury and Property Damage
		ACV/100,000	Excluding Policy Deductible
		15/30,000	
10- 1-75	10- 1-76	100/300,000	Ambulance Personnel
10- 1-75	10- 1-76	50/150,000	
11- 3-75	11- 3-76	2,000,000	
11-13-75	10- 1-76	250,000	Bodily Injury and Property Damage
		150,000	Errors and Omissions
10-10-74	10-10-77	621,064)	
)	
10-10-74	10-10-77	599,064)	Building and Contents at Replacement
)	Cost
5-25-75	5-25-77	57,000)	
)	
8- 1-74	8- 1-76	10,000	Bodily Injury for Volunteer Fireman
11-19-74	11-19-76	1,500	Library Volunteer Workers
8- 1-74	8- 1-76	107,374	Ambulance, Communications, Public Works, and Contractor's Equipment
1- 1-74	1- 1-77	2,500	
		10,000	For Mayor
1-26-74	1-26-77	3,000	

SUPPLEMENTAL SCHEDULE I

(Continued)

Schedule of Insurance Policies and
Fidelity Bonds in Force
June 30, 1976

<u>Company</u>	<u>Type of Coverage</u>	<u>Policy Number</u>
United States Insurance Company	Notary Public Bond	B 767988 U 803243 U 803233 U 744727 U 744728 U 767981 U 803245 U 905189 U 905188

SUPPLEMENTAL SCHEDULE I
(Continued)

<u>Term</u>			<u>Amount of Coverage</u>	
<u>From</u>	<u>To</u>			
11-17-73	11-17-77	\$	500	Zella Laswell
2-10-75	2-10-79		500	Loveta Allison
9-20-74	9-20-78		500	Jim Udell
3-30-73	3-30-77		500	Sherry A. SeWeese
3-30-73	3-30-77		500	Judy Slyter
9-12-73	9-12-77		500	Ronald C. Miller
4- 7-75	4- 7-79		500	Linda Keenon
12-17-75	12-17-79		500	Nancy A. Simpson
1- 3-76	1- 3-80		500	John Borigo

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, 1976, 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 such other auditing procedures as were considered necessary under the circumstances.

The City maintains its accounting records on the 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, 1976, 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, 1975, to June 30, 1976, and the fund balances reported as of June 30, 1976, 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 and Sewer Service Fund.

The City's Ambulance and Sewer Service Funds are Enterprise Funds. Generally accepted accounting principles provide that the accrual basis of accounting 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 and Sewer Service Funds provide materially different results than would be obtained using the accrual basis of accounting. The amounts of these differences are not known precisely.

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, Sewer Service Funds, and Suspense Accounts at June 30, 1976, arising from cash transactions and the receipts and disbursements for the year then ended on a basis consistent with that of the preceding year.

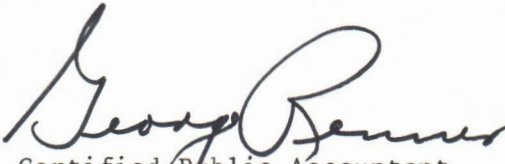

Certified Public Accountant
and Supervisor
Division of Audits

EXHIBIT A

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

Linn County, Oregon

Statement of Changes in Fund Balance
A L L F U N D S
July 1, 1975, to June 30, 1976

	Note Ref- erence	Memor- andum Total
Available Fund Balance July 1, 1975	(2)	\$ 438,172.77
Increases:		
Cash Receipts:		
Local Sources:		
Property Taxes (Schedule B-6)	(6)	\$ 640,615.65
Assessments		280,137.64
Service Charges		168,787.83
Bond and Warrant Issues		1,471,588.02
Rural Fire District		212,914.00
Other		252,478.17
State Sources		206,800.99
Federal Sources		261,899.56
Transfers from Other Funds		361,510.59
Total Increases		<u>\$3,856,732.45</u>
Total Funds Available		<u>\$4,294,905.22</u>
Decreases:		
Cash Expenditures:		
Personal Services		\$1,018,268.26
Services and Supplies		307,797.69
Capital Outlay		680,887.02
Debt Service		166,225.23
Redemption of Warrants		387,495.66
Transfers to Other Funds		308,811.92
Subtotal		<u>\$2,869,485.78</u>
Changes in Accrual Items:		
Decrease in Accounts Receivable		\$ 77,484.96
Increase in Current Liabilities		(179,319.96)
Increase in Bonds Payable		249,454.22
Subtotal		<u>\$ 147,619.22</u>
Total Decreases		<u>\$3,017,105.00</u>
Available Fund Balance June 30, 1976 (Exhibit B)	(3)	<u>\$1,277,800.22</u>

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

EXHIBIT A

<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Special Assessment Funds</u>	<u>General Obli- gation Bond Fund</u>	<u>Capital Projects Funds</u>	<u>Enter- prise Funds</u>
\$ 37,953.71	\$115,038.45	\$ 44,093.54	\$ 1,487.13	\$ 202,629.54	\$ 36,970.40
\$ 541,541.02	\$ 61.01	\$ -	\$ 64,787.05	\$ 12,145.12	\$ 22,081.45
-	-	280,137.64	-	-	-
-	-	-	-	-	168,787.83
-	-	493,406.92	-	978,181.10	-
168,708.00	-	-	-	20,000.00	24,206.00
199,621.24	9,897.64	6,607.93	-	36,115.34	236.02
94,034.10	112,766.89	-	-	-	-
6,861.04	247,238.52	-	-	7,800.00	-
113,109.56	176,436.00	70,715.03	-	-	1,250.00
<u>\$1,123,874.96</u>	<u>\$546,400.06</u>	<u>\$850,867.52</u>	<u>\$ 64,787.05</u>	<u>\$1,054,241.56</u>	<u>\$216,561.30</u>
<u>\$1,161,828.67</u>	<u>\$661,438.51</u>	<u>\$894,961.06</u>	<u>\$ 66,274.18</u>	<u>\$1,256,871.10</u>	<u>\$253,531.70</u>
\$ 822,820.16	\$ 97,883.53	\$ -	\$ -	\$ -	\$ 97,564.57
228,584.42	44,864.00	-	-	-	34,349.27
38,057.94	185,918.93	217,206.14	-	234,891.84	4,812.17
4,737.50	-	81,947.38	79,540.35	-	-
-	-	387,495.66	-	-	-
86,055.00	158,947.36	16,903.56	-	-	46,906.00
<u>\$1,180,255.02</u>	<u>\$487,613.82</u>	<u>\$703,552.74</u>	<u>\$ 79,540.35</u>	<u>\$ 234,891.84</u>	<u>\$183,632.01</u>
\$ -	\$ -	\$ 77,484.96	\$ -	\$ -	\$ -
1,859.04	-	(183,834.00)	2,655.00	-	-
-	-	249,454.22	-	-	-
<u>\$ 1,859.04</u>	<u>\$ -</u>	<u>\$143,105.18</u>	<u>\$ 2,655.00</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$1,182,114.06</u>	<u>\$487,613.82</u>	<u>\$846,657.92</u>	<u>\$ 82,195.35</u>	<u>\$ 234,891.84</u>	<u>\$183,632.01</u>
<u>\$ (20,285.39)</u>	<u>\$173,824.69</u>	<u>\$ 48,303.14</u>	<u>\$(15,921.17)</u>	<u>\$1,021,979.26</u>	<u>\$ 69,899.69</u>
	(Sch. A-1)	(Sch. A-2)		(Sch. A-3)	(Sch. A-4)

SCHEDULE A-1

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

Linn County, Oregon

Statement of Changes in Fund Balance
SPECIAL REVENUE FUNDS
July 1, 1975, to June 30, 1976

	<u>Note Ref- erence</u>	<u>Memor- andum Total</u>
Available Fund Balance July 1, 1975		<u>\$115,038.45</u>
Increases:		
Cash Receipts:		
Local Sources:		
Property Taxes	(6)	\$ 61.01
Other		9,897.64
State Sources		112,766.89
Federal Sources		247,238.52
Transfers from Other Funds		<u>176,436.00</u>
Total Increases		<u>\$546,400.06</u>
Total Funds Available		<u>\$661,438.51</u>
Decreases:		
Cash Expenditures:		
Personal Services		\$ 97,883.53
Services and Supplies		44,864.00
Capital Outlay		185,918.93
Transfers to Other Fund		<u>158,947.36</u>
Total Decreases		<u>\$487,613.82</u>
Available Fund Balance June 30, 1976	(3)	<u>\$173,824.69</u> (Exhibit A)

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

SCHEDULE A-1

<u>Federal Revenue Sharing Fund</u>	<u>Grant Program Fund</u>	<u>State Tax and Road Fund</u>	<u>Equip- ment Fund</u>	<u>Fire Equip- ment Fund</u>	<u>Park Improve- ment Fund</u>
<u>\$120,317.28</u>	<u>\$ -</u>	<u>\$(60,756.48)</u>	<u>\$ 55,660.00</u>	<u>\$ (833.54)</u>	<u>\$ 651.19</u>
\$ -	\$ -	\$ -	\$ -	\$ 61.01	\$ -
2,546.54	-	1,000.00	-	5,551.80	799.30
-	804.52	111,962.37	-	-	-
210,927.00	36,311.52	-	-	-	-
<u>-</u>	<u>48,961.00</u>	<u>30,929.00</u>	<u>67,281.00</u>	<u>29,265.00</u>	<u>-</u>
<u>\$213,473.54</u>	<u>\$86,077.04</u>	<u>\$143,891.37</u>	<u>\$ 67,281.00</u>	<u>\$34,877.81</u>	<u>\$ 799.30</u>
<u>\$333,790.82</u>	<u>\$86,077.04</u>	<u>\$ 83,134.89</u>	<u>\$122,941.00</u>	<u>\$34,044.27</u>	<u>\$1,450.49</u>
\$ 3,551.13	\$16,654.52	\$ 77,677.88	\$ -	\$ -	\$ -
-	2,466.88	42,397.12	-	-	-
126,176.21	35,654.94	4,924.03	19,163.75	-	-
<u>146,947.36</u>	<u>12,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$276,674.70</u>	<u>\$66,776.34</u>	<u>\$124,999.03</u>	<u>\$ 19,163.75</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 57,116.12</u>	<u>\$19,300.70</u>	<u>\$(41,864.14)</u>	<u>\$103,777.25</u>	<u>\$34,044.27</u>	<u>\$1,450.49</u>

CITY OF LEBANON

Linn County, Oregon

Statement of Changes in Fund Balance
 SPECIAL ASSESSMENT FUNDS
 July 1, 1975, to June 30, 1976

	Note Ref- erence	Memor- andum Total	Public Improvement Fund	Bancroft Bond Fund
Available Fund Balance July 1, 1975		\$ 44,093.54	\$ 25,586.57	\$ 18,506.97
Increases:				
Cash Receipts:				
Local Sources:				
Assessment Payments		\$280,137.64	\$105,213.73	\$174,923.91
Bond Issues		312,111.84	312,111.84	-
Other		6,607.93	-	6,607.93
Transfers from Other Funds		<u>70,715.03</u>	<u>70,715.03</u>	<u>-</u>
Subtotal		\$669,572.44	\$488,040.60	\$181,531.84
Other Increases:				
Warrants Issued		<u>181,295.08</u>	<u>181,295.08</u>	<u>-</u>
Total Increases		<u>\$850,867.52</u>	<u>\$669,335.68</u>	<u>\$181,531.84</u>
Total Funds Available		<u>\$894,961.06</u>	<u>\$694,922.25</u>	<u>\$200,038.81</u>
Decreases:				
Expenditures:				
Capital Outlay		\$217,206.14	\$217,206.14	\$ -
Debt Service		81,947.38	-	81,947.38
Redemption of Warrants		387,495.66	387,495.66	-
Transfers to Other Funds		<u>16,903.56</u>	<u>16,903.56</u>	<u>-</u>
Subtotal		\$703,552.74	\$621,605.36	\$ 81,947.38
Decrease in Accounts Receivable		77,484.96	235,486.76	(158,001.80)
Increase in Current Liabilities (Decrease)		(183,834.00)	(189,282.14)	5,448.14
Increase in Bonds Payable		<u>249,454.22</u>	<u>-</u>	<u>249,454.22</u>
Net Decrease		<u>\$846,657.92</u>	<u>\$667,809.98</u>	<u>\$178,847.94</u>
Available Fund Balance July 1, 1976	(3)	<u>\$ 48,303.14</u> (Exhibit A)	<u>\$ 27,112.27</u>	<u>\$ 21,190.87</u>

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

CITY OF LEBANON

Linn County, Oregon

Statement of Changes in Fund Balance
 CAPITAL PROJECTS FUNDS
 July 1, 1975, to June 30, 1976

	Note Ref- erence	Mem- orandum Total	Capital Improvement Fund	Fire Hall Construc- tion Fund	Sewage Treat- ment Plant Construction Fund
Available Fund Balance July 1, 1975		\$ 202,629.54	\$73,031.09	\$129,598.45	\$ -
Increases:					
Cash Receipts:					
Local Sources:					
Property Tax					
Revenues	(6)	\$ 12,145.12	\$12,145.12	\$ -	\$ -
Bonds Issued		978,181.10	-	-	978,181.10
Rural Fire					
District		20,000.00	-	20,000.00	-
Other		36,115.34	-	8,725.80	27,389.54
Federal Sources		7,800.00	7,800.00	-	-
Total Increases		\$1,054,241.56	\$19,945.12	\$ 28,725.80	\$1,005,570.64
Total Funds Available		\$1,256,871.10	\$92,976.21	\$158,324.25	\$1,005,570.64
Decreases:					
Cash Expenditures:					
Capital Outlay		\$ 234,891.84	\$ -	\$157,137.33	\$ 77,754.51
Available Fund Balance June 30, 1976	(3)	\$1,021,979.26 (Exhibit A)	\$92,976.21	\$ 1,186.92	\$ 927,816.13

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

CITY OF LEBANON

Linn County, Oregon

Statement of Changes in Fund Balance
 ENTERPRISE FUNDS
 July 1, 1975, to June 30, 1976

	<u>Note Ref- erence</u>	<u>Memor- andum Total</u>	<u>Ambulance Fund</u>	<u>Sewer Service Fund</u>
Available Fund Balance July 1, 1975	(2)	\$ 36,970.40	\$ 15,166.75	\$ 21,803.65
Increases:				
Cash Receipts:				
Local Sources:				
Property Tax Revenues	(6)	\$ 22,081.45	\$ 22,081.45	\$ -
Service Charges		168,787.83	44,041.97	124,745.86
Rural Fire District		24,206.00	24,206.00	-
Other		236.02	236.02	-
Transfers to Other Funds		1,250.00	1,250.00	-
Total Increases		\$216,561.30	\$ 91,815.44	\$124,745.86
Total Funds Available		\$253,531.70	\$ 106,982.19	\$146,549.51
Decreases:				
Cash Expenditures:				
Personal Services		\$ 97,564.57	\$ 64,037.03	\$ 33,527.54
Services and Supplies		34,349.27	11,534.33	22,814.94
Capital Outlay		4,812.17	4,742.67	69.50
Transfers to Other Funds		46,906.00	12,328.00	34,578.00
Total Decreases		\$183,632.01	\$ 92,642.03	\$ 90,989.98
Available Fund Balance June 30, 1976		<u>\$ 69,899.69</u> (Exhibit A)	<u>\$ 14,340.16</u>	<u>\$ 55,559.53</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
July 1, 1975, to June 30, 1976

Fund	Note Ref- erence	Budget Estimate	Actual	Budget Variance Favorable/ (Unfavorable)
General Fund:				
Resources:				
Property Tax Levies:				
Prior Year's Levies	(6)	\$ 30,000.00	\$ 65,033.91	\$ 35,033.91
Current Years' Levies		499,154.00	476,507.11	(22,646.89)
State Apportionments:				
Liquor Tax		56,457.00	69,209.70	12,752.70
Cigarette Tax		21,395.00	24,824.40	3,429.40
Other Sources:				
Library		1,900.00	1,875.55	(24.45)
Fines and Bail Forfeitures		40,000.00	43,292.34	3,292.34
Franchises		80,000.00	89,917.67	9,917.67
Amusement Machine Tax		7,525.00	8,855.00	1,330.00
Building Permits		20,000.00	18,819.12	(1,180.88)
Business Licenses		2,800.00	2,951.25	151.25
Vehicle Fuel Tax Refund		2,000.00	1,982.12	(17.88)
Property Rentals		1,200.00	938.20	(261.80)
Miscellaneous Sales and Receipts		3,000.00	14,612.05	11,612.05
Parking Meters		18,000.00	15,227.55	(2,772.45)
Rural Fire District		167,794.00	168,708.00	914.00
Dial-A-Bus Program:				
Local Revenues		-	1,150.39	1,150.39
Federal Grants		-	6,861.04	6,861.04
Budgeted Transfers:				
From Sewer Use Fund		34,578.00	34,578.00	-
From Ambulance Fund		4,828.00	4,828.00	-
From Public Improvement Fund		25,050.00	16,903.56	(8,146.44)
From Grant Fund		12,000.00	12,000.00	-
From Revenue Sharing		44,800.00	44,800.00	-
Total Receipts		\$1,072,481.00	\$1,123,874.96	\$ 51,393.96
Beginning Cash Balance	(2)	172,406.00	171,794.05	(611.95)
Total Resources		\$1,244,887.00	\$1,295,669.01	\$ 50,782.01

EXHIBIT B
(Continued)

Statement of Estimated and Actual
Resources and Expenditures
July 1, 1975, to June 30, 1976

<u>Fund</u>	<u>Note Ref- erence</u>	<u>Budget Estimate</u>	<u>Actual</u>	<u>Budget Variance Favorable/ (Unfavorable)</u>
General Fund (Continued):				
Expenditures:				
Legislative Department:				
Personal Services		\$ 17,116.00	\$ 16,882.48	\$ 233.52
Services and Supplies		2,341.00	2,495.74	(154.74)
Capital Outlay		1,000.00	819.85	180.15
Subtotal		\$ 20,457.00	\$ 20,198.07	\$ 258.93
Administrative Department:				
Personal Services		\$ 51,898.00	\$ 49,953.30	\$ 1,944.70
Services and Supplies		5,931.00	5,956.16	(25.16)
Capital Outlay		773.00	769.89	3.11
Subtotal		\$ 58,602.00	\$ 56,679.35	\$ 1,922.65
Finance Department:				
Personal Services		\$ 14,254.00	\$ 14,201.85	\$ 52.15
Services and Supplies		12,516.00	12,411.58	104.42
Capital Outlay		12,426.00	12,247.78	178.22
Subtotal		\$ 39,196.00	\$ 38,861.21	\$ 334.79
Public Property:				
Personal Services		\$ 5,400.00	\$ 5,400.00	\$ -
Services and Supplies		8,900.00	8,767.68	132.32
Capital Outlay		300.00	107.50	192.50
Subtotal		\$ 14,600.00	\$ 14,275.18	\$ 324.82
Library:				
Personal Services		\$ 36,502.00	\$ 35,022.49	\$ 1,479.51
Services and Supplies		4,370.00	4,787.62	(417.62)
Capital Outlay		9,425.00	9,310.91	114.09
Subtotal		\$ 50,297.00	\$ 49,121.02	\$ 1,175.98
Municipal Court:				
Personal Services		\$ 21,615.00	\$ 21,565.93	\$ 49.07
Services and Supplies		2,275.00	2,028.52	246.48
Subtotal		\$ 23,890.00	\$ 23,594.45	\$ 295.55
Senior Services Department:				
Personal Services		\$ 7,263.00	\$ 7,074.75	\$ 188.25

EXHIBIT B
(Continued)

Statement of Estimated and Actual
Resources and Expenditures
July 1, 1975, to June 30, 1976

Fund	Note Ref- erence	Budget Estimate	Actual	Budget Variance Favorable/ (Unfavorable)
General Fund (Continued):				
Expenditures (Continued):				
Senior Services Department				
(Continued):				
Services and Supplies		\$ 5,192.00	\$ 5,013.59	\$ 178.41
Capital Outlay		1,459.00	1,458.06	.94
Subtotal		<u>\$ 13,914.00</u>	<u>\$ 13,546.40</u>	<u>\$ 367.60</u>
Building - Planning				
Department:				
Personal Services		\$ 26,252.00	\$ 26,098.85	\$ 153.15
Services and Supplies		2,331.00	2,291.34	39.66
Capital Outlay		282.00	50.00	232.00
Subtotal		<u>\$ 28,865.00</u>	<u>\$ 28,440.19</u>	<u>\$ 424.81</u>
Police Department:				
Personal Services		\$ 285,312.00	\$ 280,895.95	\$ 4,416.05
Services and Supplies		37,778.00	34,342.00	3,436.00
Capital Outlay		8,160.00	8,031.74	128.26
Subtotal		<u>\$ 331,250.00</u>	<u>\$ 323,269.69</u>	<u>\$ 7,980.31</u>
Communications Department:				
Personal Services		\$ 44,118.00	\$ 42,852.33	\$ 1,265.67
Fire Department:				
Personal Services		\$ 193,774.00	\$ 193,440.62	\$ 333.38
Services and Supplies		32,920.00	32,534.05	385.95
Volunteer Services		15,624.00	16,710.92	(1,086.92)
Capital Outlay		5,826.00	3,531.35	2,294.65
Subtotal		<u>\$ 248,144.00</u>	<u>\$ 246,216.94</u>	<u>\$ 1,927.06</u>
Public Works Department -				
Administrative Division:				
Personal Services		\$ 77,185.00	\$ 76,680.12	\$ 504.88
Services and Supplies		16,270.00	7,353.18	8,916.82
Capital Outlay		1,445.00	1,405.30	39.70
Subtotal		<u>\$ 94,900.00</u>	<u>\$ 85,438.60</u>	<u>\$ 9,461.40</u>

EXHIBIT B
(Continued)

Statement of Estimated and Actual
Resources and Expenditures
July 1, 1975, to June 30, 1976

Fund	Note Ref- erence	Budget Estimate	Actual	Budget Variance Favorable/ (Unfavorable)
General Fund (Continued):				
Expenditures (Continued):				
Public Works Department -				
Parks Division:				
Personal Services		\$ 32,044.00	\$ 31,174.87	\$ 869.13
Services and Supplies		13,000.00	11,742.57	1,257.43
Subtotal		\$ 45,044.00	\$ 42,917.44	\$ 2,126.56
Special Expenditures:				
Special Payments		\$ 9,171.00	\$ 9,079.60	\$ 91.40
Special Operating Expense		93,384.00	93,577.84	(193.84)
Subtotal		\$ 102,555.00	\$ 102,657.44	\$ (102.44)
Dial-a-Bus Program		\$ -	\$ 6,131.71	\$ (6,131.71)
Budgeted Transfers:				
To Grant Program Fund		\$ 48,961.00	\$ 48,961.00	\$ -
To Equipment Fund		1,334.00	1,334.00	-
To Ambulance Fund		1,250.00	1,250.00	-
To Fire Equipment Fund		21,765.00	21,765.00	-
To State Tax and Road Fund		12,745.00	12,745.00	-
Subtotal		\$ 86,055.00	\$ 86,055.00	\$ -
Total Expenditures		\$1,201,887.00	\$1,180,255.02	\$ 21,631.98
Ending Cash Balance		\$ 43,000.00	\$ 115,413.99	\$ 72,413.99
Federal Revenue Sharing Fund:				
Resources:				
1975-76 Federal Allotment		\$ 185,248.00	\$ 210,927.00	\$ 25,679.00
Interest on Time Certifi- cates of Deposit		6,000.00	2,546.54	(3,453.46)
Total Receipts		\$ 191,248.00	\$ 213,473.54	\$ 22,225.54
Beginning Cash Balance		112,604.00	120,317.28	7,713.28
Total Resources		\$ 303,852.00	\$ 333,790.82	\$ 29,938.82

EXHIBIT B
(Continued)

Statement of Estimated and Actual
Resources and Expenditures
July 1, 1975, to June 30, 1976

Fund	Note Ref- erence	Budget Estimate	Actual	Budget Variance Favorable/ (Unfavorable)
Federal Revenue Sharing Fund (Continued):				
Expenditures:				
Library Capital Outlay		\$ 2,000.00	\$ 1,971.01	\$ 28.99
Cox Creek Drainage Parkway	(7)	28,306.31	18,869.12	9,437.19
Street Resurfacing and Seal		49,000.00	39,638.61	9,361.39
Right-of-Way Acquisition		5,000.00	793.60	4,206.40
City Complex Property Acquisition		21,722.83	21,722.83	-
12th Street Construction per Land Purchase Agreement	(7)	25,000.00	25,000.00	-
Council Chamber Repairs		2,540.64	2,540.64	-
Modification of Curb Ramps - Architectural Barriers Program		2,000.00	2,000.00	-
Police Department:				
Radar Unit		2,500.00	2,221.75	278.25
Body Armor		1,600.00	1,418.65	181.35
Remodeling of City Hall		10,000.00	10,000.00	-
Police Reserve Program		5,456.00	3,551.13	1,904.87
Budgeted Transfers:				
To Public Improvement Fund	(7)	19,693.69	18,016.36	1,677.33
To State Tax and Road Fund		18,184.00	18,184.00	-
To General Fund		44,800.00	44,800.00	-
To Equipment Fund		65,947.00	65,947.00	-
Operating Contingencies		101.53	-	101.53
Total Expenditures		\$ 303,852.00	\$ 276,674.70	\$ 27,177.30
Ending Cash Balance		\$ -	\$ 57,116.12	\$ 57,116.12
Grant Program Fund:				
Narcotics Program Grant:				
Resources:				
Federal Grant		\$ 6,247.00	\$ -	\$ (6,247.00)
State Grant		281.00	-	(281.00)
Transfer from General Fund		413.00	413.00	-
Total Resources		\$ 6,941.00	\$ 413.00	\$ (6,528.00)

EXHIBIT B
(Continued)

Statement of Estimated and Actual
Resources and Expenditures
July 1, 1975, to June 30, 1976

Fund	Note Ref- erence	Budget Estimate	Actual	Budget Variance Favorable/ (Unfavorable)
Grant Program Fund (Continued):				
Narcotics Program Grant				
(Continued):				
Expenditures		\$ 6,941.00	\$ -	\$ 6,941.00
Ending Cash Balance		<u>\$ -</u>	<u>\$ 413.00</u>	<u>\$ 413.00</u>
Crime Prevention Program				
Grant:				
Resources:				
Federal Grant		\$ 20,226.00	\$ 20,161.52	\$ (64.48)
State Grant		909.00	804.52	(104.48)
Transfer from General Fund		<u>3,048.00</u>	<u>3,048.00</u>	<u>-</u>
Total Resources		<u>\$ 24,183.00</u>	<u>\$ 24,014.04</u>	<u>\$ (168.96)</u>
Expenditures		<u>\$ 24,183.00</u>	<u>\$ 22,424.55</u>	<u>\$ 1,758.45</u>
Ending Cash Balance		<u>\$ -</u>	<u>\$ 1,589.49</u>	<u>\$ 1,589.49</u>
Weldwood Park Grant:				
Resources:				
Federal Funds		\$ 12,500.00	\$ 16,150.00	\$ 3,650.00
Transfer from General Fund		<u>45,500.00</u>	<u>45,500.00</u>	<u>-</u>
Total Resources		<u>\$ 58,000.00</u>	<u>\$ 61,650.00</u>	<u>\$ 3,650.00</u>
Expenditures:				
Weldwood Park		\$ 46,000.00	\$ 30,488.46	\$ 15,511.54
Transfer to General Fund		<u>12,000.00</u>	<u>12,000.00</u>	<u>-</u>
Total Expenditures		<u>\$ 58,000.00</u>	<u>\$ 42,488.46</u>	<u>\$ 15,511.54</u>
Ending Cash Balance		<u>\$ -</u>	<u>\$ 19,161.54</u>	<u>\$ 19,161.54</u>
701 Planning Grant:				
Resources				
		\$ -	\$ -	\$ -
Expenditures:				
701 Planning Grant		\$ -	\$ 1,863.33	\$ (1,863.33)
Ending Cash Balance		<u>\$ -</u>	<u>\$ (1,863.33)</u>	<u>\$ (1,863.33)</u>

EXHIBIT B
(Continued)

Statement of Estimated and Actual
Resources and Expenditures
July 1, 1975, to June 30, 1976

Fund	Note Ref- erence	Budget Estimate	Actual	Budget Variance Favorable/ (Unfavorable)
State Tax and Road Fund:				
Resources:				
State Vehicle Fuel Tax				
Allocation		\$ 104,200.00	\$ 111,962.37	\$ 7,762.37
Transfer from General Fund		12,745.00	12,745.00	-
Transfer from Federal				
Revenue Sharing Fund		18,184.00	18,184.00	-
Miscellaneous Receipts		-	1,000.00	1,000.00
Total Receipts		\$ 135,129.00	\$ 143,891.37	\$ 8,762.37
Beginning Cash Balance		3,384.00	(60,756.48)	(64,140.48)
Total Resources		\$ 138,513.00	\$ 83,134.89	\$ (55,378.11)
Expenditures:				
Personal Services		\$ 88,533.00	\$ 77,677.88	\$ 10,855.12
Services and Supplies		43,854.00	42,397.12	1,456.88
Capital Outlay		6,126.00	4,924.03	1,201.97
Total Expenditures		\$ 138,513.00	\$ 124,999.03	\$ 13,513.97
Ending Cash Balance		\$ -	\$ (41,864.14)	\$ (41,864.14)
Equipment Fund:				
Resources:				
Budgeted Transfers:				
From Federal Revenue				
Sharing Fund		\$ 65,947.00	\$ 65,947.00	\$ -
From General Fund		1,334.00	1,334.00	-
Total Receipts		\$ 67,281.00	\$ 67,281.00	\$ -
Beginning Cash Balance		55,660.00	55,660.00	-
Total Resources		\$ 122,941.00	\$ 122,941.00	\$ -
Expenditures:				
Police Department Equipment		\$ 1,334.00	\$ -	\$ 1,334.00
Public Works Department				
Equipment		121,607.00	19,163.75	102,443.25
Total Expenditures		\$ 122,941.00	\$ 19,163.75	\$ 103,777.25
Ending Cash Balance		\$ -	\$ 103,777.25	\$ 103,777.25

EXHIBIT B
(Continued)

Statement of Estimated and Actual
Resources and Expenditures
July 1, 1975, to June 30, 1976

Fund	Note Ref- erence	Budget Estimate	Actual	Budget Variance Favorable/ (Unfavorable)
Fire Equipment Fund:				
Resources:				
Property Tax Levies -				
Delinquent	(6)	\$ -	\$ 61.01	\$ 61.01
Transfer from General Fund		21,765.00	21,765.00	-
Transfer from Ambulance Fund		7,500.00	7,500.00	-
Rural Fire District		-	5,401.80	5,401.80
Equipment Sales		-	150.00	150.00
Total Receipts		\$ 29,265.00	\$ 34,877.81	\$ 5,612.81
Beginning Cash Balance		-	(833.54)	(833.54)
Total Resources		\$ 29,265.00	\$ 34,044.27	\$ 4,779.27
Expenditures:				
Fire Equipment		\$ 21,765.00	\$ -	\$ 21,765.00
Ending Cash Balance		\$ 7,500.00	\$ 34,044.27	\$ 26,544.27
Park Improvement Fund:				
Resources:				
Miscellaneous Receipts		\$ -	\$ 799.30	\$ 799.30
Total Receipts		\$ -	\$ 799.30	\$ 799.30
Beginning Cash Balance		-	651.19	651.19
Total Resources		\$ -	\$ 1,450.49	\$ 1,450.49
Expenditures				
		\$ -	\$ -	\$ -
Ending Cash Balance		\$ -	\$ 1,450.49	\$ 1,450.49
Public Improvement Fund:				
Resources:				
Nonbond Assessments		\$ 48,500.00	\$ 105,213.73	\$ 56,713.73
Bancroft Bond Sale		250,550.00	312,111.84	61,561.84
Budgeted Transfers:				
From Federal Revenue				
Sharing Fund	(7)	1,693.69	53,295.03	51,601.34
From Fire Hall Construc-				
tion Fund	(9)	-	17,420.00	17,420.00
Total Receipts		\$ 300,743.69	\$ 488,040.60	\$ 187,296.91

EXHIBIT B
(Continued)

Statement of Estimated and Actual
Resources and Expenditures
July 1, 1975, to June 30, 1976

Fund	Note Ref- erence	Budget Estimate	Actual	Budget Variance Favorable/ (Unfavorable)
Public Improvement Fund				
(Continued):				
Total Receipts (Brought Forward)		\$ 300,743.69	\$ 488,040.60	\$ 187,296.91
Beginning Cash Balance		<u>76,000.00</u>	<u>(207,668.53)</u>	<u>(283,668.53)</u>
Total Resources		\$ 376,743.69	\$ 280,372.07	\$ (96,371.62)
Expenditures:				
Capital Outlay		\$ 351,693.69	\$ 417,705.01	\$ (66,011.32)
Transfer to General Fund		<u>25,050.00</u>	<u>16,903.56</u>	<u>8,146.44</u>
Total Expenditures		\$ 376,743.69	\$ 434,608.57	\$ (57,864.88)
Ending Cash Balance		<u>\$ -</u>	<u>\$ (154,236.50)</u>	<u>\$ (154,236.50)</u>
Bancroft Bond Fund:				
Resources:				
Bonded Assessments:				
Principal		\$ 63,000.00	\$ 152,521.87	\$ 89,521.87
Interest		10,691.00	22,402.04	11,711.04
Interest on Time Certificates of Deposit		<u>4,000.00</u>	<u>6,607.93</u>	<u>2,607.93</u>
Total Receipts		\$ 77,691.00	\$ 181,531.84	\$ 103,840.84
Beginning Cash Balance		<u>162,791.00</u>	<u>211,035.46</u>	<u>48,244.46</u>
Total Resources		\$ 240,482.00	\$ 392,567.30	\$ 152,085.30
Expenditures:				
Bond Principal		\$ 63,000.00	\$ 56,096.00	\$ 6,904.00
Bond Interest		<u>27,041.00</u>	<u>25,851.38</u>	<u>1,189.62</u>
Total Expenditures		\$ 90,041.00	\$ 81,947.38	\$ 8,093.62
Ending Cash Balance		<u>\$ 150,441.00</u>	<u>\$ 310,619.92</u>	<u>\$ 160,178.92</u>

EXHIBIT B
(Continued)

Statement of Estimated and Actual
Resources and Expenditures
July 1, 1975, to June 30, 1976

Fund	Note Ref- erence	Budget Estimate	Actual	Budget Variance Favorable/ (Unfavorable)
General Obligation Bond Fund:				
Resources:				
Property Tax Levies:				
Prior Year's Levies	(6)	\$ 1,500.00	\$ 5,808.26	\$ 4,308.26
Current Year's Levies		61,407.00	58,978.79	(2,428.21)
Total Receipts		\$ 62,907.00	\$ 64,787.05	\$ 1,880.05
Beginning Cash Balance		2,500.00	1,487.13	(1,012.87)
Total Resources		\$ 65,407.00	\$ 66,274.18	\$ 867.18
Expenditures:				
Bond Principal		\$ 43,345.00	\$ 30,345.00	\$ 13,000.00
Bond Interest		22,062.00	49,195.35	(27,133.35)
Total Expenditures		\$ 65,407.00	\$ 79,540.35	\$ (14,133.35)
Ending Cash Balance		\$ -	\$ (13,266.17)	\$ 13,266.17
Capital Improvement Fund:				
Resources:				
Property Tax Levies:				
Prior Years' Levies	(6)	\$ 10,992.00	\$ 10,600.90	\$ (391.10)
Current Year's Levy		500.00	1,544.22	1,044.22
Federal Reimbursement		-	7,800.00	7,800.00
Total Receipts		\$ 11,492.00	\$ 19,945.12	\$ 8,453.12
Beginning Cash Balance		3,000.00	73,031.09	70,031.09
Total Resources		\$ 14,492.00	\$ 92,976.21	\$ 78,484.21
Expenditures:				
Bridge Construction		\$ 14,492.00	\$ -	\$ 14,492.00
Ending Cash Balance		\$ -	\$ 92,976.21	\$ 92,976.21
Fire Hall Construction Fund:				
Resources:				
Rural Fire District		\$ -	\$ 20,000.00	\$ 20,000.00
Interest on Time Certifi- cates of Deposits		-	1,081.77	1,081.77

EXHIBIT B
(Continued)

Statement of Estimated and Actual
Resources and Expenditures
July 1, 1975, to June 30, 1976

Fund	Note Ref- erence	Budget Estimate	Actual	Budget Variance Favorable/ (Unfavorable)
Fire Hall Construction Fund (Continued):				
Resources (Continued):				
County Reimbursement		\$ -	\$ 7,573.28	\$ 7,573.28
Miscellaneous Receipts		-	70.75	70.75
Total Receipts		\$ -	\$ 28,725.80	\$ 28,725.80
Beginning Cash Balance		-	129,598.45	129,598.45
Total Resources		\$ -	\$ 158,324.25	\$ 158,324.25
Expenditures:				
Land		\$ -	\$ 17,645.00	\$ (17,645.00)
Architectural Services		-	2,266.34	(2,266.34)
Building Construction		-	107,096.42	(107,096.42)
Equipment		-	28,643.31	(28,643.31)
Relocation of Old Equipment to New Site		-	1,486.26	(1,486.26)
Total Expenditures		\$ -	\$ 157,137.33	\$ (157,137.33)
Ending Cash Balance		\$ -	\$ 1,186.92	\$ 1,186.92
Sewage Treatment Plant Construc- tion Fund:				
Resources:				
General Obligation Bond Proceeds		\$ -	\$ 978,181.10	\$ 978,181.10
Interest on Time Certifi- cates of Deposit		-	27,389.54	27,389.54
Total Resources		\$ -	\$ 1,005,570.64	\$ 1,005,570.64
Expenditures:				
Personal Services		\$ -	\$ 6,921.31	\$ (6,921.31)
Engineering and Architec- tural Services		-	57,326.32	(57,326.32)
Bond Issue Costs		-	7,601.50	(7,601.50)

EXHIBIT B
(Continued)

Statement of Estimated and Actual
Resources and Expenditures
July 1, 1975, to June 30, 1976

Fund	Note Ref- erence	Budget Estimate	Actual	Budget Variance Favorable/ (Unfavorable)
Sewage Treatment Plant Construc- tion Fund (Continued):				
Expenditures (Continued):				
Equipment		\$ -	\$ 1,154.66	\$ (1,154.66)
Miscellaneous		-	4,750.72	(4,750.72)
Total Expenditures		\$ -	\$ 77,754.51	\$ (77,754.51)
Ending Cash Balance		\$ -	\$ 927,816.13	\$ 927,816.13
Ambulance Fund:				
Resources:				
Property Tax Levies:				
Prior Years' Levies		\$ 900.00	\$ 1,742.54	\$ 842.54
Current Year's Levy		21,176.00	20,338.91	(837.09)
Other Sources:				
Rural Fire District		23,120.00	24,206.00	1,086.00
Service Charges		41,282.00	44,041.97	2,759.97
Miscellaneous Receipts		-	236.02	236.02
Transfer from General Fund		1,250.00	1,250.00	-
Total Receipts		\$ 87,728.00	\$ 91,815.44	\$ 4,087.44
Beginning Cash Balance		4,393.00	15,166.75	10,773.75
Total Resources		\$ 92,121.00	\$ 106,982.19	\$ 14,861.19
Expenditures:				
Personal Services		\$ 64,501.00	\$ 64,037.03	\$ 463.97
Services and Supplies		12,441.00	11,534.33	906.67
Capital Outlay		2,850.00	4,742.67	(1,892.67)
Budgeted Transfers:				
To General Fund		4,828.00	4,828.00	-
To Fire-Ambulance Equip- ment Fund		7,500.00	7,500.00	-
Total Expenditures		\$ 92,120.00	\$ 92,642.03	\$ (522.03)
Ending Cash Balance		\$ 1.00	\$ 14,340.16	\$ 14,339.16

EXHIBIT B
(Continued)

Statement of Estimated and Actual
Resources and Expenditures
July 1, 1975, to June 30, 1976

<u>Fund</u>	<u>Note Ref- erence</u>	<u>Budget Estimate</u>	<u>Actual</u>	<u>Budget Variance Favorable/ (Unfavorable)</u>
Sewer Service Fund:				
Resources:				
Service Charges		\$ 135,768.00	\$ 124,745.86	\$ (11,022.14)
Beginning Cash Balance	(2)	<u>10,000.00</u>	<u>21,803.65</u>	<u>11,803.65</u>
Total Resources		<u>\$ 145,768.00</u>	<u>\$ 146,549.51</u>	<u>\$ 781.51</u>
Expenditures:				
Personal Services		\$ 33,922.00	\$ 33,527.54	\$ 394.46
Services and Supplies		23,350.00	22,814.94	535.06
Capital Outlay		110.00	69.50	40.50
Operating Contingencies		53,808.00	-	53,808.00
Transfer to General Fund		<u>34,578.00</u>	<u>34,578.00</u>	<u>-</u>
Total Expenditures		<u>\$ 145,768.00</u>	<u>\$ 90,989.98</u>	<u>\$ 54,778.02</u>
Ending Cash Balance		<u>\$ -</u>	<u>\$ 55,559.53</u>	<u>\$ 55,559.53</u>

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

EXHIBIT C

CITY OF LEBANON

Linn County, Oregon

COMBINED BALANCE SHEET
ALL FUNDS
June 30, 1976

Assets	Note Ref- erence	Memor- andum Total	General Fund	Special Revenue Funds
Cash:				
On Hand		\$ 325.00	\$ -	\$ -
In Depositories	(2)	457,872.29	96,064.92	166,882.13
With County Treasurer (Schedule C-6)		7,974.85	6,806.84	21.25
Time Certificates of Deposit		1,057,469.72	-	-
Accounts Receivable:				
Assessments and Liens		644,637.62	-	-
Property Taxes (Schedule C-6)		83,609.48	70,812.85	9.46
Service Charges		46,902.13	-	-
Federal Grants and Reimbursements		87,155.74	-	3,111.95
Due from Other Funds	(5)	140,895.64	12,933.59	6,921.31
Prepaid Costs		13,146.95	-	-
Fixed Assets	(10)	2,568,731.62	-	-
Amount Available in Debt Service Funds		(14,027.47)	-	-
Amount to be Provided:				
From Off-Street Parking Revenues		14,000.00	-	-
From Future Taxation		1,394,027.47	-	-
 Total Assets		 <u>\$6,502,721.04</u>	 <u>\$186,618.20</u>	 <u>\$176,946.10</u>

EXHIBIT C

Special Assess- ment Funds	General Obligation Bond Fund	Capital Improvement Funds	Enter- prise Funds	General Long-Term Debt	General Fixed Assets	Suspense Accounts
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 325.00
21,182.38	(14,027.47)	106,467.88	69,678.23	-	-	11,624.22
-	761.30	164.00	221.46	-	-	-
135,201.03	-	922,268.69	-	-	-	-
644,637.62	-	-	-	-	-	-
-	8,353.48	1,631.29	2,802.40	-	-	-
-	-	3,654.27	43,247.86	-	-	-
-	-	73,452.47	-	-	-	10,591.32
120,649.38	-	-	-	-	-	391.36
13,146.95	-	-	-	-	-	-
-	-	-	510,121.25	-	2,058,610.37	-
-	-	-	-	(14,027.47)	-	-
-	-	-	-	14,000.00	-	-
-	-	-	-	1,394,027.47	-	-
<u>\$934,817.36</u>	<u>\$ (4,912.69)</u>	<u>\$1,107,638.60</u>	<u>\$626,071.20</u>	<u>\$1,394,000.00</u>	<u>\$2,058,610.37</u>	<u>\$22,931.90</u>

EXHIBIT C
(Continued)

COMBINED BALANCE SHEET
ALL FUNDS
June 30, 1976

<u>Liabilities and Fund Balances</u>	<u>Note Ref- erence</u>	<u>Memor- andum Total</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>
Current Liabilities:				
Due to Other Funds	(5)	\$ 140,504.28	\$120,649.38	\$ -
Endorsed Improvement Warrants		124,511.66	-	-
Matured Bonds Payable (Schedule C-8)		5,000.00	-	-
Interest Payable		9,107.34	-	-
Installment Contracts Payable	(8)	15,050.00	15,050.00	-
Accrued Payroll Withholding		784.40	391.36	-
Long-Term Liabilities:				
Bonds Payable (Schedule C-8)	(11)	<u>2,144,550.22</u>	<u>-</u>	<u>-</u>
Total Liabilities		<u>\$2,439,507.90</u>	<u>\$136,090.74</u>	<u>\$ -</u>
Fund Balances:				
Reserved for:				
Petty Cash Funds		\$ 500.00	\$ -	\$ -
Trust and Agency Funds	(4)	9,105.27	-	-
Accounts Receivable		207,076.03	70,812.85	3,121.41
Investment in Fixed Assets		2,568,731.62	-	-
Available for Appropriation (Exhibit A)	(3)	<u>1,277,800.22</u>	<u>(20,285.39)</u>	<u>173,824.69</u>
Total Fund Balances		<u>\$4,063,213.14</u>	<u>\$ 50,527.46</u>	<u>\$176,946.10</u>
Total Liabilities and Fund Balances		<u>\$6,502,721.04</u>	<u>\$186,618.20</u>	<u>\$176,946.10</u> (Sch. C-1)

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

EXHIBIT C
(Continued)

<u>Special Assess- ment Funds</u>	<u>General Obligation Bond Fund</u>	<u>Capital Improvement Funds</u>	<u>Enter- prise Funds</u>	<u>General Long-Term Debt</u>	<u>General Fixed Assets</u>	<u>Suspense Accounts</u>
\$ -	\$ -	\$ 6,921.31	\$ -	\$ -	\$ -	\$12,933.59
124,511.66	-	-	-	-	-	-
5,000.00	-	-	-	-	-	-
6,452.34	2,655.00	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	393.04
<u>750,550.22</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,394,000.00</u>	<u>-</u>	<u>-</u>
<u>\$886,514.22</u>	<u>\$ 2,655.00</u>	<u>\$ 6,921.31</u>	<u>\$ -</u>	<u>\$1,394,000.00</u>	<u>\$ -</u>	<u>\$13,326.63</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500.00
-	-	-	-	-	-	9,105.27
-	8,353.48	78,738.03	46,050.26	-	-	-
-	-	-	510,121.25	-	2,058,610.37	-
<u>48,303.14</u>	<u>(15,921.17)</u>	<u>1,021,979.26</u>	<u>69,899.69</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 48,303.14</u>	<u>\$ (7,567.69)</u>	<u>\$1,100,717.29</u>	<u>\$626,071.20</u>	<u>\$ -</u>	<u>\$2,058,610.37</u>	<u>\$ 9,605.27</u>
<u>\$934,817.36</u>	<u>\$ (4,912.69)</u>	<u>\$1,107,638.60</u>	<u>\$626,071.20</u>	<u>\$1,394,000.00</u>	<u>\$2,058,610.37</u>	<u>\$22,931.90</u>
(Sch. C-2)		(Sch. C-3)	(Sch. C-4)			(Sch. C-5)

SCHEDULE C-1

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

Linn County, Oregon

COMBINED BALANCE SHEET
SPECIAL REVENUE FUNDS
June 30, 1976

<u>Assets</u>	<u>Note Reference</u>	<u>Memor- andum Total</u>
Cash:		
In Depositories		\$166,882.13
With County Treasurer (Schedule C-6)		21.25
Accounts Receivable:		
Federal Grants		3,111.95
Property Taxes (Schedule C-6)		9.46
Due from Other Funds	(5)	<u>6,921.31</u>
Total Assets		<u>\$176,946.10</u> (Exhibit C)
<u>Fund Balances</u>		
Fund Balances:		
Reserved for:		
Accounts Receivable		\$ 3,121.41
Bicycle and Footpaths		4,704.62
Available for Appropriation (Exhibit A)		<u>169,120.07</u>
Total Fund Balances		<u>\$176,946.10</u> (Exhibit C)

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

SCHEDULE C-1

<u>Federal Revenue Sharing Fund</u>	<u>Grant Program Fund</u>	<u>State Tax and Road Fund</u>	<u>Equip- ment Fund</u>	<u>Fire Equip- ment Fund</u>	<u>Park Improve- ment Fund</u>
\$57,116.12	\$19,300.70	\$(48,785.45)	\$103,777.25	\$34,023.02	\$1,450.49
-	-	-	-	21.25	-
-	3,111.95	-	-	-	-
-	-	-	-	9.46	-
-	-	6,921.31	-	-	-
<u>\$57,116.12</u>	<u>\$22,412.65</u>	<u>\$(41,864.14)</u>	<u>\$103,777.25</u>	<u>\$34,053.73</u>	<u>\$1,450.49</u>
\$ -	\$ 3,111.95	\$ -	\$ -	\$ 9.46	\$ -
-	-	4,704.62	-	-	-
<u>57,116.12</u>	<u>19,300.70</u>	<u>(46,568.76)</u>	<u>103,777.25</u>	<u>34,044.27</u>	<u>1,450.49</u>
<u>\$57,116.12</u>	<u>\$22,412.65</u>	<u>\$(41,864.14)</u>	<u>\$103,777.25</u>	<u>\$34,053.73</u>	<u>\$1,450.49</u>

CITY OF LEBANON

Linn County, Oregon

COMBINED BALANCE SHEET
SPECIAL ASSESSMENT FUNDS

June 30, 1976

Assets	Note Reference	Memor- andum Total	Public Improve- ment Fund	Ban- croft Bond Fund
Cash:				
In Depositories		\$ 21,182.38	\$(154,236.50)	\$175,418.88
Time Certificates of Deposit		135,201.03	-	135,201.03
Accounts Receivable:				
Assessments (Schedule C-7)	(11)	644,594.62	177,722.81	466,871.81
Liens		43.00	43.00	-
Due from General Fund	(5)	120,649.38	120,649.38	-
Prepaid Costs:				
Deferred Assessments		11,240.92	11,240.92	-
Unassessed Improvements		1,906.03	1,906.03	-
Total Assets		<u>\$934,817.36</u> (Exhibit C)	<u>\$157,325.64</u>	<u>\$777,491.72</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Current Liabilities:				
Endorsed Improvement Warrants		\$124,511.66	\$124,511.66	\$ -
Warrant Interest Payable		5,701.71	5,701.71	-
Matured Bonds		5,000.00	-	5,000.00
Matured Interest Coupons		750.63	-	750.63
Long-Term Liabilities:				
Bonds Payable (Schedule C-8)		750,550.22	-	750,550.22
Total Liabilities		<u>\$886,514.22</u>	<u>\$130,213.37</u>	<u>\$756,300.85</u>
Fund Balances (Exhibit A)		<u>\$ 48,303.14</u>	<u>\$ 27,112.27</u>	<u>\$ 21,190.87</u>
Total Liabilities and Fund Balances		<u>\$934,817.36</u> (Exhibit C)	<u>\$157,325.64</u>	<u>\$777,491.72</u>

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

CITY OF LEBANON

Linn County, Oregon

COMBINED BALANCE SHEET
CAPITAL IMPROVEMENT FUNDS
June 30, 1976

Assets	Note Ref- erence	Memor- andum Total	Capital Improve- ment Fund	Fire Hall Construc- tion Fund	Sewage Treatment Plant Construc- tion Fund
Cash:					
In Depositories		\$ 106,467.88	\$92,812.21	\$1,186.92	\$ 12,468.75
With County Treasurer (Schedule C-6)		164.00	164.00	-	-
Time Certificates of Deposit		922,268.69	-	-	922,268.69
Accounts Receivable:					
Federal Reimbursements		73,452.47	-	-	73,452.47
Property Taxes (Schedule C-6)		1,631.29	1,631.29	-	-
Rural Fire District		3,654.27	-	3,654.27	-
 Total Assets		<u>\$1,107,638.60</u>	<u>\$94,607.50</u>	<u>\$4,841.19</u>	<u>\$1,008,189.91</u>
		(Exhibit C)			
 Liabilities and Fund Balances					
Liabilities:					
Due to State Tax and Road Fund		\$ 6,921.31	\$ -	\$ -	\$ 6,921.31
Fund Balances:					
Reserved for:					
Accounts Receivable		\$ 78,738.03	\$ 1,631.29	\$3,654.27	\$ 73,452.47
Sewer Extension		80,635.00	80,635.00	-	-
Available for Appro- priation (Exhibit A)		941,344.26	12,341.21	1,186.92	927,816.13
 Total Fund Balances		<u>\$1,100,717.29</u>	<u>\$94,607.50</u>	<u>\$4,841.19</u>	<u>\$1,001,268.60</u>
 Total Liabilities and Fund Balances		<u>\$1,107,638.60</u>	<u>\$94,607.50</u>	<u>\$4,841.19</u>	<u>\$1,008,189.91</u>
		(Exhibit C)			

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

CITY OF LEBANON

Linn County, Oregon

COMBINED BALANCE SHEET
ENTERPRISE FUNDS
June 30, 1976

Assets	Note Reference	Memor- andum Total	Ambulance Fund	Sewer Service Fund
Cash:				
In Depositories	(2)	\$ 69,678.23	\$ 14,118.70	\$ 55,559.53
With County Treasurer (Schedule C-6)		221.46	221.46	-
Accounts Receivable:				
Property Taxes (Schedule C-6)		2,802.40	2,802.40	-
Service Charges		43,247.86	11,205.14	32,042.72
Fixed Assets:				
Mobile Equipment		45,000.00	45,000.00	-
Buildings		118,145.25	118,145.25	-
Sewage Treatment Plant		346,976.00	-	346,976.00
Total Assets		<u>\$626,071.20</u> (Exhibit C)	<u>\$191,492.95</u>	<u>\$434,578.25</u>
<hr/>				
Fund Balances				
Fund Balances:				
Reserved for:				
Accounts Receivable		\$ 46,050.26	\$ 14,007.54	\$ 32,042.72
Investment in Fixed Assets		510,121.25	163,145.25	346,976.00
Available for Appropriation (Exhibit A)		<u>69,899.69</u>	<u>14,340.16</u>	<u>55,559.53</u>
Total Fund Balances		<u>\$626,071.20</u> (Exhibit C)	<u>\$191,492.95</u>	<u>\$434,578.25</u>

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

SCHEDULE C-5

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

Linn County, Oregon

COMBINED BALANCE SHEETS
SUSPENSE ACCOUNTS
June 30, 1976

<u>Assets</u>	<u>Note Reference</u>	<u>Memorandum Total</u>
Cash:		
On Hand		\$ 325.00
In Depositories		11,624.22
Accounts Receivable:		
Federal Reimbursements		10,591.32
Due from General Fund		<u>391.36</u>
 Total Assets		 <u>\$22,931.90</u> (Exhibit C)
 <u>Liabilities and Fund Balances</u>		
Liabilities:		
Due to General Fund	(5)	\$12,933.59
Payroll Liabilities		<u>393.04</u>
 Total Liabilities		 <u>\$13,326.63</u>
Fund Balances:		
Reserved for:		
Petty Cash		\$ 500.00
Trust and Agency	(4)	<u>9,105.27</u>
 Total Fund Balances		 <u>\$ 9,605.27</u>
 Total Liabilities and Fund Balances		 <u>\$22,931.90</u> (Exhibit C)

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

<u>Re-</u> <u>corder's</u> <u>Account</u>	<u>Municipal</u> <u>Court</u> <u>Account</u>	<u>Payroll</u> <u>Suspense</u> <u>Account</u>	<u>CETA</u> <u>Program</u> <u>Account</u>	<u>Other</u> <u>Suspense</u> <u>Accounts</u>
\$325.00	\$ -	\$ -	\$ -	\$ -
360.00	6,725.10	12,935.27	(10,475.96)	2,079.81
-	-	-	10,591.32	-
-	-	391.36	-	-
<u>\$685.00</u>	<u>\$6,725.10</u>	<u>\$13,326.63</u>	<u>\$ 115.36</u>	<u>\$2,079.81</u>
\$ -	\$ -	\$12,933.59	\$ -	\$ -
-	-	393.04	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$13,326.63</u>	<u>\$ -</u>	<u>\$ -</u>
\$500.00	\$ -	\$ -	\$ -	\$ -
185.00	6,725.10	-	115.36	2,079.81
<u>\$685.00</u>	<u>\$6,725.10</u>	<u>\$ -</u>	<u>\$ 115.36</u>	<u>\$2,079.81</u>
<u>\$685.00</u>	<u>\$6,725.10</u>	<u>\$13,326.63</u>	<u>\$ 115.36</u>	<u>\$2,079.81</u>

SCHEDULE C-6

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

Linn County, Oregon

Schedule of Property Tax Transactions
July 1, 1975, to June 30, 1976

<u>Levy</u>	1975-76 <u>Tax Levy and Taxes Receivable</u>	<u>Offsets and Adjustments</u>	<u>Add Interest Received</u>	<u>Deduct Discount Allowed</u>	<u>Turnovers to County Treasurer</u>
1975-76	\$643,738.16	\$ (61.93)	\$ 428.31	\$13,478.28	\$565,731.62
1974-75	73,347.71	(41.09)	915.78	-	62,419.75
1973-74	9,894.78	(.74)	755.83	-	6,208.47
1972-73	4,621.54	1.35	543.08	-	3,132.75
1971-72	2,231.97	(8.05)	549.05	-	2,440.34
1970-71	147.54	(6.48)	27.40	-	110.54
1969-70	<u>47.99</u>	<u>(.15)</u>	<u>.37</u>	<u>-</u>	<u>1.19</u>
Per County Tax Collector	<u>\$734,029.69</u>	<u>\$(117.09)</u>	<u>\$3,219.82</u>	<u>\$13,478.28</u>	\$640,044.66
Add:					
Tax Land Sales					706.90
Deferred Tax					<u>37.56</u>
Turnovers to County Treasurer (Exhibit A)					\$640,789.12
Cash with City Treasurer:					
July 1, 1975					10,694.88
June 30, 1976 (Exhibit C)					<u>(7,974.85)</u>
Turnovers to City Treasurer					<u>\$643,509.15</u>

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

Taxes Receivable June 30, 1976

Total	General Fund	General Bond Fund	Fire Equip- ment Fund	Ambulance Fund	Capital Improve- ment Fund
\$64,894.64	\$ 54,595.86	\$ 6,749.04	\$ -	\$ 2,336.21	\$ 1,213.53
11,802.65	10,430.23	875.76	-	261.43	235.23
4,441.40	3,833.76	391.61	-	111.29	104.74
2,033.22	1,616.57	267.91	-	84.99	63.75
332.63	259.49	48.09	7.91	6.59	10.55
57.92	42.06	11.22	1.55	1.03	2.06
47.02	34.88	9.85	-	.86	1.43

<u>\$83,609.48</u>	<u>\$ 70,812.85</u>	<u>\$ 8,353.48</u>	<u>\$ 9.46</u>	<u>\$ 2,802.40</u>	<u>\$ 1,631.29</u>
(Exh. C)	(Exh. C)	(Exh. C)	(Sch. C-1)	(Sch. C-5)	(Sch. C-4)

\$541,690.73	\$64,802.36	\$ 61.01	\$22,085.80	\$12,149.22
9,263.93	936.26	10.61	249.22	234.86
<u>(6,806.84)</u>	<u>(761.30)</u>	<u>(21.25)</u>	<u>(221.46)</u>	<u>(164.00)</u>
(Exh. C)	(Exh. C)	(Sch. C-1)	(Sch. C-5)	(Sch. C-4)
<u>\$544,147.82</u>	<u>\$64,977.32</u>	<u>\$ 50.37</u>	<u>\$22,113.56</u>	<u>\$12,220.08</u>

SCHEDULE C-7

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, 1975, to June 30, 1976

	Note Reference	Docket Number	Balance July 1, 1975		New Assessments
			Within City Boundaries	Outside City Boundaries	
Public					
Improvement					
Fund		4	\$ 265.74	\$ -	\$ -
		15	210.79	-	-
		16	1,128.47	-	-
		21	598.77	-	-
		22	1,307.73	-	-
		23	2,966.19	2,341.33	-
		24	816.98	3,523.20	-
		25	193.69	-	-
		26	28.84	1,282.77	-
		27	1,727.80	-	-
		28	11,814.33	-	-
		29	-	4,527.20	-
		30	-	-	416,247.02
		31	-	-	167,060.94
			<u>\$ 21,059.33</u>	<u>\$11,674.50</u>	<u>\$583,307.96</u>
 Bancroft					
Fund		16	\$ 283.20	\$ -	\$ -
		22	1,899.02	-	-
		23	2,464.14	-	-
		24	7,569.78	-	-
		25	7,703.79	-	-
		26	71,748.32	-	-
		27	41,492.02	-	-
		28	66,725.27	-	-
		29	108,984.47	-	-
		30	-	-	-
			<u>\$308,870.01</u>	<u>\$ -</u>	<u>\$ -</u>

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

SCHEDULE C-7

			<u>Balance June 30, 1976</u>	
	<u>Credits</u>			
<u>Prepayments</u>	<u>Noncash Adjustments</u>	<u>Principal Collections</u>	<u>Within City Boundaries</u>	<u>Outside City Boundaries</u>
\$ -	\$ -	\$ -	\$ 265.74	\$ -
-	-	-	210.79	-
-	-	-	1,128.47	-
-	-	-	598.77	-
-	-	-	1,307.73	-
-	-	489.28	2,910.49	1,907.75
-	-	-	816.98	3,523.20
-	-	41.64	152.05	-
-	-	-	28.84	1,282.77
-	-	735.64	992.16	-
-	-	31.15	11,783.18	-
-	-	-	-	4,527.20
11,278.21	310,847.89	79,576.37	14,544.55	-
-	-	28,573.02	138,487.92	-
<u>\$11,278.21</u>	<u>\$ 310,847.89</u>	<u>\$109,447.10</u>	<u>\$173,227.67</u>	<u>\$11,240.92</u>
			(Sch. C-2)	(Sch. C-2)
\$ -	\$ -	\$ 283.20	\$ -	\$ -
-	-	471.25	1,427.77	-
-	-	1,561.15	902.99	-
-	-	1,975.64	5,594.14	-
-	-	2,750.81	4,952.98	-
-	-	16,653.86	55,094.46	-
-	-	11,135.28	30,356.74	-
-	-	16,184.69	50,540.58	-
-	154.76	27,087.79	81,741.92	-
-	(310,550.22)	69,794.85	240,755.37	-
<u>\$ -</u>	<u>\$(310,395.46)</u>	<u>\$147,898.52</u>	<u>\$471,366.95</u>	<u>\$ -</u>
			(Sch. C-2)	

SCHEDULE C-8

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, 1975, to June 30, 1976

Bond Issue	Date of Issue	Rate of Interest		Bonds Outstanding 7-1-75		7-1-75 Issued
		From	To	Unmatured	Matured	
General Obligation Bonds:						
Sewer	9-1-67	4.00	4.10	\$120,000.00	\$ -	\$ -
Capital Improvement	11-1-71	4.50	4.90	40,000.00	-	-
Fire Hall	7-1-74	6.00	6.25	260,345.00	-	-
Sewage Treatment Facility	12-1-75	4.25	7.00	-	-	990,000.00
Total				\$420,345.00	\$ -	\$ 990,000.00
Bancroft Bonds:						
1965	10-1-65	3.50	3.50	\$ 4,000.00	\$ -	\$ -
1967	6-1-67	4.00	4.00	9,000.00	-	-
1970	6-1-70	6.00	8.00	70,000.00	-	-
1971	10-1-71	4.30	4.80	140,000.00	-	-
1973	4-1-73	4.60	6.00	60,000.00	-	-
1974	5-1-74	5.58	6.00	105,000.00	-	-
1975 Series A	5-1-75	6.00	6.25	113,096.00	-	-
1975 Series B	1-1-76	5.00	5.60	-	-	310,550.22
Total				\$501,096.00	\$ -	\$ 310,550.22
Revenue Bonds:						
Off-Street Parking	8-1-66	4.25	4.25	\$ 12,000.00	\$ -	\$ -
Off-Street Parking	2-1-67	4.50	4.50	6,000.00	-	-
Total				\$ 18,000.00	\$ -	\$ -
Total All Issues				\$939,441.00	\$ -	\$1,300,550.22

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

SCHEDULE C-8

Transactions to 6-30-76		Bonds Outstanding 6-30-76		Interest Coupon Transactions				Out- standing Matured 6-30-76
				Out- standing Matured 7-1-75				
					Matured	Redeemed		
Matured	Redeemed	Matured	Unmatured		Matured	Redeemed		
\$15,000.00	\$15,000.00	\$ -	\$ 105,000.00	\$ -	\$ 4,612.50	\$ 4,612.50	\$ -	
5,000.00	5,000.00	-	35,000.00	-	1,725.00	1,725.00	-	
10,345.00	10,345.00	-	250,000.00	-	15,585.35	15,435.35	150.00	
-	-	-	990,000.00	-	28,925.00	26,420.00	2,505.00	
<u>\$30,345.00</u>	<u>\$30,345.00</u>	<u>\$ -</u>	<u>\$1,380,000.00</u>	<u>\$ -</u>	<u>\$50,847.85</u>	<u>\$48,192.85</u>	<u>\$2,655.00</u>	
			(Sch. C-9)					
\$ 4,000.00	\$ 4,000.00	\$ -	\$ -	\$ -	\$ 70.00	\$ 70.00	\$ -	
4,000.00	4,000.00	-	5,000.00	-	360.00	360.00	-	
10,000.00	5,000.00	5,000.00	60,000.00	302.50	4,290.00	3,982.50	610.00	
20,000.00	20,000.00	-	120,000.00	-	5,930.00	5,930.00	-	
5,000.00	5,000.00	-	55,000.00	-	2,985.00	2,985.00	-	
10,000.00	10,000.00	-	95,000.00	-	6,056.25	5,915.62	140.63	
8,096.00	8,096.00	-	105,000.00	-	6,923.26	6,923.26	-	
-	-	-	310,550.22	-	-	-	-	
<u>\$61,096.00</u>	<u>\$56,096.00</u>	<u>\$5,000.00</u>	<u>\$ 750,550.22</u>	<u>\$302.50</u>	<u>\$26,614.51</u>	<u>\$26,166.38</u>	<u>\$ 750.63</u>	
			(Sch. C-10)					
\$ 2,000.00	\$ 2,000.00	\$ -	\$ 10,000.00	\$ -	\$ 467.50	\$ 467.50	\$ -	
2,000.00	2,000.00	-	4,000.00	-	270.00	270.00	-	
<u>\$ 4,000.00</u>	<u>\$ 4,000.00</u>	<u>\$ -</u>	<u>\$ 14,000.00</u>	<u>\$ -</u>	<u>\$ 737.50</u>	<u>\$ 737.50</u>	<u>\$ -</u>	
			(Sch. C-11)					
<u>\$95,441.00</u>	<u>\$90,441.00</u>	<u>\$5,000.00</u>	<u>\$2,144,550.22</u>	<u>\$302.50</u>	<u>\$78,199.86</u>	<u>\$75,096.73</u>	<u>\$3,405.63</u>	
		(Exh. C)	(Exh. C)				(Exh. C)	

SCHEDULE C-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 General Obligation Bonds and Bond Interest Coupons
June 30, 1976

Fiscal Year	Total Requirements			1967 Issue	
	Total	Principal	Interest	Principal	Interest
1976-77	\$ 162,022.50	\$ 85,000.00	\$ 77,022.50	\$ 15,000.00	\$ 3,997.50
1977-78	167,707.50	95,000.00	72,707.50	15,000.00	3,382.50
1978-79	163,055.00	95,000.00	68,055.00	15,000.00	2,767.50
1979-80	158,277.50	95,000.00	63,277.50	15,000.00	2,152.50
1980-81	153,397.50	95,000.00	58,397.50	15,000.00	1,537.50
1981-82	148,448.75	95,000.00	53,448.75	15,000.00	922.50
1982-83	143,405.00	95,000.00	48,405.00	15,000.00	307.50
1983-84	118,700.00	75,000.00	43,700.00	-	-
1984-85	114,368.75	75,000.00	39,368.75	-	-
1985-86	109,968.75	75,000.00	34,968.75	-	-
1986-87	81,275.00	50,000.00	31,275.00	-	-
1987-88	78,300.00	50,000.00	28,300.00	-	-
1988-89	75,250.00	50,000.00	25,250.00	-	-
1989-90	72,100.00	50,000.00	22,100.00	-	-
1990-91	68,850.00	50,000.00	18,850.00	-	-
1991-92	65,525.00	50,000.00	15,525.00	-	-
1992-93	62,150.00	50,000.00	12,150.00	-	-
1993-94	58,725.00	50,000.00	8,725.00	-	-
1994-95	55,250.00	50,000.00	5,250.00	-	-
1995-96	51,750.00	50,000.00	1,750.00	-	-
Total	<u>\$2,108,526.25</u>	<u>\$1,380,000.00</u>	<u>\$728,526.25</u>	<u>\$105,000.00</u>	<u>\$15,067.50</u>
		(Sch. C-8)			

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

SCHEDULE C-9

1971 Issue		1974 Issue		1975 Issue	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 5,000.00	\$1,500.00	\$ 25,000.00	\$14,525.00	\$ 40,000.00	\$ 57,000.00
5,000.00	1,275.00	25,000.00	13,025.00	50,000.00	55,025.00
5,000.00	1,050.00	25,000.00	11,525.00	50,000.00	52,712.50
5,000.00	825.00	25,000.00	10,025.00	50,000.00	50,275.00
5,000.00	597.50	25,000.00	8,512.50	50,000.00	47,750.00
5,000.00	363.75	25,000.00	6,987.50	50,000.00	45,175.00
5,000.00	122.50	25,000.00	5,450.00	50,000.00	42,525.00
-	-	25,000.00	3,900.00	50,000.00	39,800.00
-	-	25,000.00	2,343.75	50,000.00	37,025.00
-	-	25,000.00	781.25	50,000.00	34,187.50
-	-	-	-	50,000.00	31,275.00
-	-	-	-	50,000.00	28,300.00
-	-	-	-	50,000.00	25,250.00
-	-	-	-	50,000.00	22,100.00
-	-	-	-	50,000.00	18,850.00
-	-	-	-	50,000.00	15,525.00
-	-	-	-	50,000.00	12,150.00
-	-	-	-	50,000.00	8,725.00
-	-	-	-	50,000.00	5,250.00
-	-	-	-	50,000.00	1,750.00
<u>\$35,000.00</u>	<u>\$5,733.75</u>	<u>\$250,000.00</u>	<u>\$77,075.00</u>	<u>\$990,000.00</u>	<u>\$630,650.00</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
Bancroft Improvement Bonds and Bond Interest Coupons
June 30, 1976

	Total Requirements	1976-77	1977-78	1978-79
1967 Issue:				
Principal	\$ 5,000.00	\$ 5,000.00	\$ -	\$ -
Interest	200.00	200.00	-	-
1970 Issue:				
Principal	60,000.00	15,000.00	15,000.00	15,000.00
Interest	9,300.00	3,690.00	2,790.00	1,875.00
1971 Issue:				
Principal	120,000.00	20,000.00	20,000.00	20,000.00
Interest	16,720.00	5,030.00	4,150.00	3,270.00
1973 Issue:				
Principal	55,000.00	5,000.00	5,000.00	5,000.00
Interest	12,105.00	2,650.00	2,435.00	2,160.00
1974 Issue:				
Principal	95,000.00	10,000.00	10,000.00	10,000.00
Interest	26,381.25	5,456.25	4,856.25	4,256.25
1975-A Issue:				
Principal	105,000.00	10,000.00	10,000.00	10,000.00
Interest	35,250.00	6,437.50	5,837.50	5,237.50
1975-B Issue:				
Principal	310,550.22	30,550.22	30,000.00	30,000.00
Interest	92,092.51	16,062.51	14,535.00	13,035.00
Total	<u>\$942,598.98</u>	<u>\$135,076.48</u>	<u>\$124,603.75</u>	<u>\$119,833.75</u>
Principal	<u>\$750,550.22</u>	<u>\$ 95,550.22</u>	<u>\$ 90,000.00</u>	<u>\$ 90,000.00</u>
	(Sch. C-8)			
Interest	<u>\$192,048.76</u>	<u>\$ 39,526.26</u>	<u>\$ 34,603.75</u>	<u>\$ 29,833.75</u>

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

SCHEDULE C-10

<u>1979-80</u>	<u>1980-81</u>	<u>1981-82</u>	<u>1982-83</u>	<u>1983-84</u>	<u>1984-85</u>	<u>1985-86</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	-
4,637.50	4,037.50	3,437.50	2,812.50	1,875.00	937.50	-
30,000.00	30,000.00	30,000.00	30,000.00	30,000.00	35,000.00	35,000.00
11,535.00	10,035.00	8,535.00	7,035.00	5,475.00	3,885.00	1,960.00
<u>\$120,063.75</u>	<u>\$100,056.25</u>	<u>\$100,963.75</u>	<u>\$82,025.00</u>	<u>\$68,193.75</u>	<u>\$54,822.50</u>	<u>\$36,960.00</u>
<u>\$ 95,000.00</u>	<u>\$ 80,000.00</u>	<u>\$85,000.00</u>	<u>\$70,000.00</u>	<u>\$60,000.00</u>	<u>\$50,000.00</u>	<u>\$35,000.00</u>
<u>\$ 25,063.75</u>	<u>\$ 20,056.25</u>	<u>\$15,963.75</u>	<u>\$12,025.00</u>	<u>\$ 8,193.75</u>	<u>\$ 4,822.50</u>	<u>\$ 1,960.00</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, 1976

Fiscal Year	Requirements			1966 Issue Off-Street Parking		1967 Issue Off-Street Parking	
	Total	Principal	Interest	Principal	Interest	Principal	In- terest
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	2,042.50	2,000.00	42.50	2,000.00	42.50	-	-
Total	<u>\$15,332.50</u>	<u>\$14,000.00</u>	<u>\$1,332.50</u>	<u>\$10,000.00</u>	<u>\$1,062.50</u>	<u>\$4,000.00</u>	<u>\$270.00</u>

(Sch. C-8)

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

Notes to the Financial Statements
July 1, 1975, to June 30, 1976

(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 and accounts payable at the Balance Sheet date. Expenditures were paid after June 30, 1976, and were included in the 1975-76 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 and interfund receivables in the Improvement and Bancroft Bond Funds reserve for doubtful accounts has not been established in the Ambulance Fund or Sewer Service 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.

Accrued Vacation Leave Earned but unpaid vacations are recorded as expenditures when paid.

Notes to the Financial Statements
July 1, 1975, to June 30, 1976

(2)

The Available Fund Balance, July 1, 1975, for the General Fund has been adjusted to reflect transfer of \$21,803.65 to the Sewer Service Fund. This balance represents sewer service charges net of expenditures for the period January 1, 1975, to June 30, 1975. Although these funds represent budgeted revenues of the General Fund for fiscal year 1974-75, City Ordinance 1590 states that sewer service charges "shall be paid over to the City Treasurer for deposit in a fund known as 'Sewer Service Fund'".

(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:

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, 1976, funds totaling \$4,704.62 were available from this source for the purchase or construction of footpaths and bikepaths.

Equipment Fund The fund Balance is restricted to the purchase of equipment as follows:

Public Works Department	\$102,443.25
Police Department	<u>1,334.00</u>
Total	<u>\$103,777.25</u>

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 \$80,635 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 municipal court receipts of \$3,965.10 that were not specifically identified in the City's accounting records.

Notes to the Financial Statements
July 1, 1975, to June 30, 1976

(5)

Interfund Transactions

Unfunded Improvements At June 30, 1976, 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	\$110,456.89
Purchase of Easements and Right-of-Way	<u>10,192.49</u>
Total	<u>\$120,649.38</u>

Sewer System Evaluation Study The Sewage Treatment Plant Construction Fund was obligated to the State Tax and Road Fund for \$6,921.31 in labor costs incurred by the City Street Department in conducting a sewer system evaluation study.

Payroll Suspense Account A balance of \$12,933.59 in the Payroll Suspense Account represents funds transferred in error from the General Fund in excess of actual payroll liabilities of the City.

(6)

Property tax revenues have been adjusted by \$173.69 to correct an overstatement in property tax revenues in fiscal year 1974-75.

(7)

The following amounts were charged to appropriations in the Federal Revenue Sharing Fund for improvement costs incurred by the Public Improvement Fund.

Appropriation:	
12th Street Construction per Land Purchase Agreement	\$24,980.00
Cox Creek Drainage Parkway	10,298.67
Transfer to Public Improvement Fund for City Share of Improvements	<u>18,016.36</u>
Total	<u>\$53,295.03</u>

(8)

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

Notes to the Financial Statements
July 1, 1975, to June 30, 1976

(9)

As partial consideration for land purchased for the Fire Hall site, the City and the Lebanon Rural Fire District agreed to pave, curb, and gutter 12th Street from Oak Street in Lebanon south 1,470 feet. The final cost of \$17,420.00 for these street improvements was paid to the Public Improvement Fund.

(10)

The balance reported for fixed assets is composed of the following:

	General Fixed Assets	Ambulance Fund	Sewer Service Fund
Land	\$ 310,619.13	\$ -	\$ -
Buildings	1,100,691.51	118,145.25	346,976.00
Vehicles and Mobile Equipment	485,567.00	45,000.00	-
General Equipment	<u>161,732.73</u>	<u>-</u>	<u>-</u>
Total Fixed Assets	<u>\$2,058,610.37</u>	<u>\$163,145.25</u>	<u>\$346,976.00</u>

(11)

Subsequent to June 30, 1976, the City issued \$132,547.95 in improvement bonds under the authority of the Bancroft Bonding Act to finance the unbonded assessments of property owners electing to pay their assessments in installments under the provisions of this Act. Upon issue of the bonds, these assessments were removed from the unbonded lien docket and placed on the bonded lien docket.

(12)

Retirement Plan Substantially, all employees are covered under the State of Oregon Public Employees Retirement System. The City's unfunded liability at January 1, 1974, based on an actuarial report was \$342,596. This liability was calculated as follows:

Employer Prior, Current, and Future Service Benefits to be Funded:	
Gross Liability	\$656,673
Assets on Hand Available for These Benefits	(143,677)
Future Contributions to be Made by Members	<u>(170,400)</u>
Employer Unfunded Total Liability	<u>\$342,596</u>

The employer contribution rate of 7.24 percent of gross payroll is expected to provide sufficient resources to liquidate the unfunded liability over the 30 year period ending December 31, 2004.