

CITY OF LEBANON
Linn County, Oregon

ANNUAL FINANCIAL REPORT

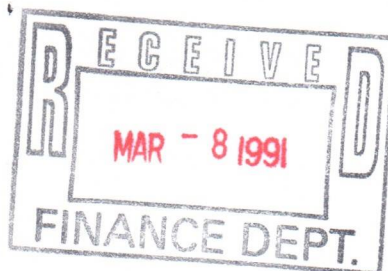
For The Year Ended
June 30, 1990

WARNER, PRICE, KOONTZ & Co., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

920 Elm St., S.W. • P.O. Box 605
Albany, Oregon 97321
(503) 926-5543
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Mayor and City Council
City of Lebanon
Lebanon, OR 97355



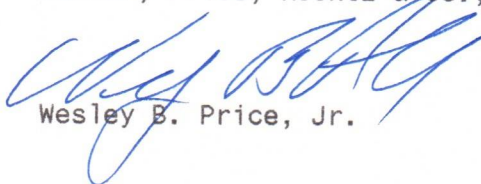
We have completed our audit of the City of Lebanon for the year ended June 30, 1990, and have issued our report thereon. As part of our audit procedures, we evaluated the system of internal control and we have also issued our report thereon indicating no reportable weaknesses.

The current audit report reflects three immaterial overexpenditures of appropriations. We have addressed this in Note 9 of the Notes to Combined Financial Statements. We do wish to emphasize that this is the first occurrence of this type in several years. It is not the result of inadequate controls, but more related to the massive number of transactions that are handled by a small number of employees.

The current staff and finance director are to be commended for their diligence and attention to work. The internal financial structure of the City is functioning on a level equal to much larger organizations. As the auditing firm for the City, we express our sincere appreciation for the cooperation given us.

Very truly yours,

Warner, Price, Koontz & Co., P.C.



Wesley B. Price, Jr.

March 7, 1991

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CITY OF LEBANON
Linn County, Oregon

June 30, 1990

CITY OFFICIALS

Mayor

Robert Smith
1111 Walker Road
Lebanon, Oregon 97355

Council Members

Gerald Lynch
2425 Third Street
Lebanon, Oregon 97355

Diane Branson
295 Violet Street
Lebanon, Oregon 9735

Lyle Winters
144 2nd Street
Lebanon, Oregon 97355

John Richard
315 11th Street
Lebanon, Oregon 97355

Ronald E. Miller, Jr.
1115 Franklin Street
Lebanon, Oregon 97355

Ken Toombs
1299 Franklin Street
Lebanon, Oregon 97355

City Administrator

Joseph A. Windell
550 East Vine Street
Lebanon, Oregon 97355

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INDEPENDENT AUDITOR'S REPORT

The Honorable Robert Smith, Mayor
and Members of the City Council
City of Lebanon, Oregon

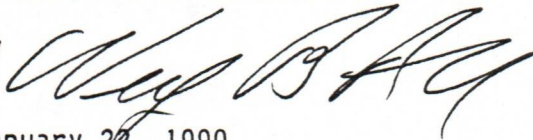
We have examined the general purpose financial statements of the City of Lebanon, Oregon, as of and for the year ended June 30, 1990, as listed in the table of contents. Our examination was made in accordance with generally accepted auditing standards and the Minimum Standards for Audits of Oregon Municipal Corporations and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the general purpose financial statements referred to above present fairly the financial position of the City of Lebanon, Oregon, at June 30, 1990, and the results of its operations and the cash flows of its proprietary fund type for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our examination was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements, and the accompanying financial information listed as supplemental information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the City of Lebanon, Oregon. Such information has been subjected to the auditing procedures applied in the examination of the general purpose, combining, individual fund, and individual account group financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account groups, taken as a whole.

Warner, Price, Koontz & Co., P.C.

By



January 22, 1990

GENERAL PURPOSE FINANCIAL STATEMENTS

CITY OF LEBANON
Linn County, Oregon

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1990

	Governmental		
	General	Special Revenue	Debt Service
<u>ASSETS AND OTHER DEBITS</u>			
Assets:			
Cash and investments	\$ 385,400	\$427,088	\$ 64,640
Receivables:			
Court fines	318,364	-	-
Property taxes	276,004	37,232	14,067
Accounts	8,434	-	-
Special assessments/loans	76,842	497,392	381,965
Due from other funds	11,347	-	-
Prepaid expenses	-	11,347	2,570
Fixed assets	-	-	-
Accumulated depreciation	-	-	-
Other debits:			
Amount available for bond retirement	-	-	-
Amount to be provided for bond retirement	-	-	-
Total assets	<u>\$1,076,391</u>	<u>\$973,059</u>	<u>\$463,242</u>
<u>LIABILITIES EQUITY AND OTHER CREDITS</u>			
Liabilities:			
Accounts payable	\$ 38,709	\$ 15,240	\$ 804
Deposits	1,684	-	-
Due to other funds	-	11,347	-
Loan payable	-	-	13,566
Coupon interest payable	-	-	3,425
Bonds payable	-	-	-
Bond discount	-	-	-
Interest payable	-	-	-
Compensated absences payable	42,490	(396)	-
Deferred revenues	690,990	534,623	398,603
Total liabilities	<u>773,873</u>	<u>560,814</u>	<u>416,398</u>
Equity and other credits:			
Investment in general fixed assets	-	-	-
Contributed capital	-	-	-
Retained earnings (deficit)	-	-	-
Fund balances:			
Reserved for claims	40,341	9,893	-
Reserved for petty cash	1,025	-	-
Unreserved, undesignated	261,152	402,352	46,844
Total equity and other credits	<u>302,518</u>	<u>412,245</u>	<u>46,844</u>
Total liabilities, equity, and other credits	<u>\$1,076,391</u>	<u>\$973,059</u>	<u>\$463,242</u>

See accompanying notes to combined financial statements.

Fund Types Capital Projects	Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Total (Memorandum Only)
	Enterprise	Expendable Trust	General Long Term Debt	General Fixed Assets	
\$589,310	\$ 4,769,387	\$55,721	\$ -	\$ -	\$ 6,291,546
-	-	-	-	-	318,364
-	1,481	-	-	-	328,784
25,088	249,315	-	-	-	282,837
-	-	-	-	-	956,199
-	-	-	-	-	11,347
-	-	-	-	-	13,917
-	12,545,352	-	-	3,160,552	15,705,904
-	(2,270,142)	-	-	-	(2,270,142)
-	-	-	174,860	-	174,860
-	-	-	880,537	-	880,537
<u>\$614,398</u>	<u>\$15,295,393</u>	<u>\$55,721</u>	<u>\$1,055,397</u>	<u>\$3,160,552</u>	<u>\$22,694,153</u>
\$ 350	\$ 14,343	\$48,278	\$ -	\$ -	\$ 117,724
-	31,564	-	-	-	33,248
-	-	-	-	-	11,347
-	28,420	-	117,849	-	159,835
-	-	-	-	-	3,425
-	9,358,870	-	745,000	-	10,103,870
-	(132,578)	-	-	-	(132,578)
-	25,573	-	-	-	25,573
-	68,128	-	192,548	-	302,770
<u>25,088</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,649,304</u>
<u>25,438</u>	<u>9,394,320</u>	<u>48,278</u>	<u>1,055,397</u>	<u>-</u>	<u>12,274,518</u>
-	-	-	-	3,160,552	3,160,552
-	7,388,152	-	-	-	7,388,152
-	(1,506,672)	-	-	-	(1,506,672)
-	19,593	-	-	-	69,827
-	-	-	-	-	1,025
<u>588,960</u>	<u>-</u>	<u>7,443</u>	<u>-</u>	<u>-</u>	<u>1,306,751</u>
<u>588,960</u>	<u>5,901,073</u>	<u>7,443</u>	<u>-</u>	<u>3,160,552</u>	<u>10,419,635</u>
<u>\$614,398</u>	<u>\$15,295,393</u>	<u>\$55,721</u>	<u>\$1,055,397</u>	<u>\$3,160,552</u>	<u>\$22,694,153</u>

CITY OF LEBANON
Linn County, Oregon

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
All Governmental Fund Types and Expendable Trust Funds

Year Ended June 30, 1990

	Governmental		
	General	Special Revenue	Debt Service
Revenues:			
Taxes	\$1,448,532	\$193,601	\$107,301
Licenses and permits	345,222	-	-
Intergovernmental	146,962	440,237	-
Fines and forfeits	178,749	-	-
Miscellaneous	111,891	36,597	12,391
Total revenues	<u>2,231,356</u>	<u>670,435</u>	<u>119,692</u>
Expenditures:			
Personal services	1,588,944	276,442	-
Materials and services	581,752	202,104	-
Capital outlay	125,487	114,708	15,328
Other requirements	14,179	53,100	217,154
Total expenditures	<u>2,310,362</u>	<u>646,354</u>	<u>232,482</u>
Excess (deficiency) of revenues over expenditures	<u>(79,006)</u>	<u>(24,081)</u>	<u>(112,790)</u>
Other financing sources (uses):			
Bank loans	-	-	-
Transfers in	36,188	100,544	-
Transfers out	(91,403)	(34,600)	(1,588)
Net change in reserves	2,885	9,893	-
Loan repayment	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(52,330)</u>	<u>75,837</u>	<u>(1,588)</u>
Excess (deficiency) of revenue and other financing sources over expenditures and other financing uses	(131,336)	99,918	(114,378)
Fund equity - July 1	<u>433,854</u>	<u>312,327</u>	<u>161,222</u>
Fund equity - June 30	<u>\$ 302,518</u>	<u>\$412,245</u>	<u>\$ 46,844</u>

See accompanying notes to combined financial statements.

<u>Fund Types</u> <u>Capital</u> <u>Projects</u>	<u>Fiduciary</u> <u>Fund Type</u> <u>Expendable</u> <u>Trust</u>	<u>Total</u> <u>(Memorandum</u> <u>Only)</u>
\$ 35,930	\$ -	\$1,785,364
-	-	345,222
1,362	-	588,561
-	-	178,749
<u>61,063</u>	<u>97,789</u>	<u>319,731</u>
<u>98,355</u>	<u>97,789</u>	<u>3,217,627</u>
20,454	-	1,885,840
124,833	-	908,689
206,470	-	461,993
<u>-</u>	<u>96,626</u>	<u>381,059</u>
<u>351,757</u>	<u>96,626</u>	<u>3,637,581</u>
<u>(253,402)</u>	<u>1,163</u>	<u>(419,954)</u>
-	-	-
11,290	-	148,022
(10,431)	-	(138,022)
-	-	12,778
<u>-</u>	<u>-</u>	<u>-</u>
<u>859</u>	<u>-</u>	<u>22,778</u>
(252,543)	1,163	(397,176)
<u>841,503</u>	<u>6,280</u>	<u>1,755,186</u>
<u>\$588,960</u>	<u>\$ 7,443</u>	<u>\$1,358,010</u>

CITY OF LEBANON
Linn County, Oregon

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
Budget and Actual

All Governmental Fund Types and Expendable Trust Funds

Year Ended June 30, 1990

	Governmental		
	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$1,392,027	\$1,448,532	\$ 56,505
Licenses and permits	316,100	345,222	29,122
Intergovernmental	153,560	146,962	(6,598)
Fines and forfeits	125,000	178,749	53,749
Miscellaneous	94,400	111,891	17,491
Total revenues	<u>2,081,087</u>	<u>2,231,356</u>	<u>150,269</u>
Expenditures:			
Personal services		1,600,122	
Materials and services		581,752	
Capital outlay		125,487	
Other requirements		14,179	
Total expenditures	<u>2,400,654</u>	<u>2,321,540</u>	<u>79,114</u>
Excess (deficiency) of revenues over expenditures	<u>(319,567)</u>	<u>(90,184)</u>	<u>229,383</u>
Other financing sources (uses):			
Bond sale proceeds	-	-	-
Bank loans	385,000	385,000	-
Transfers in	39,600	36,188	(3,412)
Transfers out	(91,403)	(91,403)	-
Net change in reserves	-	-	-
Loan repayment	<u>(385,000)</u>	<u>(385,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(51,803)</u>	<u>(55,215)</u>	<u>(3,412)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(371,370)</u>	<u>(145,399)</u>	<u>225,971</u>
Fund equity July 1, budget basis	<u>371,370</u>	<u>449,041</u>	<u>77,671</u>
Fund equity June 30, budget basis	<u>\$ -</u>	<u>303,642</u>	<u>\$303,642</u>
Adjustments to GAAP basis		<u>(1,124)</u>	
Fund equity, June 30, GAAP basis		<u>\$ 302,518</u>	

See accompanying notes to combined financial statements.

Fund Types

Special Revenue Funds			Debt Service Fund		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$157,300	\$193,601	\$ 36,301	\$ 79,400	\$107,301	\$ 27,901
-	-	-	-	-	-
428,029	440,237	12,208	-	-	-
-	-	-	-	-	-
29,500	36,597	7,097	34,100	12,391	(21,709)
614,829	670,435	55,606	113,500	119,692	6,192
	276,838			-	
	202,104			-	
	114,708			15,328	
	53,100			217,154	
980,016	646,750	333,266	681,049	232,482	448,567
(365,187)	(23,685)	388,872	(567,549)	(112,790)	454,759
-	-	-	244,600	-	(244,600)
-	-	-	223,100	-	(223,100)
126,386	100,544	(25,842)	-	-	-
(34,600)	(34,600)	-	(5,000)	(1,588)	3,412
-	9,893	9,893	-	-	-
-	-	-	-	-	-
91,786	75,837	(15,949)	462,700	(1,588)	(464,288)
(273,401)	99,522	372,923	(104,849)	(114,378)	(9,529)
273,401	312,327	38,926	143,992	161,222	17,230
\$ -	411,849	\$411,849	\$ 39,143	46,844	\$ 7,701
	396			-	
	\$412,245			\$ 46,844	

CITY OF LEBANON
Linn County, Oregon

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
Budget and Actual
All Governmental Fund Types and Expendable Trust Funds

Year Ended June 30, 1990
(Continued)

	Capital Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 42,800	\$ 35,930	\$ (6,870)
Licenses and permits	-	-	-
Intergovernmental	2,000	1,362	(638)
Fines and forfeits	-	-	-
Miscellaneous	<u>220,760</u>	<u>61,063</u>	<u>(159,697)</u>
Total revenues	<u>265,560</u>	<u>98,355</u>	<u>(167,205)</u>
Expenditures:			
Personal services		20,454	
Materials and services		124,833	
Capital outlay		206,470	
Other requirements		-	
Total expenditures	<u>1,093,485</u>	<u>351,757</u>	<u>741,728</u>
Excess (deficiency) of revenues over expenditures	<u>(827,925)</u>	<u>(253,402)</u>	<u>574,523</u>
Other financing sources (uses):			
Bond sale proceeds	-	-	-
Bank loans	-	-	-
Transfers in	11,290	11,290	-
Transfers out	(20,431)	(10,431)	10,000
Net change in reserves	-	-	-
Loan repayment	-	-	-
Total other financing sources (uses)	<u>(9,141)</u>	<u>859</u>	<u>10,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(837,066)</u>	<u>(252,543)</u>	<u>584,523</u>
Fund equity July 1, budget basis	<u>837,066</u>	<u>841,503</u>	<u>4,437</u>
Fund equity June 30, budget basis	<u>\$ -</u>	<u>588,960</u>	<u>\$588,960</u>
Adjustments to GAAP basis		-	
Fund Balance June 30, GAAP basis		<u>\$588,960</u>	

See accompanying notes to combined financial statements.

Trust and Agency		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
80.000	97.789	17.789
80.000	97.789	17.789
-	-	-
-	-	-
-	96.626	-
80.000	96.626	(16.626)
-	1.163	1.163
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	1.163	1.163
-	6.280	6.280
\$ -	7.443	\$ 7.443
-	-	-
-	\$ 7.443	-

Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)
\$1,671,527	\$1,785,364	\$ 113,837
316,100	345,222	29,122
583,589	588,561	4,972
125,000	178,749	53,749
458,760	319,731	(139,029)
3,154,976	3,217,627	62,651
-	1,897,414	-
-	908,689	-
-	461,993	-
-	381,059	-
5,235,204	3,649,155	11,586,049
(2,080,228)	(431,528)	1,648,700
244,600	-	(244,600)
608,100	385,000	(223,100)
177,276	148,022	(29,254)
(151,434)	(138,022)	13,412
-	9,893	9,893
(385,000)	(385,000)	-
493,542	19,893	(473,649)
(1,586,686)	(411,635)	1,175,051
1,625,829	1,770,373	144,544
\$ 39,143	1,358,738	\$1,319,595
-	(728)	-
-	\$1,358,010	-

CITY OF LEBANON
Linn County, Oregon

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
Proprietary Fund Type - Enterprise Fund

Year Ended June 30, 1990

Operating revenues:	
Charges for services	\$ 1,728,588
Miscellaneous	<u>34,414</u>
Total operating revenues	<u>1,763,002</u>
Operating expenses:	
Personal services	521,284
Materials and services	772,832
Depreciation	230,078
Interest	<u>331,375</u>
Total operating expenses	<u>1,855,569</u>
Operating income (loss)	(92,567)
Nonoperating revenue (expenses):	
Transfers (to) from other funds	(10,000)
Increase in appropriated retained earnings	<u>9,890</u>
Net income (loss)	(92,677)
Net retained earnings (deficit) July 1	<u>(1,394,402)</u>
Net retained earnings (deficit) June 30	(1,487,079)
Appropriated for claims	<u>19,593</u>
Retained earnings (deficit) June 30	<u>\$(1,506,672)</u>

See accompanying notes to combined financial statements.

CITY OF LEBANON
Linn County, Oregon

STATEMENT OF CASH FLOWS
Proprietary Fund Type - Enterprise Fund

Year Ended June 30, 1990

Cash flows from operating activities:	
Income collected	<u>\$1,724,171</u>
Operating expenses paid:	
Personal services	469,092
Materials and supplies	763,599
Interest	<u>329,495</u>
Total operating expenses paid	<u>1,562,186</u>
Net cash provided (used) by operating activities	<u>161,985</u>
Cash flows from investing activities:	
Capital expenditures	<u>(15,486)</u>
Cash flows from financing activities:	
Debt principal payments	(115,758)
Transfers to other funds	(10,000)
Bond proceeds	<u>4,439,465</u>
Net cash provided (used) by financing activities	<u>4,313,707</u>
Net (decrease) in cash and temporary cash investments	4,460,206
Cash and temporary cash investments at beginning of year	<u>309,181</u>
Cash and temporary cash investments at end of year	<u>\$4,769,387</u>

See accompanying notes to combined financial statements.

NOTES TO COMBINED FINANCIAL STATEMENTS

CITY OF LEBANON
Linn County, Oregon

NOTES TO COMBINED FINANCIAL STATEMENTS

June 30, 1990

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Lebanon have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The financial statements include the accounts of the City of Lebanon and the Lebanon Urban Renewal District. The City and the Urban Renewal District are both governed by a mayor and a six member City Council.

B. Fund Accounting

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of the City's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the City not accounted for in some other fund.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present

Note 1. C. (continued)

increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The proprietary fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes as available if they are collected within 30 days after year end. Undistributed taxes held by the County Treasurer are included in the balance of cash on hand at year end. A one-year available period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, interest revenue and charges for services. Fines and permits are not susceptible to accrual because generally they are not measurable until received in cash.

The accrual basis of accounting is utilized by the proprietary fund type. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The City reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

D. Budgets

Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles, except for compensated absences (as described in H. below). Annual appropriated budgets are adopted for the general, special revenue and debt service funds. All annual appropriations lapse at fiscal year end. The

Note 1. D. (continued)

City complies with the budgetary process requirements established by the appropriate sections of the Oregon Revised Statutes. The budget for the Enterprise Fund is adopted on the same basis as the budgets for the governmental funds.

E. Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments.

State statutes authorize the City to invest in legally issued general obligations of the United States, the agencies and instrumentalities of the United States and the States of Oregon, Washington, Idaho, or California, certain interest bearing bonds, time deposit open accounts, certificates of deposit and savings accounts in banks, mutual savings banks and savings and loan associations which maintain a head office or a branch in this state in the capacity of a bank, mutual savings bank or savings and loan association, and share accounts and savings accounts in credit unions in the name of, or for the benefit of, a member of the credit union pursuant to a plan of deferred compensation.

F. Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

G. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Assets in the general fixed assets account group are not depreciated.

H. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure when paid for budgetary purposes. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

Note 1 (continued)

I. Long-term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

J. Fund Equity

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

K. Bond Discounts/Insurance Costs

Bond discounts and issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method.

L. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

M. Memorandum Only - Total Columns

Total columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2 - LEGAL COMPLIANCE - BUDGETS

- A. The Budget Officer prepares a budget for the Budget Committee to review.
- B. The budget is then printed in proposed form and is presented for public hearings to obtain taxpayer comments and approval from the Budget Committee.

Note 2. (continued)

- C. Prior to July 1, the budget is legally adopted by the City Council through passage of a resolution.
- D. The Council is authorized to transfer budgeted amounts between departments and line items within any fund by resolution order. Supplemental budgets must follow the same criteria as the original budget, except that portion involving the Budget Committee.
- E. Appropriations lapse at year end.
- F. The bases of budgeting for the City's various funds are the same as the bases of accounting used by the funds except for the Proprietary Fund Types, which budget on the modified accrual basis instead of on the full accrual basis used in their financial reporting. The City complies with the budgetary process requirements established by the appropriate sections of the Oregon Revised Statutes.
- G. Expenditures may not legally exceed budgeted appropriations.

NOTE 3 - CASH AND INVESTMENTS

Investments - The City's investment policies are governed by state statutes. Permissible investments include bankers acceptances, repurchase agreement, time certificates of deposits, obligations of the United States, its agencies and instrumentalities, and the Oregon State Treasurer's Short-term Investment Fund, among others. The City's investments are categorized as follows:

- 1. Insured for which the securities are held by the City
- 2. Uninsured for which the securities are held by the bank's trust department in the City's name.
- 3. Uninsured for which the securities are held by the Bank in the bank's name

Deposits and investments at June 30, 1990 were comprised of the following:

	<u>Category</u>			<u>Carrying Amount</u>	<u>Market Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
Investments with financial institutions:					
Commercial paper	\$ -	\$443,171	\$ -	\$ 443,171	\$ 443,171
Total investments with financial institutions	\$ -	\$443,171	\$ -	\$ 443,171	443,171
Investment in Oregon State Treasurer's Local Government Investment Fund				5,643,720	5,643,720
Total investments				6,086,891	6,086,891
Demand deposits				164,522	164,522
Held by other governmental agencies				39,108	39,108
Total cash deposits				203,630	203,630
Petty cash				1,025	1,025
Total cash & investments				\$6,291,546	\$6,291,546

Note 3. (continued)

Due to the significantly higher cash flows at certain times during the year than at year end, the City's investments in bankers acceptances, for which the underlying securities were held by the bank, varies. Consequently, the amounts held in Category 2 at certain times during the year were significantly greater than at year end.

The City's investment in the Local Government Investment Pool of \$5,643,720 represents approximately .2% of the equity of the Pool at June 30, 1990. As of June 30, 1990 the Local Government Investment Pool had the following investment portfolio:

TOTAL DOLLARS INVESTED AT JUNE 30, 1990 ARE \$3,100,571

<u>Security Description</u>	<u>Par Value (000's omitted)</u>	<u>% of Total Portfolio</u>	<u>Difference Between Cost & Market (000's omitted)</u>
Time certificates of deposit	\$ 36,640	1.18%	\$ 0.00
Commercial paper	1,417,435	45.72%	0.00
Masternote	30,000	0.97%	0.00
Bankers acceptances	89,539	2.89%	0.00
State loans	78	0.00%	0.00
US Treasury notes/bonds/bills	675,000	21.77%	1,166.06
US Agencies Fixed & Frn's	834,760	26.92%	110.61
GNMA PC's	11,339	0.37%	43.11
Mortgage pass-throughs	<u>5,780</u>	<u>0.19%</u>	<u>(687.94)</u>
	<u>\$3,100,571</u>	<u>100.00%</u>	<u>\$ 631.84</u>

MARKET VALUE = 100.02% of par

MATURITY SCHEDULE

<u>Maturity</u>	<u>Amount (000's omitted)</u>	<u>% of Total</u>
01-30 Days	\$1,088,576	35.11%
31-60 Days	498,569	16.08%
61-90 Days	47,802	1.54%
91-360 Days	1,348,469	43.49%
1-3 Years	100,037	3.23%
Over 3 Years	<u>17,118</u>	<u>.55%</u>
Total	<u>\$3,100,571</u>	<u>100.00%</u>

Notes (continued)

NOTE 4 - PROPERTY TAXES RECEIVABLE AND DEFERRED REVENUE

The real property tax is levied each July 1 and on personal property each January 1 on the assessed value of property located in the City as of January 1. Taxes are payable November 15 in full or, at the election of the taxpayer, in three equal installments on November 15, February 15 and May 15. Taxes become delinquent after each payment date. Uncollected taxes at June 30, 1990 were as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Available</u>	<u>Deferred</u>
General Fund	\$276,004	\$ -	\$276,004
Debt Service Fund	14,067	-	14,067
Urban Renewal	<u>37,230</u>	<u>-</u>	<u>37,230</u>
Total	<u>\$327,301</u>	<u>\$ -</u>	<u>\$327,301</u>

NOTE 5 - FIXED ASSETS

Fixed assets are stated at actual cost and estimated cost. Purchases of general fixed assets are recorded as expenditures in governmental funds and capitalized in the General Fixed Asset Account Group for recent years. Other recorded assets are at estimated cost.

Depreciation is not computed on general fixed assets. Upon disposal, the General Fixed Asset Account Group is relieved of the related cost or estimated cost if identified; any receipt from such disposal is accounted for as revenue of the General Fund.

A summary of changes in general fixed assets follows:

	<u>Balance July 1, 1989</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1990</u>
Total Fixed Assets	<u>\$3,131,028</u>	<u>\$139,322</u>	<u>\$109,798</u>	<u>\$3,160,552</u>

The following is a summary of proprietary fund-type fixed assets at June 30, 1990:

	<u>Water Fund</u>	<u>Waste Water Fund</u>
Balance July 1, 1989	\$4,665,314	\$7,864,552
Additions	8,366	7,120
Deletions	-	-
Balance June 30, 1990	<u>4,673,680</u>	<u>7,871,672</u>
Less: accumulated depreciation	<u>(757,275)</u>	<u>(1,512,867)</u>
Net fixed assets	<u>\$3,916,405</u>	<u>\$6,358,805</u>

In proprietary funds, the following estimated useful lives are used to compute depreciation:

Buildings	50 years
Plant equipment	40 years
Office equipment	5 years

Notes (continued)

NOTE 6 - LONG-TERM DEBT

The bonds payable of \$10,103,870 consist of unmatured bonds of serial issues as detailed below. All bonds outstanding are general obligation bonds. Under Oregon laws, the City has continuing authority to levy taxes annually to retire bonds and interest coupons as they mature.

<u>Type of Bond</u>	<u>Outstanding June 30, 1989</u>	<u>Matured</u>	<u>Retired</u>	<u>Outstanding June 30, 1990</u>
Bancroft	\$ 240,000	\$130,000	\$130,000	\$ 110,000
General Obligation	705,000	70,000	70,000	635,000
Revenue Supported				
General Obligation	4,965,000	115,000	115,000	4,850,000
Wastewater Revenue				
Supported	-	-	-	4,508,870
Total	<u>\$5,910,000</u>	<u>\$315,000</u>	<u>\$315,000</u>	<u>\$10,103,870</u>

Annual debt service requirements to maturity for general obligation bonds, including interest of \$11,295,537, are as follows:

<u>Fiscal Year</u>	<u>Bond Principal</u>	<u>Bond Interest</u>	<u>Total</u>
1990-91	\$ 295,000	\$ 695,177	\$ 990,177
1991-92	310,000	674,209	984,209
1992-93	325,000	652,131	977,131
1993-94	230,000	629,945	859,945
1994-95	325,000	614,050	939,050
1995-96	340,000	591,554	931,554
1996-97	305,000	569,456	874,456
1997-98	330,000	547,412	877,412
1998-99	355,000	523,444	878,444
1999-00	385,000	497,068	882,068
2000-01	360,000	471,217	831,217
2001-02	385,000	445,494	830,494
2002-03	415,000	417,781	832,781
2003-04	440,000	387,963	827,963
2004-05	480,000	355,853	835,853
2005-06	389,984	445,916	835,900
2006-07	409,984	427,369	837,353
2007-08	435,302	406,373	841,675
2008-09	455,930	382,920	838,850
2009-10	492,670	356,080	848,750
Thereafter	<u>2,640,000</u>	<u>1,204,125</u>	<u>3,844,125</u>
Totals	<u>\$10,103,870</u>	<u>\$11,295,537</u>	<u>\$21,399,407</u>

Notes (continued)

NOTE 7 - CONTRIBUTED CAPITAL

The following is a summary of contributed capital:

	<u>Waste Water</u>	<u>Railroad</u>	<u>Total</u>
Contributed capital July 1, 1989	\$7,367,002	\$ 21,150	\$7,388,152
Additions	<u>-</u>	<u>-</u>	<u>-</u>
Contributed capital June 30, 1990	<u>\$7,367,002</u>	<u>\$ 21,150</u>	<u>\$7,388,152</u>

NOTE 8 - EMPLOYEE RETIREMENT SYSTEMS

All full time employees after six months of employment with the City participate in the multiple-employer State of Oregon Public Employees' Retirement System (PERS). The total payroll was \$1,707,527, and the contribution for the year was \$219,584.

Assets available to meet benefit commitments are shown on two bases: the actuarial value of assets and an estimate of the book value of assets.

The Pension Benefit Obligation is a standardized disclosure measure of the pension benefits. It is adjusted for the effects of projected salary increases estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of "Credited Projected Benefits" and is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons with other systems.

The measure is independent of the actuarial funding method used to determine contributions. The Pension Benefit Obligation was determined as part of the actuarial valuation at December 31, 1987.

Statement No. 5 of the Governmental Accounting Standards Board defines "Credited Projected Benefits" as those benefits based on service already performed and salary projected to the actual date of assumed termination or retirement. The Pension Benefit Obligation presented in this statement was determined using the following assumptions:

- a. Future service was considered only to the extent that it would permit active plan participants to become eligible for benefits attributable to service rendered prior to the date of determination.
- b. Regular valuation assumptions were used as to mortality, withdrawal, retirement ages, disability, future salaries and investment return.

The actuarial present values were calculated using actuarial assumptions that were based on the presumption that the System will continue. Were the System to terminate, different actuarial assumptions and other factors might be applicable in determining the Pension Benefit Obligation. The values presented in this statement should not be confused with information presented elsewhere regarding funding requirements.

Note 8. (continued)

Pension benefit obligation:

	<u>12/31/87</u>
Member account balances	\$ 432,657
Vested accrued benefits	652,409
Nonvested accrued benefits	<u>50,254</u>
Total	<u>\$1,135,320</u>
Actuarial value of assets:	<u>\$ 484,532</u>

Ten-year historical trend information presenting the PERS' progress in accumulating sufficient assets to pay benefits when due is contained in the PERS December 31, 1987 financial report.

Funding Methods and Assumptions

A fundamental principle in financing the liabilities of a retirement program is that the cost of its benefits should be related to when those benefits are earned, rather than to when they are paid. There are a number of methods in use for making such a determination. The method used for this valuation is technically referred to as the "entry age actuarial cost method".

Common stock and real estate investments are valued at market, and bonds, mortgages and loans are valued at an adjusted price which would yield 7.5% interest to maturity. The actuarial value of assets includes member account balances.

The actuarial assumptions used in this valuation have been chosen on the basis of recent experience of the System and on current expectations as to future economic conditions. The assumptions are intended to estimate the future experience of the members of the System and of the System itself in areas which affect the projected benefit flow and anticipated investment earnings. Any variations in future experience from that expected from these assumptions will result in corresponding changes in estimated costs of the System's benefits.

NOTE 9 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosure, as part of the Combined Statements, of certain information concerning individual funds including:

- A. Excess of expenditures over appropriations in individual funds. The City overexpended the following appropriations for the year ended June 30, 1990:

<u>Fund</u>	<u>Appropriation</u>	<u>Amount of Overexpenditure</u>
General	Police	\$2,354
Intergovernmental	Dial-a-bus	233
Intergovernmental	LCDC	1,438

Because of these overexpenditures, the City may be in noncompliance with ORS 294.100.

Note 9. (continued)

- B. Deficit fund balances or retained earnings balances of individual funds. There were no deficit fund balances at June 30, 1990 for budgetary purposes.
- C. Individual fund interfund receivable and payable balances. Such balances at June 30, 1990 were:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$11,347	\$ -
Intergovernmental Fund	-	<u>11,347</u>
Totals	<u>\$11,347</u>	<u>\$11,347</u>

NOTE 10 - UNDEREXPENDITURE OF APPROPRIATIONS

There was a substantial underexpenditure in public improvements. For the year ending June 30, 1990, \$468,920 was budgeted to pay for improvements to Oak Street. A local improvement district was formed to pay these costs. The project was done in conjunction with Linn County which was to bill the City for its share of the costs. During the current year, only \$3,350 was actually expended. The County entered into the construction agreements for the project. When certain of the improvements failed to meet contractual standards, the County did not bill the City until the actual costs could be determined. This was completed in early November, 1990, when the costs were assessed and a bond was sold.

COMBINING AND INDIVIDUAL FUNDS FINANCIAL STATEMENTS

GENERAL FUND

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

CITY OF LEBANON
Linn County, Oregon

STATEMENT OF GENERAL FUND REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - Budget and Actual

Year Ended June 30, 1990

		Actual		
	Budget	Budget Basis	Adjustments	GAAP Basis
Revenues:				
Taxes	\$1,392,027	\$1,448,532	\$ -	\$1,448,532
Licenses and permits	316,100	345,222	-	345,222
Intergovernmental	153,560	146,962	-	146,962
Fines and forfeits	125,000	178,749	-	178,749
Miscellaneous	94,400	111,891	-	111,891
Total revenue	<u>2,081,087</u>	<u>2,231,356</u>	<u>-</u>	<u>2,231,356</u>
Expenditures:				
Administration	59,717	58,016	(11,178)	46,838
City attorney	31,000	30,382	-	30,382
Community & Economic Development	50,014	49,482	-	49,482
Planning	44,824	41,717	-	41,717
Building inspection	46,802	41,465	-	41,465
Public works	45,319	40,941	-	40,941
Parks	181,009	141,107	-	141,107
Finance	92,008	83,670	-	83,670
Legislative	25,350	25,035	-	25,035
Library	210,225	206,314	-	206,314
Municipal court	95,690	92,446	-	92,446
Police	1,201,087	1,203,441	-	1,203,441
Senior services	79,650	78,421	-	78,421
Nondepartmental	237,959	229,103	-	229,103
Total expenditures	<u>2,400,654</u>	<u>2,321,540</u>	<u>(11,178)</u>	<u>2,310,362</u>
Excess (deficiency) of revenues over expenditures	<u>(319,567)</u>	<u>(90,184)</u>	<u>11,178</u>	<u>(79,006)</u>
Other financing sources (uses):				
Loan proceeds	385,000	385,000	(385,000)	-
Transfers in	39,600	36,188	-	36,188
Transfers out	(91,403)	(91,403)	-	(91,403)
Net change in reserves	-	-	2,885	2,885
Loan repayment	<u>(385,000)</u>	<u>(385,000)</u>	<u>385,000</u>	<u>-</u>
Total other financing sources (uses)	<u>(51,803)</u>	<u>(55,215)</u>	<u>2,885</u>	<u>(52,330)</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>(371,370)</u>	<u>(145,399)</u>	<u>14,063</u>	<u>(131,336)</u>
Fund balance July 1	<u>371,370</u>	<u>449,041</u>	<u>(15,187)</u>	<u>433,854</u>
Fund balance June 30	<u>\$ -</u>	<u>\$ 303,642</u>	<u>\$ (1,124)</u>	<u>\$ 302,518</u>

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Intergovernmental Fund - This fund is used to account for grants and other intergovernmental revenues which are legally restricted for specific purposes.

Urban Renewal Fund - This fund is used to account for the activity of the Lebanon Urban Renewal District.

CITY OF LEBANON
Linn County, Oregon

COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS

June 30, 1990

<u>ASSETS</u>	<u>Inter- governmental Fund</u>	<u>Urban Renewal Fund</u>	<u>Total</u>
Cash and investments	\$263,975	\$163,113	\$427,088
Receivables accounts:			
Property taxes	-	37,232	37,232
Special assessments	-	-	-
Loans	483,825	13,567	497,392
Prepaid expenses	<u>11,347</u>	<u>-</u>	<u>11,347</u>
Total assets	<u>\$759,147</u>	<u>\$213,912</u>	<u>\$973,059</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 15,240	\$ -	\$ 15,240
Due to other funds	11,347	-	11,347
Compensated absences payable	(396)	-	(396)
Deferred revenues	<u>483,825</u>	<u>50,798</u>	<u>534,623</u>
Total liabilities	<u>510,016</u>	<u>50,798</u>	<u>560,814</u>
Fund Balances:			
Reserved for claims	9,893	-	9,893
Unreserved, undesignated	<u>239,238</u>	<u>163,114</u>	<u>402,352</u>
Total fund balance	<u>249,131</u>	<u>163,114</u>	<u>412,245</u>
Total liabilities and fund equity	<u>\$759,147</u>	<u>\$213,912</u>	<u>\$973,059</u>

CITY OF LEBANON
Linn County, Oregon

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - SPECIAL REVENUE FUNDS

Year Ended June 30, 1990

	Inter- governmental Fund	Urban Renewal Fund	Total (Memorandum Only)
Revenues:			
Taxes	\$ -	\$193,601	\$193,601
Intergovernmental	440,237	-	440,237
Charges for services	-	-	-
Miscellaneous	<u>20,874</u>	<u>15,723</u>	<u>36,597</u>
Total revenues	<u>461,111</u>	<u>209,324</u>	<u>670,435</u>
Expenditures:			
Personal services	271,067	5,375	276,442
Materials and services	190,297	11,807	202,104
Capital outlay	21,172	93,536	114,708
Debt service	<u>-</u>	<u>53,100</u>	<u>53,100</u>
Total expenditures	<u>482,536</u>	<u>163,818</u>	<u>646,354</u>
Excess (deficiency) of revenues over expenditures	<u>(21,425)</u>	<u>45,506</u>	<u>(24,081)</u>
Other financing sources (uses):			
Transfers in	100,544	-	100,544
Transfers out	(2,600)	(32,000)	(34,600)
Net change in reserves	<u>9,893</u>	<u>-</u>	<u>9,893</u>
Total other financing sources (uses)	<u>107,837</u>	<u>(32,000)</u>	<u>75,837</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	86,412	13,506	99,918
Fund balance - July 1	<u>162,719</u>	<u>149,608</u>	<u>312,327</u>
Fund balance - June 30	<u>\$249,131</u>	<u>\$163,114</u>	<u>\$412,245</u>

CITY OF LEBANON
Linn County, Oregon

STATEMENT OF INTERGOVERNMENTAL FUND REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - Budget and Actual

Year Ended June 30, 1990

			Actual	
	Budget	Budget Basis	Adjustments	GAAP Basis
Revenues:				
Intergovernmental	\$428,029	\$440,237	\$ -	\$440,237
Miscellaneous	19,500	20,874	-	20,874
Total revenue	<u>447,529</u>	<u>461,111</u>	<u>-</u>	<u>461,111</u>
Expenditures:				
Teknetics	15,400	5,018	-	5,018
OTSC Grant	7,100	6,600	-	6,600
Bikepath	61,480	9,066	-	9,066
Streets	410,500	349,727	(872)	348,855
Storm drains	70,966	62,449	-	62,449
Dial-a-bus	27,454	27,687	476	28,163
FAU Streets	34,031	11,750	-	11,750
LCDC	6,000	7,438	-	7,438
1983-84 Rehab	40,000	-	-	-
1985-86 Rehab	19,100	-	-	-
Gills Landing	2,660	-	-	-
Vaughn Lane	-	-	-	-
Plan assist	8,525	3,197	-	3,197
Total expenditures	<u>703,216</u>	<u>482,932</u>	<u>(396)</u>	<u>482,536</u>
Excess (deficiency) of revenues over expenditures	<u>(255,687)</u>	<u>(21,821)</u>	<u>396</u>	<u>(21,425)</u>
Other financing (uses):				
Transfers in	126,386	100,544	-	100,544
Transfers out	(2,600)	(2,600)	-	(2,600)
Net changes in reserves	-	9,893	-	9,893
Total other financing sources (uses)	<u>123,786</u>	<u>107,837</u>	<u>-</u>	<u>107,837</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(131,901)</u>	<u>86,016</u>	<u>396</u>	<u>86,412</u>
Fund balance July 1	<u>131,901</u>	<u>162,719</u>	<u>-</u>	<u>162,719</u>
Fund balance June 30	<u>\$ -</u>	<u>\$248,735</u>	<u>\$ 396</u>	<u>\$249,131</u>

CITY OF LEBANON
Linn County, Oregon

STATEMENT OF URBAN RENEWAL FUND REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - Budget and Actual

Year Ended June 30, 1990

		Actual		
	Budget	Budget Basis	Adjustments	GAAP Basis
Revenues:				
Taxes	\$157,300	\$193,601	\$ -	\$193,601
Miscellaneous	10,000	15,723	-	15,723
Total revenue	167,300	209,324	-	209,324
Expenditures:				
Personal services	5,511	5,375	-	5,375
Materials and services	31,800	11,807	-	11,807
Capital outlay	164,855	93,536	-	93,536
Debt Service	53,100	53,100	-	53,100
Operating contingency	21,534	-	-	-
Total expenditures	276,800	163,818	-	163,818
Excess (deficiency) of revenues over expenditures	(109,500)	45,506	-	45,506
Other financing (uses):				
Transfers out	(32,000)	(32,000)	-	(32,000)
Excess (deficiency) of revenues over expenditures and other financing uses	(141,500)	13,506	-	13,506
Fund balance July 1	141,500	149,608	-	149,608
Fund balance June 30	\$ -	\$163,114	\$ -	\$163,114

DEBT SERVICE FUNDS

The Debt Service Funds are used to account for the accumulation of resources for and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the City is obligated in some manner for the payment.

CITY OF LEBANON
Linn County, Oregon

COMBINING BALANCE SHEET - DEBT SERVICE FUNDS

June 30, 1990

<u>ASSETS</u>	Debt Service Fund	Bancroft Bond Redemption Fund	<u>Total</u>
Cash	\$ 17,688	\$ 46,951	\$ 64,639
Receivables:			
Property taxes	14,067	-	14,067
Special Assessments	-	381,966	381,966
Prepayments	-	2,570	2,570
Total assets	<u>\$ 31,755</u>	<u>\$431,487</u>	<u>\$463,242</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ -	\$ 804	\$ 804
Matured bond and interest coupons payable	3,425	-	3,425
Deferred revenue	14,067	384,536	398,603
Loan payable	-	13,566	13,566
Total liabilities	<u>17,492</u>	<u>398,906</u>	<u>416,398</u>
Fund Balances:			
Undesignated, unreserved	<u>14,263</u>	<u>32,581</u>	<u>46,844</u>
Total liabilities and fund balances	<u>\$ 31,755</u>	<u>\$431,487</u>	<u>\$463,242</u>

CITY OF LEBANON
Linn County, Oregon

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - DEBT SERVICE FUNDS

Year Ended June 30, 1990

	Debt Service Fund	Bancroft Bond Redemption Fund	Total
Revenues:			
Taxes	\$69,335	\$ 37,966	\$107,301
Miscellaneous	<u>1,530</u>	<u>10,861</u>	<u>12,391</u>
Total revenues	<u>70,865</u>	<u>48,827</u>	<u>119,692</u>
Expenditures:			
Capital outlay	-	15,328	15,328
Bond principal	50,000	138,349	188,349
Bond interest	<u>22,125</u>	<u>6,680</u>	<u>28,805</u>
Total expenditures	<u>72,125</u>	<u>160,357</u>	<u>232,482</u>
Excess (deficiency) of revenues over expenditures	<u>(1,260)</u>	<u>(111,530)</u>	<u>(112,790)</u>
Other financing sources (uses):			
Transfer out	<u>-</u>	<u>(1,588)</u>	<u>(1,588)</u>
Total other financing sources (uses)	<u>-</u>	<u>(1,588)</u>	<u>(1,588)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,260)	(113,118)	(114,378)
Fund balance - July 1	<u>15,523</u>	<u>145,699</u>	<u>161,222</u>
Fund balance - June 30	<u>\$14,263</u>	<u>\$ 32,581</u>	<u>\$ 46,844</u>

CITY OF LEBANON
Linn County, Oregon

STATEMENT OF DEBT SERVICE FUND REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - Budget and Actual

Year Ended June 30, 1990

		Actual		
	Budget	Budget Basis	Adjustments	GAAP Basis
Revenues:				
Taxes	\$64,400	\$69,335	\$ -	\$69,335
Miscellaneous	<u>1,700</u>	<u>1,530</u>	<u>-</u>	<u>1,530</u>
Total revenue	<u>66,100</u>	<u>70,865</u>	<u>-</u>	<u>70,865</u>
Expenditures:				
Bond principal	50,000	50,000	-	50,000
Bond interest	<u>22,100</u>	<u>22,125</u>	<u>-</u>	<u>22,125</u>
Total expenditures	<u>72,100</u>	<u>72,125</u>	<u>-</u>	<u>72,125</u>
Excess (deficiency) of revenues over expenditures	(6,000)	(1,260)	-	(1,260)
Fund balance July 1	<u>16,000</u>	<u>15,523</u>	<u>-</u>	<u>15,523</u>
Fund balance June 30	<u>\$10,000</u>	<u>\$14,263</u>	<u>\$ -</u>	<u>\$14,263</u>

CITY OF LEBANON
Linn County, Oregon

STATEMENT OF BANCROFT BOND FUND REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - Budget and Actual

Year Ended June 30, 1990

		Actual		
	Budget	Budget Basis	Adjustments	GAAP Basis
Revenues:				
Taxes	\$ 15,000	\$ 37,966	\$ -	\$ 37,966
Miscellaneous	32,400	10,861	-	10,861
Total revenue	<u>47,400</u>	<u>48,827</u>	<u>-</u>	<u>48,827</u>
Expenditures:				
Material and services	23,100	-	-	-
Capital outlay	201,220	15,328	-	15,328
Bond principal	138,349	138,349	-	138,349
Bond interest	6,680	6,680	-	6,680
Interest	16,500	-	-	-
Loan payment	223,100	-	-	-
Total expenditures	<u>608,949</u>	<u>160,357</u>	<u>-</u>	<u>160,357</u>
Excess (deficiency) of revenues over expenditures	(561,549)	(111,530)	-	(111,530)
Other financing sources (uses):				
Bond sale proceeds	244,600	-	-	-
Interim financing	223,100	-	-	-
Transfers out	(5,000)	(1,588)	-	(1,588)
Total other financing sources (uses)	<u>462,700</u>	<u>(1,588)</u>	<u>-</u>	<u>(1,588)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(98,849)	(113,118)	-	(113,118)
Fund balance July 1	<u>127,992</u>	<u>145,699</u>	<u>-</u>	<u>145,699</u>
Fund balance June 30	<u>\$ 29,143</u>	<u>\$ 32,581</u>	<u>\$ -</u>	<u>\$ 32,581</u>

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities other than those financed by property or fiduciary funds.

CITY OF LEBANON
Linn County, Oregon

STATEMENT OF CAPITAL PROJECTS FUND REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - Budget and Actual -

Year Ended June 30, 1990

		Actual		
	Budget	Budget Basis	Adjustments	GAAP Basis
Revenues:				
Taxes	\$ 42,800	\$ 35,930	\$ -	\$ 35,930
Intergovernmental	2,000	1,362	-	1,362
Miscellaneous	220,760	61,063	-	61,063
Total revenues	265,560	98,355	-	98,355
Expenditures:				
Special contingency	2,132	2,056	-	2,056
Equipment acquisition	24,118	6,872	-	6,872
Interview room	310	-	-	-
Library	6,779	3,084	-	3,084
Senior services	31,931	6,853	-	6,853
SDC Drainage	287,000	250,622	-	250,622
SDC Park	36,400	2,698	-	2,698
SDC Wastewater	508,000	20,158	-	20,158
SDC Streets	168,560	58,126	-	58,126
SDC Water	22,855	1,288	-	1,288
Police	5,400	-	-	-
Total expenditures	1,093,485	351,757	-	351,757
Excess (deficiency) of revenues over expenditures	(827,925)	(253,402)	-	(253,402)
Other financing sources:				
Transfers in	11,290	11,290	-	11,290
Transfers out	(20,431)	(10,431)	-	(10,431)
Total other financing sources (uses)	(9,141)	859	-	859
Excess of revenue and other financing sources over expenditures	(837,066)	(252,543)	-	(252,543)
Fund balance July 1	837,066	841,503	-	841,503
Fund balance June 30	\$ -	\$588,960	\$ -	\$588,960

ENTERPRISE FUND

The Enterprise Fund accounts for the operations of the City's utility fund.

	H30	H70	H71	H72	H73	H74	H75	H76	H77	H78	Totals	GAAP Adjustments Dr Cr	GAAP Totals
	Water	Waste Water	Water	CIP Revenue	Water Debt Service	Water Debt Service	Water Debt Service	Water Debt Service	Water Debt Service	Water Debt Service	Totals	Dr Cr	Totals
Cash	16676968	13426776	441389150		2557321						476938670		476938670
A/R	16149805	8494620									24644425		24644425
Taxes Receivable		148113									148113		148113
Miscellaneous Receivable	287098										287098		287098
Fixed Assets	467368000	787167200									1254535200		1254535200
Accumulated Depreciation	(75727500)	(151286700)									(227014200)		(227014200)
Prepaids (Bond Discount)											9497845		9497845
A/P	(979380)	(449751)									(1434291)		(1434291)
Bonds Payable	(48500000)										(935886995)		(935886995)
Loan Payable - Gen Fund		(2842032)									(2842032)		(2842032)
Bond Sale Expense (Discount)	3759991										3759991		3759991
Deposits Payable	(3156377)										(3156377)		(3156377)
Comp. Absences	(3215502)	(3597332)									(6812834)		(6812834)
Interest Payable											(2557321)		(2557321)
Reserved for SAIF	(1338661)	(620642)									(1959303)		(1959303)
Contributed Capital		(736700202)									(736700202)		(736700202)
Fund Balance, Water	79821585										(2115000)		(2115000)
Fund Balance, Wwwater		98616345											
Fund Balance, CIP Rev.													
Fund Balance, CIP Debt													
Fund Balance, Railroad													
Charges for Services	(108568664)	(62853598)									(171422262)		(171422262)
Misc. Revenue	(2778196)	(397658)									(341401)		(341401)
Bond Proceeds											(450886995)		(450886995)
Personal Services	29669876	18036290									47898171		47898171
Materials + Services	37958740	40658145									79060781		79060781
Capital Outlay	1195332	735192									1930524		1930524
Debt Service	44203743	321600									44525343		44525343
Transfer Out	500000	500000									1000000		1000000

Note: Fund Balances include beginning balance
See H400/GAAP Lf for GAAP adjustments
O Pencil = Water GAAP adjustments
E Red = Waste Water GAAP adjustments

Note: Fund Balances include beginning balance
See WDO/GAAP1ff for GAAP adjustments
① Pencil = water GAAP adjustments
② Red = waste water GAAP adjustments
③ = waste water debt service

CITY OF LEBANON
Linn County, Oregon

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS - Budget and Actual - Enterprise Fund

Year Ended June 30, 1990

		Actual		
	Budget	Budget Basis	Adjustments	GAAP Basis
Revenues:				
Charges for services	\$1,591,900	\$1,714,223	\$ 14,365	\$ 1,728,588
Miscellaneous	29,400	34,414	-	34,414
Total revenues	<u>1,621,300</u>	<u>1,748,637</u>	<u>14,365</u>	<u>1,763,002</u>
Expenses:				
Water	1,207,000	1,130,277	17,903	1,148,180
Wastewater	648,000	597,512	103,518	701,030
Railroad	30,900	6,359	-	6,359
Total expenses	<u>1,885,900</u>	<u>1,734,148</u>	<u>121,421</u>	<u>1,855,569</u>
Excess (deficiency) of revenues over expenses	<u>(264,600)</u>	<u>14,489</u>	<u>(107,056)</u>	<u>(92,567)</u>
Other financing (uses):				
Transfer in	10,000	-	-	-
Transfer out	(10,000)	(10,000)	-	(10,000)
Bond proceeds	-	4,508,870	(4,508,870)	-
Increase in appropriated retained earnings	-	9,890	-	9,890
Total other financing sources (uses)	<u>-</u>	<u>4,508,760</u>	<u>(4,508,870)</u>	<u>(110)</u>
Excess (deficiency) of revenues over expenses and other financing uses	<u>(264,600)</u>	<u>4,523,249</u>	<u>(4,615,926)</u>	<u>(92,677)</u>
Retained earnings July 1	<u>264,600</u>	<u>304,071</u>	<u>(1,698,473)</u>	<u>(1,394,402)</u>
Retained earnings June 30	<u>\$ -</u>	<u>\$4,827,320</u>	<u>\$(6,314,399)</u>	<u>\$(1,487,079)</u>

CITY OF LEBANON
Linn County, Oregon

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE - Budget and Actual - Trust and Agency

Year Ended June 30, 1990

	<u>Budget</u>	<u>Budget Basis</u>	<u>Actual Adjustments</u>	<u>GAAP Basis</u>
Revenues:				
Miscellaneous	<u>\$80,000</u>	<u>\$97,789</u>	<u>\$ -</u>	<u>\$97,789</u>
Expenditures:				
Other requirements	<u>80,000</u>	<u>96,626</u>	<u>-</u>	<u>96,626</u>
Excess (deficiency) of revenues over expenditures	-	1,163	-	1,163
Fund balance, July 1	<u>-</u>	<u>6,280</u>	<u>-</u>	<u>6,280</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ 7,443</u>	<u>\$ -</u>	<u>\$ 7,443</u>

SUPPLEMENTAL INFORMATION

CITY OF LEBANON
Linn County, Oregon

SCHEDULE OF PROPERTY TAX TRANSACTIONS

June 30, 1990

<u>Tax Year</u>	<u>Taxes Receivable July 1, 1989</u>	<u>Levy</u>
1989-90	\$ -	\$1,678,825
Prior years	<u>353,760</u>	<u>-</u>
Totals	<u>\$353,760</u>	<u>\$1,678,825</u>

Add: Other taxes and interest

Cash with City Treasurer, July 1, 1989

Total cash available

Taxes received by City during 1989-90

Cash with City Treasurer, June 30, 1990

<u>Discount and Adjustments</u>	<u>Total Linn County Collections</u>	<u>Net Taxes Receivable June 30, 1990</u>
\$(33,781)	\$1,497,762	\$147,282
<u>35,953</u>	<u>208,213</u>	<u>181,500</u>
<u>\$ 2,172</u>	1,705,975	<u>\$328,782</u>
	10,054	
	-	
	1,716,029	
	<u>1,716,029</u>	
	<u>\$ -</u>	

Summary of taxes receivable
by fund:

General fund	\$276,004
Debt service fund	14,067
Urban renewal fund	37,230
Sewer fund	<u>1,481</u>
Total	<u>\$328,782</u>

CITY OF LEBANON
Linn County, Oregon

SCHEDULE OF BOND TRANSACTIONS

June 30, 1990

<u>Issue</u>	<u>Date of Issue</u>	<u>Interest Rate</u>	
		<u>From</u>	<u>To</u>
<u>Special Assessment</u>			
Bonds:			
1979	9/01/79	5.60	7.00
1982	8/01/83	9.25	11.25
1985	11/01/84	8.30	12.00
 <u>General</u>			
Bonds:			
Sewage Treatment	12/01/75	4.25	7.00
Urban Renewal	11/01/84	8.75	12.00
Water Service Refinancing	11/01/86	6.00	6.75
 <u>Revenue</u>			
Wastewater	6/01/90	7.125	7.50

Outstanding June 30, 1989		1989-90 Transactions		Outstanding June 30, 1990	
<u>Matured</u>	<u>Unmatured</u>	<u>Maturities</u>	<u>Retirements</u>	<u>Matured</u>	<u>Unmatured</u>
\$ -	\$ 200,000	\$100,000	\$100,000	\$ -	\$ -
-	120,000	25,000	25,000	-	70,000
-	50,000	5,000	5,000	-	40,000
-	370,000	130,000	130,000	-	110,000
-	400,000	50,000	50,000	-	300,000
-	375,000	20,000	20,000	-	335,000
-	5,070,000	115,000	115,000	-	4,850,000
-	5,845,000	185,000	185,000	-	5,485,000
-	-	-	-	-	4,508,870
<u>\$ -</u>	<u>\$6,215,000</u>	<u>\$315,000</u>	<u>\$315,000</u>	<u>\$ -</u>	<u>\$10,103,870</u>

CITY OF LEBANON
Linn County, Oregon

SCHEDULE OF FUTURE BONDED DEBT REQUIREMENTS

June 30, 1990

Fiscal Year	Total Requirements All Issues	Wastewater Revenue Supported Bonds			Bancroft Improvement Bonds		
		Total	Bonds	Coupons	Total	Bonds	Coupons
1990-91	\$ 990,177	\$ 390,900	\$ 75,000	\$ 315,900	\$ 39,290	\$ 30,000	\$ 9,290
1991-92	984,209	390,556	80,000	310,556	36,334	30,000	6,334
1992-93	977,131	389,856	85,000	304,856	33,350	30,000	3,350
1993-94	859,945	298,800	-	298,800	11,400	10,000	1,400
1994-95	939,050	383,800	85,000	298,800	10,470	10,000	470
1995-96	931,554	387,744	95,000	292,744	-	-	-
1996-97	874,456	385,975	100,000	285,975	-	-	-
1997-98	877,412	383,850	105,000	278,850	-	-	-
1998-99	878,444	386,369	115,000	271,369	-	-	-
1999-00	882,068	383,175	120,000	263,175	-	-	-
2000-01	831,217	384,625	130,000	254,625	-	-	-
2001-02	830,494	384,875	140,000	244,875	-	-	-
2002-03	832,781	384,375	150,000	234,375	-	-	-
2003-04	827,963	383,125	160,000	223,125	-	-	-
2004-05	835,853	386,125	175,000	211,125	-	-	-
2005-06	835,900	383,000	59,984	323,016	-	-	-
2006-07	837,353	383,000	54,984	328,016	-	-	-
2007-08	841,675	383,000	50,302	332,698	-	-	-
2008-09	838,850	383,000	45,930	337,070	-	-	-
2009-10	848,750	383,000	42,670	340,330	-	-	-
Thereafter	3,844,125	3,844,125	2,640,000	1,204,125	-	-	-
	<u>\$21,399,407</u>	<u>\$11,463,275</u>	<u>\$4,508,870</u>	<u>\$6,954,405</u>	<u>\$130,844</u>	<u>\$110,000</u>	<u>\$20,844</u>

General Obligation Bonds		
Total	Bonds	Coupons
\$ 120,000	\$ 70,000	\$ 50,000
119,681	75,000	44,681
114,088	75,000	39,088
113,157	80,000	33,157
106,893	80,000	26,893
105,302	85,000	20,302
50,166	35,000	15,166
51,480	40,000	11,480
52,250	45,000	7,250
52,500	50,000	2,500
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>\$ 885,517</u>	<u>\$635,000</u>	<u>\$250,517</u>

General Obligation Revenue Supported Bonds		
Total	Bonds	Coupons
\$ 439,987	\$ 120,000	\$ 319,987
437,638	125,000	312,638
439,837	135,000	304,837
436,588	140,000	296,588
437,887	150,000	287,887
438,508	160,000	278,508
438,315	170,000	268,315
442,082	185,000	257,082
439,825	195,000	244,825
446,393	215,000	231,393
446,592	230,000	216,592
445,619	245,000	200,619
448,406	265,000	183,406
444,838	280,000	164,838
449,728	305,000	144,728
452,900	330,000	122,900
454,353	355,000	99,353
458,675	385,000	73,675
455,850	410,000	45,850
465,750	450,000	15,750
-	-	-
<u>\$8,919,771</u>	<u>\$4,850,000</u>	<u>\$4,069,771</u>

CITY OF LEBANON
Linn County, Oregon

AUDITOR'S COMMENTS

Oregon Administrative Rules 162-10-050 through 162-10-320 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 comments and disclosures not included in preceding sections of this report are set forth as follows.

Statement of Accountability for Independently Elected Officials (OAR 162-10-140)

The City has no independently elected officials.

Statement of Endorsed Warrants Outstanding (OAR 162-10-180)

The City had no endorsed warrants outstanding at June 30, 1990.

Accounting and Internal Control Systems (OAR 162-10-230)

In general the condition of the accounting records and the accounting and internal control systems were adequate for audit purposes.

Collateral (OAR 162-10-250)

Our audit of the City disclosed no instances of noncompliance pertaining to the amount and adequacy of collateral pledged to secure the deposit of public funds.

Indebtedness (OAR 162-10-250)

The City has not exceeded its legal debt limitation as provided in ORS 440.375, and is in compliance with all provisions of bond indentures and other agreements.

Budget (OAR 162-10-260)

The City's compliance with the provisions of the Oregon Statutes as they apply to the preparation, adoption, and execution of the annual budget for the 1989-90 fiscal year and the preparation and adoption of the annual budget for the 1990-1991 fiscal year was reviewed. Our review showed that there was compliance with the statutes.

Insurance and Fidelity Bonds (OAR 162-10-270)

The City's insurance and fidelity bond coverage was reviewed and found to be in compliance with the Oregon Statutes relating thereto. We do not express an opinion as to the adequacy of insurance coverage, since we are not trained in this regard.

Financial Reporting Requirements (OAR 162-10-290)

Financial reports and related data filed with other governmental agencies are in agreement with and are supported by the accounting records.

Investments (OAR 162-10-300)

Our audit of the City disclosed compliance with the statutes applicable to the investment of public funds.

Public Contracts and Purchasing (OAR 162-10-310)

The City is in compliance with the provisions of ORS 279 pertaining to the awarding of public contracts and the construction of public improvements.