

# LEBANON

## OREGON

*Ready When You Are...*

**CITY OF LEBANON, OREGON**  
**ANNUAL FINANCIAL REPORT**  
*For the Year Ended June 30, 1995*





CITY OF LEBANON

MEMORANDUM

TO: Joseph A. Windell, City Administrator

DATE: January 9, 1996

FROM: Judy Wendland, Finance Director 

SUBJECT: Completion of 1994-95 Audit

I have just received the completed 1994-95 audit reports. Once again, we have received a clean opinion. This year, for the first time since 1987-88, there was an over expenditure of the budget. This occurred in the Police Trust Fund. They received a donation and spent it without asking for an appropriation resolution. The expenditure occurred in June, so there was no opportunity to correct the error before the year was closed. I have explained the problem to Chief Richmond, and he knows how to avoid the problem in the future. The total over expenditure was \$337, a very minor error in a \$22 million budget and the first in many years.

I am attaching for your information two management letters. One discusses three areas where we need to make some corrections. Casey is working on taking care of the old, outstanding checks; the court continues to work on their issues, and I have discussed the problem with Public Works invoices with Anna Rae.

The second letter has to do with expenditures regarding travel, meals, education, and auto and credit card use. During the course of the audit, several problems became apparent, so I asked him to do a special review of these items. He asked for any written policies we had, which I gave him. I also gave him the proposed policy for review and suggestions. Federal law, as Tom describes in his letter, has very strict guidelines about such expenditures.

We also need to be very aware that from a public perspective, payments to employees and credit card use can be the cause of controversy unless policies and procedures are above reproach and strictly followed.

I have therefore prepared the attached memo for management employees regarding car allowances and an additional one for department heads which relates to the car allowance. Please review them and if they are OK, I will distribute them. We should probably also discuss in staff meeting. I will be reviewing all credit card payments and payments to employees which have been made since July 1, 1995 to be certain they are in compliance with the rules Tom has outlined.

The education reimbursement issue I am less concerned about. We may want to have a written policy about providing training to contract employees, such as the City Planner, but it is not vital.

We need to remind Department Managers to be sure courses are passed with a grade of C or better, but as far as I know, they are following up with this. I remember seeing such documentation for Patty Ruef and Nancy Bitterman when their classes were paid for. I don't know if anyone else is currently taking college courses.

It is important for you to know that the auditor does not regard any of these problems as a serious deficiency, but more as a wake up call. It is not surprising that as busy as we all are, we would pay the least attention to an area where we have had no difficulty for so long.

If you have any questions, please don't hesitate to ask.




CITY OF LEBANON

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MEMORANDUM

TO: All Managers

DATE: January 9, 1996

FROM: Judy Wendland, Finance Director 

SUBJECT: Credit Card Documentation

In reviewing our records during the audit, the auditor discovered that we have become a bit careless with documentation attached to the credit card statements. Therefore, this is a reminder about credit card use.

1. Credit card receipts should be signed only by city employees.
2. It is illegal to use a city card to pay for a personal expense, even if you intend to repay. If you are at a hotel for a conference, they are very obliging about dividing up the bill for two separate cards or payments when you have personal expenses.
3. Finance charges should not be incurred. If you have difficulty coordinating payment on your card with the payables schedule, write the bank and change the closing date.
4. **Documentation must be attached for each expenditure!** If you lose a receipt, it is your responsibility to obtain a duplicate. There is a \$3 fee. You do this by writing a letter requesting the receipt to

Key Bank of Oregon  
P.O. Box 810012  
Toledo, OH 43681

Remember, use of city credit cards is a convenience which carries certain responsibilities. Please follow these guidelines strictly. If you have any questions, please don't hesitate to call. I can be reached at extension 477.




CITY OF LEBANON

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MEMORANDUM

TO: Joseph A. Windell, City Administrator  
Department Managers

DATE: January 9, 1996

FROM: Judy Wendland, Finance Director 

SUBJECT: Reporting of Car Allowances

The auditor has informed us that the IRS rules for reporting of car allowances have changed. Please note the following changes.

1. **Effective January 1, 1996, mileage must be reported with in 60 days.** Therefore, all mileage is due to Karen by the end of the month following the month you are reporting. For example, January mileage must be turned in no later than February 29. **If it is turned in late, we are prohibited by federal law from including it to offset your car allowance.** For convenience, we suggest always handing it in with your time sheet.
2. We are also required to report any additional mileage payments, which is the 7.5 cents per mile we get for going over 100 miles on a trip.
3. Mileage amounts will now be included in your W-2, not reported separately on a 1099. For 1995 your mileage will be in your 1995 W-2. The good news is that beginning in 1996 any excess of mileage compensation will not be reported in your W-2 until the following February. This means that for 1996 you will not have to report any income. **Your 1996 income will show up on your 1997 W-2.**

If you have any questions, please don't hesitate to ask.



GROVE, MUELLER, HALL & SWANK  
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

November 10, 1995

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

In planning and performing our audit of the financial statements of the City of Lebanon as of and for the year ended June 30, 1995, we considered the City's internal control structure 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.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The page accompanying this letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated November 10, 1995, on the financial statements of the City of Lebanon.

We would be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

*Grove, Mueller, Hall & Swank P.C.*  
CERTIFIED PUBLIC ACCOUNTANTS

### 1. Procedures for old outstanding checks

State statutes require the City to remit to the State the amount of any uncashed checks which are outstanding for more than 7 years. The City is aware of this requirement, but has not yet complied. We have discussed with the Finance Operations Manager the procedures necessary, and efforts have been initiated to bring the City into compliance with the statute.

### 2. Municipal Court

We are pleased with the progress that has been made in the municipal court. Specific improvements we noted were as follows:

- a) Reduction of work backlog,
- b) Improved filing of paperwork,
- c) Turnover of uncollectible accounts to a collection agency,
- d) 60 days same as cash policy to enhance collections, and
- e) reassignment of workloads to allow the Judge more time for judicial activities.

Now that the City has established control over the basic court functions it is time to turn your attention to improvements that can be implemented. We suggest the following areas:

- a) Additional utilization (or possibly upgrade) of the software for better tracking of financial information (reconciliation of receivable balances, etc.),
- b) A policy for documentation of supervisory approval before posting of credits for community service,
- c) A different coding of refunds to better track transactions within court software (refunds are currently coded to suspense), and
- d) Creation of a currently updated list of outstanding warrants for follow up.

### 3. Review of documentation by Public Works prior to submitting invoices for payment

We noted several instances where invoices from Public Works were not adequately supported by receiving documents, or where receiving documents for invoices were mismatched. We do not question that goods were in fact received. We simply note that greater care should be exercised by Public Works personnel in accumulating documents prior to their submission to the Finance Department for payment.



GROVE, MUELLER, HALL & SWANK

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

December 6, 1995

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

Dear Judy,

I have reviewed the documentation on your current and proposed policies regarding travel, meals, education, auto, and credit cards. My comments regarding these policies are as follows.

1. Travel and meals (proposed policy)

The City should have a written policy in place for travel and meals. I have reviewed the proposed policy and have the following suggestions.

a) You may wish to have your policy specify the current IRS approved rate rather than a specific dollar amount. This applies to both auto mileage and per diem rates. That way your policy will be continually updated and in compliance with current IRS regulations as rates change. In this regard, you may wish to eliminate the preprinted rate on the reimbursement form so that forms will not become obsolete when the rates change.

b) For travel advances to employees other than per diem which is covered in the travel policy a complete accounting must be provided to the City by the employee. This means that receipts for expenditures must be turned in, along with any unspent cash. The receipts for expenditures plus any unspent cash must equal the total cash advanced. Receipts for items such as cab fare or tips is not necessary as long as these amounts are recorded ( a log or day timer is acceptable) and submitted to the City. Federal law requires that any travel advances lacking adequate documentation must be counted as compensation to the employee.

2. Education Reimbursements

a) Does the policy apply to contractors as well as statutory employees? You may wish to further clarify the applicability to avoid confusion in the future.



b) The policy specifies a grade of C or better is required in order to qualify for reimbursement. You will want to ensure that supervisors are monitoring grades to assure compliance with this aspect of the policy.

### 3. Auto allowances and reimbursements

IRS regulations distinguish between "accountable" plans and "nonaccountable" plans. Without going into the complexities of the regulations the situation is basically as follows. To the extent employees document their business mileage the allowances will be deemed to be an "accountable" plan and will not be taxable. To the extent the allowance exceeds the documented expenses the plan will be deemed to be a "nonaccountable" plan and will constitute additional compensation that must be included as wages on the employee's W-2. Thus, the policy of issuing 1099's to employees is no longer in compliance with current IRS regulations. Additionally, the following items need to be considered and communicated to your employees.

a) Accountable plans also require a periodic accounting from employees within a reasonable period of time. Regulations define a reasonable period of time to be no more than 60 days after the expenses are incurred. Thus, quarterly reports from employees do not fulfill the technical requirements of the regulations. That means that an allowance might have to be treated as wages to the employee for lack of timely reporting. We would suggest that employees be made aware of this, and strongly encouraged to document their expenses on a monthly basis.

b) In determining the amount of excess reimbursements that must be treated as wages you need to take into account any per mile amounts paid to employees and any auto expenses paid on behalf of employees in addition to regular monthly allowances. The per mile amounts are fairly easy to capture. Expenses paid on behalf of employees (such as when an employee charges personal auto expenses on a City credit card) are much more difficult from an accounting standpoint. For that reason we would suggest that charging of personal expenses on City credit cards be strictly prohibited. Not only does charging personal expenses, especially auto expenses, create an accounting nightmare, but there is an Attorney General's opinion which explicitly states that it is illegal to charge personal expenses on a City credit card, even if there is an intention of repaying or reimbursing the City.

### 4. Use of City Credit Cards

Charging personal auto expenses on City cards has been discussed above. In addition to that we suggest the following items be implemented in your policy.

Judy Wendland  
December 6, 1995  
page 3

a) Documentation reviewed was sometimes incomplete, sometimes missing altogether. Yes, keeping all those flimsy copies is a hassle for employees, but that's part of the price they must pay for the convenience of using a credit card that spends public money. Employees who have City credit cards should review all charges to their cards and provide documentation for all items appearing on the monthly statement.

b) Some card statements that we reviewed had credit balances. Others had scheduled payments that did not pay the balance due in full. Employees who have City credit cards have the responsibility to monitor credit card balances to avoid overpayments and assure that finance charges are not incurred.

c) Use of credit cards should be as a convenience, not as a substitute for the City's normal procurement procedures.

d) City policy should state that only City employees are authorized to incur charges on City credit cards.

Yours very truly,

A handwritten signature in cursive script that reads "Thomas E. Glogau".

Thomas E. Glogau, CPA

**EMPLOYEE TRAVEL AND MEAL  
EXPENSE REIMBURSEMENTS**

1. **APPLICATION:** All City Employees
2. **POLICY:** The City will pay all proper expenses involved in carrying out general business, subject to the following provisions:
  - A. Employees will be reimbursed for all necessary travel expenses which 1) are directly related to, or associated with, their performance of the City's business; 2) are properly authorized; 3) are reasonable expenditures of public funds.
  - B. To obtain reimbursement, employees must submit receipts and expense reports completed and substantiated as described in Section 4, Procedure, of this policy.
3. **ALLOWANCES:**
  - A. **TRANSPORTATION:**
    - (1) Except for department heads and the City Administrator, employees using their personal vehicles for City business will be reimbursed at the current IRS-approved rate upon submittal of a mileage log. A Department Head's reimbursement is covered in the Exempt Summary of Benefits. The City Administrator is covered in his agreement with the City Council.
    - (2) In addition to the standard mileage rate, as allowed by the IRS, parking fees and bridge tolls are also reimbursable if receipts are submitted.
    - (3) All travel reimbursement will be based on the cost of the most reasonable and economical form of available transportation. Receipts or ticket stubs must be attached to the travel expense form. The unused portion of any ticket/stub must be returned to the Finance Department.
  - B. **LODGING:**
    - (1) The most economical lodging should be arranged at or near the meeting/training site when possible.
  - C. **MEALS:**
    - (1) When the employee is not away from home over night, meals will be reimbursed at actual cost only, and a receipt for each meal must be provided with the employee's reimbursement request. These requests do not have to be approved by the City Administrator and may be reimbursed through petty cash or an ordinary check request. Meal costs may vary based on location and program; however, generally accepted limits are:

Breakfast - \$ 6.00

Lunch	-	\$ 8.00
Dinner	-	\$14.00

C. **MEALS (Continued):**

- (2) When the employee is away from home overnight, a meal allowance of \$28 per day will be provided to the employee in advance of the trip. As this is the same as the IRS standard meal allowance, no receipts are required for the meals purchased with this allowance.

If you are away from home fewer than 24 hours, you must prorate the allowance. You do so by using the IRS method of dividing the day into four 6 hour periods at \$7.00 per period as follows:

1. Midnight to 6:00 a.m.
2. 6:00 a.m. to Noon.
3. Noon to 6:00 p.m.
4. 6:00 p.m. to Midnight.

Partial periods will be treated as a whole period.

- (3) A 15% gratuity is acceptable and is included in the limit.

D. **UNALLOWABLE EXPENSES:**

- (1) The City does not reimburse for: 1) fines and parking tickets; 2) towing or impounding fees; 3) traffic violations; 4) alcoholic beverages; 5) personal entertainment; 6) tobacco; 7) personal telephone calls; and 8) extravagant costs of any kind. A phone call home to advise of safe arrival is allowable, as is a call home to advise of changes in plans to return.
- (2) An employee's family may accompany the employee on City business. The City will not, however, pay the additional expenses incurred including the incremental room costs.

4. **PROCEDURE:**

A. **STATEMENT OF EXPENSES:**

- (1) Whenever possible, expenses should be billed to the City. The vendor's invoice must be signed by the employee incurring the expense.
- (2) All expenses should be detailed on the Travel Expense form. (For exception for meals when not away from home see section C1 above). Receipts are to be attached. All Travel and Meal Expense Requests must be approved by the employee's department head, and also by the City Administrator. Responsibility for compliance with this policy will be up to the person designated as the authorized signature. Use of these forms is described on the

attached samples. Conference registration forms may be substituted for the travel expense form for costs listed on the form, and the balance submitted on the Travel Expense Request.

A. **STATEMENT OF EXPENSES (Continued):**

- (3) Travel Expense Requests are to be submitted within one week following any trip. All unused expense advance funds or funds owed the City are to be returned at this time.
- (4) Employees with credit cards are to use these cards for City expenses only. Use of City credit cards for personal expenses is not proper, according to the Oregon Attorney General, even if the employee subsequently reimburses the City.
- (5) A travel advance may be requested under unusual circumstances. A complete accounting of the travel advance must be provided to the City. This means receipts along with any unspent cash must total the amount advanced. Receipts for tips and cab fares are not required as long as these items are noted in a log or day planner. Federal law requires that any travel advances lacking adequate documentation must be included as compensation to the employee on the W-2.

B. **REQUEST FOR PER DIEM MEAL ALLOWANCE:**

- (1) Employees may request a check to cover anticipated per diem meal expense of \$28/day before leaving on an overnight trip. Such a request is made using a Meal Allowance Request. Use of these forms is described on the attached samples. This request must be made not more than 45 days before departure, or within one week after return.
- (2) If meals are included as part of the registration, the per diem request should be reduced by the amount of the meal as listed in Section 3C(1) above even if, as is usually the case, the cost of a conference meal is more. If the meals are complimentary, the reduction should still be made. The City will pay the full cost of a banquet at a conference for the employee in addition to conference registration. However, the per diem meal allowance should be reduced by the standard meal amount.

**CITY OF LEBANON  
TRAVEL EXPENSE REIMBURSEMENT REQUEST**

NAME OF TRAVELER \_\_\_\_\_ TRAVEL PURPOSE \_\_\_\_\_

DESTINATION \_\_\_\_\_ INCLUSIVE DATES \_\_\_\_\_

	ADVANCE	PREPAID	ACTUAL COST	EXPENSE RECONCILIATION
Transportation _____	\$ _____	\$ _____	\$ _____	Actual Cost \$ _____
Private Vehicle _____ x <u>\$.29</u> (miles) (rate)				Amount Advanced \$ _____
Meals (total on reverse) <sup>1</sup>				Amount Prepaid \$ _____
Hotel _____ x _____ (days) (rate)				Refund to City \$ _____
Registration _____				Payment due \$ _____ Traveler
Car Rental _____ x _____ (days) (rate)				I certify expenses listed are reimbursable and that compensation is not being claimed for meals provided with registration.
Other _____				
<b>TOTAL</b>	\$ _____	\$ _____	\$ _____	_____ Date _____ Signature of Traveler
Code to: _____ - _____ - _____ - _____ - _____ - _____				_____ Date _____ Dept. Mgr. Approval
Code to: _____ - _____ - _____ - _____ - _____ - _____				_____ Date _____ Administrator Approval
<b>ATTACH VERIFICATION OF EXPENDITURES</b>				

<sup>1</sup> Meal allowances should be calculated separately on the "Meal Allowance" form on the reverse side.

**COMPUTATION OF PER DIEM  
FOR MEALS ALLOWANCE**

TOTAL NUMBER OF FULL DAYS AWAY FROM HOME \_\_\_\_\_ x \$28.00 \_\_\_\_\_

PARTIAL DAYS (See Section C2 of Reimbursement Policy or on reverse side of this page) \_\_\_\_\_ x 7 days \_\_\_\_\_

TOTAL \_\_\_\_\_

LESS MEALS INCLUDED IN REGISTRATION

Breakfast: \_\_\_\_\_ x \$ 6.00 (\_\_\_\_\_) )

Lunch: \_\_\_\_\_ x \$ 8.00 (\_\_\_\_\_) )

Dinner: \_\_\_\_\_ x \$14.00 (\_\_\_\_\_) )

BALANCE TO BE ADVANCED: \$ \_\_\_\_\_

Make Check Payable to: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

To be coded to: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ \$ \_\_\_\_\_.

\_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ \$ \_\_\_\_\_.

\_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ \$ \_\_\_\_\_.

\_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ \$ \_\_\_\_\_.

TOTAL \$ \_\_\_\_\_.

Authorized Signatures: \_\_\_\_\_

**COMPUTATION OF PER DIEM  
FOR MEALS ALLOWANCE**

TOTAL NUMBER OF FULL DAYS AWAY FROM HOME \_\_\_\_\_ x \$28.00 \_\_\_\_\_

PARTIAL DAYS (See Section C2 of  
Reimbursement Policy at the  
bottom of this page) \_\_\_\_\_ x 7 days \_\_\_\_\_

TOTAL \_\_\_\_\_

LESS MEALS INCLUDED IN REGISTRATION

Breakfast: \_\_\_\_\_ x \$ 6.00 (\_\_\_\_\_)

Lunch: \_\_\_\_\_ x \$ 8.00 (\_\_\_\_\_)

Dinner: \_\_\_\_\_ x \$14.00 (\_\_\_\_\_)

BALANCE TO BE ADVANCED: \$ \_\_\_\_\_

C(2) When the employee is away from home overnight, a meal allowance of \$28 per day will be provided to the employee in advance of the trip. As this is the same as the IRS standard meal allowance, no receipts are required for the meals purchased with this allowance.

If you are away from home fewer than 24 hours, you must prorate the allowance. You do so by using the IRS method of dividing the day into four 6 hour periods at \$7.00 per period as follows:

1. Midnight to 6 a.m.
2. 6 a.m. to Noon.
3. Noon to 6:00 p.m.
4. 6:00 p.m. to Midnight.

Partial periods will be treated as a whole period.



C. MEALS:

- (2) When the employee is away from home overnight, a meal allowance of \$28 per day will be provided to the employee in advance of the trip. As this is the same as the IRS standard meal allowance, no receipts are required for the meals purchased with this allowance.

If you are away from home fewer than 24 hours, you must prorate the allowance. You do so by using the IRS method of dividing the day into four 6 hour periods at \$7.00 per period as follows:

1. Midnight to 6 a.m.
2. 6 a.m. to Noon.
3. Noon to 6:00 p.m.
4. 6:00 p.m. to Midnight.

Partial periods will be treated as a whole period.

70-721-49085	FROM BANC BOND FUND		(6,500.00)	0.00				0.00						
70-721-90085	TO BANC BOND FUND	2,800.00	2,800.00	0.00				0.00						
70-724-49085	FROM BANC BOND FUND		(5,500.00)	0.00				0.00						
	PRINCIPAL -INTRFND LOAN	4,425.00	8,000.00	(3,575.00)				(3,575.00)						
70-724-90085	TO BANC BOND FUND		4,600.00	560.00				560.00						
+70-750-90010	TO GENERAL FUND			0.00				0.00						
70-750-90045	TO STREETS FUND			0.00				0.00						
+80-820-49010	FROM GENERAL FUND		(9,650.00)	0.00				0.00						
+80-820-49022	FROM WATER FUND		(15,910.00)	0.00				0.00						
+80-820-49023	FROM WATER CIP			0.00				0.00						
+80-820-49025	FROM W WATER FUND		(33,940.00)	0.00				0.00						
+80-820-49026	FROM WW CIP			0.00				0.00						
50-820-49029	FROM DIAL A BUS		(3,000.00)	0.00				0.00						
+80-820-49046	FROM STREETS FUND		(21,496.00)	0.00				0.00						
80-820-49093	FROM E. GRANT LID		(4,425.00)	3,575.00				3,575.00						
80-820-49105	FROM STR CAP PROJ			0.00				0.00						
80-832-49010	FROM GENERAL FUND		(8,458.00)	0.00				0.00						
80-840-90025	TO GIS	15,000.00	15,000.00	0.00				0.00						
80-840-90035	TO ST FT & BIKE PATH FD	55,000.00	55,000.00	0.00				0.00						
80-840-90060	TO FAU STR PROJECT	14,055.00	14,055.00	0.00				0.00						
80-840-90120	TO WATER CIP			0.00				0.00						
80-840-90120	TO W WATER CIP			0.00				0.00						
80-840-90139	TO STR CIP RESTRICTED			0.00				0.00						
80-841-49105	FROM STR CIP		(3,300.00)	3,300.00				3,300.00						
80-841-90025	TO GIS													
TOTAL INTERFUND TRANSFERS		1,184,780.00	14,737.42	(14,737.42)	18,643.21		(18,643.21)	(14,737.42)						
								0.00						

NOTE: TRANSFERS IN 80-842 CAPITAL PROJECTS ARE EXCLUDED BECAUSE THIS IS AN INTERNAL SERVICE FUND AND EXPENDITURES ARE CHARGED TO CAPITAL IMPROVEMENT LINE ITEMS IN OTHER FUN

SCHEDULE OF FY 94-95 INTERFUND TRANSFERS										
ACCOUNT NU	DESC	DR AMT	CR AMT	BUDGET	OVER/UNDER	AUDIT ADJUSTMENTS DR AMT	CR AMT	OVER/UNDER	OVER/UNDER	
10-100-49030	FROM MOTEL TAX			(1,600.00)	1,600.00					
10-100-49075	FROM BANCROFT BOND FUND		(7,500.00)	(7,500.00)	0.00		(873.19)	726.81	TRANSFER LIMITED TO BALANCE OWING	
+10-130-90105	TO EQPT ACQ & REP FUND	610.00		610.00	0.00			0.00		
+10-133-90105	TO EQPT ACQ & REP FUND	6,540.00		6,540.00	0.00			0.00		
10-195-90018	TO SANTIAM TRAVEL STA	30,000.00		30,000.00	0.00			0.00		
10-1951-90020	TO BLDG INSP FUND	8,000.00		8,000.00	0.00			0.00		
+10-195-90055	TO D-A-B GRANT FUND	29,606.00		29,606.00	0.00		(5,000.00)	(5,000.00)	ENTIRE TRANSFER NOT NEEDED TO BALANCE BUDGET	
+10-195-90105	TO EQPT ACQ & REP FUND	2,500.00		2,500.00	0.00			0.00		
10-195-90110	TO LIB SR CTR TRUST	8,458.00		8,458.00	0.00			0.00		
	TO CIVIL FORFEITURES			0.00	0.00	4,770.02		4,770.02	UNANTICIPATED DEFICIT	
40-430-90012	TO WATER BONDS	257,378.00		257,378.00	0.00			0.00		
+40-430-90025	TO GIS	18,000.00		18,000.00	0.00			0.00		
+40-430-90105	TO EQPT ACQ & REP FUND	15,910.00		15,910.00	0.00			0.00		
40-430-90120	TO WATER CIP	50,000.00		50,000.00	0.00			0.00		
40-434-49022	FROM WATER BOND		(257,378.00)	(257,378.00)	0.00			0.00		
40-434-49022	FROM WATER FUND		(50,000.00)	(50,000.00)	0.00			0.00		
+40-435-90025	TO GIS	10,000.00		10,000.00	0.00			0.00		
+40-470-90014	TO W.W. BONDS	372,056.00		372,056.00	0.00			0.00		
+40-470-90025	TO GIS	20,000.00		20,000.00	0.00			0.00		
+40-470-90105	TO EQPT ACQ & REP FUND	33,940.00		33,940.00	0.00			0.00		
40-470-90125	TO W. WATER CIP	10,000.00		10,000.00	0.00			0.00		
+40-474-49024	FROM W WATER FUND-BOND		(372,056.00)	(372,056.00)	0.00			0.00		
40-474-49025	FROM W WATER FUND		(10,000.00)	(10,000.00)	0.00			0.00		
+40-474-49105	FROM STREET CIP				0.00			0.00		
40-475-90025	TO GIS	20,000.00		20,000.00	0.00			0.00		
50-505-49085	FROM BANC BOND FUND		(35,000.00)	(35,000.00)	0.00			0.00		
50-510-90005	TO GENERAL FUND			1,600.00	(1,600.00)	873.19		(726.81)	MORE FUNDS AVAILABLE TO TRANSFER THAN IN BUDGET	
50-515-47058	FROM HOUSING REHAB		(10,000.00)	(10,000.00)	0.00			(10,000.00)	93-94 TRANSFER LIMITED DUE TO BUDGET EXPENDITURES	
50-515-49010	FROM GENERAL FUND		(30,000.00)	(30,000.00)	0.00			0.00		
50-527-49010	FROM GENERAL FUND		(8,000.00)	(8,000.00)	0.00			0.00		
50-540-ALL	FROM VARIOUS TO GIS		(88,000.00)	(88,000.00)	0.00			0.00		
+50-550-49105	FROM STREETS CAP PROJ		(55,000.00)	(55,000.00)	0.00			0.00		
50-558-90025	TO GIS	5,000.00		5,000.00	0.00			0.00		
+50-558-90052	TO STORM DRAINAGE	33,216.00		33,216.00	0.00			0.00		
+50-558-90105	TO EQPT ACQ & REP FUND	21,496.00		21,496.00	0.00			0.00		
+50-559-49046	FROM STREETS FUND		(33,216.00)	(33,216.00)	0.00			0.00		
50-563-	FROM GENERAL FUND				0.00		(4,770.02)	(4,770.02)	UNANTICIPATED DEFICIT	
+50-569-49010	FROM GENERAL FUND		(29,606.00)	(29,606.00)	0.00	5,000.00		5,000.00	ENTIRE TRANSFER NOT NEEDED TO BALANCE BUDGET	
50-569-90105	TO EQUIP ACQ	3,000.00		3,000.00	0.00			0.00		
+50-571-49105	FROM STREETS CAP PROJ		(14,055.00)	(14,055.00)	0.00			0.00		
50-585-49085	FROM BANC BOND FUND		(38,030.00)	(38,030.00)	0.00			0.00		
50-585-90145	TO SANTIAM TRAVEL STATI	10,000.00		10,000.00	0.00			0.00		
50-591-90083	TO 94 HSG REHAB	5,337.42		5,337.42	0.00			0.00		
50-591-90083	TO 94 HSG REHAB	24,762.58		24,762.58	0.00			0.00		
50-584-49028	FROM HOUSING REHAB		(30,100.00)	(30,100.00)	0.00			0.00		
70-720-49092	FROM WALKER RD LID		(2,800.00)	(2,800.00)	(800.00)			(800.00)	GRANT TRANSFER REV DOES NOT HAVE TO BE BUDGETED	
70-720-49093	FROM E. GRANT ST LID		(5,160.00)	(4,600.00)	(560.00)			(560.00)	MORE FUNDS AVAILABLE TO TRANSFER THAN IN BUDGET	
70-720-90010	TO GENERAL FUND	7,500.00		7,500.00	0.00			0.00		
70-720-90016	TO ADA	35,000.00		35,000.00	0.00			0.00		
70-720-90080	TO 83-84 HSG REHAB	38,030.00		38,030.00	0.00			0.00		
70-720-90136	TO WALKER RD	6,500.00		6,500.00	0.00			0.00		
70-720-90137	TO E GRANT LID	5,500.00		5,500.00	0.00			0.00		

**CITY OF LEBANON, OREGON**  
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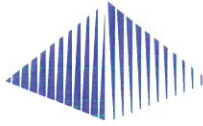
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**GROVE, MUELLER, HALL & SWANK**  
P.C.  
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

***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, 1995, 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. 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, 1994, 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 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.

*GROVE, MUELLER, HALL & SWANK, P.C.*  
*CERTIFIED PUBLIC ACCOUNTANTS*

By: \_\_\_\_\_

Charles A. Swank, Shareholder

November 10, 1995



***GENERAL PURPOSE FINANCIAL STATEMENTS***



**CITY OF LEBANON, OREGON**  
**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS**  
**JUNE 30, 1995**

	<i>Governmental Fund Types</i>			
	<i>General</i>	<i>Special Revenue</i>	<i>Debt Service</i>	<i>Capital Projects</i>
<b>ASSETS AND OTHER DEBITS:</b>				
<i>Assets:</i>				
Cash and investments	\$ 515,813	\$ 2,338,669	\$ 198,720	\$ 1,851,267
Receivables:				
Court fines	748,771	-	-	-
Property taxes	191,309	33,957	8,020	-
Accounts	131,609	114,759	1,201	100,032
Special assessments/loans	2,534	546,782	71,972	-
Other funds	28,660	-	-	20,684
Prepaid expenses	2,495	-	2,569	-
Fixed assets	-	-	-	-
Accumulated depreciation	-	-	-	-
<i>Other Debits:</i>				
Amount available for debt retirement	-	-	-	-
Amount to be provided for debt retirement	-	-	-	-
<i>Total Assets and Other Debits</i>	<u>\$ 1,621,191</u>	<u>\$ 3,034,167</u>	<u>\$ 282,482</u>	<u>\$ 1,971,983</u>

<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Types</u>		<u>Account Groups</u>		<u>Total (Memorandum Only)</u>
	<u>Expendable Trust</u>	<u>Agency</u>	<u>General Long- Term Debt</u>	<u>General Fixed Assets</u>	
<u>Enterprise</u>					
\$ 5,157,719	\$ ( 130,607)	\$ 423,615	\$ -	\$ -	\$ 10,355,196
-	-	-	-	-	748,771
673	-	-	-	-	233,959
373,589	110,905	-	-	-	832,095
-	20,469	-	-	-	641,757
-	-	-	-	-	49,344
3,630	10,180	-	-	-	18,874
17,603,736	-	-	-	4,065,117	21,668,853
( 3,584,580)	-	-	-	-	( 3,584,580)
-	-	-	199,921	-	199,921
-	-	-	1,741,660	-	1,741,660
<u>\$ 19,554,767</u>	<u>\$ 10,947</u>	<u>\$ 423,615</u>	<u>\$ 1,941,581</u>	<u>\$ 4,065,117</u>	<u>\$ 32,905,850</u>

The accompanying notes and independent auditors' report  
are integral parts of the financial statements.

**CITY OF LEBANON, OREGON**

**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS (Continued)**

JUNE 30, 1995

	<i>Governmental Fund Types</i>			
	<i>General</i>	<i>Special Revenue</i>	<i>Debt Service</i>	<i>Capital Projects</i>
<b>LIABILITIES, EQUITY AND OTHER CREDITS:</b>				
<i>Liabilities:</i>				
Accounts payable	\$ 40,755	\$ 80,855	\$ -	\$ 31,252
Deposits	-	-	-	-
Due to other funds	-	46,744	-	2,600
Loan payable	-	-	-	-
Bonds payable	-	-	-	-
Bond discount	-	-	-	-
Paid absences and deferred compensation	47,528	8,252	-	6,830
Deferred revenues	<u>971,274</u>	<u>609,730</u>	<u>82,561</u>	<u>100,032</u>
<i>Total Liabilities</i>	1,059,557	745,581	82,561	140,714
<i>Equity and Other Credits:</i>				
Investment in general fixed assets	-	-	-	-
Contributed capital	-	-	-	-
Retained earnings (deficit)	-	-	-	-
Reserved for claims	-	-	-	-
Fund balances:				
Reserved for claims	63,332	30,322	-	-
Reserved for petty cash	1,300	-	-	-
Unreserved, undesignated (deficit)	<u>497,002</u>	<u>2,258,264</u>	<u>199,921</u>	<u>1,831,269</u>
<i>Total Equity and Other Credits</i>	<u>561,634</u>	<u>2,288,586</u>	<u>199,921</u>	<u>1,831,269</u>
<i>Total Liabilities, Equity and Other Credits</i>	<u>\$ 1,621,191</u>	<u>\$ 3,034,167</u>	<u>\$ 282,482</u>	<u>\$ 1,971,983</u>

<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Types</u>		<u>Account Groups</u>		<u>Total (Memorandum Only)</u>
	<u>Expendable Trust</u>	<u>Agency</u>	<u>General Long- Term Debt</u>	<u>General Fixed Assets</u>	
<u>Enterprise</u>					
\$ 38,211	\$ 16,973	\$ -	\$ -	\$ -	\$ 208,046
35,766	-	-	-	-	35,766
-	-	-	-	-	49,344
23,268	-	-	237,904	-	237,904
12,490,000	-	-	1,350,000	-	13,840,000
( 294,122)	-	-	-	-	( 294,122)
113,538	-	423,615	353,677	-	953,440
-	405	-	-	-	1,764,002
12,406,661	17,378	423,615	1,941,581	-	16,817,648
-	-	-	-	4,065,117	4,065,117
7,619,674	-	-	-	-	7,619,674
( 508,122)	-	-	-	-	( 508,122)
36,554	-	-	-	-	36,554
-	-	-	-	-	93,654
-	-	-	-	-	1,300
-	( 6,431)	-	-	-	4,780,025
7,148,106	( 6,431)	-	-	4,065,117	16,088,202
<u>\$ 19,554,767</u>	<u>\$ 10,947</u>	<u>\$ 423,615</u>	<u>\$ 1,941,581</u>	<u>\$ 4,065,117</u>	<u>\$ 32,905,850</u>

The accompanying notes and independent auditors' report  
are integral parts of the financial statements.

**CITY OF LEBANON, OREGON**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND  
FOR THE YEAR ENDED JUNE 30, 1995**

	<i>Governmental Fund Types</i>			
	<i>General</i>	<i>Special Revenue</i>	<i>Debt Service</i>	<i>Capital Projects</i>
<b>REVENUES:</b>				
Taxes and assessments	\$ 1,848,994	\$ 338,283	\$ 77,226	\$ 168,423
Licenses and permits	421,395	158,343	-	-
Fines and forfeitures	152,712	980	-	-
Intergovernmental	179,240	997,911	-	12,273
Charges for services	2,258	-	-	-
Miscellaneous	115,932	218,302	10,315	143,951
<i>Total Revenues</i>	<u>2,720,531</u>	<u>1,713,819</u>	<u>87,541</u>	<u>324,647</u>
<b>EXPENDITURES:</b>				
Personnel services	1,800,649	374,490	-	210,462
Materials and services	599,989	909,451	663	134,409
Capital outlay	164,997	158,074	-	296,159
Other requirements	12,964	141,913	79,479	1,630
<i>Total Expenditures</i>	<u>2,578,599</u>	<u>1,583,928</u>	<u>80,142</u>	<u>642,660</u>
Excess (deficiency) of revenues over expenditures	141,932	129,891	7,399	( 318,013)
<b>OTHER FINANCING SOURCES (USES):</b>				
Loan proceeds	285,000	-	-	-
Transfers in	8,373	374,007	19,960	368,316
Transfers out	( 85,484)	( 111,685)	( 100,490)	( 84,055)
Loan repayment	( 285,000)	-	-	-
<i>Total Other Financing Sources (Uses)</i>	<u>( 77,111)</u>	<u>262,322</u>	<u>( 80,530)</u>	<u>284,261</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	64,821	392,213	( 73,131)	( 33,752)
<b>UNRESERVED FUND BALANCE, July 1</b>				
	<u>432,181</u>	<u>1,866,051</u>	<u>273,052</u>	<u>1,865,021</u>
<b>UNRESERVED FUND BALANCE (DEFICIT), June 30</b>				
	<u>\$ 497,002</u>	<u>\$ 2,258,264</u>	<u>\$ 199,921</u>	<u>\$ 1,831,269</u>

<u>Fiduciary Fund Type Expendable Trust</u>	<u>Total (Memorandum Only)</u>
\$ -	\$ 2,432,926
-	579,738
56,195	209,887
-	1,189,424
-	2,258
<u>73,461</u>	<u>561,961</u>
129,656	4,976,194
-	2,385,601
140,642	1,785,154
-	619,230
<u>-</u>	<u>235,986</u>
<u>140,642</u>	<u>5,025,971</u>
( 10,986)	( 49,777)
-	285,000
-	770,656
-	( 381,714)
<u>-</u>	<u>( 285,000)</u>
<u>-</u>	<u>388,942</u>
( 10,986)	339,165
<u>4,555</u>	<u>4,440,860</u>
<u>\$ ( 6,431)</u>	<u>\$ 4,780,025</u>

*The accompanying notes and independent auditors' report  
are integral parts of the financial statements.*

**CITY OF LEBANON, OREGON**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND FOR THE YEAR ENDED JUNE 30, 1995**

	<u>General Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>			
Taxes and assessments	\$ 1,657,854	\$ 1,848,994	\$ 191,140
Licenses and permits	340,500	421,395	80,895
Fines and forfeitures	161,500	152,712	( 8,788)
Intergovernmental	164,000	179,240	15,240
Charges for services	500	2,258	1,758
Miscellaneous	<u>88,620</u>	<u>115,932</u>	<u>27,312</u>
<i>Total Revenues</i>	2,412,974	2,720,531	307,557
<b>EXPENDITURES:</b>			
Personnel services	1,831,225	1,786,275	44,950
Materials and services	593,229	599,989	( 6,760)
Capital outlay	171,372	164,997	6,375
Other requirements	<u>80,534</u>	<u>12,965</u>	<u>67,569</u>
<i>Total Expenditures</i>	<u>2,676,360</u>	<u>2,564,226</u>	<u>112,134</u>
Excess (deficiency) of revenues over expenditures	( 263,386)	156,305	419,691
<b>OTHER FINANCING SOURCES (USES):</b>			
Loan proceeds	300,000	285,000	( 15,000)
Transfers in	9,100	8,373	( 727)
Transfers out	( 85,714)	( 85,484)	230
Loan repayment	<u>( 300,000)</u>	<u>( 285,000)</u>	<u>15,000</u>
<i>Total Other Financing Sources (Uses)</i>	<u>( 76,614)</u>	<u>( 77,111)</u>	<u>( 497)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	( 340,000)	79,194	419,194
<b>FUND BALANCE, July 1, Budget basis</b>	<u>390,000</u>	<u>465,336</u>	<u>75,336</u>
<b>FUND BALANCE, June 30, Budget basis</b>	<u>\$ 50,000</u>	544,530	<u>\$ 494,530</u>
Adjustment to GAAP basis		<u>( 47,528)</u>	
<b>FUND BALANCE, June 30, GAAP basis</b>		<u>\$ 497,002</u>	

<i>Special Revenue Funds</i>			<i>Debt Service Funds</i>		
<i>Budget</i>	<i>Actual</i>	<i>Variance Favorable (Unfavorable)</i>	<i>Budget</i>	<i>Actual</i>	<i>Variance Favorable (Unfavorable)</i>
\$ 319,171	\$ 338,283	\$ 19,112	\$ 83,250	\$ 77,226	\$ ( 6,024)
121,318	158,343	-	-	-	-
6,444	980	( 5,464)	-	-	-
2,804,622	997,911	( 1,806,711)	-	-	-
-	-	-	-	-	-
<u>91,800</u>	<u>218,302</u>	<u>126,502</u>	<u>7,100</u>	<u>10,315</u>	<u>3,215</u>
3,343,355	1,713,819	( 1,666,561)	90,350	87,541	( 2,809)
387,066	371,701	15,365	-	-	-
1,504,868	888,161	616,707	5,450	663	4,787
3,267,532	158,074	3,109,458	-	-	-
<u>485,384</u>	<u>141,913</u>	<u>343,471</u>	<u>1,094,117</u>	<u>79,479</u>	<u>1,014,638</u>
<u>5,644,850</u>	<u>1,559,849</u>	<u>4,085,001</u>	<u>1,099,567</u>	<u>80,142</u>	<u>1,019,425</u>
( 2,301,495)	153,970	2,455,465	( 1,009,217)	7,399	1,016,616
-	-	-	-	-	-
361,007	399,461	38,454	18,600	19,960	1,360
( 102,412)	( 111,685)	( 9,273)	( 99,130)	( 100,490)	( 1,360)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>258,595</u>	<u>287,776</u>	<u>29,181</u>	<u>( 80,530)</u>	<u>( 80,530)</u>	<u>-</u>
( 2,042,900)	441,746	2,484,646	( 1,089,747)	( 73,131)	1,016,616
<u>1,861,176</u>	<u>1,871,513</u>	<u>10,337</u>	<u>1,177,170</u>	<u>273,052</u>	<u>( 904,118)</u>
<u>\$( 181,724)</u>	2,313,259	<u>\$ 2,494,983</u>	<u>\$ 87,423</u>	199,921	<u>\$ 112,498</u>
	( 54,995)			-	
	<u>\$ 2,258,264</u>			<u>\$ 199,921</u>	

The accompanying notes and independent auditors' report are integral parts of the financial statements.



**CITY OF LEBANON, OREGON**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 1995**

	<u>Capital Projects Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>			
Taxes and assessments	\$ 85,550	\$ 168,423	\$ 82,873
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Intergovernmental	168,600	12,273	( 156,327)
Charges for services	-	-	-
Miscellaneous	<u>184,580</u>	<u>143,951</u>	<u>( 40,629)</u>
<i>Total Revenues</i>	438,730	324,647	( 114,083)
<b>EXPENDITURES:</b>			
Personnel services	260,866	207,077	53,789
Materials and services	236,858	131,809	105,049
Capital outlay	1,493,040	297,789	1,195,251
Other requirements	<u>717,632</u>	<u>-</u>	<u>717,632</u>
<i>Total Expenditures</i>	<u>2,708,396</u>	<u>636,675</u>	<u>2,071,721</u>
Excess (deficiency) of revenues over expenditures	( 2,269,666)	( 312,028)	1,957,638
<b>OTHER FINANCING SOURCES (USES):</b>			
Bank loans	-	-	-
Transfers in	398,627	368,316	( 30,311)
Transfers out	( 84,055)	( 84,055)	-
Loan repayment	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Other Financing Sources (Uses)</i>	<u>314,572</u>	<u>284,261</u>	<u>( 30,311)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	( 1,955,094)	( 27,767)	1,927,327
<b>FUND BALANCE, July 1, Budget basis</b>	<u>1,958,094</u>	<u>1,868,467</u>	<u>( 89,627)</u>
<b>FUND BALANCE (DEFICIT), June 30, Budget basis</b>	<u>\$ 3,000</u>	1,840,700	<u>\$ 1,837,700</u>
Adjustment to GAAP basis		<u>( 9,431)</u>	
<b>FUND BALANCE (DEFICIT), June 30, GAAP basis</b>		<u>\$ 1,831,269</u>	

<u>Expendable Trust Fund</u>			<u>Totals (Memorandum Only)</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$ -	\$ -	\$ -	\$ 2,145,825	\$ 2,432,926	\$ 287,101
-	-	-	461,818	579,738	117,920
121,000	56,195	( 64,805)	288,944	209,887	( 79,057)
-	-	-	3,137,222	1,189,424	( 1,947,798)
-	-	-	500	2,258	1,758
-	73,461	73,461	372,100	561,961	189,861
121,000	129,656	8,656	6,406,409	4,976,194	( 1,430,215)
-	-	-	2,479,157	2,365,053	114,104
121,000	140,642	( 19,642)	2,461,405	1,761,264	700,141
-	-	-	4,931,944	620,860	4,311,084
-	-	-	2,377,667	234,357	2,143,310
121,000	140,642	( 19,642)	12,250,173	4,981,534	7,268,639
-	( 10,986)	( 10,986)	( 5,843,764)	( 5,340)	5,838,424
-	-	-	300,000	285,000	-
-	-	-	787,334	796,110	8,776
-	-	-	( 371,311)	( 381,714)	( 10,403)
-	-	-	( 300,000)	( 285,000)	-
-	-	-	416,023	414,396	( 1,627)
-	( 10,986)	( 10,986)	( 5,427,741)	409,056	5,836,797
-	4,555	4,555	5,386,440	4,482,923	( 903,517)
\$ -	( 6,431)	\$ ( 6,431)	\$ ( 41,301)	4,891,979	\$ 4,933,280
-	-	-	-	( 111,954)	-
-	\$ ( 6,431)	-	-	\$ 4,780,025	-

The accompanying notes and independent auditors' report  
are integral parts of the financial statements.

**CITY OF LEBANON, OREGON**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES**  
**IN RETAINED EARNINGS - PROPRIETARY FUND TYPE - ENTERPRISE FUND**  
**FOR THE YEAR ENDED JUNE 30, 1995**

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<b>OPERATING REVENUES:</b>	
Charges for services	\$ 3,034,952
Miscellaneous	<u>336,743</u>
<i>Total Operating Revenues</i>	3,371,695
<b>OPERATING EXPENSES:</b>	
Personnel services	646,962
Materials and services	1,035,587
Depreciation	<u>357,804</u>
<i>Total Operating Expenses</i>	<u>2,040,353</u>
<i>Operating Income</i>	1,331,342
<b>NONOPERATING REVENUE (EXPENSES):</b>	
Interest expense	( 770,243)
Transfers in	689,434
Transfers out	( 777,284)
Loss on disposal of assets	<u>( 1,151)</u>
	<u>( 859,244)</u>
<i>Net Income</i>	472,098
<b>NET RETAINED EARNINGS (DEFICIT), July 1</b>	<u>( 980,220)</u>
<b>NET RETAINED EARNINGS (DEFICIT), June 30</b>	<u>\$ ( 508,122)</u>

*The accompanying notes and independent auditors' report  
are integral parts of the financial statements.*

**CITY OF LEBANON, OREGON**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE - ENTERPRISE FUND**  
**FOR THE YEAR ENDED JUNE 30, 1995**

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**CASH FLOWS FROM OPERATING ACTIVITIES:**

Operating income	\$ 1,331,342
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	357,804
Amortization	14,213
Net book value of disposed assets	( 1,151)
Accounts receivable	( 9,141)
Property taxes receivable	51
Prepaid expenses	( 3,522)
Accounts payable	( 18,809)
Accrued liabilities	<u>19,718</u>
<i>Net Cash Provided by Operating Activities</i>	1,690,505

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:**

Transfers in	689,434
Transfers out	<u>( 777,284)</u>
<i>Total Transfers</i>	( 87,850)

**CASH FLOWS USED BY CAPITAL AND RELATED FINANCING ACTIVITIES:**

Purchase of equipment and construction in progress	( 1,570,423)
Repayment of long-term debt	( 276,174)
Contributed capital	193,482
Interest paid	( 770,243)
Increase in reserve for claims	<u>315</u>
<i>Net Cash Used by Capital and Related Financing Activities</i>	<u>( 2,423,043)</u>

Net decrease in cash and investments ( 820,388)

**CASH AND INVESTMENTS, July 1** 5,978,107

**CASH AND INVESTMENTS, June 30** \$ 5,157,719

*The accompanying notes and independent auditors' report  
are integral parts of the financial statements.*

*CITY OF LEBANON, OREGON*  
*NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS*  
*FOR THE YEAR ENDED JUNE 30, 1995*

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*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.

*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.

*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 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.

*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.

**CITY OF LEBANON, OREGON**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 1995**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Basis of Accounting (Continued)*

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 this fund 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.

*Budgets*

Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles, except for compensated absences (as described 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 budgets for the enterprise fund are adopted on the same basis as the budgets for the governmental funds, except for revenues, which are budgeted when received.

*Cash and Investments*

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

**CITY OF LEBANON, OREGON**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 1995**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Cash and Investments (Continued)*

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.

*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.

*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.

*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.

*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 that fund.

**CITY OF LEBANON, OREGON**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 1995**

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**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*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.

*Bond Discounts/Issuance Costs*

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

*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 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.

*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.

**LEGAL COMPLIANCE - BUDGETS**

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.

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.

Prior to July 1, the budget is legally adopted by the City Council through passage of a resolution.

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.

Appropriations lapse at year end.

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 its financial reporting. The City complies with the budgetary process requirements established by the appropriate sections of the Oregon Revised Statutes.

Expenditures may not legally exceed budgeted appropriations, which are adopted at the department level for all funds.



**CITY OF LEBANON, OREGON**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED JUNE 30, 1995**

**CASH AND INVESTMENTS**

*Investments*

The City's investment policies are governed by state statutes. In addition, the City has followed the recommendations of the Oregon Municipal Debt Advisory Commission and has its own investment policy, approved by the City Council, which provides further guidelines for investments. The City's investments are categorized as follows:

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

Deposits and investments at June 30, 1995 were comprised of the following:

	<i>Category</i>			<i>Carrying Amount</i>	<i>Market Value</i>
	<i>1</i>	<i>2</i>	<i>3</i>		
Investments with financial institutions:					
US Government Agencies:					
US Treasury Bills	\$ -	\$ 504,788	\$ -	\$ 504,788	\$ 522,926
Federal Farm Credit Bank	-	785,549	-	785,549	819,344
Federal Farm Credit Bank	-	772,569	-	772,569	769,761
Federal National Mortgage Assoc.	-	493,033	-	493,033	493,936
Federal Home Loan Bank	-	727,331	-	727,331	744,394
Federal Home Loan Bank	-	471,988	-	471,988	477,598
Subtotal	-	3,755,258	-	3,755,258	3,827,959
First Interstate Bank					
Bankers' Acceptances	-	1,218,578	-	1,218,578	1,232,276
Commercial paper	-	482,708	-	482,708	499,746
Investment in Oregon State					
Treasurer's Local Government Pool				3,893,035	3,893,035
Held by custodian under deferred compensation plan				<u>423,615</u>	<u>423,615</u>
<i>Total investments</i>				9,773,194	9,876,631
Demand deposits				580,702	580,702
Petty cash				<u>1,300</u>	<u>1,300</u>
<i>Total cash and investments</i>				<u>\$ 10,355,196</u>	<u>\$ 10,458,633</u>

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

Demand deposits at June 30, 1995 included bank demand deposits. These deposits were insured by Federal depository insurance in the amount of \$200,000. The remaining balances were collateralized by securities held by the financial institutions in the City's name.

**CITY OF LEBANON, OREGON**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED JUNE 30, 1995**

**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, 1995 were as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Available</u>	<u>Deferred</u>
General Fund	\$ 191,309	\$ -	\$ 191,309
Debt Service Fund	8,020	-	8,020
Urban Renewal Fund	16,294	-	16,294
Lebanon URD Bonds Fund	14,384	-	14,384
NW Urban Renewal Fund	3,279	-	3,279
Enterprise Fund	<u>673</u>	<u>673</u>	<u>-</u>
<i>Total</i>	<u>\$ 233,959</u>	<u>\$ 673</u>	<u>\$ 233,286</u>

**FIXED ASSETS**

A summary of changes in general fixed assets follows:

	<u>Balance July 1, 1994</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1995</u>
<i>Total Fixed Assets</i>	<u>\$ 3,767,999</u>	<u>\$ 331,622</u>	<u>\$ 34,504</u>	<u>\$ 4,065,117</u>

The following is a summary of proprietary fund type fixed assets for the year ended June 30, 1995:

	<u>Water</u>	<u>Wastewater</u>	<u>Railroad</u>	<u>Total</u>
Balance, July 1, 1994	\$ 5,687,769	\$ 9,407,404	\$ 1,482	\$ 15,096,655
Additions	1,224,946	217,362	-	1,442,308
Deletions	<u>-</u>	<u>( 4,422)</u>	<u>-</u>	<u>( 4,422)</u>
Balance, June 30, 1995	6,912,715	9,620,344	1,482	16,534,541
Less: accumulated depreciation	<u>( 1,433,216)</u>	<u>( 2,150,624)</u>	<u>( 740)</u>	<u>( 3,584,580)</u>
Net property, plant, and equipment	5,479,499	7,469,720	742	12,949,961
Construction in-progress	<u>513,956</u>	<u>555,239</u>	<u>-</u>	<u>1,069,195</u>
<i>Net fixed assets</i>	<u>\$ 5,993,455</u>	<u>\$ 8,024,959</u>	<u>\$ 742</u>	<u>\$ 14,019,156</u>

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

Buildings	50 years
Plant equipment	40 years
Office equipment	5 years

**CITY OF LEBANON, OREGON**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 1995**

**LONG-TERM DEBT**

The bonds payable of \$13,840,000 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 July 1, 1994</u>	<u>Issued</u>	<u>Paid</u>	<u>Outstanding June 30, 1995</u>
Bancroft improvement	\$ 75,000	\$ -	\$ 15,000	\$ 60,000
General obligation	1,415,000	-	125,000	1,290,000
Revenue supported general obligation	4,330,000	-	150,000	4,180,000
Wastewater revenue supported	620,000	-	85,000	535,000
Water revenue supported	385,000	-	40,000	345,000
Wastewater revenue refunding	4,215,000	-	-	4,215,000
Water revenue refunding	<u>3,215,000</u>	<u>-</u>	<u>-</u>	<u>3,215,000</u>
<i>Total</i>	<u>\$ 14,255,000</u>	<u>\$ -</u>	<u>\$ 415,000</u>	<u>\$ 13,840,000</u>

Annual debt service requirements to maturity for all bonds, including interest of \$11,017,867 are as follows:

<u>Fiscal Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
1995-96	\$ 1,274,676	\$ 450,000	\$ 824,676
1996-97	1,224,336	425,000	799,336
1997-98	1,223,467	450,000	773,467
1998-99	1,225,660	480,000	745,660
1999-00	1,170,154	455,000	715,154
2000-01	1,165,061	480,000	685,061
2001-02	1,149,275	495,000	654,275
2002-03	1,148,415	525,000	623,415
2003-04	1,151,020	560,000	591,020
2004-05	1,155,960	600,000	555,960
2005-06	1,162,405	645,000	517,405
2006-07	1,166,172	690,000	476,172
2007-08	1,161,407	730,000	431,407
2008-09	1,158,937	775,000	383,937
2009-10	1,173,053	840,000	333,053
2010-11	714,957	420,000	294,957
2011-12	701,051	430,000	271,051
Thereafter	<u>5,731,861</u>	<u>4,390,000</u>	<u>1,341,861</u>
	<u>\$ 24,857,867</u>	<u>\$ 13,840,000</u>	<u>\$ 11,017,867</u>

Total defeased debt at June 30, 1995 was \$10,158,870.

**CITY OF LEBANON, OREGON**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 1995**

**LONG-TERM DEBT (Continued)**

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

Lease/purchase of Police Department hardware and software, interest at 6.0% to 6.97%:

<u>Fiscal Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
1995-96	\$ 24,000	\$ 15,489	\$ 8,511
1996-97	28,500	20,985	7,515
1997-98	30,000	23,892	6,108
1998-99	70,898	66,362	4,536
	<u>\$ 153,398</u>	<u>\$ 126,728</u>	<u>\$ 26,670</u>

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

<u>Fiscal Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
1995-96	\$ 2,246	\$ 2,077	\$ 169

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

SCIP Loan:

<u>Fiscal Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
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	163,259	97,692	65,567
	<u>\$ 228,919</u>	<u>\$ 109,099</u>	<u>\$ 119,820</u>

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. The amount of accrued interest at June 30, 1995 was \$41,310.

**CITY OF LEBANON, OREGON**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 1995**

**LONG-TERM DEBT (Continued)**

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>
1995-96	\$ 3,216	\$ 1,416	\$ 1,800
1996-97	3,216	1,533	1,683
Thereafter	<u>27,976</u>	<u>20,319</u>	<u>7,657</u>
	<u>\$ 34,408</u>	<u>\$ 23,268</u>	<u>\$ 11,140</u>

**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, 1994	\$ 13,787	\$ 7,391,255	\$ 21,150	\$ 7,426,192
Additions	<u>94,916</u>	<u>98,566</u>	<u>-</u>	<u>193,482</u>
Contributed capital June 30, 1995	<u>\$ 108,703</u>	<u>\$ 7,489,821</u>	<u>\$ 21,150</u>	<u>\$ 7,619,674</u>

**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 \$2,280,355, and the contribution for the year was \$256,465.

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

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

The measure is independent of the actuarial funding method used to determine contributions. The Pension Benefit Obligation was determined as part of the actuarial valuation at December 31, 1993, and estimated as of December 31, 1994.

**CITY OF LEBANON, OREGON**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 1995**

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**EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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>12/31/94</u>
Pension Benefit Obligation	
Accumulated Member Contributions	\$ 2,277,174
Employer - Financed Vested Benefits	2,387,593
Employer - Financed Non Vested Benefits	<u>143,802</u>
Total	<u>\$ 4,808,569</u>
Net Assets Available for Benefits	
PERS Book Value	\$ 6,417,385
Market Value	6,285,793
Actuarial Value	N/A
Employer Contribution Rates	
Effective July 1, 1995	6.00%
Effective July 1, 1997	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, 1994 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 GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)**

**FOR THE YEAR ENDED JUNE 30, 1995**

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**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.

**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, 1995, valued at market, include \$423,615 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 GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 1995**

**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	\$ 2,720,531	\$ 1,713,819	\$ 25,267	\$ 324,647	\$ 3,389,858
Adjustment for:					
Accounts receivable/deposits	-	-	-	-	11,641
Refunds	-	-	-	-	( 29,804)
Per GAAP basis	<u>\$ 2,720,531</u>	<u>\$ 1,713,819</u>	<u>\$ 25,267</u>	<u>\$ 324,647</u>	<u>\$ 3,371,695</u>
Expenditures and other financing uses:					
Per budgetary basis	\$ 2,564,226	\$ 1,559,849	\$ 85,181	\$ 636,675	\$ 4,877,386
Adjustments for:					
Deposit refunds	-	-	-	-	( 26,971)
Change in accrued compensated absences	14,373	24,079	-	5,985	19,716
Loan repayments/bond principal	-	-	( 5,039)	-	( 276,175)
Capital outlay	-	-	-	-	( 1,371,246)
Depreciation	-	-	-	-	357,804
Amortization/bond issue costs	-	-	-	-	7,366
Loss on disposal of assets	-	-	-	-	1,151
Per GAAP basis	<u>\$ 2,578,599</u>	<u>\$ 1,583,928</u>	<u>\$ 80,142</u>	<u>\$ 642,660</u>	<u>\$ 3,589,031</u>

**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 overexpended the appropriations for the Police Trust department (Capital Projects Fund) by \$337. The overexpenditure was due to the City's failure to appropriate unanticipated donation funds prior to expenditure.
- B. Individual fund interfund receivable and payable balances. Such balances at June 30, 1995 were:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 28,660	\$ -
Intergovernmental Fund	-	26,060
Capital Projects Fund	20,684	2,600
EDA Grant Fund	-	20,684
Totals	<u>\$ 49,344</u>	<u>\$ 49,344</u>



**CITY OF LEBANON, OREGON**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 1995**

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***OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES (Continued)***

- C. Interfund transfers in exceeded interfund transfers out because allocation of project costs from the Capital Projects Fund to the Enterprise Fund in the amount of \$270,588 were budgeted and recorded as transfers in for the Capital Projects Fund but as capital outlay expenditures in the Enterprise Fund. Also an interfund loan repayment was budgeted as a transfer in for the Capital Projects Fund, but as a debt service expenditure in the Debt Service Fund.

***INSURANCE RESERVES***

For the past several years, the City has been setting aside funds in an insurance reserve account to use for self insurance against various risks. The deductibles on most city policies range from \$1,000 to \$5,000. However, the greatest portion of the reserve is set aside to meet the deductible on the earthquake policy, which is \$100,000. In addition, from time to time, when special expenditures are needed for safety reasons, funds from this reserve are used. Examples are replacement of 4 wheel office chairs with required 5 wheel chairs and improvements to make work stations ergonomically correct. All expenditures are made in accordance with Oregon Local Budget Law.

***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.

***SUBSEQUENT EVENT***

In August, 1995 the City issued \$4,380,000 of general obligation refunding bonds, due November 1, 1996 through November 1, 2009. Interest rates range from 3.75% to 5.35%. The proceeds were used to refund \$4,180,000 of outstanding bonds. The City realized at net present value savings of approximately \$422,000 on the refunding.

***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, 1995**

	<u>Budget</u>	<u>Actual</u>		
		<u>Budget Basis</u>	<u>Adjustments</u>	<u>GAAP Basis</u>
<b>REVENUES:</b>				
Taxes and assessments	\$ 1,657,854	\$ 1,848,994	\$ -	\$ 1,848,994
Licenses and permits	340,500	421,395	-	421,395
Fines and forfeitures	161,500	152,712	-	152,712
Intergovernmental	164,000	179,240	-	179,240
Charges for services	500	2,258	-	2,258
Miscellaneous	<u>88,620</u>	<u>115,932</u>	<u>-</u>	<u>115,932</u>
<i>Total Revenues</i>	2,412,974	2,720,531	-	2,720,531
<b>EXPENDITURES:</b>				
Administration	145,111	118,050	14,373	132,423
City attorney	25,256	24,850	-	24,850
Building inspection	-	-	-	-
Public works	18,166	17,344	-	17,344
Parks	195,192	158,401	-	158,401
Finance	82,401	81,039	-	81,039
Legislative	12,874	12,222	-	12,222
Library	192,072	180,603	-	180,603
Municipal court	195,195	169,031	-	169,031
Police	1,493,816	1,494,124	-	1,494,124
Senior services	93,693	87,462	-	87,462
Nondepartmental	<u>222,584</u>	<u>221,100</u>	<u>-</u>	<u>221,100</u>
<i>Total Expenditures</i>	<u>2,676,360</u>	<u>2,564,226</u>	<u>14,373</u>	<u>2,578,599</u>
Excess (deficiency) of revenues over expenditures	( 263,386)	156,305	( 14,373)	141,932
<b>OTHER FINANCING SOURCES (USES):</b>				
Loan proceeds	300,000	285,000	-	285,000
Transfers in	9,100	8,373	-	8,373
Transfers out	( 85,714)	( 85,484)	-	( 85,484)
Loan repayment	<u>( 300,000)</u>	<u>( 285,000)</u>	<u>-</u>	<u>( 285,000)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>( 76,614)</u>	<u>( 77,111)</u>	<u>-</u>	<u>( 77,111)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	( 340,000)	79,194	( 14,373)	64,821
<b>FUND BALANCE, July 1</b>	<u>390,000</u>	<u>465,336</u>	<u>( 33,155)</u>	<u>432,181</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 50,000</u>	<u>\$ 544,530</u>	<u>\$ ( 47,528)</u>	<u>\$ 497,002</u>



### *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
- NW Urban Renewal District Fund



**CITY OF LEBANON, OREGON**  
**COMBINING BALANCE SHEET - SPECIAL REVENUE FUNDS**  
**JUNE 30, 1995**

	<u>Inter- governmental Fund</u>	<u>Urban Renewal Fund</u>
<b>ASSETS</b>		
Cash and investments	\$ 610,894	\$ 1,677,362
Receivables:		
Property taxes	-	30,678
Accounts	108,571	5,631
Special assessments/loans	546,782	-
Other funds	<u>-</u>	<u>-</u>
 <i>Total Assets</i>	 <u>\$ 1,266,247</u>	 <u>\$ 1,713,671</u>
 <b>LIABILITIES AND FUND BALANCES</b>		
<i>Liabilities:</i>		
Accounts payable	\$ 79,514	\$ 675
Compensated absences payable	7,883	356
Due to other funds	26,060	-
Deferred revenues	<u>575,772</u>	<u>30,678</u>
 <i>Total Liabilities</i>	 689,229	 31,709
 <i>Fund Balances:</i>		
Reserved for claims	30,322	-
Unreserved, undesignated	<u>546,696</u>	<u>1,181,962</u>
 <i>Total Fund Balance</i>	 <u>577,018</u>	 <u>1,681,962</u>
 <i>Total Liabilities and Fund Equity</i>	 <u>\$ 1,266,247</u>	 <u>\$ 1,713,671</u>

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<i>NW Urban Renewal Fund</i>	<i>Total</i>
\$ 50,413	\$ 2,338,669
3,279	33,957
557	114,759
-	546,782
-	-
<u>\$ 54,249</u>	<u>\$ 3,034,167</u>

\$ 666	\$ 80,855
13	8,252
20,684	46,744
3,280	609,730
24,643	745,581
-	30,322
29,606	2,258,264
29,606	2,288,586
<u>\$ 54,249</u>	<u>\$ 3,034,167</u>

**CITY OF LEBANON, OREGON**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 1995**

	<u>Inter- governmental Fund</u>	<u>Urban Renewal Fund</u>
<b>REVENUES:</b>		
Taxes and assessments	\$ 8,622	\$ 297,946
Fines and forfeitures	980	-
Licenses and permits	158,343	-
Intergovernmental	997,911	-
Miscellaneous	<u>129,866</u>	<u>85,763</u>
<i>Total Revenues</i>	1,295,722	383,709
<b>EXPENDITURES:</b>		
Personnel services	354,179	19,331
Materials and services	867,067	14,563
Capital outlay	121,536	26,532
Debt service	<u>-</u>	<u>141,913</u>
<i>Total Expenditures</i>	<u>1,342,790</u>	<u>202,339</u>
Excess (deficiency) of revenues over expenditures	( 47,068)	181,370
<b>OTHER FINANCING SOURCES (USES):</b>		
Transfers in	374,007	-
Transfers out	<u>( 111,685)</u>	<u>-</u>
<i>Total Other Financing Sources (Uses)</i>	<u>262,322</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	215,254	181,370
<b>FUND BALANCE, July 1</b>	<u>331,442</u>	<u>1,500,592</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 546,696</u>	<u>\$ 1,681,962</u>

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<i>NW Urban Renewal Fund</i>		<i>Total</i>	
\$	31,715	\$	338,283
	-		980
	-		158,343
	-		997,911
	<u>2,673</u>		<u>218,302</u>
	34,388		1,713,819
	980		374,490
	27,813		909,451
	10,006		158,074
	<u>-</u>		<u>141,913</u>
	<u>38,799</u>		<u>1,583,928</u>
(	4,411)		129,891
	-		374,007
	<u>-</u>	(	<u>111,685)</u>
	-		262,322
(	4,411)		392,213
	<u>34,017</u>		<u>1,866,051</u>
<u>\$</u>	<u>29,606</u>	<u>\$</u>	<u>2,258,264</u>

**CITY OF LEBANON, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL - INTERGOVERNMENTAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 1995**

	<u>Budget</u>	<u>Actual</u>		<u>GAAP Basis</u>
		<u>Budget Basis</u>	<u>Adjustments</u>	
<b>REVENUES:</b>				
Taxes and assessments	\$ 16,000	\$ 8,622	\$ -	\$ 8,622
Fines and forfeitures	6,444	980	-	980
Licenses and permits	121,318	158,343	-	158,343
Intergovernmental	1,261,622	997,911	-	997,911
Miscellaneous	39,850	129,866	-	129,866
<i>Total Revenues</i>	<u>1,445,234</u>	<u>1,295,722</u>	<u>-</u>	<u>1,295,722</u>
<b>EXPENDITURES:</b>				
ADA Requirements	35,000	9,615	-	9,615
Motel Tax	14,500	7,859	-	7,859
Santiam Travel Station	335,400	16,393	-	16,393
OTSC Grant	243	-	-	-
Building Inspections	69,794	66,221	22,635	88,856
Special Events	4,184	-	-	-
Park Enterprise	12,950	3,283	22	3,305
Century Park Grant	25,000	-	-	-
GIS	130,000	78,801	-	78,801
Sidewalk and Bikepath	108,971	27,330	32	27,362
Engineering Development	58,106	13,652	41	13,693
Streets	515,588	426,262	265	426,527
Storm Drains	42,616	35,142	195	35,337
911 Communications	34,000	-	-	-
Civil Forfeitures	8,581	6,190	-	6,190
Dial-A-Bus	55,446	49,081	1,008	50,089
Senior Center Grant	5,545	4,859	( 390)	4,469
FAU Streets	131,301	65,745	33	65,778
Historic Resources	5,000	5,000	-	5,000
LCDC Planning	10,000	10,000	-	10,000
TGM Grant	6,700	4,968	-	4,968
1983-84 Rehabilitation	93,230	61,904	-	61,904
1985-86 Rehabilitation (Unrestricted)	4,200	3,239	-	3,239
Gills Landings	4,350	1,707	-	1,707
1994 Housing Rehabilitation Grant	538,100	421,698	-	421,698
<i>Total Expenditures</i>	<u>2,248,805</u>	<u>1,318,949</u>	<u>23,841</u>	<u>1,342,790</u>
Excess (deficiency) of revenues over expenditures	( 803,571)	( 23,227)	( 23,841)	( 47,068)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	361,007	378,777	( 4,770)	374,007
Transfers out	( 102,412)	( 111,685)	-	( 222,685)
<i>Total Other Financing Sources (Uses)</i>	<u>258,595</u>	<u>267,092</u>	<u>( 4,770)</u>	<u>262,322</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	( 544,976)	243,865	( 28,611)	215,254
<b>FUND BALANCE, July 1</b>	<u>318,976</u>	<u>336,774</u>	<u>( 5,332)</u>	<u>331,442</u>
<b>FUND BALANCE, June 30</b>	<u>\$ ( 226,000)</u>	<u>\$ 580,639</u>	<u>\$ ( 33,943)</u>	<u>\$ 546,696</u>

**CITY OF LEBANON, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL - URBAN RENEWAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 1995**

	<u>Budget</u>	<u>Actual</u>		<u>GAAP Basis</u>
		<u>Budget Basis</u>	<u>Adjustments</u>	
<b>REVENUES:</b>				
Taxes and assessments	\$ 275,552	\$ 297,946	\$ -	\$ 297,946
Miscellaneous	<u>50,950</u>	<u>85,763</u>	<u>-</u>	<u>85,763</u>
<i>Total Revenues</i>	326,502	383,709	-	383,709
<b>EXPENDITURES:</b>				
Urban renewal	1,381,940	60,201	225	60,426
Urban renewal debt service	160,286	141,913	-	141,913
Operating contingency	<u>243,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Expenditures</i>	<u>1,785,226</u>	<u>202,114</u>	<u>225</u>	<u>202,339</u>
Excess (deficiency) of revenues over expenditures	( 1,458,724)	181,595	( 225)	181,370
<b>FUND BALANCE, July 1</b>	<u>1,503,000</u>	<u>1,500,722</u>	<u>( 130)</u>	<u>1,500,592</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 44,276</u>	<u>\$ 1,682,317</u>	<u>\$ ( 355)</u>	<u>\$ 1,681,962</u>

**CITY OF LEBANON, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL - NW URBAN RENEWAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 1995**

	<u>Budget</u>	<u>Actual</u>		<u>GAAP Basis</u>
		<u>Budget Basis</u>	<u>Adjustments</u>	
<b>REVENUES:</b>				
Taxes and assessments	\$ 27,619	\$ 31,715	\$ -	\$ 31,715
Intergovernmental	1,543,000	-	-	-
Miscellaneous	<u>1,000</u>	<u>2,673</u>	<u>-</u>	<u>2,673</u>
<i>Total Revenues</i>	1,571,619	34,388	-	34,388
<b>EXPENDITURES:</b>				
Personnel services	857	967	13	980
Materials and services	233,925	27,813	-	27,813
Capital outlay	<u>1,376,037</u>	<u>10,006</u>	<u>-</u>	<u>10,006</u>
<i>Total Expenditures</i>	<u>1,610,819</u>	<u>38,786</u>	<u>13</u>	<u>38,799</u>
Excess (deficiency) of revenues over expenditures	( 39,200)	( 4,398)	( 13)	( 4,411)
<b>FUND BALANCE, July 1</b>	<u>39,200</u>	<u>34,017</u>	<u>-</u>	<u>34,017</u>
<b>FUND BALANCE, June 30</b>	<u>\$ -</u>	<u>\$ 29,619</u>	<u>\$ ( 13)</u>	<u>\$ 29,606</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, 1995**

	<u>Debt Service Fund</u>	<u>Bancroft Bond Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments	\$ 40,466	\$ 158,254	\$ 198,720
Receivables:			
Property taxes	8,020	-	8,020
Accounts	1,201	-	1,201
Special assessments/loans	-	71,972	71,972
Prepaid expenses	-	2,569	2,569
	<u>49,687</u>	<u>232,795</u>	<u>282,482</u>
<i>Total Assets</i>	<u>\$ 49,687</u>	<u>\$ 232,795</u>	<u>\$ 282,482</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
<i>Liabilities:</i>			
Deferred revenues	<u>\$ 8,020</u>	<u>\$ 74,541</u>	<u>\$ 82,561</u>
	8,020	74,541	82,561
<i>Total Liabilities</i>	8,020	74,541	82,561
 <i>Fund Balances:</i>			
Undesignated, unreserved	<u>41,667</u>	<u>158,254</u>	<u>199,921</u>
	<u>49,687</u>	<u>232,795</u>	<u>282,482</u>
<i>Total Liabilities and Fund Equity</i>	<u>\$ 49,687</u>	<u>\$ 232,795</u>	<u>\$ 282,482</u>

**CITY OF LEBANON, OREGON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - DEBT SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 1995**

	<u>Debt Service Fund</u>	<u>Bancroft Bond Fund</u>	<u>Total</u>
<b>REVENUES:</b>			
Taxes and assessments	\$ 60,233	\$ 16,993	\$ 77,226
Miscellaneous	<u>2,041</u>	<u>8,274</u>	<u>10,315</u>
<i>Total Revenues</i>	62,274	25,267	87,541
<b>EXPENDITURES:</b>			
Materials and services	-	663	663
Debt service	<u>55,250</u>	<u>24,229</u>	<u>79,479</u>
<i>Total Expenditures</i>	<u>55,250</u>	<u>24,892</u>	<u>80,142</u>
Excess (deficiency) of revenues over expenditures	7,024	375	7,399
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	19,960	19,960
Transfers out	<u>-</u>	<u>( 100,490)</u>	<u>( 100,490)</u>
<i>Total Other Financing Sources (Uses)</i>	-	( 80,530)	( 80,530)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	7,024	( 80,155)	( 73,131)
<b>FUND BALANCES, July 1</b>	<u>34,643</u>	<u>238,409</u>	<u>273,052</u>
<b>FUND BALANCES, June 30</b>	<u>\$ 41,667</u>	<u>\$ 158,254</u>	<u>\$ 199,921</u>

**CITY OF LEBANON, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND**  
**FOR THE YEAR ENDED JUNE 30, 1995**

	<u>Budget</u>	<u>Actual</u>		
		<u>Budget Basis</u>	<u>Adjustments</u>	<u>GAAP Basis</u>
<b>REVENUES:</b>				
Taxes and assessments	\$ 54,850	\$ 60,233	\$ -	\$ 60,233
Miscellaneous	400	2,041	-	2,041
<i>Total Revenues</i>	55,250	62,274	-	62,274
<b>EXPENDITURES:</b>				
Debt service	55,250	55,250	-	55,250
Excess of revenues over expenditures	-	7,024	-	7,024
<b>FUND BALANCE, July 1</b>	34,500	34,643	-	34,643
<b>FUND BALANCE, June 30</b>	<u>\$ 34,500</u>	<u>\$ 41,667</u>	<u>\$ -</u>	<u>\$ 41,667</u>

**CITY OF LEBANON, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL - BANCROFT BOND FUND**  
**FOR THE YEAR ENDED JUNE 30, 1995**

	<u>Budget</u>	<u>Actual</u>		<u>GAAP Basis</u>
		<u>Budget Basis</u>	<u>Adjustments</u>	
<b>REVENUES:</b>				
Taxes and assessments	\$ 28,400	\$ 16,993	\$ -	\$ 16,993
Miscellaneous	<u>6,700</u>	<u>8,274</u>	<u>-</u>	<u>8,274</u>
<i>Total Revenues</i>	35,100	25,267	-	25,267
<b>EXPENDITURES:</b>				
Materials and services	5,450	663	-	663
Debt service	133,175	29,268	( 5,039)	24,229
Operating contingency	<u>1,050</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Expenditures</i>	<u>139,675</u>	<u>29,931</u>	<u>( 5,039)</u>	<u>24,892</u>
Excess (deficiency) of revenues over expenditures	( 104,575)	( 4,664)	5,039	375
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	18,600	19,960	-	19,960
Transfers out	<u>( 99,130)</u>	<u>( 100,490)</u>	<u>-</u>	<u>( 100,490)</u>
<i>Total Other Financing Sources (Uses)</i>	( 80,530)	( 80,530)	-	( 80,530)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	( 185,105)	( 85,194)	5,039	( 80,155)
<b>FUND BALANCE, July 1</b>	<u>238,028</u>	<u>243,448</u>	<u>( 5,039)</u>	<u>238,409</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 52,923</u>	<u>\$ 158,254</u>	<u>\$ -</u>	<u>\$ 158,254</u>



***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, 1995**

	<u>Budget</u>	<u>Actual</u>		
		<u>Budget Basis</u>	<u>Adjustments</u>	<u>GAAP Basis</u>
<b>REVENUES:</b>				
Taxes and assessments	\$ 85,550	\$ 168,423	\$ -	\$ 168,423
Intergovernmental	168,600	12,273	-	12,273
Miscellaneous	<u>184,580</u>	<u>143,951</u>	<u>-</u>	<u>143,951</u>
<i>Total Revenues</i>	438,730	324,647	-	324,647
<b>EXPENDITURES:</b>				
Equipment acquisition	594,091	162,499	-	162,499
Historic restoration	2,050	-	2,600	2,600
Pioneer cemetery	2,000	1,574	-	1,574
DARE	13,400	5,173	-	5,173
Police	1,600	1,937	-	1,937
Library	6,100	2,045	-	2,045
Library/Senior center	123,458	576	-	576
Senior services	46,180	5,061	-	5,061
Streets	586,645	127,524	203	127,727
Streets capital projects	170,825	10,266	-	10,266
Allocable costs	331,873	272,058	2,564	274,622
SDC drainage	3,621	2,391	( 80)	2,311
Restricted SDC drainage	88,600	4,198	107	4,305
SDC park	10,650	735	( 80)	655
Restructed SDC park	36,903	4,986	119	5,105
SDC wastewater	386,100	11,090	( 99)	10,991
Restricted SDC wastewater	87,100	7,167	288	7,455
SDC streets	16,900	2,599	( 80)	2,519
Restricted SDC streets	83,100	6,398	259	6,657
SDC water	30,100	1,358	( 99)	1,259
Restricted SDC water	<u>87,100</u>	<u>7,040</u>	<u>283</u>	<u>7,323</u>
<i>Total Expenditures</i>	<u>2,708,396</u>	<u>636,675</u>	<u>5,985</u>	<u>642,660</u>
Excess (deficiency) of revenues over expenditures	( 2,269,666)	( 312,028)	( 5,985)	( 318,013)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	398,627	368,316	-	368,316
Transfers out	<u>( 84,055)</u>	<u>( 84,055)</u>	<u>-</u>	<u>( 84,055)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>314,572</u>	<u>284,261</u>	<u>-</u>	<u>284,261</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	( 1,958,094)	( 27,767)	( 5,985)	( 33,752)
<b>FUND BALANCE, July 1</b>	<u>1,958,094</u>	<u>1,868,467</u>	<u>( 3,446)</u>	<u>1,865,021</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 3,000</u>	<u>\$ 1,840,700</u>	<u>\$ ( 9,431)</u>	<u>\$ 1,831,269</u>

***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**

**COMBINING BALANCE SHEET - ENTERPRISE FUND - ALL DEPARTMENTS - GAAP BASIS**

**JUNE 30, 1995**

	<u>Water</u>	<u>Water CIP</u>	<u>Wastewater</u>	<u>Wastewater CIP</u>
<b>ASSETS AND OTHER DEBITS:</b>				
<i>Assets:</i>				
Cash and investments	\$ 694,910	\$ 932,453	\$ 610,803	\$ 2,916,549
Receivables:				
Property taxes	-	-	673	-
Accounts	234,046	-	139,543	-
Prepaid expenses	1,815	-	1,815	-
Fixed assets	6,903,263	523,408	9,611,919	563,664
Accumulated depreciation	<u>( 1,423,765)</u>	<u>( 9,451)</u>	<u>( 2,144,943)</u>	<u>( 5,681)</u>
 <i>Total Assets</i>	 <u>\$ 6,410,269</u>	 <u>\$ 1,446,410</u>	 <u>\$ 8,219,810</u>	 <u>\$ 3,474,532</u>
 <b>LIABILITIES, EQUITY AND OTHER CREDITS:</b>				
<i>Liabilities:</i>				
Accounts payable	\$ 23,811	\$ 2,780	\$ 8,707	\$ 2,902
Deposits	35,766	-	-	-
Loan payable	-	-	23,268	-
Bonds payable	4,180,000	3,560,000	-	4,750,000
Bond discount	( 28,200)	( 142,643)	-	( 123,279)
Paid absences and deferred compensation payable	<u>53,357</u>	<u>4,466</u>	<u>49,114</u>	<u>6,601</u>
 <i>Total Liabilities</i>	 <u>4,264,734</u>	 <u>3,424,603</u>	 <u>81,089</u>	 <u>4,636,224</u>
 <i>Equity and Other Credits:</i>				
Contributed capital	2,164,325	( 2,055,622)	9,036,920	( 1,547,099)
Retained earnings (deficit)	( 44,556)	77,429	( 908,987)	385,407
Reserved for claims	<u>25,766</u>	<u>-</u>	<u>10,788</u>	<u>-</u>
 <i>Total Equity and Other Credits</i>	 <u>2,145,535</u>	 <u>( 1,978,193)</u>	 <u>8,138,721</u>	 <u>( 1,161,692)</u>
 <i>Total Liabilities, Equity, and Other Credits</i>	 <u>\$ 6,410,269</u>	 <u>\$ 1,446,410</u>	 <u>\$ 8,219,810</u>	 <u>\$ 3,474,532</u>

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<u>Railroad</u>	<u>(Memorandum Only)</u>
\$ 3,004	\$ 5,157,719
-	673
-	373,589
-	3,630
1,482	17,603,736
<u>( 740)</u>	<u>( 3,584,580)</u>
<u>\$ 3,746</u>	<u>\$ 19,554,757</u>

\$ 11	\$ 38,211
-	35,766
-	23,268
-	12,490,000
-	( 294,122)
<u>-</u>	<u>113,538</u>
<u>11</u>	<u>12,406,661</u>

21,150	7,619,674
( 17,415)	( 508,122)
<u>-</u>	<u>36,554</u>
<u>3,735</u>	<u>7,148,106</u>
<u>\$ 3,746</u>	<u>\$ 19,554,767</u>

**CITY OF LEBANON, OREGON**  
**COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES**  
**IN RETAINED EARNINGS - ALL ENTERPRISE FUND - ALL DEPARTMENTS - GAAP BASIS**  
**FOR THE YEAR ENDED JUNE 30, 1995**

	<u>Water</u>	<u>Water CIP</u>	<u>Wastewater</u>
<b>REVENUES:</b>			
Charges for services	\$ 1,701,915	\$ -	\$ 1,333,037
Miscellaneous	<u>66,501</u>	<u>78,530</u>	<u>30,698</u>
<i>Total Revenues</i>	1,768,416	78,530	1,363,735
<b>EXPENDITURES:</b>			
Personnel services	389,440	-	257,522
Materials and services	498,626	3,599	527,456
Capital outlay/depreciation	187,304	1,887	166,970
Debt service	<u>287,888</u>	<u>193,258</u>	<u>2,041</u>
<i>Total Expenditures</i>	<u>1,363,258</u>	<u>198,744</u>	<u>953,989</u>
Excess (deficiency) of revenues over expenditures	405,158	( 120,214)	409,746
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	307,378	-
Transfers out	( 342,228)	-	( 435,996)
Loss on disposal of assets	<u>( 130)</u>	<u>-</u>	<u>( 126)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>( 341,418)</u>	<u>307,378</u>	<u>( 436,122)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	63,740	187,164	( 26,376)
<b>RETAINED EARNINGS, July 1</b>	<u>( 108,296)</u>	<u>( 109,735)</u>	<u>( 882,611)</u>
<b>RETAINED EARNINGS, June 30</b>	<u><u>\$ ( 44,556)</u></u>	<u><u>\$ 77,429</u></u>	<u><u>\$ ( 908,987)</u></u>

<u>Wastewater</u> <u>CIP</u>	<u>Railroad</u>	<u>Total</u>
\$ -	\$ -	\$ 3,034,952
<u>158,660</u>	<u>2,354</u>	<u>336,743</u>
158,660	2,354	3,371,695
-	-	646,962
5,352	554	1,035,587
1,495	148	357,804
<u>287,056</u>	<u>-</u>	<u>770,243</u>
<u>293,903</u>	<u>702</u>	<u>2,810,596</u>
( 135,243)	1,652	561,099
382,056	-	689,434
-	-	( 777,284)
<u>( 895)</u>	<u>-</u>	<u>( 1,151)</u>
381,161	-	( 89,001)
245,918	1,652	472,098
<u>139,489</u>	<u>( 19,067)</u>	<u>( 980,220)</u>
<u>\$ 385,407</u>	<u>\$ ( 17,415)</u>	<u>\$ ( 508,122)</u>

**CITY OF LEBANON, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**RETAINED EARNINGS - BUDGET AND ACTUAL - ENTERPRISE FUND - ALL DEPARTMENTS**  
**FOR THE YEAR ENDED JUNE 30, 1995**

	<u>Budget</u>	<u>Actual</u>		<u>GAAP Basis</u>
		<u>Budget Basis</u>	<u>Adjustments</u>	
<b>REVENUES:</b>				
Charges for services	\$ 2,914,000	\$ 3,023,311	\$ 11,641	\$ 3,034,952
Miscellaneous	<u>173,900</u>	<u>366,547</u>	<u>( 29,804)</u>	<u>336,743</u>
<i>Total Revenues</i>	3,087,900	3,389,858	( 18,163)	3,371,695
<b>EXPENDITURES:</b>				
Personnel services	692,123	686,550	( 39,588)	646,962
Materials and services	1,072,220	1,086,358	( 50,771)	1,035,587
Capital outlay/depreciation	2,802,250	1,250,776	( 892,972)	357,804
Debt service	<u>2,557,488</u>	<u>1,046,418</u>	<u>( 1,046,418)</u>	<u>-</u>
<i>Total Expenditures</i>	<u>7,124,081</u>	<u>4,070,102</u>	<u>( 2,029,749)</u>	<u>2,040,353</u>
Excess (deficiency) of revenues over expenditures	( 4,036,181)	( 680,244)	2,011,586	1,331,342
<b>OTHER FINANCING SOURCES (USES):</b>				
Interest expense	-	-	( 770,243)	( 770,243)
Transfers in	689,434	689,434	-	689,434
Transfers out	( 807,284)	( 807,284)	30,000	( 777,284)
Loss on disposal of assets	<u>-</u>	<u>-</u>	<u>( 1,151)</u>	<u>( 1,151)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>( 117,850)</u>	<u>( 117,850)</u>	<u>( 741,394)</u>	<u>( 859,244)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	( 4,154,031)	( 798,094)	1,270,192	472,098
<b>RETAINED EARNINGS, July 1</b>	<u>5,627,765</u>	<u>5,884,803</u>	<u>( 6,865,023)</u>	<u>( 980,220)</u>
<b>RETAINED EARNINGS, June 30</b>	<u>\$ 1,473,734</u>	<u>\$ 5,086,709</u>	<u>\$ ( 5,594,831)</u>	<u>\$ ( 508,122)</u>

**CITY OF LEBANON, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN RETAINED**  
**EARNINGS - BUDGET AND ACTUAL - WATER DEPARTMENT**  
**FOR THE YEAR ENDED JUNE 30, 1995**

	<i>Actual</i>			<i>GAAP</i> <i>Basis</i>
	<i>Budget</i>	<i>Budget</i> <i>Basis</i>	<i>Adjustments</i>	
<b>REVENUES:</b>				
Charges for services	\$ 1,650,000	\$ 1,695,381	\$ 6,534	\$ 1,701,915
Miscellaneous	<u>31,900</u>	<u>93,983</u>	<u>( 27,482)</u>	<u>66,501</u>
<i>Total Revenues</i>	1,681,900	1,789,364	( 20,948)	1,768,416
<b>EXPENDITURES:</b>				
Personnel services	370,653	381,830	7,610	389,440
Materials and services	520,181	523,717	( 25,091)	498,626
Capital outlay/depreciation	47,250	40,238	147,066	187,304
Other requirements	<u>727,887</u>	<u>437,888</u>	<u>( 150,000)</u>	<u>287,888</u>
<i>Total Expenditures</i>	<u>1,665,971</u>	<u>1,383,673</u>	<u>( 20,415)</u>	<u>1,363,258</u>
Excess (deficiency) of revenues over expenditures	15,929	405,691	( 533)	405,158
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	( 341,288)	( 341,288)	-	( 341,288)
Loss on disposal of assets	<u>-</u>	<u>-</u>	<u>( 130)</u>	<u>( 130)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>( 341,288)</u>	<u>( 341,288)</u>	<u>( 130)</u>	<u>( 341,418)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	( 325,359)	64,403	( 663)	63,740
<b>RETAINED EARNINGS, July 1</b>	<u>500,000</u>	<u>582,745</u>	<u>( 691,041)</u>	<u>( 108,296)</u>
<b>RETAINED EARNINGS, June 30</b>	<u>\$ 174,641</u>	<u>\$ 647,148</u>	<u>\$ ( 691,704)</u>	<u>\$ ( 44,556)</u>

**CITY OF LEBANON, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN RETAINED EARNINGS -  
BUDGET AND ACTUAL - WATER CAPITAL IMPROVEMENT DEPARTMENT  
FOR THE YEAR ENDED JUNE 30, 1995**

	<u>Budget</u>	<u>Actual</u>		<u>GAAP Basis</u>
		<u>Budget Basis</u>	<u>Adjustments</u>	
<b>REVENUES:</b>				
Miscellaneous	\$ 30,000	\$ 78,530	\$ -	\$ 78,530
<b>EXPENDITURES:</b>				
Personnel services	24,132	23,830	( 23,830)	-
Materials and services	1,990	31,905	( 28,306)	3,599
Capital outlay/depreciation	1,388,800	1,091,745	( 1,089,858)	1,887
Other requirements	<u>552,580</u>	<u>233,258</u>	<u>( 40,000)</u>	<u>193,258</u>
<i>Total Expenditures</i>	<u>1,967,502</u>	<u>1,380,738</u>	<u>( 1,181,994)</u>	<u>198,744</u>
Excess (deficiency) of revenues over expenditures	( 1,937,502)	( 1,302,208)	1,181,994	( 120,214)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	307,378	307,378	-	307,378
Transfers out	<u>( 10,000)</u>	<u>( 10,000)</u>	<u>10,000</u>	<u>-</u>
<i>Total Other Financing Sources (Uses)</i>	<u>297,378</u>	<u>297,378</u>	<u>10,000</u>	<u>307,378</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	( 1,640,124)	( 1,004,830)	1,191,994	187,164
<b>RETAINED EARNINGS, July 1</b>	<u>1,926,612</u>	<u>1,934,502</u>	<u>( 2,044,237)</u>	<u>( 109,735)</u>
<b>RETAINED EARNINGS, June 30</b>	<u>\$ 286,488</u>	<u>\$ 929,672</u>	<u>\$ ( 852,243)</u>	<u>\$ 77,429</u>

**CITY OF LEBANON, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN RETAINED**  
**EARNINGS - BUDGET AND ACTUAL - WASTEWATER DEPARTMENT**  
**FOR THE YEAR ENDED JUNE 30, 1995**

	<u>Budget</u>	<u>Actual</u>		<u>GAAP</u> <u>Basis</u>
		<u>Budget</u> <u>Basis</u>	<u>Adjustments</u>	
<b>REVENUES:</b>				
Charges for services	\$ 1,264,000	\$ 1,327,930	\$ 5,107	\$ 1,333,037
Miscellaneous	<u>32,000</u>	<u>33,020</u>	<u>( 2,322)</u>	<u>30,698</u>
<i>Total Revenues</i>	1,296,000	1,360,950	2,785	1,363,735
<b>EXPENDITURES:</b>				
Personnel services	262,831	248,111	9,411	257,522
Materials and services	546,841	529,348	( 1,892)	527,456
Capital outlay/depreciation	41,000	26,912	140,058	166,970
Other requirements	<u>228,216</u>	<u>3,216</u>	<u>( 1,175)</u>	<u>2,041</u>
<i>Total Expenditures</i>	<u>1,078,888</u>	<u>807,587</u>	<u>146,402</u>	<u>953,989</u>
Excess (deficiency) of revenues over expenditures	217,112	553,363	( 145,509)	409,746
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	( 435,996)	( 435,996)	-	( 435,996)
Loss on disposal of assets	<u>-</u>	<u>-</u>	<u>( 126)</u>	<u>( 126)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>( 435,996)</u>	<u>( 435,996)</u>	<u>( 126)</u>	<u>( 436,122)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	( 218,884)	117,367	( 145,635)	( 26,376)
<b>RETAINED EARNINGS, July 1</b>	<u>450,000</u>	<u>475,882</u>	<u>( 1,358,493)</u>	<u>( 882,611)</u>
<b>RETAINED EARNINGS, June 30</b>	<u>\$ 231,116</u>	<u>\$ 593,249</u>	<u>\$ ( 1,504,128)</u>	<u>\$ ( 908,987)</u>



**CITY OF LEBANON, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN RETAINED**  
**EARNINGS - BUDGET AND ACTUAL - WASTEWATER CAPITAL IMPROVEMENT DEPARTMENT**  
**FOR THE YEAR ENDED JUNE 30, 1995**

	<u>Budget</u>	<u>Actual</u>		<u>GAAP</u> <u>Basis</u>
		<u>Budget</u> <u>Basis</u>	<u>Adjustments</u>	
<b>REVENUES:</b>				
Miscellaneous	\$ 80,000	\$ 158,660	\$ -	\$ 158,660
<b>EXPENDITURES:</b>				
Personnel services	34,507	32,779	( 32,779)	-
Materials and services	2,055	834	4,518	5,352
Capital outlay/depreciation	1,325,200	91,881	( 90,386)	1,495
Other requirements	<u>1,048,805</u>	<u>372,056</u>	<u>( 85,000)</u>	<u>287,056</u>
<i>Total Expenditures</i>	<u>2,410,567</u>	<u>497,550</u>	<u>( 203,647)</u>	<u>293,903</u>
Excess (deficiency) of revenues over expenditures	( 2,330,567)	( 338,890)	203,647	( 135,243)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	382,056	382,056	-	382,056
Transfers out	( 20,000)	( 20,000)	20,000	-
Loss on disposal of assets	<u>-</u>	<u>-</u>	<u>( 895)</u>	<u>( 895)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>362,056</u>	<u>362,056</u>	<u>19,105</u>	<u>381,161</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	( 1,968,511)	23,166	222,752	245,918
<b>RETAINED EARNINGS, July 1</b>	<u>2,750,000</u>	<u>2,890,481</u>	<u>( 2,750,992)</u>	<u>139,489</u>
<b>RETAINED EARNINGS, June 30</b>	<u>\$ 781,489</u>	<u>\$ 2,913,647</u>	<u>\$ ( 2,528,240)</u>	<u>\$ 385,407</u>

**CITY OF LEBANON, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN RETAINED**  
**EARNINGS - BUDGET AND ACTUAL - RAILROAD DEPARTMENT**  
**FOR THE YEAR ENDED JUNE 30, 1995**

	<i>Actual</i>			<i>GAAP</i> <i>Basis</i>
	<i>Budget</i>	<i>Budget</i> <i>Basis</i>	<i>Adjustments</i>	
<b>REVENUES:</b>				
Miscellaneous	\$ -	\$ 2,354	\$ -	\$ 2,354
<b>EXPENDITURES:</b>				
Materials and services	1,153	554	-	554
Capital outlay/depreciation	-	-	148	148
<i>Total Expenditures</i>	<u>1,153</u>	<u>554</u>	<u>148</u>	<u>702</u>
Excess (deficiency) of revenues over expenditures	( 1,153)	1,800	( 148)	1,652
<b>RETAINED EARNINGS, July 1</b>	<u>1,153</u>	<u>1,193</u>	<u>( 20,260)</u>	<u>( 19,067)</u>
<b>RETAINED EARNINGS, June 30</b>	<u>\$ -</u>	<u>\$ 2,993</u>	<u>\$ ( 20,408)</u>	<u>\$ ( 17,415)</u>



***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, 1995**

	<u>Budget</u>	<u>Actual</u>		<u>GAAP Basis</u>
		<u>Budget Basis</u>	<u>Adjustments</u>	
<b>REVENUES:</b>				
Fines and forfeitures	\$ 121,000	\$ 56,195	\$ -	\$ 56,195
Miscellaneous	-	73,461	-	73,461
<i>Total Revenues</i>	121,000	129,656	-	129,656
<b>EXPENDITURES:</b>				
Materials and services	121,000	140,642	-	140,642
Excess (deficiency) of revenues over expenditures	-	( 10,986)	-	( 10,986)
<b>FUND BALANCE, July 1</b>	-	4,555	-	4,555
<b>FUND BALANCE, June 30</b>	<u>\$ -</u>	<u>\$ ( 6,431)</u>	<u>\$ -</u>	<u>\$ ( 6,431)</u>

**CITY OF LEBANON, OREGON**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**DEFERRED COMPENSATION AGENCY FUND**  
**FOR THE YEAR ENDED JUNE 30, 1995**

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	<u>Balance July 1, 1994</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1995</u>
<b>ASSETS</b>				
Cash and investments	\$ 302,718	\$ 120,897	\$ -	\$ 423,615
	<u>\$ 302,718</u>	<u>\$ 120,897</u>	<u>\$ -</u>	<u>\$ 423,615</u>
<b>LIABILITIES:</b>				
Deferred compensation payable	\$ 302,718	\$ 120,897	\$ -	\$ 423,615
	<u>\$ 302,718</u>	<u>\$ 120,897</u>	<u>\$ -</u>	<u>\$ 423,615</u>



***SUPPLEMENTAL INFORMATION***





**CITY OF LEBANON, OREGON**  
**SCHEDULE OF PROPERTY TAX TRANSACTIONS**  
**FOR THE YEAR ENDED JUNE 30, 1995**

<u>Tax Year</u>	<u>Taxes Receivable July 1, 1994</u>	<u>Levy</u>	<u>Discounts and Adjustments</u>	<u>Total Linn County Collections</u>	<u>Taxes Receivable June 30, 1995</u>
1993-94	\$ -	\$ 2,245,596	\$ ( 54,766)	\$ 2,061,857	\$ 128,973
Prior years	<u>244,039</u>	<u>-</u>	<u>40,144</u>	<u>179,197</u>	<u>104,986</u>
<i>Totals</i>	<u>\$ 244,039</u>	<u>\$ 2,245,596</u>	<u>\$ ( 14,622)</u>	2,241,054	<u>\$ 233,959</u>
Cash with County Treasurer, July 1, 1994				-	
Total cash available				<u>2,241,054</u>	
Taxes received by City during 1994-95				<u>2,241,054</u>	
Cash with County Treasurer, June 30, 1995				<u>\$ -</u>	
Summary of taxes receivable by fund:					
General Fund					\$ 191,309
Debt Service Fund					8,020
Urban Renewal Fund					16,294
Lebanon URD Bonds Fund					14,384
NW Urban Renewal Fund					3,279
Enterprise Fund					<u>673</u>
					<u>\$ 233,959</u>

**CITY OF LEBANON, OREGON**  
**SCHEDULE OF BOND TRANSACTIONS**  
**FOR THE YEAR ENDED JUNE 30, 1995**

<u>Issue</u>	<u>Date of Issue</u>	<u>Interest Rate</u>		<u>Outstanding July 1, 1994</u>	
		<u>From</u>	<u>To</u>	<u>Matured</u>	<u>Unmatured</u>
<i>Bancroft Improvement:</i>					
1985	11/01/84	8.300%	12.000%	\$ -	\$ 10,000
1990	10/01/90	6.000	12.000	-	<u>65,000</u>
				-	75,000
<i>General Obligation:</i>					
Sewage treatment	12/01/75	4.250	7.000	-	100,000
General obligation	03/01/94	3.000	6.000	-	<u>1,315,000</u>
				-	1,415,000
<i>Revenue Supported General Obligation:</i>					
Water service refinancing	11/01/86	6.00	6.750	-	<u>4,330,000</u>
<i>Revenue:</i>					
Wastewater	06/01/90	7.125	7.500	-	620,000
Water	10/01/91	5.500	7.250	-	385,000
Wastewater refunding	06/01/93	5.250	5.875	-	4,215,000
Water refunding	09/01/93	3.750	5.500	-	<u>3,215,000</u>
				-	<u>8,435,000</u>
				<u>\$ -</u>	<u>\$14,255,000</u>

<u>1994-95 Transactions</u>		<u>Outstanding June 30, 1995</u>	
<u>Issued</u>	<u>Matured And Retired</u>	<u>Matured</u>	<u>Unmatured</u>
\$ -	\$ 10,000	\$ -	\$ -
-	5,000	-	60,000
-	15,000	-	60,000
-	50,000	-	50,000
-	75,000	-	1,240,000
-	125,000	-	1,290,000
-	150,000	-	4,180,000
-	85,000	-	535,000
-	40,000	-	345,000
-	-	-	4,215,000
-	-	-	3,215,000
-	125,000	-	8,310,000
<u>\$ -</u>	<u>\$ 405,000</u>	<u>\$ -</u>	<u>\$ 13,840,000</u>

**CITY OF LEBANON, OREGON**  
**SCHEDULE OF FUTURE BONDED DEBT REQUIREMENTS**  
**JUNE 30, 1995**

<u>Fiscal Year</u>	<u>Wastewater Revenue Supported Bonds</u>			<u>Wastewater Revenue Refunding Bonds</u>		
	<u>Total</u>	<u>Bonds</u>	<u>Coupons</u>	<u>Total</u>	<u>Bonds</u>	<u>Coupons</u>
1995-96	\$ 133,119	\$ 95,000	\$ 38,119	\$ 242,881	\$ -	\$ 242,881
1996-97	131,350	100,000	31,350	242,880	-	242,880
1997-98	129,225	105,000	24,225	242,881	-	242,881
1998-99	131,744	115,000	16,744	242,880	-	242,880
1999-2000	128,550	120,000	8,500	242,881	-	242,881
2000-01	-	-	-	362,880	120,000	242,880
2001-02	-	-	-	361,581	125,000	236,581
2002-03	-	-	-	360,019	130,000	230,019
2003-04	-	-	-	363,194	140,000	223,194
2004-05	-	-	-	365,844	150,000	215,844
2005-06	-	-	-	362,219	155,000	207,219
2006-07	-	-	-	363,306	165,000	198,306
2007-08	-	-	-	358,819	170,000	188,819
2008-09	-	-	-	359,044	180,000	179,044
2009-10	-	-	-	363,694	195,000	168,694
2010-11	-	-	-	367,481	210,000	157,481
2011-12	-	-	-	360,406	215,000	145,406
Thereafter	-	-	-	2,896,268	2,260,000	636,268
	<u>\$ 653,988</u>	<u>\$ 535,000</u>	<u>\$ 118,988</u>	<u>\$ 8,459,158</u>	<u>\$ 4,215,000</u>	<u>\$ 4,244,158</u>



**CITY OF LEBANON, OREGON**  
**SCHEDULE OF FUTURE BONDED DEBT REQUIREMENT (Continued)**  
**JUNE 30, 1995**

<u>Fiscal Year</u>	<u>Revenue Supported Bonds</u>			<u>General Obligation</u>		
	<u>General Obligation</u>			<u>General Obligation</u>		
	<u>Total</u>	<u>Bonds</u>	<u>Coupons</u>	<u>Total</u>	<u>Bonds</u>	<u>Coupons</u>
1995-96	\$ 438,508	\$ 160,000	\$ 278,508	\$ 144,663	\$ 80,000	\$ 64,663
1996-97	438,315	170,000	268,315	146,663	85,000	61,663
1997-98	442,082	185,000	257,082	143,263	85,000	58,263
1998-99	439,825	195,000	244,825	144,650	90,000	54,650
1999-2000	446,393	215,000	231,393	90,600	40,000	50,600
2000-01	446,592	230,000	216,592	93,700	45,000	48,700
2001-02	445,619	245,000	200,619	91,450	45,000	46,450
2002-03	448,406	265,000	183,406	89,110	45,000	44,110
2003-04	444,838	280,000	164,838	91,703	50,000	41,703
2004-05	449,728	305,000	144,728	89,053	50,000	39,053
2005-06	452,900	330,000	122,900	91,403	55,000	36,403
2006-07	454,353	355,000	99,353	93,488	60,000	33,488
2007-08	458,675	385,000	73,675	89,963	60,000	29,963
2008-09	445,850	410,000	45,850	91,438	65,000	26,438
2009-10	465,750	450,000	15,750	92,619	70,000	22,619
2010-11	-	-	-	93,506	75,000	18,506
2011-12	-	-	-	89,100	75,000	14,100
Thereafter	-	-	-	179,688	165,000	14,688
	<u>\$ 6,727,834</u>	<u>\$ 4,180,000</u>	<u>\$ 2,647,834</u>	<u>\$ 1,946,060</u>	<u>\$ 1,240,000</u>	<u>\$ 706,060</u>

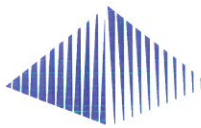
<i>1994 Water Refunding</i>			<i>All Issues</i>		
<i>Total</i>	<i>Bonds</i>	<i>Coupons</i>	<i>Totals</i>	<i>Bonds</i>	<i>Coupons</i>
\$ 188,692	\$ 15,000	\$ 173,692	\$ 1,274,676	\$ 450,000	\$ 824,676
188,110	15,000	173,110	1,224,336	425,000	799,336
192,385	20,000	172,385	1,223,467	450,000	773,467
191,510	20,000	171,510	1,225,660	480,000	745,660
190,585	20,000	170,585	1,170,154	455,000	715,154
189,610	20,000	169,610	1,165,061	480,000	685,061
188,600	20,000	168,600	1,149,275	495,000	654,275
250,880	85,000	165,880	1,148,415	525,000	623,415
251,285	90,000	161,285	1,151,020	560,000	591,020
251,335	95,000	156,335	1,155,960	600,000	555,960
255,883	105,000	150,883	1,162,405	645,000	517,405
255,025	110,000	145,025	1,166,172	690,000	476,172
253,950	115,000	138,950	1,161,407	730,000	431,407
262,605	120,000	132,605	1,158,937	775,000	383,937
250,990	125,000	125,990	1,173,053	840,000	333,053
253,970	135,000	118,970	714,957	420,000	294,957
251,545	140,000	111,545	701,051	430,000	271,051
<u>2,655,905</u>	<u>1,965,000</u>	<u>690,905</u>	<u>5,731,861</u>	<u>4,390,000</u>	<u>1,341,861</u>
<u>\$ 6,512,865</u>	<u>\$ 3,215,000</u>	<u>\$ 3,297,865</u>	<u>\$24,857,867</u>	<u>\$13,840,000</u>	<u>\$11,017,867</u>





*AUDITORS' COMMENTS*





GROVE, MUELLER, HALL & SWANK

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

## ***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, 1995, and have issued our report thereon dated November 10, 1995.

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, 1995, 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, 1995.

*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, 1995.

*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, 1995 and 1996, except as noted in the notes to the financial statements.

*INSURANCE AND FIDELITY BONDS*

We have reviewed the City's insurance and fidelity bond coverage at June 30, 1995. 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, 1995.

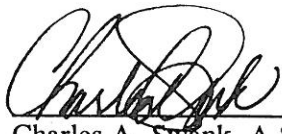
*PUBLIC CONTRACTING AND PURCHASING*

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.

*USE OF STATE HIGHWAY FUNDS*

The City appears to be in compliance with legal requirements pertaining to the use of state highway fuel tax revenue.

GROVE, MUELLER, HALL & SWANK, PC.  
CERTIFIED PUBLIC ACCOUNTANTS

By:   
Charles A. Swank, A Shareholder

November 10, 1995