

***CITY OF LEBANON, OREGON  
ANNUAL FINANCIAL REPORT  
Year Ended June 30, 2000***



**CITY OF LEBANON, OREGON**  
**CITY OFFICIALS**  
**JUNE 30, 2000**

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**MAYOR**

Scott Simpson  
725 West D Street  
Lebanon, Oregon 97355

**COUNCIL MEMBERS**

Wayne Rieskamp                      July 1, 1999 - June 6, 2000  
87 W. Cedar Drive  
Lebanon, Oregon 97355

Stan Usinger                         July 1, 1999 - February 23, 2000  
890 Sunflower Lane  
Lebanon, Oregon 97355

Dan Thackaberry  
471 Hiatt Street  
Lebanon, Oregon 97355

Floyd Fisher  
170 S. 2nd Street  
Lebanon, Oregon 97355

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

Ken Toombs  
1299 Franklin Street  
Lebanon, Oregon 97355

Roger Monk                         April 26, 2000 - June 30, 2000  
325 W. Cedar Street  
Lebanon, Oregon 97355

**CITY ADMINISTRATOR**

John Hitt  
925 S. Main  
Lebanon, Oregon 97355



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***INDEPENDENT AUDITOR'S REPORT***

Honorable Mayor and Members  
of the City Council  
City of Lebanon  
Lebanon, Oregon 97370

We have audited the accompanying general purpose financial statements of the City of Lebanon as of and for the year ended June 30, 2000, as listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose 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, 2000, 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 schedules and other financial schedules listed as supplementary data in the table of contents, which are also the responsibility of the City of Lebanon 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 stated in all material respects when considered in relation to the general purpose financial statements taken as a whole.

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

By:



Charles A. Swank, Shareholder

December 11, 2000





***GENERAL PURPOSE FINANCIAL STATEMENTS***

**CITY OF LEBANON, OREGON**

**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS**

**JUNE 30, 2000**

	<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	\$ 296,513	\$ 3,263,172	\$ 490,388	\$ 3,383,222
Receivables				
Court fines	323,467	—	—	—
Property taxes	248,223	113,762	47,192	—
Accounts	135,045	183,333	—	359,536
Special assessments/loans	—	1,230,447	28,604	—
Other funds	—	79,390	—	—
Prepaid expenses	—	—	2,569	—
Fixed assets	—	—	—	—
Accumulated depreciation	—	—	—	—
<i>Total Assets</i>	<u>1,003,248</u>	<u>4,870,104</u>	<u>568,753</u>	<u>3,742,758</u>
<i>Other Debits</i>				
Amount available for debt retirement	—	—	—	—
Amount to be provided for debt retirement	—	—	—	—
<i>Total Debits</i>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<i>Total Assets and Other Debits</i>	<u>\$ 1,003,248</u>	<u>\$ 4,870,104</u>	<u>\$ 568,753</u>	<u>\$ 3,742,758</u>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>				
<i>Liabilities</i>				
Accounts payable	\$ 43,810	\$ 135,475	\$ —	\$ 8,150
Payroll taxes payable	—	—	—	—
Retainage payable	—	39,365	—	—
Deposits	—	—	—	—
Due to other funds	—	79,390	—	—
Loans payable	—	650,000	—	—
Bonds payable	—	—	—	—
Bond discount	—	—	—	—
Paid absences	58,149	18,768	—	9,144
Deferred revenues	532,125	1,334,480	69,881	312,579
Reserved for claims	47,882	63,015	—	—
<i>Total Liabilities</i>	<u>681,966</u>	<u>2,320,493</u>	<u>69,881</u>	<u>329,873</u>
<i>Equity and Other Credits</i>				
Investment in general fixed assets	—	—	—	—
Contributed capital	—	—	—	—
Retained earnings	—	—	—	—
Fund balances				
Unreserved, undesignated	<u>321,282</u>	<u>2,549,611</u>	<u>498,872</u>	<u>3,412,885</u>
<i>Total Equity and Other Credits</i>	<u>321,282</u>	<u>2,549,611</u>	<u>498,872</u>	<u>3,412,885</u>
<i>Total Liabilities, Equity and Other Credits</i>	<u>\$ 1,003,248</u>	<u>\$ 4,870,104</u>	<u>\$ 568,753</u>	<u>\$ 3,742,758</u>

<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Types</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>
		<u>General Long- Term Debt</u>	<u>General Fixed Assets</u>	
<u>Enterprise</u>	<u>Trust and Agency</u>			
\$ 6,298,087	\$ 39,323	\$ -	\$ -	\$ 13,770,705
-	-	-	-	323,467
552	-	-	-	409,729
442,251	104,315	-	-	1,224,480
-	-	-	-	1,259,051
-	-	-	-	79,390
-	12,006	-	-	14,575
24,424,778	-	-	5,936,030	30,360,808
( 5,884,588)	-	-	-	( 5,884,588)
25,281,080	155,644	-	5,936,030	41,557,617
-	-	498,872	-	498,872
-	-	8,085,740	-	8,085,740
-	-	8,584,612	-	8,584,612
<u>\$ 25,281,080</u>	<u>\$ 155,644</u>	<u>\$ 8,584,612</u>	<u>\$ 5,936,030</u>	<u>\$ 50,142,229</u>
\$ 184,257	\$ 35,812	\$ -	\$ -	\$ 407,504
-	114,095	-	-	114,095
-	-	-	-	39,365
45,912	-	-	-	45,912
-	-	-	-	79,390
15,664	-	359,880	-	1,025,544
10,775,000	-	7,655,000	-	18,430,000
( 332,702)	-	-	-	( 332,702)
172,045	-	569,732	-	827,838
-	2,643	-	-	2,251,708
116,796	-	-	-	227,693
10,976,972	152,550	8,584,612	-	23,116,347
-	-	-	5,936,030	5,936,030
13,269,250	-	-	-	13,269,250
1,034,858	-	-	-	1,034,858
-	3,094	-	-	6,785,744
14,304,108	3,094	-	5,936,030	27,025,882
<u>\$ 25,281,080</u>	<u>\$ 155,644</u>	<u>\$ 8,584,612</u>	<u>\$ 5,936,030</u>	<u>\$ 50,142,229</u>

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

**CITY OF LEBANON, OREGON**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND  
YEAR ENDED JUNE 30, 2000**

	<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	\$ 2,240,483	\$ 1,124,415	\$ 413,470	\$ 275,087
Licenses and permits	501,791	191,377	—	333,524
Fines and forfeitures	203,642	12,679	—	—
Intergovernmental	254,476	1,042,267	—	11,190
Charges for services	31,424	297,954	—	—
Miscellaneous	145,393	—	24,872	257,764
<i>Total Revenues</i>	<u>3,377,209</u>	<u>2,668,692</u>	<u>438,342</u>	<u>877,565</u>
<b>EXPENDITURES</b>				
Personnel services	2,329,972	776,287	—	645,788
Materials and services	635,430	531,328	454	88,759
Capital outlay	100,331	2,479,671	—	222,387
Other requirements	36,229	305,150	493,390	—
<i>Total Expenditures</i>	<u>3,101,962</u>	<u>4,092,436</u>	<u>493,844</u>	<u>956,934</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	275,247	( 1,423,744)	( 55,502)	( 79,369)
<b>OTHER FINANCING SOURCES (USES)</b>				
Loan proceeds	865,000	—	—	—
Transfers in	672	521,744	35,879	1,012,696
Transfers out	( 251,110)	( 240,513)	( 217)	( 77,837)
Loan repayment	( 865,000)	—	—	—
<i>Total Other Financing Sources (Uses)</i>	<u>( 250,438)</u>	<u>281,231</u>	<u>35,662</u>	<u>934,859</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	24,809	( 1,142,513)	( 19,840)	855,490
<b>FUND BALANCES, Beginning of year</b>	<u>296,473</u>	<u>3,692,124</u>	<u>518,712</u>	<u>2,557,395</u>
<b>FUND BALANCES, End of year</b>	<u>\$ 321,282</u>	<u>\$ 2,549,611</u>	<u>\$ 498,872</u>	<u>\$ 3,412,885</u>

<u>Fiduciary Fund Type</u> <u>Expendable Trust</u>	<u>Totals (Memorandum Only)</u>
\$ -	\$ 4,053,455
-	1,026,692
148,069	364,390
-	1,307,933
-	329,378
<u>3,921</u>	<u>431,950</u>
151,990	7,513,798
-	3,752,047
152,487	1,408,458
-	2,802,389
<u>-</u>	<u>834,769</u>
<u>152,487</u>	<u>8,797,663</u>
( 497)	( 1,283,865)
-	865,000
-	1,570,991
( 10,000)	( 579,677)
<u>-</u>	<u>( 865,000)</u>
<u>( 10,000)</u>	<u>991,314</u>
( 10,497)	( 292,551)
<u>13,591</u>	<u>7,078,295</u>
<u>\$ 3,094</u>	<u>\$ 6,785,744</u>

The accompanying notes are an integral part 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  
YEAR ENDED JUNE 30, 2000**

	<i>General Fund</i>		
	<i>Actual</i>	<i>Budget</i>	<i>Variance Favorable (Unfavorable)</i>
<b>REVENUES</b>			
Taxes and assessments	\$ 2,240,483	\$ 2,142,021	\$ 98,462
Licenses and permits	501,791	456,000	45,791
Fines and forfeitures	203,642	201,000	2,642
Intergovernmental	254,476	244,000	10,476
Charges for services	31,424	17,050	14,374
Miscellaneous	145,393	141,500	3,893
<i>Total Revenues</i>	3,377,209	3,201,571	175,638
<b>EXPENDITURES</b>			
Personnel services	2,330,243	2,548,079	217,836
Materials and services	635,429	616,987	( 18,442)
Debt service	36,229	40,000	3,771
Capital outlay	100,331	103,659	3,328
Other requirements	—	56,444	56,444
<i>Total Expenditures</i>	3,102,232	3,365,169	262,937
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	274,977	( 163,598)	438,575
<b>OTHER FINANCING SOURCES (USES)</b>			
Loan proceeds	865,000	865,000	—
Transfers in	672	222,312	( 221,640)
Transfers out	( 251,110)	( 247,366)	( 3,744)
Loan repayment	( 865,000)	( 865,000)	—
<i>Total Other Financing Sources (Uses)</i>	( 250,438)	( 25,054)	( 225,384)
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	24,539	( 188,652)	213,191
<b>FUND BALANCE, Beginning of year, Budget basis</b>	354,892	260,000	94,892
<b>FUND BALANCE, End of year, Budget basis</b>	379,431	\$ 71,348	\$ 308,083
Adjustments to GAAP basis	( 58,149)		
<b>FUND BALANCE, End of year, GAAP basis</b>	\$ 321,282		

<i>Special Revenue Funds</i>			<i>Debt Service Funds</i>		
<i>Actual</i>	<i>Budget</i>	<i>Variance Favorable (Unfavorable)</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance Favorable (Unfavorable)</i>
\$ 1,124,415	\$ 1,364,303	\$ ( 239,888)	\$ 413,470	\$ 418,123	\$ ( 4,653)
191,377	13,000	178,377	-	-	-
12,679	225,500	( 212,821)	-	-	-
1,042,267	2,709,979	( 1,667,712)	-	-	-
-	-	-	-	-	-
<u>297,954</u>	<u>309,761</u>	<u>( 11,807)</u>	<u>24,872</u>	<u>59,550</u>	<u>( 34,678)</u>
2,668,692	4,622,543	( 1,953,851)	438,342	477,673	( 39,331)
773,410	863,869	90,459	-	-	-
531,328	1,344,100	812,772	454	9,700	9,246
930,150	901,491	( 28,659)	493,390	1,026,394	533,004
2,479,671	5,798,565	3,318,894	-	-	-
-	667,232	667,232	-	2,827	2,827
<u>4,714,559</u>	<u>9,575,257</u>	<u>4,860,698</u>	<u>493,844</u>	<u>1,038,921</u>	<u>545,077</u>
( 2,045,867)	( 4,952,714)	2,906,847	( 55,502)	( 561,248)	505,746
650,000	-	650,000	-	-	-
521,744	375,768	145,976	35,879	20,712	15,167
( 240,513)	( 386,785)	146,272	( 217)	( 4,000)	3,783
-	-	-	-	-	-
<u>931,231</u>	<u>( 11,017)</u>	<u>942,248</u>	<u>35,662</u>	<u>16,712</u>	<u>18,950</u>
( 1,114,636)	( 4,963,731)	3,849,095	( 19,840)	( 544,536)	524,696
<u>4,333,017</u>	<u>4,963,731</u>	<u>( 630,714)</u>	<u>518,712</u>	<u>1,013,954</u>	<u>( 495,242)</u>
3,218,381	\$ -	\$ 3,218,381	498,872	\$ 469,418	\$ 29,454
( 668,770)	-	-	-	-	-
<u>\$ 2,549,611</u>	-	-	<u>\$ 498,872</u>	-	-

The accompanying notes are an integral part 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)**  
**YEAR ENDED JUNE 30, 2000**

	<b>Capital Projects Fund</b>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES</b>			
Taxes and assessments	\$ 275,087	\$ 266,500	\$ 8,587
Licenses and permits	333,524	314,989	18,535
Fines and forfeitures	-	-	-
Intergovernmental	11,190	19,710	( 8,520)
Charges for services	-	-	-
Miscellaneous	<u>257,764</u>	<u>374,480</u>	<u>( 116,716)</u>
<i>Total Revenues</i>	877,565	975,679	( 98,114)
<b>EXPENDITURES</b>			
Personnel services	648,786	783,621	134,835
Materials and services	88,759	220,485	131,726
Debt service	-	-	-
Capital outlay	222,387	2,050,089	1,827,702
Other requirements	<u>-</u>	<u>532,245</u>	<u>532,245</u>
<i>Total Expenditures</i>	<u>959,932</u>	<u>3,586,440</u>	<u>2,626,508</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	( 82,367)	( 2,610,761)	2,528,394
<b>OTHER FINANCING SOURCES (USES)</b>			
Loan proceeds	-	-	-
Transfers in	1,012,696	1,174,772	( 162,076)
Transfers out	( 77,837)	( 524,837)	447,000
Loan repayment	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Other Financing Sources (Uses)</i>	<u>934,859</u>	<u>649,935</u>	<u>284,924</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	852,492	( 1,960,826)	2,813,318
<b>FUND BALANCE, Beginning of year, Budget basis</b>	<u>2,569,538</u>	<u>1,960,826</u>	<u>608,712</u>
<b>FUND BALANCE (DEFICIT), End of year, Budget basis</b>	3,422,030	<u>\$ -</u>	<u>\$ 3,422,030</u>
Adjustment to GAAP basis	<u>( 9,145)</u>		
<b>FUND BALANCE, End of year, GAAP basis</b>	<u>\$ 3,412,885</u>		



<i>Expendable Trust Fund</i>			<i>Totals (Memorandum Only)</i>		
<i>Actual</i>	<i>Budget</i>	<i>Variance Favorable (Unfavorable)</i>	<i>Actual</i>	<i>Budget</i>	<i>Variance Favorable (Unfavorable)</i>
\$ -	\$ -	\$ -	\$ 4,053,455	\$ 4,190,947	\$ ( 137,492)
-	-	-	1,026,692	783,989	242,703
148,069	119,500	28,569	364,390	546,000	( 181,610)
-	-	-	1,307,933	2,973,689	( 1,665,756)
-	-	-	31,424	17,050	14,374
<u>3,921</u>	<u>25,000</u>	<u>( 21,079)</u>	<u>729,904</u>	<u>910,291</u>	<u>( 180,387)</u>
151,990	144,500	7,490	7,513,798	9,421,966	( 1,908,168)
-	-	-	3,752,439	4,195,569	443,130
152,487	144,500	( 7,987)	1,408,457	2,335,772	927,315
-	-	-	1,459,769	1,967,885	508,116
-	-	-	2,802,389	7,952,312	5,149,923
-	-	-	-	1,258,748	1,258,748
<u>152,487</u>	<u>144,500</u>	<u>( 7,987)</u>	<u>9,423,054</u>	<u>17,710,287</u>	<u>8,287,233</u>
( 497)	-	( 497)	( 1,909,256)	( 8,288,321)	6,379,065
-	-	-	1,515,000	865,000	650,000
-	-	-	1,570,991	1,793,564	( 222,573)
( 10,000)	-	( 10,000)	( 579,677)	( 1,162,988)	583,311
-	-	-	( 865,000)	( 865,000)	-
<u>( 10,000)</u>	<u>-</u>	<u>( 10,000)</u>	<u>1,641,314</u>	<u>630,576</u>	<u>1,010,738</u>
( 10,497)	-	( 10,497)	( 267,942)	( 7,657,745)	7,389,803
<u>13,591</u>	<u>-</u>	<u>13,591</u>	<u>7,789,750</u>	<u>8,198,511</u>	<u>( 408,761)</u>
3,094	<u>\$ -</u>	<u>\$ 3,094</u>	7,521,808	<u>\$ 540,766</u>	<u>\$ 6,981,042</u>
-	-	-	( 736,064)	-	-
<u>\$ 3,094</u>	-	-	<u>\$ 6,785,744</u>	-	-

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

**CITY OF LEBANON, OREGON**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED**  
**EARNINGS - PROPRIETARY FUND TYPE - ENTERPRISE FUND**  
**YEAR ENDED JUNE 30, 2000**

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**OPERATING REVENUES**

Charges for services	\$ 3,517,722
Miscellaneous	<u>277,917</u>
<i>Total Operating Revenues</i>	3,795,639

**OPERATING EXPENSES**

Personnel services	1,103,616
Materials and services	1,470,589
Depreciation	<u>567,638</u>
<i>Total Operating Expenses</i>	<u>3,141,843</u>

**OPERATING INCOME**

653,796

**NONOPERATING REVENUE (EXPENSES)**

Interest expense	( 432,491)
Transfers in	1,283,962
Transfers out	( 1,249,298)
Loss on disposal of assets	<u>( 24,566)</u>
<i>Total Nonoperating Revenue (Expenses)</i>	<u>( 422,393)</u>

**NET INCOME**

231,403

**RETAINED EARNINGS, Beginning of year**

803,455

Contributed capital

13,269,250

**RETAINED EARNINGS, End of year**

\$ 14,304,108

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

**CITY OF LEBANON, OREGON**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND TYPE - ENTERPRISE FUND**  
**YEAR ENDED JUNE 30, 2000**

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Operating income	\$ 653,796
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	567,638
Amortization	10,716
(Increases) decreases in current assets and liabilities	
Property taxes receivable	( 191)
Accounts receivable	( 53,714)
Accounts payable	127,294
Deposits	( 445)
Paid absences and deferred comp	<u>21,411</u>
 <i>Net Cash Flows Provided by Operating Activities</i>	 1,326,505

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Transfers in	1,283,962
Transfers out	<u>( 1,249,298)</u>
 <i>Net Cash Flows Provided by Noncapital Financing Activities</i>	 34,664

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Purchase of equipment and construction in progress	( 1,950,870)
Repayment of long-term debt	( 191,859)
Proceeds from sale of fixed assets	1,798
Bond sale expenses	( 126,827)
Bond sale proceeds	3,320,000
Contributed capital	572,228
Interest paid	( 432,491)
Increase in reserve for claims	<u>30,660</u>
 <i>Net Cash Flows Used in Capital and Related Financing Activities</i>	 <u>1,222,639</u>

**NET DECREASE IN CASH AND INVESTMENTS**

2,583,808

**CASH AND INVESTMENTS, Beginning of year**

3,714,279

**CASH AND INVESTMENTS, End of year**

\$ 6,298,087

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

**CITY OF LEBANON, OREGON**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2000**

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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)**

**YEAR ENDED JUNE 30, 2000**

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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 proprietary funds have applied all Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict Governmental Accounting Standards Board pronouncements.

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.

*Cash and Investments*

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

Investments are stated at cost, which approximates fair value. Fair value is defined as the amount at which an investment could be exchanged between willing parties, other than in a forced or liquidation sale. The fair value adjustment is an "unrealized" gain or loss and is reported with other interest income.

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.

**CITY OF LEBANON, OREGON**

*NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)*  
*YEAR ENDED JUNE 30, 2000*

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

*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 in that fund.

*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.

**CITY OF LEBANON, OREGON**

*NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)*

*YEAR ENDED JUNE 30, 2000*

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

*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.

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. Budgets are adopted at the departmental level in the general fund and expenditure type for other funds. 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.

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 15% of a fund.

Appropriations lapse at year end.

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)**

**YEAR ENDED JUNE 30, 2000**

**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, 2000 were comprised of the following:

	<u>Category 2</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Investments with Financial Institutions			
US Government Agencies			
Federal Home Loan Bank	\$ 637,596	\$ 637,596	\$ 674,612
FICO Strip	749,628	749,628	765,383
SLMA	500,000	500,000	498,150
Federal National Mortgage Corp.	503,281	503,281	499,455
Federal Home Loan Mortgage Corp.	1,301,909	1,301,909	1,322,447
Banker's Acceptance	290,876	290,876	290,228
Held by trustee	373,589	373,589	373,589
Time certificate deposits	<u>95,000</u>	<u>95,000</u>	<u>95,000</u>
Subtotal	<u>\$ 4,451,879</u>	4,451,879	4,518,864
Investment in Oregon State Treasurer's Local Government Pool		<u>9,241,813</u>	<u>9,232,571</u>
<i>Total Investments</i>		13,693,692	13,751,435
Demand deposits and petty cash		<u>77,013</u>	<u>77,013</u>
<i>Total Cash and Investments</i>		<u>\$ 13,770,705</u>	<u>\$ 13,828,448</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, 2000, included bank demand deposits. These deposits were insured by Federal depository insurance to the legal limit. The remaining balances were collateralized by securities held by a custodian in the City's name.

The State Treasurer of the State of Oregon maintains the Oregon Short-term Fund, of which the Local Government Investment Pool is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising care, skill and caution.



**CITY OF LEBANON, OREGON**

*NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)*

*YEAR ENDED JUNE 30, 2000*

**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, 2000 were as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Available</u>	<u>Deferred</u>
General Fund	\$ 248,223	\$ 43,284	\$ 204,939
Debt Service Fund	47,192	8,484	38,708
Urban Renewal Fund	37,673	6,504	31,169
NW Urban Renewal Fund	76,089	13,207	62,882
Enterprise Fund	<u>552</u>	<u>—</u>	<u>552</u>
<i>Total</i>	<u>\$ 409,729</u>	<u>\$ 71,479</u>	<u>\$ 338,250</u>

**FIXED ASSETS**

A summary of changes in general fixed assets follows:

	<u>Balance July 1, 1999</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2000</u>
<i>Total Fixed Assets</i>	<u>\$ 5,787,639</u>	<u>\$ 212,840</u>	<u>\$ 64,449</u>	<u>\$ 5,936,030</u>

The following is a summary of proprietary fund type fixed assets for the year ended June 30, 2000:

	<u>Water</u>	<u>Small Water Line</u>	<u>Wastewater</u>	<u>Railroad</u>	<u>Total</u>
<i>BALANCE, July 1, 1999</i>	\$ 7,607,006	\$ 210,380	\$ 13,491,824	\$ 1,482	\$ 21,310,692
Additions	57,881	9,315	2,451,713	—	2,518,909
Deletions	( 21,222)	—	( 903,419)	—	( 924,641)
<i>BALANCE, June 30, 2000</i>	7,643,665	219,695	15,040,118	1,482	22,904,960
Less: accumulated depreciation	<u>2,489,093</u>	<u>82,507</u>	<u>3,311,506</u>	<u>1,482</u>	<u>5,884,588</u>
<i>Net Property, Plant, and Equipment</i>	5,154,572	137,188	11,728,612	—	17,020,372
Construction in-progress	<u>601,770</u>	<u>—</u>	<u>918,048</u>	<u>—</u>	<u>1,519,818</u>
<i>Net Fixed Assets</i>	<u>\$ 5,756,342</u>	<u>\$ 137,188</u>	<u>\$ 12,646,660</u>	<u>\$ —</u>	<u>\$ 18,540,190</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)**

**YEAR ENDED JUNE 30, 2000**

**LONG-TERM DEBT**

The bonds payable of \$18,430,000 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, 1999</u>	<u>Issued</u>	<u>Paid</u>	<u>Outstanding June 30, 2000</u>
Bancroft improvement	\$ 20,000	\$ —	\$ 10,000	\$ 10,000
General obligation	900,000	—	40,000	860,000
General obligation	3,265,000	—	—	3,265,000
General obligation refunding	3,785,000	—	265,000	3,520,000
Wastewater revenue supported	120,000	—	120,000	—
Water revenue supported	165,000	—	50,000	115,000
Wastewater revenue refunding	4,215,000	—	—	4,215,000
Water revenue refunding	3,145,000	—	20,000	3,125,000
Wastewater revenue	—	3,320,000	—	3,320,000
<b>Total</b>	<b>\$ 15,615,000</b>	<b>\$ 3,320,000</b>	<b>\$ 505,000</b>	<b>\$ 18,430,000</b>

Annual debt service requirements to maturity for all bonds follows:

<u>Fiscal Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2000-01	\$ 1,515,078	\$ 525,000	\$ 990,078
2001-02	1,638,718	675,000	963,718
2002-03	1,650,399	720,000	930,399
2003-04	1,669,957	775,000	894,957
2004-05	1,690,864	835,000	855,864
2005-06	1,712,310	900,000	812,310
2006-07	1,725,151	960,000	765,151
2007-08	1,733,621	1,020,000	713,621
2008-09	1,738,426	1,080,000	658,426
2009-10	1,759,315	1,160,000	599,315
2010-11	1,307,811	760,000	547,811
2011-12	1,305,618	800,000	505,618
2012-13	1,320,751	860,000	460,751
2013-14	1,332,446	920,000	412,446
2014-15	1,250,763	890,000	360,763
2015-16	1,264,897	955,000	309,897
2016-17	1,280,493	1,025,000	255,493
2017-18	1,286,902	1,090,000	196,902
2018-19	1,299,480	1,165,000	134,480
2019-20	902,952	835,000	67,952
2020-21	254,937	235,000	19,937
2021-22	251,737	245,000	6,737
	<b>\$ 29,892,626</b>	<b>\$ 18,430,000</b>	<b>\$ 11,462,626</b>

**CITY OF LEBANON, OREGON**

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

**YEAR ENDED JUNE 30, 2000**

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**LONG-TERM DEBT (Continued)**

Total defeased debt at June 30, 2000, was \$6,726,608.

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

Lease/purchase of Court hardware and software, interest at 5.5%:

<u>Fiscal Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2000-2001	\$ 25,126	\$ 23,000	\$ 2,126
2001-2002	<u>16,510</u>	<u>15,649</u>	<u>861</u>
<i>Total</i>	<u>\$ 41,636</u>	<u>\$ 38,649</u>	<u>\$ 2,987</u>

Note Payable, Key Bank. The loan was incurred to finance Police and Court software. Interest at 5.5%

<u>Fiscal Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2000-2001	\$ 22,231	\$ 20,000	\$ 2,231
2001-2002	<u>21,116</u>	<u>20,000</u>	<u>1,116</u>
<i>Total</i>	<u>\$ 43,347</u>	<u>\$ 40,000</u>	<u>\$ 3,347</u>

SCIP Loan: The SCIP loan was incurred in connection with development of the Santiam Canal Industrial Park.

<u>Fiscal Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2000-2001	\$ 13,132	\$ 7,162	\$ 5,970
2001-2002	13,132	7,520	5,612
2002-2003	13,132	7,896	5,236
2003-2004	13,132	8,291	4,841
2004-2005	13,132	8,705	4,427
2005-2006	13,132	9,142	3,990
2006-2007	13,132	9,598	3,534
2007-2008	13,132	10,078	3,054
2008-2009	13,132	10,581	2,551
2009-2010	13,132	11,110	2,022
2010-2011	13,132	11,666	1,466
2011-2012	13,132	12,249	883
2012-2013	<u>5,675</u>	<u>5,404</u>	<u>271</u>
	<u>\$ 163,259</u>	<u>\$ 119,402</u>	<u>\$ 43,857</u>

**CITY OF LEBANON, OREGON****NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)****YEAR ENDED JUNE 30, 2000****LONG-TERM DEBT (Continued)**

Note Payable, Key Bank. The loan was incurred to finance City Hall renovations. Interest is 5.95%, with payments due quarterly in the amount of \$6,392.

<u>Fiscal Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2000-2001	\$ 25,569	\$ 16,061	\$ 9,508
2001-2002	25,569	17,139	8,430
2002-2003	25,569	17,974	7,595
2003-2004	25,569	19,175	6,394
2004-2005	25,569	20,341	5,228
2005-2006	25,569	21,579	3,990
2006-2007	25,569	22,891	2,678
2007-2008	25,569	24,285	1,284
2008-2009	<u>2,695</u>	<u>2,384</u>	<u>311</u>
	<u>\$ 207,247</u>	<u>\$ 161,829</u>	<u>\$ 45,418</u>

Enterprise Fund - Department of Energy loan, monthly payments of \$268 including interest at 8.5%.

<u>Fiscal Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2000-2001	\$ 3,216	\$ 1,954	\$ 1,262
2001-2002	3,216	2,127	1,089
2002-2003	3,216	2,315	901
2003-2004	3,216	2,520	696
2004-2005	3,216	2,741	475
2005-2006	3,216	2,985	231
2006-2007	<u>1,105</u>	<u>1,022</u>	<u>83</u>
	<u>\$ 20,401</u>	<u>\$ 15,664</u>	<u>\$ 4,737</u>

**CONTRIBUTED CAPITAL**

The following is a summary of contributed capital:

	<u>Water</u>	<u>Small Waterline</u>	<u>Wastewater</u>	<u>Railroad</u>	<u>Total</u>
<b>Contributed Capital, July 1, 1999</b>	\$ 4,167,539	\$ 308,254	\$ 8,200,079	\$ 21,150	\$12,697,022
<b>Additions</b>	<u>17,751</u>	<u>—</u>	<u>554,477</u>	<u>—</u>	<u>572,228</u>
<b>Contributed Capital, June 30, 2000</b>	<u>\$ 4,185,290</u>	<u>\$ 308,254</u>	<u>\$ 8,754,556</u>	<u>\$ 21,150</u>	<u>\$13,269,250</u>

**CITY OF LEBANON, OREGON**

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2000

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**EMPLOYEE RETIREMENT SYSTEM**

City employees participate in the Oregon Public Employee's Retirement System (PERS). Contributions are made for employees after six months of employment unless they are members of PERS, and eligible for contributions when they begin employment. PERS is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for government units in the State of Oregon. Benefits generally vest after five years of continuous service in a PERS covered position. Retirement is allowed at age 58 with unreduced benefits, but retirement is generally available after age 55 with reduced benefits. Compulsory retirement age is 70. Contributions made by, or on behalf of, the employee are payable in a lump sum or monthly amounts using several payment options. Contributions made on behalf of the employee to the employer account can only be taken in monthly payments. PERS also provides death and disability benefits. These benefit provisions and other requirements are established by state statutes, Chapter 238, Oregon revised Statutes. PERS issues a publicly available comprehensive annual financial report that includes financial statements and required supplemental information. The stand-alone report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281-3700.

*Funding Policy*

The City's contributions rate, based on the most current actuarial valuation, was 6.81% of covered payroll. The required employee contributions is 6% of covered compensation. The contribution requirements of the City are established or may be amended by the PERS Retirement Board while the employees' rate is set by the state statute, ORS 238.200. The City's payroll for employees covered by PERS for the year ended June 30, 2000 was \$3,416,159, the City's total payroll was \$3,552,903.

*Annual Pension Cost*

For fiscal 1999-00, the City's annual pension cost of approximately \$451,568 for PERS was equal to the City's required and actual contributions. The required contributions and liabilities were determined as part of the December 31, 1997 actuarial valuation using the entry age actuarial cost method. Because all PERS employers are required by law to submit the contributions adopted by the Retirement Board, and the employer contributions are calculated in conformance with the standards of Statement No. 27, there is no net pension obligation. The contributions actually made are the equivalent to the annual pension cost. Significant actuarial assumptions used in the valuation include (1) a rate of return on the investment of present and future assets of 8.5% per year; (b) projected annual salary increases for inflation and merit of 4.25% per year; (c) projected automatic post-retirement benefit increases of 2.0% per year; and (d) demographic assumptions that have been chosen to reflect the best estimate of emerging experience of the members of PERS. The unfunded actuarial liability is amortized as a level percentage of covered payroll over a thirty year period on an open basis.

The following table presents three-year trend information for the City's defined benefit pension plan:

<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/98	\$ 375,705	100%	\$ —
6/30/99	395,411	100	—
6/30/00	451,568	100	—

**CITY OF LEBANON, OREGON**

*NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)*

*YEAR ENDED JUNE 30, 2000*

**EMPLOYEE RETIREMENT SYSTEM (Continued)**

The following table presents a schedule of funding progress for the City's defined benefit pension plan:

<i>Actuarial Valuation Ending December 31</i>	<i>Actuarial Value of Assets</i>	<i>Actuarial Accrued Liability</i>	<i>Unfunded Actuarial Liability (UAL)</i>	<i>Funded Percent</i>	<i>Covered Payroll</i>	<i>UAAL as a Percentage of Covered Payroll</i>
12/31/95	\$ 8,954,676	\$ 7,938,310	\$(1,016,365)	113%	\$ 2,679,918	( 38)%
12/31/97	11,966,466	12,057,152	90,686	99	3,195,854	3
12/31/99	23,768,901	23,678,316	( 90,586)	100	3,267,506	( 3)

**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 reporting the collateral requirements of ORS Chapter 295.

**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:

	<i>General</i>	<i>Special Revenue</i>	<i>Debt Service</i>	<i>Capital Projects</i>	<i>Enterprise</i>
Revenues and Other Financing Sources					
Per Budgetary Basis	\$ 4,242,881	\$ 3,840,436	\$ 474,221	\$ 1,890,261	\$ 8,373,225
Adjustment for					
Accounts receivable/deposits	-	-	-	-	26,376
Loan proceeds	-	( 650,000)	-	-	( 3,320,000)
<i>Per GAAP Basis</i>	<u>\$ 4,242,881</u>	<u>\$ 3,190,436</u>	<u>\$ 474,221</u>	<u>\$ 1,890,261</u>	<u>\$ 5,079,601</u>

**CITY OF LEBANON, OREGON**

*NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)*

*YEAR ENDED JUNE 30, 2000*

**RECONCILIATION OF BUDGETARY TO GAAP BASIS (Continued)**

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Enterprise</u>
Expenditures and Other Financing Uses					
Per Budgetary Basis	\$ 4,218,342	\$ 4,955,072	\$ 494,061	\$ 1,037,769	\$ 5,947,355
Change in accrued compensated absences	( 270)	2,877	-	( 2,998)	21,411
Loan repayments/bond principal	-	( 625,000)	-	-	( 191,858)
Capital outlay	-	-	-	-	( 1,102,713)
Depreciation	-	-	-	-	567,638
Amortization/bond issue costs	-	-	-	-	10,716
Bond issuance costs	-	-	-	-	( 126,827)
Loss on disposal of assets	-	-	-	-	24,566
Budgetary transfer	-	-	-	-	( 302,090)
<i>Per GAAP Basis</i>	<u>\$ 4,218,072</u>	<u>\$ 4,332,949</u>	<u>\$ 494,061</u>	<u>\$ 1,034,771</u>	<u>\$ 4,848,198</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. Total fund receivables/payables at June 30, 2000 were as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
Urban Renewal Fund	\$ 79,390	\$ -
NW Urban Renewal Fund	-	79,390
	<u>\$ 79,390</u>	<u>\$ 79,390</u>

- B. Interfund transfers in exceeded interfund transfers out on a budgetary basis by \$1,025,978 due to the City's cost allocation method.
- C. Over expenditures of line items on a budgetary basis do not constitute a violation of local budget law, as the budget is adopted on a department basis.

**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 \$200,000. In addition, from time to time, when special expenditures are needed for safety reasons, funds from this reserve are used. All expenditures are made in accordance with Oregon Local Budget Law. The insurance reserves are classified as liabilities on the combined balance sheet.





***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  
YEAR ENDED JUNE 30, 2000**

	<u>Budget</u>	<u>Actual</u>		<u>GAAP Basis</u>
		<u>Budget Basis</u>	<u>Adjustments</u>	
<b>REVENUES</b>				
Taxes and assessments	\$ 2,142,021	\$ 2,240,483	\$ -	\$ 2,240,483
Licenses and permits	456,000	501,791	-	501,791
Fines and forfeitures	201,000	203,642	-	203,642
Intergovernmental	244,000	254,476	-	254,476
Charges for services	17,050	31,424	-	31,424
Miscellaneous	141,500	145,393	-	145,393
<i>Total Revenues</i>	<u>3,201,571</u>	<u>3,377,209</u>	<u>-</u>	<u>3,377,209</u>
<b>EXPENDITURES</b>				
Administration	52,646	48,410	( 270)	48,140
City attorney	26,750	26,035	-	26,035
Planning	72,965	61,579	-	61,579
Public works	34,299	31,493	-	31,493
Parks	166,304	163,258	-	163,258
Finance	97,182	97,092	-	97,092
Legislative	12,784	11,204	-	11,204
Library	224,887	218,992	-	218,992
Municipal court	231,636	204,259	-	204,259
Police	2,064,513	1,897,180	-	1,897,180
Senior services	147,468	142,444	-	142,444
Nondepartmental	233,735	200,286	-	200,286
<i>Total Expenditures</i>	<u>3,365,169</u>	<u>3,102,232</u>	<u>( 270)</u>	<u>3,101,962</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>( 163,598)</u>	<u>274,977</u>	<u>270</u>	<u>275,247</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Loan proceeds	865,000	865,000	-	865,000
Transfers in	222,312	672	-	672
Transfers out	( 247,366)	( 251,110)	-	( 251,110)
Loan repayment	( 865,000)	( 865,000)	-	( 865,000)
<i>Total Other Financing Sources (Uses)</i>	<u>( 25,054)</u>	<u>( 250,438)</u>	<u>-</u>	<u>( 250,438)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>( 188,652)</u>	<u>24,539</u>	<u>270</u>	<u>24,809</u>
<b>FUND BALANCE, Beginning of year</b>	<u>260,000</u>	<u>354,892</u>	<u>( 58,419)</u>	<u>296,473</u>
<b>FUND BALANCE, End of year</b>	<u>\$ 71,348</u>	<u>\$ 379,431</u>	<u>\$ ( 58,149)</u>	<u>\$ 321,282</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 - ALL SPECIAL REVENUE FUNDS**  
**JUNE 30, 2000**

	<i>Inter- governmental Fund</i>	<i>Urban Renewal Fund</i>	<i>NW Urban Renewal Fund</i>	<i>Total</i>
<b>ASSETS</b>				
Cash and investments	\$ 563,066	\$ 1,444,287	\$ 1,255,819	\$ 3,263,172
Receivables				
Property taxes	-	37,673	76,089	113,762
Accounts	183,333	-	-	183,333
Special assessments/loans	1,198,966	31,481	-	1,230,447
Other funds	-	79,390	-	79,390
<i>Total Assets</i>	<u>\$ 1,945,365</u>	<u>\$ 1,592,831</u>	<u>\$ 1,331,908</u>	<u>\$ 4,870,104</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 71,639	\$ 48,882	\$ 14,954	\$ 135,475
Retainage payable	4,778	34,587	-	39,365
Loan payable	-	-	650,000	650,000
Compensated absences payable	17,438	703	627	18,768
Due to other funds	-	-	79,390	79,390
Deferred revenues	1,208,947	62,651	62,882	1,334,480
Reserved for claims	<u>63,015</u>	<u>-</u>	<u>-</u>	<u>63,015</u>
<i>Total Liabilities</i>	1,365,817	146,823	807,853	2,320,493
<b>Fund Balances</b>				
Unreserved, undesignated	<u>579,548</u>	<u>1,446,008</u>	<u>524,055</u>	<u>2,549,611</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 1,945,365</u>	<u>\$ 1,592,831</u>	<u>\$ 1,331,908</u>	<u>\$ 4,870,104</u>

**CITY OF LEBANON, OREGON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - ALL SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2000**

	<i>Inter- governmental Fund</i>	<i>Urban Renewal Fund</i>	<i>NW Urban Renewal Fund</i>	<i>Total</i>
<b>REVENUES</b>				
Taxes and assessments	\$ 21,530	\$ 396,167	\$ 706,718	\$ 1,124,415
Fines and forfeits	12,679	-	-	12,679
Licenses and permits	191,377	-	-	191,377
Intergovernmental	811,887	-	230,380	1,042,267
Miscellaneous	<u>132,221</u>	<u>99,096</u>	<u>66,637</u>	<u>297,954</u>
<i>Total Revenues</i>	1,169,694	495,263	1,003,735	2,668,692
<b>EXPENDITURES</b>				
Personnel services	719,625	33,312	23,350	776,287
Materials and services	512,120	10,084	9,124	531,328
Capital outlay	76,595	1,684,550	718,526	2,479,671
Debt service	<u>-</u>	<u>268,269</u>	<u>36,881</u>	<u>305,150</u>
<i>Total Expenditures</i>	<u>1,308,340</u>	<u>1,996,215</u>	<u>787,881</u>	<u>4,092,436</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	( 138,646)	( 1,500,952)	215,854	( 1,423,744)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	521,744	-	-	521,744
Transfers out	<u>( 219,446)</u>	<u>( 11,259)</u>	<u>( 9,808)</u>	<u>( 240,513)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>302,298</u>	<u>( 11,259)</u>	<u>( 9,808)</u>	<u>281,231</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	163,652	( 1,512,211)	206,046	( 1,142,513)
<b>FUND BALANCE, Beginning of year</b>	<u>415,896</u>	<u>2,958,219</u>	<u>318,009</u>	<u>3,692,124</u>
<b>FUND BALANCE, End of year</b>	<u>\$ 579,548</u>	<u>\$ 1,446,008</u>	<u>\$ 524,055</u>	<u>\$ 2,549,611</u>

**CITY OF LEBANON, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**

**BALANCE - BUDGET AND ACTUAL - INTERGOVERNMENTAL FUND**

**YEAR ENDED JUNE 30, 2000**

	<u>Budget</u>	<u>Actual</u>		
		<u>Budget Basis</u>	<u>Adjustments</u>	<u>GAAP Basis</u>
<b>REVENUES</b>				
Taxes and assessments	\$ 221,312	\$ 21,530	\$ -	\$ 22,716
Fines and forfeitures	13,000	12,679	-	12,679
Licenses and permits	225,500	191,377	-	190,191
Intergovernmental	2,175,603	811,887	-	811,887
Miscellaneous	173,661	132,221	-	132,221
<i>Total Revenues</i>	<u>2,809,076</u>	<u>1,169,694</u>	<u>-</u>	<u>1,169,694</u>
<b>EXPENDITURES</b>				
City Hall repairs	3,400	65	-	65
Motel tax	9,090	6,047	-	6,047
Santiam Travel Station	778,000	6,516	-	6,516
OTSC Grant	350	50	-	50
Building Inspections	254,190	180,645	5,166	185,811
Park Enterprise	67,250	16,166	( 39)	16,127
GIS	168,600	94,325	( 424)	93,901
Information System	170,445	157,194	1,694	158,888
Sidewalk and Bikepath	55,600	23,163	-	23,163
Engineering Development	108,375	66,658	( 196)	66,462
Streets	531,271	434,455	( 1,239)	433,216
Storm Drains	60,830	51,554	273	51,827
911 Communications	45,000	-	-	-
Civil Forfeitures	10,000	173	-	173
Oregon School Grant	70,900	12,840	( 1,216)	11,624
Dial-A-Bus	153,718	88,174	( 447)	87,727
FAU Streets	178,600	12,942	-	12,942
Downtown rehabilitation center	378,210	-	-	-
ODOT grant/transportation	172,500	96,173	-	96,173
TGM-MU Development	17,500	8,759	305	9,064
TGM-TSP/TPR ORD development	22,000	-	-	-
1983-84 Rehabilitation	21,950	257	-	257
85-86 Housing Rehabilitation Unres.	29,800	-	-	-
Gills Landings	2,500	1,869	( 39)	1,830
93 Housing Rehabilitation Grant	23,500	-	-	-
1996 Housing Rehabilitation Grant	34,000	-	-	-
1998 Housing Rehabilitation Grant	100,000	46,477	-	46,477
<i>Total Expenditures</i>	<u>3,467,579</u>	<u>1,304,502</u>	<u>3,838</u>	<u>1,308,340</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	( 658,503)	( 134,808)	( 3,838)	( 138,646)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	375,768	521,744	-	521,744
Transfers out	( 365,718)	( 219,446)	-	( 219,446)
<i>Total Other Financing Sources (Uses)</i>	<u>10,050</u>	<u>302,298</u>	<u>-</u>	<u>302,298</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	( 648,453)	167,490	( 3,838)	163,652
<b>FUND BALANCE, Beginning of year</b>	<u>648,453</u>	<u>429,496</u>	<u>( 13,600)</u>	<u>415,896</u>
<b>FUND BALANCE, End of year</b>	<u>\$ -</u>	<u>\$ 596,986</u>	<u>\$ ( 17,438)</u>	<u>\$ 579,548</u>

**CITY OF LEBANON, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL - URBAN RENEWAL FUND**  
**YEAR ENDED JUNE 30, 2000**

	<u>Budget</u>	<u>Actual</u>		<u>GAAP Basis</u>
		<u>Budget Basis</u>	<u>Adjustments</u>	
<b>REVENUES</b>				
Taxes and assessments	\$ 462,600	\$ 396,167	\$ -	\$ 396,167
Miscellaneous	124,100	99,096	-	99,096
<i>Total Revenues</i>	586,700	495,263	-	495,263
<b>EXPENDITURES</b>				
Urban renewal	3,265,709	1,905,978	( 363)	1,905,615
Urban renewal debt service	120,600	90,600	-	90,600
Operating contingency	503,718	-	-	-
<i>Total Expenditures</i>	3,890,027	1,996,578	( 363)	1,996,215
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	( 3,303,327)	( 1,501,315)	363	( 1,500,952)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	( 11,259)	( 11,259)	-	( 11,259)
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	( 3,314,586)	( 1,512,574)	363	( 1,512,211)
<b>FUND BALANCE, Beginning of year</b>	3,314,586	2,879,896	78,323	2,958,219
<b>FUND BALANCE, End of year</b>	\$ -	\$ 1,367,322	\$ 78,686	\$ 1,446,008

**CITY OF LEBANON, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET AND ACTUAL - NW URBAN RENEWAL FUND  
YEAR ENDED JUNE 30, 2000**

	<u>Budget</u>	<u>Actual</u>		<u>GAAP Basis</u>
		<u>Budget Basis</u>	<u>Adjustments</u>	
<b>REVENUES</b>				
Taxes and assessments	\$ 680,391	\$ 706,718	\$ -	\$ 706,718
Intergovernmental	534,376	230,380	-	230,380
Miscellaneous	<u>12,000</u>	<u>66,637</u>	<u>-</u>	<u>66,637</u>
<i>Total Revenues</i>	1,226,767	1,003,735	-	1,003,735
<b>EXPENDITURES</b>				
Personnel services	26,096	23,948	( 598)	23,350
Materials and services	16,075	9,124	-	9,124
Capital outlay	1,511,589	718,526	-	718,526
Debt service	<u>663,891</u>	<u>661,881</u>	<u>( 625,000)</u>	<u>36,881</u>
<i>Total Expenditures</i>	<u>2,217,651</u>	<u>1,413,479</u>	<u>( 625,598)</u>	<u>787,881</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	( 990,884)	( 409,744)	625,598	215,854
<b>OTHER FINANCING SOURCES (USES)</b>				
Loan proceeds	-	650,000	( 650,000)	-
Transfers out	<u>( 9,808)</u>	<u>( 9,808)</u>	<u>-</u>	<u>( 9,808)</u>
<i>Other Financing Sources (Uses)</i>	( 9,808)	640,192	( 650,000)	( 9,808)
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	( 1,000,692)	230,448	( 24,402)	206,046
<b>FUND BALANCE, Beginning of year</b>	<u>1,000,692</u>	<u>1,023,625</u>	<u>( 705,616)</u>	<u>318,009</u>
<b>FUND BALANCE, End of year</b>	<u>\$ -</u>	<u>\$ 1,254,073</u>	<u>\$ ( 730,018)</u>	<u>\$ 524,055</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 - ALL DEBT SERVICE FUNDS**  
**JUNE 30, 2000**

	<u>Debt Service Fund</u>	<u>Bancroft Bond Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investments	\$ 388,875	\$ 101,513	\$ 490,388
Receivables			
Property taxes	47,192	-	47,192
Special assessments/loans	-	28,604	28,604
Prepaid expenses	-	2,569	2,569
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total Assets</i>	<u>\$ 436,067</u>	<u>\$ 132,686</u>	<u>\$ 568,753</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Deferred revenues	\$ 38,708	\$ 31,173	\$ 69,881
 <b>Fund Balances</b>			
Undesignated, unreserved	<u>397,359</u>	<u>101,513</u>	<u>498,872</u>
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 436,067</u>	<u>\$ 132,686</u>	<u>\$ 568,753</u>

**CITY OF LEBANON, OREGON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES - ALL DEBT SERVICE FUNDS**  
**YEAR ENDED JUNE 30, 2000**

	<i>Debt Service Fund</i>	<i>Bancroft Bond Fund</i>	<i>Total</i>
<b>REVENUES</b>			
Taxes and assessments	\$ 411,818	\$ 1,652	\$ 413,470
Miscellaneous	<u>19,551</u>	<u>5,321</u>	<u>24,872</u>
<i>Total Revenues</i>	431,369	6,973	438,342
<b>EXPENDITURES</b>			
Materials and services	-	454	454
Debt service	<u>469,230</u>	<u>24,160</u>	<u>493,390</u>
<i>Total Expenditures</i>	<u>469,230</u>	<u>24,614</u>	<u>493,844</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	( 37,861)	( 17,641)	( 55,502)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	35,662	217	35,879
Transfers out	<u>-</u>	<u>( 217)</u>	<u>( 217)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>35,662</u>	<u>-</u>	<u>35,662</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	( 2,199)	( 17,641)	( 19,840)
<b>FUND BALANCES, Beginning of year</b>	<u>399,558</u>	<u>119,154</u>	<u>518,712</u>
<b>FUND BALANCES, End of year</b>	<u>\$ 397,359</u>	<u>\$ 101,513</u>	<u>\$ 498,872</u>

**CITY OF LEBANON, OREGON****STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND****BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND**

YEAR ENDED JUNE 30, 2000

	<u>Budget</u>	<u>Actual</u>		
		<u>Budget Basis</u>	<u>Adjustments</u>	<u>GAAP Basis</u>
<b>REVENUES</b>				
Taxes and assessments	\$ 402,923	\$ 411,818	\$ -	\$ 411,818
Miscellaneous	53,400	19,551	-	19,551
<i>Total Revenues</i>	456,323	431,369	-	431,369
<b>EXPENDITURES</b>				
Debt service	1,002,232	469,230	-	469,230
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	( 545,909)	( 37,861)	-	( 37,861)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	19,562	35,662	-	35,662
Transfers out	( 500)	-	-	-
<i>Total Other Financing Sources (Uses)</i>	19,062	35,662	-	35,662
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	( 526,847)	( 2,199)	-	( 2,199)
<b>FUND BALANCE, Beginning of year</b>	894,754	399,558	-	399,558
<b>FUND BALANCE, End of year</b>	<u>\$ 367,907</u>	<u>\$ 397,359</u>	<u>\$ -</u>	<u>\$ 397,359</u>

**CITY OF LEBANON, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND**  
**BALANCE - BUDGET AND ACTUAL - BANCROFT BOND FUND**  
**YEAR ENDED JUNE 30, 2000**

	<u>Budget</u>	<u>Actual</u>		
		<u>Budget Basis</u>	<u>Adjustments</u>	<u>GAAP Basis</u>
<b>REVENUES</b>				
Taxes and assessments	\$ 15,200	\$ 1,652	\$ -	\$ 1,652
Miscellaneous	6,150	5,321	-	5,321
<i>Total Revenues</i>	21,350	6,973	-	6,973
<b>EXPENDITURES</b>				
Materials and services	9,700	454	-	454
Debt service	24,162	24,160	-	24,160
Operating contingency	2,827	-	-	-
<i>Total Expenditures</i>	36,689	24,614	-	24,614
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	( 15,339)	( 17,641)	-	( 17,641)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,150	217	-	217
Transfers out	( 3,500)	( 217)	-	( 217)
<i>Total Other Financing Sources (Uses)</i>	( 2,350)	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	( 17,689)	( 17,641)	-	( 17,641)
<b>FUND BALANCE, Beginning of year</b>	119,200	119,154	-	119,154
<b>FUND BALANCE, End of year</b>	<u>\$ 101,511</u>	<u>\$ 101,513</u>	<u>\$ -</u>	<u>\$ 101,513</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 REVENUES, EXPENDITURES AND CHANGES**

**IN FUND BALANCES - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND**

**YEAR ENDED JUNE 30, 2000**

	<u>Budget</u>	<u>Actual</u>		<u>GAAP Basis</u>
		<u>Budget Basis</u>	<u>Adjustments</u>	
<b>REVENUES</b>				
Taxes and assessments	\$ 266,500	\$ 275,087	\$ -	\$ 275,087
Licenses and permits	314,989	333,524	-	333,524
Intergovernmental	19,710	11,190	-	11,190
Miscellaneous	374,480	257,764	-	257,764
<i>Total Revenues</i>	<u>975,679</u>	<u>877,565</u>	<u>-</u>	<u>877,565</u>
<b>EXPENDITURES</b>				
Equipment acquisition	731,623	91,286	-	91,286
Historic resources	3,200	-	-	-
Pioneer Cemetery	2,350	10	-	10
Local law enforce block grant	18,434	-	-	-
D.A.R.E.	11,700	567	-	567
Police	8,050	6,049	-	6,049
Library	22,020	6,402	-	6,402
Library/Senior Center Building	202,835	305	-	305
Senior services	51,030	3,980	-	3,980
Streets	329,989	81,231	-	81,231
Streets capital projects	185,889	33,834	-	33,834
Allocable direct costs	769,929	594,941	( 3,719)	591,222
SDC drainage	13,289	-	-	-
Restricted SDC drainage	80,725	12,197	53	12,250
SDC drainage improvement	33,600	-	-	-
SDC park improvement	210,952	11,618	53	11,671
SDC wastewater	69,340	-	-	-
Restricted SDC wastewater	61,680	278	-	278
SDC wastewater improvement	238,043	29,500	2	29,502
SDC wastewater reimb	9,090	-	-	-
SDC streets	16,500	-	-	-
Restricted SDC streets	22,640	286	-	286
SDC streets improve	317,529	63,448	555	64,003
Restricted SDC water	4,160	406	-	406
SDC water improvement	158,423	23,594	58	23,652
SDC water reimb	8,670	-	-	-
<i>Total Expenditures</i>	<u>3,581,690</u>	<u>959,932</u>	<u>( 2,998)</u>	<u>956,934</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	( 2,606,011)	( 82,367)	2,998	( 79,369)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,174,772	1,012,696	-	1,012,696
Transfers out	( 524,837)	( 77,837)	-	( 77,837)
<i>Total Other Financing Sources (Uses)</i>	<u>649,935</u>	<u>934,859</u>	<u>-</u>	<u>934,859</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>				
	( 1,956,076)	852,492	2,998	855,490
<b>FUND BALANCE, Beginning of year</b>	<u>1,960,826</u>	<u>2,569,538</u>	<u>( 12,143)</u>	<u>2,557,395</u>
<b>FUND BALANCE, End of year</b>	<u>\$ 4,750</u>	<u>\$ 3,422,030</u>	<u>\$ ( 9,145)</u>	<u>\$ 3,412,885</u>





***ENTERPRISE FUNDS***

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

**CITY OF LEBANON, OREGON**

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

JUNE 30, 2000

	<u>Water</u>	<u>Water CIP</u>	<u>Small Water Line</u>	<u>Storm Drain Utility</u>
<b>ASSETS AND OTHER DEBITS</b>				
<i>Assets</i>				
Cash and investments	\$ 829,791	\$ 1,108,834	\$ 198,180	\$ 86,859
Receivables				
Property taxes	—	—	—	—
Accounts	270,936	—	—	—
Fixed assets	7,634,214	611,221	219,695	—
Accumulated depreciation	<u>( 2,479,642)</u>	<u>( 9,451)</u>	<u>( 82,507)</u>	<u>—</u>
<i>Total Assets and Other Debits</i>	<u>\$ 6,255,299</u>	<u>\$ 1,710,604</u>	<u>\$ 335,368</u>	<u>\$ 86,859</u>
<b>LIABILITIES, EQUITY AND OTHER CREDITS</b>				
<i>Liabilities</i>				
Accounts payable	\$ 17,430	\$ —	\$ 20,231	\$ 26
Deposits	45,912	—	—	—
Loan payable	—	—	—	—
Bonds payable	—	3,240,000	—	—
Bond discount	—	( 115,213)	—	—
Paid absences and deferred compensation payable	86,065	—	7,014	—
Reserved for claims	<u>65,854</u>	<u>—</u>	<u>—</u>	<u>—</u>
<i>Total Liabilities</i>	215,261	3,124,787	27,245	26
<i>Equity and Other Credits</i>				
Contributed capital	6,661,651	( 2,476,361)	308,254	—
Retained earnings (deficit)	<u>( 621,613)</u>	<u>1,062,178</u>	<u>( 131)</u>	<u>86,833</u>
<i>Total Equity and Other Credits</i>	<u>6,040,038</u>	<u>( 1,414,183)</u>	<u>308,123</u>	<u>86,833</u>
<i>Total Liabilities, Equity, and     Other Credits</i>	<u>\$ 6,255,299</u>	<u>\$ 1,710,604</u>	<u>\$ 335,368</u>	<u>\$ 86,859</u>

<u>Wastewater</u>	<u>Wastewater CIP</u>	<u>Railroad</u>	<u>Total</u>
\$ 355,535	\$ 3,718,590	\$ 298	\$ 6,298,087
552	-	-	552
171,315	-	-	442,251
15,035,612	922,554	1,482	24,424,778
( 3,307,000)	( 4,506)	( 1,482)	( 5,884,588)
<u>\$ 12,256,014</u>	<u>\$ 4,636,638</u>	<u>\$ 298</u>	<u>\$ 25,281,080</u>

\$ 41,105	\$ 105,465	\$ -	\$ 184,257
-	-	-	45,912
15,664	-	-	15,664
-	7,535,000	-	10,775,000
-	( 217,489)	-	( 332,702)
78,966	-	-	172,045
50,942	-	-	116,796
186,677	7,422,976	-	10,976,972
13,863,406	( 5,108,850)	21,150	13,269,250
( 1,794,069)	2,322,512	( 20,852)	1,034,858
<u>12,069,337</u>	<u>( 2,786,338)</u>	<u>298</u>	<u>14,304,108</u>
<u>\$ 12,256,014</u>	<u>\$ 4,636,638</u>	<u>\$ 298</u>	<u>\$ 25,281,080</u>

**CITY OF LEBANON, OREGON****COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED  
EARNINGS - ALL ENTERPRISE DEPARTMENTS - GAAP BASIS  
YEAR ENDED JUNE 30, 2000**

	<u>Water</u>	<u>Water CIP</u>	<u>Small Water Line</u>
<b>REVENUES</b>			
Charges for services	\$ 1,863,272	\$ -	\$ -
Miscellaneous	71,922	56,526	10,540
<i>Total Revenues</i>	1,935,194	56,526	10,540
<b>EXPENDITURES</b>			
Personnel services	543,433	-	180,420
Materials and services	512,082	5,486	170,407
Capital outlay/depreciation	226,416	-	22,331
Debt service	-	179,702	-
<i>Total Expenditures</i>	1,281,931	185,188	373,158
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	653,263	( 128,662)	( 362,618)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	235,036	335,477
Transfers out	( 690,199)	-	( 19,374)
Loss on disposal of assets	( 6,671)	-	-
<i>Total Other Financing Sources (Uses)</i>	( 696,870)	235,036	316,103
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	( 43,607)	106,374	( 46,515)
<b>RETAINED EARNINGS (DEFICIT),</b>			
<i>Beginning of year</i>	( 578,006)	955,804	46,384
Contributed capital	6,661,651	( 2,476,361)	308,254
<b>RETAINED EARNINGS (DEFICIT),</b>			
<i>End of year</i>	<u>\$ 6,040,038</u>	<u>\$ ( 1,414,183)</u>	<u>\$ 308,123</u>

<i>Storm Drain Utility</i>	<i>Wastewater</i>	<i>Wastewater CIP</i>	<i>Railroad</i>	<i>Totals</i>
\$ -	\$ 1,654,450	\$ -	\$ -	\$ 3,517,722
<u>4,130</u>	<u>39,960</u>	<u>94,828</u>	<u>11</u>	<u>277,917</u>
4,130	1,694,410	94,828	11	3,795,639
15	379,748	-	-	1,103,616
47	777,338	5,229	-	1,470,589
-	318,741	-	150	567,638
<u>-</u>	<u>1,358</u>	<u>251,431</u>	<u>-</u>	<u>432,491</u>
<u>62</u>	<u>1,477,185</u>	<u>256,660</u>	<u>150</u>	<u>3,574,334</u>
4,068	217,225	( 161,832)	( 139)	221,305
-	-	713,449	-	1,283,962
-	( 539,725)	-	-	( 1,249,298)
<u>-</u>	<u>( 17,895)</u>	<u>-</u>	<u>-</u>	<u>( 24,566)</u>
<u>-</u>	<u>( 557,620)</u>	<u>713,449</u>	<u>-</u>	<u>10,098</u>
4,068	( 340,395)	551,617	( 139)	231,403
82,765	( 1,453,674)	1,770,895	( 20,713)	803,455
<u>-</u>	<u>13,863,406</u>	<u>( 5,108,850)</u>	<u>21,150</u>	<u>13,269,250</u>
<u>\$ 86,833</u>	<u>\$ 12,069,337</u>	<u>\$ ( 2,786,338)</u>	<u>\$ 298</u>	<u>\$ 14,304,108</u>

**CITY OF LEBANON, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN RETAINED EARNINGS -  
BUDGET AND ACTUAL - ALL ENTERPRISE DEPARTMENTS  
YEAR ENDED JUNE 30, 2000**

	<u>Budget</u>	<u>Actual</u>		<u>GAAP Basis</u>
		<u>Budget Basis</u>	<u>Adjustments</u>	
<b>REVENUES</b>				
Charges for services	\$ 3,756,043	\$ 3,491,179	\$ 26,543	\$ 3,517,722
Miscellaneous	170,000	278,084	( 167)	277,917
<i>Total Revenues</i>	3,926,043	3,769,263	26,376	3,795,639
<b>EXPENDITURES</b>				
Personnel services	1,179,733	1,082,205	21,411	1,103,616
Materials and services	1,755,113	1,614,666	( 144,077)	1,470,589
Capital outlay/depreciation	4,275,735	1,074,747	( 507,109)	567,638
Debt service	624,733	624,349	( 191,858)	432,491
Contingencies	972,663	—	—	—
<i>Total Expenditures</i>	8,807,977	4,395,967	( 821,633)	3,574,334
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	( 4,881,934)	( 626,704)	848,009	221,305
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond proceeds	2,720,000	3,320,000	( 3,320,000)	—
Transfers in	1,155,648	1,283,962	—	1,283,962
Transfers out	( 1,505,750)	( 1,551,388)	302,090	( 1,249,298)
Loss on disposal of assets	—	—	( 24,566)	( 24,566)
<i>Total Other Financing Sources (Uses)</i>	2,369,898	3,052,574	( 3,042,476)	10,098
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	( 2,512,036)	2,425,870	( 2,194,467)	231,403
<b>RETAINED EARNINGS (DEFICIT), Beginning of year</b>				
	2,945,036	3,571,289	( 2,767,834)	803,455
Contributed capital	—	—	13,269,250	13,269,250
<b>RETAINED EARNINGS (DEFICIT), End of year</b>	<u>\$ 433,000</u>	<u>\$ 5,997,159</u>	<u>\$ 8,306,949</u>	<u>\$ 14,304,108</u>

**CITY OF LEBANON, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN RETAINED EARNINGS -  
BUDGET AND ACTUAL - WATER DEPARTMENT  
YEAR ENDED JUNE 30, 2000**

	<u>Budget</u>	<u>Actual</u>		<u>GAAP Basis</u>
		<u>Budget Basis</u>	<u>Adjustments</u>	
<b>REVENUES</b>				
Charges for services	\$ 1,769,000	\$ 1,862,509	\$ 763	\$ 1,863,272
Miscellaneous	60,000	72,089	( 167)	71,922
<i>Total Revenues</i>	1,829,000	1,934,598	596	1,935,194
<b>EXPENDITURES</b>				
Personnel services	535,276	532,107	11,326	543,433
Materials and services	581,757	540,047	( 27,965)	512,082
Capital outlay/depreciation	61,550	34,500	191,916	226,416
Contingency	96,218	—	—	—
<i>Total Expenditures</i>	1,274,801	1,106,654	175,277	1,281,931
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	554,199	827,944	( 174,681)	653,263
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	( 705,199)	( 690,199)	—	( 690,199)
Loss on disposal of assets	—	—	( 6,671)	( 6,671)
<i>Total Other Financing Sources (Uses)</i>	( 705,199)	( 690,199)	( 6,671)	( 696,870)
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	( 151,000)	137,745	( 181,352)	( 43,607)
<b>RETAINED EARNINGS (DEFICIT),</b>				
<i>Beginning of year</i>	476,000	608,762	( 1,186,768)	( 578,006)
Contributed capital	—	—	6,661,651	6,661,651
<b>RETAINED EARNINGS (DEFICIT),</b>				
<i>End of year</i>	<u>\$ 325,000</u>	<u>\$ 746,507</u>	<u>\$ 5,293,531</u>	<u>\$ 6,040,038</u>

**CITY OF LEBANON, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN RETAINED EARNINGS -  
BUDGET AND ACTUAL - WATER CAPITAL IMPROVEMENT DEPARTMENT  
YEAR ENDED JUNE 30, 2000**

	<u>Budget</u>	<u>Actual</u>		<u>GAAP Basis</u>
		<u>Budget Basis</u>	<u>Adjustments</u>	
<b>REVENUES</b>				
Miscellaneous	\$ 40,000	\$ 56,526	\$ -	\$ 56,526
<b>EXPENDITURES</b>				
Materials and services	-	-	5,486	5,486
Capital outlay/depreciation	790,759	2,814	( 2,814)	-
Debt service	250,036	249,702	( 70,000)	179,702
Contingency	290,500	-	-	-
<i>Total Expenditures</i>	<u>1,331,295</u>	<u>252,516</u>	<u>( 67,328)</u>	<u>185,188</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	( 1,291,295)	( 195,990)	67,328	( 128,662)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	250,036	235,036	-	235,036
Transfers out	( 4,400)	( 4,400)	4,400	-
<i>Total Other Financing Sources (Uses)</i>	<u>245,636</u>	<u>230,636</u>	<u>4,400</u>	<u>235,036</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	( 1,045,659)	34,646	71,728	106,374
<b>RETAINED EARNINGS, Beginning of year</b>	1,045,659	1,074,188	( 118,384)	955,804
Contributed capital	-	-	( 2,476,361)	( 2,476,361)
<b>RETAINED EARNINGS, End of year</b>	<u>\$ -</u>	<u>\$ 1,108,834</u>	<u>\$ ( 2,523,017)</u>	<u>\$ ( 1,414,183)</u>



**CITY OF LEBANON, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL - SMALL WATER LINE DEPARTMENT  
YEAR ENDED JUNE 30, 2000**

			<i>Actual</i>	
	<u>Budget</u>	<u>Budget Basis</u>	<u>Adjustments</u>	<u>GAAP Basis</u>
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ 10,540	\$ -	\$ 10,540
<b>EXPENDITURES</b>				
Personnel services	186,441	178,148	2,272	180,420
Materials and services	193,080	170,407	-	170,407
Capital outlay/depreciation	25,850	9,315	13,016	22,331
Contingency	<u>110,732</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Expenditures</i>	<u>516,103</u>	<u>357,870</u>	<u>15,288</u>	<u>373,158</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	( 516,103)	( 347,330)	( 15,288)	( 362,618)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	335,477	335,477	-	335,477
Transfers out	<u>( 19,374)</u>	<u>( 19,374)</u>	<u>-</u>	<u>( 19,374)</u>
<i>Total Other Financing Sources (Uses)</i>	<u>316,103</u>	<u>316,103</u>	<u>-</u>	<u>316,103</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	( 200,000)	( 31,227)	( 15,288)	( 46,515)
<b>RETAINED EARNINGS, Beginning of year</b>	200,000	209,177	( 162,793)	46,384
Contributed capital	<u>-</u>	<u>-</u>	<u>308,254</u>	<u>308,254</u>
<b>RETAINED EARNINGS (DEFICIT), End of year</b>	<u>\$ -</u>	<u>\$ 177,950</u>	<u>\$ 130,173</u>	<u>\$ 308,123</u>

**CITY OF LEBANON, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL - STORM DRAIN UTILITY DEPARTMENT  
YEAR ENDED JUNE 30, 2000**

	<u>Budget</u>	<u>Actual</u>	
		<u>Budget Basis</u>	<u>GAAP Basis</u>
<b>REVENUES</b>			
Charges for services	\$ 131,043	\$ -	\$ -
Miscellaneous	2,000	4,130	4,130
<i>Total Revenues</i>	133,043	4,130	4,130
<b>EXPENDITURES</b>			
Personnel services	70,042	15	15
Materials and services	42,750	47	47
Capital outlay/depreciation	23,075	-	-
<i>Total Expenditures</i>	135,867	62	62
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	( 2,824)	4,068	4,068
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	( 83,176)	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	( 86,000)	4,068	4,068
<b>RETAINED EARNINGS, Beginning of year</b>	86,000	82,765	82,765
Contributed capital	-	-	-
<b>RETAINED EARNINGS, End of year</b>	\$ -	\$ 86,833	\$ 86,833

**CITY OF LEBANON, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL - WASTEWATER DEPARTMENT  
YEAR ENDED JUNE 30, 2000**

	<u>Budget</u>	<u>Actual</u>		<u>GAAP Basis</u>
		<u>Budget Basis</u>	<u>Adjustments</u>	
<b>REVENUES</b>				
Charges for services	\$ 1,856,000	\$ 1,628,670	\$ 25,780	\$ 1,654,450
Miscellaneous	45,000	39,960	-	39,960
<i>Total Revenues</i>	1,901,000	1,668,630	25,780	1,694,410
<b>EXPENDITURES</b>				
Personnel services	387,974	371,935	7,813	379,748
Materials and services	797,301	777,338	-	777,338
Capital outlay/depreciation	252,620	159,000	159,741	318,741
Debt service	3,216	3,216	( 1,858)	1,358
Contingency	92,588	-	-	-
<i>Total Expenditures</i>	1,533,699	1,311,489	165,696	1,477,185
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	367,301	357,141	( 139,916)	217,225
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	500	-	-	-
Transfers out	( 684,801)	( 539,725)	-	( 539,725)
Loss on disposal of assets	-	-	( 17,895)	( 17,895)
<i>Total Other Financing Sources (Uses)</i>	( 684,301)	( 539,725)	( 17,895)	( 557,620)
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	( 317,000)	( 182,584)	( 157,811)	( 340,395)
<b>RETAINED EARNINGS (DEFICIT),</b>				
<i>Beginning of year</i>	425,000	446,195	( 1,899,869)	( 1,453,674)
Contributed capital	-	-	13,863,406	13,863,406
<b>RETAINED EARNINGS (DEFICIT), <i>End of year</i></b>	<u>\$ 108,000</u>	<u>\$ 263,611</u>	<u>\$ 11,805,726</u>	<u>\$ 12,069,337</u>

**CITY OF LEBANON, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL - WASTEWATER CAPITAL IMPROVEMENT DEPARTMENT  
YEAR ENDED JUNE 30, 2000**

	<u>Budget</u>	<u>Actual</u>		<u>GAAP Basis</u>
		<u>Budget Basis</u>	<u>Adjustments</u>	
<b>REVENUES</b>				
Miscellaneous	\$ 23,000	\$ 94,828	\$ -	\$ 94,828
<b>EXPENDITURES</b>				
Materials and services	140,000	126,827	( 121,598)	5,229
Capital outlay/depreciation	3,121,881	869,118	( 869,118)	-
Debt service	371,481	371,431	( 120,000)	251,431
Contingency	<u>382,625</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Expenditures</i>	<u>4,015,987</u>	<u>1,367,376</u>	<u>( 1,110,716)</u>	<u>256,660</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	( 3,992,987)	( 1,272,548)	1,110,716	( 161,832)
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond proceeds	2,720,000	3,320,000	( 3,320,000)	-
Transfers in	569,635	713,449	-	713,449
Transfers out	<u>( 8,800)</u>	<u>( 297,690)</u>	<u>297,690</u>	<u>-</u>
<i>Total Other Financing Sources (Uses)</i>	<u>3,280,835</u>	<u>3,735,759</u>	<u>( 3,022,310)</u>	<u>713,449</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	( 712,152)	2,463,211	( 1,911,594)	551,617
<b>RETAINED EARNINGS, Beginning of year</b>	712,152	1,149,915	620,980	1,770,895
Contributed capital	<u>-</u>	<u>-</u>	<u>( 5,108,850)</u>	<u>( 5,108,850)</u>
<b>RETAINED EARNINGS, End of year</b>	<u>\$ -</u>	<u>\$ 3,613,126</u>	<u>\$ ( 6,399,464)</u>	<u>\$ ( 2,786,338)</u>

**CITY OF LEBANON, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN RETAINED EARNINGS - BUDGET AND ACTUAL - RAILROAD DEPARTMENT  
YEAR ENDED JUNE 30, 2000**

	<u>Budget</u>		<u>Actual</u>	
			<u>Budget Basis</u>	<u>GAAP Basis</u>
<b>REVENUES</b>				
Miscellaneous	\$ -	\$ 11	\$ -	\$ 11
<b>EXPENDITURES</b>				
Materials and services	225	-	-	-
Capital outlay/depreciation	-	-	150	150
<i>Total Expenditures</i>	<u>225</u>	<u>-</u>	<u>150</u>	<u>150</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	( 225)	11	( 150)	( 139)
<b>RETAINED EARNINGS (DEFICIT), Beginning of year</b>	225	287	( 21,000)	( 20,713)
Contributed capital	-	-	21,150	21,150
<b>RETAINED EARNINGS (DEFICIT), End of year</b>	<u>\$ -</u>	<u>\$ 298</u>	<u>\$ -</u>	<u>\$ 298</u>



***SUPPLEMENTAL INFORMATION***





**CITY OF LEBANON, OREGON**  
**SCHEDULE OF PROPERTY TAX TRANSACTIONS**  
**YEAR ENDED JUNE 30, 2000**

<u>Tax Year</u>	<u>Taxes Receivable July 1, 1999</u>	<u>Levy</u>	<u>Discounts and Adjustments</u>	<u>Total Collections</u>	<u>Taxes Receivable June 30, 2000</u>
1999-00	\$ -	\$ 3,824,991	\$ 99,574	\$3,455,416	\$ 270,001
Prior years	<u>314,974</u>	<u>-</u>	<u>12,425</u>	<u>162,821</u>	<u>139,728</u>
<i>Totals</i>	<u>\$ 314,974</u>	<u>\$ 3,824,991</u>	<u>\$ 111,999</u>	<u>\$ 3,618,237</u>	<u>\$ 409,729</u>

Summary of taxes receivable by fund

General Fund	\$ 248,223
Debt Service Fund	47,192
Urban Renewal Fund	37,673
NW Urban Renewal Fund	76,089
Enterprise Fund	<u>552</u>
	<u>\$ 409,729</u>

**CITY OF LEBANON, OREGON**  
**SCHEDULE OF BOND TRANSACTIONS**  
**YEAR ENDED JUNE 30, 2000**

<u>Issue</u>	<u>Date of Issue</u>	<u>Interest Rate</u>		<u>Outstanding July 1, 1999</u>	
		<u>From</u>	<u>To</u>	<u>Matured</u>	<u>Unmatured</u>
<b>Bancroft Improvement</b>					
1990	10/01/90	6.000%	12.000%	\$ -	\$ 20,000
<b>General Obligation</b>					
General obligation	06/01/99			-	3,265,000
General obligation	03/01/94	3.000%	6.000%	-	900,000
Refunding	08/01/95	3.750%	5.350%	-	<u>3,785,000</u>
				-	7,970,000
<b>Revenue</b>					
Wastewater	06/01/90	7.125%	7.500%	-	120,000
Water	10/01/91	5.500%	7.250%	-	165,000
Wastewater refunding	06/01/93	5.250%	5.875%	-	4,215,000
Water refunding	09/01/93	3.750%	5.500%	-	3,145,000
Wastewater revenue				-	-
				-	<u>7,645,000</u>
				<u>\$ -</u>	<u>\$15,615,000</u>

<u>1999-00 Transactions</u>		<u>Outstanding June 30, 2000</u>	
<u>Issued</u>	<u>Matured and Retired</u>	<u>Matured</u>	<u>Unmatured</u>
\$ -	\$ 10,000	\$ -	\$ 10,000
-	-	-	3,265,000
-	40,000	-	860,000
-	265,000	-	3,520,000
-	315,000	-	7,655,000
-	120,000	-	-
-	50,000	-	115,000
-	-	-	4,215,000
-	20,000	-	3,125,000
<u>3,320,000</u>	<u>-</u>	<u>-</u>	<u>3,320,000</u>
<u>3,320,000</u>	<u>190,000</u>	<u>-</u>	<u>10,775,000</u>
<u>\$ 3,320,000</u>	<u>\$ 505,000</u>	<u>\$ -</u>	<u>\$ 18,430,000</u>

**CITY OF LEBANON, OREGON**  
**SCHEDULE OF FUTURE BONDED DEBT REQUIREMENTS**  
**JUNE 30, 2000**

<u>Fiscal Year</u>	<u>Bancroft Improvement Bonds</u>			<u>General Obligation</u>		
	<u>Total</u>	<u>Bonds</u>	<u>Coupons</u>	<u>Total</u>	<u>Bonds</u>	<u>Coupons</u>
2000-01	\$ 10,345	\$ 10,000	\$ 345	\$ 93,700	\$ 45,000	\$ 48,700
2001-02	-	-	-	91,450	45,000	46,450
2002-03	-	-	-	89,110	45,000	44,110
2003-04	-	-	-	91,703	50,000	41,703
2004-05	-	-	-	89,053	50,000	39,053
2005-06	-	-	-	91,403	55,000	36,403
2006-07	-	-	-	93,488	60,000	33,488
2007-08	-	-	-	89,963	60,000	29,963
2008-09	-	-	-	91,438	65,000	26,438
2009-10	-	-	-	92,619	70,000	22,619
2010-11	-	-	-	93,506	75,000	18,506
2011-12	-	-	-	89,100	75,000	14,100
2012-13	-	-	-	89,694	80,000	9,694
2013-14	-	-	-	89,994	85,000	4,994
2014-15	-	-	-	-	-	-
2015-16	-	-	-	-	-	-
2016-17	-	-	-	-	-	-
2017-18	-	-	-	-	-	-
2018-19	-	-	-	-	-	-
2019-20	-	-	-	-	-	-
2020-21	-	-	-	-	-	-
2021-22	-	-	-	-	-	-
	<u>\$ 10,345</u>	<u>\$ 10,000</u>	<u>\$ 345</u>	<u>\$1,276,221</u>	<u>\$ 860,000</u>	<u>\$ 416,221</u>

<i>General Obligation - Refunding</i>			<i>Revenue Supported Refunding Wastewater Bonds</i>			<i>General Obligation Urban Renewal</i>		
<i>Total</i>	<i>Bonds</i>	<i>Coupons</i>	<i>Total</i>	<i>Bonds</i>	<i>Coupons</i>	<i>Total</i>	<i>Bonds</i>	<i>Coupons</i>
\$ 441,980	\$ 275,000	\$ 166,980	\$ 362,880	\$ 120,000	\$ 242,880	\$ 177,669	\$ -	\$ 177,669
444,405	290,000	154,405	361,581	125,000	236,581	207,669	30,000	177,669
446,018	305,000	141,018	360,019	130,000	230,019	221,319	45,000	176,319
441,753	315,000	126,753	363,194	140,000	223,194	234,249	60,000	174,249
446,310	335,000	111,310	365,844	150,000	215,844	251,429	80,000	171,429
449,573	355,000	94,573	362,219	155,000	207,219	267,589	100,000	167,589
451,500	375,000	76,500	363,306	165,000	198,306	277,689	115,000	162,689
456,625	400,000	56,625	358,819	170,000	188,819	286,939	130,000	156,939
455,100	420,000	35,100	359,044	180,000	179,044	295,309	145,000	150,309
462,038	450,000	12,038	363,694	195,000	168,694	302,769	160,000	142,769
-	-	-	367,481	210,000	157,481	308,969	175,000	133,969
-	-	-	360,406	215,000	145,406	319,344	195,000	124,344
-	-	-	362,775	230,000	132,775	328,619	215,000	113,619
-	-	-	359,263	240,000	119,263	341,794	240,000	101,794
-	-	-	365,162	260,000	105,162	348,593	260,000	88,593
-	-	-	364,888	275,000	89,888	358,969	285,000	73,969
-	-	-	363,731	290,000	73,731	372,937	315,000	57,937
-	-	-	361,694	305,000	56,694	380,218	340,000	40,218
-	-	-	358,775	320,000	38,775	396,093	375,000	21,093
-	-	-	359,975	340,000	19,975	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$4,495,302</u>	<u>\$3,520,000</u>	<u>\$ 975,302</u>	<u>\$7,244,750</u>	<u>\$4,215,000</u>	<u>\$3,029,750</u>	<u>\$5,678,166</u>	<u>\$3,265,000</u>	<u>\$2,413,166</u>

**CITY OF LEBANON, OREGON**

**SCHEDULE OF FUTURE BONDED DEBT REQUIREMENT (Continued)**

**JUNE 30, 2000**

<i>Fiscal Year</i>	<i>Revenue Supported Water COP</i>			<i>Revenue Supported Water Refunding</i>		
	<i>Total</i>	<i>Bonds</i>	<i>Coupons</i>	<i>Total</i>	<i>Bonds</i>	<i>Coupons</i>
2000-01	\$ 60,906	\$ 55,000	\$ 5,906	\$ 189,610	\$ 20,000	\$ 169,610
2001-02	62,025	60,000	2,025	188,600	20,000	168,600
2002-03	-	-	-	250,880	85,000	165,880
2003-04	-	-	-	251,285	90,000	161,285
2004-05	-	-	-	251,335	95,000	156,335
2005-06	-	-	-	255,883	105,000	150,883
2006-07	-	-	-	255,025	110,000	145,025
2007-08	-	-	-	253,950	115,000	138,950
2008-09	-	-	-	252,605	120,000	132,605
2009-10	-	-	-	250,990	125,000	125,990
2010-11	-	-	-	253,970	135,000	118,970
2011-12	-	-	-	251,545	140,000	111,545
2012-13	-	-	-	253,715	150,000	103,715
2013-14	-	-	-	255,345	160,000	95,345
2014-15	-	-	-	251,488	165,000	86,488
2015-16	-	-	-	257,000	180,000	77,000
2016-17	-	-	-	256,825	190,000	66,825
2017-18	-	-	-	256,100	200,000	56,100
2018-19	-	-	-	259,687	215,000	44,687
2019-20	-	-	-	257,587	225,000	32,587
2020-21	-	-	-	254,937	235,000	19,937
2021-22	-	-	-	251,737	245,000	6,737
	<u>\$ 122,931</u>	<u>\$ 115,000</u>	<u>\$ 7,931</u>	<u>\$ 5,460,099</u>	<u>\$ 3,125,000</u>	<u>\$ 2,335,099</u>

<i>Wastewater Revenue</i>			<i>All Issues</i>		
<i>Total</i>	<i>Bonds</i>	<i>Coupons</i>	<i>Total</i>	<i>Bonds</i>	<i>Coupons</i>
\$ 177,988	\$ -	\$ 177,988	\$1,515,078	\$ 525,000	\$ 990,078
282,988	105,000	177,988	1,638,718	675,000	963,718
283,053	110,000	173,053	1,650,399	720,000	930,399
287,773	120,000	167,773	1,669,957	775,000	894,957
286,893	125,000	161,893	1,690,864	835,000	855,864
285,643	130,000	155,643	1,712,310	900,000	812,310
284,143	135,000	149,143	1,725,151	960,000	765,151
287,325	145,000	142,325	1,733,621	1,020,000	713,621
284,930	150,000	134,930	1,738,426	1,080,000	658,426
287,205	160,000	127,205	1,759,315	1,160,000	599,315
283,885	165,000	118,885	1,307,811	760,000	547,811
285,223	175,000	110,223	1,305,618	800,000	505,618
285,948	185,000	100,948	1,320,751	860,000	460,751
286,050	195,000	91,050	1,332,446	920,000	412,446
285,520	205,000	80,520	1,250,763	890,000	360,763
284,040	215,000	69,040	1,264,897	955,000	309,897
287,000	230,000	57,000	1,280,493	1,025,000	255,493
288,890	245,000	43,890	1,286,902	1,090,000	196,902
284,925	255,000	29,925	1,299,480	1,165,000	134,480
285,390	270,000	15,390	902,952	835,000	67,952
-	-	-	254,937	235,000	19,937
-	-	-	251,737	245,000	6,737
<u>\$5,604,812</u>	<u>\$3,320,000</u>	<u>\$2,284,812</u>	<u>\$29,892,626</u>	<u>\$18,430,000</u>	<u>\$11,462,626</u>





***COMPLIANCE SECTION***

***CITY OF LEBANON, OREGON***

***COMMENTS OF THE INDEPENDENT AUDITOR REQUIRED BY STATE OF OREGON MINIMUM STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS  
YEAR ENDED JUNE 30, 2000***

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***STATE OF OREGON COMPLIANCE SECTION***

Oregon Administrative Rules 162-10-000 through 162-16-000 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, comments, and disclosures required in annual financial reports. Required comments and disclosures related to our audit of such financial statements and schedules are set forth on the following pages.

***ACCOUNTING AND INTERNAL CONTROL STRUCTURE***

We have audited the general purpose financial statements of the City of Lebanon as of and for the year ended June 30, 2000, and have issued our report thereon dated December 11, 2000. As part of our audit, we made a study and evaluation of accounting systems and controls as required by generally accepted auditing standards. The purpose of our study and evaluation was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the City's financial statements. Our study and evaluation was more limited than would be necessary to express an opinion on the system of internal accounting control of the City taken as a whole. However, our study and evaluation disclosed no condition that we believe to be a material weakness.

***ADEQUACY OF COLLATERAL SECURING DEPOSITORY BALANCES***

Oregon Revised Statutes Chapter 295 requires 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, 2000.

***INVESTMENTS***

Our review of deposit and investment balances indicated that, during the year ended June 30, 2000, the City was in compliance with ORS 295, as it pertains to investment of public funds.

***LEGAL REQUIREMENTS RELATING TO DEBT***

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, 2000.

***BUDGET COMPLIANCE***

The City appears to have complied with Local Budget Law (ORS 294.305 to 294.520) in the preparation, adoption and execution of its budget and tax levy for the years ending June 30, 2000 and 2001. A description of the budgeting process is in the notes to the combined financial statements.

***INSURANCE POLICIES AND FIDELITY BONDS***

We have reviewed the City's insurance and fidelity bond coverage at June 30, 2000. 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 covering City-owned property at June 30, 2000.

**CITY OF LEBANON, OREGON**

**COMMENTS OF THE INDEPENDENT AUDITOR REQUIRED BY STATE OF OREGON MINIMUM  
STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS (Continued)  
YEAR ENDED JUNE 30, 2000**

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**PUBLIC CONTRACTS**

The City's procedures for awarding public contracts were reviewed and found to be in accordance with ORS Chapter 279.

**PROGRAMS FUNDED FROM OUTSIDE SOURCES**

We have reviewed the City's compliance with appropriate laws, rules, and regulations pertaining to programs funded wholly or partially by the other governmental agencies. The City is in compliance with the guidelines in all material respects.

**FINANCIAL REPORTING REQUIREMENTS**

We have reviewed financial reports and other data relating to programs funded wholly or partially by other governmental agencies. This data, filed with other governmental agencies, is in agreement with and supported by the accounting records.

**STATE HIGHWAY FUNDS**

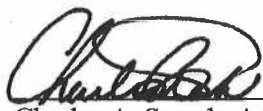
The City has complied with the legal requirements relating to the use of revenue from taxes on motor vehicle use fuel.

**SCHEDULE OF ACCOUNTABILITY OF INDEPENDENTLY ELECTED OFFICIALS**

There are no elected City officials who collect or receive funds on behalf of the City.

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.

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

By:   
Charles A. Swank, A Shareholder

December 11, 2000