

LEBANON

OREGON

Ready When You Are...

**CITY OF LEBANON
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 1993**



CITY OF LEBANON, OREGON

CITY OFFICIALS

June 30, 1993

MAYOR

Robert Smith
1111 Walker Road
Lebanon, Oregon 97355

COUNCIL MEMBERS

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CITY ADMINISTRATOR

Joseph A. Windell
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CITY OF LEBANON, OREGON

TABLE OF CONTENTS

Page
Number

FINANCIAL SECTION

Independent Auditors' Report 1

General Purpose Financial Statements:

 Combined Balance Sheet - All Fund Types
 and Account Groups 2-3

 Combined Statement of Revenues, Expenditures, and
 Changes in Fund Balances - All Governmental Fund
 Types and Expendable Trust Funds 4

 Combined Statement of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual -
 All Governmental Fund Types and Expendable Trust Funds 5-6

 Statement of Revenues, Expenses, and Changes in
 Retained Earnings - Proprietary Fund Type -
 Enterprise Fund 7

 Statement of Cash Flows - Proprietary Fund Type -
 Enterprise Fund 8

 Notes to Combined Financial Statements 9-23

Combining and Individual Fund Financial Statements:

 General Fund:

 Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual 24

 Special Revenue Funds:

 Combining Balance Sheet 25

 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balance 26

 Statement of Revenues, Expenditures, and Changes
 in Fund Balance - Budget and Actual:

 Intergovernmental Fund 27

 Urban Renewal Fund 28

 Lebanon URD Bonds Fund 29

 NW Urban Renewal Fund 30

CITY OF LEBANON, OREGON

TABLE OF CONTENTS (Continued)

Page
Number

FINANCIAL SECTION (Continued)

Combining and Individual Fund Financial Statements (Continued):

Debt Service Funds:

Combining Balance Sheet	31
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	32
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:	
Debt Service Fund	33
Bancroft Bond Fund	34

Capital Projects Fund:

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	35
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Enterprise Fund:

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	36
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:	
Water Department	37
Water Capital Improvement Department	38
Wastewater Department	39
Wastewater Capital Improvement Department	40
Railroad Department	41

Trust and Agency Funds:

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	42
Statement of Changes in Assets and Liabilities	43

SUPPLEMENTAL INFORMATION

Schedule of Property Tax Transactions	44
Schedule of Bond Transactions	45
Schedule of Future Bonded Debt Requirements	46-47
Auditors' Comments	48-49



FALER, GROVE
& MUELLER P.C.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying general purpose financial statements of the City of Lebanon as of and for the year ended June 30, 1993, as listed in the foregoing table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, and the Minimum Standards for Audits of Oregon Municipal Corporations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Lebanon, as of June 30, 1993, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

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

FALER, GROVE & MUELLER, PC

by:

Charles A. Swank, Shareholder

September 24, 1993

GENERAL PURPOSE FINANCIAL STATEMENTS

CITY OF LEBANON, OREGON

COMBINED BALANCE SHEET

June 30, 1993

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
Assets:				
Cash and investments	\$ 360,791	\$ 593,777	\$ 209,053	\$ 2,420,382
Receivables:				
Court fines	640,590	-	-	-
Property taxes	205,529	34,954	10,738	-
Accounts	119,141	61,465	52,536	65,614
Special assessments/loans	4,728	304,873	80,410	-
Due from other funds	-	8,257	-	-
Prepaid expenses	-	-	2,569	-
Fixed assets	-	-	-	-
Accumulated depreciation	-	-	-	-
Other debits:				
Amount available for debt retirement	-	-	-	-
Amount to be provided for debt retirement	-	-	-	-
Total assets	\$ 1,330,779	\$ 1,003,326	\$ 355,306	\$ 2,485,996

Proprietary Fund Type	Fiduciary Fund Types		Account Groups		Total (Memorandum Only)
	Enterprise	Expendable Trust	Agency	General Long Term Debt		General Fixed Assets
\$ 6,258,940	\$ (149,375)	\$ 227,899	\$ -	\$ -	\$ 9,921,467
-	-	-	-	-	640,590
1,291	-	-	-	-	252,512
327,691	157,267	-	-	-	783,714
-	-	-	-	-	390,011
-	-	-	-	-	8,257
-	12,352	-	-	-	14,921
15,427,314	-	-	-	3,517,059	18,944,373
(2,932,873)	-	-	-	-	(2,932,873)
-	-	-	201,646	-	201,646
-	-	-	750,589	-	750,589
<u>\$ 19,082,363</u>	<u>\$ 20,244</u>	<u>\$ 227,899</u>	<u>\$ 952,235</u>	<u>\$ 3,517,059</u>	<u>\$ 28,975,207</u>

CITY OF LEBANON, OREGON

COMBINED BALANCE SHEET (Continued)

June 30, 1993

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
LIABILITIES, EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts payable	\$ 51,956	\$ 34,178	\$ -	\$ 73,897
Deposits	-	-	-	-
Due to other funds	-	-	8,257	-
Loan payable	-	-	-	-
Coupon interest payable	-	-	863	-
Bonds payable	-	-	-	-
Bond discount	-	-	-	-
Interest payable	-	-	-	-
Paid absences and deferred comp payable	30,548	4,864	-	3,190
Deferred revenues	850,847	348,377	144,540	65,614
Total liabilities	933,351	387,419	153,660	142,701
Equity and other credits:				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Retained earnings (deficit)	-	-	-	-
Fund balances:				
Reserved for claims	56,328	22,470	-	-
Reserved for petty cash	1,100	-	-	-
Unreserved, undesignated	340,000	593,437	201,646	2,343,295
Total equity and other credits	397,428	615,907	201,646	2,343,295
Total liabilities, equity, and other credits	\$ 1,330,779	\$ 1,003,326	\$ 355,306	\$ 2,485,996

Proprietary Fund Type	Fiduciary Fund Types		Account Groups		Total (Memorandum Only)
	Expendable Trust	Agency	General Long- Term Debt	General Fixed Assets	
\$ 231,107	\$ 15,268	\$ -	\$ -	\$ -	\$ 413,820
40,792	-	-	-	-	40,792
-	-	-	-	-	8,257
25,761	-	-	157,030	-	182,791
-	-	-	-	-	863
12,455,000	-	-	505,000	-	12,960,000
(269,514)	-	-	-	-	(269,514)
100	-	-	-	-	100
99,640	-	227,899	290,205	-	656,346
-	58	-	-	-	1,409,436
<u>12,582,886</u>	<u>15,326</u>	<u>227,899</u>	<u>952,235</u>	<u>-</u>	<u>15,402,891</u>
-	-	-	-	3,517,059	3,517,059
7,394,802	-	-	-	-	7,394,802
(926,584)	-	-	-	-	(926,584)
31,259	-	-	-	-	110,057
-	-	-	-	-	1,100
-	4,918	-	-	-	3,483,297
<u>6,499,477</u>	<u>4,918</u>	<u>-</u>	<u>-</u>	<u>3,517,059</u>	<u>13,579,731</u>
<u>\$ 19,082,363</u>	<u>\$ 20,244</u>	<u>\$ 227,899</u>	<u>\$ 952,235</u>	<u>\$ 3,517,059</u>	<u>\$ 28,982,622</u>

CITY OF LEBANON, OREGON

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
- AND EXPENDABLE TRUST FUNDS

For the Year Ended June 30, 1993

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
Taxes and assessments	\$ 1,352,874	\$ 263,095	\$ 138,011	\$ 77,194
Licenses and permits	454,328	-	-	-
Fines and forfeits	168,494	3,123	-	-
Intergovernmental	176,649	512,492	-	280,834
Charges for services	8,963	-	-	-
Miscellaneous	111,941	111,182	25,359	153,662
Total revenues	<u>2,273,249</u>	<u>889,891</u>	<u>163,370</u>	<u>511,690</u>
Expenditures:				
Personnel services	1,459,717	299,984	-	83,484
Materials and services	462,728	267,618	5,076	79,383
Capital outlay	47,894	79,920	-	611,653
Other requirements	8,943	51,938	105,640	-
Total expenditures	<u>1,979,282</u>	<u>699,460</u>	<u>110,716</u>	<u>774,520</u>
Excess (deficiency) of revenues over expenditures	<u>293,967</u>	<u>190,432</u>	<u>52,654</u>	<u>(262,830)</u>
Other financing sources (uses):				
Bond sale proceeds	-	-	-	-
Bank loans	270,000	-	-	-
Transfers in	19,385	63,454	-	326,371
Transfers out	(86,505)	(50,478)	(18,091)	(210,025)
Loan repayment	(270,000)	-	-	-
Total other financing sources (uses)	<u>(67,120)</u>	<u>12,976</u>	<u>(18,091)</u>	<u>116,346</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>226,847</u>	<u>203,408</u>	<u>34,563</u>	<u>(146,484)</u>
Unreserved fund balance - July 1	<u>113,153</u>	<u>390,029</u>	<u>167,083</u>	<u>2,489,779</u>
Unreserved fund balance - June 30	<u>\$ 340,000</u>	<u>\$ 593,437</u>	<u>\$ 201,646</u>	<u>\$ 2,343,295</u>

Fiduciary Fund Type	Total (Memorandum Only)
Expendable Trust	
\$ -	\$ 1,831,174
-	454,328
66,207	237,824
-	969,975
-	8,963
36,232	438,376
<u>102,439</u>	<u>3,940,640</u>
-	1,843,185
102,404	917,209
-	739,467
-	166,521
<u>102,404</u>	<u>3,666,381</u>
<u>35</u>	<u>274,258</u>
-	-
-	270,000
-	409,209
-	(365,098)
-	(270,000)
<u>-</u>	<u>44,111</u>
35	318,369
<u>4,883</u>	<u>3,164,927</u>
<u>\$ 4,918</u>	<u>\$ 3,483,296</u>

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
- ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS

For the Year Ended June 30, 1993

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes and assessments	\$ 1,302,623	\$ 1,352,874	\$ 50,251
Licenses and permits	372,100	454,328	82,228
Fines and forfeits	180,000	168,494	(11,506)
Intergovernmental	162,000	176,649	14,649
Charges for services	5,650	8,963	3,313
Miscellaneous	75,218	111,941	36,723
Total revenues	<u>2,097,591</u>	<u>2,273,249</u>	<u>175,658</u>
Expenditures:			
Personnel services		1,466,502	
Materials and services		462,728	
Capital outlay		47,894	
Other requirements		8,943	
Total expenditures	<u>2,181,393</u>	<u>1,986,067</u>	<u>195,326</u>
Excess (deficiency) of revenues over expenditures	<u>(83,802)</u>	<u>287,182</u>	<u>370,984</u>
Other financing sources (uses):			
Bond sale proceeds	-	-	-
Bank loans	270,000	270,000	-
Transfers in	19,521	19,385	(136)
Transfers out	(86,505)	(86,505)	-
Loan repayment	(270,000)	(270,000)	-
Total other financing sources (uses)	<u>(66,984)</u>	<u>(67,120)</u>	<u>(136)</u>
Excess (deficiency) of revenue and other financing sources over expenditures and other financing uses	<u>(150,786)</u>	<u>220,062</u>	<u>370,848</u>
Fund balance - July 1, budget basis	<u>150,486</u>	<u>150,486</u>	<u>-</u>
Fund balance - June 30, budget basis	\$ <u>-</u>	\$ 370,548	\$ <u>370,848</u>
Adjustments to GAAP basis		<u>(30,548)</u>	
Fund balance - June 30, GAAP basis		\$ <u>340,000</u>	

Special Revenue Funds			Debt Service Funds		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 213,813	\$ 263,095	\$ 49,282	\$ 120,493	\$ 138,011	\$ 17,518
-	-	-	-	-	-
4,800	3,123	(1,677)	-	-	-
598,821	512,492	(86,329)	-	-	-
-	-	-	-	-	-
35,085	111,182	76,097	9,300	25,359	16,059
<u>852,519</u>	<u>889,891</u>	<u>37,372</u>	<u>129,793</u>	<u>163,370</u>	<u>33,577</u>
	299,532		-	-	-
	267,618		76,979	5,076	71,903
	79,920		3,400	-	3,400
	51,940		-	108,105	-
<u>1,593,779</u>	<u>699,010</u>	<u>894,770</u>	<u>80,379</u>	<u>113,181</u>	<u>75,303</u>
<u>(741,260)</u>	<u>190,882</u>	<u>932,142</u>	<u>49,414</u>	<u>50,189</u>	<u>775</u>
-	-	-	30,000	-	(30,000)
-	-	-	-	-	-
69,275	63,454	(5,821)	-	-	-
(44,633)	(50,478)	(5,845)	(33,021)	(26,122)	6,899
-	-	-	-	-	-
<u>24,642</u>	<u>12,976</u>	<u>(11,666)</u>	<u>(3,021)</u>	<u>(26,122)</u>	<u>(23,101)</u>
(716,618)	203,858	920,476	46,393	24,067	(22,326)
<u>736,618</u>	<u>394,445</u>	<u>(342,173)</u>	<u>543,112</u>	<u>185,835</u>	<u>(357,277)</u>
<u>\$ 20,000</u>	<u>598,303</u>	<u>\$ 578,303</u>	<u>\$ 589,505</u>	<u>209,902</u>	<u>\$ (379,603)</u>
	(4,866)			(8,256)	
	<u>\$ 593,437</u>			<u>\$ 201,646</u>	

CITY OF LEBANON, OREGON

COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
- ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS (Continued)

For the Year Ended June 30, 1993

	Capital Projects Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes and assessments	\$ 30,410	\$ 77,194	\$ 46,784
Licenses and permits	-	-	-
Fines and foreits	-	-	-
Intergovernmental	300,000	280,834	(19,166)
Charges for services	-	-	-
Miscellaneous	122,460	153,662	31,202
Total revenues	<u>452,870</u>	<u>511,690</u>	<u>58,820</u>
Expenditures:			
Personnel services		80,957	
Materials and services		79,383	
Capital outlay		611,653	
Other requirements		-	
Total expenditures	<u>3,270,695</u>	<u>771,993</u>	<u>2,498,702</u>
Excess (deficiency) of revenues over expenditures	<u>(2,817,825)</u>	<u>(260,303)</u>	<u>2,557,522</u>
Other financing sources (uses):			
Bond sale proceeds	-	-	-
Bank loans	-	-	-
Transfers in	342,531	334,402	(8,129)
Transfers out	(258,501)	(210,025)	48,476
Loan repayment	-	-	-
Total other financing sources (uses)	<u>84,030</u>	<u>124,377</u>	<u>40,347</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(2,733,795)</u>	<u>(135,926)</u>	<u>2,597,869</u>
Fund balance - July 1, budget basis	<u>5,300</u>	<u>2,482,413</u>	<u>2,477,113</u>
Fund balance - June 30, budget basis	\$ <u>(2,728,495)</u>	2,346,487	\$ <u>5,074,982</u>
Adjustments to GAAP basis		<u>(3,192)</u>	
Fund balance, June 30, GAAP basis		\$ <u>2,343,295</u>	

Expendable Trust Fund			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
-	\$ -	\$ -	\$ 1,667,339	\$ 1,831,174	\$ 163,835
-	-	-	372,100	454,328	82,228
106,000	66,207	(39,793)	290,800	237,824	(52,976)
-	-	-	1,060,821	969,975	(90,846)
-	-	-	5,650	8,963	3,313
-	36,232	36,232	242,063	438,375	196,312
106,000	102,439	(3,561)	3,638,773	3,940,639	301,866
-	-	-	-	1,846,991	-
106,000	102,404	3,596	-	917,209	-
-	-	-	-	739,467	-
-	-	-	-	168,988	-
106,000	102,404	3,596	7,232,246	3,672,654	3,559,592
-	35	35	(3,593,473)	267,985	3,861,458
-	-	-	30,000	-	(30,000)
-	-	-	270,000	270,000	-
-	-	-	431,327	417,241	(14,086)
-	-	-	(422,660)	(373,130)	49,530
-	-	-	(270,000)	(270,000)	-
-	-	-	38,667	44,111	5,444
-	35	35	(3,554,806)	312,096	3,866,902
-	4,883	4,883	1,435,516	3,218,062	1,782,546
-	4,918	4,918	(2,119,290)	3,530,158	5,649,448
-	-	-	-	(46,862)	-
\$	<u>4,918</u>		\$	<u>3,483,296</u>	

CITY OF LEBANON, OREGON

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS - PROPRIETARY FUND TYPE -
ENTERPRISE FUND

For the Year Ended June 30, 1993

Operating revenues:	
Charges for services	\$ 2,621,380
Miscellaneous	<u>405,486</u>
Total operating revenues	<u>3,026,866</u>
Operating expenses:	
Personnel services	516,348
Materials and services	926,243
Depreciation	<u>281,277</u>
Total operating expenses	<u>1,723,868</u>
Operating income (loss)	<u>1,302,998</u>
Nonoperating revenue (expenses):	
Interest expense	(834,287)
Transfers (to) from other funds	(44,111)
Loss on disposal of assets	<u>(13,801)</u>
Net income before extraordinary item	410,799
Loss on bond refunding	<u>(535,221)</u>
Net income (loss)	(124,422)
Retained earnings (deficit) July 1	<u>(802,162)</u>
Retained earnings (deficit) June 30	\$ <u><u>(926,584)</u></u>

CITY OF LEBANON, OREGON

STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
ENTERPRISE FUND

For the Year Ended June 30, 1993

Cash flows from operating activities:	
Net income (loss)	\$ (124,422)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	281,277
Amortization	3,928
Net book value of disposed assets	13,801
Increase in accounts receivable	(6,222)
Increase in accounts payable	188,544
Increase in accrued liabilities	<u>1,777</u>
Net cash provided by operating activities	358,683
Cash flows used by capital and related financing activities:	
Purchase of equipment and construction in progress	(1,389,967)
Repayment of long-term debt	(3,869,791)
Bond sale expenses	(25,439)
Bond sale proceeds	4,215,000
Contributed capital	1,245
Increase in reserve for claims	<u>7,378</u>
Net cash used by capital and related financing activities	<u>(1,061,574)</u>
Net (decrease) in cash and investments	(702,891)
Cash and investments at beginning of year	<u>6,961,831</u>
Cash and investments at end of year	<u>\$ 6,258,940</u>

CITY OF LEBANON, OREGON

NOTES TO COMBINED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 1993

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The general purpose 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 general purpose financial statements include the accounts of the City of Lebanon, the Lebanon Urban Renewal District, and the Lebanon Northwest Urban Renewal District. The City and the Urban Renewal Districts are 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 the net expendable 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 project 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.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to outside parties (enterprise funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, either a nonexpendable trust fund or an expendable trust fund is used. The terms "nonexpendable" and "expendable" refer to whether or not the government is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

CITY OF LEBANON, OREGON

NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 1993

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 liabilities generally are included on the balance sheet. Operating statements of these funds present 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. The City considers property taxes as available if they are collected within 30 days after the year end. Undistributed taxes held by the County Treasurer are included in the balance as accounts receivable 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.

CITY OF LEBANON, OREGON

NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 1993

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, debt service, and capital projects funds. All annual appropriations lapse at fiscal year end. The 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, except for revenues, which are budgeted when received.

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 asset 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. Public domain, or infrastructure fixed assets such as roads, sidewalks, and curbs are not capitalized.

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. Applicable interest costs incurred in acquiring fixed assets are also capitalized.

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, equipment, and vehicles in the proprietary fund is computed using the straight-line method.

CITY OF LEBANON, OREGON

NOTES TO COMBINED FINANCIAL STATEMENTS JUNE 30, 1993

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. For GAAP purposes, vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a liability of the fund that will pay it when the liability is incurred.

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 obligation is reported in the general long-term debt account group. Long-term liabilities 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/Issuance Costs

Bond discounts and issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the straight-line 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.

CITY OF LEBANON, OREGON

NOTES TO COMBINED FINANCIAL STATEMENTS JUNE 30, 1993

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 cash flows 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 approve. At the Budget Committee meetings, public input is solicited and considered. The Budget Committee makes any changes and approves the budget.
- B. A budget summary is then printed in the newspaper and public hearings are held before the City Council. The Council directs any changes to be made.
- 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 among 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, unless increases exceed 10% of a fund.
- E. Appropriations lapse at year end.
- F. The basis of budgeting for the City's various funds are the same as the basis of accounting used by the funds, except for the proprietary fund type, 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. 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.

CITY OF LEBANON, OREGON

**NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 1993**

NOTE 3 - CASH AND INVESTMENTS (Continued)

Deposits and investments at June 30, 1993 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:					
US Government Agency - RUF CORP	\$ -	\$ 2,317,045	\$ -	\$ 2,317,045	\$ 2,485,000
Investment in Oregon State Treasurer's Local Government Investment Pool				<u>6,791,404</u>	<u>6,791,404</u>
Total investments				<u>9,108,449</u>	<u>9,276,404</u>
Demand deposits				584,019	584,019
Cash with ICMA				<u>227,899</u>	<u>227,899</u>
Total cash deposits				<u>811,918</u>	<u>811,918</u>
Petty cash				<u>1,100</u>	<u>1,100</u>
Total cash and investments				<u>\$ 9,921,467</u>	<u>\$ 10,089,422</u>

Due to the significant higher cash flows at certain times during the year than at year end, the City's investments in commercial paper, 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 different than at year end.

The City's investment in the Local Government Investment Pool of \$6,791,404 represents approximately .14% of the equity of the Pool at June 30, 1993. As of June 30, 1993, the Local Government Investment Pool had the following investment portfolio:

<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	\$ 30,150	0.64%	\$ -
Commercial paper	972,808	20.71	-
Masternote	30,000	0.64	-
Bankers acceptances	97,250	2.07	-
State loans	40	0.00	-
US Treasury notes/bonds/bills	3,030,000	64.52	2,807
US Agency fixed & FRN's	534,860	11.39	-
Mortgage pass-throughs	<u>1,053</u>	<u>0.03</u>	<u>7</u>
Total	<u>\$ 4,696,161</u>	<u>100.00%</u>	<u>\$ 2,814</u>

CITY OF LEBANON, OREGON

NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 1993

NOTE 3 - CASH AND INVESTMENTS (Continued)

Market Value = 100.08% of par

<u>Maturity</u>	<u>Amount (x1000)</u>	<u>% of Total</u>
01-30 Days	\$ 1,138,959	24.25%
31-60 Days	549,409	11.70
61-93 Days	949,700	20.22
94-360 Days	1,257,040	26.77
1-3 Years	800,000	17.04
Over 3 Years	<u>1,053</u>	<u>0.02</u>
Total	<u>\$ 4,696,161</u>	<u>100.00%</u>

NOTE 4- PROPERTY TAXES RECEIVABLE AND DEFERRED REVENUE

Real and personal property taxes are levied each July 1 on the assessed value of the property located in the City as of July 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, 1993 were as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Available</u>	<u>Deferred</u>
General Fund	\$ 205,529	\$ -	\$ 205,529
Debt Service Fund	10,738	-	10,738
Urban Renewal Fund	24,906	-	24,906
Lebanon URD Bonds Fund	7,374	-	7,374
NW Urban Renewal Fund	2,674	-	2,674
Enterprise Fund	<u>1,291</u>	<u>1,291</u>	<u>-</u>
Total	<u>\$ 252,512</u>	<u>\$ 1,291</u>	<u>\$ 251,221</u>

NOTE 5 - FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Balance July 1, 1992</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1993</u>
Total Fixed Assets	<u>\$ 3,409,230</u>	<u>\$ 159,573</u>	<u>\$(51,744)</u>	<u>\$ 3,517,059</u>

CITY OF LEBANON, OREGON

**NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 1993**

NOTE 5 - FIXED ASSETS (Continued)

The following is a summary of proprietary fund type fixed assets for the year ended June 30, 1993:

	<u>Water</u>	<u>Wastewater</u>	<u>Railroad</u>
Balance, July 1, 1992	\$ 5,180,709	\$ 8,362,432	\$ 1,482
Additions	250,762	797,663	-
Deletions	<u>(1,288)</u>	<u>(39,199)</u>	<u>-</u>
Balance, June 30, 1993	5,430,183	9,120,896	1,482
Less: accumulated depreciation	<u>(1,099,433)</u>	<u>(1,832,996)</u>	<u>(444)</u>
Net property, plant, and equipment	4,330,750	7,287,900	1,038
Construction in-progress	<u>411,185</u>	<u>463,568</u>	<u>-</u>
Net fixed assets	<u>\$ 4,741,935</u>	<u>\$ 7,751,468</u>	<u>\$ 1,038</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

NOTE 6 - LONG-TERM DEBT

The bonds payable of \$12,960,000 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 general obligation bonds and interest coupons as they mature.

<u>Type of Bond</u>	<u>Outstanding June 30, 1992</u>	<u>Issued</u>	<u>Matured and Retired</u>	<u>Outstanding June 30, 1993</u>
Bancroft	\$ 125,000	\$ -	\$ 35,000	\$ 90,000
General obligation	490,000	-	75,000	415,000
Revenue supported				
general obligation	4,605,000	-	135,000	4,470,000
Wastewater revenue				
supported	4,353,870	-	3,733,870	620,000
Wastewater revenue refunding	-	4,215,000	-	4,215,000
Water revenue supported	<u>3,150,000</u>	<u>-</u>	<u>-</u>	<u>3,150,000</u>
Total	<u>\$ 12,723,870</u>	<u>\$ 4,215,000</u>	<u>\$ 3,978,870</u>	<u>\$ 12,960,000</u>

CITY OF LEBANON, OREGON

NOTES TO COMBINED FINANCIAL STATEMENTS
 JUNE 30, 1993

NOTE 6 - LONG-TERM DEBT (Continued)

Annual debt service requirements to maturity for all bonds, including interest of \$12,588,360 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1993-94	\$ 235,000	\$ 845,604	\$ 1,080,604
1994-95	370,000	828,108	1,198,108
1995-96	390,000	802,963	1,192,963
1996-97	360,000	777,819	1,137,819
1997-98	385,000	752,388	1,137,388
1998-99	415,000	724,839	1,139,839
1999-00	445,000	694,559	1,139,559
2000-01	415,000	664,841	1,079,841
2001-02	430,000	637,315	1,067,315
2002-03	460,000	609,321	1,069,321
2003-04	490,000	579,372	1,069,372
2004-05	530,000	547,018	1,077,018
2005-06	565,000	511,334	1,076,334
2006-07	605,000	473,157	1,078,157
2007-08	645,000	431,779	1,076,779
2008-09	690,000	387,434	1,077,434
2009-10	750,000	339,707	1,089,707
2010-11	325,000	304,934	629,934
2011-12	335,000	284,516	619,516
Thereafter	<u>4,120,000</u>	<u>1,391,352</u>	<u>5,511,352</u>
	<u>\$ 12,960,000</u>	<u>\$ 12,588,360</u>	<u>\$ 25,548,360</u>

On June 1, 1993, the City issued \$4,215,000 in General Obligation Refunding Wastewater Bonds with an average interest rate of 5.6 percent to advance refund \$3,733,870 of outstanding wastewater revenue supporting bonds with an average interest rate of 7.3 percent. The net proceeds of \$4,079,119 (after payment of \$108,905 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the wastewater revenue supporting bonds. As a result, the wastewater revenue supporting bonds are considered to be defeased and the liability for those bonds has been removed from the balance sheet.

Although the advance refunding resulted in increased debt of \$481,130 for the year ended June 30, 1993, the City in effect reduced its aggregate debt service payments by almost \$505,285 over the next 27 years and obtained an economic gain (difference between the present values of the old and new debt service payments) of approximately \$566,130.

CITY OF LEBANON, OREGON

NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 1993

NOTE 6 - LONG-TERM DEBT (Continued)

The proceeds from Bonds were applied as follows:

Source of Funds

Principal Amount	\$ 4,215,000
Less: Original Issue Discount	(61,907)
Less: Underwriters Discount	<u>(60,486)</u>
Total Available Proceeds	<u>\$ 4,092,607</u>

Use of Funds

Escrow Requirements	\$ 4,079,119
Contingency and Issuance Costs	<u>13,488</u>
Total Use of Funds	<u>\$ 4,092,607</u>

Debt service requirement for other long-term obligations are as follows:

Lease/purchase of municipal court software, interest at 7.76%:

<u>Fiscal Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
1993-94	\$ 10,440	\$ 9,014	\$ 1,426
1994-95	10,440	9,514	926
1995-96	<u>2,246</u>	<u>2,077</u>	<u>169</u>
	<u>\$ 23,126</u>	<u>\$ 20,605</u>	<u>\$ 2,521</u>

Payments on the above lease/purchase are being made from the General Fund.

SCIP Loan:

<u>Fiscal Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
1993-94	\$ -	\$ -	\$ -
1994-95	-	-	-
1995-96	13,132	-	13,132
1996-97	13,132	-	13,132
1997-98	13,132	-	13,132
1998-99	13,132	4,586	8,546
1999-00	13,132	6,821	6,311
Thereafter	<u>163,259</u>	<u>97,692</u>	<u>65,567</u>
	<u>\$ 228,919</u>	<u>\$ 109,099</u>	<u>\$ 119,820</u>

CITY OF LEBANON, OREGON

**NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 1993**

NOTE 6 - LONG-TERM DEBT (Continued)

The SCIP loan was incurred in connection with development of the Santiam Canal Industrial Park. No payments are due until July 15, 1995. Accrued interest until payments begin is added to loan principal.

Enterprise Fund - Department of Energy loan, monthly payments of \$268 including interest at 8%.

<u>Fiscal Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
1993-94	\$ 3,216	\$ 1,207	\$ 2,009
1994-95	3,216	1,307	1,909
1995-96	3,216	1,416	1,800
1996-97	3,216	1,533	1,683
Thereafter	<u>27,976</u>	<u>20,298</u>	<u>7,678</u>
	<u>\$ 40,840</u>	<u>\$ 25,761</u>	<u>\$ 15,079</u>

NOTE 7 - CONTRIBUTED CAPITAL

The following is a summary of contributed capital:

	<u>Water</u>	<u>Wastewater</u>	<u>Railroad</u>	<u>Total</u>
Contributed capital July 1, 1992	\$ 4,314	\$ 7,368,093	\$ 21,150	\$ 7,393,557
Additions	<u>411</u>	<u>834</u>	<u>-</u>	<u>1,245</u>
Contributed capital June 30, 1993	<u>\$ 4,725</u>	<u>\$ 7,368,927</u>	<u>\$ 21,150</u>	<u>\$ 7,394,802</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 \$1,845,340, and the contribution for the year was \$217,067.

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.

CITY OF LEBANON, OREGON

NOTES TO COMBINED FINANCIAL STATEMENTS

JUNE 30, 1993

NOTE 8 - EMPLOYEE RETIREMENT SYSTEMS (Continued)

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, 1992.

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.

	<u>12/31/92</u>
Pension Benefit Obligation	
Accumulated Member Contributions	\$ 1,806,515
Employer - Financed Vested Benefits	987,709
Employer - Financed Non Vested Benefits	<u>159,200</u>
Total	<u>\$ 2,953,424</u>
Net Assets Available for Benefits	
PERS Book Value	\$ 5,829,726
Market Value	\$ 5,911,602
Actuarial Value	\$ N/A
Employer Contribution Rates	
Effective July 1, 1993	6.00%
Effective July 1, 1995	6.00%

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, 1992 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."

CITY OF LEBANON, OREGON

NOTES TO COMBINED FINANCIAL STATEMENTS JUNE 30, 1993

NOTE 8 - EMPLOYEE RETIREMENT SYSTEMS (Continued)

Common stock and real estate investments are valued at market, and bonds, mortgages and loans are valued at an adjusted price which would yield 8.0% interest to maturity. The actuarial value of asset 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 these assumptions will result in corresponding changes in estimated costs of the System's benefits.

NOTE 9 - LIABILITY FOR DEFERRED COMPENSATION

The City of Lebanon by Council action, authorized a deferred compensation plan to be made available to its employees wherein they may execute an individual agreement with the City for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of death, disability, resignation or retirement. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service.

Contributions made to the plan are executed under a salary reduction agreement and represent no obligation for funding or contribution by the City.

Monies accumulated by the City under its deferred compensation plan have been deposited with a financial institution. These deposits are not subject to the collateral requirements of ORS Chapter 295.

ORS 295.361, as amended by Chapter 102, Oregon laws 1977, provides that amounts accumulated by the City under approved deferred compensation plan shall not be included as resources for budgetary purposes. Such amounts represent a general liability by the City to its employees whose rights are equal to but no greater than the rights of other general creditors with respect to such amounts.

Similarly, ORS 294.326, as amended by Chapter 102, Oregon laws 1977, stipulates that disbursement of funds to employees under the plan, once circumstances of termination occur, shall not be included as an expenditure for budgetary purposes.

The Deferred Compensation assets at June 30, 1993, valued at market, include \$227,899 which is attributable to the accumulation of amounts deferred since the inception of the plan and investment earnings thereon. However, this separation is maintained for purposes of satisfying the legal requirement for excluding such amounts as budgetary resources only, and does not represent a segregation of fund balances with respect to these accumulations which grants any preference to the claims of one group of creditors over another.

CITY OF LEBANON, OREGON

**NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 1993**

NOTE 10 - RECONCILIATION OF BUDGETARY TO GAAP BASIS

A reconciliation of revenues and expenditures per the budgetary basis to revenues and expenditures per the GAAP basis is as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Enterprise</u>
Revenues and other financing sources:					
Per budgetary basis	\$ 2,562,634	\$ 953,345	\$ 163,370	\$ 846,092	\$ 3,525,291
Adjustment for:					
Accounts receivable/deposits	-	-	-	(8,031)	(27,739)
Per GAAP basis	<u>\$ 2,562,634</u>	<u>\$ 953,345</u>	<u>\$ 163,370</u>	<u>\$ 838,061</u>	<u>\$ 3,497,552</u>
Expenditures and other financing sources:					
Per budgetary basis	\$ 2,342,572	\$ 749,488	\$ 131,272	\$ 982,018	\$ 4,414,780
Adjustments for:					
Deposit refunds	-	-	-	-	(24,542)
Change in accrued compensated absences	(6,785)	450	-	2,527	1,679
Loan repayments/bond principal	-	-	(2,465)	-	345,209
Capital outlay	-	-	-	-	(1,374,920)
Depreciation	-	-	-	-	281,277
Amortization/bond issue costs	-	-	-	-	(21,509)
Per GAAP basis	<u>\$ 2,335,787</u>	<u>\$ 749,938</u>	<u>\$ 128,807</u>	<u>\$ 984,545</u>	<u>\$ 3,621,974</u>

NOTE 11 - OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosure, as part of the general purpose financial statements, of certain information concerning individual funds including:

- A. Excess of expenditures over appropriations in individual funds. The City did not overexpend any appropriations for the year ended June 30, 1993.
- B. Individual fund interfund receivable and payable balances. Such balances at June 30, 1993 were:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Debt Service Fund	\$ -	\$ 8,257
Urban Renewal Fund	<u>8,257</u>	<u>-</u>
Totals	<u>\$ 8,257</u>	<u>\$ 8,257</u>

CITY OF LEBANON, OREGON

**NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 1993**

NOTE 12 - PROPERTY TAX ASSESSMENT

During 1991-92 the Linn County Assessor's Office physically reappraised the City for the first time in more than six years. As a result of that appraisal, back taxes of \$35,755 were assessed to the City for City owned property currently rented to Albany - Lebanon Sanitation. The City is appealing this levy.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

GENERAL FUND

The General Fund accounts for financial operations of the City not accounted for in any other fund. Principal sources of revenue are property taxes, franchise fees, and State shared revenues. Primary expenditures are for police protection and general administration.

CITY OF LEBANON, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 1993

	Budget	Actual		
		Budget Basis	Adjustments	GAAP Basis
Revenues:				
Taxes and assessments	\$ 1,302,623	\$ 1,352,874	\$ -	\$ 1,352,874
Licenses and permits	372,100	454,328	-	454,328
Fines and forfeits	180,000	168,494	-	168,494
Intergovernmental	162,000	176,649	-	176,649
Charges for services	5,650	8,963	-	8,963
Miscellaneous	75,218	111,941	-	111,941
Total revenues	2,097,591	2,273,249	-	2,273,249
Expenditures:				
Administration	110,619	105,056	(6,785)	98,271
City attorney	20,275	20,020	-	20,020
Building inspection	47,293	38,994	-	38,994
Public works	7,717	7,066	-	7,066
Parks	114,959	105,238	-	105,238
Finance	61,475	59,847	-	59,847
Legislative	15,049	12,096	-	12,096
Library	125,034	120,886	-	120,886
Municipal court	133,723	123,872	-	123,872
Police	1,226,843	1,206,627	-	1,206,627
Senior services	57,666	54,881	-	54,881
Nondepartmental	260,740	131,484	-	131,484
Total expenditures	2,181,393	1,986,067	(6,785)	1,979,282
Excess (deficiency) of revenues over expenditures	(83,802)	287,182	6,785	293,967
Other financing sources (uses):				
Loan proceeds	270,000	270,000	-	270,000
Transfers in	19,521	19,385	-	19,385
Transfers out	(86,505)	(86,505)	-	(86,505)
Loan repayment	(270,000)	(270,000)	-	(270,000)
Total other financing sources (uses)	(66,984)	(67,120)	-	(67,120)
Excess (deficiency) of revenue and other financing sources over expenditures and other financing uses	(150,786)	220,062	6,785	226,847
Fund balance, July 1	150,486	150,486	(37,333)	113,153
Fund balance, June 30	\$ -	\$ 370,548	\$ (30,548)	\$ 340,000

SPECIAL REVENUE FUNDS

These funds account for revenues designated for specific purposes, including state grants which are legally restricted to finance particular functions or activities. The City's special revenue funds include the following:

- Intergovernmental Fund
- Urban Renewal District Fund
- Lebanon URD Bonds Fund
- NW Urban Renewal District Fund

CITY OF LEBANON, OREGON

COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS

June 30, 1993

	Inter- governmental Fund	Urban Renewal Fund	Lebanon URD Bonds Fund	NW Urban Renewal Fund
ASSETS				
Cash and investments	\$ 225,253	\$ 329,849	\$ 17,208	\$ 21,467
Receivables:				
Property taxes	-	24,906	7,374	2,674
Accounts	54,217	5,050	1,577	621
Special Assessments/Loans	304,873	-	-	-
Due from other funds	-	8,257	-	-
Total assets	\$ 584,343	\$ 368,062	\$ 26,159	\$ 24,762
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 26,204	\$ 7,886	\$ -	\$ 88
Compensated absences payable	4,390	177	-	297
Deferred revenues	305,167	33,162	7,374	2,674
Total liabilities	335,761	41,225	7,374	3,059
Fund Balances:				
Reserved for claims	22,470	-	-	-
Unreserved, undesignated	226,112	326,837	18,785	21,703
Total fund balance	248,582	326,837	18,785	21,703
Total liabilities and fund equity	\$ 584,343	\$ 368,062	\$ 26,159	\$ 24,762

Total

\$ 593,777
34,954
61,465
304,873
8,257
\$ 1,003,326

\$ 34,178
4,864
348,377
387,419

22,470
593,437
615,907
\$ 1,003,326

CITY OF LEBANON, OREGON

COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCES - SPECIAL REVENUE FUND

For the Year Ended June 30, 1993

	Inter- governmental Fund	Urban Renewal Fund	Lebanon URD Bonds Fund	NW Urban Renewal Fund
Revenues:				
Taxes and assessments	\$ -	\$ 172,985	\$ 64,081	\$ 26,029
Fines and forfeits	3,123	-	-	-
Intergovernmental	512,492	-	-	-
Miscellaneous	95,778	13,984	661	759
Total revenues	611,393	186,969	64,741	26,788
Expenditures:				
Personnel services	291,611	3,221	-	5,152
Materials and services	255,091	10,635	-	1,892
Capital outlay	38,355	41,565	-	-
Debt service	-	-	51,938	-
Total expenditures	585,057	55,421	51,938	7,044
Excess (deficiency) of revenues over expenditures	26,336	131,548	12,804	19,744
Other financing sources (uses):				
Transfers in	57,473	-	5,981	-
Transfers out	(44,497)	(5,981)	-	-
Total other financing sources (uses)	12,976	(5,981)	5,981	-
Excess (deficiency) of revenue and other financing sources over expenditures and other financing uses	39,312	125,567	18,785	19,744
Fund balance, July 1	186,800	201,270	-	1,959
Fund balance, June 30	\$ 226,112	\$ 326,837	\$ 18,785	\$ 21,703

Total

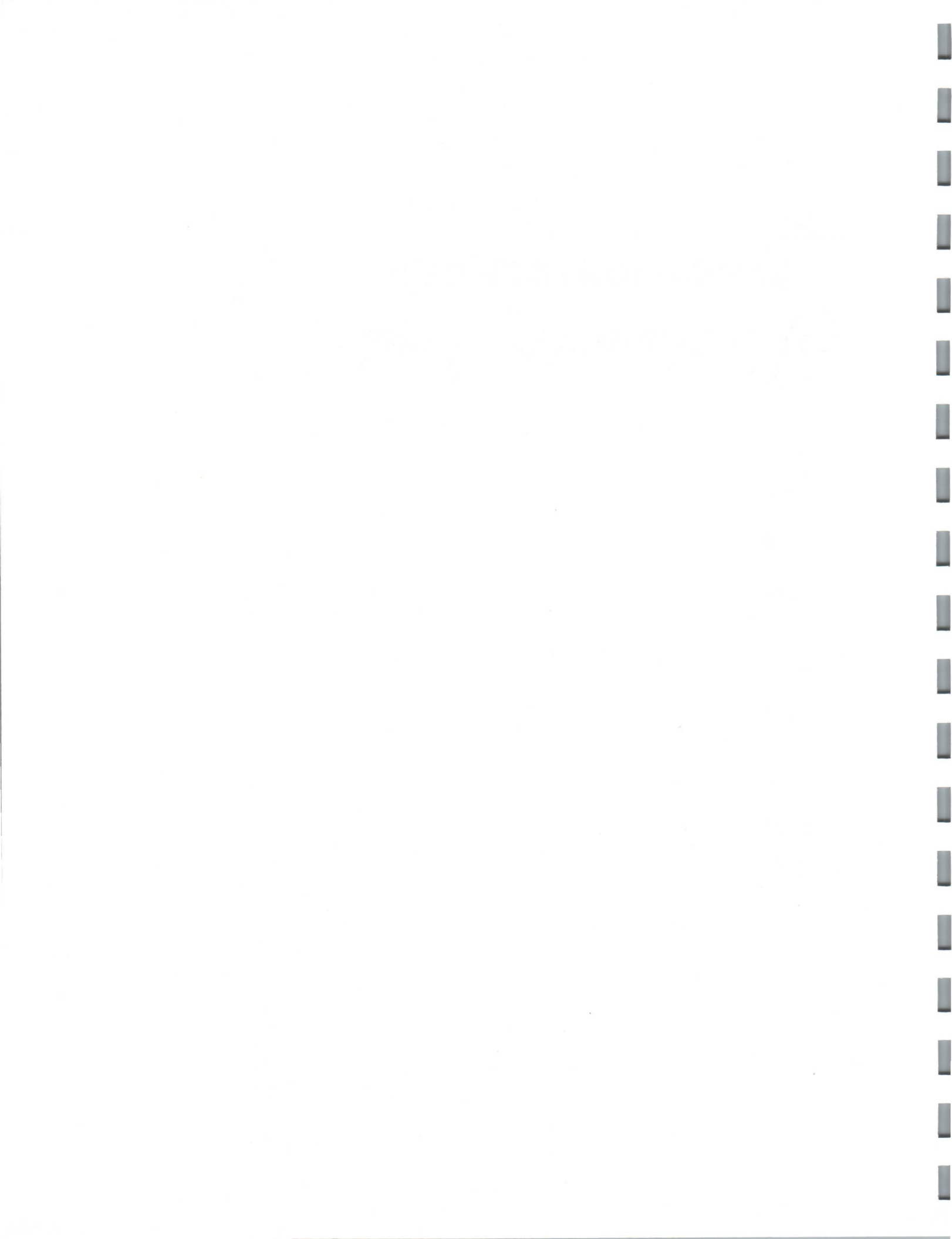
\$ 263,095
3,123
512,492
111,182
889,891

299,984
267,618
79,920
51,938
699,460

190,432

63,454
(50,478)
12,976

203,408
390,029
\$ 593,437



STATEMENT OF REVENUE AND EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - INTERGOVERNMENTAL FUND

For the Year Ended June 30, 1993

	Actual			GAAP Basis
	Budget	Budget Basis	Adjustments	
Revenues:				
Fines and forfeits	\$ 4,800	\$ 3,123	\$ -	\$ 3,123
Intergovernmental	598,821	512,492	-	512,492
Miscellaneous	21,950	95,778	-	95,778
Total revenues	<u>625,571</u>	<u>611,393</u>	<u>-</u>	<u>611,393</u>
Expenditures:				
OTSC Grant	8,200	-	-	-
Bikepath	59,099	44,622	307	44,929
Streets	480,222	407,749	433	408,182
Storm drains	39,133	33,117	292	33,409
Dial-a-bus	46,485	38,594	-	38,594
911 Communications	40,000	-	-	-
Sr center grant	24,660	14,710	(824)	13,886
FAU streets	364,862	1,973	12	1,985
Special events sign grant	3,809	-	-	-
Civil forfeitures	8,600	6,261	-	6,261
Affordable hsing grant	12,461	12,646	-	12,646
85-86 Rehab (unrestricted)	14,000	6,932	-	6,932
1983-84 Rehab	50,100	15,667	-	15,667
1985-86 Rehab	4,650	722	-	722
Gills Landing	2,550	1,844	-	1,844
Total expenditures	<u>1,158,831</u>	<u>584,837</u>	<u>220</u>	<u>585,057</u>
Excess (deficiency) of revenues over expenditures	<u>(533,260)</u>	<u>26,556</u>	<u>(220)</u>	<u>26,336</u>
Other financing (uses):				
Transfers in	69,275	57,473	-	57,473
Transfers out	(44,633)	(44,497)	-	(44,497)
Total other financing sources (uses)	<u>24,642</u>	<u>12,976</u>	<u>-</u>	<u>12,976</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>(508,618)</u>	<u>39,532</u>	<u>(220)</u>	<u>39,312</u>
Fund balance, July 1	<u>508,618</u>	<u>190,970</u>	<u>(4,170)</u>	<u>186,800</u>
Fund Balance June 30	<u>\$ -</u>	<u>\$ 230,502</u>	<u>\$ (4,390)</u>	<u>\$ 226,112</u>

CITY OF LEBANON, OREGON

STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
URBAN RENEWAL FUND

For the Year Ended June 30, 1993

	Budget	Actual		GAAP Basis
		Budget Basis	Adjustments	
Revenues:				
Taxes and assessments	\$ 123,000	\$ 172,985	\$ -	\$ 172,985
Miscellaneous	12,700	13,984	-	13,984
Total revenues	<u>135,700</u>	<u>186,969</u>	<u>-</u>	<u>186,969</u>
Expenditures:				
Personnel services	3,179	3,127	94	3,221
Materials and services	50,600	10,635	-	10,635
Capital outlay	301,627	41,565	-	41,565
Operating contingency	294	-	-	-
Total expenditures	<u>355,700</u>	<u>55,327</u>	<u>94</u>	<u>55,421</u>
Excess (deficiency) of revenues over expenditures	(220,000)	131,642	(94)	131,548
Other financing (uses):				
Transfers out	-	(5,981)	-	(5,981)
Excess (deficiency) of revenues over expenditures and other financing uses	(220,000)	125,661	(94)	125,567
Fund balance, July 1	<u>220,000</u>	<u>201,354</u>	<u>(84)</u>	<u>201,270</u>
Fund balance, June 30	\$ <u>-</u>	\$ <u>327,015</u>	\$ <u>(178)</u>	\$ <u>326,837</u>

CITY OF LEBANON, OREGON

STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LEBANON URD BONDS FUND

For the Year Ended June 30, 1993

	Budget	Actual	
		Budget Basis	GAAP Basis
Revenues:			
Taxes and assessments	\$ 66,713	\$ 64,081	\$ 64,081
Miscellaneous	225	661	661
Total revenues	66,938	64,741	64,741
Expenditures:			
Debt service	51,938	51,938	51,938
Excess (deficiency) of revenues over expenditures	15,000	12,804	12,804
Other financing (uses):			
Transfers in	-	5,981	5,981
Excess (deficiency) of revenues over expenditures and other financing uses	15,000	18,785	18,785
Fund balance, July 1	5,000	-	-
Fund balance, June 30	\$ 20,000	\$ 18,785	\$ 18,785

CITY OF LEBANON, OREGON

STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NW URBAN RENEWAL FUND

For the Year Ended June 30, 1993

	Budget	Actual		GAAP Basis
		Budget Basis	Adjustments	
Revenues:				
Taxes and assessments	\$ 24,100	\$ 26,029	\$ -	\$ 26,029
Miscellaneous	210	759	-	759
Total revenues	<u>24,310</u>	<u>26,788</u>	<u>-</u>	<u>26,788</u>
Expenditures:				
Personnel services	5070	5,016	136	5,152
Materials and services	20,926	1,892	-	1,892
Operating contingency	1,314	-	-	-
Total expenditures	<u>27,310</u>	<u>6,908</u>	<u>136</u>	<u>7,044</u>
Excess (deficiency) of revenues over expenditures	(3,000)	19,880	(136)	19,744
Fund balance, July 1	<u>3,000</u>	<u>2,121</u>	<u>(162)</u>	<u>1,959</u>
Fund balance, June 30	\$ <u>-</u>	\$ <u>22,001</u>	\$ <u>(298)</u>	\$ <u>21,703</u>

DEBT SERVICE FUNDS

These funds account for the payment of principal and interest on long-term debt. The principal sources of revenue are property taxes and collections on assessments. The City's debt service funds include the following:

- Debt Service Fund
- Bancroft Bond Fund

CITY OF LEBANON, OREGON

COMBINING BALANCE SHEET - DEBT SERVICE FUNDS

June 30, 1993

	Debt Service Fund	Bancroft Bond Redemption Fund	Total
ASSETS			
Cash and investments	\$ (88)	\$ 209,141	\$ 209,053
Receivables:			
Property taxes	10,738	-	10,738
Accounts	1,713	-	1,713
Special assessments and loans	-	131,233	131,233
Prepayments	-	2,569	2,569
	<hr/>	<hr/>	<hr/>
Total assets	\$ 12,363	\$ 342,943	\$ 355,306
	<hr/>	<hr/>	<hr/>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Matured interest coupons payable	\$ 863	\$ -	\$ 863
Due to other funds	-	8,257	8,257
Deferred revenue	10,738	133,802	144,540
	<hr/>	<hr/>	<hr/>
Total liabilities	11,601	142,059	153,660
Fund balances:			
Undesignated, unreserved	762	200,884	201,646
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balances	\$ 12,363	\$ 342,943	\$ 355,306
	<hr/>	<hr/>	<hr/>

CITY OF LEBANON, OREGON

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

For the Year Ended June 30, 1993

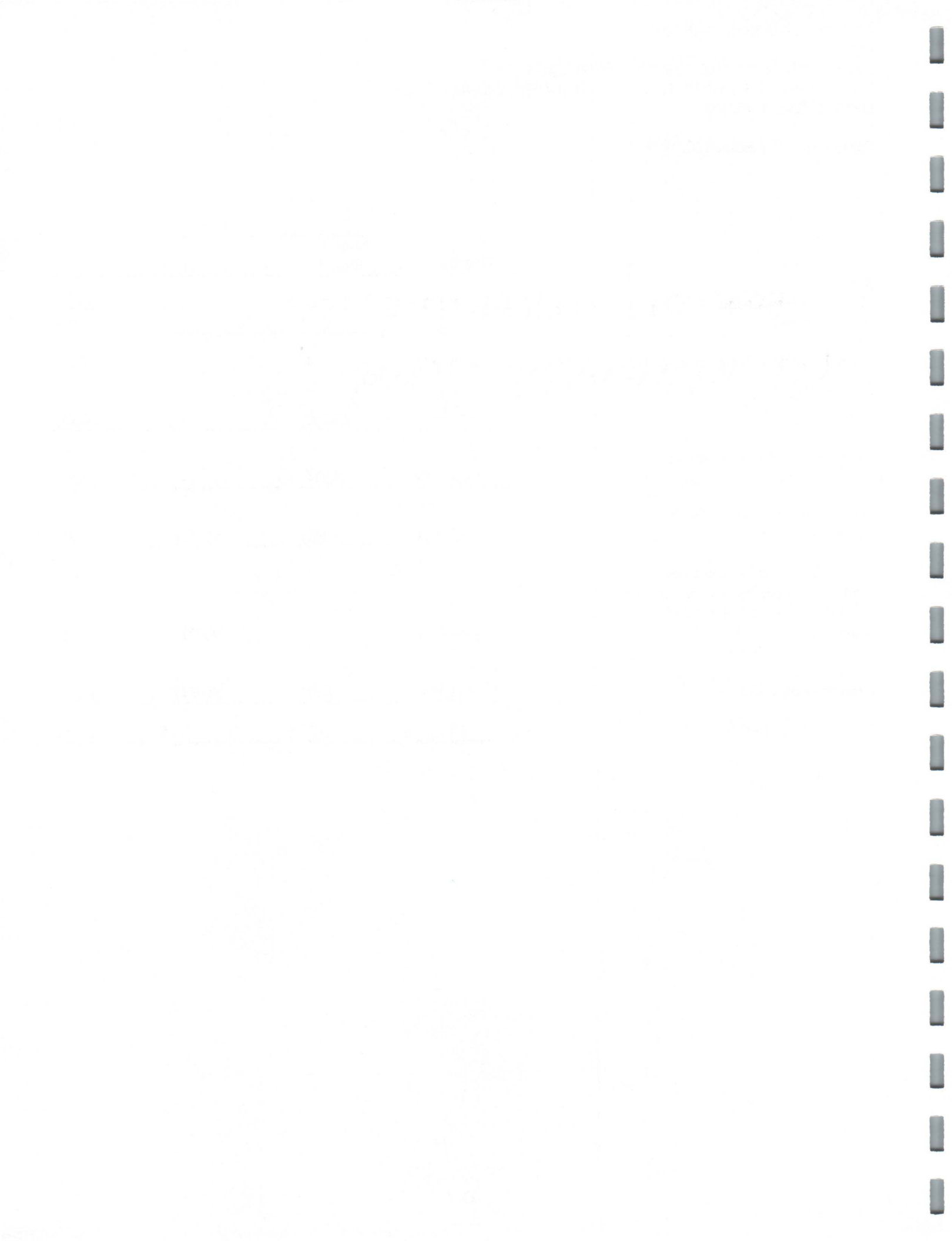
	Debt Service Fund	Bancroft Bond Redemption Fund	Total
Revenues:			
Taxes and assessments	\$ 70,730	\$ 67,281	\$ 138,011
Miscellaneous	(246)	25,605	25,359
Total revenues	<u>70,484</u>	<u>92,886</u>	<u>163,370</u>
Expenditures:			
Materials & services	-	5,076	5,076
Debt service	62,150	43,490	105,640
Total expenditures	<u>62,150</u>	<u>48,566</u>	<u>110,716</u>
Excess (deficiency) of revenues over expenditures	<u>8,334</u>	<u>44,320</u>	<u>52,654</u>
Other financing sources (uses):			
Bond sale proceeds	-	-	-
Transfer out	(218)	(17,873)	(18,091)
Total other financing sources (uses)	<u>(218)</u>	<u>(17,873)</u>	<u>(18,091)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	8,116	26,447	34,563
Fund balance, July 1	<u>(7,354)</u>	<u>174,437</u>	<u>167,083</u>
Fund balances, June 30	<u>\$ 762</u>	<u>\$ 200,884</u>	<u>\$ 201,646</u>

CITY OF LEBANON, OREGON

STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND

For the Year Ended June 30, 1993

	Budget	Actual		GAAP Basis
		Budget Basis	Adjustments	
Revenues:				
Taxes and assessments	\$ 80,273	\$ 70,730	\$ -	\$ 70,730
Miscellaneous	200	(246)	-	(246)
Total revenues	80,473	70,484	-	70,484
Expenditures:				
Debt service	515,419	62,150	-	62,150
Excess (deficiency) of revenues over expenditures	(434,946)	8,334	-	8,334
Other financing sources (uses):				
Transfers out	(9,000)	(8,249)	(8,031)	(218)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(443,946)	85	8,031	8,116
Fund balance, July 1	453,946	677	(8,031)	(7,354)
Fund balance, June 30	\$ 10,000	\$ 762	\$ -	\$ 762



CITY OF LEBANON, OREGON

STATEMENT OF REVENUE, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BANCROFT BOND FUND

For the Year Ended June 30, 1993

	Budget	Actual		GAAP Basis
		Budget Basis	Adjustments	
Revenues:				
Taxes and assessments	\$ 40,220	\$ 67,281	\$ -	\$ 67,281
Miscellaneous	9,100	25,605	-	25,605
Total revenue	49,320	92,886	-	92,886
Expenditures:				
Material and services	76,979	5,076	-	5,076
Capital outlay	3,400	-	-	-
Debt service	49,075	45,955	(2,465)	43,490
Total expenditures	129,454	51,031	(2,465)	48,566
Excess (deficiency) of revenues over expenditures	(80,134)	41,855	2,465	44,320
Other financing sources (uses):				
Bond sale proceeds	30,000	-	-	-
Transfers out	(33,021)	(17,873)	-	(17,873)
Total other financing sources (uses)	(3,021)	(17,873)	-	(17,873)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(83,155)	23,982	2,465	26,447
Fund balance, July 1	89,166	185,158	(10,721)	174,437
Fund balance, June 30	\$ 6,011	\$ 209,140	\$ (8,256)	\$ 200,884

CAPITAL PROJECTS FUND

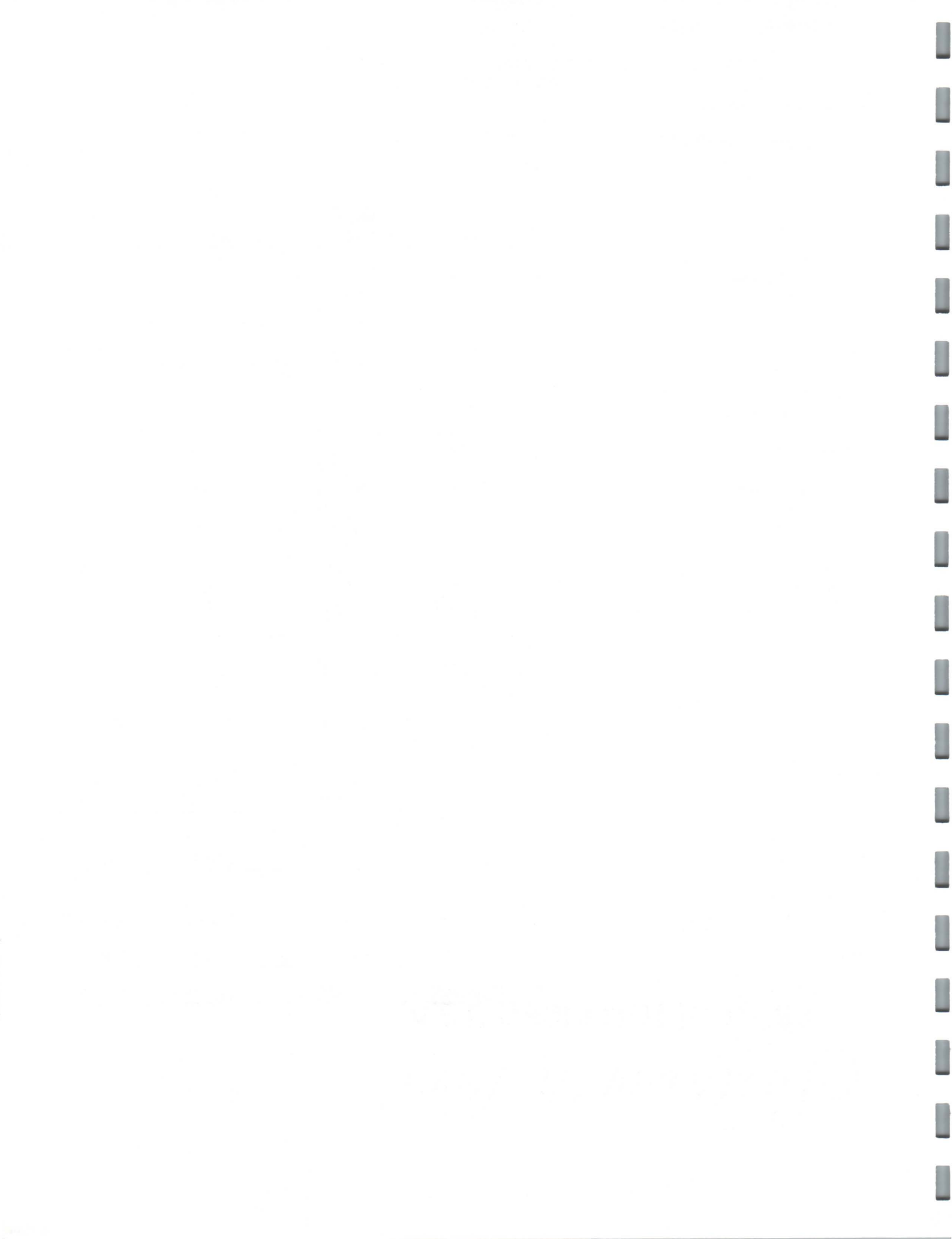
This fund accounts for the accumulation and expenditure of resources for capital construction projects. Intergovernmental revenues and transfers from other funds are the primary sources of revenue. The City has only one capital projects fund.

CITY OF LEBANON, OREGON

STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND

For the Year Ended June 30, 1993

	Budget	Actual		GAAP Basis
		Budget Basis	Adjustments	
Revenues:				
Taxes and assessments	\$ 30,410	\$ 77,194	\$ -	\$ 77,194
Intergovernmental	300,000	280,834	-	280,834
Miscellaneous	122,460	153,662	-	153,662
Total revenues	452,870	511,690	-	511,690
Expenditures:				
Equipment acquisition	470,101	52,546	-	52,546
Pioneer Cemetery	12,700	58	-	58
Interview room	10,400	8,415	-	8,415
Library	8,165	4,996	-	4,996
Streets capital projects	2,059,118	641,679	1,842	643,521
Senior services	39,900	7,623	-	7,623
SDC Drainage	60,650	19,214	179	19,393
SDC Park	50,510	12,671	179	12,850
SDC Wastewater	438,800	11,469	179	11,648
SDC Streets	61,600	8,387	(31)	8,356
SDC Water	57,431	4,891	179	5,070
Police	1,320	44	-	44
Total expenditures	3,270,695	771,993	2,527	774,520
Excess (deficiency) of revenues over expenditures	(2,817,825)	(260,303)	(2,527)	(262,830)
Other financing sources:				
Transfers in	342,531	334,402	(8,031)	326,371
Transfers out	(258,501)	(210,025)	-	(210,025)
Total other financing sources (uses)	84,030	124,377	(8,031)	116,346
Excess of revenue and other financing sources over expenditures	(2,733,795)	(135,926)	(10,558)	(146,484)
Fund balance, July 1	5,300	2,482,413	7,366	2,489,779
Fund balance, June 30	\$ (2,728,495)	\$ 2,346,487	\$ (3,192)	\$ 2,343,295



ENTERPRISE FUND

The City's enterprise fund accounts for the operation of the City's water and wastewater utility system. User charges are the primary source of revenue. Expenditure are primarily for personal services and system operating expenses.

CITY OF LEBANON, OREGON

STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ENTERPRISE FUND

For the Year Ended June 30, 1993

	Budget	Actual		GAAP Basis
		Budget Basis	Adjustments	
Revenues:				
Charges for services	\$ 2,563,000	\$ 2,629,352	\$ (7,972)	\$ 2,621,380
Miscellaneous	327,030	425,253	(19,767)	405,486
Total revenues	2,890,030	3,054,605	(27,739)	3,026,866
Expenditures:				
Personnel services	684,366	669,984	(153,636)	516,348
Material and services	1,615,060	1,125,110	(198,867)	926,243
Capital outlay/depreciation	2,924,964	1,049,681	(768,404)	281,277
Other requirements	2,446,356	1,055,208	314,300	1,369,508
Total expenditures	7,670,746	3,899,983	(806,607)	3,093,376
Excess (deficiency) of revenues over expenditures	(4,780,716)	(845,378)	778,868	(66,510)
Other financing sources (uses):				
Bond proceeds	-	4,092,607	(4,092,607)	-
Refunded bonds	-	(4,092,607)	4,092,607	-
Transfer in	111,149	470,686	-	470,686
Transfer out	(432,317)	(514,797)	-	(514,797)
Loss on disposal of assets	-	-	(13,801)	(13,801)
Total other financing sources (uses)	(321,168)	(44,111)	(13,801)	(57,912)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(5,101,884)	(889,489)	765,067	(124,422)
Retained earnings (deficit), July 1	2,993,908	6,888,858	(7,691,020)	(802,162)
Retained earnings (deficit), June 30	\$ (2,107,976)	\$ 5,999,369	\$ (6,925,953)	\$ (926,584)



CITY OF LEBANON, OREGON

STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
WATER DEPARTMENT

For the Year Ended June 30, 1993

	Budget	Actual		GAAP Basis
		Budget Basis	Adjustments	
Revenues:				
Charges for services	\$ 1,460,000	\$ 1,499,903	\$ (4,502)	\$ 1,495,401
Miscellaneous	161,400	91,598	(24,164)	67,434
Total revenues	1,621,400	1,591,501	(28,666)	1,562,835
Expenditures:				
Personnel services	298,056	297,785	(7,833)	289,952
Material and services	462,177	426,754	(22,663)	404,091
Capital outlay/depreciation	49,380	10,185	123,275	133,460
Other requirements	594,912	439,838	(135,000)	304,838
Total expenditures	1,404,525	1,174,562	(42,221)	1,132,341
Excess (deficiency) of revenues over expenditures	216,875	416,939	13,555	430,494
Other financing sources (uses):				
Transfer in	111,149	-	-	-
Transfer out	(131,458)	(213,938)	-	(213,938)
Loss on disposal of assets		-	(325)	(325)
Total other financing sources (uses)	(20,309)	(213,938)	(325)	(214,263)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	196,566	203,001	13,230	216,231
Retained earnings (deficit), July 1	(196,566)	333,510	(728,146)	(394,636)
Retained earnings (deficit), June 30	\$ -	\$ 536,511	\$ (714,916)	\$ (178,405)

CITY OF LEBANON, OREGON

STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
WATER CAPITAL IMPROVEMENT DEPARTMENT

For the Year Ended June 30, 1993

	Budget	Actual		GAAP Basis
		Budget Basis	Adjustments	
Revenues:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	113,493	-	113,493
Total revenues	-	113,493	-	113,493
Expenditures:				
Personnel services	79,957	73,579	(73,579)	-
Material and services	197,930	105,121	(101,529)	3,592
Capital outlay/depreciation	745,100	241,137	(241,137)	-
Other requirements	635,842	222,298	-	222,298
Total expenditures	1,658,829	642,135	(416,245)	225,890
Excess (deficiency) of revenues over expenditures	(1,658,829)	(528,642)	416,245	(112,397)
Other financing sources (uses):				
Transfer in	-	193,629	-	193,629
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,658,829)	(335,013)	416,245	81,232
Retained earnings, July 1	1,899,665	2,408,465	(2,333,071)	75,394
Retained earnings, June 30	\$ 240,836	\$ 2,073,452	\$ (1,916,826)	\$ 156,626

CITY OF LEBANON, OREGON

STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
WASTEWATER DEPARTMENT

For the Year Ended June 30, 1993

	Budget	Actual		GAAP Basis
		Budget Basis	Adjustments	
Revenues:				
Charges for services	\$ 1,103,000	\$ 1,129,449	\$ (3,470)	\$ 1,125,979
Miscellaneous	165,520	52,862	4,397	57,259
Total revenues	1,268,520	1,182,311	927	1,183,238
Expenditures:				
Personnel services	213,188	218,935	4,923	223,858
Material and services	522,383	497,856	-	497,856
Capital outlay/depreciation	63,584	26,270	121,399	147,669
Other requirements	152,225	3,216	(921)	2,295
Total expenditures	951,380	746,277	125,401	871,678
Excess (deficiency) of revenues over expenditures	317,140	436,034	(124,474)	311,560
Other financing sources (uses):				
Transfer out	(300,859)	(300,859)	-	(300,859)
Loss on disposal of assets	-	-	(13,476)	(13,476)
Total other financing sources (uses)	(300,859)	(300,859)	(13,476)	(314,335)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	16,281	135,175	(137,950)	(2,775)
Retained earnings (deficit), July 1	134,219	503,918	(1,121,036)	(617,118)
Retained earnings (deficit), June 30	\$ 150,500	\$ 639,093	\$ (1,258,986)	\$ (619,893)

CITY OF LEBANON, OREGON

STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RAILROAD DEPARTMENT

For the Year Ended June 30, 1993

	Budget	Actual		GAAP Basis
		Budget Basis	Adjustments	
Revenues:				
Miscellaneous	\$ 110	\$ 268	\$ -	\$ 268
Expenditures:				
Personnel services	2,489	2,525	13	2,538
Material and services	4,470	3,729	-	3,729
Capital outlay/depreciation	251	-	148	148
Total expenditures	7,210	6,254	161	6,415
Excess (deficiency) of revenues over expenditures	(7,100)	(5,986)	(161)	(6,147)
Retained earnings (deficit), July 1	7,100	7,243	(20,178)	(12,935)
Retained earnings (deficit), June 30	\$ -	\$ 1,257	\$ (20,339)	\$ (19,082)

CITY OF LEBANON, OREGON

STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RAILROAD DEPARTMENT

For the Year Ended June 30, 1993

	Budget	Actual		GAAP Basis
		Budget Basis	Adjustments	
Revenues:				
Miscellaneous	\$ 110	\$ 268	\$ -	\$ 268
Expenditures:				
Personnel services	2,489	2,525	13	2,538
Material and services	4,470	3,729	-	3,729
Capital outlay/depreciation	251	-	148	148
Total expenditures	7,210	6,254	161	6,415
Excess (deficiency) of revenues over expenditures	(7,100)	(5,986)	(161)	(6,147)
Retained earnings (deficit), July 1	7,100	7,243	(20,178)	(12,935)
Retained earnings (deficit), June 30	\$ -	\$ 1,257	\$ (20,339)	\$ (19,082)

TRUST AND AGENCY FUNDS

Resources held in trust for third parties are accounted for in the City's trust fund. Resources set aside to pay deferred compensation payable are accounted for in the City's agency fund.

CITY OF LEBANON, OREGON

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TRUST FUND

For the Year Ended June 30, 1993

	Budget	Actual	
		Budget Basis	GAAP Basis
Revenues:			
Fines and forfeits	\$ 106,000	\$ 66,207	\$ 66,207
Miscellaneous	-	36,232	36,232
	<u>106,000</u>	<u>102,439</u>	<u>102,439</u>
Expenditures:			
Materials and services	<u>106,000</u>	<u>102,404</u>	<u>102,404</u>
Excess of revenues over expenditures	-	35	35
Fund balance, July 1	-	<u>4,883</u>	<u>4,883</u>
Fund balance, June 30	<u>\$ -</u>	<u>\$ 4,918</u>	<u>\$ 4,918</u>

CITY OF LEBANON

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
DEFERRED COMPENSATION AGENCY FUND

For the Year Ended June 30,1993

	Balance July 1, 1992	Additions	Deletions	Balance June 30,1993
ASSETS				
Cash and investments	\$ 154,511	\$ 73,388	\$ -	\$ 227,899
	<u>\$ 154,511</u>	<u>\$ 73,388</u>	<u>\$ -</u>	<u>\$ 227,899</u>
LIABILITIES				
Deferred comp payable	\$ 154,511	\$ 73,388	\$ -	\$ 227,899
	<u>\$ 154,511</u>	<u>\$ 73,388</u>	<u>\$ -</u>	<u>\$ 227,899</u>

SUPPLEMENTAL INFORMATION

CITY OF LEBANON, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS

June 30, 1993

<u>Tax Year</u>	<u>Taxes Receivable July 1, 1992</u>	<u>Levy</u>	<u>Discounts and Adjustments</u>	<u>Total Linn County Collections</u>
1992-93	\$ -	\$ 2,131,256	\$ (492,037)	\$ 1,516,660
Prior years	<u>252,249</u>	<u>-</u>	<u>49,120</u>	<u>171,411</u>
Totals	<u>\$ 252,249</u>	<u>\$ 2,131,256</u>	<u>\$ (442,917)</u>	<u>\$ 1,688,071</u>
Cash with County Treasurer, July 1, 1992				<u>-</u>
Total cash available				1,688,071
Taxes received by City during 1992-93				<u>1,688,071</u>
Cash with County Treasurer, June 30, 1993				<u>\$ -</u>

Summary of taxes receivable by fund:

- General Fund
- Debt Service Fund
- Urban Renewal Fund
- Lebanon URD Bonds Fund
- NW Urban Renewal Fund
- Enterprise Fund

Taxes
Receivable
June 30, 1993

\$ 122,559
129,953

\$ 252,512

\$ 205,529
10,738
24,906
7,374
2,674
1,291

\$ 252,512

CITY OF LEBANON, OREGON

SCHEDULE OF BOND TRANSACTIONS

June 30, 1993

Issue	Date of Issue	Interest Rate		Outstanding July 1, 1992	
		From	To	Matured	Unmatured
Bancroft Improvement					
1979					
1982	08/01/83	9.250	11.250	\$ -	\$ 20,000
1985	11/01/84	8.300	12.000	-	30,000
1990	10/01/90	6.000	12.000	-	75,000
				<u>-</u>	<u>125,000</u>
General Obligation					
Sewage Treatment	12/01/75	4.250	7.000	-	200,000
Urban Renewal	11/01/84	8.750	12.000	-	290,000
				<u>-</u>	<u>490,000</u>
Revenue Supported General Obligation					
Water service refinancing	11/01/86	6.000	6.750	-	4,605,000
Revenue					
Wastewater	06/01/90	7.125	7.500	-	4,353,870
Certificate of Participation	10/01/91	5.500	7.250	-	3,150,000
Wastewater Refunding	06/01/93	5.250	5.875	-	-
				<u>-</u>	<u>7,503,870</u>
				<u>\$ -</u>	<u>\$ 12,723,870</u>

1992-93 Transactions		Outstanding June 30, 1993	
Issued	Matured and Retired	Matured	Unmatured
\$ -	\$ 20,000	\$ -	\$ -
-	10,000	-	20,000
-	5,000	-	70,000
-	35,000	-	90,000
-	50,000	-	150,000
-	25,000	-	265,000
-	75,000	-	415,000
-	135,000	-	4,470,000
-	3,733,870	-	620,000
-	-	-	3,150,000
4,215,000	-	-	4,215,000
4,215,000	3,733,870	-	7,985,000
\$ 4,215,000	\$ 3,978,870	\$ -	\$ 12,960,000

CITY OF LEBANON, OREGON

SCHEDULE OF FUTURE BONDED DEBT REQUIREMENTS

June 30, 1993

Fiscal Year	Wastewater Revenue Supported Bonds		
	Total	Bonds	Coupons
1993-94	\$ 44,175	\$ -	\$ 44,175
1994-95	129,175	85,000	44,175
1995-96	133,119	95,000	38,119
1996-97	131,350	100,000	31,350
1997-98	129,225	105,000	24,225
1998-99	131,744	115,000	16,744
1999-2000	128,550	120,000	8,550
2000-01	-	-	-
2001-02	-	-	-
2002-03	-	-	-
2003-04	-	-	-
2004-05	-	-	-
2005-06	-	-	-
2006-07	-	-	-
2007-08	-	-	-
2008-09	-	-	-
2009-10	-	-	-
2010-11	-	-	-
2011-12	-	-	-
Thereafter	-	-	-
	<u>\$ 827,338</u>	<u>\$ 620,000</u>	<u>\$ 207,338</u>

Wastewater			Water		
Revenue Refunding Bonds			Revenue Supported C.O.P.		
Total	Bonds	Coupons	Total	Bonds	Coupons
\$ 242,881	\$ -	\$ 242,881	\$ 222,298	\$ -	\$ 222,298
242,880	-	242,880	261,198	40,000	221,198
242,881	-	242,881	258,948	40,000	218,948
242,880	-	242,880	261,448	45,000	216,448
242,881	-	242,881	258,725	45,000	213,725
242,880	-	242,880	260,790	50,000	210,790
242,881	-	242,881	257,540	50,000	207,540
362,880	120,000	242,880	258,996	55,000	203,996
361,581	125,000	236,581	260,115	60,000	200,115
360,019	130,000	230,019	260,896	65,000	195,896
363,194	140,000	223,194	261,340	70,000	191,340
365,844	150,000	215,844	261,446	75,000	186,446
362,219	155,000	207,219	261,215	80,000	181,215
363,306	165,000	198,306	260,498	85,000	175,498
358,819	170,000	188,819	259,285	90,000	169,285
359,044	180,000	179,044	262,540	100,000	162,540
363,694	195,000	168,694	260,263	105,000	155,263
367,481	210,000	157,481	262,453	115,000	147,453
360,406	215,000	145,406	259,110	120,000	139,110
<u>2,896,268</u>	<u>2,260,000</u>	<u>636,268</u>	<u>2,615,084</u>	<u>1,860,000</u>	<u>755,084</u>
<u>\$ 8,944,919</u>	<u>\$ 4,215,000</u>	<u>\$ 4,729,919</u>	<u>\$ 7,524,188</u>	<u>\$ 3,150,000</u>	<u>\$ 4,374,188</u>

Revenue Supported Bonds General Obligation			Total Requirements	Total Principal	Total Interest
Totals	Bonds	Coupons	All Issues	Fiscal Year	
\$ 436,588	\$ 140,000	\$ 296,588	\$ 1,080,604	235,000	845,604
437,887	150,000	287,887	1,198,108	370,000	828,108
438,508	160,000	278,508	1,192,963	390,000	802,963
438,315	170,000	268,315	1,137,819	360,000	777,819
442,082	185,000	257,082	1,137,388	385,000	752,388
439,825	195,000	244,825	1,139,839	415,000	724,839
446,393	215,000	231,393	1,139,559	445,000	694,559
446,592	230,000	216,592	1,079,841	415,000	664,841
445,619	245,000	200,619	1,067,315	430,000	637,315
448,406	265,000	183,406	1,069,321	460,000	609,321
444,838	280,000	164,838	1,069,372	490,000	579,372
449,728	305,000	144,728	1,077,018	530,000	547,018
452,900	330,000	122,900	1,076,334	565,000	511,334
454,353	355,000	99,353	1,078,157	605,000	473,157
458,675	385,000	73,675	1,076,779	645,000	431,779
455,850	410,000	45,850	1,077,434	690,000	387,434
465,750	450,000	15,750	1,089,707	750,000	339,707
-	-	-	629,934	325,000	304,934
-	-	-	619,516	335,000	284,516
-	-	-	5,511,352	4,120,000	1,391,352
<u>\$ 7,602,309</u>	<u>\$ 4,470,000</u>	<u>\$ 3,132,309</u>	<u>\$ 25,548,360</u>	<u>12,960,000</u>	<u>12,588,360</u>

Year	Month	Day	Time	Location	Event
1970	Jan	1	10:00	...	...
1970	Jan	2	10:00	...	...
1970	Jan	3	10:00	...	...
1970	Jan	4	10:00	...	...
1970	Jan	5	10:00	...	...
1970	Jan	6	10:00	...	...
1970	Jan	7	10:00	...	...
1970	Jan	8	10:00	...	...
1970	Jan	9	10:00	...	...
1970	Jan	10	10:00	...	...
1970	Jan	11	10:00	...	...
1970	Jan	12	10:00	...	...
1970	Jan	13	10:00	...	...
1970	Jan	14	10:00	...	...
1970	Jan	15	10:00	...	...
1970	Jan	16	10:00	...	...
1970	Jan	17	10:00	...	...
1970	Jan	18	10:00	...	...
1970	Jan	19	10:00	...	...
1970	Jan	20	10:00	...	...
1970	Jan	21	10:00	...	...
1970	Jan	22	10:00	...	...
1970	Jan	23	10:00	...	...
1970	Jan	24	10:00	...	...
1970	Jan	25	10:00	...	...
1970	Jan	26	10:00	...	...
1970	Jan	27	10:00	...	...
1970	Jan	28	10:00	...	...
1970	Jan	29	10:00	...	...
1970	Jan	30	10:00	...	...
1970	Jan	31	10:00	...	...

1970-1971 COLLEGE YEAR
 GOVERNMENT OF ALABAMA
 BUREAU OF REVENUE



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE

We have audited the financial statements of City of Lebanon as of and for the year ended June 30, 1993, and have issued our report thereon dated September 24, 1993.

We conducted our audit in accordance with generally accepted auditing standards and the Minimum Standards for Audits of Oregon Municipal Corporations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

In planning and performing our audit of the financial statements of City of Lebanon for the year ended June 30, 1993, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

The management of the City of Lebanon is responsible for establishing and maintaining the internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

Our consideration of the internal control structure would not necessarily disclose all matter in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accounts. A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation in the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the City Council and management of City of Lebanon. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

OTHER COMMENTS AND DISCLOSURES

ACCOUNTING RECORDS

We found the records of the City to be adequate for audit purposes.

INDEBTEDNESS

The general obligation bonded debt of the City is in compliance with the limitation imposed by ORS 264.250 (3). We noted no defaults in principal, interest, sinking fund, or redemption provisions with respect to any of the City's liabilities, and no breach of the bond agreements, at June 30, 1993.

ADEQUACY OF COLLATERAL SECURING DEPOSITORY BALANCES

ORS 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. Our review of the adequacy of collateral securing depository balances indicated the collateral was sufficient during the year ended June 30, 1993.

BUDGET COMPLIANCE

The City has complied with Local Budget Law (ORS 294) and ORS 264.300 in the preparation and adoption of its budget and tax levy for fiscal years ended June 30, 1993 and 1994.

INSURANCE AND FIDELITY BONDS

We have reviewed the City's insurance and fidelity bond coverage at June 30, 1993. We ascertained that such policies appeared to be in force and comply with legal requirements relating to insurance and fidelity bond coverage. We are not competent by training to comment on the adequacy of the insurance policies.

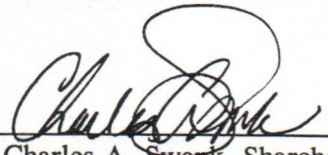
INVESTMENTS

Our review of deposit and investment balances indicated that the City was in compliance with ORS 295, as it pertains to investment of public funds, during the year ended June 30, 1993.

PUBLIC CONTRACTING AND PURCHASING

Our review of the City's public contracting, purchasing procedures and construction of public improvement requirements (ORS 279) indicated that the City was in compliance.

FALER, GROVE & MUELLER, P.C.

By 
Charles A. Swank, Shareholder

September 24, 1993

DEPARTMENT OF CHEMISTRY

PHYSICAL CHEMISTRY LABORATORY

CHICAGO, ILLINOIS

The following report was prepared by the student named above and is the property of the University of Chicago. It is to be used only for the purpose for which it was prepared and is not to be distributed outside the laboratory.

REPORT ON THE STUDY OF THE KINETICS OF THE REACTION OF HYDROGEN PEROXIDE WITH FERROUS SULFATE

This report was prepared by the student named above and is the property of the University of Chicago. It is to be used only for the purpose for which it was prepared and is not to be distributed outside the laboratory.

EXPERIMENTAL PROCEDURE

The reaction was carried out in a 100 ml. glass reaction vessel equipped with a magnetic stirrer. The reaction mixture was prepared by the addition of a known volume of a known concentration of hydrogen peroxide to a known volume of a known concentration of ferrous sulfate.

RESULTS AND DISCUSSION

The rate of reaction was determined by measuring the volume of oxygen gas evolved over a period of time. The results are shown in the following table.

CONCLUSIONS

The reaction of hydrogen peroxide with ferrous sulfate is a second-order reaction with respect to the concentration of hydrogen peroxide and first-order with respect to the concentration of ferrous sulfate.

REFERENCES

1. L. P. Hammett and A. L. Bunnett, *J. Am. Chem. Soc.*, **68**, 2455 (1946).

PAUL GEORGE WILSON, JR.

[Handwritten Signature]

PHYSICAL CHEMISTRY LABORATORY

CHICAGO, ILLINOIS

SECRETARY OF STATE
Division of Audits

Request for extension of time to file audit report provided by ORS 297.630.

1. Municipal Corporation: City of Lebanon
2. Address: 925 S Main, Lebanon Oregon 97355
(Street or Post Office Box) (City) (State) (Zip)
3. Audit Period: July 1, 1992 to June 30, 1993
4. Name of: Registered Agent
Managing or Executive Officer Joseph Windell
5. Address of: Registered Office
Managing or Executive Officer
(If different from Item 2) _____
(Street or P.O. Box) (City) (State) (Zip)

I hereby request an extension of time to January 14, 1994 to deliver the audit report
(Date)
of the above named municipal corporation.

This request is made for the following reasons: The report has been prepared, but the City has not yet had time to review the final copy. Once the final copy has been approved the report will be delivered to the City.

6. Accountant:
Thomas E. Glogau 12/28/93 Grove, Mueller, Hall & Swank, P.C.
(Signature) (Date) (Firm)
Thomas E. Glogau P.O. Box 2122, Salem, Oregon 97308
(Name and Title) (Address)

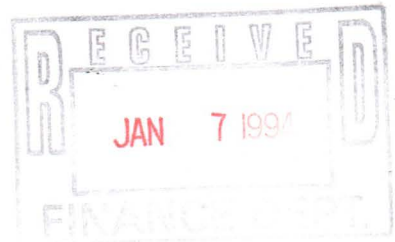
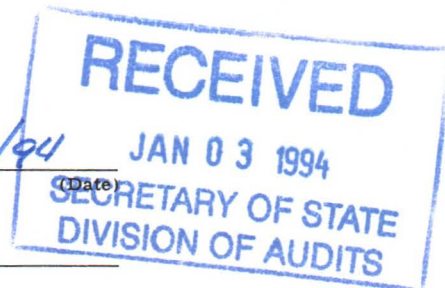
If this request is disapproved by any of the following officials, the reasons for disapproval must be indicated on the reverse side of this form.

7. Municipal Corporation:
This request is Approved Disapproved
Joseph A. Windell 12-29-93
(Signature) (Date)
8. Superintendent of Public Instruction:
This request is Approved Disapproved

(Signature) (Date)
- FINANCE DIRECTOR
(Name and Title)

9. Secretary of State Division of Audits:
This request is Approved Disapproved
Robert L. Cypri 1/3/94
(Signature) (Date)

(Name and Title)



INSTRUCTIONS

Accountants:

Complete Items 1 through 6.

Submit three copies of the completed form, to the Secretary of State, Division of Audits, 112-A Labor & Industries Building, Salem, Oregon 97310. **The managing or executive officer of the municipal corporation must indicate approval or disapproval of the request prior to submission to the Secretary of State.**

Municipal Corporation:

Complete Item 7.

Indicate approval or disapproval of the accountant's request. If disapproved, state reasons below.

A copy of the completed form will be returned after appropriate action by the Secretary of State.

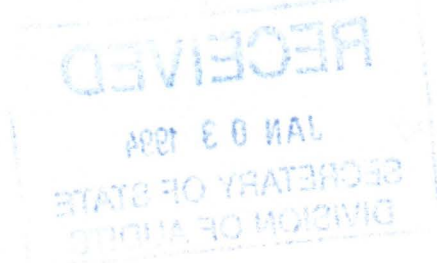
Superintendent of Public Instruction:

Complete Item 8.

Indicate approval or disapproval of the accountant's request. If disapproved, state reasons below. Return all copies of the request to the Secretary of State, Division of Audits, 112-A Labor & Industries Building, Salem, Oregon 97310.

A copy of the completed form will be returned after appropriate action by the Secretary of State.

Secretary of State:





**FALTER, GROVE
& MUELLER PC.**
CERTIFIED PUBLIC ACCOUNTANTS

December 29, 1993

City of Lebanon
Judy Wendland, Finance Director
925 S. Main
Lebanon, OR 97355



Dear Judy,

As this year's audit draws to a close there are a few items that I would like to call to your attention.

The most gratifying thing about this year's audit was that it was obvious that the accounts are reconciled on a regular basis, not just at year end. Any problems that develop are identified and addressed on a timely basis. It's one thing to have the books a mess all year and clean them up before the auditors arrive. It's quite another thing to have the books in good shape throughout the year. It is obvious to me that things are in good shape all year long. Those responsible for this are to be commended.

Casey's workpapers were excellent (again). I am pleased to see the neat and orderly manner in which the work was done. I am even more pleased to see the level of understanding that Casey appears to be developing. His workpapers give evidence that he understands the accounting significance of what he is doing, and is not merely following rote procedures.

I also appreciated Linda's saving the year end A/P vouchers for us. Having them all in one place made that part of the audit much easier. And the entire finance department staff was very cooperative and helpful during our fieldwork. It was a pleasure to be working in their midst.

The next step? I believe Casey is capable of learning to draft the financial statements. I know that workload and budgetary constraints have prevented this in the past. Nevertheless, I would hope both you and Joe would give this serious consideration in planning next year's audit.

Yours very truly,

Thomas E. Glogau, CPA

SECRETARY OF STATE

SUMMARY OF REVENUES AND EXPENDITURES

Name of Municipal Corporation City of Lebanon

Address 925 S. Main, Lebanon, Oregon 97355

Period Covered by Audit Report: From July 1, 1992 to June 30, 1993

Total Revenues and/or Receipts - All Funds		\$ 7,682,486
Less: Interfund loans and transfers	\$ 417,241	
Receipts from short-term loans	270,000	
Taxes, assessments and other collections to be distributed to other governmental units *		687,241
Net Revenues and/or Receipts		\$ 6,695,245
Total Expenditures and/or Disbursements - All Funds		\$ 8,259,878
Less: Interfund loans and transfers	\$ 417,241	
Principal Payments - short-term loans	270,000	
Principal Payments - bonded or other long-term debt	110,000	
Principal Payments - warrants issued during prior years		
Turnovers to other municipal corporations: *		
Taxes and Assessments		
Other Distributions		
Other Trust Moneys		797,241
Net Expenditures and/or Disbursements		\$ 7,462,637

* These items are normally found only in counties or Intermediate Education Districts.

The above information is based upon the audited financial statements of the named municipal corporation for the period indicated.

Signed _____

(Auditor)

Within 30 days after submitting the audit report to the municipal corporation, one copy of this summary must be filed with the Secretary of State, Division of Audits, Salem, Oregon 97310, and one copy must be delivered to the municipal corporation.

For Use by Division of Audits

M.C. Code No. _____ Accountant Code No. _____ Filing Fee \$ _____

INSTRUCTIONS

General:

This summary will include the revenues and expenditures or receipts and disbursements for all funds of the municipal corporation. The revenues and expenditures or receipts and disbursements for each fund will be included in the total on the accounting basis used for the fund in the audit report.

Accrual Basis Funds:

In accrual basis funds, revenues and expenditures will not normally include receipts and repayments of short-term or interfund loans. If they do not, then the amounts of such loan transactions should not be included in the deductions made in arriving at Net Revenues and Net Expenditures.

Utility or Other Enterprise Funds:

If a utility or other enterprise fund makes payment in lieu of taxes, or pays rent, administrative, or other costs to other funds of the municipal corporation, such payments should be considered as interfund transfers.

The expenditures of a utility or other enterprise fund should include, for purposes of this summary, the gross amount expended during the audit period for capital outlay, but they should not include any depreciation expense.

Working Capital or Intragovernmental Service Funds:

All revenues of working capital or intragovernmental service funds which are derived from other funds of the municipal corporation should be considered as receipts from interfund transfers.

SECRETARY OF STATE

Division of Audits

Request for extension of time to file audit report provided by ORS 297.630.

1. Municipal Corporation: City of Lebanon

2. Address: 925 S. Main, Lebanon Oregon 97355
(Street or Post Office Box) (City) (State) (Zip)

3. Audit Period: July 1, 1992 to June 30, 1993

4. Name of: Registered Agent
Managing or Executive Officer Joseph Windell

5. Address of: Registered Office
Managing or Executive Officer
(If different from Item 2) _____
(Street or P.O. Box) (City) (State) (Zip)

I hereby request an extension of time to January 14, 1994 to deliver the audit report
(Date)
of the above named municipal corporation.

This request is made for the following reasons: The report has been prepared, but the City has not yet had time to review the final copy. Once the final copy has been approved the report will be delivered to the City.

6. Accountant:
Thomas E. Glogau 12/28/93 Grove, Mueller, Hall & Swank, P.C.
(Signature) (Date) (Firm)
Thomas E. Glogau P.O. Box 2122, Salem, Oregon 97308
(Name and Title) (Address)

If this request is disapproved by any of the following officials, the reasons for disapproval must be indicated on the reverse side of this form.

7. Municipal Corporation:
This request is Approved
 Disapproved

(Signature) (Date)
Joseph Windell
(Name and Title) FW Dir

8. Superintendent of Public Instruction:
This request is Approved
 Disapproved

(Signature) (Date)

(Name and Title)

9. Secretary of State Division of Audits:
This request is Approved
 Disapproved

(Signature) (Date)

(Name and Title)

INSTRUCTIONS

Accountants:

Complete Items 1 through 6.

Submit three copies of the completed form, to the Secretary of State, Division of Audits, 112-A Labor & Industries Building, Salem, Oregon 97310. **The managing or executive officer of the municipal corporation must indicate approval or disapproval of the request prior to submission to the Secretary of State.**

Municipal Corporation:

Complete Item 7.

Indicate approval or disapproval of the accountant's request. If disapproved, state reasons below.

A copy of the completed form will be returned after appropriate action by the Secretary of State.

Superintendent of Public Instruction:

Complete Item 8.

Indicate approval or disapproval of the accountant's request. If disapproved, state reasons below. Return all copies of the request to the Secretary of State, Division of Audits, 112-A Labor & Industries Building, Salem, Oregon 97310.

A copy of the completed form will be returned after appropriate action by the Secretary of State.

Secretary of State: