



LEBANON, OREGON

Annual Financial Report

June 30, 2020

CITY OF LEBANON

925 S. Main Street
Lebanon, OR 97355
(541) 258-4900

MAYOR AND CITY COUNCIL

PAUL AZIZ 925 Main Street, Lebanon, OR 97355	Mayor
JASON BOLEN 925 Main Street, Lebanon, OR 97355	Council President
REBECCA GRIZZLE 925 Main Street, Lebanon, OR 97355	Councilor
ROBERT FURLOW 925 Main Street, Lebanon, OR 97355	Councilor
KARIN STAUDER 925 Main Street, Lebanon, OR 97355	Councilor
WAYNE RIESKAMP 925 Main Street, Lebanon, OR 97355	Councilor
MICHELLE STEINHEBEL 925 Main Street, Lebanon, OR 97355	Councilor

ADMINISTRATION

MATT APKEN 925 Main Street, Lebanon, OR 97355	Finance Director
RON WHITLATCH 925 Main Street, Lebanon, OR 97355	Interim City Manager
CASSANDRA HEADLEY 925 Main Street, Lebanon, OR 97355	Accounting Manager

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Lebanon, Oregon
925 S Main Street
Lebanon, OR 97355

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lebanon as of and for the year ended June 30, 2020 which collectively comprise the 's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting standards generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion on pages 2-14, the schedules of revenues, expenditures and changes in fund balances – budget and actuals on pages 64-65, the pension and OPEB schedules on pages 66-70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

I have applied certain limited procedures to the management's discussion and analysis and the pension schedules in accordance with the auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lebanon's basic financial statements. The schedules of revenues, expenditures and changes in fund balances – budget and actuals described above on pages 64-65 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The schedules of revenues, expenditures and changes in fund balances – budget and actuals have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedules of revenues, expenditures and changes in fund balances – budget and actuals are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the city of Lebanon's basic financial statements. The other supplementary data on pages 71-150 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City of Lebanon.

The other supplementary data on pages 71-150 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, other supplementary data is fairly stated in all material respects in relation to the financial statements taken as a whole.

Report on Other Legal and Regulatory Requirements

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, I have issued my report dated January 11, 2021, on my consideration of the 's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of my testing of compliance and the results of that testing and not to provide an opinion on the 's compliance.



Steve Tuhscherer, CPA
January 11, 2021

MANAGEMENT'S
DISCUSSION
AND ANALYSIS

CITY OF LEBANON
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2020
Unaudited

The management discussion and analysis of the City of Lebanon, Oregon (the City) financial performance provides an overview of the City's financial activities for the fiscal year that ended June 30, 2020. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended June 30, 2020 are as follows:

- Prior period adjustments are reported as restatement of beginning net position and fund balance to correct amounts identified in the Note on page 62 - Restatement of Beginning Net Position and Fund Balances.
- The City's governmental activities net position increased by \$1,216,847, a 9.0% increase from the previous year. The City's business-type activities net position increased by \$2,637,631, a 4.6% increase from the previous year.
- Total revenue for the City was \$29,992,087. That is a 4.7% decrease from the previous year. General revenues accounted for \$14,700,677 of revenue, or 49% of all revenues. Program specific revenues in the form of charges for services accounted for \$15,291,410 or 53% of total revenues.
- The City had \$26,137,609 in program expenses. Of the program expenses, \$3,985,872 was for providing water service, \$4,033,325 was for providing wastewater service, and \$148,438 was for providing storm drain service.
- The City's long-term liabilities decreased by \$2,654,349, a 3.9% reduction from the previous year.
- Among the governmental funds, the General Fund had \$9,395,950 in revenues, which primarily consisted of property taxes and franchise taxes. The SDC – Parks Improvements Fund had \$512,455 in revenues, which primarily consisted of fees and charges. The SDC – Street Improvements Fund had \$239,047 in revenues, which primarily consisted of fees and charges. The Northwest Lebanon Urban Renewal District had \$1,733,729 in revenues, which primarily consisted of property taxes. These amounts do not include other financing sources of loan proceeds or interfund transfers in.
- Among proprietary funds, the Water Fund had \$5,475,941 in operating revenues, which primarily consisted of user fees. The Wastewater Fund had \$6,114,886 in operating revenues, which primarily consisted of user fees. The Storm Drain Fund had \$581,058 in operating revenues, which primarily consisted of user fees.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis introduces the City's basic financial statements. The basic financial statements include: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also includes additional supplementary information to supplement the basic financial statements.

CITY OF LEBANON
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2020
Unaudited

Government-wide Financial Statements

The first of the government-wide statements is the *Statement of Net Position*. This is the City-wide statement of position presenting information that includes all of the City's assets and liabilities. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall economic health of the City would extend to other non-financial factors such as the condition of buildings, and water and wastewater systems facilities.

The second government-wide statement is the *Statement of Activities* which reports how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the *Statement of Activities* is to show the financial reliance of the City's distinct activities or functions of the City that are principally supported by user fee revenues, intergovernmental revenues from grants, and property tax revenues. The governmental activities of the City include general government activities, public safety, public works, culture and recreation and community planning and development. The proprietary activities of the City include water, wastewater, and storm drain services.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, Fund Financial Statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining and individual fund statements in a later section of this report. The City reports two types of funds:

Governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. Unlike the government-wide financial statements, these statements report short-term fiscal accountability focusing on use of spendable resources during the year and balances of spendable resources available at the end of the fiscal year.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to government-wide statements to assist in understanding the differences between these two perspectives.

Budgetary comparison schedules are included in the basic financial statements for the General Fund and the Northwest Urban Renewal District. Budgetary comparison schedules for the other governmental funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the City's adopted and final revised budget.

Proprietary funds are used to report the functions presented as business-type activities in the government-wide financial statements, only in more detail. The City maintains one type of proprietary fund - enterprise funds. The City uses enterprise funds to account for water, wastewater, and storm drain operations. The proprietary fund financial statements provide separate information for the Water Fund, Wastewater Fund, and Storm Drain Fund. These statements and schedules demonstrate compliance with the City's adopted and final revised budget.

CITY OF LEBANON
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2020
Unaudited

Notes to the Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin immediately following the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents as required supplementary information budgetary comparison statements for the General Fund and the Northwest Urban Renewal District. The required supplementary information immediately follows the notes to the financial statements.

Other supplementary data includes individual fund statements and schedules, and other schedules. These statements and schedules immediately follow the required supplementary information in this report.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the City as a whole. Net position may serve over time as a useful indicator of a government's financial position.

The City's net position at fiscal year-end is \$74,805,726 this is an increase of \$3,854,478 or 5.4% over the prior year.

A significant portion of the City's net position (80%) reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, improvements other than buildings, vehicles, and machinery and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending.

Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

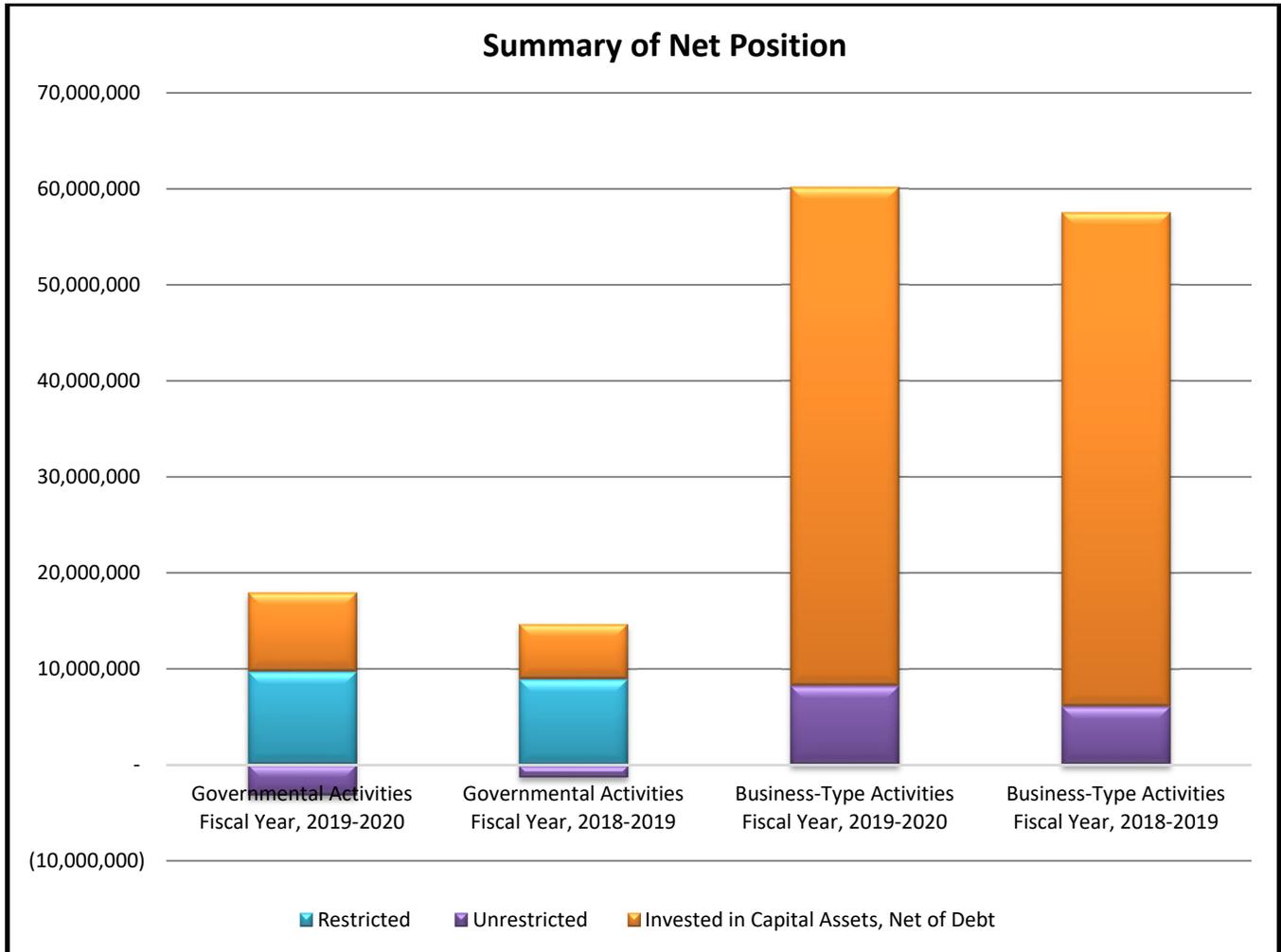
CITY OF LEBANON
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2020
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The following table provides a summary of the City's net position for the current and prior year.

	Summary of Net Position					
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>As Restated 2019</u>	<u>2020</u>	<u>As Restated 2019</u>	<u>2020</u>	<u>As Restated 2019</u>
Assets						
Current and Other Assets	\$ 17,319,711	\$ 17,747,933	\$ 10,309,335	\$ 8,553,980	\$ 27,629,046	\$ 26,301,913
Capital Assets	36,332,246	36,480,674	79,852,484	80,628,330	116,184,731	117,109,004
Total Assets	53,651,957	54,228,607	90,161,819	89,182,310	143,813,777	143,410,917
Deferred Outflow of Resources	3,168,591	3,367,838	323,817	253,843	3,492,408	3,621,681
Liabilities						
Current Liabilities	3,548,363	3,871,390	2,438,796	2,959,851	5,987,159	6,831,241
Long-Term Liabilities	37,951,767	39,527,954	27,829,597	28,907,759	65,781,364	68,435,713
Total Liabilities	41,500,130	43,399,344	30,268,393	31,867,610	71,768,523	75,266,954
Deferred Inflow of Resources	664,071	757,601	67,865	57,103	731,936	814,704
Net Position						
Net Investment in Capital Assets	8,130,402	5,703,160	51,904,102	51,413,603	60,034,504	57,116,763
Restricted	9,699,384	8,925,225	-	-	9,699,384	8,925,225
Unrestricted	(3,173,438)	(1,188,885)	8,245,277	6,097,836	5,071,838	4,908,951
Total Net Position - As Originally Reported for Prior Year	<u>\$ 14,656,347</u>	<u>\$ 13,439,500</u>	<u>\$ 60,149,379</u>	<u>\$ 57,511,439</u>	<u>\$ 74,805,726</u>	<u>\$ 70,950,939</u>

CITY OF LEBANON
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2020
Unaudited

See the chart below to gain an understanding of the City's actual financial position and how each component relates to the activities performed.



CITY OF LEBANON
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2020
Unaudited

Changes in net position - The City's total revenues for the fiscal year ended June 30, 2020 were \$29,992,087. The total cost of all programs and services was \$26,137,609. The following table shows a comparative analysis of government-wide revenues, expenses and changes in net position.

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	As Originally Reported	As Originally Reported	As Originally Reported	As Originally Reported	As Originally Reported	As Originally Reported
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Revenues						
Program Revenues						
Charges for Services	\$ 2,040,020	\$ 2,238,832	\$ 12,171,885	\$ 11,675,543	\$14,211,905	\$ 13,914,375
Operating Grants and Contributions	71,813	16,500	-	-	71,813	16,500
Capital Grants and Contributions	959,213	1,924,810	48,479	2,302,172	1,007,692	4,226,982
Total Program Revenues	3,071,046	4,180,142	12,220,364	13,977,715	15,291,410	18,157,857
General Revenues						
Local Sources						
Property Taxes, Franchise Fees, & Public Service Taxes	14,096,369	13,580,334	-	-	14,096,369	13,580,334
Interest & Investment Earnings	349,399	488,904	177,193	171,561	526,592	660,465
Other Revenues	77,716	115,012	-	-	77,716	115,012
Total General Revenues	14,523,484	14,184,250	177,193	171,561	14,700,677	14,355,811
Total Revenues	17,594,530	18,364,392	12,397,557	14,149,276	29,992,087	32,513,668
Program Expenses						
General Government	4,538,279	4,689,231	-	-	4,538,279	4,689,231
Public Safety	5,890,658	5,445,062	-	-	5,890,658	5,445,062
Public Works	993,516	776,254	-	-	993,516	776,254
Culture and Recreation	2,868,566	2,554,557	-	-	2,868,566	2,554,557
Community Planning & Development	2,025,709	1,622,675	-	-	2,025,709	1,622,675
Urban Renewal Projects	514,820	120,130	-	-	514,820	120,130
Interest on Long-Term Debt	1,138,426	2,108,959	-	-	1,138,426	2,108,959
Utility Services						
Water Utilities	-	-	3,985,872	3,105,254	3,985,872	3,105,254
Wastewater Utilities	-	-	4,033,325	3,733,787	4,033,325	3,733,787
Storm Drainage	-	-	148,438	130,772	148,438	130,772
Total Program Expenses	17,969,974	17,316,869	8,167,635	6,969,813	26,137,609	24,286,682
Transfers	1,592,291	3,020,304	(1,592,291)	(2,083,372)	-	936,932
Special Items	-	115,998	-	-	-	115,998
Change in Net Position	<u>\$ 1,216,847</u>	<u>\$ 4,183,825</u>	<u>\$ 2,637,631</u>	<u>\$ 5,096,091</u>	<u>\$ 3,854,478</u>	<u>\$ 9,279,916</u>

The Statement of Activities shows the cost of program services and the charges for services, grants, and contributions offsetting those services. The following table shows, for governmental activity, the total cost of the six major functional activities of the City. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

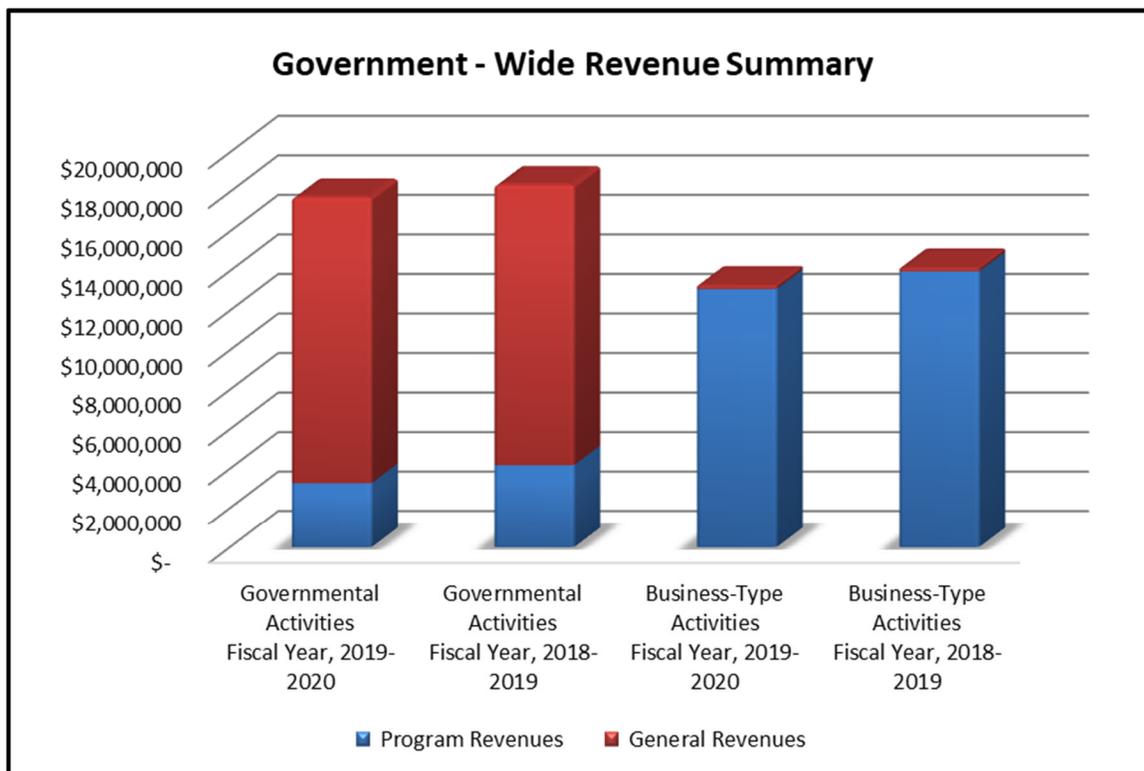
CITY OF LEBANON
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2020
Unaudited

Governmental Activities

	Total Cost of Services		Net (Cost) Profit of Services	
	2019-20	2018-19	2019-20	2018-19
General Government	\$ 4,538,279	\$ 4,689,231	\$ (3,640,611)	\$ (3,850,136)
Public Safety	5,890,658	5,445,062	(5,820,689)	(4,993,770)
Public Works	993,516	776,254	(796,277)	(456,738)
Culture and Recreation	2,868,566	2,554,557	(2,033,445)	(1,967,230)
Community Planning & Development	2,025,709	1,622,675	(954,660)	360,237
Urban Renewal Projects	514,820	120,130	(514,820)	(120,130)
Interest Expense	1,138,426	2,108,959	(1,138,426)	(2,108,959)
Total Program Expenses	\$17,969,974	\$17,316,869	\$(14,898,928)	\$(13,136,727)

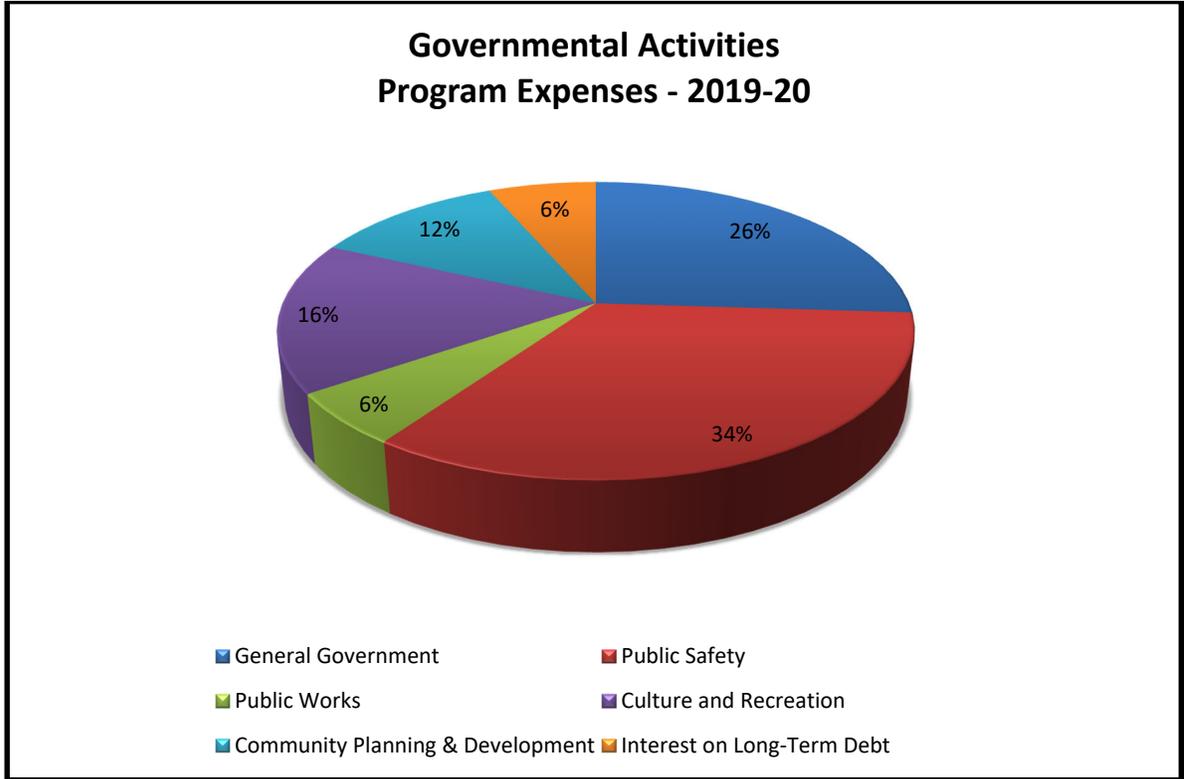
The dependence on general revenues for general government activities is apparent. For 2019-20, 83% of general government activities are supported through general revenues

The following chart analyzes the revenue between governmental activities and business-type activities from prior to current year.



CITY OF LEBANON
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2020
Unaudited

This graph represents the cost of the City's Program expenses by governmental activities.

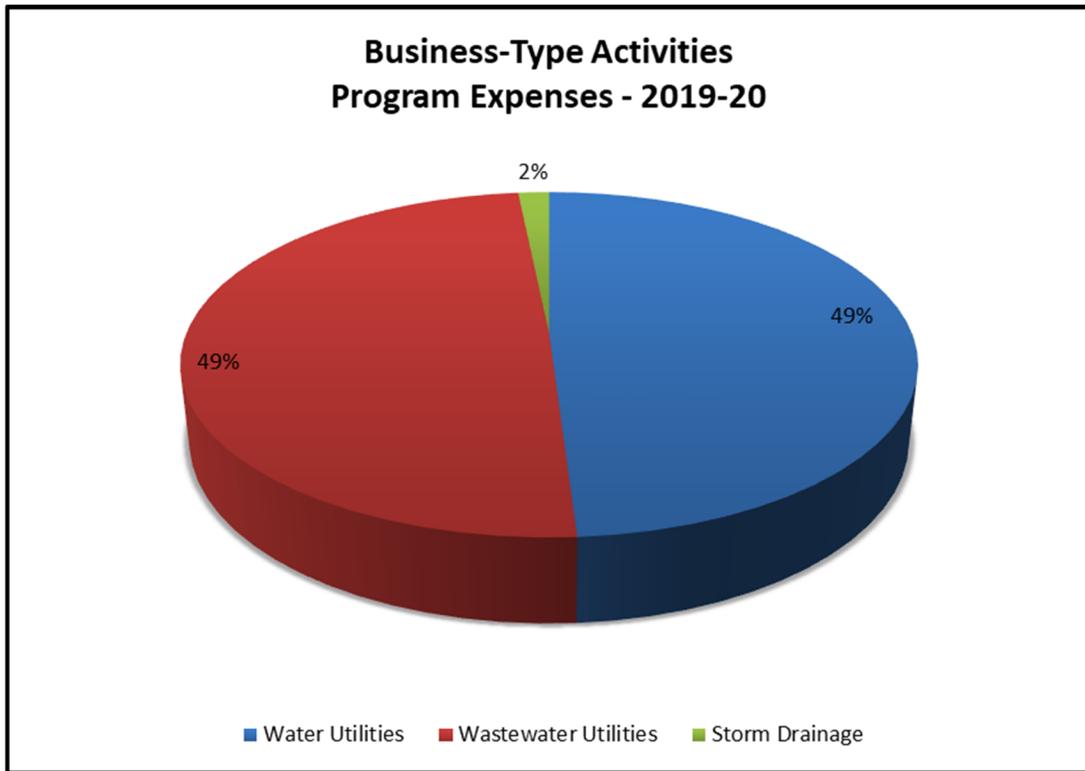


CITY OF LEBANON
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2020
Unaudited

Business-Type Activities

	<u>Total Cost of Services</u>		<u>Net (Cost) Profit of Services</u>	
	<u>2019-20</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2018-19</u>
Water Utilities	\$ 3,985,872	\$ 3,105,254	\$ 1,513,451	\$ 3,616,519
Wastewater Utilities	4,033,325	3,733,787	2,102,454	2,505,764
Storm Drain Utilities	<u>148,438</u>	<u>130,772</u>	<u>436,824</u>	<u>885,619</u>
Total Program Expenses	<u>\$ 8,167,635</u>	<u>\$ 6,969,813</u>	<u>\$ 4,052,729</u>	<u>\$ 7,007,902</u>

This graph represents the cost of the City's Program expenses by business-type activities.



CITY OF LEBANON
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2020
Unaudited

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

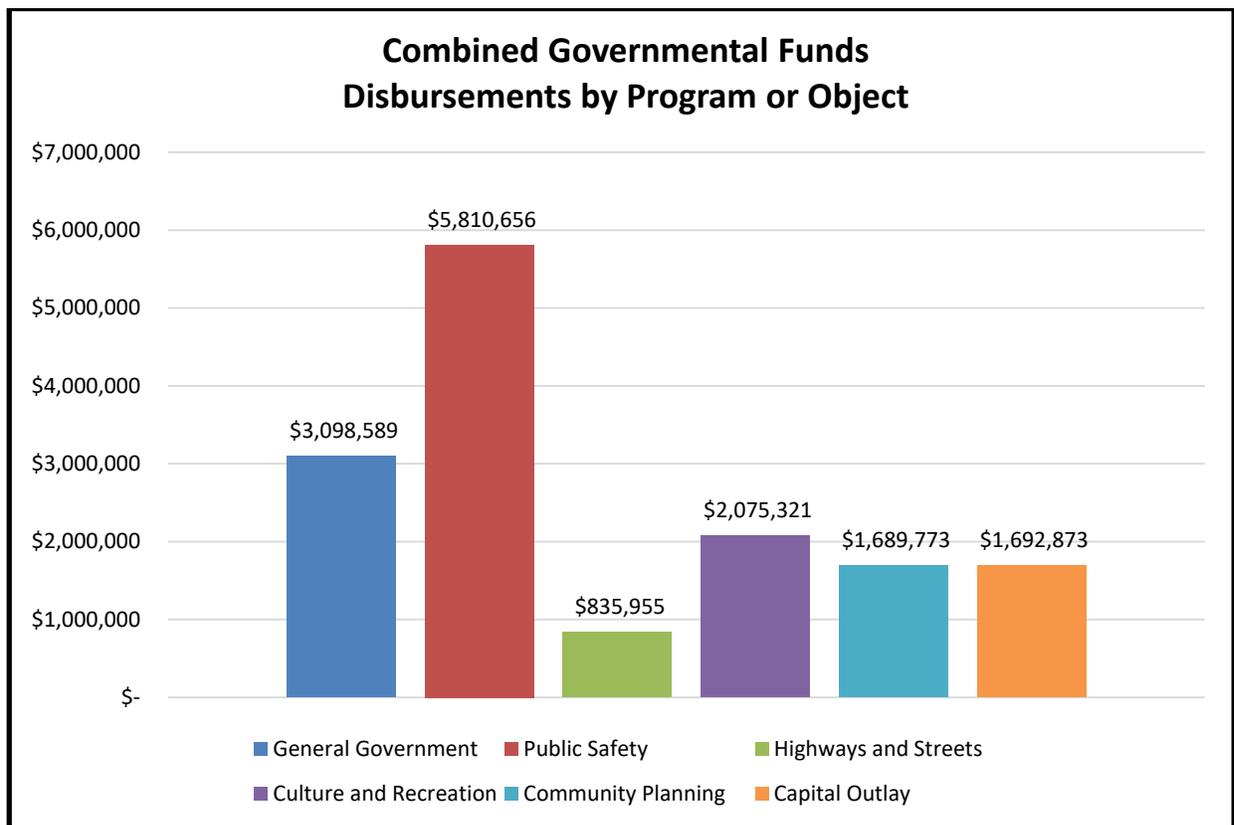
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

Governmental Funds

As the City completed the year, its governmental funds reported a combined fund balance of \$15,512,667, an increase of \$281,061. The fund balance constitutes restricted, committed, assigned and unassigned amounts. Of the current fund balances, \$12,851 is restricted for debt service, \$7,072,934 is restricted for capital projects, \$2,613,599 is restricted for urban renewal projects, \$1,819,468 is committed, and \$3,993,815 is unassigned and available for spending at the City's discretion.

The General Fund is the principal operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$4,084,924, a decrease of \$113,176.

Following is a comparison of current expenditures by program of the governmental funds.

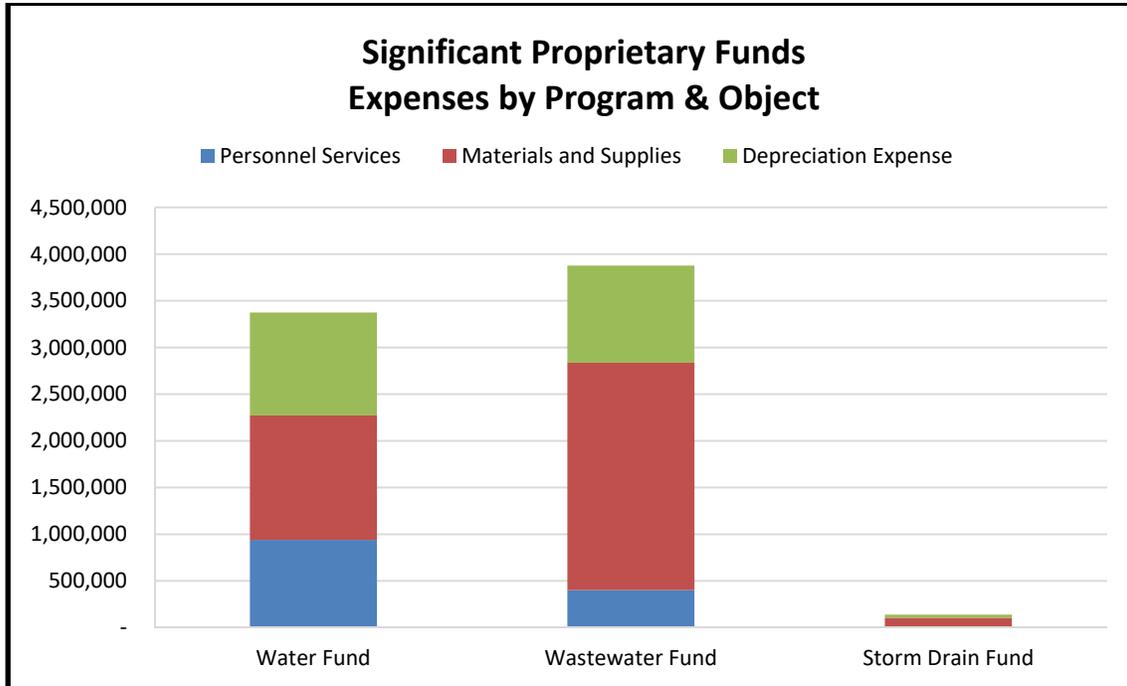


CITY OF LEBANON
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2020
Unaudited

Proprietary Funds

The City's enterprise funds reported unrestricted net position of \$8,245,277 and \$51,904,102 in net investment in capital assets.

Following is a comparison of current expenses by program of the proprietary funds.



BUDGETARY HIGHLIGHTS

General Fund resources were budgeted and anticipated to be collected in the amount of \$12,041,741 during the fiscal year. Actual resources of \$12,380,974 were available, \$339,233 more than budgeted. General Fund expenditures budget was under-spent by \$3,119,946. The ending fund balance was greater than what was budgeted by \$4,084,923.

The Water Fund balance increased during the fiscal year the Water and Storm Drain Fund balances increased, while the Wastewater Fund balance decreased. The Water Fund, Wastewater Fund and Storm Drain Fund remained within the expenditure budgets in all appropriation areas. The Water Fund's actual resources were less than budgeted by \$5,462. The Wastewater Fund's actual resources were more than budgeted by \$41,459. The Storm Drain Fund's actual resources were more than budgeted by \$29,808.

CITY OF LEBANON
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2020
Unaudited

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2020, the City had invested, before net reduction for accumulated depreciation, \$206,085,472 in capital assets, including buildings, land, vehicles, water, wastewater, and storm drain utility systems, construction in progress and other equipment. This amount represents an increase of \$2,579,435 from the prior year. Additions to depreciable assets of \$3,167,816 includes additions from construction projects completed during the fiscal year of \$1,624,732.

Total depreciation expense for the year was \$3,602,711 of which \$1,425,484 is associated with general government activities and \$2,177,227 with business type activities. Additional information on the City's capital assets can be found in the Capital Asset Note of the Notes to the Basic Financial Statements section of this report.

Long-Term Debt

At June 30, 2020 the City had total long-term debt outstanding \$55,688,223. This amount is comprised of debt backed by general obligation bonds, revenue bonds, notes, loans and leases payable. Principal payments made during the current fiscal year were \$4,304,018. Interest paid on the debt amounted to \$2,431,882. The City added no new long term debt for the 2019-20 fiscal year. Additional information on the City's long-term debt can be found in Long-Term Debt Note of the Notes to the Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

At the time of these financial statements were prepared and audited, the City was aware of the following circumstances that could affect its future financial health:

The Governmental funds largest revenue source are property taxes, charges for service, franchise fees, building permits and state shared revenue. With no sales tax the City must heavily rely on these revenue sources. The State Constitution allows not more than a 3% increase in a property's assessed value without new development. The City levies the full property tax rate it can.

During the fiscal year the City has seen plenty of new development and there are several other developments underway which will continue to increase the property tax base. The Northwest Lebanon Urban Renewal District, part of the Lebanon Urban Renewal Agency, under levied its property tax rate which returned a portion of the property taxes normally collected by it to the underlying property tax districts including the City.

The year ended as the COVID-19 pandemic was moving into its fourth month. The City had stopped its normal process of locking off water service for non-payment. The City also decided not to increase rates for inflation.

The City, along with local governments across the State, continues to carefully monitor retirement costs resulting from the State-run pension fund, Oregon Public Employee Retirement System (PERS). Further information on PERS can be found in the notes to the financial statements. Rates for the current year were unchanged but are set to increase beginning in July of 2021.

CITY OF LEBANON
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2020
Unaudited

During preparation of the budget for the ensuing year, the long-term impacts of the local economy were examined in conjunction with business decisions made by the City. The City's adopted budget for the July 1, 2020 to June 30, 2021 annual budget reflects total appropriations of \$63,194,044. The following are major assumption used in developing the annual budget.

- The City continues to levy property taxes at \$5.1364 per \$1,000 of assessed value.
- Assessed property value within the City was expected to grow by 3% plus the amount underfunded by the Northwest Lebanon Urban Renewal District.
- No rate increase for Utilities.
- Interest rates have decreased since the COVID-19 pandemic. At June 30, 2020 all City investments were within the Local Government Investment Pool (LGIP) at a rate of 1.30%. The LGIP rate has since decreased to 0.75%.
- Cost of Living increases were proposed for the Teamsters union at 2%. AFSCME union members cost of living was included in a \$1 per hour negotiated increase. Non-union had a market analysis done and increases were made as needed.
- Health Care benefits have been budgeted to increase 5%.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the resources it receives.

If you have any questions about this report or need additional information, contact the City of Lebanon City Hall at 925 S. Main Street, Lebanon, Oregon 97355.

BASIC FINANCIAL
STATEMENTS

Government -Wide
Financial Statements

CITY OF LEBANON
STATEMENT OF NET POSITION
June 30, 2020

	Governmental Activities	Business- Type Activities	Total
<u>ASSETS:</u>			
Current Assets:			
Cash and Investments	\$ 14,152,868	\$ 7,952,406	\$ 22,105,274
Accounts Receivable	1,674,849	1,924,635	3,599,484
Unbilled Revenues	-	377,866	377,866
Court Fines Receivable, Net	151,802	-	151,802
Property Taxes Receivable	462,333	-	462,333
Interfund Loans Receivable	363,000	-	363,000
Due From Other Funds	185,600	-	185,600
Prepaid Expenses & Other Assets	57,450	44,629	102,079
Total Current Assets	<u>17,047,902</u>	<u>10,299,536</u>	<u>27,347,438</u>
Restricted Assets:			
Restricted Cash - Debt Service	175,922	-	175,922
Net OPEB Asset (RHIA)	95,886	9,799	105,685
Total Restricted Assets	<u>271,808</u>	<u>9,799</u>	<u>281,607</u>
Capital Assets Not Being Depreciated	2,870,467	1,660,757	4,531,224
Capital Assets, net of Accumulated Depreciation	33,362,776	78,191,727	111,554,503
Intangible Assets	99,004	-	99,004
Total Capital Assets	<u>36,332,246</u>	<u>79,852,484</u>	<u>116,184,731</u>
Total Assets	<u>53,651,956</u>	<u>90,161,819</u>	<u>143,813,776</u>
<u>DEFERRED OUTFLOW OF RESOURCES:</u>			
Pension Related Deferrals	3,161,627	323,105	3,484,732
OPEB Related Deferrals - RHIA	6,964	712	7,676
Total Deferred Outflow of Resources	<u>3,168,591</u>	<u>323,817</u>	<u>3,492,408</u>
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts Payable	169,034	161,265	330,299
Interest Payable	190,576	457,594	648,170
Deposit Payable	765	233,890	234,655
Bail Payable	2,853	-	2,853
Due To Other Funds	142,462	43,138	185,600
Compensated Absences, Current Portion	151,893	22,626	174,519
Long-Term Liabilities, Current Portion	2,890,780	1,520,283	4,411,063
Total Current Liabilities	<u>3,548,363</u>	<u>2,438,796</u>	<u>5,987,159</u>
Long-Term Liabilities:			
Long-Term Liabilities, Less Current Portion	25,212,061	26,065,099	51,277,160
Compensated Absences, Less Current Portion	455,679	67,880	523,559
Interfund Loans Payable	-	363,000	363,000
Bond Premium, Net	1,309,434	212,060	1,521,494
Net Pension Liability	9,979,156	1,019,829	10,998,985
Net OPEB Obligation - CIS	995,437	101,729	1,097,166
Total Long-Term Liabilities	<u>37,951,767</u>	<u>27,829,597</u>	<u>65,781,364</u>
Total Liabilities	<u>41,500,130</u>	<u>30,268,393</u>	<u>71,768,523</u>
<u>DEFERRED INFLOW OF RESOURCES:</u>			
Receivables Currently not Collectable	-	-	-
Deferred Earnings on Pension Assets	645,409	65,958	711,367
OPEB Related Deferrals - RHIA	18,662	1,907	20,569
Total Deferred Inflow of Resources	<u>664,071</u>	<u>67,865</u>	<u>731,936</u>
<u>NET POSITION:</u>			
Net Investment in Capital Assets	8,130,402	51,904,102	60,034,504
Restricted for:			
Debt Service	12,851	-	12,851
Capital Projects	7,072,934	-	7,072,934
Urban Renewal Projects	2,613,599	-	2,613,599
Unrestricted	(3,173,438)	8,245,277	5,071,838
Total Net Position	<u>\$ 14,656,347</u>	<u>\$ 60,149,379</u>	<u>\$ 74,805,726</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

CITY OF LEBANON

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2020

	<u>(Expenses)</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<u>GOVERNMENTAL ACTIVITIES:</u>					
General Government	\$ 4,538,279	\$ 825,855	\$ 71,813	\$ -	\$ (3,640,611)
Public Safety	5,890,658	69,969	-	-	(5,820,689)
Public Works	993,516	197,239	-	-	(796,277)
Culture and Recreation	2,868,566	835,121	-	-	(2,033,445)
Community Planning & Development	2,025,709	111,836	-	959,213	(954,660)
Urban Renewal Projects	514,820	-	-	-	(514,820)
Interest Expense and Loan Fees	1,138,426	-	-	-	(1,138,426)
Total Governmental Activities	17,969,974	2,040,020	71,813	959,213	(14,898,928)
<u>BUSINESS-TYPE ACTIVITIES:</u>					
Water Utilities	3,985,872	5,475,941	-	23,382	1,513,451
Wastewater Utilities	4,033,325	6,114,886	-	20,893	2,102,454
Storm Drain Utilities	148,438	581,058	-	4,204	436,824
Total Business-type Activities	8,167,635	12,171,885	-	48,479	4,052,729
Total Primary Government	\$ 26,137,609	\$ 14,211,905	\$ 71,813	\$ 1,007,692	\$ (10,846,199)
			Governmental Activities	Business-type Activities	Total
<u>CHANGES IN NET POSITION:</u>					
Net (expense) revenue			\$ (14,898,928)	\$ 4,052,729	\$ (10,846,199)
General Revenues:					
Property Taxes			9,508,193	-	9,508,193
Intergovernmental Tax Turnovers			2,117,502	-	2,117,502
Franchise Taxes			2,272,728	-	2,272,728
Other Taxes and Assessments			197,946	-	197,946
Investment Earnings			349,399	177,193	526,592
Other Revenue			77,716	-	77,716
Subtotal - General Revenues			14,523,484	177,193	14,700,677
Interfund Transfers			1,592,291	(1,592,291)	-
Total General Revenues, Special Items, and Transfers			16,115,775	(1,415,098)	14,700,677
Change in Net Position			1,216,847	2,637,631	3,854,478
Beginning Net Position - Restated			13,439,500	57,511,748	70,951,248
Ending Net Position			\$ 14,656,347	\$ 60,149,379	\$ 74,805,726

The accompanying notes to the basic financial statements are an integral part of this statement.

BASIC FINANCIAL
STATEMENTS

Governmental Fund
Financial Statements

CITY OF LEBANON

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2020

	General Fund	SDC - Parks Improvements Fund	SDC - Street Improvements Fund	Northwest Lebanon Urban Renewal District	Other Governmental Funds	Total Governmental Funds
ASSETS:						
Cash and Investments	\$ 3,577,982	\$ 1,550,295	\$ 2,880,707	\$ 1,969,009	\$ 4,174,876	\$ 14,152,869
Restricted Cash - Debt Service	-	-	-	-	175,922	175,922
Accounts Receivable	332,095	511,735	331,603	1,044	498,372	1,674,849
Court Fines Receivable, Net	151,802	-	-	-	-	151,802
Property Taxes Receivable	250,001	-	-	86,781	125,551	462,333
Interfund Loan Receivable	-	110,145	363,000	-	-	473,145
Due From Other Funds	185,600	-	-	-	-	185,600
Prepaid Expenses & Other Assets	42,862	-	-	-	14,588	57,450
Total Assets	<u>\$4,540,342</u>	<u>\$2,172,175</u>	<u>\$ 3,575,310</u>	<u>\$ 2,056,834</u>	<u>\$ 4,989,309</u>	<u>\$ 17,333,970</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:						
LIABILITIES:						
Accounts Payable	\$ 75,500	\$ 1,147	\$ -	\$ -	\$ 92,387	\$ 169,034
Interfund Loan Payable	-	-	-	-	110,145	110,145
Deposit Payable	-	-	-	-	765	765
Bail Payable	2,853	-	-	-	-	2,853
Due To Other Funds	-	-	-	-	142,462	142,462
Total Liabilities	<u>78,353</u>	<u>1,147</u>	<u>-</u>	<u>-</u>	<u>345,759</u>	<u>425,259</u>
DEFERRED INFLOWS OF RESOURCES:						
Unavailable Revenue - Property Taxes	223,093	-	-	77,196	112,385	412,674
Unavailable Revenue - Special Assessments	153,972	475,090	305,841	-	48,467	983,370
Total Deferred Inflows of Resources	<u>377,065</u>	<u>475,090</u>	<u>305,841</u>	<u>77,196</u>	<u>160,852</u>	<u>1,396,044</u>
FUND BALANCES:						
Restricted for:						
Debt Service	-	-	-	-	12,851	12,851
Capital Projects	-	1,695,938	3,269,469	-	2,107,527	7,072,934
Urban Renewal Projects	-	-	-	1,979,638	633,961	2,613,599
Committed for:						
Community Development Projects	-	-	-	-	1,117,075	1,117,075
Public Works	-	-	-	-	273,488	273,488
Parks and Recreation Programs	-	-	-	-	428,905	428,905
Unassigned	4,084,924	-	-	-	(91,109)	3,993,815
Total Fund Balances	<u>4,084,924</u>	<u>1,695,938</u>	<u>3,269,469</u>	<u>1,979,638</u>	<u>4,482,698</u>	<u>15,512,667</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$4,540,342</u>	<u>\$2,172,175</u>	<u>\$ 3,575,310</u>	<u>\$ 2,056,834</u>	<u>\$ 4,989,309</u>	<u>\$ 17,333,970</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

CITY OF LEBANON
RECONCILIATION OF THE BALANCE SHEET -- GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2020

Total Fund Balances - Governmental Funds		\$ 15,512,667
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital and Intangible assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
The cost of the assets is -	\$ 101,149,139	
The accumulated depreciation is -	<u>(64,816,892)</u>	
Net Value of Assets		36,332,247
Certain receivables that will not be available to pay for current-period expenditures are deferred in the governmental funds:		
Property Taxes	412,674	
Special Assessments	<u>983,370</u>	
		1,396,044
Net OPEB and pension assets/liabilities reported in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
		95,886
Deferred inflows and outflows of pension and OPEB contributions and earnings are not reported in the governmental funds		
Pension and OPEB Related Deferrals		2,504,520
Interest Payable is not recorded in the governmental funds:		
		(190,576)
Accrued Compensated Absences are not recorded in the governmental funds:		
		(607,572)
Long-term liabilities, including notes payable and net pension and OPEB liabilities, are not due and payable in the current period and therefore are not reported in the governmental funds.		
		<u>(40,386,868)</u>
Net Position of Governmental Activities		<u><u>\$14,656,348</u></u>

The accompanying notes to the basic financial statements are an integral part of this statement.

CITY OF LEBANON

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

GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2020

	General Fund	SDC - Parks Improvements Fund	SDC - Street Improvements Fund	Northwest Lebanon Urban Renewal District	Other Governmental Funds	Total Governmental Funds
<u>REVENUES:</u>						
Property Taxes	\$ 5,365,129	\$ -	\$ -	\$ 1,683,557	\$ 2,426,159	\$ 9,474,845
Intergovernmental	695,828	-	-	-	1,421,674	2,117,502
Franchise Taxes	2,272,728	-	-	-	-	2,272,728
Marijuana Taxes	197,946	-	-	-	-	197,946
Transient Room Taxes	-	-	-	-	258,961	258,961
Fees and Charges	293,048	481,676	175,621	-	743,321	1,693,666
Fines and Forfeitures	342,264	-	-	-	-	342,264
Investment Earnings	98,120	30,779	63,426	50,172	106,902	349,399
Grants and Contributions	71,813	-	-	-	959,213	1,031,026
Miscellaneous Revenue	59,074	-	-	-	18,632	77,706
Total Revenues	9,395,950	512,455	239,047	1,733,729	5,934,862	17,816,043
<u>EXPENDITURES:</u>						
Current Operating:						
General Government	1,951,591	-	-	-	1,146,998	3,098,589
Public Safety	5,803,219	-	-	-	7,437	5,810,656
Highways and Streets	-	-	-	-	835,955	835,955
Culture and Recreation	1,394,692	1,576	-	-	679,053	2,075,321
Community Planning	1,562,246	-	-	48,138	79,389	1,689,773
Debt Service	125,738	-	-	618,444	4,104,149	4,848,331
Capital Outlay	136,156	21,569	-	-	1,535,148	1,692,873
Total Expenditures	10,973,642	23,145	-	666,582	8,388,129	20,051,498
Excess (Deficiency) of Revenues Over Expenditures	(1,577,692)	489,310	239,047	1,067,147	(2,453,267)	(2,235,455)
<u>OTHER FINANCING SOURCES (USES):</u>						
Interfund Transfers In	2,985,024	439,545	462,375	-	4,306,888	8,193,832
Interfund Transfers Out	(1,520,508)	(8,685)	(8,684)	(1,055,647)	(3,083,792)	(5,677,316)
Total Other Financing Sources (Uses)	1,464,516	430,860	453,691	(1,055,647)	1,223,096	2,516,516
Net Change in Fund Balances	(113,176)	920,170	692,738	11,500	(1,230,171)	281,061
Beginning Fund Balances - as Restated	4,198,100	775,768	2,576,731	1,968,138	5,712,869	15,231,606
ENDING FUND BALANCES	\$ 4,084,924	\$ 1,695,938	\$ 3,269,469	\$ 1,979,638	\$ 4,482,698	\$ 15,512,667

The accompanying notes to the basic financial statements are an integral part of this statement.

CITY OF LEBANON
RECONCILIATION OF THE STATEMENT
OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2020

Net Changes in Fund Balances - Total Governmental Funds		\$ 281,061
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.		
Expenditures for capitalized assets	\$ 1,178,053	
Expenditures for capitalized intangible assets	99,004	
Less current year depreciation	<u>(1,425,484)</u>	(148,428)
Some revenues will not be collected for several months after the City's fiscal year end and are therefore not considered "available" revenues in the governmental funds, instead these funds are shown as deferred revenue. However, these funds are recorded as revenue in the Statement of Activities.		
The changes in amounts deferred are as follows:		
Property Taxes	33,348	
Court Fines	(272,295)	
Bike Path	(1,523)	
Special Assessments	<u>18,957</u>	(221,513)
Changes to certain liabilities not recognized in the fund financial statements affect expenses in the Statement of Activities.		
Compensated Absences	(27,393)	
Interest Payable	21,104	
Amortization of Debt Premium	<u>145,985</u>	139,696
Repayment of long-term debt principal amounts are expenditures in the governmental funds, but the repayment reduces long-term debt liabilities in the Statement of Net Position.		
Retirement of debt principal		2,674,673
Adjustment for pension costs on accrued basis		(1,508,642)
Change in Net Position of Governmental Activities		<u>\$ 1,216,847</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

BASIC FINANCIAL
STATEMENTS

Proprietary Fund
Financial Statements

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2020

	Enterprise Funds			Total Proprietary Funds
	Water Funds	Waste Water Funds	Storm Drain Funds	
<u>ASSETS:</u>				
Current Assets:				
Cash and Investments	\$ 2,825,158	\$ 4,722,180	\$ 405,068	\$ 7,952,406
Accounts Receivable	753,903	1,072,300	98,432	1,924,635
Unbilled Revenues	179,061	182,071	16,734	377,866
Prepaid Expenses & Other Assets	10,389	33,421	819	44,629
Total Current Assets	3,768,511	6,009,972	521,053	10,299,536
Restricted Assets:				
Net OPEB Asset (RHIA)	6,617	3,182	-	9,799
Total Restricted Assets	6,617	3,182	-	9,799
Capital Assets:				
Capital Assets Not Being Depreciated	786,781	873,976	-	1,660,757
Capital Assets, net of Accumulated Depreciation	45,149,027	31,285,559	1,757,142	78,191,727
Total Capital Assets	45,935,808	32,159,535	1,757,142	79,852,484
Total Assets	49,710,936	38,172,689	2,278,195	90,161,819
<u>DEFERRED OUTFLOW OF RESOURCES:</u>				
Pension Related Deferrals - Outflows	218,171	104,934	-	323,105
OPEB Related Deferrals - RHIA	481	231	-	712
Total Deferred Outflow of Resources	218,652	105,165	-	323,817
<u>LIABILITIES:</u>				
Current Liabilities:				
Accounts Payable	28,098	123,576	9,591	161,265
Interest Payable	409,611	47,983	-	457,594
Deposit Payable	233,890	-	-	233,890
Compensated Absences, Current Portion	11,515	11,111	-	22,626
Due to Other Funds	43,138	-	-	43,138
Long-Term Liabilities, Current Portion	863,054	657,229	-	1,520,283
Total Current Liabilities	1,589,306	839,899	9,591	2,438,796
Long-Term Liabilities:				
Long-Term Liabilities, Less Current Portion	22,307,189	3,757,910	-	26,065,099
Compensated Absences, Less Current Portion	34,546	33,334	-	67,880
Interfund Loan Payable	-	-	363,000	363,000
Bond Premium, Net	6,702	205,358	-	212,060
Net Pension Liability	688,622	331,207	-	1,019,829
Net OPEB Obligation - CIS	68,691	33,038	-	101,729
Total Long-Term Liabilities	23,105,750	4,360,847	363,000	27,829,597
Total Liabilities	24,695,056	5,200,746	372,591	30,268,393
<u>DEFERRED INFLOW OF RESOURCES:</u>				
Pension Related Deferrals	44,537	21,421	-	65,958
OPEB Related Deferrals - RHIA	1,288	619	-	1,907
Total Deferred Inflow of Resources	45,825	22,040	-	67,865
<u>NET POSITION:</u>				
Net Investment in Capital Assets	22,765,565	27,744,396	1,394,142	51,904,102
Unrestricted	2,423,142	5,310,672	511,462	8,245,277
Total Net Position	\$ 25,188,707	\$ 33,055,068	\$ 1,905,604	\$ 60,149,379

The accompanying notes to the basic financial statements are an integral part of this statement.

CITY OF LEBANON
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2020

	Enterprise Funds			Total Proprietary Funds
	Water Fund	Waste Water Fund	Storm Drain Fund	
<u>OPERATING REVENUES:</u>				
Fees and Charges	\$ 5,314,785	\$ 6,099,865	\$ 581,058	\$ 11,995,708
Miscellaneous Revenue	161,156	15,021	-	176,177
Total Operating Revenues	5,475,941	6,114,886	581,058	12,171,885
<u>OPERATING EXPENSES:</u>				
Personnel Services	940,163	402,200	-	1,342,363
Materials and Supplies	1,331,416	2,433,331	105,127	3,869,874
Depreciation	1,102,089	1,040,827	34,311	2,177,227
Total Operating Expenses	3,373,668	3,876,358	139,438	7,389,464
Operating Income (Loss)	2,102,273	2,238,528	441,620	4,782,421
<u>NON-OPERATING REVENUES (EXPENSES):</u>				
Investment Earnings	54,780	113,933	8,480	177,193
Interest and Fees	(612,204)	(156,967)	(9,000)	(778,171)
Total Non-Operating Revenues (Expenses)	(557,424)	(43,034)	(520)	(600,978)
Income Before Other Revenues, Expenses, and Transfers	1,544,849	2,195,494	441,100	4,181,443
<u>CAPITAL CONTRIBUTIONS AND TRANSFERS:</u>				
Capital Contributions	23,382	20,893	4,204	48,479
Interfund Transfers In	456,058	354,224	120,985	931,267
Interfund Transfers Out	(1,153,511)	(1,112,234)	(257,813)	(2,523,558)
Total Capital Contributions and Transfers	(674,071)	(737,117)	(132,624)	(1,543,812)
Changes in Net Position	870,778	1,458,377	308,476	2,637,631
Beginning Net Position - Restated	24,317,929	31,596,691	1,597,128	57,511,748
Ending Net Position	\$ 25,188,707	\$ 33,055,068	\$ 1,905,604	\$ 60,149,379

The accompanying notes to the basic financial statements are an integral part of this statement.

CITY OF LEBANON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2020

	Enterprise Funds			Total Proprietary Funds
	Water Fund	Waste Water Fund	Storm Drain Fund	
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>				
Cash Received from User Charges	\$ 5,450,378	\$ 5,891,484	\$ 544,475	\$ 11,886,337
Cash Payments for Employee Services	(719,828)	(256,209)	-	(976,037)
Cash Payments to Suppliers & Service Providers	(1,375,683)	(2,386,189)	(99,040)	(3,860,912)
Net Cash Provided (Used) by Operating Activities	3,354,867	3,249,086	445,435	7,049,388
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</u>				
Deposits & Non-Operating Payables	3,300	-	-	3,300
Transfer from Other Funds	456,058	354,224	120,985	931,267
Transfer to Other Funds	(1,153,511)	(1,112,234)	(257,813)	(2,523,558)
Interfund Loan Repayment	43,138	-	-	43,138
Net Cash Provided (Used) by Non-capital Financing Activities	(651,015)	(758,010)	(136,828)	(1,545,853)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>				
Acquisition of Capital Assets	(77,882)	(1,182,171)	(92,849)	(1,352,903)
Principal Paid on Long Term Debt	(494,577)	(1,134,588)	-	(1,629,165)
Interest Paid on Long Term Debt	(903,913)	(107,913)	(8,999)	(1,020,825)
Interfund Loan Repayment	-	-	(37,000)	(37,000)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,476,373)	(2,424,672)	(138,848)	(4,039,893)
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>				
Investment Income	54,780	113,933	8,480	177,193
Net Cash Provided (Used) by Investing Activities	54,780	113,933	8,480	177,193
Cash and Cash Equivalents at July 1, 2019	1,542,898	4,541,843	226,830	6,311,571
Cash and Cash Equivalents at June 30, 2020	\$ 2,825,158	\$ 4,722,180	\$ 405,068	\$ 7,952,406
<u>Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:</u>				
Income (loss) from operations	\$ 2,102,273	\$ 2,238,528	\$ 441,620	\$ 4,782,421
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:				
Depreciation	1,102,089	1,040,827	34,311	2,177,227
Change in assets and liabilities:				
Decrease (increase) in accounts receivable	(87,832)	(228,219)	(36,325)	(352,376)
Decrease (increase) in unbilled revenues	62,269	4,817	(258)	66,828
Decrease (increase) in prepaid assets	(9,243)	(3,882)	(819)	(13,944)
Increase (decrease) in payables	(35,024)	51,024	6,906	22,906
Increase (decrease) in payroll liabilities	10,781	17,213	-	27,994
Increase (decrease) in pension and OPEB related accounts	209,554	128,778	-	338,332
Net cash provided (used) by operating activities	\$ 3,354,867	\$ 3,249,086	\$ 445,435	\$ 7,049,388

The accompanying notes to the basic financial statements are an integral part of this statement.

BASIC FINANCIAL
STATEMENTS

Notes to the Basic
Financial Statements

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The City of Lebanon, Oregon (City) is a municipal corporation incorporated under the laws of the State of Oregon. The City is governed by an elected Mayor and an elected six member council. Administration officials are appointed by the council and are responsible for the day-to-day operations of the City.

The financial statements of the City have been prepared in accordance with Generally Accepted Accounting Principles (GAAP). GAAP Statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The following is a summary of the more significant policies of the City:

Reporting Entity

In determining the financial reporting entity, the City of Lebanon complies with Governmental Accounting Standards Board Statement 14 as amended, "The Financial Reporting Entity." The criteria for including organizations as component units within the City's reporting entity, include whether 1) the organization is legally separate (can sue and be sued in their own name); 2) the City holds the corporate powers of the organization; 3) the City appoints a voting majority of the organization's board; 4) the City is able to impose its will on the organization; 5) the organization has the potential to impose a financial benefit/burden on the City; and 6) there is fiscal dependency by the organization on the City. Based on the aforementioned criteria, the City of Lebanon has one component unit: Lebanon Urban Renewal Agency.

Blended Component Unit - The City has included the financial operations of the four funds of Lebanon Urban Renewal Agency as a blended component unit in the basic financial statements:

- *Northwest Urban Renewal District*
- *Cheadle Lake Urban Renewal District*
- *North Gateway Urban Renewal District*
- *Downtown Urban Renewal District*

The Agency is a legally separate entity, which is governed by a board comprised of the members of the City Council as stipulated in the Agency's bylaws. The City Council has the ability to impose its will on the Agency as determined on the basis of budget adoption, taxing authority, and funding for the Agency. The Agency funds are reported as special revenue funds. The Agency issues separate financial statements, which can be obtained from the Finance Department of the City.

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the overall City. Eliminations have been made to minimize the double counting of internal activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Direct expenses are those that are specifically associated with a program of function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the City.

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT):

Basis of Presentation (Cont.)

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Net position is reported as restricted when constraints placed on net asset use are either externally restricted, imposed by creditors (such as through grantors, contributors or laws) or through constitutional provisions or enabling resolutions.

Fund Financial Statements: The fund financial statements provide information about the city's funds including those of a fiduciary nature, if applicable. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

Governmental Funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The City reports the following major governmental funds:

General Fund - The General Fund is the main operating fund of the City. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

SDC – Parks Improvements Fund – This fund is used to account for the revenues and expenditures associated with the purchase or construction, of major repairs and improvements to the City's Parks. The primary sources of revenue are system development charges and interest.

SDC – Street Improvements Fund – This fund is used to account for the revenues and expenditures associated with the purchase, construction, and major repair of street improvements. The primary sources of revenue are system development charges and interest.

Northwest Lebanon Urban Renewal District – In 1989, the City established the Northwest Urban Renewal District. The purpose of the District is to provide for the development of infrastructure to serve industrially zoned property within the District boundaries. The area is located west of Highway 20 and north of Highway 34. The primary source of revenue is property taxes.

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Basis of Presentation (Cont.)

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position. The City has presented the following major proprietary funds:

Water Fund - The Water Fund is used to account for the provision of water services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water system and billing and collection activities.

Wastewater Fund - The Wastewater Fund is used to account for the provision of wastewater services to the residents of the City. Activities of the fund include administration, operations and maintenance of the wastewater system and billing and collection activities.

Storm Drain Fund - The Storm Drain Fund is used to account for the provision of water drainage services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water system and billing and collection activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Measurement Focus/Basis of Accounting

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the city receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Under terms of grant agreements, the city funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the city's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they are measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The city considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when the obligations are expected to be liquidated with expendable available financial resources. Property taxes, interest and special assessments are susceptible to accrual. Other receipts and taxes become measurable and available when the cash is received by the government and are recognized as revenue at that time. Entitlements and shared revenues are recorded at the time of receipt or earlier if the "susceptible to accrual" criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Measurement Focus/Basis of Accounting (Cont.)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the city's Wastewater and Water Funds are charges to customers for sales and services. These funds also recognize fees intended to recover the cost of connecting new customers to the city's utility systems as operating revenue. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Budgeting

A budget is prepared for each city fund in accordance with the modified accrual basis of accounting and legal requirements set forth in the Oregon local budget law. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total personnel services, materials and services, capital outlay, contingencies, and debt service by fund are the levels of control. The detail budget document, however, is required to contain more specific, detailed information for the above-mentioned expenditure categories. Appropriations lapse at June 30. Unexpected additional resources may be added to the budget by a supplemental budget and appropriations resolution. A supplemental budget may require hearings before the public, publications in newspapers, and approval by the city council. Original and supplemental budgets may be modified by using appropriations transfers between the levels of control. Such transfers require approval by the city council. The city does not utilize encumbrance accounting for budgeted funds.

Cash and Investments

For purposes of the statement of cash flows, cash and cash equivalents include cash on hand, checking, savings and money market accounts and any short-term, highly liquid investments with initial maturity dates of three months or less.

The City has adopted an investment policy requiring compliance with Oregon statutes, which authorizes the City to invest in obligations of the United States, the agencies and instrumentalities of the United States and the State of Oregon, and numerous other investment instruments.

The City's investments may consist of time certificates of deposit, banker's acceptances, commercial paper, U.S. Government Agency securities, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The City's investments are reported at fair value at year-end. Changes in the fair value of investments are recorded as investment earnings. The LGIP is stated at cost, which approximates fair value. Fair value of the LGIP is the same as the City's value in the pool shares.

The Oregon State Treasury administers the LGIP. It is an open-ended, non-load diversified portfolio offered to any agency, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any fund. The LGIP is included in the Oregon Short Term Fund (OSTF) which was established by the State Treasurer.

In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP.

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Accumulated Compensated Absences

Accumulated vested vacation and compensatory pay is accrued as it is earned. For governmental funds, compensation not expected to be liquidated with the current resources are reported as liabilities in the government-wide statements and represent a reconciling item between the fund level and government-wide presentations. In business-type funds both the current and long-term liabilities are recorded. Sick pay, which does not vest, is recognized in applicable funds when leave is taken.

Receivables

Amounts due from individuals, organizations or other governmental units are recorded as receivables at year-end. These amounts include charges for services rendered, or for goods and material provided by the City. All receivables are expected to be collected. Accordingly, receivables are reported at the gross amount without an allowance for uncollectible accounts.

Receivables are also recognized for property taxes and intergovernmental grants. Property taxes receivable consist of uncollected taxes levied and payable at the end of the fiscal year. All taxes are considered collectible. Consequently, no allowance for uncollectible taxes has been established. In the governmental fund financial statements, property taxes not collected within sixty days of the end of the fiscal year are reported as a deferred inflow or resources.

Deferred Inflows/Outflows of Resources:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the City has two items that qualify for reporting in this category, deferred pension contributions and OPEB related deferrals.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category, deferred pension contributions and OPEB related deferrals. In the governmental funds balance sheet, different categories of deferred inflow of resources are reported, unavailable revenues from property taxes, court fines, bike path and special assessments. Property taxes levied and considered receivable at the end of the fiscal year, but not collected within sixty days of the end of the fiscal year are reported in this category. These amounts are recognized as an inflow of resources (revenue) in the period that the amounts become available.

Inventory

The costs of proprietary fund type inventories are recorded as expenditures when consumed rather than when purchased.

Restricted Assets and Liabilities

Certain resources are set aside and restricted for future bond payments and the related liability; these resources are segregated in the statement of net position and are classified as restricted assets on the Statement of Net Position because their use is limited.

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Long-Term Debt

All bonds and capital leases to be paid from governmental and business-type resources are reported as liabilities in the government-wide financial statements. Amounts of the long-term debt due within the following fiscal year are included in the current liabilities section of the Statement of Net Position.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as it is in the government-wide statements.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Purchased or constructed capital assets are reported at cost, or estimated cost when original cost is not available. Donated capital assets are valued at their estimated fair market value on the date received. Maintenance and repairs of capital assets that do not significantly extend the useful life of an asset are not capitalized, but rather are charged to expenditures in the funds.

Assets capitalized have an original cost of \$5,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method.

The estimated useful lives are as follows:

Buildings and Improvements	10-50 years
Machinery and Equipment	5-20 years
Vehicles	5-10 years
Water and Wastewater Systems	20-50 years
Infrastructure	25-50 years

Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as well as disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Equity Classifications:

Government-wide Statements and Proprietary Fund Financial Statements

Equity is classified as net position, which represents the difference between assets and liabilities, and deferred accounts. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantor, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The City’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Governmental Fund Financial Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. The City did not have any nonspendable resources as of June 30, 2020.
- Restricted: This classification includes fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The City has restricted funds for public works projects, capital projects and debt service.
- Committed: This classification includes fund balance amounts that are constrained for specific purpose that are internally imposed by the government through resolution of the highest level of decision-making authority, the City Council, and does not lapse at year-end. The City has committed resources as of June 30, 2020.
- Assigned: This classification includes fund balance amounts that are intended to be used for specific purposes that are neither restricted nor committed. This intent can be expressed by the City Council or through the City Council delegating this responsibility to selected staff members or through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned: This classification includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories, and negative fund balances of other governmental funds.

The City’s policy is to use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of the constrained fund balances.

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Property Taxes

The assessment date for the tax year is July 1. Personal and real property taxes are a lien on July 1. Total personal property tax becomes due and is delinquent when any installment is not paid by its due date. Real property tax is due and payable on November 15. However, a taxpayer may pay real property taxes in three equal installments, due the 15th day of November, February and May. Real property taxes become delinquent if not paid by May 15.

Inter-Fund Transactions

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers in the fund financial statements. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement Fund (OPERF) and the Oregon Public Service Retirement Plan (OPSRP) and additions to/deductions from OPERF's and OPSRP's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (OPEB)

The City reports two components of post-employment benefits other than pensions (OPEB) - Oregon Public Employees Retirement System Retiree Health Insurance Account (OPERS RHIA) and a single-employer defined benefit post-employment health plan.

OPEB – Retirement Health Insurance Account (RHIA) - For purposes of measuring the net OPEB asset (liability), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS), and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at market value.

OPEB – Retiree Healthcare Insurance Premiums Subsidy - The City reports an OPEB liability related to the implicit subsidy arising from the City's single-employer defined benefit post-employment health plan. For the purpose of measuring the City's OPEB liability related to OPEB, and OPEB expense, information has been determined based on an Alternative Measurement Method by an actuarial valuation tool. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as you-go plan and all cash is held in a cash account.

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

CASH AND INVESTMENTS:

For discussion of deposit and investment policies and other related information, see Cash and Investments note under the Summary of Significant Accounting Policies.

The City follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by state statutes. These restrictions are summarized at Cash and Investments note on under Investments, including amounts held in pool cash and investments are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. Fair value is determined at the quoted market prices, if available; otherwise, the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

Deposits - All cash is deposited in compliance with Oregon statutes. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. FDIC insurance of \$250,000 applies to the deposits in each depository. ORS 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Oregon Public Funds Collateralization Program (PFCP). Where balances continually exceed \$250,000, ORS 295 requires the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualified depositories found on the state treasurer's website.

Custodial Credit Risk for Deposits - Custodial credit risk for deposits exists when, in the event of a depository failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk.

As of June 30, 2020, the reported amount of the City's deposits was \$319,537 and the bank balance was \$594,431 and \$1,700 is in petty cash. Of the bank balance, the entire amount was insured by the FDIC or covered by the collateral held in a multiple financial institutions collateral pool administered by the Oregon State Treasurer. The restricted for debt service balance reported on the Statement of Net Position is \$175,923.

Investments - Oregon statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, banker's acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Local Governmental Investment Pool. The City has no credit risk policy or investment policy that would further limit its investment choices.

Credit Risk - Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. The City's policy, which adheres to state law, is to limit its investments to the following: issuers within Oregon must be rated "A" (bonds) or A-2/P-2 (commercial paper) or better by Standard & Poor's or Moody's Investors Service or any other national recognized statistical rating organization. Issuers not in Oregon must be rated AA/Aa (bonds) or A-1/P-1 (commercial paper) or better.

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

CASH AND INVESTMENTS (Cont.):

At June 30, 2020, the City's investments consisted of the following:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Oregon State Treasurer's Local Government Investment Pool (LGIP)	<u>\$ 21,959,961</u>	N/A
Total Investments	<u>\$ 21,959,961</u>	

Concentration of Credit Risk – The City's policy for investing in individual issuers varies depending on the type of investments. U.S. Treasury and agency securities do not have restrictions regarding concentration with any one issuer.

Custodial Credit Risk – Investments – This is the risk that, in the event of the failure of a counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City does not have a policy that limits the amount of investments that can be held by counterparties.

Fair Value Measurements - Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – Unadjusted quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

The Local Government Investment Pool is not in the leveling hierarchy.

CITY OF LEBANON
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

CAPITAL ASSETS:

The following is a summary of capital asset activity for the fiscal year ended June 30, 2020:

Governmental Activities	June 30, 2019	Additions	Deletions	June 30, 2020
Assets not being depreciated:				
Land	\$ 2,689,703	\$ 80,000	\$ -	\$ 2,769,703
Construction In Progress	980,024	745,472	1,624,732	100,764
Assets being depreciated:				
Buildings	18,979,058	140,237	-	19,119,295
Vehicles	2,547,323	244,586	-	2,791,909
Machinery & Equipment	4,544,963	205,217	-	4,750,180
Improvements	168,703	613,077	-	781,780
Infrastructure	69,962,308	774,196	-	70,736,504
Total Depreciable Assets	96,202,355	1,977,313	-	98,179,668
Less: Accumulated Depreciation				
Buildings	5,368,006	387,615	-	5,755,621
Vehicles	2,163,827	54,481	-	2,218,308
Machinery & Equipment	3,439,516	154,964	-	3,594,480
Improvements	491	3,601	-	4,092
Infrastructure	52,419,568	824,823	-	53,244,391
Total Accumulated Depreciation	63,391,408	1,425,484	-	64,816,892
Net Value of Capital Assets Being Depreciated	32,810,947	551,829	-	33,362,776
Assets being amortized:				
Intangible Asset	-	99,004	-	99,004
Less: Accumulated Amortization				
	-	-	-	-
Net Value of Capital Assets being Amortized	-	99,004	-	99,004
Total Governmental Activities--Net Value of Capital Assets	<u>\$ 36,480,674</u>	<u>\$ 1,476,305</u>	<u>\$ 1,624,732</u>	<u>\$ 36,332,247</u>

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

CAPITAL ASSETS (Cont.):

<u>Business-type Activities</u>	<u>June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2020</u>
Assets not being depreciated:				
Land	\$ 1,278,827	\$ -	\$ -	\$ 1,278,827
Construction In Progress	171,051	312,753	101,874	381,931
Assets being depreciated:				
Buildings	8,267,076	-	-	8,267,076
Vehicles	1,168,108	234,323	-	1,402,431
Machinery & Equipment	12,165,333	446,688	-	12,612,021
Infrastructure	45,339,122	509,492	-	45,848,614
Water/Sewer Assets	<u>35,244,437</u>	<u>-</u>	<u>-</u>	<u>35,244,437</u>
Total Depreciable Assets	102,184,076	1,190,503	-	103,374,579
Less: Accumulated Depreciation				
Buildings	4,638,386	118,305	-	4,756,691
Vehicles	984,252	19,064	-	1,003,316
Machinery & Equipment	4,545,544	293,647	-	4,839,191
Infrastructure	663,271	909,044	-	1,572,315
Water/Sewer Assets	<u>12,174,171</u>	<u>837,168</u>	<u>-</u>	<u>13,011,339</u>
Total Accumulated Depreciation	23,005,624	2,177,227	-	25,182,851
Net Value of Capital Assets Being Depreciated	<u>79,178,452</u>	<u>(986,725)</u>	<u>-</u>	<u>78,191,727</u>
Total Business-type Activities--Net Value of Capital Assets	<u>\$ 80,628,330</u>	<u>\$ (673,972)</u>	<u>\$ 101,874</u>	<u>\$ 79,852,485</u>
Total Net Value of Capital Assets of Primary Government	<u>\$ 117,109,004</u>	<u>\$ 802,334</u>	<u>\$ 1,726,606</u>	<u>\$ 116,184,732</u>
Depreciation expense was charged to functions of the primary government as follows:				
Governmental Activities:		Business-Type Activities:		
General Government	\$ 357,152		Water	\$ 1,102,089
Public Safety	212,687		Sewer	1,040,827
Highways and Streets	672,393		Storm Drain	34,311
Culture and Recreation	<u>183,252</u>			
Total depreciation expense	<u>\$ 1,425,484</u>			<u>\$ 2,177,227</u>

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

LONG-TERM DEBT:

In the following paragraphs, long-term debt information is presented separately with respect to governmental and business-type activities. The table below presents current year changes in those obligations and the current portions due for each issue.

GOVERNMENTAL ACTIVITIES:

NW URD - November 2, 2010, the City issued General Obligation Bonds for the Northwest URD. The bonds are held by Bank of New York Mellon / Zion Bank. The original balance of the bonds is \$3,310,000 with an Interest rate between 2.0% and 3.5%. #LebanonUR10.

March 3, 2002, the City issued Pension Obligation Bonds, Series 2002 which are held by Wells Fargo Corporate Trust Services. The original balance of the bonds is \$2,081,188 with an interest rate between 2.0% and 7.36%. #2002 Pension Obligation Bonds, Series 2002 #12371007.

July 31, 2013 the City issued Full Faith and Credit and Refunding Obligations Bonds. The bonds are held by Bank of New York Mellon / Zion Bank. The original balance of the bonds is \$15,235,000 with an interest rate between 2.0% and 4.0%. The amounts for these bonds are divide by the City for Northwest URD, Water and Wastewater. The amount allocated for this portion of the bonds is \$11,855,000. #LebanonFFC2013.

October 13, 2015 the City issued General Obligation Refunding Bonds, Series 2015 with Key Bank/ Zion Bank. The original balance of the bonds is \$12,800,000 and carry an annual interest rate between 1.65% and 5.0%. #Lebanon GO Ref. Bonds, Series 2015.

NW URD - May 13,2005, the City entered into a loan agreement with Business Oregon (IFA) for the Northwest Urban Renewal District. The original balance of the loan is \$3,699,984 with an interest rate between 4.0 - 4.375%. On April 10, 2018, a reduction of the loan amount set forth in the agreement occurred in exchange for a higher nominal interest rate, less certain issuance costs. This was done through Oregon Bond Bank Revenue Bonds, 2018. # B05003.

N GATEWAY URD - January 1, 2011, the City entered a Note Payable agreement with Samaritan Health Services for the N Gateway URD. The original balance of the loan is \$2,283,572. The loan carries an interest rate of 5.0% that was changed by the lender to 4.25% during the 2017-18 fiscal year.

May 29, 2009, the City entered into a Promissory Note agreement with Bank of New York Mellon. The original balance of the note is \$1,779,833 with an annual interest rate between 3.0% and 5.25%. On April 10, 2018, a reduction of the loan amount set forth in the agreement occurred in exchange for a higher nominal interest rate, less certain issuance costs. This was done through Oregon Bond Bank Revenue Bonds, 2018. Special Public Works Fund Loan #B07002.

CHEADLE LAKE URD - May 18, 2018, the City entered into a loan agreement with Opus Bank for Cheadle Lake URD. The original balance of the loan is \$4,232,723 and has a fixed annual interest rate of 2.88%. #530000006441.

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

LONG-TERM DEBT (Cont.):

TOTAL GOVERNMENTAL ACTIVITIES DEBT AGREEMENTS:

<u>Governmental Long-Term Debt</u>	Outstanding Balance July 1, 2019	Principal Paid	Interest Paid	Outstanding Balance June 30, 2020	Due Within One Year
Bonds Payable:					
NW URD Loan with IFA #B050003	\$ 2,130,032	\$ 122,163	\$ 102,981	\$ 2,007,869	\$ 128,077
NW URD General Obligation Bond Lebanon UR10	380,000	380,000	13,300	-	-
2002 Pension Obligation Bonds with Wells Fargo	1,446,658	51,649	170,612	1,395,009	140,000
Full Faith and Credit Bond 2013 #LebanonFFC2013	9,240,000	505,000	360,250	8,735,000	930,000
General Obligation Refunding Bonds, Series 2015 #LebanonGOB, Series 2015	11,305,000	1,095,000	443,224	10,210,000	1,160,000
Total Bonds Payable	<u>\$ 24,501,690</u>	<u>\$ 2,153,812</u>	<u>\$ 1,090,367</u>	<u>\$ 22,347,878</u>	<u>\$ 2,358,077</u>
Notes from Direct Borrowings:					
N Gateway URD Note Payable with Samaritan Health	\$ 1,384,013	\$ 142,581	\$ 59,086	\$ 1,241,432	\$ 142,581
Promissary Note with Business Oregon #B07002	972,571	78,950	46,788	893,621	79,578
Cheadle Lake URD Loan with Opus Bank	3,770,743	243,248	108,597	3,527,495	250,254
Total Notes Payable	<u>\$ 6,127,327</u>	<u>\$ 464,779</u>	<u>\$ 214,471</u>	<u>\$ 5,662,548</u>	<u>\$ 472,413</u>
Leases Payable:					
Police Lease 2798	\$ 58,690	\$ 28,284	\$ 4,403	\$ 30,406	\$ 30,406
Police Lease 2799	89,807	27,798	6,736	62,009	29,884
Total Leases Payable	<u>148,497</u>	<u>56,082</u>	<u>11,139</u>	<u>92,415</u>	<u>60,290</u>
Total Governmental Long-Term Debt	<u>\$ 30,777,514</u>	<u>\$ 2,674,673</u>	<u>\$ 1,315,977</u>	<u>\$ 28,102,841</u>	<u>\$ 2,890,780</u>

BUSINESS-TYPE ACTIVITIES:

July 31, 2013 the City issued Full Faith and Credit and Refunding Obligations Bonds. The bonds are held by Bank of New York Mellon / Zion Bank. The original balance of the bonds is \$15,235,000 with an interest rate between 2.0% and 4.0%. The amounts for these bonds are divide by the City for Northwest URD, Water and Wastewater. The amount allocated for this portion of the bonds is \$1,168,000. #LebanonFFC2013 (Water).

July 31, 2013 the City issued Full Faith and Credit and Refunding Obligations Bonds. The bonds are held by Bank of New York Mellon / Zion Bank. The original balance of the bonds is \$15,235,000 with an interest rate between 2.0% and 4.0%. The amounts for these bonds are divide by the City for Northwest URD, Water and Wastewater. The amount allocated for this portion of the bonds is \$1,695,000. #LebanonFFC2013 (Wastewater).

October 13, 2015, the City issued Full Faith and Credit Bonds for Wastewater. The bonds are held by Key Bank/ Zion Bank. The original balance of the bonds is \$2,385,000 and carry an annual interest rate between 2.00% and 4.00%. LebanonFFC2015 (Wastewater).

October 27, 2010, the City issued Revenue Bonds for the construction of a wastewater system. The bonds are held by Bank of New York Mellon/ Zion Bank. The original balance of the bonds is \$7,010,000 and carry an annual interest rate between 2.4% and 2.5%. #LEBANONWW10.

March 2, 2006, the City entered into a loan agreement with the Oregon Department of Environmental Quality Special Projects Fund for wastewater improvement projects. The original balance of the note is \$900,000 and carries an interest rate of 2.93% and a .5% service fee. Payments are due the first day of April and October of each year. #R56200

October 16, 2015, the City entered into a loan agreement with IFA Business Oregon for financing of the Special Public Works Fund Development Project. The original balance of the loan is \$11,000,000 with an interest rate of 3.51%. # L16003.

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

LONG-TERM DEBT (Cont.):

October 16, 2015, the City entered into a loan agreement for financing of the Safe Drinking Water Revolving Loan Fund. The loan is held by IFA Business Oregon. The original balance of the note is \$13,000,000 and carries an interest rate of 1.0%. #S16004.

TOTAL BUSINESS-TYPE ACTIVITIES:

<u>Business-Type Long-Term Debt</u>	<u>Outstanding Balance July 1, 2019</u>	<u>Principal Paid</u>	<u>Interest Paid</u>	<u>Outstanding Balance June 30, 2020</u>	<u>Due Within One Year</u>
Bonds Payable:					
Full Faith and Credit Bond 2013 # LebanonFFC2013 (Water)	680,000	220,000	24,850	460,000	225,000
Full Faith and Credit Bond 2013 #LebanonFFC2013 (WasteWater)	265,000	265,000	10,600	-	-
Full Faith and Credit Bond 2015 #LebanonFFC2015 (WasteWater)	1,130,000	365,000	38,775	765,000	375,000
Revenue Bonds held by Bank of New York Mellon/ Zion Bank #LebanonWW10	3,630,000	460,000	143,650	3,170,000	235,000
Total Bonds Payable	<u>\$ 5,705,000</u>	<u>\$ 1,310,000</u>	<u>\$ 217,875</u>	<u>\$ 4,395,000</u>	<u>\$ 835,000</u>
Notes from Direct Borrowings:					
Note Payable to Department of Environmental Quality #R56200	524,727	44,588	18,838	480,139	47,229
Loan with Business Oregon (IFA) #L16003	11,000,000	-	686,465	11,000,000	287,855
Loan with Business Oregon (IFA) #S16004	11,985,000	274,757	192,727	11,710,243	350,199
Total Notes from Direct Borrowings	<u>\$ 23,509,727</u>	<u>\$ 319,345</u>	<u>\$ 898,030</u>	<u>\$ 23,190,382</u>	<u>\$ 685,283</u>
Total Business-Type Long-Term Debt	<u>\$ 29,214,727</u>	<u>\$ 1,629,345</u>	<u>\$ 1,115,905</u>	<u>\$ 27,585,382</u>	<u>\$ 1,520,283</u>

TOTAL DEBT AGREEMENTS:

	<u>Outstanding Balance July 1, 2019</u>	<u>Principal Paid</u>	<u>Interest Paid</u>	<u>Outstanding Balance June 30, 2020</u>	<u>Due Within One Year</u>
Total Governmental Activities	\$ 30,777,514	\$ 2,674,673	\$ 1,315,977	\$ 28,102,841	\$ 2,890,780
Total Business-Type Activities	29,214,727	1,629,345	1,115,905	27,585,382	1,520,283
TOTAL DEBT AGREEMENTS:	<u>\$ 59,992,241</u>	<u>\$ 4,304,018</u>	<u>\$ 2,431,882</u>	<u>\$ 55,688,223</u>	<u>\$ 4,411,063</u>

The City has no unused lines of credit.

The City has no assets that are specifically pledged as collateral for any of the debt.

For further detail on debt service, see the 'Schedule of Long-Term Debt Transactions' in the Other Supplementary Data section of this report.

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

LONG-TERM DEBT (Cont.):

The debt service requirements on the above debt is as follows:

Governmental Activities:

General Obligation and Limited Tax Bonds:

Due Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 2,358,077	\$ 958,831	\$ 3,316,908
2022	2,504,047	882,621	3,386,668
2023	2,665,069	786,489	3,451,558
2024	2,856,134	670,201	3,526,335
2025	2,802,258	561,979	3,364,237
2026 - 2030	8,740,265	888,965	9,629,230
2031 - 2035	422,028	31,261	453,289
Total	<u>\$ 22,347,878</u>	<u>\$ 4,780,346</u>	<u>\$ 27,128,224</u>

Notes from Direct Borrowings:

Due Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 472,413	\$ 205,801	\$ 678,214
2022	485,203	188,672	673,875
2023	498,376	171,053	669,429
2024	506,800	152,938	659,738
2025	520,317	134,562	654,879
2026 - 2030	2,505,019	363,519	2,868,538
2031 - 2035	674,420	29,273	703,693
Total	<u>\$ 5,662,548</u>	<u>\$ 1,245,819</u>	<u>\$ 6,908,367</u>

Leases Payable:

Due Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 60,290	\$ 6,932	\$ 67,222
2022	32,125	2,409	34,534
Total	<u>\$ 92,415</u>	<u>\$ 9,341</u>	<u>\$ 101,756</u>

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

LONG-TERM DEBT (Cont.):

The debt service requirements on the above debt is as follows:

Business-Type Activities:

General Obligation and Limited Tax Bonds:

Due Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 835,000	\$ 168,200	\$ 1,003,200
2022	870,000	134,013	1,004,013
2023	255,000	104,850	359,850
2024	265,000	94,013	359,013
2025	275,000	82,750	357,750
2026 - 2030	1,550,000	243,563	1,793,563
2031 - 2035	345,000	12,938	357,938
Total	<u>\$ 4,395,000</u>	<u>\$ 840,325</u>	<u>\$ 5,235,325</u>

Notes from Direct Borrowings:

Due Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 685,283	\$ 531,678	\$ 1,216,961
2022	712,793	503,928	1,216,721
2023	728,662	487,813	1,216,475
2024	744,992	471,230	1,216,222
2025	761,797	454,163	1,215,960
2026 - 2030	4,018,737	1,997,382	6,016,119
2031 - 2035	4,244,748	1,524,094	5,768,842
Total	<u>\$23,190,382</u>	<u>\$ 7,393,628</u>	<u>\$ 30,584,010</u>

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

PENSION PLAN:

Name of Pension Plan

The Oregon Public Employees Retirement System (OPERS) consists of a cost-sharing multiple-employer defined benefit pension plan.

Description of Benefit Terms

Plan Benefits

All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A.

1. Tier One/Tier Two Retirement Benefit (Chapter 238). OPERS is a defined benefit pension plan that provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. Benefits are established by state statute. This defined benefit pension plan portion of OPERS is closed to new members hired on or after August 29, 2003.

Pension Benefits

The OPERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years, or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by an OPERS employer at the time of death,
- the member died within 120 days after termination of OPERS-covered employment,
- the member died as a result of injury sustained while employed in an OPERS-covered job, or
- the member was on an official leave of absence from an OPERS-covered job at the time of death.

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including OPERS judge members) for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

PENSION PLAN:

Name of Pension Plan

The Oregon Public Employees Retirement System (PERS) consists of a cost-sharing multiple-employer defined benefit pension plan.

Description of Benefit Terms

Plan Benefits

All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A.

1. Tier One/Tier Two Retirement Benefit (Chapter 238). Tier One/Tier Two Retirement Benefit plan is closed to new members hired on or after August 29, 2003.

Pension Benefits

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit result.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by a PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in a PERS-covered job, or
- the member was on an official leave of absence from a PERS-covered job at the time of death.

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

PENSION PLAN (Cont.):

Benefit Changes After Retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2019 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000. The COLA is capped at 2.0 percent.

2. OPSRP Defined Benefit Pension Program (OPSRP DB). The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003.

Pension Benefits

This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death Benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability Benefits

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit Changes After Retirement

Under ORS 238A.210, monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2019 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000. The COLA is capped at 2.0 percent.

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

PENSION PLAN (Cont.):

3. IAP Plan Description:

OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Recordkeeping

OPERS contracts with VOYA Financial to maintain IAP participant records.

Contributions

OPERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the OPERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

Employer contribution rates during the period were based on the December 31, 2015 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2017. The state of Oregon and certain schools, community colleges, and political subdivisions have made lump sum payments to establish side accounts, and their rates have been reduced.

Members of OPSRP are required to contribute six percent of their salary covered under the plan which is invested in the IAP. The Employer makes this contribution on behalf of its employees.

Employer contributions for the year ended June 30, 2020 were \$1,129,644 excluding amounts to fund employer specific liabilities.

Pension Plan CAFR

Oregon PERS produces an independently audited CAFR which can be found at:

<https://www.oregon.gov/PERS/Pages/Financials/Actuarial-Financial-Information.aspx>

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

PENSION PLAN (Cont.):

Actuarial Valuations

The employer contribution rates effective July 1, 2017, through June 30, 2019, were set using the Entry Age Normal actuarial cost method. For the Tier One/Tier Two component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

Valuation Date	December 31, 2017
Measurement Date	June 30, 2019
Experience Study	2016, published July 26, 2017
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.50 percent
Long-term expected rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increases	3.50 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service.
Mortality	Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

PENSION PLAN (Cont.):

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2016 Experience Study which reviewed experience for the four-year period ending on December 31, 2016.

Discount Rate

The discount rate used to measure the total pension liability was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Depletion Date Projection

GASB 67 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 67 (paragraph 43) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for OPERS:

- OPERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 67 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is our independent actuary's opinion that the detailed depletion date projections outlined in GASB 67 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

PENSION PLAN (Cont.):

Assumed Asset Allocation

<u>Asset Class/Strategy</u>	<u>OIC Policy Range</u>	<u>OIC Target Allocation</u>	<u>Asset Class/Strategy</u>	<u>Actual Allocation</u>
Debt Securities	15.0% - 25.0%	20.0%	Debt Securities	20.1%
Public Equity	32.5% - 42.5%	37.5%	Public Equity	36.4%
Real estate	9.5% - 15.5%	12.5%	Real estate	11.1%
Private Equity	14.0% - 21.0%	17.5%	Private Equity	21.4%
Alternative Equity	0.0% - 12.5%	12.5%	Alternative Equity	8.9%
Opportunity Portfolio	0.0% - 3.0%	0.0%	Opportunity Portfolio	2.1%
Total		<u>100%</u>	Total	<u>100%</u>

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 the Oregon PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below.

<u>Asset Class</u>	<u>Target Allocation*</u>	<u>Annual Arithmetic Mean</u>	<u>20-Year Annualized Geometric Mean</u>	<u>Annual Standard Deviation</u>
Core Fixed Income	9.60%	4.14%	4.07%	3.90%
Short-Term Bonds	9.60%	3.70%	3.68%	2.10%
Bank/Leveraged Loans	3.60%	5.40%	5.19%	6.85%
High Yield Bonds	1.20%	6.13%	5.74%	9.35%
Large/Mid Cap US Equities	16.17%	7.35%	6.30%	15.50%
Small Cap US Equities	1.35%	8.35%	6.68%	19.75%
Micro Cap US Equities	1.35%	8.86%	6.79%	22.10%
Developed Foreign Equities	13.48%	8.30%	6.91%	17.95%
Emerging Foreign Equities	4.24%	10.35%	7.69%	25.35%
Non-US Small Cap Equities	1.93%	8.81%	7.25%	19.10%
Private Equity	17.50%	11.95%	8.33%	30.00%
Real Estate (Property)	10.00%	6.19%	5.55%	12.00%
Real Estate (REITS)	2.50%	8.29%	6.69%	19.30%
Hedge Fund of Funds - Diversified	1.50%	4.28%	4.06%	6.90%
Hedge Fund - Event-driven	0.38%	5.89%	5.59%	8.10%
Timber	1.13%	6.36%	5.61%	13.00%
Farmland	1.13%	6.87%	6.12%	13.00%
Infrastructure	2.25%	7.51%	6.67%	13.85%
Commodities	1.13%	5.34%	3.79%	18.70%
Assumed Inflation - Mean			2.50%	1.85%

*Based on the Oregon Investment Council's (OIC) Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund as most recently revised on April 24, 2019

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

PENSION PLAN (Cont.):

Sensitivity Analysis

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease	Discount Rate	1% Increase
	6.20%	7.20%	8.20%
Employer's proportionate share of the net pension liability	\$ 17,613,898	\$ 10,998,985	\$ 5,463,214

Changes in Assumptions

A summary of key changes implemented since the December 31, 2017 valuation are described briefly below. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2018 Experience Study for the System, which was published on July 24, 2019 and can be found at:

https://www.oregon.gov/PERS/Documents/Exp_Study_2018.pdf

Changes in Actuarial Methods and Allocation Procedures

There were no changes to actuarial methods and procedures since the December 31, 2017 valuation, with the exceptions of:

- Current Tier 1/Tier 2 UAL will be re-amortized over 22 years per Senate Bill 1049.
- Change allocation to 10% (0% for police & fire) based on account balance and 90% (100% for police & fire) based on length of service with each employer.

Changes in Economic Assumptions

There were no changes to economic assumptions since the December 31, 2017 valuation.

Changes in Demographic Assumptions

The changes to demographic assumptions since the December 31, 2017 valuation are as follows:

- Adjust mortality assumptions to use the new "Pub-2010" base tables and a standard update to the mortality improvement scale, which is based on 60-year unisex average Social Security experience.
- Adjust retirement rates for certain member categories and service bands to more closely align with recent and expected future experience; reduce percentage of future retirees assumed to elect a partial lump sum; increase percentage of members assumed to purchase credited service at retirement.
- Increase the merit component of the salary increase assumption for two member categories based on observations of the last eight years of experience.
- Update pre-retirement termination of employment assumptions for two member categories.
- Lower assumed rates of ordinary disability and general service duty disability to more closely match recent experience.
- Increase the Tier One unused vacation cash out assumption for most member categories.
- Adjust the Tier One/Tier Two unused sick leave assumption for five member categories to reflect observed experience.
- Decrease the healthy participation assumption for the RHIA retiree healthcare program and decrease the RHIPA participation assumption for most service bands.

Changes in Benefit Terms and Assumptions

There were no changes to benefit terms and assumptions since the December 31, 2017 valuation.

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

PENSION PLAN (Cont.):

Mortality Rates

A summary of the current assumed mortality rates and recommended changes is shown below:

Assumption	Recommended December 31, 2016 and 2017 Valuations	Recommended December 31, 2018 and 2019 Valuations
Healthy Annuitant Mortality	RP-2014 Healthy Annuitant, Sex Distinct, Generational Projection with Unisex Social Security Data Scale	Pub-2010 Healthy Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale
School District male	White Collar, set back 12 months	Teachers, no set back
Other General Service male (and male beneficiary)	Blended 50% blue collar/50% white collar, set back 12 months	General Employees, set back 12 months
Police & Fire male	Blended 50% blue collar/50% white collar, set back 12 months	Public Safety, no set back
School District female	White Collar, set back 12 months	Teachers, no set back
Other female (and female beneficiary)	Blended 50% blue collar/50% white collar, set back 12 months	General Employees, set back 12 months
Police & Fire female	Blended 50% blue collar/50% white collar, set back 12 months	Public Safety, no set back
Disabled Retiree Mortality	RP-201 Disabled Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale	Pub-2010 Disabled Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale
Police & Fire male	No collar adjustment, no set back	Blended 50% Public Safety, 50% Non-Safety, no set back
Other General Service male	No collar adjustment, no set back	Non-Safety, set forward 24 months
Police & Fire female	No collar adjustment, no set back	Blended 50% Public Safety, 50% Non-Safety, no set back
Other General Service female	No collar adjustment, no set back	Non-Safety, set forward 12 months
Non-Annuitant Mortality	RP-2014 Employee, Sex Distinct, Generational Projection with Unisex Social Security Data Scale	Pub-2010 Employee, Sex Distinct, Generational Projection with Unisex Social Security Data Scale
School District male	Same collar and set back as Healthy Annuitant assumption	120% of same table and set back as Healthy Annuitant assumption
Other General Service male	Same collar and set back as Healthy Annuitant assumption	115% of same table and set back as Healthy Annuitant assumption
Police & Fire male	Same collar and set back as Healthy Annuitant assumption	100% of same table and set back as Healthy Annuitant assumption
School District female	Same collar and set back as Healthy Annuitant assumption	100% of same table and set back as Healthy Annuitant assumption
Other General Service female	Same collar and set back as Healthy Annuitant assumption	125% of same table and set back as Healthy Annuitant assumption
Police & Fire female	Same collar and set back as Healthy Annuitant assumption	100% of same table and set back as Healthy Annuitant assumption

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

PENSION PLAN (Cont.):

Changes Subsequent to the Measurement Date

There were no changes subsequent to the measurement date that we are aware of.

Deferred Items

Deferred items are calculated at the system-wide level and are allocated to employers based on their proportionate share. For the measurement period ending June 30, 2019, employers will report the following deferred items:

- A difference between expected and actual experience, which is being amortized over the remaining service lives of all plan participants, including retirees. One year of this amortization is included in the employer's total pension expense for the measurement period.

Employer Contributions

OPERS includes accrued contributions when due pursuant to legal requirements, as of June 30 in its Statement of Changes in Fiduciary Net Position.

Beginning with fiscal year 2016, OPERS will be able to report cash contributions and UAL side account amortization by employer, and will publish this information on the OPERS Website. Prior to fiscal year 2016, contributions to the OPSRP Defined Benefit plan were not accounted for by employer, as all employers were pooled for actuarial purposes.

Elements of Changes in Net Position

This information can be found in the Schedule of Changes in Net Pension Liability found on page 76, of the June 30, 2019 Oregon PERS CAFR.

Pension Liabilities/(Assets), Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2020, the employer reported a liability of \$10,998,985 for its proportionate share of the net pension liability. The net pension liability/(asset) was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on a projection of the employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

PENSION PLAN (Cont.):

At June 30, 2019, the employer's proportion was 0.06358675%.

For the year ended June 30, 2020, the employer recognized pension expense of \$2,683,880. On June 30, 2020, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 606,561	\$ -
Changes of assumptions	1,492,138	-
Net difference between projected and actual earnings on investments	-	311,810
Changes in proportionate share	242,349	143,294
Differences between employer contributions and employer's proportionate share of system contributions	<u>14,040</u>	<u>256,262</u>
Total Deferred Outflows/Inflows	\$ 2,355,088	\$ 711,366
Post-measurement date contributions	1,129,644	N/A
Total Deferred Outflow/(Inflow) of Resources	<u>\$ 3,484,732</u>	<u>\$ 711,366</u>
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		<u>\$ 1,643,722</u>

The City reported \$1,129,644 as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense/(income) as follows:

<u>Employer subsequent fiscal years</u>	<u>Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)</u>
1st Fiscal Year	\$ 960,753
2nd Fiscal Year	103,755
3rd Fiscal Year	322,434
4th Fiscal Year	242,128
5th Fiscal Year	14,652
Thereafter	-
Total	<u>\$ 1,643,722</u>

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA:

Oregon Public Employees Retirement Systems' (OPERS) Retiree Health Insurance Account (RHIA)

Plan Description

The City contributes to the Oregon Public Employees Retirement Systems' (OPERS) Retiree Health Insurance Account (RHIA), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the Oregon Public Employees Retirement Board (OPERB). The plan, which was established under Oregon Revised Statutes 238.420, provides a payment of up to \$60 per month towards the costs of health insurance for eligible OPERS retirees. RHIA post-employment benefits are set by state statute. The plan was closed to new entrants hired on or after August 29, 2003.

To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

A comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377, or by accessing the OPERS web site at <https://www.oregon.gov/PERS/Pages/Financials/Actuarial-Financial-Information.aspx>.

Funding Policy

Participating employers are contractually required to contribute at a rate assessed bi-annually by the OPERB, currently 0.50% of annual covered OPERS payroll and 0.43% for OPSRP payroll. The OPERB sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 75. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

Contributions

The City's contributions to OPERS' RHIA for the years ended June 30, 2020, 2019, and 2018 were \$5,984, \$27,106, and \$27,422, respectively which equaled the required contributions for the year.

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost Sharing Multiple Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2019. That independently audited report was dated February 20, 2020 and can be found at:

<https://www.oregon.gov/PERS/EMP/Documents/GASB/2019/PERS%20GASB%2075%20RHIA%20Report%20FY%2006.30.19.pdf>

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):

Actuarial Methods and Assumptions - OPEB Plans - RHIA	
Valuation Date	December 31, 2017
Measurement Date	June 30, 2019
Experience Study	2016, published July 26, 2017
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.50 percent
Long-term expected rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increases	3.50 percent
Retiree healthcare participation	Healthy retirees: 35%; Disabled retirees: 20%
Healthcare cost trend rate	Not applicable
Mortality	Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2016 Experience Study which is reviewed for the four-year period ending December 31, 2016.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA (Cont.):

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long term expected rate of return assumption, in July 2017 the Oregon PERS Board reviewed long term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Milliman's assumptions for each of the asset classes in which the plan was invested at that time are based on the OIC long term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan's portfolio, assumed asset allocation, and the long-term expected rate of return for each major class, calculated using both arithmetic and geometric means, see Pension Plan note disclosure above or the PERS' audited financial statements at:

<https://www.oregon.gov/PERS/Documents/Financials/CAFR/2019-CAFR.pdf>

Sensitivity Analysis

The following presents the employer's proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 7.20 percent, as well as what the employer's proportionate share of the OPEB liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease	Discount Rate	1% Increase
	6.20%	7.20%	8.20%
Employer's proportionate share of the net OPEB liability	\$ (81,933)	\$ (105,685)	\$ (125,923)

OPEB Liabilities/(Assets), OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB

At June 30, 2020, the City reported a net OPEB liability/(asset) of \$(105,685) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2019, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2017. Consistent with GASB Statement No. 75, paragraph 59(a), The City's proportion of the net OPEB liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2019, the City's proportion was 0.05469207%. OPEB expense/(income) for the year ended June 30, 2020 was \$(12,607).

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA:

At June 30, 2020, the employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 13,937
Changes of assumptions	-	109
Net difference between projected and actual earnings on investments	1,692	6,523
Changes in proportionate share	-	-
Differences between employer contributions and employer's proportionate share of system contributions	-	-
Total Deferred Outflows/Inflows	<u>\$ 1,692</u>	<u>\$ 20,569</u>
Post-measurement date contributions	5,984	N/A
Total Deferred Outflow/(Inflow) of Resources	<u>\$ 7,676</u>	<u>\$ 20,569</u>
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		<u>\$ (18,877)</u>

Contributions of \$5,984 were made subsequent to the measurement date, but prior to the end of the City's reporting period. These contributions, which are reported as deferred outflows of resources related to OPEB, will be included as a reduction of the net OPEB liability in the next fiscal year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Employer subsequent fiscal years</u>	<u>Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)</u>
1st Fiscal Year	\$ (9,531)
2nd Fiscal Year	(8,862)
3rd Fiscal Year	(1,156)
4th Fiscal Year	672
5th Fiscal Year	-
Thereafter	-
Total	<u>\$ (18,877)</u>

Changes Subsequent to the Measurement Date

We are not aware of any changes subsequent to the June 30, 2019 Measurement Date that meet this requirement and thus require a brief description under the GASB standard.

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

OTHER POST-EMPLOYMENT BENEFITS (OPEB) MODA:

Retiree Healthcare Insurance Premiums Subsidy

Plan Description

The City operates a single employer retiree benefit plan through the Moda Insurance Services that provides post-employment health, dental vision and life insurance benefits to eligible employees and their spouses. The City is required by Oregon Revised Statutes 243.303 to provide retirees and their dependents with group health insurance from the date of retirement to age 65 at the same rate provided to current employees. Premiums for retirees are tiered and based upon the premium rates available to active employees. The retiree is responsible for the premiums. The implicit employer subsidy is measured as the expected health care cost per retiree and dependent, less the gross premiums charged by the insurance carrier for that coverage. The subsidy is only measured for retirees and spouses younger than age 65, at which point such retirees and spouses typically become eligible for Medicare. GASB Statement 75 is applicable to the City due only to this implicit rate subsidy. This “plan” is not a stand-alone plan, and therefore, does not issue its own financial statements.

Funding Policy

When the City has retirees participating in their health insurance plan, it will, when applicable, collect insurance premiums from all retirees each month and deposit them. The City will then pay healthcare insurance premiums for all retirees at the applicable rate for each family classification.

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

OTHER POST-EMPLOYMENT BENEFITS (OPEB) MODA (Cont.):

Actuarial Methods and Assumptions - The City engaged an actuarial to perform an evaluation as of June 30, 2020 using entry age normal Actuarial Cost Method. The total OPEB liability was determined using the Alternative Measurement Method by an actuarial valuation tool as of the valuation date, calculated based on the discount rate and actuarial assumptions below:

Assumptions	User Defined Values are in Bold
Age Adjustment Factor:	2.154846
Average Retirement Age:	63
Employer Future Premium Contribution	Remain at the current \$ level over time
Actuarial cost method:	Entry Age Normal
Amortization Method:	Level Percentage of Payroll
Assets backing OPEB Liability:	\$0
Plan Asset Return:	0.00%
Bond Yield:	2.66%
Discount Rate	2.66%
Measurement date:	June 30, 2020
Prior Measurement date:	June 30, 2019
Prior Year Discount Rate:	2.79%
Projected Salary increases:	2.30%
Amortization Period:	20
Percentage Participation:	100.00%
NOL and ADC:	Calculated using the Alternative Measurement Method in accordance with GASB methodology
Healthy Mortality	RP-2000 mortality table for males and females, projected 18 years; this assumption does not include a margin for future improvements in longevity.
Turnover Assumption:	Derived from data maintained by the US Office of Personnel Management regarding the most recent experience of the employee group covered by the Federal Employees Retirement System.

Discount Rate

Under GASB 75, unfunded plans must use a discount rate that reflects a 20-year tax-exempt municipal bond yield or index rate. The assumptions in this report reflect the Bond Buyer 20-Year General Obligation Bond Index.

Health Care Cost Trend

The cost trend numbers used in the analysis were developed consistent with the Getzen model promulgated by the Society of Actuaries for use in long term trend projection. The ACA excise tax will ultimately affect all plans. Due to the viability of the ACA excise tax by plan, the user needs to estimate the impact and adjust the trend. The excise tax could raise the average actual trend rate by 0.5% or more in each year.

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

OTHER POST-EMPLOYMENT BENEFITS (OPEB) MODA (Cont.):

Sensitivity Analysis

The following presents the total OPEB liability of the Plan, calculated using the disclosure discount rate as well as what the Plan's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

	1% Decrease 1.66%	Discount Rate 2.66%	1% Increase 3.66%
Total OPEB liability from Implicit Rate Subsidy	\$ 1,218,240	\$ 1,097,166	\$ 993,212
Trend Rate	1% Decrease	Trend Rate	1% Increase
Total OPEB liability from Implicit Rate Subsidy	\$ 975,392	\$ 1,097,166	\$ 1,240,764

Participation

The following table represents the number of the City's covered eligible participants:

<u>Census Summary</u>	<u># Subscribers</u>
Subscribers by Status	
Active	60
Retired	3
Terminated	0
Total	63
Spouses of Eligible Retirees	39

Changes in Net OPEB Liability

Changes in Total OPEB Liability	<u>Increase (Decrease) Total OPEB Liability</u>
Balance as of June 30, 2019	\$ 776,333
Changes for the year:	
Service Cost	42,377
Interest	22,842
Effect of changes to benefit terms	-
Effect of economic/ demographic gains or losses	241,211
Effect of assumptions or other inputs	14,404
Employer Contributions	-
Benefit payments	-
Net OPEB Liability at June 30, 2020	<u>\$ 1,097,166</u>

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

OTHER POST-EMPLOYMENT BENEFITS (OPEB) MODA (Cont.):

Components of OPEB Expense

	July 1, 2019 to June 30, 2020
OPEB Expense	
Service cost	\$ 42,377
Interest on total OPEB liability	22,842
Effect of plan changes	-
Recognition of Deferred (Inflows)/Outflows of Resources	
Recognition of economic/demographic (gains) or losses	241,211
Recognition of assumption changes	14,404
Administrative Expense	n/a*
OPEB Expense	<u>\$ 320,834</u>

CONTINGENT LIABILITIES:

Amounts received or receivable from grantor agencies are subject to review and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amount, if any, to be immaterial.

The City of Lebanon has elected the "reimbursement" basis for unemployment claims to the State of Oregon Department of Human Resources Employment Division. If a terminated employee collects unemployment compensation based upon earnings from the City, the City will be required to reimburse the State of Oregon for the amount of unemployment compensation paid. Amounts billed by the State of Oregon are charged to expenditures but amounts for which the City is potentially liable as a result of claims not yet filed are unknown.

RISK MANAGEMENT:

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is a member of City-County Insurance Services (CIS), a public entity risk pool currently operating a common risk management and insurance program. The City pays an annual premium to CIS for insurance coverage.

Based on the experience of the City and pool, the City may be liable for an additional premium of up to approximately 20% of its initial premium or it may receive a refund. The City has never had to pay an additional premium. Predetermined limits and deductible amounts are stated in the policy. There have been no significant reductions in coverage from the prior years and settlements have not exceeded insurance coverage in the past three years.

The City has an open lawsuit against CH2M Hill and OMI for breach of contract, professional negligence, breach of fiduciary duty and reckless misrepresentation. The defendants have counter sued the City as of August 19th, 2020. At this time it is unknown what the outcome of this case will be.

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

COMMITMENT:

The City has entered into an agreement with Samaritan Health Services under which the City will repay amounts invested by Samaritan Health Services to improve or add infrastructure within the North Gateway Urban Renewal District. The total costs allowed to be repaid under the agreement are \$5,105,900. Improvements must be in place no later than 2029. Amounts invested by Samaritan Health Services are added to an existing loan agreement as described in the Long-Term Debt Note. As of June 30, 2020, \$1,241,432 had been invested under the agreement.

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:

Interfund transfers for the year ended June 30, 2020 were as follows:

	Transfers <u>Out</u>	Transfers <u>In</u>
General Fund #100	\$ 1,520,508	\$ 2,985,024
G.O. Full Faith & Credit Bond Fund #314	-	403,775
2013 Full Faith & Credit Bond Fund #317	-	1,385,700
Pension Bond Series 2002 Fund #320	-	221,043
Motel Tax Fund #510	62,000	-
Youth Court Fund #515	379	-
Police Reserves Fund #516	4,182	-
Building Inspection Fund #527	267,314	28,843
Park Enterprise Fund #533	15,000	-
GIS Fund #540	147,579	180,274
Info System Service Fund #542	106,996	908,493
Custodial & Maint Services Fund #545	13,333	281,490
Eng Development Review Fund #555	81,322	-
Street Maintenance Fund #558	319,070	106,385
Equitable Sharing (US Marshal) Fund #562	3,787	-
Dial-A-Bus Fund #569	33,777	-
State Hwy Signal Maint Fund #815	7,747	-
Equipment Acquisition & Replacement Fund #820	831,334	784,717
SDC - Parks Improvements Fund #862	8,685	501,545
SDC - Street Improvements Fund #882	8,684	508,375
SDC - Street Reimbursements Fund #883	-	6,168
Northwest Urban Renewal District Fund #925	1,055,647	-
Cheadle Lake Urban Renewal District Fund #935	125,671	-
North Gateway Urban Renewal District Fund #940	1,126,301	-
Water Utility Fund	1,389,677	441,103
Storm Drain Utility Fund	295,128	120,985
Wastewater Utility Fund	1,782,924	333,162
SDC - Drainage Improvements Fund	8,685	-
SDC - Wastewater Improvements Fund	8,685	17,911
SDC - Wastewater Reimbursements Fund	-	3,151
SDC - Water Improvements Fund	8,684	14,870
SDC - Water Reimbursements Fund	-	85
Total	<u>\$ 9,233,100</u>	<u>\$ 9,233,100</u>

These transfers occur on a routine basis and are used by the recipient funds for the normal operations of the funds.

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

PROPERTY TAX ABATEMENTS:

City of Lebanon received reduced revenue from property taxes as a result of a tax abatements program - Enterprise Zones agreements. These tax abatement agreements are negotiated with Linn County, Oregon under Oregon Revised Statutes (ORS) 285C.175 regarding Enterprise Zones.

For the fiscal year ended June 30, 2020, information regarding the property tax abatements from the program is as follows:

<u>Government Entity</u>	<u>Purpose</u>	<u>Assessed Value of Excluded Properties</u>	<u>Tax Levy Rate per Dollar of Assessed Value</u>	<u>Tax Abatement</u>
City of Lebanon	Enterprise Zone	\$ 26,369,450	0.0044048	\$ 116,152
City of Lebanon Bond	Enterprise Zone	26,369,450	0.0009124	24,059
Northwest Urban Renewal District	Enterprise Zone	26,369,450	0.0013731	36,208
Cheadle Lake Urban Renewal District	Enterprise Zone	26,369,450	0.0003368	8,881
North Gateway Urban Renewal District	Enterprise Zone	26,369,450	0.0007288	19,218
Downtown Urban Renewal District	Enterprise Zone	\$ 26,369,450	0.0000008	21
				<u>\$ 204,539</u>

SUBSEQUENT EVENTS

As of January 11, 2021, the following occurred which should be considered while reading the current fiscal year's financial statements:

On September 1, 2020 the City took over operations of the City's wastewater treatment plant after informing the operating of a breach of contract. See the Risk Management note on page 59. The City plans to operate this plant internally going forward.

On September 16, 2020 the City of Lebanon refunded the revenue bonds WW2010 and the DEQ loan #R56200. The total outstanding principal at the time was \$3,650,139. The new loan through JPMorgan Chase Bank is for 3,730,000 with an interest rate of 1.47%. The was a present value savings of over 10% or \$380,000.

DEFICIT FUND BALANCE:

The following funds ended the year with a negative fund balance:

<u>Fund</u>	<u>Fund Balance</u>
G.O. Full Faith & Credit Bond Fund #314	\$ (20,134)
Motel Tax Fund #510	\$ (70,975)

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

RESTATEMENT OF BUDGETARY BEGINNING FUND BALANCES:

The budgetary basis beginning fund balances as of July 1, 2019, were restated to reflect corrections to the Water Fund, the Waste Water Fund, and the Storm Drain. The restatement amounts and explanations are as follows:

	<u>Water Fund</u>	<u>Waste Water Fund</u>	<u>Storm Drain Fund</u>
Fund Balances, Beginning of the Year, at July 1, 2019 (as previously reported)	\$ 2,016,839	\$ 2,868,347	\$ 135,034
Restatement for (decrease)/increase for:			
Unbilled Revenue not claimed in prior year	<u>241,330</u>	<u>186,887</u>	<u>16,476</u>
Fund Balances, Beginning of the Year, at July 1, 2019 (as restated)	<u>\$ 2,258,169</u>	<u>\$ 3,055,234</u>	<u>\$ 151,510</u>

RESTATEMENT OF MODIFIED ACCRUAL BEGINNING FUND BALANCES:

The modified accrual beginning fund balances as of July 1, 2019, were restated to reflect corrections to the Motel Tax Fund, the SDC – Parks Improvement Fund, Storm Drain Fund and the SDC – Street Improvement Fund. The restatement amounts and explanations are as follows:

	<u>Motel Tax Fund</u>	<u>SDC - Parks Improvements Fund</u>	<u>Storm Drain Fund</u>	<u>SDC -Street Improvements Fund</u>
Fund Balances, Beginning of the Year, at July 1, 2019 (as previously reported)	\$ 128,826	\$ 604,480	\$ 135,033	\$ 2,176,731
Restatement for (decrease)/increase for:				
Unbilled Revenue not claimed in prior year	-	-	16,476	-
Interfund Loan Receivable/(Payable) not previously reported	<u>(171,288)</u>	<u>171,288</u>	<u>(400,000)</u>	<u>400,000</u>
Fund Balances, Beginning of the Year, at July 1, 2019 (as restated)	<u>\$ (42,462)</u>	<u>\$ 775,768</u>	<u>\$ (248,491)</u>	<u>\$ 2,576,731</u>

RESTATEMENT OF BEGINNING NET POSITION:

The beginning net position as of July 1, 2019, were restated to reflect corrections the Water Funds, the Waste Water Funds, the Storm Drain Funds, and to the Governmental Activities. The restatement amounts and explanations are as follows:

	<u>Water Funds</u>	<u>Waste Water Funds</u>	<u>Storm Drain Funds</u>	<u>Governmental Activities</u>
Net Position, Beginning of the Year, at July 1, 2019 (as previously reported)	\$ 24,086,343	\$ 31,263,505	\$ 1,980,652	\$ 12,920,217
Restatement for (decrease)/increase for:				
Unbilled Revenue not claimed in prior year	241,638	186,887	16,476	-
Correction of Capitalized Bond Issuance Cost	-	133,490	-	-
Bond Premium Re-allocation	(10,052)	12,809	-	119,283
Interfund Loan Receivable/(Payable) not previously reported	<u>-</u>	<u>-</u>	<u>(400,000)</u>	<u>400,000</u>
Net Position, Beginning of the Year, at July 1, 2019 (as restated)	<u>\$ 24,317,929</u>	<u>\$ 31,596,691</u>	<u>\$ 1,597,128</u>	<u>\$ 13,439,500</u>

CITY OF LEBANON

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2020

INTERFUND BALANCE:

Interfund balances at June 30, 2020 consisted of the following individual fund due to/due amounts:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund #100	185,600	-
SDC - Water Improvements Fund	-	43,138
G.O. Full Faith & Credit Bond Fund #314	-	26,691
Parks Grant Fund #535	-	115,771
Total	<u>\$ 185,600</u>	<u>\$ 185,600</u>

And from the following interfund loans receivable and payable:

	<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>
Storm Drain Utility Fund	-	363,000
Motel Tax Fund #510	-	110,145
SDC - Parks Improvements Fund #862	110,145	-
SDC - Street Improvements Fund #882	363,000	-
Total	<u>\$ 473,145</u>	<u>\$ 473,145</u>

REQUIRED
SUPPLEMENTARY
INFORMATION

CITY OF LEBANON

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

GENERAL FUND

For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with				
	Original	Final	Amounts (Budgetary Basis) (See Note 1)	Final Budget Over (Under)				
<u>REVENUES:</u>								
Property Taxes	\$ 5,280,171	\$ 5,280,171	\$ 5,365,129	\$ 84,958				
Intergovernmental	656,806	656,806	695,828	39,022				
Franchise Taxes	2,222,250	2,222,250	2,272,728	50,478				
Marijuana Taxes	140,000	140,000	197,946	57,946				
Fees and Charges	254,338	254,338	293,048	38,710				
Fines and Forfeitures	346,500	346,500	342,264	(4,236)				
Investment Earnings	30,000	30,000	98,120	68,120				
Grants and Contributions	-	-	71,813	71,813				
Miscellaneous Revenue	90,000	90,000	59,074	(30,926)				
Total Revenues	9,020,065	9,020,065	9,395,950	375,885				
<u>EXPENDITURES:</u>								
Current:								
Administration & Economic Dev.	451,754	451,754	328,358	(123,396)				
Human Resources	155,335	155,335	152,815	(2,520)				
City Attorney	187,050	207,050	205,124	(1,926)				
Community Development and Planning	479,813	479,813	447,104	(32,709)				
Public Works	1,175,290	1,175,290	1,117,142	(58,148)				
Parks	668,188	668,188	577,169	(91,019)				
Finance	648,244	608,244	545,432	(62,812)				
Legislative	279,867	299,867	277,020	(22,847)				
Library	678,512	678,512	577,961	(100,551)				
Municipal Court	302,518	302,518	288,931	(13,587)				
Police	5,973,540	5,973,540	5,622,217	(351,323)				
Senior and Disabled Services	311,892	311,892	279,876	(32,016)				
Non-Departmental:								
Materials and Services	444,951	494,951	445,409	(49,542)				
Debt Service	125,739	125,739	125,738	(1)				
Capital Outlay	274,750	224,750	55,347	(169,403)				
Contingency	2,007,745	2,007,745	-	(2,007,745)				
Total Expenditures	14,165,188	14,165,188	11,045,643	(3,119,545)				
Excess (Deficiency) of Revenues Over Expenditures					(5,145,123)	(5,145,123)	(1,649,693)	3,495,430
<u>OTHER FINANCING SOURCES / (USES):</u>								
Interfund Transfers In	3,021,676	3,021,676	2,985,024	(36,652)				
Interfund Transfers Out	(1,449,309)	(1,449,309)	(1,448,508)	(801)				
Total Other Financing Sources (Uses)	1,572,367	1,572,367	1,536,516	(35,851)				
Net Change in Fund Balance	(3,572,756)	(3,572,756)	(113,177)	3,459,579				
Beginning Fund Balance	3,572,756	3,572,756	4,198,100	625,344				
ENDING FUND BALANCE	\$ -	\$ -	\$ 4,084,923	\$ 4,084,923				

CITY OF LEBANON

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

Northwest Urban Renewal District Fund #925

For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	Original	Final		
<u>REVENUES:</u>				
Property Taxes	\$ 1,635,000	\$ 1,635,000	\$ 1,683,557	\$ 48,557
Investment Earnings	15,000	15,000	50,172	35,172
Total Revenues	1,650,000	1,650,000	1,733,729	83,729
<u>EXPENDITURES:</u>				
Current:				
Materials and Supplies	20,000	70,000	48,138	(21,862)
Debt Service	618,444	618,444	618,444	-
Contingency	1,802,006	1,752,006	-	(1,752,006)
Total Expenditures	2,440,450	2,440,450	666,582	(1,773,868)
Excess (Deficiency) of Revenues Over Expenditures	(790,450)	(790,450)	1,067,147	1,857,597
<u>OTHER FINANCING SOURCES / (USES):</u>				
Interfund Transfers Out	(1,055,647)	(1,055,647)	(1,055,647)	-
Total Other Financing Sources (Uses)	(1,055,647)	(1,055,647)	(1,055,647)	-
Net Change in Fund Balance	(1,846,097)	(1,846,097)	11,500	1,857,597
Beginning Fund Balance	1,846,097	1,846,097	1,968,138	122,041
Ending Fund Balance	\$ -	\$ -	\$ 1,979,638	\$ 1,979,638

CITY OF LEBANON
SCHEDULE OF PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY
PERS

Last 10 Fiscal Years*

Measurement Date June 30,	(a) Employer's proportion of the net pension liability (asset)	(b) Employer's proportionate share of the net pension liability (asset)	(c) Employer's covered payroll	(b/c) Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.06358675%	\$ 10,998,985	\$ 6,419,060	171.35%	80.2%
2019	0.06255912%	9,476,883	5,939,500	159.56%	82.1%
2018	0.06167821%	8,314,246	5,900,267	140.91%	83.1%
2017	0.05938091%	8,914,453	5,784,286	154.12%	80.5%
2016	0.06818513%	3,914,823	4,915,422	79.64%	91.9%
2015	0.06443958%	\$ (1,460,660)	\$ 4,670,776	-31.27%	103.6%

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

CITY OF LEBANON
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PERS
Last 10 Fiscal Years*

Year Ended June 30,	(a) Contractually required contribution	(b) Contributions in relation to the contractually required contribution	(a-b) Contribution deficiency (excess)	(c) Employer's covered payroll	(b/c) Contributions as a percent of covered payroll
2019	\$ 1,129,644	\$ 1,129,644	\$ -	\$ 6,419,060	17.60%
2019	832,862	832,862	-	5,939,500	14.02%
2018	823,096	823,096	-	5,900,267	14.0%
2017	638,089	638,089	-	5,784,286	11.0%
2016	595,431	595,431	-	5,420,641	11.0%
2015	\$ 457,865	\$ 457,865	\$ -	\$ 4,915,422	9.3%

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

CITY OF LEBANON

**SCHEDULE OF PROPORTIONATE SHARE OF THE
NET OPEB LIABILITY
OPEB RHIA
Last 10 Fiscal Years***

<u>Measurement Date June 30,</u>	<u>(a) Employer's proportion of the net OPEB liability (asset)</u>	<u>(b) Employer's proportionate share of the net OPEB liability (asset)</u>	<u>(c) Employer's covered payroll</u>	<u>(b/c) Employer's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total OPEB liability</u>
2020	0.05469207%	\$ (105,685)	\$ 6,419,060	-1.65%	144.4%
2019	0.05663266%	(63,217)	5,939,500	-1.06%	124.0%
2018	0.06114702%	(25,519)	5,900,267	-0.43%	108.9%
2017	0.05669862%	\$ (25,519)	\$ 5,784,286	-0.44%	94.2%

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

CITY OF LEBANON
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OPEB RHIA
Last 10 Fiscal Years

Year Ended June 30,	(a) Contractually required contribution	(b) Contributions in relation to the contractually required contribution	(a-b) Contribution deficiency (excess)	(c) Employer's covered employee payroll	(b/c) Contributions as a percent of covered payroll
2020	\$ 5,984	\$ 5,984	\$ -	\$ 6,419,060	0.09%
2019	27,106	27,106	-	5,939,500	0.46%
2018	27,422	27,422	-	5,900,267	0.46%
2017	28,211	28,211	-	5,784,286	0.49%
2016	\$ 26,716	\$ 26,716	\$ -	\$ 5,420,641	0.49%

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

CITY OF LEBANON

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

CITYCOUNTY INSURANCE SERVICES

Last 10 Fiscal Years*

	2020	2019
Total OPEB Liability		
Service cost	\$ 42,377	\$ 42,376
Interest on total OPEB liability	22,842	24,705
Effect of changes to benefit terms	-	-
Effect of economic/demographic gains or (losses)	241,211	(91,379)
Effect of assumption changes or inputs	14,404	13,989
Benefit payments	-	-
Net change in total OPEB liability *	-	-
Total OPEB liability, beginning	776,332	786,641
Total OPEB liability, ending (a) *	1,097,166	776,332
Covered payroll	\$ 6,419,067	\$ 5,939,500
Total OPEB liability as a % of covered payroll **	17.1%	13.1%

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

* Totals may not agree due to rounding.

OTHER
SUPPLEMENTARY
DATA

Proprietary Funds

Water Funds

CITY OF LEBANON
COMBINING STATEMENT OF NET POSITION
WATER FUNDS
June 30, 2020

	Water Utility Fund	SDC - Water Improvements Fund #892	SDC - Water Reimbursements Fund	Totals
<u>ASSETS:</u>				
Current Assets:				
Cash and Investments	\$ 2,806,349	\$ 1	\$ 18,808	\$ 2,825,158
Accounts Receivable	527,428	225,143	1,332	753,903
Unbilled Revenues	179,061	-	-	179,061
Prepaid Expenses & Other Assets	10,389	-	-	10,389
Total Current Assets	3,523,227	225,144	20,140	3,768,511
Non-Current Assets:				
Net OPEB Asset (RHIA)	6,617	-	-	6,617
Total Non-Current Assets	6,617	-	-	6,617
Capital Assets:				
Land and Construction In Progress	786,781	-	-	786,781
Capital Assets, Net of Depreciation	45,149,027	-	-	45,149,027
Total Capital Assets	45,935,808	-	-	45,935,808
Total Assets	49,465,652	225,144	20,140	49,710,936
<u>DEFERRED OUTFLOW OF RESOURCES:</u>				
Pension Related Deferrals	218,171	-	-	218,171
OPEB Related Deferrals - RHIA	481	-	-	481
Total Deferred Outflows of Resources	218,652	-	-	218,652
<u>LIABILITIES:</u>				
Current Liabilities:				
Accounts Payable	28,098	-	-	28,098
Interest Payable	409,611	-	-	409,611
Deposit Payable	233,890	-	-	233,890
Compensated Absences, Current Portion	11,515	-	-	11,515
Due to Other Funds	-	43,138	-	43,138
Long-Term Liabilities, Current Portion	863,054	-	-	863,054
Total Current Liabilities	1,546,168	43,138	-	1,589,306
Long-Term Liabilities:				
Long-Term Liabilities, Less Current Portion	22,307,189	-	-	22,307,189
Compensated Absences, Less Current Portion	34,546	-	-	34,546
Bond Premium, Net	6,702	-	-	6,702
Net Pension Liability	688,622	-	-	688,622
Net OPEB Obligation - CIS	68,691	-	-	68,691
Total Long-Term Liabilities	23,105,750	-	-	23,105,750
Total Liabilities	24,651,918	43,138	-	24,695,056
<u>DEFERRED INFLOW OF RESOURCES:</u>				
Pension Related Deferrals	44,537	-	-	44,537
OPEB Related Deferrals - RHIA	1,288	-	-	1,288
Total Deferred Inflows of Resources	45,825	-	-	45,825
<u>NET POSITION:</u>				
Net Investment in Capital Assets	22,765,565	-	-	22,765,565
Unrestricted	2,220,996	182,006	20,140	2,423,142
Total Net Position	\$ 24,986,561	\$ 182,006	\$ 20,140	\$ 25,188,707

CITY OF LEBANON

**Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances**

WATER FUNDS

For the Fiscal Year Ended June 30, 2020

	<u>Water Utility Fund</u>	<u>SDC - Water Improvements Fund #892</u>	<u>SDC - Water Reimbursements Fund</u>	<u>Totals</u>
<u>OPERATING REVENUES:</u>				
Fees and Charges	\$ 5,022,562	\$ 290,704	\$ 1,519	\$ 5,314,785
Miscellaneous Revenue	161,156	-	-	161,156
Total Operating Revenues	<u>5,183,718</u>	<u>290,704</u>	<u>1,519</u>	<u>5,475,941</u>
<u>OPERATING EXPENSES:</u>				
Personnel Services	940,163	-	-	940,163
Materials and Supplies	1,331,416	-	-	1,331,416
Depreciation	1,102,089	-	-	1,102,089
Total Operating Expenditures	<u>3,373,668</u>	<u>-</u>	<u>-</u>	<u>3,373,668</u>
Operating Income (Loss)	1,810,050	290,704	1,519	2,102,273
<u>NON-OPERATING REVENUES (EXPENSES):</u>				
Investment Earnings	50,820	3,572	388	54,780
Interest and Fees	(612,204)	-	-	(612,204)
Total Non-Operating Revenues (Expenses)	<u>(561,384)</u>	<u>3,572</u>	<u>388</u>	<u>(557,424)</u>
Income Before Other Revenues, Expenses, and Transfers	1,248,666	294,276	1,907	1,544,849
<u>CAPITAL CONTRIBUTIONS AND TRANSFERS:</u>				
Capital Contributions	23,382	-	-	23,382
Interfund Transfers In	441,103	14,870	85	456,058
Interfund Transfers Out	(1,144,827)	(8,684)	-	(1,153,511)
Total Capital Contributions and Transfers	<u>(680,342)</u>	<u>6,186</u>	<u>85</u>	<u>(674,071)</u>
Changes in Net Position	568,324	300,462	1,992	870,778
Beginning Net Position - As Restated	24,418,237	(118,456)	18,148	24,317,929
Ending Net Position	<u>\$ 24,986,561</u>	<u>\$ 182,006</u>	<u>\$ 20,140</u>	<u>\$ 25,188,707</u>

CITY OF LEBANON

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

Water Utility Fund

For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Fees and Charges	\$ 5,130,000	\$ 5,130,000	\$ 5,022,562	\$ (107,438)
Investment Earnings	15,000	15,000	50,820	35,820
Miscellaneous Revenue	95,000	95,000	161,156	66,156
Total Revenues	<u>5,240,000</u>	<u>5,240,000</u>	<u>5,234,538</u>	<u>(5,462)</u>
<u>EXPENDITURES:</u>				
Current:				
Personnel Services	739,245	739,245	719,829	(19,416)
Materials and Supplies	1,211,657	1,211,657	1,086,462	(125,195)
Non-Departmental:				
Debt Service	1,180,000	1,180,000	1,153,769	(26,231)
Capital Outlay	1,603,500	1,603,500	322,837	(1,280,663)
Contingency	1,110,095	1,110,095	-	(1,110,095)
Total Expenditures	<u>5,844,497</u>	<u>5,844,497</u>	<u>3,282,897</u>	<u>(2,561,600)</u>
Excess (Deficiency) of Revenues Over Expenditures	(604,497)	(604,497)	1,951,641	2,556,138
<u>OTHER FINANCING SOURCES / (USES):</u>				
Interfund Transfers In	441,103	441,103	441,103	-
Interfund Transfers Out	(1,389,835)	(1,389,835)	(1,389,677)	(158)
Total Other Financing Sources (Uses)	<u>(948,732)</u>	<u>(948,732)</u>	<u>(948,574)</u>	<u>158</u>
Net Change in Fund Balance	(1,553,229)	(1,553,229)	1,003,067	2,556,296
Beginning Fund Balance - As Restated	1,553,229	1,553,229	2,258,169	704,940
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,261,236</u>	<u>\$ 3,261,236</u>

Reconciliation to generally accepted accounting principles basis

Change in Fund Balance from Above	1,003,067
Change in Compensated Absences	(10,781)
Accrued Interest, and Amortization of Bond Premium	291,837
Change in Pension and OPEB Expense	(209,551)
Debt Principal Payments	494,577
Capital Contributed Recognized as Revenue	23,382
Capital Outlay and Other Expenditures that are Capitalized	77,882
Depreciation Expense	<u>(1,102,089)</u>
Change in Net Position as Reported in Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ 568,324</u>

CITY OF LEBANON

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
SDC - Water Improvements Fund
For the Fiscal Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Fees and Charges	\$ 60,000	\$ 60,000	\$ 186,479	\$ 126,479
Investment Earnings	2,500	2,500	3,572	1,072
Total Revenues	62,500	62,500	190,051	127,551
<u>EXPENDITURES:</u>				
Current:				
Capital Outlay	45,000	45,000	-	(45,000)
Contingency	41,410	41,410	-	(41,410)
Total Expenditures	86,410	86,410	-	(86,410)
Excess (Deficiency) of Revenues Over Expenditures	(23,910)	(23,910)	190,051	213,961
<u>OTHER FINANCING SOURCES / (USES):</u>				
Interfund Transfers In	14,870	14,870	14,870	-
Interfund Transfers Out	(8,684)	(8,684)	(8,684)	-
Total Other Financing Sources (Uses)	6,186	6,186	6,186	-
Net Change in Fund Balance	(17,724)	(17,724)	196,237	213,961
Beginning Fund Balance	17,724	17,724	(205,209)	(222,933)
Ending Fund Balance	\$ -	\$ -	\$ (8,972)	\$ (8,972)
Reconciliation to generally accepted accounting principles basis				
Change in fund balance from above			196,237	
Revenue recognition of deferred inflows			104,225	
Change in Net Position as Reported in Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position			<u>\$ 300,462</u>	

CITY OF LEBANON

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
SDC - Water Reimbursements Fund
For the Fiscal Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	Original	Final		
<u>REVENUES:</u>				
Fees and Charges	\$ 700	\$ 700	\$ 1,069	\$ 369
Investment Earnings	125	125	388	263
Total Revenues	825	825	1,457	632
<u>EXPENDITURES:</u>				
Current:				
Capital Outlay	17,000	17,000	-	(17,000)
Contingency	953	953	-	(953)
Total Expenditures	17,953	17,953	-	(17,953)
Excess (Deficiency) of Revenues Over Expenditures	(17,128)	(17,128)	1,457	18,585
<u>OTHER FINANCING SOURCES / (USES):</u>				
Interfund Transfers In	85	85	85	-
Total Other Financing Sources (Uses)	85	85	85	-
Net Change in Fund Balance	(17,043)	(17,043)	1,542	18,585
Beginning Fund Balance	17,043	17,043	17,462	419
Ending Fund Balance	\$ -	\$ -	\$ 19,004	\$ 19,004

Reconciliation to generally accepted accounting principles basis

Change in fund balance from above	1,542
Revenue recognition of deferred inflows	450
Change in Net Position as Reported in Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ 1,992</u>

OTHER
SUPPLEMENTARY
DATA

Proprietary Funds

Wastewater Funds

CITY OF LEBANON
COMBINING STATEMENT OF NET POSITION
WASTEWATER FUNDS

June 30, 2020

	<u>Wastewater Utility Fund</u>	<u>SDC - Wastewater Improvements Fund</u>	<u>SDC - Wastewater Reimbursements Fund</u>	<u>Totals</u>
<u>ASSETS:</u>				
Current Assets:				
Cash and Investments	\$ 2,130,205	\$ 2,136,566	\$ 455,409	\$ 4,722,180
Accounts Receivable	720,950	295,805	55,545	1,072,300
Unbilled Revenues	182,071	-	-	182,071
Prepaid Expenses & Other Assets	33,421	-	-	33,421
Total Current Assets	3,066,647	2,432,371	510,954	6,009,972
Net OPEB Asset (RHIA)	3,182	-	-	3,182
Total Non-Current Assets	3,182	-	-	3,182
Capital Assets:				
Land and Construction In Progress	873,976	-	-	873,976
Capital Assets, Net of Depreciation	31,285,559	-	-	31,285,559
Total Capital Assets	32,159,535	-	-	32,159,535
Total Assets	35,229,364	2,432,371	510,954	38,172,689
Pension Related Deferrals	104,934	-	-	104,934
OPEB Related Deferrals - RHIA	231	-	-	231
Total Deferred Outflows of Resources	105,165	-	-	105,165
<u>LIABILITIES:</u>				
Current Liabilities:				
Accounts Payable	123,576	-	-	123,576
Interest Payable	47,983	-	-	47,983
Compensated Absences, Current Portion	11,111	-	-	11,111
Long-Term Liabilities, Current Portion	657,229	-	-	657,229
Total Current Liabilities	839,899	-	-	839,899
Long-Term Liabilities, Less Current Portion	3,757,910	-	-	3,757,910
Compensated Absences, Less Current Portion	33,334	-	-	33,334
Bond Premium, Net	205,358	-	-	205,358
Net Pension Liability	331,207	-	-	331,207
Net OPEB Obligation - CIS	33,038	-	-	33,038
Total Long-Term Liabilities	4,360,847	-	-	4,360,847
Total Liabilities	5,200,746	-	-	5,200,746
<u>DEFERRED INFLOW OF RESOURCES:</u>				
Pension Related Deferrals	21,421	-	-	21,421
OPEB Related Deferrals - RHIA	619	-	-	619
Total Deferred Inflows of Resources	22,040	-	-	22,040
<u>NET POSITION:</u>				
Net Investment in Capital Assets	27,744,396	-	-	27,744,396
Unrestricted	2,367,347	2,432,371	510,954	5,310,672
Total Net Position	\$ 30,111,743	\$ 2,432,371	\$ 510,954	\$ 33,055,068

CITY OF LEBANON

**Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances**

WASTEWATER FUNDS

For the Fiscal Year Ended June 30, 2020

	<u>Wastewater Utility Fund</u>	<u>SDC - Wastewater Improvements Fund</u>	<u>SDC - Wastewater Reimbursements Fund</u>	<u>Totals</u>
<u>OPERATING REVENUES:</u>				
Fees and Charges	\$ 5,664,553	\$ 367,170	\$ 68,142	\$ 6,099,865
Miscellaneous Revenue	15,021	-	-	15,021
Total Operating Revenues	<u>5,679,574</u>	<u>367,170</u>	<u>68,142</u>	<u>6,114,886</u>
<u>OPERATING EXPENSES:</u>				
Personnel Services	402,200	-	-	402,200
Materials and Supplies	2,433,331	-	-	2,433,331
Depreciation	1,040,827	-	-	1,040,827
Total Operating Expenditures	<u>3,876,358</u>	<u>-</u>	<u>-</u>	<u>3,876,358</u>
Operating Income (Loss)	1,803,216	367,170	68,142	2,238,528
<u>NON-OPERATING REVENUES (EXPENSES):</u>				
Investment Earnings	60,753	43,930	9,250	113,933
Interest and Fees	(156,967)	-	-	(156,967)
Total Non-Operating Revenues (Expenses)	<u>(96,214)</u>	<u>43,930</u>	<u>9,250</u>	<u>(43,034)</u>
Income Before Other Revenues, Expenses, and Transfers	1,707,002	411,100	77,392	2,195,494
<u>CAPITAL CONTRIBUTIONS AND TRANSFERS:</u>				
Capital Contributions	20,893	-	-	20,893
Interfund Transfers In	333,162	17,911	3,151	354,224
Interfund Transfers Out	(1,103,549)	(8,685)	-	(1,112,234)
Total Capital Contributions and Transfers	<u>(749,494)</u>	<u>9,226</u>	<u>3,151</u>	<u>(737,117)</u>
Changes in Net Position	957,508	420,326	80,543	1,458,377
Beginning Net Position - As Restated	29,154,235	2,012,045	430,411	31,596,691
Ending Net Position	<u>\$ 30,111,743</u>	<u>\$ 2,432,371</u>	<u>\$ 510,954</u>	<u>\$ 33,055,068</u>

CITY OF LEBANON

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

Wastewater Utility Fund

For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	Original	Final		
<u>REVENUES:</u>				
Fees and Charges	\$ 5,690,000	\$ 5,690,000	\$ 5,665,685	\$ (24,315)
Investment Earnings	10,000	10,000	60,753	50,753
Miscellaneous Revenue	-	-	15,021	15,021
Total Revenues	5,700,000	5,700,000	5,741,459	41,459
<u>EXPENDITURES:</u>				
Current:				
Personnel Services	293,536	293,536	256,209	(37,327)
Materials and Supplies	2,856,154	2,856,154	2,859,408	3,254
Non-Departmental:				
Debt Service	667,076	667,076	667,076	-
Capital Outlay	7,559,500	7,559,500	753,526	(6,805,974)
Contingency	549,244	549,244	-	(549,244)
Total Expenditures	11,925,510	11,925,510	4,536,219	(7,389,291)
Excess (Deficiency) of Revenues Over Expenditures	(6,225,510)	(6,225,510)	1,205,240	7,430,750
<u>OTHER FINANCING SOURCES / (USES):</u>				
Interfund Transfers In	333,162	333,162	333,162	-
Interfund Transfers Out	(1,783,048)	(1,783,048)	(1,782,924)	(124)
Bond Proceeds	5,500,000	5,500,000	-	(5,500,000)
Total Other Financing Sources (Uses)	4,050,114	4,050,114	(1,449,762)	(5,499,876)
Net Change in Fund Balance	(2,175,396)	(2,175,396)	(244,522)	1,930,874
Beginning Fund Balance - As Restated	2,175,396	2,175,396	3,055,234	879,838
Ending Fund Balance	\$ -	\$ -	\$ 2,810,712	\$ 2,810,712
Reconciliation to generally accepted accounting principles basis				
Change in Fund Balance from Above			(244,522)	
Change in Compensated Absences			(17,213)	
Accrued Interest, and Amortization of Bond Premium			54,896	
Amortization of Prepaid Bond Expense			(2,569)	
Change in Pension and OPEB Expense			(128,778)	
Debt Principal Payments Paid Directly from Fund			504,588	
Capital Contributed Recognized as Revenue			20,893	
Adjustment for Revenue recognition of Deferred Inflows			(1,130)	
Capital Outlay and Other Expenditures that are Capitalized			1,182,171	
Interfund Transfer Reclassified to Debt Principal Payments			630,000	
Depreciation Expense			(1,040,827)	
Change in Net Position as Reported in Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position			\$ 957,508	

CITY OF LEBANON

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
SDC - Wastewater Improvements Fund
For the Fiscal Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Fees and Charges	\$ 110,000	\$ 110,000	\$ 255,442	\$ 145,442
Investment Earnings	15,000	15,000	43,930	28,930
Total Revenues	<u>125,000</u>	<u>125,000</u>	<u>299,372</u>	<u>174,372</u>
<u>EXPENDITURES:</u>				
Current:				
Capital Outlay	2,225,000	2,225,000	-	(2,225,000)
Contingency	83,827	83,827	-	(83,827)
Total Expenditures	<u>2,308,827</u>	<u>2,308,827</u>	<u>-</u>	<u>(2,308,827)</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,183,827)	(2,183,827)	299,372	2,483,199
<u>OTHER FINANCING SOURCES / (USES):</u>				
Interfund Transfers In	17,911	17,911	17,911	-
Interfund Transfers Out	(8,685)	(8,685)	(8,685)	-
Total Other Financing Sources (Uses)	<u>9,226</u>	<u>9,226</u>	<u>9,226</u>	<u>-</u>
Net Change in Fund Balance	(2,174,601)	(2,174,601)	308,598	2,483,199
Beginning Fund Balance	2,174,601	2,174,601	1,886,465	(288,136)
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,195,063</u>	<u>\$ 2,195,063</u>
Reconciliation to generally accepted accounting principles basis				
Changes in fund balance from above			308,598	
Revenue recognition of deferred inflows			111,728	
Change in Net Position as Reported in Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position			<u>\$ 420,326</u>	

CITY OF LEBANON

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual SDC - Wastewater Reimbursements Fund For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis) (See Note 1)	Final Budget Over (Under)
REVENUES:				
Fees and Charges	\$ 18,000	\$ 18,000	\$ 44,937	\$ 26,937
Investment Earnings	1,650	1,650	9,250	7,600
Total Revenues	19,650	19,650	54,187	34,537
EXPENDITURES:				
Current:				
Capital Outlay	400,000	400,000	-	(400,000)
Contingency	23,110	23,110	-	(23,110)
Total Expenditures	423,110	423,110	-	(423,110)
Excess (Deficiency) of Revenues Over Expenditures	(403,460)	(403,460)	54,187	457,647
OTHER FINANCING SOURCES / (USES):				
Interfund Transfers In	3,151	3,151	3,151	-
Total Other Financing Sources (Uses)	3,151	3,151	3,151	-
Net Change in Fund Balance	(400,309)	(400,309)	57,338	457,647
Beginning Fund Balance	400,309	400,309	408,362	8,053
Ending Fund Balance	\$ -	\$ -	\$ 465,700	\$ 465,700
Reconciliation to generally accepted accounting principles basis				
Changes in fund balance from above			57,338	
Revenue recognition of deferred inflows			23,205	
Change in Net Position as Reported in Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position			\$ 80,543	

OTHER
SUPPLEMENTARY
DATA

Proprietary Funds

Storm Drain Funds

CITY OF LEBANON

**COMBINING STATEMENT OF NET POSITION
STORM DRAINAGE FUNDS**

June 30, 2020

	Storm Drain Utility Fund	SDC - Drainage Improvements Fund	SDC - Drainage Reimbursements Fund	Totals
<u>ASSETS:</u>				
Current Assets:				
Cash and Investments	\$ 213,179	\$ 157,680	\$ 34,209	\$ 405,068
Accounts Receivable	66,057	27,562	4,813	98,432
Unbilled Revenues	16,734	-	-	16,734
Prepaid Expenses & Other Assets	819	-	-	819
Total Current Assets	296,789	185,242	39,022	521,053
Capital Assets:				
Capital Assets, Net of Depreciation	1,757,142	-	-	1,757,142
Total Capital Assets	1,757,142	-	-	1,757,142
Total Assets	2,053,931	185,242	39,022	2,278,195
<u>LIABILITIES:</u>				
Current Liabilities:				
Accounts Payable	9,591	-	-	9,591
Interfund Loan Payable	363,000	-	-	363,000
Total Current Liabilities	372,591	-	-	372,591
Total Liabilities	372,591	-	-	372,591
<u>NET POSITION:</u>				
Net Investment in Capital Assets	1,394,142	-	-	1,394,142
Unrestricted	287,198	185,242	39,022	511,462
Total Net Position	\$ 1,681,340	\$ 185,242	\$ 39,022	\$ 1,905,604

CITY OF LEBANON

**Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
STORM DRAINAGE FUNDS**

For the Fiscal Year Ended June 30, 2020

	Storm Drain Utility Fund	SDC - Drainage Improvements Fund	SDC - Drainage Reimbursements Fund	Totals
<u>OPERATING REVENUES:</u>				
Fees and Charges	\$ 504,218	\$ 55,389	\$ 21,451	\$ 581,058
Total Operating Revenues	504,218	55,389	21,451	581,058
<u>OPERATING EXPENSES:</u>				
Materials and Supplies	105,127	-	-	105,127
Depreciation	34,311	-	-	34,311
Total Operating Expenditures	139,438	-	-	139,438
Operating Income (Loss)	364,780	55,389	21,451	441,620
<u>NON-OPERATING REVENUES (EXPENSES):</u>				
Investment Earnings	3,590	4,326	564	8,480
Total Non-Operating Revenues (Expenses)	(5,410)	4,326	564	(520)
Income Before Other Revenues, Expenses, and Transfers	359,370	59,715	22,015	441,100
<u>CAPITAL CONTRIBUTIONS AND TRANSFERS:</u>				
Capital Contributions	4,204	-	-	4,204
Interfund Transfers In	120,985	-	-	120,985
Interfund Transfers Out	(249,128)	(8,685)	-	(257,813)
Total Capital Contributions and Transfers	(123,939)	(8,685)	-	(132,624)
Changes in Net Position	235,431	51,030	22,015	308,476
Beginning Net Position - As Restated	1,445,909	134,212	17,007	1,597,128
Ending Net Position	\$ 1,681,340	\$ 185,242	\$ 39,022	\$ 1,905,604

CITY OF LEBANON

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Storm Drain Utility Fund**

For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>(Budgetary Basis)</u> <u>(See Note 1)</u>	<u>Final Budget</u> <u>Over</u> <u>(Under)</u>
<u>REVENUES:</u>				
Fees and Charges	\$ 475,000	\$ 475,000	\$ 504,218	\$ 29,218
Investment Earnings	3,000	3,000	3,590	590
Total Revenues	478,000	478,000	507,808	29,808
<u>EXPENDITURES:</u>				
Current:				
Materials and Supplies	84,700	84,700	63,071	(21,629)
Capital Outlay	230,000	230,000	134,905	(95,095)
Contingency	95,336	95,336	-	(95,336)
Total Expenditures	410,036	410,036	197,976	(212,060)
Excess (Deficiency) of Revenues Over Expenditures	67,964	67,964	309,832	241,868
<u>OTHER FINANCING SOURCES / (USES):</u>				
Interfund Transfers In	120,985	120,985	120,985	-
Interfund Transfers Out	(295,128)	(295,128)	(295,128)	-
Total Other Financing Sources (Uses)	(174,143)	(174,143)	(174,143)	-
Net Change in Fund Balance	(106,179)	(106,179)	135,689	241,868
Beginning Fund Balance - As Restated	106,179	106,179	151,510	45,331
Ending Fund Balance	\$ -	\$ -	\$ 287,199	\$ 287,199

Reconciliation to generally accepted accounting principles basis

Change in Fund Balance from Above	135,689
Interfund Loan Payable Repayment removed as Interfund Transfer Out	37,000
Capital Contributed Recognized as Revenue	4,204
Capital Outlay that is Capitalized	92,848
Depreciation Expense	(34,311)
Ending Net Position as Reported in Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ 235,431</u>

CITY OF LEBANON

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
SDC - Drainage Improvements Fund
For the Fiscal Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Over</u> <u>(Under)</u>
	<u>Original</u>	<u>Final</u>	<u>(See Note 1)</u>	
<u>REVENUES:</u>				
Fees and Charges	\$ 20,000	\$ 20,000	\$ 47,285	\$ 27,285
Investment Earnings	100	100	4,326	4,226
Total Revenues	20,100	20,100	51,611	31,511
<u>EXPENDITURES:</u>				
Current:				
Capital Outlay	190,000	190,000	-	(190,000)
Contingency	14,124	14,124	-	(14,124)
Total Expenditures	204,124	204,124	-	(204,124)
Excess (Deficiency) of Revenues Over Expenditures	(184,024)	(184,024)	51,611	235,635
<u>OTHER FINANCING SOURCES / (USES):</u>				
Interfund Transfers Out	(8,685)	(8,685)	(8,685)	-
Total Other Financing Sources (Uses)	(8,685)	(8,685)	(8,685)	-
Net Change in Fund Balance	(192,709)	(192,709)	42,926	235,635
Beginning Fund Balance	192,709	192,709	133,821	(58,888)
Ending Fund Balance	\$ -	\$ -	\$ 176,747	\$ 176,747
Reconciliation to generally accepted accounting principles basis				
Changes in fund balance from above			42,926	
Revenue recognition of deferred inflows			8,104	
Change in Net Position as Reported in Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position			<u>\$ 51,030</u>	

CITY OF LEBANON

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
SDC - Drainage Reimbursements Fund
For the Fiscal Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Fees and Charges	\$ 5,000	\$ 5,000	\$ 19,290	\$ 14,290
Investment Earnings	50	50	564	514
Total Revenues	5,050	5,050	19,854	14,804
<u>EXPENDITURES:</u>				
Current:				
Capital Outlay	18,000	18,000	-	(18,000)
Contingency	4,849	4,849	-	(4,849)
Total Expenditures	22,849	22,849	-	(22,849)
Over Expenditures	(17,799)	(17,799)	19,854	37,653
Net Change in Fund Balance	(17,799)	(17,799)	19,854	37,653
Beginning Fund Balance	17,799	17,799	16,981	(818)
Ending Fund Balance	\$ -	\$ -	\$ 36,835	\$ 36,835
Reconciliation to generally accepted accounting principles basis				
Changes in fund balance from above			19,854	
Revenue recognition of deferred inflows			2,161	
Change in Net Position as Reported in Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position			<u>\$ 22,015</u>	

OTHER
SUPPLEMENTARY
DATA

Non-Major Governmental Funds

CITY OF LEBANON
COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS -- BY FUND TYPE
June 30, 2020

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Non- Major Governmental Funds
<u>ASSETS:</u>				
Cash and Investments	\$ 2,053,073	\$ 12,851	\$ 2,108,952	\$ 4,174,876
Restricted Cash - Debt Service	175,922	-	-	175,922
Accounts Receivable	450,958	-	47,414	498,372
Property Taxes Receivable	61,079	64,472	-	125,551
Prepaid Expenses & Other Assets	14,588	-	-	14,588
Total Assets	<u>\$ 2,755,620</u>	<u>\$ 77,323</u>	<u>\$ 2,156,366</u>	<u>\$ 4,989,309</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</u>				
LIABILITIES:				
Accounts Payable	\$ 91,247	\$ -	\$ 1,140	\$ 92,387
Interfund Loan Payable	110,145	-	-	110,145
Deposit Payable	-	-	765	765
Due to Other Funds	115,771	26,691	-	142,462
Total Liabilities	<u>317,163</u>	<u>26,691</u>	<u>1,905</u>	<u>345,759</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue - Property Taxes	54,470	57,915	-	112,385
Unavailable Revenue - Special Assessments	1,533	-	46,934	48,467
Total Deferred Inflows of Resources	<u>56,003</u>	<u>57,915</u>	<u>46,934</u>	<u>160,852</u>
FUND BALANCES:				
Restricted for:				
Debt Service	-	12,851	-	12,851
Capital Projects	-	-	2,107,527	2,107,527
Urban Renewal Projects	633,961	-	-	633,961
Committed for:				
Community Development Projects	1,117,075	-	-	1,117,075
Public Works	273,488	-	-	273,488
Parks and Recreation Programs	428,905	-	-	428,905
Unassigned	(70,975)	(20,134)	-	(91,109)
Total Fund Balances	<u>2,382,454</u>	<u>(7,283)</u>	<u>2,107,527</u>	<u>4,482,698</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 2,755,620</u>	<u>\$ 77,323</u>	<u>\$ 2,156,366</u>	<u>\$ 4,989,309</u>

CITY OF LEBANON

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

ALL NON-MAJOR GOVERNMENTAL FUNDS - BY FUND TYPE

For the Fiscal Year Ended June 30, 2020

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Total Non- Major Governmental Funds</u>
<u>REVENUES:</u>				
Property Taxes	\$ 1,300,827	\$ 1,125,332	\$ -	\$ 2,426,159
Intergovernmental	1,421,674	-	-	1,421,674
Transient Room Taxes	258,961	-	-	258,961
Fees and Charges	726,968	-	16,353	743,321
Investment Earnings	50,742	13,924	42,236	106,902
Grants and Contributions	842,044	-	117,169	959,213
Miscellaneous Revenue	12,430	-	6,202	18,632
Total Revenues	<u>4,613,646</u>	<u>1,139,256</u>	<u>181,960</u>	<u>5,934,862</u>
<u>EXPENDITURES:</u>				
Current:				
General Government	1,146,998	-	-	1,146,998
Public Safety	1,829	-	5,608	7,437
Highways and Streets	794,303	-	41,652	835,955
Culture and Recreation	641,163	-	37,890	679,053
Community Planning	79,389	-	-	79,389
Debt Service	554,369	3,549,780	-	4,104,149
Capital Outlay	1,091,980	-	443,168	1,535,148
Total Expenditures	<u>4,310,031</u>	<u>3,549,780</u>	<u>528,318</u>	<u>8,388,129</u>
Excess (Deficiency) of Revenues Over Expenditures	303,615	(2,410,524)	(346,358)	(2,453,267)
<u>OTHER FINANCING SOURCES (USES):</u>				
Interfund Transfers In	1,505,485	2,010,518	790,885	4,306,888
Interfund Transfers Out	(2,244,711)	-	(839,081)	(3,083,792)
Net Change in Fund Balance	<u>(435,611)</u>	<u>(400,006)</u>	<u>(394,554)</u>	<u>(1,230,171)</u>
Beginning Fund Balance - As Restated	2,818,065	392,723	2,502,081	5,712,869
Ending Fund Balance	<u>\$ 2,382,454</u>	<u>\$ (7,283)</u>	<u>\$ 2,107,527</u>	<u>\$ 4,482,698</u>

OTHER
SUPPLEMENTARY
DATA

Non-Major Special Revenue Funds

CITY OF LEBANON
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
June 30, 2020

	Motel Tax Fund #510	Youth Court Fund #515	Police Reserves Fund #516	Building Inspection Fund #527	Park Enterprise Fund #533	Parks Grant Fund #535	GIS Fund #540	Info System Service Fund #542	Custodial & Maint Services Fund #545	State Foot & Bike Path Fund #550	Eng Development Review Fund #555
ASSETS:											
Cash and Investments	\$ 22,446	\$ -	\$ -	\$ 612,073	\$ 122,880	\$ -	\$ 58,891	\$ 210,569	\$ 126,979	\$ 1,069	\$ 132,157
Restricted Cash - Debt Service	-	-	-	-	-	-	-	-	-	-	-
Accounts Receivable	21,869	-	-	-	-	115,771	-	27,916	-	2,255	-
Property Taxes Receivable	-	-	-	-	-	-	-	-	-	-	-
Prepaid Expenses & Other Assets	-	-	-	996	1,894	-	1,082	2,277	760	-	718
Total Assets	\$ 44,315	\$ -	\$ -	\$ 613,069	\$ 124,774	\$ 115,771	\$ 59,973	\$ 240,762	\$ 127,739	\$ 3,324	\$ 132,875
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:											
LIABILITIES:											
Accounts Payable	\$ 5,145	\$ -	\$ -	\$ 17,962	\$ 1,771	\$ -	\$ 20,266	\$ 7,888	\$ 230	\$ -	\$ 12,788
Interfund Loan Payable	110,145	-	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	115,771	-	-	-	-	-
Total Liabilities	115,290	-	-	17,962	1,771	115,771	20,266	7,888	230	-	12,788
DEFERRED INFLOWS OF RESOURCES:											
Unavailable Revenue - Property Taxes	-	-	-	-	-	-	-	-	-	-	-
Unavailable Revenue - Special Assessments	-	-	-	-	-	-	-	-	-	1,533	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-	-	1,533	-
FUND BALANCES:											
Restricted for:											
Urban Renewal Projects	-	-	-	-	-	-	-	-	-	-	-
Committed for:											
Community Development Projects	-	-	-	595,107	-	-	39,707	232,874	127,509	1,791	120,087
Public Works	-	-	-	-	-	-	-	-	-	-	-
Parks and Recreation Programs	-	-	-	-	123,003	-	-	-	-	-	-
Unassigned	(70,975)	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	(70,975)	-	-	595,107	123,003	-	39,707	232,874	127,509	1,791	120,087
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 44,315	\$ -	\$ -	\$ 613,069	\$ 124,774	\$ 115,771	\$ 59,973	\$ 240,762	\$ 127,739	\$ 3,324	\$ 132,875

(Continued on next page)

CITY OF LEBANON
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
June 30, 2020

	Street Maintenance Fund #558	Dial-A-Bus Fund #569	STP Street Project Fund #571	Boat Ramps Fund #593	Cheadle Lake Urban Renewal District Fund #935	North Gateway Urban Renewal District Fund #940	Downtown URA Fund #945	Totals
ASSETS:								
Cash and Investments	\$ 179,511	\$ 78,063	\$ 32,603	\$ 24,337	\$ 45,587	\$ 404,957	\$ 951	\$ 2,053,073
Restricted Cash - Debt Service	-	-	-	-	175,922	-	-	175,922
Accounts Receivable	74,172	203,686	-	5,289	-	-	-	450,958
Property Taxes Receivable	-	-	-	-	19,688	41,366	25	61,079
Prepaid Expenses & Other Assets	3,913	2,948	-	-	-	-	-	14,588
Total Assets	\$ 257,596	\$ 284,697	\$ 32,603	\$ 29,626	\$241,197	\$ 446,323	\$ 976	\$ 2,755,620
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:								
LIABILITIES:								
Accounts Payable	\$ 16,711	\$ 8,119	\$ -	\$ 302	\$ 65	\$ -	\$ -	\$ 91,247
Interfund Loan Payable	-	-	-	-	-	-	-	110,145
Due to Other Funds	-	-	-	-	-	-	-	115,771
Total Liabilities	16,711	8,119	-	302	65	-	-	317,163
DEFERRED INFLOWS OF RESOURCES:								
Unavailable Revenue - Property Taxes	-	-	-	-	17,580	36,868	22	54,470
Unavailable Revenue - Special Assessments	-	-	-	-	-	-	-	1,533
Total Deferred Inflows of Resources	-	-	-	-	17,580	36,868	22	56,003
FUND BALANCES:								
Restricted for:								
Urban Renewal Projects	-	-	-	-	223,552	409,455	954	633,961
Committed for:								
Community Development Projects	-	-	-	-	-	-	-	1,117,075
Public Works	240,885	-	32,603	-	-	-	-	273,488
Parks and Recreation Programs	-	276,578	-	29,324	-	-	-	428,905
Unassigned	-	-	-	-	-	-	-	(70,975)
Total Fund Balances	240,885	276,578	32,603	29,324	223,552	409,455	954	2,382,454
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 257,596	\$ 284,697	\$ 32,603	\$ 29,626	\$241,197	\$ 446,323	\$ 976	\$ 2,755,620

CITY OF LEBANON

**Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances
NON-MAJOR SPECIAL REVENUE FUNDS**

For the Fiscal Year Ended June 30, 2020

	Motel Tax Fund #510	Youth Court Fund #515	Police Reserves Fund #516	Building Inspection Fund #527	Park Enterprise Fund #533	Parks Grant Fund #535	GIS Fund #540	Info System Service Fund #542	Custodial & Maint Services Fund #545	State Foot & Bike Path Fund #550	Eng Development Review Fund #555
REVENUES:											
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-	-	8,971	-
Transient Room Taxes	258,364	-	-	-	597	-	-	-	-	-	-
Fees and Charges	-	-	-	469,723	72,324	-	-	45,660	-	-	111,836
Investment Earnings	1,619	5	92	10,894	2,821	(2,673)	1,242	4,307	2,533	923	2,401
Grants and Contributions	-	940	250	-	112,765	120,641	-	25,756	-	-	-
Miscellaneous Revenue	353	-	-	-	216	-	-	841	983	-	-
Total Revenues	260,336	945	342	480,617	188,723	117,968	1,242	76,564	3,516	9,894	114,237
EXPENDITURES:											
Current:											
General Government	-	-	-	141,415	-	-	-	743,771	261,812	-	-
Public Safety	-	716	1,113	-	-	-	-	-	-	-	-
Highways and Streets	-	-	-	-	-	-	-	-	-	-	-
Culture and Recreation	157,211	-	-	-	158,191	-	-	-	-	-	-
Community Planning	-	-	-	-	-	-	51,304	-	-	-	28,085
Debt Service	857	-	-	-	-	-	-	-	-	-	-
Capital Outlay	130,781	-	-	-	5,405	46,000	-	60,400	-	49,922	-
Total Expenditures	288,849	716	1,113	141,415	163,596	46,000	51,304	804,171	261,812	49,922	28,085
Excess (Deficiency) of Revenues Over Expenditures	(28,513)	229	(771)	339,202	25,127	71,968	(50,062)	(727,607)	(258,296)	(40,028)	86,152
OTHER FINANCING SOURCES (USES):											
Interfund Transfers In	-	-	-	28,843	-	-	180,274	908,493	281,490	-	-
Interfund Transfers Out	-	(379)	(4,182)	(267,314)	(15,000)	-	(147,579)	(106,996)	(13,333)	-	(81,322)
Net Change in Fund Balance	(28,513)	(150)	(4,953)	100,731	10,127	71,968	(17,367)	73,890	9,861	(40,028)	4,830
Beginning Fund Balance	(42,462)	150	4,953	494,376	112,876	(71,968)	57,074	158,984	117,648	41,819	115,257
Ending Fund Balance	\$ (70,975)	\$ -	\$ -	\$ 595,107	\$ 123,003	\$ -	\$ 39,707	\$ 232,874	\$ 127,509	\$ 1,791	\$ 120,087

(Continued on next page)

CITY OF LEBANON

**Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances**

NON-MAJOR SPECIAL REVENUE FUNDS

For the Fiscal Year Ended June 30, 2020

	Street Maintenance Fund #558	Equitable Sharing (US Marshal) Fund #562	Dial-A-Bus Fund #569	STP Street Project Fund #571	Boat Ramps Fund #593	Cheadle Lake Urban Renewal District Fund #935	North Gateway Urban Renewal District Fund #940	Downtown URA Fund #945	Totals
<u>REVENUES:</u>									
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 412,538	\$ 887,335	\$ 954	\$ 1,300,827
Intergovernmental	1,156,341	-	256,362	-	-	-	-	-	1,421,674
Transient Room Taxes	-	-	-	-	-	-	-	-	258,961
Fees and Charges	7,285	-	20,140	-	-	-	-	-	726,968
Investment Earnings	4,420	73	1,305	(49)	262	5,815	14,752	-	50,742
Grants and Contributions	-	-	460,181	95,662	25,849	-	-	-	842,044
Miscellaneous Revenue	7,518	-	2,519	-	-	-	-	-	12,430
Total Revenues	1,175,564	73	740,507	95,613	26,111	418,353	902,087	954	4,613,646
<u>EXPENDITURES:</u>									
Current:									
General Government	-	-	-	-	-	-	-	-	1,146,998
Public Safety	-	-	-	-	-	-	-	-	1,829
Highways and Streets	794,303	-	-	-	-	-	-	-	794,303
Culture and Recreation	-	-	318,863	-	6,898	-	-	-	641,163
Community Planning	-	-	-	-	-	-	-	-	79,389
Debt Service	-	-	-	-	-	351,846	201,666	-	554,369
Capital Outlay	401,843	-	138,942	95,662	-	163,025	-	-	1,091,980
Total Expenditures	1,196,146	-	457,805	95,662	6,898	514,871	201,666	-	4,310,031
Excess (Deficiency) of Revenues Over Expenditures	(20,582)	73	282,702	(49)	19,213	(96,518)	700,421	954	303,615
<u>OTHER FINANCING SOURCES (USES):</u>									
Interfund Transfers In	106,385	-	-	-	-	-	-	-	1,505,485
Interfund Transfers Out	(319,070)	(3,787)	(33,777)	-	-	(125,671)	(1,126,301)	-	(2,244,711)
Net Change in Fund Balance	(233,267)	(3,714)	248,925	(49)	19,213	(222,189)	(425,880)	954	(435,611)
Beginning Fund Balance	474,152	3,714	27,653	32,652	10,111	445,741	835,335	-	2,818,065
Ending Fund Balance	\$ 240,885	\$ -	\$ 276,578	\$ 32,603	\$29,324	\$ 223,552	\$ 409,455	\$ 954	\$ 2,382,454

CITY OF LEBANON

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

Motel Tax Fund #510

For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Transient Room Taxes	\$ 288,400	\$ 288,400	\$ 258,364	\$ (30,036)
Investment Earnings	500	500	1,619	1,119
Miscellaneous Revenue	-	-	353	353
Total Revenues	<u>288,900</u>	<u>288,900</u>	<u>260,336</u>	<u>(28,564)</u>
<u>EXPENDITURES:</u>				
Current:				
Materials and Supplies	226,133	226,133	157,211	(68,922)
Capital Outlay	180,000	180,000	130,781	(49,219)
Contingency	16,570	16,570	-	(16,570)
Total Expenditures	<u>422,703</u>	<u>422,703</u>	<u>287,992</u>	<u>(134,711)</u>
Excess (Deficiency) of Revenues Over Expenditures	(133,803)	(133,803)	(27,656)	106,147
<u>OTHER FINANCING SOURCES / (USES):</u>				
Interfund Transfers Out	(107,000)	(107,000)	(62,000)	(45,000)
Total Other Financing Sources (Uses)	<u>(107,000)</u>	<u>(107,000)</u>	<u>(62,000)</u>	<u>45,000</u>
Net Change in Fund Balance	(240,803)	(240,803)	(89,656)	151,147
Beginning Fund Balance	144,670	144,670	128,826	(15,844)
Ending Fund Balance	<u>\$ (96,133)</u>	<u>\$ (96,133)</u>	<u>\$ 39,170</u>	<u>\$ 135,303</u>
Reconciliation to generally accepted accounting principles basis				
Change in Fund Balance from Above			(89,656)	
Interfund Loan Payable Repayment removed as Interfund Transfer Out			61,144	
Change in Fund Balance as Reported on Combining Financial Statements			<u>\$ (28,512)</u>	

CITY OF LEBANON

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

Youth Court Fund #515

For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		Actual	Variance with
	<u>Original</u>	<u>Final</u>	Amounts (Budgetary Basis) (See Note 1)	Final Budget Over (Under)
<u>REVENUES:</u>				
Grants and Contributions	\$ 5,000	\$ 5,000	\$ 940	\$ (4,060)
Total Revenues	5,000	5,000	945	(4,055)
<u>EXPENDITURES:</u>				
Current:				
Materials and Supplies	5,349	5,349	716	(4,633)
Total Expenditures	5,349	5,349	716	(4,633)
Excess (Deficiency) of Revenues Over Expenditures	(349)	(349)	229	578
<u>OTHER FINANCING SOURCES / (USES):</u>				
Interfund Transfers Out	-	-	(379)	379
Total Other Financing Sources (Uses)	-	-	(379)	(379)
Net Change in Fund Balance	(349)	(349)	(150)	199
Beginning Fund Balance	349	349	150	(199)
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -

CITY OF LEBANON

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

Police Reserves Fund #516

For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Investment Earnings	\$ -	\$ -	\$ 92	\$ 92
Grants and Contributions	10,000	10,000	250	(9,750)
Total Revenues	10,000	10,000	342	(9,658)
<u>EXPENDITURES:</u>				
Current:				
Materials and Supplies	5,466	5,466	1,113	(4,353)
Contingency	10,000	10,000	-	(10,000)
Total Expenditures	15,466	15,466	1,113	(14,353)
Excess (Deficiency) of Revenues Over Expenditures	(5,466)	(5,466)	(771)	4,695
<u>OTHER FINANCING SOURCES / (USES):</u>				
Interfund Transfers Out	-	-	(4,182)	4,182
Total Other Financing Sources (Uses)	-	-	(4,182)	(4,182)
Net Change in Fund Balance	(5,466)	(5,466)	(4,953)	513
Beginning Fund Balance	5,466	5,466	4,953	(513)
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -

CITY OF LEBANON

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

Building Inspection Fund #527

For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Fees and Charges	\$ 250,000	\$ 250,000	\$ 469,723	\$ 219,723
Investment Earnings	4,000	4,000	10,894	6,894
Total Revenues	254,000	254,000	480,617	226,617
<u>EXPENDITURES:</u>				
Current:				
Materials and Supplies	178,500	178,500	141,415	(37,085)
Contingency	345,143	345,143	-	(345,143)
Total Expenditures	523,643	523,643	141,415	(382,228)
Excess (Deficiency) of Revenues Over Expenditures	(269,643)	(269,643)	339,202	608,845
<u>OTHER FINANCING SOURCES / (USES):</u>				
Interfund Transfers In	28,843	28,843	28,843	-
Interfund Transfers Out	(267,314)	(267,314)	(267,314)	-
Total Other Financing Sources (Uses)	(238,471)	(238,471)	(238,471)	-
Net Change in Fund Balance	(508,114)	(508,114)	100,731	608,845
Beginning Fund Balance	508,114	508,114	494,376	(13,738)
Ending Fund Balance	\$ -	\$ -	\$ 595,107	\$ 595,107

CITY OF LEBANON

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

Park Enterprise Fund #533

For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		Actual	Variance with
	<u>Original</u>	<u>Final</u>	Amounts (Budgetary Basis) (See Note 1)	Final Budget Over (Under)
<u>REVENUES:</u>				
Transient Room Taxes	\$ 850	\$ 850	\$ 597	\$ (253)
Fees and Charges	121,000	121,000	72,324	(48,676)
Investment Earnings	1,400	1,400	2,821	1,421
Grants and Contributions	9,500	109,500	112,765	3,265
Miscellaneous Revenue	-	-	216	216
Total Revenues	<u>132,750</u>	<u>232,750</u>	<u>188,723</u>	<u>(44,027)</u>
<u>EXPENDITURES:</u>				
Current:				
Materials and Supplies	201,750	201,750	158,191	(43,559)
Capital Outlay	64,775	64,775	5,405	(59,370)
Total Expenditures	<u>266,525</u>	<u>266,525</u>	<u>163,596</u>	<u>(102,929)</u>
Excess (Deficiency) of Revenues Over Expenditures	(133,775)	(33,775)	25,127	58,902
<u>OTHER FINANCING SOURCES / (USES):</u>				
Interfund Transfers Out	(15,000)	(15,000)	(15,000)	-
Total Other Financing Sources (Uses)	<u>(15,000)</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
Net Change in Fund Balance	(148,775)	(48,775)	10,127	58,902
Beginning Fund Balance	148,775	48,775	112,876	64,101
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 123,003</u>	<u>\$ 123,003</u>

CITY OF LEBANON

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

Parks Grant Fund #535

For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Over (Under)</u>
<u>REVENUES:</u>				
Investment Earnings	\$ -	\$ -	\$ (2,673)	\$ (2,673)
Grants and Contributions	350,000	350,000	120,641	(229,359)
Total Revenues	<u>350,000</u>	<u>350,000</u>	<u>117,968</u>	<u>(232,032)</u>
<u>EXPENDITURES:</u>				
Current:				
Capital Outlay	290,650	290,650	46,000	(244,650)
Total Expenditures	<u>290,650</u>	<u>290,650</u>	<u>46,000</u>	<u>(244,650)</u>
Net Change in Fund Balance	59,350	59,350	71,968	12,618
Beginning Fund Balance	(59,350)	(59,350)	(71,968)	(12,618)
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LEBANON

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

GIS Fund #540

For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Investment Earnings	\$ 500	\$ 500	\$ 1,242	\$ 742
Total Revenues	500	500	1,242	742
<u>EXPENDITURES:</u>				
Current:				
Materials and Supplies	69,900	69,900	51,304	(18,596)
Capital Outlay	3,500	3,500	-	(3,500)
Contingency	11,000	11,000	-	(11,000)
Total Expenditures	84,400	84,400	51,304	(33,096)
Excess (Deficiency) of Revenues Over Expenditures	(83,900)	(83,900)	(50,062)	33,838
<u>OTHER FINANCING SOURCES / (USES):</u>				
Interfund Transfers In	180,274	180,274	180,274	-
Interfund Transfers Out	(147,579)	(147,579)	(147,579)	-
Total Other Financing Sources (Uses)	32,695	32,695	32,695	-
Net Change in Fund Balance	(51,205)	(51,205)	(17,367)	33,838
Beginning Fund Balance	51,205	51,205	57,074	5,869
Ending Fund Balance	\$ -	\$ -	\$ 39,707	\$ 39,707

CITY OF LEBANON

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Info System Service Fund #542 For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Fees and Charges	\$ 37,500	\$ 37,500	\$ 45,660	\$ 8,160
Investment Earnings	500	500	4,307	3,807
Grants and Contributions	-	-	25,756	25,756
Miscellaneous Revenue	-	-	841	841
Total Revenues	38,000	38,000	76,564	38,564
<u>EXPENDITURES:</u>				
Current:				
Personnel Services	473,501	473,501	470,045	(3,456)
Materials and Supplies	334,870	334,870	273,725	(61,145)
Capital Outlay	140,000	140,000	60,400	(79,600)
Contingency	8,940	8,940	-	(8,940)
Total Expenditures	957,311	957,311	804,170	(153,141)
Excess (Deficiency) of Revenues Over Expenditures	(919,311)	(919,311)	(727,606)	191,705
<u>OTHER FINANCING SOURCES / (USES):</u>				
Interfund Transfers In	908,493	908,493	908,493	-
Interfund Transfers Out	(107,049)	(107,049)	(106,996)	(53)
Total Other Financing Sources (Uses)	801,444	801,444	801,497	53
Net Change in Fund Balance	(117,867)	(117,867)	73,891	191,758
Beginning Fund Balance	117,867	117,867	158,984	41,117
Ending Fund Balance	\$ -	\$ -	\$ 232,875	\$ 232,875

CITY OF LEBANON

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Custodial & Maint Services Fund #545 For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Investment Earnings	\$ 500	\$ 500	\$ 2,533	\$ 2,033
Miscellaneous Revenue	-	-	983	983
Total Revenues	<u>500</u>	<u>500</u>	<u>3,516</u>	<u>3,016</u>
<u>EXPENDITURES:</u>				
Current:				
Personnel Services	215,976	215,976	200,274	(15,702)
Materials and Supplies	114,500	114,500	61,538	(52,962)
Contingency	4,319	4,319	-	(4,319)
Total Expenditures	<u>334,795</u>	<u>334,795</u>	<u>261,812</u>	<u>(72,983)</u>
Excess (Deficiency) of Revenues Over Expenditures	(334,295)	(334,295)	(258,296)	75,999
<u>OTHER FINANCING SOURCES / (USES):</u>				
Interfund Transfers In	281,490	281,490	281,490	-
Interfund Transfers Out	(13,343)	(13,343)	(13,333)	(10)
Total Other Financing Sources (Uses)	<u>268,147</u>	<u>268,147</u>	<u>268,157</u>	<u>10</u>
Net Change in Fund Balance	(66,148)	(66,148)	9,861	76,009
Beginning Fund Balance	66,148	66,148	117,648	51,500
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 127,509</u>	<u>\$ 127,509</u>

CITY OF LEBANON

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

State Foot & Bike Path Fund #550

For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Over (Under)</u>
<u>REVENUES:</u>				
Intergovernmental	\$ 11,000	\$ 11,000	\$ 8,971	\$ (2,029)
Investment Earnings	100	100	923	823
Total Revenues	<u>11,100</u>	<u>11,100</u>	<u>9,894</u>	<u>(1,206)</u>
<u>EXPENDITURES:</u>				
Current:				
Capital Outlay	<u>51,097</u>	<u>51,097</u>	<u>49,922</u>	<u>(1,175)</u>
Total Expenditures	<u>51,097</u>	<u>51,097</u>	<u>49,922</u>	<u>(1,175)</u>
Net Change in Fund Balance	(39,997)	(39,997)	(40,028)	(31)
Beginning Fund Balance	<u>39,997</u>	<u>39,997</u>	<u>41,819</u>	<u>1,822</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,791</u>	<u>\$ 1,791</u>

CITY OF LEBANON

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

Eng Development Review Fund #555

For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Fees and Charges	\$ 39,000	\$ 39,000	\$ 111,836	\$ 72,836
Investment Earnings	-	-	2,401	2,401
Total Revenues	<u>39,000</u>	<u>39,000</u>	<u>114,237</u>	<u>75,237</u>
<u>EXPENDITURES:</u>				
Current:				
Materials and Supplies	14,000	14,000	28,085	14,085
Contingency	43,053	43,053	-	(43,053)
Total Expenditures	<u>57,053</u>	<u>57,053</u>	<u>28,085</u>	<u>(28,968)</u>
Excess (Deficiency) of Revenues Over Expenditures	(18,053)	(18,053)	86,152	104,205
<u>OTHER FINANCING SOURCES / (USES):</u>				
Interfund Transfers Out	(81,322)	(81,322)	(81,322)	-
Total Other Financing Sources (Uses)	<u>(81,322)</u>	<u>(81,322)</u>	<u>(81,322)</u>	-
Net Change in Fund Balance	(99,375)	(99,375)	4,830	104,205
Beginning Fund Balance	99,375	99,375	115,257	15,882
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,087</u>	<u>\$ 120,087</u>

CITY OF LEBANON

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

Street Maintenance Fund #558

For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Over (Under)</u>
<u>REVENUES:</u>				
Intergovernmental	\$ 1,261,136	\$ 1,261,136	\$ 1,156,341	\$ (104,795)
Fees and Charges	10,600	10,600	7,285	(3,315)
Investment Earnings	650	650	4,420	3,770
Miscellaneous Revenue	4,500	4,500	7,518	3,018
Total Revenues	<u>1,276,886</u>	<u>1,276,886</u>	<u>1,175,564</u>	<u>(101,322)</u>
<u>EXPENDITURES:</u>				
Current:				
Personnel Services	456,709	456,709	421,037	(35,672)
Materials and Supplies	406,747	406,747	373,265	(33,482)
Capital Outlay	434,462	434,462	401,843	(32,619)
Contingency	100,000	100,000	-	(100,000)
Total Expenditures	<u>1,397,918</u>	<u>1,397,918</u>	<u>1,196,145</u>	<u>(201,773)</u>
Excess (Deficiency) of Revenues Over Expenditures	(121,032)	(121,032)	(20,581)	100,451
<u>OTHER FINANCING SOURCES / (USES):</u>				
Interfund Transfers In	106,385	106,385	106,385	-
Interfund Transfers Out	(319,129)	(319,129)	(319,070)	(59)
Total Other Financing Sources (Uses)	<u>(212,744)</u>	<u>(212,744)</u>	<u>(212,685)</u>	<u>59</u>
Net Change in Fund Balance	(333,776)	(333,776)	(233,266)	100,510
Beginning Fund Balance	333,776	333,776	474,152	140,376
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 240,886</u>	<u>\$ 240,886</u>

CITY OF LEBANON

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Equitable Sharing (US Marshal) Fund #562
For the Fiscal Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Investment Earnings	\$ -	\$ -	\$ 73	\$ 73
Total Revenues	-	-	73	73
<u>EXPENDITURES:</u>				
Current:				
Materials and Supplies	3,700	3,700	-	(3,700)
Total Expenditures	3,700	3,700	-	(3,700)
Excess (Deficiency) of Revenues Over Expenditures	(3,700)	(3,700)	73	3,773
<u>OTHER FINANCING SOURCES / (USES):</u>				
Interfund Transfers Out	-	-	(3,787)	3,787
Total Other Financing Sources (Uses)	-	-	(3,787)	(3,787)
Net Change in Fund Balance	(3,700)	(3,700)	(3,714)	(14)
Beginning Fund Balance	3,700	3,700	3,714	14
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -

CITY OF LEBANON

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

Dial-A-Bus Fund #569

For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Intergovernmental	\$ 312,000	\$ 312,000	\$ 256,362	\$ (55,638)
Fees and Charges	25,000	25,000	20,140	(4,860)
Investment Earnings	-	-	1,305	1,305
Grants and Contributions	280,142	280,142	460,181	180,039
Miscellaneous Revenue	1,500	1,500	2,519	1,019
Total Revenues	<u>618,642</u>	<u>618,642</u>	<u>740,507</u>	<u>121,865</u>
<u>EXPENDITURES:</u>				
Current:				
Personnel Services	443,722	443,722	256,788	(186,934)
Materials and Supplies	112,500	112,500	62,075	(50,425)
Capital Outlay	153,000	153,000	138,942	(14,058)
Contingency	18,740	18,740	-	(18,740)
Total Expenditures	<u>727,962</u>	<u>727,962</u>	<u>457,805</u>	<u>(270,157)</u>
Excess (Deficiency) of Revenues Over Expenditures	(109,320)	(109,320)	282,702	392,022
<u>OTHER FINANCING SOURCES / (USES):</u>				
Interfund Transfers Out	(33,801)	(33,801)	(33,777)	(24)
Total Other Financing Sources (Uses)	<u>(33,801)</u>	<u>(33,801)</u>	<u>(33,777)</u>	<u>24</u>
Net Change in Fund Balance	(143,121)	(143,121)	248,925	392,046
Beginning Fund Balance	143,121	143,121	27,653	(115,468)
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 276,578</u>	<u>\$ 276,578</u>

CITY OF LEBANON

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

STP Street Project Fund #571

For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Over (Under)</u>
<u>REVENUES:</u>				
Investment Earnings	\$ -	\$ -	\$ (49)	\$ (49)
Grants and Contributions	194,000	194,000	95,662	(98,338)
Total Revenues	<u>194,000</u>	<u>194,000</u>	<u>95,613</u>	<u>(98,387)</u>
<u>EXPENDITURES:</u>				
Current:				
Capital Outlay	220,000	220,000	95,662	(124,338)
Contingency	3,638	3,638	-	(3,638)
Total Expenditures	<u>223,638</u>	<u>223,638</u>	<u>95,662</u>	<u>(127,976)</u>
Net Change in Fund Balance	(29,638)	(29,638)	(49)	29,589
Beginning Fund Balance	29,638	29,638	32,652	3,014
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,603</u>	<u>\$ 32,603</u>

CITY OF LEBANON

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

Boat Ramps Fund #593

For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Over (Under)</u>
<u>REVENUES:</u>				
Investment Earnings	\$ -	\$ -	\$ 262	\$ 262
Grants and Contributions	8,000	8,000	25,849	17,849
Total Revenues	<u>8,000</u>	<u>8,000</u>	<u>26,111</u>	<u>18,111</u>
<u>EXPENDITURES:</u>				
Current:				
Materials and Supplies	4,000	4,000	6,898	2,898
Capital Outlay	6,152	6,152	-	(6,152)
Contingency	5,875	5,875	-	(5,875)
Total Expenditures	<u>16,027</u>	<u>16,027</u>	<u>6,898</u>	<u>(9,129)</u>
Net Change in Fund Balance	(8,027)	(8,027)	19,213	27,240
Beginning Fund Balance	8,027	8,027	10,111	2,084
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,324</u>	<u>\$ 29,324</u>

CITY OF LEBANON

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Cheadle Lake Urban Renewal District Fund #935
For the Fiscal Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Property Taxes	\$ 394,397	\$ 394,397	\$ 412,538	\$ 18,141
Investment Earnings	1,500	1,500	5,815	4,315
Total Revenues	<u>395,897</u>	<u>395,897</u>	<u>418,353</u>	<u>22,456</u>
<u>EXPENDITURES:</u>				
Current:				
Debt Service	351,845	351,845	351,846	1
Capital Outlay	161,591	161,591	163,025	1,434
Contingency	42,484	42,484	-	(42,484)
Total Expenditures	<u>555,920</u>	<u>555,920</u>	<u>514,871</u>	<u>(41,049)</u>
Excess (Deficiency) of Revenues Over Expenditures	(160,023)	(160,023)	(96,518)	63,505
<u>OTHER FINANCING SOURCES / (USES):</u>				
Interfund Transfers Out	(125,671)	(125,671)	(125,671)	-
Total Other Financing Sources (Uses)	<u>(125,671)</u>	<u>(125,671)</u>	<u>(125,671)</u>	<u>-</u>
Net Change in Fund Balance	(285,694)	(285,694)	(222,189)	63,505
Beginning Fund Balance	285,694	285,694	445,741	160,047
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 223,552</u>	<u>\$ 223,552</u>

CITY OF LEBANON

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
North Gateway Urban Renewal District Fund #940
For the Fiscal Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Property Taxes	\$ 828,404	\$ 828,404	\$ 887,335	\$ 58,931
Investment Earnings	2,500	2,500	14,752	12,252
Total Revenues	<u>830,904</u>	<u>830,904</u>	<u>902,087</u>	<u>71,183</u>
<u>EXPENDITURES:</u>				
Current:				
Debt Service	321,533	321,533	201,666	(119,867)
Contingency	191,344	191,344	-	(191,344)
Total Expenditures	<u>512,877</u>	<u>512,877</u>	<u>201,666</u>	<u>(311,211)</u>
Excess (Deficiency) of Revenues Over Expenditures	318,027	318,027	700,421	382,394
<u>OTHER FINANCING SOURCES / (USES):</u>				
Interfund Transfers Out	(1,126,301)	(1,126,301)	(1,126,301)	-
Total Other Financing Sources (Uses)	<u>(1,126,301)</u>	<u>(1,126,301)</u>	<u>(1,126,301)</u>	<u>-</u>
Net Change in Fund Balance	(808,274)	(808,274)	(425,880)	382,394
Beginning Fund Balance	808,274	808,274	835,335	27,061
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 409,455</u>	<u>\$ 409,455</u>

CITY OF LEBANON

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

Downtown URA Fund #945

For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Over (Under)</u>
<u>REVENUES:</u>				
Property Taxes	\$ 1,000	\$ 1,000	\$ 954	\$ (46)
Total Revenues	1,000	1,000	954	(46)
<u>EXPENDITURES:</u>				
Current:				
Materials and Supplies	1,000	1,000	-	(1,000)
Total Expenditures	1,000	1,000	-	(1,000)
Net Change in Fund Balance	-	-	954	954
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	\$ -	\$ -	\$ 954	\$ 954

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Debt Service Funds

CITY OF LEBANON
COMBINING BALANCE SHEET
NON-MAJOR DEBT SERVICE FUNDS

June 30, 2020

	G.O. Full Faith & Credit Bond Fund #314	2013 Full Faith & Credit Bond Fund #317	Pension Bond Series 2002 Fund #320	Totals
<u>ASSETS:</u>				
Cash and Investments	\$ -	\$ 12,851	\$ -	\$ 12,851
Property Taxes Receivable	64,472	-	-	64,472
Total Assets	\$ 64,472	\$ 12,851	\$ -	\$ 77,323
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</u>				
LIABILITIES:				
Due to Other Funds	26,691	-	-	26,691
Total Liabilities	26,691	-	-	26,691
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Revenue - Property Taxes	57,915	-	-	57,915
Total Deferred Inflows of Resources	57,915	-	-	57,915
FUND BALANCES:				
Restricted for:				
Debt Service	-	12,851	-	12,851
Unassigned	(20,134)	-	-	(20,134)
Total Fund Balances	(20,134)	12,851	-	(7,283)
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 64,472	\$ 12,851	\$ -	\$ 77,323

CITY OF LEBANON

**Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances**

NON-MAJOR DEBT SERVICE FUNDS

For the Fiscal Year Ended June 30, 2020

	G.O. Full Faith & Credit Bond Fund #314	2013 Full Faith & Credit Bond Fund #317	Pension Bond Series 2002 Fund #320	Totals
<u>REVENUES:</u>				
Property Taxes	\$ 1,125,332	\$ -	\$ -	\$1,125,332
Investment Earnings	12,870	1,046	8	13,924
Total Revenues	1,138,202	1,046	8	1,139,256
<u>EXPENDITURES:</u>				
Debt Service	1,941,979	1,385,700	222,101	3,549,780
Total Expenditures	1,941,979	1,385,700	222,101	3,549,780
Excess (Deficiency) of Revenues Over Expenditures	(803,777)	(1,384,654)	(222,093)	(2,410,524)
<u>OTHER FINANCING SOURCES (USES):</u>				
Interfund Transfers In	403,775	1,385,700	221,043	2,010,518
Net Change in Fund Balance	(400,002)	1,046	(1,050)	(400,006)
Beginning Fund Balance - As Restated	379,868	11,805	1,050	392,723
Ending Fund Balance	\$ (20,134)	\$ 12,851	\$ -	\$ (7,283)

CITY OF LEBANON

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
G.O. Full Faith & Credit Bond Fund #314 (A Non-Major Fund)
For the Fiscal Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Property Taxes	\$ 1,108,838	\$ 1,108,838	\$ 1,125,332	\$ 16,494
Investment Earnings	4,000	4,000	12,870	8,870
Total Revenues	<u>1,112,838</u>	<u>1,112,838</u>	<u>1,138,202</u>	<u>25,364</u>
<u>EXPENDITURES:</u>				
Current:				
Debt Service	1,941,999	1,941,999	1,941,979	(20)
Total Expenditures	<u>1,941,999</u>	<u>1,941,999</u>	<u>1,941,979</u>	<u>(20)</u>
Excess (Deficiency) of Revenues Over Expenditures	(829,161)	(829,161)	(803,777)	25,384
<u>OTHER FINANCING SOURCES / (USES):</u>				
Interfund Transfers In	403,775	403,775	403,775	-
Total Other Financing Sources (Uses)	<u>403,775</u>	<u>403,775</u>	<u>403,775</u>	<u>-</u>
Net Change in Fund Balance	(425,386)	(425,386)	(400,002)	25,384
Beginning Fund Balance	505,386	505,386	379,868	(125,518)
ENDING FUND BALANCE	<u>\$ 80,000</u>	<u>\$ 80,000</u>	<u>\$ (20,134)</u>	<u>\$ (100,134)</u>

CITY OF LEBANON

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual 2013 Full Faith & Credit Bond Fund #317 (A Non-Major Fund) For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis) (See Note 1)	Final Budget Over (Under)
REVENUES:				
Investment Earnings	\$ -	\$ -	\$ 1,046	\$ 1,046
Total Revenues	-	-	1,046	1,046
EXPENDITURES:				
Current:				
Debt Service	1,395,366	1,395,366	1,385,700	(9,666)
Total Expenditures	1,395,366	1,395,366	1,385,700	(9,666)
Excess (Deficiency) of Revenues Over Expenditures	(1,395,366)	(1,395,366)	(1,384,654)	10,712
OTHER FINANCING SOURCES / (USES):				
Interfund Transfers In	1,385,700	1,385,700	1,385,700	-
Total Other Financing Sources (Uses)	1,385,700	1,385,700	1,385,700	-
Net Change in Fund Balance	(9,666)	(9,666)	1,046	10,712
Beginning Fund Balance	9,666	9,666	11,805	2,139
Ending Fund Balance	\$ -	\$ -	\$ 12,851	\$ 12,851

CITY OF LEBANON

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual Pension Bond Series 2002 Fund #320 (A Non-Major Fund) For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis) (See Note 1)	Final Budget Over (Under)
REVENUES:				
Investment Earnings	\$ -	\$ -	\$ 8	\$ 8
Total Revenues	-	-	8	8
EXPENDITURES:				
Current:				
Debt Service	222,602	222,602	222,101	(501)
Total Expenditures	222,602	222,602	222,101	(501)
Excess (Deficiency) of Revenues Over Expenditures	(222,602)	(222,602)	(222,093)	509
OTHER FINANCING SOURCES / (USES):				
Interfund Transfers In	222,272	222,272	221,043	(1,229)
Total Other Financing Sources (Uses)	222,272	222,272	221,043	(1,229)
Net Change in Fund Balance	(330)	(330)	(1,050)	(720)
Beginning Fund Balance	330	330	1,050	720
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -

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Capital Projects Funds

CITY OF LEBANON
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
June 30, 2020

	State Hwy Signal Maint Fund #815	Equipment Acquisition & Replacement Fund #820	Pioneer Cemetery Restoration Trust Fund #825	Police Trust Fund #829	Library Trust Fund #830	Senior Services Trust Fund #835
<u>ASSETS:</u>						
Cash and Investments	\$ 1,856	\$ 1,251,412	\$ 10,071	\$ 13,362	\$ 197,422	\$ 172,743
Accounts Receivable	-	-	-	-	-	-
Total Assets	\$ 1,856	\$ 1,251,412	\$ 10,071	\$ 13,362	\$ 197,422	\$ 172,743
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</u>						
LIABILITIES:						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 166	\$ 974
Deposit Payable	-	-	-	-	765	-
Total Liabilities	-	-	-	-	931	974
DEFERRED INFLOWS OF RESOURCES:						
Unavailable Revenue - Special Assessment	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-
FUND BALANCES:						
Restricted for:						
Capital Projects	1,856	1,251,412	10,071	13,362	196,491	171,769
Total Fund Balances	1,856	1,251,412	10,071	13,362	196,491	171,769
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 1,856	\$ 1,251,412	\$ 10,071	\$ 13,362	\$ 197,422	\$ 172,743

(Continued on next page)

CITY OF LEBANON
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
June 30, 2020

	Snedaker Trust Fund #838	Streets Capital Projects Fund #840	Infrastructure Deferral Fund #845	SDC - Parks Reimbursements Fund #863	SDC - Street Reimbursements Fund #883	Totals
<u>ASSETS:</u>						
Cash and Investments	\$ 20,695	\$ 338,244	\$ 60,833	\$ 434	\$ 41,880	\$ 2,108,952
Accounts Receivable	-	-	-	-	47,414	47,414
Total Assets	<u>\$ 20,695</u>	<u>\$ 338,244</u>	<u>\$ 60,833</u>	<u>\$ 434</u>	<u>\$ 89,294</u>	<u>\$ 2,156,366</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</u>						
LIABILITIES:						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,140
Deposit Payable	-	-	-	-	-	765
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,905</u>
DEFERRED INFLOWS OF RESOURCES:						
Unavailable Revenue - Special Assessment	-	-	-	-	46,934	46,934
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,934</u>	<u>46,934</u>
FUND BALANCES:						
Restricted for:						
Capital Projects	20,695	338,244	60,833	434	42,360	2,107,527
Total Fund Balances	<u>20,695</u>	<u>338,244</u>	<u>60,833</u>	<u>434</u>	<u>42,360</u>	<u>2,107,527</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balances	<u>\$ 20,695</u>	<u>\$ 338,244</u>	<u>\$ 60,833</u>	<u>\$ 434</u>	<u>\$ 89,294</u>	<u>\$ 2,156,366</u>

CITY OF LEBANON

**Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances (Cont.)**

NON-MAJOR CAPITAL PROJECTS FUNDS

For the Fiscal Year Ended June 30, 2020

	State Hwy Signal Maint Fund #815	Equipment Acquisition & Replacement Fund #820	Pioneer Cemetery Restoration Trust Fund #825	Police Trust Fund #829	Library Trust Fund #830	Senior Services Trust Fund #835
<u>REVENUES:</u>						
Fees and Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,020
Investment Earnings	112	25,493	195	288	3,626	3,374
Grants and Contributions	-	-	-	1,250	46,398	3,486
Miscellaneous Revenue	-	5,850	-	-	-	352
Total Revenues	112	31,343	195	1,538	50,024	9,232
<u>EXPENDITURES:</u>						
Current:						
Public Safety	-	-	-	5,608	-	-
Highways and Streets	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	28,787	8,103
Capital Outlay	-	385,974	-	-	-	-
Total Expenditures	-	385,974	-	5,608	28,787	8,103
Excess (Deficiency) of Revenues Over Expenditures	112	(354,631)	195	(4,070)	21,237	1,129
<u>OTHER FINANCING SOURCES (USES):</u>						
Interfund Transfers In	-	784,717	-	-	-	-
Interfund Transfers Out	(7,747)	(831,334)	-	-	-	-
Net Change in Fund Balance	(7,635)	(401,248)	195	(4,070)	21,237	1,129
Beginning Fund Balance	9,491	1,652,660	9,876	17,432	175,254	170,640
Ending Fund Balance	\$ 1,856	\$ 1,251,412	\$ 10,071	\$ 13,362	\$ 196,491	\$ 171,769

(Continued on next page)

CITY OF LEBANON

**Combining Statement of Revenues,
Expenditures, and Changes in Fund Balances (Cont.)**

NON-MAJOR CAPITAL PROJECTS FUNDS

For the Fiscal Year Ended June 30, 2020

	Snedaker Trust Fund #838	Streets Capital Projects Fund #840	Infrastructure Deferral Fund #845	SDC - Parks Reimbursements Fund #863	SDC - Street Reimbursements Fund #883	Totals
<u>REVENUES:</u>						
Fees and Charges	\$ -	\$ -	\$ -	\$ -	\$ 14,333	\$ 16,353
Investment Earnings	409	6,593	1,175	4	967	42,236
Grants and Contributions	-	66,035	-	-	-	117,169
Miscellaneous Revenue	-	-	-	-	-	6,202
Total Revenues	409	72,628	1,175	4	15,300	181,960
<u>EXPENDITURES:</u>						
Current:						
Public Safety	-	-	-	-	-	5,608
Highways and Streets	-	41,652	-	-	-	41,652
Culture and Recreation	1,000	-	-	-	-	37,890
Capital Outlay	-	33,694	-	-	23,500	443,168
Total Expenditures	1,000	75,346	-	-	23,500	528,318
Excess (Deficiency) of Revenues Over Expenditures	(591)	(2,718)	1,175	4	(8,200)	(346,358)
<u>OTHER FINANCING SOURCES (USES):</u>						
Interfund Transfers In	-	-	-	-	6,168	790,885
Interfund Transfers Out	-	-	-	-	-	(839,081)
Net Change in Fund Balance	(591)	(2,718)	1,175	4	(2,032)	(394,554)
Beginning Fund Balance	21,286	340,962	59,658	430	44,392	2,502,081
Ending Fund Balance	\$ 20,695	\$ 338,244	\$ 60,833	\$ 434	\$ 42,360	\$ 2,107,527

CITY OF LEBANON

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
State Hwy Signal Maint Fund #815 (A Non-Major Fund)
For the Fiscal Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Over</u> <u>(Under)</u>
	<u>Original</u>	<u>Final</u>	<u>(See Note 1)</u>	
<u>REVENUES:</u>				
Investment Earnings	\$ 150	\$ 150	\$ 112	\$ (38)
Total Revenues	150	150	112	(38)
<u>EXPENDITURES:</u>				
Current:				
Materials and Supplies	1,075	1,075	-	(1,075)
Total Expenditures	1,075	1,075	-	(1,075)
Excess (Deficiency) of Revenues Over Expenditures	(925)	(925)	112	1,037
<u>OTHER FINANCING SOURCES / (USES):</u>				
Interfund Transfers Out	(7,747)	(7,747)	(7,747)	-
Total Other Financing Sources (Uses)	(7,747)	(7,747)	(7,747)	-
Net Change in Fund Balance	(8,672)	(8,672)	(7,635)	1,037
Beginning Fund Balance	8,672	8,672	9,491	819
Ending Fund Balance	\$ -	\$ -	\$ 1,856	\$ 1,856

CITY OF LEBANON

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

Equipment Acquisition & Replacement Fund #820 (A Non-Major Fund)

For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>	(Budgetary Basis) (See Note 1)	Over Under
<u>REVENUES:</u>				
Investment Earnings	\$ 15,000	\$ 15,000	\$ 25,493	\$ 10,493
Miscellaneous Revenue	-	-	5,850	5,850
Total Revenues	15,000	15,000	31,343	16,343
<u>EXPENDITURES:</u>				
Current:				
Capital Outlay	936,385	936,385	385,974	(550,411)
Contingency	602,001	602,001	-	(602,001)
Total Expenditures	1,538,386	1,538,386	385,974	(1,152,412)
Excess (Deficiency) of Revenues Over Expenditures	(1,523,386)	(1,523,386)	(354,631)	1,168,755
<u>OTHER FINANCING SOURCES / (USES):</u>				
Interfund Transfers In	784,717	784,717	784,717	-
Interfund Transfers Out	(831,334)	(831,334)	(831,334)	-
Total Other Financing Sources (Uses)	(46,617)	(46,617)	(46,617)	-
Net Change in Fund Balance	(1,570,003)	(1,570,003)	(401,248)	1,168,755
Beginning Fund Balance	1,570,003	1,570,003	1,652,660	82,657
Ending Fund Balance	\$ -	\$ -	\$ 1,251,412	\$ 1,251,412

CITY OF LEBANON

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

Pioneer Cemetery Restoration Trust Fund #825 (A Non-Major Fund)

For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>(Budgetary Basis)</u>	<u>Over</u>
			<u>(See Note 1)</u>	<u>(Under)</u>
<u>REVENUES:</u>				
Investment Earnings	\$ 90	\$ 90	\$ 195	\$ 105
Total Revenues	90	90	195	105
<u>EXPENDITURES:</u>				
Current:				
Capital Outlay	9,715	9,715	-	(9,715)
Total Expenditures	9,715	9,715	-	(9,715)
Net Change in Fund Balance	(9,625)	(9,625)	195	9,820
Beginning Fund Balance	9,625	9,625	9,876	251
Ending Fund Balance	\$ -	\$ -	\$ 10,071	\$ 10,071

CITY OF LEBANON

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

Police Trust Fund #829 (A Non-Major Fund)

For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> (Budgetary Basis) (See Note 1)	<u>Final Budget</u> Over (Under)
<u>REVENUES:</u>				
Investment Earnings	\$ 60	\$ 60	\$ 288	\$ 228
Grants and Contributions	9,790	9,790	1,250	(8,540)
Total Revenues	9,850	9,850	1,538	(8,312)
<u>EXPENDITURES:</u>				
Current:				
Materials and Supplies	24,227	24,227	5,608	(18,619)
Total Expenditures	24,227	24,227	5,608	(18,619)
Net Change in Fund Balance	(14,377)	(14,377)	(4,070)	10,307
Beginning Fund Balance	14,377	14,377	17,432	3,055
Ending Fund Balance	\$ -	\$ -	\$ 13,362	\$ 13,362

CITY OF LEBANON

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

Library Trust Fund #830 (A Non-Major Fund)

For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> (Budgetary Basis) (See Note 1)	<u>Final Budget</u> Over (Under)
<u>REVENUES:</u>				
Investment Earnings	\$ 1,200	\$ 1,200	\$ 3,626	\$ 2,426
Grants and Contributions	79,000	79,000	46,398	(32,602)
Total Revenues	80,200	80,200	50,024	(30,176)
<u>EXPENDITURES:</u>				
Current:				
Materials and Supplies	228,851	228,851	28,787	(200,064)
Total Expenditures	228,851	228,851	28,787	(200,064)
Net Change in Fund Balance	(148,651)	(148,651)	21,237	169,888
Beginning Fund Balance	148,651	148,651	175,254	26,603
Ending Fund Balance	\$ -	\$ -	\$ 196,491	\$ 196,491

CITY OF LEBANON

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Senior Services Trust Fund #835 (A Non-Major Fund)
For the Fiscal Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>(Budgetary Basis)</u>	<u>Over</u>
			<u>(See Note 1)</u>	<u>Under</u>
<u>REVENUES:</u>				
Fees and Charges	\$ 4,350	\$ 4,350	\$ 2,020	\$ (2,330)
Investment Earnings	1,800	1,800	3,374	1,574
Grants and Contributions	5,000	5,000	3,486	(1,514)
Miscellaneous Revenue	2,500	2,500	352	(2,148)
Total Revenues	13,650	13,650	9,232	(4,418)
<u>EXPENDITURES:</u>				
Current:				
Materials and Supplies	17,500	17,500	8,103	(9,397)
Capital Outlay	154,976	154,976	-	(154,976)
Total Expenditures	172,476	172,476	8,103	(164,373)
Net Change in Fund Balance	(158,826)	(158,826)	1,129	159,955
Beginning Fund Balance	158,826	158,826	170,640	11,814
Ending Fund Balance	\$ -	\$ -	\$ 171,769	\$ 171,769

CITY OF LEBANON

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

Snedaker Trust Fund #838 (A Non-Major Fund)

For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		<u>(Under)</u>
<u>REVENUES:</u>				
Investment Earnings	\$ 150	\$ 150	\$ 409	\$ 259
Total Revenues	150	150	409	259
<u>EXPENDITURES:</u>				
Current:				
Materials and Supplies	21,059	21,059	1,000	(20,059)
Total Expenditures	21,059	21,059	1,000	(20,059)
Net Change in Fund Balance	(20,909)	(20,909)	(591)	20,318
Beginning Fund Balance	20,909	20,909	21,286	377
Ending Fund Balance	\$ -	\$ -	\$ 20,695	\$ 20,695

CITY OF LEBANON

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Streets Capital Projects Fund #840 (A Non-Major Fund)
For the Fiscal Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Investment Earnings	\$ -	\$ -	\$ 6,593	\$ 6,593
Grants and Contributions	40,000	69,667	66,035	(3,632)
Total Revenues	40,000	69,667	72,628	2,961
<u>EXPENDITURES:</u>				
Current:				
Materials and Supplies	10,000	39,667	41,652	1,985
Capital Outlay	75,800	75,800	33,694	(42,106)
Contingency	311,142	311,142	-	(311,142)
Total Expenditures	396,942	426,609	75,346	(351,263)
Net Change in Fund Balance	(356,942)	(356,942)	(2,718)	354,224
Beginning Fund Balance	356,942	356,942	340,962	(15,980)
Ending Fund Balance	\$ -	\$ -	\$ 338,244	\$ 338,244

CITY OF LEBANON

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Infrastructure Deferral Fund #845 (A Non-Major Fund)
For the Fiscal Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget</u> <u>Over</u> <u>(Under)</u>
	<u>Original</u>	<u>Final</u>	<u>(See Note 1)</u>	
<u>REVENUES:</u>				
Investment Earnings	\$ 600	\$ 600	\$ 1,175	\$ 575
Total Revenues	600	600	1,175	575
<u>EXPENDITURES:</u>				
Current:				
Capital Outlay	59,515	59,515	-	(59,515)
Total Expenditures	59,515	59,515	-	(59,515)
Net Change in Fund Balance	(58,915)	(58,915)	1,175	60,090
Beginning Fund Balance	58,915	58,915	59,658	743
Ending Fund Balance	\$ -	\$ -	\$ 60,833	\$ 60,833

CITY OF LEBANON

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
SDC - Parks Improvements Fund #862 (A Major Fund)
For the Fiscal Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Fees and Charges	\$ 150,000	\$ 150,000	\$ 481,676	\$ 331,676
Investment Earnings	4,100	4,100	29,922	25,822
Total Revenues	154,100	154,100	511,598	357,498
<u>EXPENDITURES:</u>				
Current:				
Materials and Supplies	7,500	7,500	1,575	(5,925)
Capital Outlay	1,480,000	1,480,000	21,569	(1,458,431)
Contingency	215,780	215,780	-	(215,780)
Total Expenditures	1,703,280	1,703,280	23,144	(1,680,136)
Excess (Deficiency) of Revenues Over Expenditures	(1,549,180)	(1,549,180)	488,454	2,037,634
<u>OTHER FINANCING SOURCES / (USES):</u>				
Interfund Transfers In	501,545	501,545	501,545	-
Interfund Transfers Out	(8,685)	(8,685)	(8,685)	-
Total Other Financing Sources (Uses)	492,860	492,860	492,860	-
Net Change in Fund Balance	(1,056,320)	(1,056,320)	981,314	2,037,634
Beginning Fund Balance	1,056,320	1,056,320	604,480	(451,840)
Ending Fund Balance	\$ -	\$ -	\$ 1,585,794	\$ 1,585,794

Reconciliation to generally accepted accounting principles basis

Change in Fund Balance from Above	981,314
Interfund Loan Receivable Repayment removed as Intefund Transfer In	(61,144)
Change in Fund Balance as Reported on Fund Financial Statements	<u>\$ 920,170</u>

CITY OF LEBANON

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
SDC - Parks Reimbursements Fund #863 (A Non-Major Fund)
For the Fiscal Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis) (See Note 1)</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Investment Earnings	\$ -	\$ -	\$ 4	\$ 4
Total Revenues	-	-	4	4
<u>EXPENDITURES:</u>				
Current:				
Capital Outlay	397	397	-	(397)
Total Expenditures	397	397	-	(397)
Net Change in Fund Balance	(397)	(397)	4	401
Beginning Fund Balance	397	397	430	33
Ending Fund Balance	\$ -	\$ -	\$ 434	\$ 434

CITY OF LEBANON

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
SDC - Street Improvements Fund #882 (A Major Fund)
For the Fiscal Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Fees and Charges	\$ 255,000	\$ 255,000	\$ 175,621	\$ (79,379)
Investment Earnings	22,000	22,000	54,426	32,426
Total Revenues	277,000	277,000	230,047	(46,953)
<u>EXPENDITURES:</u>				
Current:				
Capital Outlay	3,730,000	3,730,000	-	(3,730,000)
Contingency	213,364	213,364	-	(213,364)
Total Expenditures	3,943,364	3,943,364	-	(3,943,364)
Excess (Deficiency) of Revenues Over Expenditures	(3,666,364)	(3,666,364)	230,047	3,896,411
<u>OTHER FINANCING SOURCES / (USES):</u>				
Interfund Transfers In	508,375	508,375	508,375	-
Interfund Transfers Out	(8,684)	(8,684)	(8,684)	-
Total Other Financing Sources (Uses)	499,691	499,691	499,691	-
Net Change in Fund Balance	(3,166,673)	(3,166,673)	729,738	3,896,411
Beginning Fund Balance	3,166,673	3,166,673	2,176,731	(989,942)
Ending Fund Balance	\$ -	\$ -	\$ 2,906,469	\$ 2,906,469

Reconciliation to generally accepted accounting principles basis

Change in Fund Balance from Above	729,738
Interfund Loan Receivable Repayment removed as Intefund Transfer In	(37,000)
Change in Fund Balance as Reported on Fund Financial Statements	<u>\$ 692,738</u>

CITY OF LEBANON

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
SDC - Street Reimbursements Fund #883 (A Non-Major Fund)
For the Fiscal Year Ended June 30, 2020**

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	Original	Final		
<u>REVENUES:</u>				
Fees and Charges	\$ 36,000	\$ 36,000	\$ 14,333	\$ (21,667)
Investment Earnings	1,300	1,300	967	(333)
Total Revenues	37,300	37,300	15,300	(22,000)
<u>EXPENDITURES:</u>				
Current:				
Capital Outlay	50,000	50,000	23,500	(26,500)
Contingency	30,505	30,505	-	(30,505)
Total Expenditures	80,505	80,505	23,500	(57,005)
Excess (Deficiency) of Revenues Over Expenditures	(43,205)	(43,205)	(8,200)	35,005
<u>OTHER FINANCING SOURCES / (USES):</u>				
Interfund Transfers In	6,168	6,168	6,168	-
Total Other Financing Sources (Uses)	6,168	6,168	6,168	-
Net Change in Fund Balance	(37,037)	(37,037)	(2,032)	35,005
Beginning Fund Balance	37,037	37,037	44,392	7,355
Ending Fund Balance	\$ -	\$ -	\$ 42,360	\$ 42,360

OTHER
SUPPLEMENTARY
DATA

Trust & Agency Fund

CITY OF LEBANON

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

Bail Fund #910

For the Fiscal Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis) (See Note 1)	Final Budget Over (Under)
REVENUES:				
Fees and Charges	\$ 45,000	\$ 45,000	\$ 10,832	\$ (34,168)
Fines and Forfeitures	118,500	118,500	80,815	(37,685)
Total Revenues	163,500	163,500	91,647	(71,853)
EXPENDITURES:				
Current:				
Materials and Supplies	163,500	163,500	77,273	(86,227)
Total Expenditures	163,500	163,500	77,273	(86,227)
Net Change in Fund Balance	-	-	14,374	14,374
Beginning Fund Balance	-	-	(14,374)	(14,374)
Ending Fund Balance	\$ -	\$ -	\$ -	\$ -

OTHER
SUPPLEMENTARY
DATA

Additional
Supporting Schedules

CITY OF LEBANON
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2020

NW URD Loan with IFA #B050003

NW URD - May 13, 2005, the City entered into a loan agreement with Business Oregon (IFA) for the Northwest Urban Renewal District. The original balance of the loan is \$3,699,984 with an interest rate between 4.0 - 4.375%. On April 10, 2018, a reduction of the loan amount set forth in the agreement occurred in exchange for a higher nominal interest rate, less certain issuance costs. This was done through Oregon Bond Bank Revenue Bonds, 2018.

Current Year Activity:

	Outstanding Balance July 1, 2019	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2020	Due Within One Year
Principal	\$ 2,130,032	\$ -	\$ 122,163	\$ 2,007,869	\$ 128,077
Interest	-	102,981	102,981	-	98,067
Total	<u>\$ 2,130,032</u>	<u>\$ 102,981</u>	<u>\$ 225,144</u>	<u>\$ 2,007,869</u>	<u>\$ 226,144</u>

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2021	\$ 128,077	\$ 98,067	\$ 226,144	5.00%
	2022	134,047	91,847	225,894	5.00%
	2023	140,069	85,325	225,394	5.00%
	2024	146,134	78,510	224,644	5.00%
	2025	152,258	71,386	223,644	5.00%
	2026	158,450	63,944	222,394	5.00%
	2027	169,696	56,199	225,895	5.00%
	2028	175,994	47,900	223,894	5.00%
	2029	187,350	39,294	226,644	5.00%
	2030	193,766	30,129	223,895	5.00%
	2031	205,243	20,651	225,894	5.00%
	2032	216,785	10,609	227,394	5.00%
Total		<u>\$ 2,007,869</u>	<u>\$ 693,861</u>	<u>\$ 2,701,730</u>	

CITY OF LEBANON
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2020

NW URD General Obligation Bond Lebanon UR10

NW URD - November 2, 2010, the City issued General Obligation Bonds for the Northwest URD. The bonds are held by Bank of New York Mellon / Zion Bank. The original balance of the bonds is \$3,310,000 with an Interest rate between 2.0% and 3.5%. LebanonUR10

Current Year Activity:

	Outstanding Balance <u>July 1, 2019</u>	New Issues and Interest <u>Matured</u>	Principal and Interest <u>Retired</u>	Outstanding Balance <u>June 30, 2020</u>	Due Within <u>One Year</u>
Principal	\$ 380,000	\$ -	\$ 380,000	\$ -	\$ -
Interest	-	13,300	13,300	-	-
Total	<u>\$ 380,000</u>	<u>\$ 13,300</u>	<u>\$ 393,300</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LEBANON
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2020

N Gateway URD Note Payable with Samaritan Health

N GATEWAY URD - January 1, 2011, the City entered a Note Payable agreement with Samaritan Health Services for the N Gateway URD. The original balance of the loan is \$2,283,572. The loan carries an interest rate of 5.0% that was changed by the lender to 4.25% during the 2017-18 fiscal year.

Current Year Activity:

	Outstanding Balance July 1, 2019	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2020	Due Within One Year
Principal	\$ 1,384,013	\$ -	\$ 142,581	\$ 1,241,432	\$ 142,581
Interest	-	59,086	59,086	-	60,597
Total	\$ 1,384,013	\$ 59,086	\$ 201,667	\$ 1,241,432	\$ 203,178

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2021	\$ 142,581	\$ 60,597	\$ 203,178	4.25%
	2022	142,581	54,537	197,118	4.25%
	2023	142,581	48,477	191,058	4.25%
	2024	142,581	42,418	184,999	4.25%
	2025	142,581	36,358	178,939	4.25%
	2026	142,581	30,298	172,879	4.25%
	2027	142,581	24,239	166,820	4.25%
	2028	142,581	18,179	160,760	4.25%
	2029	100,784	2,860	103,644	4.25%
Total		\$ 1,241,432	\$ 317,963	\$ 1,559,395	

CITY OF LEBANON
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2020

2002 Pension Obligation Bonds with Wells Fargo

March 3, 2002, the City issued Pension Obligation Bonds, Series 2002 which are held by Wells Fargo Corporate Trust Services. The original balance of the bonds is \$2,081,188 with an interest rate between 2.0% and 7.36% 2002 Pension Obligation Bonds, Series 2002 #12371007

Current Year Activity:

	Outstanding Balance July 1, 2019	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2020	Due Within One Year
Principal	\$ 1,446,658	\$ -	\$ 51,649	\$ 1,395,009	\$ 140,000
Interest	-	170,612	170,612	-	95,558
Total	\$ 1,446,658	\$ 170,612	\$ 222,261	\$ 1,395,009	\$ 235,558

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2021	\$ 140,000	\$ 95,558	\$ 235,558	0.00%
	2022	160,000	85,968	245,968	0.00%
	2023	185,000	75,008	260,008	0.00%
	2024	205,000	62,335	267,335	0.00%
	2025	-	48,293	48,293	0.00%
	2026	260,000	48,293	308,293	0.00%
	2027	295,000	30,483	325,483	0.00%
	2028	150,009	10,275	160,284	0.00%
Total		\$ 1,395,009	\$ 456,211	\$ 1,851,220	

CITY OF LEBANON
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2020

Promissary Note with Business Oregon #B07002

May 29, 2009, the City entered into a Promissory Note agreement with IFA Business Oregon. The original balance of the note is \$1,839,833 with an annual interest rate between 3.0% and 5.25%. On April 10, 2018, a reduction of the loan amount set forth in the agreement occurred in exchange for a higher nominal interest rate, less certain issuance costs. This was done through Oregon Bond Bank Revenue Bonds, 2018. A revised payment schedule, effective April 10, 2018, is entered below. Special Public Works Fund Loan number B07002.

Current Year Activity:

	Outstanding Balance July 1, 2019	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2020	Due Within One Year
Principal	\$ 972,571	\$ -	\$ 78,950	\$ 893,621	\$ 79,578
Interest	-	46,788	46,788	-	43,613
Total	\$ 972,571	\$ 46,788	\$ 125,738	\$ 893,621	\$ 123,191

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2021	\$ 79,578	\$ 43,613	\$ 123,191	5.00%
	2022	85,161	39,750	124,911	5.00%
	2023	90,919	35,606	126,525	5.00%
	2024	91,715	31,180	122,895	5.00%
	2025	97,383	26,711	124,094	5.00%
	2026	103,253	21,950	125,203	5.00%
	2027	109,211	16,902	126,113	5.00%
	2028	115,171	11,561	126,732	5.00%
	2029	121,230	5,929	127,159	5.00%
Total		\$ 893,621	\$ 233,202	\$ 1,126,823	

CITY OF LEBANON
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2020

Full Faith and Credit Bond 2013 #LebanonFFC2013

On July 31, 2013 the City issued Full Faith and Credit and Refunding Obligations Bonds to finance improvements to the City's water and transportation systems; and refund City's Wastewater Revenue Refunding Bonds, Series 2003 and a portion of Special Water Refunding Obligations, Series 2004. The bonds are held by Bank of New York Mellon / Zion Bank. The original balance of the bonds is \$15,235,000 with an interest rate between 2.0% and 4.0%. The amounts for these bonds are divide by the City for Northwest URD, Water and Wastewater. The amount allocated for this portion of the bonds is \$11,855,000. LebanonFFC2013

Current Year Activity:

	Outstanding Balance July 1, 2019	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2020	Due Within One Year
Principal	\$ 9,240,000	\$ -	\$ 505,000	\$ 8,735,000	\$ 930,000
Interest	-	360,250	360,250	-	340,050
Total	\$ 9,240,000	\$ 360,250	\$ 865,250	\$ 8,735,000	\$ 1,270,050

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2021	\$ 930,000	\$ 340,050	\$ 1,270,050	4.00%
	2022	975,000	302,850	1,277,850	4.00%
	2023	1,010,000	273,600	1,283,600	3.00%
	2024	1,050,000	243,300	1,293,300	3.00%
	2025	1,110,000	190,800	1,300,800	5.00%
	2026	1,165,000	146,400	1,311,400	4.00%
	2027	1,220,000	99,800	1,319,800	4.00%
	2028	1,275,000	51,000	1,326,000	4.00%
Total		\$ 8,735,000	\$ 1,647,800	\$ 10,382,800	

CITY OF LEBANON
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2020

General Obligation Refunding Bonds, Series 2015 #LebanonGOB, Series 2015

October 13, 2015 the City issued General Obligation Refunding Bonds, Series 2015 with Key Bank / Zion Bank to advance refund a portion of the City's outstanding GO Bonds, Series 2007; and the wastewater financing agreement with Siemens Public, Inc. The original balance of the bonds is \$12,800,000 and carry an annual interest rate between 1.65% and 5.0%. #LebanonGOREfBonds, Series 2015

Current Year Activity:

	Outstanding Balance July 1, 2019	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2020	Due Within One Year
Principal	\$ 11,305,000	\$ -	\$ 1,095,000	\$ 10,210,000	\$ 1,160,000
Interest	-	443,224	443,224	-	425,156
Total	\$ 11,305,000	\$ 443,224	\$ 1,538,224	\$ 10,210,000	\$ 1,585,156

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2021	\$ 1,160,000	\$ 425,156	\$ 1,585,156	0.00%
	2022	1,235,000	401,956	1,636,956	0.00%
	2023	1,330,000	352,556	1,682,556	0.00%
	2024	1,455,000	286,056	1,741,056	0.00%
	2025	1,540,000	251,500	1,791,500	0.00%
	2026	1,675,000	174,500	1,849,500	0.00%
	2027	1,815,000	90,750	1,905,750	0.00%
Total		\$ 10,210,000	\$ 1,982,474	\$ 12,192,474	

CITY OF LEBANON
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2020

Cheadle Lake URD Loan with Opus Bank

CHEADLE LAKE URD - May 18, 2017, the City entered into a loan agreement with Opus Bank for Cheadle Lake URD. The original balance of the loan is \$4,232,723 and has a fixed annual interest rate of 2.88%. The loan requires a

Current Year Activity:

	Outstanding Balance July 1, 2019	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2020	Due Within One Year
Principal	\$ 3,770,743	\$ -	\$ 243,248	\$ 3,527,495	\$ 250,254
Interest	-	108,597	108,597	-	101,592
Total	\$ 3,770,743	\$ 108,597	\$ 351,845	\$ 3,527,495	\$ 351,846

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2021	\$ 250,254	\$ 101,592	\$ 351,846	2.88%
	2022	257,461	94,385	351,846	2.88%
	2023	264,876	86,970	351,846	2.88%
	2024	272,504	79,341	351,845	2.88%
	2025	280,353	71,493	351,846	2.88%
	2026	288,427	63,419	351,846	2.88%
	2027	296,733	55,112	351,845	2.88%
	2028	305,279	46,566	351,845	2.88%
	2029	314,071	37,774	351,845	2.88%
	2030	323,117	28,729	351,846	2.88%
	2031	332,422	19,423	351,845	2.88%
	2032	341,998	9,850	351,848	2.88%
Total		\$ 3,527,495	\$ 694,654	\$ 4,222,149	

CITY OF LEBANON
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2020

Full Faith and Credit Bond 2013 # LebanonFFC2013 (Water)

July 31, 2013 the City issued Full Faith and Credit and Refunding Obligations Bonds. The bonds are held by Bank of New York Mellon / Zion Bank. The original balance of the bonds is \$15,235,000 with an interest rate between 2.0% and 4.0%. The amounts for these bonds are divide by the City for Northwest URD, Water and Wastewater. The amount allocated for this portion of the bonds is \$1,168,000. LebanonFFC2013 (Water)

Current Year Activity:

	Outstanding Balance July 1, 2019	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2020	Due Within One Year
Principal	\$ 680,000	\$ -	\$ 220,000	\$ 460,000	\$ 225,000
Interest	-	24,850	24,850	-	16,050
Total	<u>\$ 680,000</u>	<u>\$ 24,850</u>	<u>\$ 244,850</u>	<u>\$ 460,000</u>	<u>\$ 241,050</u>

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2021	\$ 225,000	\$ 16,050	\$ 241,050	0.00%
	2022	235,000	7,050	242,050	0.00%
Total		<u>\$ 460,000</u>	<u>\$ 23,100</u>	<u>\$ 483,100</u>	

CITY OF LEBANON
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2020

Full Faith and Credit Bond 2013 #LebanonFFC2013 (Waste Water)

July 31, 2013 the City issued Full Faith and Credit and Refunding Obligations Bonds. The bonds are held by Bank of New York Mellon / Zion Bank. The original balance of the bonds is \$15,235,000 with an interest rate between 2.0% and 4.0%. The amounts for these bonds are divide by the City for Northwest URD, Water and Wastewater. The amount allocated for this portion of the bonds is \$1,695,000. LebanonFFC2013 (WasteWater)

Current Year Activity:

	Outstanding Balance <u>July 1, 2019</u>	New Issues and Interest <u>Matured</u>	Principal and Interest <u>Retired</u>	Outstanding Balance <u>June 30, 2020</u>	Due Within <u>One Year</u>
Principal	\$ 265,000	\$ -	\$ 265,000	\$ -	\$ -
Interest	-	10,600	10,600	-	-
Total	<u>\$ 265,000</u>	<u>\$ 10,600</u>	<u>\$ 275,600</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LEBANON
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2020

Full Faith and Credit Bond 2015 #LebanonFFC2015 (WasteWater)

October 13, 2015, the City issued Full Faith and Credit Bonds to advance refund a portion of the City's outstanding GO Bonds, Series 2007; and the wastewater financing agreement with Siemens Public, Inc. The bonds are held by Key Bank/ Zion Bank. The original balance of the bonds is \$2,385,000 and carry an annual interest rate between 2.00% and 4.00% LebanonFFC2015 (WasteWater)

Current Year Activity:

	Outstanding Balance July 1, 2019	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2020	Due Within One Year
Principal	\$ 1,130,000	\$ -	\$ 365,000	\$ 765,000	\$ 375,000
Interest	-	38,775	38,775	-	26,900
Total	<u>\$ 1,130,000</u>	<u>\$ 38,775</u>	<u>\$ 403,775</u>	<u>\$ 765,000</u>	<u>\$ 401,900</u>

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2021	\$ 375,000	\$ 26,900	\$ 401,900	0.00%
	2022	390,000	11,700	401,700	0.00%
Total		<u>\$ 765,000</u>	<u>\$ 38,600</u>	<u>\$ 803,600</u>	

CITY OF LEBANON
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2020

Note Payable to Department of Environmental Quality #R56200

March 2, 2006, the City entered into a loan agreement with the Oregon Department of Environmental Quality SPF for wastewater improvement projects. The original balance of the note is \$900,000 and carries an interest rate of 2.93% and a .5% service fee. The City must maintain a reserve of \$30,380. Payments are due the first day of April and October of

Current Year Activity:

	Outstanding Balance July 1, 2019	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2020	Due Within One Year
Principal	\$ 524,727	\$ -	\$ 44,588	\$ 480,139	\$ 47,229
Interest	-	18,838	18,838	-	15,964
Total	<u>\$ 524,727</u>	<u>\$ 18,838</u>	<u>\$ 63,426</u>	<u>\$ 480,139</u>	<u>\$ 63,193</u>

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2021	\$ 47,229	\$ 15,964	\$ 63,193	2.93%
	2022	48,623	14,330	62,953	2.93%
	2023	50,058	12,649	62,707	2.93%
	2024	51,535	10,918	62,453	2.93%
	2025	53,056	9,135	62,191	2.93%
	2026	54,623	7,299	61,922	2.93%
	2027	56,235	5,410	61,645	2.93%
	2028	57,895	3,465	61,360	2.93%
	2029	60,885	1,463	62,348	2.93%
Total		<u>\$ 480,139</u>	<u>\$ 80,633</u>	<u>\$ 560,772</u>	

CITY OF LEBANON
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2020

Revenue Bonds held by Bank of New York Mellon/ Zion Bank #LebanonWW10

October 27, 2010, the City issued Revenue Bonds for the construction of a wastewater system. The bonds are held by Bank of New York Mellon/ Zion Bank. The original balance of the bonds is \$7,010,000 and carry an annual interest rate between 2.4% and 2.5%. LEBANONWW10

Current Year Activity:

	Outstanding Balance July 1, 2019	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2020	Due Within One Year
Principal	\$ 3,630,000	\$ -	\$ 460,000	\$ 3,170,000	\$ 235,000
Interest	-	143,650	143,650	-	125,250
Total	\$ 3,630,000	\$ 143,650	\$ 603,650	\$ 3,170,000	\$ 360,250

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2021	\$ 235,000	\$ 125,250	\$ 360,250	2.40%
	2022	245,000	115,263	360,263	2.40%
	2023	255,000	104,850	359,850	2.40%
	2024	265,000	94,013	359,013	2.40%
	2025	275,000	82,750	357,750	2.40%
	2026	285,000	71,063	356,063	2.40%
	2027	300,000	60,375	360,375	2.40%
	2028	310,000	49,125	359,125	2.40%
	2029	320,000	37,500	357,500	2.40%
	2030	335,000	25,500	360,500	2.40%
	2031	345,000	12,938	357,938	2.40%
Total		\$ 3,170,000	\$ 778,625	\$ 3,948,625	

CITY OF LEBANON
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2020

Loan with Business Oregon (IFA) #L16003

October 16, 2015, the City entered into a loan agreement with IFA Business Oregon for financing of the Special Public Works Fund Development Project. The original balance of the loan is \$11,000,000 with an interest rate of 3.51%. # L16003

Current Year Activity:

	Outstanding Balance July 1, 2019	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2020	Due Within One Year
Principal	\$ 11,000,000	\$ -	\$ -	\$ 11,000,000	\$ 287,855
Interest	-	686,465	686,465	-	398,610
Total	\$ 11,000,000	\$ 686,465	\$ 686,465	\$ 11,000,000	\$ 686,465

Future Requirements:

Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
2021	\$ 287,855	\$ 398,610	\$ 686,465	3.51%
2022	310,469	375,996	686,465	3.51%
2023	321,366	365,099	686,465	3.51%
2024	332,646	353,819	686,465	3.51%
2025	344,322	342,143	686,465	3.51%
2026	356,408	330,057	686,465	3.51%
2027	368,918	317,547	686,465	3.51%
2028	381,867	304,598	686,465	3.51%
2029	395,270	291,195	686,465	3.51%
2030	409,144	277,321	686,465	3.51%
2031	423,505	262,960	686,465	3.51%
2032	438,370	248,095	686,465	3.51%
2033	453,757	232,708	686,465	3.51%
2034	469,684	216,781	686,465	3.51%
2035	486,170	200,295	686,465	3.51%
2036	503,234	183,231	686,465	3.51%
2037	520,898	165,567	686,465	3.51%
2038	539,181	147,284	686,465	3.51%
2039	558,107	128,358	686,465	3.51%
2040	577,696	108,769	686,465	3.51%
2041	597,973	88,492	686,465	3.51%
2042	618,962	67,503	686,465	3.51%
2043	640,688	45,777	686,465	3.51%
2044	663,510	23,289	686,799	3.51%
Total	\$ 11,000,000	\$ 5,475,494	\$ 16,475,494	

CITY OF LEBANON
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2020

Loan with Business Oregon (IFA) #S16004

October 16, 2015, the City entered into a loan agreement for financing of the Safe Drinking Water Revolving Loan Fund. The loan is held by IFA Business Oregon. The original balance of the note is \$13,000,000 and carries an interest rate of 1.0%. #S16004.

Current Year Activity:

	Outstanding Balance July 1, 2019	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2020	Due Within One Year
Principal	\$ 11,985,000	\$ -	\$ 274,757	\$ 11,710,243	\$ 350,199
Interest	-	192,727	192,727	-	117,104
Total	\$ 11,985,000	\$ 192,727	\$ 467,484	\$ 11,710,243	\$ 467,303

Future Requirements:

Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
2021	\$ 350,199	\$ 117,104	\$ 467,303	1.00%
2022	353,701	113,602	467,303	1.00%
2023	357,238	110,065	467,303	1.00%
2024	360,811	106,493	467,304	1.00%
2025	364,419	102,885	467,304	1.00%
2026	368,063	99,241	467,304	1.00%
2027	371,744	95,560	467,304	1.00%
2028	375,461	91,842	467,303	1.00%
2029	379,216	88,088	467,304	1.00%
2030	383,008	84,296	467,304	1.00%
2031	386,838	80,466	467,304	1.00%
2032	390,706	76,597	467,303	1.00%
2033	394,613	72,690	467,303	1.00%
2034	398,560	68,744	467,304	1.00%
2035	402,545	64,758	467,303	1.00%
2036	406,571	60,733	467,304	1.00%
2037	410,636	56,667	467,303	1.00%
2038	414,743	52,561	467,304	1.00%
2039	418,890	48,414	467,304	1.00%
2040	423,079	44,225	467,304	1.00%
2041	427,310	39,994	467,304	1.00%
2042	431,583	35,721	467,304	1.00%
2043	435,899	31,405	467,304	1.00%
2044	440,258	27,046	467,304	1.00%
2045	444,660	22,643	467,303	1.00%
2046	449,107	18,197	467,304	1.00%
2047	453,598	13,706	467,304	1.00%
2048	458,134	9,170	467,304	1.00%
2049	458,653	4,588	463,241	1.00%
Total	\$ 11,710,243	\$ 1,837,501	\$ 13,547,744	

CITY OF LEBANON
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2020

Police Lease 2798

The City entered into a Municipal Lease and Option agreement with Auto Leasing Specialists, LLC for the purchase of three 2018 Ford Interceptor SUV's for the Police Department on September 19, 2017. The agreement requires four payments of \$32687, one upon acceptance and annually thereafter, (interest included) beginning November 6, 2017.

Current Year Activity:

	<u>Outstanding Balance July 1, 2019</u>	<u>New Issues and Interest Matured</u>	<u>Principal and Interest Retired</u>	<u>Outstanding Balance June 30, 2020</u>	<u>Due Within One Year</u>
Principal	\$ 58,690	\$ -	\$ 28,284	\$ 30,406	\$ 30,406
Interest	-	4,403	4,403	-	2,281
Total	<u>\$ 58,690</u>	<u>\$ 4,403</u>	<u>\$ 32,687</u>	<u>\$ 30,406</u>	<u>\$ 32,687</u>

Future Requirements:

	<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Interest Rate</u>
	2021	\$ 30,406	\$ 2,281	\$ 32,687	0.00%
Total		<u>\$ 30,406</u>	<u>\$ 2,281</u>	<u>\$ 32,687</u>	

CITY OF LEBANON
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2020

Police Lease 2799

The City entered into a Municipal Lease and Option agreement with Auto Leasing Specialists, LLC for the purchase of two 2016 Chevy Tahoe's and two 2017 Dodge Durango's for the Police Department on September 19, 2017. The original amount financed is \$150,200. The agreement requires five payments of \$34,534, one upon acceptance and annually thereafter, (interest included) beginning September 29, 2017.

Current Year Activity:

	Outstanding Balance July 1, 2019	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2020	Due Within One Year
Principal	\$ 89,807	\$ -	\$ 27,798	\$ 62,009	\$ 29,884
Interest	-	6,736	6,736	-	4,651
Total	\$ 89,807	\$ 6,736	\$ 34,534	\$ 62,009	\$ 34,535

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2021	\$ 29,884	\$ 4,651	\$ 34,535	0.00%
	2022	32,125	2,409	34,534	0.00%
Total		\$ 62,009	\$ 7,060	\$ 69,069	

ACCOMPANYING
INFORMATION

CITY OF LEBANON
INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS
As of June 30, 2020

To the Governing Body of the City of Lebanon
Lebanon, Oregon

I have audited the basic financial statements of the City of Lebanon as of and for the year ended June 30, 2020 and have issued my report thereon dated January 11, 2021. I conducted my audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the City of Lebanon' financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. I performed procedures to the extent I considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Highway revenues used for public highways and roads (ORS Chapters 294, 368 & 373).**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

In connection with my testing nothing came to my attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations:

OAR 162-10-0230 Internal Control

In planning and performing my audit, I considered the City's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the City internal control over financial reporting.

This report is intended solely for the information and use of the City Council and management of City of Lebanon and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.



Steve Tuchscherer, CPA, PC
Roseburg, Oregon
January 11, 2021