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CITY OF LEBANON  
Linn County, Oregon

AUDIT REPORT

For the Year Ended  
June 30, 1979

Derle H. Olson  
CERTIFIED PUBLIC ACCOUNTANT  
CORVALLIS, OREGON 97330



CITY OF LEBANON  
Linn County, Oregon

AUDIT REPORT

For the Year Ended  
June 30, 1979



CITY OF LEBANON  
Linn County, Oregon  
June 30, 1979

CITY OFFICIALS

Mayor

William F. Spires, 880 Garvord, Lebanon

Council Members

Dean L. Barnes, 2080 Omire Lane, Lebanon

Daniel A. Clark, 548 West Grant, Lebanon

Lyle Winters, 144 Second Street, Lebanon

Ronald C. Miller, 160 Seventh Street, Lebanon

Betty M. Collins, 659 East Sherman, Lebanon

L. Lee Scott, 251 East Oak, Lebanon

City Administrator

Edwin R. Ivey, 925 Main Street, Lebanon

Finance Director

Nina Fintel, 925 Main Street, Lebanon

City Attorney

Glen D. Baisinger, 884 Park Street, Lebanon



CITY OF LEBANON  
Linn County, Oregon

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Linn County, Oregon

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Corvallis, Oregon 97330  
757-1128

The Common Council  
City of Lebanon  
Lebanon, Oregon 97355

I have examined the financial statements (identified as "basic financial statements" in the table of contents on preceding pages of this report) of the various funds and account groups of the City of Lebanon, Oregon as of June 30, 1979 and for the year then ended. Except as explained in the following paragraph, my examination was made in accordance with generally accepted auditing standards and the Minimum Standards for Audits of Oregon Municipal Corporations and, accordingly, included such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances.

I have been unable to satisfy myself concerning a substantial portion of the cost or estimated cost of fixed assets recorded in the Sewer Service Fund and General Fixed Assets Account Group and the depreciation provision included in the results of operations of the Sewer Service Fund because detailed records and documentation of historical and estimated costs are not available. The City's records do not permit the application of adequate alternative procedures regarding the cost or estimated cost of fixed assets.

Since the City does not maintain adequate cost records for fixed assets, and I was unable to apply adequate alternative procedures regarding the cost of fixed assets and the depreciation provision, as noted in the preceding paragraph, the scope of my work was not sufficient to enable me to express, and I do not express, an opinion on the financial statements of the Sewer Service Fund and General Fixed Assets Account Group.

In my opinion, the aforementioned basic financial statements present fairly the financial position of all other funds of the City of Lebanon, Oregon at June 30, 1979, and the results of such funds' operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

The financial statements referred to in the foregoing opinion are set forth on pages 2 to 50, inclusive, of this report. My examination was made primarily for the purpose of rendering an opinion on these basic financial statements, taken as a whole. The other data included in this report on pages 51 to 63, inclusive, and the "Pro-Forma Combined" columns on the basic financial statements, although not considered necessary for a fair presentation of financial position in conformity with generally accepted accounting principles, are presented primarily for supplemental analysis purposes. This additional information has been subjected to the audit procedures applied in the examination of the basic financial statements and, in my opinion, except for data related to the Sewer Service Fund and General Fixed Assets Account Group, upon whose financial statements I was unable to express an opinion, is fairly stated in all material respects in relation to the basic financial statements, taken as a whole.

*Derle H. Olson*

Derle H. Olson  
Certified Public Accountant  
February 27, 1980



BASIC FINANCIAL STATEMENTS

CITY OF LEBANON  
Linn County, Oregon

COMBINED BALANCE SHEETS - ALL FUNDS  
June 30, 1979

<u>ASSETS AND OTHER DEBITS</u>	<u>Pro-Forma Combined Total</u>	<u>General Fund</u>	<u>Ambulance Fund</u>	<u>Special Revenue Funds</u>
Cash	\$ 1,586,294	\$ 317,247	\$ 14,734	\$ 450,125
Accounts Receivable:				
Assessments and Liens	204,993	-	-	-
Fines and Forfeitures	19,588	19,588	-	-
Property Taxes	97,710	75,213	152	6
Liens	1,072,015	-	-	-
Service Charges	36,639	-	22,021	-
Federal Grants and Reimbursements	11,212	-	-	10,626
Other	3,716	3,671	-	-
Due From Other Funds	76,690	827	-	1,015
Prepaid Costs	10,092	-	-	-
Construction in Process	4,474,424	-	-	-
Fixed Assets	6,188,087	-	164,642	-
Accumulated Depreciation	(611,637)	-	-	-
Amount to be Provided:				
From Parking Revenues	4,000	-	-	-
From Future Taxation	1,095,254	-	-	-
 Total Assets and Other Debits	 <u>\$14,269,077</u>	 <u>\$ 416,546</u>	 <u>\$ 201,549</u>	 <u>\$ 461,772</u>

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



CITY OF LEBANON  
Linn County, Oregon

COMBINED BALANCE SHEETS - ALL FUNDS  
June 30, 1979

<u>Special Assessment Funds</u>	<u>General Obligation Bond Fund</u>	<u>Capital Projects Funds</u>	<u>Sewer Service Fund</u>	<u>Trust and Agency Funds</u>	<u>General Fixed Assets</u>
\$ 535,557	\$ 11,369	\$132,040	\$ 103,678	\$21,544	\$ -
204,993	-	-	-	-	-
-	-	-	-	-	-
-	22,245	94	-	-	-
1,072,015	-	-	-	-	-
-	-	-	14,618	-	-
-	-	586	-	-	-
-	-	-	-	45	-
74,848	-	-	-	-	-
10,092	-	-	-	-	-
-	-	-	4,474,424	-	-
-	-	-	2,925,416	-	3,098,029
-	-	-	(611,637)	-	-
-	4,000	-	-	-	-
-	<u>1,095,254</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$1,897,505</u>	<u>\$1,132,868</u>	<u>\$132,720</u>	<u>\$6,906,499</u>	<u>\$21,589</u>	<u>\$ 3,098,029</u>

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

CITY OF LEBANON  
Linn County, Oregon

COMBINED BALANCE SHEETS - ALL FUNDS  
June 30, 1979

<u>LIABILITIES</u>	<u>Pro-Forma Combined Total</u>	<u>General Fund</u>	<u>Ambulance Fund</u>	<u>Special Revenue Funds</u>
Current Liabilities:				
Accounts Payable	\$ 37,949	\$ 15,126	\$ 874	\$ 10,085
Interest Payable	1,021	-	-	-
Endorsed Improvement Warrants Payable	1,003,233	-	-	-
Warrant Interest Payable	43,767	-	-	-
Due to Other Funds	76,690	74,848	-	827
Deferred Revenue	63,242	-	-	-
Long Term Liabilities:				
Bonds Payable	<u>1,854,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Current Liabilities	<u>3,079,902</u>	<u>89,974</u>	<u>874</u>	<u>10,912</u>
TOTAL LIABILITIES RESERVES AND FUND BALANCES				
Reserved and Invested:				
Petty Cash Funds	500	-	-	-
Accounts Receivable	151,664	99,299	22,173	7,222
Sewer Extension	46,358	-	-	-
Sanitary Sewers	95,409	-	-	95,409
Streets	28,473	-	-	28,473
Parks	12,702	-	-	12,702
Storm Drainage	659	-	-	659
Fixed Assets	3,262,671	-	164,642	-
Retained Earnings	6,839,552	-	-	-
Available for Appropriation	<u>751,187</u>	<u>227,273</u>	<u>13,860</u>	<u>306,395</u>
Total Fund Balance	<u>11,189,175</u>	<u>326,572</u>	<u>200,675</u>	<u>450,860</u>
Total Liabilities, Reserves, Fund Balances and Retained Earnings	<u>\$14,269,077</u>	<u>\$ 416,546</u>	<u>\$ 201,549</u>	<u>\$ 461,772</u>

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



CITY OF LEBANON  
Linn County, Oregon

COMBINED BALANCE SHEETS - ALL FUNDS  
June 30, 1979

<u>Special Assessment Funds</u>	<u>General Obligation Bond Fund</u>	<u>Capital Projects Funds</u>	<u>Sewer Service Fund</u>	<u>Trust and Agency Funds</u>	<u>General Fixed Assets</u>
\$ -	\$ 1,135	\$ 782	\$ 3,705	\$ 6,242	\$ -
533	488	-	-	-	-
1,003,233	-	-	-	-	-
43,767	-	-	-	-	-
1,015	-	-	-	-	-
-	-	-	63,242	-	-
<u>745,000</u>	<u>1,109,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,793,548</u>	<u>1,110,623</u>	<u>782</u>	<u>66,947</u>	<u>6,242</u>	<u>-</u>
-	-	-	-	500	-
-	22,245	680	-	45	-
-	-	46,358	-	-	-
-	-	-	-	-	3,098,029
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	6,839,552	-	-
<u>103,957</u>	<u>-</u>	<u>84,900</u>	<u>-</u>	<u>14,802</u>	<u>3,098,029</u>
<u>103,957</u>	<u>22,245</u>	<u>131,938</u>	<u>6,839,552</u>	<u>15,347</u>	<u>3,098,029</u>
<u>\$1,897,505</u>	<u>\$1,132,868</u>	<u>\$132,720</u>	<u>\$6,906,499</u>	<u>\$ 21,589</u>	<u>\$ 3,098,029</u>

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

CITY OF LEBANON  
Linn County, Oregon

COMBINED BALANCE SHEETS - SPECIAL REVENUE FUNDS  
June 30, 1979

	Pro-Forma Combined Total	Federal Revenue Sharing Fund	State Revenue Sharing Fund	Grant Fund	CETA Fund	State Tax and Road Fund
<u>Assets and Other Debits</u>						
Cash	\$ 450,125	\$ 132,491	\$ 50,501	\$ (256)	\$(5,253)	\$ 64,082
Accounts Receivable:						
Federal Reimbursements	10,626	-	-	6,201	4,425	-
Property Taxes	6	-	-	-	-	-
Due From Other Funds	1,015	-	-	-	-	1,015
Total Assets and Other Debits	<u>\$ 461,772</u>	<u>\$ 132,491</u>	<u>\$ 50,501</u>	<u>\$ 5,945</u>	<u>\$ (828)</u>	<u>\$ 65,097</u>
<u>Liabilities and Fund Balances</u>						
Current Liabilities:						
Accounts Payable	\$ 10,085	\$ 8,510	\$ -	\$ 1,575	\$ -	\$ -
Due to Other Funds	827	-	-	827	-	-
Total Current Liabilities	<u>10,912</u>	<u>8,510</u>	<u>-</u>	<u>2,402</u>	<u>-</u>	<u>-</u>
Fund Balances:						
Reserved For:						
Accounts Receivable	7,222	-	-	6,201	-	1,015
Sanitary Sewers	95,409	-	-	-	-	-
Streets	28,473	-	-	-	-	-
Parks	12,702	-	-	-	-	-
Storm Drainage	659	-	-	-	-	-
Available for Appropriation	<u>306,395</u>	<u>123,981</u>	<u>50,501</u>	<u>(2,658)</u>	<u>(828)</u>	<u>64,082</u>
Total Fund Balances	<u>450,860</u>	<u>123,981</u>	<u>50,501</u>	<u>3,543</u>	<u>(828)</u>	<u>65,097</u>
Total Liabilities and Fund Balances	<u>\$ 461,772</u>	<u>\$ 132,491</u>	<u>\$ 50,501</u>	<u>\$ 5,945</u>	<u>\$ (828)</u>	<u>\$ 65,097</u>

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



CITY OF LEBANON  
Linn County, Oregon

COMBINED BALANCE SHEETS - SPECIAL REVENUE FUNDS  
June 30, 1979

Foot and Bike Path Fund	Equipment Replacement and Acquisition Fund	Fire- Ambulance Equipment Fund	Park Improvement Fund	Sewer Improvement Fund	Street Improvement Fund	Drainage Improvement Fund
\$ 8,907	\$ 38,632	\$ 23,778	\$ 12,702	\$ 95,409	\$ 28,473	\$ 659
-	-	-	-	-	-	-
-	-	6	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 8,907</u>	<u>\$ 38,632</u>	<u>\$ 23,784</u>	<u>\$ 12,702</u>	<u>\$ 95,409</u>	<u>\$ 28,473</u>	<u>\$ 659</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	6	-	-	-	-
-	-	-	-	95,409	-	-
-	-	-	-	-	28,473	-
-	-	-	12,702	-	-	-
-	-	-	-	-	-	659
<u>8,907</u>	<u>38,632</u>	<u>23,778</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>8,907</u>	<u>38,632</u>	<u>23,784</u>	<u>12,702</u>	<u>95,409</u>	<u>28,473</u>	<u>659</u>
<u>\$ 8,907</u>	<u>\$ 38,632</u>	<u>\$ 23,784</u>	<u>\$ 12,702</u>	<u>\$ 95,409</u>	<u>\$ 28,473</u>	<u>\$ 659</u>

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

CITY OF LEBANON  
Linn County, Oregon

COMBINED BALANCE SHEETS - SPECIAL ASSESSMENT FUNDS  
June 30, 1979

<u>Assets</u>	<u>Pro-Forma Combined Total</u>	<u>Public Improvement Fund</u>	<u>Bancroft Bond Fund</u>
Cash	\$ 535,557	\$ (96,155)	\$ 631,712
Accounts Receivable:			
Assessments	204,993	17,105	187,888
Liens	1,072,015	1,072,015	-
Due from General Fund	74,848	74,848	-
Prepaid Costs	10,092	10,092	-
 Total Assets	 <u>\$ 1,897,505</u>	 <u>\$ 1,077,905</u>	 <u>\$ 819,600</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
Current Liabilities:			
Interest Payable:			
Matured Interest Coupons	\$ 533	\$ -	\$ 533
Due to Other Funds	1,015	1,015	-
Endorsed Improvement Warrants Payable	1,003,233	1,003,233	-
Warrant Interest Payable	43,767	43,767	-
Long Term Liabilities:			
Bond Payable	745,000	-	745,000
 Total Liabilities	 <u>1,793,548</u>	 <u>1,048,015</u>	 <u>745,533</u>
 Fund Balances	 <u>103,957</u>	 <u>29,890</u>	 <u>74,067</u>
 Total Liabilities and Fund Balances	 <u>\$ 1,897,505</u>	 <u>\$ 1,077,905</u>	 <u>\$ 819,600</u>

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



CITY OF LEBANON  
Linn County, Oregon

COMBINED BALANCE SHEETS - CAPITAL PROJECTS FUNDS  
June 30, 1979

<u>Assets</u>	<u>Pro-Forma Combined Total</u>	<u>Capital Improvement Fund</u>	<u>Fire Hall Construction Fund</u>	<u>Sewage Treat- ment Plant Construction Fund</u>
Cash	\$ 132,040	\$ 85,336	\$ 4,313	\$ 42,391
Accounts Receivable:				
Property Taxes	94	94	-	-
Federal Reimbursements	586	-	-	586
Total Assets	<u>\$ 132,720</u>	<u>\$ 85,430</u>	<u>\$ 4,313</u>	<u>42,977</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Current Liabilities:				
Accounts Payable	\$ 782	\$ -	\$ -	\$ 782
Total Liabilities	782	-	-	782
Fund Balances:				
Reserved For:				
Accounts Receivable	680	94	-	586
Sewer Extension	46,358	46,358	-	-
Available for Appropriation	84,900	38,978	4,313	41,609
Total Fund Balances	131,938	85,430	4,313	42,195
Total Liabilities and Fund Balances	<u>\$ 132,720</u>	<u>\$ 85,430</u>	<u>\$ 4,313</u>	<u>\$ 42,977</u>

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

CITY OF LEBANON  
Linn County, Oregon

COMBINED BALANCE SHEETS - TRUST AND AGENCY FUNDS  
June 30, 1979

<u>Assets</u>	Pro-Forma Combined Total	Recorder's Account	Municipal Court Account	Other Suspense Accounts
Cash	\$ 21,544	\$ 1,435	\$ 5,307	\$ 14,802
Accounts Receivable	45	-	-	45
Total Assets	<u>\$ 21,589</u>	<u>\$ 1,435</u>	<u>\$ 5,307</u>	<u>\$ 14,847</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Current Liabilities:				
Accounts Payable	\$ 6,242	\$ 935	\$ 5,307	\$ -
Total Liabilities	<u>6,242</u>	<u>935</u>	<u>5,307</u>	<u>-</u>
Fund Balances:				
Reserved For:				
Petty Cash	500	500	-	-
Accounts Receivable	45	-	-	45
Trust and Agency	14,802	-	-	14,802
Total Fund Balances	<u>15,347</u>	<u>500</u>	<u>-</u>	<u>14,847</u>
Total Liabilities and Fund Balances	<u>\$ 21,589</u>	<u>\$ 1,435</u>	<u>\$ 5,307</u>	<u>\$ 14,847</u>

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



CITY OF LEBANON  
Linn County, Oregon

COMBINED STATEMENT OF CHANGES IN FUND BALANCES - ALL FUNDS  
For The Fiscal Year July 1, 1978 to June 30, 1979

<u>FUND</u>	<u>FUND BALANCE 7/1/78</u>	<u>ADJUSTMENTS</u>	<u>ADJUSTED FUND BALANCE 7/1/78</u>
General	\$ 129,710	\$ 5,798	\$ 135,508
Ambulance	12,100	28	12,128
State Tax and Road	49,633	-	49,633
Federal Revenue Sharing	146,754	(9)	146,745
State Revenue Sharing	921	-	921
Grant	46,067	(903)	45,164
Anti-Recessionary	89,666	-	89,666
Equipment Replacement and Acquisition	36,048	-	36,048
Fire-Ambulance Equipment	4,135	-	4,135
CETA	(828)	-	(828)
Foot and Bike Path	7,070	-	7,070
Sewer Plant Construction	(1,388)	-	(1,388)
Park Improvement	7,521	-	7,521
Sanitary Sewer Improvement	128,119	-	128,119
Street Improvement	10,547	-	10,547
Drainage Improvement	-	-	-
Capital Improvement	69,278	-	69,278
Fire Hall Construction	2,466	-	2,466
Public Improvement	8,468	-	8,468
Bancroft Bond	58,481	-	58,481
General Obligation Bond	-	-	-
	<u>\$ 804,768</u>	<u>\$ 4,914</u>	<u>\$ 809,682</u>

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

CITY OF LEBANON  
Linn County, Oregon

COMBINED STATEMENT OF CHANGES IN FUND BALANCES - ALL FUNDS  
For The Fiscal Year July 1, 1978 to June 30, 1979

<u>RECEIPTS AND TRANSFERS IN</u>	<u>TOTAL</u>	<u>EXPENDITURES AND TRANSFERS OUT</u>	<u>INCREASE (DECREASE IN) ACCOUNTS RECEIVABLE</u>	<u>(INCREASE) DECREASE IN CURRENT LIABILITIES</u>	<u>FUND BALANCE 6/30/79</u>
\$ 1,422,006	\$1,557,514	\$ 1,379,967	\$ -	\$ 49,726	\$227,273
118,595	130,723	116,863	-	-	13,860
136,028	185,661	121,579	-	-	64,082
271,092	417,837	293,856	-	-	123,981
53,350	54,271	3,770	-	-	50,501
91,252	136,416	136,685	-	(2,389)	(2,658)
9,941	99,607	99,607	-	-	-
2,584	38,632	-	-	-	38,632
19,643	23,778	-	-	-	23,778
123,653	122,825	115,604	(8,049)	-	(828)
1,837	8,907	-	-	-	8,907
674,181	672,793	652,660	-	21,476	41,609
5,381	12,902	200	-	-	12,702
51,887	180,006	84,597	-	-	95,409
18,724	29,271	798	-	-	28,473
659	659	-	-	-	659
57,751	127,029	41,693	-	-	85,336
16,512	18,978	14,665	-	-	4,313
61,284	69,752	1,087,818	1,047,956	-	29,890
143,713	202,194	159,922	(84,095)	115,890	74,067
160,867	160,867	194,050	-	33,183	-
<u>\$ 3,440,940</u>	<u>\$4,250,622</u>	<u>\$ 4,504,334</u>	<u>\$ 955,812</u>	<u>\$ 217,886</u>	<u>\$919,986</u>

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



CITY OF LEBANON  
Linn County, Oregon

STATEMENT OF GENERAL FUND REVENUES AND EXPENDITURES  
For The Fiscal Year July 1, 1978 to June 30, 1979

<u>REVENUES</u>	<u>ACTUAL</u>	<u>BUDGET ESTIMATES</u>	<u>OVER (UNDER) BUDGET</u>
<b>Taxes:</b>			
Current Year's Levy	\$ 430,675	\$ 431,606	\$ (931)
Prior Year's Levies	43,641	62,500	(18,859)
Franchise	161,898	135,000	26,898
Tax Land Sales	1,259	-	1,259
<b>Licenses and Permits:</b>			
Building Permits	58,995	40,000	18,995
Amusement Machine Tax	9,860	8,500	1,360
Business Licenses	2,436	2,800	(364)
<b>Intergovernmental:</b>			
Liquor Tax	73,377	69,000	4,377
Cigarette Tax	22,779	23,000	(221)
Vehicle Fuel Tax Refund	2,486	2,400	86
Reimbursement for Police Service	676	500	176
Due From Other Funds	7,998	-	7,998
Senior Services D4 COG Grant	1,500	-	1,500
Library WIN State Fund	5,712	6,550	(838)
<b>Charges for Services:</b>			
Rural Fire District	207,076	207,076	-
Parking Meters	14,367	15,000	(633)
Maps and Ordinances	514	300	214
Planning Commission Service	2,553	1,300	1,253
Engineering Fees	32,390	16,300	16,090
Dial-A-Bus Contributions	1,998	-	1,998
<b>Fines and Forfeitures:</b>			
Fines and Bail Forfeitures	87,447	55,000	32,447
<b>Miscellaneous:</b>			
SAIF Dividend	119	1,000	(881)
Seed Growers Association	1,981	1,500	481
Property Rentals	1,830	1,800	30
Interest on Investments	20,355	-	20,355
Miscellaneous Receipts	10,598	7,000	3,598
Senior Center Miscellaneous Receipts	764	3,500	(2,736)
Miscellaneous Income - Fire	2,133	3,700	(1,567)
Miscellaneous Income - Library	5,891	2,000	3,891
Miscellaneous Income - Police Dept.	1,678	-	1,678
Sale of Capital Equipment	1,136	-	1,136

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

CITY OF LEBANON  
Linn County, Oregon

STATEMENT OF GENERAL FUND REVENUES AND EXPENDITURES  
For The Fiscal Year July 1, 1978 to June 30, 1979

<u>REVENUES (Continued)</u>	<u>ACTUAL</u>	<u>BUDGET ESTIMATES</u>	<u>OVER (UNDER) BUDGET</u>
Interfund Transfers:			
From Capital Improvement Fund	\$ 23,925	\$ 23,925	\$ -
From Sewer Service Fund	35,000	35,000	-
From Sewage Treatment Plant Construction Fund	10,000	10,000	-
From Grant Program Fund	2,800	2,800	-
From Federal Anti-Recessionary Revenue Sharing Fund	99,607	132,590	(32,983)
From Ambulance Fund	19,552	19,552	-
From Public Improvement Fund	15,000	15,000	-
Total Revenues	1,422,006	1,336,199	85,807
Fund Balance Beginning of Year	144,415	124,050	20,365
Total Resources	<u>\$1,566,421</u>	<u>\$1,460,249</u>	<u>\$ 106,172</u>

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



STATEMENT OF GENERAL FUND REVENUES AND EXPENDITURES  
For The Fiscal Year July 1, 1978 To June 30, 1979

<u>EXPENDITURES</u>	<u>ACTUAL EXPENDITURES</u>	<u>APPROPRIATION</u>	<u>ACTUAL UNDER (OVER) APPROPRIATION</u>
Legislative Department:			
Personal Services	\$ 4,707	\$ 4,872	\$ 165
Materials and Services	<u>6,835</u>	<u>7,325</u>	<u>490</u>
Total Legislative Department	<u>11,542</u>	<u>12,197</u>	<u>655</u>
Administrative Department:			
Personal Services	44,451	44,867	416
Materials and Services	<u>5,886</u>	<u>6,770</u>	<u>884</u>
Total Administrative Department	<u>50,337</u>	<u>51,637</u>	<u>1,300</u>
City Attorney:			
Personal Services	14,130	14,616	486
Materials and Services	<u>2,500</u>	<u>2,500</u>	<u>-</u>
Total City Attorney	<u>16,630</u>	<u>17,116</u>	<u>486</u>
Finance Department:			
Personal Services	54,547	57,278	2,731
Materials and Services	<u>5,865</u>	<u>7,160</u>	<u>1,295</u>
Total Finance Department	<u>60,412</u>	<u>64,438</u>	<u>4,026</u>
Library:			
Personal Services	49,531	51,827	2,296
Materials and Services	<u>7,482</u>	<u>8,965</u>	<u>1,483</u>
Total Library	<u>57,013</u>	<u>60,792</u>	<u>3,779</u>
Municipal Court:			
Personal Services	23,463	23,763	300
Materials and Services	<u>7,436</u>	<u>8,210</u>	<u>774</u>
Total Municipal Court	<u>30,899</u>	<u>31,973</u>	<u>1,074</u>
Senior Services Department:			
Personal Services	15,493	15,772	279
Materials and Services	<u>7,791</u>	<u>8,910</u>	<u>1,119</u>
Total Senior Services Department	<u>23,284</u>	<u>24,682</u>	<u>1,398</u>
Building and Planning Department:			
Personal Services	44,842	44,710	(132)
Materials and Services	<u>16,712</u>	<u>18,200</u>	<u>1,488</u>
Total Building and Planning Department	<u>61,554</u>	<u>62,910</u>	<u>1,356</u>

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

CITY OF LEBANON  
Linn County, Oregon

STATEMENT OF GENERAL FUND REVENUES AND EXPENDITURES  
For The Fiscal Year July 1, 1978 To June 30, 1979

<u>EXPENDITURES (Continued)</u>	<u>ACTUAL EXPENDITURES</u>	<u>APPROPRIATION</u>	<u>ACTUAL UNDER (OVER) APPROPRIATION</u>
Police Department:			
Personal Services	\$ 384,691	\$ 408,772	\$ 24,081
Materials and Services	49,480	51,390	1,910
Transfer to Grant Fund	18,946	18,946	-
Total Police Department	<u>453,117</u>	<u>479,108</u>	<u>25,991</u>
Communications Department:			
Personal Services	59,057	61,108	2,051
Materials and Services	331	850	519
Total Communications Department	<u>59,388</u>	<u>61,958</u>	<u>2,570</u>
Fire Department:			
Personal Services	240,344	243,409	3,065
Materials and Services	42,960	44,355	1,395
Services-Volunteer Section	22,320	23,480	1,160
Capital Outlay	984	-	(984)
Total Fire Department	<u>306,608</u>	<u>311,244</u>	<u>4,636</u>
Public Works Department - Administration:			
Personal Services	62,825	66,361	3,536
Materials and Services	9,940	29,045	19,105
Capital Outlay	5,421	5,425	4
Total Public Works Department - Administration	<u>78,186</u>	<u>100,831</u>	<u>22,645</u>
Public Works Department - Parks:			
Personal Services	20,415	21,497	1,082
Materials and Services	9,486	10,250	764
Total Public Works Department - Parks	<u>29,901</u>	<u>31,747</u>	<u>1,846</u>
Special Expenditures:			
Materials and Services	84,788	93,308	8,520
Transfer to Public Improvement Fund	20,000	20,000	-
Transfer to Capital Improvement Fund	28,925	28,925	-
Transfer to Fire/Ambulance Equipment Fund	7,383	7,383	-
Total Special Expenditures	<u>141,096</u>	<u>149,616</u>	<u>8,520</u>
Total Expenditures	<u>1,379,967</u>	<u>1,460,249</u>	<u>80,282</u>
Fund Balance End of Year	<u>\$ 186,454</u>	<u>\$ -</u>	<u>\$ 186,454</u>

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



CITY OF LEBANON  
Linn County, Oregon

STATEMENT OF AMBULANCE FUND REVENUES AND EXPENDITURES  
For The Fiscal Year July 1, 1978 To June 30, 1979

<u>REVENUES</u>	<u>ACTUAL</u>	<u>BUDGET ESTIMATES</u>	<u>OVER (UNDER) BUDGET</u>
Taxes:			
Prior Year's Levies	\$ 191	\$ -	\$ 191
Charges for Services:			
Current Service Charges	54,481	48,500	5,981
Delinquent Service Charges	520	500	20
Rural Fire District	31,104	31,104	-
Miscellaneous:			
Miscellaneous	237	1,790	(1,553)
Interest on Investments	957	300	657
Interfund Transfers:			
From Federal Revenue Sharing Fund	<u>31,105</u>	<u>31,105</u>	<u>-</u>
Total Revenues	118,595	113,299	5,296
Fund Balance Beginning of Year	<u>12,100</u>	<u>10,941</u>	<u>1,159</u>
Total Resources	<u>130,695</u>	<u>124,240</u>	<u>6,455</u>

<u>EXPENDITURES</u>	<u>ACTUAL EXPENDITURES</u>	<u>APPROPRIATION</u>	<u>ACTUAL UNDER (OVER) APPROPRIATION</u>
Personal services	77,742	79,017	1,275
Materials and Services	19,569	20,560	991
Capital Outlay	-	1,790	1,790
Operating Contingency	-	3,321	3,321
Transfer to General Fund	<u>19,552</u>	<u>19,552</u>	<u>-</u>
Total Expenditures	<u>116,863</u>	<u>124,240</u>	<u>7,377</u>
Fund Balance End of Year	<u>\$ 13,832</u>	<u>\$ -</u>	<u>\$ 13,832</u>

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

CITY OF LEBANON  
Linn County, Oregon

STATEMENT OF STATE TAX AND ROAD FUND REVENUE AND EXPENDITURES  
For The Fiscal Year July 1, 1978 To June 30, 1979

<u>REVENUES</u>	<u>ACTUAL</u>	<u>BUDGET ESTIMATES</u>	<u>OVER (UNDER) BUDGET</u>
State Vehicle Fuel Tax Allocation	\$131,891	\$ 114,000	\$ 17,891
Interest on Investments	3,973	-	3,973
Miscellaneous Receipts	164	500	(336)
Total Revenues	136,028	114,500	21,528
Fund Balance Beginning of Year	49,633	25,244	24,389
Total Resources	185,661	139,744	45,917

<u>EXPENDITURES</u>	<u>ACTUAL EXPENDITURES</u>	<u>APPROPRIATION</u>	<u>ACTUAL UNDER (OVER) APPROPRIATION</u>
Personal Services	121,579	130,356	8,777
Operating Contingency	-	9,388	9,388
Total Expenditures	121,579	139,744	18,165
Fund Balance End of Year	\$ 64,082	\$ -	\$ 64,082

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



CITY OF LEBANON  
Linn County, Oregon

STATEMENT OF FEDERAL REVENUE SHARING FUND REVENUE AND EXPENDITURES  
For The Fiscal Year July 1, 1978 To June 30, 1979

	<u>REVENUES</u>	<u>ACTUAL</u>	<u>BUDGET ESTIMATES</u>	<u>OVER (UNDER) BUDGET</u>
Federal Allocation		\$237,539	\$ 235,000	\$ 2,539
Interest on Investments		10,569	5,000	5,569
Miscellaneous		<u>22,984</u>	<u>-</u>	<u>22,984</u>
Total Revenues		271,092	240,000	31,092
Fund Balance Beginning of Year		<u>146,754</u>	<u>154,596</u>	<u>(7,842)</u>
Total Resources		<u>417,846</u>	<u>394,596</u>	<u>23,250</u>

	<u>EXPENDITURES</u>	<u>ACTUAL EXPENDITURES</u>	<u>APPROPRIATION</u>	<u>ACTUAL UNDER (OVER) APPROPRIATION</u>
Personal Services		30,240	29,538	(702)
Materials and Services		142,409	145,930	3,521
Capital Outlay		86,543	85,044	(1,499)
Operating Contingency		-	99,420	99,420
Transfers to Other Funds		<u>34,664</u>	<u>34,664</u>	<u>-</u>
Total Expenditures		<u>293,856</u>	<u>394,596</u>	<u>100,740</u>
Fund Balance End of Year		<u>\$ 123,990</u>	<u>\$ -</u>	<u>\$ 123,990</u>

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

CITY OF LEBANON  
Linn County, Oregon

STATEMENT OF STATE REVENUE SHARING FUND REVENUE AND EXPENDITURES  
For The Fiscal Year July 1, 1978 To June 30, 1979

<u>REVENUES</u>	<u>ACTUAL</u>	<u>BUDGET ESTIMATES</u>	<u>OVER (UNDER) BUDGET</u>
State Allocation	\$ 52,372	\$ 50,000	\$ 2,372
Interest on Investments	<u>978</u>	<u>200</u>	<u>778</u>
Total Revenues	53,350	50,200	3,150
Fund Balance Beginning of Year	<u>921</u>	<u>6,471</u>	<u>(5,550)</u>
Total Resources	<u>54,271</u>	<u>56,671</u>	<u>(2,400)</u>

<u>EXPENDITURES</u>	<u>ACTUAL EXPENDITURES</u>	<u>APPROPRIATION</u>	<u>ACTUAL UNDER (OVER) APPROPRIATION</u>
Materials and Services	3,770	3,770	-
Capital Outlay	-	50,000	50,000
Operating Contingency	<u>-</u>	<u>2,901</u>	<u>2,901</u>
Total Expenditures	<u>3,770</u>	<u>56,671</u>	<u>52,901</u>
Fund Balance End of Year	<u>\$ 50,501</u>	<u>\$ -</u>	<u>\$ 50,501</u>

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



CITY OF LEBANON  
Linn County, Oregon

STATEMENT OF SEWER SERVICE FUND REVENUES AND EXPENDITURES  
For The Fiscal Year July 1, 1978 To June 30, 1979

	<u>REVENUES</u>	<u>ACTUAL</u>	<u>BUDGET ESTIMATES</u>	<u>OVER (UNDER) BUDGET</u>
Sewer Service Charges		\$ 191,749	\$ 140,000	\$ 51,749
Sewer Certified		4,040	-	4,040
Interest on Investment		6,375	-	6,375
Miscellaneous Receipts		12	-	12
Total Revenues		202,176	140,000	62,176
Fund Balance Beginning of Year		6,192,301	74,534	6,117,767
Total Resources		6,394,477	214,534	6,179,943

	<u>EXPENDITURES</u>	<u>ACTUAL EXPENDITURES</u>	<u>APPROPRIATION</u>	<u>ACTUAL UNDER (OVER) APPROPRIATION</u>
Personal Services		51,058	51,226	168
Materials and Services		73,789	74,025	236
Capital Outlay		25,852	26,855	1,003
Operating Contingency		-	27,428	27,428
Transfer to General Fund		35,000	35,000	-
Total Expenditures		185,699	214,534	28,835
Fund Balance End of Year		\$ 6,208,778	\$ -	\$ 6,208,778

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

CITY OF LEBANON  
Linn County, Oregon

STATEMENT OF GRANT FUND REVENUE AND EXPENDITURES  
For The Fiscal Year July 1, 1978 To June 30, 1979

<u>REVENUES</u>	<u>ACTUAL</u>	<u>BUDGET ESTIMATES</u>	<u>OVER (UNDER) BUDGET</u>
Crime Prevention Program:			
Federal Funds	\$ 8,539	\$ 6,412	\$ 2,127
State Funds	-	288	(288)
Interest on Investments	126	-	126
Transfer From General Fund	18,946	18,946	-
Total Revenues	<u>27,611</u>	<u>25,646</u>	<u>1,965</u>
Fund Balance Beginning of Year	<u>3,328</u>	<u>720</u>	<u>2,608</u>
Total Resources	<u>30,939</u>	<u>26,366</u>	<u>4,573</u>
Senior Services:			
Federal Funds	7,812	-	7,812
Interest on Investments	29	-	29
Total Revenues	<u>7,841</u>	<u>-</u>	<u>7,841</u>
Fund Balance Beginning of Year	<u>254</u>	<u>-</u>	<u>254</u>
Total Resources	<u>8,095</u>	<u>-</u>	<u>8,095</u>
Weldwood Park:			
Federal Funds	-	4,300	(4,300)
Interest on Investments	115	-	115
Total Revenues	<u>115</u>	<u>4,300</u>	<u>(4,185)</u>
Fund Balance Beginning of Year	<u>1,803</u>	<u>1,690</u>	<u>113</u>
Total Resources	<u>1,918</u>	<u>5,990</u>	<u>(4,072)</u>
LCDC Planning Grant:			
State Funds	2,275	-	2,275
Total Revenues	<u>2,275</u>	<u>-</u>	<u>2,275</u>
Fund Balance Beginning of Year	<u>(1,747)</u>	<u>-</u>	<u>(1,747)</u>
Total Resources	<u>528</u>	<u>-</u>	<u>528</u>
701 Planning Grant:			
Interest on Investments	34	-	34
Fund Balance Beginning of Year	<u>(34)</u>	<u>-</u>	<u>(34)</u>
Total Resources	<u>-</u>	<u>-</u>	<u>-</u>

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



CITY OF LEBANON  
Linn County, Oregon

STATEMENT OF GRANT FUND REVENUE AND EXPENDITURES  
For The Fiscal Year July 1, 1978 To June 30, 1979

<u>REVENUES (Continued)</u>	<u>ACTUAL</u>	<u>BUDGET ESTIMATES</u>	<u>OVER (UNDER) BUDGET</u>
Economic Development Grant:			
Federal Funds	\$ 36,125	\$ -	\$ 36,125
Interest on Investments	787	-	787
Total Revenues	36,912	-	36,912
Fund Balance Beginning of Year	36,125	-	36,125
Total Resources	73,037	-	73,037
 Traffic Safety Study:			
State Grant	16,299	-	16,299
Total Resources	16,299	-	16,299
 Books By Mail:			
Interest on Investments	82	-	82
Miscellaneous Income	71	-	71
Total Revenues	153	-	153
Fund Balance Beginning of Year	10,474	12,950	(2,476)
Total Resources	10,627	12,950	(2,323)
 Project Independence:			
Interest on Investments	12	-	12
Fund Balance Beginning of Year	(12)	-	(12)
Total Resources	-	-	-
 Narcotics Program:			
Fund Balance Beginning of Year	413	-	413
Total Resources	413	-	413
 Total Grant Fund Resources	141,856	45,306	96,550
 Total Receipts All Grants	91,252	29,946	61,306
Total Fund Balance Beginning of Year	50,604	15,360	35,244
Total Grant Fund Resources	\$141,856	\$ 45,306	\$ 96,550

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

CITY OF LEBANON  
Linn County, Oregon

STATEMENT OF GRANT FUND REVENUE AND EXPENDITURES  
For The Fiscal Year July 1, 1978 To June 30, 1979

<u>EXPENDITURES</u>	<u>ACTUAL EXPENDITURES</u>	<u>APPROPRIATION</u>	<u>ACTUAL UNDER (OVER) APPROPRIATION</u>
Personal Services	\$ 21,191	\$ 21,751	\$ 560
Materials and Services	33,952	14,765	(19,187)
Capital Outlay	78,742	5,990	(72,752)
Transfer to General Fund	<u>2,800</u>	<u>2,800</u>	<u>-</u>
Total Expenditures	<u>136,685</u>	<u>45,306</u>	<u>(91,379)</u>
Fund Balance End of Year	<u>\$ 5,171</u>	<u>\$ -</u>	<u>\$ 5,171</u>

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



CITY OF LEBANON  
Linn County, Oregon

STATEMENT OF ANTI-RECESSIONARY FUND REVENUE AND EXPENDITURES  
For The Fiscal Year July 1, 1978 To June 30, 1979

	<u>REVENUES</u>	<u>ACTUAL</u>	<u>BUDGET ESTIMATES</u>	<u>OVER (UNDER) BUDGET</u>
Federal Allocation		\$ 6,382	\$ 32,000	\$ (25,618)
Interest on Investments		<u>3,559</u>	<u>-</u>	<u>3,559</u>
Total Revenues		9,941	32,000	(22,059)
Fund Balance Beginning of Year		<u>89,666</u>	<u>100,590</u>	<u>(10,924)</u>
Total Resources		<u>99,607</u>	<u>132,590</u>	<u>(32,983)</u>

	<u>EXPENDITURES</u>	<u>ACTUAL EXPENDITURES</u>	<u>APPROPRIATION</u>	<u>ACTUAL UNDER (OVER) APPROPRIATION</u>
Transfer to General Fund		<u>99,607</u>	<u>132,590</u>	<u>32,983</u>
Total Expenditures		<u>99,607</u>	<u>132,590</u>	<u>32,983</u>
Fund Balance End of Year		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

CITY OF LEBANON  
Linn County, Oregon

STATEMENT OF EQUIPMENT REPLACEMENT AND ACQUISITION FUND REVENUE AND EXPENDITURES  
For The Fiscal Year July 1, 1978 To June 30, 1979

<u>REVENUES</u>	<u>ACTUAL</u>	<u>BUDGET ESTIMATES</u>	<u>OVER (UNDER) BUDGET</u>
Interest on Investments	\$ 2,584	\$ -	\$ 2,584
Total Revenue	2,584	-	2,584
Fund Balance Beginning of Year	36,048	35,960	88
Total Resources	38,632	35,960	2,672

<u>EXPENDITURES</u>	<u>ACTUAL EXPENDITURES</u>	<u>APPROPRIATION</u>	<u>ACTUAL UNDER (OVER) APPROPRIATION</u>
Operating Contingency	-	35,960	35,960
Total Expenditures	-	35,960	35,960
Fund Balance End of Year	\$ 38,632	\$ -	\$ 38,632

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



CITY OF LEBANON  
Linn County, Oregon

STATEMENT OF FIRE-AMBULANCE FUND REVENUE AND EXPENDITURES  
For The Fiscal Year July 1, 1978 To June 30, 1979

<u>REVENUES</u>	<u>ACTUAL</u>	<u>BUDGET ESTIMATES</u>	<u>OVER (UNDER) BUDGET</u>
Equipment	\$ 7,248	\$ -	\$ 7,248
Interest Earned	1,453	-	1,453
Transfer From General Fund	7,383	7,383	-
Transfer From Federal Revenue Sharing Fund	<u>3,559</u>	<u>3,559</u>	<u>-</u>
Total Revenue	19,643	10,942	8,701
Fund Balance Beginning of Year	<u>4,135</u>	<u>6,669</u>	<u>(2,534)</u>
Total Resources	<u>23,778</u>	<u>17,611</u>	<u>6,167</u>

<u>EXPENDITURES</u>	<u>ACTUAL EXPENDITURES</u>	<u>APPROPRIATION</u>	<u>ACTUAL UNDER (OVER) APPROPRIATION</u>
Operating Contingency	<u>-</u>	<u>17,611</u>	<u>17,611</u>
Total Expenditures	<u>-</u>	<u>17,611</u>	<u>17,611</u>
Fund Balance End of Year	<u>\$ 23,778</u>	<u>\$ -</u>	<u>\$ 23,778</u>

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

CITY OF LEBANON  
Linn County, Oregon

STATEMENT OF CETA FUND REVENUE AND EXPENDITURES  
For The Fiscal Year July 1, 1978 To June 30, 1979

	<u>REVENUES</u>	<u>ACTUAL</u>	<u>BUDGET ESTIMATES</u>	<u>OVER (UNDER) BUDGET</u>
Federal Reimbursements		<u>\$123,653</u>	<u>\$ 179,562</u>	<u>\$ (55,909)</u>
Total Revenue		123,653	179,562	(55,909)
Fund Balance Beginning of Year		<u>897</u>	<u>-</u>	<u>897</u>
Total Resources		<u>124,550</u>	<u>179,562</u>	<u>(55,012)</u>

	<u>EXPENDITURES</u>	<u>ACTUAL EXPENDITURES</u>	<u>APPROPRIATION</u>	<u>ACTUAL UNDER (OVER) APPROPRIATION</u>
Personal Services		114,212	179,012	64,800
Materials and Services		<u>1,392</u>	<u>550</u>	<u>(842)</u>
Total Expenditures		<u>115,604</u>	<u>179,562</u>	<u>63,958</u>
Fund Balance End of Year		<u>\$ 8,946</u>	<u>\$ -</u>	<u>\$ 8,946</u>

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



CITY OF LEBANON  
Linn County, Oregon

STATEMENT OF FOOT AND BIKE PATH FUND REVENUE AND EXPENDITURES  
For The Fiscal Year July 1, 1978 To June 30, 1979

<u>REVENUES</u>	<u>ACTUAL</u>	<u>BUDGET ESTIMATES</u>	<u>OVER (UNDER) BUDGET</u>
State Vehicle Fuel Tax Allocation	\$ 1,332	\$ 1,145	\$ 187
Interest on Investments	505	450	55
Total Revenues	1,837	1,595	242
Fund Balance Beginning of Year	7,070	6,960	110
Total Resources	8,907	8,555	352

<u>EXPENDITURES</u>	<u>ACTUAL EXPENDITURES</u>	<u>APPROPRIATION</u>	<u>ACTUAL UNDER (OVER) APPROPRIATION</u>
Operating Contingency	-	8,555	8,555
Total Expenditures	-	8,555	8,555
Fund Balance End of Year	\$ 8,907	\$ -	\$ 8,907

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

CITY OF LEBANON  
Linn County, Oregon

STATEMENT OF SEWER PLANT CONSTRUCTION FUND REVENUE AND EXPENDITURES  
For The Fiscal Year July 1, 1978 To June 30, 1979

<u>REVENUES</u>	<u>ACTUAL</u>	<u>BUDGET ESTIMATES</u>	<u>OVER (UNDER) BUDGET</u>
Grant Reimbursements	\$580,951	\$ 429,900	\$ 151,051
Interest on Investments	18,230	2,000	16,230
Sewer Improvement Fund	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Total Revenues	674,181	506,900	167,281
Fund Balance Beginning of Year	<u>(1,388)</u>	<u>179,997</u>	<u>(181,385)</u>
Total Resources	<u>672,793</u>	<u>686,897</u>	<u>(14,104)</u>

<u>EXPENDITURES</u>	<u>ACTUAL EXPENDITURES</u>	<u>APPROPRIATION</u>	<u>ACTUAL UNDER (OVER) APPROPRIATION</u>
Materials and Services	71,230	78,579	7,349
Capital Outlay	571,430	585,910	14,480
Operating Contingency	-	12,408	12,408
Transfer to General Fund	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total Expenditures	<u>652,660</u>	<u>686,897</u>	<u>34,237</u>
Fund Balance End of Year	<u>\$ 20,133</u>	<u>\$ -</u>	<u>\$ 20,133</u>

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



CITY OF LEBANON  
Linn County, Oregon

STATEMENT OF PARK IMPROVEMENT FUND REVENUE AND EXPENDITURES  
For The Fiscal Year July 1, 1978 To June 30, 1979

<u>REVENUES</u>	<u>ACTUAL</u>	<u>BUDGET ESTIMATES</u>	<u>OVER (UNDER) BUDGET</u>
Park Improvement Fees	\$ 4,752	\$ 5,000	\$ (248)
Interest on Investments	629	450	179
Total Revenues	5,381	5,450	(69)
Fund Balance Beginning of Year	7,521	7,115	406
Total Resources	12,902	12,565	337

<u>EXPENDITURES</u>	<u>ACTUAL EXPENDITURES</u>	<u>APPROPRIATION</u>	<u>ACTUAL UNDER (OVER) APPROPRIATION</u>
Materials and Services	200	200	-
Capital Outlay	-	2,800	2,800
Operating Contingency	-	9,565	9,565
Total Expenditures	200	12,565	12,365
Fund Balance End of Year	\$ 12,702	\$ -	\$ 12,702

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

CITY OF LEBANON  
Linn County, Oregon

STATEMENT OF SANITARY SEWER IMPROVEMENT FUND REVENUE AND EXPENDITURES  
For The Fiscal Year July 1, 1978 To June 30, 1979

<u>REVENUES</u>	<u>ACTUAL</u>	<u>BUDGET ESTIMATES</u>	<u>OVER (UNDER) BUDGET</u>
Connection Charges	\$ 43,332	\$ 80,000	\$ (36,668)
Interest on Investments	<u>8,555</u>	<u>10,000</u>	<u>(1,445)</u>
Total Revenue	51,887	90,000	(38,113)
Fund Balance Beginning of Year	<u>128,119</u>	<u>120,009</u>	<u>8,110</u>
Total Resources	<u>180,006</u>	<u>210,009</u>	<u>(30,003)</u>

<u>EXPENDITURES</u>	<u>ACTUAL EXPENDITURES</u>	<u>APPROPRIATION</u>	<u>ACTUAL UNDER (OVER) APPROPRIATION</u>
Materials and Services	3,000	3,000	-
Capital Outlay	81,597	81,600	3
Operating Contingency	-	124,409	124,409
Transfer to Public Improvement Fund	<u>-</u>	<u>1,000</u>	<u>1,000</u>
Total Expenditures	<u>84,597</u>	<u>210,009</u>	<u>125,412</u>
Fund Balance End of Year	<u>\$ 95,409</u>	<u>\$ -</u>	<u>\$ 95,409</u>

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



CITY OF LEBANON  
Linn County, Oregon

STATEMENT OF STREET IMPROVEMENT FUND REVENUE AND EXPENDITURES  
For The Fiscal Year July 1, 1978 To June 30, 1979

	<u>REVENUES</u>	<u>ACTUAL</u>	<u>BUDGET ESTIMATES</u>	<u>OVER (UNDER) BUDGET</u>
Street Improvement Fees		\$ 16,513	\$ 20,000	\$ (3,487)
Interest on Investments		<u>2,211</u>	<u>1,100</u>	<u>1,111</u>
Total Revenues		18,724	21,100	(2,376)
Fund Balance Beginning of Year		<u>10,547</u>	<u>11,471</u>	<u>(924)</u>
Total Resources		<u>29,271</u>	<u>32,571</u>	<u>(3,300)</u>

	<u>EXPENDITURES</u>	<u>ACTUAL EXPENDITURES</u>	<u>APPROPRIATION</u>	<u>ACTUAL UNDER (OVER) APPROPRIATION</u>
Materials and Services		798	800	2
Operating Contingency		<u>-</u>	<u>31,771</u>	<u>31,771</u>
Total Expenditures		<u>798</u>	<u>32,571</u>	<u>31,773</u>
Fund Balance End of Year		<u>\$ 28,473</u>	<u>\$ -</u>	<u>\$ 28,473</u>

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

CITY OF LEBANON  
Linn County, Oregon

STATEMENT OF DRAINAGE IMPROVEMENT FUND REVENUE AND EXPENDITURES  
For The Fiscal Year July 1, 1978 To June 30, 1979

<u>REVENUES</u>	<u>ACTUAL</u>	<u>BUDGET ESTIMATES</u>	<u>OVER (UNDER) BUDGET</u>
Drainage Improvement Fees	\$ 658	\$ -	\$ 658
Interest on Investments	<u>1</u>	<u>-</u>	<u>1</u>
Total Revenues	659	-	659
Fund Balance Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>
Total Resources	<u>659</u>	<u>-</u>	<u>659</u>

<u>EXPENDITURES</u>	<u>ACTUAL EXPENDITURES</u>	<u>APPROPRIATION</u>	<u>ACTUAL UNDER (OVER) APPROPRIATION</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 659</u>	<u>\$ -</u>	<u>\$ 659</u>

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



CITY OF LEBANON  
Linn County, Oregon

STATEMENT OF CAPITAL IMPROVEMENT FUND REVENUE AND EXPENDITURES  
For The Fiscal Year July 1, 1977 To June 30, 1978

<u>REVENUES</u>	<u>ACTUAL</u>	<u>BUDGET ESTIMATES</u>	<u>OVER (UNDER) BUDGET</u>
Prior Year's Levies	\$ 126	\$ -	\$ 126
Transfer From General Fund	28,925	28,925	-
Transfer from General Obligation Bond Fund	23,925	-	23,925
Interest on Investments	<u>4,775</u>	<u>-</u>	<u>4,775</u>
Total Revenues	57,751	28,925	28,826
Fund Balance Beginning of Year	<u>69,278</u>	<u>67,910</u>	<u>1,368</u>
Total Resources	<u>127,029</u>	<u>96,835</u>	<u>30,194</u>

<u>EXPENDITURES</u>	<u>ACTUAL EXPENDITURES</u>	<u>APPROPRIATION</u>	<u>ACTUAL UNDER (OVER) APPROPRIATION</u>
Transfer to Other Funds	<u>41,693</u>	<u>41,693</u>	<u>-</u>
Total Expenditures	<u>41,693</u>	<u>41,693</u>	<u>-</u>
Fund Balance End of Year	<u>\$ 85,336</u>	<u>\$ 55,142</u>	<u>\$ 30,194</u>

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

CITY OF LEBANON  
Linn County, Oregon

STATEMENT OF FIRE HALL CONSTRUCTION FUND REVENUE AND EXPENDITURES  
For The Fiscal Year July 1, 1978 To June 30, 1979

<u>REVENUES</u>	<u>ACTUAL</u>	<u>BUDGET ESTIMATES</u>	<u>OVER (UNDER) BUDGET</u>
Rural Fire District	\$ 4,335	\$ 4,250	\$ 85
Interest on Investments	282	-	282
Miscellaneous	7,645	7,500	145
Transfer From Federal Revenue Sharing Fund	4,250	4,250	-
Total Revenues	16,512	16,000	512
Fund Balance Beginning of Year	2,466	-	2,466
Total Resources	18,978	16,000	2,978

<u>EXPENDITURES</u>	<u>ACTUAL EXPENDITURES</u>	<u>APPROPRIATION</u>	<u>ACTUAL UNDER (OVER) APPROPRIATION</u>
Materials and Services	14,665	16,000	1,335
Total Expenditures	14,665	16,000	1,335
Fund Balance End of Year	\$ 4,313	\$ -	\$ 4,313

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



CITY OF LEBANON  
Linn County, Oregon

STATEMENT OF PUBLIC IMPROVEMENT FUND REVENUE AND EXPENDITURES  
For The Fiscal Year July 1, 1978 To June 30, 1979

<u>REVENUES</u>	<u>ACTUAL</u>	<u>BUDGET ESTIMATES</u>	<u>OVER (UNDER) BUDGET</u>
Non Bonded Assessments:			
Principal	\$ 11,990	\$ 100,000	\$ (88,010)
Interest	2,797	10,000	(7,203)
Bancroft Bond Sale	-	890,000	(890,000)
Interest on Investments	3,814	-	3,814
Fill Dirt/Weed Abatement	122	-	122
Miscellaneous	22,561	-	22,561
Transfer From General Fund	20,000	20,000	-
Total Revenues	61,284	1,020,000	(958,716)
Fund Balance Beginning of Year	29,836	(105,836)	135,672
Total Resources	91,120	914,164	(823,044)

<u>EXPENDITURES</u>	<u>ACTUAL EXPENDITURES</u>	<u>APPROPRIATION</u>	<u>ACTUAL UNDER (OVER) APPROPRIATION</u>
Materials and Services	379	135,000	134,621
Capital Outlay	+ 1,072,439	850,000	(222,439)*
Transfer to Other Funds	15,000	15,000	-
Total Expenditures	x 1,087,818	1,000,000	(87,818)
Fund Balance End of Year	\$ (996,698)	\$ (85,836)	\$ (910,862)

\* ORS 294.326(5) states that an overexpenditure shall not apply to expenditures of funds received from assessments against benefited property for improvements if at least 80% of the total cost of such improvements is to be paid by owners of benefited property. The expenditures above meet the requirement of ORS 294.326(5).

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

CITY OF LEBANON  
Linn County, Oregon

STATEMENT OF BANCROFT BOND FUND REVENUE AND EXPENDITURES  
For The Fiscal Year July 1, 1978 To June 30, 1979

<u>REVENUES</u>	<u>ACTUAL</u>	<u>BUDGET ESTIMATES</u>	<u>OVER (UNDER) BUDGET</u>
Bonded Assessments:			
Principal	\$ 84,095	\$ 100,000	\$ (15,905)
Interest	17,301	35,000	(17,699)
Interest on Investments	<u>42,317</u>	<u>33,000</u>	<u>9,317</u>
Total Revenues	143,713	168,000	(24,287)
Fund Balance Beginning of Year	<u>198,365</u>	<u>577,786</u>	<u>(379,421)</u>
Total Resources	<u>342,078</u>	<u>745,786</u>	<u>(403,708)</u>

<u>EXPENDITURES</u>	<u>ACTUAL EXPENDITURES</u>	<u>APPROPRIATION</u>	<u>ACTUAL UNDER (OVER) APPROPRIATION</u>
Capital Outlay	<u>159,922</u>	<u>159,811</u>	<u>(111)</u>
Total Expenditures	<u>159,922</u>	<u>159,811</u>	<u>(111)</u>
Fund Balance End of Year	<u>\$ 182,156</u>	<u>\$ 585,975</u>	<u>\$ (403,819)</u>

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



CITY OF LEBANON  
Linn County, Oregon

STATEMENT OF GENERAL OBLIGATION BOND FUND REVENUE AND EXPENDITURES  
For The Fiscal Year July 1, 1978 To June 30, 1979

<u>REVENUES</u>	<u>ACTUAL</u>	<u>BUDGET ESTIMATES</u>	<u>OVER (UNDER) BUDGET</u>
Taxes:			
Current Year's Levy	\$127,030	\$ 126,932	\$ 98
Prior Year's Levies	13,996	9,453	4,543
Interest on Investments	2,073	-	2,073
Transfer From Capital Improvement Fund	17,768	17,768	-
Total Revenues	160,867	154,153	6,714
Fund Balance Beginning of Year	40,051	40,051	-
Total Resources	200,918	194,204	6,714

<u>EXPENDITURES</u>	<u>ACTUAL EXPENDITURES</u>	<u>APPROPRIATION</u>	<u>ACTUAL UNDER (OVER) APPROPRIATION</u>
Capital Outlay	194,050	194,204	154
Total Expenditures	194,050	194,204	154
Fund Balance End of Year	\$ 6,868	\$ -	\$ 6,868

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

CITY OF LEBANON  
Linn County, Oregon

STATEMENT OF TRUST AND AGENCY FUND REVENUE AND EXPENDITURES  
For The Fiscal Year July 1, 1978 To June 30, 1979

<u>REVENUES</u>	<u>ACTUAL</u>	<u>BUDGET ESTIMATES</u>	<u>OVER (UNDER) BUDGET</u>
Bail	\$ 5,307	\$ -	\$ 5,307
Library Books Trust	985	-	985
Xerox Administration	465	-	465
Miscellaneous Administration	<u>26,333</u>	<u>-</u>	<u>26,333</u>
Total Revenues	33,090	-	33,090
Fund Balance Beginning of Year	<u>4,599</u>	<u>-</u>	<u>4,599</u>
Total Resources	<u>37,689</u>	<u>-</u>	<u>37,689</u>

<u>EXPENDITURES</u>	<u>ACTUAL EXPENDITURES</u>	<u>APPROPRIATION</u>	<u>ACTUAL UNDER (OVER) APPROPRIATION</u>
Materials and Services	<u>15,432</u>	<u>-</u>	<u>(15,432)</u>
Total Expenditures	<u>15,432</u>	<u>-</u>	<u>(15,432)</u>
Fund Balance End of Year	<u>\$ 22,257</u>	<u>\$ -</u>	<u>\$ 22,257</u>

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



CITY OF LEBANON  
Linn County, Oregon

STATEMENT OF REVENUE AND EXPENSES  
SEWER SERVICE FUND

	Year Ended	
	June 30, 1979	June 30, 1978
OPERATING REVENUE:		
Sewer Use	\$ 150,713	\$ 144,345
Sewer Certified	4,040	4,538
Miscellaneous Receipts	12	620
Total Operating Revenue	<u>154,765</u>	<u>149,503</u>
OPERATING EXPENSE:		
Personal Services	51,058	38,580
Materials and Services	73,789	25,206
Capital Outlay	-	4,440
Depreciation	29,232	28,150
Total Operating Expense	<u>154,079</u>	<u>96,376</u>
NET OPERATING INCOME:	<u>686</u>	<u>53,127</u>
NON-OPERATING INCOME:		
Interest on Investments	<u>6,376</u>	<u>3,623</u>
Total Non-Operating Income	<u>6,376</u>	<u>3,623</u>
NON-OPERATING EXPENSE:		
Transfer to General Fund	<u>35,000</u>	<u>32,100</u>
Total Non-Operating Expense	<u>35,000</u>	<u>32,100</u>
NET INCOME (LOSS):	<u>(27,938)</u>	<u>24,650</u>
Fixed Assets Contributed by Other Funds	<u>731,324</u>	<u>-</u>
	<u>703,386</u>	<u>24,650</u>
Retained Earnings - Beginning of Year	6,183,728	6,159,078
Less: Error in 7-1-77 Accumulated Depreciation	<u>(47,562)</u>	<u>-</u>
Adjusted Retained Earnings - Beginning of Year	<u>6,136,166</u>	<u>6,159,078</u>
Retained Earnings - End of Year	<u>\$ 6,839,552</u>	<u>\$ 6,183,728</u>

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

CITY OF LEBANON  
Linn County, Oregon

STATEMENT OF CHANGE IN FINANCIAL POSITION  
SEWER SERVICE FUND

	<u>Year Ended</u>	
	<u>June 30, 1979</u>	<u>June 30, 1978</u>
SOURCE OF WORKING CAPITAL:		
Provided by Operations:		
Net Income (Loss) for the Year	\$ (27,938)	\$ 24,650
Capital Outlay	(25,852)	-
Changes Which Do Not Effect Working Capital:		
Depreciation	<u>29,232</u>	<u>28,150</u>
Total Sources of Working Capital	<u>\$ (24,558)</u>	<u>\$ 52,800</u>
CHANGES IN WORKING CAPITAL COMPONENTS:		
Cash	\$ 18,021	\$ 34,208
Accounts Receivable	(908)	15,526
Accounts Payable	(1,543)	(985)
Deferred Revenue	<u>(40,128)</u>	<u>4,051</u>
NET INCREASE (DECREASE) IN WORKING CAPITAL	(24,558)	52,800
WORKING CAPITAL BEGINNING OF YEAR	<u>75,908</u>	<u>23,108</u>
WORKING CAPITAL END OF YEAR	<u>\$ 51,350</u>	<u>\$ 75,908</u>

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



CITY OF LEBANON  
Linn County, Oregon

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies:

The following is a summary of significant accounting policies utilized by the City in preparation of the accompanying financial statements:

All investments are at cost, which approximate market.

All uncollected property taxes are shown in the balance sheet as assets but are offset by a reserve and, accordingly, are not included in revenues. Because revenues from property taxes are not available for expenditure they are not considered susceptible of accrual. A reserve for doubtful accounts has not been established in the Ambulance Fund or Sewer Service Fund.

Records are not maintained for inventories of materials and supplies and no values are included in the Financial Statements.

Formal records are not maintained for fixed assets. Land is reported at the 1978-79 true cash value recorded by the County Assessor. Buildings are reported at the October 1, 1979 insured value and automotive and other equipment is reported at cost where available or at estimated value. The estimated value of sewer lines was calculated by multiplying the diameter of the pipe times linear feet times \$1.00. Total estimated value of sewer lines is \$2,530,883.

Maintenance and repairs are charged to expenditures in various budgetary funds as incurred and not capitalized.

Maintenance and repairs on fixed assets in the Sewer Service Fund are expensed as incurred. The sewer system was depreciated at 1% per annum.

Generally accepted accounting principals require recording of assets at cost or estimated values when received or acquired.

Basis of Accounting

All funds except the Sewer Service Fund are maintained using the modified accrual basis of accounting. Under such modified accrual basis of accounting, revenues are recorded as received in cash, and expenditures are recorded when the liability for them is incurred except for:

Interest expense on General Obligation Bonds which is recorded on its due date.

Earned but unpaid vacations which are recorded as expenditures when paid.

The Sewer Service Fund is accounted for utilizing the accrual basis of accounting. Under the accrual basis of accounting revenues are recorded at the time they are earned and expenditures are recorded at the time liabilities are incurred.



CITY OF LEBANON  
Linn County, Oregon

NOTES TO FINANCIAL STATEMENTS, Continued:

1. Summary of Significant Accounting Policies, Continued:

Budget

A budget is prepared for each governmental fund in accordance with the modified accrual basis of accounting and legal requirements set forth in the Oregon Local Budget Law. Budget amounts shown in the basic financial statements include the original and supplemental budget amounts and transfers approved by the City Council.

2. Organization and Description of Funds and Account Groups:

The City of Lebanon is a municipal corporation incorporated under the provisions of ORS Chapter 221.

The government of the City of Lebanon is vested in a Common Council and a Mayor. The Council is composed of six council members elected at large. The administration of day to day City affairs is the responsibility of the City Administrator who serves at the pleasure of the City Council.

The City's financial operations are accounted for in the following funds and account groups:

General Fund

This fund accounts for the City's general operations. It is used to account for all transactions not specifically related to the City's other funds. The primary source of revenue is local property tax levies, with the balance coming from a variety of State and local sources.

Special Revenue Funds

These funds account for revenues from specific taxes or ear-marked revenues. Included are the following:

Federal Revenue Sharing Fund - Accounts for the receipt and expenditure of monies received under the Federal Revenue Sharing Program.

Federal Anti-Recession Revenue Sharing Fund - Accounts for Federal monies 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. As of June 30, 1979, this fund is no longer required.

Grant Fund - Accounts 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.



CITY OF LEBANON  
Linn County, Oregon

NOTES TO FINANCIAL STATEMENTS, Continued:

2. Organization and Description of Funds and Account Groups, Continued:

CETA Fund - Accounts for the receipt and expenditure of monies received under the Comprehensive Employment Training Act of 1973.

State Tax and Road Fund - Accounts for revenues received from state gasoline taxes which are to be expended as outlined in the Constitution of the State of Oregon, Article IX, Section 3.

Foot and Bike Path Fund - Accounts for revenues received from state gasoline taxes which are to be expended for construction of footpaths and bicycle trails as provided by ORS 366.514.

Equipment Replacement and Acquisition Fund - Accounts for monies set aside to purchase equipment for use by various City departments. No expenditures were made from this fund during the fiscal year ended June 30, 1979.

Fire-Ambulance Equipment Fund - Accounts for monies dedicated to the purchase of equipment for the fire and ambulance departments. Current revenues consist of transfers from the General Fund and Lebanon Rural Fire Protection District.

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. Ordinance 1734, effective March 14, 1979, authorizes a system development charge on new construction for storm drainage system improvements. The charges are used to finance construction and expansion of the City's sanitary sewer system, streets, parks, and drainage systems. Four separate charges are allowed by the ordinances:

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

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

Special Assessment Funds - Accounts 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.

Public Improvement Fund - Accounts for the construction costs of local improvement projects and the subsequent assessment of these costs to the benefited property owners.



CITY OF LEBANON  
Linn County, Oregon

NOTES TO FINANCIAL STATEMENTS, Continued:

2. Organization and Description of Funds and Account Groups, Continued:

Bancroft Bond Fund - The Bancroft Bonding Act (ORS 223.205 to 223.000) permits benefited property owners to pay assessments for improvements over a period of thirty 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.

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 Rural Fire District, ambulance service charges, and Federal Revenue Sharing Funds.

General Obligation Bond Fund - This fund accounts for the payment of principal and interest on general obligation debt. The principal source of revenue is property taxes.

Off-Street Parking 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 - Accounts 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 1978-79, the City maintained three capital projects funds.



CITY OF LEBANON  
Linn County, Oregon

NOTES TO FINANCIAL STATEMENT, Continued:

2. Organization and Description of Funds and Account Groups, Continued:

Capital Improvement Fund - Accounts for funds allocated for general capital improvements. Revenues are derived from delinquent property taxes and interest on investments. This fund also is used to account for reimbursements from the U. S. Environmental Protection Agency. Expenditure of these monies is restricted to either the retirement of sewer construction bonds or to further expansion of the sewer system.

Fire Hall Construction Fund - Accounts for the proceeds of general obligation bonds issued on July 1, 1974, for the purpose of construction of 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 1978-79, additional funds were transferred from Federal Revenue Sharing Funds and the Rural Fire District in order to pay for attorney's fee and court costs on a pending lawsuit involving alleged defects in the construction of the new fire hall in Lebanon.

Sewage Treatment Plant Construction Fund - Accounts 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.

Trust and Agency Funds - This fund accounts for certain monies held in either a trust or agency capacity. The principal sources of revenues are small gifts, donations, and miscellaneous receipts.

General Fixed Assets Account Group - This account group accounts for the City's investment in fixed assets, with the exception of those assets held by enterprise funds. During fiscal year 1978-79, as in previous years, the City did not maintain formal fixed asset inventory records. As a result, detailed records and documentation for historical costs of fixed assets held by the City were not available.

3. Cash and Investments:

The amounts at June 30, 1979 are presented in the Statement of Cash and Investments by Location.

4. Assessment Liens Receivable:

Assessment Liens Receivable represent the uncollected amounts levied against benefited property for the cost of local improvements. Because the assessments are liens against the benefited property, an allowance for uncollectible amounts is not deemed necessary. Substantially, all assessments are payable over a period of ten years and bear interest at 7%.



CITY OF LEBANON  
Linn County, Oregon

NOTES TO FINANCIAL STATEMENTS, Continued:

5. Fines Receivable:

Fines Receivable represent fines assessed by the Municipal Court Judge and uncollected at time of assessment against individuals. An allowance for uncollectible amounts has not been established for these receivables.

6. Service Charges Receivable:

Service Charges Receivable represent user charges for ambulance services and sewer services. An allowance for uncollectible amounts has not been established for these receivables.

7. Construction in Process:

The City has spent \$4,474,424 to date on the construction of the new sewage treatment plant which will be completed during the fiscal year ended June 30, 1980.

8. Fixed Assets:

Formal records are not maintained for fixed assets. (See Note 1 Summary of Significant Accounting Policies).

9. Deferred Revenue:

Sewer service users are permitted a 3% discount if they pay their sewer bill annually. Deferred revenue represents the prepaid sewer service charges for sewer usage from July 1, 1979 to December 31, 1979.

10. Bonds Payable:

General Obligation Bonds

General Obligation Bonds consist of the unmatured balance of four bond issues with interest rates ranging from 4% to 7%. A schedule of maturities of bond principal at June 30, 1979 is presented in the supplemental information.

Bancroft Bonds

Bancroft Improvement Bonds consist of the unmatured balance of eight bond issues with interest rates ranging from 4.3% to 8%. A schedule of maturities of bond principal at June 30, 1979 is presented in the supplemental information.



CITY OF LEBANON  
Linn County, Oregon

NOTES TO FINANCIAL STATEMENTS, Continued:

11. Pension Plan:

Pursuant to ORS 237.081, the City makes contributions to an Employee Pension Plan under the Oregon Public Employees' Retirement Board.

Although combined with other public entities, the City is actuarially treated as an individual unit. At December 31, 1975, an actuarial valuation disclosed that the present value of allocated assets was sufficient to meet the nonforfeitable benefits of City employees as of that date. However, the valuation also projected a substantial unfunded liability in thirty years if employer contributions were not revised. Accordingly, the Board notified the City that its current contribution of 7.24% would be increased to 8.40% effective July 1, 1978, and by a comparable .25% in each of the succeeding three years.

12. Contingent Liabilities:

The City of Lebanon and the Lebanon Rural Fire District are currently involved in a lawsuit over alleged defects in the construction of the new fire hall in Lebanon. The City is the plaintiff in this case, and the requested relief is in the sum of \$50,000. There is very little likelihood that the City would have any liability as a result of this case, but legal counsel cannot tell with any certainty what the likelihood of a recovery might be for the City. The only cost is the cost of attorney's fees and court costs. The case has currently been removed to arbitration against several of the defendants, and there has been no decision on the merits so far.

13. Restatement of Beginning Equity - Sewer Service Fund:

The City has accounted for the Sewer Service Fund according to commercial concepts using the full accrual basis of accounting required for enterprise funds in the fiscal years ended June 30, 1978, and 1979, whereas, in all prior years depreciation was not recorded on enterprise assets and this fund was accounted for using budgetary fund concepts. The accrual basis of accounting including the recording of depreciation was adopted to conform with generally accepted accounting principles for enterprise funds.

CITY OF LEBANON  
Linn County, Oregon

NOTES TO FINANCIAL STATEMENTS, Continued:

13. Restatement of Beginning Equity - Sewer Service Fund, Continued:

In addition, based upon an analysis of equipment of the Sewer Service Fund, it has been determined adjustments to the equity of the Sewer Service Fund as of June 30, 1977 are necessary.

The effects of the above changes resulted in the following material adjustments to equity at June 30, 1977 from that previously reported:

<u>Description</u>	<u>Unappropriated Retained Earnings</u>
Provision for Accumulated Depreciation	\$ 47,526

The effect of adopting the accrual basis of accounting on revenues and expenditures for the year ended June 30, 1977 has not been determined.



SUPPLEMENTAL INFORMATION  
Related Statements

CITY OF LEBANON  
Linn County, Oregon

CASH AND INVESTMENTS BY LOCATION  
June 30, 1979

	<u>Collateral Security</u>	<u>Balance Per Depository</u>	<u>Cash On Hand</u>	<u>Deposits In Transit</u>	<u>Outstanding Checks</u>	<u>Other Reconciling Items</u>	<u>Balance Per Books</u>
Petty Cash \$	-	\$ -	\$ 350	\$ -	\$ -	\$ -	\$ 350
Cash In The Hands of The Linn County Treasurer:	-	-	6,031	-	-	-	6,031
First National Bank of Oregon, Lebanon Branch: Checking Account - General )		23,089	-	111,236	(253,979)	112	(119,542)
Checking Account - Recorders)	1,200,000	1,117	-	267	(299)	-	1,085
Time Certifi- cates of Deposit )		500,000	-	-	-	-	500,000
Citizens Valley Bank, Lebanon Branch: Checking Account - Payroll )		2,646	-	45,397	(47,955)	-	88
Time Certifi- cates of Deposit )	950,000	850,000	-	-	-	-	850,000
The Oregon Bank Lebanon Branch: Time Certifi- cates of Deposit	200,000	255,000	-	-	-	-	255,000
State Investment Pool:	-	92,758	-	524	-	-	93,282
		<u>\$1,724,610</u>	<u>\$ 6,381</u>	<u>\$157,424</u>	<u>\$ (302,233)</u>	<u>\$ 112</u>	<u>\$1,586,294</u>



CITY OF LEBANON  
Linn County, Oregon

STATEMENT OF PROPERTY TAXES RECEIVABLE  
Year Ended June 30, 1979

<u>TAX YEAR</u>	<u>TAXES RECEIVABLE JULY 1, 1978</u>	<u>1978-79 LEVY</u>	<u>DISCOUNTS</u>	<u>TAX ROLL ADJUSTMENT</u>	<u>INTEREST</u>	<u>COLLECTIONS</u>	<u>TAXES RECEIVABLE JUNE 30, 1979</u>
1978-79	\$ -	\$643,303	\$ 13,450	\$ (1,402)	\$ 365	\$ 557,428	\$ 71,388
1977-78	57,853	-	-	111	1,229	44,750	14,443
1976-77	12,798	-	-	92	1,100	6,741	7,249
1975-76	5,814	-	-	98	824	3,435	3,301
1974-75	2,901	-	-	94	662	2,904	753
1973-74	185	-	-	(18)	22	84	105
1972-73	198	-	-	(1)	2	5	194
1971-72	207	-	-	-	1	2	206
Prior	88	-	-	-	11	28	71
	<u>\$ 80,044</u>	<u>\$643,303</u>	<u>\$ 13,450</u>	<u>\$ (1,026)</u>	<u>\$ 4,216</u>	<u>615,377</u>	<u>\$ 97,710</u>

Other Items:

Deferred Taxes	268
Tax Land Sales	1,259
Severance Tax	14

Total Turnovers to City \$ 616,918

	<u>COLLECTIONS</u>				<u>TAXES RECEIVABLE</u>
	<u>CURRENT YEAR</u>	<u>PRIOR YEARS</u>	<u>TAX LAND SALES</u>	<u>TOTAL</u>	
General Fund	\$ 430,675	\$ 43,641	\$ 1,259	\$ 475,575	\$ 75,213
Ambulance Fund	-	191	-	191	152
Capital Improvement Fund	-	126	-	126	94
General Obligation Bond Fund	127,030	13,996	-	141,026	22,245
Fire-Ambulance Equipment Fund	-	-	-	-	6
	<u>\$ 557,705</u>	<u>\$ 57,954</u>	<u>\$ 1,259</u>	<u>\$ 616,918</u>	<u>\$ 97,710</u>

SUMMARY OF COLLECTIONS AND  
TAXES RECEIVABLE:

CITY OF LEBANON  
Linn County, Oregon

SCHEDULE OF ASSESSMENTS RECEIVABLE  
For The Fiscal Year July 1, 1978 To June 30, 1979

	Docket Number	Balance July 1, 1978		New Assessments
		Within City Boundaries	Outside City Boundaries	
Public Improvement Fund	4	\$ 266	\$ -	\$ -
	16	1,128	-	-
	22	604	-	-
	23	-	1,395	-
	24	817	3,523	-
	25	69	-	-
	26	-	1,283	-
	28	3,019	-	-
	29	-	4,527	-
	30	6,158	-	-
	31	4,029	-	-
	33	3,628	-	8,731
		<u>\$ 19,728</u>	<u>\$ 10,728</u>	<u>\$ 8,731</u>
Bancroft Bond Fund	15	\$ 211	\$ -	\$ -
	22	325	-	-
	23	319	-	-
	24	1,876	-	-
	25	2,037	-	-
	26	27,572	-	-
	27	8,884	-	-
	28	27,344	-	-
	29	12,673	-	-
	30	73,779	-	-
	31	44,717	-	-
	32	72,246	-	-
		<u>\$ 271,983</u>	<u>\$ -</u>	<u>\$ -</u>



Credits		Balance June 30, 1979	
Non-Cash Adjustments	Principal Collections	Within City Boundaries	Outside City Boundaries
\$ -	\$ -	\$ 266	\$ -
-	-	1,128	-
-	-	604	-
-	636	-	759
-	-	817	3,523
-	42	27	-
-	-	-	1,283
-	3,019	-	-
-	-	-	4,527
-	5,912	256	-
-	556	3,473	-
-	1,825	10,534	-
<u>\$ -</u>	<u>\$ 11,990</u>	<u>\$ 17,105</u>	<u>\$ 10,092</u>
\$ -	\$ -	\$ 211	\$ -
-	-	325	-
-	-	319	-
-	1,021	855	-
-	1,578	459	-
-	9,840	17,732	-
-	3,276	5,608	-
-	11,510	15,834	-
-	2,800	9,873	-
-	28,147	45,632	-
-	12,244	32,473	-
-	13,679	58,567	-
<u>\$ -</u>	<u>\$ 84,095</u>	<u>\$ 187,888</u>	<u>\$ -</u>

CITY OF LEBANON  
Linn County, Oregon

SCHEDULE OF BOND PRINCIPAL AND INTEREST TRANSACTIONS  
For The Fiscal Year July 1, 1978 To June 30, 1979

<u>Bond Issue</u>	<u>Date of Issue</u>	<u>Rate of Interest</u> <u>From To</u>		<u>Unmatured Bonds Outstanding 7-1-78</u>	<u>Transactions Issued</u>
GENERAL OBLIGATION BONDS:					
Sewer	9-1-67	4.00	4.10	\$ 75,000	\$ -
Capital Improvement	11-1-71	4.50	4.90	25,000	-
Fire Hall	7-1-74	6.00	6.25	200,000	-
Sewage Treatment	12-1-75	4.25	7.00	900,000	-
Total				<u>1,200,000</u>	<u>-</u>
BANCROFT BONDS:					
1970	6-1-70	6.00	8.00	30,000	-
1971	10-1-71	4.30	4.80	80,000	-
1973	4-1-73	4.60	6.00	45,000	-
1974	5-1-74	5.58	6.00	75,000	-
1975 Series A	5-1-75	6.00	6.25	85,000	-
1975 Series B	1-1-76	5.00	5.60	250,000	-
1976				120,000	-
1977				175,777	-
Total				<u>860,777</u>	<u>-</u>
REVENUE BONDS:					
Off Street Parking	8-1-66	4.25	4.25	<u>6,000</u>	<u>-</u>
Total All Issues				<u>\$ 2,066,777</u>	<u>\$ -</u>



7-1-78 to 6-30-79		Unmatured Bonds Outstanding 6-30-79	Interest Coupon Transactions				Outstanding Matured 6-30-79
<u>Matured</u>	<u>Redeemed</u>		<u>Outstanding Matured 7-1-78</u>	<u>Matured</u>	<u>Redeemed</u>		
\$ 15,000	\$ 15,000	\$ 60,000	\$ -	\$ 2,767	\$ 2,767	\$ -	
5,000	5,000	20,000	-	1,050	1,050	-	
25,000	25,000	175,000	1,213	11,525	12,738	-	
50,000	50,000	850,000	1,345	52,713	53,570	488	
<u>95,000</u>	<u>95,000</u>	<u>1,105,000</u>	<u>2,558</u>	<u>68,055</u>	<u>70,125</u>	<u>488</u>	
15,000	15,000	15,000	158	1,875	1,875	158	
20,000	20,000	60,000	-	3,270	3,270	-	
5,000	5,000	40,000	122	2,160	2,160	122	
10,000	10,000	65,000	140	4,256	4,256	140	
10,000	10,000	75,000	-	5,238	5,238	-	
30,000	30,000	220,000	-	13,035	13,035	-	
10,000	10,000	110,000	-	6,262	6,262	-	
15,777	15,777	160,000	225	7,936	8,048	113	
<u>115,777</u>	<u>115,777</u>	<u>745,000</u>	<u>645</u>	<u>44,032</u>	<u>44,144</u>	<u>533</u>	
2,000	2,000	4,000	-	212	212	-	
<u>\$212,777</u>	<u>\$212,777</u>	<u>\$ 1,854,000</u>	<u>\$ 3,203</u>	<u>\$112,299</u>	<u>\$114,481</u>	<u>\$ 1,021</u>	

CITY OF LEBANON  
Linn County, Oregon

FUTURE BONDED DEBT REQUIREMENTS - GENERAL OBLIGATION BOND FUND  
June 30, 1979

Fiscal Year	Total Requirements			1967 Issue	
	Total	Principal	Interest	Principal	Interest
1979-80	\$ 158,277	\$ 95,000	\$ 63,277	\$ 15,000	\$ 2,152
1980-81	153,399	95,000	58,399	15,000	1,538
1981-82	148,448	95,000	53,448	15,000	922
1982-83	143,404	95,000	48,404	15,000	307
1983-84	118,700	75,000	43,700	-	-
1984-85	114,369	75,000	39,369	-	-
1985-86	109,969	75,000	34,969	-	-
1986-87	81,275	50,000	31,275	-	-
1987-88	78,300	50,000	28,300	-	-
1988-89	75,250	50,000	25,250	-	-
1989-90	72,100	50,000	22,100	-	-
1990-91	68,850	50,000	18,850	-	-
1991-92	65,525	50,000	15,525	-	-
1992-93	62,150	50,000	12,150	-	-
1993-94	58,725	50,000	8,725	-	-
1994-95	55,250	50,000	5,250	-	-
1995-96	51,750	50,000	1,750	-	-
	<u>\$1,615,741</u>	<u>\$1,105,000</u>	<u>\$510,741</u>	<u>\$ 60,000</u>	<u>\$ 4,919</u>



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	\$ 825	\$ 25,000	\$ 10,025	\$ 50,000	\$ 50,275
5,000	598	25,000	8,513	50,000	47,750
5,000	364	25,000	6,987	50,000	45,175
5,000	122	25,000	5,450	50,000	42,525
-	-	25,000	3,900	50,000	39,800
-	-	25,000	2,344	50,000	37,025
-	-	25,000	781	50,000	34,188
-	-	-	-	50,000	31,275
-	-	-	-	50,000	28,300
-	-	-	-	50,000	25,250
-	-	-	-	50,000	22,100
-	-	-	-	50,000	18,850
-	-	-	-	50,000	15,525
-	-	-	-	50,000	12,150
-	-	-	-	50,000	8,725
-	-	-	-	50,000	5,250
-	-	-	-	50,000	1,750
<u>\$ 20,000</u>	<u>\$ 1,909</u>	<u>\$ 175,000</u>	<u>\$ 38,000</u>	<u>\$ 850,000</u>	<u>\$465,913</u>

CITY OF LEBANON  
Linn County, Oregon

FUTURE BOND DEBT REQUIREMENTS - BANCROFT BOND FUND  
June 30, 1979

	<u>Total Requirements</u>	<u>1979-80</u>	<u>1980-81</u>	<u>1981-82</u>
1970 Issue:				
Principal	\$ 15,000	\$ 15,000	\$ -	\$ -
Interest	945	945	-	-
1971 Issue:				
Principal	60,000	20,000	20,000	20,000
Interest	4,270	2,360	1,430	480
1973 Issue:				
Principal	40,000	10,000	10,000	10,000
Interest	4,860	1,930	1,460	980
1974 Issue:				
Principal	65,000	10,000	10,000	15,000
Interest	11,813	3,656	3,094	2,531
1975-A Issue:				
Principal	75,000	10,000	10,000	10,000
Interest	17,737	4,637	4,038	3,437
1975-B Issue:				
Principal	220,000	30,000	30,000	30,000
Interest	48,460	11,535	10,035	8,535
1976 Issue:				
Principal	110,000	10,000	10,000	15,000
Interest	25,024	5,663	5,062	4,350
1977 Issue:				
Principal	160,000	15,000	15,000	15,000
Interest	34,906	7,012	6,169	5,456
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total	<u>\$ 893,015</u>	<u>\$157,738</u>	<u>\$136,288</u>	<u>\$140,769</u>
 Principal	 \$ 745,000	 \$120,000	 \$105,000	 \$115,000
Interest	<u>148,015</u>	<u>37,738</u>	<u>31,288</u>	<u>25,769</u>
 Total	 <u>\$ 893,015</u>	 <u>\$157,738</u>	 <u>\$136,288</u>	 <u>\$140,769</u>



<u>1982-83</u>	<u>1983-84</u>	<u>1984-85</u>	<u>1985-86</u>	<u>1986-87</u>	<u>1987-88</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
10,000	-	-	-	-	-
490	-	-	-	-	-
15,000	15,000	-	-	-	-
1,688	844	-	-	-	-
15,000	15,000	15,000	-	-	-
2,813	1,875	937	-	-	-
30,000	30,000	35,000	35,000	-	-
7,035	5,475	3,885	1,960	-	-
15,000	15,000	15,000	15,000	15,000	-
3,555	2,782	1,999	1,208	405	-
15,000	20,000	20,000	20,000	20,000	20,000
4,819	4,070	3,200	2,310	1,400	470
<u>\$120,400</u>	<u>\$110,046</u>	<u>\$95,021</u>	<u>\$75,478</u>	<u>\$36,805</u>	<u>\$20,470</u>
\$100,000	\$ 95,000	\$85,000	\$70,000	\$35,000	\$20,000
<u>20,400</u>	<u>15,046</u>	<u>10,021</u>	<u>5,478</u>	<u>1,805</u>	<u>470</u>
<u>\$120,400</u>	<u>\$110,046</u>	<u>\$95,021</u>	<u>\$75,478</u>	<u>\$36,805</u>	<u>\$20,470</u>

CITY OF LEBANON  
Linn County, Oregon

FUTURE BOND DEBT REQUIREMENTS - REVENUE BONDS  
June 30, 1979

<u>Fiscal Year</u>	<u>Total Requirements</u>	<u>1966 Issue</u>	
		<u>Off-Street Parking Principal</u>	<u>Interest</u>
1979-80	\$ 2,127	\$ 2,000	\$ 127
1980-81	<u>2,043</u>	<u>2,000</u>	<u>43</u>
Total	<u>\$ 4,170</u>	<u>\$ 4,000</u>	<u>\$ 170</u>



CITY OF LEBANON  
Linn County, Oregon

INSURANCE COVERAGE AND FIDELITY BONDS IN FORCE

June 30, 1979

(Unaudited)

<u>Company</u>	<u>Type of Coverage</u>	<u>Policy Number</u>
Transamerica Insurance Company	Comprehensive Liability: General Liability Automobile Liability Automobile Physical Damage Uninsured Motorists Errors & Omissions Employee Benefit Liability	11761449
Transamerica Insurance Company	Umbrella Liability	11761449
Western World Insurance Company	Malpractice Liability	GLA 59752
Cransfort Insurance Company	False Arrest	CL 1408
Industrial Indemnity Company) American Insurance Company )	Fire, Extended Coverage Vandalism and Malicious Mischief	FS 7803854 F 2200429
Safeco ) Fidelity & Guaranty Insurance ) Underwriters, Inc. )	Fire, Extended Coverage Vandalism and Malicious Mischief	F1209291 FF 14612
Fireman's Fund Insurance Company	Comprehensive Glass Policy	L 210S28 23
United Pacific Life Insurance Company	Volunteer Fire Company Blanket Accident Policy Volunteer Workers Accident Policy Inland Marine Policy	SRF 4320 SRA 8539 SP 4424471
The Hartford Steam Boiler Inspection & Insurance Company	Accident Coverage: Property Damage & Bodily Injury Liability: Property Loss of Insured	SE 097411503
United States Fidelity and Guaranty Company	Public Employees Honesty Blanket Position Bond Forgery and Check Alteration Fidelity Bond Fidelity Bond	58775-08-179-59 0080-179-59 63-0010-120-65 63-0170-1395-76 63-0170-1396-76
United States Insurance Company	Notary Public Bond	U 905189 U 905188 U 951006

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
		\$ 15/30,000		Actual Cash Value Excluding Policy
		\$ 300,000		Deductible
		\$ 300,000		
5-11-79	10-1-79	\$ 300,000		
10-1-77	10-1-78	\$ 500/500,000		Ambulance Drivers and Attendants
10-1-78	10-1-79	\$ 1,000/1,000,000		\$10,000 Self-Insured Retention
10-10-77	10-10-80	\$ 895,483		
10-10-77	10-10-80	\$ 1,052,500		Building & Contents at Replacement Cost
10-10-77	10-10-80	\$ 284,097)		
		)		
5-25-79	5-25-80	\$ 94,000)		
5-25-79	5-25-80			Safety Glazing Material
8-1-78	8-1-79	\$ 5,000		Volunteer Fire Company
1-11-79	1-11-80	\$ 1,500		Volunteers
8-1-78	8-1-79	\$ 202,632		Ambulance, Communications, Public Works, and Contractor's Equipment, Excluding \$100 Deductible
7-1-77	7-1-80	\$ 150,000		Sewer Treatment Plant
1-1-78	1-1-79	\$ 2,500		
1-1-78	1-1-79	\$ 10,000		For Mayor
1-26-77	1-26-80	\$ 3,000		
9-8-78	9-8-79	\$ 25,000		City Treasurer, Nina Fintel
9-7-78	9-7-79	\$ 25,000		City Administrator, Edwin Ivey
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



AUDIT COMMENTS AND DISCLOSURES  
REQUIRED BY STATE REGULATIONS

AUDIT COMMENTS AND DISCLOSURES  
REQUIRED BY STATE REGULATIONS

Oregon Administrative Rules 165-30-100 through 165-30-295 of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, comments and disclosures required in audit reports. The required statements and schedules are set forth in the preceeding section of this report. Required comments and disclosures related to my examination of such statements and schedules are set forth following.



CITY OF LEBANON  
Linn County, Oregon

AUDIT COMMENTS AND DISCLOSURES

1. Accounting Records and Internal Control:

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.

A new accounting system which the City will be implementing in fiscal year 1979-80 provides for a general ledger.

As a part of my examination of the financial statements for the year ended June 30, 1979, I reviewed and tested the accounting records and the system of internal accounting control to the extent considered necessary to evaluate the system as required by generally accepted auditing standards. Under these standards, the purpose of such evaluation is to establish a basis for reliance thereon in determining the nature, timing and extent of other auditing procedures that are necessary for expressing an opinion on the financial statements taken as a whole.

The objective of internal control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgements by management personnel.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes in judgement, carelessness or other personnel factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented intentionally by management personnel with respect either to the execution and recording of transactions or with respect to the estimates and judgements required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, and that the degree of compliance with the procedures may deteriorate.

My study and evaluation of the City's system of internal accounting control for the year ended June 30, 1979, which was made for the purpose set forth in the third paragraph, was not designed for the purpose of expressing an opinion on internal accounting control and, therefore, it would not necessarily disclose all weaknesses in the system.



CITY OF LEBANON  
Linn County,

AUDIT COMMENTS AND DISCLOSURES

2. Budget and Legal Compliance:

Except as noted below, and for minor classification and mathematical errors in the budget document, the City has substantially complied with Local Budget Law (ORS 294.305 to 294.520) in the preparation and adoption of its budget and tax levies for the current and ensuing years. During the year ended June 30, 1979, transfers were made after appropriations were overexpended which is of variance with ORS 294.435. These overexpenditures are not reflected in the next paragraph.

A. Expenditures Exceeded Legal Appropriation:

The City's expenditures exceeded the corresponding legal appropriation during fiscal 1979 for the funds and categories noted below:

General Fund:

Building and Planning Department:  
Personal Services

\$ 132

Fire Department:  
Capital Outlay

984

Federal Revenue Sharing Fund:  
Personal Services  
Capital Outlay

702  
1,499

Grant Fund:

Materials and Services  
Capital Outlay

19,187  
72,752

CETA Fund:

Materials and Services

842

Bancroft Bond Fund:

Capital Outlay

111

Except for expenditures funded by grants received for specific purposes, the above expenditures are of variance with ORS 294.435.



CITY OF LEBANON  
Linn County, Oregon

AUDIT COMMENTS AND DISCLOSURES

B. Appropriations by Organization - Departments for the Federal Revenue Sharing and Grant Funds Should be Included in the Appropriation Ordinance Adopting the Budget:

The detail budget document and the appropriation ordinance adopting the current and ensuing budgets are inconsistent in that the organizational units of the Federal Revenue Sharing and Grants Funds delineated in the detail budget document are not included in the appropriation ordinance. Since the City adopted organizational units for administrative and accounting purposes, it seems that these should be included in the appropriation ordinance to avoid being contrary to the provisions of ORS 294.351.(2).

I recommend that future budgets include appropriations for the organizational units of the Federal Revenue Sharing and Grants Funds in the appropriation ordinance.

3. Indebtness:

The City remained within legal debt limitations during the year.

4. Adequacy of Collateral Securing Depository Balances:

ORS Chapter 295 provides that each depository throughout the period of its possession of public fund deposits shall maintain on deposit with its custodians, at its own expense, securities having a value not less than 25% of the certificates of participation issued by the pool manager, for funds in excess of those insured by the Federal Deposit Insurance Corporation. Collateral securing deposits of the City of Lebanon, at First National Bank, and Citizens Valley Bank were insufficient at various times during the fiscal year.



CITY OF LEBANON  
Linn County, Oregon

AUDIT COMMENTS AND DISCLOSURES

5. Programs Funded by Other Governmental Units:

Federal Revenue Sharing and Anti-Recession Funds:

The City received Federal funds in the form of revenue sharing under the provisions of the State and Local Assistance Act of 1972 and Anti-Recession Funds under the Public Works Employment Act of 1976. Reference was made to the "Audit Guide and Standards for Revenue Sharing Recipients, Revised 1976" in connection with my testing of revenue sharing and anti-recession fiscal assistance funds.

In all material respects, the City was in compliance with these Acts.

Comprehensive Employee Training Act and Federal Water Pollution Control Act:

The City also participated in the Comprehensive Employee Training Act during the year. Additionally, the City is a recipient of a Water Pollution Control Grant from the U. S. Environmental Protection Agency for the purpose of constructing a new sewage treatment plant for the City of Lebanon. A review of the amounts received and expended under these programs during the City's fiscal year was made and the City was in compliance, with some immaterial differences within the CETA and the Federal Water Pollution Control Act grants.

Other Federal and State Grants:

I reviewed and tested, to the extent deemed appropriate, transactions and reports of the Federal and State programs in which the City participates. I did not consider the scope of my audit engagement as requiring me to make a complete audit examination of each project and my audit opinion on the City's basic financial statements does not cover each individual grant. Each grant is subject to audit by the grantor agency and any adjustments may become a liability of the appropriate fund.

Based on my tests of the accounting records and examinations of reports to grantor agencies I was, in general satisfied as to the propriety of accounting for such revenues and expenditures for the fiscal year ended June 30, 1979, subject to any adjustments subsequently required as a result of audits performed by the grantor agencies.



CITY OF LEBANON  
Linn County, Oregon

AUDIT COMMENTS AND DISCLOSURES

6. Insurance and Fidelity Bond Coverage:

Insurance and Fidelity Bonds in force at June 30, 1979, are presented in the supplemental information. I am not competent by training to state whether the insurance policies covering City owned property in force at June 30, 1979 are adequate.

7. Comments on Census Data:

As part of my examination, I compared the financial data for the year ended June 30, 1979 reported to the Bureau of Census with the audit records of the City of Lebanon. The following differences were noted:

	<u>Reported</u>	<u>Actual</u>
Street and Highways	\$123,514	\$133,223
Federal Revenue Sharing	260,524	237,539
All Other		
Rural Fire District	242,515	211,411