

AUDIT REPORT

CITY OF LEBANON

Linn County, Oregon

July 1, 1976, to June 30, 1977

Prepared by

Secretary of State
Division of Audits

NORMA PAULUS
SECRETARY OF STATE



AUDITS DIVISION
GEORGE RENNER
SUPERVISOR
112-A LABOR AND INDUSTRIES BUILDING
SALEM, OREGON 97310
(503) 378-3329
May 9, 1978

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

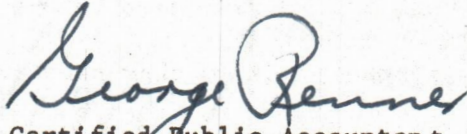
Gentlemen:

Report: City of Lebanon

In accordance with your request and by authority of the provisions of Chapter 774, Oregon Laws 1977, an audit has been made of the financial accounts and records of the City of Lebanon, Linn County, Oregon, for the period July 1, 1976, to June 30, 1977.

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

:pj

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

Linn County, Oregon

City Officials

June 30, 1977

Mayor:

William F. Spires

880 Garvord
Lebanon, Oregon 97355

Members of the Council:

Victor J. Chiavetta

2796 South Main Road
Lebanon, Oregon 97355

Daniel A. Clark

548 West Grant
Lebanon, Oregon 97355

Lyle Winters

144 2nd Street
Lebanon, Oregon 97355

Ronald C. Miller

14 Grove Street
Lebanon, Oregon 97355

Betty M. Collins

659 East Sherman
Lebanon, Oregon 97355

L. Lee Scott

190 East Oak
Lebanon, Oregon 97355

City Administrator:

Edward Ivey

925 Main Street
Lebanon, Oregon 97355

Finance Director:

Nina Fintel

925 Main Street
Lebanon, Oregon 97355

City Attorney:

Warren Gill

530 East Vine
Lebanon, Oregon 97355

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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 23 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. Federal Revenue Sharing Fund
2. Federal Anti-Recession Revenue Sharing Fund
3. Grant Program Fund
4. State Tax and Road Fund
5. Foot and Bikepath Fund
6. Equipment Fund
7. Fire Equipment Fund
8. Park Improvement Fund
9. Systems Development Funds
 - a. Sanitary Sewer Fund
 - b. Street Fund
 - c. Park 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 1975-76 and 1976-77.

Source	1976-77 Per- centage	Fiscal Year 1976-77	Fiscal Year 1975-76	Increase/ (Decrease)
Property Tax Levies	41	\$ 560,008.88	\$ 541,541.02	\$18,467.86
State Apportionments:				
Liquor Tax	4	58,042.27	69,209.70	(11,167.43)
Cigarette Tax	2	20,075.32	24,824.40	(4,749.08)
Federal Funds		-	6,861.04	(6,861.04)
Transfers from Other Funds	13	180,187.00	113,109.56	67,077.44
Other Sources:				
Rural Fire District	13	182,572.00	168,708.00	13,864.00
Franchises	8	113,345.98	89,917.67	23,428.31
Building Permits	4	51,334.87	18,819.12	32,515.75
Fines and Forfeitures	4	50,154.84	43,292.34	6,862.50
Parking Meters	1	13,749.07	15,227.55	(1,478.48)
Other Receipts	3	45,867.67	32,364.56	13,503.11
Cash Carryover	7	102,871.76	171,794.05	(68,922.29)
	<u>100</u>	<u>\$1,378,209.66</u>	<u>\$1,295,669.01</u>	<u>\$82,540.65</u>

Special Revenue Funds

The Special Revenue Funds account for moneys which, in accordance with federal, state, or local laws and ordinances, must be used for specific purposes. At present, the City maintains eleven special revenue funds. These funds and relevant ordinances and statutes pertaining to the use of each fund are outlined below:

1. Federal Revenue Sharing Fund

The Federal Revenue Sharing Fund is used to account for moneys distributed under the authority of the State and Local Fiscal Assistance Act of 1972 (Public Law 92-512). The original act was in effect from January 1, 1972, to December 31, 1976. During 1976, the act was amended to extend the program through September 30, 1980. The amendments also removed spending restrictions which had limited maintenance and operations expenditures from this fund to eight priority areas.

2. Federal Anti-Recession Revenue Sharing Fund

The Federal Anti-Recession Revenue Sharing Fund is used to account for Federal moneys distributed under the authority of the Public Works Employment Act of 1976 (Public Law 94-369). These anti-recession funds are allocated to the City on the basis of the City's unemployment rate. The funds must be obligated or appropriated within six months of receipt.

3. 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.

4. State Tax and Road Funds

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. The distributions may be used only for acquisition, construction and maintenance of streets and parks and for traffic control and enforcement.

5. Foot and Bikepath Fund

This fund is used to account for distributions from the State Highway Fund which are reserved for construction of footpaths and bicycle trails as provided by ORS 366.514.

6. Equipment Fund

The Equipment Fund was established to account for moneys set aside to purchase equipment for use by various City departments. During fiscal year 1976-77, a substantial portion of this fund was transferred to the General Fund.

7. Fire Equipment Fund

The Fire Equipment Fund is used to account for moneys dedicated to the purchase of equipment for the fire department. Current revenues consist of transfers from the General Fund.

8. 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.

9. Systems Development Funds

Effective February 23, 1977, the City began to levy systems development charges on new construction as authorized by Ordinance 1627, 1628, and 1629. The charges are used to finance construction and expansion of the City's sanitary sewer system, streets, and parks. Three separate charges are allowed by the ordinances:

1. Sanitary Sewer Connection Charge
2. Street Improvement Charge
3. Park Improvement Charge

A separate fund has been established to account for the proceeds of each charge.

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.

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 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 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 1976-77, 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 delinquent property taxes collected from a six-year serial levy for bridge construction approved at a Special Election in December 1969 for fiscal years 1970-71 through 1975-76.

In addition to current revenues, this fund also is used to account for \$88,235 in reimbursements from the U. S. Environmental Protection Agency. 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. During fiscal year 1976-77, additional funds were transferred from the City's Fire Equipment and Federal Revenue Sharing Funds and the Rural Fire District in order to complete the construction project.

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 activities of City services financed 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 sources of revenue for this fund are property taxes levied by the City and the Rural Fire District (51 percent), and ambulance service charges (46 percent).

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 1976-77, 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.)

General Long-Term Debt Group of Accounts

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

credit of the City. The bond indenture provides for the bonds and interest coupons to be paid solely from off-street parking revenues and parking meter receipts.

Suspense Accounts

The City maintains accountability for certain moneys 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 Systems

In recent years the City has been updating and improving 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 sub-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. During fiscal year 1976-77, the City began efforts to implement an automated accounting system for assessments receivable. A major component of the new accounting system, a general ledger, had not been implemented at June 30, 1977.

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

A. General Ledger

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

Portions of the new accounting system which the City began implementing in July 1975 include provisions for a general ledger.

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 to record all opening and closing entires, 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 turned over to 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.

D. Municipal Court

Apparently as a result of deficiencies in the accounting system employed by the Municipal Court, a balance of \$1,227 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 or accounts receivable collections 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 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 \$868.01 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.

F. Investments

A review of investment transactions found that the City had greatly expanded its investment program during fiscal year 1976-77. In light of the increased volume of investments, the current accounting system for investments does not appear to be adequate.

It is recommended that the City revise its investment accounting system to insure that accurate information is available regarding the investment equity of each fund and the distribution of monthly interest revenues. This could be accomplished by establishing memorandum records in which the investment equity of each fund is calculated and interest revenues are distributed on a monthly basis.

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

As in previous years, timely reconciliations of bank balances to cash receipts and cash expenditures records were prepared during the audit period, however, 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. Receipts Register

The City's accounting system for cash receipts was designed with the intention that cash receipts would be posted individually to the accounting records. By posting in this manner, the accounting records would include the transaction details of each revenue account and cross-references to supporting documentation for receipt transactions.

During the audit period, the City used procedures which caused the transaction details to be summarized prior to entry into the accounting records. Only summary information, then, was posted into the accounting system. Without the detail features, the City experienced difficulties in preparing reconciliations of budgetary revenue records to bank statements, and in location of supporting documentation for transactions recorded in the revenue ledger.

It is recommended that the City change its accounting procedures so that receipt transactions are posted individually to the accounting records.

C. Municipal Court

A review of procedures utilized by the City in recording and depositing turnovers from the municipal court clerk revealed the following:

1. All receipts, including bail and Police Standards and Training Board assessments turned over to the City to be held in trust, are recorded as General Fund fines and forfeitures revenue.

2. Court turnovers are not deposited intact. A portion of the turnover is deposited to the recorder's bank account to cover bail refund checks and turnovers to the Police Standards and Training Board.

As a result, General Fund fines and forfeitures revenue at June 30, 1977, was overstated by \$4,000 in bail and Police Standard and Training Board assessments which do not represent revenue to the City. Additionally, internal control over municipal courts receipts was substantially reduced by failure to deposit receipts intact and record court turnovers.

It is recommended that the City establish a municipal court suspense account in the accounting records and that all court turnovers be deposited to this account and that all checks to disburse these funds be recorded as expenditures of the account.

D. Payroll Records

Monthly time reports are prepared for each department by the Supervisor for that department. The supervisor is also responsible for distribution of payroll checks to employees. No procedures are in effect to provide for employee review or approval of time reports or to provide evidence that employees have actually received their payroll checks.

To reduce the possibility of error and the issue of payroll checks to fictitious or terminated employees, procedures should provide for employee review and approval (by signature) of monthly time reports and for distribution of payroll checks by someone other than the individual responsible for preparation of the monthly time reports and payroll checks. It is recommended that the City incorporate these procedures into its payroll accounting system.

E. Approval of Expenditures

A review of the approval process utilized by the City Council's finance committee found that the approval stamp placed in the expenditure register and signed by the committee members does not indicate the check numbers of the expenditures reviewed. It is recommended that the check numbers approved be listed next to the approval stamp so that it can be determined that all checks have been reviewed and approved by the finance committee.

F. Expenditure Documentation

A review of documentation supporting City expenditures revealed several instances in which documentation was inadequate:

1. In certain instances documentation was contained in a separate file. Cross references were not included on the expenditure voucher to aid in location of the supporting documents.
2. Packing slips or other receiving documents were not retained by the City and attached to the expenditure voucher to support the validity and accuracy of the invoiced amounts paid by the City.

It is recommended that the City revise its procedures so that receiving documents are maintained on file as part of the expenditure voucher documentation, and that voucher documentation contained in other files be appropriately cross-referenced on the face of the voucher.

G. Interest Coupons Payable

The City does not maintain accountability over the numerical sequence of interest coupons redeemed and unredeemed. At June 30, 1977, the City's bond register did not agree with amounts recorded in budgetary records for interest coupons redeemed during the audit period. Because it does not maintain a system of accountability, the City was unable to reconcile the difference.

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. Additionally, supporting documentation for each coupon redemption payment should include the numbers of the coupons redeemed.

Budgets

A review of the budgetary process indicated that except as set forth below, the City complied with legal requirements in the preparation, adoption and execution of the budget for 1976-77, and preparation and adoption of the budget for 1977-78.

ORS 294.435 (5) prohibits the expenditure of an amount greater than that appropriated, except under certain conditions. A review of expenditures found five appropriations apparently overexpended an aggregate amount of \$10,607.34.

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.

Insurance and Fidelity Bonds

Insurance and fidelity bonds in force at June 30, 1977, 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.

Programs Funded by Other Governmental Units

During fiscal year 1976-77, the City participated in the following state and 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. Federal Anti-Recession Revenue Sharing, administered by the U. S. Department of the Treasury, Office of Revenue Sharing, under authority of the Public Works Employment Act of 1976.

3. Land Use Planning Assistance Grant, administered by the Oregon Land Conservation and Development Commission (LCDC) for purposes of updating the City's comprehensive plan to comply with LCDC statewide goals.

4. Crime Prevention Program, operated under the authority of a Law Enforcement Assistance Administration grant, administered by the Oregon Law Enforcement Council.

5. 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.

6. CETA Program, operated under the authority of the Comprehensive Employment and Training Act of 1973, administered for purposes of providing employment and training to unemployed and underemployed persons.

7. 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).

8. 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.

The accounting records relating to these programs and 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 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.

2. During most of the audit period CETA Program expenditures recorded in the City's accounting records did not agree with the amounts reported on reimbursement claims filed with the Linn-Benton-Lincoln Manpower Consortium. A reconciliation subsequent to June 30, 1977, revealed that the differences resulted from the improper distribution of non-reimbursable costs to the CETA Program account on the City's accounting records. Adjustments were made to bring the accounting records into agreement with the reimbursement claims.

Bidding Procedures

A liability insurance policy with a premium exceeding \$10,000 per year was purchased by the City without formal bidding procedures. This purchase appears to violate the procedures adopted by the City for purchases in Ordinance 1611.

Enterprise Funds

The accounting records for the Ambulance Fund and the Sewer Service Fund are maintained using the modified accrual basis of accounting. The ambulance service and the sewer service are enterprise activities which derive a substantial portion of their revenue from user charges.

Since enterprise activities are expected to be self supporting, generally accepted accounting principles require the full accrual basis of accounting. Using the accrual basis of accounting the annual net income or loss of the enterprise activity can be appropriately measured to determine the enterprise's success or failure in maintaining itself without financial assistance from other funds.

It is recommended that the City change its accounting procedures so that these enterprise funds utilize the accrual basis in accounting for their financial activities. To accomplish this, the City would need to make the following changes in its present accounting procedures.

1. All fixed assets necessary to maintain each enterprise must be capitalized in the enterprise fund.
2. A depreciation schedule should be established for each fixed asset in the enterprise fund.
3. Annual charges must be included for depreciation expense in calculating net profit or loss of the enterprise.
4. Enterprise revenue must be recorded on the accrual basis rather than on a cash basis as is presently done.

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

CITY OF LEBANON

Linn County, Oregon

Schedule of Insurance Policies and
Fidelity Bonds in Force
June 30, 1977

<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-GLA 39354
Covenant Mutual In- surance Company	Special Public Entity Difference in Condition Liability	GLA 2035176
Stonewall Insurance Company	Umbrella Liability	31001159
Industrial Indemnity) Company)	Fire, Extended Coverage	FS 7322546
American Insurance) Company)	Vandalism and Malicious Mischief	F8680539
United Pacific Life Insurance Company	Volunteer Fire Company Blanket Accident Policy Volunteer Workers Accident Policy Mobile Equipment Policy	SRF 4320 SRA 8539 SP 1385273
The Hartford Steam Boil- er Inspection and In- surance Company	Accident Coverage: Property Damage and Bodily In- jury Liability: Property Loss of Insured	SE 097411502
United States Fidelity and Guaranty Company	Public Employes Honesty Blanket Position Bond Forgery and Check Alteration Fidelity Bond Fidelity Bond	58775-08-179-59 0080-179-59 63-0010-120-65 0170-1395-70 0170-1396-76

SUPPLEMENTAL SCHEDULE I

Term		Amount of Coverage	
From	To		
10- 1-76	10- 1-79	\$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- 1-76	10- 1-77	500/500,000	Ambulance Drivers and Attendants
10- 1-76	10- 1-77	300,000	Bodily and Personal Injury
		300,000	Property Damage
		300,000	Errors and Omissions
11- 3-76	11- 3-77	2,000,000	
10-10-74	10-10-77	895,531)	
)	
10-10-74	10-10-77	621,064)	Building and Contents at Replacement Cost
)	
8- 1-74	8- 1-77	5,000	Volunteer Fire Company
1-11-77	1-11-78	1,500	Volunteers
8- 1-76	8- 1-77	202,632	Ambulance, Communications, Public Works, and Contractor's Equipment
7- 1-76	7- 1-77	150,000	Sewer Treatment Plant
1- 1-77	1- 1-78	2,500	
		10,000	For Mayor
1-26-77	1-26-80	3,000	
9- 8-76	9- 8-77	25,000	City Treasurer
9- 7-76	9- 7-77	25,000	City Administor

SUPPLEMENTAL SCHEDULE I
(Continued)

Schedule of Insurance Policies and
Fidelity Bonds in Force
June 30, 1977

<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 767981 U 803245 U 905189 U 905188 U 951006

SUPPLEMENTAL SCHEDULE I
(Continued)

<u>From</u>	<u>To</u>		<u>Amount of Coverage</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
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
11-29-76	11-29-80		500 Janet Wills

ACCOUNTANT'S REPORT

We have examined the financial statements of the various funds and account groups of the City of Lebanon for the year ending June 30, 1977, as listed in the Table of Contents. Our examination was made in accordance with generally accepted auditing standards and the Minimum Standards for Audits of Oregon Municipal Corporations and accordingly included such tests of the accounting records and other auditing procedures as were considered necessary under the circumstances.

The City 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.

The City's Ambulance and Sewer Service Funds are enterprise funds. Generally accepted accounting principles provide that the accrual basis of accounting be used in recording the financial transactions of enterprise funds. The City maintains the accounting records for its enterprise funds using the modified accrual basis of accounting. Using this method supplies are expensed when purchased, depreciation expense is not recognized, and revenues are not recorded until measurable and available for expenditure. Although the amounts of the differences are not precisely known, the amounts reported by the City to represent the financial position and the results of operations of its enterprise funds using the modified accrual basis of accounting differ materially from the amounts which would be reported if the accrual basis of accounting was utilized. It is estimated that depreciation expense would be \$11,400 per year for the Ambulance Fund and at least \$7,000 per year for the Sewer Service Fund. Revenues for the Sewer Service Fund were estimated to be understated by approximately \$20,000.

In our opinion, because of the effects of the matters discussed in the preceding paragraph, the financial statements of the enterprise funds do not present fairly, in conformity with generally accepted accounting principles, the financial position of the City of Lebanon Ambulance Fund and Sewer Service Fund at June 30, 1977, or the results of operation and changes in financial position for the year then ended.

In our opinion, the aforementioned financial statements do present fairly the financial position of the City of Lebanon General Fund, Special Revenue Funds, Special Assessment Funds, General Obligation Fund, Capital Projects Funds, Suspense Accounts, and General Long Term Debt Group of Accounts at June 30, 1977, and the results of operations and changes in financial position for the year then ended, in conformity with generally accepted accounting principles, consistently applied, except for the change, with which we concur, in the basis of accounting described in Note (2) to the financial statements.

Yours very truly,

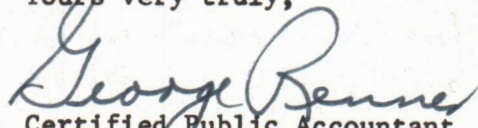

Certified Public Accountant
and Supervisor
Division of Audits

EXHIBIT A

CITY OF LEBANON

Linn County, Oregon

Statement of Changes in Fund Balance

ALL FUNDS

July 1, 1976 to June 30, 1977

	Note Reference	Memorandum Total
Available Fund Balance, July 1, 1976		\$1,277,800.22
Adjustments		<u>-</u>
Adjusted Fund Balance, July 1, 1976		<u>\$1,277,800.22</u>
Increases:		
Revenue:		
Local Sources:		
Property Taxes		\$ 729,600.68
Assessments and Liens		355,916.55
Service Charges		127,481.95
Bond Issues		132,852.77
Rural Fire District		219,575.27
Other		396,060.98
State Sources		202,623.25
Federal Sources		771,052.25
Transfers from Other Funds		<u>319,714.39</u>
Total Increases		<u>\$3,254,878.09</u>
Total Funds Available		<u>\$4,532,678.31</u>
Decreases:		
Expenditures:		
Personal Services		\$1,050,328.20
Services and Supplies		400,816.21
Capital Outlay		1,020,450.77
Debt Service		315,601.49
Redemption of Warrants		124,511.66
Transfer to Other Funds		<u>319,714.39</u>
Subtotal		<u>\$3,231,422.72</u>
Changes in Accrual Items:		
Decrease in Accounts Receivable		\$ 91,678.34
Increase in Current Liabilities		54,912.02
Increase in Bonds Payable		<u>32,174.60</u>
Subtotal		<u>\$ 178,764.96</u>
Available Fund Balance, June 30, 1977 (Exhibit C)	(4)	<u>\$1,122,490.63</u>

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

<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Special Assessment Funds</u>	<u>Obligation Bond Fund</u>	<u>Capital Projects Funds</u>	<u>Enterprise Funds</u>
\$ (20,285.39)	\$173,824.69	\$ 48,303.14	\$ (15,921.17)	\$1,021,979.26	\$ 69,899.69
<u>6,921.31</u>	<u>(6,921.31)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (13,364.08)</u>	<u>\$166,903.38</u>	<u>\$ 48,303.14</u>	<u>\$ (15,921.17)</u>	<u>\$1,021,979.26</u>	<u>\$ 69,899.69</u>
\$ 560,008.88	\$ -	\$ -	\$166,048.94	\$ 1,445.17	\$ 2,097.69
-	-	355,916.55	-	-	-
-	-	-	-	-	127,481.95
-	-	132,852.77	-	-	-
182,572.00	-	-	-	12,154.27	24,849.00
261,518.84	41,898.11	21,254.12	-	69,162.26	2,227.65
78,117.59	124,505.66	-	-	-	-
-	341,984.25	-	-	429,068.00	-
<u>180,187.00</u>	<u>62,726.38</u>	<u>15,868.01</u>	<u>-</u>	<u>36,084.00</u>	<u>24,849.00</u>
<u>\$1,262,404.31</u>	<u>\$571,114.40</u>	<u>\$525,891.45</u>	<u>\$166,048.94</u>	<u>\$ 547,913.70</u>	<u>\$181,505.29</u>
<u>\$1,249,040.23</u>	<u>\$738,017.78</u>	<u>\$574,194.59</u>	<u>\$150,127.77</u>	<u>\$1,569,892.96</u>	<u>\$251,404.98</u>
\$ 820,381.83	\$124,288.46	\$ -	\$ -	\$ -	\$105,657.91
270,712.95	72,242.46	20,879.72	-	-	36,981.08
15,625.14	78,911.20	-	-	903,451.43	22,463.00
4,562.50	-	149,936.51	161,102.48	-	-
-	-	124,511.66	-	-	-
<u>46,756.38</u>	<u>185,835.01</u>	<u>10,414.00</u>	<u>-</u>	<u>25,000.00</u>	<u>51,709.00</u>
<u>\$1,158,038.80</u>	<u>\$461,277.13</u>	<u>\$305,741.89</u>	<u>\$161,102.48</u>	<u>\$ 928,451.43</u>	<u>\$216,810.99</u>
\$ (868.01)	\$ -	\$ 92,546.35	\$ -	\$ -	\$ -
(15,441.36)	-	70,295.88	57.50	-	-
<u>-</u>	<u>-</u>	<u>32,174.60</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (16,309.37)</u>	<u>\$ -</u>	<u>\$195,016.83</u>	<u>\$ 57.50</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 107,310.80</u>	<u>\$276,740.65</u>	<u>\$ 73,435.87</u>	<u>\$ (11,032.21)</u>	<u>\$ 641,441.53</u>	<u>\$ 34,593.99</u>

SCHEDULE A-1

CITY OF LEBANON

Linn County, Oregon

Statement of Changes in Fund Balance

SPECIAL REVENUE FUNDS

July 1, 1976, to June 30, 1977

	Memorandum Total	Federal Revenue Sharing Fund	Federal Anti- Recession Revenue Sharing Fund
Available Fund Balance July 1, 1976	\$173,824.69	\$ 57,116.12	\$ -
Adjustment	(6,921.31)	-	-
Adjusted Fund Balance, July 1, 1976	<u>\$166,903.38</u>	<u>\$ 57,116.12</u>	<u>\$ -</u>
Increases:			
Revenue:			
Local Sources:			
Other	\$ 41,898.11	\$ 7,068.99	\$ 1,774.61
State Sources	124,505.66	-	-
Federal Sources	341,984.25	241,826.00	68,145.00
Transfers from Other Funds	<u>62,726.38</u>	<u>-</u>	<u>-</u>
Total Increases	<u>\$571,114.40</u>	<u>\$248,894.99</u>	<u>\$69,919.61</u>
Total Funds Available	<u>\$738,017.78</u>	<u>\$306,011.11</u>	<u>\$69,919.61</u>
Decreases:			
Expenditures			
Personal Services	\$124,288.46	\$ 19,093.29	\$ -
Services and Supplies	72,242.46	46,272.63	-
Capital Outlay	78,911.20	69,051.28	5,390.00
Transfers to Other Funds	<u>185,835.01</u>	<u>25,187.01</u>	<u>40,000.00</u>
Total Decreases	<u>\$461,277.13</u>	<u>\$159,604.21</u>	<u>\$45,390.00</u>
Available Fund Balance, June 30, 1977	<u>\$276,740.65</u>	<u>\$146,406.90</u>	<u>\$24,529.61</u>

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

SCHEDULE A-1

<u>Grant Fund</u>	<u>State Tax and Road Fund</u>	<u>Foot and Bike Path Fund</u>	<u>Equipment Fund</u>	<u>Fire Equipment Fund</u>	<u>Park Im- provement Fund</u>	<u>Systems Develop- ment Funds</u>
\$19,300.70	\$(41,864.14)	\$ -	\$103,777.25	\$34,044.27	\$1,450.49	\$ -
-	(11,625.93)	4,704.62	-	-	-	-
<u>\$19,300.70</u>	<u>\$(53,490.07)</u>	<u>\$4,704.62</u>	<u>\$103,777.25</u>	<u>\$34,044.27</u>	<u>\$1,450.49</u>	<u>\$ -</u>
\$ 2,171.24	\$ 428.28	\$ 2 2.23	\$ 3,437.92	\$ 1,210.92	\$3,337.75	\$22,206.17
21,544.10	101,931.94	1,029.62	-	-	-	-
32,013.25	-	-	-	-	-	-
5,147.38	56,760.00	-	819.00	-	-	-
<u>\$60,875.97</u>	<u>\$159,120.22</u>	<u>\$1,291.85</u>	<u>\$ 4,256.92</u>	<u>\$ 1,210.92</u>	<u>\$3,337.75</u>	<u>\$22,206.17</u>
<u>\$80,176.67</u>	<u>\$105,630.15</u>	<u>\$5,996.47</u>	<u>\$108,034.17</u>	<u>\$35,255.19</u>	<u>\$4,788.24</u>	<u>\$22,206.17</u>
\$20,753.26	\$ 84,441.91	\$ -	\$ -	\$ -	\$ -	\$ -
24,525.94	1,443.89	-	-	-	-	-
-	439.29	506.45	747.00	1,377.27	1,399.91	-
19,737.00	-	-	73,327.00	27,584.00	-	-
<u>\$65,016.20</u>	<u>\$ 86,325.09</u>	<u>\$ 506.45</u>	<u>\$ 74,074.00</u>	<u>\$28,961.27</u>	<u>\$1,399.91</u>	<u>\$ -</u>
<u>\$15,160.47</u>	<u>\$ 19,305.06</u>	<u>\$5,490.02</u>	<u>\$ 33,960.17</u>	<u>\$ 6,293.92</u>	<u>\$3,388.33</u>	<u>\$22,206.17</u>

CITY OF LEBANON

Linn County, Oregon

Combined Statement of Changes in Fund Balance
 SPECIAL ASSESSMENT FUNDS
 July 1, 1976, to June 30, 1977

	Memorandum Total	Public Improvement Fund	Bancroft Bond Fund
Available Fund Balances, July 1, 1976	\$ 48,303.14	\$ 27,112.27	\$ 21,190.87
Increases:			
Revenue:			
Local Sources:			
Assessment Payments	\$ 355,916.55	\$ 57,077.69	\$ 298,838.86
Bond Issues	132,852.77	132,852.77	-
Other	21,254.12	-	21,254.12
Transfers from Other Funds	15,868.01	15,868.01	-
Total Increases	\$ 525,891.45	\$ 205,798.47	\$ 320,092.98
Total Funds Available	\$ 574,194.59	\$ 232,910.74	\$ 341,283.85
Decreases:			
Expenditures:			
Materials and Services	\$ 20,879.72	\$ 20,879.72	\$ -
Warrants Redeemed	124,511.66	124,511.66	-
Warrant Interest	5,701.71	5,701.71	-
Transfer to General Fund	10,414.00	10,414.00	-
Debt Service	144,234.80	-	144,234.80
Total Decreases	\$ 305,741.89	\$ 161,507.09	\$ 144,234.80
Adjustments to Accrual Basis:			
Decreases in Accounts Receivable	\$ (92,546.35)	\$ 35,405.29	\$ (127,951.64)
Increase in Current Liabilities	(70,295.88)	(70,295.88)	-
Increase in Bonds Payable	(32,174.60)	-	(32,174.60)
Total Adjustments	\$ (195,016.83)	\$ (34,890.59)	\$ (160,126.24)
Available Fund Balance, June 30, 1977	\$ 73,435.87	\$ 36,513.06	\$ 36,922.81

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

CITY OF LEBANON

Linn County, Oregon

Combined Statement of Changes in Fund Balance

CAPITAL PROJECTS FUNDS

July 1, 1976, to June 30, 1977

	Memorandum Total	Capital Improvement Fund	Fire Hall Construction Fund	Sewage Treatment Plant Construction Fund
Available Fund Balance, July 1, 1976	<u>\$1,021,979.26</u>	<u>\$ 92,976.21</u>	<u>\$ 1,186.92</u>	<u>\$ 927,816.13</u>
Increases:				
Revenue:				
Local Sources:				
Property Tax	\$ 1,445.17	\$ 1,445.17	\$ -	\$ -
Rural Fire District	12,154.27	-	12,154.27	-
Other	69,162.26	4,066.16	563.99	64,532.11
Federal Sources	429,068.00	7,600.00	-	421,468.00
Transfers from Other Funds	<u>36,084.00</u>	<u>-</u>	<u>36,084.00</u>	<u>-</u>
Total Increases	<u>\$ 547,913.70</u>	<u>\$ 13,111.33</u>	<u>\$48,802.26</u>	<u>\$ 486,000.11</u>
Total Funds Avail- able	<u>\$1,569,892.96</u>	<u>\$106,087.54</u>	<u>\$49,989.18</u>	<u>\$1,413,816.24</u>
Decreases:				
Expenditures:				
Capital Outlay	\$ 903,451.43	\$ -	\$47,380.24	\$ 856,071.19
Transfers to Other Funds	<u>25,000.00</u>	<u>-</u>	<u>-</u>	<u>25,000.00</u>
Total Decreases	<u>\$ 928,451.43</u>	<u>\$ -</u>	<u>\$47,380.24</u>	<u>\$ 881,071.19</u>
Available Fund Balance, June 30, 1977	<u>\$ 641,441.53</u>	<u>\$106,087.54</u>	<u>\$ 2,608.94</u>	<u>\$ 532,745.05</u>

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

CITY OF LEBANON

Linn County, Oregon

Combined Statement of Changes in Fund Balance
 ENTERPRISE FUNDS
 July 1, 1976, to June 30, 1977

	Note Refer- ence	Memorandum Total	Ambulance Fund	Sewer Service Fund
Available Fund Balance, July 1, 1976		\$ 69,899.69	\$ 14,340.16	\$ 55,559.53
Increases:				
Revenue:				
Local Sources				
Property Tax		\$ 2,097.69	\$ 2,097.69	\$ -
Service Charges	(9)	127,481.95	44,478.73	83,003.22
Rural Fire District		24,849.00	24,849.00	-
Other		2,227.65	376.11	1,851.54
Transfers from Other Funds		24,849.00	24,849.00	-
Total Increases		\$181,505.29	\$ 96,650.53	\$ 84,854.76
Total Funds Available		\$251,404.98	\$110,990.69	\$140,414.29
Decreases:				
Expenditures:				
Personal Services		\$105,657.91	\$ 68,700.40	\$ 36,957.51
Services and Supplies		36,981.08	12,914.23	24,066.85
Capital Outlay		22,463.00	759.00	21,704.00
Transfers to Other Funds		51,709.00	17,131.00	34,578.00
Total Decreases		\$216,810.99	\$ 99,504.63	\$117,306.36
Available Fund Balance, June 30, 1977		\$ 34,593.99	\$ 11,486.06	\$ 23,107.93

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, 1976, to June 30, 1977

	<u>Budget Estimate</u>	<u>Actual</u>	<u>Budget Variance Favorable/ (Unfavorable)</u>
GENERAL FUND:			
Resources:			
Property Tax Levies:			
Prior Years' Levies	\$ 30,000.00	\$ 54,465.09	\$ 24,465.09
Current Year's Levy	501,819.00	505,543.79	3,724.79
State Apportionments:			
Liquor Tax	64,670.00	58,042.27	(6,627.73)
Cigarette Tax	23,581.00	20,075.32	(3,505.68)
Other Sources:			
Rural Fire District	182,915.00	182,572.00	(343.00)
Franchises	87,625.00	113,345.98	25,720.98
Building Permits	20,000.00	51,334.87	31,334.87
Fines and Bail Forfeitures	40,000.00	50,154.84	10,154.84
Parking Meters	14,700.00	13,749.07	(950.93)
Amusement Machine Tax	10,000.00	9,645.00	(355.00)
Business Licenses	2,600.00	2,645.25	45.25
Vehicle Fuel Tax Refund	-	2,380.91	2,380.91
SAIF Wage Reimbursements	2,000.00	2,366.70	366.70
Library Receipts	1,900.00	1,655.51	(244.49)
Seed Growers Association	1,600.00	1,568.28	(31.72)
Property Rentals	1,200.00	1,239.20	39.20
Reimbursement for Police Services	1,000.00	-	(1,000.00)
Interest on Investments	-	835.85	835.85
Miscellaneous Receipts	6,350.00	10,597.40	4,247.40
Budgeted Transfers:			
From Equipment Fund	73,327.00	73,327.00	-
From Sewer Service Fund	34,578.00	34,578.00	-
From Sewage Treatment Plant Construction Fund	25,000.00	25,000.00	-
From Grant Program Fund	21,475.00	19,737.00	(1,738.00)
From Ambulance Fund	17,131.00	17,131.00	-
From Public Improvement Fund	19,500.00	10,414.00	(9,086.00)
Total Revenue	\$1,182,971.00	\$1,262,404.31	\$ 79,433.31
Beginning Cash Balance	<u>71,046.00</u>	<u>115,805.35</u>	<u>44,759.35</u>
Total Resources	<u>\$1,254,017.00</u>	<u>\$1,378,209.66</u>	<u>\$ 124,192.66</u>

EXHIBIT B
(Continued)

Statement of Estimated and Actual
Resources and Expenditures
July 1, 1976, to June 30, 1977

	<u>Budget Estimate</u>	<u>Actual</u>	<u>Budget Variance Favorable/ (Unfavorable)</u>
GENERAL FUND: (Continued)			
Expenditures:			
Legislative Department:			
Personal Services	\$ 18,030.00	\$ 17,932.15	\$ 97.85
Services and Supplies	7,456.00	6,133.82	1,322.18
Subtotal	\$ 25,486.00	\$ 24,065.97	\$ 1,420.03
Administrative Department:			
Personal Services	\$ 33,812.00	\$ 29,043.39	\$ 4,768.61
Services and Supplies	6,195.00	6,212.38	(17.38)
Subtotal	\$ 40,007.00	\$ 35,255.77	\$ 4,751.23
Finance Department:			
Personal Services	\$ 45,040.00	\$ 44,961.58	\$ 78.42
Services and Supplies	8,008.00	7,971.88	36.12
Subtotal	\$ 53,048.00	\$ 52,933.46	\$ 114.54
Public Property:			
Contractual Services	\$ 5,800.00	\$ 5,600.85	\$ 199.15
Services and Supplies	10,400.00	6,165.77	4,234.23
Subtotal	\$ 16,200.00	\$ 11,766.62	\$ 4,433.38
Library:			
Personal Services	\$ 35,818.00	\$ 35,783.08	\$ 34.92
Services and Supplies	5,330.00	5,292.19	37.81
Subtotal	\$ 41,148.00	\$ 41,075.27	\$ 72.73
Municipal Court:			
Personal Services	\$ 21,206.00	\$ 21,277.37	\$ (71.37)
Services and Supplies	2,160.00	1,972.25	187.75
Subtotal	\$ 23,366.00	\$ 23,249.62	\$ 116.38
Senior Services Department:			
Personal Services	\$ 10,608.00	\$ 10,375.76	\$ 232.24
Services and Supplies	6,209.00	5,233.09	975.91
Transfer to Grant Fund	575.00	278.38	296.62
Subtotal	\$ 17,392.00	\$ 15,887.23	\$ 1,504.77

EXHIBIT B
(Continued)

Statement of Estimated and Actual
Resources and Expenditures
July 1, 1976, to June 30, 1977

	<u>Budget Estimate</u>	<u>Actual</u>	<u>Budget Variance Favorable/ (Unfavorable)</u>
GENERAL FUND: (Continued)			
Expenditures: (Continued)			
Building and Planning			
Department:			
Personal Services	\$ 26,470.00	\$ 26,051.09	\$ 418.91
Services and Supplies	<u>6,380.00</u>	<u>6,283.11</u>	<u>96.89</u>
Subtotal	<u>\$ 32,850.00</u>	<u>\$ 32,334.20</u>	<u>\$ 515.80</u>
Police Department:			
Personal Services	\$ 321,709.00	\$ 295,728.98	\$ 25,980.02
Services and Supplies	42,880.00	31,221.83	11,658.17
Capital Outlay	3,815.00	3,814.00	1.00
Transfer to Grant Fund	<u>4,869.00</u>	<u>4,869.00</u>	<u>-</u>
Subtotal	<u>\$ 373,273.00</u>	<u>\$ 335,633.81</u>	<u>\$ 37,639.19</u>
Communications Department:			
Personal Services	\$ 50,327.00	\$ 49,176.23	\$ 1,150.77
Services and Supplies	<u>710.00</u>	<u>94.75</u>	<u>615.25</u>
Subtotal	<u>\$ 51,037.00</u>	<u>\$ 49,270.98</u>	<u>\$ 1,766.02</u>
Fire Department:			
Personal Services	\$ 210,173.00	\$ 208,913.40	\$ 1,259.60
Services and Supplies	37,299.00	38,145.19	(846.19)
Services - Volunteer			
Section	23,900.00	19,875.71	4,024.29
Capital Outlay	<u>2,830.00</u>	<u>1,811.14</u>	<u>1,018.86</u>
Subtotal	<u>\$ 274,202.00</u>	<u>\$ 268,745.44</u>	<u>\$ 5,456.56</u>
Public Works Department:			
Administration:			
Personal Services	\$ 51,144.00	\$ 50,928.35	\$ 215.65
Services and Supplies	<u>10,125.00</u>	<u>5,245.87</u>	<u>4,879.13</u>
Subtotal	<u>\$ 61,269.00</u>	<u>\$ 56,174.22</u>	<u>\$ 5,094.78</u>
Public Works Department:			
Parks:			
Personal Services	\$ 17,871.00	\$ 17,688.29	\$ 182.71
Services and Supplies	<u>5,543.00</u>	<u>5,464.24</u>	<u>78.76</u>
Subtotal	<u>\$ 23,414.00</u>	<u>\$ 23,152.53</u>	<u>\$ 261.47</u>

EXHIBIT B
(Continued)

**Statement of Estimated and Actual
Resources and Expenditures
July 1, 1976, to June 30, 1977**

	<u>Budget Estimate</u>	<u>Actual</u>	<u>Budget Variance Favorable/ (Unfavorable)</u>
GENERAL FUND: (Continued)			
Expenditures: (Continued)			
Special Expenditures:			
Special Payments	\$ 50,748.00	\$ 50,717.50	\$ 30.50
Special Operating Expen- ditures	115,577.00	120,854.87	(5,277.87)
Capital Outlay	<u>10,000.00</u>	<u>10,000.00</u>	<u>-</u>
Subtotal	\$ 176,325.00	\$ 181,572.37	\$ (5,247.37)
Total Expenditures	<u>\$1,209,017.00</u>	<u>\$1,151,117.49</u>	<u>\$ 57,899.51</u>
Ending Fund Balance	<u>\$ 45,000.00</u>	<u>\$ 227,092.17</u>	<u>\$ 182,092.17</u>
FEDERAL REVENUE SHARING FUND:			
Resources:			
Federal Allotments:			
Entitlement Period 7	\$ 150,000.00	\$ 118,838.00	\$ (31,162.00)
Entitlement Period 8	94,000.00	122,988.00	28,988.00
Interest on Investments	<u>3,750.00</u>	<u>7,068.99</u>	<u>3,318.99</u>
Total Receipts	\$ 247,750.00	\$ 248,894.99	\$ 1,144.99
Beginning Cash Balance	<u>21,944.00</u>	<u>57,116.12</u>	<u>35,172.12</u>
Total Resources	<u>\$ 269,694.00</u>	<u>\$ 306,011.11</u>	<u>\$ 36,317.11</u>
Expenditures:			
Personal Services	\$ 20,105.00	\$ 19,093.29	\$ 1,011.71
Services and Supplies	47,632.00	46,272.63	1,359.37
Capital Outlay	95,595.00	94,238.29	1,356.71
Operating Contingency	<u>106,362.00</u>	<u>-</u>	<u>106,362.00</u>
Total Expenditures	<u>\$ 269,694.00</u>	<u>\$ 159,604.21</u>	<u>\$ 110,089.79</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ 146,406.90</u>	<u>\$ 146,406.90</u>
FEDERAL ANTI-RECESSIONARY REVENUE SHARING FUND:			
Resources:			
Federal Allotments	\$ 62,070.00	\$ 68,145.00	\$ 6,075.00
Interest on Investments	<u>-</u>	<u>1,774.61</u>	<u>1,774.61</u>
Total Receipts	\$ 62,070.00	\$ 69,919.61	\$ 7,849.61

EXHIBIT B
(Continued)

**Statement of Estimated and Actual
Resources and Expenditures
July 1, 1976, to June 30, 1977**

	<u>Budget Estimate</u>	<u>Actual</u>	<u>Budget Variance Favorable/ (Unfavorable)</u>
FEDERAL ANTI-RECESSIONARY REVENUE SHARING FUND: (Continued)			
Resources: (Continued)			
Total Receipts (Brought Forward)	\$ 62,070.00	\$ 69,919.61	\$ 7,849.61
Beginning Cash Balance	-	-	-
Total Resources	<u>\$ 62,070.00</u>	<u>\$ 69,919.61</u>	<u>\$ 7,849.61</u>
Expenditures:			
Capital Outlay	\$ 22,070.00	\$ 5,390.00	\$ 16,680.00
Transfer to State Tax and Road Fund	<u>40,000.00</u>	<u>40,000.00</u>	<u>-</u>
Total Expenditures	<u>\$ 62,070.00</u>	<u>\$ 45,390.00</u>	<u>\$ 16,680.00</u>
Ending Fund Balance	<u><u>\$ -</u></u>	<u><u>\$ 24,529.61</u></u>	<u><u>\$ 24,529.61</u></u>
GRANT PROGRAM FUND:			
<u>Crime Prevention Program Grant:</u>			
Resources:			
Federal Grant	\$ 16,022.00	\$ 14,557.05	\$ (1,464.95)
State Grant	721.00	647.34	(73.66)
Transfer from General Fund	<u>4,869.00</u>	<u>4,869.00</u>	<u>-</u>
Total Receipts	\$ 21,612.00	\$ 20,073.39	\$ (1,538.61)
Beginning Cash Balance	<u>296.00</u>	<u>1,589.49</u>	<u>1,293.49</u>
Total Resources	<u>\$ 21,908.00</u>	<u>\$ 21,662.88</u>	<u>\$ (245.12)</u>
Expenditures:			
Personal Services	\$ 17,671.00	\$ 17,293.26	\$ 377.74
Services and Supplies	1,800.00	1,865.51	(65.51)
Capital Outlay	700.00	-	700.00
Transfer to General Fund	<u>1,737.00</u>	<u>1,737.00</u>	<u>-</u>
Total Expenditures	<u>\$ 21,908.00</u>	<u>\$ 20,895.77</u>	<u>\$ 1,012.23</u>
Ending Fund Balance	<u><u>\$ -</u></u>	<u><u>\$ 767.11</u></u>	<u><u>\$ 767.11</u></u>

EXHIBIT B
(Continued)

Statement of Estimated and Actual
Resources and Expenditures
July 1, 1976, to June 30, 1977

	Budget Estimate	Actual	Budget Variance Favorable/ (Unfavorable)
<u>GRANT PROGRAM FUND: (Continued)</u>			
<u>Juvenile Diversion Grant:</u>			
Resources:			
Federal Funds	\$ 19,405.00	\$ -	\$ (19,405.00)
State Funds	875.00	-	(875.00)
Total Receipts	\$ 20,280.00	\$ -	\$ (20,280.00)
Beginning Cash Balance	-	-	-
Total Resources	\$ 20,280.00	\$ -	\$ (20,280.00)
Expenditures:			
Personal Services	\$ 16,092.00	\$ -	\$ 16,092.00
Services and Supplies	2,450.00	-	2,450.00
Capital Outlay	1,738.00	-	1,738.00
Total Expenditures	\$ 20,280.00	\$ -	\$ 20,280.00
Ending Fund Balance	\$ -	\$ -	\$ -
<u>Weldwood Park Program:</u>			
Resources:			
Interest on Investments	\$ -	\$ 528.32	\$ 528.32
Total Receipts	\$ -	\$ 528.32	\$ 528.32
Beginning Cash Balance	18,000.00	19,161.54	1,161.54
Total Resources	\$ 18,000.00	\$ 19,689.86	\$ 1,689.86
Expenditures:			
Transfer to General Fund	\$ 18,000.00	\$ 18,000.00	\$ -
Ending Fund Balance	\$ -	\$ 1,689.86	\$ 1,689.86
<u>Dial-a-Bus Program:</u>			
Resources:			
Federal Fund	\$ 4,725.00	\$ 4,094.79	\$ (630.21)
Bus Passenger Contributions	900.00	1,114.61	214.61
Transfer from General Fund	575.00	278.38	(296.62)
Total Receipts	\$ 6,200.00	\$ 5,487.78	\$ (712.22)

EXHIBIT B
(Continued)

Statement of Estimated and Actual
Resources and Expenditures
July 1, 1976, to June 30, 1977

	<u>Budget Estimate</u>	<u>Actual</u>	<u>Budget Variance Favorable/ (Unfavorable)</u>
GRANT PROGRAM FUND: (Continued)			
<u>Dial-a-Bus Program (Continued)</u>			
Total Receipts (Brought Forward)	\$ 6,200.00	\$ 5,487.78	\$ (712.22)
Beginning Cash Balance	-	-	-
Total Resources	\$ 6,200.00	\$ 5,487.78	\$ (712.22)
Expenditures:			
Personal Services	\$ 3,460.00	\$ 3,460.00	\$ -
Materials and Services	2,740.00	2,306.20	433.80
Total Expenditures	\$ 6,200.00	\$ 5,766.20	\$ 433.80
Ending Fund Balance	\$ -	\$ (278.42)	\$ (278.42)
<u>"701" Planning Grant:</u>			
Resources:			
Federal Funds	\$ -	\$ 13,361.41	\$ 13,361.41
Total Receipts	\$ -	\$ 13,361.41	\$ 13,361.41
Beginning Cash Balance	-	(1,863.33)	(1,863.33)
Total Resources	\$ -	\$ 11,498.08	\$ 11,498.08
Expenditures:			
Services and Supplies	\$ -	\$ 11,532.38	\$ (11,532.38)
Ending Fund Balance	\$ -	\$ (34.30)	\$ (34.30)
<u>LCDC Planning Grant:</u>			
Resources:			
State Funds	\$ -	\$ 20,475.00	\$ 20,475.00
Interest on Investments	-	528.31	528.31
Total Receipts	\$ -	\$ 21,003.31	\$ 21,003.31
Beginning Cash Balance	-	-	-
Total Resources	\$ -	\$ 21,003.31	\$ 21,003.31

EXHIBIT B
(Continued)

**Statement of Estimated and Actual
Resources and Expenditures
July 1, 1976, to June 30, 1977**

	<u>Budget Estimate</u>	<u>Actual</u>	<u>Budget Variance Favorable/ (Unfavorable)</u>
GRANT PROGRAM FUND: (Continued)			
LCDC Planning Grant: (Continued)			
Expenditures;			
Services and Supplies	\$ -	\$ 8,388.07	\$ 8,388.07
Ending Fund Balance	\$ -	\$ 12,615.24	\$ 12,615.24
Project Independence:			
Resources:			
State Funds	\$ -	\$ 421.76	\$ 421.76
Beginning Cash Balance	-	-	-
Total Resources	\$ -	\$ 421.76	\$ 421.76
Expenditures:			
Services and Supplies	\$ -	\$ 433.78	\$ 433.78
Ending Fund Balance	\$ -	\$ (12.02)	\$ (12.02)
Narcotics Program:			
Resources:			
Beginning Cash Balance	\$ -	\$ 413.00	\$ 413.00
Expenditures	\$ -	\$ -	\$ -
Ending Fund Balance	\$ -	\$ 413.00	\$ 413.00
STATE TAX AND ROAD FUND:			
Resources:			
State Vehicle Fuel Tax			
Allocation	\$ 90,000.00	\$ 101,931.94	\$ 11,931.94
Transfer from General Fund	16,760.00	16,760.00	-
Transfer from Federal Anti-			
Recession Revenue Sharing			
Fund	40,000.00	40,000.00	-
Miscellaneous Receipts	-	428.28	428.28
Total Receipts	\$ 146,760.00	\$ 159,120.22	\$ 12,360.22
Beginning Cash Balance	(4,177.00)	(53,490.07)	(49,313.07)
Total Resources	\$ 142,583.00	\$ 105,630.15	\$ (36,952.85)

EXHIBIT B
(Continued)

Statement of Estimated and Actual
Resources and Expenditures
July 1, 1976, to June 30, 1977

	Budget Estimate	Actual	Budget Variance Favorable/ (Unfavorable)
STATE TAX AND ROAD FUND: (Continued)			
Expenditures:			
Personal Services	\$ 137,253.00	\$ 84,441.91	\$ 52,811.09
Services and Supplies	3,830.00	1,443.89	2,386.11
Capital Outlay	1,500.00	439.29	1,060.71
Total Expenditures	<u>\$ 142,583.00</u>	<u>\$ 86,325.09</u>	<u>\$ 56,257.91</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ 19,305.06</u>	<u>\$ 19,305.06</u>
FOOT AND BIKE PATH FUND:			
Resources:			
State Vehicle Fuel Tax			
Allocation	\$ -	\$ 1,029.62	\$ 1,029.62
Interest on Investments	-	262.23	262.23
Total Receipts	<u>\$ -</u>	<u>\$ 1,291.85</u>	<u>\$ 1,291.85</u>
Beginning Cash Balance	<u>3,303.00</u>	<u>4,704.62</u>	<u>1,401.62</u>
Total Resources	<u>\$ 3,303.00</u>	<u>\$ 5,996.47</u>	<u>\$ 2,693.47</u>
Expenditures:			
Path Construction	\$ 3,303.00	\$ 506.45	\$ 2,796.55
Ending Fund Balance	<u>\$ -</u>	<u>\$ 5,490.02</u>	<u>\$ 5,490.02</u>
EQUIPMENT FUND:			
Resources:			
Interest on Investments	\$ -	\$ 3,437.92	\$ 3,437.92
Transfer from Revenue Sharing	819.00	819.00	-
Beginning Cash Balance	<u>73,327.00</u>	<u>103,777.25</u>	<u>30,450.25</u>
Total Resources	<u>\$ 74,146.00</u>	<u>\$ 108,034.17</u>	<u>\$ 33,888.17</u>
Expenditures:			
Capital Outlay:			
Police Department	\$ 800.00	\$ 747.00	\$ 53.00
Senior Services Department	5.00	-	5.00
Finance Department	5.00	-	5.00
Library	9.00	-	9.00
Transfer to General Fund	<u>73,327.00</u>	<u>73,327.00</u>	<u>-</u>
Total Expenditures	<u>\$ 74,146.00</u>	<u>\$ 74,074.00</u>	<u>\$ 72.00</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ 33,960.17</u>	<u>\$ 33,960.17</u>

EXHIBIT B
(Continued)

Statement of Estimated and Actual
Resources and Expenditures
July 1, 1976, to June 30, 1977

	<u>Budget Estimate</u>	<u>Actual</u>	<u>Budget Variance Favorable/ (Unfavorable)</u>
FIRE EQUIPMENT FUND:			
Resources:			
Miscellaneous Receipts	\$ 800.00	\$ 910.25	\$ 110.25
Interest on Investments	-	300.67	300.67
Total Receipts	\$ 800.00	\$ 1,210.92	\$ 410.92
Beginning Cash Balance	28,161.00	34,044.27	5,883.27
Total Resources	<u>\$ 28,961.00</u>	<u>\$ 35,255.19</u>	<u>\$ 6,294.19</u>
Expenditures:			
Capital Outlay	\$ 1,377.00	\$ 1,377.27	\$ (.27)
Transfer to Fire Hall Construction Fund	27,584.00	27,584.00	-
Total Expenditures	<u>\$ 28,961.00</u>	<u>\$ 28,961.27</u>	<u>\$ (.27)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ 6,293.92</u>	<u>\$ 6,293.92</u>
PARK IMPROVEMENT FUND:			
Resources:			
Donations	\$ -	\$ 3,163.00	\$ 3,163.00
Interest on Investments	-	174.75	174.75
Total Receipts	\$ -	\$ 3,337.75	\$ 3,337.75
Beginning Cash Balance	1,400.00	1,450.49	50.49
Total Resources	<u>\$ 1,400.00</u>	<u>\$ 4,788.24</u>	<u>\$ 3,388.24</u>
Expenditures:			
Capital Outlay	\$ 1,400.00	\$ 1,399.91	\$.09
Ending Fund Balance	<u>\$ -</u>	<u>\$ 3,388.33</u>	<u>\$ 3,388.33</u>
SYSTEMS DEVELOPMENT FUNDS:			
Sanitary Sewer Fund:			
Resources:			
Systems Development Charges	\$ -	\$ 21,818.10	\$ 21,818.10
Interest on Investments	-	190.84	190.84
Beginning Cash Balance	-	-	-
Total Resources	<u>\$ -</u>	<u>\$ 22,008.94</u>	<u>\$ 22,008.94</u>

EXHIBIT B
(Continued)

**Statement of Estimated and Actual
Resources and Expenditures
July 1, 1976, to June 30, 1977**

	<u>Budget Estimate</u>	<u>Actual</u>	<u>Budget Variance Favorable/ (Unfavorable)</u>
SYSTEMS DEVELOPMENT FUNDS: (Cont.)			
Sanitary Sewer Fund: (Cont.)			
Expenditures	\$ -	\$ -	\$ -
Ending Fund Balance	<u>\$ -</u>	<u>\$ 22,008.94</u>	<u>\$ 22,008.94</u>
Street Fund:			
Resources:			
Systems Development Charges	\$ -	\$ 170.00	\$ 170.00
Interest on Investments	-	1.23	1.23
Beginning Cash Balance	<u>-</u>	<u>-</u>	<u>-</u>
Total Resources	<u>\$ -</u>	<u>\$ 171.23</u>	<u>\$ 171.23</u>
Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ 171.23</u>	<u>\$ 171.23</u>
Park Fund:			
Resources:			
Systems Development Charges	\$ -	\$ 26.00	\$ 26.00
Beginning Cash Balances	<u>-</u>	<u>-</u>	<u>-</u>
Total Resources	<u>\$ -</u>	<u>\$ 26.00</u>	<u>\$ 26.00</u>
Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ 26.00</u>	<u>\$ 26.00</u>
PUBLIC IMPROVEMENT FUND:			
Resources:			
Non-Bonded Assessments:			
Principal	\$ 25,000.00	\$ 47,614.48	\$ 22,614.48
Interest	350.00	9,096.21	8,746.21
Bancroft Bond Sale	496,541.00	132,852.77	(363,688.23)
Weed Abatement Liens	-	367.00	367.00
Transfer from Federal Revenue Sharing Fund	<u>-</u>	<u>15,868.01</u>	<u>15,868.01</u>
Total Receipts	\$ 521,891.00	\$ 205,798.47	\$ (316,092.53)
Beginning Cash Balance	<u>(109,095.00)</u>	<u>(154,236.50)</u>	<u>(45,141.50)</u>
Total Resources	<u>\$ 412,796.00</u>	<u>\$ 51,561.97</u>	<u>\$ (361,234.03)</u>

EXHIBIT B
(Continued)

**Statement of Estimated and Actual
Resources and Expenditures
July 1, 1976, to June 30, 1977**

	<u>Budget Estimate</u>	<u>Actual</u>	<u>Budget Variance Favorable/ (Unfavorable)</u>
PUBLIC IMPROVEMENT FUND: (Cont.)			
Expenditures:			
Materials and Services	\$ 193,296.00	\$ 20,879.72	\$ 172,416.28
Capital Outlay	200,000.00	-	200,000.00
Redemption of Warrants	-	130,213.37	(130,213.37)
Transfer to General Fund	<u>19,500.00</u>	<u>10,414.00</u>	<u>9,086.00</u>
Total Expenditures	\$ 412,796.00	\$ 161,507.09	\$ 251,288.91
Ending Fund Balance	<u>\$ -</u>	<u>\$ (109,945.12)</u>	<u>\$ (109,945.12)</u>
BANCROFT BOND FUND:			
Resources:			
Bonded Assessments:			
Principal	\$ 68,000.00	\$ 260,933.22	\$ 192,933.22
Interest	12,000.00	37,905.64	25,905.64
Interest on Investments	<u>4,000.00</u>	<u>21,254.12</u>	<u>17,254.12</u>
Total Receipts	\$ 84,000.00	\$ 320,092.98	\$ 236,092.98
Beginning Cash Balance	<u>224,534.00</u>	<u>310,619.91</u>	<u>86,085.91</u>
Total Resources	\$ 308,534.00	\$ 630,712.89	\$ 322,178.89
Expenditures:			
Debt Service:			
Bond Principal	\$ 95,550.00	\$ 100,550.22	\$ (5,000.22)
Bond Interest	<u>39,587.00</u>	<u>43,684.58</u>	<u>(4,097.58)</u>
Total Expenditures	\$ 135,137.00	\$ 144,234.80	\$ (9,097.80)
Ending Fund Balance	<u>\$ 173,397.00</u>	<u>\$ 486,478.09</u>	<u>\$ 313,081.09</u>
GENERAL OBLIGATION BOND FUND:			
Resources:			
Property Tax Levies:			
Prior Years' Levies	\$ 1,000.00	\$ 6,631.03	\$ 5,631.03
Current Year's Levy	<u>158,241.00</u>	<u>159,417.91</u>	<u>1,176.91</u>
Total Receipts	\$ 159,241.00	\$ 166,048.94	\$ 6,807.94
Beginning Cash Balance	<u>2,782.00</u>	<u>(13,266.17)</u>	<u>(16,048.17)</u>
Total Resources	\$ 162,023.00	\$ 152,782.77	\$ (9,240.23)

EXHIBIT B
(Continued)

**Statement of Estimated and Actual
Resources and Expenditures
July 1, 1976, to June 30, 1977**

	<u>Budget Estimate</u>	<u>Actual</u>	<u>Budget Variance Favorable/ (Unfavorable)</u>
GENERAL OBLIGATION BOND FUND:			
(Continued)			
Expenditures:			
Debt Service:			
Bond Principal	\$ 85,000.00	\$ 85,000.00	\$ -
Bond Interest	<u>77,023.00</u>	<u>76,102.48</u>	<u>920.52</u>
Total Expenditures	\$ <u>162,023.00</u>	\$ <u>161,102.48</u>	\$ <u>920.52</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ (8,319.71)</u>	<u>\$ (8,319.71)</u>
CAPITAL IMPROVEMENT FUND:			
Resources:			
Prior Years' Property Tax			
Levies	\$ -	\$ 1,445.17	\$ 1,445.17
Federal Reimbursements	-	7,600.00	7,600.00
Interest on Investments	<u>-</u>	<u>4,066.16</u>	<u>4,066.16</u>
Total Receipts	\$ -	\$ 13,111.33	\$ 13,111.33
Beginning Cash Balance	<u>-</u>	<u>92,976.21</u>	<u>92,976.21</u>
Total Resources	\$ -	\$ 106,087.54	\$ 106,087.54
Expenditures:	\$ -	\$ -	\$ -
Ending Fund Balance	<u>\$ -</u>	<u>\$ 106,087.54</u>	<u>\$ 106,087.54</u>
FIRE HALL CONSTRUCTION FUND:			
Resources:			
Rural Fire District	\$ 8,500.00	\$ 12,154.27	\$ 3,654.27
Miscellaneous Receipts	-	430.00	430.00
Interest on Investments	-	133.99	133.99
Transfer From Federal Revenue			
Sharing Fund	8,500.00	8,500.00	-
Transfer from Fire Equipment			
Fund	<u>27,584.00</u>	<u>27,584.00</u>	<u>-</u>
Total Receipts	\$ 44,584.00	\$ 48,802.26	\$ 4,218.26
Beginning Cash Balance	<u>-</u>	<u>1,186.92</u>	<u>1,186.92</u>
Total Resources	\$ <u>44,584.00</u>	\$ <u>49,989.18</u>	\$ <u>5,405.18</u>

EXHIBIT B
(Continued)

**Statement of Estimated and Actual
Resources and Expenditures
July 1, 1976, to June 30, 1977**

	<u>Budget Estimate</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
FIRE HALL CONSTRUCTION FUND:			
(Continued)			
Expenditures:			
Capital Outlay	\$ 44,584.00	\$ 47,380.24	\$ (2,796.24)
Ending Fund Balance	<u>\$ -</u>	<u>\$ 2,608.94</u>	<u>\$ 2,608.94</u>
SEWAGE TREATMENT PLANT CONSTRUCTION FUND:			
Resources:			
Federal Reimbursements	\$1,528,428.00	\$ 421,468.00	\$(1,106,960.00)
Miscellaneous Receipts	-	1,928.90	1,928.90
Interest on Investments	<u>30,000.00</u>	<u>62,603.21</u>	<u>32,603.21</u>
Total Receipts	\$1,558,428.00	\$ 486,000.11	\$(1,072,427.89)
Beginning Cash Balance	<u>917,590.00</u>	<u>927,816.13</u>	<u>10,226.13</u>
Total Resources	<u>\$2,476,018.00</u>	<u>\$1,413,816.24</u>	<u>\$(1,062,201.76)</u>
Expenditures:			
Capital Outlay	\$2,020,905.00	\$ 856,071.19	\$ 1,164,833.81
Transfer to General Fund	25,000.00	25,000.00	-
Contingencies	<u>430,113.00</u>	<u>-</u>	<u>430,113.00</u>
Total Expenditures	<u>\$2,476,018.00</u>	<u>\$ 881,071.19</u>	<u>\$ 1,594,946.81</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ 532,745.05</u>	<u>\$ 532,745.05</u>
AMBULANCE FUND:			
Resources:			
Prior Years' Property Tax			
Levies	\$ 500.00	\$ 2,097.69	\$ 1,597.69
Service Charges:			
Current	45,000.00	43,290.37	(1,709.63)
Delinquent	500.00	1,188.36	688.36
Rural Fire District	24,849.00	24,849.00	-
Miscellaneous Receipts	180.00	-	(180.00)
Interest on Investments	-	376.11	376.11
Transfer from General Fund	<u>24,849.00</u>	<u>24,849.00</u>	<u>-</u>
Total Receipts	\$ 95,878.00	\$ 96,650.53	\$ 772.53
Beginning Cash Balance	<u>13,276.00</u>	<u>14,340.16</u>	<u>1,064.16</u>
Total Resources	<u>\$ 109,154.00</u>	<u>\$ 110,990.69</u>	<u>\$ 1,836.69</u>

EXHIBIT B
(Continued)

Statement of Estimated and Actual
Resources and Expenditures
July 1, 1976, to June 30, 1977

	Budget Estimate	Actual	Budget Variance Favorable/ (Unfavorable)
AMBULANCE FUND: (Continued)			
Expenditures:			
Personal Services	\$ 70,052.00	\$ 68,700.40	\$ 1,351.60
Services and Supplies	14,968.00	12,914.23	2,053.77
Capital Outlay	900.00	759.00	141.00
Transfer to General Fund	17,131.00	17,131.00	-
Total Expenditures	<u>\$ 103,051.00</u>	<u>\$ 99,504.63</u>	<u>\$ 3,546.37</u>
Ending Fund Balance	<u>\$ 6,103.00</u>	<u>\$ 11,486.06</u>	<u>\$ 5,383.06</u>
SEWER SERVICE FUND:			
Resources:			
Sewer Service Charges:			
Current	\$ 112,000.00	\$ 103,761.11	\$ (8,238.89)
Delinquent	-	6,407.07	6,407.07
Miscellaneous Receipts	-	200.00	200.00
Interest on Investments	-	1,651.54	1,651.54
Total Receipts	<u>\$ 112,000.00</u>	<u>\$ 112,019.72</u>	<u>\$ 19.72</u>
Beginning Cash Balance	<u>37,892.00</u>	<u>55,559.53</u>	<u>17,667.53</u>
Total Resources	<u>\$ 149,892.00</u>	<u>\$ 167,579.25</u>	<u>\$ 17,687.25</u>
Expenditures:			
Personal Services	\$ 37,051.00	\$ 36,957.51	\$ 93.49
Services and Supplies	30,010.00	23,766.85	6,243.15
Capital Outlay	21,704.00	21,704.00	-
Annual Discharge Permit	300.00	300.00	-
Operating Contingency	26,249.00	-	26,249.00
Transfer to General Fund	34,578.00	34,578.00	-
Total Expenditures	<u>\$ 149,892.00</u>	<u>\$ 117,306.36</u>	<u>\$ 32,585.64</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ 50,272.89</u>	<u>\$ 50,272.89</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, 1977

<u>Assets</u>	<u>Note Refer- ence</u>	<u>Memorandum Total</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Special Assessment Funds</u>
Cash	(3)	\$1,974,498.00	\$258,923.38	\$288,396.52	\$ 378,813.20
Accounts Receivable:					
Assessments and Leins		553,997.30	-	-	553,997.30
Fines and Forfeitures		10,139.00	-	-	-
Property Taxes (Sch. C-6)		92,578.27	72,368.72	16.17	-
Service Charges		13,857.06	-	-	-
Federal Grants and Reimbursements		290,876.90	-	1,354.26	-
Due From Other Funds		122,568.00	868.01	1,015.61	120,649.38
Prepaid Costs		11,240.92	-	-	11,240.92
Fixed Assets	(6)	2,737,148.52	-	-	-
Amount Available in Debt Service Funds		(11,032.21)	-	-	-
Amount to be Provided:					
From Parking Revenues		10,000.00	-	-	-
From Future Taxation		<u>1,306,032.21</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total Assets		<u>\$7,111,903.97</u>	<u>\$332,160.11</u>	<u>\$290,782.56</u>	<u>\$1,064,700.80</u>

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

<u>General Obligation Bond Fund</u>	<u>Capital Projects Funds</u>	<u>Enterprise Funds</u>	<u>Suspense Accounts</u>	<u>General Long Term Debt</u>	<u>General Fixed Assets</u>
\$(8,319.71)\$	994,831.53	\$ 64,669.18	\$(2,816.10)\$	-	\$ -
-	-	-	-	-	-
-	-	-	10,139.00	-	-
19,113.55	426.56	653.27	-	-	-
-	-	13,857.06	-	-	-
-	275,323.00	-	14,199.64	-	-
-	-	-	35.00	-	-
-	-	-	-	-	-
-	-	531,825.25	-	2,205,323.27	-
-	-	-	-	-	(11,032.21)
-	-	-	-	-	10,000.00
-	-	-	-	-	<u>1,306,032.21</u>
<u>\$10,793.84</u>	<u>\$1,270,581.09</u>	<u>\$611,004.76</u>	<u>\$21,557.54</u>	<u>\$2,205,323.27</u>	<u>\$1,305,000.00</u>

EXHIBIT C
(Continued)

COMBINED BALANCE SHEET
ALL FUNDS
June 30, 1977

Liabilities and Fund Balances	Note Refer- ence	Memorandum Total	General Fund	Special Revenue Funds	Special Assessment Funds
	(7) (8)				
Current Liabilities:					
Accounts Payable		\$ 404,128.31	\$ 31,831.21	\$ 11,655.87	\$ 2,280.23
Interest Payable		11,389.66	-	-	8,677.16
Due to Other Funds		122,568.00	120,649.38	-	1,015.61
Deferred Revenue		29,729.91	-	-	2,564.95
Endorsed Improvement Warrants		189,179.03	-	-	189,179.03
Long Term Liabilities:					
Bonds Payable (Sch. C-8)		<u>2,092,547.95</u>	<u>-</u>	<u>-</u>	<u>787,547.95</u>
Total Liabilities		<u>\$2,849,542.86</u>	<u>\$152,480.59</u>	<u>\$ 11,655.87</u>	<u>\$ 991,264.93</u>
Fund Balances:					
Reserved and Invested:					
Petty Cash Funds		\$ 500.00	\$ -	\$ -	\$ -
Trust And Agency Funds		7,954.76	-	-	-
Accounts Receivable		394,267.20	72,368.72	2,386.04	-
Sewer Extension		88,235.00	-	-	-
Fixed Assets		2,737,148.52	-	-	-
Available for Ap- propriation		<u>1,034,255.63</u>	<u>107,310.80</u>	<u>276,740.65</u>	<u>73,435.87</u>
Total Fund Balance	(4)	<u>\$4,262,361.11</u>	<u>\$179,679.52</u>	<u>\$279,126.69</u>	<u>\$ 73,435.87</u>
Total Liabilities and Fund Bal- ances		<u>\$7,111,903.97</u>	<u>\$332,160.11</u>	<u>\$290,782.56</u> (Sch. C-1)	<u>\$1,064,700.80</u> (Sch. C-2)

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

EXHIBIT C
(Continued)

<u>General Obligation Bond Fund</u>	<u>Capital Projects Funds</u>	<u>Enterprise Funds</u>	<u>Suspense Accounts</u>	<u>General Long Term Debt</u>	<u>General Fixed Assets</u>
\$ -	\$ 353,390.00	\$ 2,910.23	\$ 2,060.77	\$ -	\$ -
2,712.50	-	-	-	-	-
-	-	-	903.01	-	-
-	-	27,164.96	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,305,000.00
<u>\$ 2,712.50</u>	<u>\$ 353,390.00</u>	<u>\$ 30,075.19</u>	<u>\$ 2,963.78</u>	<u>\$ -</u>	<u>\$1,305,000.00</u>
\$ -	\$ -	\$ -	\$ 500.00	\$ -	\$ -
-	-	-	7,954.76	-	-
19,113.55	275,749.56	14,510.33	10,139.00	-	-
-	88,235.00	-	-	-	-
-	-	531,825.25	-	2,205,323.27	-
<u>(11,032.21)</u>	<u>553,206.53</u>	<u>34,593.99</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 8,081.34</u>	<u>\$ 917,191.09</u>	<u>\$580,929.57</u>	<u>\$18,593.76</u>	<u>\$2,205,323.27</u>	<u>\$ -</u>
<u>\$10,793.84</u>	<u>\$1,270,581.09</u>	<u>\$611,004.76</u>	<u>\$21,557.54</u>	<u>\$2,205,323.27</u>	<u>\$1,305,000.00</u>
	(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, 1977

<u>Assets</u>	Note Refer- ence	Memorandum Total	Federal Revenue Sharing Fund	Federal Anti- Recession Revenue Sharing Fund
Cash	(3)	\$288,396.52	\$154,381.58	\$24,664.61
Accounts Receivable:				
Federal Reimbursements		1,354.26	-	-
Property Taxes (Schedule C-6)		16.17	-	-
Due From Other Funds		<u>1,015.61</u>	<u>-</u>	<u>-</u>
Total Assets		<u>\$290,782.56</u>	<u>\$154,381.58</u>	<u>\$24,664.61</u>
<u>Liabilities and Fund Balances</u>				
Current Liabilities:				
Accounts Payable		<u>\$ 11,655.87</u>	<u>\$ 7,974.68</u>	<u>\$ 135.00</u>
Fund Balances:				
Reserved for:				
Accounts Receivable		\$ 2,386.04	\$ -	\$ -
Sanitary Sewers		22,008.94	-	-
Streets		171.23	-	-
Parks		26.00	-	-
Available for Appropriation		<u>254,534.48</u>	<u>146,406.90</u>	<u>24,529.61</u>
Total Fund Balances	(4)	<u>\$279,126.69</u>	<u>\$146,406.90</u>	<u>\$24,529.61</u>
Total Liabilities and Fund Balances		<u>\$290,782.56</u> (Exhibit C)	<u>\$154,381.58</u>	<u>\$24,664.61</u>

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

<u>Grant Fund</u>	<u>State Tax and Road Fund</u>	<u>Foot and Bike Path Fund</u>	<u>Equipment Fund</u>	<u>Fire Equipment Fund</u>	<u>Park Improvement Fund</u>	<u>Systems Develop- ment Funds</u>
\$15,775.49	\$20,836.32	\$5,490.02	\$33,960.17	\$6,293.92	\$4,788.24	\$22,206.17
1,354.26	-	-	-	-	-	-
-	-	-	-	16.17	-	-
-	1,015.61	-	-	-	-	-
<u>\$17,129.75</u>	<u>\$21,851.93</u>	<u>\$5,490.02</u>	<u>\$33,960.17</u>	<u>\$6,310.09</u>	<u>\$4,788.24</u>	<u>\$22,206.17</u>
<u>\$ 615.02</u>	<u>\$ 1,531.26</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,399.91</u>	<u>\$ -</u>
\$ 1,354.26	\$ 1,015.61	\$ -	\$ -	\$ 16.17	\$ -	\$ -
-	-	-	-	-	-	22,008.94
-	-	-	-	-	-	171.23
-	-	-	-	-	-	26.00
<u>15,160.47</u>	<u>19,305.06</u>	<u>5,490.02</u>	<u>33,960.17</u>	<u>6,293.92</u>	<u>3,388.33</u>	<u>-</u>
<u>\$16,514.73</u>	<u>\$20,320.67</u>	<u>\$5,490.02</u>	<u>\$33,960.17</u>	<u>\$6,310.09</u>	<u>\$3,388.33</u>	<u>\$22,206.17</u>
<u>\$17,129.75</u>	<u>\$21,851.93</u>	<u>\$5,490.02</u>	<u>\$33,960.17</u>	<u>\$6,310.09</u>	<u>\$4,788.24</u>	<u>\$22,206.17</u>

CITY OF LEBANON

Linn County, Oregon

COMBINED BALANCE SHEET
SPECIAL ASSESSMENT FUNDS
June 30, 1977

<u>Assets</u>	Note Refer- ence	Memorandum Total	Public Improvement Fund	Bancroft Bond Fund
Cash	(3)	\$ 378,813.20	\$(107,664.89)	\$486,478.09
Accounts Receivable:				
Assessments (Schedule C-7)		550,229.22	211,309.05	338,920.17
Liens		3,768.08	3,768.08	-
Due from General Fund		120,649.38	120,649.38	-
Prepaid Costs (Schedule C-7)		11,240.92	11,240.92	-
Total Assets		<u>\$1,064,700.80</u>	<u>\$ 239,302.54</u>	<u>\$825,398.26</u>
<u>Liabilities and Fund Balances</u>				
Current Liabilities:				
Accounts Payable		\$ 2,280.23	\$ 2,280.23	\$ -
Interest Payable:				
Endorsed Improvement Warrants		7,749.66	7,749.66	-
Matured Interest Coupons		927.50	-	927.50
Endorsed Improvement Warrants		189,179.03	189,179.03	-
Due to Other Funds		1,015.61	1,015.61	-
Deferred Revenue		2,564.95	2,564.95	-
Long Term Liabilities:				
Bonds Payable		787,547.95	-	787,547.95
Total Liabilities		<u>\$ 991,264.93</u>	<u>\$ 202,789.48</u>	<u>\$788,475.45</u>
Fund Balances	(4)	<u>\$ 73,435.87</u>	<u>\$ 36,513.06</u>	<u>\$ 36,922.81</u>
Total Liabilities and Fund Balances		<u>\$1,064,700.80</u> (Exhibit C)	<u>\$ 239,302.54</u>	<u>\$825,398.26</u>

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

CITY OF LEBANON

Linn County, Oregon

COMBINED BALANCE SHEET
CAPITAL PROJECTS FUNDS
June 30, 1977

<u>Assets</u>	Note Refer- ence	Memorandum Total	Capital Improvement Fund	Fire Hall Con- struction Fund	Sewage Treat- ment Plant Construction Fund
Cash	(3)	\$ 994,831.53	\$106,087.54	\$2,608.94	\$ 886,135.05
Accounts Receivable:					
Property Taxes (Sch. C-6)		426.56	426.56	-	-
Federal Reimbursements		275,323.00	-	-	275,323.00
 Total Assets		<u>\$1,270,581.09</u>	<u>\$106,514.10</u>	<u>\$2,608.94</u>	<u>\$1,161,458.05</u>
 <u>Liabilities and Fund Balances</u>					
Current Liabilities:					
Accounts Payable		\$ 353,390.00	\$ -	\$ -	\$ 353,390.00
Fund Balances:					
Reserved for:					
Accounts Receivable		\$ 275,749.56	\$ 426.56	\$ -	\$ 275,323.00
Sewer Extension		88,235.00	88,235.00	-	-
Available for Approp- riation		<u>553,206.53</u>	<u>17,852.54</u>	<u>2,608.94</u>	<u>532,745.05</u>
Total Fund Balances	(4)	<u>\$ 917,191.09</u>	<u>\$106,514.10</u>	<u>\$2,608.94</u>	<u>\$ 808,068.05</u>
Total Liabilities and Fund Balances		<u>\$1,270,581.09</u>	<u>\$106,514.10</u>	<u>\$2,608.94</u>	<u>\$1,161,458.05</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, 1977

<u>Assets</u>	Note Refer- ence	Memorandum Total	Ambulance Fund	Sewer Service Fund
Cash	(3)	\$ 64,669.18	\$ 13,219.43	\$ 51,449.75
Accounts Receivable:				
Property Tax (Schedule C-6)		653.27	653.27	-
Service Charges		13,857.06	13,857.06	-
Fixed Assets	(6)	<u>531,825.25</u>	<u>163,145.25</u>	<u>368,680.00</u>
Total Assets		<u>\$611,004.76</u>	<u>\$190,875.01</u>	<u>\$420,129.7</u>
<u>Liabilities and Fund Balances</u>				
Current Liabilities:				
Accounts Payable		\$ 2,910.23	\$ 1,733.37	\$ 1,176.86
Deferred Revenues		<u>27,164.96</u>	<u>-</u>	<u>27,164.96</u>
Total Liabilities		<u>\$ 30,075.19</u>	<u>\$ 1,733.37</u>	<u>\$ 28,341.82</u>
Fund Balances:				
Reserved for:				
Accounts Receivable		\$ 14,510.33	\$ 14,510.33	\$ -
Fixed Assets		531,825.25	163,145.25	368,680.00
Available for Appropriation		<u>34,593.99</u>	<u>11,486.06</u>	<u>23,107.93</u>
Total Fund Balances	(4)	<u>\$580,929.57</u>	<u>\$189,141.64</u>	<u>\$391,787.93</u>
Total Liabilities and Fund Balances		<u>\$611,004.76</u> (Exhibit C)	<u>\$190,875.01</u>	<u>\$420,129.75</u>

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

CITY OF LEBANON

Linn County, Oregon

COMBINED BALANCE SHEET
SUSPENSE ACCOUNTS
June 30, 1977

<u>Assets</u>	<u>Note Reference</u>	<u>Memorandum Total</u>
Cash	(3)	\$ (2,816.10)
Accounts Receivable:		
Fines and Forfeitures		10,139.00
Federal Reimbursements		14,199.64
Due from Other Funds		<u>35.00</u>
Total Assets		<u>\$21,557.54</u>
<u>Liabilities and Fund Balances</u>		
Current Liabilities:		
Accounts Payable		\$ 2,060.77
Due to Other Funds		<u>903.01</u>
Total Liabilities		<u>\$ 2,963.78</u>
Fund Balances:		
Reserved for:		
Petty Cash		\$ 500.00
Accounts Receivable		10,139.00
Trust and Agency		<u>7,954.76</u>
Total Fund Balances	(4)	<u>\$18,593.76</u>
Total Liabilities and Fund Balances		<u>\$21,557.54</u> (Exhibit C)

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

SCHEDULE C-5

<u>Recorder's Account</u>	<u>Municipal Court Account</u>	<u>Payroll Suspense Account</u>	<u>CETA Program Account</u>	<u>Other Suspense Accounts</u>
\$1,561.96	\$ 4,499.00	\$868.01	\$(12,246.70)	\$2,501.63
-	10,139.00	-	-	-
-	-	-	14,199.64	-
<u>35.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$1,596.96</u>	<u>\$14,638.00</u>	<u>\$868.01</u>	<u>\$ 1,952.94</u>	<u>\$2,501.63</u>
\$ -	\$ -	\$ -	\$ 1,837.58	\$ 223.19
<u>-</u>	<u>-</u>	<u>868.01</u>	<u>-</u>	<u>35.00</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$868.01</u>	<u>\$ 1,837.58</u>	<u>\$ 258.19</u>
\$ 500.00	\$ -	\$ -	\$ -	\$ -
-	10,139.00	-	-	-
<u>1,096.96</u>	<u>4,499.00</u>	<u>-</u>	<u>115.36</u>	<u>2,243.44</u>
<u>\$1,596.96</u>	<u>\$14,638.00</u>	<u>\$ -</u>	<u>\$ 115.36</u>	<u>\$2,243.44</u>
<u>\$1,596.96</u>	<u>\$14,638.00</u>	<u>\$868.01</u>	<u>\$ 1,952.94</u>	<u>\$2,501.63</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, 1976, to June 30, 1977

<u>Levy</u>	<u>1976-77 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>
1976-77	\$753,183.59	\$(1,539.02)	\$ 463.13	\$16,001.29	\$664,916.85
1975-76	64,894.64	(846.53)	1,400.62	-	52,705.88
1974-75	11,802.65	31.18	794.99	-	6,812.08
1973-74	4,441.40	16.37	492.36	-	2,807.62
1972-73	2,033.22	(14.28)	496.83	-	2,185.07
1971-72	332.63	(2.61)	30.18	-	105.76
1970-71	57.92	(2.51)	.13	-	.21
1969-70	<u>47.02</u>	<u>(.25)</u>	<u>.48</u>	<u>-</u>	<u>1.11</u>
Per County Tax Col- lector	<u>\$836,793.07</u>	<u>\$(2,357.65)</u>	<u>\$3,678.72</u>	<u>\$16,001.29</u>	\$729,534.58
Add: Deferred Tax					<u>44.85</u>
Turnovers to County Treasurer (Exhibit A)					\$729,579.43
Cash with County Treasurer					
July 1, 1976					7,974.85
June 30, 1977 (Note 3)					<u>(14,384.59)</u>
Turnovers to City Treasurer					<u>\$723,169.69</u>

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

Taxes Receivable June 30, 1977

<u>Total</u>	<u>General Fund</u>	<u>General Bond Fund</u>	<u>Fire Equip- ment Fund</u>	<u>Ambulance Fund</u>	<u>Capital Improvement Fund</u>
\$71,189.56	\$ 54,122.58	\$ 17,066.98	\$ -	\$ -	\$ -
12,742.85	10,720.56	1,325.26	-	458.74	238.29
5,816.74	5,140.37	431.60	-	128.84	115.93
2,142.51	1,849.39	188.96	-	53.64	50.52
330.70	262.93	43.58	8.64	5.19	10.36
254.44	198.49	36.79	6.05	5.04	8.07
55.33	40.17	10.72	1.48	.98	1.98
46.14	34.23	9.66	-	.84	1.41
<u>\$92,578.27</u> (Exhibit C)	<u>\$ 72,368.72</u> (Exhibit C)	<u>\$ 19,113.55</u> (Exhibit C)	<u>\$16.17</u> (Sch. C-1)	<u>\$ 653.27</u> (Sch. C-4)	<u>\$ 426.56</u> (Sch. C-3)
	\$560,149.49	\$165,955.84	\$59.60	\$2,154.96	\$1,259.54
	6,806.84 (10,993.63)	761.30 (3,361.23)	21.25 -	221.46 (17.64)	164.00 (12.09)
	<u>\$555,962.70</u>	<u>\$163,355.91</u>	<u>\$80.85</u>	<u>\$2,358.78</u>	<u>\$1,411.45</u>

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, 1976, to June 30, 1977

	Docket Number	Balance July 1, 1976	
		Within City Boundaries	Outside City Boundaries
Public Emprovement Fund	4	\$ 265.74	\$ -
	15	210.79	-
	16	1,128.47	-
	21	598.77	-
	22	1,307.73	-
	23	2,910.49	1,907.75
	24	816.98	3,523.20
	25	152.05	-
	26	28.84	1,282.77
	27	992.16	-
	28	11,783.18	-
	29	-	4,527.20
	30	14,544.55	-
	31	138,487.92	-
	32	-	-
		<u>\$173,227.67</u>	<u>\$11,240.92</u>
Bancroft Bond Fund	22	\$ 1,427.77	\$ -
	23	902.99	-
	24	5,594.14	-
	25	4,952.98	-
	26	55,094.46	-
	27	30,356.74	-
	28	50,540.58	-
	29	81,741.92	-
	30	240,755.37	-
	31	-	-
		<u>\$471,366.95</u>	<u>\$ -</u>

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

New Assessments	Credits		Balance June 30, 1977	
	Non-Cash Adjustments	Principal Collections	Within City Boundaries	Outside City Boundaries
\$ -	\$ -	\$ -	\$ 265.74	\$ -
-	-	-	210.79	-
-	-	-	1,128.47	-
-	-	598.77	-	-
-	-	704.20	603.53	-
-	-	2,910.49	-	1,907.75
-	-	-	816.98	3,523.20
-	-	41.64	110.41	-
-	-	28.84	-	1,282.77
-	-	992.16	-	-
-	317.67	3,768.05	7,697.46	-
-	-	-	-	4,527.20
-	-	3,149.15	11,395.40	-
-	128,052.81	6,029.16	4,405.95	-
<u>209,565.91</u>	<u>-</u>	<u>24,891.59</u>	<u>184,674.32</u>	<u>-</u>
<u>\$209,565.91</u>	<u>\$128,370.48</u>	<u>\$ 43,114.05</u>	<u>\$211,309.05</u> (Sch. C-2)	<u>\$11,240.92</u> (Sch. C-2)
\$ -	\$ -	\$ 403.48	\$ 1,024.29	\$ -
-	.10	583.47	319.42	-
-	-	2,878.43	2,715.71	-
-	-	1,743.98	3,209.00	-
-	-	14,339.47	40,754.99	-
-	5.72	14,486.15	15,864.87	-
-	(130.17)	10,341.73	40,329.02	-
-	-	58,070.94	23,670.98	-
-	-	112,107.08	128,648.29	-
<u>128,052.81</u>	<u>-</u>	<u>45,669.21</u>	<u>82,383.60</u>	<u>-</u>
<u>\$128,052.81</u>	<u>\$ (124.35)</u>	<u>\$260,623.94</u>	<u>\$338,920.17</u> (Sch. C-2)	<u>\$ -</u>

CITY OF LEBANON

Linn County, Oregon

Schedule of Bond Principal and Interest Transactions
July 1, 1976, to June 30, 1977

Bond Issue	Date of Issue	Rate of Interest		Bonds Outstanding		Transactions	
		From	To	7-1-76 Unmatured	Matured	Issued	
GENERAL OBLIGATION BONDS:							
Sewer	9-1-67	4.00	4.10	\$ 105,000.00	\$ -	\$ -	
Capital Improvement	11-1-71	4.50	4.90	35,000.00	-	-	
Fire Hall	7-1-74	6.00	6.25	250,000.00	-	-	
Sewage Treatment	12-1-75	4.25	7.00	990,000.00	-	-	
Total				<u>\$1,380,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	
BANCROFT BONDS:							
1967	6-1-67	4.00	4.00	\$ 5,000.00	\$ -	\$ -	
1970	6-1-70	6.00	8.00	60,000.00	5,000.00	-	
1971	10-1-71	4.30	4.80	120,000.00	-	-	
1973	4-1-73	4.60	6.00	55,000.00	-	-	
1974	5-1-74	5.58	6.00	95,000.00	-	-	
1975 Series A	5-1-75	6.00	6.25	105,000.00	-	-	
1975 Series B	1-1-76	5.00	5.60	310,550.22	-	-	
1976				-	-	132,547.96	
Total				<u>\$ 750,550.22</u>	<u>\$5,000.00</u>	<u>\$132,547.96</u>	
REVENUE BONDS:							
Off Street Parking	8-1-66	4.25	4.25	\$ 10,000.00	\$ -	\$ -	
Off Street Parking	2-1-67	4.50	4.50	4,000.00	-	-	
Total				<u>\$ 14,000.00</u>	<u>\$ -</u>	<u>\$ -</u>	
Total All Issues				<u>\$2,144,550.22</u>	<u>\$5,000.00</u>	<u>\$132,547.96</u>	

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

7-1-76 to 6-30-77		Bonds Outstanding /		Interest Coupon Transactions			
		6-30-77		Out-standing			Out-standing
Matured	Redeemed	Ma-tured	Unmatured	Matured 7-1-76	Matured	Redeemed	Matured 6-30-77
\$ 15,000.00	\$ 15,000.00	\$ -	\$ 90,000.00	\$ -	\$ 3,997.50	\$ 3,997.50	\$ -
5,000.00	5,000.00	-	30,000.00	-	1,499.98	1,499.98	-
25,000.00	25,000.00	-	225,000.00	150.00	14,525.00	13,462.50	1,212.50
40,000.00	40,000.00	-	950,000.00	2,505.00	57,000.00	58,005.00	1,500.00
<u>\$ 85,000.00</u>	<u>\$ 85,000.00</u>	<u>\$ -</u>	<u>\$1,295,000.00</u>	<u>\$2,655.00</u>	<u>\$ 77,022.48</u>	<u>\$ 76,964.98</u>	<u>\$2,712.50</u>
			(Sch. C-9)				
\$ 5,000.00	\$ 5,000.00	\$ -	\$ -	\$ -	\$ 200.00	\$ 200.00	\$ -
15,000.00	20,000.00	-	45,000.00	457.50	3,690.00	3,990.00	157.50
20,000.00	20,000.00	-	100,000.00	-	5,030.00	5,030.00	-
5,000.00	5,000.00	-	50,000.00	-	2,710.00	2,710.00	-
10,000.00	10,000.00	-	85,000.00	140.63	5,456.24	5,596.87	-
10,000.00	10,000.00	-	95,000.00	-	6,437.50	6,437.50	-
30,550.22	30,550.22	-	280,000.00	-	16,062.52	16,062.52	-
-	-	-	132,547.96	-	3,657.69	3,657.69	-
<u>\$ 95,550.22</u>	<u>\$100,550.22</u>	<u>\$ -</u>	<u>\$ 787,547.96</u>	<u>\$ 598.13</u>	<u>\$ 43,243.95</u>	<u>\$ 43,684.58</u>	<u>\$ 157.50</u>
			(Sch. C-9)				
\$ 2,000.00	\$ 2,000.00	\$ -	\$ 8,000.00	\$ -	\$ 382.50	\$ 382.50	\$ -
2,000.00	2,000.00	-	2,000.00	-	180.00	180.00	-
<u>\$ 4,000.00</u>	<u>\$ 4,000.00</u>	<u>\$ -</u>	<u>\$ 10,000.00</u>	<u>\$ -</u>	<u>\$ 562.50</u>	<u>\$ 562.50</u>	<u>\$ -</u>
			(Sch. C-9)				
<u>\$161,000.00</u>	<u>\$189,550.22</u>	<u>\$ -</u>	<u>\$2,092,547.96</u>	<u>\$3,253.13</u>	<u>\$120,828.93</u>	<u>\$121,212.06</u>	<u>\$2,870.00</u>
			(Exhibit C)				

CITY OF LEBANON

Linn County, Oregon

Statement of Future Requirements for the Retirement
of General Obligation Bonds and Bond Interest Coupons
June 30, 1977

Fiscal Year	Total Requirements			1967 Issue	
	Total	Principal	Interest	Principal	Interest
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>\$1,946,503.75</u>	<u>\$1,295,000.00</u>	<u>\$651,503.75</u>	<u>\$90,000.00</u>	<u>\$11,070.00</u>

(Sch. C-8)

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

SCHEDULE C-9

1971 Issue		1974 Issue		1975 Issue	
<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
\$ 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	52,712.00
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>\$ 30,000.00</u>	<u>\$4,233.75</u>	<u>\$225,000.00</u>	<u>\$62,550.00</u>	<u>\$950,000.00</u>	<u>\$573,650.00</u>

CITY OF LEBANON

Linn County, Oregon

Statement of Future Requirements for the Retirement of
Bancroft Improvement Bonds and Bond Interest Coupons
June 30, 1977

	<u>Total</u> <u>Requirements</u>	<u>1977-78</u>	<u>1978-79</u>	<u>1979-80</u>
1970 Issue:				
Principal	\$ 45,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
Interest	5,610.00	2,790.00	1,875.00	945.00
1971 Issue:				
Principal	100,000.00	20,000.00	20,000.00	20,000.00
Interest	11,690.00	4,150.00	3,270.00	2,360.00
1973 Issue:				
Principal	50,000.00	5,000.00	5,000.00	10,000.00
Interest	9,455.00	2,435.00	2,160.00	1,930.00
1974 Issue:				
Principal	85,000.00	10,000.00	10,000.00	10,000.00
Interest	20,925.00	4,856.25	4,256.25	3,656.25
1975-A Issue:				
Principal	95,000.00	10,000.00	10,000.00	10,000.00
Interest	28,812.50	5,837.50	5,237.50	4,637.50
1975-B Issue:				
Principal	280,000.00	30,000.00	30,000.00	30,000.00
Interest	76,030.00	14,535.00	13,035.00	11,535.00
1976 Issue:				
Principal	132,547.96	12,547.96	10,000.00	10,000.00
Interest	<u>38,225.19</u>	<u>6,938.94</u>	<u>6,262.50</u>	<u>5,662.50</u>
Total	<u>\$978,295.65</u>	<u>\$144,090.65</u>	<u>\$136,096.25</u>	<u>\$135,726.25</u>
Principal	<u>\$787,547.96</u>	<u>\$102,547.96</u>	<u>\$100,000.00</u>	<u>\$105,000.00</u>
	(Sch. C-8)			
Interest	<u>\$190,747.69</u>	<u>\$ 41,542.69</u>	<u>\$ 36,096.25</u>	<u>\$ 30,726.25</u>

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

SCHEDULE C-10

<u>1980-81</u>	<u>1981-82</u>	<u>1982-83</u>	<u>1983-84</u>	<u>1984-85</u>	<u>1985-86</u>	<u>1986-87</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
20,000.00	20,000.00	-	-	-	-	-
1,430.00	480.00	-	-	-	-	-
10,000.00	10,000.00	10,000.00	-	-	-	-
1,460.00	980.00	490.00	-	-	-	-
10,000.00	15,000.00	15,000.00	15,000.00	-	-	-
3,093.75	2,531.25	1,687.50	843.75	-	-	-
10,000.00	10,000.00	15,000.00	15,000.00	15,000.00	-	-
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	35,000.00	35,000.00	-
10,035.00	8,535.00	7,035.00	5,475.00	3,885.00	1,960.00	-
10,000.00	15,000.00	15,000.00	15,000.00	15 00.00	15,000.00	15,000.00
5,062.50	4,350.00	3,555.00	2,782.50	1,998.75	1,207.50	405.00
<u>\$115,118.75</u>	<u>\$120,313.75</u>	<u>\$100,580.00</u>	<u>\$85,976.25</u>	<u>\$71,821.25</u>	<u>\$53,167.50</u>	<u>\$15,405.00</u>
<u>\$ 90,000.00</u>	<u>\$100,000.00</u>	<u>\$ 85,000.00</u>	<u>\$75,000.00</u>	<u>\$65,000.00</u>	<u>\$50,000.00</u>	<u>\$15,000.00</u>
<u>\$ 25,118.75</u>	<u>\$ 20,313.75</u>	<u>\$ 15,580.00</u>	<u>\$10,976.25</u>	<u>\$ 6,821.25</u>	<u>\$ 3,167.50</u>	<u>\$ 405.00</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, 1977

Fiscal Year	Requirements			1966 Issue Off-Street Parking		1967 Issue Off-Street Parking	
	Total	Principal	Interest	Principal	Interest	Principal	In- terest
1977-78	\$ 4,387.50	\$ 4,000.00	\$387.50	\$2,000.00	\$297.50	\$2,000.00	\$90.00
1978-79	2,212.50	2,000.00	212.50	2,000.00	212.50	-	-
1979-80	2,127.50	2,000.00	127.50	2,000.00	127.50	-	-
1980-81	<u>2,042.50</u>	<u>2,000.00</u>	<u>42.50</u>	<u>2,000.00</u>	<u>42.50</u>	<u>-</u>	<u>-</u>
Total	<u>\$10,770.00</u>	<u>\$10,000.00</u> (Sch. C-8)	<u>\$770.00</u>	<u>\$8,000.00</u>	<u>\$680.00</u>	<u>\$2,000.00</u>	<u>\$90.00</u>

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

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

Linn County, Oregon

Notes to the Financial Statements
July 1, 1976, to June 30, 1977

(1)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Lebanon in force during fiscal year 1976-77 are as follows:

Basis of Accounting The accounting records of the General Fund, Special Revenue Funds, General Obligation Bond Fund, Enterprise Funds, and Suspense Accounts are maintained using the modified accrual basis of accounting. The accounting records of the Special Assessment Funds and Capital Projects Funds are maintained using the accrual basis of accounting, except for the budgetary accounting records for Special Assessment Funds which are maintained using the modified accrual basis of accounting.

The basis of accounting used by the City complies with generally accepted accounting principles in all funds except the Enterprise Funds. Generally accepted accounting principles require accounting records of enterprise funds to be maintained using the accrual basis of accounting.

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. A 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.

(2)

CHANGE IN BASIS OF ACCOUNTING

Beginning July 1, 1976, the City began to maintain its records using the modified accrual basis of accounting. Prior to July 1, 1976, the City

(2) (Continued)

utilized the cash basis of accounting in maintaining its accounting records. The new method was adopted to bring the General Fund, Special Revenue Funds, and General Obligation Fund into compliance with generally accepted accounting principles. The effect of the change in Fiscal 1976-77 was to increase expenditures and accounts payable by \$404,128.31 over the amount that would have been reported using the cash basis of accounting.

(3)

CASH

The cash balance reported at June 30, 1977, consisted of the following:

Cash on Hand	\$	350.00
Cash with County Treasurer		14,384.59
Cash in Depositories		(85,643.60)
Time Certificates of Deposit		48,787.33
Investments in State Treasury -		
Local Government Investment Pool		<u>1,996,619.68</u>
Total		<u>\$1,974,498.00</u>

(4)

RESTRICTED FUND BALANCES

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:

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 \$88,235 were available for either retirement of sewer construction bonds or further extensions of the sewer system.

(5)

INTERFUND TRANSACTIONS

Unfunded Improvements At June 30, 1977, the General Fund was obligated to reimburse the Public Improvement Fund for certain costs incurred. These costs included the ones shown on the following page.

(5) (Continued)

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>

Payroll Suspense Account A balance of \$868.01 in the Payroll Suspense Account represents funds transferred in error from the General Fund in excess of actual payroll liabilities of the City.

Unreimbursed Labor Costs A balance of \$1,015.61 was payable from the Public Improvement Fund to the State Tax and Road Fund for labor costs incurred on improvement projects.

Interfund Loan In June 1977, the City authorized a loan of \$28,925 by the Capital Improvement Fund to the General Obligation Fund for a period not to exceed one year.

(6)

FIXED ASSETS

The balance reported at June 30, 1977, included the following:

	<u>General Fixed Assets</u>	<u>Ambulance Fund</u>	<u>Sewer Ser- vice Fund</u>
Land	\$ 327,029.37	\$ -	\$ -
Buildings	1,122,366.61	118,145.25	368,680.00
Vehicles and Mobile Equipment	581,049.32	45,000.00	-
General Equipment	<u>174,877.97</u>	<u>-</u>	<u>-</u>
Total Fixed Assets	<u>\$2,205,323.27</u>	<u>\$163,145.25</u>	<u>\$368,680.00</u>

(7)

PENSION PLAN

The City of Lebanon participates in the State of Oregon Public Employees Retirement System (PERS). All employees of the City are covered by the plan after six months of employment. The Public Employees Retirement Plan is a defined benefit pension plan to which employees and employer both contribute.

The rate of employee contribution is established by law. The rate of employer contribution is set by the Public Employees Retirement Board, based upon periodic actuarial valuations. A separate contribution rate is determined for each public employer. The employer contribution rate for the City of Lebanon for fiscal year 1977 was 7.24 percent of employee compensation. This rate will remain in effect for fiscal year 1978. The total pension expense for the City in fiscal year 1977 was \$55,405.59.

(7) (Continued)

The most recent actuarial valuation of PERS (as of December 31, 1975) indicated that, based on actuarial assumptions which differed from those used by previous actuaries, there was no unfunded liability for benefits due current employe participants in the plan.

In order to adequately fund present benefits provided by the plan, an adjustment in employer contribution rates was determined by the Board to be necessary. The employer contribution rates for the City of Lebanon will be 8.40 percent, 9.56 percent, and 10.72 percent for fiscal years 1979, 1980 and 1981. For fiscal years 1982 and thereafter, for 26 years, the employer contribution rate will be 11.87 percent.

(8)

CONTINGENT LIABILITIES

The City of Lebanon and the Lebanon Rural Fire District have commenced an action against the architect, contractor, and the manufacturer and supplier of a bonding agent used in construction of the new fire hall. Legal counsel for the City and the Fire District believe the outcome of the litigation will be favorable to the plaintiffs. However, if the litigation is not successful, it will cost the City and the Fire District approximately \$30,000 to \$50,000 to repair the building. In addition, at October 28, 1977, \$5,181.96 in legal, investigating, and filing costs related to this action had been incurred.

(9)

DEFERRED REVENUE

At June 30, 1977, prepaid sewer service charges exceeded sewer service charges receivable by \$27,164.96. Service charge revenue has been adjusted as follows, to reflect these prepaid charges:

1976-77 Service Charge Revenue	\$110,168.18
Less Prepaid Service Charges	<u>27,169.96</u>
Adjusted Service Charge Revenue	<u>\$ 83,003.22</u>