



LEBANON CITY COUNCIL REGULAR MEETING AGENDA

August 14, 2024 at 6:00 PM

Santiam Travel Station – 750 3rd Street, Lebanon, Oregon

MISSION STATEMENT

The City of Lebanon is dedicated to providing exceptional services and opportunities that enhance the quality of life for present and future members of the community.

Mayor: Kenneth Jackola

Council President Michelle Steinhebel | Councilor Wayne Dykstra | Councilor Carl Mann

Councilor Jeremy Salvage | Councilor Kim Ullfers | Councilor Dave Workman

6:00 PM – CITY COUNCIL REGULAR SESSION

CALL TO ORDER / FLAG SALUTE

ROLL CALL

CONSENT CALENDAR

The following item(s) are considered routine and will be enacted by one motion. There will not be a separate discussion of these items unless a Councilor so requests. In this case, the item(s) will be removed from the Consent Calendar and considered separately.

1. **AGENDA:** Lebanon City Council Agenda – August 14, 2024
2. **BOARD MINUTES:**
Parks, Trees & Trails Advisory Committee - April 17, 2024
Senior & Disabled Services Advisory Committee - April 17, 2024
3. **COUNCIL MINUTES:** 2024-07-10 City Council Executive Session and Regular Meeting
2024-07-22 City Council Strategic Planning Work Session

PRESENTATION / RECOGNITION

4. Ryan Vogt - Oregon Cascades West Council of Governments

PUBLIC COMMENTS

*Citizens may address the Council by filling out a testimony/comment card prior to speaking and hand it to the City Recorder. Each citizen is provided up to 5 minutes to provide comments to the Council. The Council may take an additional two minutes to ask clarifying questions. The City Recorder will accept and distribute written comments at a speaker's request. Public comments can also be submitted by email to city.recorder@lebanonoregon.gov prior to **5:00 p.m. on August 12th**. The City Recorder will distribute comments to the Mayor and Council prior to the meeting.*

5. Written Public Comment - 2024-07-15 Petition to the City Council

PUBLIC HEARING(S)

REGULAR SESSION

6. Acceptance of the FY2023 Annual Financial Report

- [7.](#) *Adjourn as the Lebanon City Council and Reconvene as the Lebanon Urban Renewal Agency*
Acceptance of the FY2023 Annual Finance Report for the Lebanon Urban Renewal Agency
Adjourn as the Lebanon Urban Renewal Agency and Reconvene as the Lebanon City Council
- [8.](#) Resolution No. 22 for 2024 - A Resolution Eliminating Parking on a Portion of Elmore Street within the City of Lebanon
- [9.](#) Ordinance Bill No. 2024-07 - Ordinance No. 3023 - A Bill for an Ordinance Amending Lebanon Municipal Code Title 13 - Public Services
- [10.](#) League of Oregon Cities - Legislative Priorities Discussion
11. City Manager Recruitment Discussion
- [12.](#) **Department Reports:**
Administration
City Recorder
Community Development
Engineering
Finance Department
Human Resources
Information Technology
Library
Police
Public Works
Senior Center/LINX

ITEMS FROM COUNCIL

PUBLIC/PRESS COMMENTS

An opportunity for citizens and the press to comment on items of city business.

NEXT SCHEDULED COUNCIL MEETING(S): *August 28, 2024 Work Session*
September 11, 2024 Regular Meeting

ADJOURNMENT

INSTRUCTIONS FOR TESTIFYING ON AGENDA AND NON-AGENDA ITEMS:

Everyone is welcome to attend City Council meetings. If you cannot attend, written testimony must be received by noon prior to the meeting via email to city.recorder@lebanonoregon.gov. Persons who desire to access the Zoom meeting to give oral testimony regarding a Public Hearing can contact the City Recorder by email at city.recorder@lebanonoregon.gov by noon prior to the meeting so that the City Recorder can provide instructions.

City Council meetings are recorded and available on the City's YouTube page at:

<https://www.youtube.com/user/CityofLebanonOR/videos>

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to the City Recorder at 541.258.4905.



Parks, Trees, and Trails Advisory Committee Meeting Minutes April 17, 2024

Committee Present Jan Diamantine, Linda Ziedrich, Rick Barnett, Cindy Kerby, and Rodney Sell.

Committee Absent Anna Creel

Staff Present Interim City Manager Ron Whitlatch, and Public Works Operations Manager, Jason Rush.

Call to Order Chair Barnett called the meeting to order at 2:00 p.m. in the Santiam Travel Station Board Room.

Approval of Minutes The committee approved the meeting minutes from February 21, 2024.

Discussion

- City of Lebanon Update

Jason Rush and Ron Whitlatch provided the City of Lebanon update:

- The city completed the submission of the Local Government Grant from the Oregon Parks and Recreation Department for the Large Government Grant.
- The city completed the submission of the Oregon Historic Cemeteries Grant and successfully passed the technical review.
- The bollards at the skate park have been installed and the fence is complete.
- Park and trail maintenance has ramped up for spring and summer.
- The city is working with Code Enforcement to resolve the sidewalk issues from trees located at the Rite Aid property.
- Mark Slough Plant Walk – April 17, 2024.

- UDV (Urban Design Verification) Presentation

Whitlatch explained that the UDV is a planning project with ODOT that includes Highway 34 and Highway 20 corridors as they go through Lebanon. The purpose of the project is to determine if we have enough safe crossing locations and how pedestrian is our pedestrian connectivity. This project was a public process. The final verification is now available on the City website for viewing.

- Street Tree Planting Project

The Lebanon Garden Club Community Service Committee would like to partner with the City of Lebanon for a street tree planning project. The Garden Club Committee has set aside approximately \$1,000 to start this project in the hopes of planting 10 or less trees on Williams Street. The Garden Club Committee would like to start this project on Williams Street as it has a wide planter strip, few trees, and needs traffic calming on the East side.

Rush mentioned that Engineering would need to approve the planting of the trees, as they need to review the approval from the homeowner, species, location, etc. The city currently has a program where they aid removing trees that are damaging sidewalks or causing other hazards, Rush suggested the Garden Club Committee could possibly assist with the replacement of the correct street tree for the homeowner. The Garden Club and the City will continue to discuss options for this partnership.

- ODF News

Ziedrich provided information from the Oregon Department of Forestry, the ODF sent out a newsletter providing information about a new program that would provide cities with free inventory software to organize their tree inventory. This information can be helpful for grants and other items, but at this time the City of Lebanon does not have the staff to be able to complete this inventory, it would be better suited for a volunteer opportunity such as the Garden Club or BLT.

- BLT Update – Rod / Jan

- Sell asked for an update on the ongoing trail projects:

- ✓ Gills Landing Connector Trail – plans have been received, authorization to bid is approved, this is going out to bid as soon as Gaylan makes a few recommended adjustments.
- ✓ River Park Trail – pending survey.
- ✓ Multi Use Path (Airport Road) – in discussion with utility companies and there are several utility poles that need to be moved. We will also narrow the path to 9 feet rather than try and obtain easements.
- ✓ Beaton Lane – almost complete pending a few signs, inspection was completed today to ensure the signage worked and the flashing beacons worked.
- ✓ Cheadle Lake – scope of work update should be ready at the next meeting.
- ✓ Wheeler Street – this project is almost 100% SDC eligible, once the city has staff available to work on this project they will get started.

- Build Lebanon Trails current main fundraising focus is for the Georgia Pacific Mill Race Trail, this trail is going to connect all trails from South Urban Growth Boundary to the North part of town. Udell is working on conceptual plans and a cost estimate for this project. This project is expected to begin in 2025.

- May 4, 2024, Fun BLT Fun Run

- Ziedrich asked for clarification regarding the Wheeler Street project, Whitlatch stated this is going to be a multi-use path from Had Irvine Park to N. Williams Street to make a connection.
- Workman asked about the lights at Century Park, he received a concern from a citizen stating the lights at the courts were not working. Rush stated the lights should all be operational, but he will have someone from building maintenance make sure. Rush also stated the city is currently working with Pacific Power to get the electrical service updated so we can replace the lights and control system at the park.

- Workman asked for assistance with the gravel at the trail that Linn Co. adopted, they have been unable to complete the work. Sell would like BLT and Linn Co. to get a workday scheduled to get this work completed.
- **Public Comments**

Jim McKinnon volunteer with Build Lebanon Trails and Adopt – A – Park.

McKinnon has been approached by citizens regarding garden tours, he mentioned other areas offer garden tours attending garden tours. He believes Lebanon has a big opportunity in front of them regarding this but understands this is volunteer led. The Garden Club approached and stated they are currently in discussions about starting garden tours.

McKinnon stated he has tree posts, he would like to get these over to the city for use. Rush said the city would be happy to take them and could possibly use them for the street tree planting the Garden Club would like to start.

Next Scheduled Meeting

May 15, 2024 (2:00 – 3:30 p.m.)

Adjournment

Barnett Adjourned the meeting at 2:59 p.m.



Senior Center and LINX Transit

80 Tangent Street
Lebanon OR 97355
(541) 258-4919

www.ci.lebanon.or.us

ADVISORY BOARD MEETING

April 17, 2024

MINUTES

Members Present: Marlene Flyer, Sherry Liest, Joli Root, Cody Wack, Linda Meredith, Barbara Hemnes, Rebecca Wirfs & Kindra Oliver

Absent: Dorrie Board

1. WELCOME:

Rebecca Wirfs opened the meeting at 10:00 a.m. Kindra had a budget meeting and would be joining the group around 10:30.

NEW MEMBER WELCOME:

Barbara Hemnes is an active participant and volunteer at the Senior Center. She helps lead some of the exercise groups, such as Line Dancing, when our one full-time staff person is off for the day. We have a very small staff at the Senior Center, so greatly appreciate that type of leadership and helping to facilitate classes and programs.

Dorrie Board has been an active Senior Center participant for years. She is finishing up her degree in Gerontology Studies, with an emphasis on advocacy. She is passionate about our Senior Center and would like to assist with growing programs and events.

We distributed an updated member roster. Please remember to keep member information confidential.

2. MINUTES:

Marlene moved to approve the minutes from the February 21, 2024 Advisory Board meeting; Linda seconded; motion passed unanimously.

3. REPORTS:

Meal Site:

- Tori is always looking for substitute drivers to help deliver meals in the community.
- Andy Darling's Retirement Party will be Friday, June 28th, at the Senior Center.

Senior Center:

- April is Volunteer Appreciation! We thank you for your efforts making the Lebanon Senior Center an inviting place to come participate, socialize and make friends. Again, can't do what we do without our fabulous volunteers. We truly appreciate all your efforts and making a difference in our community. All of you should have received an invitation to our appreciation luncheon.
- April Spring Tea is scheduled for Tuesday, April 23rd, from 2:00-3:00. We will bring out our vintage teacups and saucers, provide some refreshments and entertainment and have a lovely time together. Please sign up in front office.
- May is National Senior Center month. We have invited the Fender Benders to sing Everly Brothers, Johnny Cash, etc.. on Tuesday, May 14th. We'll provide refreshments.
- We are participating in National Fitness Day on Wednesday, May 29th, which includes the following:
 - Speaker regarding the importance of exercise & fitness, with opportunity for Q&A;
 - Demo on making healthy snacks with recipe ideas to have on hand
 - Showcase the Senior Center Evidence Based Programs and exercise classes
 - Testimonials from other senior participants
 - Provide handouts for exercise and nutrition
 - Have Council of Government resource information available
 - Have a couple of raffle baskets
 - Complimentary bowling passes and pool passes for those attending
 - Roll out the Senior Center ipads/access to exercise/stretching/weights/toning/ meditation/relaxation videos – available any time in fitness room or have other optional spaces available
- We have a newer volunteer that has been coming in every Wednesday to teach I-pad classes. She has up to 6-8 seniors join her for the classes each week. Senior Center staff has also taught a couple of other classes. As always, the i-pads are available for check out in the front office during our operating hours, for use in the library area.
- Senior Center participation numbers have surpassed pre-covid numbers, mostly due to ongoing exercise classes. We are still not doing as many large events (monthly potlucks, special events). Senior Center staff continues to assess programming on an ongoing basis.

LINX Transit:

- LINX Transit continues to see increases in ridership. We're currently over 50,000 rides as of middle of April. For comparison, we provided 47,851 rides last fiscal year. No surprise our call volume is pretty high and constant, averaging 300 a day for the LINX Transit line.
- We applied for two vehicles for the LINX Transit fleet. If awarded, purchases would be made in the next two years.
- We applied for an electric van and charging station through a national competitive grant process. If awarded, the purchase would be made in the next two years, as well.
- Our oldest bus, a 2009, 16 passenger van is being sold/disposed at the City Maintenance auction, as it is beyond its useful life and very costly to continue with needed repairs.
- LINX Transit has the engineering design for the LINX fleet parking, at the Maintenance Shops, on Oak Street. Site improvements have started and they hope to be complete this summer and we'll start parking our fleet at that location.
- We're currently working on NEPA requirements for our federal grant for the bus stop

improvements at Park & Oak. Once we have they're approval, we'll start working the repairs.

- We'll be working on a Request for Information for the scheduling and dispatching software this spring.

4. CONTINUING BUSINESS:

- Senior Center staff has been looking for potential speakers to present on various topics, much like we used to do with our Lunch and Learn series years ago. Topics could include history, homesteading, wellness, motivational speakers, etc.. Please do let us know if you have any ideas for local speakers on various topics.
- Senior Center staff is having continued discussions regarding our newsletter and gaining some efficiencies in resources expended in providing it monthly.

5. DISCUSSION / NEW BUSINESS:

- The City of Lebanon budget timeline is a bit earlier this year. Budget Committee meetings will be held on April 29th & 30th.
- We'll have a table and information at the Chamber of Commerce Biz Expo on Thursday, April 18th, from 12:00-4:30.

6. ADJOURNMENT



LEBANON CITY COUNCIL EXECUTIVE SESSION AND REGULAR MEETING MINUTES

July 10, 2024 at 5:00 PM

Santiam Travel Station – 750 3rd Street, Lebanon, Oregon

MISSION STATEMENT

The City of Lebanon is dedicated to providing exceptional services and opportunities that enhance the quality of life for present and future members of the community.

Mayor: Kenneth Jackola

Council President Michelle Steinhebel | Councilor Wayne Dykstra | Councilor Carl Mann

Councilor Jeremy Salvage | Councilor Kim Ullfers | Councilor Dave Workman

5:00 PM – CALL TO ORDER EXECUTIVE SESSION

Executive Session as authorized by ORS 192.660 (2) (d) which allows the City Council to meet in Executive Session to conduct deliberations with persons designated by the governing body to carry on labor negotiations; and Executive Session as authorized by ORS 192.660 (2)(e) to conduct deliberations with persons designated by the Council to negotiate real property transactions.

Attendance: Mayor Jackola, President Steinhebel, Councilor Salvage, Councilor Ullfers, Councilor Workman, Councilor Mann, Councilor Dykstra, Interim City Manager Ron Whitlatch, City Attorney Tre Kennedy, Community Development Director Kelly Hart, HR Director Angela Solesbee, Finance Director Brandon Neish, Chief of Police Frank Stevenson, City Recorder Julie Fisher

City Attorney Tre' Kennedy read the Executive Session Announcement. There were no decisions made during the Executive Sessions. The Executive Session was adjourned at 5:30 PM.

6:00 PM – CITY COUNCIL REGULAR SESSION

CALL TO ORDER / FLAG SALUTE

The meeting was Called to Order at 6:00 PM.

ROLL CALL

PRESENT

Mayor Kenneth Jackola
Councilor - Ward 1 Wayne Dykstra
Councilor - Ward 1 Carl Mann
Councilor - Ward 2 Kim Ullfers
Councilor - Ward 2 Dave Workman
Councilor - Ward 3 Jeremy Salvage
Council President - Ward 3 Michelle Steinhebel

STAFF

Interim City Manager Ron Whitlatch

Community and Economic Development Director Kelly Hart
 Finance Director Brandon Neish
 City Attorney Tre Kennedy
 Chief of Police Frank Stevenson
 City Recorder Julie Fisher
 IT Administrative Assistant Erin Gomez

CONSENT CALENDAR

Motion to approve the Consent Calendar made by Council President - Ward 3 Steinhebel, Seconded by Councilor - Ward 2 Ullfers.

Voting Yea: Councilor - Ward 1 Dykstra, Councilor - Ward 1 Mann, Councilor - Ward 2 Ullfers, Councilor - Ward 2 Workman, Councilor - Ward 3 Salvage, Council President - Ward 3 Steinhebel

1. **AGENDA:** Lebanon City Council Agenda – July 10, 2024
2. **APPROVAL TO AWARD:** Second/Third Street Alley Sanitary Pipe Lining
3. **BID AUTHORIZATION:** *N. Santiam Highway - Waterline Extension*
4. **COUNCIL MINUTES:** *2024-06-12 Regular and Executive Session Minutes*

PRESENTATION / RECOGNITION

There were no presentations.

PUBLIC COMMENTS

Shellie Jackola gave an update on the upcoming Lebanon Downtown Association events for July and August including car show, wine walk and food events.

Ken Reynolds presented his concern of parked cars blocking his mailbox and interrupting mail service.

PUBLIC HEARING(S)

5. Public Hearing - Ordinance Bill No. 6 for 2024- Ordinance No. 3022 - A Bill for an Ordinance Amending Title 5, Chapter 5.50 Psilocybin Facilities to the Lebanon Municipal Code

The Public Hearing opened at 6:14 PM.

Community Development Director Hart presented the staff report explaining the draft ordinance would only take effect if the voters decided to allow psilocybin facilities through a vote in November. The ordinance would impose restrictions on service centers, not allowing them within 300' of a park, or 1000' from other service centers. Zoning restrictions would apply as well. In addition, a patient under the influence would be only released to a sober adult. There was question from the Council on how this would be enforced, and it was explained that any known violation would be reported to the state and the facility license could be revoked.

Councilor Workman and Dykstra voiced their opposition to psilocybin facilities within the city.

Mayor Jackola opened the floor for public comment. Mike M. felt the service centers and manufacture facilities should be voted on separately. It was his opinion that the public might favor one type of facility and not allow another.

The Public Hearing was closed at 6:24 PM.

All further discussion was limited to Council and staff.

City Attorney Kennedy read the ordinance by title.

Motion made to approve Ordinance Bill No. 6 for 2024- Ordinance No. 3022 - A bill for an Ordinance Amending Title 5, Chapter 5.5 Psilocybin Facilities to the Lebanon Municipal Code by Council President - Ward 3 Steinhebel, Seconded by Councilor - Ward 2 Workman.
 Voting Yea: Councilor - Ward 1 Mann, Councilor - Ward 2 Ullfers, Councilor - Ward 2 Workman, Councilor - Ward 3 Salvage, Council President - Ward 3 Steinhebel
 Voting Nay: Councilor - Ward 1 Dykstra

REGULAR SESSION

6. Ratification of Contract between Teamsters and City of Lebanon

Interim City Manager Whitlatch highlighted some of the changes to the public safety contract between Teamsters and the City of Lebanon. An increase of 8% for officers and sergeants will bring those classifications to market. Other increases include a 3% COLA for all positions in the contract for the next three years. Other changes were minor including updated the contract to gender neutral language and the addition of definition for 1.0 FTE.

Motion made to approve the contract between Teamsters and the City of Lebanon by Councilor - Ward 2 Workman, Seconded by Councilor - Ward 2 Ullfers.
 Voting Yea: Councilor - Ward 1 Dykstra, Councilor - Ward 1 Mann, Councilor - Ward 2 Ullfers, Councilor - Ward 2 Workman, Councilor - Ward 3 Salvage, Council President - Ward 3 Steinhebel

7. Transient Lodging Tax Policy Discussion

Community and Development Director Kelly Hart presented a draft policy for Transient Lodging Tax Fund requests. The policy would require anyone wanting to request funds to apply through an application process, providing detailed descriptions of the project and how it benefits tourism. The applications would be presented to Council for final decision. The funds would only be available if there were any non-allocated funds each year and would only be available for capital projects.

Consensus of the Council was approval of the policy. The item will return to the Council for vote at a future Council meeting.

8. League of Oregon Cities - Legislative Priorities Discussion

Community and Economic Development Director Hart stated the League of Oregon Cities has provided a list of Legislative Priorities that has been included in the packet. The Council will have an opportunity to discuss the priorities during the July 22nd Strategic Planning Session with Legislative Representative Sean Tate. The Council will vote on their priorities during the August 14, 2024, City Council meeting.

9. Department Reports:

Administration
 City Recorder
 Community Development
 Engineering
 Finance Department
 Human Resources
 Information Technology
 Library
 Police
 Public Works
 Senior Center/LINX

Interim City Manager Whitlatch presented the City Manager Report. Items of interest included research into bringing a bottle drop to Lebanon, update on Supreme Court Ruling regarding

homelessness, Highway 20 widening project, and the Westside Interceptor Project which was completed with a savings of 2.6 million over initial cost. There was a question on an update of the parking issue on Elmore Street.

ITEMS FROM COUNCIL

Interim City Manager requested direction from Council regarding the City Manager recruitment which had been discussed to reopen this month. Council consensus was to revisit the issue after the July 22nd Strategic Planning Session.

Community and Economic Development Director Hart announced that Lebanon is no longer considered a Rent Burdened Community. The status has continually dropped since 2019 when it was 35.6% of community was considered severely rent burdened.

The Council Candidate Filing Period is now open. Last day to submit candidacy to the City Recorder is July 31st.

PUBLIC/PRESS COMMENTS

An opportunity for citizens and the press to comment on items of city business.

There were no additional public or press comments.

NEXT SCHEDULED COUNCIL MEETING(S):

Strategic Planning Session July 22, 2024, 9 AM at Best Western Boulder Falls Inn - 505 Mullins Drive, Lebanon, Oregon 97355

City Council Regular Meeting August 14, 2024, 6 PM at the Santiam Travel Station - 750 3rd Street, Lebanon, Oregon 97355

ADJOURNMENT

The meeting adjourned at 6:50 PM.

Kenneth Jackola, Mayor



Michelle Steinhebel, Council President



Attested:

Julie Fisher, CMC, City Recorder



LEBANON CITY COUNCIL STRATEGIC PLANNING SESSION MINUTES

July 22, 2024 at 8:45 AM

Best Western Boulder Falls Inn - 505 Mullins Drive,
Lebanon, Oregon 97355

MISSION STATEMENT

The City of Lebanon is dedicated to providing exceptional services and opportunities that enhance the quality of life for present and future members of the community.

Mayor: Kenneth Jackola

Council President Michelle Steinhebel | Councilor Wayne Dykstra | Councilor Carl Mann

Councilor Jeremy Salvage | Councilor Kim Ullfers | Councilor Dave Workman

PRESENT

Mayor Kenneth Jackola
Councilor - Ward 1 Wayne Dykstra
Councilor - Ward 1 Carl Mann (Left at noon)
Councilor - Ward 2 Kim Ullfers
Councilor - Ward 2 Dave Workman
Councilor - Ward 3 Jeremy Salvage
Council President - Ward 3 Michelle Steinhebel

STAFF

Interim City Manager Ron Whitlatch
Community and Economic Development Director Kelly Hart
Police Chief Frank Stevenson
Finance Director Brandon Neish
Human Resources Director Angela Solesbee
City Recorder Julie Fisher
Information Technologies Director Brent Hurst
Public Works Director Jason Williams
Library Services Director Kendar Antila
Senior Center/LINX Director Kindra Oliver
Legislative Representative Sean Tate

DISCUSSION ITEMS

1. Strategic Planning Session

Council and Staff met with SSW Consulting to discuss direction on the City's Strategic Plan. After introductions, the group reviewed the Council-Administration roles and how they support the Strategic Plan.

The group completed several mapping and visioning exercises led by SSW Consulting. The small group discussion compared common themes and started drafting vision and goal focus areas. Those identified areas, helped refine goals and action items.

SSW Consulting will take the next steps in providing focus groups in the areas identified and gathering additional information. The plan will be brought back to the Council in the Fall for discussion and adoption.

ADJOURNMENT

The meeting adjourned at 3:45 PM.

Kenneth E. Jackola, Mayor

☐

Michelle Steinhebel, Council President

☐

Attested:

Julie Fisher, City Recorder



THE CITY THAT
FRIENDLINESS BUILT

Lebanon

2023 Annual Report

Senior & Disability Services

and Community Service Programs

CASE MANAGEMENT & ELIGIBILITY



542
CASES
MANAGED

In addition to the current Long-term Services and Supports case load, staff processed **342** new service requests from Lebanon residents.

3,254

AVERAGE ACTIVE
MEDICAL CASES IN
LEBANON

ADULT PROTECTIVE SERVICES

517 Adult Protective Services (APS) investigations took place in 2023.



6 ADULT FOSTER HOMES
Provided up to 30 residents housing

HOUSING SERVICES SUCCESS

A consumer and her daughter, who also serves as her Health Care Worker, lived in their truck with multiple large dogs for over a year. With our Housing Coordinator's support and coordination of funding from CSC and Crisis Funds, the pair is now settled in an apartment. The consumer received a much-needed surgery now that they have stable housing and, as an added bright spot, can keep all their pets.

MEALS ON WHEELS

The Lebanon Meals on Wheels program served **45,825** meals in 2023 to **383** consumers.



41,386
HOME DELIVERED
MEALS



4,439
IN-PERSON
MEALS



286
SHELF-STABLE
FOOD BOXES

29 OREGON PROJECT INDEPENDENCE CONSUMERS

Oregon Project Independence is an alternative to Medicaid that supports daily living activities which can be provided by home care workers or in-home care agencies.

SENIOR HEALTH INSURANCE BENEFITS ASSISTANCE

208 residents received one-on-one counseling on their Medicare benefits through the Senior Health Insurance Benefits Assistance (SHIBA) program. **4** Medicare 101 seminars were held in Lebanon.

21 MONEY MANAGEMENT CONSUMERS

Money Management provides free assistance with personal finances to seniors and adults with disabilities.



3 FOSTER GRANDPARENT VOLUNTEERS

Provided **2,029** volunteer hours serving at Sandridge Charter School and Boys & Girls Club of the Greater Santiam.



AARP VOLUNTEERS HELPED WITH TAX PREP FOR SENIORS

AARP Tax Aid volunteers helped prepare 2022 taxes from January to April at the Lebanon Senior Center free of charge for seniors.

Community & Economic Development



CASCADES WEST RIDE LINE

Provided 20,817 rides to residents



GRANT FOR THE UNHOUSED

To provide bus rides



CHAMPION MILL SITE

Identified for clean up efforts



BROADBAND GRANT

Applied for with Solarity

Cascades West Ride Line coordinates transportation services for eligible Oregon Health Plan (OHP) and Medicaid clients traveling to and from covered non-emergency medical services.

Staff successfully wrote a grant to pay for bus tickets for the unhoused population in collaboration with a religious group in Lebanon.

OCWCOG was the recipient of **\$1 million** in brownfields funds to clean up contaminated areas and make them usable again. Champion Mill site in Lebanon was one of four identified sites.

Solarity, on behalf of OCWCOG, applied for a **\$4.7 million** Broadband Grant. The area served would be N/NE of Lacombe and Crabtree.

CASCADES WEST BUSINESS LENDING

Cascades West Business Lending supports small businesses in Lebanon with **2** Active loans totaling **\$348,107** and creating at least **10** jobs in the city.

OFFICIAL PETITION
TO
COUNCIL MEMBERS
LEBANON, OR

Item # 5.

City of Lebanon
925 S Main St
Lebanon, OR 97355-3200

To Members of the Lebanon City Council:

There is a national movement underway to cut back on quality-of-life policing methods such as making arrests for vandalism, littering, loitering, vagrancy, public intoxication, and other quality of life violations.

As a registered voter in Lebanon, I urge you to maintain all quality-of-life policing methods, vigorously defend these methods, support our police in enforcement of quality-of-life violations, and make sure our district attorney is fully behind quality-of-life policing methods.

Quality of life policing, as well as pro-active policing methods, have cleaned up and maintained order in many neighborhoods in our city and helped reduce more serious crime nationwide between 1985 and 2015 by over 50%.

Mr. Randall Phillips

Ms. Marian Olsen

Mary Griffith

Louis Masog

Mr. Arly Skyles

Mr. Leonard Krabill

Mrs. Patricia Noss

Ms. Grace Purkerson

Mr. Dwight Haley

Ms. Sharon Bollinger



925 S. Main Street
Lebanon, Oregon 97355

TEL: 541.258.4212
brandon.neish@lebanonoregon.gov
www.lebanonoregon.gov

MEMORANDUM

Finance Department

To: Mayor Jackola and City Council

August 14, 2024

From: Brandon Neish, Finance Director

Subject: Acceptance of the FY2023 Annual Financial Report

I. INTRODUCTION

The City Council has a fiduciary responsibility for the capital and financial assets of the City. The Annual Financial Report (AFR) provides a point-in-time snapshot of the City's financial position, effective for the close of each fiscal year, and provides a formal opportunity for the Council and the community to review financial statements.

The City Council's policy role with the AFR is to review and accept the report. Management (staff) is responsible for preparing the financial statements, and the City's auditor (SingerLewak, LLP) is responsible for reviewing the financial statements to attest to whether or not the statements fairly and accurately report the City's financial position. AFR reporting requirements are set forth by the Governmental Accounting Standards Board (GASB) which defines what it requires to be reported, and how the report is to be structured.

II. CURRENT REPORT

Staff completed the 2023 AFR on August 6, 2024. There are several areas which staff highlights for the City Council's review.

- The Independent Auditors Report (page five of the AFR) highlights the Auditor's responsibilities and provides their opinion. This letter should be combined with the Auditors Communication to the Governing Body (Attachment A). There were no deficiencies noted for the year ended June 30, 2023 whereas the prior year had one material audit adjustment.
- Management's Discussion and Analysis (page ten) provides a high-level summary of the entire report, and in most cases, provides comparisons to prior years.
- The Statement of Net Position and Statement of Activities (pages 21-22) shows the City's financial performance in one place, with all data reported on the same basis of accounting.
- The financial footnotes have a lot of information you often will not find in other places.

THE CITY THAT FRIENDLINESS BUILT

- The note on capital assets (pages 36 and 41-42) shows the changes in the investment in capital assets. Cities invest in capital assets to have the infrastructure needed to provide services. In business-type activities (water, sewer, storm drainage, and internal services), depreciation exceeded assets added for the fiscal year, excluding construction in progress.
 - Long-term liabilities (pages 41-45): The City has a significant amount of outstanding debt and even added additional debt in business-type activities in excess of payments for 2023 due to the Westside Interceptor. The most significant amounts of debt are within the business-type funds (primarily sewer) and the Lebanon Urban Renewal Agency (LURA). Tax revenue from the LURA are used to satisfy most of the debt obligations the City has. Pension liability (pages 46-54) represents the City's portion of the overall liability within the Oregon Public Employees Retirement System. The City's portion of the overall net liability increased 35.9% (\$2,633,692) since last year.
- The General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance, Budget to Actual (page 70) provides a budget performance report – how well did the City's actual performance match with the budget plan.
 - The Notes to the Required Supplementary Information (page 72) highlights expenditures in excess of appropriations (in major funds), violating Oregon Revised Statutes (ORS) Chapter 294. For the year ended June 30, 2023, the Library, capital expenditures and principal debt service exceeded authorized spending limits. An unanticipated copier purchase overextended the Library and reductions made during the year did not offset enough costs while cost overruns on a project at the Police Department, replacing the fire alarm system, overextended the City's non-departmental capital budget. Finally, implementation of GASB 96 for the year ended June 30, 2023 resulted in an over expenditure in debt service principal payments as the expense was originally budgeted in operational lines.

Included with this report is the following items:

- Attachment A: Communication to the Governing Body
- Attachment B: Engagement Letter for the 2023 Audit
- 2023 Annual Financial Report

III. RECOMMENDATION

Staff recommends the City Council move to accept the Annual Financial Report for the fiscal year ended June 30, 2023.



August 6, 2024

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

This letter is to inform the City Council/Agency Officials of City of Lebanon, Oregon and the Lebanon Urban Renewal Agency, a blended component unit of the City of Lebanon (collectively the "City"), about significant matters related to the conduct of our audit as of and for the year ended June 30, 2023, so that it can appropriately discharge its oversight responsibility and we comply with our professional responsibilities.

Auditing standards generally accepted in the United States of America (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Our Responsibilities With Regard to the Financial Statement Audit

Our responsibility under auditing standards generally accepted in the United States of America has been described to you in our engagement letters dated July 14, 2023 for the City of Lebanon and for the Lebanon Urban Renewal Agency. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication dated July 14, 2023 regarding the planned scope and timing of our audit and identified significant risks.

Significant Accounting Practices, Including Policies, Estimates and Disclosures

The following is a list of the matters that will be discussed, including the significant estimates, which you may wish to monitor for your oversight responsibilities of the financial reporting process:

Adoption of New Accounting Standards

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the City. Effective July 1, 2022, the City implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA).

Honorable Mayor and Members of City Council
 City of Lebanon, Oregon
 August 6, 2024
 Page 2

GASB Statement No. 96 provides guidance on the accounting and financial reporting for contracts that provide the City with control of a software or similar asset, for a period of time in excess of 12 months. The City will report an intangible right to use asset is recorded for the same amount as a related SBITA liability plus any prepayments and initial direct costs to place the asset in service. The SBITA liability is recorded at the present value of future payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees.

Accounting Policies

A summary of significant accounting policies adopted by the City is included in the notes to the financial statements. During the year ended June 30, 2023, the City adopted and implemented GASB Statement 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, however it was determined that there was no material impact on the City's financial statements from implementation of GASB Statement No. 94. The effect of GASB Statement No. 96 was reported by the City including a restatement of net position in the governmental activities, not material to the financial statements, related to implementation.

Significant Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon experience about past and current events, and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. We evaluated the key factors and assumptions used by management to develop the significant estimates reflected in the financial statements and determined that they are reasonable in relation to the financial statements taken as a whole.

The following summarizes the significant accounting estimates reflected in the City's financial statements:

- Accumulated depreciation – Estimated Useful Lives

In the statement of activities and the proprietary fund statements, the costs of capital assets are allocated over their estimated useful lives as depreciation expense. In determining the estimated useful life of an asset, management considers the asset's present condition use of the asset, construction type, maintenance policy and how long it is expected to meet service and technology demands.

Honorable Mayor and Members of City Council
 City of Lebanon, Oregon
 August 6, 2024
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- Net pension liability and related deferred outflows and inflows

The net pension liability reflected in the financial statements represents the proportionate share of the amount by which the total pension liability on the Oregon PERS exceeds the Oregon PERS' fiduciary net pension. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The Oregon PERS has hired an external actuarial specialist to assist in the measurement of such liability. The total pension liability was measured by the Oregon PERS using the entry age actuarial cost method based on the actuarial present value of projected benefit payments that is attributed to past periods of employee service. The methods and assumptions used were based on the 2020 experience study which reviewed experience for the four-year period ending December 31, 2020.

- Allowance for doubtful accounts – Municipal Court

The allowance for doubtful accounts related to the collectability of court receivables was estimated based on a historical experience with the collection of those related receivables.

Disclosures

- The disclosure of cash and cash equivalents in the financial statements describes the liquid assets available for operations of the City.

Audit Adjustments and Uncorrected Misstatements

There were no audit adjustments made to the original trial balance presented to us to begin our audit.

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Emphasis of Matter Paragraph in our Auditor's Report

We have included an emphasis-of-matter paragraph in our audit report to draw attention to the City's disclosure related to the adoption of new accounting standards.

Disagreements With Management

We are not aware of any disagreements with management during the audit process.

Consultation With Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

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 City of Lebanon, Oregon
 August 6, 2024
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Other Matters

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the City's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Shared Responsibilities: AICPA Independence

The American Institute of Certified Public Accountants (AICPA) regularly emphasizes that auditor independence is a joint responsibility and is managed most effectively when management, audit committees (or their equivalents), and audit firms work together in considering compliance with AICPA independence rules. For SingerLewak LLP to fulfill its professional responsibility to maintain and monitor independence, management, the City Council, and SingerLewak LLP each play an important role.

Our Responsibilities

- AICPA rules require independence both of mind and in appearance when providing audit and other attestation services. SingerLewak LLP is to ensure that the AICPA's General Requirements for performing non-attest services are adhered to and included in all letters of engagement.
- Maintain a system of quality management over compliance with independence rules and firm policies.

The City's Responsibilities

- Understand and conclude on the permissibility, prior to the City and its affiliates, officers, directors, or persons in a decision-making capacity, engaging in business relationships with SingerLewak LLP.
- Not entering into relationships resulting in close family members of SingerLewak LLP covered persons, temporarily or permanently acting as an officer, director, or person in an accounting or financial reporting oversight role at the City.

Honorable Mayor and Members of City Council
City of Lebanon, Oregon
August 6, 2024
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Management Representations

Attached are copies of the management representation letters for both the City and the Agency.

Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the City.

This report is intended solely for the information and use of the Mayor, City Council and management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Singer Lewak LLP



Finance Department
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Lebanon, Oregon 97355

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August 6, 2024

SingerLewak LLP
1255 Lee St. SE Suite 210
Salem, Oregon 97302

This representation letter is provided in connection with your audit of the basic financial statements of the City of Lebanon, Oregon (the "City"), as of and for the year ended June 30, 2023 for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves, that as of the date of this letter:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the amended audit arrangement letter dated July 14, 2023, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for 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.
3. We acknowledge our responsibility for the design, implementation and maintenance of controls to prevent and detect fraud.
4. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP, and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. No subsequent events have occurred that would require adjustment to the estimate and related disclosures included in the financial statements.

THE CITY THAT FRIENDLINESS BUILT

6. Related-party transactions have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Types of related party transactions engaged in by the City include:
 - a. Those with component units for which the City is accountable.
 - b. Interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements and guarantees.
7. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as amended.
8. The City is following either its established accounting policy regarding which resources (that is, restricted, committed, assigned or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available or is following paragraph 18 of GASB Statement No. 54 to determine the fund balance classifications for financial reporting purposes.
9. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
10. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
11. Management has followed applicable laws and regulations in adopting, approving and amending budgets.
12. Risk disclosures associated with deposit and investment securities and derivative transactions are presented in accordance with GASB requirements.
13. Provisions for uncollectible receivables have been properly identified and recorded.
14. Capital assets, including infrastructure, intangible assets and right to use assets are properly capitalized, reported and, if applicable, depreciated/amortized.
15. Components of net position (net investment in capital assets, restricted, and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
16. Revenues are appropriately classified in the statement of activities within program revenues and general revenues.

17. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
18. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
19. The City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and appropriately disclosed and that net position is properly recognized under the policy.
20. Cash equivalents and investments are properly valued.
21. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, that is not disclosed in the financial statements.
22. We have complied with all aspects of laws, regulations and provisions of contracts and agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act because we have not received, expended or otherwise been the beneficiary of the required amount of federal awards during the period of this audit. However, we have determined that the City has met the threshold requiring an agreed-upon procedures examination related to ARPA funding to be performed separately from the audit of the financial statements.
23. With respect to nonaudit services performed related to assisting with the implementation of GASB Statement No. 94 and 96, based on client information, in the course of the audit:
 - a. We have made all management decisions and performed all management functions;
 - b. We assigned an appropriate individual to oversee the services;
 - c. We evaluated the adequacy and results of the services performed, and made an informed judgment on the results of the services performed;
 - d. We have accepted responsibility for the results of the services; and
 - e. We have accepted responsibility for all significant judgments and decisions that were made.
24. We have reviewed the GASB Statements effective for the fiscal year ending June 30, 2023, and concluded the implementation of the following Statements did not have a material impact on the basic financial statements:
 - a. GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
25. We believe that the implementation of the GASB Statement listed below is appropriate:

THE CITY THAT FRIENDLINESS BUILT

- a. GASB Statement No. 96, *Subscription-Based Information Technology Arrangements – not material to the overall financial statements however the City has elected to report certain activity based on the individual impact.*

26. We have no knowledge of any uncorrected misstatements in the financial statements.

27. If we have requested an unsecured electronic copy of the auditor's report, we agree that the auditor's report will not be modified in any manner.

Information Provided

28. We have provided you with:

- a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation and other matters.
- b. Additional information that you have requested from us for the purpose of the audit.
- c. Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence.
- d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.

29. All transactions have been recorded in the accounting records and are reflected in the basic financial statements.

30. We have disclosed to you the results of our assessment of risk that the basic financial statements may be materially misstated as a result of fraud.

31. It is our responsibility to establish and maintain internal control over financial reporting. One of the components of an entity's system of internal control is risk assessment. We hereby represent that our risk assessment process includes identification and assessment of risks of material misstatement due to fraud. We have shared with you our fraud risk assessment, including a description of the risks, our assessment of the magnitude and likelihood of misstatements arising from those risks, and the controls that we have designed and implemented in response to those risks.

32. We have no knowledge of allegations of fraud or suspected fraud affecting the City's basic financial statements involving:

- a. Management.
- b. Employees who have significant roles in internal control.

THE CITY THAT FRIENDLINESS BUILT

- c. Others where the fraud could have a material effect on the basic financial statements.
33. We have no knowledge of any allegations of fraud or suspected fraud affecting the City's basic financial statements received in communications from employees, former employees, analysts, regulators, or others.
 34. We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations including those related to the Oregon minimum standards.
 35. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
 36. We have disclosed to you the identity of all of the City's related parties and all the related-party relationships and transactions of which we are aware.
 37. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the City's ability to record, process, summarize and report financial data.
 38. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
 39. It is our responsibility to inform you of all current and potential affiliates of the City as defined by the "State and Local Government Client Affiliates" interpretation (ET sec. 1.224.020). Financial interests in, and other relationships with, affiliates of the City may create threats to independence. We have:
 - a. Provided you with all information we are aware of with respect to current and potential affiliates, including degree of influence assessments and materiality assessments.
 - b. Notified you of all changes to relevant considerations that may impact our determination of the existence of current or potential affiliates involving (i) changes in the determination of the materiality of an entity to the City's financial statements as a whole, (ii) the level of influence the City has over an entity's financial reporting process or (iii) the level of control or influence the City or a potential or current affiliate has over an investee that is not trivial or clearly inconsequential, sufficiently in advance of their effective dates to enable the City and SingerLewak LLP to identify and eliminate potential impermissible services and relationships between SingerLewak LLP, prior to the effective dates.
 - c. Made you aware, to the best of our knowledge and belief, of any nonaudit services that the City or any of our affiliates has engaged SingerLewak LLP or any of its associated entities to perform.

40. We agree with the findings of the specialists in evaluating the City's postemployment benefit plan and have adequately considered the qualifications of the specialists in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give instructions, or cause any instructions to be given, to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
41. We believe that the actuarial assumptions and methods used by the actuary for funding purposes and for determining accumulated Plan benefits are appropriate in the circumstances. We did not give instructions, or cause any instructions to be given, to the specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the Plan's actuary.
42. We believe that the information obtained from the audited financial statements of and other participant information provided by Oregon Public Employees Retirement System (PERS) is appropriate in the circumstances. We did not give instructions, or cause any instructions to be given, to the Plan or its auditor in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the Plan or its auditor.
43. During the course of your audit[s], you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.
44. Our Annual Financial Report is composed of our basic financial statements; as well as introductory and statistical information, which are not covered by the opinion included in the independent auditor's report.

Supplementary Information

45. With respect to supplementary information presented in relation to the basic financial statements as a whole:
- a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. The significant assumptions or interpretations underlying the measurement or presentation of the combining statements and individual fund schedules and the basis for

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our assumptions and interpretations are reasonable and appropriate in the circumstances.

- e. When supplementary information is not presented with the audited basic financial statements, we will make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.
46. With respect to the Management's Discussion and Analysis, Schedule of the Proportionate Share of the Net Pension Liability and Contributions, Schedule of the Proportionate Share of the Net OPEB Liability (Asset) – OPERS and Contributions, Schedule of Changes in OPEB Liability and Related Ratios and the Statement of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual for General Fund and the Park Enterprise Fund presented as required by U.S. GAAP to supplement the basic financial statements:
- a. We acknowledge our responsibility for the presentation of such required supplementary information.
 - b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. The significant assumptions or interpretations underlying the measurement or presentation of the Required Supplementary Information and the basis for our assumptions and interpretations are reasonable and appropriate in the circumstances.

City of Lebanon, Oregon



Ron Whitlatch, Interim City Manager



Brandon Neish, MPA, Finance Director

August 6, 2024

Date

THE CITY THAT FRIENDLINESS BUILT

July 14, 2023

Honorable Mayor and Members of City Council
City of Lebanon, Oregon
925 S. Main Street
Lebanon, Oregon 97355

The Objective and Scope of the Audit of the Financial Statements

You have requested that SingerLewak LLP ("SingerLewak", "we", "us", or "our") City of Lebanon, Oregon's (the "City") governmental activities, business-type activities, each major fund, and aggregate remaining fund information as of and for the year ended June 30, 2023, which collectively comprise the basic financial statements. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter ("Arrangement Letter").

Accounting principles generally accepted in the United States of America ("U.S. GAAP"), as promulgated by the Governmental Accounting Standards Board ("GASB") require that certain information, as listed below, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, 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. As part of our engagement, we will apply certain limited procedures to the required supplementary information ("RSI") in accordance with GAAS. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement, presentation and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI.

The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis
- Schedule of the Proportionate Share of the Net Pension Liability and Contributions - OPERS
- Schedule of the Proportionate Share of the Net OPEB Liability (Asset) and Contributions - OPERS
- Schedule of Changes in OPEB Liability and Related Ratios
- Schedule of Contributions to OPEB – Implicit Rate Subsidy

Honorable Major and Members of City Council
 City of Lebanon, Oregon
 July 14, 2023
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We will subject the following RSI to the auditing procedures applied in our audit of the basic financial statements and perform certain additional procedures, including comparing and reconciling the RSI to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and additional procedures in accordance with U.S. GAAS. We intend to provide an opinion on the following RSI in relation to the basic financial statements as a whole:

- Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual – General Fund Budgetary Basis
- Budgetary comparison schedules for each major special revenue fund

Supplementary information other than RSI will accompany the City’s basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and perform certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and additional procedures in accordance with GAAS. We intend to provide an opinion on the following supplementary information in relation to the basic financial statements as a whole:

- Combining schedules and individual nonmajor fund schedules
- Budgetary comparison schedules for all remaining funds not included in RSI

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (“GAAS”) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of controls.

The Responsibilities of the Auditor

We will conduct our audit in accordance with GAAS and the Minimum Standards for Audits of Oregon Municipal Corporations (the “Minimum Standards”). Those standards require that we comply with applicable ethical requirements. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, based on an understanding of the entity and its environment, the applicable financial reporting framework, and the entity’s system of internal control, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Honorable Major and Members of City Council
 City of Lebanon, Oregon
 July 14, 2023
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- Consider the entity's system of internal control 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 City's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of controls, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS.

We will communicate to the Mayor and Members of City Council (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements that becomes known to us during the audit, and (b) any instances of noncompliance with laws and regulations that we become aware of during the audit (unless they are clearly inconsequential).

We will maintain our independence in accordance with the standards of the American Institute of Certified Public Accountants ("AICPA").

The Responsibilities of Management and Identification of the Applicable Financial Reporting Framework

Management is responsible for:

1. Identifying and ensuring that the City complies with the laws and regulations applicable to its activities, and for informing us about all known violations of such laws or regulations, other than those that are clearly inconsequential;
2. The design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the City involving management, employees who have significant roles in internal control, and others where the fraud could have a material effect on the financial statements; and
3. Informing us of its knowledge of any allegations of fraud or suspected fraud affecting the City received in communications from employees, former employees, analysts, regulators, vendors, customers or others.

Honorable Major and Members of City Council
 City of Lebanon, Oregon
 July 14, 2023
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Management is responsible for the preparation of the required supplementary information ("RSI") which U.S. GAAP require to be presented to supplement the basic financial statements. Management is also responsible for the preparation of the supplementary information presented in relation to the financial statements as a whole in accordance with U.S. GAAP. Management agrees to include the auditor's report on the supplementary information in any document that contains the supplementary information and indicates that the auditor has reported on such supplementary information. Management also agrees to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

The Mayor and Members of City Council are responsible for informing us of its views about the risks of fraud within the City, and its knowledge of any fraud or suspected fraud affecting the City.

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with U.S. GAAP;
2. To evaluate subsequent events through the date the financial statements are issued. Management also agrees that it will not conclude on subsequent events earlier than the date of the management representation letter referred to below;
3. For 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; and
4. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including information relevant to disclosures;
 - b. Draft financial statements, including information relevant to their preparation and fair presentation, when needed, to allow for the completion of the audit in accordance with the proposed timeline;
 - c. Additional information that we may request from management for the purpose of the audit; and
 - d. Unrestricted access to persons within the City from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from management and, when appropriate, those charged with governance written confirmation concerning representations made to us in connection with the audit, including among other items:

1. That management has fulfilled its responsibilities as set out in the terms of this Arrangement Letter; and

Honorable Major and Members of City Council
 City of Lebanon, Oregon
 July 14, 2023
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2. That it believes the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Reporting

We will issue a written report upon completion of our audit of the City's financial statements. Our report will be addressed to the Honorable Mayor and Members of City Council the City. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, or add an emphasis-of-matter paragraph or other-matter paragraph to our auditor's report.

Upon issuance of our written report, we will upload the financial statements and our report to the RIVIO Clearinghouse ("RIVIO"). It is the responsibility of management to verify and validate the written report submitted through RIVIO, to designate third party recipients, and to authorize release of the written report and related financial statements to the designated third-party recipients.

If circumstances arise relating to the condition of the City's records, the availability of appropriate audit evidence or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting or misappropriation of assets which, in our professional judgment, prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including, but not limited to, declining to express an opinion or issue a report, or withdrawing from the engagement.

Special Report—Compliance

We will also issue a report as to whether anything came to our attention in relation to the City's compliance with the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0230 through 162-010-0320 of Minimum Standards for Audits of Oregon Municipal Corporations. However, it should be noted that our audit will not be directed toward obtaining knowledge of such noncompliance.

Records and Assistance

During the course of our engagement, we may accumulate records containing data that should be reflected in the City's books and records. The City will determine that all such data, if necessary, will be so reflected. Accordingly, the City will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by City personnel, including the preparation of schedules and analyses of accounts, has been discussed and coordinated with Brandon Neish, Finance Director. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.

Nonattest Services

In connection with our audit, you have requested us to perform the following nonattest services:

1. Assistance with the adoption of GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs), as deemed necessary

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Brandon Neish, Finance Director, will oversee the services, make all significant judgments that are the proper responsibility of management, evaluate the adequacy of the services, make an informed judgment about the results of the services, and accept responsibility for them. You also agree to establish and maintain internal control over these services, including ongoing monitoring activities. At the conclusion of our audit, we will ask you to provide written representations to that effect.

Fees and Costs

Our professional fees for the services described above are \$44,600 and are based upon the value of the services performed and the time required by the individuals assigned to the engagement.

Consultations related to accounting matters will be limited to five [5] hours per year, and any excess time incurred will be billed separately and at standard rates.

In addition to our professional fees, we will bill expenses including, but not limited to, report processing, local and out-of-town travel, meals, courier services, parking, support services, fees for services from other professionals as required, etc.

Our total fee and completion of our work are based upon the following criteria:

1. Anticipated cooperation from City personnel
2. Timely responses to our inquiries
3. Timely completion and delivery of client assistance requests
4. Timely communication of all significant accounting and financial reporting matters
5. The assumption that unexpected circumstances will not be encountered during the engagement

If any of the aforementioned criteria are not met, then fees may increase. Interim billings will be submitted as work progresses and as expenses are incurred. Billings are due upon submission.

The anticipated payment schedule for the aforementioned services is as follows:

First progress billing	August 1, 2023	\$	14,870
Second progress billing	Completion of Fieldwork		14,870
Final billing	Delivery of Audit		14,860
Total		\$	<u>44,600</u>

Upon our notice to you, we reserve the right to cease all work on your account(s), regardless of the nature of the work, for your nonpayment of delinquent balances owed to us. Such cessation will continue until your account or accounts are brought current. If it should become necessary to assign your account(s) for collection, you will be responsible for attorney fees and costs, as well as for interest at the legal rate.

You have informed us that you intend to prepare an annual comprehensive financial report (Annual Report) and submit it for evaluation by the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting Program. Our association with the Annual Report is to consist of reading the introductory and statistical sections for consistency with the audited financial statements.

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Use of Third-Party Products

We may provide services to you using certain third-party hardware, software, software services, managed services (including, but not limited to, web hosting, data security, data back-up, email security, or similar services subject to direct end-user or subscription agreements), applications, and equipment (collectively, "Third-Party Products"). You acknowledge that your or our use of a Third-Party Product may involve the processing, input, disclosure, movement, transfer, and storage of information provided by you to us, including Personal Information and Confidential Information, within the Third-Party Product's infrastructure and not ours. You further acknowledge that the terms of use and service, including, but not limited to, applicable laws, set forth in the end-user license, end-user subscription agreement, or other end-user agreement for such Third-Party Product (collectively, "EULA(s)") will govern all obligations of such licensor relating to data privacy, storage, recovery, security, and processing within such Third-Party Product's infrastructure, as well as, the service levels associated with such Third-Party Product. You hereby consent to the disclosure of your information, including your Confidential Information and Personal Information, to the licensors of such Third-Party Products for the purpose described herein.

To the extent SingerLewak gives the City access to a Third-Party Product in connection with the services contemplated herein, the City agrees to comply with the terms of any applicable EULA for such Third-Party Product, and the City shall be solely responsible for the improper use of a Third-Party Product or a violation of the applicable EULA for such Third-Party Product, by the City, or any user to whom the City grants access to such Third-Party Product. The City agrees to indemnify and hold SingerLewak harmless from and against any claims, actions, lawsuits, proceedings, judgments, liens, losses, damages, liabilities, expenses, and costs (including legal fees, expenses, and costs) relating to, or arising from or out of, the improper use of a Third-Party Product, or a violation of the terms of the applicable EULA for such Third-Party Product, by the City, or any user to whom the City grants access to such Third-Party Product.

You acknowledge that your or our use of Third-Party Products may be subject to limitations, delays, interruptions, errors, and other problems which are beyond our control, including, without limitation, internet outage or lack of availability related to updates, upgrades, patches, fixes, maintenance, or other issues. We will not be liable for any delays, delivery failures, or other losses or damages resulting from such issues. Nor will we be held responsible or liable for any loss, or unauthorized use or disclosure, of any information or data provided by you, including, without limitation, Personal Information provided by you, resulting from your or our use of a Third-Party Product.

Use and Ownership; Access to Audit Documentation

The Audit Documentation for this engagement is the property of SingerLewak. For the purposes of this Arrangement Letter, the term "Audit Documentation" shall mean the confidential and proprietary records of SingerLewak's audit procedures performed, relevant audit evidence obtained, other audit-related workpapers, and conclusions reached. Audit Documentation shall not include custom-developed documents, data, reports, analyses, recommendations, and deliverables authored or prepared by SingerLewak for the City under this Arrangement Letter, or any documents belonging to the City or furnished to SingerLewak by the City.

Review of Audit Documentation by a successor auditor or as part of due diligence is subject to applicable SingerLewak policies, and will be agreed to, accounted for and billed separately. Any such access to our Audit Documentation is subject to a successor auditor signing an Access & Release Letter substantially in SingerLewak's form. SingerLewak reserves the right to decline a successor auditor's request to review our workpapers.

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In the event we are required by government regulation, subpoena or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for the City, the City will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

Indemnification, Limitation of Liability, and Claim Resolution

The City and SingerLewak both agree that, except as provided below, any dispute over fees charged by SingerLewak to the City will be submitted for resolution by arbitration in accordance with the rules of the American Arbitration Association. Such arbitration shall be binding and final; however, SingerLewak shall have the option to have any dispute that is within the jurisdiction of Small Claims Court heard in said court. **IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT, IN THE EVENT OF A DISPUTE OVER FEES, EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE AND JURY AND INSTEAD IS ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION.**

Because SingerLewak will rely on the City and its management and City Council to discharge the foregoing responsibilities, the City agrees to indemnify, hold harmless and release SingerLewak and its partners, principals, officers, directors, employees, affiliates, subsidiaries, contractors, Subcontractors, agents, representatives, successors, or assigns from all claims, liabilities, losses and costs arising in circumstances where there has been a knowing misrepresentation by a member of the City's management.

THE City AND SingerLewak AGREE THAT NO CLAIM ARISING OUT, FROM, OR RELATING TO THE SERVICES RENDERED PURSUANT TO THIS ARRANGEMENT LETTER SHALL BE FILED MORE THAN TWO YEARS AFTER THE DATE OF THE AUDIT REPORT ISSUED BY SingerLewak OR THE DATE OF THIS ARRANGEMENT LETTER IF NO REPORT HAS BEEN ISSUED. IN NO EVENT SHALL SingerLewak OR THE City, OR ANY OF THEIR RESPECTIVE PARTNERS, PRINCIPALS, OFFICERS, DIRECTORS, EMPLOYEES, AFFILIATES, SUBSIDIARIES, CONTRACTORS, SUBCONTRACTORS, AGENTS, REPRESENTATIVES, SUCCESSORS, OR ASSIGNS (COLLECTIVELY, THE "COVERED PARTIES" AND EACH INDIVIDUALLY, A "COVERED PARTY"), BE LIABLE FOR THE INTERRUPTION OR LOSS OF BUSINESS, ANY LOST PROFITS, SAVINGS, REVENUE, GOODWILL, SOFTWARE, HARDWARE, OR DATA, OR THE LOSS OF USE THEREOF (REGARDLESS OF WHETHER SUCH LOSSES ARE DEEMED DIRECT DAMAGES), OR INCIDENTAL, INDIRECT, PUNITIVE, CONSEQUENTIAL, SPECIAL, EXEMPLARY, OR SIMILAR SUCH DAMAGES, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. TO THE FULLEST EXTENT PERMITTED BY LAW, THE TOTAL AGGREGATE LIABILITY OF THE COVERED PARTIES ARISING OUT OF, FROM, OR RELATING TO THIS ARRANGEMENT LETTER, OR THE REPORT ISSUED OR SERVICES PROVIDED HEREUNDER, REGARDLESS OF THE CIRCUMSTANCES OR NATURE OR TYPE OF CLAIM, INCLUDING, WITHOUT LIMITATION, CLAIMS ARISING FROM A COVERED PARTY'S NEGLIGENCE OR BREACH OF CONTRACT OR WARRANTY, OR RELATING TO OR ARISING FROM A GOVERNMENT, REGULATORY OR ENFORCEMENT ACTION, INVESTIGATION, PROCEEDING, OR FINE, WILL NOT EXCEED THE TOTAL AMOUNT OF THE FEES PAID BY THE City TO SingerLewak UNDER THIS ARRANGEMENT LETTER. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS LIMITATION OF LIABILITY PROVISION SHALL, OR SHALL BE INTERPRETED OR CONSTRUED TO, RELIEVE THE City OF ITS PAYMENT OBLIGATIONS TO SingerLewak UNDER THIS ARRANGEMENT LETTER.

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Confidentiality

SingerLewak and the City may, from time to time, disclose Confidential Information (as defined below) to one another. Accordingly, SingerLewak and the City agree as the recipient of such Confidential Information (the "Receiving Party") to keep strictly confidential all Confidential Information provided to it by the disclosing party (the "Disclosing Party") and use, modify, store, and copy such Confidential Information only as necessary to perform its obligations and exercise its rights under this Arrangement Letter. Except as otherwise set forth herein, the Receiving Party may only disclose the Confidential Information of the Disclosing Party to its personnel, agents, and representatives who are subject to obligations of confidentiality at least as restrictive as those set forth herein and only for the purpose of exercising its rights and fulfilling its obligations hereunder. To avoid any doubt, SingerLewak is permitted to disclose the City's Confidential Information to SingerLewak's personnel, agents, and representatives to provide the services or exercise its rights under this Arrangement Letter or for the purpose of maintaining compliance with applicable laws and professional, regulatory, and/or ethical standards.

As used herein, "Confidential Information" means, information in any form, oral, graphic, written, electronic, machine-readable or hard copy consisting of: (i) any nonpublic information provided by the Disclosing Party, including, but not limited to, all of its inventions, designs, data, source and object code, programs, program interfaces, know-how, trade secrets, techniques, ideas, discoveries, marketing and business plans, pricing, profit margins and/or similar information; (ii) any information that the Disclosing Party identifies as confidential; or (iii) any information that, by its very nature, a person in the same or similar circumstances would understand should be treated as confidential, including, but not limited to, this Arrangement Letter.

As used herein, the term "Confidential Information" will not include information that: (i) is publicly available at the time of disclosure by the Disclosing Party; (ii) becomes publicly available by publication or otherwise after disclosure by the Disclosing Party, other than by breach of the confidentiality obligations set forth herein by the Receiving Party; (iii) was lawfully in the Receiving Party's possession, without restriction as to confidentiality or use, at the time of disclosure by the Disclosing Party; (iv) is provided to the Receiving Party without restriction as to confidentiality or use by a third party without violation of any obligation to the Disclosing Party; or (v) is independently developed by employees or agents of the Receiving Party who did not access or use the Confidential Information.

The Receiving Party will treat the Disclosing Party's Confidential Information with the same degree of care as the Receiving Party treats its own confidential and proprietary information, but in no event will such standard of care be less than a reasonable standard of care. The Receiving Party will promptly notify the Disclosing Party if it becomes aware that any of the Confidential Information of the Disclosing Party has been used or disclosed in violation of this Arrangement Letter.

Notwithstanding the foregoing, in the event that the Receiving Party becomes legally compelled to disclose any of the Confidential Information of the Disclosing Party, or as may be required by applicable regulations or professional standards, the Receiving Party will use commercially reasonable efforts to provide the Disclosing Party with notice prior to disclosure, to the extent permitted by law.

Preexisting Nondisclosure Agreements

In the event that the parties have executed a separate nondisclosure agreement and such agreement does not automatically terminate or expire upon execution of this Arrangement Letter, such agreement shall be terminated as of the effective date of this Arrangement Letter.

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Data Protection Compliance

Prior to disclosing to us or granting us or our Subcontractors with access to your data, you will identify in writing any personal, technical, or other data provided or made accessible to us pursuant to this Arrangement Letter that may be subject to heightened protections under applicable privacy, cybersecurity, export control, and/or data protection laws, including, but not limited to, protected health information pursuant to the Health Information Portability and Accountability Act of 1996 ("HIPAA"), classified or controlled unclassified information subject to the National Industrial Security Program, the National Industrial Security Program Operating Manual, or the Defense Federal Acquisition Regulation Supplement ("DFARS"), data subject to Export Administration Regulations ("EAR"), or International Traffic in Arms Regulations ("ITAR") controlled data. Unless otherwise expressly agreed upon and specified in writing by SingerLewak and the City, you shall not provide us with access to such data and you shall be responsible for the handling of all such data in connection with the performance of the services requested hereunder, including, but not limited to, the scrubbing, de-identification, de-aggregation, protection, encryption, transfer, movement, input, storage, migration, deletion, copying, processing, and modification of such data.

SingerLewak and the City acknowledge and agree that they may correspond or convey information and documentation, including Confidential Information and Personal Information, via various forms of electronic transmission, including, but not limited to, Third-Party Products, such as, email, FTP and cloud-based sharing and hosting applications (e.g., portals, data analytics tools, and helpdesk and support ticketing applications), and that neither party has control over the performance, operation, reliability, availability, or security of these electronic transmissions methods. Therefore, neither party will be liable for any loss, damage, expense, harm, disclosure or inconvenience resulting from the loss, delay, interception, corruption, unauthorized disclosure, or alteration of any electronic transmission where the party has used commercially reasonable efforts to protect such information. We offer our clients various platforms for the exchange of information. You hereby agree that you shall be bound by and comply with any and all user terms and conditions made available (whether by link, click-through, or otherwise) with respect to such platforms.

Information Security – Portal Access and Use

SingerLewak will create individual logon accounts for those City employees who need access to iChannel, RIVIO, and Suralink (the "Portals"). Each account will have access only to those document areas requested by the City. (SingerLewak strongly recommends the City establish a policy that logon information not be shared with others.) In order to maintain security, the City agrees to designate a single individual as the authorized person to contact the Firm to request employee logons. The initial designee is Brandon Neish, Finance Director. All initial logon passwords will be transmitted to the designee by e-mail and passwords will then be changed by the City's employees.

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The City acknowledges that the use of username and password is an adequate form of security. The City is solely responsible for (1) authorizing, monitoring, controlling access to, and maintaining the strict confidentiality of each employee's username and password; (2) not allowing another person to use an employee's username or password; (3) any charges or damages that may be incurred as a result of the City's neglect to maintain the strict confidentiality of an employee's username and password; and (4) promptly informing SingerLewak in writing of any need to deactivate a username due to security concerns or otherwise. SingerLewak is not liable for any harm related to the misuse or theft of usernames or passwords, disclosure of usernames or passwords, or the City's authorization to allow another person or entity to access and use the Portals using an employee's username or password. The City shall immediately notify SingerLewak of any unauthorized use of an employee's username or password and any breach of confidentiality. Until SingerLewak receives this notification from the City, the City will be held liable for any harm ensuing from the use of an employee's username on the Portals.

The City agrees to notify SingerLewak via email in writing when an individual logon account is to be terminated. SingerLewak will make every effort to confirm and terminate access within 10 business days. However, the City cannot be assured that access has been terminated until they receive an email confirmation of termination.

You agree that SingerLewak has no responsibility for the activities of RIVIO and Suralink and agree to indemnify and hold SingerLewak harmless with respect to any and all claims arising from or related to the operation of RIVIO and Suralink.

Personal Information

As used herein, the term "Personal Information" means any personal information that directly or indirectly identifies a natural person as may be defined by applicable privacy, data protection or cybersecurity laws, and includes, but is not limited to, nonpublic, personally identifiable information such as Social Security numbers, Social Insurance numbers, driver's license numbers or state- or province-issued identification card numbers, credit or debit card numbers with or without any required security code, number or passwords, health information, and other personal information as defined by applicable laws, whether of the City or the City's customers or other third parties.

Each party agrees to transmit Personal Information consistent with applicable laws and any other obligations the respective party may have. In the event you transmit to us Personal Information in an unencrypted format or via unencrypted means, you agree that we have no obligation to notify you of the foregoing.

You represent and warrant that you have provided all notices and obtained all consents required under applicable data protection laws prior to your collection, use and disclosure to us or our Subcontractors of such Personal Information and shall take reasonable steps to ensure that such Personal Information does not include irrelevant or unnecessary information about individuals.

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Where we are acting as a service provider under the California Consumer Privacy Act, including as amended or replaced ("CCPA"), we (i) will not sell any Personal Information received from the City; (ii) will not disclose Personal Information to another business, person, or third party, except for the purpose of maintaining or providing the services or exercising our rights as specified in this Arrangement Letter, including to provide Personal Information to advisers or sub-contractors, or to the extent such disclosure is required by law. We certify that we understand and will comply with the requirements enumerated in (i) and (ii). For the avoidance of doubt, all permitted uses of Personal Information by service providers that are enumerated in the CCPA are understood to apply to the Personal Information processed by us.

We are permitted to use all Personal Information to perform our obligations and exercise our rights under this Arrangement Letter. The parties agree that as part of the performance of the services as described in this Arrangement Letter, and as part of the direct business relationship between the parties, we may use the Personal Information to improve and develop services and for other similar internal and business purposes. We agree to maintain appropriate security measures to protect such Personal Information in accordance with applicable laws.

If we become aware of an unauthorized acquisition or use of City-provided Personal Information, we will promptly inform you of such unauthorized acquisition or use as required by applicable laws and, upon your written request, reasonably cooperate with you at your sole cost in support of any breach notification requirements as imposed upon you by applicable laws.

Retention of Records

We will return to you all original records you provide to us in connection with this engagement. Further, in addition to providing you with those deliverables set forth in this Arrangement Letter, we will provide to you a copy of any records we prepare or accumulate in connection with such deliverables which are not otherwise reflected in your books and records without which your books and records would be incomplete. You have the sole responsibility for retaining and maintaining in your possession or custody all of your financial and nonfinancial records related to this engagement. We will not host, and will not accept responsibility to host, any of your records. We, however, may maintain a copy of any records of yours necessary for us to comply with applicable law and/or professional standards or to exercise our rights under this Arrangement Letter. Any such records retained by us will be subject to the confidentiality obligations set forth herein and destroyed in accordance with our record retention policies.

Termination

Your failure to make full payment of any and all undisputed amounts invoiced in a timely manner constitutes a material breach for which we may refuse to provide deliverables and/or, upon written notice, suspend or terminate our services under this Arrangement Letter. We will not be liable to you for any resulting loss, damage or expense connected with the suspension or termination of our services due to your failure to make full payment of undisputed amounts invoiced in a timely manner.

In the event you terminate this engagement, you will pay us for all services rendered (including deliverables and products delivered), expenses incurred, and noncancelable commitments made by us on your behalf through the effective date of termination.

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We will not be responsible for any delay or failure in our performance resulting from acts beyond our reasonable control or unforeseen or unexpected circumstances, such as, but not limited to, acts of God, government or war, riots or strikes, disasters, fires, floods, epidemics, pandemics or outbreaks of communicable disease, cyberattacks, and internet or other system or network outages. At your option, you may terminate this Arrangement Letter where our services are delayed more than 120 days; however, you are not excused from paying us for all amounts owed for services rendered and deliverables provided prior to the termination of this Arrangement Letter.

When an engagement has been suspended at the request of management or those charged with governance and work on that engagement has not recommenced within 120 days of the request to suspend our work, we may, at our sole discretion, terminate this Arrangement Letter without further obligation to you. Resumption of our work following termination may be subject to our client acceptance procedures and, if resumed, will require additional procedures not contemplated in this Arrangement Letter. Accordingly, the scope, timing and fee arrangement discussed in this Arrangement Letter will no longer apply. In order for us to recommence work, the execution of a new Arrangement Letter will be required.

We may terminate this Arrangement Letter upon written notice if we determine that our continued performance would result in a violation of law, regulatory requirements, applicable professional or ethical standards, or our client acceptance or retention standards.

The parties agree that those provisions of this Arrangement Letter which, by their context, are intended to survive, including, but not limited to, payment, limitations on liability, claim resolution, use and ownership, and confidentiality obligations, shall survive the termination of this Arrangement Letter.

Miscellaneous

We may mention your name and provide a general description of the engagement in our client lists and marketing materials. Notwithstanding anything stated to the contrary in this Arrangement Letter, the City acknowledges and consents that we also may utilize Confidential Information and Personal Information that you have provided to us in connection with this engagement to develop, enhance, modify and improve technologies, tools, methodologies, services and offerings and/or for development or performance of data analysis, business analytics or insights, or other insight generation. Information developed in connection with these purposes may be used or disclosed to you or current or prospective clients to provide them services or offerings. We will not use or disclose such Confidential Information or Personal Information in a way that would permit the City or an individual to be identified by third parties without your prior written consent.

You have informed us that you may issue public debt in the future and that you may include our report on your financial statements in the offering statement. You have further informed us that you do not intend for us to be associated with the proposed offering.

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We agree that our association with any proposed offering is not necessary, providing the City agrees to clearly indicate that we are not associated with the contents of any such official statement or memorandum. The City agrees that the following disclosure will be prominently displayed in any such official statement or memorandum:

SingerLewak LLP, our independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. SingerLewak LLP also has not performed any procedures relating to this [official statement] [memorandum].

Our professional standards require that we perform certain additional procedures, on current and previous years' engagements, whenever a partner or professional employee leaves the firm and is subsequently employed by or associated with a client in a key position. Accordingly, you agree to compensate us for any additional costs incurred as a result of your employment of one of our partners, principals or employees.

Nothing in this Arrangement Letter shall limit the liability of SingerLewak to the City for any negligence, violation of applicable auditing standards, or other fault in the performance of audit procedures, whether at common law, under the federal securities laws, or pursuant to any applicable state law. Any term of this Arrangement Letter that would be prohibited by or impair our independence under applicable law or regulation shall not apply, to the extent necessary only to avoid such prohibition or impairment.

Notices

Unless otherwise expressly agreed upon by the parties in this Arrangement Letter, all notices required to be given hereunder will be in writing and addressed to the party at the business address provided in this Arrangement Letter, or such other address as such party may indicate by a notice delivered to the other party. A copy of any legal notice (e.g., any claimed breach or termination of this Arrangement Letter) sent by the City to SingerLewak shall also be sent to the following address: Chief Operating Officer, SingerLewak LLP, 10960 Wilshire Boulevard, Suite 1100, Los Angeles, CA 90024. Except as otherwise expressly provided in this Arrangement Letter, notices hereunder will be deemed given and effective: (i) if personally delivered, upon delivery; (ii) if sent by registered or certified mail or by overnight courier service with tracking capabilities, upon receipt; and, (iii) if sent by electronic mail (without indication of delivery failure), at such time as the party that sent the notice receives confirmation of receipt, whether by read-receipt confirmation or otherwise.

Governing Law

This Arrangement Letter, including, without limitation, its validity, interpretation, construction, and enforceability, and any dispute, litigation, suit, action, claim, or other legal proceeding arising out of, from, or relating in any way to this Arrangement Letter, any provisions herein, a report issued or the services provided hereunder, will be governed and construed in accordance with the laws of the State of Oregon, without regard to its conflict of law principles, and applicable U.S. federal law.

Entire Agreement

This Arrangement Letter constitutes the complete and exclusive statement of agreement between SingerLewak and the City, and supersedes all prior agreements, understandings, and proposals, whether oral or written, relating to the subject matter of this Arrangement Letter.

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If any term or provision of this Arrangement Letter is determined to be invalid or unenforceable, such term or provision will be deemed stricken, and all other terms and provisions will remain in full force and effect.

This Arrangement Letter may be amended or modified only by a written instrument executed by both parties.

Electronic Signatures and Counterparts

Each party hereto agrees that any electronic signature of a party to this Arrangement Letter or any electronic signature to a document contemplated hereby (including any representation letter) is intended to authenticate such writing and shall be as valid, and have the same force and effect, as a manual signature. Any such electronically signed document shall be deemed (a) to be "written" or "in writing," (b) to have been signed and (c) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Each party hereto also agrees that electronic delivery of a signature to any such document (via email or otherwise) shall be as effective as manual delivery of a manual signature. For purposes hereof, "electronic signature" includes, but is not limited to, (a) a scanned copy (as a "pdf" (portable document format) or other replicating image) of a manual ink signature, (b) an electronic copy of a traditional signature affixed to a document, (c) a signature incorporated into a document utilizing touchscreen capabilities or (d) a digital signature. This Arrangement Letter may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement. Paper copies or "printouts" of such documents, if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

Please sign and return a copy of this Arrangement Letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements, including our respective responsibilities.

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Acknowledgement and Acceptance

Each party acknowledges that it has read and agrees to all of the terms and conditions contained herein. Each party and its signatory below represent that said signatory is a duly authorized representative of such party and has the requisite power and authority to bind such party to the undertakings and obligations contained herein.

AGREED TO AND ACKNOWLEDGED BY:

Sincerely,

SingerLewak LLP



Bradley Bingenheimer, Partner

Confirmed on behalf of the City of Lebanon, Oregon:

Brandon Neish, Finance Director

July 24, 2023
Date



LEBANON, OREGON

Annual Financial Report

June 30, 2023

CITY OF LEBANON
ANNUAL FINANCIAL REPORT
JUNE 30, 2023

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- ORGANIZATIONAL CHART



CITY OF LEBANON

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Lebanon, Oregon 97355

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www.lebanonoregon.gov

MAYOR AND CITY COUNCIL

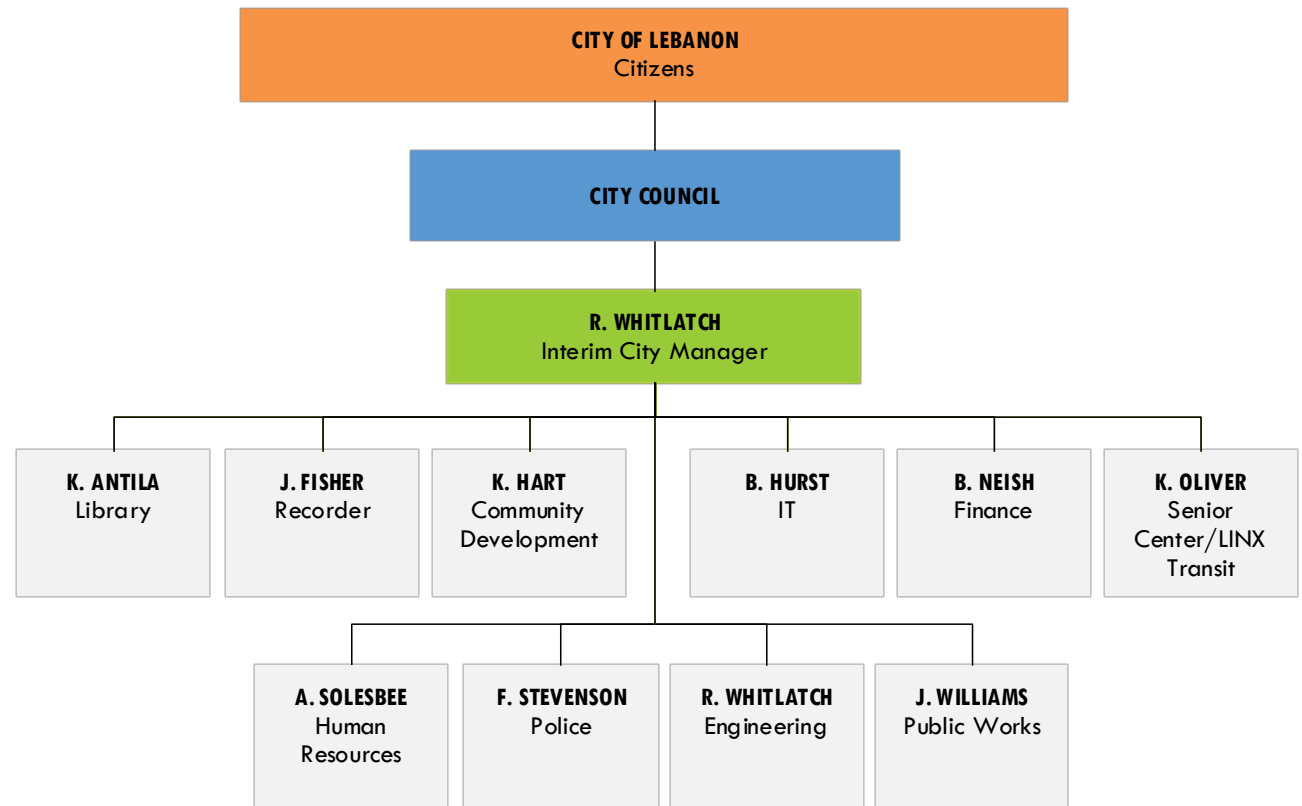
KENNETH JACKOLA	Mayor
MICHELLE STEINHEBEL	Council President
WAYNE DYKSTRA	Councilor
CARL MANN	Councilor
JEREMY SALVAGE	Councilor
KIM ULLFERS	Councilor
DAVID WORKMAN	Councilor

ADMINISTRATION

RON WHITLATCH	Interim City Manager
BRANDON NEISH	Finance Director



ORGANIZATION CHART



FINANCIAL SECTION

- INDEPENDENT AUDITOR'S REPORT
- MANAGEMENT'S DISCUSSION AND ANALYSIS
- BASIC FINANCIAL STATEMENTS
- REQUIRED SUPPLEMENTARY INFORMATION
- SUPPLEMENTARY INFORMATION



INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lebanon, Oregon (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 of the City, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Adoption of New Accounting Standard

As discussed in the summary of significant accounting policies note disclosure to the financial statements, the City implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other "Required Supplementary Information", as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the management's discussion and analysis, the Schedule of the Proportionate Share of the Net Pension Liability-OPERS, the Schedule of Contributions-OPERS, the Schedule of the Proportionate Share of the Net OPEB Liability (Asset)-OPERS, the Schedule of Contributions OPERS Retirement Health Insurance Account and the Schedule of Changes in the Total OPEB Liability and Related Ratios in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual, included in the requirement supplementary information for the General Fund and the Park Enterprise Fund, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basis financial statements. Such information has 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual for the General Fund and the Park Enterprise Fund are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining financial statements and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements and individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Oregon State Regulations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated August 6, 2024 on our considerations of the City'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 our testing of compliance and the results of that testing and not provide an opinion on compliance.

Singer Lewak LLP

August 6, 2024

By:



Brad Bingenheimer, Partner

MANAGEMENT'S DISCUSSION AND ANALYSIS



CITY OF LEBANON
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

As management of the City of Lebanon, Oregon (the City), we offer readers of the City of Lebanon's financial statements this narrative overview and analysis of the financial activities of the City of Lebanon as of and for the fiscal year ended June 30, 2023. Readers should consider the information presented here in conjunction with the 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, 2023 are as follows:

- ❖ The City's governmental activities net position increased by \$5,628,352, a 19.2% increase from the previous year. The City's business-type activities net position increased by \$8,234,307, a 10.9% increase from the previous year. The increase in net position on business-type activities is due primarily to the continued work on the Westside Sewer Interceptor, a project to expand the sewer system to the south and west parts of Lebanon. Once completed, the Interceptor will expand the capacity of the system to allow for development of the southern and western portions of the city.
- ❖ Total revenue for the City was \$40,448,765, a 18.2% decrease from the previous year. General revenues accounted for \$15,558,464 of revenue, or 38.5% of all revenues. Program specific revenues accounted for \$24,890,301 or 61.5% of total revenues.
- ❖ The City had \$26,586,106 in program expenses. Of the program expenses, \$7,312,117 was for providing police services, \$5,346,273 was for providing wastewater service, \$4,788,953 was for providing water service, and \$9,138,763 provided for other governmental activities and business-type activities including streets, culture and recreation, community planning, transit, storm drainage, and general expenses.
- ❖ The City's long-term liabilities increased by \$392,645, a 0.6% increase from the previous year.
- ❖ Among the governmental funds, the General Fund had \$11,515,104 in revenues, which primarily consisted of property and other taxes, franchise fees and intergovernmental revenues. This amount does not include other financing sources of interfund transfers in.
- ❖ Among proprietary funds, the Water Fund had \$6,131,256, the Wastewater Fund had \$6,665,679 and the Storm Drainage Fund had \$713,984 in operating revenues, all primarily consisting 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.

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner like a private-sector business.

The *statement of net position* presents financial information on all the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

CITY OF LEBANON
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, culture and recreation, community planning, and transit. The business-type activities of the City include water, wastewater, and storm drainage operations.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate urban renewal agency for which the City is financially accountable. Financial information for this component unit is reported with the primary government itself. The urban renewal agency functions for all practical purposes as funds of the City, and therefore has been included as an integral part of the primary government. The urban renewal agency also published separate financial statements.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated from specific activities or objectives. Fund financial statements focus on the most significant funds rather than the City as a whole. The use of fund financial statements is directly related to the budgeting process because some revenues are legally earmarked for certain kinds of expenditures. Fund financial statements ensure and demonstrate compliance with governmental finance-related laws and regulations.

In addition, the total amount of the budgeted appropriations for expenditures is considered in terms of the revenue available to fund the expenditures and the type of expenditures competing for the same dollars. The City's funds can be divided into two primary categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows. Such information may be useful in evaluating a government's near-term financial requirements (current liabilities).

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-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 facilitate this comparison between governmental funds and governmental activities.

The City maintains twenty-seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for those considered to be major funds. Data from the remaining governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in the report.

CITY OF LEBANON
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Proprietary funds are used to account for activities where the emphasis is placed on net position determination. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, wastewater, and storm water operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City of Lebanon uses internal service funds to account for its central administration, City Attorney, human resource, finance, information technology and custodial and building maintenance operations. Because these services predominantly benefit governmental rather than business-type functions, they have been consolidated within governmental activities on the Statement of Net Position.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Wastewater, and Storm Water funds, all of which except the Storm Water fund are considered major funds. The internal service funds are all considered to be non-major funds and are combined into a single aggregated presentation in the proprietary fund financial statements. In the basic financial statements, internal service funds are presented as governmental type activities after eliminating interfund transactions. Individual fund data for the internal service funds is provided elsewhere in this report.

Notes to the Financial Statements

The Notes to the Financial Statements are an integral part of the financial statements. These notes not only provide additional detail, but also are required to fully understand the financial data as presented, as well as the financial condition of the City as a whole. The notes offer information not only to lay readers and citizens, but also those interested in a detailed study of the City's financial operations.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 28,366,591	\$ 24,926,094	\$ 26,669,783	\$ 27,063,072	\$ 55,036,374	\$ 51,989,166
Capital assets, net	36,916,496	35,951,057	94,464,601	87,631,176	131,381,097	123,582,233
Total assets	65,283,087	60,877,151	121,134,384	114,694,248	186,417,471	175,571,399
Deferred outflows of resources	3,676,780	3,718,472	1,022,654	1,020,038	4,699,434	4,738,510
Long-term liabilities outstanding	27,825,352	28,934,575	35,947,484	34,445,616	63,772,836	63,380,191
Other liabilities	3,532,060	1,392,749	1,756,582	4,430,869	5,288,642	5,823,618
Total liabilities	31,357,412	30,327,324	37,704,066	38,876,485	69,061,478	69,203,809
Deferred inflows of resources	2,669,685	4,963,881	742,541	1,361,677	3,412,226	6,325,558
Net position:						
Net investment in capital assets	17,806,618	13,849,672	60,714,620	54,741,143	78,521,238	68,590,815
Restricted	17,569,775	16,045,365	5,450,333	5,184,065	23,020,108	21,229,430
Unrestricted	(443,623)	(590,619)	17,545,478	15,550,916	17,101,855	14,960,297
Total net position, restated	\$ 34,932,770	\$ 29,304,418	\$ 83,710,431	\$ 75,476,124	\$ 118,643,201	\$ 104,780,542

Table 1

CITY OF LEBANON
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

For governmental activities, the City of Lebanon's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$34,932,770. Of the total net position, \$17,806,618 is the City's net investment in capital assets. These assets are not a source for repaying liabilities now, or in the future since such assets represent the "business of the City." Other resources must be used to pay for outstanding liabilities, some of which are restricted to only certain uses. This requires the City to not only acquire those capital assets necessary to provide for City services, but to retain the ability to finance these acquisitions and provide maintenance for these assets.

An additional portion of net position, \$17,569,775, is restricted as to how it may be used by budgetary, legal, and external factors. The unrestricted net position was a deficit balance of \$443,623 for 2023. The deficit is caused primarily by the \$8,047,733 in postemployment liabilities related to PERS. Additional notes can be found beginning on page 46 in the Notes to the Financial Statements.

In liabilities and deferred inflows of resources, the City's governmental activities had \$27,825,352 in outstanding long-term liabilities and \$3,532,060 in other liabilities including outstanding accounts, payroll, and interest payable, deposits, and unearned revenue. The City had \$2,572,112 in pension related deferred inflows and \$97,573 in other postemployment benefits (OPEB) related deferred inflows. In total, the City's net position increased \$5,628,352 in governmental activities in 2023.

For the City's business-type activities, total net position was \$83,710,431 with \$60,714,620 in net investment in capital assets, \$5,450,333 in restricted net position and an unrestricted net position of \$17,545,478. The City has \$35,947,484 in outstanding long-term liabilities and \$1,756,582 in other liabilities which is \$2,674,287 lower than 2022 after prior year unearned revenue of \$3,000,000 from American Rescue Plan Act (ARPA) funds were spent in 2023. In deferred inflows of resources, the City had \$715,403 related to pensions and \$27,138 for OPEB deferrals. In total, the City's net position increased \$8,234,307 in business-type activities in 2023, primarily attributable to continued construction of a sewer main to provide increased service to the south and west portions of Lebanon.

CITY OF LEBANON
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Statement of Activities

The following is a comparison between the June 30, 2023 and 2022 Statement of Activities:

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Fees, fines, charges for services	\$ 1,491,585	\$ 3,314,855	\$ 13,503,807	\$ 13,589,682	\$ 14,995,392	\$ 16,904,536
Operating grants and contributions	4,341,226	5,194,297	30,454	-	4,371,680	5,194,297
Capital grants and contributions	1,093,188	1,146,993	4,430,041	662,824	5,523,229	1,809,817
General revenues:						
Property and other taxes	11,112,797	10,604,294	-	-	11,112,797	10,604,294
Franchise Fees	2,747,904	2,554,314	-	-	2,747,904	2,554,314
Investment earnings	796,255	152,729	730,990	121,779	1,527,245	274,508
Miscellaneous	154,649	60,070	15,869	22,216	170,518	82,286
Settlement	-	-	-	12,000,000	-	12,000,000
Total revenues	<u>21,737,604</u>	<u>23,027,552</u>	<u>18,711,161</u>	<u>26,396,500</u>	<u>40,448,765</u>	<u>49,424,052</u>
Expenses:						
General government	1,533,558	2,420,338	-	-	1,533,558	2,420,338
Public safety	7,312,117	6,339,717	-	-	7,312,117	6,339,717
Highways and streets	1,977,426	1,660,065	-	-	1,977,426	1,660,065
Culture and recreation	2,482,669	2,168,385	-	-	2,482,669	2,168,385
Community planning	1,249,321	1,226,562	-	-	1,249,321	1,226,562
Transit	892,384	683,301	-	-	892,384	683,301
Interest and fiscal charges	716,872	879,593	-	-	716,872	879,593
Water	-	-	4,788,953	4,547,773	4,788,953	4,547,773
Wastewater	-	-	5,346,273	4,834,574	5,346,273	4,834,574
Storm Drainage	-	-	286,533	1,214,603	286,533	1,214,603
Total expenses	<u>16,164,347</u>	<u>15,377,961</u>	<u>10,421,759</u>	<u>10,596,950</u>	<u>26,586,106</u>	<u>25,974,911</u>
Increase/(decrease) in net position before transfers	5,573,257	7,649,591	8,289,402	15,799,550	13,862,659	23,449,141
Transfers in (out)	<u>55,095</u>	<u>(59,889)</u>	<u>(55,095)</u>	<u>59,889</u>	<u>-</u>	<u>-</u>
Increase/(decrease) in net position	5,628,352	7,589,703	8,234,307	15,859,439	13,862,660	23,449,141
Net position, Beginning (Previously reported)	29,277,085	21,687,383	75,476,124	59,616,685	104,753,209	81,304,068
Restatement	<u>27,333</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,333</u>	<u>-</u>
Net position, Beginning Restated	<u>29,304,418</u>	<u>21,687,383</u>	<u>75,476,124</u>	<u>59,616,685</u>	<u>104,780,542</u>	<u>81,304,068</u>
Net position, Ending	<u>\$ 34,932,770</u>	<u>\$ 29,277,086</u>	<u>\$ 83,710,431</u>	<u>\$ 75,476,124</u>	<u>\$ 118,643,202</u>	<u>\$ 104,753,209</u>

Table 2

Governmental activities increased the City's net position by \$5,628,352 in fiscal year 2022-23, as compared to a \$7,589,703 increase in the prior fiscal year. Revenue, excluding transfers, decreased by \$1,289,948 and expenses, excluding transfers, increased \$782,946. Key elements of this change, as illustrated in Table 2 above, is primarily the result of decreased fees, fines, and charges for services. Business-Type activities total revenues, excluding transfers, decreased \$7,685,339 from fiscal year 2022-23, due to the receipt of \$12,000,000 in settlement funds in 2022, and expenses, excluding transfers, decreased \$175,191.

The primary revenues for governmental activities are taxes, fees and licenses, and intergovernmental revenues. The two largest sources of revenues for the City of Lebanon's General Fund are property taxes and franchise fees.

The State of Oregon does not have a sales tax and there has been a long history of its citizens opposing one. This causes increases in other revenue sources to offset. Property taxes are limited several ways by State law.

CITY OF LEBANON
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

- Local governments' total share of property taxes cannot exceed \$10 per thousand of real market value.
- In 1998, taxpayers voted for a measure which decreased and limited assessed value increases from one year to the next to the lower of a 3% increase or the market value unless additional improvements or modifications have been made to a property and each local government was assigned a permanent tax rate. The City's rate is \$5.1364 per \$1,000 assessed value.
- In addition to the City's permanent tax rate the citizens had approved a general obligation bond for construction of the justice center and the library. The property tax levy for voter approved debt payments is exempt from other tax limitations.

The City has maintained services levels by budgeting conservatively and providing quality services with lean budgets. The following chart analyzes the revenue between governmental activities and business-type activities from prior to current year.

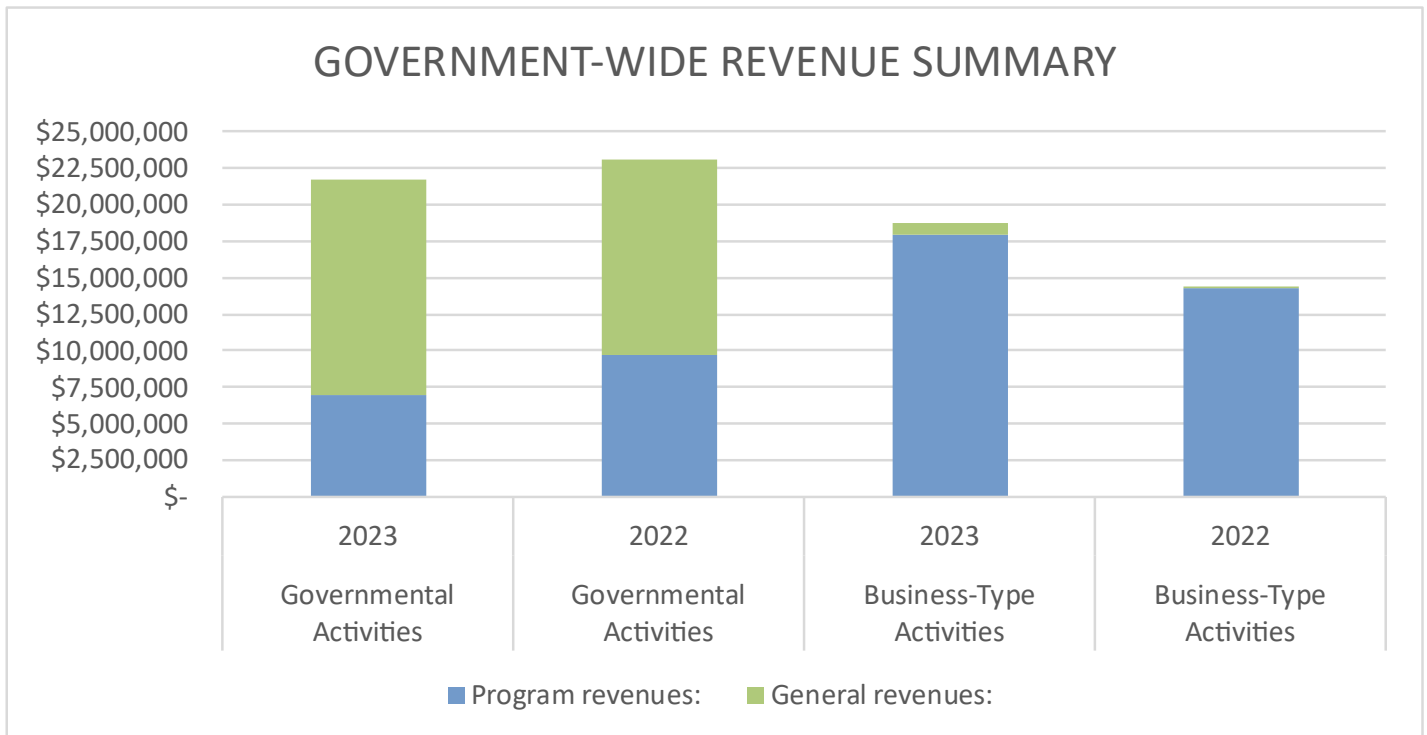


Figure 1

CITY OF LEBANON
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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

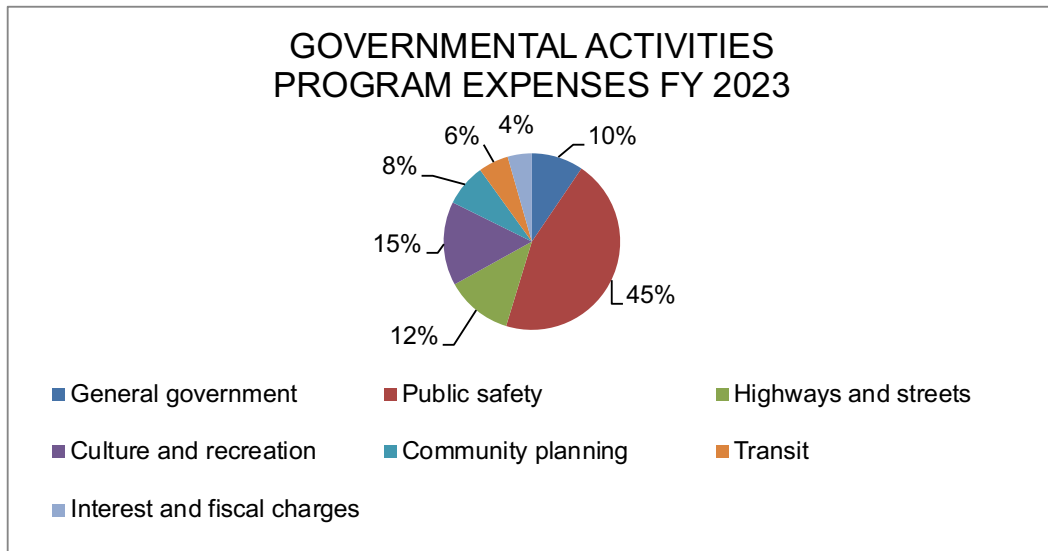


Figure 2

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

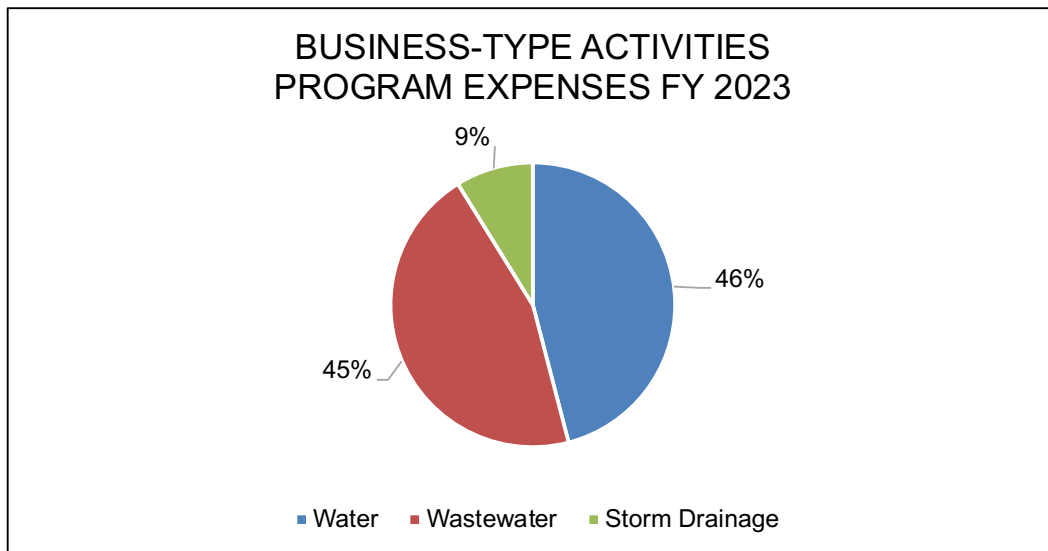


Figure 3

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.

CITY OF LEBANON
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Governmental Funds

As the City completed the year, its governmental funds reported a combined fund balance of \$22,918,139, an increase of \$1,361,661. The fund balance constitutes nonspendable, restricted, committed, assigned and unassigned amounts. Of the current fund balances, \$57,381 is nonspendable, \$163,143 is restricted for debt service, \$25,088 is restricted for public safety, \$7,229,231 is restricted for highway and streets, \$4,229,231 is restricted for culture and recreation, \$1,094,217 is restricted for building and engineering, \$65,582 is restricted for transit, \$3,875,064 is restricted for Urban Renewal Districts, \$634,694 is committed for culture and recreation, \$122,957 is committed for building and engineering, \$629,458 is assigned for equipment replacements and \$4,791,922 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 \$4,791,922, a decrease of \$165,776.

Proprietary Funds

The City's enterprise funds reported unrestricted net position of \$17,711,825, restricted net position of \$5,450,333 and \$60,714,620 in net investment in capital assets.

BUDGETARY HIGHLIGHTS

General Fund resources were budgeted and anticipated to be collected in the amount of \$11,711,903 during the fiscal year. Actual resources of \$11,515,104 were available, \$196,799 less than budgeted. General Fund expenditures budget was under-spent by \$3,248,664. The ending fund balance was greater than the contingency budgeted by \$2,859,930.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2023, the City had invested, before net reduction for accumulated depreciation, \$229,408,836 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 \$9,448,157 from the prior year. Additions to depreciable assets of \$5,181,684 includes additions from construction projects completed during the fiscal year. Additionally, there was an increase in construction in progress of \$6,925,688 primarily due to construction of the Westside Sewer Interceptor which accounted for \$5.4 million.

Total depreciation expense for the year was \$3,919,159 of which \$1,551,193 is associated with general government activities and \$2,367,966 with business type activities. A condensed summary of the City's capital assets is below and 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.

CITY OF LEBANON
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Summary of Capital Assets Net of depreciation	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 3,161,326	\$ 2,769,703	\$ 1,278,827	\$ 1,278,827	\$ 4,440,153	\$ 4,048,530
Construction in progress	379,593	312,280	16,373,226	10,251,301	16,752,819	10,563,581
Buildings	12,538,412	12,579,676	3,155,470	3,273,776	15,693,882	15,853,452
Vehicles	945,907	665,530	640,299	730,775	1,586,206	1,396,305
Machinery & Equipment	878,062	950,491	7,355,055	7,725,741	8,233,117	8,676,232
Improvements	791,059	739,435	231,752	247,206	1,022,811	986,641
Infrastructure	18,075,880	17,827,434	65,429,972	64,123,550	83,505,852	81,950,984
Intangible	69,275	79,175	-	-	69,275	79,175
SBITA assets	76,982	27,333	-	-	76,982	27,333
Total assets	<u>\$ 36,916,496</u>	<u>\$ 35,951,057</u>	<u>\$ 94,464,601</u>	<u>\$ 87,631,176</u>	<u>\$ 131,381,097</u>	<u>\$ 123,582,233</u>

Table 3

Long-Term Debt

At June 30, 2023 the City had total long-term debt outstanding of \$52,612,929. This amount is comprised of debt backed by general obligation bonds, pension bonds, notes, and loans payable. Principal payments made during the current fiscal year were \$4,039,468. Bond premiums decreased by \$175,946. A condensed summary of the City's long-term debt is below and additional information on the City's long-term debt can be found in the long-term liabilities note of the notes to the basic financial statements.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Bonds payable:						
General obligation bonds	\$ 6,485,000	\$ 7,815,000	\$ -	\$ -	\$ 6,485,000	\$ 7,815,000
Full faith and credit obligations	5,820,000	6,830,000	-	-	5,820,000	6,830,000
Pension obligation bonds	910,009	1,095,009	-	-	910,009	1,095,009
Total bonds payable	<u>13,215,009</u>	<u>15,740,009</u>	<u>-</u>	<u>-</u>	<u>13,215,009</u>	<u>15,740,009</u>
Other long-term debt:						
Loans and notes payable	4,998,542	5,494,406	33,503,051	32,603,549	38,501,593	38,097,955
Premiums	839,638	1,015,583	-	-	839,638	1,015,583
SBITA	56,689	-	-	-	56,689	-
Total long-term debt	<u>\$ 19,109,878</u>	<u>\$ 22,249,998</u>	<u>\$ 33,503,051</u>	<u>\$ 32,603,549</u>	<u>\$ 52,612,929</u>	<u>\$ 54,853,547</u>

Table 4

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, special assessment collections (mainly system development charges), franchise fees, and state shared revenue. With no sales tax, the City must heavily rely on these revenue sources. Enacted in 1997 by Oregon voters, Measure 47 (later amended by the Oregon Legislature as Measure 50) 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 at \$5.1364 per \$1,000 assessed

CITY OF LEBANON
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

During the fiscal year the City has seen new development and there are several other developments underway which will continue to increase the property tax base, though this trend is beginning to turn the other direction. 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 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 increased on July 1, 2023. In January 2023, the PERS actuaries released advisory rates for July 2025 which will increase costs in Lebanon over 3% of payroll.

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, 2023 to June 30, 2024 annual budget reflects total appropriations of \$68,791,302. The following are major assumptions 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.
- 3.2% rate increase for utilities.
- Cost of living increases totaled 4% for American Federation of State, County & Municipal Employees (AFSCME), 4% for Teamsters (Police) employees and 4% for non-union employees.

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 STATEMENTS
- FUND FINANCIAL STATEMENTS
 - GOVERNMENTAL FUNDS
 - PROPRIETARY FUNDS
- NOTES TO THE BASIC FINANCIAL STATEMENTS



CITY OF LEBANON, OREGON
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Total Primary Government
ASSETS			
Cash and cash equivalent - unrestricted	\$ 25,364,849	\$ 24,431,892	\$ 49,796,741
Cash and cash equivalent - restricted	179,046	-	179,046
Taxes receivable	413,558	-	413,558
Accounts receivable, net	1,306,499	2,086,577	3,393,076
Assessments receivable	413,633	355,978	769,611
Internal balances	413,277	(413,277)	-
Prepaid	111,826	3,342	115,168
Inventory	-	159,684	159,684
Net other postemployment benefits asset	163,903	45,587	209,490
Capital assets:			
Capital assets not being depreciated	3,540,920	17,652,053	21,192,973
Capital assets, net of depreciation/amortization	33,375,576	76,812,548	110,188,124
Total assets	65,283,087	121,134,384	186,417,471
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferrals	3,611,600	1,004,525	4,616,125
OPEB related deferrals	65,180	18,129	83,309
Total deferred outflows of resources	3,676,780	1,022,654	4,699,434
LIABILITIES			
Accounts payable	289,689	1,175,430	1,465,119
Accrued payroll	223,556	48,864	272,420
Deposits	114	250,273	250,387
Unearned revenue	2,897,798	-	2,897,798
Accrued interest payable	120,903	282,015	402,918
Noncurrent liabilities:			
Portion due within one year:			
SBITA payable	28,039	-	28,039
Compensated absences	166,935	51,513	218,448
Loans, bonds, and notes payable	3,396,299	1,038,457	4,434,756
Portion due after one year:			
SBITA payable	28,650	-	28,650
Compensated absences	500,806	154,536	655,342
Loans, bonds, and notes payable	15,656,890	32,464,594	48,121,484
Net pension liability	7,806,544	2,171,300	9,977,844
Net OPEB liability	241,189	67,084	308,273
Total liabilities	31,357,412	37,704,066	69,061,478
DEFERRED INFLOWS OF RESOURCES			
Pension related deferrals	2,572,112	715,403	3,287,515
OPEB related deferrals	97,573	27,138	124,711
Total deferred inflows of resources	2,669,685	742,541	3,412,226
NET POSITION			
Net investment in capital assets	17,806,618	60,714,620	78,521,238
Restricted:			
Debt service	222,513	-	222,513
Public safety	25,088	-	25,088
Highways and streets	7,393,993	-	7,393,993
Culture and recreation	4,477,041	-	4,477,041
Building & engineering	1,094,217	-	1,094,217
Transit	388,701	-	388,701
Urban renewal projects	3,968,222	-	3,968,222
Utility capital projects	-	5,450,333	5,450,333
Unrestricted (deficit)	(443,623)	17,545,478	17,101,855
Total net position	\$ 34,932,770	\$ 83,710,431	\$ 118,643,201

CITY OF LEBANON, OREGON
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

FUNCTIONS/PROGRAMS:	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Totals
Primary government:							
Governmental activities							
General government	\$ 1,533,558	\$ 313,176	\$ 1,020,162	\$ 1,000	\$ (199,220)	\$ -	\$ (199,220)
Public safety	7,312,117	14,765	97,079	3,295	(7,196,978)	-	(7,196,978)
Highways and streets	1,977,426	240,081	1,799,546	845,205	907,406	-	907,406
Culture and recreation	2,482,669	276,098	163,500	77,689	(1,965,382)	-	(1,965,382)
Community planning	1,249,321	647,465	278,364	-	(323,492)	-	(323,492)
Transit	892,384	-	982,575	165,999	256,190	-	256,190
Interest and fiscal charges	716,872	-	-	-	(716,872)	-	(716,872)
Total governmental activities	<u>16,164,347</u>	<u>1,491,585</u>	<u>4,341,226</u>	<u>1,093,188</u>	<u>(9,238,348)</u>	<u>-</u>	<u>(9,238,348)</u>
Business-type activities							
Water	4,788,953	6,121,195	11,853	279,120	-	1,623,215	1,623,215
Wastewater	5,346,273	6,668,224	17,190	3,720,737	-	5,059,878	5,059,878
Storm Drainage	286,533	714,388	1,411	430,184	-	859,450	859,450
Total business-type activities	<u>10,421,759</u>	<u>13,503,807</u>	<u>30,454</u>	<u>4,430,041</u>	<u>-</u>	<u>7,542,543</u>	<u>7,542,543</u>
Total primary government	<u>\$ 26,586,106</u>	<u>\$ 14,995,392</u>	<u>\$ 4,371,680</u>	<u>\$ 5,523,229</u>	<u>(9,238,348)</u>	<u>7,542,543</u>	<u>(1,695,805)</u>
GENERAL REVENUES							
Property and other taxes					11,112,797	-	11,112,797
Franchise fees					2,747,904	-	2,747,904
Earnings on investments					796,255	730,990	1,527,245
Miscellaneous					154,649	15,869	170,518
TRANSFERS IN (OUT)					<u>55,095</u>	<u>(55,095)</u>	<u>-</u>
Total general revenues and transfers					<u>14,866,700</u>	<u>691,764</u>	<u>15,558,464</u>
CHANGE IN NET POSITION					<u>5,628,352</u>	<u>8,234,307</u>	<u>13,862,659</u>
NET POSITION, JUNE 30, 2022 (RESTATED)*					<u>29,304,418</u>	<u>75,476,124</u>	<u>104,780,542</u>
NET POSITION, JUNE 30, 2023					<u>\$ 34,932,770</u>	<u>\$ 83,710,431</u>	<u>\$ 118,643,201</u>

CITY OF LEBANON, OREGON
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2023

	General Fund	Park Enterprise Fund	Non-Major Governmental Funds	Totals
ASSETS				
Cash and cash equivalent	\$ 4,801,239	\$ 3,272,357	\$ 16,837,927	\$ 24,911,523
Taxes receivable	246,399	-	167,159	413,558
Accounts receivable	706,801	-	591,512	1,298,313
Assessment receivable	-	-	413,633	413,633
Restricted cash and investments	-	-	179,046	179,046
Prepaid items	57,381	-	-	57,381
Interfund loan receivable	-	-	246,930	246,930
TOTAL ASSETS	\$ 5,811,820	\$ 3,272,357	\$ 18,436,207	\$ 27,520,384
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 125,321	\$ 32,767	\$ 90,343	\$ 248,431
Accrued payroll	142,128	4,896	23,674	170,698
Unearned revenue	270,272	2,600,000	-	2,870,272
Deposits	114	-	-	114
Total liabilities	537,835	2,637,663	114,017	3,289,515
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	224,336	-	152,528	376,864
Unavailable revenue - receivables	200,346	-	735,520	935,866
Total deferred inflows of resources	424,682	-	888,048	1,312,730
Fund balances:				
Nonspendable	57,381	-	-	57,381
Restricted	-	-	16,681,727	16,681,727
Committed	-	634,694	122,957	757,651
Assigned	-	-	629,458	629,458
Unassigned	4,791,922	-	-	4,791,922
Total fund balances	4,849,303	634,694	17,434,142	22,918,139
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 5,811,820	\$ 3,272,357	\$ 18,436,207	\$ 27,520,384

CITY OF LEBANON, OREGON
RECONCILIATION OF GOVERNMENTAL FUNDS
BALANCE SHEET TO STATEMENT OF NET POSITION
JUNE 30, 2023

TOTAL FUND BALANCE		\$ 22,918,139
Total net position shown in the Statement of Net Position is different because:		
A portion of the City's receivables are collected after year-end but they are not collected soon enough to be available as financial resources for the current year. The revenues related to these receivables are deferred and not reported in the governmental funds.		
		1,312,730
Capital assets are not financial resources and therefore are not reported in the governmental funds.		
		36,758,146
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflow of resources on the statement of net position.		
Net OPEB asset	128,516	
Deferred outflows of resources from pensions - current year pension contributions, changes of assumptions, projected and actual earnings on investments, changes in proportionate share, proportionate share of system contributions	2,831,859	
Deferred outflows of resources from OPEB - current year pension contributions, changes in assumptions, changes in proportionate share, investment experience, plan experience	51,106	
Deferred inflows of resources from pensions - changes in proportionate share, proportionate share of system contributions	(2,016,795)	
Deferred inflows of resources from OPEB - projected and actual earnings on investments	<u>(76,507)</u>	
		918,179
Other long-term liabilities that are not due and payable in the current period and are not reported in the governmental funds include:		
Accrued interest payable	(119,972)	
Compensated absences	(566,817)	
Contracts, bonds, notes, and loans payable and related premium liability	(19,053,189)	
SBITA liability	(3,440)	
Net pension liability	(6,121,119)	
Net OPEB liability	<u>(189,116)</u>	
		(26,053,653)
Internal service funds are proprietary-type funds and are not reported with governmental funds. However, because internal service funds primarily benefit governmental activities, their assets, liabilities and net position are reported along with governmental activities in the Statement of Net Position.		
		<u>(920,771)</u>
TOTAL NET POSITION		<u>\$ 34,932,770</u>

CITY OF LEBANON, OREGON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund	Park Enterprise Fund	Non-Major Governmental Funds	Totals
REVENUES:				
Property and other taxes	\$ 6,705,854	\$ -	\$ 4,338,668	\$ 11,044,522
Franchise fees	2,747,904	-	-	2,747,904
Special assessment collections	-	-	479,196	479,196
Licenses and permits	4,159	-	575,689	579,848
Fines, forfeitures, and penalties	266,346	-	-	266,346
Intergovernmental	1,350,365	155,000	2,786,168	4,291,533
Charges for services	93,764	192,744	18,159	304,667
Rentals	29,083	14,717	7,200	51,000
Contributions	3,000	-	82,126	85,126
Interest	171,485	86,959	526,475	784,919
Miscellaneous	143,144	1,008	4,219	148,371
TOTAL REVENUES	11,515,104	450,428	8,817,900	20,783,432
EXPENDITURES:				
Current:				
General government	1,030,602	-	-	1,030,602
Public safety	5,802,884	-	4,194	5,807,078
Highways and streets	-	-	1,025,621	1,025,621
Culture and recreation	950,058	802,116	176,969	1,929,143
Community planning	582,081	-	592,341	1,174,422
Transit	-	-	784,803	784,803
Debt service:				
Debt service - principal	92,696	-	2,929,945	3,022,641
Debt service - interest	35,607	-	873,459	909,066
Capital outlay	164,216	63,721	1,453,402	1,681,339
TOTAL EXPENDITURES	8,658,144	865,837	7,840,734	17,364,715
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,856,960	(415,409)	977,166	3,418,717
OTHER FINANCING SOURCES (USES):				
Subscription financing	5,217	-	-	5,217
Transfers in	-	592,139	2,165,606	2,757,745
Transfers out	(2,970,572)	(113,719)	(1,735,727)	(4,820,018)
TOTAL OTHER FINANCING SOURCES (USES)	(2,965,355)	478,420	429,879	(2,057,056)
NET CHANGE IN FUND BALANCES	(108,395)	63,011	1,407,045	1,361,661
FUND BALANCES, JUNE 30, 2022	4,957,698	571,683	16,027,097	21,556,478
FUND BALANCES, JUNE 30, 2023	\$ 4,849,303	\$ 634,694	\$ 17,434,142	\$ 22,918,139

**CITY OF LEBANON, OREGON
RECONCILIATION OF STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NET CHANGE IN FUND BALANCES		\$	1,361,661
The change in net position reported in the Statement of Activities is different because:			
Governmental funds report capital outlay as an expenditure. However, in the Statement of Activities the cost of those assets is capitalized. Their value is allocated over their estimated useful lives and reported as depreciation expense.			
Capital outlay expenditures	1,521,193		
Contributed Capital	860,205		
Amortization	(25,118)		
Depreciation	<u>(1,545,715)</u>		810,565
Governmental funds do not report capital asset disposals. However, in the Statement of Activities the loss on capital asset disposals is expensed.			
Gain on disposal of assets			32,744
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Detail of the impact of these transactions are as follows:			
Debt principal repayments from governmental funds	3,022,640		
SBITA proceeds	(5,217)		
Bond premium amortization	<u>175,946</u>		3,193,369
Receivables that do not meet the "measurable and available" criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities they are recognized as revenue when levied or earned.			
			13,748
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. Changes related to long-term liabilities included:			
Accrual of interest payable	16,249		
Accrual of compensated absences	(31,270)		
Accrual of pension items	183,871		
Accrual of net OPEB items	<u>14,019</u>		182,869
Internal service funds are used by management to charge the costs of administrative support, facilities management, and other services to individual funds. The amount of the governmental activities portion of the net income/loss of the internal service funds is recognized on the Statement of Activities.			
			<u>33,396</u>
CHANGE IN NET POSITION		\$	<u>5,628,352</u>

FUND FINANCIAL STATEMENTS

PROPRIETARY FUNDS

ENTERPRISE FUNDS:

These funds account for activities and services performed primarily for external users. Charges are based on the cost of services.

- **WATER, WASTEWATER, AND STORM DRAINAGE FUNDS** – Account for the operation, maintenance, debt service, and capital improvements of water, wastewater, and storm drainage system of the City. The primary source of revenue is user service charges.

CITY OF LEBANON, OREGON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	Business Type Activities - Enterprise Funds				Governmental Activities
	Water Funds	Wastewater Funds	Nonmajor Storm Drainage Funds	Totals	Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 5,868,242	\$ 17,705,209	\$ 858,441	\$ 24,431,892	\$ 453,326
Accounts receivable, net	662,705	841,318	91,184	1,595,207	8,186
Unbilled receivables	246,784	222,077	22,509	491,370	-
Assessments receivable	121,275	218,854	15,849	355,978	-
Prepaid	3,342	-	-	3,342	54,445
Inventory	159,684	-	-	159,684	-
Total current assets	7,062,032	18,987,458	987,983	27,037,473	515,957
Noncurrent assets:					
Net OPEB asset	20,442	23,030	2,115	45,587	35,387
Capital assets:					
Capital assets not being depreciated	1,667,298	15,984,755	-	17,652,053	3,500
Depreciable capital assets, net of depreciation	43,153,369	31,231,902	2,427,277	76,812,548	154,850
Total noncurrent assets	44,841,109	47,239,687	2,429,392	94,510,188	193,737
Total assets	51,903,141	66,227,145	3,417,375	121,547,661	709,694
DEFERRED OUTFLOWS OF RESOURCES					
Pension related deferrals	450,438	507,475	46,612	1,004,525	779,741
OPEB related deferrals	8,129	9,159	841	18,129	14,074
Total deferred outflows of resources	458,567	516,634	47,453	1,022,654	793,815
LIABILITIES					
Current liabilities:					
Accounts payable	29,205	1,142,685	3,540	1,175,430	41,258
Accrued payroll	21,331	25,039	2,494	48,864	52,858
Deposits	250,273	-	-	250,273	-
Accrued interest payable	268,515	13,500	-	282,015	931
Unearned revenue	-	-	-	-	27,526
SBITA payable	-	-	-	-	26,337
Loans and notes payable	693,457	345,000	-	1,038,457	-
Compensated absences	24,224	25,369	1,920	51,513	25,231
Total current liabilities	1,287,005	1,551,593	7,954	2,846,552	174,141
Noncurrent liabilities:					
SBITA payable	-	-	-	-	26,912
Loans and notes payable	20,036,138	12,428,456	-	32,464,594	-
Compensated absences	72,672	76,105	5,759	154,536	75,693
Net pension liability	973,630	1,096,917	100,753	2,171,300	1,685,425
Net OPEB liability	30,081	33,890	3,113	67,084	52,073
Interfund loan payable	-	-	246,930	246,930	-
Total noncurrent liabilities	21,112,521	13,635,368	356,555	35,104,444	1,840,103
Total liabilities	22,399,526	15,186,961	364,509	37,950,996	2,014,244
DEFERRED INFLOWS OF RESOURCES					
Pension related deferrals	320,793	361,414	33,196	715,403	555,317
OPEB related deferrals	12,169	13,710	1,259	27,138	21,066
Total deferred outflows of resources	332,962	375,124	34,455	742,541	576,383
NET POSITION					
Net investment in capital assets	24,091,072	34,443,201	2,180,347	60,714,620	105,101
Restricted	950,607	4,215,996	283,730	5,450,333	-
Unrestricted (Deficit)	4,587,541	12,522,497	601,787	17,711,825	(1,192,219)
TOTAL NET POSITION (DEFICIT)	\$ 29,629,220	\$ 51,181,694	\$ 3,065,864	83,876,778	\$ (1,087,118)
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time				(166,347)	
Net position of business-type activities				<u>\$ 83,710,431</u>	

CITY OF LEBANON, OREGON
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business Type Activities - Enterprise Funds				Governmental Activities
	Water Funds	Wastewater Funds	Nonmajor Storm Drainage Funds	Totals	Internal Service Funds
OPERATING REVENUES:					
Special assessment collections	\$ 25,133	\$ 96,249	\$ 8,827	\$ 130,209	\$ -
Intergovernmental	-	-	-	-	86,192
Charges for services	6,092,666	6,567,051	705,157	13,364,874	15,014
Rentals	-	-	-	-	6,800
Miscellaneous	13,457	2,379	-	15,836	88
TOTAL OPERATING REVENUE	6,131,256	6,665,679	713,984	13,510,919	108,094
OPERATING EXPENSES:					
Personnel services	1,365,767	1,542,139	147,162	3,055,068	2,245,280
Materials and services	1,335,434	1,895,200	28,872	3,259,506	1,072,196
Depreciation and amortization	1,145,449	1,175,078	47,439	2,367,966	27,123
TOTAL OPERATING EXPENSES	3,846,650	4,612,417	223,473	8,682,540	3,344,599
OPERATING INCOME (LOSS)	2,284,606	2,053,262	490,511	4,828,379	(3,236,505)
NONOPERATING INCOME (EXPENSE):					
Interest income	180,405	523,134	22,137	725,676	16,650
Interest expense	(466,501)	(43,789)	(6,446)	(516,736)	(931)
Federal and state grants	-	3,000,000	-	3,000,000	-
TOTAL NONOPERATING INCOME (EXPENSE)	(286,096)	3,479,345	15,691	3,208,940	15,719
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	1,998,510	5,532,607	506,202	8,037,319	(3,220,786)
TRANSFERS AND CONTRIBUTIONS					
Capital contributions	279,120	720,736	430,184	1,430,040	-
Transfers in	-	-	-	-	3,858,431
Transfers out	(575,245)	(847,206)	(66,662)	(1,489,113)	(348,188)
TOTAL TRANSFERS AND CONTRIBUTIONS	(296,125)	(126,470)	363,522	(59,073)	3,510,243
CHANGE IN NET POSITION	1,702,385	5,406,137	869,724	7,978,246	289,457
NET POSITION (DEFICIT), JUNE 30, 2022	27,926,835	45,775,557	2,196,140		(1,376,575)
NET POSITION (DEFICIT), JUNE 30, 2023	\$ 29,629,220	\$ 51,181,694	\$ 3,065,864		\$ (1,087,118)
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.				256,061	
Change in net position of business-type activities				<u>\$ 8,234,307</u>	

CITY OF LEBANON, OREGON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Business Type Activities - Enterprise Funds				Governmental Activities
	Water Funds	Wastewater Funds	Nonmajor Storm Drainage Funds	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers/tenants	\$ 6,068,598	\$ 6,698,785	\$ 701,830	\$ 13,469,213	\$ 104,795
Cash paid to suppliers for goods and services	(1,343,553)	(1,568,743)	(33,763)	(2,946,059)	(1,147,248)
Cash paid to employees for services	(1,377,668)	(1,542,120)	(139,767)	(3,059,555)	(2,299,749)
NET CASH PROVIDED FROM (USED FOR) OPERATING ACTIVITIES	3,347,377	3,587,922	528,300	7,463,599	(3,342,202)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers from (to) other funds	(575,245)	(847,206)	(66,662)	(1,489,113)	3,510,243
NET CASH PROVIDED FROM (USED FOR) NONCAPITAL FINANCING ACTIVITIES	(575,245)	(847,206)	(66,662)	(1,489,113)	3,510,243
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Proceeds from bonds, contracts and loans	-	1,918,106	-	1,918,106	-
Interfund loan	-	-	(39,554)	(39,554)	-
Acquisition and construction of capital assets	(923,143)	(6,792,483)	(55,725)	(7,771,351)	(67,960)
Principal paid on SBITA payables	-	-	-	-	(28,045)
Principal paid on bonds, contracts and loans payable	(678,604)	(340,000)	-	(1,018,604)	-
Interest paid on bonds, contracts and loans payable	(475,165)	(45,455)	(6,446)	(527,066)	-
NET CASH PROVIDED FROM (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(2,076,912)	(5,259,832)	(101,725)	(7,438,469)	(96,005)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest received on investments	180,405	523,134	22,137	725,676	16,650
NET CASH PROVIDED FROM (USED FOR) INVESTING ACTIVITIES	180,405	523,134	22,137	725,676	16,650
NET CHANGE IN CASH AND CASH EQUIVALENTS	875,625	(1,995,982)	382,050	(738,307)	88,686
CASH AND CASH EQUIVALENTS, JUNE 30, 2022	4,992,617	19,701,191	476,391	25,170,199	364,640
CASH AND CASH EQUIVALENTS, JUNE 30, 2023	\$ 5,868,242	\$ 17,705,209	\$ 858,441	\$ 24,431,892	\$ 453,326
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ 2,284,606	\$ 2,053,262	\$ 490,511	\$ 4,828,379	\$ (3,236,505)
Adjustments to reconcile operating income (loss) to net cash provided from (used for) operating activities:					
Depreciation and amortization	1,145,449	1,175,078	47,439	2,367,966	27,123
Changes in assets and liabilities:					
Accounts and other receivables	(65,991)	33,106	(12,154)	(45,039)	(3,299)
Prepaid	-	-	-	-	(54,445)
Inventory	4,932	-	-	4,932	-
Accounts and claims payable	(13,051)	326,457	(4,891)	308,515	(20,607)
Accrued payroll	9,935	13,474	786	24,195	32,124
Compensated absences	6,671	14,440	1,578	22,689	(1,418)
Deposits	3,333	-	-	3,333	-
Net OPEB asset	(4,068)	(4,660)	(568)	(9,296)	(6,379)
Pension related deferrals	987	(1,039)	(3,964)	(4,016)	19,961
OPEB related deferrals	683	726	(9)	1,400	1,537
Net pension liability	260,316	296,677	33,363	590,356	421,785
Total OPEB liability	(5,005)	(5,472)	(202)	(10,679)	(10,082)
Pension related deferrals	(287,633)	(321,155)	(24,285)	(633,073)	(522,512)
OPEB related deferrals	6,213	7,028	696	13,937	10,515
Total adjustments	1,062,771	1,534,660	37,789	2,635,220	(105,697)
NET CASH PROVIDED FROM (USED FOR) OPERATING ACTIVITIES	\$ 3,347,377	\$ 3,587,922	\$ 528,300	\$ 7,463,599	\$ (3,342,202)
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Contributions of capital from governments, developers, and customers	\$ 279,120	\$ 720,736	\$ 430,184	\$ 1,430,040	\$ -

Notes to the Basic Financial Statements



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

The City of Lebanon (government) is a municipal corporation governed by an elected Mayor and six-member Governing Council (Council). The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government.

Blended Component Unit – The City has included the financial operations of the five funds of Lebanon Urban Renewal Agency (Agency) as 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*
- *Mill Race Urban Renewal District*

The Agency is a legally separate entity, which is governed by a board comprised of the members of the Council as stipulated in the Agency's bylaws. The 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's 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 or 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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.

Park Enterprise Fund – The Park Enterprise Fund is the main operating fund for the City's park system. Resources include intergovernmental revenue from the Lebanon Community School District to support the maintenance of their grounds by the City, charges for services at the City's RV camp at Gills Landing, rental revenue from park and park facility rentals, and interest earnings.

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.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT):

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.

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, Water, and Storm Drainage 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.

Cash and Cash Equivalents

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.

In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT):

Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury which administers the LGIP. The LGIP 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.

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. Included in accounts receivable are court fines and assessments. These charges often go unpaid, the City has setup an allowance account that reduces the account receivable balance down to an amount that is reasonably expected to be received. Besides court receivables, all other receivables are expected to be collected. The receivables amount is shown net of the allowance for uncollectable 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 of 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, pension 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, pension and OPEB related deferrals. In the governmental funds balance sheet, different categories of deferred inflows of resources are reported including unavailable revenues from property taxes, court fines, bike path and special assessments.

Property taxes levied and considered a 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

Inventory in the Water fund is determined by physical count and is valued at cost. Expenses are recognized when inventories are consumed. Other inventories are taken for control purposes only with no dollar value assigned.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT):

Restricted Assets and Related Liabilities

Certain resources are set aside and restricted for future bond payments and for the payment of related liabilities; 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.

Long-Term Debt

All bonds, finance purchases and loans to be paid from governmental and business-type resources are reported as liabilities in the government-wide financial statements. Premiums are accumulated and amortized as interest expense over the life of the debt using the straight-line method. 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 principal 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:

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

Subscription Payable

The City reports a subscription payable for the liability associated with contracts granting the City the right to use a nonfinancial asset such as subscription-based information technology (SBITA). The City has also recorded an intangible asset for the right to use the nonfinancial asset.

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, liabilities, and deferred outflows and inflows, 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT):

Equity Classifications:

Government-wide Statements and Proprietary Fund Financial Statements

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted and unrestricted.

- 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 does 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 has nonspendable resources for prepaid expenditures as of June 30, 2023.
- 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, 2023.
- 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT):

- 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.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT):

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.

Newly issued accounting standards

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94). The statement improves financial reporting by addressing issues related to public-private partnership arrangements (PPPs) by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. It also provides guidance for accounting and financial reporting for availability payment arrangements (APAs) by requiring governments engaged in APAs that contain multiple components to recognize each component as a separate arrangement, and when related to operating or maintaining a nonfinancial asset, to report an outflow of resources in the period to which payments relate. Implementation of this standard had no impact on the City's financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users, including defining a SBITA, establishing that a SBITA results in an intangible right-to-use subscription asset and a corresponding liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires note disclosures regarding a SBITA. Implementation of this standard had no material impact on the City's financial statements.

CASH AND CASH EQUIVALENTS:

The City's cash and cash equivalents at June 30, 2023 are as follows:

Deposits with financial institutions	\$ 323,487
State of Oregon Local Government Investment Pool	49,650,600
Cash on hand	1,700
Total cash and cash equivalents	<u>\$ 49,975,787</u>

The City maintains a pool of cash and cash equivalents that are available for use by all funds. Each fund's portion of this pool is displayed on the financial statements as cash and cash equivalents. Interest earned on pooled cash and cash equivalents is allocated to participating funds based on their combined cash and cash equivalents balances.

Deposits

Custodial Credit Risk – Deposits: This is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City's deposits with financial institutions up to \$250,000 each for the aggregate of all noninterest-bearing accounts and the aggregate of all interest-bearing accounts at each institution.

CASH AND CASH EQUIVALENTS (CONT):

Deposits in excess of FDIC coverage with financial institutions participating in the Oregon Public Funds Collateralization Program are collateralized under the Public Funds Collateralization Program (PFCP) of the Oregon State Treasurer. The PFCP is a shared liability structure for participating financial institutions and is considered additional depository insurance as defined in GASB 40. Participating financial institutions are required to pledge securities, held by the Federal Home Loan Bank of Seattle in the name of the financial institution, with a value equal to at least 10%, with limited exceptions that may require up to 110%, of the amount of deposits of Oregon municipal corporations in excess of FDIC depository insurance. In the event of a failed of a participating financial institution the collective amount of all pledged securities under the PFCP are available to return the City's deposits. As of June 30, 2023, none of the City's deposits with financial institutions were exposed to custodial credit risk.

State of Oregon Local Investment Pool

Balances in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value. Fair value is determined at the quoted market price, 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. The Oregon State Treasury administers the LGIP. The LGIP is an unrated, open-ended, no-load, diversified portfolio offered to any agency, political subdivision or public corporation of the state who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the City's position in the LGIP is the same as the value of the pool shares.

Credit Risk – Oregon statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool.

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.

CAPITAL ASSETS:

The following is a summary of capital asset activity for the fiscal year ended June 30, 2023:

Governmental Activities	July 1, 2022	Additions	Deletions	June 30, 2023
Assets not being depreciated:				
Land	\$ 2,769,703	\$ 391,623	\$ -	\$ 3,161,326
Construction In Progress	312,280	146,809	79,496	379,593
	<u>3,081,983</u>	<u>538,432</u>	<u>79,496</u>	<u>3,540,919</u>
Assets being depreciated/amortized:				
Buildings	19,119,295	433,481	117,014	19,435,762
Vehicles	3,008,164	370,584	-	3,378,748
Machinery & Equipment	4,864,277	88,341	-	4,952,618
Improvements	797,228	79,497	-	876,725
Infrastructure	72,757,927	1,130,315	-	73,888,242
Intangible Assets	99,044	-	-	99,044
Right to use - SBITAs	41,000	86,510	-	127,510
Total Assets	<u>100,686,935</u>	<u>2,188,728</u>	<u>117,014</u>	<u>102,758,649</u>
Less: Accumulated Depreciation/Amortization				
Buildings	6,539,619	390,475	32,744	6,897,350
Vehicles	2,342,634	90,207	-	2,432,841
Machinery & Equipment	3,913,786	160,770	-	4,074,556
Improvements	57,793	27,873	-	85,666
Infrastructure	54,930,494	881,868	-	55,812,362
Intangible Assets	19,828	9,901	-	29,729
Right to use - SBITAs	13,667	36,861	-	50,528
Total Accumulated Depreciation/Amortization	<u>67,817,821</u>	<u>1,597,955</u>	<u>32,744</u>	<u>69,383,032</u>
Total Governmental Activities--Net Value of Capital Assets	<u>\$ 35,958,602</u>	<u>\$ 1,168,953</u>	<u>\$ 163,766</u>	<u>\$ 36,963,789</u>
Business-type Activities				
Assets not being depreciated:				
Land	\$ 1,278,827	\$ -	\$ -	\$ 1,278,827
Construction In Progress	10,251,300	6,387,256	265,330	16,373,226
Total assets not being depreciated	<u>11,530,127</u>	<u>6,387,256</u>	<u>265,330</u>	<u>17,652,053</u>
Assets being depreciated:				
Buildings	8,267,076	-	-	8,267,076
Vehicles	1,870,568	-	-	1,870,568
Machinery & Equipment	12,944,968	54,346	-	12,999,314
Improvements	249,908	-	-	249,908
Infrastructure	81,370,152	3,025,120	-	84,395,272
Total Depreciable Assets	<u>104,702,672</u>	<u>3,079,466</u>	<u>-</u>	<u>107,782,138</u>
Less: Accumulated Depreciation				
Buildings	4,993,300	118,306	-	5,111,606
Vehicles	1,139,794	90,475	-	1,230,269
Machinery & Equipment	5,219,227	425,032	-	5,644,259
Improvements	2,702	15,454	-	18,156
Infrastructure	17,246,601	1,718,699	-	18,965,300
Total Accumulated Depreciation	<u>28,601,624</u>	<u>2,367,966</u>	<u>-</u>	<u>30,969,590</u>
Net Value of Capital Assets Being Depreciated	<u>76,101,048</u>	<u>711,500</u>	<u>-</u>	<u>76,812,548</u>
Total Business-type Activities--Net Value of Capital Assets	<u>\$ 87,631,175</u>	<u>\$ 7,098,756</u>	<u>\$ 265,330</u>	<u>\$ 94,464,601</u>
Total Net Value of Capital Assets of Primary Government	<u>\$ 123,589,777</u>	<u>\$ 8,267,709</u>	<u>\$ 429,096</u>	<u>\$ 131,428,390</u>

Depreciation expense was charged to functions of the primary government as follows:

Governmental Activities:		Business-Type Activities:	
General Government	\$ 356,583	Water	\$ 1,145,449
Public Safety	217,942	Sewer	1,175,078
Transit	31,493	Storm Drain	47,439
Highways and Street	694,058	Total depreciation expense	<u>\$ 2,367,966</u>
Culture and Rec	245,638		
Internal service funds*	5,479		
Total depreciation expense	<u>\$ 1,551,193</u>		

Amortization expense was charged to functions of primary government as follows:

General Government	\$ 35,310
Public Safety	11,452
Total amortization expense	<u>\$ 46,762</u>

* Depreciation and amortization of capital assets held by the City of Lebanon's internal service funds are charged to various functions based on their usage of the assets.

SUBSCRIPTION-BASED INFORMATION TECHNOLOGY AGREEMENTS:

For the year ended June 30, 2023, the City has reported the following subscription activity consistent with the adoption of GASB Statement 96, with activity reported based on the facts in place as of the beginning of the implementation period.

On April 29, 2022, the City entered into a 33-month subscription for the use of Lepide Software. The software expense was paid in full so no subscription liability was recorded. The value of the right to use asset as of June 30, 2023 of \$41,000 with accumulated amortization of \$27,334 is included with the right to use - SBITAs in the table above.

On August 10, 2022, the City entered into a 36-month subscription for the use of Red Hat Subscription. An initial subscription liability was recorded in the amount of \$5,217. As of June 30, 2023, the value of the subscription liability is \$3,440. The City is required to make annual fixed payments of \$1,777. The subscription has an interest rate of 2.1843%. The value of the right to use asset as of June 30, 2023 of \$5,217 with accumulated amortization of \$1,551 is included with the right to use - SBITAs in the table above.

On September 13, 2022, the City entered into a 36-month subscription for the use of ESRI EA Subscription. An initial subscription liability was recorded in the amount of \$80,749. As of June 30, 2023, the value of the subscription liability is \$53,249. The City is required to make annual fixed payments of \$27,500. The subscription has an interest rate of 2.1843%. The value of the right to use asset as of June 30, 2023 of \$80,749 with accumulated amortization of \$21,533 is included with the right to use - SBITAs in the table above.

On January 30, 2023, the City entered into a 24-month subscription for the use of Namecheap - SSL Certificate. An initial subscription liability was recorded in the amount of \$124. As of June 30, 2023, the value of the subscription liability is \$0. The value of the right to use asset as of June 30, 2023 of \$124 with accumulated amortization of \$28 is included with the right to use - SBITAs in the table above.

On February 09, 2023, the City entered into a 24-month subscription for the use of Sophos Central Device Encryption. As of June 30, 2023, the value of the subscription liability is \$0. The City is required to make one payment of \$419. The value of the right to use asset as of June 30, 2023 of \$419 with accumulated amortization of \$83 is included with the right to use - SBITAs in the table above.

LONG-TERM LIABILITIES:

In the following paragraphs, long-term liability 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

On 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.

On 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.

On 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.

On 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 divided by the City for Northwest URD, Water and Wastewater. The amount allocated for this portion of the bonds is \$11,855,000. #LebanonFFC2013.

On 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.

On 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.

LONG-TERM LIABILITIES (CONT):

Changes in long-term obligations for the year ended June 30, 2023:

	7/1/2022 Balance	Additions	Reductions	6/30/2023 Balance	Due within 1 Year
Governmental Activities					
Long-term debt:					
Governmental Bonds					
GO Debt Bond Series 2015	\$ 7,815,000	\$ -	\$ 1,330,000	\$ 6,485,000	\$ 1,455,000
2002 Pension Obligation Bond	1,095,009	-	185,000	910,009	205,000
NW URD Lebanon FFC2013	6,830,000	-	1,010,000	5,820,000	1,050,000
Bond Premiums	761,670	-	146,919	614,751	146,919
Total Governmental Bonds	16,501,679	-	2,671,919	13,829,760	2,856,919
Governmental Loans/Notes					
Cheadle Lake URD Opus Bank	3,019,779	-	264,876	2,754,903	272,504
GO Debt Loan B07002	728,882	-	90,919	637,963	91,715
NW URD B05003	1,745,745	-	140,069	1,605,676	146,134
Loan Premiums	253,913	-	29,026	224,887	29,027
Total Governmental Loans/Notes	5,748,319	-	524,890	5,223,429	539,380
Total Governmental Bonds and Loans	22,249,998	-	3,196,809	19,053,189	3,396,299
SBITA	-	85,966	29,277	56,689	28,038
Total Long-Term Debt	22,249,998	85,966	3,226,086	19,109,878	3,424,337
Other long-term obligations:					
Net Pension Liability	5,763,208	2,043,336	-	7,806,544	-
Net OPEB Liability	283,480	-	42,291	241,189	-
Compensated Absences	637,889	813,602	783,750	667,741	166,935
Total Governmental Activities	\$ 28,934,575	\$ 2,942,904	\$ 4,052,127	\$ 27,825,352	\$ 3,591,272

The General Fund is the governmental fund which has paid the largest share in prior years for all other long-term obligations based on the high level of public safety staff that are funded from this source.

Business-Type Activities

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.

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 \$11,985,000 and carries an interest rate of 1.0%. #S16004.

September 13, 2020 the City entered into a loan agreement with JPMorgan Chase Bank in a Full Faith and Credit Funding Series 2020. The original balance of the loan is \$3,730,000 with an interest rate 1.47%. This loan was used to refund and refinance the Series 2010 Bonds at a lower interest rate, saving the city future interest expense.

LONG-TERM LIABILITIES (CONT):

December 18, 2020, the City entered into a loan agreement with the State of Oregon through the Department of Environmental Quality for construction of the Westside Interceptor sewer line. The original balance of the loan is \$14,000,000 and has a fixed annual interest rate of 1.18%. Repayment on this loan had not started as of June 30, 2023 as the project is not complete however, drawdowns of funding have occurred. #R56201.

Business-Type Activities

Long-term debt:	<u>7/1/2022</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>6/30/2023</u> <u>Balance</u>	<u>Due within</u> <u>1 Year</u>
Enterprise Loans/Notes					
Water Loan L16003	10,401,676	-	321,366	10,080,310	332,646
Water Loan S16004	11,006,523	-	357,238	10,649,285	360,811
Wastewater JP Morgan Refunding	3,095,000	-	340,000	2,755,000	345,000
Wastewater Loan R56201	8,100,350	1,918,106	-	10,018,456	-
Total Enterprise Loans/Notes	<u>32,603,549</u>	<u>1,918,106</u>	<u>1,018,604</u>	<u>33,503,051</u>	<u>1,038,457</u>
Total Enterprise Bonds and Loans	<u>32,603,549</u>	<u>1,918,106</u>	<u>1,018,604</u>	<u>33,503,051</u>	<u>1,038,457</u>
Other long-term obligations:					
Net Pension Liability	1,580,944	590,356	-	2,171,300	-
Net OPEB Liability	77,763	-	10,679	67,084	-
Compensated Absences	183,360	212,732	190,043	206,049	51,513
Total Business-Type Activities	<u>\$ 34,445,616</u>	<u>\$ 2,721,194</u>	<u>\$ 1,219,326</u>	<u>\$ 35,947,484</u>	<u>\$ 1,089,970</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.

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

Governmental Activities:

Total Governmental Bonds			Total Governmental Loans/Notes		
Due Fiscal Year			Due Fiscal Year		
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>June 30</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 2,710,000	\$ 591,691	2024	\$ 510,353	\$ 189,031
2025	2,650,000	490,593	2025	529,994	169,590
2026	3,100,000	369,193	2026	550,130	149,313
2027	3,330,000	221,033	2027	575,640	128,213
2028	1,425,009	61,275	2028	596,444	106,027
2029-2033	-	-	2029-2033	2,235,981	202,389
Total	<u>\$ 13,215,009</u>	<u>\$ 1,733,785</u>	Total	<u>\$ 4,998,542</u>	<u>\$ 944,563</u>

LONG-TERM LIABILITIES (CONT):

Business-Type Activities:

Total Enterprise Loans/Notes *

Due Fiscal Year		
June 30	Principal	Interest
2024	\$ 1,038,457	\$ 500,811
2025	1,053,741	480,455
2026	1,074,471	459,654
2027	1,095,662	438,318
2028	1,117,328	416,432
2029-2033	5,054,427	1,743,008
2034-2038	4,552,222	1,216,621
2039-2043	5,130,187	638,658
2044-2048	2,909,267	114,051
2049-2053	458,833	4,588
Total	<u>\$ 23,484,595</u>	<u>\$ 6,012,596</u>

* Enterprise loans/notes exclude additional sewer loan R56201 as project is still on-going as of June 30, 2023 and final liability has not been determined.

The liability for pension-related debt is fully liquidated by the General Fund. The liability for compensated absences is liquidated primarily by the General Fund (51%) and the Internal Service and Storm Drainage funds liquidate 14% and 1% respectively. The Water and Wastewater funds liquidate 11% each. The net pension and OPEB liabilities will be liquidated primarily from the General Fund, approximately 61% with the remaining amounts from the Water, Wastewater, Storm Drainage and Internal Service funds.

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

PENSION PLAN (CONT):

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.

Contributions

OPERS funding policy provides for periodic member and employer contributions at actuarial determined rates, subject to limits set in statute. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation.

Tier 1/Tier 2 employer contribution rates were 23.25% for both police and general service employees. Employer contributions for the year ended June 30, 2023 were \$963,857.

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.

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

PENSION PLAN (CONT):

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.

Contributions

OPERS funding policy provides for periodic member and employer contributions at actuarial determined rates, subject to limits set in statute. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation.

OPSRP employer contribution rates were 21.00% for police employees and 16.64% for general service employees. Employer contributions for the year ended June 30, 2023 were \$678,451.

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.

Pension Plan ACFR

Oregon PERS produces an independently audited ACFR which can be found at:
<https://www.oregon.gov/PERS/Pages/Financials/Actuarial-Financial-Information.aspx>

Actuarial Valuations

The employer contribution rates effective July 1, 2021, through June 30, 2023, 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

PENSION PLAN (CONT):

accrued liabilities being amortized over 16 years.

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

Valuation Date	December 31, 2020
Measurement Date	June 30, 2022
Experience Study Report	2020, published July 20, 2021
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.40 percent
Long-Term Expected Rate of Return	6.90 percent
Discount Rate	6.90 percent
Projected Salary Increases	3.40 percent overall payroll growth
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and grade COLA (1.25% / 0.15%) in accordance with <i>Moro</i> decision, blend based on service.
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.
	Active Members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.
	Disabled retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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 2020 Experience Study which reviewed experience for the four-year period ending on December 31, 2020.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 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 68 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

PENSION PLAN (CONT):

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 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) 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 68 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 68 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

Assumed Asset Allocation

Asset Class/Strategy	Assumed Asset Allocation		
	Low Range	High Range	Target
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	25.0%	35.0%	30.0%
Private Equity	15.0%	27.5%	20.0%
Real Estate	7.5%	17.5%	12.5%
Real Assets	2.5%	10.0%	7.5%
Diversifying Strategies	2.5%	10.0%	7.5%
Risk Parity*	0.0%	3.5%	2.5%
Total			100.0%

*Long-Term Expected Rate of Return**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 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.

PENSION PLAN (CONT):

Asset Class	Target Allocation	Annual Arithmetic Return **	20-Year Annualized Geometric Mean	Annual Standard Deviation
Global Equity	30.62%	7.11%	5.85%	17.05%
Private Equity	25.50%	11.35%	7.71%	30.00%
Core Fixed Income	23.75%	2.80%	2.73%	3.85%
Real Estate	12.25%	6.29%	5.66%	12.00%
Master Limited Partnerships	0.75%	7.65%	5.71%	21.30%
Infrastructure	1.50%	7.24%	6.26%	15.00%
Commodities	0.63%	4.68%	3.10%	18.85%
Hedge Fund of Funds - Multistrategy	1.25%	5.42%	5.11%	8.45%
Hedge Fund of Funds - Diversified	0.63%	5.85%	5.31%	11.05%
Hedge Fund - Macro	5.62%	5.33%	5.06%	7.90%
US Cash	-2.5% ***	1.77%	1.76%	1.20%
Assumed Inflation - Mean			2.40%	1.65%

* Based on the Oregon Investment Council's (OIC) Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on June 2, 2021.

** The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.

*** Negative allocation to cash represents levered exposure from allocation to Risk Parity strategy.

Sensitivity Analysis

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 6.90 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 (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of the net pension liability	\$ 17,694,843	\$ 9,977,844	\$ 3,519,072

Changes Subsequent to the Measurement Date

As described above, GASB 68 requires the Total Pension Liability to be determined on the benefit terms in effect at the Measurement Date. Any changes to the benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the Net Pension Liability, along with an estimated of resulting change, if available.

There are no changes subsequent to the June 30, 2022 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

PENSION PLAN (CONT):

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, 2022, employers will report the following deferred items:

- Deferred items also include changes in assumptions, net difference between projected and actual investment earnings, changes in employer proportion since the prior measurement date, difference between employer contributions, and employer's proportionate share of system contributions, and contributions subsequent to the measurement date.

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, 2022, Oregon PERS ACFR.

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

At June 30, 2022, the employer reported a liability of \$9,977,844 for its proportionate share of the net pension liability. The net pension liability/(asset) was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. 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.

At June 30, 2022, the employer's proportionate share was 0.06516353% which is an increase from the proportionate share of 0.06137271% measured as of June 30, 2021.

For the year ended June 30, 2022, the employer recognized pension expense of \$1,322,359. On June 30, 2022, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PENSION PLAN (CONT):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 484,344	\$ 62,224
Changes of assumptions	1,565,578	14,303
Net difference between projected and actual earnings on investments	-	1,783,845
Changes in proportion	923,895	356,304
Differences between employer contributions and proportionate share of contributions	-	1,070,839
Total (prior to post-MD contributions)	2,973,817	3,287,515
Contributions subsequent to the MD	1,642,308	-
Total	<u>\$ 4,616,125</u>	<u>\$ 3,287,515</u>

The City reported \$1,642,308 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:

Employer Subsequent Fiscal Years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	\$ (75,095)
2nd Fiscal Year	(308,671)
3rd Fiscal Year	(740,912)
4th Fiscal Year	829,334
5th Fiscal Year	(18,354)
Thereafter	-
Total	\$ (313,698)

3. IAP Plan Description:

Defined Contribution Plan - 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.

Starting July 1, 2020, Senate Bill 1049 required a portion of member contributions to their IAP accounts to be redirected to the Defined Benefit Pension Plan. If the member earns more than \$2,500 per month (increased to \$2,535 per month on January 1, 2021) 0.75 percent (if OPSRP member) or 2.5 percent (if Tier One/Tier Two member) of the member's contributions that were previously contributed to the member's IAP now fund the new Employee Pension Stability Accounts (EPSA). The EPSA accounts will be used to fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account. Members may elect to make voluntary IAP contributions equal to the amount redirected.

The City makes the employee contributions of 6% of covered payroll to the IAP. Contributions for the year ended June 30, 2023 were \$478,534 excluding amounts to fund employer specific liabilities.

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS:

The other postemployment benefits (OPEB) for the City combines two separate plans. The City provides an implicit rate subsidy for retiree health insurance premiums, and a contribution to the State of Oregon's PERS cost-sharing multiple-employer defined health insurance benefit plan.

Financial Statement Presentation

The City's two OPEB plans are presented in the aggregate on the Statement of Net Position. The amounts on the financial statements relate to the plans as follows:

	PERS RHIA Plan	Implicit Rate Subsidy Plan	Total OPEB at June 30, 2023
Net OPEB asset	\$ 209,490	\$ -	\$ 209,490
Deferred outflows of resources	19,164	64,145	83,309
Total OPEB liability	-	(308,273)	(308,273)
Deferred inflows of resources	(43,659)	(81,052)	(124,711)
OPEB expense (revenue)	184,995	(325,180)	(140,185)

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

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONT):

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.

An annual comprehensive financial report of the funds administered by OPERS 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>.

Contributions

OPERS funding policy provides for periodic member and employer contributions at the rates established by the Public Employees Retirement Board, subject to limits set in statute. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates during the period were based on the December 31, 2021 actuarial valuation.

The City contributed 0.06% of PERS-covered salaries for Tier 1 and Tier 2 members to fund the normal cost portion of RHIA benefits. Since the funded status of the RHIA UAL is in excess of 100%, no contributions were required to fund the RHIA UAL. For the year ended June 30, 2023, the City had contributions of \$1,208 to the RHIA.

Actuarial Methods and Assumptions Used in Developing Total OPEB 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, 2022. That independently audited annual comprehensive financial report can be found at: <https://www.oregon.gov/pers/Documents/Financials/ACFR/2022-Annual-Comprehensive-Financial-Report.pdf>.

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONT):

Valuation Date	December 31, 2020
Measurement Date	June 30, 2022
Experience Study Report	2020, published July 20, 2021
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.40 percent
Long-Term Expected Rate of Return	6.90 percent
Discount Rate	6.90 percent
Projected Salary Increases	3.40 percent
Retiree Healthcare Participation	Healthy retirees : 27.5% Disabled retirees: 15.0%
Healthcare cost trend rate	Not applicable
Mortality	<p>Healthy retirees and beneficiaries : Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active Members : Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees : Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

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 2020 Experience Study which is reviewed for the four-year period ending December 31, 2020.

Discount Rate

The discount rate used to measure the total OPEB liability was 6.90 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.

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long term expected rate of return assumption, in June 2021 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

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONT):

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/ACFR/2022-Annual-Comprehensive-Financial-Report.pdf>

Sensitivity Analysis

The following presents the employer's proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 6.90 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 (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	<u>1% Decrease (5.90%)</u>	<u>Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
City's proportionate share of the net pension liability (asset)	\$ (188,810)	\$ (209,490)	\$ (227,218)

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

At June 30, 2023, the City reported a net OPEB liability/(asset) of \$(209,490) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2022, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2020. 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, 2022, the City's proportion was 0.05895568% which is an increase from June 30, 2021 at 0.04909332%. OPEB income for the year ended June 30, 2023 was \$30,365.

At June 30, 2022, 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	\$ -	\$ 5,677
Changes of assumptions	1,640	6,983
Net difference between projected and actual earnings on investments	-	15,976
Changes in proportion	17,524	15,023
Differences between employer contributions and proportionate share of contributions	-	-
Total (prior to post-MD contributions)	19,164	43,659
Contributions subsequent to the MD	-	-
Total	<u>\$ 19,164</u>	<u>\$ 43,659</u>

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONT):

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

Employer Subsequent Fiscal Years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date)
1st Fiscal Year	\$ (4,796)
2nd Fiscal Year	(14,734)
3rd Fiscal Year	(10,082)
4th Fiscal Year	5,117
5th Fiscal Year	-
Thereafter	-
Total	\$ (24,495)

Changes Subsequent to the Measurement Date

The City is not aware of any changes subsequent to the June 30, 2022 Measurement Date that meet this requirement and thus require a brief description under the GASB standard.

Implicit Rate Subsidy

Plan Description

The City operates a single-employer defined benefit plan as established through negotiations between the City and collective bargaining units. The healthcare plan provides post-retirement medical, dental vision and life insurance benefits to eligible employees, spouses, and their dependents. The City is required by Oregon Revised Statutes 243.303, who were hired after July 1, 2003, 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.

In accordance with the GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*, the City reports its liability for the other post-employment benefits consistent with established generally accepted accounting principles and reflects an actuarially determined liability for the present value of projected future benefits for retired and active employees on the financial statements. This "plan" is not a stand-alone plan, and therefore, does not issue its own financial statements.

Funding Policy and Liability

The annual other postemployment benefits (OPEB) cost is calculated based on the Total OPEB Liability, as amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The total OPEB liability was measured as of June 30, 2022 and determined by an actuarial valuation as of that date.

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONT):

Changes in Total OPEB Liability is as follows:	Total OPEB Liability
Balance as of June 30, 2022	\$ 361,244
Changes for the year:	
Service cost	21,267
Interest on total OPEB liability	8,014
Effect of changes to benefit terms	-
Effect of economic/demographic gains or losses	33,336
Effect of assumptions changes or inputs	(92,468)
Benefit payments	(23,120)
Balance as of June 30, 2023	<u>\$ 308,273</u>

Actuarial Methods and Assumptions

The City's total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all period included in the measurement, unless otherwise specified.

Valuation date	July 1, 2022
Measurement date	June 30, 2022
Inflation	2.40%
Salary increases	3.40%
Withdrawal, retirement, and mortality rates	12/31/2021 Oregon PERS valuation
Election and Lapse Rates	35% of eligible employees. 60% of male members and 35% of female members will elect spouse coverage. 5% annual lapse rate
Actuarial cost method	Entry age normal

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. The discount rate in effect for the June 30, 2023 reporting date is 3.54%.

Health Care Cost Trend

The medical trend assumptions used in this valuation are based on long-term healthcare trend rates generated by the Society of Actuaries' Getzen Trend Model. The model considers current trends in health care costs, and long-term constraints on trend such as growth in per capita income. Inputs to the model are consistent with other assumptions used in the valuation. The report also assumes that dental costs will generally increase by 4% each year.

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONT):

Sensitivity Analysis

The following presents the City's total OPEB liability of the Plan, calculated using the discount rate of 3.54% 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.

Discount Rate:

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB liability, 2023	\$ 330,383	\$ 308,273	\$ 287,543

Healthcare Cost Trend:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability, 2023	\$ 278,736	\$ 308,273	\$ 342,779

Participation

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

	<u>July 1, 2022</u>
Active Employees	73
Eligible Retirees	2
Spouses of Ineligible Retirees	0
Total Participants	75
Spouses of Eligible Retirees	1

OPEB Expense

For the year ended June 30, 2023, the City recognized a credit to OPEB expense from this plan of \$325,180.

Deferred (Inflows) and Outflows of Resources

At June 30, 2023, the employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Fiscal Year Ending June 30, 2023	Deferred (Inflows) of Resources	Deferred outflows of Resources
Differences between expected and actual experience	\$ -	\$ 29,220
Changes in assumptions or inputs	(81,052)	17,834
Benefits Payments	-	17,091
Total as of June 30, 2023	<u>\$ (81,052)</u>	<u>\$ 64,145</u>

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONT):

Other amounts currently reported as deferred outflows of resources and deferred (inflows) of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

Year Ended June 30:	Annual Recognition
2024	\$ (3,454)
2025	\$ (3,454)
2026	\$ (3,454)
2027	\$ (3,454)
2028	\$ (4,936)
Thereafter	\$ (15,246)

Changes Subsequent to the Measurement Date

We are not aware of any changes subsequent to the June 30, 2022 Measurement Date that meet this requirement and thus require a brief description under the GASB No. 75 Standard.

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.

COMMITMENT:

The City has entered a CMGC contract with Emery & Sons to put in the next phase of the wastewater trunk line on the west side of town. The project has an estimated cost of \$21.5 million. \$5.4 million was spent in fiscal year 2023 leaving \$16.1 million unspent.

INTERFUND TRANSFERS:

Interfund transfers for the year ended June 30, 2023 were as follows:

	Transfer In	Transfer Out
General Fund	\$ -	\$ 2,970,572
Parks Grant Fund	592,139	113,719
Nonmajor Special Revenue Funds	525,000	1,735,727
Nonmajor Debt Service Funds	1,543,608	-
Nonmajor Capital Project Funds	96,998	-
Water Funds	-	575,245
Nonmajor Storm Drainage Funds	-	66,662
Wastewater Funds	-	847,206
Internal Service Funds	3,858,431	307,045
	<u>\$ 6,616,176</u>	<u>\$ 6,616,176</u>
Noncash General Fund	\$ 41,143	\$ -
Noncash Internal Service Fund	-	41,143
	<u>\$ 41,143</u>	<u>\$ 41,143</u>

\$3.5 million of these transfers support the Internal Service Funds housing administrative and central functions of the organization. This includes the City Manager's office, City Attorney's office, Human Resources, Finance, Custodial & Building Maintenance and Information Technology. The remaining transfers are made to support programs (i.e. General Fund supporting parks) and debt service payments. Noncash transfers occurred when capital assets were acquired that will be used in the operation of a different fund's resources.

INTERFUND BALANCES:

Interfund balances at June 30, 2023 consisted of interfund loans as follows:

	Interfund Loan Receivable	Interfund Loan Payable
Storm Drainage Utility Fund	\$ -	\$ 246,930
SDC- Street Improvements Fund	246,930	-
	<u>\$ 246,930</u>	<u>\$ 246,930</u>

The interfund loan payable by the Storm Drainage Utility Fund was established in 2018 by Resolution No. 2018-30 to fund a storm water drainage project, the canal underdrain after the City Council approved a change order. The original balance of the loan was \$400,000 payable over ten years at a 2.25% interest rate to complete the project as amended. Payments began on the loan in fiscal year 2020 and final payment on the loan is expected during the 2029 fiscal year.

FUND BALANCE:

Below is a schedule of governmental ending fund balances at June 30, 2023, based on GASB Statements No. 54:

Fund Balances:	General Fund	Park Enterprise Fund	Non-Major Governmental Funds	Total
Nonspendable:				
Prepaid	\$ 57,381	\$ -	\$ -	\$ 57,381
	57,381	-	-	57,381
Restricted for:				
Urban renewal projects	-	-	3,875,064	3,875,064
Debt service	-	-	163,143	163,143
Parks	-	-	3,440,116	3,440,116
Tourism	-	-	264,035	264,035
Building and planning	-	-	1,094,217	1,094,217
State foot & bike path	-	-	4,030	4,030
Highways and streets	-	-	7,225,201	7,225,201
Boat ramps	-	-	22,451	22,451
Police programs	-	-	25,088	25,088
Library services	-	-	318,698	318,698
Transit	-	-	65,582	65,582
Senior services	-	-	173,608	173,608
Cemetery	-	-	10,494	10,494
	-	-	16,681,727	16,681,727
Committed to:				
Park Projects	-	634,694	-	634,694
Engineering	-	-	122,957	122,957
	-	634,694	122,957	757,651
Assigned to:				
Capital assets	-	-	629,458	629,458
	-	-	629,458	629,458
Unassigned	4,791,922	-	-	4,791,922
	<u>\$ 4,849,303</u>	<u>\$ 634,694</u>	<u>\$ 17,434,142</u>	<u>\$ 22,918,139</u>

NET POSITION RESTRICTED THROUGH ENABLING LEGISLATION:

As of June 30, 2023, the amount of net position restricted by enabling legislation is as follows:

Governmental activities

System development - Ordinances imposing System Development Charges (SDC) restrict the use to capital improvements which expand the capacity of the system for which the charge was made	\$ 8,911,505
Urban renewal taxes - Taxes are restricted to improving and redeveloping designated areas (community development)	3,968,222
Highways and streets - Street maintenance fees are restricted for maintenance of public streets	1,389,416
Motel taxes - state law restricts the use of transient occupancy taxes (motel tax) to fund tourism promotion or finance the debt of tourism-related facilities	264,035

Business-type activities

System development - Ordinances imposing System Development Charges (SDC) restrict the use to capital improvements which expand the capacity of the system for which the charge was made	5,450,333
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RESTATEMENT OF NET POSITION DUE TO NEW GASB PRONOUNCEMENT:

The beginning net position as of July 1, 2022 for Governmental Activities was increased by \$27,333 to reflect the implementation of GASB Pronouncement 96, SBITA. Software purchased for the Police Department was originally procured in April 2022 2022 and the related subscription is for a three-year term. The restatement accounts for the addition of the right-to-use asset and a partial amortization for year one.

REQUIRED SUPPLEMENTARY INFORMATION

- SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY AND CONTRIBUTIONS
- SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPERS LIABILITY (ASSET) OPERS AND CONTRIBUTIONS
- SCHEDULE OF CHANGES IN OPEB LIABILITY AND REALTED RATIOS
- STATEMENT OF REVENUES, EXPEDITURES, AND CHANGES IN FUND BALANCES – BUDGET TO ACTUAL FOR MAJOR FUNDS
 - GENERAL FUND
 - PARK ENTERPRISE
- NOTES TO REQUIRED SUPPLEMENTARY INFORMATION



CITY OF LEBANON, OREGON
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY OPERS
FOR THE LAST TEN PLAN YEARS*

Measurement Date June 30,	Proportion of the net pension liability (asset)**	Proportionate share of the net pension liability (asset)**	Covered payroll	Proportionate share of the net pension liability (asset) as a percentage of its	Plan fiduciary net position as a percentage of the total pension liability
2022	0.06516353%	\$ 9,977,844	\$ 8,156,549	122.33%	84.50%
2021	0.06137271%	7,344,153	7,417,793	99.01%	87.60%
2020	0.57919440%	12,640,014	6,679,426	189.24%	75.80%
2019	0.06358675%	10,998,985	6,267,704	175.49%	80.20%
2018	0.06255912%	9,476,883	5,999,153	157.97%	82.10%
2017	0.06167821%	8,314,246	6,315,051	131.66%	83.10%
2016	0.05938091%	8,914,453	5,517,665	161.56%	80.50%
2015	0.06818515%	3,914,823	5,044,543	77.61%	91.90%
2014	0.06443958%	(1,460,660)	5,207,764	-28.05%	103.60%

CITY OF LEBANON, OREGON
SCHEDULE OF CONTRIBUTIONS OPERS
FOR THE LAST TEN FISCAL YEARS*

Year Ended June 30,	Statutorily required contribution**	Contributions in relation to the statutorily required contribution**	Contribution deficiency (excess)	Covered payroll	Contributions as a percent of covered payroll
2023	\$ 1,642,308	\$ 1,642,308	\$ -	\$ 8,560,209	19.19%
2022	1,554,850	1,554,850	-	8,156,549	19.06%
2021	1,257,645	1,257,645	-	7,417,793	16.95%
2020	1,129,644	1,129,644	-	6,679,426	16.91%
2019	832,862	832,862	-	6,267,704	13.29%
2018	823,096	823,096	-	5,999,153	13.72%
2017	638,089	638,089	-	6,315,051	10.10%
2016	595,431	595,431	-	5,517,665	10.79%
2015	457,865	457,865	-	5,044,543	9.08%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

** The actuarial information for each fiscal year was provided by the actuary for Oregon Public Employees Retirement System.

CITY OF LEBANON, OREGON
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY (ASSET) OPERS
RETIREMENT HEALTH INSURANCE ACCOUNT
FOR THE LAST TEN PLAN YEARS*

Item # 6.

Measurement Date June 30,	Proportion of the net OPEB liability (asset)**	Proportionate share of the net pension liability (asset)**	Covered payroll	Proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2022	0.05895568%	\$ (209,490)	\$ 8,156,549	-2.57%	194.60%
2021	0.04909332%	(168,587)	7,417,793	-2.27%	183.90%
2020	0.08379886%	(170,749)	6,679,426	-2.56%	150.10%
2019	0.05469207%	(105,685)	6,267,704	-1.69%	144.40%
2018	0.05663266%	(63,217)	5,999,153	-1.05%	124.00%
2017	0.06114702%	(25,519)	6,315,051	-0.40%	108.90%
2016	0.05669862%	15,397	5,517,665	0.28%	94.20%

CITY OF LEBANON, OREGON
SCHEDULE OF CONTRIBUTIONS OPERS RETIREMENT HEALTH INSURANCE ACCOUNT
FOR THE LAST TEN FISCAL YEARS*

Year Ended June 30,	Actuarially determined contribution	Contributions in relation to the actuarially required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percent of covered payroll
2023	\$ 1,208	\$ 1,208	\$ -	\$ 8,560,209	0.01%
2022	1,453	1,453	-	8,156,549	0.02%
2021	1,314	1,314	-	7,417,793	0.02%
2020	5,329	5,329	-	6,679,426	0.08%
2019	5,984	5,984	-	6,267,704	0.10%
2018	27,106	27,106	-	5,999,153	0.45%
2017	27,422	27,422	-	6,315,051	0.43%

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

** The actuarial information for each fiscal year was provided by the actuary for Oregon Public Employees Retirement System.

*** The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

CITY OF LEBANON, OREGON
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED
RATIOS - HEALTH INSURANCE
FOR THE LAST TEN FISCAL YEARS

Item # 6.

	2023	2022	2021	2020
Service Cost	\$ 21,267	\$ 20,658	\$ 16,352	\$ -
Interest	8,014	8,014	11,324	-
Effect of economic/demographic changes or inputs	33,336	-	-	-
Changes of assumptions or other inputs	(92,468)	1,129	28,094	-
Benefit payments	(23,121)	(20,943)	(20,943)	-
Net change in total OPEB liability	(52,972)	8,858	34,827	-
Total OPEB liability - beginning	361,244	352,386	317,559	-
Total OPEB liability - ending	\$ 308,272	\$ 361,244	\$ 352,386	\$ 317,559
Covered-employee payroll	\$ 8,560,209	\$ 8,156,549	\$ 7,417,793	\$ 6,679,426
Total OPEB liability as a percentage of covered-employee payroll	3.6012%	4.4289%	4.7506%	4.7543%

Notes to Schedule:

(1) Changes of assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2023	3.54%
2022	2.16%
2021	2.21%
2020	2.66%

(2) 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. Until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

(3) Due to the change in valuation method from the alternative measurement method to the actuarial valuation, prior years would not be reported correctly and are therefore omitted from this schedule.

(4) The actuarial information for each fiscal year was provided by the actuary Milliman.

MAJOR FUNDS PRESENTED AS REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND – Accounts for all financial resources of the City which are not accounted for in any other fund. Principle sources of revenues are property taxes, franchise fees, licenses, permits and state share revenues. Primary expenditures in the General Fund are for administration, police, parks and recreation, library, planning, and municipal court.

PARK ENTERPRISE FUND – Accounts for supporting the maintenance of developed and undeveloped parkland and trail maintenance. The primary source of revenue is from park shelter reservations and camping fees and from an Intergovernmental Agreement with the Lebanon School District for maintenance.

**CITY OF LEBANON, OREGON
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Property and other taxes	\$ 6,578,908	\$ 6,578,908	\$ 6,705,854	\$ 126,946
Franchise fees	2,525,252	2,525,252	2,747,904	222,652
Licenses and permits	4,000	4,000	4,159	159
Fines, forfeitures, and penalties	364,790	364,790	266,346	(98,444)
Intergovernmental	1,992,329	2,004,079	1,350,365	(653,714)
Charges for services	59,720	59,720	93,764	34,044
Rent	19,270	19,270	29,083	9,813
Contributions	-	8,500	3,000	(5,500)
Interest	41,000	41,000	171,485	130,485
Miscellaneous	106,384	106,384	143,144	36,760
TOTAL REVENUES	11,691,653	11,711,903	11,515,104	(196,799)
EXPENDITURES:				
Mayor & City Council	93,184	93,184	79,958	13,226
Community Development	648,775	660,525	582,081	78,444
Finance - Court	438,160	444,160	443,747	413
Library	649,025	649,025	650,021	(996)
Police	6,514,420	6,514,420	5,919,544	594,876
Senior Services	306,350	314,850	312,803	2,047
Non-Departmental:				
Materials & services	1,090,745	1,090,745	834,791	255,954
Capital outlay	34,000	34,000	34,790	(790)
Pass-Through	470,000	470,000	152,106	317,894
Contingency	2,005,373	1,989,373	-	1,989,373
Debt service:				
Debt service - principal	90,919	90,919	92,696	(1,777)
Debt service - interest	25,607	35,607	35,607	-
TOTAL EXPENDITURES	12,366,558	12,386,808	9,138,144	3,248,664
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(674,905)	(674,905)	2,376,960	3,051,865
OTHER FINANCING SOURCES (USES):				
Subscription financing	-	-	5,217	5,217
Transfers out	(2,518,411)	(2,518,411)	(2,490,572)	27,839
TOTAL OTHER FINANCING SOURCES (USES)	(2,518,411)	(2,518,411)	(2,485,355)	33,056
NET CHANGE IN FUND BALANCE	(3,193,316)	(3,193,316)	(108,395)	3,084,921
FUND BALANCE, JUNE 30, 2022	4,183,106	4,183,106	4,957,698	774,592
FUND BALANCE, JUNE 30, 2023	\$ 989,790	\$ 989,790	\$ 4,849,303	\$ 3,859,513

**CITY OF LEBANON, OREGON
PARK ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 155,000	\$ 2,755,000	\$ 155,000	\$ (2,600,000)
Charges for services	111,000	111,000	192,744	81,744
Rentals	9,000	9,000	14,717	5,717
Contributions	38,000	38,000	-	(38,000)
Interest	1,000	1,000	86,959	85,959
Miscellaneous	500	500	1,008	508
TOTAL REVENUES	314,500	2,914,500	450,428	(2,464,072)
EXPENDITURES:				
Public Works	888,690	888,690	823,395	65,295
Engineering	363,000	2,963,000	42,442	2,920,558
TOTAL EXPENDITURES	1,251,690	3,851,690	865,837	2,985,853
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(937,190)	(937,190)	(415,409)	521,781
OTHER FINANCING SOURCES (USES):				
Transfers in	592,139	592,139	592,139	-
Transfers out	(115,129)	(115,129)	(113,719)	1,410
TOTAL OTHER FINANCING SOURCES (USES)	477,010	477,010	478,420	1,410
NET CHANGE IN FUND BALANCE	(460,180)	(460,180)	63,011	523,191
FUND BALANCE, JUNE 30, 2022	460,180	460,180	571,683	111,503
FUND BALANCE, JUNE 30, 2023	\$ -	\$ -	\$ 634,694	\$ 634,694

BUDGETING:

A budget is prepared for each city fund in accordance with the modified accrual basis of accounting and legal requirements set forth in Oregon local budget law (ORS Chapter 294). 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 budget document, however, is required to contain more specific, detailed information for the above-mentioned expenditure categories. Appropriations lapse on 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 Council. Original and supplemental budgets may be modified by using appropriations transfers between the levels of control. Such transfers require approval by the Council.

EXPENDITURES IN EXCESS OF APPROPRIATIONS

Oregon law prohibits expenditures in excess of Council approved appropriations. Expenditures in excess of appropriations in individual funds for the year ended June 30, 2023 occurred as follows:

<i>Fund Name</i>	<i>Budget</i>	<i>Actual</i>	<i>Variance</i>
<i>General Fund</i>			
Library	649,025	650,021	(996)
Capital Outlay	34,000	34,790	(790)
Debt Service - Principal	90,919	92,696	(1,777)

SUPPLEMENTARY INFORMATION

- NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS
- NON-MAJOR SPECIAL REVENUE FUNDS, DEBT
SERVICE, CAPITAL PROJECTS FUNDS, AND
PROPRIETARY FUND STATEMENTS AND
SCHEDULES



**CITY OF LEBANON, OREGON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
ASSETS				
Cash and cash equivalent	\$ 7,005,279	\$ 157,778	\$ 9,674,870	\$ 16,837,927
Taxes receivable	102,424	64,735	-	167,159
Accounts receivable	591,512	-	-	591,512
Assessment receivable	-	-	413,633	413,633
Restricted cash and cash equivalents	179,046	-	-	179,046
Interfund loan receivable	-	-	246,930	246,930
TOTAL ASSETS	\$ 7,878,261	\$ 222,513	\$ 10,335,433	\$ 18,436,207
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	87,194	-	3,149	90,343
Accrued payroll	23,674	-	-	23,674
TOTAL LIABILITIES	110,868	-	3,149	114,017
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	93,158	59,370	-	152,528
Unavailable revenue - receivables	324,652	-	410,868	735,520
TOTAL DEFERRED INFLOWS OF RESOURCES	417,810	59,370	410,868	888,048
Fund balances:				
Restricted	7,226,626	163,143	9,291,958	16,681,727
Committed	122,957	-	-	122,957
Assigned	-	-	629,458	629,458
TOTAL FUND BALANCES	7,349,583	163,143	9,921,416	17,434,142
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 7,878,261	\$ 222,513	\$ 10,335,433	\$ 18,436,207

**CITY OF LEBANON, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total
REVENUES:				
Property and other taxes	\$ 2,757,036	\$ 1,581,632	\$ -	\$ 4,338,668
Special assessment collections	-	-	479,196	479,196
Licenses and permits	575,689	-	-	575,689
Intergovernmental	2,519,056	-	267,112	2,786,168
Charges for services	18,159	-	-	18,159
Rentals	7,200	-	-	7,200
Contributions	82,126	-	-	82,126
Interest	205,191	31,638	289,646	526,475
Miscellaneous	4,219	-	-	4,219
TOTAL REVENUES	6,168,676	1,613,270	1,035,954	8,817,900
EXPENDITURES:				
Current:				
Public safety	4,194	-	-	4,194
Highways and Streets	1,025,621	-	-	1,025,621
Culture and recreation	176,969	-	-	176,969
Community Planning	592,341	-	-	592,341
Transportation	784,803	-	-	784,803
Debt service				
Debt service - principal	404,945	2,525,000	-	2,929,945
Debt service - interest	172,295	701,164	-	873,459
Capital outlay	520,311	-	933,091	1,453,402
TOTAL EXPENDITURES	3,681,479	3,226,164	933,091	7,840,734
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,487,197	(1,612,894)	102,863	977,166
OTHER FINANCING SOURCES (USES):				
Transfers in	525,000	1,543,608	96,998	2,165,606
Transfers out	(1,735,727)	-	-	(1,735,727)
TOTAL OTHER FINANCING SOURCES (USES)	(1,210,727)	1,543,608	96,998	429,879
NET CHANGE IN FUND BALANCES	1,276,470	(69,286)	199,861	1,407,045
FUND BALANCE, JUNE 30, 2022	6,073,113	232,429	9,721,555	16,027,097
FUND BALANCE, JUNE 30, 2023	\$ 7,349,583	\$ 163,143	\$ 9,921,416	\$ 17,434,142

NON-MAJOR GOVERNMENTAL FUNDS



NON-MAJOR SPECIAL REVENUE FUNDS

These funds account for proceeds of specific revenue sources that are legally restricted to expenditure for a specific purpose.

Non-Major Funds:

Motel Tax Fund – Accounts for transient lodging taxes and tourism activities. Major revenue source are transient lodging taxes collected from local hotels, motels and other overnight lodging, including City owned RV park. Expenses include a contract to support the Lebanon Chamber of Commerce operations, funding of the Lebanon Downtown Associations and to provide funding for the downtown resotation program.

Building Inspection Fund – Accounts for the costs of Building Contract Services and development permit processing for the City. The primary source of revenue is for Building Services in applications fees associated with building permits in the City.

State Foot & Bike Service Fund – Accounts for administration of state gas tax revenues restricted for foot and bike path projects, including sidewalk access ramp installation and replacement. The main revenue source is a portion of the state revenue share of the gas tax. Funds continue to grow to be reserved for future sidewalk, access famp and bike facility projects.

Engineering Development Review Fund – Accounts for ensuring responsible land development and construction of quality infrastructure within the City. The primary source of revenues include feeds paid by developers for public infrastructure plan review.

Street Mainteance Fund – Accounts for the operations and mainteance of the City's streets and sidewalks, as well as overseeing and designing street improvement projects. The main sources of revenue for this fund is from State Revenue share of gas tax.

LINX Transit Fund – Accounts for revenues and expeditures associated with the operation of the City's transit system. Major revenue sources include grant monies.

Boat Ramp Fund – Accounts for State Grant funding to support the operations of Gills Landing and Cheadle Lake Boat ramps. All funding is from grant monies.

Police Donations Fund – Accounts for donated monies from the community to support specific programs and outreach like National Night Out, Shop-With-A-Cop and Turn Lebanon Blue.

Library Donations Fund – Accounts for donations from Alta Ballew Charitable Trust, public and payment for lost or damanaged library materials to support special purchases, projects and programs in the Library.

Senior Services Donations Fund – Accounts for donations for senior services projects and programs.

Northwest Urban Renewal District Fund – Accounts for one of five Urban Renewal Districts within the City. Principle source of revenues are property taxes. Primary expenditures in the Northwest Urban Renewal District Fund are debt payments.

Cheadle Lake Urban Renewal District Fund – Accounts for the Cheadle Lake Urban Renewal boundaries, to fund improvments for the Cheadle Lake park area. Major funding comes from property taxes.

North Gateway Urban Renewal District Fund – Accounts for the North Gateway Urban Renewal boundaries, to fund improvements near Reeves Parkway down to Academy Square. Major funding comes from property taxes.

Downtown Urban Renewal Agency Fund – Accounts for the Downtown Urban Renewal boundaries, to fund improvements in downtown Lebanon. Major funding comes from property taxes.

Mill Race Urban Renewal Agency Fund – Accounts for the Mill Race Urban Renewal District to support projects on the north-end of Lebanon. Major funding comes from property taxes.

CITY OF LEBANON, OREGON
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2023

	Motel Tax Fund	Building Inspection Fund	State Foot & Bike Path Fund	Engineering Development Review Fund	Street Maintenance Fund	LINX Transit Fund
ASSETS						
Cash and cash equivalent	\$ 228,382	\$ 1,111,512	\$ 2,576	\$ 129,873	\$ 1,275,367	\$ 30,130
Taxes receivable	-	-	-	-	-	-
Accounts receivable	56,903	-	2,987	-	143,895	387,477
Restricted cash and cash equivalent	-	-	-	-	-	-
TOTAL ASSETS	\$ 285,285	\$ 1,111,512	\$ 5,563	\$ 129,873	\$ 1,419,262	\$ 417,607
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 21,250	\$ 14,587	\$ -	\$ 5,324	\$ 28,889	\$ 16,052
Accrued payroll	-	2,708	-	1,592	6,520	12,854
TOTAL LIABILITIES	21,250	17,295	-	6,916	35,409	28,906
Deferred Inflows of Resources:						
Unavailable revenue - property taxes	-	-	-	-	-	-
Unavailable revenue - receivables	-	-	1,533	-	-	323,119
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	1,533	-	-	323,119
Fund balances:						
Restricted	264,035	1,094,217	4,030	-	1,383,853	65,582
Committed	-	-	-	122,957	-	-
TOTAL FUND BALANCES	264,035	1,094,217	4,030	122,957	1,383,853	65,582
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 285,285	\$ 1,111,512	\$ 5,563	\$ 129,873	\$ 1,419,262	\$ 417,607

CITY OF LEBANON, OREGON
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2023

	Boat Ramps Fund	Police Donations Fund	Library Donations Fund	Senior Services Donations Fund	Northwest Urban Renewal District Fund	Cheadle Lake Urban Renewal District Fund
ASSETS						
Cash and cash equivalent	\$ 22,451	\$ 24,838	\$ 318,948	\$ 174,450	\$ 2,015,377	\$ 212,444
Taxes receivable	-	-	-	-	42,675	18,608
Accounts receivable	-	250	-	-	-	-
Restricted cash and cash equivalent	-	-	-	-	-	179,046
TOTAL ASSETS	\$ 22,451	\$ 25,088	\$ 318,948	\$ 174,450	\$ 2,058,052	\$ 410,098
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable	-	\$ -	\$ 250	\$ 842	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	250	842	-	-
Deferred Inflows of Resources:						
Unavailable revenue - property taxes	-	-	-	-	38,743	16,991
Unavailable revenue - receivables	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	38,743	16,991
Fund balances:						
Restricted	22,451	25,088	318,698	173,608	2,019,309	393,107
Committed	-	-	-	-	-	-
TOTAL FUND BALANCES	22,451	25,088	318,698	173,608	2,019,309	393,107
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 22,451	\$ 25,088	\$ 318,948	\$ 174,450	\$ 2,058,052	\$ 410,098

CITY OF LEBANON, OREGON
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2023

	North Gateway Urban Renewal District Fund	Downtown Urban Renewal District Fund	Mill Race Urban Renewal District Fund	Total
ASSETS				
Cash and cash equivalent	\$ 1,377,952	\$ 76,483	\$ 4,496	\$ 7,005,279
Taxes receivable	37,968	1,274	1,899	102,424
Accounts receivable	-	-	-	591,512
Restricted cash and cash equivalent	-	-	-	179,046
TOTAL ASSETS	\$ 1,415,920	\$ 77,757	\$ 6,395	\$ 7,878,261
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 87,194
Accrued payroll	-	-	-	23,674
TOTAL LIABILITIES	-	-	-	110,868
Deferred Inflows of Resources:				
Unavailable revenue - property taxes	34,633	1,168	1,623	93,158
Unavailable revenue - receivables	-	-	-	324,652
TOTAL DEFERRED INFLOWS OF RESOURCES	34,633	1,168	1,623	417,810
Fund balances:				
Restricted	1,381,287	76,589	4,772	7,226,626
Committed	-	-	-	122,957
TOTAL FUND BALANCES	1,381,287	76,589	4,772	7,349,583
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 1,415,920	\$ 77,757	\$ 6,395	\$ 7,878,261

CITY OF LEBANON, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Motel Tax Fund	Building Inspection Fund	State Foot & Bike Path Fund	Engineering Development Review Fund	Street Maintenance Fund	LINX Transit Fund
REVENUES:						
Property and other taxes	\$ 289,031	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	401,135	-	174,554	-	-
Intergovernmental	-	4,047	15,252	-	1,517,182	982,575
Charges for services	-	-	-	18,159	-	-
Rentals	-	-	-	-	7,200	-
Contributions	-	-	-	-	-	1,142
Interest	4,851	31,600	89	3,036	33,961	4,926
Miscellaneous	-	-	-	-	3,844	375
TOTAL REVENUES	293,882	436,782	15,341	195,749	1,562,187	989,018
EXPENDITURES:						
Current:						
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	1,025,621	-
Culture and recreation	137,143	-	-	-	-	-
Community planning	-	319,602	-	142,515	-	-
Transportation	-	-	-	-	-	784,803
Debt service:						
Debt service - principal	-	-	-	-	-	-
Debt service - interest	-	-	-	-	-	-
Capital outlay	-	-	30,000	-	200,162	290,149
TOTAL EXPENDITURES	137,143	319,602	30,000	142,515	1,225,783	1,074,952
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	156,739	117,180	(14,659)	53,234	336,404	(85,934)
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	45,000	-
Transfers out	-	(95,031)	-	(19,728)	(223,727)	(97,871)
TOTAL OTHER FINANCING SOURCES (USES)	-	(95,031)	-	(19,728)	(178,727)	(97,871)
NET CHANGE IN FUND BALANCE	156,739	22,149	(14,659)	33,506	157,677	(183,805)
FUND BALANCE, JUNE 30, 2022	107,296	1,072,068	18,689	89,451	1,226,176	249,387
FUND BALANCE, JUNE 30, 2023	\$ 264,035	\$ 1,094,217	\$ 4,030	\$ 122,957	\$ 1,383,853	\$ 65,582

CITY OF LEBANON, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Boat Ramps Fund	Police Donations Fund	Library Donations Fund	Senior Services Donations Fund	Northwest Urban Renewal District Fund	Cheadle Lake Urban Renewal District Fund
REVENUES:						
Property and other taxes	\$ -	\$ -	\$ -	\$ -	\$ 901,524	\$ 460,491
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Rentals	-	-	-	-	-	-
Contributions	-	3,295	74,442	3,247	-	-
Interest	629	635	8,180	4,931	66,725	10,444
Miscellaneous	-	-	-	-	-	-
TOTAL REVENUES	629	3,930	82,622	8,178	968,249	470,935
EXPENDITURES:						
Current:						
Public safety	-	4,194	-	-	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	1,880	-	29,870	8,076	-	-
Community planning	-	-	-	-	260	57
Transportation	-	-	-	-	-	-
Debt service:						
Debt service - principal	-	-	-	-	140,069	264,876
Debt service - interest	-	-	-	-	85,325	86,970
Capital outlay	-	-	-	-	-	-
TOTAL EXPENDITURES	1,880	4,194	29,870	8,076	225,654	351,903
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,251)	(264)	52,752	102	742,595	119,032
OTHER FINANCING SOURCES (USES):						
Transfers in	-	-	-	-	480,000	-
Transfers out	-	-	-	-	(1,283,600)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	(803,600)	-
NET CHANGE IN FUND BALANCE	(1,251)	(264)	52,752	102	(61,005)	119,032
FUND BALANCE, JUNE 30, 2022	23,702	25,352	265,946	173,506	2,080,314	274,075
FUND BALANCE, JUNE 30, 2023	\$ 22,451	\$ 25,088	\$ 318,698	\$ 173,608	\$ 2,019,309	\$ 393,107

CITY OF LEBANON, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	North Gateway Urban Renewal District Fund	Downtown Urban Renewal District Fund	Mill Race Urban Renewal District Fund	Total
REVENUES:				
Property and other taxes	\$ 943,389	\$ 42,722	\$ 119,879	\$ 2,757,036
Licenses and permits	-	-	-	575,689
Intergovernmental	-	-	-	2,519,056
Charges for services	-	-	-	18,159
Rentals	-	-	-	7,200
Contributions	-	-	-	82,126
Interest	31,673	2,268	1,243	205,191
Miscellaneous	-	-	-	4,219
TOTAL REVENUES	975,062	44,990	121,122	6,168,676
EXPENDITURES:				
Current:				
Public safety	-	-	-	4,194
Highways and streets	-	-	-	1,025,621
Culture and recreation	-	-	-	176,969
Community planning	2,776	6	127,125	592,341
Transportation	-	-	-	784,803
Debt service:				
Debt service - principal	-	-	-	404,945
Debt service - interest	-	-	-	172,295
Capital outlay	-	-	-	520,311
TOTAL EXPENDITURES	2,776	6	127,125	3,681,479
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	972,286	44,984	(6,003)	2,487,197
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	525,000
Transfers out	-	(15,770)	-	(1,735,727)
TOTAL OTHER FINANCING SOURCES (USES)	-	(15,770)	-	(1,210,727)
NET CHANGE IN FUND BALANCE	972,286	29,214	(6,003)	1,276,470
FUND BALANCE, JUNE 30, 2022	409,001	47,375	10,775	6,073,113
FUND BALANCE, JUNE 30, 2023	\$ 1,381,287	\$ 76,589	\$ 4,772	\$ 7,349,583

**CITY OF LEBANON, OREGON
MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Other taxes	\$ 249,990	\$ 249,990	\$ 289,031	\$ 39,041
Interest	500	500	4,851	4,351
TOTAL REVENUES	<u>250,490</u>	<u>250,490</u>	<u>293,882</u>	<u>43,392</u>
EXPENDITURES:				
Materials and services	170,000	170,000	137,143	32,857
Capital outlay	232,266	232,266	-	232,266
TOTAL EXPENDITURES	<u>402,266</u>	<u>402,266</u>	<u>137,143</u>	<u>265,123</u>
NET CHANGE IN FUND BALANCE	(151,776)	(151,776)	156,739	308,515
FUND BALANCE, JUNE 30, 2022	<u>151,776</u>	<u>151,776</u>	<u>107,296</u>	<u>(44,480)</u>
FUND BALANCE, JUNE 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 264,035</u>	<u>\$ 264,035</u>

**CITY OF LEBANON, OREGON
BUILDING INSPECTION FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ 300,000	\$ 300,000	\$ 401,135	\$ 101,135
Intergovernmental	5,000	5,000	4,047	(953)
Interest	3,500	3,500	31,600	28,100
TOTAL REVENUES	308,500	308,500	436,782	128,282
EXPENDITURES:				
Community Development	436,000	436,000	319,602	116,398
Contingency	748,425	748,425	-	748,425
TOTAL EXPENDITURES	1,184,425	1,184,425	319,602	864,823
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(875,925)	(875,925)	117,180	993,105
OTHER FINANCING SOURCES (USES):				
Transfers out	(97,701)	(97,701)	(95,031)	2,670
TOTAL OTHER FINANCING SOURCES (USES)	(97,701)	(97,701)	(95,031)	2,670
NET CHANGE IN FUND BALANCE	(973,626)	(973,626)	22,149	995,775
FUND BALANCE, JUNE 30, 2022	973,626	973,626	1,072,068	98,442
FUND BALANCE, JUNE 30, 2023	\$ -	\$ -	\$ 1,094,217	\$ 1,094,217

**CITY OF LEBANON, OREGON
STATE FOOT & BIKE PATH
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 14,613	\$ 14,613	\$ 15,252	\$ 639
Interest	35	35	89	54
TOTAL REVENUES	14,648	14,648	15,341	693
EXPENDITURES:				
Engineering	31,460	31,460	30,000	1,460
TOTAL EXPENDITURES	31,460	31,460	30,000	1,460
NET CHANGE IN FUND BALANCE	(16,812)	(16,812)	(14,659)	2,153
FUND BALANCE, JUNE 30, 2022	16,812	16,812	18,689	1,877
FUND BALANCE, JUNE 30, 2023	\$ -	\$ -	\$ 4,030	\$ 4,030

**CITY OF LEBANON, OREGON
ENGINEERING DEVELOPMENT REVIEW FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ 77,000	\$ 107,000	\$ 174,554	\$ 67,554
Charges for services	20,000	20,000	18,159	(1,841)
Interest	600	600	3,036	2,436
TOTAL REVENUES	97,600	127,600	195,749	68,149
EXPENDITURES:				
Engineering	125,250	155,250	142,515	12,735
Contingency	13,632	13,632	-	13,632
TOTAL EXPENDITURES	138,882	168,882	142,515	26,367
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(41,282)	(41,282)	53,234	94,516
OTHER FINANCING SOURCES (USES):				
Transfers out	(19,866)	(19,866)	(19,728)	138
TOTAL OTHER FINANCING SOURCES (USES)	(19,866)	(19,866)	(19,728)	138
NET CHANGE IN FUND BALANCE	(61,148)	(61,148)	33,506	94,654
FUND BALANCE, JUNE 30, 2022	61,148	61,148	89,451	28,303
FUND BALANCE, JUNE 30, 2023	\$ -	\$ -	\$ 122,957	\$ 122,957

**CITY OF LEBANON, OREGON
STREET MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,455,090	\$ 1,455,090	\$ 1,517,182	\$ 62,092
Rentals	-	-	7,200	7,200
Interest	2,000	2,000	33,961	31,961
Contributions	-	20,000	-	(20,000)
Miscellaneous	7,500	7,500	3,844	(3,656)
TOTAL REVENUES	1,464,590	1,484,590	1,562,187	77,597
EXPENDITURES:				
Public Works	1,122,935	1,122,935	1,005,357	117,578
Engineering	759,500	779,500	220,426	559,074
Contingency	50,000	50,000	-	50,000
TOTAL EXPENDITURES	1,932,435	1,952,435	1,225,783	726,652
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(467,845)	(467,845)	336,404	804,249
OTHER FINANCING SOURCES (USES):				
Transfers in	45,000	45,000	45,000	-
Transfers out	(225,675)	(225,675)	(223,727)	1,948
TOTAL OTHER FINANCING SOURCES (USES)	(180,675)	(180,675)	(178,727)	1,948
NET CHANGE IN FUND BALANCE	(648,520)	(648,520)	157,677	806,197
FUND BALANCE, JUNE 30, 2022	1,099,863	1,099,863	1,226,176	126,313
FUND BALANCE, JUNE 30, 2023	\$ 451,343	\$ 451,343	\$ 1,383,853	\$ 932,510

**CITY OF LEBANON, OREGON
 LINX TRANSIT FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 923,000	\$ 1,062,775	\$ 982,575	\$ (80,200)
Contributions	12,500	12,500	1,142	(11,358)
Interest	1,000	1,000	4,926	3,926
Miscellaneous	1,000	10,200	375	(9,825)
TOTAL REVENUES	937,500	1,086,475	989,018	(97,457)
EXPENDITURES:				
LINX	980,157	1,129,132	1,074,952	54,180
Contingency	178,826	178,826	-	178,826
TOTAL EXPENDITURES	1,158,983	1,307,958	1,074,952	233,006
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(221,483)	(221,483)	(85,934)	135,549
OTHER FINANCING SOURCES (USES):				
Transfers out	(99,455)	(99,455)	(97,871)	1,584
TOTAL OTHER FINANCING SOURCES (USES)	(99,455)	(99,455)	(97,871)	1,584
NET CHANGE IN FUND BALANCE	(320,938)	(320,938)	(183,805)	137,133
FUND BALANCE, JUNE 30, 2022	320,938	320,938	249,387	(71,551)
FUND BALANCE, JUNE 30, 2023	\$ -	\$ -	\$ 65,582	\$ 65,582

**CITY OF LEBANON, OREGON
BOAT RAMP FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 8,000	\$ 8,000	\$ -	\$ (8,000)
Interest	-	-	629	629
TOTAL REVENUES	<u>8,000</u>	<u>8,000</u>	<u>629</u>	<u>(7,371)</u>
EXPENDITURES:				
Public Works	9,639	9,639	1,880	7,759
TOTAL EXPENDITURES	<u>9,639</u>	<u>9,639</u>	<u>1,880</u>	<u>7,759</u>
NET CHANGE IN FUND BALANCE	(1,639)	(1,639)	(1,251)	388
FUND BALANCE, JUNE 30, 2022	<u>1,639</u>	<u>1,639</u>	<u>23,702</u>	<u>22,063</u>
FUND BALANCE, JUNE 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,451</u>	<u>\$ 22,451</u>

**CITY OF LEBANON, OREGON
POLICE DONATIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Contributions	\$ 12,635	\$ 12,635	\$ 3,295	\$ (9,340)
Interest	100	100	635	535
TOTAL REVENUES	<u>12,735</u>	<u>12,735</u>	<u>3,930</u>	<u>(8,805)</u>
EXPENDITURES:				
Police	<u>36,417</u>	<u>36,417</u>	<u>4,194</u>	<u>32,223</u>
TOTAL EXPENDITURES	<u>36,417</u>	<u>36,417</u>	<u>4,194</u>	<u>32,223</u>
NET CHANGE IN FUND BALANCE	(23,682)	(23,682)	(264)	23,418
FUND BALANCE, JUNE 30, 2022	<u>23,682</u>	<u>23,682</u>	<u>25,352</u>	<u>1,670</u>
FUND BALANCE, JUNE 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,088</u>	<u>\$ 25,088</u>

**CITY OF LEBANON, OREGON
LIBRARY DONATIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Contributions	\$ 43,650	\$ 43,650	\$ 74,442	\$ 30,792
Interest	1,000	1,000	8,180	7,180
TOTAL REVENUES	<u>44,650</u>	<u>44,650</u>	<u>82,622</u>	<u>37,972</u>
EXPENDITURES:				
Library	<u>43,650</u>	<u>43,650</u>	<u>29,870</u>	<u>13,780</u>
TOTAL EXPENDITURES	<u>43,650</u>	<u>43,650</u>	<u>29,870</u>	<u>13,780</u>
NET CHANGE IN FUND BALANCE	1,000	1,000	52,752	51,752
FUND BALANCE, JUNE 30, 2022	<u>226,318</u>	<u>226,318</u>	<u>265,946</u>	<u>39,628</u>
FUND BALANCE, JUNE 30, 2023	<u><u>\$ 227,318</u></u>	<u><u>\$ 227,318</u></u>	<u><u>\$ 318,698</u></u>	<u><u>\$ 91,380</u></u>

**CITY OF LEBANON, OREGON
 SENIOR SERVICES DONATIONS FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Contributions	\$ 4,000	\$ 4,000	\$ 3,247	\$ (753)
Interest	1,000	1,000	4,931	3,931
Miscellaneous	500	500	-	(500)
TOTAL REVENUES	5,500	5,500	8,178	2,678
EXPENDITURES:				
Senior Center	177,974	177,974	8,076	169,898
TOTAL EXPENDITURES	177,974	177,974	8,076	169,898
NET CHANGE IN FUND BALANCE	(172,474)	(172,474)	102	172,576
FUND BALANCE, JUNE 30, 2022	172,474	172,474	173,506	1,032
FUND BALANCE, JUNE 30, 2023	\$ -	\$ -	\$ 173,608	\$ 173,608

**CITY OF LEBANON, OREGON
NORTHWEST URBAN RENEWAL DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ 935,000	\$ 935,000	\$ 901,524	\$ (33,476)
Interest	13,000	13,000	66,725	53,725
TOTAL REVENUES	<u>948,000</u>	<u>948,000</u>	<u>968,249</u>	<u>20,249</u>
EXPENDITURES:				
Northwest Urban Renewal District activities	-	-	260	(260)
Debt service:				
Debt service - principal	1,150,070	1,150,070	1,146,800	3,270
Debt service - interest	358,926	358,926	362,194	(3,268)
TOTAL EXPENDITURES	<u>1,508,996</u>	<u>1,508,996</u>	<u>1,509,254</u>	<u>(258)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(560,996)</u>	<u>(560,996)</u>	<u>(541,005)</u>	<u>19,991</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	240,000	240,000	480,000	240,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>240,000</u>	<u>240,000</u>	<u>480,000</u>	<u>240,000</u>
NET CHANGE IN FUND BALANCE	<u>(320,996)</u>	<u>(320,996)</u>	<u>(61,005)</u>	<u>259,991</u>
FUND BALANCE, JUNE 30, 2022	<u>2,064,399</u>	<u>2,064,399</u>	<u>2,080,314</u>	<u>15,915</u>
FUND BALANCE, JUNE 30, 2023	<u>\$ 1,743,403</u>	<u>\$ 1,743,403</u>	<u>\$ 2,019,309</u>	<u>\$ 275,906</u>

**CITY OF LEBANON, OREGON
 CHEADLE LAKE URBAN RENEWAL DISTRICT FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ 450,000	\$ 450,000	\$ 460,491	\$ 10,491
Interest	1,000	1,000	10,444	9,444
TOTAL REVENUES	451,000	451,000	470,935	19,935
EXPENDITURES:				
Cheadle Lake Urban Renewal District activities	356,263	356,263	57	356,206
Debt service				
Debt service - principal	264,877	264,877	264,876	1
Debt service - interest	86,971	86,971	86,970	1
TOTAL EXPENDITURES	708,111	708,111	351,903	356,208
NET CHANGE IN FUND BALANCE	(257,111)	(257,111)	119,032	376,143
FUND BALANCE, JUNE 30, 2022	257,111	257,111	274,075	16,964
FUND BALANCE, JUNE 30, 2023	\$ -	\$ -	\$ 393,107	\$ 393,107

**CITY OF LEBANON, OREGON
NORTH GATEWAY URBAN RENEWAL DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ 932,416	\$ 932,416	\$ 943,389	\$ 10,973
Interest	-	-	31,673	31,673
TOTAL REVENUES	932,416	932,416	975,062	42,646
EXPENDITURES:				
North Gateway Urban Renewal District activities	1,335,096	1,335,096	2,776	1,332,320
TOTAL EXPENDITURES	1,335,096	1,335,096	2,776	1,332,320
NET CHANGE IN FUND BALANCE	(402,680)	(402,680)	972,286	1,374,966
FUND BALANCE, JUNE 30, 2022	402,680	402,680	409,001	6,321
FUND BALANCE, JUNE 30, 2023	\$ -	\$ -	\$ 1,381,287	\$ 1,381,287

**CITY OF LEBANON, OREGON
DOWNTOWN URBAN RENEWAL DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ 32,173	\$ 32,173	\$ 42,722	\$ 10,549
Interest	20	20	2,268	2,248
TOTAL REVENUES	<u>32,193</u>	<u>32,193</u>	<u>44,990</u>	<u>(19,376)</u>
EXPENDITURES:				
Downtown Urban Renewal District Activities	<u>79,055</u>	<u>79,055</u>	<u>15,776</u>	<u>63,279</u>
TOTAL EXPENDITURES	<u>79,055</u>	<u>79,055</u>	<u>15,776</u>	<u>63,279</u>
NET CHANGE IN FUND BALANCE	(46,862)	(46,862)	29,214	76,076
FUND BALANCE, JUNE 30, 2022	<u>46,862</u>	<u>46,862</u>	<u>47,375</u>	<u>513</u>
FUND BALANCE, JUNE 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,589</u>	<u>\$ 76,589</u>

**CITY OF LEBANON, OREGON
MILL RACE URBAN RENEWAL DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ 100,000	\$ 100,000	\$ 119,879	\$ 19,879
Interest	-	-	1,243	1,243
TOTAL REVENUES	<u>100,000</u>	<u>100,000</u>	<u>121,122</u>	<u>21,122</u>
EXPENDITURES:				
Mill Race Urban Renewal District Activities	<u>109,103</u>	<u>109,103</u>	<u>127,125</u>	<u>(18,022)</u>
TOTAL EXPENDITURES	<u>109,103</u>	<u>109,103</u>	<u>127,125</u>	<u>(18,022)</u>
NET CHANGE IN FUND BALANCE	(9,103)	(9,103)	(6,003)	3,100
FUND BALANCE, JUNE 30, 2022	<u>9,103</u>	<u>9,103</u>	<u>10,775</u>	<u>1,672</u>
FUND BALANCE, JUNE 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,772</u>	<u>\$ 4,772</u>

Non-Major Governmental Debt Service Funds



DEBT SERVICE FUNDS

The Debt Service Funds account for the accumulation of resources for the payment of general obligation and special assessment debt including principle, interest and realted costs. Included are:

Non-Major Funds:

G.O. Full Faith & Credit Bond Fund – The principal sources of revenues are property taxes levied to payer for voter approved bonds and to pay the scheduled debt service. There is an interfund transfer from the Wastewater Fund to pay the debt service on the 2015 bonds which refunded the debt for the Siemens agreement.

2013 Full Faith & Credit Bond Fund – Accounts for the revenue and debt payments owed on the 2013 FF&C Bonds.

Pension Bond Series Fund – Accounts for Pension Bond Debt.

**CITY OF LEBANON, OREGON
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2023**

	G.O. Full Faith & Credit Bond Fund	2013 Full Faith & Credit Bond Fund	Pension Bond Series 2002	Total
ASSETS				
Cash and cash equivalent	\$ 146,794	\$ 10,984	\$ -	\$ 157,778
Taxes receivable	64,735	-	-	64,735
TOTAL ASSETS	\$ 211,529	\$ 10,984	\$ -	\$ 222,513
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Deferred inflows of resources:				
Unavailable revenue - property taxes	59,370	-	-	59,370
TOTAL DEFERRED INFLOWS OF RESOURCES	59,370	-	-	59,370
FUND BALANCES				
Restricted	152,159	10,984	-	163,143
TOTAL FUND BALANCES	152,159	10,984	-	163,143
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 211,529	\$ 10,984	\$ -	\$ 222,513

CITY OF LEBANON, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	G.O. Full Faith & Credit Bond Fund	2013 Full Faith & Credit Bond Fund	Pension Bond Series 2002	Total
REVENUES:				
Property and other taxes	\$ 1,581,632	\$ -	\$ -	\$ 1,581,632
Interest	31,331	307	-	31,638
TOTAL REVENUES	1,612,963	307	-	1,613,270
EXPENDITURES:				
Debt service:				
Debt service - principal	1,330,000	1,010,000	185,000	2,525,000
Debt service - interest	352,556	273,600	75,008	701,164
TOTAL EXPENDITURES	1,682,556	1,283,600	260,008	3,226,164
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(69,593)	(1,283,293)	(260,008)	(1,612,894)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,283,600	260,008	1,543,608
TOTAL OTHER FINANCING SOURCES (USES)	-	1,283,600	260,008	1,543,608
NET CHANGE IN FUND BALANCE	(69,593)	307	-	(69,286)
FUND BALANCE, JUNE 30, 2022	221,752	10,677	-	232,429
FUND BALANCE, JUNE 30, 2023	\$ 152,159	\$ 10,984	\$ -	\$ 163,143

CITY OF LEBANON, OREGON
G.O. FULL FAITH & CREDIT BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ 1,568,556	\$ 1,568,556	\$ 1,581,632	\$ 13,076
Interest	6,000	6,000	31,331	25,331
TOTAL REVENUES	<u>1,574,556</u>	<u>1,574,556</u>	<u>1,612,963</u>	<u>38,407</u>
EXPENDITURES:				
Debt service:				
Debt service - principal	1,330,000	1,330,000	1,330,000	-
Debt service - interest	<u>352,556</u>	<u>352,556</u>	<u>352,556</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,682,556</u>	<u>1,682,556</u>	<u>1,682,556</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(108,000)	(108,000)	(69,593)	38,407
FUND BALANCE, JUNE 30, 2022	<u>188,000</u>	<u>188,000</u>	<u>221,752</u>	<u>33,752</u>
FUND BALANCE, JUNE 30, 2023	<u>\$ 80,000</u>	<u>\$ 80,000</u>	<u>\$ 152,159</u>	<u>\$ 72,159</u>

CITY OF LEBANON, OREGON
2013 FULL FAITH & CREDIT BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,283,600	\$ 1,283,600	\$ 1,283,600	\$ -
Interest	-	-	307	307
TOTAL REVENUES	<u>1,283,600</u>	<u>1,283,600</u>	<u>1,283,907</u>	<u>307</u>
EXPENDITURES:				
Debt service:				
Debt service - principal	1,010,000	1,010,000	1,010,000	-
Debt service - interest	273,600	273,600	273,600	-
TOTAL EXPENDITURES	<u>1,283,600</u>	<u>1,283,600</u>	<u>1,283,600</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	-	-	307	307
FUND BALANCE, JUNE 30, 2022	-	-	10,677	10,677
FUND BALANCE, JUNE 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,984</u>	<u>\$ 10,984</u>

**CITY OF LEBANON, OREGON
PENSION BOND SERIES 2002
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES:				
Debt service:	-	-		
Debt service - principal	\$ 185,000	\$ 185,000	\$ 185,000	\$ -
Debt service - interest	75,102	75,102	75,008	94
TOTAL EXPENDITURES	260,102	260,102	260,008	94
OTHER FINANCING SOURCES (USES):				
Transfers in	260,102	260,102	260,008	(94)
TOTAL OTHER FINANCING SOURCES (USES)	260,102	260,102	260,008	(94)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE, JUNE 30, 2022	-	-	-	-
FUND BALANCE, JUNE 30, 2023	\$ -	\$ -	\$ -	\$ -

Non-Major Capital Projects Funds



CAPITAL PROJECTS FUNDS

The Capital Projects Fund is used to account for acquisition and construction of major capital facilities. Included are:

Non-Major Funds:

Equipment Acquisition & Replacement Fund – Is used to save to replace equipment, buildings, and software.

Pioneer Cemetery Fund – Accounts for the revenue and debt payments owed on the 2013 FF&C Bonds.

SDC – Streets Improvement Fund – Accounts for the revenues from System Development Charges (SDC's). Principle revenues included System Development Charges and interest from those charges. Principle expenses include street capital projects throughout the City.

Streets Capital Project Fund – Accounts for revenues and expenses for Street Development Charges (SDC).

SDC – Parks Improvement Fund – Accounts for revenue and expenses for Parks System Development Charges (SDC), in order to fund approved park projects as indicated in the Parks Master Plan and Parks SDC Plan. Principle source of revenue is System Development Charges. Principle expenses were minimal and most of the funds are being reserved to purchase property at Cheadle Lake to fully develop the Cheadle Lake Regional Park.

SDC – Parks Reimbursement Fund – Accounts for the revenues and expenses for Parks System Development Charge (SDC).

SDC – Street Reimbursement Fund – Accounts for the Street Reimbursement System Development Charges (SDC).

**CITY OF LEBANON, OREGON
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2023**

	Equipment Acquisition & Replacement Fund	Pioneer Cemetery Restoration Trust Fund	SDC - Street Improvement Fund	Streets Capital Project Fund	SDC - Parks Improvement Fund
ASSETS					
Cash and cash equivalent	\$ 629,458	\$ 10,494	\$ 4,676,299	\$ 780,827	\$ 3,438,966
Accounts receivable	-	-	-	-	-
Assessment receivable	-	-	144,602	-	248,337
Interfund loan receivable	-	-	246,930	-	-
TOTAL ASSETS	<u>\$ 629,458</u>	<u>\$ 10,494</u>	<u>\$ 5,067,831</u>	<u>\$ 780,827</u>	<u>\$ 3,687,303</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 2,211	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>2,211</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:					
Unavailable revenue - receivables	-	-	142,795	-	247,639
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>142,795</u>	<u>-</u>	<u>247,639</u>
Fund balances:					
Restricted	-	10,494	4,922,825	780,827	3,439,664
Assigned	629,458	-	-	-	-
TOTAL FUND BALANCE	<u>629,458</u>	<u>10,494</u>	<u>4,922,825</u>	<u>780,827</u>	<u>3,439,664</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 629,458</u>	<u>\$ 10,494</u>	<u>\$ 5,067,831</u>	<u>\$ 780,827</u>	<u>\$ 3,687,303</u>

**CITY OF LEBANON, OREGON
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2023**

	SDC - Parks Reimbursement Fund	SDC - Street Reimbursement Fund	Total
ASSETS			
Cash and cash equivalent	\$ 452	\$ 138,374	\$ 9,674,870
Accounts receivable	-	-	-
Assessment receivable	-	20,694	413,633
Interfund loan receivable	-	-	246,930
TOTAL ASSETS	<u>\$ 452</u>	<u>\$ 159,068</u>	<u>\$ 10,335,433</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 938	\$ 3,149
TOTAL LIABILITIES	<u>-</u>	<u>938</u>	<u>3,149</u>
Deferred Inflows of Resources:			
Unavailable revenue - receivables	-	20,434	410,868
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>20,434</u>	<u>410,868</u>
Fund balances:			
Restricted	452	137,696	9,291,958
Assigned	-	-	629,458
TOTAL FUND BALANCE	<u>452</u>	<u>137,696</u>	<u>9,921,416</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 452</u>	<u>\$ 159,068</u>	<u>\$ 10,335,433</u>

**CITY OF LEBANON, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Equipment Acquisition & Replacement Fund	Pioneer Cemetery Restoration Trust Fund	SDC - Street Improvement Fund	Streets Capital Project Fund	SDC - Parks Improvement Fund
REVENUES:					
Special assessment collections	\$ -	\$ -	\$ 240,469	\$ -	\$ 204,311
Intergovernmental	-	-	-	267,112	-
Interest	19,324	293	139,576	17,912	107,909
TOTAL REVENUES	19,324	293	380,045	285,024	312,220
EXPENDITURES:					
Capital outlay	350,764	-	20,127	100,357	432,498
TOTAL EXPENDITURES	350,764	-	20,127	100,357	432,498
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(331,440)	293	359,918	184,667	(120,278)
OTHER FINANCING SOURCES (USES):					
Transfers in	96,998	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	96,998	-	-	-	-
NET CHANGE IN FUND BALANCE	(234,442)	293	359,918	184,667	(120,278)
FUND BALANCE, JUNE 30, 2022	863,900	10,201	4,562,907	596,160	3,559,942
FUND BALANCE, JUNE 30, 2023	\$ 629,458	\$ 10,494	\$ 4,922,825	\$ 780,827	\$ 3,439,664

**CITY OF LEBANON, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	SDC - Parks Reimbursement Fund	SDC - Street Reimbursement Fund	Total
REVENUES:			
Special assessment collections	\$ -	\$ 34,416	\$ 479,196
Intergovernmental	-	-	267,112
Interest	13	4,619	289,646
TOTAL REVENUES	13	39,035	1,035,954
EXPENDITURES:			
Capital outlay	-	29,345	933,091
TOTAL EXPENDITURES	-	29,345	933,091
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	13	9,690	102,863
OTHER FINANCING SOURCES (USES):			
Transfers in	-	-	96,998
TOTAL OTHER FINANCING SOURCES (USES)	-	-	96,998
NET CHANGE IN FUND BALANCE	13	9,690	199,861
FUND BALANCE, JUNE 30, 2022	439	128,006	9,721,555
FUND BALANCE, JUNE 30, 2023	\$ 452	\$ 137,696	\$ 9,921,416

**CITY OF LEBANON, OREGON
EQUIPMENT ACQUISITION & REPLACEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Interest	\$ 4,500	\$ 4,500	\$ 19,324	\$ 14,824
TOTAL REVENUES	<u>4,500</u>	<u>4,500</u>	<u>19,324</u>	<u>14,824</u>
EXPENDITURES:				
Capital outlay	382,631	382,631	350,764	31,867
Contingency	602,635	602,635	-	602,635
TOTAL EXPENDITURES	<u>985,266</u>	<u>985,266</u>	<u>350,764</u>	<u>634,502</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(980,766)</u>	<u>(980,766)</u>	<u>(331,440)</u>	<u>649,326</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	97,000	97,000	96,998	(2)
TOTAL OTHER FINANCING SOURCES (USES)	<u>97,000</u>	<u>97,000</u>	<u>96,998</u>	<u>(2)</u>
NET CHANGE IN FUND BALANCE	<u>(883,766)</u>	<u>(883,766)</u>	<u>(234,442)</u>	<u>649,324</u>
FUND BALANCE, JUNE 30, 2022	<u>883,766</u>	<u>883,766</u>	<u>863,900</u>	<u>(19,866)</u>
FUND BALANCE, JUNE 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 629,458</u>	<u>\$ 629,458</u>

**CITY OF LEBANON, OREGON
PIONEER CEMETERY RESTORATION TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Interest	\$ 50	\$ 50	\$ 293	\$ 243
TOTAL REVENUES	50	50	293	243
EXPENDITURES:				
Public Works	10,252	10,252	-	10,252
TOTAL EXPENDITURES	10,252	10,252	-	10,252
NET CHANGE IN FUND BALANCE	(10,202)	(10,202)	293	10,495
FUND BALANCE, JUNE 30, 2022	10,202	10,202	10,201	1
FUND BALANCE, JUNE 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,494</u>	<u>\$ 10,494</u>

**CITY OF LEBANON, OREGON
SDC - STREET IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Special assessment collections	\$ 250,000	\$ 250,000	\$ 240,469	\$ (9,531)
Interest	30,446	30,446	139,576	109,130
Miscellaneous	39,555	39,555	39,554	(1)
TOTAL REVENUES	320,001	320,001	419,599	99,598
EXPENDITURES:				
Engineering	4,467,269	4,467,269	20,127	4,447,142
TOTAL EXPENDITURES	4,467,269	4,467,269	20,127	4,447,142
NET CHANGE IN FUND BALANCE	(4,147,268)	(4,147,268)	399,472	4,546,740
FUND BALANCE, JUNE 30, 2022	4,147,268	4,147,268	4,276,423	129,155
FUND BALANCE, JUNE 30, 2023	\$ -	\$ -	4,675,895	\$ 4,675,895
ADJUSTMENT TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) BASIS				
Interfund loan receivable			246,930	
FUND BALANCE - GAAP BASIS, JUNE 30, 2023			\$ 4,922,825	

**CITY OF LEBANON, OREGON
STREETS CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 200,000	\$ 200,000	\$ 267,112	\$ 67,112
Interest	-	-	17,912	17,912
TOTAL REVENUES	200,000	200,000	285,024	85,024
EXPENDITURES:				
Capital outlay	785,907	785,907	100,357	685,550
Contingency	41,633	41,633	-	41,633
TOTAL EXPENDITURES	827,540	827,540	100,357	727,183
NET CHANGE IN FUND BALANCE	(627,540)	(627,540)	184,667	812,207
FUND BALANCE, JUNE 30, 2022	628,743	628,743	596,160	(32,583)
FUND BALANCE, JUNE 30, 2023	\$ 1,203	\$ 1,203	\$ 780,827	\$ 779,624

**CITY OF LEBANON, OREGON
SDC - PARKS IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Special assessment collections	\$ 450,000	\$ 450,000	\$ 204,311	\$ (245,689)
Interest	18,000	18,000	107,909	89,909
TOTAL REVENUES	<u>468,000</u>	<u>468,000</u>	<u>312,220</u>	<u>(155,780)</u>
EXPENDITURES:				
Public Works	<u>3,874,305</u>	<u>3,874,305</u>	<u>432,498</u>	<u>3,441,807</u>
TOTAL EXPENDITURES	<u>3,874,305</u>	<u>3,874,305</u>	<u>432,498</u>	<u>3,441,807</u>
NET CHANGE IN FUND BALANCE	(3,406,305)	(3,406,305)	(120,278)	3,286,027
FUND BALANCE, JUNE 30, 2022	<u>3,406,305</u>	<u>3,406,305</u>	<u>3,559,942</u>	<u>153,637</u>
FUND BALANCE, JUNE 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,439,664</u>	<u>\$ 3,439,664</u>

**CITY OF LEBANON, OREGON
SDC - PARKS REIMBURSEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Interest	\$ -	\$ -	\$ 13	\$ 13
TOTAL REVENUES	-	-	13	13
EXPENDITURES:				
Public Works	437	437	-	437
TOTAL EXPENDITURES	437	437	-	437
NET CHANGE IN FUND BALANCE	(437)	(437)	13	450
FUND BALANCE, JUNE 30, 2022	437	437	439	2
FUND BALANCE, JUNE 30, 2023	\$ -	\$ -	\$ 452	\$ 452

**CITY OF LEBANON, OREGON
SDC - STREET REIMBURSEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Special assessment collections	\$ 50,000	\$ 50,000	\$ 34,416	\$ (15,584)
Interest	1,500	1,500	4,619	3,119
TOTAL REVENUES	51,500	51,500	39,035	(12,465)
EXPENDITURES:				
Engineering	173,489	173,489	29,345	144,144
TOTAL EXPENDITURES	173,489	173,489	29,345	144,144
NET CHANGE IN FUND BALANCE	(121,989)	(121,989)	9,690	131,679
FUND BALANCE, JUNE 30, 2022	121,989	121,989	128,006	6,017
FUND BALANCE, JUNE 30, 2023	\$ -	\$ -	\$ 137,696	\$ 137,696

Proprietary Funds



ENTERPRISE FUNDS

Enterprise Funds are used to account for the acquisition, operation, maintenance and debt service of governmental facilities and services which are entirely or predominantly self-supporting by user charges. Enterprise funds use the economic resources measurement focus and accrual accounting to report the results of operation.

Water, Wastewater and Storm Drainage Funds – Accounts for the operation, maintenance, debt service, capital improvements of the water, wastewater, and storm drainage of the City. The primary source of revenues is user service charges.

CITY OF LEBANON, OREGON
COMBINING STATEMENT OF NET POSITION
WATER FUNDS
JUNE 30, 2023

	Water Utility Fund	SDC - Water Improvement Fund	SDC - Water Reimbursement Fund	Total Water Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 5,038,910	\$ 804,856	\$ 24,476	\$ 5,868,242
Accounts receivable, net	662,705	-	-	662,705
Unbilled receivables	246,784	-	-	246,784
Assessments receivable	-	120,584	691	121,275
Prepays	3,342	-	-	3,342
Inventory	159,684	-	-	159,684
Total current assets	6,111,425	925,440	25,167	7,062,032
Noncurrent assets:				
Capital assets:				
Capital assets not being depreciated	1,667,298	-	-	1,667,298
Depreciable capital assets, net of depreciation	43,153,369	-	-	43,153,369
Net OPEB asset	20,442	-	-	20,442
Total noncurrent assets	44,841,109	-	-	44,841,109
Total assets	50,952,534	925,440	25,167	51,903,141
DEFERRED OUTFLOWS OF RESOURCES				
Pension related deferrals	450,438	-	-	450,438
OPEB related deferrals	8,129	-	-	8,129
Total deferred outflows of resources	458,567	-	-	458,567
LIABILITIES				
Current liabilities:				
Accounts payable	29,205	-	-	29,205
Accrued payroll	21,331	-	-	21,331
Deposits	250,273	-	-	250,273
Accrued interest payable	268,515	-	-	268,515
Loans and notes payable	693,457	-	-	693,457
Accrued compensated absences	24,224	-	-	24,224
Total current liabilities	1,287,005	-	-	1,287,005
Noncurrent liabilities:				
Loans and notes payable	20,036,138	-	-	20,036,138
Accrued compensated absences	72,672	-	-	72,672
Net pension liability	973,630	-	-	973,630
Total OPEB liability	30,081	-	-	30,081
Total noncurrent liabilities	21,112,521	-	-	21,112,521
Total liabilities	22,399,526	-	-	22,399,526
DEFERRED INFLOWS OF RESOURCES				
Pension related deferrals	320,793	-	-	320,793
OPEB related deferrals	12,169	-	-	12,169
Total deferred inflows of resources	332,962	-	-	332,962
NET POSITION				
Net investment in capital assets	24,091,072	-	-	24,091,072
Restricted	-	925,440	25,167	950,607
Unrestricted	4,587,541	-	-	4,587,541
Total net position	\$ 28,678,613	\$ 925,440	\$ 25,167	\$ 29,629,220

CITY OF LEBANON, OREGON
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
WATER FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Water Utility Fund	SDC - Water Improvement Fund	SDC - Water Reimbursement Fund	Total Water Funds
OPERATING REVENUES:				
Special assessment collections	\$ -	\$ 24,953	\$ 180	\$ 25,133
Charges for services	6,092,666	-	-	6,092,666
Miscellaneous	13,457	-	-	13,457
TOTAL OPERATING REVENUES	6,106,123	24,953	180	6,131,256
OPERATING EXPENSES:				
Personnel services	1,365,767	-	-	1,365,767
Materials and services	1,335,434	-	-	1,335,434
Depreciation	1,145,449	-	-	1,145,449
TOTAL OPERATING EXPENSES	3,846,650	-	-	3,846,650
OPERATING INCOME (LOSS)	2,259,473	24,953	180	2,284,606
NONOPERATING REVENUES (EXPENSES):				
Interest income	152,772	26,924	709	180,405
Interest expense	(466,501)	-	-	(466,501)
TOTAL NONOPERATING REVENUES (EXPENSES)	(313,729)	26,924	709	(286,096)
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	1,945,744	51,877	889	1,998,510
Capital contributions	279,120	-	-	279,120
Transfers out	(575,245)	-	-	(575,245)
CHANGE IN NET POSITION	1,649,619	51,877	889	1,702,385
NET POSITION, JUNE 30, 2022	27,028,994	873,563	24,278	27,926,835
NET POSITION, JUNE 30, 2023	\$ 28,678,613	\$ 925,440	\$ 25,167	\$ 29,629,220

**CITY OF LEBANON, OREGON
WATER UTILITY FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 6,312,000	\$ 6,312,000	\$ 6,091,201	\$ (220,799)
Interest	20,000	20,000	152,772	132,772
Miscellaneous	15,000	15,000	13,457	(1,543)
TOTAL REVENUES	6,347,000	6,347,000	6,257,430	(89,570)
EXPENDITURES:				
Operating:				
Community Development	44,000	44,000	41,022	2,978
Public Works	2,409,940	2,409,940	2,144,768	265,172
Engineering	1,180,750	1,180,750	579,248	601,502
Subtotal for Operating	3,634,690	3,634,690	2,765,038	869,652
Non-Operating:				
Capital Projects	1,000,000	1,000,000	881,142	118,858
Debt Service:				
Debt Service - Principal	678,606	678,606	678,605	1
Debt Service - Interest	475,165	475,165	475,164	1
Contingency	250,000	250,000	-	250,000
TOTAL EXPENDITURES	6,038,461	6,038,461	4,799,949	1,238,512
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	308,539	308,539	1,457,481	1,148,942
OTHER FINANCING SOURCES (USES):				
Transfers out	(586,638)	(586,638)	(575,245)	11,393
TOTAL OTHER FINANCING SOURCES (USES)	(586,638)	(586,638)	(575,245)	11,393
NET CHANGE IN FUND BALANCE	(278,099)	(278,099)	882,236	1,160,335
FUND BALANCE, JUNE 30, 2022	4,889,212	4,889,212	4,926,915	37,703
FUND BALANCE, JUNE 30, 2023	\$ 4,611,113	\$ 4,611,113	5,809,151	\$ 1,198,038
ADJUSTMENT TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) BASIS				
Capital assets, net accumulated depreciation			44,820,667	
Net OPEB asset			20,442	
Deferred outflows from OPEB			8,129	
Deferred outflows from pension			450,438	
Accrued compensated absences payable			(96,896)	
Loans and notes payable			(20,729,595)	
Interest payable			(268,515)	
OPEB liability			(30,081)	
Net pension liability			(973,630)	
Deferred inflows from OPEB			(12,169)	
Deferred inflows from pension			(320,793)	
Unavailable revenue			1,465	
NET POSITION - GAAP BASIS, JUNE 30, 2023			\$ 28,678,613	

**CITY OF LEBANON, OREGON
SDC - WATER IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Special assessment collections	\$ 275,000	\$ 275,000	\$ 115,706	\$ (159,294)
Interest	3,000	3,000	26,924	23,924
TOTAL REVENUES	<u>278,000</u>	<u>278,000</u>	<u>142,630</u>	<u>(135,370)</u>
EXPENDITURES:				
Engineering	<u>926,489</u>	<u>926,489</u>	<u>-</u>	<u>926,489</u>
TOTAL EXPENDITURES	<u>926,489</u>	<u>926,489</u>	<u>-</u>	<u>926,489</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(648,489)</u>	<u>(648,489)</u>	<u>142,630</u>	<u>(1,061,859)</u>
NET CHANGE IN FUND BALANCE	<u>(648,489)</u>	<u>(648,489)</u>	<u>142,630</u>	<u>791,119</u>
FUND BALANCE, JUNE 30, 2022	<u>648,489</u>	<u>648,489</u>	<u>663,549</u>	<u>15,060</u>
FUND BALANCE, JUNE 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>806,179</u>	<u>\$ 806,179</u>
ADJUSTMENT TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) BASIS				
Unavailable Revenue			<u>119,261</u>	
NET POSITION - GAAP BASIS, JUNE 30, 2023			<u>\$ 925,440</u>	

**CITY OF LEBANON, OREGON
SDC - WATER REIMBURSEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Special assessment collections	\$ 1,500	\$ 1,500	\$ 700	\$ (800)
Interest	130	130	709	579
TOTAL REVENUES	<u>1,630</u>	<u>1,630</u>	<u>1,409</u>	<u>(221)</u>
EXPENDITURES:				
Engineering	<u>25,098</u>	<u>25,098</u>	-	<u>25,098</u>
TOTAL EXPENDITURES	<u>25,098</u>	<u>25,098</u>	-	<u>25,098</u>
NET CHANGE IN FUND BALANCE	(23,468)	(23,468)	1,409	24,877
FUND BALANCE, JUNE 30, 2022	<u>23,468</u>	<u>23,468</u>	<u>23,074</u>	<u>(394)</u>
FUND BALANCE, JUNE 30, 2023	<u>\$ -</u>	<u>\$ -</u>	24,483	<u>\$ 24,483</u>
ADJUSTMENT TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) BASIS				
Unavailable Revenue			<u>684</u>	
NET POSITION - GAAP BASIS, JUNE 30, 2023			<u>\$ 25,167</u>	

CITY OF LEBANON, OREGON
COMBINING STATEMENT OF NET POSITION
WASTEWATER FUNDS
JUNE 30, 2023

	Wastewater Utility Fund	SDC- Wastewater Improvement Fund	SDC - Wastewater Reimbursement Fund	Total Wastewater Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 13,708,067	\$ 3,361,557	\$ 635,585	\$ 17,705,209
Accounts receivable, net	841,318	-	-	841,318
Unbilled receivables	222,077	-	-	222,077
Assessments receivable	-	186,107	32,747	218,854
Total current assets	14,771,462	3,547,664	668,332	18,987,458
Noncurrent assets:				
Capital assets:				
Capital assets not being depreciated	15,984,755	-	-	15,984,755
Depreciable capital assets, net of depreciation	31,231,902	-	-	31,231,902
Net OPEB asset	23,030	-	-	23,030
Total noncurrent assets	47,239,687	-	-	47,239,687
Total assets	62,011,149	3,547,664	668,332	66,227,145
DEFERRED OUTFLOWS OF RESOURCES				
Pension related deferrals	507,475	-	-	507,475
OPEB related deferrals	9,159	-	-	9,159
Total deferred outflows of resources	516,634	-	-	516,634
LIABILITIES				
Current liabilities:				
Accounts payable	1,142,685	-	-	1,142,685
Accrued payroll	25,039	-	-	25,039
Accrued interest payable	13,500	-	-	13,500
Loans and notes payable	345,000	-	-	345,000
Accrued compensated absences	25,369	-	-	25,369
Total current liabilities	1,551,593	-	-	1,551,593
Noncurrent liabilities:				
Loans and notes payable	12,428,456	-	-	12,428,456
Accrued compensated absences	76,105	-	-	76,105
Net pension liability	1,096,917	-	-	1,096,917
Total OPEB liability	33,890	-	-	33,890
Total noncurrent liabilities	13,635,368	-	-	13,635,368
Total liabilities	15,186,961	-	-	15,186,961
DEFERRED INFLOWS OF RESOURCES				
Pension related deferrals	361,414	-	-	361,414
OPEB related deferrals	13,710	-	-	13,710
Total deferred inflows of resources	375,124	-	-	375,124
NET POSITION				
Net investment in capital assets	34,443,201	-	-	34,443,201
Restricted	-	3,547,664	668,332	4,215,996
Unrestricted	12,522,497	-	-	12,522,497
Total net position	\$ 46,965,698	\$ 3,547,664	\$ 668,332	\$ 51,181,694

CITY OF LEBANON, OREGON
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
WASTEWATER FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Wastewater Utility Fund	SDC- Wastewater Improvement Fund	SDC - Wastewater Reimbursement Fund	Elimination	Total Wastewater Funds
OPERATING REVENUES:					
Special assessment collections	\$ -	\$ 80,171	\$ 16,078	\$ -	\$ 96,249
Intergovernmental	-	-	-	-	-
Charges for services	6,567,051	-	-	-	6,567,051
Miscellaneous	2,379	-	-	-	2,379
TOTAL OPERATING REVENUES	6,569,430	80,171	16,078	-	6,665,679
OPERATING EXPENSES:					
Wastewater:					
Personnel services	1,542,139	-	-	-	1,542,139
Materials and services	1,895,200	-	-	-	1,895,200
Deprecation	1,175,078	-	-	-	1,175,078
TOTAL OPERATING EXPENSES	4,612,417	-	-	-	4,612,417
OPERATING INCOME (LOSS)	1,957,013	80,171	16,078	-	2,053,262
NONOPERATING REVENUES (EXPENSES):					
Interest income	404,632	99,587	18,915	-	523,134
Interest expense	(43,789)	-	-	-	(43,789)
Federal or state grant	3,000,000	-	-	-	3,000,000
TOTAL NONOPERATING REVENUES (EXPENSES)	3,360,843	99,587	18,915	-	3,479,345
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	5,317,856	179,758	34,993	-	5,532,607
Capital contributions	720,736	-	-	-	720,736
Transfers in	12,827	-	-	(12,827)	-
Transfers out	(847,206)	-	(12,827)	12,827	(847,206)
CHANGE IN NET POSITION	5,204,213	179,758	22,166	-	5,406,137
NET POSITION, JUNE 30, 2022	41,761,485	3,367,906	646,166	-	45,775,557
NET POSITION, JUNE 30, 2023	\$ 46,965,698	\$ 3,547,664	\$ 668,332	\$ -	\$ 51,181,694

**CITY OF LEBANON, OREGON
WASTEWATER UTILITY FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 6,374,000	\$ 6,374,000	\$ 6,566,812	\$ 192,812
Intergovernmental	3,000,000	3,000,000	3,000,000	-
Interest	50,000	50,000	404,632	354,632
Miscellaneous	3,000	3,000	2,379	(621)
TOTAL REVENUES	9,427,000	9,427,000	9,973,823	546,823
EXPENDITURES:				
Operating:				
Community Development	44,000	44,000	41,020	2,980
Public Works	3,062,240	3,062,240	2,591,189	471,051
Engineering	1,195,750	1,195,750	905,264	290,486
Subtotal for Operating	4,301,990	4,301,990	3,537,473	764,517
Non-Operating:				
Capital projects	10,150,000	10,350,000	6,692,975	3,657,025
Debt service:				
Debt service - principal	340,000	340,000	340,000	-
Debt service - interest	45,498	45,498	45,455	43
Contingency	250,000	50,000	-	50,000
TOTAL EXPENDITURES	15,087,488	15,087,488	10,615,904	4,471,584
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(5,660,488)	(5,660,488)	(642,081)	5,018,407
OTHER FINANCING SOURCES (USES):				
Loan proceeds	5,000,000	5,000,000	1,918,106	(3,081,894)
Transfers out	(861,428)	(861,428)	(847,206)	14,222
TOTAL OTHER FINANCING SOURCES (USES)	4,138,572	4,138,572	1,070,900	(3,067,672)
NET CHANGE IN FUND BALANCE	(1,521,916)	(1,521,916)	428,819	1,950,735
FUND BALANCE, JUNE 30, 2022	13,960,060	13,960,060	13,173,970	(786,090)
FUND BALANCE, JUNE 30, 2023	\$ 12,438,144	\$ 12,438,144	13,602,789	\$ 1,164,645
ADJUSTMENT TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) BASIS				
Capital assets, net accumulated depreciation			47,216,657	
Net OPEB asset			23,030	
Deferred outflows from OPEB			9,159	
Deferred outflows from pension			507,475	
Accrued compensated absences payable			(101,474)	
Loans and notes payable			(12,773,456)	
Interest payable			(13,500)	
Total OPEB liability			(33,890)	
Net pension liability			(1,096,917)	
Deferred inflows from OPEB			(13,710)	
Deferred inflows from pension			(361,414)	
Unavailable revenue			949	
NET POSITION - GAAP BASIS, JUNE 30, 2023			\$ 46,965,698	

**CITY OF LEBANON, OREGON
SDC - WASTEWATER IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Special assessment collections	\$ 275,000	\$ 275,000	\$ 175,609	\$ (99,391)
Interest	17,500	17,500	99,587	82,087
TOTAL REVENUES	<u>292,500</u>	<u>292,500</u>	<u>275,196</u>	<u>(17,304)</u>
EXPENDITURES:				
Engineering	<u>3,325,383</u>	<u>3,325,383</u>	<u>-</u>	<u>3,325,383</u>
TOTAL EXPENDITURES	<u>3,325,383</u>	<u>3,325,383</u>	<u>-</u>	<u>3,325,383</u>
NET CHANGE IN FUND BALANCE	(3,032,883)	(3,032,883)	275,196	3,308,079
FUND BALANCE, JUNE 30, 2022	<u>3,032,883</u>	<u>3,032,883</u>	<u>3,088,338</u>	<u>55,455</u>
FUND BALANCE, JUNE 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>3,363,534</u>	<u>\$ 3,363,534</u>
ADJUSTMENT TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) BASIS				
Unavailable revenue			<u>184,130</u>	
NET POSITION - GAAP BASIS, JUNE 30, 2023			<u>\$ 3,547,664</u>	

**CITY OF LEBANON, OREGON
SDC - WASTEWATER REIMBURSEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Special assessment collections	\$ 50,000	\$ 50,000	\$ 32,863	\$ (17,137)
Interest	2,800	2,800	18,915	16,115
TOTAL REVENUES	<u>52,800</u>	<u>52,800</u>	<u>51,778</u>	<u>(1,022)</u>
EXPENDITURES:				
Engineering	<u>668,635</u>	<u>668,635</u>	<u>12,827</u>	<u>655,808</u>
TOTAL EXPENDITURES	<u>668,635</u>	<u>668,635</u>	<u>12,827</u>	<u>655,808</u>
NET CHANGE IN FUND BALANCE	(615,835)	(615,835)	38,951	654,786
FUND BALANCE, JUNE 30, 2022	<u>615,835</u>	<u>615,835</u>	<u>596,982</u>	<u>(18,853)</u>
FUND BALANCE, JUNE 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>635,933</u>	<u>\$ 635,933</u>
ADJUSTMENT TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) BASIS				
Unavailable revenue			<u>32,399</u>	
NET POSITION - GAAP BASIS, JUNE 30, 2023			<u>\$ 668,332</u>	

CITY OF LEBANON, OREGON
COMBINING STATEMENT OF NET POSITION
NONMAJOR STORM DRAINAGE FUNDS
JUNE 30, 2023

	Storm Drainage Fund	SDC - Drainage Improvement Fund	SDC - Drainage Reimbursement Fund	Total Storm Drainage Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 590,560	\$ 234,682	\$ 33,199	\$ 858,441
Accounts receivable, net	91,184	-	-	91,184
Unbilled receivables	22,509	-	-	22,509
Assessments receivable	-	13,482	2,367	15,849
Total current assets	704,253	248,164	35,566	987,983
Noncurrent assets:				
Capital assets:				
Depreciable capital assets, net of depreciation	2,427,277	-	-	2,427,277
Net OPEB asset	2,115	-	-	2,115
Total noncurrent assets	2,429,392	-	-	2,429,392
Total assets	3,133,645	248,164	35,566	3,417,375
DEFERRED OUTFLOWS OF RESOURCES				
Pension related deferrals	46,612	-	-	46,612
OPEB related deferrals	841	-	-	841
Total deferred outflows of resources	47,453	-	-	47,453
LIABILITIES				
Current liabilities:				
Accounts payable	3,540	-	-	3,540
Accrued payroll	2,494	-	-	2,494
Accrued compensated absences	1,920	-	-	1,920
Total current liabilities	7,954	-	-	7,954
Noncurrent liabilities:				
Accrued compensated absences	5,759	-	-	5,759
Net pension liability	100,753	-	-	100,753
Total OPEB liability	3,113	-	-	3,113
Interfund loan payable	246,930	-	-	246,930
Total noncurrent liabilities	356,555	-	-	356,555
Total liabilities	364,509	-	-	364,509
DEFERRED INFLOWS OF RESOURCES				
Pension related deferrals	33,196	-	-	33,196
OPEB related deferrals	1,259	-	-	1,259
Total deferred inflows of resources	34,455	-	-	34,455
NET POSITION				
Net investment in capital assets	2,180,347	-	-	2,180,347
Restricted	-	248,164	35,566	283,730
Unrestricted	601,787	-	-	601,787
Total net position	\$ 2,782,134	\$ 248,164	\$ 35,566	\$ 3,065,864

CITY OF LEBANON, OREGON
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR STORM DRAINAGE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Storm Drainage Fund	SDC - Drainage Improvement Fund	SDC - Drainage Reimbursement Fund	Elimination	Total Storm Drainage Funds
OPERATING REVENUES:					
Special assessment collections	\$ -	\$ 7,523	\$ 1,304	\$ -	\$ 8,827
Charges for services	705,157	-	-	-	705,157
TOTAL OPERATING REVENUES	705,157	7,523	1,304	-	713,984
OPERATING EXPENSES:					
Storm Drainage					
Personnel services	147,162	-	-	-	147,162
Materials and services	28,872	-	-	-	28,872
Deprecation	47,439	-	-	-	47,439
TOTAL OPERATING EXPENSES	223,473	-	-	-	223,473
OPERATING INCOME (LOSS)	481,684	7,523	1,304	-	490,511
NONOPERATING REVENUE (EXPENSE):					
Interest income	14,027	7,081	1,029	-	22,137
Interest expense	(6,446)	-	-	-	(6,446)
TOTAL NONOPERATING REVENUE (EXPENSE)	7,581	7,081	1,029	-	15,691
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	489,265	14,604	2,333	-	506,202
Capital contributions	430,184				430,184
Transfers in	5,359	-	-	(5,359)	-
Transfers out	(66,662)	(5,359)	-	5,359	(66,662)
CHANGE IN NET POSITION	858,146	9,245	2,333	-	869,724
NET POSITION, JUNE 30, 2022	1,923,988	238,919	33,233	-	2,196,140
NET POSITION, JUNE 30, 2023	<u>\$ 2,782,134</u>	<u>\$ 248,164</u>	<u>\$ 35,566</u>	<u>\$ -</u>	<u>\$ 3,065,864</u>

**CITY OF LEBANON, OREGON
STORM DRAINAGE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 689,000	\$ 689,000	\$ 705,157	\$ 16,157
Interest	1,000	1,000	14,027	13,027
TOTAL REVENUES	690,000	690,000	719,184	29,184
EXPENDITURES:				
Operating:				
Public Works	194,700	194,700	160,485	34,215
Engineering	173,500	173,500	59,306	114,194
Subtotal operating	368,200	368,200	219,791	148,409
Non-Operating:				
Interfund Loan Principal	39,555	39,555	39,554	1
Interfund Loan Interest	6,446	6,446	6,446	-
Contingency	42,166	42,166	-	42,166
TOTAL EXPENDITURES	456,367	456,367	265,791	190,576
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	233,633	233,633	453,393	219,760
OTHER FINANCING SOURCES (USES):				
Transfers out	(68,247)	(68,247)	(66,662)	1,585
TOTAL OTHER FINANCING SOURCES (USES)	(68,247)	(68,247)	(66,662)	1,585
NET CHANGE IN FUND BALANCE	165,386	165,386	386,731	221,345
FUND BALANCE, JUNE 30, 2022	239,396	239,396	311,488	72,092
FUND BALANCE, JUNE 30, 2023	\$ 404,782	\$ 404,782	698,219	\$ 293,437
ADJUSTMENT TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) BASIS				
Capital Assets, net accumulated depreciation			2,427,277	
Net OPEB asset			2,115	
Deferred outflows from OPEB			841	
Deferred outflows from pension			46,612	
Accrued compensated absences payable			(7,679)	
Interfund loan payable			(246,930)	
Net OPEB liability			(3,113)	
Net pension liability			(100,753)	
Deferred inflows from OPEB			(1,259)	
Deferred inflows from pension			(33,196)	
NET POSITION - GAAP BASIS, JUNE 30, 2023			\$ 2,782,134	

**CITY OF LEBANON, OREGON
SDC - DRAINAGE IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Special assessment collections	\$ 45,000	\$ 45,000	\$ 13,150	\$ (31,850)
Interest	1,400	1,400	7,081	5,681
TOTAL REVENUES	<u>46,400</u>	<u>46,400</u>	<u>20,231</u>	<u>(26,169)</u>
EXPENDITURES:				
Engineering	<u>287,028</u>	<u>287,028</u>	<u>5,359</u>	<u>281,669</u>
TOTAL EXPENDITURES	<u>287,028</u>	<u>287,028</u>	<u>5,359</u>	<u>281,669</u>
NET CHANGE IN FUND BALANCE	(240,628)	(240,628)	14,872	255,500
FUND BALANCE, JUNE 30, 2022	<u>240,628</u>	<u>240,628</u>	<u>219,945</u>	<u>(20,683)</u>
FUND BALANCE, JUNE 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>234,817</u>	<u>\$ 234,817</u>
ADJUSTMENT TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) BASIS				
Unavailable revenue			<u>13,347</u>	
NET POSITION - GAAP BASIS, JUNE 30, 2023			<u>\$ 248,164</u>	

**CITY OF LEBANON, OREGON
SDC - DRAINAGE REIMBURSEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Special assessment collections	\$ 7,000	\$ 7,000	\$ 2,286	\$ (4,714)
Interest	175	175	1,029	854
TOTAL REVENUES	<u>7,175</u>	<u>7,175</u>	<u>3,315</u>	<u>(3,860)</u>
EXPENDITURES:				
Engineering	<u>35,890</u>	<u>35,890</u>	<u>-</u>	<u>35,890</u>
TOTAL EXPENDITURES	<u>35,890</u>	<u>35,890</u>	<u>-</u>	<u>35,890</u>
NET CHANGE IN FUND BALANCE	(28,715)	(28,715)	3,315	32,030
FUND BALANCE, JUNE 30, 2022	<u>28,715</u>	<u>28,715</u>	<u>29,907</u>	<u>1,192</u>
FUND BALANCE, JUNE 30, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>33,222</u>	<u>\$ 33,222</u>
ADJUSTMENT TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) BASIS				
Unavailable revenue			<u>2,344</u>	
NET POSITION - GAAP BASIS, JUNE 30, 2023			<u>\$ 35,566</u>	

INTERNAL SERVICES FUNDS

These funds account for activities and services performed primarily for other organizational units within the City. Charges are based on recovering costs from the benefited City units.

CITY OF LEBANON, OREGON
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2023

	Administrative Services Fund	Information Technology Fund	Custodial & Maintenance Services Fund	Total Internal Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 176,590	\$ 146,024	\$ 130,712	\$ 453,326
Accounts receivable, net	2,462	5,436	288	8,186
Prepaid items	10,833	43,612	-	54,445
Total current assets	189,885	195,072	131,000	515,957
Noncurrent assets:				
Capital assets:				
Capital assets not being depreciated	-	3,500	-	3,500
Depreciable capital assets, net of depreciation	-	154,850	-	154,850
Net OPEB asset	19,105	12,184	4,098	35,387
Total noncurrent assets	19,105	170,534	4,098	193,737
Total assets	208,990	365,606	135,098	709,694
DEFERRED OUTFLOWS OF RESOURCES				
Pension related deferrals	420,983	268,465	90,293	779,741
OPEB related deferrals	7,598	4,846	1,630	14,074
Total deferred outflows of resources	428,581	273,311	91,923	793,815
LIABILITIES				
Current liabilities:				
Accounts payable	21,087	18,341	1,830	41,258
Accrued payroll	39,093	10,759	3,006	52,858
Accrued interest payable	-	931	-	931
Unearned revenue	-	27,526	-	27,526
SBITA payable	-	26,337	-	26,337
Accrued compensated absences	13,146	7,905	4,180	25,231
Total current liabilities	73,326	91,799	9,016	174,141
Noncurrent liabilities:				
SBITA payable	-	26,912	-	26,912
Accrued compensated absences	39,437	23,715	12,541	75,693
Net pension liability	909,963	580,293	195,169	1,685,425
Total OPEB liability	28,114	17,929	6,030	52,073
Total noncurrent liabilities	977,514	648,849	213,740	1,840,103
Total liabilities	1,050,840	740,648	222,756	2,014,244
DEFERRED INFLOWS OF RESOURCES				
Pension related deferrals	299,816	191,196	64,305	555,317
OPEB related deferrals	11,374	7,253	2,439	21,066
Total deferred inflows of resources	311,190	198,449	66,744	576,383
NET POSITION (DEFICIT)				
Net investment in capital assets	-	105,101	-	105,101
Unrestricted (deficit)	(724,459)	(405,281)	(62,479)	(1,192,219)
Total net position (deficit)	\$ (724,459)	\$ (300,180)	\$ (62,479)	\$ (1,087,118)

CITY OF LEBANON, OREGON
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Administrative Services Fund	Information Technology Fund	Custodial & Maintenance Services Fund	Total Internal Service Fund
OPERATING REVENUES:				
Intergovernmental	\$ -	\$ 81,913	\$ 4,279	\$ 86,192
Charges for services	15,014	-	-	15,014
Rentals	-	6,800	-	6,800
Miscellaneous	30	58	-	88
TOTAL OPERATING REVENUES	15,044	88,771	4,279	108,094
OPERATING EXPENSES:				
Personnel	1,155,139	811,811	278,330	2,245,280
Materials and services	370,290	623,658	78,248	1,072,196
Depreciation and amortization	-	27,123	-	27,123
TOTAL OPERATING EXPENSES	1,525,429	1,462,592	356,578	3,344,599
OPERATING INCOME (LOSS)	(1,510,385)	(1,373,821)	(352,299)	(3,236,505)
NONOPERATING REVENUES (EXPENSES):				
Interest income	3,583	8,616	4,451	16,650
Interest expense	-	(931)	-	(931)
TOTAL NONOPERATING REVENUES (EXPENSES)	3,583	7,685	4,451	15,719
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(1,506,802)	(1,366,136)	(347,848)	(3,220,786)
Transfers in	2,048,372	1,441,357	368,702	3,858,431
Transfers out	(278,358)	(43,907)	(25,923)	(348,188)
NET CHANGE IN NET POSITION	263,212	31,314	(5,069)	289,457
NET POSITION (DEFICIT), JUNE 30, 2022	(987,671)	(331,494)	(57,410)	(1,376,575)
NET POSITION (DEFICIT), JUNE 30, 2023	\$ (724,459)	\$ (300,180)	\$ (62,479)	\$ (1,087,118)

**CITY OF LEBANON, OREGON
ADMINISTRATIVE SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 27,270	\$ 27,270	\$ 30,496	\$ 3,226
Interest	-	-	3,583	3,583
Miscellaneous	-	-	30	30
TOTAL REVENUES	27,270	27,270	34,109	6,839
EXPENDITURES:				
Administrative Services Fund				
City Manager's Office	227,590	227,590	208,933	18,657
Human Resources	272,050	272,050	277,443	(5,393)
City Attorney	230,000	230,000	207,230	22,770
City Recorder	268,625	277,125	276,050	1,075
Finance	751,203	751,203	689,280	61,923
Contingency	20,000	11,500	-	11,500
TOTAL EXPENDITURES	1,769,468	1,769,468	1,658,936	110,532
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,742,198)	(1,742,198)	(1,624,827)	117,371
OTHER FINANCING SOURCES (USES):				
Transfers in	2,032,595	2,032,595	2,032,602	(7)
Transfers out	(290,397)	(290,397)	(278,358)	(12,039)
TOTAL OTHER FINANCING SOURCES (USES)	1,742,198	1,742,198	1,754,244	12,046
NET CHANGE IN FUND BALANCE	-	-	129,417	129,417
FUND BALANCE, JUNE 30, 2022	-	-	-	-
FUND BALANCE, JUNE 30, 2023	\$ -	\$ -	129,417	\$ 129,417
ADJUSTMENT TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) BASIS				
Net OPEB asset			19,105	
Deferred outflows from OPEB			7,598	
Deferred outflows from pension			420,983	
Accrued compensated absences payable			(52,583)	
Total OPEB liability			(28,114)	
Net pension liability			(909,963)	
Unavailable revenue			288	
Deferred inflows from OPEB			(11,374)	
Deferred inflows from pension			(299,816)	
NET POSITION (DEFICIT) - GAAP BASIS, JUNE 30, 2023			\$ (724,459)	

**CITY OF LEBANON, OREGON
INFORMATION TECHNOLOGY FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 81,913	\$ 31,913
Rentals	-	-	6,800	6,800
Interest	500	500	8,616	8,116
Miscellaneous	-	-	58	58
TOTAL REVENUES	50,500	50,500	97,387	46,887
EXPENDITURES:				
Information Technology	1,535,700	1,658,700	1,520,117	138,583
Contingency	26,901	26,901	-	26,901
TOTAL EXPENDITURES	1,562,601	1,685,601	1,520,117	165,484
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,512,101)	(1,635,101)	(1,422,730)	212,371
OTHER FINANCING SOURCES (USES):				
Transfers in	1,516,106	1,516,106	1,441,357	74,749
Transfers out	(24,005)	(24,005)	(24,000)	5
TOTAL OTHER FINANCING SOURCES (USES)	1,492,101	1,492,101	1,417,357	(74,744)
NET CHANGE IN FUND BALANCE	(20,000)	(143,000)	(5,373)	137,627
FUND BALANCE, JUNE 30, 2022	20,000	143,000	143,819	819
FUND BALANCE, JUNE 30, 2023	\$ -	\$ -	138,446	\$ 138,446
ADJUSTMENT TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) BASIS				
Capital Assets, net accumulated depreciation			158,350	
Net OPEB asset			12,184	
Deferred outflows from OPEB			4,846	
Deferred outflows from pension			268,465	
Accrued compensated absences payable			(31,620)	
Subscriptions liability			(53,249)	
Interest payable			(931)	
Total OPEB liability			(17,929)	
Net pension liability			(580,293)	
Deferred inflows from OPEB			(7,253)	
Deferred inflows from pension			(191,196)	
NET POSITION (DEFICIT) - GAAP BASIS, JUNE 30, 2023			\$ (300,180)	

**CITY OF LEBANON, OREGON
CUSTODIAL & MAINTENANCE SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 4,279	\$ 4,279
Interest	150	150	4,451	4,301
TOTAL REVENUES	150	150	8,730	8,580
EXPENDITURES:				
Public Works	418,010	418,010	362,164	55,846
Contingency	2,300	2,300	-	2,300
TOTAL EXPENDITURES	420,310	420,310	362,164	58,146
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(420,160)	(420,160)	(353,434)	66,726
OTHER FINANCING SOURCES (USES):				
Transfers in	368,700	368,700	368,702	(2)
Transfers out	(4,690)	(4,690)	(4,686)	4
TOTAL OTHER FINANCING SOURCES (USES)	364,010	364,010	364,016	6
NET CHANGE IN FUND BALANCE	(56,150)	(56,150)	10,582	66,732
FUND BALANCE, JUNE 30, 2022	56,150	56,150	115,582	59,432
FUND BALANCE, JUNE 30, 2023	\$ -	\$ -	126,164	\$ 126,164
ADJUSTMENT TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) BASIS				
Net OPEB asset			4,098	
Deferred outflows from OPEB			1,630	
Deferred outflows from pension			90,293	
Accrued compensated absences payable			(16,721)	
Total OPEB liability			(6,030)	
Net pension liability			(195,169)	
Deferred inflows from OPEB			(2,439)	
Deferred inflows from pension			(64,305)	
NET POSITION (DEFICIT) - GAAP BASIS, JUNE 30, 2023			\$ (62,479)	

STATISTICAL SECTION

- FINANCIAL TRENDS
- REVENUE CAPACITY
- DEBT CAPACITY
- DEMOGRAPHIC AND ECONOMIC INFORMATION
- OPERATING INFORMATION



FINANCIAL TRENDS

CITY OF LEBANON
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

	2023	2022
<i>Governmental activities</i>		
Net investment in capital assets	\$ 17,806,618	\$ 13,849,672
Restricted for special purposes	17,569,775	16,045,365
Unrestricted	(443,623)	(617,952)
<i>Total governmental activities</i>	<u>\$ 34,932,770</u>	<u>\$ 29,277,085</u>
<i>Business-type activities</i>		
Net investment in capital assets	\$ 60,714,620	\$ 54,741,143
Restricted for special purposes	5,450,333	5,184,065
Unrestricted	17,545,478	15,550,916
<i>Total business-type activities net position</i>	<u>\$ 83,710,431</u>	<u>\$ 75,476,124</u>
<i>Primary government</i>		
Net investment in capital assets	\$ 78,521,238	\$ 68,590,815
Restricted for special purposes	23,020,108	21,229,430
Unrestricted	17,101,855	14,932,964
<i>Total primary government net position</i>	<u>\$ 118,643,201</u>	<u>\$ 104,753,209</u>

2021	2020 (restated)	2019 (restated)	2018 (restated)	2017 (restated)
\$ 8,856,238	\$ 8,130,402	\$ 5,703,160	\$ 1,253,407	\$ 413,910
13,076,501	9,699,384	8,925,225	9,080,170	13,884,088
(245,356)	(3,240,155)	(1,188,885)	(1,597,185)	(7,525,275)
\$ 21,687,383	\$ 14,589,631	\$ 13,439,500	\$ 8,736,392	\$ 6,772,723
\$ 52,863,606	\$ 51,904,102	\$ 51,413,603	\$ 41,668,611	\$ 41,352,926
4,281,634	-	-	-	-
2,471,445	8,308,208	6,098,145	10,565,798	7,940,784
\$ 59,616,685	\$ 60,212,310	\$ 57,511,748	\$ 52,234,409	\$ 49,293,710
\$ 61,719,844	\$ 60,034,504	\$ 57,116,763	\$ 42,922,018	\$ 41,766,836
17,358,135	9,699,384	8,925,225	9,080,170	13,884,088
2,226,089	5,068,053	4,909,260	8,968,613	415,509
\$ 81,304,068	\$ 74,801,941	\$ 70,951,248	\$ 60,970,801	\$ 56,066,433

2016 (restated)	2015	2014 (restated)
\$ (2,551,961)	\$ (4,571,488)	\$ (5,561,848)
7,317,116	9,307,133	9,077,679
(1,745,001)	2,669,363	32,281
<u>\$ 3,020,154</u>	<u>\$ 7,405,008</u>	<u>\$ 3,548,112</u>
\$ 34,315,146	\$ 35,314,282	\$ 33,176,772
372,011	372,011	372,011
7,103,153	5,228,222	3,204,875
<u>\$ 41,790,310</u>	<u>\$ 40,914,515</u>	<u>\$ 36,753,658</u>
\$ 31,763,185	\$ 30,742,794	\$ 27,614,924
7,689,127	9,679,144	9,449,690
5,358,152	7,897,585	3,237,156
<u>\$ 44,810,464</u>	<u>\$ 48,319,523</u>	<u>\$ 40,301,770</u>

CITY OF LEBANON
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

	2023	2022
Expenses		
<i>Governmental activities:</i>		
General government	\$ 1,533,558	\$ 2,420,338
Public Safety	7,312,117	6,339,717
Highways and streets	1,977,426	1,660,065
Culture and recreation	2,482,669	2,168,385
Community Planning	1,249,321	1,226,562
Urban Renewal Projects	-	-
Transit	892,384	683,301
Interest on long-term debt	716,872	879,593
<i>Total governmental activities expenses</i>	<u>16,164,347</u>	<u>15,377,961</u>
<i>Business-type activities</i>		
Water	4,788,953	4,547,773
Sewer	5,346,273	4,834,574
Stormwater	286,533	1,214,603
<i>Total business-type activities expenses</i>	<u>10,421,759</u>	<u>10,596,950</u>
<i>Total Expenses</i>	<u>\$ 26,586,106</u>	<u>\$ 25,974,911</u>
Program revenues		
<i>Governmental activities</i>		
Charges for services		
General government	\$ 313,176	\$ 523,263
Public Safety	14,765	690,856
Highways and streets	240,081	1,494,688
Culture and recreation	276,098	468,190
Community Planning	647,465	137,858
Transit	-	-
Operating grants and contributions	4,341,226	5,194,297
Capital grants and contributions	1,093,188	1,146,993
<i>Total governmental activities program revenues</i>	<u>6,925,999</u>	<u>9,656,145</u>
<i>Business-type activities</i>		
Charges for services		
Water	6,121,195	6,232,758
Sewer	6,668,224	6,735,876
Stormwater	714,388	621,047
Operating grants and contributions	30,454	-
Capital grants and contributions	4,430,041	662,824
<i>Total business-type activities program revenues</i>	<u>17,964,302</u>	<u>14,252,505</u>
<i>Total program revenues</i>	<u>\$ 24,890,301</u>	<u>\$ 23,908,650</u>
Net (expense)/revenues		
<i>Governmental activities</i>	\$ (9,238,348)	\$ (5,721,816)
<i>Business-type activities</i>	<u>7,542,543</u>	<u>3,655,555</u>
<i>Total net expenses</i>	<u>\$ (1,695,805)</u>	<u>\$ (2,066,261)</u>

2021	2020	2019	2018	2017
\$ 2,896,729	\$ 4,649,890	\$ 4,569,948	\$ 4,342,450	\$ 4,421,484
5,654,519	5,844,719	5,445,062	6,415,641	5,129,853
1,561,346	993,516	776,254	767,327	703,860
1,941,534	2,925,581	2,554,557	1,826,698	1,634,994
686,993	2,025,709	1,622,675	2,882,196	1,584,953
-	-	120,130	-	-
395,457	457,805	-	-	-
997,293	1,138,426	2,108,959	1,334,187	1,322,439
14,133,871	18,035,646	17,197,585	17,568,499	14,797,583
4,715,845	3,803,815	3,115,306	2,726,011	2,437,650
6,747,746	4,150,372	3,587,488	3,730,750	3,184,497
464,517	150,497	130,772	40,688	124,393
11,928,108	8,104,684	6,833,566	6,497,449	5,746,540
\$ 26,061,979	\$ 26,140,330	\$ 24,031,151	\$ 24,065,948	\$ 20,544,123
\$ 793,822	\$ 824,811	\$ 822,595	\$ 996,032	\$ 485,897
608,506	69,969	451,292	369,923	487,910
630,430	197,239	319,516	357,319	8,900
920,956	835,121	587,327	718,191	400,125
119,413	111,836	58,102	123,451	1,383,205
457	-	-	-	-
3,718,031	71,813	16,500	3,678	328,038
212,044	959,213	1,924,810	1,081,013	61,569
7,003,659	3,070,002	4,180,142	3,649,607	3,155,644
5,556,195	5,475,941	5,681,237	5,398,022	5,356,789
6,290,547	6,114,866	5,925,338	5,896,849	5,959,957
553,786	581,058	513,969	482,477	477,268
57,309	-	-	-	-
422,375	48,479	2,302,172	-	-
12,880,212	12,220,344	14,422,716	11,777,348	11,794,014
\$ 19,883,871	\$ 15,290,346	\$ 18,602,858	\$ 15,426,955	\$ 14,949,658
\$ (7,130,212)	\$ (14,965,644)	\$ (13,017,443)	\$ (13,918,892)	\$ (11,641,939)
952,104	4,115,660	7,589,150	5,279,899	6,047,474
\$ (6,178,108)	\$ (10,849,984)	\$ (5,428,293)	\$ (8,638,993)	\$ (5,594,465)

2016	2015	2014
\$ 8,725,784	\$ 3,838,417	\$ 16,199,250
4,633,244	4,371,024	4,492,848
763,014	924,469	735,708
2,087,770	1,463,996	1,562,044
1,532,196	1,313,438	1,604,091
-	-	203,652
2,810,526	1,465,963	974,686
20,552,534	13,377,307	25,772,279
3,899,986	1,712,057	1,424,620
5,368,069	3,093,617	2,056,295
71,320	232,473	174,433
9,339,375	5,038,147	3,655,348
\$ 29,891,909	\$ 18,415,454	\$ 29,427,627
\$ 537,903	\$ 425,842	\$ 278,853
520,209	471,251	485,259
-	907,817	895,783
80,627	64,317	69,558
-	-	-
-	-	-
483,235	707,441	373,498
261,499	219,070	-
1,883,473	2,795,738	2,102,951
4,902,311	4,533,296	4,265,930
5,060,820	4,980,435	4,752,859
432,855	425,223	409,233
-	4,207	-
-	-	-
10,395,986	9,943,161	9,428,022
\$ 12,279,459	\$ 12,738,899	\$ 11,530,973
\$ (18,669,061)	\$ (10,581,569)	\$ (23,669,328)
1,056,611	4,905,014	5,772,674
\$ (17,612,450)	\$ (5,676,555)	\$ (17,896,654)

CITY OF LEBANON
CHANGES IN NET POSITION (CONT)
LAST TEN FISCAL YEARS

	2023	2022	2021	2020
General revenues and other changes in net position				
Governmental activities				
Taxes and assessments	\$ 11,112,797	\$ 10,604,294	\$ 10,523,164	\$ 11,823,641
Franchise fees	2,747,904	2,554,314	2,381,699	2,272,728
Earnings on investments	796,255	152,729	218,920	349,399
Miscellaneous	154,649	60,070	-	77,716
Gain (Loss) on asset disposal	-	-	-	-
Transfers	55,095	(59,889)	1,104,181	1,592,291
Total governmental activities	14,866,700	13,311,518	14,227,964	16,115,775
Business-type activities				
Taxes and assessments	-	-	-	-
Franchise fees	-	-	-	-
Earnings on investments	730,990	121,779	81,274	177,193
Miscellaneous	15,869	22,216	153,157	-
Gain (Loss) on asset disposal	-	-	(677,979)	-
Settlement	-	12,000,000	-	-
Transfers	(55,095)	59,889	(1,104,181)	(1,592,291)
Total business-type activities	691,764	12,203,884	(1,547,729)	(1,415,098)
Total general revenues	\$ 15,558,464	\$ 25,515,402	\$ 12,680,235	\$ 14,700,677
Change in net position				
Governmental activities	\$ 5,628,352	\$ 7,589,702	\$ 7,097,752	\$ 1,150,131
Business-type activities	8,234,307	15,859,439	(595,625)	2,700,562
Total	\$ 13,862,659	\$ 23,449,141	\$ 6,502,127	\$ 3,850,693

CITY OF LEBANON
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2023	2022	2021	2020
General Fund				
Nonspendable	\$ 57,381	\$ -	\$ -	\$ -
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	4,791,922	4,957,698	4,879,596	4,041,142
Total general fund	\$ 4,849,303	\$ 4,957,698	\$ 4,879,596	\$ 4,041,142
All other governmental funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	16,681,727	15,073,746	13,461,580	9,677,493
Committed	757,651	661,134	233,073	1,818,424
Assigned	629,458	863,900	893,628	-
Unassigned	-	-	(4,863)	(91,109)
Total all other governmental funds	\$ 18,068,836	\$ 16,598,780	\$ 14,583,418	\$ 11,404,808
Governmental Funds				
Nonspendable	\$ 57,381	\$ -	\$ -	\$ -
Restricted	16,681,727	15,073,746	13,461,580	9,677,493
Committed	757,651	661,134	233,073	1,818,424
Assigned	629,458	863,900	893,628	-
Unassigned	4,791,922	4,957,698	4,874,733	3,950,033
Total Governmental Funds	\$ 22,918,139	\$ 21,556,478	\$ 19,463,014	\$ 15,445,950

2019	2018	2017	2016	2015	2014
\$ 11,371,894	\$ 10,975,454	\$ 10,863,745	\$ 10,655,535	\$ 9,190,655	\$ 8,779,348
2,208,440	2,198,381	2,176,801	2,092,699	2,099,554	2,000,707
488,904	271,060	180,379	219,077	154,932	151,205
115,011	(36,409)	206,073	986,451	2,018,770	(3,095,918)
115,998	-	(538,667)	-	-	-
3,420,304	3,392,071	2,506,177	330,446	975,770	(3,583,491)
17,720,551	16,800,557	15,394,508	14,284,208	14,439,681	4,251,851
-	-	-	-	-	-
-	-	-	-	-	-
171,561	134,875	121,240	42,393	34,778	15,447
-	-	3,840,863	107,236	195,619	(287,038)
-	-	-	-	-	-
-	-	-	-	-	-
(2,483,372)	(3,392,071)	(2,506,177)	(330,446)	(975,770)	3,583,491
(2,311,811)	(3,257,196)	1,455,926	(180,817)	(745,373)	3,311,900
\$ 15,408,740	\$ 13,543,361	\$ 16,850,434	\$ 14,103,391	\$ 13,694,308	\$ 7,563,751
\$ 4,703,108	\$ 2,881,665	\$ 3,752,569	\$ (4,384,853)	\$ 3,858,112	\$ (19,417,477)
5,277,339	2,022,703	7,503,400	875,794	4,159,641	9,084,574
\$ 9,980,447	\$ 4,904,368	\$ 11,255,969	\$ (3,509,059)	\$ 8,017,753	\$ (10,332,903)

2019	2018	2017	2016	2015	2014
\$ -	\$ -	\$ -	\$ 54,026	\$ 55,205	\$ -
-	-	-	113,253	24,931	24,931
-	-	-	1,700	1,800	1,800
4,198,099	3,526,750	2,672,274	2,031,337	1,754,690	962,238
\$ 4,198,099	\$ 3,526,750	\$ 2,672,274	\$ 2,146,290	\$ 1,781,421	\$ 988,969
\$ -	\$ -	\$ -	\$ 2,319	\$ 2,319	\$ -
9,325,225	9,080,170	14,076,646	8,020,698	63,945,915	8,935,282
1,780,242	1,890,083	-	89,060	85,757	85,757
-	-	-	-	-	-
(71,968)	(61,069)	(1,444,662)	(1,494,823)	(655,867)	-
\$ 11,033,499	\$ 10,909,184	\$ 12,631,984	\$ 6,617,254	\$ 63,378,124	\$ 9,021,039
\$ -	\$ -	\$ -	\$ 56,345	\$ 57,524	\$ -
9,325,225	9,080,170	14,076,646	8,020,698	9,815,915	8,935,282
1,780,242	1,890,083	-	202,313	110,688	110,688
-	-	-	1,700	1,800	1,800
4,126,131	3,465,681	1,227,612	536,514	1,098,823	962,238
\$ 15,231,598	\$ 14,435,934	\$ 15,304,258	\$ 8,817,570	\$ 11,084,750	\$ 10,010,008

CITY OF LEBANON**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	2023	2022	2021	2020
REVENUES				
Property and other taxes	\$ 11,044,522	\$ 10,722,880	\$ 10,559,624	\$ 9,931,752
Franchise fees	2,747,904	2,554,314	2,381,699	2,272,728
Special assessment collections	479,196	1,820,987	1,496,409	-
Licenses and permits	579,848	813,020	644,136	
Fines, forfeitures, and penalties	266,346	399,737	494,708	342,264
Intergovernmental	4,291,533	4,943,291	3,718,031	2,117,502
Charges for services	304,667	330,370	275,415	1,693,666
Rentals	51,000	56,054	16,177	-
Contributions	85,126	69,960	63,274	1,031,026
Interest	784,919	151,348	218,920	349,399
Miscellaneous	148,371	58,070	146,155	10,997
Total Revenue	20,783,432	21,920,031	20,014,548	17,749,334
EXPENDITURES				
Current operating:				
General government	1,030,602	1,575,812	2,797,842	3,098,589
Public safety	5,807,078	5,545,980	6,025,829	5,810,656
Highways and streets	1,025,621	912,748	957,478	835,955
Culture and recreation	1,929,143	1,783,054	1,711,595	2,075,321
Community planning	1,174,422	1,057,754	734,235	1,689,773
Transit	784,803	625,172	432,273	-
Debt service				
Principal	3,022,641	3,977,645	3,430,490	3,232,677
Interest	909,066	1,060,483	1,200,536	1,615,654
Capital outlay	1,681,339	1,185,200	471,846	1,692,873
Total expenditures	17,364,715	17,723,848	17,762,124	20,051,498
REVENUES OVER (UNDER)				
EXPENDITURES	3,418,717	4,196,183	2,252,424	(2,302,164)
OTHER FINANCING SOURCES (USES)				
Subscription financing	5,217	-	-	-
Transfers in	2,757,745	2,505,294	5,669,047	8,193,832
Transfers out	(4,820,018)	(4,608,013)	(3,904,407)	(5,677,316)
Sale of general capital assets	-	-	-	-
Debt issuance expense	-	-	-	-
Bond and notes issued	-	-	-	-
Bonds and note premium	-	-	-	-
Loan proceeds	-	-	-	-
Total other financing sources (uses)	(2,057,056)	(2,102,719)	1,764,640	2,516,516
NET CHANGE IN FUND BALANCES	\$ 1,361,661	\$ 2,093,464	\$ 4,017,064	\$ 214,352
Debt service as a percentage of noncapital expenditures ¹	25.07%	30.46%	26.78%	26.41%

¹ Series 2005 and 2006 General Obligation Bonds were refunded in fiscal year 2019, resulting in a significant increase in Debt Service as a percentage of non-capital expenditures.

2019	2018	2017	2016	2015	2014
\$ 10,379,715	\$ 9,665,460	\$ 9,738,469	\$ 9,406,993	\$ 9,021,449	\$ 8,468,458
2,208,440	2,198,381	2,176,801	2,092,699	2,099,554	2,000,707
920,040	1,066,771	-	-	-	235,181
-	-	-	8,783	4,520	6,303
385,395	441,914	313,630	311,991	524,810	457,604
1,813,685	1,648,918	1,421,730	1,324,121	1,166,432	1,094,004
309,714	529,013	2,366,510	444,082	860,690	828,580
-	-	-	-	-	-
1,941,310	1,084,691	389,607	598,822	842,417	343,905
488,904	271,060	180,379	218,656	153,221	151,180
115,012	189,182	325,650	355,442	233,959	187,258
18,562,215	17,095,390	16,912,776	14,761,589	14,907,052	13,773,180
3,228,267	2,743,838	2,591,667	3,690,017	2,267,186	4,124,393
5,418,395	5,315,659	4,907,038	4,624,905	4,371,774	4,424,875
697,426	690,110	689,480	687,504	647,495	648,390
2,079,923	1,702,090	1,589,532	1,630,966	1,406,347	1,510,229
1,464,194	1,324,366	1,508,275	1,532,196	1,313,438	1,445,909
-	-	2,429,500	-	-	-
2,783,405	6,040,782	1,472,831	2,345,392	2,245,916	2,001,573
2,212,404	2,484,347	1,976,665	2,094,515	1,617,512	1,533,946
3,418,839	4,295,224	-	3,667,908	2,231,599	14,866,318
21,302,853	24,596,416	17,164,988	20,273,403	16,101,267	30,555,633
(2,740,638)	(7,501,026)	(252,212)	(5,511,814)	(1,194,215)	(16,782,453)
-	-	-	-	-	-
7,060,469	6,769,539	6,298,418	6,013,926	4,906,720	18,925,950
(3,640,165)	(3,895,158)	(3,792,241)	(2,854,447)	(2,637,763)	(15,032,614)
115,998	-	-	-	-	-
-	-	-	85,155	-	(3,626,623)
-	-	4,232,723	-	-	-
-	-	-	-	-	15,693,252
-	3,758,321	-	-	-	-
3,536,302	6,632,702	6,738,900	3,244,634	2,268,957	15,959,965
\$ 795,664	\$ (868,324)	\$ 6,486,688	\$ (2,267,180)	\$ 1,074,742	\$ (822,488)
27.93%	41.99%	20.10%	26.74%	27.86%	22.53%

REVENUE CAPACITY

CITY OF LEBANON**TAX REVENUE BY SOURCE, GOVERNMENTAL FUNDS****LAST TEN FISCAL YEARS****June 30, 2023**

Fiscal Year	Property ¹	Franchise Fees ²	Special Assessments ³	Total
2023	11,044,522	2,747,904	479,196	14,271,622
2022	10,293,711	2,554,314	1,820,987	14,669,012
2021	10,115,708	2,381,699	1,496,409	13,993,816
2020	9,474,845	2,272,728	-	11,747,573
2019	9,885,752	2,208,440	920,040	13,014,232
2018	9,222,278	2,198,381	1,066,771	12,487,430
2017	9,478,726	2,176,801	-	11,655,527
2016	8,955,927	2,092,699	-	11,048,626
2015	8,703,819	2,099,554	-	10,803,373
2014	8,174,076	2,000,707	235,181	10,409,964

¹ Includes current and prior property tax revenue and interest earned; deducts write offs for general property taxes and tax increment revenues.

² Franchise fees are charges negotiated between an utility agency and the City for the use of city's right away of public land for utility services.

³ Special assessment billings are for local improvement district assessments which are paid to the City by the benefited property owners over a ten to fifteen year period.

Source: Linn County and Prior Year Financial Statements

CITY OF LEBANON

ASSESSED AND ESTIMATED VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

June 30, 2023

Fiscal Year Ended June 30,	Real Property		Total		Total Direct Tax Rate	Ratio of Total Assessed to Total Estimated Actual Value
	Assessed Value	Estimated Real Market Value	Assessed Value	** Estimated Actual Value		
2023	1,453,848,572	2,668,148,644	1,453,848,572	2,668,148,644	5.1364	54%
2022	1,374,784,522	2,247,910,222	1,374,784,522	2,247,910,222	5.1364	61%
2021	1,334,686,509	2,024,621,291	1,334,686,509	2,024,621,291	5.1364	66%
2020	1,261,832,878	1,873,534,382	1,261,832,878	1,873,534,382	5.1364	67%
2019	1,213,687,591	1,695,697,415	1,213,687,591	1,695,697,415	5.1364	72%
2018	1,152,059,205	1,467,463,681	1,152,059,205	1,467,463,681	5.1364	79%
2017	1,109,942,281	1,354,264,250	1,109,942,281	1,354,264,250	5.1364	82%
2016	1,058,790,662	1,263,292,835	1,058,790,662	1,263,292,835	5.1364	84%
2015	1,010,866,121	1,179,330,400	1,010,866,121	1,179,330,400	5.1364	86%
2014	962,821,787	1,102,083,377	962,821,787	1,102,083,377	5.1364	87%
2013	933,115,746	1,069,308,045	933,115,746	1,069,308,045	5.1364	87%

* Tax limitation Measure 50 results in a larger difference between market assessed value than were reportable in previous years.

** Assessed value includes assessed value in the Urban Renewal Area.

Source: Linn County Assessors

CITY OF LEBANON
PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
City of Lebanon:										
General Government	\$ 4.6145	\$ 4.5930	\$ 4.5913	\$ 4.4048	\$ 4.3959	\$ 4.3608	\$ 4.0983	\$ 4.0983	\$ 4.1439	\$ 4.1581
G.O. Bond	1.1258	1.1875	1.4154	0.9124	1.3056	1.3195	1.2082	1.2082	1.5000	1.5182
Lebanon Urban Renewal	0.6370	0.7172	0.7386	1.3731	1.4322	1.5181	2.3820	2.3820	2.5909	2.7130
Lebanon Urban Renewal III	0.3252	0.3520	0.3482	0.3368	0.3392	0.3284	0.3601	0.3601	0.3620	0.3450
Lebanon North Gateway	0.6715	0.6856	0.7398	0.7288	0.7058	0.7426	0.7541	0.7541	0.4055	0.2832
Lebanon Urban Renewal Downtown	0.0307	0.0241	0.0093	0.0008	-	-	-	-	-	-
Lebanon Urban Renewal Mill Race	0.0864	0.0468	-	-	-	-	-	-	-	-
Total City	7.4911	7.6062	7.8426	7.7567	8.1787	8.2694	8.8027	8.8027	9.0023	9.0175
OVERLAPPING RATES:										
Linn County:										
Linn County	1.1382	1.1330	1.1328	1.0864	1.0848	1.0779	1.0126	1.0126	1.0240	1.0273
Local Option	2.9800	2.8300	2.9378	3.0162	3.0163	3.0166	3.0162	3.0162	3.0163	2.7242
	4.1182	3.9630	4.0706	4.1026	4.1011	4.0945	4.0288	4.0288	4.0403	3.7515
School District:										
Linn-Benton ESD	0.2727	0.2715	0.2714	0.2601	0.2598	0.2581	0.2425	0.2425	0.2453	0.2461
Linn-Benton Community College	0.4487	0.4440	0.4465	0.4283	0.4275	0.5936	0.3992	0.5383	0.4037	0.5580
Linn-Benton CC Bond	0.2225	0.1614	0.1657	0.1661	0.1676	-	0.1391	-	0.1410	-
Lebanon Community School District No. 9	4.4614	4.4404	4.4402	4.2578	4.2515	5.8757	3.9688	5.5818	4.0137	5.6645
LCSD No. 9 Bond	1.4812	1.5158	1.5320	1.5294	1.5747	-	1.6130	-	1.6804	-
	6.8865	6.8331	6.8558	6.6417	6.6811	6.7274	6.3626	6.3626	6.4841	6.4686
Special District:										
Lebanon Rural Fire District	2.0196	2.0103	2.2947	2.1171	2.1164	2.1092	1.9963	1.9963	2.0220	2.0346
Lebanon Aquatic District	0.2146	0.2849	0.2137	0.2048	0.2045	0.2032	0.1909	0.1909	0.1930	0.1937
4H Extension District	0.0628	0.0624	0.0624	0.0598	0.0598	0.0594	0.0557	0.0557	0.0419	0.0421
	2.2970	2.3576	2.5708	2.3817	2.3807	2.3718	2.2429	2.2429	2.2569	2.2704
Total Overlapping	13.3017	13.1537	13.4972	13.1260	13.1629	13.1937	12.6343	12.6343	12.7813	12.4905
TOTAL	\$20.7928	\$20.7599	\$21.3398	\$20.8827	\$21.3416	\$21.4631	\$21.4370	\$21.4370	\$21.7836	\$21.5080

Source: Linn County Summary of Assessments & Levies Table 6a

CITY OF LEBANON

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND TEN YEARS AGO

June 30, 2023

2023						
Taxpayer	Tax	Assessed Value	Rank	% of of Total Tax Amount	% of Total City Taxable Assessed Value	
Lowes HIW Inc	\$ 1,543,053	\$ 84,666,790	1	14.71%	6.16%	
Entek International LLC	1,310,481	72,174,510	2	12.50%	5.25%	
Lumen Technologies, Inc.	530,309	29,207,000	3	5.06%	2.12%	
Entek Membranes LLC	461,249	25,403,500	4	4.40%	1.85%	
Samaritan Health Services Inc.	419,166	22,141,410	5	4.00%	1.61%	
Walmart, Inc.	350,681	16,604,040	6	3.34%	1.21%	
Cascade Ridge LLC	349,061	16,575,640	7	3.33%	1.21%	
Western Warehousing LLC	227,578	11,478,030	8	2.17%	0.83%	
Lodges at Lebanon LLC	221,975	10,377,820	9	2.12%	0.75%	
Northwest Natural Gas	205,208	11,302,000	10	1.96%	0.82%	
Comcast Corporation		-		-	-	
Entek Manufacutring LLC		-		-	-	
						-
	<u>\$ 5,618,760</u>	<u>\$ 299,930,740</u>		<u>53.58%</u>	<u>21.82%</u>	

Source: Linn County Assessor's records

2014					
		Assessed	Rank	% of of Total Tax Amount	% of Total City Taxable Assessed Value
Tax	Value				
\$ 1,564,829	85,698,700	1		17.95%	9.50%
583,252	32,049,260	2		6.69%	3.55%
450,676	24,764,300	3		5.17%	2.74%
135,993	7,472,710	10		1.56%	0.83%
144,435	7,217,130	9		1.66%	0.80%
269,465	12,528,610	4		3.09%	1.39%
				0.00%	0.00%
171,468	9,098,180	6		1.97%	1.01%
				0.00%	0.00%
				0.00%	0.00%
173,552	8,069,200	5		1.99%	0.89%
144,482	7,939,170	8		1.66%	0.88%
\$ 3,638,152 \$ 194,837,260				41.74%	21.59%

CITY OF LEBANON
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
June 30, 2023

Fiscal Year	Total Tax Levy	Adjustments	Percent of Levy Adjustments	Adjusted Levy	Current Tax Collections	Percent of Levy Collections
2023	10,917,259	(300,067)	2.75%	10,617,192	10,263,875	96.67%
2022	10,486,575	(323,115)	3.08%	10,163,459	9,919,513	97.60%
2021	10,504,671	(297,653)	2.83%	10,207,018	9,865,256	96.65%
2020	9,797,767	(295,364)	3.01%	9,502,403	9,259,607	97.44%
2019	9,995,576	(315,451)	3.16%	9,680,125	9,373,508	96.83%
2018	9,545,249	(272,265)	2.85%	9,272,984	9,029,948	97.38%
2017	9,691,494	(436,709)	4.51%	9,254,785	9,191,606	99.32%
2016	9,489,478	(644,743)	6.79%	8,844,735	8,781,556	99.29%
2015	8,912,598	(246,423)	2.76%	8,666,175	8,331,252	96.14%
2014	8,432,423	(224,178)	2.66%	8,208,245	7,855,319	95.70%

Source: Linn County Assessors

Delinquent Tax Collections	Total Tax Collections	Percent Total Tax Collections To Tax Levy	Outstanding Delinquent Taxes	Percent Delinquent Taxes To Tax Levy
375,659	10,639,535	100.21%	413,559	3.90%
261,099	10,180,612	100.17%	397,495	3.91%
363,031	10,228,287	100.21%	425,831	4.17%
248,989	9,508,596	100.07%	464,207	4.89%
468,695	9,842,203	101.67%	495,053	5.11%
298,295	9,328,243	100.60%	913,045	9.85%
249,276	9,440,882	102.01%	906,859	9.80%
234,508	9,016,064	101.94%	906,859	10.25%
379,887	8,711,139	100.52%	873,021	10.07%
305,977	8,161,296	99.43%	868,617	10.58%

DEBT CAPACITY

CITY OF LEBANON
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
June 30, 2023

Fiscal Year	Governmental Activities			Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Amount Restricted for Debt Service	Total		
2023	6,485,000	\$ (222,513)	6,262,487	0.23%	319
2022	7,815,000	(232,428)	7,582,572	0.34%	386
2021	9,050,000	(178,295)	8,871,705	0.44%	464
2020	10,210,000	(175,923)	10,034,077	0.54%	579
2019	11,305,000	(175,923)	11,129,077	0.66%	649
2018	12,675,000	(175,923)	12,499,077	0.85%	739
2017	13,280,000	(175,923)	13,104,077	0.97%	784
2016	15,105,000	(242,328)	14,862,672	1.18%	904
2015	15,245,000	(237,761)	15,007,239	1.27%	953
2014	15,935,000	(197,282)	15,737,718	1.43%	1,000
2013	16,555,000	(107,881)	16,447,119	1.54%	1,048

Note: Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.

(1) Taxable values can be found on page 150

(2) Population counts can be found on page 160

CITY OF LEBANON
DEBT PER CAPITA
LAST TEN FISCAL YEARS
June 30, 2023

Governmental Activities						
Fiscal Year	General Obligation (GO) Bonds	GO Bond Debt % of est. property actual value (1)	Full Faith and Credit Obligations	Pension Obligation Bonds	Capital Leases	General Notes
2023	6,485,000	0.24%	5,820,000	910,009	-	637,963
2022	7,815,000	0.35%	6,830,000	1,095,009	-	728,882
2021	9,050,000	0.45%	7,805,000	1,255,009	32,126	814,043
2020	10,210,000	0.54%	8,735,000	1,395,009	92,415	893,621
2019	11,305,000	0.67%	9,240,000	1,446,658	148,497	972,571
2018	12,335,000	0.84%	9,720,000	1,479,882	225,591	1,060,952
2017	13,280,000	0.98%	10,175,000	1,512,754	-	1,238,514
2016	15,105,000	1.20%	14,589,893	1,546,441	-	1,317,111
2015	15,245,000	1.29%	14,157,152	1,579,237	-	1,390,185
2014	15,935,000	1.45%	14,992,702	1,610,941	-	1,462,756
2013	16,555,000	1.55%	-	1,641,231	-	1,529,902

Note: Details regarding the City's outstanding debt can be found in the notes to the basic financial statement
 (1) ORS 287A.050 limits indebtedness to 3% of real market value (RMV)

				Business-type Activities		
Urban Renwal Agency Notes	Urban Renewal Agency Bonds	Urban Renewal Agency Loan	Fiscal Year	Notes	Wastewater DEQ Loan	Revenue Bonds
-	1,605,676	2,754,903	2023	-	10,018,456	-
-	1,745,745	3,019,779	2022	-	8,100,350	-
1,098,851	1,879,792	3,277,241	2021	-	-	625,000
1,241,432	2,007,869	3,527,495	2020	-	480,139	4,395,000
1,384,013	2,510,032	3,770,743	2019	-	-	-
1,710,969	3,021,343	4,007,182	2018	-	569,287	6,975,000
4,499,824	1,105,000	4,232,723	2017	-	612,570	8,205,000
4,398,194	1,450,000	-	2016	-	654,612	5,119,192
3,964,999	1,780,000	-	2015	2,510,139	695,449	5,532,584
4,261,090	2,100,000	-	2014	2,814,155	735,115	5,935,976
4,033,730	2,415,000	-	2013	3,106,116	773,643	10,009,369

ments.

Business Oregon Loans	Total City Debt	Population	GO GO Bond Per Capita	Total Debt Per Capita
23,484,595	51,718,625	19,662	329.82	2,630.38
24,503,199	53,839,986	19,650	397.71	2,739.95
25,502,369	51,341,452	19,122	473.28	2,684.94
22,710,243	55,690,243	17,335	588.98	3,212.59
22,985,000	53,764,533	17,135	659.76	3,137.70
21,016,054	62,123,278	16,920	729.02	3,671.59
3,855,423	48,718,825	16,720	794.26	2,913.81
-	44,182,459	16,435	919.08	2,688.32
-	46,856,760	15,740	968.55	2,976.92
-	49,849,749	15,740	1,012.39	3,167.07
-	40,066,004	15,690	1,055.13	2,553.60

CITY OF LEBANON**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT****June 30, 2023**

Jurisdiction	General Obligation Debt Outstanding	Percent Applicable Inside City of Lebanon	Amount Applicable Inside City of Lebanon
City of Lebanon	\$ 6,485,000	100.0000%	\$ 6,485,000
Lebanon School District	28,600,000	54.5900%	15,612,740
Lebanon Fire District	16,399,000	54.4800%	8,934,175
Linn-Benton-Lincoln ESD	5,750,000	4.6100%	265,075
Linn-Benton Community College	28,600,000	6.8500%	1,959,100
Lebanon Aquatic District	311,019	51.5900%	160,455
Subtotal overlapping debt			26,931,545
Direct and overlapping debt			<u>\$ 33,416,545</u>

Overlapping debt percentage is determined by the percentage of assessed value of the overlapping district that is within the City limits of Lebanon applied.

Source: Oregon State Treasury Debt Management Division

DEMOGRAPH AND ECONOMIC INFORMATION

CITY OF LEBANON
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
June 30, 2022

Fiscal Year	Population (1)	Taxable Personal Income (2)	Per Capita Personal Income
2023	19,662	*	*
2022	19,650	*	*
2021	19,122	673,704	35,232
2020	17,335	596,870	34,431
2019	17,135	564,496	32,944
2018	16,920	537,757	31,782
2017	16,720	488,073	29,191
2016	16,435	450,296	27,399
2015	15,740	417,830	26,546
2014	15,740	392,374	24,928

* Information unavailable at this time.

Sources:

- (1) Portland State University, Population Research Center - Beginning in FY21, the current year City of Lebanon Population comes from the Preliminary Population Estimate, and prior years have been adjusted to match Certified Population Estimates.
- (2) [State of Oregon, Department of Revenue Research and Statistical Reports report annual income tax reported on filed Oregon income state returns.](#)

REPORTS ON LEGAL AND OTHER REGULATORY REQUIREMENTS SECTION



**INDEPENDENT AUDITOR'S REPORT REQUIRED BY
OREGON STATE REGULATIONS**

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

We have audited the basic financial statements of the City of Lebanon, Oregon (the "City") as of and for the year ended June 30, 2023, and have issued our report thereon dated August 6, 2024. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we 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 162-010-000 through 162-010-0320 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 our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we 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, roads, and streets.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

In connection with our testing nothing came to our 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 162-010-000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except for the following:

Budgets legally required (ORS Chapter 294)

Expenditures in excess of appropriations occurred during the year ended June 30, 2023 as follows:

<u>Fund/Appropriation Category</u>	<u>Actual</u>	<u>Appropriations</u>	<u>Variance</u>
General Fund			
Library	\$ 650,021	\$ 649,025	\$ 996
Capital outlay	34,790	34,000	790
Debt service – principal	92,696	90,919	1,777
Northwest Urban Renewal District Fund			
Northwest URD activities	260	-	260
Debt service - interest	362,194	358,926	3,268
Mill Race Urban Renewal District Fund			
Mill Race URD activities	127,125	109,103	18,022
Administrative Service Fund			
Human resources	277,443	272,050	5,393

OAR 162-010-0230 Internal Control

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Restriction of Use

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.

Singer Lewak LLP

August 6, 2024

By:



Brad Bingenheimer, Partner



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MEMORANDUM

Finance Department

To: Chair Jackola and Agency Directors

August 14, 2024

From: Brandon Neish, Finance Director

Subject: Acceptance of the FY2023 Annual Financial Report

I. INTRODUCTION

The Agency Directors have a fiduciary responsibility for the capital and financial assets of the City. The Annual Financial Report (AFR) provides a point-in-time snapshot of the Agency's financial position, effective for the close of each fiscal year, and provides a formal opportunity for the Board and the community to review financial statements.

The Board's policy role with the AFR is to review and accept the report. Management (staff) is responsible for preparing the financial statements, and the Agency's auditor (SingerLewak, LLP) is responsible for reviewing the financial statements to attest to whether or not the statements fairly and accurately report the Agency's financial position. AFR reporting requirements are set forth by the Governmental Accounting Standards Board (GASB) which defines what it requires to be reported, and how the report is to be structured.

II. CURRENT REPORT

Staff completed the 2023 AFR on August 6, 2024. There are several areas which staff highlights for the Board's review.

- The Independent Auditors Report (page 1a of the AFR) highlights the Auditor's responsibilities and provides their opinion. This letter should be combined with the Auditors Communication to the Governing Body (Attachment A). There were no deficiencies noted for the year ended June 30, 2023.
- Management's Discussion and Analysis (page one) provides a high-level summary of the entire report, and in most cases, provides comparisons to prior years.
- The Statement of Net Position and Statement of Activities (pages 8-9) shows the Agency's financial performance in one place, with all data reported on the same basis of accounting.
- The financial footnotes have a lot of information you often will not find in other places.

- Long-term liabilities (pages 41-45): The Agency has a significant amount of outstanding debt (nearly \$10.5 million). Tax revenue from the LURA are used to satisfy most of the debt obligations the Agency has.
- The Fund Statement of Revenues, Expenditures, and Changes in Fund Balance, Budget to Actual (pages 25-29) provides a budget performance report – how well did the Agency's actual performance match with the budget plan.
- The Notes to the Required Supplementary Information (page 30) highlights expenditures in excess of appropriations, violating Oregon Revised Statutes (ORS) Chapter 294. For the year ended June 30, 2023, the Northwest Urban Renewal District and the Mill Race Urban Renewal District exceeded expenditure authority. The NW URD overspent by \$260 in a materials line (budget was in debt service) and the Mill Race URD exceeded authority due to increased property values beyond the anticipated valuation. In the Mill Race URD, the Agency returns a portion of the tax proceeds to the developer under an economic development agreement (EDA) equal to 80%.

Included with this report is the following items:

- Attachment A: Communication to the Governing Body
- Attachment B: Engagement Letter for the 2023 Audit
- 2023 Annual Financial Report

III. RECOMMENDATION

Staff recommends the Board move to accept the Annual Financial Report for the fiscal year ended June 30, 2023.



August 6, 2024

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

This letter is to inform the City Council/Agency Officials of City of Lebanon, Oregon and the Lebanon Urban Renewal Agency, a blended component unit of the City of Lebanon (collectively the "City"), about significant matters related to the conduct of our audit as of and for the year ended June 30, 2023, so that it can appropriately discharge its oversight responsibility and we comply with our professional responsibilities.

Auditing standards generally accepted in the United States of America (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Our Responsibilities With Regard to the Financial Statement Audit

Our responsibility under auditing standards generally accepted in the United States of America has been described to you in our engagement letters dated July 14, 2023 for the City of Lebanon and for the Lebanon Urban Renewal Agency. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication dated July 14, 2023 regarding the planned scope and timing of our audit and identified significant risks.

Significant Accounting Practices, Including Policies, Estimates and Disclosures

The following is a list of the matters that will be discussed, including the significant estimates, which you may wish to monitor for your oversight responsibilities of the financial reporting process:

Adoption of New Accounting Standards

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the City. Effective July 1, 2022, the City implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA).

Honorable Mayor and Members of City Council
 City of Lebanon, Oregon
 August 6, 2024
 Page 2

GASB Statement No. 96 provides guidance on the accounting and financial reporting for contracts that provide the City with control of a software or similar asset, for a period of time in excess of 12 months. The City will report an intangible right to use asset is recorded for the same amount as a related SBITA liability plus any prepayments and initial direct costs to place the asset in service. The SBITA liability is recorded at the present value of future payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees.

Accounting Policies

A summary of significant accounting policies adopted by the City is included in the notes to the financial statements. During the year ended June 30, 2023, the City adopted and implemented GASB Statement 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, however it was determined that there was no material impact on the City's financial statements from implementation of GASB Statement No. 94. The effect of GASB Statement No. 96 was reported by the City including a restatement of net position in the governmental activities, not material to the financial statements, related to implementation.

Significant Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon experience about past and current events, and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. We evaluated the key factors and assumptions used by management to develop the significant estimates reflected in the financial statements and determined that they are reasonable in relation to the financial statements taken as a whole.

The following summarizes the significant accounting estimates reflected in the City's financial statements:

- Accumulated depreciation – Estimated Useful Lives

In the statement of activities and the proprietary fund statements, the costs of capital assets are allocated over their estimated useful lives as depreciation expense. In determining the estimated useful life of an asset, management considers the asset's present condition use of the asset, construction type, maintenance policy and how long it is expected to meet service and technology demands.

Honorable Mayor and Members of City Council
 City of Lebanon, Oregon
 August 6, 2024
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- Net pension liability and related deferred outflows and inflows

The net pension liability reflected in the financial statements represents the proportionate share of the amount by which the total pension liability on the Oregon PERS exceeds the Oregon PERS' fiduciary net pension. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The Oregon PERS has hired an external actuarial specialist to assist in the measurement of such liability. The total pension liability was measured by the Oregon PERS using the entry age actuarial cost method based on the actuarial present value of projected benefit payments that is attributed to past periods of employee service. The methods and assumptions used were based on the 2020 experience study which reviewed experience for the four-year period ending December 31, 2020.

- Allowance for doubtful accounts – Municipal Court

The allowance for doubtful accounts related to the collectability of court receivables was estimated based on a historical experience with the collection of those related receivables.

Disclosures

- The disclosure of cash and cash equivalents in the financial statements describes the liquid assets available for operations of the City.

Audit Adjustments and Uncorrected Misstatements

There were no audit adjustments made to the original trial balance presented to us to begin our audit.

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Emphasis of Matter Paragraph in our Auditor's Report

We have included an emphasis-of-matter paragraph in our audit report to draw attention to the City's disclosure related to the adoption of new accounting standards.

Disagreements With Management

We are not aware of any disagreements with management during the audit process.

Consultation With Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Honorable Mayor and Members of City Council
 City of Lebanon, Oregon
 August 6, 2024
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Other Matters

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the City's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Shared Responsibilities: AICPA Independence

The American Institute of Certified Public Accountants (AICPA) regularly emphasizes that auditor independence is a joint responsibility and is managed most effectively when management, audit committees (or their equivalents), and audit firms work together in considering compliance with AICPA independence rules. For SingerLewak LLP to fulfill its professional responsibility to maintain and monitor independence, management, the City Council, and SingerLewak LLP each play an important role.

Our Responsibilities

- AICPA rules require independence both of mind and in appearance when providing audit and other attestation services. SingerLewak LLP is to ensure that the AICPA's General Requirements for performing non-attest services are adhered to and included in all letters of engagement.
- Maintain a system of quality management over compliance with independence rules and firm policies.

The City's Responsibilities

- Understand and conclude on the permissibility, prior to the City and its affiliates, officers, directors, or persons in a decision-making capacity, engaging in business relationships with SingerLewak LLP.
- Not entering into relationships resulting in close family members of SingerLewak LLP covered persons, temporarily or permanently acting as an officer, director, or person in an accounting or financial reporting oversight role at the City.

Honorable Mayor and Members of City Council
City of Lebanon, Oregon
August 6, 2024
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Management Representations

Attached are copies of the management representation letters for both the City and the Agency.

Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the City.

This report is intended solely for the information and use of the Mayor, City Council and management, and is not intended to be, and should not be, used by anyone other than these specified parties.

Singer Lewak LLP



Finance Department
925 S. Main Street
Lebanon, Oregon 97355

TEL: 541.258.4212
brandon.neish@lebanonoregon.gov
www.lebanonoregon.gov

August 6, 2024

SingerLewak LLP
1255 Lee St. SE Suite 210
Salem, Oregon 97302

This representation letter is provided in connection with your audit of the financial statements of the Lebanon Urban Renewal Agency (the "Agency"), a blended component unit of the City of Lebanon, Oregon (the "City"), as of and for the year ended June 30, 2023 for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves, that as of the date of this letter:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated July 14, 2023, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for 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.
3. We acknowledge our responsibility for the design, implementation and maintenance of controls to prevent and detect fraud.
4. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP, and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. No subsequent events have occurred that would require adjustment to the significant accounting estimates and related disclosures included in the financial statements.

THE CITY THAT FRIENDLINESS BUILT

6. Related-party transactions have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Types of related party transactions engaged in by the Agency include:
 - a. Those with the primary government having accountability for the Agency.
 - b. Interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements and guarantees.
7. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as amended.
8. The Agency is following either its established accounting policy regarding which resources (that is, restricted, committed, assigned or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available or is following paragraph 18 of GASB Statement No. 54 to determine the fund balance classifications for financial reporting purposes.
9. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
10. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
11. Management has followed applicable laws and regulations in adopting, approving and amending budgets.
12. Risk disclosures associated with deposit and investment securities are presented in accordance with GASB requirements.
13. Components of net position (net investment in capital assets, restricted, and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
14. Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
15. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
16. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

17. The Agency's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and appropriately disclosed and that net position is properly recognized under the policy.
18. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, or to special assessment bond holders, that is not disclosed in the financial statements.
19. We have complied with all aspects of laws, regulations and provisions of contracts and agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act because we have not received, expended or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.
20. We have reviewed the GASB Statements effective for the fiscal year ending June 30, 2023 and concluded the implementation of the following Statements did not have a material impact on the basic financial statements for the year ended June 30, 2023:
 - a. GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
 - b. GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*
21. We have no knowledge of any uncorrected misstatements in the financial statements.

Information Provided

22. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the Agency from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
23. All transactions have been recorded in the accounting records and are reflected in the basic financial statements.

24. We have disclosed to you the results of our assessment of risk that the basic financial statements may be materially misstated as a result of fraud.
25. It is our responsibility to establish and maintain internal control over financial reporting. One of the components of an Agency's system of internal control is risk assessment. We hereby represent that our risk assessment process includes identification and assessment of risks of material misstatement due to fraud. We have shared with you our fraud risk assessment, including a description of the risks, our assessment of the magnitude and likelihood of misstatements arising from those risks, and the controls that we have designed and implemented in response to those risks.
26. We have no knowledge of allegations of fraud or suspected fraud affecting the Agency's basic financial statements involving:
 - a. Management.
 - b. Employees who have significant roles in internal control.
 - c. Others where the fraud could have a material effect on the basic financial statements.
27. We have no knowledge of any allegations of fraud or suspected fraud affecting the Agency's basic financial statements received in communications from employees, former employees, analysts, regulators, or others.
28. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.
29. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
30. We have disclosed to you the identity of all of the Agency's related parties and all the related-party relationships and transactions of which we are aware.
31. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Agency's ability to record, process, summarize and report financial data.
32. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
33. It is our responsibility to inform you of all current and potential affiliates of the Agency as defined by the "State and Local Government Client Affiliates" interpretation (ET sec. 1.224.020). Financial interests in, and other relationships with, affiliates of the Agency may create threats to independence. We have:

- a. Provided you with all information we are aware of with respect to current and potential affiliates, including degree of influence assessments and materiality assessments.
 - b. Notified you of all changes to relevant considerations that may impact our determination of the existence of current or potential affiliates involving (i) changes in the determination of the materiality of an entity to the Agency's financial statements as a whole, (ii) the level of influence the Agency has over an entity's financial reporting process or (iii) the level of control or influence the Agency or a potential or current affiliate has over an investee that is not trivial or clearly inconsequential, sufficiently in advance of their effective dates to enable the Agency and SingerLewak LLP to identify and eliminate potential impermissible services and relationships between SingerLewak LLP, prior to the effective dates.
 - c. Made you aware, to the best of our knowledge and belief, of any nonaudit services that the Agency or any of our affiliates has engaged SingerLewak LLP or any of its associated entities to perform.
34. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Supplementary Information

35. With respect to the Management's Discussion and Analysis and the Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual presented as required by U.S. GAAP to supplement the basic financial statements:
- a. We acknowledge our responsibility for the presentation of such required supplementary information.
 - b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. The significant assumptions or interpretations underlying the measurement or presentation of the Required Supplementary Information and the basis for our assumptions and interpretations are reasonable and appropriate in the circumstances.

Lebanon Urban Renewal Agency



Brandon Neish, Finance Director

August 6, 2024

Date

July 14, 2023

Agency Officials
Lebanon Urban Renewal Agency
925 S. Main Street
Lebanon, Oregon 97355

The Objective and Scope of the Audit of the Financial Statements

You have requested that SingerLewak LLP ("SingerLewak", "we", "us", or "our"), audit the Lebanon Urban Renewal Agency's (the "Agency"), a component unit of the City of Lebanon, Oregon, governmental activities and each major fund as of and for the year ended June 30, 2023, which collectively comprise the basic financial statements. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter ("Arrangement Letter").

Accounting principles generally accepted in the United States of America ("U.S. GAAP"), as promulgated by the Governmental Accounting Standards Board ("GASB") require that certain information, as listed below, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, 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. As part of our engagement, we will apply certain limited procedures to the required supplementary information ("RSI") in accordance with GAAS. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement, presentation and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI.

The following RSI is required by U.S. GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis

We will subject the following RSI to the auditing procedures applied in our audit of the basic financial statements and perform certain additional procedures, including comparing and reconciling the RSI to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and additional procedures in accordance with U.S. GAAS. We intend to provide an opinion on the following RSI in relation to the basic financial statements as a whole:

- Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual for each fund

Agency Officials
Lebanon Urban Renewal Agency
July 10, 2023
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The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America ("GAAS") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of controls.

The Responsibilities of the Auditor

We will conduct our audit in accordance with GAAS and the Minimum Standards for Audits of Oregon Municipal Corporations. Those standards require that we comply with applicable ethical requirements. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, based on an understanding of the Agency and its environment, the applicable financial reporting framework, and the Agency's system of internal control, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider the Agency's system of internal control 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 Agency's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of controls, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS.

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 Lebanon Urban Renewal Agency
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We will communicate to the Agency Officials (a) any fraud involving senior management and fraud (whether caused by senior management or other employees) that causes a material misstatement of the financial statements that becomes known to us during the audit, and (b) any instances of noncompliance with laws and regulations that we become aware of during the audit (unless they are clearly inconsequential).

We will maintain our independence in accordance with the standards of the American Institute of Certified Public Accountants ("AICPA").

The Responsibilities of Management and Identification of the Applicable Financial Reporting Framework

Management is responsible for:

1. Identifying and ensuring that the Agency complies with the laws and regulations applicable to its activities, and for informing us about all known violations of such laws or regulations, other than those that are clearly inconsequential;
2. The design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Agency involving management, employees who have significant roles in internal control, and others where the fraud could have a material effect on the financial statements; and
3. Informing us of its knowledge of any allegations of fraud or suspected fraud affecting the Agency received in communications from employees, former employees, analysts, regulators, vendors, customers or others.

Management is responsible for the preparation of the required supplementary information ("RSI") which accounting principles generally accepted in the United States of America ("U.S. GAAP") require to be presented to supplement the basic financial statements.

The Agency Officials is responsible for informing us of its views about the risks of fraud within the Agency, and its knowledge of any fraud or suspected fraud affecting the Agency.

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with U.S. GAAP;
2. To evaluate subsequent events through the date the financial statements are issued . Management also agrees that it will not conclude on subsequent events earlier than the date of the management representation letter referred to below;
3. For 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; and

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4. To provide us with:

- a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements including information relevant to disclosures;
- b. Draft financial statements, including information relevant to their preparation and fair presentation, when needed, to allow for the completion of the audit in accordance with the proposed timeline;
- c. Additional information that we may request from management for the purpose of the audit; and
- d. Unrestricted access to persons within the Agency from whom we determine it necessary to obtain audit evidence.

As part of our audit process, we will request from management and, when appropriate, those charged with governance written confirmation concerning representations made to us in connection with the audit, including among other items:

1. That management has fulfilled its responsibilities as set out in the terms of this Arrangement Letter; and
2. That it believes the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Reporting

We will issue a written report upon completion of our audit of the Agency's financial statements. Our report will be addressed to the Agency Officials of the Agency. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, or add an emphasis-of-matter paragraph or other-matter paragraph to our auditor's report.

Upon issuance of our written report, we will upload the financial statements and our report to the RIVIO Clearinghouse ("RIVIO"). It is the responsibility of management to verify and validate the written report submitted through RIVIO, to designate third party recipients, and to authorize release of the written report and related financial statements to the designated third-party recipients.

If circumstances arise relating to the condition of the Agency's records, the availability of appropriate audit evidence or indications of a significant risk of material misstatement of the financial statements because of error, fraudulent financial reporting or misappropriation of assets which, in our professional judgment, prevent us from completing the audit or forming an opinion, we retain the unilateral right to take any course of action permitted by professional standards, including, but not limited to, declining to express an opinion or issue a report, or withdrawing from the engagement.

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Special Report—Compliance

We will also issue a report as to whether anything came to our attention in relation to the Agency's compliance with the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0230 through 162-010-0320 of Minimum Standards for Audits of Oregon Municipal Corporations. However, it should be noted that our audit will not be directed toward obtaining knowledge of such noncompliance.

Records and Assistance

During the course of our engagement, we may accumulate records containing data that should be reflected in the Agency's books and records. The Agency will determine that all such data, if necessary, will be so reflected. Accordingly, the Agency will not expect us to maintain copies of such records in our possession.

The assistance to be supplied by Agency personnel, including the preparation of schedules and analyses of accounts, has been discussed and coordinated with Brandon Neish, Finance Director. The timely and accurate completion of this work is an essential condition to our completion of the audit and issuance of our audit report.

Fees and Costs

Our professional fees for the services described above are \$5,150, which is based upon the value of the services performed and the time required by the individuals assigned to the engagement.

Consultations related to accounting matters will be limited to five [5] combined hours per year (including the City of Lebanon, Oregon), and any excess time incurred will be billed separately and at standard rates.

In addition to our professional fees, we will bill expenses including, but not limited to, report processing, local and out-of-town travel, meals, courier services, parking, support services, fees for services from other professionals as required, etc.

Our total fee and completion of our work are based upon the following criteria:

1. Anticipated cooperation from Agency personnel
2. Timely responses to our inquiries
3. Timely completion and delivery of client assistance requests
4. Timely communication of all significant accounting and financial reporting matters
5. The assumption that unexpected circumstances will not be encountered during the engagement

If any of the aforementioned criteria are not met, then fees may increase. Interim billings will be submitted as work progresses and as expenses are incurred. Billings are due upon submission.

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The anticipated payment schedule for the aforementioned services is as follows:

First progress billing	August 1st	\$	1,720
Second progress billing	Completion of Fieldwork		1,720
Final billing	Delivery of Audit		<u>1,710</u>
Total		\$	<u>5,150</u>

Upon our notice to you, we reserve the right to cease all work on your account(s), regardless of the nature of the work, for your nonpayment of delinquent balances owed to us. Such cessation will continue until your account or accounts are brought current. If it should become necessary to assign your account(s) for collection, you will be responsible for attorney fees and costs, as well as for interest at the legal rate.

Use of Third-Party Products

We also may provide services to you using certain third-party hardware, software, software services, managed services (including, but not limited to, web hosting, data security, data back-up, email security, or similar services subject to direct end-user or subscription agreements), applications, and equipment (collectively, "Third-Party Products"). You acknowledge that your or our use of a Third-Party Product may involve the processing, input, disclosure, movement, transfer, and storage of information provided by you to us, including Personal Information and Confidential Information, within the Third-Party Product's infrastructure and not ours. You further acknowledge that the terms of use and service, including, but not limited to, applicable laws, set forth in the end-user license, end-user subscription agreement, or other end-user agreement for such Third-Party Product (collectively, "EULA(s)") will govern all obligations of such licensor relating to data privacy, storage, recovery, security, and processing within such Third-Party Product's infrastructure, as well as, the service levels associated with such Third-Party Product. You hereby consent to the disclosure of your information, including your Confidential Information and Personal Information, to the licensors of such Third-Party Products for the purpose described herein.

To the extent SingerLewak gives the Agency access to a Third-Party Product in connection with the services contemplated herein, the Agency agrees to comply with the terms of any applicable EULA for such Third-Party Product, and the Agency shall be solely responsible for the improper use of a Third-Party Product or a violation of the applicable EULA for such Third-Party Product, by the Agency, or any user to whom the Agency grants access to such Third-Party Product.

You acknowledge that your or our use of Third-Party Products may be subject to limitations, delays, interruptions, errors, and other problems which are beyond our control, including, without limitation, internet outage or lack of availability related to updates, upgrades, patches, fixes, maintenance, or other issues. We will not be liable for any delays, delivery failures, or other losses or damages resulting from such issues. Nor will we be held responsible or liable for any loss, or unauthorized use or disclosure, of any information or data provided by you, including, without limitation, Personal Information provided by you, resulting from your or our use of a Third-Party Product.

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Use and Ownership; Access to Audit Documentation

The Audit Documentation for this engagement is the property of SingerLewak. For the purposes of this Arrangement Letter, the term "Audit Documentation" shall mean the confidential and proprietary records of SingerLewak's audit procedures performed, relevant audit evidence obtained, other audit-related workpapers, and conclusions reached. Audit Documentation shall not include custom-developed documents, data, reports, analyses, recommendations, and deliverables authored or prepared by SingerLewak for the Agency under this Arrangement Letter, or any documents belonging to the Agency or furnished to SingerLewak by the Agency.

Review of Audit Documentation by a successor auditor or as part of due diligence is subject to applicable SingerLewak policies, and will be agreed to, accounted for and billed separately. Any such access to our Audit Documentation is subject to a successor auditor signing an Access & Release Letter substantially in SingerLewak's form. SingerLewak reserves the right to decline a successor auditor's request to review our workpapers.

In the event we are required by government regulation, subpoena or other legal process to produce our documents or our personnel as witnesses with respect to our engagement for the Agency, the Agency will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

Indemnification, Limitation of Liability, and Claim Resolution

The Agency and SingerLewak both agree that, except as provided below, any dispute over fees charged by SingerLewak to the Agency will be submitted for resolution by arbitration in accordance with the rules of the American Arbitration Association. Such arbitration shall be binding and final; however, SingerLewak shall have the option to have any dispute that is within the jurisdiction of Small Claims Court heard in said court. **IN AGREEING TO ARBITRATION, WE BOTH ACKNOWLEDGE THAT, IN THE EVENT OF A DISPUTE OVER FEES, EACH OF US IS GIVING UP THE RIGHT TO HAVE THE DISPUTE DECIDED IN A COURT OF LAW BEFORE A JUDGE AND JURY AND INSTEAD IS ACCEPTING THE USE OF ARBITRATION FOR RESOLUTION.**

Because SingerLewak will rely on the Agency and its management and Agency Officials to discharge the foregoing responsibilities, the Agency agrees to indemnify, hold harmless and release SingerLewak and its partners, principals, officers, directors, employees, affiliates, subsidiaries, agents, representatives, successors, or assigns from all claims, liabilities, losses and costs arising in circumstances where there has been a knowing misrepresentation by a member of the Agency's management.

Agency Officials
Lebanon Urban Renewal Agency
July 10, 2023
Page 8 of 15

THE AGENCY AND SingerLewak AGREE THAT NO CLAIM ARISING OUT, FROM, OR RELATING TO THE SERVICES RENDERED PURSUANT TO THIS ARRANGEMENT LETTER SHALL BE FILED MORE THAN TWO YEARS AFTER THE DATE OF THE AUDIT REPORT ISSUED BY SingerLewak OR THE DATE OF THIS ARRANGEMENT LETTER IF NO REPORT HAS BEEN ISSUED. IN NO EVENT SHALL SingerLewak OR THE AGENCY, OR ANY OF THEIR RESPECTIVE PARTNERS, PRINCIPALS, OFFICERS, DIRECTORS, EMPLOYEES, AFFILIATES, SUBSIDIARIES, AGENTS, REPRESENTATIVES, SUCCESSORS, OR ASSIGNS (COLLECTIVELY, THE “COVERED PARTIES” AND EACH INDIVIDUALLY, A “COVERED PARTY”), BE LIABLE FOR THE INTERRUPTION OR LOSS OF BUSINESS, ANY LOST PROFITS, SAVINGS, REVENUE, GOODWILL, SOFTWARE, HARDWARE, OR DATA, OR THE LOSS OF USE THEREOF (REGARDLESS OF WHETHER SUCH LOSSES ARE DEEMED DIRECT DAMAGES), OR INCIDENTAL, INDIRECT, PUNITIVE, CONSEQUENTIAL, SPECIAL, EXEMPLARY, OR SIMILAR SUCH DAMAGES, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. TO THE FULLEST EXTENT PERMITTED BY LAW, THE TOTAL AGGREGATE LIABILITY OF THE COVERED PARTIES ARISING OUT OF, FROM, OR RELATING TO THIS ARRANGEMENT LETTER, OR THE REPORT ISSUED OR SERVICES PROVIDED HEREUNDER, REGARDLESS OF THE CIRCUMSTANCES OR NATURE OR TYPE OF CLAIM, INCLUDING, WITHOUT LIMITATION, CLAIMS ARISING FROM A COVERED PARTY’S NEGLIGENCE OR BREACH OF CONTRACT OR WARRANTY, OR RELATING TO OR ARISING FROM A GOVERNMENT, REGULATORY OR ENFORCEMENT ACTION, INVESTIGATION, PROCEEDING, OR FINE, WILL NOT EXCEED THE TOTAL AMOUNT OF THE FEES PAID BY THE AGENCY TO SingerLewak UNDER THIS ARRANGEMENT LETTER. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS LIMITATION OF LIABILITY PROVISION SHALL, OR SHALL BE INTERPRETED OR CONSTRUED TO, RELIEVE THE AGENCY OF ITS PAYMENT OBLIGATIONS TO SingerLewak UNDER THIS ARRANGEMENT LETTER.

Confidentiality

SingerLewak and the Agency may, from time to time, disclose Confidential Information (as defined below) to one another. Accordingly, SingerLewak and the Agency agree as the recipient of such Confidential Information (the “Receiving Party”) to keep strictly confidential all Confidential Information provided to it by the disclosing party (the “Disclosing Party”) and use, modify, store, and copy such Confidential Information only as necessary to perform its obligations and exercise its rights under this Arrangement Letter. Except as otherwise set forth herein, the Receiving Party may only disclose the Confidential Information of the Disclosing Party to its personnel, agents, and representatives who are subject to obligations of confidentiality at least as restrictive as those set forth herein and only for the purpose of exercising its rights and fulfilling its obligations hereunder. To avoid any doubt, SingerLewak is permitted to disclose the Agency’s Confidential Information to SingerLewak’s personnel, agents, and representatives to provide the services or exercise its rights under this Arrangement Letter or for the purpose of maintaining compliance with applicable laws and professional, regulatory, and/or ethical standards.

As used herein, “Confidential Information” means, information in any form, oral, graphic, written, electronic, machine-readable or hard copy consisting of: (i) any nonpublic information provided by the Disclosing Party, including, but not limited to, all of its inventions, designs, data, source and object code, programs, program interfaces, know-how, trade secrets, techniques, ideas, discoveries, marketing and business plans, pricing, profit margins and/or similar information; (ii) any information that the Disclosing Party identifies as confidential; or (iii) any information that, by its very nature, a person in the same or similar circumstances would understand should be treated as confidential, including, but not limited to, this Arrangement Letter.

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Lebanon Urban Renewal Agency
July 10, 2023
Page 9 of 15

As used herein, the term “Confidential Information” will not include information that: (i) is publicly available at the time of disclosure by the Disclosing Party; (ii) becomes publicly available by publication or otherwise after disclosure by the Disclosing Party, other than by breach of the confidentiality obligations set forth herein by the Receiving Party; (iii) was lawfully in the Receiving Party’s possession, without restriction as to confidentiality or use, at the time of disclosure by the Disclosing Party; (iv) is provided to the Receiving Party without restriction as to confidentiality or use by a third party without violation of any obligation to the Disclosing Party; or (v) is independently developed by employees or agents of the Receiving Party who did not access or use the Confidential Information.

The Receiving Party will treat the Disclosing Party’s Confidential Information with the same degree of care as the Receiving Party treats its own confidential and proprietary information, but in no event will such standard of care be less than a reasonable standard of care. The Receiving Party will promptly notify the Disclosing Party if it becomes aware that any of the Confidential Information of the Disclosing Party has been used or disclosed in violation of this Arrangement Letter.

Notwithstanding the foregoing, in the event that the Receiving Party becomes legally compelled to disclose any of the Confidential Information of the Disclosing Party, or as may be required by applicable regulations or professional standards, the Receiving Party will use commercially reasonable efforts to provide the Disclosing Party with notice prior to disclosure, to the extent permitted by law.

Preexisting Nondisclosure Agreements

In the event that the parties have executed a separate nondisclosure agreement and such agreement does not automatically terminate or expire upon execution of this Arrangement Letter, such agreement shall be terminated as of the effective date of this Arrangement Letter.

Data Protection Compliance

Prior to disclosing to us or granting us with access to your data, you will identify in writing any personal, technical, or other data provided or made accessible to us pursuant to this Arrangement Letter that may be subject to heightened protections under applicable privacy, cybersecurity, export control, and/or data protection laws, including, but not limited to, protected health information pursuant to the Health Information Portability and Accountability Act of 1996 (“HIPAA”), classified or controlled unclassified information subject to the National Industrial Security Program, the National Industrial Security Program Operating Manual, or the Defense Federal Acquisition Regulation Supplement (“DFARS”), data subject to Export Administration Regulations (“EAR”), or International Traffic in Arms Regulations (“ITAR”) controlled data. Unless otherwise expressly agreed upon and specified in writing by SingerLewak and the Agency, you shall not provide us with access to such data and you shall be responsible for the handling of all such data in connection with the performance of the services requested hereunder, including, but not limited to, the scrubbing, de-identification, de-aggregation, protection, encryption, transfer, movement, input, storage, migration, deletion, copying, processing, and modification of such data.

Agency Officials
 Lebanon Urban Renewal Agency
 July 10, 2023
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SingerLewak and the Agency acknowledge and agree that they may correspond or convey information and documentation, including Confidential Information and Personal Information, via various forms of electronic transmission, including, but not limited to, Third-Party Products, such as, email, FTP and cloud-based sharing and hosting applications (e.g., portals, data analytics tools, and helpdesk and support ticketing applications), and that neither party has control over the performance, operation, reliability, availability, or security of these electronic transmissions methods. Therefore, neither party will be liable for any loss, damage, expense, harm, disclosure or inconvenience resulting from the loss, delay, interception, corruption, unauthorized disclosure, or alteration of any electronic transmission where the party has used commercially reasonable efforts to protect such information. We offer our clients various platforms for the exchange of information. You hereby agree that you shall be bound by and comply with any and all user terms and conditions made available (whether by link, click-through, or otherwise) with respect to such platforms.

Information Security – Portal Access and Use

SingerLewak will create individual logon accounts for those Agency employees who need access to iChannel, RIVIO, and Suralink (the “Portals”). Each account will have access only to those document areas requested by the Agency. (SingerLewak strongly recommends the Agency establish a policy that logon information not be shared with others.) In order to maintain security, the Agency agrees to designate a single individual as the authorized person to contact the Firm to request employee logons. The initial designee is Brandon Neish, Finance Director. All initial logon passwords will be transmitted to the designee by e-mail and passwords will then be changed by the Agency’s employees.

The Agency acknowledges that the use of username and password is an adequate form of security. The Agency is solely responsible for (1) authorizing, monitoring, controlling access to, and maintaining the strict confidentiality of each employee’s username and password; (2) not allowing another person to use an employee’s username or password; (3) any charges or damages that may be incurred as a result of the Agency’s neglect to maintain the strict confidentiality of an employee’s username and password; and (4) promptly informing SingerLewak in writing of any need to deactivate a username due to security concerns or otherwise. SingerLewak is not liable for any harm related to the misuse or theft of usernames or passwords, disclosure of usernames or passwords, or the Agency’s authorization to allow another person or entity to access and use the Portals using an employee’s username or password. The Agency shall immediately notify SingerLewak of any unauthorized use of an employee’s username or password and any breach of confidentiality. Until SingerLewak receives this notification from the Agency, the Agency will be held liable for any harm ensuing from the use of an employee’s username on the Portals.

The Agency agrees to notify SingerLewak via email in writing when an individual logon account is to be terminated. SingerLewak will make every effort to confirm and terminate access within 10 business days. However, the Agency cannot be assured that access has been terminated until the Agency receives an email confirmation of termination.

You agree that SingerLewak has no responsibility for the activities of RIVIO and Suralink and agree to indemnify and hold SingerLewak harmless with respect to any and all claims arising from or related to the operation of RIVIO and Suralink.

Agency Officials
Lebanon Urban Renewal Agency
July 10, 2023
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Personal Information

As used herein, the term “Personal Information” means any personal information that directly or indirectly identifies a natural person as may be defined by applicable privacy, data protection or cybersecurity laws, and includes, but is not limited to, nonpublic, personally identifiable information such as Social Security numbers, Social Insurance numbers, driver’s license numbers or state- or province-issued identification card numbers, credit or debit card numbers with or without any required security code, number or passwords, health information, and other personal information as defined by applicable laws, whether of the Agency or the Agency’s customers or other third parties.

Each party agrees to transmit Personal Information consistent with applicable laws and any other obligations the respective party may have. In the event you transmit to us Personal Information in an unencrypted format or via unencrypted means, you agree that we have no obligation to notify you of the foregoing.

Where we are acting as a service provider under the California Consumer Privacy Act, including as amended or replaced (“CCPA”), we (i) will not sell any Personal Information received from the Agency; (ii) will not disclose Personal Information to another business, person, or third party, except for the purpose of maintaining or providing the services or exercising our rights as specified in this Arrangement Letter, including to provide Personal Information to advisers or sub-contractors, or to the extent such disclosure is required by law. We certify that we understand and will comply with the requirements enumerated in (i) and (ii). For the avoidance of doubt, all permitted uses of Personal Information by service providers that are enumerated in the CCPA are understood to apply to the Personal Information processed by us.

We are permitted to use all Personal Information to perform our obligations and exercise our rights under this Arrangement Letter. The parties agree that as part of the performance of the services as described in this Arrangement Letter, and as part of the direct business relationship between the parties, we may use the Personal Information to improve and develop services and for other similar internal and business purposes. We agree to maintain appropriate security measures to protect such Personal Information in accordance with applicable laws.

If we become aware of an unauthorized acquisition or use of Agency -provided Personal Information, we will promptly inform you of such unauthorized acquisition or use as required by applicable laws and, upon your written request, reasonably cooperate with you at your sole cost in support of any breach notification requirements as imposed upon you by applicable laws.

Retention of Records

We will return to you all original records you provide to us in connection with this engagement. Further, in addition to providing you with those deliverables set forth in this Arrangement Letter, we will provide to you a copy of any records we prepare or accumulate in connection with such deliverables which are not otherwise reflected in your books and records without which your books and records would be incomplete. You have the sole responsibility for retaining and maintaining in your possession or custody all of your financial and nonfinancial records related to this engagement. We will not host, and will not accept responsibility to host, any of your records. We, however, may maintain a copy of any records of yours necessary for us to comply with applicable law and/or professional standards or to exercise our rights under this Arrangement Letter. Any such records retained by us will be subject to the confidentiality obligations set forth herein and destroyed in accordance with our record retention policies.

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July 10, 2023
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Termination

Your failure to make full payment of any and all undisputed amounts invoiced in a timely manner constitutes a material breach for which we may refuse to provide deliverables and/or, upon written notice, suspend or terminate our services under this Arrangement Letter. We will not be liable to you for any resulting loss, damage or expense connected with the suspension or termination of our services due to your failure to make full payment of undisputed amounts invoiced in a timely manner.

In the event you terminate this engagement, you will pay us for all services rendered (including deliverables and products delivered), expenses incurred, and noncancelable commitments made by us on your behalf through the effective date of termination.

We will not be responsible for any delay or failure in our performance resulting from acts beyond our reasonable control or unforeseen or unexpected circumstances, such as, but not limited to, acts of God, government or war, riots or strikes, disasters, fires, floods, epidemics, pandemics or outbreaks of communicable disease, cyberattacks, and internet or other system or network outages. At your option, you may terminate this Arrangement Letter where our services are delayed more than 120 days; however, you are not excused from paying us for all amounts owed for services rendered and deliverables provided prior to the termination of this Arrangement Letter.

When an engagement has been suspended at the request of management or those charged with governance and work on that engagement has not recommenced within 120 days of the request to suspend our work, we may, at our sole discretion, terminate this Arrangement Letter without further obligation to you. Resumption of our work following termination may be subject to our client acceptance procedures and, if resumed, will require additional procedures not contemplated in this Arrangement Letter. Accordingly, the scope, timing and fee arrangement discussed in this Arrangement Letter will no longer apply. In order for us to recommence work, the execution of a new Arrangement Letter will be required.

We may terminate this Arrangement Letter upon written notice if we determine that our continued performance would result in a violation of law, regulatory requirements, applicable professional or ethical standards, or our client acceptance or retention standards.

The parties agree that those provisions of this Arrangement Letter which, by their context, are intended to survive, including, but not limited to, payment, limitations on liability, claim resolution, use and ownership, and confidentiality obligations, shall survive the termination of this Arrangement Letter.

Miscellaneous

We may mention your name and provide a general description of the engagement in our client lists and marketing materials. Notwithstanding anything stated to the contrary in this Arrangement Letter, the Agency acknowledges and consents that we also may utilize Confidential Information and Personal Information that you have provided to us in connection with this engagement to develop, enhance, modify and improve technologies, tools, methodologies, services and offerings and/or for development or performance of data analysis, business analytics or insights, or other insight generation. Information developed in connection with these purposes may be used or disclosed to you or current or prospective clients to provide them services or offerings. We will not use or disclose such Confidential Information or Personal Information in a way that would permit the Agency or an individual to be identified by third parties without your prior written consent.

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July 10, 2023
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You have informed us that you may issue public debt in the future and that you may include our report on your financial statements in the offering statement. You have further informed us that you do not intend for us to be associated with the proposed offering.

We agree that our association with any proposed offering is not necessary, providing the Agency agrees to clearly indicate that we are not associated with the contents of any such official statement or memorandum. The Agency agrees that the following disclosure will be prominently displayed in any such official statement or memorandum:

SingerLewak LLP, our independent auditor, has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. SingerLewak LLP also has not performed any procedures relating to this [official statement] [memorandum].

Our professional standards require that we perform certain additional procedures, on current and previous years' engagements, whenever a partner or professional employee leaves the firm and is subsequently employed by or associated with a client in a key position. Accordingly, you agree to compensate us for any additional costs incurred as a result of you employment of one of our partners, principals or employees.

Nothing in this Arrangement Letter shall limit the liability of SingerLewak to the Agency for any negligence, violation of applicable auditing standards, or other fault in the performance of audit procedures, whether at common law, under the federal securities laws, or pursuant to any applicable state law. Any term of this Arrangement Letter that would be prohibited by or impair our independence under applicable law or regulation shall not apply, to the extent necessary only to avoid such prohibition or impairment.

Notices

Unless otherwise expressly agreed upon by the parties in this Arrangement Letter, all notices required to be given hereunder will be in writing and addressed to the party at the business address provided in this Arrangement Letter, or such other address as such party may indicate by a notice delivered to the other party. A copy of any legal notice (e.g., any claimed breach or termination of this Arrangement Letter) sent by the Agency to SingerLewak shall also be sent to the following address: Chief Operating Officer, SingerLewak LLP, 10960 Wilshire Boulevard, Suite 1100, Los Angeles, CA 90024. Except as otherwise expressly provided in this Arrangement Letter, notices hereunder will be deemed given and effective: (i) if personally delivered, upon delivery; (ii) if sent by registered or certified mail or by overnight courier service with tracking capabilities, upon receipt; and, (iii) if sent by electronic mail (without indication of delivery failure), at such time as the party that sent the notice receives confirmation of receipt, whether by read-receipt confirmation or otherwise.

Governing Law

This Arrangement Letter, including, without limitation, its validity, interpretation, construction, and enforceability, and any dispute, litigation, suit, action, claim, or other legal proceeding arising out of, from, or relating in any way to this Arrangement Letter, any provisions herein, a report issued or the services provided hereunder, will be governed and construed in accordance with the laws of the State of Oregon, without regard to its conflict of law principles, and applicable U.S. federal law.

Agency Officials
Lebanon Urban Renewal Agency
July 10, 2023
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Entire Agreement

This Arrangement Letter constitutes the complete and exclusive statement of agreement between SingerLewak and the Agency, and supersedes all prior agreements, understandings, and proposals, whether oral or written, relating to the subject matter of this Arrangement Letter.

If any term or provision of this Arrangement Letter is determined to be invalid or unenforceable, such term or provision will be deemed stricken, and all other terms and provisions will remain in full force and effect.

This Arrangement Letter may be amended or modified only by a written instrument executed by both parties.

Electronic Signatures and Counterparts

Each party hereto agrees that any electronic signature of a party to this Arrangement Letter or any electronic signature to a document contemplated hereby (including any representation letter) is intended to authenticate such writing and shall be as valid, and have the same force and effect, as a manual signature. Any such electronically signed document shall be deemed (a) to be "written" or "in writing," (b) to have been signed and (c) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Each party hereto also agrees that electronic delivery of a signature to any such document (via email or otherwise) shall be as effective as manual delivery of a manual signature. For purposes hereof, "electronic signature" includes, but is not limited to, (a) a scanned copy (as a "pdf" (portable document format) or other replicating image) of a manual ink signature, (b) an electronic copy of a traditional signature affixed to a document, (c) a signature incorporated into a document utilizing touchscreen capabilities or (d) a digital signature. This Arrangement Letter may be executed in one or more counterparts, each of which shall be considered an original instrument, but all of which shall be considered one and the same agreement. Paper copies or "printouts" of such documents, if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule.

Please sign and return a copy of this Arrangement Letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements, including our respective responsibilities.

Agency Officials
Lebanon Urban Renewal Agency
July 10, 2023
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Acknowledgement and Acceptance

Each party acknowledges that it has read and agrees to all of the terms and conditions contained herein. Each party and its signatory below represent that said signatory is a duly authorized representative of such party and has the requisite power and authority to bind such party to the undertakings and obligations contained herein.

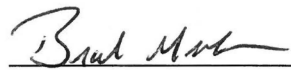
AGREED TO AND ACKNOWLEDGED BY:

Sincerely,

SingerLewak LLP



Brad Bingenheimer, Partner

Confirmed on behalf of Lebanon Urban Renewal Agency:

Brandon Neish, Finance Director

July 24, 2023
Date

LEBANON
URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)
LEBANON, OREGON

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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Lebanon, Oregon 97355
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MAYOR AND CITY COUNCIL

KENNETH JACKOLA	Chairman
MICHELLE STEINHEBEL	Member
WAYNE DYSKTRA	Member
CARL MANN	Member
JEREMY SALVAGE	Member
KIM ULLFERS	Member
DAVID WORKMAN	Member

ADMINISTRATION

RON WHITLATCH	Interim City Manager
BRANDON NEISH	Finance Director

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INDEPENDENT AUDITOR'S REPORT

To the Agency Officials
Lebanon Urban Renewal Agency
Lebanon, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the Lebanon Urban Renewal Agency (the "Agency"), a blended component unit of the City of Lebanon, Oregon (the "City"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Agency, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Audit of the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Agency's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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. We have applied certain limited procedures to the Management's Discussion and Analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual, included in the required supplementary information in the table of contents, is the responsibility of management and was derived from and relates 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 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Oregon State Regulations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated August 6, 2024 on our considerations of the Agency'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 our testing of compliance and the results of that testing and not provide an opinion on compliance.

Singer Lewak LLP

August 6, 2024

By:



Brad Bingenheimer, Partner

MANAGEMENT'S
DISCUSSION
AND ANALYSIS

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2023

The management of the Lebanon Urban Renewal Agency (Agency) a component unit of the City of Lebanon, Oregon presents this narrative overview and analysis to facilitate both a short and a long-term analysis of the financial activities of the Agency for the fiscal year ended June 30, 2023. This Management's Discussion and Analysis (MD&A) is based on currently known facts, decisions, and conditions that existed as of the date of the independent auditor's report.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended June 30, 2023 are as follows:

- ❖ The Agency is made up of five districts. These districts are Northwest Urban Renewal District, Cheadle Lake Urban Renewal District, North Gateway Urban Renewal District, Downtown Urban Renewal District, and Mill Race Urban Renewal District. Each district represents a different fund of the Agency.
- ❖ The Agency's total assets at June 30, 2023 were \$3,968,220, an increase of \$1,087,825 from the prior year.
- ❖ The Agency's total liabilities at June 30, 2023 were \$10,552,241, a decrease of \$1,467,679 due to payments on long-term debt.
- ❖ The Agency's net position at June 30, 2023 was \$(6,584,021), an increase of \$2,504,099 from the prior year as reported on the Statement of Activities.
- ❖ At June 30, 2023, the Agency reported an ending fund balance of \$3,875,064, an increase of \$1,053,524 from the prior year. A portion of the balance in the Cheadle Lake Urban Renewal District Fund is restricted for debt service while the rest remains assigned for urban renewal projects across all funds.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis introduces the Agency'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.

Government-wide Financial Statements

The first of the government-wide statements is the *Statement of Net Position*. This is the Agency-wide statement of position presenting information that includes all the Agency'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 Agency is improving or deteriorating.

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2023

The second government-wide statement is the *Statement of Activities* which reports how the Agency'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 Agency's distinct activities or functions of the Agency that are principally supported by user fee revenues, intergovernmental revenues from grants, and property tax revenues.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Agency 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 Agency's most significant funds rather than the Agency 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 Agency has five funds which are considered governmental type funds.

Governmental funds, focus on how money flows into and out of those funds; the balances left at year-end are 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 statements are included in the required supplementary information for each of the Agency's Funds. These schedules demonstrate compliance with the Agency's adopted and final revised budget.

Notes to the Basic 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.

FINANCIAL ANALYSIS OF THE AGENCY AS A WHOLE

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

The Agency's net position at fiscal year-end is \$(6,584,021). This is an increase of \$2,555,504 as reported on the Statement of Activities.

A condensed version of the Statement of Net Position as of June 30, 2023 is as follows:

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2023

Condensed Statement of Net Position

	Governmental Activities	
	2023	2022
Assets		
Current and other assets	\$ 3,968,220	\$ 2,880,395
Total assets	3,968,220	2,880,395
Liabilities		
Current liabilities	72,684	79,820
Long-term liabilities	10,479,557	11,940,100
Total liabilities	10,552,241	12,019,920
Net Position		
Restricted	179,046	175,923
Unrestricted (deficit)	(6,763,067)	(9,264,043)
Total net position (deficit)	\$ (6,584,021)	\$ (9,088,120)

Current and other assets include cash and cash equivalents and property tax receivables. Current and other assets increased by \$1,087,825 primarily due to an increase in cash as the Agency saves for future projects. The largest increase in cash occurred in the North Gateway Urban Renewal District Fund. In 2022, the district completed payments on its debt service (reflected in the decrease in long-term liabilities from 2022 to 2023) and had minimal expenditures in 2023. This added \$972,287 or 89% of the additional assets in the Agency.

Oregon Revised Statutes (ORS) chapter 457 gives cities the authority to activate urban renewal districts with the power to propose and act on plans and projects to address "blight." Tax increment financing is used to fund these projects by earmarking property tax revenue from increases in assessed property value within an urban renewal area which is then used to pay down debt incurred to pay for the projects. This is the case for the Agency resulting in the deficit net position as total liabilities exceed total assets.

Changes in net position - The Agency's total revenues for the fiscal year ended June 30, 2023 were \$3,094,660. The total cost of all programs and services was \$539,156. The following table shows a comparative analysis of government-wide revenues, expenses and changes in net position.

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2023

Condensed Statement of Changes in Net Position

	Governmental Activities	
	2022-23	2021-22
Revenues		
Property taxes	\$ 2,502,308	\$ 2,431,074
Intergovernmental	480,000	-
Interest	112,352	23,125
Total Revenues	3,094,660	2,454,199
Program Expenses		
Urban Renewal Projects	145,992	30,083
Interest on Long-Term Debt	393,164	460,107
Total Expenses	539,156	490,190
Change in Net Position	\$ 2,555,504	\$ 1,964,009

Property taxes increased nearly 3.0% over the prior fiscal year, in-line with the allowable assessed value increase outlined in Oregon's constitution while interest revenue increased during the 2023 fiscal year due to the increase in the Agency's cash throughout the year. In expenses, spending in the Agency increased as projects ramped up and spending on the Mill Race Urban Renewal District has increased as assessed value increases in the district. Finally, intergovernmental revenue increased in 2023 as the City increased its payment to refund an over-expenditure of maximum indebtedness (MI) allowable under the Northwest Urban Renewal Plan. In 2022, no revenue was received from the City as it was not needed to cover MI.

FINANCIAL ANALYSIS OF THE AGENCY'S FUNDS

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

Governmental Funds

As the Agency completed the year, its governmental funds reported a combined fund balance of \$3,875,064, an increase of \$1,053,524. The fund balance constitutes restricted amounts for debt service with the rest being assigned.

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2023

Budgetary Highlights

Northwest Urban Renewal District Fund current revenues were budgeted and anticipated to be collected in the amount of \$948,000. Actual resources of \$968,249 were available, \$20,249 more than budgeted. Budgeted revenue from a transfer from the City was received and recorded as a transfer in on the schedule of revenues, expenditures and changes in fund balance due to the budget existing as a transfer in but was subsequently reclassified as intergovernmental revenue on the combined statement of revenues, expenditures, and changes in fund balances because there was no transfer out to balance the transfers (this report only looks at Agency funds and does not include City funds).

Cheadle Lake Urban Renewal District Fund current revenues were budgeted and anticipated to be collected in the amount of \$451,000. Actual resources of \$470,935 were available, \$19,935 more than budgeted. Cheadle Lake Urban Renewal District Fund expenditures budget were underspent by \$356,209. Budgeted funds in contract services were unspent during the fiscal year after planned projects did not move forward into the planning and development process.

North Gateway Urban Renewal District Fund current revenues were budgeted and anticipated to be collected in the amount of \$932,416. Actual resources of \$975,062 were available, \$42,646 more than budgeted. North Gateway Urban Renewal District Fund expenditures budget was underspent by \$1,332,231. SDC and administrative reimbursement expenditures had been budgeted for the 2023 fiscal year but were not spent after planned projects were delayed resulting in the significant expenditure savings.

Downtown Urban Renewal District Fund current revenues were budgeted and anticipated to be collected in the amount of \$32,193. Actual resources of \$44,989 were available, \$12,796 more than budgeted. Downtown Urban Renewal District Fund expenditures budget were underspent by \$63,279.

Mill Race Urban Renewal District Fund current revenues were budgeted and anticipated to be collected in the amount of \$100,000. Actual resources of \$121,122 were available, \$21,122 more than budgeted. Mill Race Urban Renewal District Fund expenditures budget was overspent by \$18,022 after a payout to the developer was higher than anticipated under an Economic Development Agreement (EDA). This occurred after the assessed property value in the district increased more than planned.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Agency does not have any capital assets or infrastructure due to all capital outlay expenditures being reported as part of the City of Lebanon's capitalized assets.

Long-Term Debt

At June 30, 2023 the Agency had total long-term debt outstanding of \$10,479,558. This was a reduction of \$1,460,542 from the prior year. Additional information on the Agency's long-term debt can be found in the Notes to the Basic Financial Statements.

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2023

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

During the preparation of the budget for the ensuing fiscal year, the long-term impacts of the local economy were examined in conjunction with business decisions made by the Agency. The following were determinations used to develop the 2023-24 budget:

- The URD's budget for the fiscal year ending June 30, 2024 totaled \$3,196,444. There are \$2,376,644 in resources that are not appropriated and will be used in future years.
- The Agency continues to set aside funds for future debt payments.
- The Northwest URD will underfund taxes for 2022-23 by approximately \$2,000,000 to allow the property taxes to be distributed to other taxing districts in the area.

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

The financial report is designed to provide a general overview of the Lebanon Urban Renewal Agency's finances for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Lebanon. The office is located inside City Hall at 925 S. Main Street, Lebanon, Oregon 97355.

BASIC FINANCIAL **STATEMENTS**

Government -Wide **Financial Statements**

LEBANON URBAN RENEWAL AGENCY

(A Component Unit of the City of Lebanon)

STATEMENT OF NET POSITION**June 30, 2023**

	Governmental Activities
<u>ASSETS:</u>	
Current Assets:	
Cash and Investments	\$ 3,686,750
Restricted cash	179,046
Property taxes receivable	102,424
Total assets	3,968,220
<u>LIABILITIES:</u>	
Current liabilities:	
Interest payable	72,684
Noncurrent liabilities:	
Portion due within one year:	
Loans & notes payable	418,638
Bonds payable	1,050,000
Portion due after one year:	
Loans & notes payable	4,105,547
Bonds payable	4,905,372
Total liabilities	10,552,241
<u>NET POSITION:</u>	
Restricted:	
Debt service	179,046
Unrestricted (deficit)	(6,763,067)
Total net position (deficit)	\$ (6,584,021)

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

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)

STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2023

<u>Functions / Programs</u>	<u>Expenses</u>
<u>GOVERNMENTAL ACTIVITIES:</u>	
Urban Renewal Projects	\$ 145,992
Interest and Fees on Long-Term Debt	393,164
Total Expenses	539,156
<u>GENERAL REVENUES:</u>	
Property Taxes, Levied for Debt Service	2,502,308
Interest and Investment Earnings	112,352
Total General Revenues	2,614,660
Change in Net Position	2,555,504
Net Position (deficit), July 1, 2022	(9,139,525)
Net Position (deficit), June 30, 2023	\$ (6,584,021)

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

BASIC FINANCIAL
STATEMENTS

Fund Financial Statements

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2023

	Northwest Urban Renewal District Fund	Cheadle Lake Urban Renewal District Fund	North Gateway Urban Renewal District Fund	Downtown Urban Renewal District Fund	Mill Race Urban Renewal District Fund	Total Governmental Funds
ASSETS:						
Cash and investments	\$ 2,015,376	\$ 212,444	\$ 1,377,952	\$ 76,482	\$ 4,496	\$ 3,686,750
Restricted cash - debt service	-	179,046	-	-	-	179,046
Property taxes receivable	42,675	18,608	37,968	1,274	1,899	102,424
Total assets	\$ 2,058,051	\$ 410,098	\$ 1,415,920	\$ 77,756	\$ 6,395	\$ 3,968,220
DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:						
Deferred Inflows of Resources:						
Unavailable property tax revenue	\$ 38,743	\$ 16,990	\$ 34,632	\$ 1,168	\$ 1,623	\$ 93,156
Total Deferred Inflows of Resources	38,743	16,990	34,632	1,168	1,623	93,156
FUND BALANCES:						
Restricted for:						
Debt service	-	179,046	-	-	-	179,046
Assigned	2,019,308	214,062	1,381,288	76,588	4,772	3,696,018
Total Fund Balances	2,019,308	393,108	1,381,288	76,588	4,772	3,875,064
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 2,058,051	\$ 410,098	\$ 1,415,920	\$ 77,756	\$ 6,395	\$ 3,968,220

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

LEBANON URBAN RENEWAL AGENCY

(A Component Unit of the City of Lebanon)

**RECONCILIATION OF THE BALANCE SHEET -- GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION****June 30, 2023**

Total Fund Balances - Governmental Funds	\$ 3,875,064
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Property taxes receivables not collected within 60 days of the current period ending date are deferred in the governmental funds.	93,156
Interest payable that is not recognized in the governmental fund is accrued in the Statement of Net Position.	(72,684)
Long-term liabilities, including notes payable, bonds payable and net bond premiums, are not due and payable in the current period and therefore are not reported in the governmental funds.	(10,479,557)
Net Position of Governmental Activities	<u><u>\$ (6,584,021)</u></u>

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

LEBANON URBAN RENEWAL AGENCY
 (A Component Unit of the City of Lebanon)
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For The Fiscal Year Ended June 30, 2023

	Northwest Urban Renewal District Fund	Cheadle Lake Urban Renewal District Fund	North Gateway Urban Renewal District Fund	Downtown Urban Renewal District Fund	Mill Race Urban Renewal District Fund	Total Governmental Funds
REVENUES:						
Property taxes	\$ 901,524	\$ 460,491	\$ 943,389	\$ 42,722	\$ 119,879	\$ 2,468,005
Intergovernmental	480,000	-	-	-	-	480,000
Interest	66,725	10,444	31,673	2,267	1,243	112,352
Total Revenues	1,448,249	470,935	975,062	44,989	121,122	3,060,357
EXPENDITURES:						
Current:						
Urban Renewal Projects	260	56	2,775	15,776	127,125	145,992
Debt Service						
Debt service - principal	1,150,069	264,876	-	-	-	1,414,945
Debt service - interest	358,926	86,970	-	-	-	445,896
Total Expenditures	1,509,255	351,902	2,775	15,776	127,125	2,006,833
Net Change in Fund Balances	(61,006)	119,033	972,287	29,213	(6,003)	1,053,524
Fund Balances - June 30, 2022 (Restated)	2,080,314	274,075	409,001	47,375	10,775	2,821,540
Fund Balances - June 30, 2023	\$ 2,019,308	\$ 393,108	\$ 1,381,288	\$ 76,588	\$ 4,772	\$ 3,875,064

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

LEBANON URBAN RENEWAL AGENCY**(A Component Unit of the 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, 2023**

Net changes in fund balances - total governmental funds	\$ 1,053,524
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**Amounts reported for governmental activities in the Statement
of Activities are different because:**

Some revenues will not be collected for several months after the Agency'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	34,303
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Additions to certain liabilities are reported as an expense in the Statement of Activities.

Amortization of Debt Premium	45,596
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Expense accruals in the governmental funds do not include all accrued interest expense payable.

The change in payables from prior to current year is reconciled here:	7,136
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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.

	<u>1,414,946</u>
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Changes in net position of governmental activities

	<u><u>\$ 2,555,505</u></u>
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BASIC FINANCIAL
STATEMENTS

Notes to the Basic
Financial Statements

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)
NOTES TO THE BASIC FINANCIAL STATEMENTS

Item # 7.

JUNE 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Reporting Entity

The Lebanon Urban Renewal Agency of the City of Lebanon, Oregon (Agency) was established in 1978. The purpose of the Agency is to provide for the development of infrastructure to serve a blighted area of Lebanon. The Agency is organized under general laws pertaining to urban renewal agencies in the State of Oregon. The governing body is comprised of the Mayor and the Councilors of the City of Lebanon.

The Agency is a separate legal entity, governed by the City of Lebanon. The City Council has the ability to impose its will over the Agency as determined on the basis of budget adoption, taxing authority and funding for the Agency. Therefore, under the criteria set by the Governmental Accounting Standards Board, the Agency is considered a component unit of the City of Lebanon and the Agency's financial activities are included as a blended component unit in the basic financial statements of the City of Lebanon as special revenue funds.

Although a component unit of the City of Lebanon, the Agency exists and operates separately from the City of Lebanon. Accordingly, the Agency's financial statements will also be included in the financial statements of the City of Lebanon.

The Agency has no potential component units.

Basis of Presentation

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

Basic financial statements are presented at both the government-wide and fund financial level. The Agency's activities are governmental and are normally supported by taxes and intergovernmental revenues.

Government-wide financial statements display information about the reporting government as a whole. The effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the Agency as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

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.

Fund financial statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, proprietary, and fiduciary. Currently the Agency has only governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT):

The financial transactions of the Agency are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The GASB 34 model sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Agency has elected to report each as a major fund in order to assist in compiling a complete and accurate picture of the financial position of the Agency.

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 Agency 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 Agency 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 Agency'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 Agency 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.

Similar to the way revenues are recorded, governmental funds only record those expenditures that affect current financial resources. Principal and interest on general long-term debt are recorded as fund liabilities only when due, or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. In the government-wide financial statements, however, with a full accrual basis of accounting, all expenditures affecting the economic resource status of the government must be recognized. Thus, the expense and related accrued liability for long-term portions of debt must be included.

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT):

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is necessary to explain the adjustments needed to transform the fund based financial statements into the governmental column of the government-wide presentation. This reconciliation is part of the financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the Agency's practice to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents

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 Agency has adopted an investment policy requiring compliance with Oregon statutes, which authorizes the Agency 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 Agency'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 Agency'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 Agency's value in the pool shares.

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 which administers the LGIP. The LGIP 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.

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. Uncollected property taxes are reported in the government-wide statement of net position and governmental funds balance sheet as receivables.

Deferred Inflows of Resources:

In the governmental funds, property taxes which have not been collected within sixty days subsequent to year-end are not considered measurable and available and are therefore not recognized as revenue, but rather as deferred inflows of resources.

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT):

Capital Assets

All capital assets which include property and infrastructure assets (e.g. roads, bridges, sidewalks, etc.) become City of Lebanon (primary government) capital assets and therefore are not reported on the Agency's Statement of Net Position.

Long-Term Obligations

In the government-wide financial statements, long-term debt is reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Loans and bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are treated as period costs in the year of issue and are shown as other financing uses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balance and Net Position

Government-Wide Statements Net position represents the difference between assets and liabilities. Net position is displayed in two components:

1. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
2. Unrestricted net position - All other net position that do not meet the definition of "restricted".

The Agency'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.

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 Agency 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 Agency did not have any nonspendable resources.
- 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 Agency has restricted funds for debt service.

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT):

- 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 Agency Board, and does not lapse at year-end. The Agency does not have committed resources.
- 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 Agency Board or through the Agency Board 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.
- Unassigned: This classification includes negative fund balances of governmental funds.

The Agency'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.

New accounting standard implemented

In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements (GASB 94). The statement improves financial reporting by addressing issues related to public-private partnership arrangements (PPPs) by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. It also provides guidance for accounting and financial reporting for availability payment arrangements (APAs) by requiring governments engaged in APAs that contain multiple components to recognize each component as a separate arrangement, and when related to operating or maintaining a nonfinancial asset, to report an outflow of resources in the period to which payments relate. Implementation of this standard had no impact on the Agency's financial statements.

In May 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements (GASB 96). This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users, including defining a SBITA, establishing that a SBITA results in an intangible right-to-use subscription asset and a corresponding liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires note disclosures regarding a SBITA. Implementation of this standard had no impact on the Agency's financial statements.

CASH AND CASH EQUIVALENTS:

The Agency's cash and cash equivalents at June 30, 2023 are as follows:

Deposits with financial institutions	\$ 179,406
State of Oregon Local Government Investment Pool	<u>3,507,344</u>
Total cash and cash equivalents	<u><u>\$ 3,686,750</u></u>

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

CASH AND CASH EQUIVALENTS (CONT):

The Agency maintains a pool of cash and cash equivalents that are available for use by all funds. Each fund's portion of this pool is displayed on the financial statements as cash and cash equivalents. Interest earned on pooled cash and cash equivalents is allocated to participating funds based on their combined cash and cash equivalent balances.

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

Deposits

Custodial Credit Risk – Deposits: This is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the Agency's deposits with financial institutions up to \$250,000 each for the aggregate of all noninterest-bearing accounts and the aggregate of all interest-bearing accounts at each institution.

Deposits in excess of FDIC coverage with financial institutions participating in the Oregon Public Funds Collateralization Program are collateralized under the Public Funds Collateralization Program (PFCP) of the Oregon State Treasurer. The PFCP is a shared liability structure for participating financial institutions and is considered additional depository insurance as defined in GASB 40. Participating financial institutions are required to pledge securities, held by the Federal Home Loan Bank of Seattle in the name of the financial institution, with a value equal to at least 10%, with limited exceptions that may require up to 110%, of the amount of deposits of Oregon municipal corporations in excess of FDIC depository insurance. In the event of a failed of a participating financial institution the collective amount of all pledged securities under the PFCP are available to return the Agency's deposits. As of June 30, 2022, none of the Agency's deposits with financial institutions were exposed to custodial credit risk.

State of Oregon Local Investment Pool

Balances in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value. Fair value is determined at the quoted market price, 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. The Oregon State Treasury administers the LGIP. The LGIP is an unrated, open-ended, no-load, diversified portfolio offered to any agency, political subdivision or public corporation of the state who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the City's position in the LGIP is the same as the value of the pool shares.

Credit Risk – Oregon statutes authorize the Agency to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool.

Concentration of Credit Risk – The Agency'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.

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

LONG-TERM LIABILITIES:

Descriptions of the Agency's long-term liabilities is disclosed below. In addition, the table below presents current year changes in the long-term liabilities and the current portions due for each issue.

Governmental Activities

Northwest URD – On 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. The loan is scheduled to mature during the 2032 fiscal year.

Northwest URD – 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 divided by the City for Northwest URD, Water and Wastewater. The amount allocated for Northwest URD of the bonds was originally \$11,855,000. FFC 2013. The Bonds are set to mature during the 2028 fiscal year.

Cheadle Lake URD – On May 18, 2017, the City entered into a loan agreement with Opus Bank (now Pacific Premier 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 reserve account be established and funded until the reserve account accumulates \$175,923. The loan is scheduled to mature during the 2032 fiscal year.

	<u>6/30/22</u>			<u>6/30/23</u>	<u>Due within</u>
Governmental Activities	Balance	Additions	Reductions	Balance	1 Year
Governmental Bonds					
NW URD Lebanon FFC2013	\$ 6,830,000	\$ -	\$ 1,010,000	\$ 5,820,000	\$ 1,050,000
Bond Premiums	162,448	-	27,076	135,372	27,076
Total Governmental Bonds	6,992,448	-	1,037,076	5,955,372	1,077,076
Governmental Loans/Notes					
Cheadle Lake URD Opus Bank	3,019,779	-	264,876	2,754,903	272,504
NW URD B05003	1,745,745	-	140,069	1,605,676	146,134
Loan Premiums	182,128	-	18,521	163,607	18,521
Total Governmental Loans	4,947,652	-	423,466	4,524,186	437,159
Total Governmental Activities	<u>\$ 11,940,100</u>	<u>\$ -</u>	<u>\$ 1,460,542</u>	<u>\$ 10,479,558</u>	<u>\$ 1,514,235</u>

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

LONG-TERM LIABILITIES (CONT):

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

Total Governmental Bonds			Total Governmental Loans/Notes		
Due Fiscal Year			Due Fiscal Year		
June 30	Principal	Interest	June 30	Principal	Interest
2023	\$ 1,050,000	\$ 243,300	2023	\$ 418,638	\$ 157,851
2024	1,110,000	190,800	2024	\$ 432,611	\$ 142,879
2025	1,165,000	146,400	2025	\$ 446,877	\$ 127,363
2026	1,220,000	99,800	2026	\$ 466,429	\$ 111,311
2027	1,275,000	51,000	2027	\$ 481,273	\$ 94,466
2028	-	-	2028-2032	\$ 2,114,751	\$ 196,460
Total	<u>\$ 5,820,000</u>	<u>\$ 731,300</u>	Total	<u>\$ 4,360,579</u>	<u>\$ 830,330</u>

The Agency has no unused lines of credit.

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

RISK MANAGEMENT:

The Agency is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Agency carries commercial insurance. There has been no significant reduction in insurance coverage from the prior years and the District has not been required to pay any settlements in excess of insurance coverage during the past three fiscal years. The Agency's insurance is provided in combination with the City of Lebanon.

REQUIRED
SUPPLEMENTARY
INFORMATION

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)
Schedule of Revenues, Expenditures,
and Changes In Fund Balance - Budget and Actual
NORTHWEST URBAN RENEWAL DISTRICT FUND
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<u>REVENUES:</u>				
Property Taxes	\$ 935,000	\$ 935,000	\$ 901,524	\$ (33,476)
Interest	13,000	13,000	66,725	53,725
Total Revenues	948,000	948,000	968,249	20,249
<u>EXPENDITURES:</u>				
Non-Departmental:				
Materials and Services	-	-	260	(260)
Debt Service:				
Debt service - principal	1,150,070	1,150,070	1,150,069	1
Debt service - interest	358,926	358,926	358,926	-
Total Expenditures	1,508,996	1,508,996	1,509,255	(259)
Excess (Deficiency) of Revenues				
Over Expenditures	(560,996)	(560,996)	(541,006)	19,990
<u>OTHER FINANCING SOURCES / (USES):</u>				
Transfers In	240,000	240,000	480,000	240,000
Total Other Financing Sources (Uses)	240,000	240,000	480,000	240,000
Net Change in Fund Balance	(320,996)	(320,996)	(61,006)	259,990
Beginning Fund Balance	2,064,399	2,064,399	2,080,314	15,915
ENDING FUND BALANCE	\$ 1,743,403	\$ 1,743,403	\$ 2,019,308	\$ 275,905

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)
Schedule of Revenues, Expenditures,
and Changes In Fund Balance - Budget and Actual
CHEADLE LAKE URBAN RENEWAL DISTRICT FUND

For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<u>REVENUES:</u>				
Property Taxes	\$ 450,000	\$ 450,000	\$ 460,491	\$ 10,491
Interest	1,000	1,000	10,444	9,444
Total Revenues	451,000	451,000	470,935	19,935
<u>EXPENDITURES:</u>				
Cheadle Lake Urban Renewal				
District Activities	356,263	356,263	56	356,207
Debt Service:				
Debt service - principal	264,877	264,877	264,876	1
Debt service - interest	86,971	86,971	86,970	1
Total Expenditures	708,111	708,111	351,902	356,209
Net Change in Fund Balance	(257,111)	(257,111)	119,033	376,144
Beginning Fund Balance	257,111	257,111	274,075	16,964
ENDING FUND BALANCE	\$ -	\$ -	\$ 393,108	\$ 393,108

LEBANON URBAN RENEWAL AGENCY

(A Component Unit of the City of Lebanon)

**Schedule of Revenues, Expenditures,
and Changes In Fund Balance - Budget and Actual****NORTH GATEWAY URBAN RENEWAL DISTRICT FUND****For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<u>REVENUES:</u>				
Property Taxes	\$ 932,416	\$ 932,416	\$ 943,389	\$ 10,973
Interest	-	-	31,673	31,673
Total Revenues	932,416	932,416	975,062	42,646
<u>EXPENDITURES:</u>				
North Gateway Urban Renewal District Activities	1,335,096	1,335,096	2,775	1,332,321
Total Expenditures	1,335,096	1,335,096	2,775	1,332,321
Net Change in Fund Balance	(402,680)	(402,680)	972,287	1,374,967
Beginning Fund Balance	402,680	402,680	409,001	6,321
ENDING FUND BALANCE	\$ -	\$ -	\$ 1,381,288	\$ 1,381,288

LEBANON URBAN RENEWAL AGENCY

(A Component Unit of the City of Lebanon)

**Schedule of Revenues, Expenditures,
and Changes In Fund Balance - Budget and Actual****DOWNTOWN URBAN RENEWAL DISTRICT FUND****For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<u>REVENUES:</u>				
Property Taxes	\$ 32,173	\$ 32,173	\$ 42,722	\$ 10,549
Interest	20	20	2,267	2,247
Total Revenues	32,193	32,193	44,989	12,796
<u>EXPENDITURES:</u>				
Downtown Urban Renewal				
District Activities	79,055	79,055	15,776	63,279
Total Expenditures	79,055	79,055	15,776	63,279
Net Change in Fund Balance	(46,862)	(46,862)	29,213	76,075
Beginning Fund Balance	46,862	46,862	47,375	513
ENDING FUND BALANCE	\$ -	\$ -	\$ 76,588	\$ 76,588

LEBANON URBAN RENEWAL AGENCY

(A Component Unit of the City of Lebanon)

**Schedule of Revenues, Expenditures,
and Changes In Fund Balance - Budget and Actual****MILL RACE URBAN RENEWAL DISTRICT FUND****For the Year Ended June 30, 2023**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<u>REVENUES:</u>				
Property Taxes	\$ 100,000	\$ 100,000	\$ 119,879	\$ 19,879
Interest	-	-	1,243	1,243
Total Revenues	100,000	100,000	121,122	21,122
<u>EXPENDITURES:</u>				
Mill Race Urban Renewal				
District Activities	109,103	109,103	127,125	(18,022)
Total Expenditures	109,103	109,103	127,125	(18,022)
Net Change in Fund Balance	(9,103)	(9,103)	(6,003)	3,100
Beginning Fund Balance	9,103	9,103	10,775	1,672
ENDING FUND BALANCE	\$ -	\$ -	\$ 4,772	\$ 4,772

LEBANON URBAN RENEWAL AGENCY
(A Component Unit of the City of Lebanon)

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2022

Budgeting

A budget is prepared for each District within the Agency in accordance with the modified accrual basis of accounting and legal requirements set forth in Oregon local budget law (ORS Chapter 294). 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 budget document, however, is required to contain more specific, detailed information for the above-mentioned expenditure categories. Appropriations lapse on 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 Board. Original and supplemental budgets may be modified by using appropriations transfers between the levels of control. Such transfers require approval by the Board.

Expenditures in Excess of Appropriations

Oregon law prohibits expenditures in excess of Agency Board approved appropriations. Expenditures in excess of appropriations in individual funds for the year ended June 30, 2023 occurred as follows:

<i>Fund Name</i>	<i>Budget</i>	<i>Actual</i>	<i>Variance</i>
<i>Northwest Urban Renewal District</i>			
NW URD Activities	-	260	(260)
<i>Mill Race Urban Renewal District</i>			
Mill Race URD Activities	109,103	127,125	(18,022)

REPORTS ON LEGAL AND OTHER REGULATORY REQUIREMENTS SECTION

**INDEPENDENT AUDITOR'S REPORT REQUIRED BY
OREGON STATE REGULATIONS**

To the Agency Officials
Lebanon Urban Renewal Agency
Lebanon, Oregon

We have audited the basic financial statements of the Lebanon Urban Renewal Agency (the "Agency"), a component unit of the City of Lebanon, Oregon (the "City"), as of and for the year ended June 30, 2023, and have issued our report thereon dated August 6, 2024. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we 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 162-010-000 through 162-010-0320 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 our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we 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
- Authorized investment of surplus funds (ORS Chapter 294)
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C)

In connection with our testing nothing came to our attention that caused us to believe the Agency 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 162-010-000 through 162-010-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except for the following:

To the Agency Officials
 Lebanon Urban Renewal Agency
 Lebanon, Oregon
 Independent Auditor's Report Required By
 Oregon State Regulations

Budgets legally required (ORS Chapter 294)

Expenditures in excess of appropriations occurred as follows:

<u>Fund / Category</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Northwest Urban Renewal District – Urban Renewal	\$ -	\$ 260	\$ 260
Mill Race Urban Renewal District – Urban Renewal	109,103	127,125	18,022

OAR 162-010-0230 Internal Control

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

Restriction of Use

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

Singer Lewak LLP

August 6, 2024

By:



Brad Bingenheimer, Partner



925 S. Main Street
Lebanon, Oregon 97355

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MEMORANDUM

Engineering Services

To: Mayor Jackola and City Council
From: Ron Whitlatch, Engineering Services Director
Subject: **Resolution for Restricting Parking on Elmore Street**

Date: August 1, 2024

I. INTRODUCTION

Recently staff has received several complaints regarding the parking along the south side of Elmore Street between Queen Anne Apartments western driveway and Grove Street. Staff would like to propose restricting the parking to “No Parking” along this portion of Elmore Street. “No Parking” signs would be posted on the south side of Elmore Street between the western driveway for Queen Anne Apartments and Grove Street only.

On June 14, 2024, notice was sent to surrounding property owners asking for comments or concerns regarding this change. No comments were received from surrounding property owners.

II. RECOMMENDATION

Staff recommends that City Council pass the resolution to restrict parking on a portion of Elmore Street.



RESOLUTION ELIMINATING PARKING ON A) RESOLUTION NO. 2024-22
PORTION OF ELMORE STREET WITHIN THE CITY)
OF LEBANON)

WHEREAS, City Council being duly authorized by the Municipal Code to designate where traffic control devices shall be placed pursuant to LMC Chapter 10.16.060; and

WHEREAS, such regulation is deemed be reasonable and necessary.

NOW, THEREFORE, be it resolved by the Lebanon City Council that:

SECTION 1:

Parking shall be eliminated along the south side of Elmore Street, beginning at the western driveway for the apartment complex located on tax lot 12S02W14BB02100, extending east to the Grove Street.

Suitable signs shall be erected and/or markings painted. Such designation shall be a part of the traffic regulations of the City of Lebanon.

SECTION 2:

This Resolution supersedes and replaces any conflicting portions of previous Resolutions governing parking at this location.

Passed by the Lebanon City Council and executed by the Mayor on this 14th day of August 2024, by a vote of ____ yeas and ____ nays.

CITY OF LEBANON, OREGON

 Kenneth E. Jackola, Mayor ☐
 Michelle Steinhebel, Council President ☐

ATTESTED:

 Julie Fisher, CMC, City Recorder



925 S. Main Street
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MEMORANDUM

Finance Department

To: Mayor Jackola and City Council

August 14, 2024

From: Brandon Neish, Finance Director

Subject: Proposed Amendment to Lebanon Municipal Code Chapter 3.04 & 13.25

I. INTRODUCTION

Lebanon Municipal Code Chapter 3.04 governs the water and wastewater systems within City-limits. Specifically, section 3.04.085 talks about in-lieu-of franchise fees for the two utilities while 3.04.315 created a Utility Rate Review Committee tasked with meeting annually to review fee proposals and receive an update on the state of the utility system and recommend, if any, fee revisions for the following year.

II. CURRENT REPORT

Since 2002, two of the City's three water-based utilities has contributed a portion of the fees paid into the system to "rent" space within the City's right-of-way for utility infrastructure. Installing electrical poles, digging up streets to install gas lines, etc. have an impact on the City's infrastructure. As such, the franchise fees attempt to make the city "whole" for the work done on public streets and sidewalks. For the City's three utility programs, lines must be installed around the city to distribute and collect water and sewage. These lines also have an impact on the City's public infrastructure. In 2002, the franchise rate for water and sewer was set at up to five percent (5%) of receipts. Today, many of the City's private franchise agreements run at or near seven percent (7%) of gross receipts. During budget development for the 2025 fiscal year, staff proposed an increase of this revenue into the general fund, up to seven percent. The Budget Committee reviewed the proposal as part of the budget and agreed the increase was needed. In June 2024, the City Council adopted the budget with the proposed rate increase.

Established in 1992, section 13.04.315 of the Lebanon Municipal Code created the Utility Rate Review Committee. According to tenured staff, this committee has not actually come to fruition in recent memory. However, that does not mean that the public does not have a chance to weigh in on proposed rates. Annually, the City Council holds a public work session, generally in April, where staff reviews the status of the current system and proposes, if any, rate revisions for the next fiscal year. These meetings are noticed and recorded for public consumption. Additionally, the community is able to attend the City Council meeting where rate revisions are to be adopted. Staff publicizes this meeting with a notification in the paper and holds a public hearing to receive any and all feedback. A Utility Rate Review Committee would follow the same process, thereby creating a redundant

process. Additionally, utility rates and the annual budget for the utilities is discussed as part of the budget development process annually, also through public meetings, providing another opportunity for the community to get involved related to utility rates. Staff has proposed amending this section of the Lebanon Municipal Code to have the City Council annually review the health and status of the utility funds with an ability for the public to provide input.

Lastly, in 2010, the City established by ordinance a storm drainage utility with the intent of creating a formal program to collect rain and surface water and pipe it to the Santiam River. Like the water and wastewater programs, the storm drainage utility requires opening city streets and putting pipe in the ground, impacting the right-of-way. The utility has been contributing to the in-lieu-of franchise fee like the other utilities for several years. Staff has proposed adding section 13.25.140 to formalize existing procedures and match the water and wastewater systems.

III. RECOMMENDATION

Move to adopt Ordinance No. 2024-07, Ordinance No. 3023 to amend Chapters 3.04 and 13.25 of the Lebanon Municipal Code by increasing the allowable in-lieu-of franchise fee to seven percent across all three utilities and removing the Utility Rate Review Committee.

**A BILL FOR AN ORDINANCE AMENDING
LEBANON MUNICIPAL CODE TITLE 13 –
PUBLIC SERVICES**

) **ORDINANCE BILL NO. 2024-07**
)
) **ORDINANCE NO. 3023**

WHEREAS, Lebanon Municipal Code (LMC) Chapter 13.04 contains provisions governing the water and wastewater systems in Lebanon; and,

WHEREAS, LMC section 13.04.085 states, “effective July 1, 2002, as compensation for the use of city-owned rights-of-way, the water and wastewater funds shall each pay the general fund an in-lieu-of franchise fee in the amount of up to five percent of city of Lebanon water and wastewater user receipts.”; and,

WHEREAS, LMC Chapter 13.25 does not include an in-lieu-of franchise fee similar to the water and wastewater utility; and,

WHEREAS, LMC section 13.04.315 states, “the city shall establish a utility rate review committee consisting of two members of the city council, and members of the public who are rate payers of the system or other interested parties. The committee shall be appointed by and serve at the pleasure of the mayor. The committee shall meet annually to review the financial and physical condition of the water and wastewater systems and, if necessary, make recommendations to the city council regarding the systems.”; and,

WHEREAS, the 2024 Lebanon Budget Committee reviewed the fiscal year 2025 annual budget and recommended the City Council adopt the annual budget with an in-lieu-of franchise fee for the water and wastewater systems of seven percent; and,

WHEREAS, the City Council adopted the 2025 fiscal year budget on June 10, 2024; and,

WHEREAS, the City of Lebanon affords the public and City Council numerous opportunities through work sessions, Budget Committee meetings, and public City Council meetings to review and provide feedback on proposed utility rates annual.

THEREFORE, THE LEBANON CITY COUNCIL ORDAINS AS FOLLOWS:

Section 1. Amend LMC section 13.04.085 to read “effective July 1, 2024, as compensation for the use of city-owned rights-of-way, the water and wastewater funds shall each pay the general fund an in-lieu-of franchise fee in the amount of up to **seven percent** of city of Lebanon water and wastewater user receipts.”

Section 2. This ordinance amends LMC section 13.04.315 to read “the ***Lebanon City Council shall review utility rates and provide a public forum for such review. The City Council*** shall meet annually to review the financial and physical condition of the water and wastewater systems and, if necessary, ***update rates accordingly.***”

Section 3. This ordinance adds LMC section 13.25.140 which shall state “***effective July 1, 2024, as compensation for the use of city-owned rights-of-way, the storm drainage funds shall pay the general fund an in-lieu-of franchise fee in the amount of up to seven percent of city of Lebanon storm drainage user receipts.***”

This ordinance takes effect retroactively to July 1, 2024 upon passage.

Passed by the Lebanon City Council and executed by the Mayor on this 14th day of August, 2024 by a vote of _____ yeas and ____ nays.

CITY OF LEBANON, OREGON

Kenneth E. Jackola, Mayor ☐
Michelle Steinhebel, Council President ☐

ATTESTED:

Julie Fisher, CMC, City Recorder



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MEMORANDUM

Community Development

To: Mayor Jackola and City Council
From: Kelly Hart, Community Development Director
Subject: League of Oregon Cities 2025-2026 Legislative Priorities – City Vote
Date: July 23, 2024

I. INTRODUCTION

Before the start of each legislative long session, the League of Oregon Cities (LOC) asks member cities to help set the legislative priorities for the next two years. The LOC appoints members to serve on seven policy committees, which are the foundation of the League's policy development process. These committees, composed of city officials, analyze policy and technical issues, and recommend positions and strategies for the upcoming two-year legislative cycle. This year, seven committees identified 23 legislative policy priorities to advance to the full membership and LOC Board of Directors.

Each city is asked to review the recommendations from the seven policy committees and provide input to the LOC Board of Directors, which will formally adopt the LOC's 2025-26 legislative agenda. A ballot system is developed in which the city has five votes, ranking its top five legislative priorities.

II. CURRENT REPORT

The LOC Member Voter Guide, which describes the 23 legislative priorities, is attached for the Council's review. The August City Council meeting is intended to finalize the Council's vote on the top five legislative policy priorities and authorize the City Manager to submit the priority list to the LOC.

III. RECOMMENDED ACTION

Vote on the top five priorities and authorize the City Manager to submit to the League of Oregon Cities.



League of Oregon Cities

2024 LOC Member Voter Guide

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2024 Member Voter Guide

Background: Each even-numbered year, the LOC appoints members to serve on seven policy committees, which are the foundation of the League's policy development process. Composed of city officials, these committees analyze policy and technical issues and recommend positions and strategies for the upcoming two-year legislative cycle. This year, seven committees identified 23 legislative policy priorities to advance to the full membership and LOC Board of Directors. It's important to understand that the issues that ultimately do not rise to the top based on member ranking are not diminished with respect to their value to the policy committee or the LOC's advocacy. These issues will still be key component of the LOC's overall legislative portfolio for the next two years.

Ballot/Voting Process: Each city is asked to review the recommendations from the seven policy committees and provide input to the LOC Board of Directors, which will formally adopt the LOC's 2025-26 legislative agenda. While each city may have a different process when evaluating the issues, it's important for cities to engage with your mayor and entire council to ensure the issues are evaluated and become a shared set of priorities from your city. During its October meeting, the LOC Board will formally adopt a set of priorities based on the ranking process and their evaluation.

Each city is permitted one ballot submission. **Once your city has reviewed the proposed legislative priorities, please complete the electronic ballot to indicate the top 5 issues that your city would like the LOC to focus on during the 2025-26 legislative cycle.** The lead administrative staff member (city manager, city recorder, etc.) will be provided with a link to the electronic ballot. If your city did not receive a ballot or needs a paper option, please reach out to Meghyn Fahndrich at mfahndrich@orcities.org or Jim McCauley at jmccauley@orcities.org.

Important Deadline: The deadline for submitting your city's vote is **5 p.m. on September 27, 2024.**

Community and Economic Development Committee

Contact: Jim McCauley, jmccauley@orcities.org

INFRASTRUCTURE FUNDING (CO-SPONSORED BY WATER AND WASTEWATER COMMITTEE)

RECOMMENDATION: *The LOC will advocate for a comprehensive infrastructure package to support increased investments in water, sewer, stormwater and roads. This includes: funding for system upgrades to meet increasingly complex regulatory compliance requirements; capacity to serve needed housing and economic development; deferred maintenance costs; seismic and wildfire resiliency improvements; and clarity and funding to address moratoriums. The LOC will also champion both direct and programmatic infrastructure investments to support a range of needed housing development types and affordability.*

Background: Cities continue to face the challenge of how to fund infrastructure improvements – to maintain current, build new, and improve resiliency. Increasing state resources in programs that provide access to lower rate loans and grants will assist cities in investing in vital infrastructure. Infrastructure development impacts economic development, housing, and livability. The level of funding for these programs has been inadequate compared to the needs over the last few biennia, and the funds are depleting and unsustainable without significant program modifications and reinvestments. This priority will focus on maximizing both the amount of funding and the flexibility of the funds to meet the needs of more cities across the state to ensure long-term infrastructure investment. The 2024 LOC Infrastructure Survey revealed the increasing need for water and road infrastructure funding. The results show \$11.9 billion of infrastructure funds needed (\$6.4 billion for water and \$5.5 billion for roads).

Combined with the federal-cost share decline on water infrastructure projects – despite the recent bi-partisan infrastructure law investment – cities face enormous pressure to upgrade and maintain water infrastructure. At the same time, cities across the state are working urgently to address Oregon’s housing crisis. To unlock needed housing development and increase affordability, the most powerful tool the Legislature can deploy is targeted investments in infrastructure to support needed housing development.

SHELTER AND HOMELESS RESPONSE

RECOMMENDATION: *The LOC will support a comprehensive homeless response package to fund the needs of homeless shelter and homeless response efforts statewide. Funding should include baseline operational support to continue and strengthen coordinated regional homeless response and include a range of shelter types and services, including alternative shelter models, safe parking programs, rapid rehousing, outreach, case management, staffing and administrative support, and other related services. The LOC will also support capital funding for additional shelter infrastructure and site preparation. Oregon's homeless response system must recognize the critical role of cities in homeless response and meaningfully include cities in regional funding and decision-making, in partnership with counties, community action agencies, continuums of care, housing authorities, and other service provider partners.*

Background: The LOC recognizes that to end homelessness, a cross-sector coordinated approach to delivering services, housing, and programs is needed. Despite historic legislative investments in recent years, Oregon still lacks a coordinated, statewide shelter and homeless response system with stable funding. Communities across the state have developed regional homeless response collaboratives, beginning with the HB 4123 pilot communities funded by the Legislature in 2022 and the more recently established Multi-Agency Collaboratives and Local Planning Groups created by Governor Kotek's [Executive Order on Affordable Housing and Homelessness](#). As Oregon continues to face increasing rates of unsheltered homelessness, the LOC is committed to strengthening a regionally based, intersectional state homeless response system to ensure all Oregonians can equitably access stable housing and maintain secure, thriving communities.

EMPLOYMENT LANDS READINESS AND AVAILABILITY

Legislative Recommendation: *The LOC will support incentives, programs and increased investment to help cities with the costs of making employment lands market-ready, including continued investment in the state brownfields programs. The LOC also recognizes the deficit of industrial land capacity in strategic locations and will support efforts to build a more comprehensive industrial lands program by strengthening the connection between the DLCD Goal 9 Program and Business Oregon IL programs and resources.*

Background: Infrastructure cost is a significant barrier for cities that are looking to increase the supply of market-ready industrial land. Cities require a supply of industrial land that is ready for development to recruit and retain business operations. For sites to be attractive to site selectors, the basic infrastructure must be built out first. For example, the Regionally Significant Industrial Site (RSIS) program within Business Oregon is designed to help cities with the cost of readiness activities

through a reimbursement program, but many cities are not able to take advantage of this program due to a lack of staff capacity and up-front capital for investments.

FULL FUNDING AND ALIGNMENT FOR HOUSING PRODUCTION

RECOMMENDATION: *The LOC will advocate to maintain and increase state investments to support the development and preservation of a range of needed housing types and affordability, including: publicly supported affordable housing and related services; affordable homeownership; permanent supportive housing; affordable modular and manufactured housing; middle housing types; and moderate-income workforce housing development. In addition, the LOC will seek opportunities to address structural barriers to production of different housing options at the regional and state level. This includes: streamlining state agency programs, directives, funding metrics, and grant timelines that impact development; aligning state programs with local capital improvement and budget timelines; and increasing connections between affordable housing resources at Oregon Housing and Community Services (OHCS) with the land use directives in the Oregon Housing Needs Analysis (OHNA) and Climate Friendly and Equitable Communities (CFEC) programs at the Department of Land Conservation and Development (DLCD).*

Background: Recent legislation and executive orders have made significant changes to the state's land use planning process, including new housing production directives for cities and counties. These updates have resulted in extensive, continuous, and sometimes conflicting efforts that are not supported by adequate state funding. Cities do not have the staff capacity or resources needed to implement existing requirements. Additional state support is needed to assist local implementation, including technical assistance and education for local staff and decision makers, and workforce development. The state should prioritize implementation and coordination of existing programs in the 2025-2026 legislative sessions before considering any new policies.

General Government Committee

Contact: Scott Winkels, swinkels@orcities.org

RESTORATION OF RECREATIONAL IMMUNITY

RECOMMENDATION: *The LOC will introduce legislation to protect cities and other landowners who open their property for recreational purposes from tort liability claims.*

Background: An adverse court ruling stemming from a recreational injury sustained on a city owned trail opened cities and other public and private landowners to tort claims for injuries sustained by people who are recreating. The Legislature enacted a temporary restoration of the immunity in 2024 that will expire

on July 1, 2025. Legislation to make the immunity permanent will be needed for cities to offer recreational amenities without fear of tort liability lawsuits or excessive risk premiums.

BEHAVIORAL HEALTH ENHANCEMENTS

RECOMMENDATION: *The LOC will introduce and support legislation to expand access to behavioral health treatment beds and allow courts greater ability to direct persons unable to care for themselves into treatment through the civil commitment process.*

Background: While Oregon has historically ranked at or near the bottom nationally for access to behavioral healthcare, the state has made significant investments over the past four years. It will take time for investments in workforce development and substance abuse treatment to be realized, and areas for improvement remain. The standard for civilly committing a person into treatment remains very high in Oregon, and as a result, individuals who present a danger to themselves or others remain untreated, often producing tragic results. Additionally, the number of treatment beds for residential care does not meet demand, with services unavailable in multiple areas of the state.

CONTINUED ADDICTION POLICY REFORM

RECOMMENDATION: *The LOC will Introduce and support legislation to allow drug related misdemeanors to be cited into municipal court; provide stable funding for services created in HB 4002 in 2024; allow more service providers to transport impaired persons to treatment; establish the flow of resources to cities to support addiction response; and monitor and adjust the implementation of HB 4002.*

Background: The Legislature passed significant changes to Oregon's approach to the current addiction crisis with the creation of a new misdemeanor charge designed to vector defendants away from the criminal justice system and into treatment. Changes also included: sentencing enhancements for drug dealers; investments in treatment capacity; and expanded access to medical assisted addiction treatment. HB 4002 did not include stable funding for the services created or provide cities with direct access to resources, or the ability to cite the new offense into municipal courts. Additionally, the new law will likely require adjustments as the more complicated elements get implemented.

Energy and Environment Committee

Contact: Nolan Pleše, nplese@orcities.org

BUILDING DECARBONIZATION, EFFICIENCY, AND MODERNIZATION

RECOMMENDATION: *The LOC will support legislation to protect against any rollback and preemptions to allow local governments to reduce greenhouse gas emissions from new and existing buildings while ensuring reliability and affordability. In addition, the LOC will lead and back efforts that support local governments, including statewide capacity, expertise, and resources to allow local governments to pursue state and federal funding and continue to support off-ramps for local governments unable to meet the state's new building performance standards.*

Background: Homes and commercial buildings consume nearly one-half of all the energy used in Oregon, according to the Oregon Department of Energy. Existing buildings can be retrofitted and modernized to become more resilient and efficient, while new buildings can be built with energy efficiency and energy capacity in mind.

Oregon cities, especially small to mid-sized and rural communities, require technical assistance and financial support to meet the state's goals. Without additional support, some communities will be unable to meet the state's building performance standards. Off-ramps are necessary to protect cities unable to meet the state's goals to ensure they are not burdened by mandates they can't meet.

Some initiatives may include local exceptions for building energy codes and performance standards, statewide home energy scoring, or financial incentives from the Infrastructure Investment and Jobs Act (IIJA), the Inflation Reduction Act (IRA), state incentives, and other financial incentives like CPACE (Commercial property-assessed clean energy).

For cities to meet their climate resilience and carbon reduction goals while maintaining home rule authority, their flexibility must be preserved to allow for a successful transition from fossil fuels. State pre-emptions should not prohibit cities from exceeding state goals and achieving standards that align with their values.

INVESTMENT IN COMMUNITY RESILIENCY AND CLIMATE PLANNING RESOURCES

RECOMMENDATION: *The LOC will support investments that bring resiliency and climate services (for mitigation and adaptation) together in coordination with public and private entities, and work to fill the existing gaps to help communities get high-quality assistance. These resources are needed for local governments to effectively capture the myriad of available state and federal funding opportunities that cannot be accessed due to capacity and resource challenges. The LOC will work with partners to identify barriers and potential*

solutions towards resiliency opportunities, such as local energy generation and battery storage, and to support actions that recognize local control.

Background: Oregon communities have unique resources and challenges, and increasingly need help to plan for climate and human-caused impacts and implement programs to reduce greenhouse gases. Oregon should focus on maintaining the reliability of the grid while supporting safe, healthy, cost-effective energy production that includes external costs.

Although many opportunities for building resiliency exist, not all will not be built or managed by cities. Cities support efforts to build resiliency hubs in coordination with public, private, and non-profit interests and will seek more investments in programs that support resiliency hubs.

Cities also have a broad range of perspectives on how to address the impacts of the climate crisis. Concerns about costs and reliability during this energy transition have surfaced in many cities. At the same time, others who share those concerns also aim to have stronger requirements that meet their cities' climate goals. To meet these challenges, cities oppose additional mandates but support exceptions and additional support that recognize each city's unique perspectives, resources, and experience while preserving local authority.

Oregon's small to mid-sized communities and rural communities are particularly in need of technical assistance, matching funds, and additional capacity to address climate impacts. Without assistance, these communities face unfunded mandates due to low resources and capacity challenges to go after many available opportunities.

ADDRESS ENERGY AFFORDABILITY CHALLENGES FROM RISING UTILITY COSTS

RECOMMENDATION: *The LOC will: support actions to maintain affordable and reliable energy resources; invest in programs and new technology that support energy efficiency, renewable energy, and battery storage to help reduce overall energy costs and demands; and address grid challenges during peak energy demand and the associated rising costs, while balancing the pace of energy production and power supply that impact rates.*

Background: In recent years, rising utility costs have increased the energy burden on Oregonians, particularly low-income Oregonians, those with fixed incomes, and those who are unable to work. Costs contributing to these increases include, infrastructure upgrades, maintenance, and modernization, climate impacts from increased extreme weather events (wildfires, ice storms, snowstorms, flooding, etc.) and mitigation costs associated with them, fuel costs, inflation, legislative and gubernatorial actions, and investments in new energy-producing technology, and battery storage, are some of many reasons that are impacting utility rates.

While many investment opportunities exist, more cooperation and collaboration

needed to find a path forward that reduces the need for large rate increases that impact Oregonians. Rate increases should balance and prioritize vital labor, infrastructure, and mitigations necessary to sustain present and future energy demands with compensation.

In addition, the LOC would advocate for new tools and utilizing existing tools to modernize rate structures to provide flexibility and account for the time of year of rate increases (phasing in of rate increases) and recognize the higher burden for low and moderate-income and fixed-income Oregonians.

Finance and Taxation Committee

Contact: Lindsay Tenes, ltenes@orcities.org

LODGING TAX FLEXIBILITY

RECOMMENDATION: *The LOC will advocate for legislation to increase flexibility to use locally administered and collected lodging tax revenue to support tourism-impacted services.*

Background: In 2003, the Legislature passed the state lodging tax and restricted local transient lodging tax (TLT) by requiring that revenue from any new or increased local lodging tax be spent according to a 70/30 split: 70% of local TLT must be spent on “tourism promotion” or “tourism related facilities” and up to 30% is discretionary funds.

Tourism has created an increased demand on municipal service provision. Some of the clearest impacts are on roads, infrastructure, public safety, parks, and public restrooms. Short term rentals and vacation homes also reduce the housing supply and exacerbate housing affordability issues.

Cities often play an active role in tourism promotion and economic development efforts, but requiring that 70% of lodging tax revenue be used to further promote tourism is a one-size fits all approach that does not meet the needs of every tourism community. Cities must be allowed to strike the balance between tourism promotion and meeting the needs for increased service delivery for tourists and residents.

MARIJUANA TAX

Legislative Recommendation: *The LOC will advocate for legislation that increases revenue from marijuana sales in cities. This may include proposals to restore state marijuana tax losses related to Measure 110 (2020), and to increase the 3% cap on local marijuana taxes.*

Background: The state imposes a 17% tax on recreational marijuana products. Until

the end of 2020, cities received 10% of the state's total tax revenues (minus expenses) on recreational marijuana products. Measure 110 largely shifted the allocation of state marijuana revenue by capping the amount that is distributed to the recipients that previously shared the total amount (the State School Fund, the Oregon Health Authority, the Oregon State Police, cities and counties) and diverted the rest to drug treatment and recovery services. Starting in March of 2021, quarterly revenue to cities from state marijuana taxes saw a decrease of roughly 74%. Marijuana revenue has also been on a downward trend because the market is oversaturated, which has continually reduced sale prices (high supply, steady demand). Marijuana is taxed on the price of the sale and not on volume.

ALCOHOL TAX

RECOMMENDATION: *The LOC will advocate for increased revenue from alcohol taxes. This includes support for any recommendation by the HB 3610 Task Force on Alcohol Pricing to increase the beer and wine tax that maintains 34% shared distribution to cities. This may also include legislation to lift the pre-emption on local alcohol taxes.*

Background: Cities have significant public safety costs related to alcohol consumption and must receive revenue commensurate to the cost of providing services related to alcohol.

Oregon is a control state and the Oregon Liquor and Cannabis Commission (OLCC, formerly known as the Oregon Liquor Control Commission) acts as the sole importer and distributor of liquor. Cities and other local governments are preempted from imposing alcohol taxes. In exchange, cities receive approximately 34% share of net state alcohol revenues. The OLCC has also imposed a 50-cent surcharge per bottle of liquor since the 2009-2011 biennium, which is directed towards the state's general fund. Oregon's beer tax has not been increased since 1978 and is \$2.60 per barrel, which equates to about 8.4 cents per gallon, or less than 5 cents on a six-pack. Oregon's wine tax is 67 cents per gallon and 77 cents per gallon on dessert wines. Oregon has the lowest beer tax in the country and the second lowest wine tax.

Broadband, Cybersecurity, Artificial Intelligence (AI), and Telecommunications Committee

Contact: Nolan Plese, nplese@orcities.org

DIGITAL EQUITY AND INCLUSION

RECOMMENDATION: *The LOC will support legislation and policies that help all individuals and communities have the information technology capacity needed for full participation in our society, democracy, and economy through programs such as digital*

navigators, devices, digital skills, and affordability programs like the Affordable Connectivity Program (ACP) and the Oregon Telephone Assistance Program (OTAP – also known as Lifeline) that meet and support community members where they are.

Background: Connectivity is increasingly relied on for conducting business, learning, and receiving important services like healthcare. As technology has evolved, the digital divide has become more complex and nuanced. Now, the discussion of the digital divide is framed in terms of whether a population has access to hardware, to the Internet, to viable connection speeds, and to the skills they need to effectively use it. Recognizing individual knowledge and capacity, abilities, and lived experience is now vital, and programs that offer devices, digital literacy skills, cybersecurity, and support for internet affordability, are critical to closing the digital divide.

CYBERSECURITY & PRIVACY

RECOMMENDATION: *The LOC will support legislation that addresses privacy, data protection, information security, and cybersecurity resources for all that use existing and emerging technology like artificial intelligence (AI) and synthetic intelligence (SI), including, but not limited to: funding for local and state government cyber and information security initiatives; interagency and government coordination and cooperative arrangements for communities that lack capacity; statewide resources for cyber and AI professionals and workforce development; vendor and third-party vendor accountability; regulations of data privacy; or standards for software/hardware developers to meet that will make their products more secure while ensuring continued economic growth. The LOC will oppose any unfunded cybersecurity and/or AI mandates and support funding opportunities to meet any unfunded insurance requirements.*

Background: Society's continued reliance on technology will only increase with the emergence of artificial intelligence (AI) and synthetic intelligence (SI). This will mean an increased risk for cybercrimes. Cybersecurity encompasses everything that pertains to protecting our sensitive and privileged data, protected health information, personal information, intellectual property, data, and governmental and industry information systems from theft and damage attempted by criminals and adversaries.

Cybersecurity risk is increasing, not only because of global connectivity but also because of the reliance on cloud services to store sensitive data and personal information. As AI and SI technology and adoption accelerate, the ability to guard against cyber threats and threats created through AI will increase. Strengthening coordination between the public and private sectors at all levels is essential for decreasing risks and quickly responding to emerging threats. This ensures resilience is considered to reduce the damage caused by cyber threats.

RESILIENT, FUTUREPROOF BROADBAND INFRASTRUCTURE AND PLANNING INVESTMENT

RECOMMENDATION: *The LOC will support legislation to ensure broadband systems are built resiliently and futureproofed, while also advocating for resources to help cities with broadband planning and technical assistance through direct grants and staff resources at the state level. The LOC will oppose any preemptions that impede local government's ability to maintain infrastructure standards in the local rights-of-way. Municipalities' have a right to own and manage access to poles and conduit and to become broadband service providers.*

Background:

Broadband Planning and Technical Assistance

Most state and federal broadband infrastructure funding requires communities to have a broadband strategic plan in place in order to qualify. Many cities do not have the resources or staff capacity to meet this requirement. Cities will need to rely on outside sources or work with the state for assistance and support the state setting up an office to aid local governments.

Resilient and Long-Term Systems

As broadband continues to be prioritized, building resilient long-term networks will help Oregonians avoid a new digital divide as greater speeds are needed with emerging technologies like artificial intelligence (AI). Important actions that will ensure resilient broadband include: dig once policies; investing in robust middle-mile connections; ensuring redundancy and multiple providers in all areas' sharing current and future infrastructure to manage overcrowding in the right-of-way (ROW); and undergrounding fiber instead of hanging it on poles. Additionally, infrastructure should be built for increased future capacity to avoid a new digital divide by allowing Oregon to determine speeds that reflect current and future technology.

Optional Local Incentives to Increase Broadband Deployment

Cities need flexibility to adequately manage public rights-of-ways (ROW). Instead of mandates, the state should allow cities the option to adopt incentives that could help streamline broadband deployment. Flexibility for cities to fund conduit as an eligible expense for other state infrastructure (most likely water or transportation projects) would reduce ROW activity. Additionally, local governments can work with state and federal partners to streamline federal and state permitting to reduce delays in broadband deployment.

Regulatory Consistency Amidst Convergence

With rapid changes in communication, standards and policy should keep pace. When a converged technology utilizes differing communications technologies, it may be

required to adhere to multiple standards and regulations, or providers may argue that some parts of their service is not subject to regulations. The LOC will support legislation that addresses the inconsistency of regulations applied to traditional and nontraditional telecommunications services as more entities move to a network-based approach.

ARTIFICIAL INTELLIGENCE (AI)

RECOMMENDATION: *The LOC will support legislation that promotes secure, responsible and purposeful use of artificial intelligence (AI) and synthetic intelligence (SI) in the public and private sectors while ensuring local control and opposing any unfunded mandates. Cities support using AI for social good, ensuring secure, ethical, non-discriminatory, and responsible AI governance through transparent and accountable measures that promotes vendor and third-party vendor accountability, improving government services while protecting sensitive data from use for AI model learning, and fostering cross-agency, business, academic, and community collaboration and knowledge sharing.*

Background: While artificial intelligence (AI) and synthetic intelligence (SI) are not new, the recent advancements in machine learning and the exponential growth of artificial and synthetic intelligence require governments and providers to be responsible and purposeful in the use of this technology. The opportunities and risks that AI and SI present demand responsible values and governance regarding how AI systems are purchased, configured, developed, operated, or maintained in addition to ethical policies that are transparent and accountable. Policies should also consider the implication of AI on public records and retention of information on how AI is being used. Additionally, governments need to consider how procurements are using AI, how they are securing their systems, and any additional parties being used in the process.

AI systems and policies should:

- Be Human-Centered Design - AI systems are developed and deployed with a human-centered approach that evaluates AI-powered services for their impact on the public.
- Be Secure & Safe - AI systems should maintain safety and reliability, confidentiality, integrity, and availability through safeguards that prevent unauthorized access and use to minimize risk.
- Protect Privacy - Privacy is preserved in all AI systems by safeguarding personally identifiable information (PII) and sensitive data from unauthorized access, disclosure, and manipulation.
- Be Transparent - The purpose and use of AI systems should be proactively communicated and disclosed to the public. An AI system, its data sources,

operational model, and policies that govern its use should be understandable, documented, and properly disclosed publicly.

- **Be Equitable** - AI systems support equitable outcomes for everyone; urban, rural, suburban, frontier, and historically underrepresented communities. Bias in AI systems should be effectively managed to reduce harm to anyone impacted by its use.
- **Provide Accountability** - Roles and responsibilities govern the deployment and maintenance of AI systems. Human oversight ensures adherence to relevant laws and regulations and ensures the product's creator is ultimately responsible for reviewing the product prior to release and held accountable.
- **Be Effective** - AI systems should be reliable, meet their objectives, and deliver precise and dependable outcomes for the utility and contexts in which they are deployed.
- **Provide Workforce Empowerment** - Staff are empowered to use AI in their roles through education, training, and collaborations that promote participation and opportunity.

Transportation Committee

Contact: Jim McCauley, jmccauley@orcities.org

2025 TRANSPORTATION PACKAGE

RECOMMENDATION: *The LOC supports a robust, long-term, multimodal transportation package focused on: stabilizing funding for operations and maintenance for local governments and ODOT; continued investment in transit and bike/ped programs, safety, congestion management, and completion of projects from HB 2017. As part of a 2025 package, the funding level must maintain the current State Highway Fund (SHF) distribution formula and increase investments in local programs such as Great Streets, Safe Routes to Schools, and the Small City Allotment Program. In addition, the package should find a long-term solution for the weight-mile tax that stabilizes the program with fees that match heavier vehicles' impact on the transportation system. The funding sources for this package should be diverse and innovative. Additionally, the package should maintain existing choices and reduce barriers for local governments to use available funding tools for transportation investments.*

Background: Oregon has one of the country's most transportation-dependent economies, with 400,000 jobs (1 in 5) related directly to transportation via rail, road, and ports. The State Highway Fund (SHF) is the primary revenue source for the state's transportation infrastructure, and comes from various sources, including gas

and diesel tax, weight mile tax, vehicle registration fees, vehicle title fees, and driver's license fees. These funds are distributed using a 50-30-20 formula, with 50% to the state, 30% to counties, and 20% to cities. Continued investment in transportation infrastructure is critical for public safety objectives such as "[Safe Routes to Schools](#)" and the "[Great Streets](#)" program. The Legislature must develop a plan to match inflationary costs and a plan to transition from a gas tax to an impact fee based on miles traveled to stabilize transportation investment.

FUNDING AND EXPANDING PUBLIC AND INTER-COMMUNITY TRANSIT

RECOMMENDATION: *The LOC supports expanding funding for public transit operations statewide, focusing on inter-community service, service expansion, and a change in policy to allow for the use of funds for local operations and maintenance.*

Background: During the 2017 session, HB 2017 established Oregon's first statewide comprehensive transit funding by implementing a "transit tax," a state payroll tax equal to one-tenth of 1%. This revenue source has provided stable funding of more than \$100 million annually.

These funds are distributed utilizing a formula. Investments made since the 2017 session helped many communities expand and start transit and shuttle services to connect communities and provide transportation options. Many communities, however, still lack a viable public transit or shuttle program and would benefit greatly from expanded services.

SHIFT FROM A GAS TAX TO A ROAD USER FEE

RECOMMENDATION: *The LOC supports replacing Oregon's gas tax with a Road User Fee (RUF) while protecting local government's authority to collect local gas tax fees. An RUF will better measure a vehicle's impact on roads and provide a more stable revenue stream.*

Background: Oregon's current gas tax is 40 cents per gallon. Depending on the pump price, the gas tax represents a small portion of the overall cost of gas. Due to the improved mileage of new vehicles and the emergence and expected growth of electric vehicles, Oregon will continue to face a declining revenue source without a change in the fee structure. Capturing the true impact of vehicles on the transportation system requires a fee structure that aligns with use of roads. The federal tax has remained at 18 cents per gallon since 1993, effectively losing buying power or the ability to keep up with inflation.

COMMUNITY SAFETY AND NEIGHBORHOOD LIVABILITY

RECOMMENDATION: *The LOC supports a strong focus on funding safety improvements on large roads, such as highways and arterials, that run through all communities. This includes directing federal and state dollars toward safety improvements on streets that meet the Great Streets criteria but are not owned by ODOT, and increasing funding for the*

Great Streets program. For those cities that don't qualify for existing programs, ODOT should explore funding opportunities for cities with similar safety needs. Additionally, more funding should be directed to the Highway Safety Improvement Program (HSIP) and All Roads Transportation Safety (ARTS) programs.

Background: Community safety investment remains a critical challenge for local governments, reducing their ability to maintain a transportation system that supports the safe and efficient movement of people and goods. Traffic fatalities and serious injuries continue to grow to record levels in many communities. The lack of stable funding for these basic operations and maintenance functions prevents local governments from meeting core community expectations. Without increases in funding for transportation, this problem is expected to get even worse, as costs for labor and materials continue to increase.

Water and Wastewater Committee

Contact: Michael Martin, mmartin@orcities.org

INFRASTRUCTURE FUNDING (CO-SPONSORED BY COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE)

RECOMMENDATION: *The LOC will advocate for a comprehensive infrastructure package to support increased investments in water, sewer, stormwater and roads. This includes: funding for system upgrades to meet increasingly complex regulatory compliance requirements; capacity to serve needed housing and economic development; deferred maintenance costs; seismic and wildfire resiliency improvements; and clarity and funding to address moratoriums. The LOC will also champion both direct and programmatic infrastructure investments to support a range of needed housing development types and affordability.*

Background: Cities continue to face the challenge of how to fund infrastructure improvements – to maintain current, build new, and improve resiliency. Increasing state resources in programs that provide access to lower rate loans and grants will assist cities in investing in vital infrastructure. Infrastructure development impacts economic development, housing, and livability. The level of funding for these programs has been inadequate compared to the needs over the last few biennia, and the funds are depleting and unsustainable without significant program modifications and reinvestments. This priority will focus on maximizing both the amount of funding and the flexibility of the funds to meet the needs of more cities across the state to ensure long-term infrastructure investment. The 2024 LOC Infrastructure Survey revealed the increasing need for water and road infrastructure funding. The results show \$11.9 Billion of infrastructure funds needed (\$6.4 billion for water and \$5.5

billion for roads).

Combined with federal-cost share decline on water infrastructure projects – despite the recent bi-partisan infrastructure law investment – cities face enormous pressure to upgrade and maintain water infrastructure. At the same time, cities across the state are working urgently to address Oregon's housing crisis. To unlock needed housing development and increase affordability, the most powerful tool the Legislature can deploy is targeted investments in infrastructure to support needed housing development.

PLACE-BASED PLANNING

RECOMMENDATION: *The LOC will advocate for funding needed to complete existing place-based planning efforts across the state and identify funding to continue the program for communities that face unique water supply challenges.*

Background: Oregon's water supply management issues are complex. In 2015, the Legislature created a place-based planning pilot program in Oregon administered through the Oregon Water Resources Department that provides a framework and funding for local stakeholders to collaborate and develop solutions to address water needs within a watershed, basin, surface water, or groundwater. In 2023, the Legislature passed a significant bipartisan Drought Resilience and Water Security package (BiDRAWS), which included \$2 million into a place-based planning water fund to continue efforts to address a basin-by-basin approach.

OPERATOR-IN-TRAINING APPRENTICESHIPS

RECOMMENDATION: *The LOC will advocate for funding for apprenticeship training programs and the expansion of bilingual training opportunities to promote workforce development of qualified wastewater and drinking water operators due to the significant lack of qualified operators.*

Background: Water utilities must resolve a human-infrastructure issue in order to keep our water and wastewater systems running. Currently, water utilities face challenges in recruiting, training, and retaining certified operations employees. In addition, retirements of qualified staff over the next decade will exacerbate the problem.

In 2023, the Legislature approved one-time funding for the development of a training facility for certified operators and technical assistance staff in partnership with the Oregon Association of Water Utilities. Sustained funding for regional training facilities and direct funding for utilities hosting training programs is needed to train the next generation of water and wastewater operators.



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MEMORANDUM

Administration

To: Mayor Jackola and City Council
From: Ron Whitlatch, Interim City Manager
Subject: **Administration Update – July 2024**

Date: July 24, 2024

- Kelly Hart, Josh Bacher, and I traveled to Aurora, Oregon to, to visit a solar facility that is using agrivoltaics (multi-use facility that has solar and farming combined). This was a very informative visit about the multiple ways solar can be utilized.
- Provided a tour of several City of Lebanon owned sites to a solar consultant to begin determining the viability of solar panel installation. These sites include the Lebanon Water Plant, Wastewater Plant, and Water Intake. The Wastewater Plant property seems to be the most viable for a solar array.
- Continuing to move forward with the possible relocation of the City Council Chambers to the Library Community Room. We are getting pricing for a new dais and the needed IT improvements for the proposed meeting room, and hope to provide an update to City Council in August.
- SSW facilitated the Five-Year Strategic Planning Workshop on July 22nd. We will be working with SSW on next steps of the plan.
- Staff is continuing to refine options for a City Services Fee. This includes developing informational material, a list of frequently asked questions, dollar options, and example ordinances. A City Council Work Sessions will be held in August to provide information and get input from the City Council.
- Staff is continuing to work with Sean Tate (Tate Public Affairs) who is helping the City navigate legislative affairs and advocate for the City. We currently meet with Sean every other Wednesday.
- Kelly Hart, Jason Williams, and I attended the Joint Legislative Transportation Committee Hearing in Albany where mayor Jackola provided public testimony on the need for continued and additional transportation funding for local jurisdiction.
- Holding regular Department Director Meeting (every two weeks) to keep moving priorities forward.
- Continuing to participate in Linn County's Natural Hazards Mitigation Plan update being completed by Department of Land Conservation and Development. This plan

includes updates to all cities located in Linn County and will be presented to City Council for approval in 2025.

- Continuing discussions with Lebanon Farmers Market to see about moving them to a different location for next year.
- We are preparing for the Governors Regional Solution Team (RST) meeting on August 6th. This meeting will consist of tours of the Wastewater Plant, Champion Mill Site, and potential solar installation sites. The RST helps local jurisdictions navigate funding opportunities and challenges associated with Capital Projects and regulatory issues.



MEMORANDUM

City Recorder's Office

TO: Mayor Jackola and City Council
FROM: Julie Fisher, City Recorder
ITEM TITLE: Department Report

CURRENT REPORT: July 2024

- Compiled and Prepared the City Council Agenda, Packet, and Minutes for July 10th City Council and Executive Session meetings and July 22nd Work Session.
- Maintained and sent out the Preliminary Agenda Table
- Resolutions: (0)
- Ordinances: (1) #3022 Psilocybin Time Place and Manner
- Press Releases: (18) Road Closures, City Council Filing Period, 100 Libraries, Cooling Center, Summer Reading Program, Road Closures
- Public Meeting Notices: (3) City Council, Tree Commission, and Planning Commission
- Documents added to ORMS: 105 documents in the last 30 days.
- Public Records Request: (2) kparker@aeiconsultants.com, Laurallarouque@gmail.com
- Records Destruction Certification: (1) Finance Department
- Liquor Licenses Processed: (0)
- Contact Us Submissions: There was an issue with the Contact Us Submissions during the new website changeover. The issue has been resolved. (2) Curb Painting for Parking, Noise Complaint.
- Social media: (June 15 – July 14) Facebook followers = 4,396, new followers = 19, post reached = 3,154
- City Website: 12,142 Total Users (visited the website) with 31,311 Views from June 15-July 14
Top Four Webpages Visited: News, Home Page, Library, Gill's Landing
- Maintained the City boards/committee database, tracked terms, and archived minutes.
- Tracked all City agreements/contracts and sent out reminders about ones that are expiring.
- Tracked and archived deeds, easements, and rights of way
- Elections: Filing Period closed July 31st. Candidates are listed on the City's website and an electronic Voter's Pamphlet will be sent out in August.



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MEMORANDUM

Community Development

To: Mayor Jackola and City Council
From: Kelly Hart, Community Development Director
Subject: Community Development Department City Manager Report Updates

Date: July, 2024

Planning:

- The July Planning Commission meeting was canceled due to a lack of agenda items, and the August Planning Commission meeting will also be canceled.
- In June, one project was approved administratively:
 - VAR-24-07 for a Class I Variance to approve a fence height increase in the setback areas for a property on Steelhead Ct.
- There is currently one land use application under review:
 - AR-24-05 for the development of a one-story, 28-unit apartment complex for the property at 377 Vaughan Lane (application is under completeness review)
- Benton County Regional Housing Meeting: Interim City Manager Whitlatch and Director Hart met with two Benton County Planning Commissioners to discuss their proposal to develop a regional housing coalition to address barriers to housing development and promote housing production in the region. A stated goal is to obtain regional funding to support infrastructure development. Additional meetings are to be scheduled in the future, and the benefit of Lebanon's participation in the coalition is still being evaluated.
- City Legislative Efforts: Bi-weekly meetings continue to be held with Sean Tate to discuss strategy. The following are the major legislative initiatives:
 - On July 16, the Mayor participated as an observer in a roundtable discussion and testified before the Oregon Legislature Joint Committee on Transportation to advocate for state funding for street maintenance and local infrastructure improvement projects.
 - Continue to advocate for direct funding for the wastewater treatment plant (WWTP) capacity improvement project. On July 23, a follow-up meeting with Congresswoman Chavez-DeRemer's office was held, during which additional discussions were had on funding opportunities for the WWTP and solar capital funding.
 - Evaluation of the League of Oregon Cities Legislative Platform to align priorities.
 - The Governor's Office requested feedback from housing partners on Governor Kotek's Housing and Homelessness Initiative Housing Infrastructure proposal for the next legislative cycle. City staff reviewed the proposal and developed comments in consultation with Sean Tate, which were submitted for consideration.

- The Governor's Office has also requested feedback from housing partners on their Housing Production Framework for the next legislative cycle. City staff reviewed the proposal and developed comments in consultation with Sean Tate, which were submitted for consideration.
- Strategic Planning Update: SSW Consultant led the strategic plan workshop on July 22, 2024, which the council and staff attended. The Consultants will compile the information gathered during the workshop and continue employee engagement over the next few weeks/months while developing the draft strategic plan.
- Housing Production Strategy Implementation: On July 16, 2024, the first Project Advisory Committee meeting was held to discuss the scope of potential development code changes and obtain initial feedback on possible code standards for certain housing types. The consultants will present the materials from the PAC meeting and their recommendations to a joint Planning Commission/City Council meeting on August 14, 2024.
- Solar Project: Staff and consultants from OSU visited the Wastewater and Water Treatment Plants and the Water Intake Pump to evaluate site viability for solar field projects and/or agro-voltaic projects. Based on the consultant's recommendations, staff will schedule a meeting to assess plant electricity usage to determine net meter designs, community solar concepts, and possible next steps.
- Grant Administration (Oregon Cascade West Council of Governments):
 - Submitted applications: Safe Streets 4 All grant
 - Grant Research: Wastewater Treatment Plant capital grants, solar grants, CDBG eligibility for waterline replacement, senior center programming/staffing
 - Grant Administration: OCWCOG is administering the EPA grant funding the environmental assessment work currently underway for the Champion Mill site and the upcoming reuse planning process.
- Community Development Block Grant (CDBG) Program: All City documentation has been completed. The sub-consultants are reviewing documentation with BizOregon to verify compliance and begin the fund drawdown. The City is also considering a second CDBG opportunity to fund aging waterline infrastructure and laterals for low-income households.
- Continuum of Care (CoC) and Multi-Agency Coordination (MAC) to address homelessness: The Point-in-Time (PIT) count for homeless individuals was released this month. The PIT count is completed annually over a weekend in January and is intended to be a count of the homeless population across the nation. Although the count methodology is problematic and the count should not be considered entirely accurate, it is the source used by the federal and state governments for funding calculations and helps to identify a broad scope of the population. Lebanon's 2024 population count is 65. In contrast, the 2023 PIT count identified 52 individuals, marking a 20% increase.

- Rules Advisory Committee on Housing: DLCD has developed draft rules for the committee to review. Director Hart will review them and partner with other RAC members and the League of Oregon Cities to develop comprehensive comments and suggestions for rule amendments.
- Lebanon Community School District Facilities Advisory Committee: The Community Development Director continues participating in the LCSD Facilities Advisory Committee.
- Natural Hazards Mitigation Plan: The City continues to participate in developing the Linn County Natural Hazards Mitigation Plan. Staff is reviewing the community profile section for accuracy and updating data. A community survey will also be posted to the City's website and social media pages to obtain feedback on the community's perceptions of natural hazards in the area.

Building:

- The city processed 67 permits in June. The total fees received were \$46,089.29, and the construction valuation was \$3,350,773.54.
- By comparison, in June 2023, 43 permits were processed. The total fees received were \$8,524.50, and the construction valuation was \$454,037.00.
- A current list of the larger construction sites include:
 - Riverside Banks Subdivision and Duplexes (Williams Street)
 - 8-lot subdivision – Cascade Estates (Seven Oaks Lane/Cascade Drive)
 - 19-lot subdivision (Walker & Wassom)
 - 26-lot subdivision – Franklin Grove Estates (Franklin and Russell Drive)
 - 450 Weldwood Drive – Self Storage (Weldwood and Cascade Drive)
 - Blackrock Apartments – 12 units (2nd Street and Airport Road)
 - Airport Road Apartments – 60 units (Airport Road and Russell Drive)

Economic Development:

- Business visitation program: In July, Mayor Jackola, Councilor Workman, Interim City Manager Whitlatch, and Director Hart visited Ward 2 businesses. Below is a summary of the visits:
 - JC BBQ: Met with the business owner who educated the city on the intricacies of running a small restaurant business, provided statistics about the restaurant industry in Lebanon and insights into why recent restaurant closures occurred, and discussed the stresses of the current financial situation on the restaurant industry. The City offered advertising resources for the Willamette Food Trail to increase advertising and assistance through the SBDC to help obtain the disaster relief funds associated with the snowstorm this winter. Staff will also work closely with the Chamber of Commerce and the LDA to identify potential programs or resources to help elevate and support our small business community in light of increased corporate organizations operating in town.
- Downtown Building Restoration Program: Three projects were awarded grants this cycle for the total grant allocation of \$50,000: Papa's Building Façade Restoration (804 Main Street - \$25,000),

Wells Fargo Building Façade Restoration (809 Main Street - \$20,000), Kuhn Signage Additions and Painting (668 Main Street - \$5,000). Projects are underway.

- Rural Economic Alliance (REAL): The REAL group met in June and welcomed Pacific Power to present their community resource and outreach program to the member cities. The presentation included information about their state mandates on energy efficiency, how they achieve their goals, programs to assist low-income households, and opportunities for local governments to participate in Pacific Power's outreach framework.



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Item # 12.

MEMORANDUM

Engineering Services

To: Mayor Jackola and City Council
From: Ron Whitlatch, Engineering Services Director
Subject: **Engineering Update – July 2024**

Date: July 24, 2024

CAPITAL IMPROVEMENTS

- As time allows, Engineering Staff continues to work on designs for additional small sewer replacement/rehab projects. These include:
 - East Ash (between Carlson and Creswell)
 - Fourth Street (between Maple and Grant)
 - Udell Engineering is currently working on a survey to extend sanitary sewer on Grove Street (between Carolina and Dodge). They will also be collecting survey data for an additional sewer replacement on Grove Street from Milton to Elmore. Once we have the surveys, Staff will begin design in preparation for fall bidding.
 - Grove Street and Ash Street Sanitary Sewer Extension
 - Staff is continuing to receive applications for the replacement of sanitary sewer laterals (through the Small Sewer Lateral Replacement Program).
- Kennedy Jenks Engineering (KJE) and City Staff are continuing to move forward on the development of the Wastewater Treatment Plant Master Plan. KJE is working with DEQ to determine permit constraints for our new NPDES Permit that is scheduled to be issued in 2025. The Master Plan process has slowed somewhat over the last couple of months as we are waiting to see what the proposed NPDES Permit requirements will look like prior to finalizing the master plan. This process will likely take us into fall/early winter.
- Trails Update:
 - The design of the multi-use path along Airport Road (in conjunction with the Airport Road/Stoltz Hill Signal Project) from Seventh Street to Burkhart Creek has been completed and will be incorporated into the Stoltz Hill/Airport Road Signal Project. Originally, PP&L was going to relocate the powerlines underground (At a substantial cost), but after further review, we have determined that the poles can be moved slightly to accommodate the path.
 - The trail to connect the Old Mill Trail and the River Park Trail in the Gills Landing Parking lot is currently under construction. Santiam Canyon Excavating is completing the project and is scheduled to be completed in early fall of 2024. Build Lebanon Trails is funding the construction of the project.

- The City has received a Recreational Trails Grant to complete a segment of trail adjacent to River Park. Design is currently underway, but due to the current workload, the construction will likely happen in the spring of 2025.
- Willamette Valley Excavating continues to make good progress on the Seventh Street Reconstruction Project (Oak to 'F'). A majority of the new storm, sanitary sewer, and waterline lines have been installed. Testing and final intersection utility ties will take several weeks and then roadway reconstruction will begin. Due to the amount of non-local traffic continuing to ignore road closed signs and barricades, we will likely jersey barrier several of the cross-streets to mitigate conflicts (close calls) with motorists and construction workers/equipment. The project is scheduled to be completed by the end of the year.
- Staff has received comments back from ODOT for a design approval of several sidewalk access ramps on Grant Street between Park and Second Street. We will be making several revisions in order to satisfy ODOT. As time allows, Staff is designing the waterline replacement and street upgrades on Grant Street between Main Street and Fifth Street. A meeting with Union Pacific Railroad (UPRR) and Albany and Eastern Railroad was held on-site in December. Based on UPRR comments, it appears that the Rail Crossing on W. Grant will need improvements. Staff will be navigating what improvements and the costs associated with them in the coming months to determine the overall financial impacts on the project. This new information will likely delay the project.
- As Staff is available, we are continuing the process to update the City's five year Capital Improvement Projects Plan. This effort will likely take several months (being done as Staff time allows) to complete. Staff will bring the completed document to the City Council for approval sometime in 2024.
- Design for the new Traffic Signal at Airport Road and Stoltz Hill Road intersection is in final review. Staff intends to advertise the project for bids in September or October which will allow for the successful bidder to begin some work going into the winter months and also begin ordering traffic signal components (which have a 4 to 6 month lead time). The timing will also set the contractor up to finish the project (which will require Airport Road to be closed for a period of time during summer of 2025) immediately after school is out in early summer of 2025. The project also includes waterline extension on Stoltz Hill Road, sanitary sewer extension on Airport Road, storm drainage improvements, sidewalk and driveway installation, and a multi-use path along Airport Road.
- Udell Engineering is working on a conceptual master plan for the Cheadle Lake Park which the Parks, Trees, Trails Committee have reviewed. The cost estimate for the initial conceptual design was substantially more than we have available in funding. Staff and Udell Engineering will come up with an alternate design with a much more pared-down scope, focusing on accessibility improvements, backbone utilities, and hopefully a stage/event area. It is likely construction will take place in 2025.
- The Third Street Alley Sewer Re-habilitation Project was awarded to Ironhorse Construction at the July City Council Meeting. They intend to begin construction in September of 2024. This will be a Cured In Place Pipe installation which will eliminate the

need for excavation due to its location in the alley and having very little maneuvering room. The existing line has multiple failures and a substantial amount of infiltration.

- Udell Engineering is currently under contract to provide the Topographic Survey for design of Fifth Street (Tangent to Mary). Kittelson Engineering is also under contract to begin warrant analysis for a traffic signal at the intersection. This project will re-construct this portion of Fifth Street and likely add a traffic signal at the intersection of Fifth and Tangent (assuming it meets warrants and has ODOT approval). We had anticipated starting design early in 2024, but due to current workload (consultants and City Staff) that has been pushed back to fall 2024.
- Staff is currently wrapping up design of the Willow Storm Drainage Extension Project. We intend to advertise this project for bids within the next month with construction this fall.

ENVIRONMENTAL

- Staff has been actively working on our required TMDL update to DEQ. The update was submitted and has been approved by Oregon DEQ. As time allows, we will begin updating the City's Five-Year Matrix and submit it to DEQ for approval. In the coming months, there will also be a big push by DEQ to begin the water temperature requirements for each jurisdiction. The City will not know the impacts of this, if any until the new regulations have been issued. It is possible that the new regulations (which tie into the City's NPDES Permit Update) could require action at the Wastewater Plant in order to mitigate temperature. The TMDL will require more extensive water quality efforts for storm drainage included in future projects and require testing of storm drainage outfalls as well as temperature controls in the near future. In conjunction with the TMDL requirements, Staff will be sending letters to commercial/industrial properties reminding them to have their private catch basins cleaned yearly to help eliminate pollutants from entering drainage ways.
 - Annual Status report complete and submitted to DEQ for approval.
- Staff is working with Republic Service to complete the Oregon Recycling System Optimization Plan Survey (ORSOP) with Circular Action Alliance (CAA). The data collected in the questionnaire will be used to prioritize investments and to estimate the full cost of service expansions.

DEVELOPMENT ENGINEERING

- Hickory Lake Apartments water main extension complete with new hydrants online. Contractor working on site utilities and building construction.
- Franklin Grove Subdivision public improvements accepted. Site plans received for single family construction, home construction in process. A few homes have been completed and final.
- Plans approved for Buckmaster Plumbing new storage building. Contractor working on final punch list items.

- Kees Street extension improvements contractor working on final punch list items.
- Weldwood Dr storage fire hydrant extension and passed testing. Final street patch complete, contractor working onsite.
- Oak St sewer extension plans revised, and project has been scheduled.
- Panda Express corner of Airport and Hwy 20 project accepted, and final occupancy granted.
- Subdivision Madelyn Meadows between Walker & Wassom Street schedule and new public improvement permit to be issued.
- Blackrock Apartments corner of Airport & S 2nd final street patch complete, contractor working on site improvements and building construction.
- Mill Race Station RV storage plans stamped approved for construction; public improvement permit issued contractor working onsite improvements.
- Sewer main extension along 12th Street north of Airport approved.
- Plans approved for Wagon Wheel ½ street and water main extension.
- Harbor Freight water main extension complete, temporary occupancy granted.
- Plans reviewed and returned to engineer for revisions for Cedar Springs subdivision off of Mazama and Fuji.
- Plans reviewed and returned to engineer for gas station and convenience store on the corner of Airport & Stoltz Hill Roads.
- Plans on hold for review payment N Fifth extension with Hwy 20 access.



MEMORANDUM

Finance Department

TO: Mayor Jackola and City Council
Ron Whitlatch, Interim City Manager

FROM: Brandon Neish, Finance Director

RE: Department Report – July 2024

- Accounts Payable
 - Payments made in July 2024; 296 checks were processed for payments of \$1,434,002.43.
- Payroll
 - Payroll was processed on July 5th and July 19th for all employees. In total, 131 employees were paid during the month of July.
 - The following adjustments have processed since July 1, 2024 for payroll errors:
 - July 2024:
 - Employee had call back on the timecard that was missed on import into payroll. A manual check was completed on pay day (June 19th) for the missing call back hours.
 - Employee had overtime that was related to a contract provision. The time was placed on the timecard on June 30 but should have been listed on another date to ensure pay changes on July 1 were used for the OT calculation. The employee was paid for the additional rate of pay by a manual check.
- Audit
 - Staff completed the final field audit in November 2023 with a few items outstanding at time of auditors' departure.
 - Requested additional documentation was submitted by mid-December 2023.
 - Staff inquired with audit team in March regarding the status and availability to complete review.
 - Final drafts of financial statements were sent last full week of April for sign off.
 - Auditors completed review of financial statements on May 23, 2024. Staff is reviewing recommendations and making necessary changes.
 - A full financial report was completed June 24th for the first draft. The final report was produced on August 6th and is included in this City Council packet for Council approval.
- Utility Billing:
 - 6,296 billing statements (including electronics) were mailed July 29th for a total of \$1,259,733 in utility revenue.
 - 11 Owner Lien (past due) notification letters were mailed.
 - On July 12th, 374 phone calls went out to notify customers they have a past due balance.
 - There were a total of 136 lockouts in July.

- There was a total of 465 service requests in July: 68 move ins, 136 lock-offs, 11 re-read meters, 132 reconnects, 35 move outs, 12 leak checks, 4 changed meters, 30 turn ons, 4 turn offs, 23 meter installations, 2 meter removals, no dead meters, no water quality checks, 1 pressure test, no emergency requests, 1 meter test, no meter locates and 7 miscellaneous requests.

Utility Billing Data

	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24
Active Accounts	6,459	6,516	6,516	6,555	6,582	6,581	6,581	6,581	6,581	6,598	6,614	6,619	6,641
Penalty Applied	236	265	280	365	234	426	426	426	426	273	159	309	11
Lock Offs	74	0	100	73	114	N/A	107	77	135	71	118	77	136

Municipal Court Data

	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24
Charges Filed	102	137	166	109	180	102	241	95	132	158	235	148	210
Show Cause Issued	54	48	56	61	55	45	50	55	53	58	58	46	66
Licenses Suspensions Issued	20	38	32	30	20	47	39	51	38	38	52	33	52
Warrants Issued	160	231	203	150	169	141	174	202	164	108	205	166	160
Charges Disposed	137	141	123	121	92	170	163	196	117	122	177	161	177



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Item # 12.

MEMORANDUM

Human Resources Department

To: *Ron Whitlatch, Interim City Manager* Date: *August 1, 2024*
From: *Angela Solesbee, HR Director*
Subject: *Department Update for City Manager Report*

- Recruitment:
 - Communications Specialist – See PD City Manager Report for detail.
 - Police Officer – See PD City Manager Report for detail.
 - LINX Driver FT (2 Positions) – Posting open, closing on 8/6. One position filled with current PT driver.
- Benefits:
 - Business as usual
- Classification and Compensation:
 - Business as usual
- Training and Development:
 - August Safety training – Cold, Flu, and Transmissible Illness Prevention
 - September Safety training – Personal Protective Equipment (PPE)
 - August All Employee training – Conflict De-Escalation Techniques
 - September All Employee training – Cyber Security Essentials: Stop. Think. Ask.
- Performance Management:
 - 53 evaluations are past due as of 7/31/2024
 - 4 in Finance (oldest is nearly 3 years past due)
 - 1 in IT (just over 30 days past due)
 - 8 in City Manager's Office (Director Evals)
 - 18 in Public Works (oldest is over 3 years past due)
 - 3 in Library (oldest is just over a week past due)
 - 17 in Police Department (oldest is over 7 years past due – 8 employees)
 - 1 in SC/LINX (1 year past due)
 - 1 in Engineering (just over 2 weeks past due)
- Other
 - ADP Learning module on hold.
 - Document storage system on hold.



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INFORMATION TECHNOLOGY SERVICES – Brent Hurst, Director

IT

- Coordinated and got all services back online after global Crowdstrike service outage.
- Coordination continues with the Public Works departments to complete additional module installations on the new website.
- Continued assistance with the Lebanon Fire District on their website upgrade.
- The budgeted SCADA upgrade project continues.
- Staff assisted with Zoom & YouTube Santiam Travel Station (STS) meetings for City Council, Parks, Trees, and Trails, and other staff meetings as requested.
- Assist Public Works and Finance with monthly lock-off process.
- Continuing to work on audio/video bids for City Council chambers move to the library.
- Weekly and monthly security and vulnerability patches were completed.
- Staff addressed multiple other routine break-fix issues, equipment replacements, and maintenance renewals for IT.

GIS

- Attended the annual ESRI User Conference user sessions remotely.
- Continued the hydrant meter coordination with Community Development and Water Crew staff to identify meter locations, identify attributes, and coordinate updates with Finance staff.
- Work continues on the OHA Lead and Copper Survey coordination with Public Works.
- Coordination continues with LPD to update maps and common locations to report to service calls more effectively.
- Completed request from contractor and Planning Department to update topographic layers of City maps.
- Completed the newest version of the National Night Out map per request.
- Coordinated with Linn Count GIS members to update the hours of operation for local cooling centers in Lebanon.
- Coordinated with multiple departments to complete routine updates on mapping servers.
- Continued GIS/Utility Billing meter reconciliation both virtually and on site.
- Continued web map updates with coordination of GIS and Community Development departments.
- Continued work on the Water Quality Dashboard to be incorporated into the new City web site project in 2024.

- Coordinated new address updates with Community Development and Linn County GIS.
- The monthly tax lot updates from Linn County were completed.
- Installed new map boards in City buildings to reflect latest aerial photography.

Summary

During the past month, IT and GIS closed over 250 tickets or work orders. This includes system generated tickets that needed analysis and resolution in addition to end user requests for help.



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MEMORANDUM

Lebanon Public Library

To: Mayor, City Council & Ron Whitlatch, Interim City Manager

Date: July 25, 2024

From: Kendra Antila, Library Director

Subject: Manager's Report

- We continue to see very large crowds at our Summer Reading events. "City Big Rig Day" attracted over 400 people. Huge thanks to the Public Works Department for showcasing their equipment, especially Jason Rush who personally donated 300 child-sized hard hats.
- Solar spectrum artist Peter Erskine chose the Lebanon Public Library as one of the "100 Libraries Healing Rainbow Light for Oregonians" project. The prismatic installations are in 3 separate locations throughout the library and will provide ever-changing art throughout the seasons via sunlight and architecture. A grand opening will be held at the library on Saturday, August 10th. (See press release for details: <https://or-lebanon.civicplus.com/CivicAlerts.aspx?AID=27>)

THE CITY THAT FRIENDLINESS BUILT



40 N. 2nd Street, Suite 100
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www.ci.lebanon.or.us/police



Item # 12.

MEMORANDUM

Police Department

To: City Council
From: Chief Frank Stevenson
Subject: July Monthly Report

Date: July 29, 2024

- For July 2024, the Patrol Division had approximately 1,598 calls for service, made 105 arrests, issued 44 traffic citations, conducted 227 traffic stops, and wrote 170 case reports.
- We have extended a conditional job offer to a certified Communications Specialist, who is currently in the background portion. They will move into the psychological and medical portions once the extensive background evaluation is passed successfully.
- Officer Travis Boshart has passed the field training portion and is now a solo officer.
- Community Services staff members Albanese and Johnson, along with members of the Police Department, continue to conduct extra patrol within our parks system to assist in reduction of unwanted activities (ordinance violations and trespassing), and provide guidance related to overnight camping. Staff continues to work diligently to provide resources to members of the houseless community, and made over 40 contacts this past month. Staff members responded to four abandoned vehicle complaints that involved camper trailers and RVs; they also assisted in trespassing individuals who were in violation of city code, issuing 11 citations for individuals to appear in court.
- Community Services staff also spent time last month attending Live Longer Lebanon meetings, as well as conducting Peer Court. Currently, preparations are being worked on for the upcoming National Night Out event that will be held on August 6th.
- Recruit Officer Kuhns graduated from DPSST on July 26th and is now in his field training phase.
- Recruit Officer Wegner began her training at the DPSST Academy on July 29th.
- The Detectives Division remains busy. This month, they were assigned four (4) new cases, reviewed nineteen (19) DHS referrals, made one (1) arrest, sent four (4) cases to the DA's office for review, and spent time assisting Linn County Sheriff's Office.
- There was one (1) use-of-force incident to report for the month: officers contacted a male subject at a residence who was in violation of a release agreement and was to have no contact with a female subject who lived there. Officers located the male subject in a closed

INTEGRITY, PROFESSIONALISM & TEAMWORK

bedroom area with the victim; officers entered the bedroom and were exposed to a large amount of methamphetamine smoke. Officers pointed their Tasers at the subject, who complied and was taken into custody. Officers and others on-scene were evaluated by medics due to the exposure. Every use-of-force incident is reviewed extensively by a Sergeant, Lieutenant, the Captain, and finally the Chief. The incident was found to be a justified use-of-force case and fell within police policy.

Please do not hesitate to ask if you have any questions with regard to this summarization.



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MEMORANDUM

Public Works

Date: June 28, 2024

To: Mayor Jackola and City Council

From: Jason Williams, Public Works Director

Subject: City Manager's Report – August 2024

A. Collections (Sanitary-Storm):

- Mowing
 - Mowing in collections system R.O.W.'s is down to maintenance as needed.
 - Flattops have been completed.
- Manholes:
 - Working on list for manhole rehabilitation to be completed.
- Sewer Mains:
 - Repaired sewer main that was hit by contractor.
 - Cleaned 0 Feet and Video Inspected 0 Feet of sanitary sewer main line.
 - Flushed low flow, dead end sewer mains.
- Sewer Laterals:
 - Located several sanitary laterals in the areas of current construction jobs.
 - Assisted 4 customers with sewer lateral issues.
 - Video inspected 900-feet of sanitary sewer laterals.
 - Installed 0 cleanouts.
 - Conducted 6 sewer lateral replacement investigations.
 - 2 - entered program
 - 0 - not eligible or did not require replacement
 - 0 - working with customer to gather more information
 - 2 – working to correct issues.
 - Note: We were able to get all private laterals to at least a temporary working condition
- Storm:
 - Removed debris from several waterways to ensure flow this coming winter.
 - Cleaned 0 Feet and Video Inspected 0 Feet of storm line.
 - Completed the Collections Annual TMDL Report for DEQ.
 - Assisted Water Department with several water leaks.
 - Completed inventory and re-stocked items for upcoming projects.
 - Reviewed plans for new developments.
 - Worked with Engineering Department.
 - Plans/Design for several upcoming Sanitary and Storm sewer jobs.
 - Assist contractor on current Sanitary project
 - Monthly equipment checks and maintenance completed.

- Cleaned out River Park RV Dump Station holding tank and checked operation of the pump.
 - The card reader system has had no known issues.
- Pump at Gills Landing RV Park is functioning as it should.

B. Parks:

- Opened, closed, and cleaned parks restroom buildings daily.
- Mowing full time.
- Crews continued vegetation management.
- All parks and trails system garbage's checked daily and emptied.
- Assisted with event at Cheadle Lake Park.
- The trail system is cleaned weekly of leaves and other debris.
- There has also been an increase in daily vandalism and trash pick-up which has increased the amount of time it takes crews to clean restrooms and complete trash pick-up.
- Gills Landing
 - There were 97 RV park reservations for the month of July.
 - There were 35 shelter rentals for the month of July.

C. Streets:

- 1 – days were spent sweeping.
- Installed and removed street banners for public events.
- Sprayed trails, parks, and ROWs for vegetation management.
- Daily watering of hanging baskets and filling of tree bags
- Crews replaced street signs / posts that had been damaged, graffitied, or were faded.
- Responded to garbage clean-ups on roadway.
- Graded gravel roadways, alleys, and shoulders of roads and filled potholes throughout town.
- Mowed alleys and ROW's.
- Assisted additional departments:
 - Responded to water leaks.
 - Responded to sewer plug.

D. Wastewater Treatment Plant:

- The Lebanon WWTP was in full compliance with our NPDES permit for June 2024.
- Influent flow for the month of May averaged 2.70 MGD with a peak of 4.61 MGD and a total of 80.98 MG
- Started Belt Filter Press and hauling to by Republic Services as we await summer field to be ready for application
- Sold 1-25Hp Hurricane to Sweet Home

E. Water:

- Meter reading was completed.
- Daily water service orders including leak checks, locates, taste and quality issues, water samples and other customer concerns continue.

- Followed up on water concerns and completed sample testing requested by citizens.
- Completed state water samples.

F. Water Treatment Plant:

Production	
Monthly Water Use (Intake Flow Meter)	165.78 MG
Finish Water Produced	85.11 MG
Water Sent to Cheadle Lake	69.86 MG

Water Quality					
Finish Chlorine			CT Basin Turbidity		
Min > 0.20 mg/L	Max < 4.00 mg/L	Average ~ 1.00 mg/L	Min	Max < 1.000 NTU	Average
0.78	1.85	1.11	0.013	0.043	0.017
Finish pH			Filtrate Fluoride (Average of Each Day)		
Min > 7.00 pH	Max < 9.00 pH	Average	Min	Max < 4.00 mg/L	Average ~ 0.70 mg/L
7.35	8.13	7.72	0.00	0.00	0.00

- UF Feed pump A rebuild.
- MFW Tank cleaning.
- Drying bed laid out splitter box clean out.



MEMORANDUM

Senior Services & LINX Transit

Date: August 1, 2024

To: Mayor Jackola and City Council

From: Kindra Oliver, Senior Center & LINX Transit Director

Subject: Monthly LINX & Senior Center Report

LINX Transit:

LINX had a full-time driver retire last month and they are now driving part time. We have another full-time driver retiring at the end of August. We posted an internal recruitment a couple of weeks ago and filled the vacancy with one of our part-time drivers, who will start as full-time on August 12th. We have an active recruitment open for the other full-time vacancy and will conduct interviews on August 8th or 15th.

LINX staff is working on the Request for Information (RFI) for scheduling and dispatching software and equipment to assist with increased rider demand and gaining efficiencies with daily operations. A Request for Quote (RFQ) will follow shortly after the RFI process is complete. The RFI process will help guide the scope of work for the RFQ.

Linn County and ODOT have announced the timelines associated with FY25-27 grant solicitations, as follows:

- STIF (Statewide Transportation Improvement Funds) Discretionary grant applications for capital purchases and pilot projects will be due to ODOT on August 5th.
- 5310 applications for vehicle preventative maintenance and capital projects will be due to Linn County on October 8th.
- STIF Payroll grant applications for operations will be due to Linn County on October 15th.
- STIF Population grant applications for operations will be due to Linn County on October 15th.
- 5311 applications for operations will be due to ODOT on November 20th.

Senior Center:

Summer is a great time for outdoor activities at the Senior Center, including fun activities like a “pool party” or Watermelon Games to bring out some youthful energy and social opportunities. A

mix of smaller gatherings allow people to connect on a deeper level and wonderful to see new friendships blossom.

Prior to COVID, we had a good-sized fiber arts group that met weekly. Unfortunately, some of that leadership past and the group disconnected. Senior Center staff have been refreshing crochet skills so that we can make a focused campaign into re-energizing this group. We will be leading a Crochet for a Cause group on Tuesday afternoons, starting in August. The intent is to gather seniors interested in knitting or crochet to work on blocks. Beginners are also welcome and will be taught a basic block that they can feel accomplished learning and be able to contribute to the project. Blocks will be stitched together to form small lap blankets. These blankets will be donated to the infusion center at the hospital and possibly to CASA if output exceeds the need of the hospital. We hope connections will be made between participants and staff can use this project to rekindle a regular meeting of a fiber arts group.

We have a new volunteer who will be teaching a variety of crafts at the Senior Center each month.

We have another new volunteer sparking an interest in bringing seniors together to play poker in our game room. This group will welcome beginners and experienced players. The games will be played for fun with everyone receiving the same number of chips at the start, players taking turns being dealer and dealer choosing the type of poker that round. Several seniors have already started voicing an interest in the new groups.

Senior Center staff are also working hard to prepare for big events in September, which is National Senior Center month. We are working to put a resource fair together and other activities around this year's theme, "Empowering Connections." Falls Prevention Week also occurs in the month of September. Falls have a drastic impact over the well-being and quality of life for seniors, so want to help spread awareness as we can. Last year's Falls Prevention Event was a big success, so we are hoping to build on a partnership with Comp-NW Physical Therapy Program to reach even more seniors with information about preventing falls.

CITY OF LEBANON

Public Testimony / Comment Card

Name: Shellie Sackola

Ward Number: _____ Date: 8-14-24

Address: _____

Phone: _____

Subject of Testimony: _____

Position on Issue: ☐ Pro ☐ Con

I represent: ☐ Myself ☒ Other Lebanon Downtown

Question for Council: ASSO.

CITY OF LEBANON
Public Testimony / Comment Card

Name: Melinda Rickard
Ward Number: 7 Date: 8-14-23
Address: 750 Walker Rd
Phone: N/A 760-438-6441 Phone issues right now
Subject of Testimony: See Below
Position on Issue: ☐ Pro ☐ Con N/A
I represent: ☒ Myself ☐ Other City + County as a resident
Question for Council: Homelessness, resources, billing issues
New Business, New to Oregon. What are the plans
to be better equipped in handling the issues
and steps taken to help

CITY OF LEBANON
Public Testimony / Comment Card

Name: Linda Newport Brewer
Ward Number: 3 Date: 8/14/24
Address: 127 E Elmore St.
Phone: 541-259-1735
Subject of Testimony: No Parking East Elmore
Position on Issue: ☒ Pro ☐ Con
I represent: ☒ Myself ☐ Other _____
Question for Council: _____

