LEBANON CITY COUNCIL REGULAR MEETING, WORK SESSION AND EXECUTIVE SESSIONS AGENDA

August 27, 2025 at 12:00 PM

Library Community Meeting Room
55 Academy Street, Lebanon, Oregon

MISSION STATEMENT

We provide services that foster a resilient, safe, and growing community, strengthened by our community connections

Mayor: Kenneth Jackola

Council President Michelle Steinhebel | Councilor Dominic Conti | Councilor Carl Mann

Councilor Jeremy Salvage | Councilor David McClain | Councilor Dave Workman

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 27, 2025
2. ***BOARD MINUTES:***
   2025-04-16 Senior & Disabled Services Advisory Committee Minutes
3. ***COUNCIL MINUTES:*** 2025-07-23 City Council Meeting and Work Session
4. ***LIQUOR LICENSE:*** Le Cirque at the Lebanon Mercantile
5. **GRANT AUTHORIZATION**: On Behalf of the Boys and Girls Club
6. **PARKING RESTRICTION**: E. Oak Street
7. **RIGHT-OF-WAY DEDICATION:** 2010 Stoltz Hill Road

PRESENTATION / RECOGNITION

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 26, 2025**. The City Recorder will distribute comments to the Mayor and Council prior to the meeting.*

PUBLIC HEARING(S)

REGULAR SESSION

8. Approval of Road Transfer Agreement - Wassom and Kees
9. Ordinance No. 7 for 2025, Ordinance Bill No. 3038, A Bill for an Ordinance Revising Procedures for Selling City Owned Real Estate and Amending Chapter 3.16 of the Lebanon Municipal Code
10. Acceptance of the FY2024 Annual Finance Report
11. *ADJOURNMENT AND CONVENE: Adjourn as the City of Lebanon City Council and Convene as the Urban Renewal Agency Budget Committee*

    Acceptance of the 2024 Urban Renewal Financial Report

    ADJOURNMENT AND CONVENE: Adjourn as the Urban Renewal Agency Budget Committee and Reconvene as the City of Lebanon City Council
12. **Department Reports**

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): September 10, 2025 Regular Meeting @ 6PM.

CALL TO ORDER WORK SESSION

City of Lebanon Work Sessions are less formal meetings that enable the Council to focus on and explore in detail a topic with staff and/or consultants. Like regular Council meetings, citizens are encouraged to attend and observe work sessions. Unlike regular Council meetings, work sessions do not include public hearings or other opportunities for citizen comments. Should action be required, that topic would be brought back to the next available regular session, at which time citizens would have the opportunity to comment before a formal action is taken.

DISCUSSION ITEMS

1. Legislative Platform

ADJOURN WORK SESSION

EXECUTIVE SESSION

Executive Sessions are closed to the public due to the highly confidential nature of the subject. It is unlawful to discuss anything outside of the Executive Session. Final action/decisions are to be made in open session.

1. Per ORS 192.660(2)(e) To Conduct Deliberations with Persons Designated by the Council to Negotiate Real Property Transactions (2)

REGULAR SESSION

Council may reconvene into open session should action be required.

ADJOURNMENT

INSTRUCTIONS FOR TESTIFYING ON AGENDA AND NON-AGENDA ITEMS:

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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.

Senior Center and LINX Transit
80 Tangent Street
Lebanon OR 97355
(541) 258-4919
www.ci.lebanon.or.us

ADVISORY BOARD MEETING
April 16th, 2025

MTG REPORT

Members Present: Cody Wack, Linda Meredith, Marlene Flyer, Jolie Root, Barbara Hemnes

Excused Absence: Sherry Leist and Dorrie Board

Staff Present: Kindra Oliver

1. WELCOME:
Meeting was opened at 10:00 a.m.

2. MINUTES:
Marlene moved to approve the minutes from the January 15th, 2025 Advisory Board meeting; Cody seconded; motion passed unanimously.

3. REPORTS:

Meal Site:

- Tori continues to look for additional volunteers to drive and help in the kitchen. Tori can utilize volunteers who can drive once a month up to every day of the week.
- Kindra is working on getting a new stove, replacing the two back exterior doors with windows so MOW can see people coming/going before opening doors, a new dishwasher and getting a deep clean of the kitchen/floors. Cascades West Council of Governments will be using $25,000 in Covid funds to help with the purchases.

Senior Center:

- Our Senior Center Volunteer Appreciation is April 22nd, to celebrate all our amazing volunteers who help provide programming and services to our community! Thank you!
- We moved our coffee area from the hallway to our library area, where its more visible to staff. We'll have the ability to remind people that coffee is available for those who come to visit and participate in Senior Center programming. We've received some positive comments about the move and we're hoping supplies will last longer.
- Senior Center staff continues to reach out to OSU Extension Services to offer our space for the monthly cooking demos they put on for the community. They usually had 25-30 people attend, so we hope to add back to our schedule, soon!

- Our Afternoon Tea event was successful and we had 62 seniors join the fun. Rebe and Michelle did a great job with décor and refreshments!
- Senior Center staff is planning to host a luau in June. We're currently looking to finalize entertainment and will announce the date soon.
- Senior Center staff is looking to make some changes regarding meetings and communication with our wonderful volunteers. We're planning activities and events further out, so will likely have meetings every quarter, versus every month, so we can talk about specific details with each event or program. We also want to make sure we're asking our volunteers to help out in an area that they enjoy and are comfortable with. Thanks again to all of our volunteers!
- We are working on some of the following improvements at the Senior Center (short and potential long term projects):
    - New work station in the front office for driver training and helping with a smooth transition for Rebecca and Kindra covering for breaks and lunches; The new desk and work station should be installed next week.
    - New window in the door of the front office, so dispatchers can see as people are coming up to the window for help and purchasing books.
    - New furniture in the Senior Center Library area that is easy to clean.
    - Deep clean of the restrooms when they come to do the kitchen;
    - Build up the open wall and close the ceiling in the Heritage Room; As it is now, people have a hard time hearing presentations and conversations with people meeting in the Meeting Room, Exercise Room and Game Room; We are purchasing signs for the hallway, to keep voices down, as meetings are taking place in those rooms most of the time;
    - Replace hardware on Senior Center exterior doors; The current hardware is original to the building and the doors stick and sometimes have issues with the alarm going off;
    - New concrete at front entrance and walkways to address even out the surface;
    - Expand the parking lot on the east side, to allow for 10-12 additional parking spots; recurb and restripe;
    - Misc IT upgrades; Audio/visual equip in a couple of rooms;
    - Replace pneumatic controls, which will prolong the life of the boiler and tie systems together.
    - New windows in front office to bring in natural light for dispatchers;
    - Repair/recondition partitions in the auditorium, as they are currently difficult to open and close;
    - Kitchen upgrades, including looking at repairing the kitchen gate;
    - Exterior facility facelift, including new paint and replacing some wood beams.
    - Interior facility upgrade, including fresh paint in the Heritage Room, sand and repaint doors and front of stage (they're peeling)
    - Upgrade AV in auditorium
    - Improvements to stage – lights, roller for piano, sound proof back wall
    - Exercise Room – approximately 3,000 square feet with additional restroom and changing room;
    - Replace tile floors in auditorium (if no exercise room)

LINX Transit:

- We are currently at 59,000 rides, as of April 15th and are on track to provide up to 75,000 rides this fiscal year.
- LINX Transit Project Updates:
  - LINX Fleet Parking: We have been parking our LINX vehicles at the Maintenance Shop since early February. Maintenance staff is working on constructing the LINX storage shed and making improvements to the pit, mechanic area and wash rack.
  - LINX Transit bus stop improvements at Park & Oak Street: Our consultant completed a cultural assessment, which we provided to ODOT and FTA. We're currently waiting for approval from ODOT and the FTA that the environmental NEPA process has been satisfied, so we can move forward with the improvements.
  - LINX Transit scheduling and dispatching software: We are getting closer to finalizing a contract with a vendor and start the implementation process.

4. CONTINUING BUSINESS:

- The group decided Wednesday, May 14th, would be a good day for Biscuits with the Board! This would be an informal gathering for seniors to meet our SC/LINX Advisory Board. We could get some valuable feedback, see what is and isn't working well and get some new ideas from seniors directly.

5. DISCUSSION / NEW BUSINESS:

- Next Advisory Board Meetings scheduled:
  Wednesday, June 18th, 10:00 am
  Wednesday, October 15th, 10:00 am

6. ADJOURNMENT

LEBANON CITY COUNCIL REGULAR MEETING AND WORK SESSION MINUTES

July 23, 2025 at 12:00 PM

Library Community Meeting Room
55 Academy Street, Lebanon, Oregon

MISSION STATEMENT

We provide services that foster a resilient, safe, and growing community, strengthened by our community connections

Mayor: Kenneth Jackola

Council President Michelle Steinhebel | Councilor Dominic Conti | Councilor Carl Mann

Councilor Jeremy Salvage | Councilor David McClain | Councilor Dave Workman

CALL TO ORDER / FLAG SALUTE

The meeting was called to order at 12:00 PM.

ROLL CALL

PRESENT
Mayor Kenneth Jackola
Councilor - Ward 1 Dominic Conti
Councilor - Ward 1 Carl Mann
Councilor - Ward 2 David McClain
Council President - Ward 3 Michelle Steinhebel

ABSENT
Councilor - Ward 2 Dave Workman
Councilor - Ward 3 Jeremy Salvage

STAFF
City Manager Ron Whitlatch
City Attorney Tre' Kennedy
Chief of Police Frank Stevenson
Finance Director Brandon Neish
Community Development Director Kelly Hart
Public Works Director Jason Williams
Plant Manager Steven Haney
City Recorder Julie Fisher

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.

Motion made to approve the Consent Agenda by Council President - Ward 3 Steinhebel, Seconded by Councilor - Ward 1 Mann.

Voting Yea: Councilor - Ward 1 Conti, Councilor - Ward 1 Mann, Councilor - Ward 2 McClain, Council President - Ward 3 Steinhebel

1. ***AGENDA:*** Lebanon City Council Agenda – July 23, 2025
2. ***COUNCIL MINUTES:*** *2025-07-09 Executive Session Minutes; 2025-07-09 Work Session and Regular Meeting Minutes.*
3. ***OLCC LICENSE REQUESTS****: Lil Bombshell and US Mini Mart 3*

PRESENTATION / RECOGNITION

None

PUBLIC COMMENTS

None

PUBLIC HEARING(S)

4. Ordinance Bill No. 2025-06 - Ordinance No. 3037 - A Bill Amending Ordinance No. 3026 and Lebanon Municipal Code Section 3.24 City Services Fee

   The Public Hearing was opened at 12:02 PM.
   Finance Director Brandon Neish presented the staff report noting that the Lebanon Municipal Code (LMC) 3.24 currently authorizes the collection of a City Services Fee from development properties within the city limits. This fee helps fund essential services including police, code enforcement, planning and municipal court operations. These services benefit the entire community and contribute to the safety, livability and orderly development of the City. Finance Director Neish recommended amending LMC 3.24 to remove the limitation to developed properties and apply the fee to all properties within the city limits. This change ensures equitable contribution from all property owners who benefit from the City's core services.

   There was no testimony in favor or opposition.

   The public hearing was closed at 12:06 PM.

   City Attorney Kennedy read the title of Ordinance Bill No. 2025-06, Ordinance No. 3037 - A Bill Amending Ordinance No. 3026 and Lebanon Municipal Code Section 3.24 City Services Fee.

   Motion made by Councilor - Ward 2 McClain, Seconded by Councilor - Ward 1 Mann.
   Voting Yea: Councilor - Ward 1 Conti, Councilor - Ward 1 Mann, Councilor - Ward 2 McClain, Council President - Ward 3 Steinhebel

REGULAR SESSION

5. Cheadle Lake Park Improvements Project Award

   City Manager Ron Whitlatch reported on May 23, 2025, The Cheadle Lake Improvements Project Request for Proposals (RFP) for qualified CM/GC (Construction Manager/General Contractor) Services was publicly advertised. The City received six qualified proposals.

   City staff, and Udell Engineering staff (design engineer) reviewed, scored, and ranked the six proposals based on the criteria as defined in the RFP. Knife River provided the most complete, in-depth proposal.

   The initial phase of the contract is for Pre-Construction Services which will include Value Engineering, final design recommendations, and cost estimating, to arrive at a Guaranteed Maximum Price (GMP). If the GMP can be negotiated to construct the project within the allocated budget of $5.5 - 6 million, an amendment known as the GMP Amendment will be recommended for approval by the City Council.

   Motion made to approve the contract in the amount of $34,900 for Construction Manager/General Contractor (CM/GC) Services for the Cheadle Lake Park Improvement Project by Councilor - Ward 2 McClain, Seconded by Councilor - Ward 1 Mann.

Voting Yea: Councilor - Ward 1 Conti, Councilor - Ward 1 Mann, Councilor - Ward 2 McClain, Council President - Ward 3 Steinhebel

ITEMS FROM COUNCIL

Councilor McClain stated he was unhappy with the decision to discontinue the Council Stipend stating he felt devalued.

PUBLIC/PRESS COMMENTS

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

None

NEXT SCHEDULED COUNCIL MEETING(S): August 13, 2025

City Manager Whitlatch stated that the agenda for the regular meeting in August is light, however there will be a second meeting the fourth week of August. Staff will review the agenda and may recommend combining both meetings into one for August 27th.

ADJOURNMENT

The meeting adjourned at 12:15 PM.

CALL TO ORDER WORK SESSION

City of Lebanon Work Sessions are less formal meetings that enable the Council to focus on and explore in detail a topic with staff and/or consultants. Like regular Council meetings, citizens are encouraged to attend and observe work sessions. Unlike regular Council meetings, work sessions do not include public hearings or other opportunities for citizen comments. Should action be required, that topic would be brought back to the next available regular session, at which time citizens would have the opportunity to comment before a formal action is taken.

The meeting was called to order at 12:16 PM.

DISCUSSION ITEMS: Wastewater Treatment Plant

City Manager Ron Whitlatch, Public Works Director Jason Williams, and Plants Manager Steven Haney reported to the Council on updates regarding the Wastewater Treatment Plant.

The NPDES Permit has been issued, and staff has been reviewing all changes. It was noted that the DEQ amendments in the permit have become more restrictive and will require a change in current processes such as sampling.

There was discussion regarding a DEQ Ruling related to PFAS (polyfluoroalkyl substances) and field applications, which are currently being hauled to landfills.

The City of Lebanon WWTP Master Plan will be completed this summer. The existing plant is at or near capacity on the liquid stream side, however with the PFAS uncertainty, elevated solids have become the priority.

The priority construction projects include the liquid stream, solid stream, and operations, and is estimated to cost approximately 70 million. The projects are all driven by increased regulations. Staff reported on a wastewater reserve fund of 20 million, which leaves a funding gap of 50 million. It was noted that the project is necessary to continue providing services and funding is the critical path. Discussion ensued on possible rate increases. City Manager Whitlatch stated it was necessary for Council to understand why rate increases may be necessary. A resolution for automatic increases was discussed by Council. City Manager Whitlatch stated communication with the public during the entire process is important.

ADJOURN WORK SESSION

The meeting was adjourned at 12:49 PM.

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925 S. Main Street
Lebanon, Oregon 97355

TEL: 541.258.4905
www.lebanonoregon.gov

MEMORANDUM

City Recorder's Office

Date: August 27, 2025

To: Mayor Jackola and City Council
From: Julie Fisher, City Recorder
Subject: OLCC New License Approval Requests

Le Cirque at the Lebanon Mercantile has applied for a Limited On-Premises, New Liquor License. Lebanon Mercantile is located at 661 Main Street.

As part of the licensing process, the OLCC asks for City Council recommendation. The Police Chief, Fire Marshal, Building Official, and Community Development Director reviewed the application and found no evidence to support a denial of this liquor license application.

Council Action:

Staff recommends that Council authorize a favorable recommendation to OLCC for Le Cirque at the Lebanon Mercantile, under the City Council Consent Calendar.

OREGON LIQUOR & CANNABIS COMMISSION

Local Government Recommendation – Liquor License

Annual Liquor License Types	
Off-Premises Sales	Brewery-Public House
Limited On-Premises Sales	Brewery
Full On-Premises, Caterer	Distillery
Full On-Premises, Commercial	Grower Sales Privilege
Full On-Premises, For Profit Private Club	Winery
Full On-Premises, Non Profit Private Club	Wholesale Malt Beverage & Wine
Full On-Premises, Other Public Location	Warehouse
Full On-Premises, Public Passenger Carrier	

Section 1 – Submission – To be completed by Applicant:

License Information

Legal Entity/Individual Applicant Name(s): Rachelle Templeton

Proposed Trade Name: Le Cirque at the Lebanon Mercantile

Premises Address: 661 main st. Unit:

City: Lebanon County: Linn Zip: 97355

Application Type: (✓) New License Application ( ) Change of Ownership ( ) Change of Location

License Type: Limited on Premises [ ] Additional Location for an Existing License

Application Contact Information

Contact Name: Rachelle Templeton Phone: [redacted]

Mailing Address: [redacted]

City: Lebanon State: Oregon Zip: 97355

Email Address: [redacted]

Business Details

Please check all that apply to your proposed business operations at this location:

[ ] Manufacturing/Production

[X] Retail Off-Premises Sales

[X] Retail On-Premises Sales & Consumption

If there will be On-Premises Consumption at this location:

[X] Indoor Consumption [ ] Outdoor Consumption

[X] Proposing to Allow Minors

Section 1 continued on next page

OREGON LIQUOR & CANNABIS COMMISSION

Local Government Recommendation – Liquor License

Section 1 Continued – Submission - To be completed by Applicant:

Legal Entity/Individual Applicant Name(s): Rachelle Templeton

Proposed Trade Name: Le Cirque at the Lebanon mercantile

IMPORTANT: You MUST submit this form to the local government PRIOR to submitting to OLCC. Section 2 must be completed ***by the local government*** for this form to be accepted with your CAMP application.

Section 2 – Acceptance - To be completed by Local Government:

Local Government Recommendation Proof of Acceptance

After accepting this form, please return a copy to the applicant with received and accepted information

City or County Name: Optional Date Received Stamp

Date Application Received:

Received by:

Section 3 – Recommendation - To be completed by Local Government:

- ○ **Recommend this license be granted**
- ○ **Recommend this license be denied** (Please include documentation that meets OAR 845-005-0308)
- ○ **No Recommendation/Neutral**

Name of Reviewing Official:

Title:

Date:

Signature:

After providing your recommendation and signature, please return this form to the applicant.

925 S. Main Street
Lebanon, Oregon 97355

TEL: 541.258.4906
cdc@ci.lebanon.or.us
www.ci.lebanon.or.us

MEMORANDUM

Community Development

To: Mayor Jackola and City Council Date: August 13, 2025

From: Kelly Hart, Community Development Director

Subject: A Resolution to authorize submittal of a Community Renewable Energy Pass Through Grant on behalf of the Boys & Girls Club

I. INTRODUCTION

The Boys & Girls Clubs of the Greater Santiam (BGCGS) is pursuing a Community Renewable Energy Pass Through Grant from the Oregon Department of Energy to expand its existing solar array and install a large-capacity battery storage system at the Lebanon Clubhouse. The City of Lebanon has been asked to serve as the lead applicant for this grant. If awarded, the grant funds will be passed directly to BGCGS to implement the project. The City will not receive or manage project funds beyond fulfilling the applicant role.

II. CURRENT REPORT

The proposed project has three primary goals: (1) reduce energy costs through the use of renewable power, (2) provide battery-backed electricity for critical operations during outages, and (3) strengthen the City's emergency preparedness by positioning the Club as a potential future shelter site during emergencies. The project scope includes relocating the existing roof-mounted solar panels to a new ground-mounted system to accommodate a planned roof replacement, protecting the existing investment, and enabling system expansion in conjunction with the battery installation.

The total grant request is $1,000,000. The Boys & Girls Club owns the land and building where the project will occur. As part of the grant process, the Oregon Department of Energy requires written authorization from the City Council naming the authorized representative for the grant submission, confirming the City's role as lead applicant, and affirming compliance with applicable state and local laws. Approval of the attached resolution will allow the City to submit the application on behalf of BGCGS and meet all program documentation requirements.

III. RECOMMENDATION

1. Approve the resolution authorizing staff to apply for the Community Renewable Energy Pass Through Grant on behalf of the Boys & Girls Club and authorize the City Manager to sign any required documents.

A RESOLUTION AUTHORIZING SUBMITTAL OF AN APPLICATION FOR THE OREGON DEPARTMENT OF ENERGY COMMUNITY RENEWABLE ENERGY GRANT AND AUTHORIZING THE CITY MANAGER TO SIGN ALL APPROPRIATE DOCUMENTS ASSOCIATED WITH IT	)))))	**RESOLUTION NO. 2025-14**

WHEREAS, the Boys & Girls Clubs of the Greater Santiam (BGCGS) is pursuing a Community Renewable Energy Pass Through Grant from the Oregon Department of Energy to expand its existing solar array and install a large-capacity battery storage system at the Lebanon Clubhouse; and

WHEREAS, the City of Lebanon has been asked to serve as the lead applicant for the grant, with the grant funds to be passed directly to BGCGS for implementation of the project; and

NOW, THEREFORE, BE IT RESOLVED the Council of the City of Lebanon herein authorizes staff to submit an application for the Oregon Department of Energy Community Renewable Energy Pass Through Grant for the Boys & Girls Clubs of the Greater Santiam Solar & Battery Storage Expansion Project, and authorizes the City Manager to execute all documents necessary for the application and administration of the grant on behalf of the City.

SECTION 1. The Lebanon City Council will accept any Oregon Department of Energy Community Renewable Energy Pass Through Grant award resulting from this application. The Boys & & Girls Clubs of the Greater Santiam (BGCGS) will ensure compliance with all applicable state and local laws, regulations, and permitting requirements.

SECTION 2. This Resolution shall be effective immediately upon its passage.

Passed by the Lebanon City Council and executed by the Mayor on this 27th day of August 2025 by a vote of ____ yeas and ____ nays.

CITY OF LEBANON, OREGON

_____

Kenneth E. Jackola, Mayor ☐

Michelle Steinhebel, Council President ☐

ATTESTED BY:

_____

Julie Fisher, City Recorder

925 S. Main Street
Lebanon, Oregon 97355

TEL: 541.258.4923
www.lebanonoregon.gov

MEMORANDUM

Engineering Services

Date: August 20, 2025

To: Mayor Jackola and City Council
From: Ron Whitlatch, City Manager
Subject: Resolution for Restricting Parking on E Oak Street

Background

Lebanon Municipal Code (LMC) Chapter 10.24 currently establishes the process for prohibiting parking on streets by city council.

Issue

With the relocation of the Lebanon Downtown Farmers Market to the corner of Park and Oak Streets, staff has noticed some patrons parking on East Oak Street near the intersection of Park Street. Staff is concerned with the location of the parking causing safety issues for pedestrians and motorists both on East Oak Street and Park Street.

Recommendation

Staff is requesting to have the curbs on the portion of East Oak Street as marked below. Surrounding properties were not notified as the City of Lebanon is the only owner of the property affected.

Requested Action

Staff recommends that City Council pass the resolution to restrict parking on a portion of East Oak Street.



RESOLUTION ELIMINATING PARKING ON A PORTION OF EAST OAK STREET WITHIN THE CITY OF LEBANON	)))	**RESOLUTION NO. 2025-15**

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 north and south sides of East Oak Street, beginning at Park Street, extending approximately one hundred and fifteen feet east on the north side and seventy-five feet on the south side of East Oak 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 27th day of August 2025, 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
Lebanon, Oregon 97355

TEL: 541.258.4923
www.lebanonoregon.gov

MEMORANDUM

Engineering Services

Date: August 20, 2025

To: Ron Whitlatch, City Manager / City Engineer
From: Tammy Dickey, Development Technician
Subject: Right-of-Way Dedication – 2010 Stoltz Hill Road

Background

In 2023, the owner of 2010 Stoltz Hill Road applied to construct a new convenience store and fueling station on the property they owned across the street at 911 W Airport Road and in turn demolish the existing convenience store located at 2010 Stoltz Hill Road.

Issue

With the relocation of the convenient store and the addition of a fueling station, the need for a signalized intersection at Airport Road and Stoltz Hill Road increased. As part of the city's capital improvement project to install the signal, the owner agreed to dedicate a portion of right-of-way on the northeast corner of the property to allow room for the location of a signal pole. As part of the negotiation for the right-of-way dedication, staff agreed to install sewer and water to the property as part of the project in lieu of offering compensation for the right-of-way dedication.

Recommendation

Staff recommends City Council approval of the right-of-way dedication.

Requested Action

Staff requests that City Council authorize the City Manager to sign the right-of-way dedication.

925 S. Main Street
Lebanon, Oregon 97355

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MEMORANDUM

Engineering Services

Date: August 14, 2025

To: Ron Whitlatch, PE City Manager / City Engineer
From: Shana Olson, Development Services Supervisor
Subject: Approval of Road Transfer Agreement

Background

As infill development occurs, existing substandard streets are being improved to meet city standards. Specifically, Wassom and Kees Streets have experienced several redevelopment projects that included significant street improvements.

The purpose of the proposed Road Transfer Agreement is to formalize the city's jurisdictional boundaries and streamline the development process for these recently annexed streets. Additionally, this agreement will enhance enforcement capabilities and enable our local police department to better enforce parking restrictions.

Recommendation

Staff recommends the City Council approved the attached Road Transfer Agreements for Wassom and Kees Street with Linn County.

WASSOM STREET AND KEES STREET JURISDICTIONAL TRANSFER

INTERGOVERNMENTAL AGREEMENT

(Pursuant to Linn County Resolution & Order No. 2025-133)

THIS AGREEMENT is made and entered into by and between the City of Lebanon, a municipal corporation of the State of Oregon, (City) and Linn County, a political subdivision of the State of Oregon, (County) the promises of each being given in consideration of the promises of the other.

RECITALS

1. WHEREAS, ORS. 190.003 et seq. provides for intergovernmental cooperation in the interest of furthering economy and efficiency of local government; and
2. WHEREAS, ORS. 190.003 for purposes of such intergovernmental cooperation defines a unit of local government as including a county, city, district, or other public corporation, commission, authority, entity organized and existing under statute or city or county charter; and
3. WHEREAS, OR 190.010 provides that a unit of local government may enter into a written agreement with any other unit or units of local government for the performance of any or all functions and activities that a party to the agreement, its officers or agencies, have authority to perform; and
4. WHEREAS, Wassom Street (CR0712) right-of-way (Exhibit A), from the intersection of Stoltz Hill Road (CR0739) easterly approximately 369 linear feet to the existing City limit, or east property line of tax lot 12S 02W 15CD 01700, and Kees Street (CR0712A) right-of-way (Exhibit B), from the intersection of Stoltz Hill Road (CR0739) easterly approximately 620 linear feet to the existing City limit, or east property line of tax lot 12S 02W 15CD 00600, hereinafter referred to as "Project", are roads under the jurisdiction of County, currently outside the incorporated limits of City, and is in need of improvement.
5. WHEREAS the City will annex those portions of Wassom Street and Kees Street into the City's limit prior to the transfer of jurisdiction under ORS 373.270.
6. WHEREAS, continuing development in the area of Roads necessitates an area wide planning effort to adequately address transportation improvements related to new development.
7. WHEREAS, City and County agree that improvements to the portion of Roads lying within the City limits should be coordinated and managed by City in conjunction with future development.

8. WHEREAS, County desires to forfeit jurisdiction of Project and City desires to obtain jurisdiction under ORS 373.270.

NOW THEREFORE, the premises being in general as stated in the foregoing recitals, it is agreed by and between the parties hereto as follows:

TERMS OF AGREEMENT

Upon execution of this agreement, City and County agree to work cooperatively to carry out the provisions stated herein.

A. COUNTY OBLIGATIONS

1. County shall prepare a Road Record description and map of Roads to be transferred to City.
2. Upon receipt by the County of an order or resolution from the City requesting jurisdiction and its agreement to accept responsibility for all maintenance and future reconstruction for Roads, County shall provide to City an appropriate Board of Commissioner's resolution accepting City's request and agreeing:
    a. to initiate proceedings for the transfer of jurisdiction under ORS 373.270(2-4); and
    b. to surrender jurisdiction of its portion of Roads.
3. County agrees to perform the promises made in its resolution.

B. CITY OBLIGATIONS

1. City shall annex all properties abutting the proposed road transfer into the City's limits.
2. City shall initiate road transfer proceedings under ORS 373.270(6-7),and request jurisdiction of Roads by appropriate Council order or resolution wherein it agrees, based on County's terms described above:
    a. to accept jurisdiction for County's portion of Roads; and
    b. to accept responsibility for all maintenance and future reconstruction for Roads.
3. City agrees to perform the promises made in its order or resolution.

C. GENERAL PROVISIONS

1. This agreement shall become effective upon the date that each party has signed this agreement and shall terminate upon parties, completion of all obligations listed below or by mutual consent of both parties.
2. Any termination of this Agreement shall not prejudice any rights or obligations accrued to the parties prior to termination.
3. To the extent allowed by Oregon Constitution and ORS 30.260 through 30.300 each party agrees to defend, indemnify, and – hold harmless the other party, its officers, agents, and employees, against any claims for injury or damages and all loss, liability, cost, or expense, including court costs and attorney fees, which may result from that party's actions or failures to act pursuant to the terms of this agreement.
4. Upon reasonable written notice and during the normal business day each party may inspect, audit and copy the financial management records of the other party pertaining to the services performed under this agreement.
5. At all times each party shall be responsible for its own costs and attorney fees.
6. This agreement and attached exhibits constitute the entire agreement between the parties. Any modification to this agreement shall be in writing signed by the parties.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have set their hands and affixed their seals as of the day and year hereinafter written.

CITY OF LEBANON

By _____
Mayor

Date _____

APPROVED AS TO LEGAL SUFFICIENCY

By _____
City Attorney

LINN COUNTY, by and through its Board of Commissioners

By _____
Roger Nyquist, Chairman

By _____
William C. Tucker, Commissioner

By _____
Sherrie Sprenger, Commissioner

Date 4-15-2025

APPROVED AS TO CONTENT

By _____
Wayne Mink, Roadmaster

APPROVED AS TO LEGAL SUFFICIENCY

By _____
County/Attorney for Linn County

RETURN AGREEMENT TO:
Wayne Mink, Roadmaster
3010 Ferry St SW
Albany, OR 97322

EXHIBIT A

LINN COUNTY SURVEYOR
P.O. BOX 100
ALBANY, OR 97321
(541)967-3857

REGISTERED
PROFESSIONAL
LAND SURVEYOR

OREGON
JANUARY 14, 2003
THOMAS JOHN CASEY
69318

RENEWAL DATE
12-31-2025

EXHIBIT 1
TRANSFER JURISDICTION
WASSOM STREET, C.R. 712
SECTION 15
T. 12 S., R. 2 W., W.M.

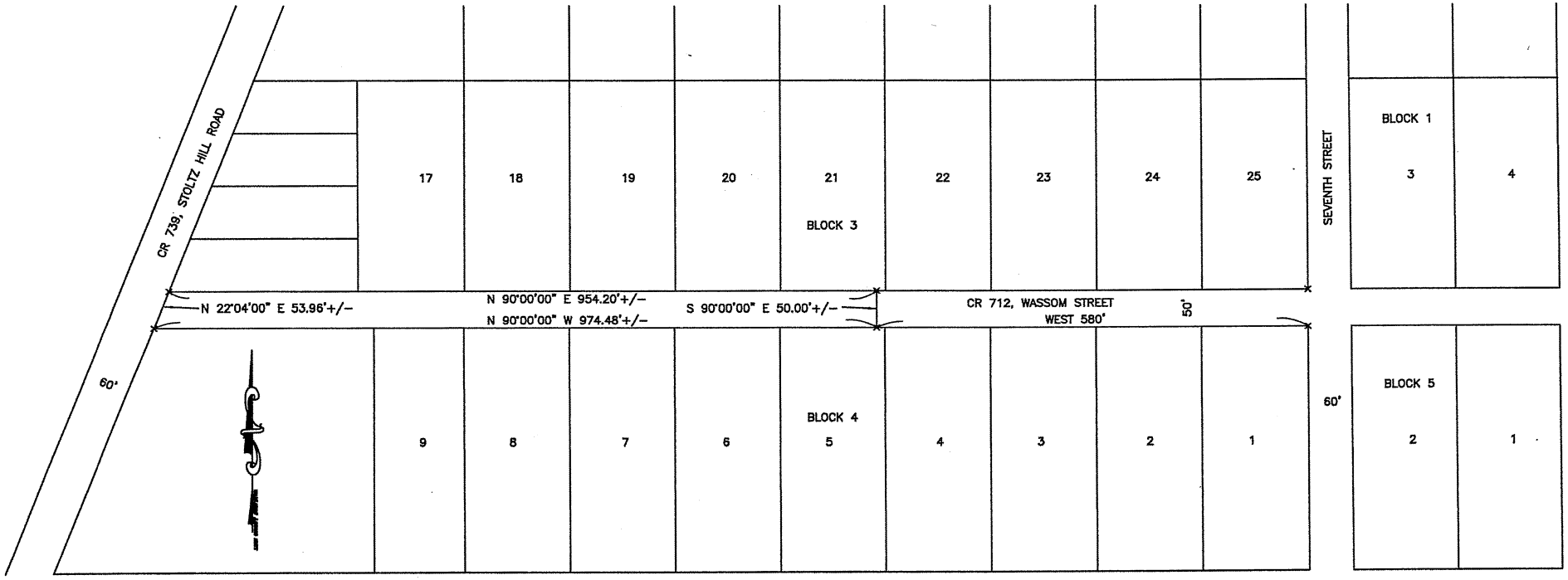


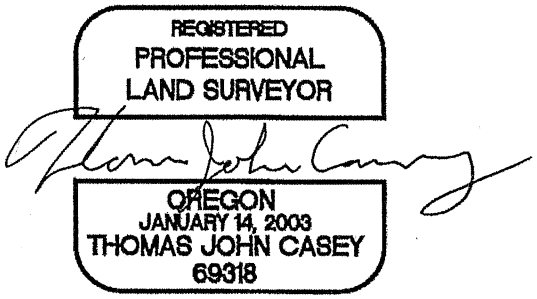
EXHIBIT 2

TRANSFER JURISDICTION OF COUNTY ROAD

Linn Co Rd: Wassom Street, County Road Number 712

A transfer of jurisdiction for County Road 712 (Wassom Street) to the City of Lebanon described as follows:

Beginning at a point on the South right of way of CR 712 (Wassom Street) which is West 580 feet from the West right of way of Seventh Street and also N 90°00'00" W a distance of 12.00 feet from the Northwest Corner of Lot 4, Block 4, Harmony Subdivision in Section 15, Township 12 South, Range 2 West, of the Willamette Meridian, in Linn County, Oregon; thence continuing N 90°00'00" W, 974.48 feet more or less to the East right of way of County Road 739 (Stoltz Hill Road); thence along said right of way N 22°04'00" E, 53.96 feet more or less to the North right of way of said County Road 712; thence along said North right of way N 90°00'00" E, 954.20 feet more or less to a point, which is West 580 feet from said Seventh Street; thence S 90°00'00" E 50.00 feet to the point of beginning.



Expires 12-31-2025

EXHIBIT B

LINN COUNTY SURVEYOR
P.O. BOX 100
ALBANY, OR 97321
(541)967-3857

REGISTERED
PROFESSIONAL
LAND SURVEYOR

OREGON
JANUARY 14, 2003
THOMAS JOHN CASEY
69318

RENEWAL DATE
12-31-2025

EXHIBIT 1
TRANSFER JURISDICTION
KEES STREET, C.R. 712A
SECTION 15
T. 12 S., R. 2 W., W.M.

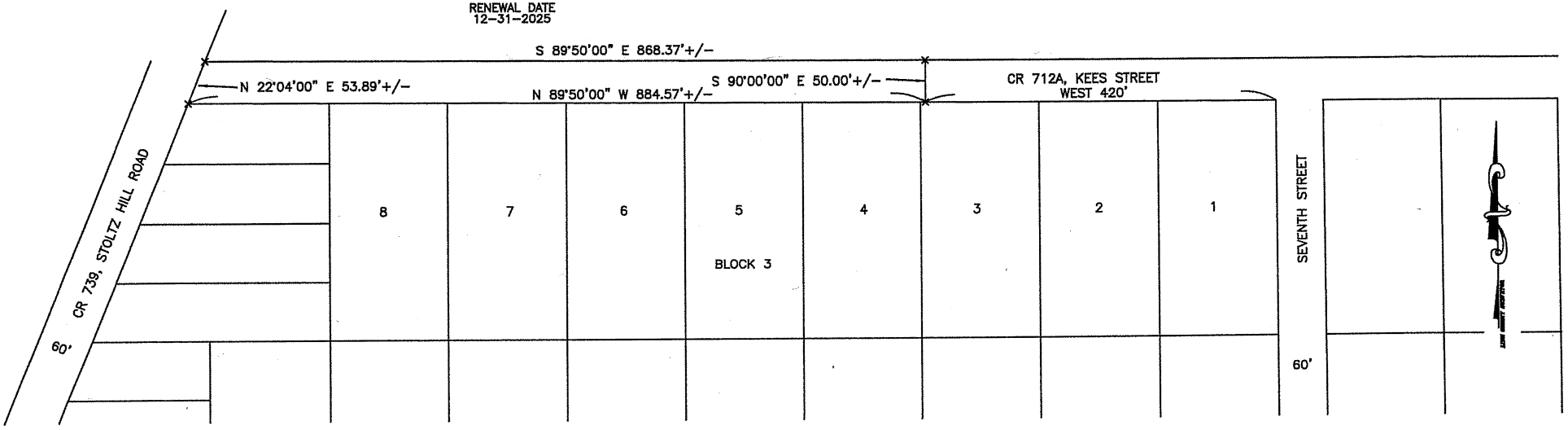


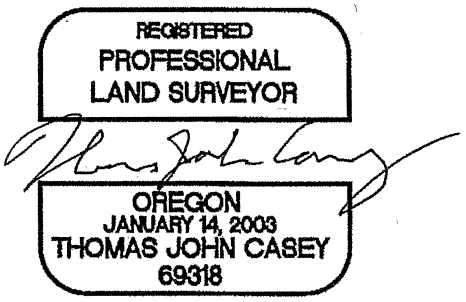
EXHIBIT 2

TRANSFER JURISDICTION OF COUNTY ROAD

Linn Co Rd: Kees Street, County Road Number 712A

A transfer of jurisdiction for County Road 712A (Kees Street) to the City of Lebanon described as follows:

Beginning at a point on the South right of way of CR 712A (Kees Street) which is West 420 feet from the West right of way of Seventh Street and also N 90°00'00" E a distance of 6.00 feet from the Northwest Corner of Lot 3, Block 3, Harmony Subdivision in Section 15, Township 12 South, Range 2 West, of the Willamette Meridian, in Linn County, Oregon; thence N 89°50'00" W, 884.57 feet more or less to the East right of way of County Road 739 (Stoltz Hill Road); thence along said right of way N 22°04'00" E, 53.89 feet more or less to the North right of way of said County Road 712A; thence along said North right of way S 89°50'00" E, 868.37 feet more or less to a point, which is West 420 feet from said Seventh Street; thence S 90°00'00" E 50.00 feet to the point of beginning.



Expires 12-31-2025

925 S. Main Street
Lebanon, Oregon 97355

TEL: 541.258.4905
www.lebanonoregon.gov

MEMORANDUM

City Manager's Office

Date: August 27, 2025

To: Mayor Jackola and City Council
From: Ron Whitlatch, City Manager
Subject: Amendment to LMC 3.16 – City-owned Property Sale

Background

Lebanon Municipal Code (LMC) Chapter 3.16 currently establishes the process for the sale of City-owned real property. As written, the code requires that such property be sold through a competitive bidding process. While this process has been effective in certain situations, it does not align fully with the provisions of Oregon Revised Statutes (ORS) 221.725 and other applicable state laws, which provide municipalities with broader flexibility in methods for disposing of surplus property.

State law allows for alternative sale methods, such as negotiated sales, direct sales to public entities, or other processes that may better serve the public interest, provided that proper public notice and procedural safeguards are followed. Aligning LMC Chapter 3.16 with the ORS will ensure the City has the ability to select the most appropriate sale method for each circumstance while maintaining transparency and accountability.

Issue

The existing language in Chapter 3.16 is overly restrictive and limits the City to a single sale method—competitive bidding—even when alternative methods may yield more favorable terms or better serve community needs. This restriction can create inefficiencies, reduce potential buyer interest, and in some cases, hinder the City's ability to complete transactions that comply with ORS but do not fit the current code's narrow process.

Recommendation

Staff recommends amending LMC Chapter 3.16 to:

1. Remove the requirement for a competitive bidding process as the sole method for sale.
2. Incorporate language referencing compliance with applicable state laws, specifically ORS 221.725, allowing flexibility in sale methods.
3. Maintain requirements for public notice, Council approval, and transparency in all sales.

These amendments will provide the City with a range of sale options permitted under state law, while preserving safeguards that ensure fairness and public trust.

Requested Action

I move to approve Ordinance 3038 amending Lebanon Municipal Code Chapter 3.16 to align with Oregon Revised Statutes regarding the sale of City-owned property, removing the sole reliance on a bidding process and allowing other lawful methods of sale.

A BILL FOR AN ORDINANCE REVISING PROCEDURES FOR SELLING CITY OWNED REAL ESTATE AND AMENDING CHAPTER 3.16 OF THE LEBANON MUNICIPAL CODE) **Ordinance Bill 7 for 2025**) **Ordinance Number 3038**

WHEREAS, the State of Oregon, by the provisions of ORS 221.725 and ORS 221.727, has created methods by which City owned real property may be sold; and

WHEREAS, the City desires to establish procedures, consistent with the requirements of state law, for the sale of City-owned real property that is no longer needed for public use;

NOW, THEREFORE, the City of Lebanon ordains as follows:

Section 1. Lebanon Municipal Code, Chapter 3.16, *Sale of City Owned Real Property*, is amended to read:

3.10.010 **Purpose**. This ordinance provides a procedure for the sale of City-owned real property that has been determined to have no further public need. The provisions of this chapter supplement the requirements of Oregon law for the sale of City owned real property. If any provision of this chapter conflicts with state law, state law shall control.

3.10.020 **Decision to Sell Real Property**. When the City Council determines that a parcel of City-owned real property is no longer needed for a public use, the Council may order the property sold in accordance with this chapter. The decision shall be made at a regular or special City Council meeting, and based upon evidence and recommendations gathered by City staff. Unless otherwise required by law, no public hearing shall be required for the Council to make a determination that the property is no longer needed for public use.

3.10.030 **Procedure to Sell Real Property**. If the City Council decides to sell real property, the City Administrator, or designee, shall arrange for the sale in a manner approved by the Council, which may include listing with a licensed real estate broker, sealed bids, auction, or direct negotiation.

3.10.040 **Public Hearing**. Prior to finalizing the sale of any City-owned real property, the City Council shall hold a public hearing in accordance with ORS 221.725.

A) The notice shall state the time and place of the public hearing, a description of the property, the proposed uses, and the reasons why the Council considers it necessary or convenient to sell the property.

B) Not earlier than five days after publication of the notice, the public hearing shall be held at the stated time and place.

C) The City Council shall disclose and the general terms of the proposed sale, including an appraisal or other evidence of the market value. Any resident of the city shall have the opportunity to provide oral or written testimony.

D) Nothing in this section shall prevent the Council from adopting an alternative procedure consistent with ORS 221.727.

3.10.050 **Rejection of All Proposals**. The Council may reject any or all offers in its sole discretion.

3.10.060 **Marketing and Sale after Rejection.** If no acceptable offer is received, the City may continue to market and sell the property in any manner the Council deems appropriate, subject to the public hearing provisions of Section 3.10.040.

3.10.070 **Application of this Chapter.** This chapter applies to sales of City-owned real property occurring after the effective date of this ordinance.

Passed by a vote of __ for and _ against by the Lebanon City Council on the 27th day of August, 2025.

_____

_Kenneth Jackola, Mayor

_Michelle Steinhebel, Council President

ATTEST:

_____

Julie Fisher, City Recorder

A BILL FOR AN ORDINANCE REVISING PROCEDURES FOR SELLING CITY OWNED REAL ESTATE AND AMENDING CHAPTER 3.16 OF THE LEBANON MUNICIPAL CODE) **Ordinance Bill 7 for 2025**

) **Ordinance Number 3038**

WHEREAS, the State of Oregon, by the provisions of ORS 221.725 and ORS 221.727, has created methods by which City owned real property may be sold; and

WHEREAS, the City desires to ~~create a procedure~~establish procedures, consistent with the requirements of state law, ~~to sell real property which is owned by the City, but is not needed for public use by the City;~~ for the sale of City-owned real property that is no longer needed for public use;

NOW, THEREFORE, the City of Lebanon ~~does~~ ordains as follows:

Section 1. Lebanon Municipal Code, Chapter 3.16, *Sale of City Owned Real Property*, is amended ~~as follows~~to read:

3.10.010 **Purpose**. This ordinance ~~is created to~~ provides a procedure ~~by which the City sells~~for the sale of City-owned real property ~~owned by the City which~~ that has been determined to ~~no longer~~ have no further public need. ~~This ordinance may be known as "Procedures to Sell City Owned Real Property." It is intended that~~ The provisions of this chapter ~~shall~~ supplement the requirements of Oregon law ~~in~~ for the sale of Cc~~i~~ity owned real property. ~~In the event that~~If any provision of this chapter ~~shall~~ conflicts with state law, state law shall control.

3.10.020 **Decision to Sell Real Property**. ~~In the event that~~ When the City Cc~~o~~uncil determines ~~should decide~~ that a parcel ~~or parcels~~ of City-owned real property ~~owned by the City~~ is no~~t~~ longer needed for a public use, the Council may order ~~that~~ the property ~~be~~ sold in accordance ~~pursuant to the procedures with~~of this chapter. The decision ~~of the Council to order the property sold~~ shall be made at a regular or special City Council ~~of the City council~~ meeting, and ~~shall be~~ based upon evidence and recommendations gathered by City staff. Unless otherwise required by ~~by the Council~~law, no public hearing shall be required for the Council to make a determination that the ~~real~~ property is no longer~~t~~ needed for public use ~~or to decide to sell the real property, subject to the public hearing procedures required by Oregon law and this Chapter~~.

3.10.030 **Procedure to Sell Real Property**. If the City Cc~~o~~uncil decides to sell real property, ~~pursuant to this Chapter,~~ the City Administrator, or ~~the City Administrator's~~ designee, shall ~~prepare a request for bids to buy the subject real property~~arrange for the sale in a manner approved by the Council, which may include listing with a licensed real estate broker, sealed bids, auction, or direct negotiation.

~~A notice shall be published of the proposed Disposition of City Real Property Interest. Such notice shall be published in one or more newspapers of general circulation in Linn~~

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~~County, and in any other publication which the City Administrator deems advisable, considering any unique circumstance surrounding the subject real property. The notice shall be published not less than once a week, for three successive weeks. The published notification shall include the following:~~

~~A) A general description of the City Real Property Interest subject to disposition, including a legal description;~~
~~B) The minimum asking price. The minimum asking price shall be determined after considering an appraisal of the real property or other information which the City Administrator deems appropriate, including a consideration of the costs of sale of the property;~~

~~C) The name and address of the person to contact to obtain any additional information concerning the City real property interest;~~

~~D) A Request for Proposals, including the address to which the Proposal must be delivered and the date and time the Proposal is due, which shall not be less than thirty (30) days from the date of the first notice;~~

~~E) A requirement that a security deposit in the amount and form required by this chapter be submitted with the Proposal; and~~

~~F) A reservation of the right of the City to accept or reject any Proposal;~~

~~H) Any other information the City administrator deems desirable to include in the Notice.~~

~~In addition to the above notice requirements, the City Administrator shall also cause notices to be sent, containing the same information as required above, to the owners of real property directly adjoining the city owned real property proposed to be sold. Such notices shall be sent by regular mail, to the person, persons or entity listed in the records of Linn County, Oregon purporting to be the owner in fee title to the real property directly adjoining the city owned property to be sold. Failure of any person or entity with an ownership interest in said adjoining real property to receive the notice of the proposed sale of the subject city owned real property shall not invalidate or impede any subsequent sale of the city owned real property.~~

3.10.040 ~~**Proposals for Purchase of Property**~~.

~~A) All Proposals submitted in response to the published notice described in this Chapter above, shall be accompanied by a deposit, in the form of:~~
~~(1) A certified check; or (2) Sufficient bond furnished by a surety company authorized to do business in this State, in favor of the City of Lebanon, in a sum not less than ten percent (10%) of the total amount of the value of the Proposal.~~
~~B) Deposits will be refunded to all unsuccessful Proposers after:~~
~~(1) The closing of the sale to a successful Proposer; or (2) Rejection of all Proposals.~~
~~C) Each Proposal shall clearly set forth the amount offered for the purchase of the City owned Real Property, and shall include the following additional matters:~~
~~(1) Any conditions upon the Proposer's offer to acquire the City's Real Property Interest; and (2) Any other information the Proposer believes is relevant to its~~

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~~Proposal.~~

~~D) If the City Administrator finds any Proposal to be ambiguous, the City Administrator may request that the Proposer submit further information in order to clarify the Proposer's Proposal. If the City Administrator does not request any such clarification, the ambiguous Proposal may be rejected.~~

~~3.10.050 **Opening of Proposals**. After the date and time for submitting Proposals has passed, the City Administrator shall open all Proposals that have been timely delivered and that have the required deposit. All responsive Proposals shall be evaluated by the City Administrator, or his designate, in order to determine the Proposal most advantageous to the City. The City Administrator may make recommendations to the city council concerning the transfer of the city's interest in the subject real property. The city council, as provided in this chapter after public notice and hearing may determine if the Proposal is most advantageous to the City. The determination of the most advantageous Proposal by the city council shall be final and conclusive and shall not be subject to review by any court.~~

~~ncil, as provided in this chapter after public notice and hearing may determine if the Proposal is most advantageous to the City. The determination of the most advantageous Proposal by the city council shall be final and conclusive and shall not be subject to review by any court.~~

~~this chapter after public notice and hearing may determine if the Proposal is most advantageous to the City. The determination of the most advantageous Proposal by the city council shall be final and conclusive and shall not be subject to review by any court.~~

~~3.10.060 **Negotiations**. The City Administrator shall notify the apparent successful Proposer and may negotiate to determine if the transfer can be consummated, subject to the final approval of the City council. If such negotiations are unsuccessful, the City Administrator shall notify the next highest ranking acceptable Proposal and may similarly attempt to negotiate the disposition of the City Real Property Interest.~~

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~~3.10.070~~ **Public Hearing**. ~~The city council shall hold a public hearing on the proposed disposition of the City Real Property Interest prior to the sale. Notice of the proposed sale shall be published in a newspaper of general circulation in the city.~~Prior to finalizing the sale of any City-owned real property, the City Council shall hold a public hearing in accordance with ORS 221.725.

A) The notice shall ~~be published at least once during the week prior to the public hearing required in this section. The notice shall comply with the provisions of ORS 221.725 and shall~~ state the time and place of the public hearing, a description of the property ~~or interest to be sold~~, the proposed uses, ~~fort the property~~ and the reasons why the ~~city~~ C~~c~~ouncil considers it necessary or convenient to sell the property. ~~Proof of publication of the notice may be made or provided by ORS 193.070.~~

B) Not earlier than five days after publication of the notice, the public hearing ~~concerning the sale~~ shall be held at the stated time and place ~~.stated in the notice. Nothing herein prevents the city council from holding the hearing at any regular or special meeting of the city council as part of its regular agenda.~~

C) ~~The nature of the~~The City Council shall disclose ~~proposed sale~~ and the general terms ~~thereof,~~of the proposed sale, including an appraisal or other evidence of the market value. ~~of the property, shall be fully disclosed by the city council at the public hearing.~~ Any resident of the city shall ~~be given an~~have the opportunity to ~~present written or~~provide oral or written testimony ~~at the hearing~~.

D) Nothing in this section shall prevent the C~~ity c~~ouncil from adopting an alternative procedure ~~for the sale of city real property, after public notice and hearing, as provided by~~consistent with ORS 221.727.

3.10.0~~5~~80 **Rejection of All Proposals**. The ~~city C~~council ~~, in its sole discretion,~~ may reject any or all ~~Proposals~~offers in its sole discretion.

3.10.0~~6~~90 ~~**Continued** **Marketing of Real Property Interest~~and Sale **after Rejection~~. **of All Proposals.** If ~~all Proposals are rejected,~~no acceptable offer is received, the C~~e~~ity may continue to market and sell the p~~Real P~~roperty ~~Interest~~ in any manner the C~~city c~~ouncil deems appropriate, subject to the public hearing provisions of S~~s~~ection 3~~10~~.10.0~~4~~70~~., including by and through a real estate licensee provided that:~~

~~A) Any resulting agreement of sale must be approved by the city council as required by state law.~~

~~B) If no agreement of sale is executed within 18 months of the publication of the first public notice of sale described in section 10.10.030 above, no agreement of sale may be accepted without again first publishing a public notice of sale and complying with the provisions of this chapter.~~

3.10.07~~10~~0 **Application of this Chapter.** This chapter ~~shall~~ appli~~es~~y ~~to~~ sales ~~and leases~~ of C~~e~~ity ~~-~~owned real property~~, only,~~occurring after the effective date of this ordinance.

Passed by a vote of ~~6~~ for and ~~0~~ against by the Lebanon City Council on the 27th day of August~~July~~, 202~~200~~5.

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Kenneth ~~I. Toombs~~Jackola, Mayor
Michelle Steinhebel, Council President

ATTEST:

~~John E. Hitt~~Julie Fisher, City Recorder

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925 S. Main Street
Lebanon, Oregon 97355

TEL: 541.258.4212
bneish@lebanonoregon.gov
www.lebanonoregon.gov

MEMORANDUM

Finance Department

To: Council President Steinhebel and City Council

August 20, 2025

From: Brandon Neish, Finance Director

Subject: Acceptance of the FY2024 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. For this report, the City's Auditor (SingerLewak, LLP) was responsible for preparing the financial statements and attesting to whether or not the statements fairly and accurately report the City's financial position. Management (staff) was responsible for reviewing the financial statements and providing necessary documentation and workpapers. 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

SingerLewak completed the 2024 AFR on August 21, 2024. There are several areas which staff highlights for the City Council's review.

- The Independent Auditors Report 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, 2024 similar to the year ended June 30, 2023.

- Management's Discussion and Analysis (page a) 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 1-2) 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 note on capital assets (pages 14 and 20-21) 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 22-25): The City has a significant amount of outstanding debt. 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 25-44) 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 45.3% ($4,518,199) since last year.
- The General Fund Statement of Revenues, Expenditures, and Changes in Fund Balance, Budget to Actual (page 47) 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 49) highlights expenditures in excess of appropriations (in major funds), violating Oregon Revised Statutes (ORS) Chapter 294. For the year ended June 30, 2024, the Library and capital expenditures exceeded authorized spending limits.

Included with this report is the following items:

- Attachment A: Communication to the Governing Body
- Attachment B: Engagement Letter for the 2024 Audit
- 2024 Annual Financial Report

III. RECOMMENDATION

Staff recommends the City Council move to accept the Annual Financial Report for the fiscal year ended June 30, 2024.

SingerLewak
Accountants & Consultants

August 14, 2025

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, 2024, 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 August 13, 2024. 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 August 13, 2024 regarding the planned scope and timing of our audit and identified significant risks.

Significant Accounting Practices, Including Policies, Estimates and Disclosures

In our meeting with you, we will discuss our views about the qualitative aspects of the City's significant accounting practices, including significant accounting policies, significant unusual transactions, accounting estimates and financial statement 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:

1255 Lee Street SE, Unit 210, Salem, OR 97302
T: 503.585.7751 | F: 503.370.3781

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Accounting Policies

A summary of significant accounting policies adopted by the City is included in Note 2 to the financial statements. Management has evaluated the implementation of Government Accounting Standard Board Statement 100, *Accounting Changes and Error Corrections,* and has determined it would not have a material effect on the financial statements of the City.

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 basic 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.

- 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, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. 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 2021 experience study which reviewed experience for the four-year period ending December 31, 2021.

- 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.

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.

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 to fulfill its professional responsibility to maintain and monitor independence, management, the City Council, and SingerLewak 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

- Timely inform SingerLewak, before the effective date of transactions or other business changes, of the following:

  - New component units, City officials, or officers

- Provide necessary component unit information such as new or updated investment structure charts, as well as financial information required to perform materiality calculations needed for making affiliate determinations.

- 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.

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.

SingerLewak LLP

Finance Department
925 S. Main Street
Lebanon, Oregon 97355

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

August 14, 2025

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, 2024 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 August 13, 2024, 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.

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. All funds that meet the quantitative criteria in GASB Statement No. 34; *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments,* as amended, and No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus—an amendment of GASB Statements No. 21 and No. 34*, for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

8. 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.

9. 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.

10. 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.

11. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

12. Management has followed applicable laws and regulations in adopting, approving and amending budgets.

13. Risk disclosures associated with deposit and investment securities and derivative transactions are presented in accordance with GASB requirements.

14. Provisions for uncollectible receivables have been properly identified and recorded.

15. Capital assets, including infrastructure, intangible assets and right to use assets are properly capitalized, reported and, if applicable, depreciated/amortized.

16. The government properly separated information in debt disclosures related to direct borrowings and direct placements of debt from other debt and disclosed any unused lines of credit, collateral pledged to secure debt, terms in the debt agreements related to significant default or termination events with finance-related consequences and significant subjective acceleration clauses in accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*.

17. 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.

18. Revenues are appropriately classified in the statement of activities within program revenues and general revenues.

19. 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.

20. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

21. 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.

22. Subscription-based technology information arrangements (SBITAs) have been properly identified, recorded, and disclosed in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.

23. 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.

24. 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.

25. In the audit engagement letter dated August 13, 2024, we requested that you perform the following accounting services in connection with your audit:

    c. Draft the financial statements and related note disclosures; and

    d. Post-closing entries based on information provided by management.

With respect to these services:

e. We have made all management decisions and performed all management functions;

f. We assigned an appropriate individual to oversee the services;

g. We evaluated the adequacy and results of the services performed, and made an informed judgment on the results of the services performed;

h. We have accepted responsibility for the results of the services; and

i. We have accepted responsibility for all significant judgments and decisions that were made.

26. We have reviewed the GASB Statements effective for the fiscal year ending June 30, 2024, and concluded the implementation of the following Statements have no material effect on the financial statements of the City:

    a. GASB Statement No. 100, *Accounting Changes and Error Corrections*

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

28. 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

29. 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.

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

31. 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.

32. It is our responsibility to establish and maintain internal control over financial reporting. One of the components 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.

33. 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.

    c. Others where the fraud could have a material effect on the basic financial statements.

34. 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.

35. 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.

36. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.

37. We are not aware of any pending or threatened litigation, claims or assessments; unasserted claims or assessments that are probable of assertion and must be disclosed in accordance with Government Accounting Standards Board (GASB) Codification Section C50; Claims and Judgments; or other matters, including gain or loss contingencies, whose effects should be considered when preparing the financial statements. Neither we nor the City or others acting on behalf of the City have consulted a lawyer concerning litigation, claims, assessments or other matters affecting the City.

38. 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.

39. We are aware of no deficiencies in internal control over financial reporting, including significant deficiencies or 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.

40. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

41. 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.

42. 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.

43. 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.

44. 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.

45. 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.

46. 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

47. 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 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.

48. With respect to the Management's Discussion and Analysis, Schedule of the Proportionate Share of the Net Pension Liability – OPERS, the Schedule of Pension Contributions – OPERS, the Schedule of the Proportionate Share of the Net Other Postemployment Benefit Liability – OPERS, the Schedule of Other Postemployment Benefit Contributions – OPERS, the Schedule of Changes in the City's Total Other Postemployment Benefits Liability and Related Ratios – Implicit Subsidy, 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, City Manager

Brandon Neish, MPA, Finance Director

8/14/2025
Date

SingerLewak
Accountants & Consultants

August 13, 2024

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

The Objective and Scope of the Audit of the Financial Statements

You have requested SingerLewak LLP ("SingerLewak", "we", "us", or "our"), audit City of Lebanon's (the "City", "you" or "your") governmental activities, business-type activities, each major fund, and aggregate remaining fund information as of and for the year ended June 30, 2024, 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 ("Engagement Letter").

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.

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 and 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

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:

- General fund budgetary comparison schedule
- Budgetary comparison schedules for each major special revenue fund
- Notes to the Required Supplementary Information

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 U.S. GAAP. We intend to provide an opinion on the following supplementary information in relation to the basic financial statements as a whole:

- Introductory section
- Statistical section
- Combining statements
- Individual fund schedules
- Budgetary comparison schedules for all remaining funds not included in RSI

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 City and its environment, the applicable financial reporting framework, and the City'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 City'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 also communicate to the Mayor and Members of the 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.

Management is responsible for the preparation of the 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 will indicate 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 the City Council is 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;

4. For report distribution; and

5. 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 Engagement 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 City's financial statements. Our report will be addressed to the Mayor and Members of the City Council of 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.

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.

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.

In addition to our report on the District's financial statements, we will also issue a report on the District's compliance with the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

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.

Non-audit Services
In connection with our audit, you have requested us to perform the following non-audit services:

1. Drafting the financial statements

2. Post-closing entries based on information provided by management

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 the 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 $48,900 ($41,500 for financial statements audit and $7,400 for non-audit services), 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.

Our fee estimate 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 payment schedule for the aforementioned services is as follows:

First progress billing	Signed engagement letter	$ 16,300
Second progress billing	Completion of fieldwork	16,300
Final billing	Delivery of audit	16,300
Total		$ 48,900

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 may provide services to you using certain third-party hardware, software, equipment, or products (collectively, "Third-Party Products" and each, individually, a "Third-Party Product"). You acknowledge that the use of a Third-Party Product may involve the processing, input, disclosure, movement, transfer, and storage of information provided by or on behalf of you to us, including Confidential Information and Personal 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, costs, expenses, fees (including reasonable legal fees, expenses, and costs) and other liabilities 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 the 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 the 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 Engagement 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 Engagement 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.

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 Mayor and Members of the 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 third-party 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 ENGAGEMENT LETTER SHALL BE FILED MORE THAN TWO YEARS AFTER THE DATE OF THE AUDIT REPORT ISSUED BY SINGERLEWAK OR THE DATE OF THIS ENGAGEMENT 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. EXCEPT FOR A COVERED PARTY'S INDEMNIFICATION OBLIGATIONS UNDER THIS ENGAGEMENT LETTER, TO THE FULLEST EXTENT PERMITTED BY LAW, THE TOTAL AGGREGATE LIABILITY OF THE COVERED PARTIES ARISING OUT OF, FROM, OR RELATING TO THIS ENGAGEMENT 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 ENGAGEMENT 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 ENGAGEMENT LETTER.

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 Engagement 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 Engagement 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 Engagement 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 Disclosing Party's 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 Engagement Letter.

Notwithstanding anything stated to the contrary in this Engagement Letter, the City consents to SingerLewak: (i) using any information or data, including Confidential Information and Personal Information, provided by or on behalf of the City, or otherwise obtained by SingerLewak, in connection with the services provided under this Engagement Letter, to provide the City with professional services under any other professional services agreement the City enters into or has entered into with SingerLewak; and (ii) using any information or data provided by or on behalf of the City, or otherwise obtained by SingerLewak, in connection with professional services provided by SingerLewak under another professional service agreement SingerLewak has entered into with the City, including confidential, personal, or other protected information, to provide the services under this Engagement Letter to the City.

Preexisting Nondisclosure Agreements
In the event that the parties have executed a separate nondisclosure agreement, such agreement shall be terminated as of the effective date of this Engagement Letter and the terms of this Engagement Letter shall apply to the treatment of information shared by the parties hereto.

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 Engagement 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, marked or unmarked controlled unclassified information ("CUI") subject to the National Industrial Security Program Operating Manual ("NISPOM") or the Defense Federal Acquisition Regulation Supplement ("DFARS"), or export controlled data subject to Export Administration Regulations ("EAR") or International Traffic in Arms Regulations ("ITAR") . 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 information will be transmitted to the designee by e-mail and passwords will then be changed by the City's employees.

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 or 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 City 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.

Personal Information
As used herein, the term "Personal Information" means any personal information, as may be defined by applicable privacy, data protection, or cybersecurity laws, that directly or indirectly identifies a natural person, and includes, but is not limited to, nonpublic, personally identifiable information such as Social Security numbers, Social Insurance numbers, driver's license numbers or government-issued identification card numbers, and health information.

Each party agrees to transmit Personal Information consistent with applicable laws and any other obligations the respective party may have. We are permitted to use all such Personal Information to perform our obligations and exercise our rights under this Engagement Letter.

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 of such Personal Information and shall take reasonable steps to ensure that such Personal Information does not include irrelevant or unnecessary information about individuals.

Where we are acting as a service provider under the California Consumer Privacy Act and the California Privacy Rights Act, including as amended or replaced, and the associated regulations ("CCPA"), we (i) will not Sell or Share (as those terms are defined by the CCPA) any Personal Information received from the City; (ii) will not retain, use, or 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 Engagement Letter, including to provide Personal Information to advisers, to maintain or provide the services provided under this Engagement Letter, or to the extent such disclosure is required by law. At your written request, and at your cost, we shall reasonably assist you in addressing your obligations under the CCPA with regard to privacy rights requests related to your Personal Information held by us, directly resulting from our business relationship with you. We reserve the right to decline such a request where, as determined in our sole discretion, the request for our assistance could violate or impair a Consumer's (as that term is defined by the CCPA) rights under the CCPA or another applicable law, regulation, or professional or ethical standard. 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 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 Engagement 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 Engagement 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 Engagement 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.

You may terminate this Engagement Letter for any reason upon fifteen (15) days' prior written notice to us. 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.

Either party may terminate this Engagement Letter upon written notice if: (i) circumstances arise that in its judgment would cause its continued performance to result in a violation of law, a regulatory requirement, applicable professional or ethical standards, or, in the case of SingerLewak, our client acceptance or retention standards; or (ii) if the other party is placed on a Sanctioned List (as defined herein), or if any director or executive of, or other person closely associated with such other party or its affiliate, is placed on a Sanctioned List.

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 Engagement 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 Engagement 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 Engagement 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 Engagement Letter. Accordingly, the scope, timing and fee arrangement discussed in this Engagement Letter will no longer apply. In order for us to recommence work, the execution of a new Engagement Letter will be required.

The parties agree that those provisions of this Engagement 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 Engagement 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 Engagement Letter, the City acknowledges and consents that we also may utilize Confidential Information and Personal Information to (i) improve the quality of our services and offerings and/or (ii) develop or perform internal data analysis or other insight generation. Information developed in connection with these purposes may be used by us to provide services or offerings. We will not use your 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.

The City agrees that it will not associate us with any public or private securities offering without first obtaining our consent. Therefore, the City agrees to contact us before it includes our reports, or otherwise makes reference to us, in any public or private securities offering. Our association with an official statement is a matter for which separate arrangements may be necessary. The City agrees to provide us with printer's proofs or masters of such offering documents for our review and approval before printing, and with a copy of the final reproduced material for our approval before it is distributed. If, based on our review, we identify no material inconsistencies with our audit, or other misstatements of fact, we will promptly communicate in writing to the City that we do not object to the inclusion of our report in the offering documents. In the event our auditor/client relationship has been terminated when the City seeks such consent, we will be under no obligation to grant such consent or approval.

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 you employment of one of our partners, principals or employees.

Each party hereto affirms it has not been placed on a Sanctioned List (as defined below) and will promptly notify the other party upon becoming aware that it has been placed on a Sanctioned List at any time throughout the duration of this Engagement Letter. The City shall not, and shall not permit third parties to, access or use any of the deliverables provided for hereunder, or Third-Party Products provided hereunder, in violation of any applicable sanctions laws or regulations, including, but not limited to, accessing or using the deliverables provided for hereunder or any Third-Party Products from any territory under embargo by the United States. The City shall not knowingly cause SingerLewak to violate any sanctions applicable to SingerLewak. As used herein "Sanctioned List" means any sanctioned person or entity lists promulgated by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, the Consolidated Canadian Autonomous Sanctions List, the United Nations Security Council, the European Union, and United Kingdom.

Any term of this Engagement 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 Engagement 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 Engagement 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 Engagement 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 Engagement Letter.

If any term or provision of this Engagement 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 Engagement 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 Engagement 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 Engagement 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 Engagement Letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements, including our respective responsibilities.

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, CPA, Partner

Confirmed on behalf of City of Lebanon:

Brandon Neish, Finance Director

8/14/2024
Date



ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2024

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INTRODUCTORY SECTION

CITY OF LEBANON, OREGON

OFFICERS AND MEMBERS OF THE GOVERNING BODY
AS OF JUNE 30, 2024

MAYOR

Kenneth E. Jackola – Mayor

CITY COUNCIL MEMBERS

Wayne Dykstra

Carl Mann

Kim Ulfers

Dave Workman

Jeremy Salvage

Michelle Steinhebel

ADMINISTRATIVE OFFICIALS

Ron Whitlatch, City Manager

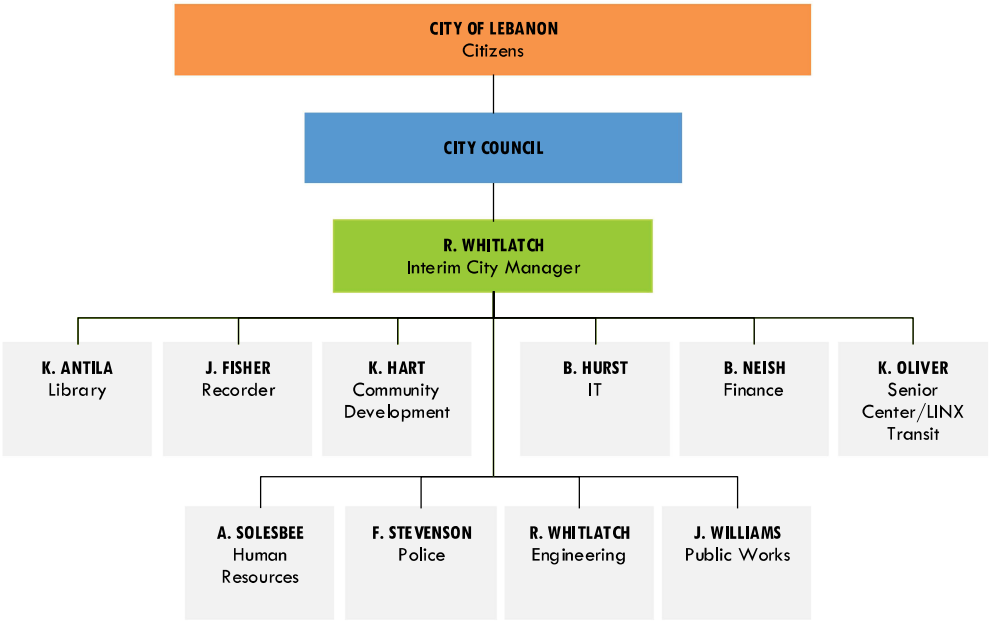
Brandon Neish, Finance Director

MAILING ADDRESS

925 S. Main Street
Lebanon, Oregon 97355

CITY OF LEBANON, OREGON
ORGANIZATIONAL CHART
AS OF JUNE 30, 2024

ORGANIZATION CHART



FINANCIAL SECTION

SingerLewak
Accountants & Consultants

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, 2024, 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, 2024, 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.

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 within one year after the date that the financial statements are issued or available to be issued.

To the Honorable Mayor and Members of the City Council
City of Lebanon
Independent Auditor's Report
August 14, 2025

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.

To the Honorable Mayor and Members of the City Council
City of Lebanon
Independent Auditor's Report
August 14, 2025

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 Pension Contributions – OPERS, the Schedule of the Proportionate Share of the Net Other Postemployment Benefit Liability – OPERS, the Schedule of Other Postemployment Benefit Contributions – OPERS, and the Schedule of Changes in the City's Total Other Postemployment Benefits Liability and Related Ratios – Implicit Subsidy in accordance with GAAS, 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 GAAS. In our opinion, this information is 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.

To the Honorable Mayor and Members of the City Council
City of Lebanon
Independent Auditor's Report
August 14, 2025

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 14, 2025 on our considerations of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statues 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 14, 2025

By:

Brad Bingenheimer, Partner

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2024. 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, 2024 are as follows:

- The City's governmental activities net position increased by $5,816,069, a 16.6% increase from the previous year. The City's business-type activities net position increased by $6,443,955, a 7.7% increase from the previous year. The increase in net position on business-type activities is due primarily to the addition of nearly $6.4 million in net capital assets (largely in infrastructure) over the fiscal year.

- Total revenue for the City was $41,712,103, a 2.9% increase from the previous year. General revenues accounted for $17,681,087 of revenue, or 42.4% of all revenues. Program specific revenues accounted for $24,031,016 or 57.6% of total revenues.

- The City had $29,452,079 in program expenses. Of the program expenses, $7,768,603 was for providing police services, $5,763,987 was for providing wastewater service, $5,276,452 was for providing water service, and $10,643,037 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 $3,583,604, a 5.6% increase from the previous year.

- Among the governmental funds, the General Fund had $11,666,617 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 $6,769,527, the Wastewater Fund had $7,270,864 and the Storm Drainage Fund had $763,575 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.

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.

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 Actvities		Business-Type Actvities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	$ 31,112,786	$ 28,366,591	$ 28,895,753	$ 26,669,783	$ 60,008,539	$ 55,036,374
Capital assets, net	37,571,346	36,916,496	100,862,130	94,464,601	138,433,476	131,381,097
Total assets	68,684,132	65,283,087	129,757,883	121,134,384	198,442,015	186,417,471
Deferred outflows of resources	5,135,353	3,676,780	1,327,460	1,022,654	6,462,813	4,699,434
Long-term liabilities	28,165,753	27,825,352	39,190,687	35,947,484	67,356,440	63,772,836
Other liabilities	3,881,834	3,532,060	1,475,814	1,756,582	5,357,648	5,288,642
Total liabilities	32,047,587	31,357,412	40,666,501	37,704,066	72,714,088	69,061,478
Deferred inflows of resources	1,023,059	2,669,685	264,456	742,541	1,287,515	3,412,226
Net position						
Net investment in capital assets	21,885,806	17,806,618	64,709,506	60,714,620	86,595,312	78,521,238
Restricted	20,492,275	17,569,775	6,000,758	5,450,333	26,493,033	23,020,108
Unresricted	(1,629,242)	(443,623)	19,444,122	17,545,478	17,814,880	17,101,855
	$ 40,748,839	$ 34,932,770	$ 90,154,386	$ 83,710,431	$ 130,903,225	$ 118,643,201

Table 1

For governmental activities, the City of Lebanon's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $40,748,839. Of the total net position, $21,885,806 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, $20,492,275, is restricted as to how it may be used by budgetary, legal, and external factors. The unrestricted net position was a deficit balance of $1,629,242 for 2024. The deficit is caused primarily by the $14,496,043 in postemployment liabilities related to PERS. Additional notes can be found beginning on page 34 in the Notes to the Financial Statements.

In liabilities and deferred inflows of resources, the City's governmental activities had $28,165,753 in outstanding long-term liabilities and $3,881,834 in other liabilities including outstanding accounts, payroll, and interest payable, deposits, and unearned revenue. The governmental activities had $952,418 in pension related deferred inflows and $70,641 in other postemployment benefits (OPEB) related deferred inflows. In total, the City's net position increased $5,816,069 in governmental activities in 2024.

For the City's business-type activities, total net position was $90,154,386 with $64,709,506 in net investment in capital assets, $6,000,758 in restricted net position and an unrestricted net position of $19,444,122. The City has $39,190,687 in outstanding long-term liabilities and $1,475,814 in other liabilities which is $280,768 lower than 2023. In deferred inflows of resources, the business-type activities had $245,195 related to pensions and $18,261 for OPEB deferrals. In total, the City's net position increased $6,443,955 in business-type activities in 2024, primarily attributable to new infrastructure in wastewater due to completed projects and upgrades.

Statement of Activities

The following is a comparison between the June 30, 2024 and 2023 Statement of Activities:

	Governmental Actvities		Business-Type Actvities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Fees, fines and charges for services	$ 3,151,190	$ 1,491,585	$ 14,853,244	$ 13,503,807	$ 18,004,434	$ 14,995,392
Operating grants and contributions	4,357,737	4,341,226	-	30,454	4,357,737	4,371,680
Capital grants and contributions	402,158	1,093,188	1,266,687	4,430,041	1,668,845	5,523,229
General revenues:					-	-
Property and other taxes	11,228,163	11,112,797	-	-	11,228,163	11,112,797
Franchise fees	2,947,944	2,747,904	-	-	2,947,944	2,747,904
Investment earnings	1,395,096	796,255	1,279,364	730,990	2,674,460	1,527,245
Miscellaneous	294,965	154,649	535,555	15,869	830,520	170,518
Total revenues	23,777,253	21,737,604	17,934,850	18,711,161	41,712,103	40,448,765
Expenses:						
General government	2,765,867	1,533,558	-	-	2,765,867	1,533,558
Public safety	7,768,603	7,312,117	-	-	7,768,603	7,312,117
Highways and streets	1,780,843	1,977,426	-	-	1,780,843	1,977,426
Culture and recreation	2,903,271	2,482,669	-	-	2,903,271	2,482,669
Community planning	1,103,114	1,249,321	-	-	1,103,114	1,249,321
Tranist	1,121,829	892,384	-	-	1,121,829	892,384
Interest and fiscal charges	588,945	716,872	-	-	588,945	716,872
Water	-	-	5,276,452	4,788,953	5,276,452	4,788,953
Wastewater	-	-	5,763,987	5,346,273	5,763,987	5,346,273
Storm drainage	-	-	379,168	286,533	379,168	286,533
Total expenses	18,032,472	16,164,347	11,419,607	10,421,759	29,452,079	26,586,106
Increase in net position before transfers	5,744,781	5,573,257	6,515,243	8,289,402	12,260,024	13,862,659
Transfers in (out)	71,288	55,095	(71,288)	(55,095)	-	-
Increase in net position	5,816,069	5,628,352	6,443,955	8,234,307	12,260,024	13,862,659
Net positon - beginning	34,932,770	29,304,418	83,710,431	75,476,124	118,643,201	104,780,542
Net position - ending	$ 40,748,839	$ 34,932,770	$ 90,154,386	$ 83,710,431	$ 130,903,225	$ 118,643,201

Table 2

Governmental activities increased the City's net position by $5,816,069 in fiscal year 2023-24, as compared to a $5,628,352 increase in the prior fiscal year. Revenue, excluding transfers, increased by $2,039,649 and expenses, excluding transfers, increased $1,868,125. Key elements of this change, as illustrated in Table 2 above, is primarily the result of increased fees, fines, and charges for service in 2024 due to an increase in special assessment collections of $1,069,027, an increase in interest earnings of $575,093, and an increase in intergovernmental revenue of $210,884. Business-Type activities total revenues, excluding transfers, decreased $776,311 from fiscal year 2022-23 and expenses, excluding transfers, increased $997,848.

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.

- 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 service 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.

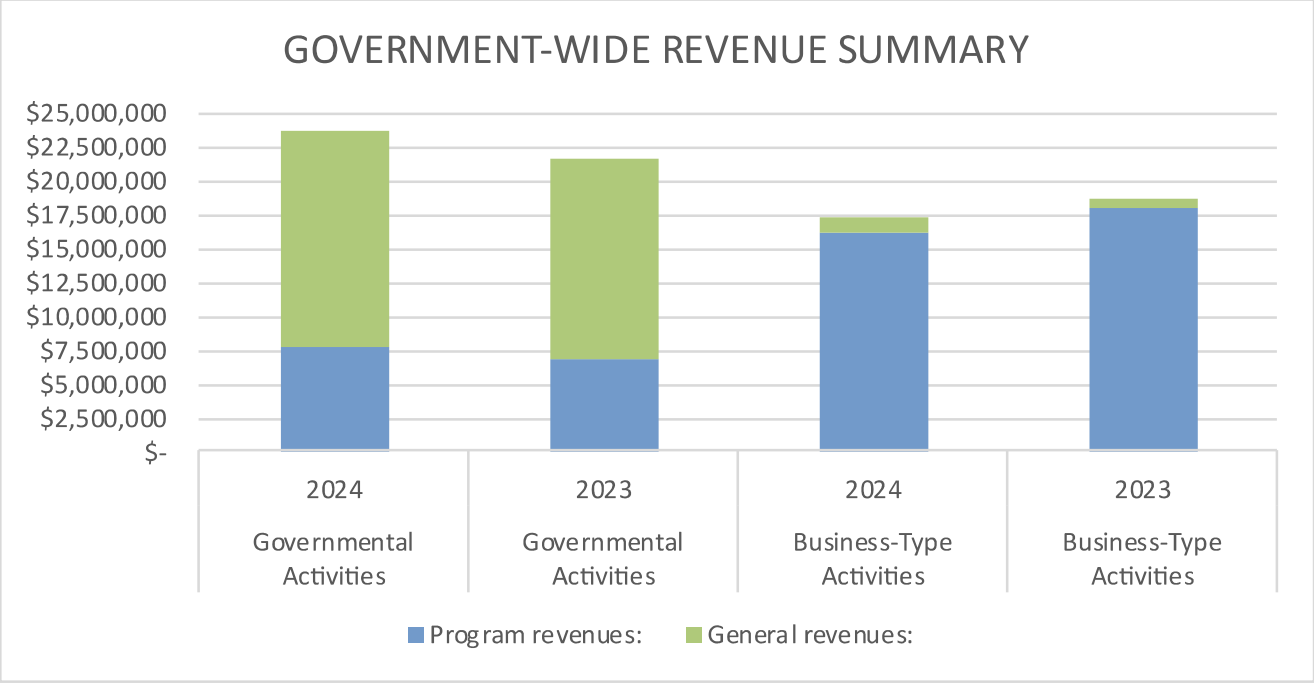


Figure 1

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

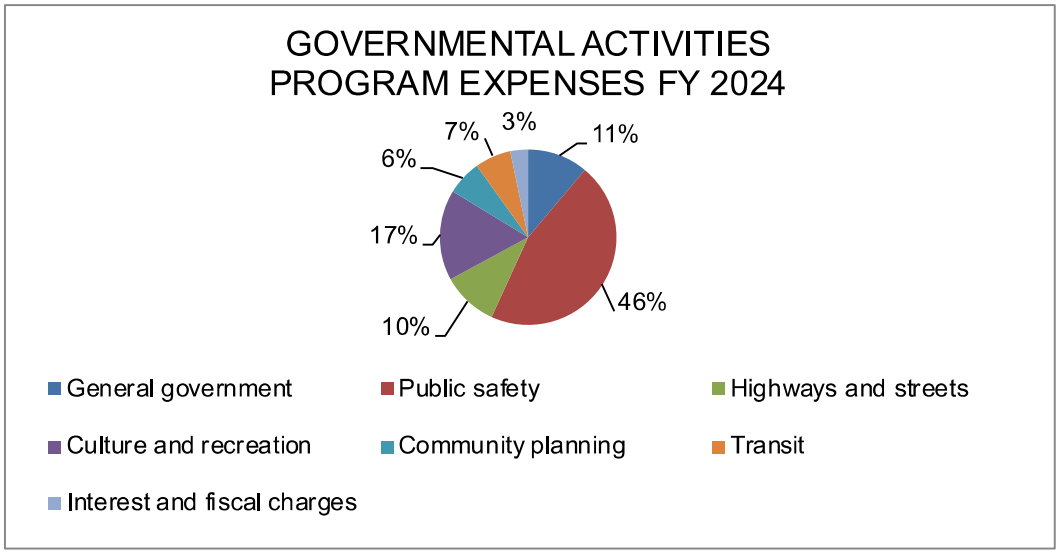


Figure 2

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

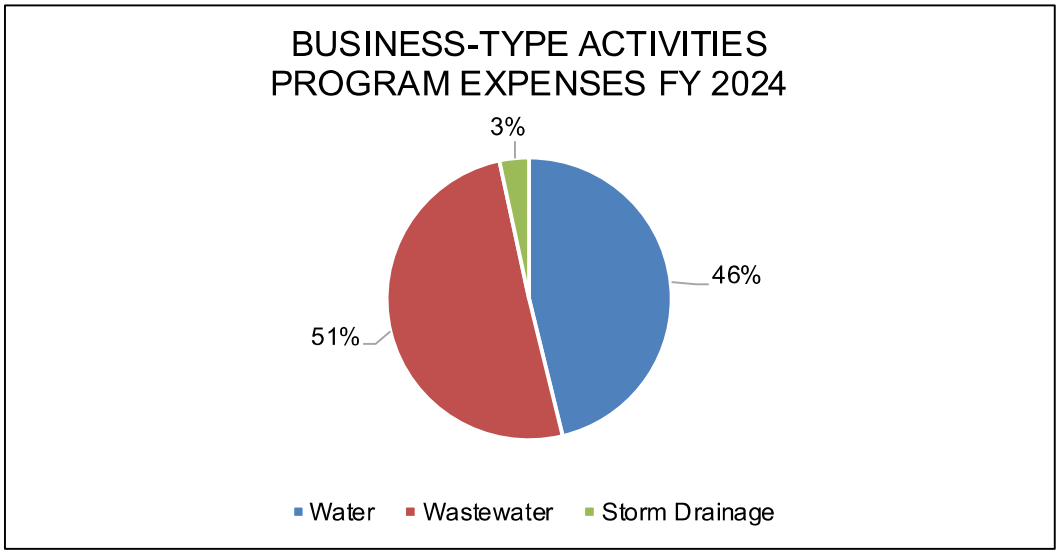


Figure 3

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.

Governmental Funds

As the City completed the year, its governmental funds reported a combined fund balance of $24,903,399, an increase of $1,985,260. The fund balance constitutes nonspendable, restricted, committed, assigned and unassigned amounts. Of the current fund balances, $350,154 is nonspendable, $30,902 is restricted for debt service, $25,247 is restricted for public safety, $8,451,627 is restricted for highway and streets, $4,608,379 is restricted for culture and recreation, $1,376,914 is restricted for building and engineering, $352,452 is restricted for transit, $4,526,255 is restricted for Urban Renewal Districts, $20,509 is committed for culture and recreation, $73,111 is committed for building and engineering, $766,706 is assigned for equipment replacements and $4,321,143 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 $4,321,143, a decrease of $470,779.

Proprietary Funds

The City's enterprise funds reported unrestricted net position of $20,034,602, restricted net position of $5,410,278 and $64,709,506 in net investment in capital assets.

BUDGETARY HIGHLIGHTS

General Fund resources were budgeted and anticipated to be collected in the amount of $11,674,537 during the fiscal year. Actual resources of $11,666,617 were available, $7,920 less than budgeted. General Fund expenditures budget was under-spent by $2,954,115. The ending fund balance was greater than the contingency budgeted by $2,404,009.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2024, the City had invested, before net reduction for accumulated depreciation, $242,671,51, 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 $10,937,332 from the prior year. Additions to depreciable assets of $11,136,077 includes additions from construction projects completed during the fiscal year. Additionally, there were transfers from construction in progress of $23,412,889 primarily due to the completion of the Westside Sewer Interceptor which accounted for $19.8 million.

Total depreciation expense for the year was $4,077,780 of which $1,646,340 is associated with government activities and $2,431,440 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.

Summary of Capital Assets Net of depreciation	Governmental Actvities		Business-Type Actvities		Total	
	2024	2023	2024	2023	2024	2023
Land	$ 3,514,692	$ 3,161,326	$ 1,278,827	$ 1,278,827	$ 4,793,519	$ 4,440,153
Construction in progress	529,999	379,593	1,352,137	16,373,226	1,882,136	16,752,819
Buildings	12,165,090	12,538,412	3,037,166	3,155,470	15,202,256	15,693,882
Vehicles	907,426	945,907	890,496	640,299	1,797,922	1,586,206
Machinery & Equipment	770,555	878,062	7,362,407	7,355,055	8,132,962	8,233,117
Improvements	1,599,612	791,059	1,483,019	231,752	3,082,631	1,022,811
Infrastructure	17,985,664	18,075,880	85,458,078	65,429,972	103,443,742	83,505,852
Intangible	59,374	69,275	-	-	59,374	69,275
SBITA assets	38,934	76,982	-	-	38,934	76,982
Total assets	$ 37,571,346	$ 36,916,496	$ 100,862,130	$ 94,464,601	$ 138,433,476	$ 131,381,097

Table 3

Long-Term Debt

At June 30, 2024 the City had total long-term debt outstanding of $51,631,678. 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 $4,758,810. 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 Actvities		Business-Type Actvities		Total	
	2024	2023	2024	2023	2024	2023
Bonds payable:						
General obligation bonds	$ 5,030,000	$ 6,485,000	$ -	$ -	$ 5,030,000	$ 6,485,000
Full faith and credit obligations	4,770,000	5,820,000	-	-	4,770,000	5,820,000
Premiums	467,832	614,751	-	-	467,832	614,751
Pension obligation bonds	705,009	910,009	-	-	705,009	910,009
Total bonds payable	10,972,841	13,829,760	-	-	10,972,841	13,829,760
Other long-term debt:						
Loans and notes payable	4,488,189	4,998,542	35,946,138	33,503,051	40,434,327	38,501,593
Premiums	195,860	224,887	-	-	195,860	224,887
SBITA	28,650	56,689	-	-	28,650	56,689
Total long-term debt	$ 15,685,540	$ 19,109,878	$ 35,946,138	$ 33,503,051	$ 51,631,678	$ 52,612,929

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 value. 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, 2022. In October 2024, the PERS actuaries released rates for July 2025 which will increase costs in Lebanon over 4% 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, 2024 to June 30, 2025 annual budget reflects total appropriations of $69,562,358. 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.
- 3.03% rate increase for utilities.
- Estimates for cost of living increases were added for American Federation of State, County & Municipal Employees (AFSCME) and Teamsters (Police) employees as bargaining was ongoing during budget development. No increases were planned in 2025 for non-union employees to contend with other budget constraints.

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

CITY OF LEBANON
STATEMENT OF NET POSITION
June 30, 2024

	Governmental Activities	Business-type Activities	Totals
Assets			
Cash and cash equivalents	$ 28,457,438	$ 26,010,198	$ 54,467,636
Receivables, net	2,400,559	2,555,886	4,956,445
Internal balances	(138,367)	138,367	-
Inventory	-	130,732	130,732
Prepaid items	214,829	14,473	229,302
Net other postemployment benefit asset	178,327	46,097	224,424
Capital assets:			
Capital assets, nondepreciable	4,044,691	2,630,964	6,675,655
Capital assets, net of accumulated depreciation / amortization	33,526,655	98,231,166	131,757,821
Total assets	68,684,132	129,757,883	198,442,015
Deferred outflows of resources			
Pension related items	5,085,743	1,314,636	6,400,379
Other postemployment benefit related items	49,610	12,824	62,434
Total deferred outflows of resources	5,135,353	1,327,460	6,462,813
Liabilities			
Accounts payable and accrued liabilities	878,967	879,672	1,758,639
Accrued interest payable	104,064	337,311	441,375
Deposits	1,004	258,831	259,835
Unearned revenue	2,897,799	-	2,897,799
Long-term liabilities:			
Due within one year	3,559,627	1,488,666	5,048,293
Due in more than one year	24,606,126	37,702,021	62,308,147
Total liabilities	32,047,587	40,666,501	72,714,088
Deferred inflows of resources			
Pension related items	952,418	246,195	1,198,613
Other postemployment benefit related items	70,641	18,261	88,902
Total deferred inflows of resources	1,023,059	264,456	1,287,515
Net position			
Net investment in capital assets	21,885,806	64,709,506	86,595,312
Restricted for:			
Debt service	92,060	-	92,060
Public safety	25,247	-	25,247
Highways and streets	8,904,710	-	8,904,710
Culture and recreation	4,917,806	-	4,917,806
Building and engineering	1,376,914	-	1,376,914
Transit	376,620	-	376,620
Urban renewal projects	4,620,591	-	4,620,591
Utility capital projects	-	5,364,181	5,364,181
Net other postemployment benefit	178,327	46,097	224,424
Unrestricted	(1,629,242)	20,034,602	18,405,360
Total net position	**$ 40,748,839**	**$ 90,154,386**	**$ 130,903,225**

See notes to financial statements

CITY OF LEBANON
STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Totals
Governmental activities:							
General government	$ 2,765,867	$ 347,872	$ 809,510	$ -	$ (1,608,485)		$ (1,608,485)
Public safety	7,768,603	10,949	116,545	-	(7,641,109)		(7,641,109)
Highways and streets	1,780,843	1,170,561	1,755,115	402,158	1,546,991		1,546,991
Culture and recreation	2,903,271	759,040	183,109	-	(1,961,122)		(1,961,122)
Community planning	1,103,114	862,768	55,715	-	(184,631)		(184,631)
Transit	1,121,829	-	1,437,743	-	315,914		315,914
Interest	588,945	-	-	-	(588,945)		(588,945)
Total governmental activities	18,032,472	3,151,190	4,357,737	402,158	(10,121,387)		(10,121,387)
Business-type activities:							
Water	5,276,452	6,780,239	-	656,153		$ 2,159,940	2,159,940
Wastewater	5,763,987	7,305,597	-	295,350		1,836,960	1,836,960
Stormwater	379,168	767,408	-	315,184		703,424	703,424
Total business-type activities	11,419,607	14,853,244	-	1,266,687		4,700,324	4,700,324
Totals	**$ 29,452,079**	**$ 18,004,434**	**$ 4,357,737**	**$ 1,668,845**	(10,121,387)	4,700,324	(5,421,063)
	General revenues:						
	Property taxes levied for:						
	General purposes				10,741,441	-	10,741,441
	Miscellaneous taxes				486,722	-	486,722
	Franchise fees				2,947,944	-	2,947,944
	Unrestricted investment earnings				1,395,096	1,279,364	2,674,460
	Miscellaneous				300,882	515,555	816,437
	Gain (loss) on sale of asset				(5,917)	20,000	14,083
	Transfers				71,288	(71,288)	-
	Total general revenues and transfers				15,937,456	1,743,631	17,681,087
	Change in net position				5,816,069	6,443,955	12,260,024
	Net position - beginning				34,932,770	83,710,431	118,643,201
	Net position - ending				**$ 40,748,839**	**$ 90,154,386**	**$ 130,903,225**

See notes to financial statements

CITY OF LEBANON, OREGON
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024

	General	Park Enterprise Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 4,174,481	$ 2,640,264	$ 19,583,681	$ 26,398,426
Taxes receivable	268,667	-	171,300	439,967
Accounts receivable	811,557	-	1,140,136	1,951,693
Due from other funds	-	-	206,486	206,486
Prepaid items	140,866	150	2,652	143,668
Restricted cash and cash equivalent	629,430	-	179,431	808,861
Total assets	**$ 6,025,001**	**$ 2,640,414**	**$ 21,283,686**	**$ 29,949,101**
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities				
Accounts payable	$ 386,965	$ 19,755	129,851	536,571
Accrued liabilities	285,324	-	-	285,324
Unearned revenue	270,272	2,600,000	-	2,870,272
Consumer deposits	934	-	70	1,004
Total liabilities	943,495	2,619,755	129,921	3,693,171
Deferred inflows of resources				
Unavailable revenue-property taxes	243,772	-	155,494	399,266
Unavailable revenue-receivables	375,725	-	577,540	953,265
Total deferred inflows of resources	619,497	-	733,034	1,352,531
Fund Balances				
Nonspendable	140,866	150	209,138	350,154
Restricted	-	-	19,371,776	19,371,776
Committed	-	20,509	73,111	93,620
Assigned	-	-	766,706	766,706
Unassigned	4,321,143	-	-	4,321,143
Total fund balances	4,462,009	20,659	20,420,731	24,903,399
Total liabilities, deferred inflows of resources and fund balances	**$ 6,025,001**	**$ 2,640,414**	**$ 21,283,686**	**$ 29,949,101**

See notes to financial statements.

CITY OF LEBANON, OREGON

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION GOVERNMENTAL FUNDS

June 30, 2024

Fund Balances - Total Governmental Funds	$ 24,903,399
Amounts reported for governmental activities in the statement of net position are different because:	
The statement of net position reports net other postemployment benefit asset for its participation in the other postemployment benefit plan	178,327
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	37,571,346
The government-wide statements report as a deferred outflow, contributions made to OPERS subsequent to the measurement date and changes in assumptions and investment returns related to its participation in OPERS and the retirement plan	5,085,743
The government-wide statements report as a deferred outflow, contributions made subsequent to the measurement date and the net difference between projected and actual earnings related to its participation in the other postemployment benefit plans	49,610
The government-wide statements report a deferred inflow related to changes in assumptions and investment returns related to participation in OPERS and the retirement plan	(952,418)
The government-wide statements report a deferred inflow related to changes in assumptions and investment returns related to participation in the other postemployment benefit plans	(70,641)
Internal service funds are used by management to charge the costs of centralized services and facilities maintenance services to individual funds. A portion of the assets and liabilities of the internal service funds is included in governmental activities in the statement of net position	900,759
Other long-term assets are not available for current period expenditures and, therefore, are reported as unavailable revenue in the funds	1,352,531
Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds	(28,269,817)
Net Position of Governmental Activities	**$ 40,748,839**

See notes to financial statements.

CITY OF LEBANON, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2024

	General	Park Enterprise Fund	Total Nonmajor Funds	Total Governmental Funds
Revenues				
Property and other taxes	$ 6,907,588	$ -	$ 4,298,173	$ 11,205,761
Franchise fees	2,834,021	-	-	2,834,021
Special assessment collections	-	-	1,548,224	1,548,224
Licenses, permits and fees	4,295	-	809,307	813,602
Fines and forfeitures	265,595	-	-	265,595
Charges for services	80,597	154,379	10,815	245,791
Intergovernmental	1,115,287	167,400	3,219,731	4,502,418
Rents	43,236	11,865	9,600	64,701
Donations	-	2	52,769	52,771
Interest	242,777	133,218	989,575	1,365,570
Miscellaneous	173,221	400	25,182	198,803
Total revenues	11,666,617	467,264	10,963,376	23,097,257
Expenditures				
Current:				
General government	1,355,988	-	-	1,355,988
Public safety	6,452,779	-	4,100	6,456,879
Highways and streets	-	-	1,012,441	1,012,441
Culture and recreation	1,035,100	872,465	299,401	2,206,966
Community planning	273,637	-	690,878	964,515
Transportation	-	-	975,243	975,243
Debt service:				
Principal	91,715	-	3,128,638	3,220,353
Interest	31,180	-	749,543	780,723
Capital outlay	135,541	641,080	1,132,876	1,909,497
Total expenditures	9,375,940	1,513,545	7,993,120	18,882,605
Excess (deficiency) of revenues over expenditures	2,290,677	(1,046,281)	2,970,256	4,214,652
Other financing sources (uses)				
Sale of capital assets	-	-	113,540	113,540
Transfers in	-	548,250	1,702,636	2,250,886
Transfers out	(2,677,971)	(116,004)	(1,799,843)	(4,593,818)
Total other financing sources (uess)	(2,677,971)	432,246	16,333	(2,229,392)
Net change in fund balances	(387,294)	(614,035)	2,986,589	1,985,260
Fund balances at beginning of year	4,849,303	634,694	17,434,142	22,918,139
Fund balances at end of year	**$ 4,462,009**	**$ 20,659**	**$ 20,420,731**	**$ 24,903,399**

See notes to financial statements.

CITY OF LEBANON, OREGON

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

Year Ended June 30, 2024

Net Change in Fund Balances - Total Governmental Funds		$ 1,985,260
Amounts reported for governmental activities in the Statement of Activities are different because of the following:		
Governmental funds report the acquistion of capital assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. The difference between those two amounts is:		
Acquisition of capital assets	$ 2,064,670	
Depreciation	(1,602,283)	462,387
The changes in net pension liability (asset) and deferred inflows and outflows related to the entity's participation in OPERS are reported as pension expense on the statement of activities		819,829
The changes in other postemployment benefit liability (asset) and deferred inflows and outflows related to the entity's participation in the other postemployment benefit plans are reported as other postemployment benefit expense on the statement of activities		25,762
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		188,046
Internal service funds are used by management to charge the costs of public works services to individual funds. A portion of the assets and liabilities of the internal service funds is included in governmental activities in the statement of net position		(1,203,289)
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.		
Accrued interest	16,839	
Compensated absences	69,985	86,824
Net premiums and discounts on the issuance of long-term obligations charged to charged to interest expense in the current year.		175,946
Repayment of long-term obligations principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the statement of net position.		3,275,304
Change in Net Position of Governmental Activities		**$ 5,816,069**

See notes to financial statements.

CITY OF LEBANON, OREGON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2024

	Business-type Activities				Governmental Activities
	Water	Wastewater	Nonmajor Storm Drainage	Total	Internal Service Funds
ASSETS					
Current assets					
Cash and cash equivalents	$ 5,718,159	$ 19,094,542	$ 1,197,497	$ 26,010,198	$ 1,250,151
Receivables, net	1,086,771	1,333,653	135,462	2,555,886	8,899
Inventory	130,732	-	-	130,732	-
Prepaid items	5,532	8,941	-	14,473	71,161
Total current assets	6,941,194	20,437,136	1,332,959	28,711,289	1,330,211
Noncurrent assets					
Capital assets:					
Capital assets, nondepreciable	833,743	1,539,445	257,776	2,630,964	81,868
Capital assets, net of accumulated depreciation	45,702,566	49,843,964	2,684,636	98,231,166	110,793
Total capital assets	46,536,309	51,383,409	2,942,412	100,862,130	192,661
Net other postemployment benefit asset	19,705	23,946	2,446	46,097	34,722
Total noncurrent assets	46,556,014	51,407,355	2,944,858	100,908,227	227,383
Total assets	53,497,208	71,844,491	4,277,817	129,619,516	1,557,594
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	561,961	682,915	69,760	1,314,636	990,265
Other postemployment benefit related items	5,482	6,661	681	12,824	9,660
Total deferred outflows of resources	567,443	689,576	70,441	1,327,460	999,925
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities	128,175	574,072	177,425	879,672	57,072
Accrued interest payable	259,599	77,712	-	337,311	-
Deposits	258,831	-	-	258,831	-
Compensated absences	21,873	26,452	1,543	49,868	25,598
Unearned revenue	-	-	-	-	27,527
SBITA payable	-	-	-	-	26,912
Current portion of loans and notes payable	708,741	730,057	-	1,438,798	-
Total current liabilities	1,377,219	1,408,293	178,968	2,964,480	137,109
Noncurrent liabilities					
Compensated absences	65,617	79,357	4,627	149,601	76,794
Loans and notes payable	19,327,397	15,179,943	-	34,507,340	-
Net pension liability	1,272,770	1,546,715	157,998	2,977,483	2,242,824
Total OPEB liability	28,895	35,115	3,587	67,597	50,919
Interfund loan payable	-	-	206,486	206,486	-
Total noncurrent liabilities	20,694,679	16,841,130	372,698	37,908,507	2,370,537
Total liabilities	22,071,898	18,249,423	551,666	40,872,987	2,507,646
DEFERRED INFLOW OF RESOURCES					
Pension related items	105,240	127,891	13,064	246,195	185,449
Other postemployment benefit related items	7,806	9,486	969	18,261	13,755
Total deferred inflows of resources	113,046	137,377	14,033	264,456	199,204
NET POSITION					
Net investment in capital assets	26,500,171	35,473,409	2,735,926	64,709,506	165,749
Restricted for:					
System development	633,594	4,376,336	354,251	5,364,181	-
Net OPEB benefits	19,705	23,946	2,446	46,097	34,722
Unrestricted	4,726,237	14,273,576	689,936	19,689,749	(349,802)
Total net position	**$ 31,879,707**	**$ 54,147,267**	**$ 3,782,559**	**89,809,533**	**$ (149,331)**
Reconciliation to business-type activities:					
Adjustment to reflect internal service fund balances related to business-type activities				344,853	
Net position of business-type activities				**$ 90,154,386**	

See notes to financial statements

CITY OF LEBANON, OREGON
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2024

	Business-type Activities				Governmental Activities
			Nonmajor		
	Water	Wastewater	Storm Drainage	Total	Internal Service Funds
Operating revenues					
Special assessment	$ 342,670	$ 536,932	$ 51,095	$ 930,697	$ -
Charges for services	6,411,718	6,733,804	712,480	13,858,002	12,704
Intergovernmental	-	-	-	-	161,491
Miscellaneous	15,139	128	-	15,267	3,786
Total operating revenues	6,769,527	7,270,864	763,575	14,803,966	177,981
Operating expenses					
Personnel services	1,340,149	1,656,683	179,055	3,175,887	2,303,476
Materials and services	1,848,596	1,885,905	69,183	3,803,684	972,415
Depreciation and amortization	1,153,982	1,218,036	59,424	2,431,442	44,058
Total operating expenses	4,342,727	4,760,624	307,662	9,411,013	3,319,949
Operating income (loss)	2,426,800	2,510,240	455,913	5,392,953	(3,141,968)
Nonoperating revenues (expenses)					
Loan forgiveness	-	500,000	-	500,000	-
Interest income	290,752	913,937	58,980	1,263,669	45,222
Interest expense	(451,397)	(347,361)	(5,556)	(804,314)	(232)
Total nonoperating revenues (expenses)	(160,645)	1,086,576	53,424	979,355	44,990
Income (loss) before capital contributions and transfers	2,266,155	3,596,816	509,337	6,372,308	(3,096,978)
Capital contributions	656,153	295,350	315,184	1,266,687	-
Transfers in	-	-	-	-	4,353,633
Transfers out	(671,821)	(926,593)	(107,826)	(1,706,240)	(318,868)
Change in net position	2,250,487	2,965,573	716,695	5,932,755	937,787
Net position at beginning of year	29,629,220	51,181,694	3,065,864	83,876,778	(1,087,118)
Net position at end of year	**$ 31,879,707**	**$ 54,147,267**	**$ 3,782,559**	**$ 89,809,533**	**$ (149,331)**

Reconciliation to business-type activities:	
Change in net position - total enterprise funds	$ 5,932,755
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds	511,200
Change in net position of the business-type activities	**$ 6,443,955**

See notes to financial statements

CITY OF LEBANON, OREGON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2024

	Business-type Activities				Governmental Activities
	Water	Wastewater	Nonmajor Storm Drainage	Total	Internal Service Funds
Cash flows from operating activities					
Receipts from customers and users	$ 6,419,913	$ 6,742,459	$ 709,011	$ 13,871,383	$ 177,268
Payments to suppliers	(1,722,864)	(2,463,459)	(72,615)	(4,258,938)	(973,318)
Payments to employees	(1,400,987)	(1,637,969)	(169,081)	(3,208,037)	(2,381,250)
Net cash provided by (used in) operating activities	3,296,062	2,641,031	467,315	6,404,408	(3,177,300)
Cash flows from noncapital financing activities					
Payments on interfund loan	-	-	(40,444)	(40,444)	-
Loan forgiveness	-	500,000	-	500,000	-
Transfers in	-	-	-	-	4,353,633
Transfers out	(671,821)	(926,593)	(107,826)	(1,706,240)	(318,868)
Net cash provided by (used in) noncapital financing activities	(671,821)	(426,593)	(148,270)	(1,246,684)	4,034,765
Cash flows from capital and related financing activities					
System development charges received	302,166	477,001	48,644	827,811	-
Proceeds from sale of assets	-	20,000	-	20,000	-
Acquisition of capital assets	(2,213,471)	(5,089,438)	(82,056)	(7,384,965)	(78,359)
Issuance of long-term obligations	-	3,981,544	-	3,981,544	-
Principal paid on long-term obligations	(693,457)	(845,000)	-	(1,538,457)	(26,337)
Interest paid on long-term obligations	(460,313)	(283,149)	(5,556)	(749,018)	(1,163)
Net cash provided by (used in) capital and related financing activities	(3,065,075)	(1,739,042)	(38,968)	(4,843,085)	(105,859)
Cash flows from investing activities					
Interest on investments	290,752	913,937	58,980	1,263,669	45,222
Net increase (decrease) in cash and cash equivalents	(150,082)	1,389,333	339,057	1,578,308	796,828
Cash and cash equivalents at beginning of year	5,868,241	17,705,209	858,440	24,431,890	453,323
Cash and cash equivalents at end of year	**$ 5,718,159**	**$ 19,094,542**	**$ 1,197,497**	**$ 26,010,198**	**$ 1,250,151**
Reconciliation of operating income (loss) to net cash provide by (used in) operating activities					
Operating income (loss)	$ 2,426,800	$ 2,510,240	$ 455,913	$ 5,392,953	$ (3,141,968)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation and amortization	1,153,982	1,218,036	59,424	2,431,442	44,058
System development charges received	(342,670)	(536,932)	(51,095)	(930,697)	-
(Increase) decrease in assets and deferred outflows:					
Receivables, net	(15,502)	8,527	(3,469)	(10,444)	(713)
Inventories	28,952	-	-	28,952	-
Prepaid items	(2,190)	(8,941)	-	(11,131)	(16,716)
Net OPEB asset	737	(916)	(331)	(510)	664
Deferred outflows - Pension related items	(111,523)	(175,440)	160	(286,803)	(210,525)
Deferred outflows - OPEB related items	2,647	2,497	(23,148)	(18,004)	4,413
Increase (decrease) in liabilities and deferred inflows:					
Accounts payable and accrued liabilities	77,639	(593,651)	(3,432)	(519,444)	(37,046)
Consumer deposits	8,558	-	-	8,558	-
Compensated absences	(9,406)	4,335	(4,004)	(9,075)	1,468
Net pension liability	299,140	449,798	57,245	806,183	557,399
Total OPEB liability	(1,186)	1,225	474	513	(1,155)
Deferred inflows - Pension related items	(215,553)	(233,523)	(20,132)	(469,208)	(369,868)
Deferred inflows - OPEB related items	(4,363)	(4,224)	(290)	(8,877)	(7,311)
Net cash provided by (used in) operating activities	**$ 3,296,062**	**$ 2,641,031**	**$ 467,315**	**$ 6,404,408**	**$ (3,177,300)**

See notes to financial statements

NOTE 1 – FINANCIAL REPORTING ENTITY

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 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.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues and other non-exchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and fund financial statements (continued)
The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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. Internally dedicated resources are reported as general revenues rather than as program revenues. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting and financial statement presentation
The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the functions of the City, the elimination of which would distort the direct costs and program revenues reported for the various functions concerned.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the current fiscal year-end. Significant revenues, which are susceptible to accrual under the modified accrual basis of accounting, include property taxes, franchise fees, assessment liens, and federal and state grants. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Other revenue items are considered to be measurable and available when received by the City. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, long-term leases and claims and judgments, are recorded only when payment is due.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement focus, basis of accounting and financial statement presentation (continued)
The City reports the following major governmental funds:

- *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 distinguish operating revenues and expenses from nonoperating 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 are charges to customers for sales and services. Operating expenses for proprietary 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 nonoperating revenues and expenses.

The City reports the following major proprietary funds:

- *Water* – 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* – 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.

The City also reports the following nonmajor governmental and proprietary fund types:

- *Special Revenue* – accounts for revenue derived from specific taxes or other revenue sources, which are legally restricted to finance particular functions or activities.

- *Enterprise* – accounts for the operations of predominately self-supporting activities. Enterprise funds account for services rendered to the public on a user charge basis.

- *Internal Service* – accounts for the cost of providing services to other funds of the City which are charged a fee on a cost reimbursement basis for those services.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, checking, savings and money market accounts, and any highly-liquid debt instruments purchased with a maturity 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.

Receivables

Uncollected property taxes are reported in governmental funds balance sheet as receivables; the portion which is available to finance expenditures of the current period is recorded as revenue and the remaining balance is recorded as deferred inflows of resources. Property taxes collected within 60 days of the end of the current period are considered measurable and available and are recognized as revenue.

Property taxes - Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collections to entities levying taxes. Property taxes are assessed as of January 1 and become a lien against the property as of July 1 of each year on all taxable property. Property taxes are due and payable in three installments following the lien date on November 15, February 15 and May 15. Discounts are allowed if the amount due or two-thirds of the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

User charges receivable - User charges receivables are reported at the amount management expects to collect on balances outstanding at year-end. Management closely monitors outstanding balances and writes off or establishes an allowance, as of year-end, for all balances that have not been collected by the time the financial statements are issued.

Inventory

Inventories are valued at cost, on a first-in, first-out basis and consist of materials and supplies maintained for system maintenance and operation.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital assets

Capital assets, which include property, equipment, infrastructure assets (e.g. roads, bridges, sidewalks, storm sewers, sewers and similar items), their improvements, and right-to-use assets under subscription-based information technology arrangements (SIBITAS), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the statement of net position in the proprietary funds. Capital assets are defined by the City as assets with an initial, individual cost of $5,000 or more and having an estimated useful life extending beyond a single reporting period. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value or materially extend the useful lives of the assets are not capitalized. Major capital assets and improvements are capitalized as projects are constructed.

Depreciation expense is allocated in the statement activities by program/function. Capital assets are depreciated using the straight-line method over estimated useful lives as follows:

Asset Type	Useful Life
Buildings & Improvements	10 - 50 years
Water and Wastewater Systems	20 - 50 years
Infrastructure	25 - 50 years
Vehicles	5 - 10 years
Machinery and equipment	5 - 20 years

Depreciation is recorded in the year the assets are acquired or retire from the date of acquisition or to the date of disposition. Upon disposal of capital assets, the accounts are relieved of the related costs and accumulated depreciation, and resulting gains or losses are reflected in the operations of the current period.

SBITAS – SBITAS are intangible assets which the City has the right to use for a term of more than one year. The value of SBITAS is determined by the net present value of the payments under the agreement using the interest rate implicit in the lease or, if not determinable, at the City's incremental borrowing rate at the time of the agreement and are amortized over the term of the agreement.

Long-term liabilities

In the government-wide and the proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Premiums, discounts and deferred amounts on refunding are amortized over the life of the related debt issue. Bond and note payable is reported net of the unamortized bond premium or discount.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-term liabilities (continued)
In the governmental fund financial statements, the present value of the lease payments, the face amount of the debt issues and premiums received on debt issuances are reported as other financing sources. Issuance costs are reported as debt service expenditures.

Compensated absences
Compensated absences, such as vacation and compensation time, are accrued as they are earned. For governmental funds, compensated absences is maintained separately and represents a reconciling item between fund level and government-wide presentations. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. Vested or accumulated vacation leave that is expected to be liquidated with expendable available resources is reported as an expenditure and a fund liability of the fund that will pay it.

Pensions
For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employee Retirement System (OPERS) and additions to/deductions from OPERS' 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 fair value.

Other postemployment benefits
For purposes of measuring the other postemployment benefit (OPEB) asset and liability, deferred outflows of resources and deferred inflows of resources related to the OPEB, and OPEB expense, information about the fiduciary net position of the City's two separate plans, the OPERS Retirement Health Insurance Account (RHIA) and the Implicit Rate Subsidy and additions to/deductions from the RHIA and Implicit Rate Subsidy's fiduciary net position have been determined on the same basis as they are reported by OPERS and the Implicit Rate Subsidy. For this purpose, the benefit payments of both plans are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which is reported at cost.

Deferred outflow / inflows of resources
In addition to assets, the statements of net position report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government-wide and the proprietary fund statements report deferred outflows of resources related to pensions and OPEB.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred outflow / inflows of resources (continued)
In addition to liabilities, the statements of net position will report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The balance sheet of governmental funds will report deferred inflows related to unavailable revenues, which are deferred and recognized as an inflow of resources in the period that the amounts become available, as well as leases. The government-wide and the proprietary fund statements report deferred outflows of resources related to leases, pensions and OPEB.

Net position
Government-wide and proprietary fund financial statements
In the government-wide and proprietary fund financial statements, equity is classified as net position and displayed in three components:

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, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

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 and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – All amounts that do not meet the definition of "restricted" or "invested in capital assets, net of related debt" are reported as "unrestricted net position."

In the government-wide and proprietary fund financial statements, when both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund balance
Governmental fund type fund balance reporting
Governmental type fund balances are to be properly reported within one of the fund balance categories list below:

Non-spendable – Amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid items.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund balance (continued)

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the City Council. The City Council is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the City Council.

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The City Council has granted authority to the City Manager to assign fund balance amounts.

Unassigned – The residual classification for the government's General Fund and includes all spendable amounts not contained in the other classifications. Additionally, other funds may report negative unassigned fund balance in certain circumstances.

In the governmental fund financial statements, when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

Risk management

The City is exposed to various risks of loss related to errors and omissions, automobile, damage to and destruction of assets, bodily injury, and worker's compensation for which the City carries commercial insurance. The City participates in the 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. Predetermined limits and deductible amounts are stated in the policy. There has been no significant reduction in insurance coverage from the prior year and settled claims have not reached the level of commercial coverage in any of the past three fiscal years.

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS

Risk management (continued)
As of June 30, 2024, the City's cash, cash equivalents and investments are as follows:

Deposits with financial institutions	$	992,692
State of Oregon Local Government Investment Pool		53,473,144
Cash on hand		1,800
Total cash and cash equivalents	$	54,467,636

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 upon their combined cash and cash equivalents balances.

Deposits with financial institutions
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.

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 failure 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, 2024, none of the City's deposits with financial institutions were exposed to custodial credit risk.

State of Oregon Local Government 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.

NOTE 3 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

State of Oregon Local Government Investment Pool (continued)

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 does not have a formal policy that places a limit on the amount that may be invested in any one issuer.

Interest Rate Risk: The City does not have a formal policy that limits investment maturities as a means of managing its exposure to fair-value losses arising from increases in interest rates.

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 which limits the amount of investments that can be held by counterparties.

NOTE 4 – RECEIVABLES

The City's receivables at June 30, 2024, are as follows:

	Governmental Activities / Funds				Business-Type Activities / Proprietary Funds			
	General	Internal Service	Nonmajor Governmental Funds	Total Governmental Funds	Water	Wastewater	Nonmajor Enterprise	Total Proprietary Funds
Accounts	$ 5,844,625	$ 8,899	$ 578,090	$ 6,431,614	$ 678,342	$ 837,521	$ 93,008	$ 1,608,871
Property taxes	268,667	-	171,300	439,967	246,649	217,347	24,154	-
System development charges	-	-	562,046	562,046	161,780	278,785	18,300	458,865
Allowance for doubtful accounts	(5,033,068)	-	-	(5,033,068)	-	-	-	-
Total	$ 1,080,224	$ 8,899	$ 1,311,436	$ 2,400,559	$ 1,086,771	$ 1,333,653	$ 135,462	$ 2,555,886

Uncollected taxes and assessments are deemed to be substantially collectible or recoverable through liens. Therefore, no allowance for uncollectible accounts has been established.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 is as follows:

	Balance at July 1, 2023	Additions	Deletions	Balance at June 30, 2024
Governmental activities				
Capital assets not being depreciated				
Land	$ 3,161,326	$ 353,366	$ -	$ 3,514,692
Construction in progress	379,594	1,368,946	1,218,541	529,999
Total captial Assets, not being depreciated	3,540,920	1,722,312	1,218,541	4,044,691
Capital assets being depreciated / amortized				
Buildings	19,435,762	24,009	-	19,459,771
Vehicles	3,378,748	94,301	75,861	3,397,188
Machinery and Equipment	4,952,618	59,324	-	5,011,942
Improvements	876,724	836,427	-	1,713,151
Infrastructure	73,888,242	789,276	-	74,677,518
Intangible Assets	99,004	-	-	99,004
Right-to-use - SBITAS	127,510	-	-	127,510
	102,758,608	1,803,337	75,861	104,486,084
Less accumulated depreciation / amortization for:				
Buildings	6,897,350	397,331	-	7,294,681
Vehicles	2,432,841	126,866	69,945	2,489,762
Machinery and Equipment	4,074,556	166,831	-	4,241,387
Improvements	85,666	27,873	-	113,539
Infrustructure	55,812,363	879,491	-	56,691,854
Intangible Assets	29,729	9,901	-	39,630
Right-to-use - SBITAS	50,528	38,048	-	88,576
Total accumulated depreciation / amortization	69,383,033	1,646,341	69,945	70,959,429
Capital assets being depreciated / amortized, net	33,375,575	156,996	5,916	33,526,655
Governmental activities capital assets, net	$ 36,916,495	$ 1,879,308	$ 1,224,457	$ 37,571,346

NOTE 5 – CAPITAL ASSETS (Continued)

	Balance at July 1, 2023	Additions	Deletions	Balance at June 30, 2024
Business-type activities				
Capital assets, not being depreciated:				
Land	$ 1,278,827	$ -	$ -	$ 1,278,827
Construction in progress	16,373,226	7,173,259	22,194,348	1,352,137
Total capital assets, not being depreciated	17,652,053	7,173,259	22,194,348	2,630,964
Capital assets being depreciated				
Buildings	8,267,076	-	-	8,267,076
Vehicles	1,870,568	340,672	122,884	2,088,356
Machinery and Equipment	12,999,314	437,006	-	13,436,320
Improvements	249,908	1,266,687	-	1,516,595
Infrastructure	84,395,272	21,805,693	-	106,200,965
Total capital assets being depreciated, net	107,782,138	23,850,058	122,884	131,509,312
Less accumulated depreciation for:				
Buildings	5,111,606	118,304	-	5,229,910
Vehicles	1,230,269	90,475	122,884	1,197,860
Machinery and Equipment	5,644,259	429,654	-	6,073,913
Improvements	18,156	15,420	-	33,576
Infrastructure	18,965,300	1,777,587	-	20,742,887
Total accumulated depreciation	30,969,590	2,431,440	122,884	33,278,146
Total capital assets being depreciated, net	76,812,548	21,418,618	-	98,231,166
Business-type activities capital assets, net	$ 94,464,601	$ 28,591,877	$ 22,194,348	$ 100,862,130

Depreciation and amortizations expense was charged to functions/programs of the City as follows:

Governmental activities	
General Government	$ 418,786
Public Safety	235,923
Transit	31,610
Highways and Street	683,047
Culture and Recreation	276,974
Total depreciation and amortization expense - governmental activities	$ 1,646,340
Business-type activities	
Water	$ 1,153,981
Wastewater	1,218,035
Stormwater	59,424
Total depreciation and amortization expense - business-type activities	$ 2,431,440

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

NOTE 6 – 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

For the year ended June 30, 2024, changes in long-term liabilities were as follows:

	Outstanding July 1, 2023	Additions	Reductions	Outstanding June 30, 2024	Due Within One Year
Governmental activities					
Governmental Bonds					
GO debt bond Series 2015	$ 6,485,000	$ -	$ 1,455,000	$ 5,030,000	$ 1,540,000
2002 Pension Obligation Bond	910,009	-	205,000	705,009	-
NW URD Lebanon FFC2013	5,820,000	-	1,050,000	4,770,000	1,110,000
Unamortized bond premium	614,751	-	146,919	467,832	146,919
Total Governmental bonds payable	13,829,760	-	2,856,919	10,972,841	2,796,919
Governmental Loans					
Cheadle Lake URD Opus Bank	2,754,903	-	272,504	2,482,399	280,353
Go debt Loan B07002	637,963	-	91,715	546,248	97,383
NW URD B05003	1,605,676	-	146,134	1,459,542	152,258
Loan premiums	224,887	-	29,027	195,860	29,027
Total Governmental Loans/Notes	5,223,429	-	539,380	4,684,049	559,021
SBITA	56,689	-	28,039	28,650	28,650
Total long-term debt	19,109,878	-	3,424,338	15,685,540	3,384,590
Net pension liability	7,806,544	3,712,016	-	11,518,560	
Total OPEB liability	241,189	20,316	-	261,505	-
Compensated Absences	667,741	972,672	940,265	700,148	175,037
Total long-term liabilities - governmental activities	$ 27,825,352	$ 4,705,004	$ 4,364,603	$ 28,165,753	$ 3,559,627

On March 3, 2002, the City issued Pension Obligation Bonds, Series 2002 which are held by Wells Fargo Corpo-rate 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.

NOTE 6 – LONG-TERM LIABILITIES (Continued)

Governmental Activities (Continued)
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 be-tween 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.

Business-Type Activities
For the year ended June 30, 2024, changes in long-term liabilities were as follows:

	Outstanding July 1, 2023	Additions	Reductions	Outstanding June 30, 2024	Due Within One Year
Business-type activities					
Long-term debt					
Water Loan L16003	$ 10,080,310	$ -	$ 332,646	$ 9,747,664	$ 385,057
Water Loan S16004	10,649,285		360,811	10,288,474	344,322
Wastewater JP Morgan Refunding	2,755,000		345,000	2,410,000	364,419
Wastewater Loan R56201	10,018,456	3,981,544	500,000	13,500,000	345,000
Total Enterprise Loans/Notes	33,503,051	3,981,544	1,538,457	35,946,138	1,438,798
Total long-term debt	33,503,051	3,981,544	1,538,457	35,946,138	1,438,798
Net pension liability	2,171,300	806,183	-	2,977,483	-
Total OPEB liability	67,084	57,133	56,620	67,597	-
Compensated absences	206,049	214,306	220,886	199,469	49,868
Total long-term liabilities - business-type activities	$ 35,947,484	$ 5,059,166	$ 1,815,963	$ 39,190,687	$ 1,488,666

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 Cred-it 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.

NOTE 6 – LONG-TERM LIABILITIES (Continued)

Business-Type Activities (Continued)
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.

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

Future maturities of long-term debt
As of June 30, 2024, the future maturities of long-term debt are as follows:

	Governmental Activities					
	Bonds Payable		Direct Placement Notes Payable		Total	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest
2025	$ 2,650,000	$ 442,300	$ 529,994	$ 169,590	$ 3,179,994	$ 611,890
2026	3,100,000	369,193	550,130	149,313	3,650,130	518,506
2027	3,330,000	221,033	575,640	128,213	3,905,640	349,246
2028	1,425,009	61,275	596,444	106,027	2,021,453	167,302
2029	-	-	622,651	82,997	622,651	82,997
2030-2034	-	-	1,613,330	119,392	1,613,330	119,392
Total	$ 10,505,009	$ 1,093,801	$ 4,488,189	$ 755,532	$ 14,993,198	$ 1,849,333

	Business-Type Activities	
	Direct Placement Notes Payable	
Fiscal Year	Principal	Interest
2025	$ 1,438,798	$ 638,622
2026	1,464,085	613,264
2027	1,489,887	587,317
2028	1,516,218	560,766
2029	1,548,097	533,596
2030-2034	6,869,032	2,259,823
2035-2039	6,878,508	1,606,455
2040-2044	7,608,854	876,445
2045-2049	4,758,732	290,024
2050-2054	2,373,927	70,580
Total	$ 35,946,138	$8,036,892

NOTE 6 – LONG-TERM LIABILITIES (Continued)

Future maturities of long-term debt (continued)
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.

NOTE 7 – INTERFUND TRANSACTIONS AND BALANCES

During the year ended June 30, 2024, interfund transfers were as follows:

	Transfers in				
	Governmental activities				
Transfers out:	Parks Enterprise	Nonmajor Governmental	Internal Service	Governmental Activities	Total Transfers Out
Governmental activities					
General	$ 548,250	$ 204,131	$ 1,925,590	$ -	$ 2,677,971
Parks Grant	-	6,241	109,763	-	116,004
Internal Service	-	50,709	268,159	-	318,868
Nonmajor Governmental	-	1,384,674	415,169	-	1,799,843
Business-type activities					
Water	-	25,497	641,521	4,803	671,821
Wastewater	-	29,421	892,370	4,802	926,593
Nonmajor Enterprise	-	1,963	101,061	4,802	107,826
Total Transfers Out	$ 548,250	$ 1,702,636	$ 4,353,633	$ 14,407	$ 6,618,926

$2.5 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.

NOTE 7 – INTERFUND TRANSACTIONS AND BALANCES (Continued)

Interfund balances at June 30, 2024 consisted of interfund loans as follows:

	Interfund Loan Receivable	Interfund Loan Payable
Storm Drainage	$ -	$ (206,486)
Nonmajor Governmental	206,486	-
	$ 206,486	$ (206,486)

The interfund loan payable by the Storm Drainage 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.

NOTE 8 – DEFINED BENEFIT PENSION PLAN

Plan Description

Employees of the City are provided with pensions through the Oregon Public Employees Retirement Systems (OPERS).

The OPERS consists of a single cost-sharing multiple employer defined benefit pension plan. The Oregon Legislature has delegated the authority to the Public Employees Retirement Board to administer and manage the system.

OPERS produces an independently audited Annual Comprehensive Financial Report which includes detailed information about the pension plan's fiduciary net position. The report can be found at: https://www.oregon.gov/pers/Documents/Financials/ACFR/2023-ACFR.pdf

Description of benefit terms

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

PERS Pension (Chapter 238) (Tier 1/Tier 2 retirement benefit)

The Tier 1/Tier 2 Retirement Benefit Plan is closed to new members hired on or after August 29, 2003.

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

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 (1.67% for general service employees and 2% for police and fire employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55, and police and fire members after age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier 2 members are eligible for full benefits at age 60.

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 for general service members and age 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.

Oregon Public Service Retirement Plan (Chapter 238A) (OPSRP)
The OPSRP pension program provides benefits to members hired on or after August 29, 2003.

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

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:

- General service: 1.5% 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.
- Police and fire: 1.8% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 60, or age 53 with 25 years of retirement credit.

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

Death benefits: Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50% 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% of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit changes after retirement: Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes.

Contributions and funding policy
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, 2021 actuarial valuation.

Tier 1/Tier 2 employer contribution rates are 25.16% and the OPSRP employer contribution rates are 18.90% for general service employees. Police and fire employee Tier 1/Tier 2 rates are 25.16% and OPSRP rates are 23.69%. Employer contributions for the year ended June 30, 2024 were $1,974,516.

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

Net pension liability, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

Net pension liability
At June 30, 2024, the City reported a liability of $14,496,043 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The City's proportion of the net pension liability was actuarially determined based on a projection of the City's long-term contributions effort to the pension plan relative to the long-term projected contributions effort of all participating employers. The projected long-term contribution effort is equal to the sum of the present value of future normal costs (PVFNC) and the unfunded actuarial liability (UAL).

Normal Cost Rate: The PVFNC represents the portion of the projected long-term contribution effort related to future service. An employer's PVFNC depends on both the normal cost rates charged on the employer's payrolls, and on the underlying demographics of the respective payrolls. For OPERS funding, employers have up to three different payrolls, each with a different normal cost rate: (1) Tier 1/Tier 2 payroll, (2) OPSRP general service payroll, and (3) OPSRP police and fire payroll.

UAL Rate: A UAL can arise when an event such as experience differing from the assumptions used in the actuarial valuation occurs. An amortization schedule is established to eliminate the UAL that arises over a fixed period of time if future experience follows assumption. The UAL Rate is the upcoming year's component of the cumulative amortization schedules, stated as a percent of payroll. The UAL represents the portion of the projected long-term contribution effort related to past service.

After the employer's projected long-term contribution effort is calculated, that amount is reduced by the value of the employer's supplemental lump-sum payments, known as side accounts, transition surpluses and pre-SLGRP (State and Local Government Rate Pool) surpluses as of the valuation date. Side accounts decrease the employer's projected long-term contribution effort because side accounts are effectively prepaid contributions. The employer's projected long-term contribution effort does not include payments toward the current value of transition liabilities and pre-SLGRP liabilities.

At June 30, 2023, the City's proportion was 0.07739195%, which was an increase of 0.01222842% from its proportion measured as of June 30, 2022.

Pension expense
For the year ended June 30, 2024, the City recognized pension expense of $645,043.

Deferred inflows of resources and deferred outflows of resources
Deferred inflows of resources and deferred outflows of resources are calculated at the plan level and are allocated to employers based on their proportionate share.

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

Differences between expected and actual experience, changes in assumptions and changes in employer proportionate are amortized over the average remaining service lives of all plan participants, including retirees, determined at the beginning of the respective measurement period. Employers are required to recognize pension expense based on the balance of the closed period "layers" attributable to each measurement period.

The net difference between projected and actual investment earnings attributable to each measurement period is amortized over a closed five-year period.

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 708,901	$ 57,478
Changes of assumptions	1,287,743	9,601
Net difference between projected and actual earnings on pension plan investments	260,554	-
Changes in proportionate share	2,168,665	201,389
Differences between employer contributions and employer's proportionate share of system contributions	-	930,145
Contributions subsequent to the measurement date	1,974,516	-
Total	$ 6,400,379	$ 1,198,613

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement in the amount of $1,974,516 will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ends June 30,	
2025	$ 491,625
2026	(48,760)
2027	1,816,447
2028	809,736
2029	158,202
Total	$ 3,227,250

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial methods and assumptions used in developing the total pension liability
The total pension liability measured as of June 30, 2023 was based on an actuarial valuation as of December 31, 2021 using the following methods and assumptions:

Experience study report	2020, published July 20, 2021
Actuarial cost method	Entry age normal
Inflation rate	2.4%
Long-term expected rate of return	6.9%
Discount rate	6.9%
Administrative expenses – Tier 1/Tier 2	$59 million per year added to normal cost allocated between Tier One/Tier Two and OPSRP based on valuation payroll
Projected salary increases	3.4%
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/.015%) in accordance with *Moro* decision: blend based on service
Mortality	***Healthy retirees and beneficiaries:*** Pub-2010 Health 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 Disabled retirees, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and setbacks 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.

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

UAL amortization
The Tier 1/Tier 2 UAL amortization period was reset to 20 years as of December 31, 2013. Gains and losses between subsequent odd-year valuations will be amortized as a level percentage of projected combined valuation payroll (Tier 1/ Tier 2 plus OPSRP payroll) over a closed 20-year period from the valuation in which they are first recognized. Senate Bill 1049 was signed into law in June 2019 and required a one-time re-amortization of Tier One/Tier Two UAL over a closed 22-year period at the December 31, 2019 rate-setting actuarial valuation, which set actuarially determined contribution rates for the 2021-2023 biennium. Future Tier One/Tier Two UAL gains or losses will be amortized over 20 years. The closed period amortization under Senate Bill 1049 will continue to decline, and has 20 years remaining as of the December 31, 2022 valuation.

The OPSRP UAL as of December 31, 2007 is amortized as a level percentage of projected combined valuation payroll (Tier 1/ Tier 2 plus OPSRP payroll) over a closed period 16-year period. Gains and losses between subsequent odd-year valuations are amortized as a level percentage of combined valuation payroll over 16 years from the valuation in which they are first recognized.

Discount rate
The discount rate used to measure the total pension liability was 6.9%, a reduction from 7.2% from the prior fiscal year. 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 was applied to all periods of projected benefit payments to determine the total pension liability.

Assumed asset allocation

Asset Class	Target Allocation
Cash	0.00%
Debt securities	25.00%
Public equity	27.50%
Private equity	20.00%
Real estate	12.50%
Real assets	7.50%
Diversifying strategies	7.50%
Total	100.00%

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both the actuary'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 forward-looking capital market economic model.

Long-Term Expected Rate of Return [1]

Asset Class	Target Allocation	Annual Arithmetic Return [2]	20-Year Annualized Geometric Mean	Annual Standard Deviation
Global Equity	27.50 %	8.57 %	7.07 %	17.99 %
Private Equity	25.50	12.89	8.83	30.00
Core Fixed Income	25.00	4.59	4.50	4.22
Real Estate	12.25	6.90	5.83	15.13
Master Limited Partnerships	0.75	9.41	6.02	27.04
Infrastructure	1.5	7.88	6.51	17.11
Hedge Fund of Funds - Multistrategy	1.25	6.81	6.27	9.04
Hedge Fund Equity - Hedge	0.63	7.39	6.48	12.04
Hedge Fund - Macro	5.62	5.44	4.83	7.49
Assumed Inflation - Mean			2.35 %	1.41 %

[1] Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on January 25, 2023.

[2] 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.

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 net position (fair market value of assets) 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 asset values. GASB 68 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.

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

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 OPERS 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.

Changes in actuarial methods and assumptions
There have been no changes in actuarial methods or assumptions since the December 31, 2020 valuation.

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate
The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.9%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.9%) or 1-percentage-point higher (7.9%) than the current rate:

	1 Percentage Point Lower	Current Discount Rate	1 Percentage Point Higher
Proportionate share of net pension liability	$23,944,734	$14,496,043	$ 6,588,490

NOTE 9 – DEFINED CONTRIBUTION PLAN – OPERS INDIVIDUAL ACCOUNT PROGRAM

Plan description
Individual account program (IAP) - Participants in OPERS defined benefit pension plan also participate in the defined contribution plan.

NOTE 9 – DEFINED CONTRIBUTION PLAN – OPERS INDIVIDUAL ACCOUNT PROGRAM (Continued)

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 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.

Contributions

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, 2024 were $528,181.

Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

NOTE 10 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS PLAN - RHIA

Plan description

The City contributes to the Oregon PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. The RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by PERS. Contributions are mandatory for each employer that is a member of PERS.

NOTE 10 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS PLAN - RHIA (Continued)

Plan description (continued)
The Oregon Legislature has delegated the authority to the Public Employees Retirement Board to administer and manage the system.

OPERS produces an independently audited Annual Comprehensive Financial Report which includes detailed information about the pension plan's fiduciary net position. The report can be found at: https://www.oregon.gov/pers/Documents/Financials/ACFR/2023-ACFR.pdf

Description of benefit terms
All benefits of the System are established by the legislature pursuant to Oregon Revised Statues Chapters 238 and 238A.

The RHIA is closed to new members hired on or after August 29, 2003.

Other Postemployment Healthcare benefits
Eligible retired members receive a monthly healthcare benefit for life up to $60 toward the monthly cost health insurance.

To be eligible, the member must:

1. Have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS
2. Receive both Medicare Parts A and B coverage
3. Enroll in a PERS-sponsored health plan

Surviving spouse or dependent benefits
A surviving spouse or dependent of a deceased retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she is receiving a retirement benefit or allowance from PERS or was insured at the time the member died and the member retired before May 1, 1991.

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 0.04% 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, 2024, the City made contributions in the amount of $117 to the RHIA, but has not recorded it as deferred outflow due to its minimal amount.

NOTE 10 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS PLAN - RHIA (Continued)

Net OPEB liability/(asset), pension expense and deferred outflows of resources and deferred inflows of resources related to other postemployment benefits

Net OPEB liability (asset)

At June 30, 2024, the City reported an (asset) of $224,424 for its proportionate share of the net OPEB liability/(asset). The net OPEB liability/(asset) was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2021. The City's proportion of the net OPEB liability/(asset) was based on its actual, legally required contributions made during the fiscal year with the total actual contributions of all employers during the fiscal year.

At June 30, 2023, the City's proportion was 0.06129091%, which was an increase of 0.00233523% from its proportion measured as of June 30, 2022.

OPEB expense

For the year ended June 30, 2024, the City recognized OPEB benefit of $22,918.

Deferred inflows of resources and deferred outflows of resources

Deferred inflows of resources and deferred outflows of resources are calculated at the plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2023, employers will report the following deferred inflows or resources and/or deferred outflows of resources:

Difference between expected and actual experience
Changes in assumptions
Changes in employer proportion since the prior measurement date
Net difference between projected and actual investment earnings
Contributions subsequent to the measurement date

Differences between expected and actual experience, changes in assumptions and changes in employer proportionate are amortized over the average remaining service lives of all plan participants, including retirees, determined at the beginning of the respective measurement period. Employers are required to recognize OPEB expense based on the balance of the closed period "layers" attributable to each measurement period.

The net difference between projected and actual investment earnings attributable to each measurement period is amortized over a closed five-year period.

NOTE 10 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS PLAN - RHIA (Continued)

Net OPEB liability/(asset), pension expense and deferred outflows of resources and deferred inflows of resources related to other postemployment benefits (continued)

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 5,635
Changes of assumptions	-	2,420
Net difference between projected and actual earnings on pension plan investments	637	-
Changes in proportionate share	-	9,094
Contributions subsequent to the measurement date	-	-
Total	$ 637	$ 17,149

There are no City's contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending June 30:	
2025	$ (18,398)
2026	(9,383)
2027	8,294
2028	2,975
Total	$ (16,512)

Actuarial methods and assumptions used in developing total OPEB liability

Except as identified below, actuarial methods and assumptions used in developing the total OPEB liability are the same as those used to develop the total PERS pension liability as discussed in note 8.

Retiree healthcare participation

Healthy retirees are assumed to participate 25% of the time while disabled retirees are assumed to participate 15% of the time.

Healthcare cost trend rate

A healthcare cost trend rate is not utilized in the actuarial valuation as statue stipulates a $60 monthly payment to retirees for health insurance.

NOTE 10 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFITS PLAN - RHIA (Continued)

Actuarial methods and assumptions used in developing total OPEB liability (continued)
Depletion date projection
GASB 75 generally requires that a blended discount rate be used to measure the Total OPEB Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's fiduciary net position (fair market value of assets) 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 75 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 75 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 Oregon PERS (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 75 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 OPERS independent actuary's opinion that the detailed depletion date projections outlined in GASB 75 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

Sensitivity of the proportionate share of the net OPEB liability/(asset) to changes in the discount rate
The following presents the proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 6.9%, as well as what the proportionate share of the net OPEB liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.9%) or 1-percentage-point higher (7.9%) than the current rate:

	1 Percentage Point Lower	Current Discount Rate	1 Percentage Point Higher
Proportionate share of net OPEB (asset)	$ (204,004)	$ (224,424)	$ (241,949)

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS - IMPLICIT SUBSIDY

Plan description and benefits provided

The City provides other postemployment benefits (OPEB) for employees, retirees, spouses and dependents through a single employer defined benefit plan in the form of group health insurance benefits. As required by ORS 243.303(2), retirees who were hired after July 1, 2003, are allowed to continue, at the retirees' expense, coverage under the group health insurance plan until age 65. The difference between the premium actually paid by the retirees under the group insurance plan and the premium that they would pay if they were not included in the plan is considered to be an implicit subsidy under the provisions of GASB 75. The plan does not issue a separate stand-alone financial report.

Plan membership

As of July 1, 2022, there were 73 active employees, 2 eligible retirees, and 1 spouses of eligible retirees for a total of 76 plan members.

Contributions

The City funds the plan only to the extent of current year insurance premium requirements on a pay-as-you-go basis. The average monthly premium requirements for the City are as follows:

For retirees	$	581
For spouses of retirees		650

Total OPEB liability, changes in total OPEB liability, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB

At June 30, 2024, the City reported a total OPEB liability of $329,102. The total OPEB liability was measured as of June 30, 2024 and determined by an valuation date of July 1, 2022.

Changes in the Total OPEB Liability is as follows:

		Total OPEB Liability
Balance as of June 30, 2023	$	308,272
Changes for the year:		
Service cost		28,706
Interest		11,630
Differences between expected and actual experience		-
Changes in assumptions or other inputs		(2,415)
Benefit payments		(17,091)
Balance as of June 30, 2024	$	329,102

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS - IMPLICIT SUBSIDY (Continued)

Total OPEB liability, changes in total OPEB liability, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB (continued)

For the year ended June 30, 2023, the City recognized OPEB expense of $13,873. As of June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Difference between expected and actual experience	$ -	$ 25,103
Changes in assumptions	(71,753)	13,987
Contributions subsequent to the measurement date	-	22,707
	$ (71,753)	$ 61,797

Deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date in the amount of $22,707 will be recognized as an adjustment to the Total OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending June 30:	
2025	$ (3,752)
2026	(3,752)
2027	(3,752)
2028	(5,234)
2029	(7,513)
Thereafter	(8,660)

Actuarial valuation

The City contributions are based on the accruing benefit costs measured using the individual entry age normal actuarial cost method. The present value of benefits is allocated over the service for each active employee from their date of hire to their expected retirement age, as a level percent of the employee's pay. This level percent times pay is referred to as the service cost and is that portion of the present value of benefits attributable to an employee's service in a current year. The service cost equals $0 for retired members. The total OPEB liability is the present value of benefits less the actuarial present value of future normal costs and represents the liabilities allocated to service up to the valuation date. For retirees, the total OPEB liability is equal to the present value of benefits.

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS - IMPLICIT SUBSIDY (Continued)

Actuarial methods and assumptions used in developing total OPEB liability

Valuation Date	July 1, 2022
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.4%
Projected Salary Increases	3.4%
Mortality	Pub-2010 General and Safety Employee and Healthy Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees and female safety employees. Future mortality improvement: Generational Unisex Social Security Data Scale
Withdrawal	Based on Oregon PERS assumptions. Annual rates are based on employment classification, gender, and duration from hire date.
Retirement	Based on Oregon PERS assumptions. Annual rates are based on age, Tier/OPSRP, duration of service, and employment classification.
Future Retiree Coverage	35% of active members were assumed to elect coverage upon retirement. 60% of male members and 35% of female members who elect coverage upon retirement are also assumed to elect spouse coverage.
Lapse Rate	Retirees for whom the Employer will never pay any portion of the health care premiums are assumed to have a 5% probability of lapsing (dropping) coverage per year.

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.

Discount rate

The discount rate used to measure the total OPEB liability was 3.65%. The discount rate is based on the Bond Buyer 20-year General Obligation Bond Index. The discount rate at the prior measurement date was 3.54%.

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS - IMPLICIT SUBSIDY (Continued)

Healthcare cost trend rate

The assumed healthcare cost trend for medical and vision costs is as follows:

Years	Pre-65 Trend
2022	4.25%
2023	6.75%
2024	6.50%
2025	6.00%
2026	5.25%
2027	5.00%
2028-2029	4.75%
2030	4.50%
2031-2065	4.25%
2066-2071	4.00%
2072+	3.75%

Dental costs are assumed to increase 4.00% in all future years.

Sensitivity of the City's total OPEB liability to changes in the discount and healthcare cost trend rates

The following presents the City total OPEB liability calculated using the discount rate of 3.65%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.65%) or 1-percentage-point higher (4.65%) than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

Sensitivity of Discount Rate	1% Lower	Current Discount Rate	1% Higher
City's Total OPEB liability	$ 352,729	$ 329,102	$ 306,970

Sensitivity of Health Care Trend Rates	1% Lower	Current Trend Rate	1% Higher
City's Total OPEB liability	$ 297,709	$ 329,102	$ 365,757

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS - IMPLICIT SUBSIDY (Continued)

Aggregate balances – OPEB

The balances of the City's two OPEB plans are aggregated and displayed in the financial statements as follows:

	Oregon PERS RHIA Plan	Implicit Rate Subsidy	Total OPEB at June 30, 2024
Net OPEB asset	$ 224,424	$ -	$ 224,424
Deferred outflows of resources	637	61,797	62,434
Total OPEB liability	-	(329,102)	(329,102)
Deferred inflows of resources	(17,149)	(71,753)	(88,902)
OPEB expense (revenue)	(22,918)	13,873	(9,045)

NOTE 12 – NET POSITION RESTRICTED THROUGH ENABLING LEGISLATION

As of June 30, 2024, the government-wide statement of net position reports $26,493,033 of restricted net position, of which the following are restricted by enabling legislation:

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	$ 10,201,775
Urban renewal projects – taxes are restricted to improving and redeveloping designated areas (community development)	4,620,591
Highways and streets – street maintenance fees and funding are restricted for the maintenance of public streets	1,733,363
Motel taxes – transient occupancy taxes are restricted for funding tourism promotion or finance the debt of tourism-related facilities	299,150

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	5,954,661

NOTE 13 – GOVERNMENTAL FUND BALANCES

Fund balances for governmental funds have been reported in the categories of nonspendable, restricted, committed, assigned and unassigned. As of June 30, 2024, the specific purposes for these amounts are as follows:

	General	Park Enterprise Fund	Other Governmental Funds	Total
Fund balances:				
Nonspendable				
Prepaid items	$ 140,866	$ 150	$ 2,652	$ 143,668
Advances to other funds	-	-	206,486	206,486
Restricted for:				
Debt service	-	-	30,902	30,902
Public safety	-	-	25,247	25,247
Highways and streets	-	-	8,451,627	8,451,627
Culture and recreation	-	-	4,608,379	4,608,379
Building and engineering	-	-	1,376,914	1,376,914
Transit	-	-	352,452	352,452
Urban renewal projects	-	-	4,526,255	4,526,255
Committed for:				
Park projects	-	20,509	-	20,509
Engineering	-	-	73,111	73,111
Assigned for:				
Capital assets	-	-	766,706	766,706
Unassigned	4,321,143	-	-	4,321,143
	$ 4,462,009	$ 20,659	$ 20,420,731	$ 24,903,399

NOTE 14 – COMMITMENTS AND CONTINGENCIES

The City entered a contract with Riverbend Materials for signal and intersection upgrades at 12th Ave and Airport Road for a contract price of $2,127,460, which is fully outstanding as of June 30, 2024.

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 De-partment 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.

NOTE 15 – 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.

NOTE 16 - NEWLY ISSUED ACCOUNTING STANDARDS

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. The statement establishes accounting and financial reporting requirements for a) accounting changes and b) the correction of an error in previously issued financial statements (error correction). Implementation of this standard had no impact on the City's financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LEBANON, OREGON

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget			
	Original	**Final**	**Actual**	**Variance**
Revenues				
Property and other taxes	$ 7,059,893	$ 7,059,893	$ 6,907,588	$ (152,305)
Franchise fees	2,543,734	2,543,734	2,834,021	290,287
Licenses, permits and fees	4,000	4,000	4,295	295
Fines and forfeitures	301,990	301,990	265,595	(36,395)
Charges for services	77,800	77,800	80,597	2,797
Intergovernmental	1,484,132	1,484,132	1,115,287	(368,845)
Rents	28,270	28,270	43,236	14,966
Donations	25,000	25,000	-	(25,000)
Interest	75,000	75,000	242,777	167,777
Miscellaneous	74,718	74,718	173,221	98,503
Total revenues	11,674,537	11,674,537	11,666,617	(7,920)
Expenditures				
Mayor and city council	88,137	94,637	83,351	11,286
Community development	472,731	472,731	273,637	199,094
Finance	458,814	495,314	494,307	1,007
Library	646,321	646,321	698,817	(52,496)
Police	6,823,276	6,823,276	6,538,962	284,314
Senior services	340,444	340,444	336,283	4,161
Non-departmental:				-
Materials and services	913,437	913,437	449,114	464,323
Capital outlay	-	-	49,358	(49,358)
Pass-through grants	363,000	363,000	329,216	33,784
Contingency	2,101,000	2,058,000	-	2,058,000
Debt service	122,895	122,895	122,895	-
Total expenditures	12,330,055	12,330,055	9,375,940	2,954,115
Excess (deficiency) of revenues over expenditures	(655,518)	(655,518)	2,290,677	2,946,195
Other financing sources (uses)				
Transfers out	(2,677,973)	(2,677,973)	(2,677,971)	2
Total other financing sources (uses)	(2,677,973)	(2,677,973)	(2,677,971)	2
Net change in fund balance	(3,333,491)	(3,333,491)	(387,294)	2,946,197
Fund balance at beginning of year	4,814,798	4,814,798	4,849,303	34,505
Fund balance at end of year	**$ 1,481,307**	**$ 1,481,307**	**$ 4,462,009**	**2,980,702**

CITY OF LEBANON, OREGON

PARK ENTERPRISE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget			
	Original	Final	Actual	Variance
Revenues				
Charges for services	$ 150,000	$ 150,000	$ 154,379	$ 4,379
Intergovernmental	313,943	313,943	167,400	(146,543)
Rents	8,500	8,500	11,865	3,365
Donations	45,000	45,000	2	(44,998)
Interest	37,000	37,000	133,218	96,218
Miscellaneous	1,000	1,000	400	(600)
Total revenues	555,443	555,443	467,264	(88,179)
Expenditures				
Public works	925,697	925,697	872,465	53,232
Non-departmental:				
Capital outlay	833,943	833,943	641,080	192,863
Contingency	36,500	36,500	-	36,500
Total expenditures	1,796,140	1,796,140	1,513,545	282,595
Excess (deficiency) of revenues over expenditures	(1,240,697)	(1,240,697)	(1,046,281)	194,416
Other financing sources (uses)				
Transfers in	548,250	548,250	548,250	-
Transfers out	(116,004)	(116,004)	(116,004)	-
Total other financing sources (uses)	432,246	432,246	432,246	-
Net change in fund balance	(808,451)	(808,451)	(614,035)	194,416
Fund balance at beginning of year	3,058,451	3,058,451	634,694	(2,423,757)
Fund balance at end of year	**$ 2,250,000**	**$ 2,250,000**	**$ 20,659**	**$ (2,229,341)**

NOTE 1 – BUDGETING INFORMATION

Budget policies and budgetary control

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 cannot legally exceed appropriations, except in the case of grant receipts and bond sale proceeds, which could not be reasonably estimated at the time the budget was adopted. Supplemental appropriations and appropriation transfers may occur with notice and City Council action.

For the year ended June 30, 2024, expenditures exceeded appropriations as follows:

Fund	Budget Category	Amount
General Fund	Library	$ 52,496
General Fund	Capital outlay	49,358

CITY OF LEBANON, OREGON

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last 10 Plan Years Ended June 30,

Year Ended June 30,	City's proportion of the net pension liability (asset)	City's proportionate share of the net pension liability (asset)	City's covered payroll	City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.07739195%	$ 14,496,043	$ 8,560,209	169.34%	81.70%
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	0.05791944%	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%

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

Notes to schedule

Changes in Benefit Terms and Assumptions

Benefit Terms: The 2013 Oregon Legislature made a series of changes to PERS that lowered projected future benefit payments from the System. These changes included reductions to future Cost of Living Adjustments (COLA) made through Senate Bills 822 and 861. Senate Bill 822 also required the contribution rates scheduled to be in effect from July 2013 to June 2015 to be reduced. The Oregon Supreme Court decision in Moro v. State of Oregon, issued on April 30, 2015, reversed a significant portion of the reductions the 2013 Oregon Legislature made to future System Cost of Living Adjustments (COLA) through Senate Bills 822 and 861. This reversal increased the total pension liability as of June 30, 2015 compared to June 30, 2014 total pension liability.

Assumptions: The PERS Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability and June 30, 2018 total pension liability. For June 30, 2016, the changes included the lowering of the long-term expected rate of return to 7.50 percent and lowering of the assumed inflation to 2.50 percent. For June 30, 2018, the long-term expected rate of return was lowered to 7.20 percent. For June 30, 2021, the long-term expected rate of return was lowered to 6.90 percent, and the inflation rate was lowered from 2.5 to 2.4 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay were updated. There were no changes for the years ended June 30, 2022 or 2023.

CITY OF LEBANON, OREGON

SCHEDULE OF PENSION CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last 10 Plan Years Ended June 30,

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	City's covered payroll	Contributions as a percent of covered payroll
2024	$ 1,974,516	$ 1,974,516	$ -	$ 9,179,924	21.51%
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	832,096	832,096	-	6,267,704	13.28%
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%

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

CITY OF LEBANON, OREGON

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET OTHER POST EMPLOYMENT BENEFIT LIABILITY (ASSET) OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM

Last 10 Plan Years Ended June 30, *

Year Ended June 30,	City's proportion of the net pension liability (asset)	City's proportionate share of the net pension liability (asset)	City's covered payroll	City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	0.00612909%	$ (224,426)	$ 8,560,209	-2.62%	201.60%
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%

Note: The amounts presented for each fiscal year were actuarially 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 year for which the required supplementary information is available.

Notes to schedule

Changes in Actuarial Assumptions Used to Determine Contributions:

Actuarial valuation	December 31, 2021	December 31, 2019	December 31, 2017	December 31, 2015	December 31, 2013
Effective:	July 2023 - June 2025	July 2021 - June 2023	July 2019 - June 2021	July 2017 - June 2019	July 2016 - June 2017
Actuarial cost method:	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method:	Level percentage of payroll closed	Level percentage of payroll closed	Level percentage of payroll closed	Level percentage of payroll closed	Level percentage of payroll closed
Amortization period:	10 years	10 years	10 years	10 years	10 years
Asset valuation method:	Market value	Market value	Market value	Market value	Market value
Remaining amortization periods:	10 years	10 years	10 years	20 years	20 years
Actuarial assumptions:					
Inflation rate	2.40 percent	2.40 percent	2.50 percent	2.50 percent	2.75 percent
Health cost trend rates	None	None	None	None	None
Projected salary increase	3.40 percent	3.40 percent	3.50 percent	3.50 percent	3.75 percent
Investment rate of return	6.90 percent	6.90 percent	7.20 percent	7.20 percent	7.75 percent

CITY OF LEBANON, OREGON

SCHEDULE OF OTHER POST EMPLOYMENT BENEFIT CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last 10 Fiscal Years Ended *

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	City's covered payroll	Contributions as a percent of covered payroll
2024	$ 117	$ 117	$ -	$ 9,179,924	0.00%
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%
2022	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%

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

CITY OF LEBANON, OREGON

SCHEDULE OF CHANGES IN THE CITY'S TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABLITY AND RELATED RATIOS IMPLICIT SUBSIDY

Last 10 Plan Years*

	Years Ended June 30,				
	2024	**2023**	**2022**	**2021**	**2020**
Total OPEB Liability					
Service cost	$ 28,706	$ 21,267	$ 20,658	$ 16,352	$ -
Interest on total OPEB liability	11,630	8,014	8,014	11,324	-
Effect of economic/demographic gains or losses	-	33,336	-	-	-
Effect of assumptions changes or inputs	(2,415)	(92,468)	1,129	28,094	-
Benefit payments	(17,091)	(23,121)	(20,943)	(20,943)	-
Net change in total OPEB liability	20,830	(52,972)	8,858	34,827	-
Total OPEB liability - beginning	308,272	361,244	352,386	317,559	-
Total OPEB liability - ending	**$ 329,102**	**$ 308,272**	**$ 361,244**	**$ 352,386**	**$ 317,559**
Covered employee payroll	$ 9,179,924	$ 8,560,209	$ 8,156,549	$ 7,417,793	$ 6,679,426
Total OPEB liability as a percentage of covered payroll	3.59%	3.60%	4.43%	4.75%	4.75%

Notes to schedule

* 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.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Implicit rate subsidy

Contributions are not based on a measure of pay, therefore the covered-employee payroll is used in the percentages above.

Changes in assumptions

	2024	2023	2022	2021	2020	2019	2018
Discount rate used	3.65%	3.54%	2.16%	2.21%	3.50%	3.87%	3.58%

COMBINING FINANCIAL STATEMENTS AND INDIVIDUAL FUND SCHEDULES

CITY OF LEBANON, OREGON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2024

	Special Revenue	Debt Service	Capital Projects	Total
ASSETS				
Cash and cash equivalents	$ 8,426,660	$ 24,678	$ 11,132,343	$ 19,583,681
Taxes receivable	103,918	67,382	-	171,300
Accounts receivable	464,550	-	675,586	1,140,136
Due from other funds	-	-	206,486	206,486
Prepaid items	2,652	-	-	2,652
Restricted cash and cash equivalent	179,431	-	-	179,431
Total assets	**$ 9,177,211**	**$ 92,060**	**$ 12,014,415**	**$ 21,283,686**
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities				
Accounts payable	$ 115,317	$ -	$ 14,534	$ 129,851
Consumer deposits	70	-	-	70
Total liabilities	115,387	-	14,534	129,921
Deferred inflows of resources				
Unavailable revenue	118,104	61,158	553,772	733,034
Total deferred inflows of resources	118,104	61,158	553,772	733,034
Fund Balances				
Nonspendable	2,652	-	206,486	209,138
Restricted	8,867,957	30,902	10,472,917	19,371,776
Committed	73,111	-	-	73,111
Assigned	-	-	766,706	766,706
Total fund balances	8,943,720	30,902	11,446,109	20,420,731
Total liabilities, deferred inflows of resources and fund balances	**$ 9,177,211**	**$ 92,060**	**$ 12,014,415**	**$ 21,283,686**

CITY OF LEBANON, OREGON

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2024

	Special Revenue	Debt Service	Capital Projects	Total
Revenues				
Property and other taxes	2,726,501	1,571,672	-	4,298,173
Special assessment collections	-	-	1,548,224	1,548,224
Licenses, permits and fees	809,307	-	-	809,307
Charges for services	10,815	-	-	10,815
Intergovernmental	3,023,329	-	196,402	3,219,731
Rents	9,600	-	-	9,600
Donations	52,769	-	-	52,769
Interest	417,967	37,143	534,465	989,575
Miscellaneous	25,182	-	-	25,182
Total revenues	7,075,470	1,608,815	2,279,091	10,963,376
Expenditures				
Current:				
Public safety	4,100	-	-	4,100
Highways and streets	1,012,441	-	-	1,012,441
Culture and recreation	299,401	-	-	299,401
Community planning	690,641	-	237	690,878
Transportation	975,243	-	-	975,243
Debt service:			-	
Principal	418,638	2,710,000	-	3,128,638
Interest	157,851	591,692	-	749,543
Capital outlay	168,175	-	964,701	1,132,876
Total expenditures	3,726,490	3,301,692	964,938	7,993,120
Excess (deficiency) of revenues over expenditures	3,348,980	(1,692,877)	1,314,153	2,970,256
Other financing sources (uses)				
Sale of capital assets	-	-	113,540	113,540
Transfers in	45,000	1,560,636	97,000	1,702,636
Payment on refunded obligations	-	-	-	-
Transfers out	(1,799,843)	-	-	(1,799,843)
Total other financing sources (uess)	(1,754,843)	1,560,636	210,540	16,333
Net change in fund balances	1,594,137	(132,241)	1,524,693	2,986,589
Fund balances at beginning of year	7,349,583	163,143	9,921,416	17,434,142
Fund balances at end of year	**$ 8,943,720**	**$ 30,902**	**$ 11,446,109**	**$ 20,420,731**

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	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 equivalents	$ 292,106	$ 1,404,016	$ 8,800	$ 73,244	$ 1,603,170	$ 122,928
Taxes receivable	-	-	-	-	-	-
Accounts receivable	57,076	-	1,458	-	144,318	261,698
Prepaid items	-	-	-	-	150	400
Restricted cash and cash equivalent	-	-	-	-	-	-
Total assets	**$ 349,182**	**$ 1,404,016**	**$ 10,258**	**$ 73,244**	**$ 1,747,638**	**$ 385,026**
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities						
Accounts payable	$ 50,032	$ 27,102	$ -	$ 133	$ 24,533	$ 8,406
Consumer deposits	-	-	-	-	-	-
Total liabilities	50,032	27,102	-	133	24,533	8,406
Deferred inflows of resources						
Unavailable revenue	-	-	-	-	-	23,768
Total deferred inflows of resources	-	-	-	-	-	23,768
Fund Balances						
Nonspendable	-	-	-	-	150	400
Restricted	299,150	1,376,914	10,258	-	1,722,955	352,452
Committed	-	-	-	73,111	-	-
Total fund balances	299,150	1,376,914	10,258	73,111	1,723,105	352,852
Total liabilities, deferred inflows of resources and fund balances	**$ 349,182**	**$ 1,404,016**	**$ 10,258**	**$ 73,244**	**$ 1,747,638**	**$ 385,026**

CITY OF LEBANON, OREGON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2024

Boat Ramps Fund	Police Donations Fund	Library Donations Fund	Senior Services Donations Fund	Northwest Urban Renewal District Fund	Cheadle Lake Urban Renewal Fund	North Gateway Urban Renewal District Fund	Downtown Urban Renewal District Fund	Mill Race Renewal District Fund	Total
$ 21,045	$ 25,247	$ 356,080	$ 178,652	$ 1,428,498	$ 405,138	$ 2,345,615	$ 135,197	$ 26,924	$ 8,426,660
-	-	-	-	40,579	20,893	38,995	1,806	1,645	103,918
-	-	-	-	-	-	-	-	-	464,550
-	-	2,102	-	-	-	-	-	-	2,652
-	-	-	-	-	179,431	-	-	-	179,431
$ 21,045	**$ 25,247**	**$ 358,182**	**$ 178,652**	**$ 1,469,077**	**$ 605,462**	**$ 2,384,610**	**$ 137,003**	**$ 28,569**	**$ 9,177,211**
$ -	$ -	$ 498	$ 483	$ -	$ -	$ 4,130	$ -	$ -	$ 115,317
-	-	70	-	-	-	-	-	-	70
-	-	568	483	-	-	4,130	-	-	115,387
-	-	-	-	36,987	18,991	35,448	1,652	1,258	118,104
-	-	-	-	36,987	18,991	35,448	1,652	1,258	118,104
-	-	2,102	-	-	-	-	-	-	2,652
21,045	25,247	355,512	178,169	1,432,090	586,471	2,345,032	135,351	27,311	8,867,957
-	-	-	-	-	-	-	-	-	73,111
21,045	25,247	357,614	178,169	1,432,090	586,471	2,345,032	135,351	27,311	8,943,720
$ 21,045	**$ 25,247**	**$ 358,182**	**$ 178,652**	**$ 1,469,077**	**$ 605,462**	**$ 2,384,610**	**$ 137,003**	**$ 28,569**	**$ 9,177,211**

	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	$ 288,575	$ -	$ -	$ -	$ -	$ -
Licenses, permits and fees	-	695,510	-	113,797	-	-
Charges for services	-	-	-	10,815	-	-
Intergovernmental	-	11,164	15,709	-	1,558,713	1,437,743
Rents	-	-	-	-	9,600	-
Donations	-	-	-	-	-	2,289
Interest	14,967	62,727	344	5,020	73,765	4,574
Miscellaneous	-	-	-	-	25,000	162
Total revenues	303,542	769,401	16,053	129,632	1,667,078	1,444,768
Expenditures						
Current:						
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	1,012,441	-
Culture and recreation	268,427	-	-	-	-	-
Community planning	-	407,392	-	160,989	-	-
Transportation	-	-	-	-	-	975,243
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	9,825	-	120,424	13,474
Total expenditures	268,427	407,392	9,825	160,989	1,132,865	988,717
Excess (deficiency) of revenues over expenditures	35,115	362,009	6,228	(31,357)	534,213	456,051
Other financing sources (uses)						
Transfers in	-	-	-	-	45,000	-
Transfers out	-	(79,312)	-	(18,489)	(239,961)	(168,781)
Total other financing sources (uess)	-	(79,312)	-	(18,489)	(194,961)	(168,781)
Net change in fund balances	35,115	282,697	6,228	(49,846)	339,252	287,270
Fund balances at beginning of year	264,035	1,094,217	4,030	122,957	1,383,853	65,582
Fund balances at end of year	**$ 299,150**	**$ 1,376,914**	**$ 10,258**	**$ 73,111**	**$ 1,723,105**	**$ 352,852**

CITY OF LEBANON, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2024

Boat Ramps Fund	Police Donations Fund	Library Donations Fund	Senior Services Donations Fund	Northwest Urban Renewal District Fund	Cheadle Lake Urban Renewal Fund	North Gateway Urban Renewal District Fund	Downtown Urban Renewal District Fund	Mill Race Renewal District Fund	Total
$ -	$ -	$ -	$ -	$ 826,504	$ 521,070	$ 893,448	$ 53,076	$ 143,828	$ 2,726,501
-	-	-	-	-	-	-	-	-	809,307
-	-	-	-	-	-	-	-	-	10,815
-	-	-	-	-	-	-	-	-	3,023,329
-	-	-	-	-	-	-	-	-	9,600
-	3,100	42,260	5,120	-	-	-	-	-	52,769
1,094	1,159	16,044	8,507	104,221	24,139	94,749	5,686	971	417,967
-	-	-	20	-	-	-	-	-	25,182
1,094	4,259	58,304	13,647	930,725	545,209	988,197	58,762	144,799	7,075,470
-	4,100	-	-	-	-	-	-	-	4,100
-	-	-	-	-	-	-	-	-	1,012,441
2,500	-	19,388	9,086	-	-	-	-	-	299,401
-	-	-	-	-	-	-	-	122,260	690,641
-	-	-	-	-	-	-	-	-	975,243
-	-	-	-	146,134	272,504	-	-	-	418,638
-	-	-	-	78,510	79,341	-	-	-	157,851
-	-	-	-	-	-	24,452	-	-	168,175
2,500	4,100	19,388	9,086	224,644	351,845	24,452	-	122,260	3,726,490
(1,406)	159	38,916	4,561	706,081	193,364	963,745	58,762	22,539	3,894,665
-	-	-	-	-	-	-	-	-	45,000
-	-	-	-	(1,293,300)	-	-	-	-	(1,799,843)
-	-	-	-	(1,293,300)	-	-	-	-	(1,754,843)
(1,406)	159	38,916	4,561	(587,219)	193,364	963,745	58,762	22,539	1,594,137
22,451	25,088	318,698	173,608	2,019,309	393,107	1,381,287	76,589	4,772	7,349,583
$ 21,045	**$ 25,247**	**$ 357,614**	**$ 178,169**	**$ 1,432,090**	**$ 586,471**	**$ 2,345,032**	**$ 135,351**	**$ 27,311**	**$ 8,943,720**

CITY OF LEBANON, OREGON

MOTEL TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Other taxes	$ 230,000	$ 288,575	$ 58,575
Interest	925	14,967	14,042
Total revenues	230,925	303,542	72,617
Expenditures			
Materials and services	169,075	268,427	(99,352)
Capital outlay	228,750	-	228,750
Total expenditures	397,825	268,427	129,398
Net change in fund balance	(166,900)	35,115	202,015
Fund balance at beginning of year	166,900	264,035	97,135
Fund balance at end of year	**$ -**	**$ 299,150**	**$ 299,150**

CITY OF LEBANON, OREGON

BUILDING INSPECTION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Licenses, permits and fees	$ 355,000	$ 695,510	$ 340,510
Intergovernmental	5,000	11,164	6,164
Interest	15,000	62,727	47,727
Total revenues	375,000	769,401	394,401
Expenditures			
Community development	457,000	407,392	49,608
Contingency	17,180	-	17,180
Total expenditures	474,180	407,392	66,788
Excess (deficiency) of revenues over expenditures	(99,180)	362,009	461,189
Other financing sources (uses)			
Transfers out	(79,312)	(79,312)	-
Total other financing sources (uses)	(79,312)	(79,312)	-
Net change in fund balance	(178,492)	282,697	461,189
Fund balance at beginning of year	1,133,500	1,094,217	(39,283)
Fund balance at end of year	**$ 955,008**	**$ 1,376,914**	**$ 421,906**

CITY OF LEBANON, OREGON

STATE FOOT & BIKE PATH FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Intergovernmental	$ 15,157	$ 15,709	$ 552
Interest	132	344	212
Total revenues	15,289	16,053	764
Expenditures			
Capital outlay	15,000	9,825	5,175
Total expenditures	15,000	9,825	5,175
Net change in fund balance	289	6,228	5,939
Fund balance at beginning of year	3,600	4,030	430
Fund balance at end of year	**$ 3,889**	**$ 10,258**	**$ 6,369**

CITY OF LEBANON, OREGON

ENGINEERING DEVELOPMENT REVIEW FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Licenses, permits and fees	$ 100,000	$ 113,797	$ 13,797
Charges for services	20,000	10,815	(9,185)
Interest	1,725	5,020	3,295
Miscellaneous			
Total revenues	121,725	129,632	7,907
Expenditures			
Engineering	160,925	160,989	(64)
Contingency	7,000	-	7,000
Total expenditures	167,925	160,989	6,936
Excess (deficiency) of revenues over expenditures	(46,200)	(31,357)	14,843
Other financing sources (uses)			
Transfers out	(18,489)	(18,489)	-
Total other financing sources (uses)	(18,489)	(18,489)	-
Net change in fund balance	(64,689)	(49,846)	14,843
Fund balance at beginning of year	64,689	122,957	58,268
Fund balance at end of year	**$ -**	**$ 73,111**	**$ 73,111**

CITY OF LEBANON, OREGON

STREET MAINTENANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Intergovernmental	$ 1,505,943	$ 1,558,713	$ 52,770
Rents	8,500	9,600	1,100
Interest	7,780	73,765	65,985
Miscellaneous	7,500	25,000	17,500
Total revenues	1,529,723	1,667,078	137,355
Expenditures			
Public works	1,131,474	976,737	154,737
Engineering	41,492	35,704	5,788
Non-departmental:			
Capital outlay	1,315,494	120,424	1,195,070
Contingency	47,600	-	47,600
Total expenditures	2,536,060	1,132,865	1,403,195
Excess (deficiency) of revenues over expenditures	(1,006,337)	534,213	1,540,550
Other financing sources (uses)			
Transfers in	45,000	45,000	-
Transfers out	(239,961)	(239,961)	-
Total other financing sources (uses)	(194,961)	(194,961)	-
Net change in fund balance	(1,201,298)	339,252	1,540,550
Fund balance at beginning of year	1,303,900	1,383,853	79,953
Fund balance at end of year	**$ 102,602**	**$ 1,723,105**	**$ 1,620,503**

CITY OF LEBANON, OREGON

LINX TRANSIT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Intergovernmental	$ 2,249,763	$ 1,437,743	$ (812,020)
Interest	1,657	4,574	2,917
Contributions	3,000	2,289	(711)
Miscellaneous	500	162	(338)
Total revenues	2,254,920	1,444,768	(810,152)
Expenditures			
LINX	1,612,983	975,243	637,740
Non-departmental:			
Capital outlay	570,450	13,474	556,976
Contingency	67,036	-	67,036
Total expenditures	2,250,469	988,717	1,261,752
Excess (deficiency) of revenues over expenditures	4,451	456,051	451,600
Other financing sources (uses)			
Transfers out	(168,781)	(168,781)	-
Total other financing sources (uses)	(168,781)	(168,781)	-
Net change in fund balance	(164,330)	287,270	451,600
Fund balance at beginning of year	316,300	65,582	(250,718)
Fund balance at end of year	**$ 151,970**	**$ 352,852**	**$ 200,882**

CITY OF LEBANON, OREGON

BOAT RAMPS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Intergovernmental	$ 8,000	$ -	$ (8,000)
Interest	250	1,094	844
Total revenues	8,250	1,094	(7,156)
Expenditures			
Public works	5,000	2,500	2,500
Total expenditures	5,000	2,500	2,500
Net change in fund balance	3,250	(1,406)	(4,656)
Fund balance at beginning of year	29,500	22,451	(7,049)
Fund balance at end of year	**$ 32,750**	**$ 21,045**	**$ (11,705)**

CITY OF LEBANON, OREGON

POLICE DONATIONS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Donations	$ 6,464	$ 3,100	$ (3,364)
Interest	200	1,159	959
Total revenues	6,664	4,259	(2,405)
Expenditures			
Police	5,000	4,100	900
Total expenditures	5,000	4,100	900
Net change in fund balance	1,664	159	(1,505)
Fund balance at beginning of year	23,600	25,088	1,488
Fund balance at end of year	**$ 25,264**	**$ 25,247**	**$ (17)**

CITY OF LEBANON, OREGON

LIBRARY DONATIONS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Donations	$ 34,200	$ 42,260	$ 8,060
Interest	3,200	16,044	12,844
Total revenues	37,400	58,304	20,904
Expenditures			
Library	89,000	19,388	69,612
Total expenditures	89,000	19,388	69,612
Net change in fund balance	(51,600)	38,916	90,516
Fund balance at beginning of year	305,500	318,698	13,198
Fund balance at end of year	**$ 253,900**	**$ 357,614**	**$ 103,714**

CITY OF LEBANON, OREGON

SENIOR SERVICES DONATIONS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Donations	$ 2,000	$ 5,120	$ 3,120
Interest	1,000	8,507	7,507
Miscellaneous	-	20	20
Total revenues	3,000	13,647	10,647
Expenditures			
Senior services	167,498	9,086	158,412
Total expenditures	167,498	9,086	158,412
Net change in fund balance	(164,498)	4,561	169,059
Fund balance at beginning of year	173,900	173,608	(292)
Fund balance at end of year	**$ 9,402**	**$ 178,169**	**$ 168,767**

CITY OF LEBANON, OREGON

NORTHWEST URBAN RENEWAL DISTRICT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Property taxes	$ 1,009,488	$ 826,504	$ (182,984)
Interest	20,000	104,221	84,221
Total revenues	1,029,488	930,725	(98,763)
Expenditures			
Debt service	1,517,944	1,517,944	-
Total expenditures	1,517,944	1,517,944	-
Excess (deficiency) of revenues over expenditures	(488,456)	(587,219)	(98,763)
Other financing sources (uses)			
Transfers in	225,000	-	(225,000)
Total other financing sources (uses)	225,000	-	(225,000)
Net change in fund balance	(263,456)	(587,219)	(323,763)
Fund balance at beginning of year	1,787,900	2,019,309	231,409
Fund balance at end of year	**$ 1,524,444**	**$ 1,432,090**	**$ (92,354)**

CITY OF LEBANON, OREGON

CHEADLE LAKE URBAN RENEWAL DISTRICT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Property taxes	$ 480,100	$ 521,070	$ 40,970
Interest	2,000	24,139	22,139
Total revenues	482,100	545,209	63,109
Expenditures			
Capital outlay	200,000	-	200,000
Debt service	351,845	351,845	-
Total expenditures	551,845	351,845	200,000
Net change in fund balance	(69,745)	193,364	263,109
Fund balance at beginning of year	250,400	393,107	142,707
Fund balance at end of year	**$ 180,655**	**$ 586,471**	**$ 405,816**

CITY OF LEBANON, OREGON

NORTH GATEWAY URBAN RENEWAL DISTRICT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Property taxes	$ 983,500	$ 893,448	$ (90,052)
Interest	7,000	94,749	87,749
Total revenues	990,500	988,197	(2,303)
Expenditures			
Materials and services	20,000	-	20,000
Capital outlay	400,000	24,452	375,548
Contingency	500,000	-	500,000
Total expenditures	920,000	24,452	895,548
Net change in fund balance	70,500	963,745	893,245
Fund balance at beginning of year	543,100	1,381,287	838,187
Fund balance at end of year	**$ 613,600**	**$ 2,345,032**	**$ 1,731,432**

CITY OF LEBANON, OREGON

LEBANON DOWNTOWN URBAN RENEWAL DISTRICT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Property taxes	$ 47,200	$ 53,076	$ 5,876
Interest	500	5,686	5,186
Total revenues	47,700	58,762	11,062
Expenditures			
Materials and services	79,055	-	79,055
Total expenditures	79,055	-	79,055
Net change in fund balance	(31,355)	58,762	90,117
Fund balance at beginning of year	89,300	76,589	(12,711)
Fund balance at end of year	**$ 57,945**	**$ 135,351**	**$ 77,406**

CITY OF LEBANON, OREGON

MILL RACE URBAN RENEWAL DISTRICT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Property taxes	$ 123,200	$ 143,828	$ 20,628
Interest	100	971	871
Total revenues	123,300	144,799	21,499
Expenditures			
Materials and services	127,600	122,260	5,340
Total expenditures	127,600	122,260	5,340
Net change in fund balance	(4,300)	22,539	26,839
Fund balance at beginning of year	4,300	4,772	472
Fund balance at end of year	**$ -**	**$ 27,311**	**$ 27,311**

CITY OF LEBANON, OREGON
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
June 30, 2024

	G.O. Full Faith & Credit Bond	2013 Full Faith & Credit Bond	Total
ASSETS			
Cash and cash equivalents	$ 13,252	$ 11,426	$ 24,678
Taxes receivable	67,382	-	67,382
Total assets	**$ 80,634**	**$ 11,426**	**92,060**
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Deferred inflows of resources			
Unavailable revenue	$ 61,158	$ -	$ 61,158
Total deferred inflows of resources	61,158	-	61,158
Fund Balances			
Restricted	19,476	11,426	30,902
Total fund balances	19,476	11,426	30,902
Total liabilities, deferred inflows of resources and fund balances	**$ 80,634**	**$ 11,426**	**92,060**

CITY OF LEBANON, OREGON

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
Year Ended June 30, 2024

	G.O. Full Faith & Credit Bond	2013 Full Faith & Credit Bond	Pension Bond Series 2002	Total
Revenues				
Property and other taxes	$ 1,571,672	$ -	$ -	$ 1,571,672
Interest	36,701	442	-	37,143
Total revenues	1,608,373	442	-	1,608,815
Expenditures				
Debt service:				
Principal	1,455,000	1,050,000	205,000	2,710,000
Interest	286,056	243,300	62,336	591,692
Total expenditures	1,741,056	1,293,300	267,336	3,301,692
Excess (deficiency) of revenues over expenditures	(132,683)	(1,292,858)	(267,336)	(1,692,877)
Other financing sources (uses)				
Transfers in	-	1,293,300	267,336	1,560,636
Total other financing sources (uess)	-	1,293,300	267,336	1,560,636
				-
Net change in fund balances	(132,683)	442	-	(132,241)
Fund balances at beginning of year	152,159	10,984	-	163,143
Fund balances at end of year	**$ 19,476**	**$ 11,426**	**$ -**	**$ 30,902**

CITY OF LEBANON, OREGON

G.O. FULL FAITH & CREDIT BOND FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Property taxes	$ 1,709,124	$ 1,571,672	$ (137,452)
Interest	4,500	36,701	32,201
Total revenues	1,713,624	1,608,373	(105,251)
Expenditures			
Debt service	1,741,060	1,741,056	4
Total expenditures	1,741,060	1,741,056	4
Net change in fund balance	(27,436)	(132,683)	(105,247)
Fund balance at beginning of year	153,186	152,159	(1,027)
Fund balance at end of year	**$ 125,750**	**$ 19,476**	**$ (106,274)**

CITY OF LEBANON, OREGON

2013 FULL FAITH & CREDIT BOND FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Interest	$ -	$ 442	442
Total revenues	-	442	442
Expenditures			
Debt service	1,293,300	1,293,300	-
Total expenditures	1,293,300	1,293,300	-
Excess (deficiency) of revenues over expenditures	(1,293,300)	(1,292,858)	442
Other financing sources (uses)			
Transfers in	1,293,300	1,293,300	-
Total other financing sources (uses)	1,293,300	1,293,300	-
Net change in fund balance	-	442	442
Fund balance at beginning of year	10,817	10,984	167
Fund balance at end of year	**$ 10,817**	**$ 11,426**	**$ 609**

CITY OF LEBANON, OREGON

PENSION BOND SERIES 2002 FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget	Actual	Variance
Expenditures			
Debt service	267,340	267,336	4
Total expenditures	267,340	267,336	4
Other financing sources (uses)			
Transfers in	267,340	267,336	(4)
Total other financing sources (uses)	267,340	267,336	(4)
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	**$ -**	**$ -**	**$ -**

CITY OF LEBANON, OREGON
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
June 30, 2024

	Equipment Acquisition & Replacement Fund	Pioneer Cemetery Restoration Trust Fund	Streets Capital Project Fund	SDC-Parks Improvement Fund	SDC-Parks Reimbursement Fund	SDC-Street Improvement Fund	SDC-Street Reimbursement Fund	Total
ASSETS								
Cash and cash equivalents	$ 653,166	$ 10,771	$ 1,020,629	$ 3,748,903	$ 474	$ 5,466,348	$ 232,052	$ 11,132,343
Accounts receivable	113,540	-	-	311,916	-	218,815	31,315	675,586
Due from other funds	-	-	-	-	-	206,486	-	206,486
Total assets	**$ 766,706**	**$ 10,771**	**$ 1,020,629**	**$ 4,060,819**	**$ 474**	**$ 5,891,649**	**$ 263,367**	**$ 12,014,415**
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES								
Liabilities								
Accounts payable	$ -	$ -	$ -	$ 10,236	$ -	$ 4,298	$ -	$ 14,534
Total liabilities	-	-	-	10,236	-	4,298	-	14,534
Deferred inflows of resources								
Unavailable revenue	-	-	-	307,325	-	215,593	30,854	553,772
Total deferred inflows of resources	-	-	-	307,325	-	215,593	30,854	553,772
Fund Balances								
Nonspendable	-	-	-	-	-	206,486	-	206,486
Restricted	-	10,771	1,020,629	3,743,258	474	5,465,272	232,513	10,472,917
Assigned	766,706	-	-	-	-	-	-	766,706
Total fund balances	766,706	10,771	1,020,629	3,743,258	474	5,671,758	232,513	11,446,109
Total liabilities, deferred inflows of resources and fund balances	**$ 766,706**	**$ 10,771**	**$ 1,020,629**	**$ 4,060,819**	**$ 474**	**$ 5,891,649**	**$ 263,367**	**$ 12,014,415**

CITY OF LEBANON, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
Year Ended June 30, 2024

	Equipment Acquisition & Replacement Fund	Pioneer Cemetery Restoration Trust Fund	Streets Capital Project Fund	SDC-Parks Improvement Fund	SDC-Parks Reimbursement Fund	SDC-Street Improvement Fund	SDC-Street Reimbursement Fund	Total
Revenues								
Special assessment collections	$ -	$ -	$ -	$ 530,166	$ -	$ 889,693	$ 128,365	$ 1,548,224
Intergovernmental	-	-	196,402	-	-	-	-	196,402
Interest	30,061	514	43,400	187,752	22	262,020	10,696	534,465
Total revenues	30,061	514	239,802	717,918	22	1,151,713	139,061	2,279,091
Expenditures								
Current:								
Community planning	-	237	-	-	-	-	-	237
Capital outlay	103,353	-	-	414,324	-	402,780	44,244	964,701
Total expenditures	103,353	237	-	414,324	-	402,780	44,244	1,314,390
Excess (deficiency) of revenues over expenditures	(73,292)	277	239,802	303,594	22	748,933	94,817	1,314,153
Other financing sources (uses)								
Sale of capital assets	113,540	-	-	-	-	-	-	113,540
Transfers in	97,000	-	-	-	-	-	-	97,000
Total other financing sources (uess)	210,540	-	-	-	-	-	-	210,540
Net change in fund balances	137,248	277	239,802	303,594	22	748,933	94,817	1,524,693
Fund balances at beginning of year	629,458	10,494	780,827	3,439,664	452	4,922,825	137,696	9,921,416
Fund balances at end of year	**$ 766,706**	**$ 10,771**	**$ 1,020,629**	**$ 3,743,258**	**$ 474**	**$ 5,671,758**	**$ 232,513**	**$ 11,446,109**

CITY OF LEBANON, OREGON

EQUIPMENT AND ACQUISITION & REPLACEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Interest	$ 12,500	$ 30,061	$ 17,561
Total revenues	12,500	30,061	17,561
Expenditures			
Information technology	34,879	-	34,879
Police	137,987	103,353	34,634
LINX	17,571	-	17,571
Total expenditures	190,437	103,353	87,084
Excess (deficiency) of revenues over expenditures	(177,937)	(73,292)	104,645
Other financing sources (uses)			
Sale of capital assets	-	113,540	113,540
Transfers in	97,000	97,000	-
Total other financing sources (uses)	97,000	210,540	113,540
Net change in fund balance	(80,937)	137,248	218,185
Fund balance at beginning of year	621,900	629,458	7,558
Fund balance at end of year	**$ 540,963**	**$ 766,706**	**$ 225,743**

CITY OF LEBANON, OREGON

PIONEER CEMETERY RESTORATION TRUST FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Interest	$ 100	$ 514	$ 414
Total revenues	100	514	414
Expenditures			
Public works	10,400	237	10,163
Total expenditures	10,400	237	10,163
Net change in fund balance	(10,300)	277	10,577
Fund balance at beginning of year	10,300	10,494	194
Fund balance at end of year	**$ -**	**$ 10,771**	**$ 10,771**

CITY OF LEBANON, OREGON

STREET CAPITAL PROJECTS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Intergovernmental	$ -	$ 196,402	$ 196,402
Interest	7,000	43,400	36,400
Total revenues	7,000	239,802	232,802
Expenditures			
Capital outlay	920,227	-	920,227
Total expenditures	920,227	-	920,227
Net change in fund balance	(913,227)	239,802	1,153,029
Fund balance at beginning of year	991,200	780,827	(210,373)
Fund balance at end of year	**$ 77,973**	**$ 1,020,629**	**$ 942,656**

CITY OF LEBANON, OREGON

SDC-PARKS IMPROVEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Special assessment collections	$ 400,000	$ 530,166	$ 130,166
Interest	51,300	187,752	136,452
Total revenues	451,300	717,918	266,618
Expenditures			
Capital outlay	3,500,000	414,324	3,085,676
Total expenditures	3,500,000	414,324	3,085,676
Net change in fund balance	(3,048,700)	303,594	3,352,294
Fund balance at beginning of year	3,048,700	3,439,664	390,964
Fund balance at end of year	**$ -**	**$ 3,743,258**	**$ 3,743,258**

CITY OF LEBANON, OREGON

SDC-PARKS REIMBURSEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Interest	$ -	$ 22	$ 22
Total revenues	-	22	22
Expenditures			
Capital outlay	400	-	400
Total expenditures	400	-	400
Net change in fund balance	(400)	22	422
Fund balance at beginning of year	400	452	52
Fund balance at end of year	**$ -**	**$ 474**	**$ 474**

CITY OF LEBANON, OREGON

SDC-STREETS IMPROVEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Special assessment collections	$ 250,000	$ 889,693	$ 639,693
Interest	52,056	262,020	209,964
Total revenues	302,056	1,151,713	849,657
Expenditures			
Capital outlay	4,871,268	402,780	4,468,488
Total expenditures	4,871,268	402,780	4,468,488
Excess (deficiency) of revenues over expenditures	(4,569,212)	748,933	5,318,145
Other financing sources (uses)			
Collection of interfund loan receivable	40,444	40,444	-
Total other financing sources (uses)	40,444	40,444	-
Net change in fund balance	(4,528,768)	789,377	5,318,145
Fund balance at beginning of year	4,752,000	4,675,895	(76,105)
Fund balance at end of year	**$ 223,232**	**5,465,272**	**$ 5,242,040**
Adjutments to governmental funds:			
Collection of interfund loan receivable		206,486	
Fund balance - Governmental Funds		**$ 5,671,758**	

CITY OF LEBANON, OREGON

SDC-STREETS REIMBURSEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Special assessment collections	$ 25,000	$ 128,365	$ 103,365
Interest	750	10,696	9,946
Total revenues	25,750	139,061	113,311
Expenditures			
Capital outlay	56,850	44,244	12,606
Total expenditures	56,850	44,244	12,606
Net change in fund balance	(31,100)	94,817	125,917
Fund balance at beginning of year	31,100	137,696	106,596
Fund balance at end of year	**$ -**	**$ 232,513**	**$ 232,513**

CITY OF LEBANON, OREGON
COMBINING STATEMENT OF NET POSITION
WATER FUNDS
June 30, 2024

	Water Utility Fund	SDC - Water Improvement Fund	SDC - Water Reimbursement Fund	Total
ASSETS				
Current assets				
Cash and cash equivalents	$ 5,242,079	$ 448,571	$ 27,509	$ 5,718,159
Receivables, net	924,991	160,853	927	1,086,771
Inventory	130,732	-	-	130,732
Prepaid items	5,532	-	-	5,532
Total current assets	6,303,334	609,424	28,436	6,941,194
Noncurrent assets:				
Capital assets:				
Capital assets, nondepreciable	833,743	-	-	833,743
Capital assets, net of accumulated depreciation	45,702,566	-	-	45,702,566
Total capital assets	46,536,309	-	-	46,536,309
Net other postemployment benefit asset	19,705	-	-	19,705
Total noncurrent assets	46,556,014	-	-	46,556,014
Total assets	52,859,348	609,424	28,436	53,497,208
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	561,961	-	-	561,961
Other postemployment benefit related items	5,482	-	-	5,482
Total deferred outflows of resources	567,443	-	-	567,443
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	123,909	4,242	24	128,175
Accrued interest payable	259,599	-	-	259,599
Deposits	258,831	-	-	258,831
Compensated absences	21,873	-	-	21,873
Current portion of loans and notes payable	708,741	-	-	708,741
Total current liabilities	1,372,953	4,242	24	1,377,219
Noncurrent liabilities				
Compensated absences	65,617	-	-	65,617
Loans and notes payable	19,327,397	-	-	19,327,397
Net pension liability	1,272,770	-	-	1,272,770
Total OPEB liability	28,895	-	-	28,895
Total noncurrent liabilities	20,694,679	-	-	20,694,679
Total liabilities	22,067,632	4,242	24	22,071,898
DEFERRED INFLOW OF RESOURCES				
Pension related items	105,240	-	-	105,240
Other postemployment benefit related items	7,806	-	-	7,806
Total deferred inflows of resources	113,046	-	-	113,046
NET POSITION				
Net investment in capital assets	26,500,171	-	-	26,500,171
Restricted for:				
System development	-	605,182	28,412	633,594
Net OPEB benefits	19,705	-	-	19,705
Unrestricted	4,726,237	-	-	4,726,237
Total net position	**$ 31,246,113**	**$ 605,182**	**$ 28,412**	**$ 31,879,707**

CITY OF LEBANON, OREGON

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

WATER FUNDS

Year Ended June 30, 2024

	Water Utility Fund	SDC - Water Improvement Fund	SDC - Water Reimbursement Fund	Eliminations	Total
Operating revenues					
Special assessment	$ -	$ 340,711	$ 1,959	$ -	$ 342,670
Charges for services	6,411,718	-		-	6,411,718
Miscellaneous	15,139	-	-	-	15,139
Total operating revenues	6,426,857	340,711	1,959	-	6,769,527
Operating expenses					
Personnel services	1,340,149	-	-	-	1,340,149
Materials and services	1,848,596	-	-	-	1,848,596
Depreciation and amortization	1,153,982	-	-	-	1,153,982
Total operating expenses	4,342,727	-	-	-	4,342,727
Operating income (loss)	2,084,130	340,711	1,959	-	2,426,800
Nonoperating revenues (expenses)					
Interest income	250,434	39,031	1,287	-	290,752
Interest expense	(451,397)	-	-	-	(451,397)
Total nonoperating revenues (expenses)	(200,963)	39,031	1,287	-	(160,645)
Income (loss) before capital contributions and transfers	1,883,167	379,742	3,246	-	2,266,155
Capital contributions	656,153	-	-	-	656,153
Transfers in	700,000	-	-	(700,000)	-
Transfers out	(671,821)	(700,000)	-	700,000	(671,821)
Change in net position	2,567,499	(320,258)	3,246	-	2,250,487
Net position at beginning of year	28,678,614	925,440	25,166	-	29,629,220
Net position at end of year	**$ 31,246,113**	**$ 605,182**	**$ 28,412**	**$ -**	**$ 31,879,707**

CITY OF LEBANON, OREGON

WATER UTILITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget			
	Original	**Final**	**Actual**	**Variance**
Revenues				
Charges for services	$ 5,868,400	$ 5,868,400	$ 6,412,112	$ 543,712
Interest	35,000	35,000	250,434	215,434
Miscellaneous	13,000	13,000	13,675	675
Total revenues	5,916,400	5,916,400	6,676,221	759,821
Expenditures				
Community Development	44,558	46,258	45,799	459
Public works	2,879,693	2,877,993	2,469,241	408,752
Engineering	1,710,052	1,710,052	1,050,715	659,337
Non-departmental:				
Capital outlay	2,900,000	2,900,000	1,180,771	1,719,229
Debt service	1,153,769	1,153,769	1,153,769	-
Contingency	28,000	28,000	-	28,000
Total expenditures	8,716,072	8,716,072	5,900,295	2,815,777
Excess (deficiency) of revenues over expenditures	(2,799,672)	(2,799,672)	775,926	3,575,598
Other financing sources (uses)				
Transfers out	(667,018)	(667,018)	(667,018)	-
Total other financing sources (uses)	(667,018)	(667,018)	(667,018)	-
Net change in fund balance	(3,466,690)	(3,466,690)	108,908	3,575,598
Fund balance at beginning of year	5,202,500	5,202,500	5,809,151	606,651
Fund balance at end of year	**$ 1,735,810**	**$ 1,735,810**	**5,918,059**	**$ 4,182,249**
Reconciliation to generally accepted accounting principles				
Capital assets, net			46,536,309	
Net OPEB asset			19,705	
Deferred outflows related to pensions			561,961	
Deferred outflows related to OPEB			5,482	
Accrued interest payable			(259,599)	
Compensated absences			(87,490)	
Loans and notes payable			(20,036,138)	
Net pension liability			(1,272,770)	
Total OPEB liability			(28,895)	
Unavailable revenues			2,535	
Deferred inflows related to pensions			(105,240)	
Deferred inflows related to OPEB			(7,806)	
Net position at end of year - GAAP basis			**$ 31,246,113**	

CITY OF LEBANON, OREGON

SDC - WATER IMPROVEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Special assessment collections	$ 150,000	$ 302,403	$ 152,403
Interest	10,000	39,031	29,031
Total revenues	160,000	341,434	181,434
Expenditures			
Capital outlay	700,000	700,000	-
Total expenditures	700,000	700,000	-
Net change in fund balance	(540,000)	(358,566)	181,434
Fund balance at beginning of year	722,900	806,179	83,279
Fund balance at end of year	**$ 182,900**	**447,613**	**$ 264,713**
Reconciliation to generally accepted accounting principles			
Unavailable revenues		157,569	
Net position at end of year - GAAP basis		**$ 605,182**	

CITY OF LEBANON, OREGON

SDC - WATER REIMBURSEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Special assessment collections	$ 800	$ 1,734	$ 934
Interest	180	1,287	1,107
Total revenues	980	3,021	2,041
Expenditures			
Capital outlay	24,680	-	24,680
Total expenditures	24,680	-	24,680
Net change in fund balance	(23,700)	3,021	26,721
Fund balance at beginning of year	23,700	24,483	783
Fund balance at end of year	**$ -**	**27,504**	**$ 27,504**
Reconciliation to generally accepted accounting principles			
Unavailable revenues		908	
Net position at end of year - GAAP basis		**$ 28,412**	

CITY OF LEBANON, OREGON
COMBINING STATEMENT OF NET POSITION
WASTEWATER FUNDS
June 30, 2024

	Wastewater Utility Fund	SDC - Wastewater Improvement Fund	SDC - Wastewater Reimbursement Fund	Total
ASSETS				
Current assets				
Cash and cash equivalents	$ 14,646,003	$ 3,705,957	$ 742,582	$ 19,094,542
Receivables, net	1,054,868	237,072	41,713	1,333,653
Prepaid items	8,941	-	-	8,941
Total current assets	15,709,812	3,943,029	784,295	20,437,136
Noncurrent assets:				
Capital assets:				
Capital assets, nondepreciable	1,539,445	-	-	1,539,445
Capital assets, net of accumulated depreciation	49,843,964	-	-	49,843,964
Total capital assets	51,383,409	-	-	51,383,409
Net other postemployment benefit asset	23,946	-	-	23,946
Total noncurrent assets	51,407,355	-	-	51,407,355
Total assets	67,117,167	3,943,029	784,295	71,844,491
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	682,915	-	-	682,915
Other postemployment benefit related items	6,661	-	-	6,661
Total deferred outflows of resources	689,576	-	-	689,576
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	223,084	349,908	1,080	574,072
Accrued interest payable	77,712	-	-	77,712
Compensated absences	26,452	-	-	26,452
Current portion of loans and notes payable	730,057	-	-	730,057
Total current liabilities	1,057,305	349,908	1,080	1,408,293
Noncurrent liabilities				
Compensated absences	79,357	-	-	79,357
Loans and notes payable	15,179,943	-	-	15,179,943
Net pension liability	1,546,715	-	-	1,546,715
Total OPEB liability	35,115	-	-	35,115
Total noncurrent liabilities	16,841,130	-	-	16,841,130
Total liabilities	17,898,435	349,908	1,080	18,249,423
DEFERRED INFLOW OF RESOURCES				
Pension related items	127,891	-	-	127,891
Other postemployment benefit related items	9,486	-	-	9,486
Total deferred inflows of resources	137,377	-	-	137,377
NET POSITION				
Net investment in capital assets	35,473,409	-	-	35,473,409
Restricted for:				
System development	-	3,593,121	783,215	4,376,336
Net OPEB benefits	23,946	-	-	23,946
Unrestricted	14,273,576	-	-	14,273,576
Total net position	**$ 49,770,931**	**$ 3,593,121**	**$ 783,215**	**$ 54,147,267**

CITY OF LEBANON, OREGON

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

WASTEWATER FUNDS

Year Ended June 30, 2024

	Wastewater Utility Fund	SDC - Wastewater Improvement Fund	SDC - Wastewater Reimbursement Fund	Eliminations	Total
Operating revenues					
Special assessment	$ -	$ 455,075	$ 81,857	$ -	$ 536,932
Charges for services	6,733,804	-	-	-	6,733,804
Miscellaneous	128	-	-	-	128
Total operating revenues	6,733,932	455,075	81,857	-	7,270,864
Operating expenses					
Personnel services	1,656,683	-	-	-	1,656,683
Materials and services	1,885,905	-	-	-	1,885,905
Depreciation and amortization	1,218,036	-	-	-	1,218,036
Total operating expenses	4,760,624	-	-	-	4,760,624
Operating income (loss)	1,973,308	455,075	81,857	-	2,510,240
Nonoperating revenues (expenses)					
Interest income	700,049	180,862	33,026	-	913,937
Loan forgiveness	500,000	-	-	-	500,000
Gain on sale of capital assets	20,000	-	-	-	20,000
Interest expense	(347,361)	-	-	-	(347,361)
Total nonoperating revenues (expenses)	872,688	180,862	33,026	-	1,086,576
Income (loss) before capital contributions and transfers	2,845,996	635,937	114,883	-	3,596,816
Capital contributions	885,830		-	(590,480)	295,350
Transfers out	(926,593)	(590,480)	-	590,480	(926,593)
Change in net position	2,805,233	45,457	114,883	-	2,965,573
Net position at beginning of year	46,965,698	3,547,664	668,332	-	51,181,694
Net position at end of year	**$ 49,770,931**	**$ 3,593,121**	**$ 783,215**	**$ -**	**$ 54,147,267**

CITY OF LEBANON, OREGON

WASTEWATER UTILITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget			
	Original	**Final**	**Actual**	**Variance**
Revenues				
Charges for services	$ 6,688,800	$ 6,688,800	$ 6,734,043	$ 45,243
Interest	125,000	125,000	700,049	575,049
Miscellaneous	500	500	-	(500)
Total revenues	6,814,300	6,814,300	7,434,092	619,792
Expenditures				
Community Development	44,558	46,258	45,796	462
Public works	3,153,102	3,151,402	3,060,153	91,249
Engineering	1,209,144	1,209,144	827,155	381,989
Non-departmental:				
Capital outlay	6,000,000	6,000,000	4,069,730	1,930,270
Debt service	907,491	907,491	628,149	279,342
Contingency	194,091	194,091	-	194,091
Total expenditures	11,508,386	11,508,386	8,630,983	2,877,403
Excess (deficiency) of revenues over expenditures	(4,694,086)	(4,694,086)	(1,196,891)	3,497,195
Other financing sources (uses)				
Sale of capital assets	-	-	20,000	20,000
Issuance of long-term debt	3,100,000	3,100,000	3,981,544	881,544
Transfers out	(921,792)	(921,792)	(921,791)	1
Total other financing sources (uses)	2,178,208	2,178,208	3,079,753	901,545
Net change in fund balance	(2,515,878)	(2,515,878)	1,882,862	4,398,740
Fund balance at beginning of year	14,158,902	14,158,902	13,602,789	(556,113)
Fund balance at end of year	**$ 11,643,024**	**$ 11,643,024**	**15,485,651**	**$ 3,842,627**
Reconciliation to generally accepted accounting principles				
Capital assets, net			51,383,409	
Net OPEB asset			23,946	
Deferred outflows related to pensions			682,915	
Deferred outflows related to OPEB			6,661	
Accrued interest payable			(77,712)	
Compensated absences			(105,809)	
Bonds and notes payable			(15,910,000)	
Net pension liability			(1,546,715)	
Total OPEB liability			(35,115)	
Unavailable revenues			1,077	
Deferred inflows related to pensions			(127,891)	
Deferred inflows related to OPEB			(9,486)	
Net position at end of year - GAAP basis			**$ 49,770,931**	

CITY OF LEBANON, OREGON

SDC - WASTEWATER IMPROVEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Special assessment collections	$ 225,000	$ 405,336	$ 180,336
Interest	35,500	180,862	145,362
Total revenues	260,500	586,198	325,698
Expenditures			
Capital outlay	3,300,000	590,480	2,709,520
Total expenditures	3,300,000	590,480	2,709,520
Net change in fund balance	(3,039,500)	(4,282)	3,035,218
Fund balance at beginning of year	3,216,600	3,363,534	146,934
Fund balance at end of year	**$ 177,100**	**3,359,252**	**$ 3,182,152**
Reconciliation to generally accepted accounting principles			
Unavailable revenues		233,869	
Net position at end of year - GAAP basis		**$ 3,593,121**	

CITY OF LEBANON, OREGON

SDC - WASTEWATER REIMBURSEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Special assessment collections	$ 46,300	$ 73,107	$ 26,807
Interest	5,000	33,026	28,026
Total revenues	51,300	106,133	54,833
Expenditures			
Capital outlay	600,000	-	600,000
Total expenditures	600,000	-	600,000
Net change in fund balance	(548,700)	106,133	654,833
Fund balance at beginning of year	606,900	635,933	29,033
Fund balance at end of year	**$ 58,200**	**742,066**	**$ 683,866**
Reconciliation to generally accepted accounting principles			
Unavailable revenues		41,149	
Net position at end of year - GAAP basis		**$ 783,215**	

CITY OF LEBANON, OREGON
COMBINING STATEMENT OF NET POSITION
STORM DRAINAGE FUNDS
June 30, 2024

	Storm Drainage Utility Fund	SDC - Storm Drainage Improvement Fund	SDC - Storm Drainage Reimbursement Fund	Total
ASSETS				
Current assets				
Cash and cash equivalents	$ 861,546	$ 294,954	$ 40,997	$ 1,197,497
Receivables, net	117,162	15,568	2,732	135,462
Total current assets	978,708	310,522	43,729	1,332,959
Noncurrent assets:				
Capital assets:				
Capital assets, nondepreciable	257,776	-	-	257,776
Capital assets, net of accumulated depreciation	2,684,636	-	-	2,684,636
Total capital assets	2,942,412	-	-	2,942,412
Net other postemployment benefit asset	2,446	-	-	2,446
Total noncurrent assets	2,944,858	-	-	2,446
Total assets	3,923,566	310,522	43,729	4,277,817
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	69,760	-	-	69,760
Other postemployment benefit related items	681	-	-	681
Total deferred outflows of resources	70,441	-	-	70,441
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	177,425	-	-	177,425
Compensated absences	1,543	-	-	1,543
Total current liabilities	178,968	-	-	178,968
Noncurrent liabilities				
Compensated absences	4,627	-	-	4,627
Net pension liability	157,998	-	-	157,998
Total OPEB liability	3,587	-	-	3,587
Interfund loan payable	206,486	-	-	206,486
Total noncurrent liabilities	372,698	-	-	372,698
Total liabilities	551,666	-	-	551,666
DEFERRED INFLOW OF RESOURCES				
Pension related items	13,064	-	-	13,064
Other postemployment benefit related items	969	-	-	969
Total deferred inflows of resources	14,033	-	-	14,033
NET POSITION				
Net investment in capital assets	2,735,926	-	-	2,735,926
Restricted for:				
System development	-	310,522	43,729	354,251
Net OPEB benefits	2,446	-	-	2,446
Unrestricted	689,936	-	-	689,936
Total net position	**$ 3,428,308**	**$ 310,522**	**$ 43,729**	**$ 3,782,559**

CITY OF LEBANON, OREGON

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
STORM DRAINAGE FUNDS
Year Ended June 30, 2024

	Storm Drainage Utility Fund	SDC - Storm Drainage Improvement Fund	SDC - Storm Drainage Reimbursement Fund	Total
Operating revenues				
Special assessment collections	$ -	$ 44,679	$ 6,416	$ 51,095
Charges for services	712,480	-	-	712,480
Total operating revenues	712,480	44,679	6,416	763,575
Operating expenses				
Personnel services	179,055	-	-	179,055
Materials and services	69,183	-	-	69,183
Depreciation	59,424	-	-	59,424
Total operating expenses	307,662	-	-	307,662
Operating income (loss)	404,818	44,679	6,416	455,913
Nonoperating revenues (expenses)				
Interest income	39,553	17,679	1,748	58,980
Interest expense	(5,556)	-	-	(5,556)
Total nonoperating revenues (expenses)	33,997	17,679	1,748	53,424
Income (loss) before capital contributions and transfers	438,815	62,358	8,164	509,337
Capital contributions	315,184	-	-	315,184
Transfers out	(107,826)	-	-	(107,826)
Change in net position	646,173	62,358	8,164	716,695
Net position at beginning of year	2,782,135	248,164	35,565	3,065,864
Net position at end of year	**$ 3,428,308**	**$ 310,522**	**$ 43,729**	**$ 3,782,559**

CITY OF LEBANON, OREGON

STORM DRAINAGE UTILITY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Charges for services	$ 713,200	$ 712,480	$ (720)
Interest	3,000	39,553	36,553
Total revenues	716,200	752,033	35,833
Expenditures			
Public works	199,520	175,180	24,340
Engineering	76,642	61,388	15,254
Non-departmental:			
Capital outlay	650,000	263,377	386,623
Debt service	46,000	46,000	-
Contingency	11,700	-	11,700
Total expenditures	983,862	545,945	437,917
Excess (deficiency) of revenues over expenditures	(267,662)	206,088	473,750
Other financing sources (uses)			
Transfers out	(103,024)	(103,024)	-
Total other financing sources (uses)	(103,024)	(103,024)	-
Net change in fund balance	(370,686)	103,064	473,750
Fund balance at beginning of year	644,200	698,219	54,019
Fund balance at end of year	**$ 273,514**	**801,283**	**$ 527,769**
Reconciliation to generally accepted accounting principles			
Capital assets, net		2,942,412	
Net OPEB asset		2,446	
Deferred outflows related to pensions		69,760	
Deferred outflows related to OPEB		681	
Interfund loan payable		(206,486)	
Compensated absences		(6,170)	
Net pension liability		(157,998)	
Total OPEB liability		(3,587)	
Deferred inflows related to pensions		(13,064)	
Deferred inflows related to OPEB		(969)	
Net position at end of year - GAAP basis		**$ 3,428,308**	

CITY OF LEBANON, OREGON

SDC - STORM DRAINAGE IMPROVEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Special assessment collections	$ 30,000	$ 42,854	$ 12,854
Interest	2,500	17,679	15,179
Total revenues	32,500	60,533	28,033
Expenditures			
Engineering	60,000	-	60,000
Capital outlay	165,000	-	165,000
Total expenditures	225,000	-	225,000
Net change in fund balance	(192,500)	60,533	253,033
Fund balance at beginning of year	227,000	234,817	7,817
Fund balance at end of year	**$ 34,500**	**295,350**	**$ 260,850**
Reconciliation to generally accepted accounting principles			
Unavailable revenues		15,172	
Net position at end of year - GAAP basis		**$ 310,522**	

CITY OF LEBANON, OREGON

SDC - STORM DRAINAGE REIMBURSEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Special assessment collections	$ 7,025	$ 6,096	$ (929)
Interest	250	1,748	1,498
Total revenues	7,275	7,844	569
Expenditures			
Capital outlay	35,575	-	35,575
Total expenditures	35,575	-	35,575
Net change in fund balance	(28,300)	7,844	36,144
Fund balance at beginning of year	28,300	33,222	4,922
Fund balance at end of year	**$ -**	**41,066**	**$ 41,066**
Reconciliation to generally accepted accounting principles			
Unavailable revenues		2,663	
Net position at end of year - GAAP basis		**$ 43,729**	

CITY OF LEBANON, OREGON
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2024

	Administrative Services Fund	Information Technology Fund	Custodial & Maintenance Services Fund	Total
ASSETS				
Current assets				
Cash and cash equivalents	$ 631,518	$ 367,793	$ 250,840	$ 1,250,151
Receivables, net	6,238	2,661	-	8,899
Prepaid items	7,299	59,964	3,898	71,161
Total current assets	645,055	430,418	254,738	1,330,211
Noncurrent assets:				
Capital assets:				
Capital assets, nondepreciable	-	81,868	-	81,868
Capital assets, net of accumulated depreciation	-	110,793	-	110,793
Total capital assets	-	192,661	-	192,661
Net other postemployment benefit asset	16,683	12,546	5,493	34,722
Total noncurrent assets	16,683	205,207	5,493	227,383
Total assets	661,738	635,625	260,231	1,557,594
DEFERRED OUTFLOWS OF RESOURCES				
Pension related items	475,816	357,793	156,656	990,265
Other postemployment benefit related items	4,640	3,491	1,529	9,660
Total deferred outflows of resources	480,456	361,284	158,185	999,925
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	26,457	29,022	1,593	57,072
Compensated absences	9,074	11,203	5,321	25,598
Unearned revenue	-	27,527	-	27,527
SBITA payable	-	26,912	-	26,912
Total current liabilities	35,531	94,664	6,914	137,109
Noncurrent liabilities				
Compensated absences	27,221	33,609	15,964	76,794
Net pension liability	1,077,662	810,355	354,807	2,242,824
Total OPEB liability	24,467	18,397	8,055	50,919
Total noncurrent liabilities	1,129,350	862,361	378,826	2,370,537
Total liabilities	1,164,881	957,025	385,740	2,507,646
DEFERRED INFLOW OF RESOURCES				
Pension related items	89,107	67,005	29,337	185,449
Other postemployment benefit related items	6,609	4,970	2,176	13,755
Total deferred inflows of resources	95,716	71,975	31,513	199,204
NET POSITION				
Net investment in capital assets	-	165,749	-	165,749
Restricted for:				
Net OPEB benefits	16,683	12,546	5,493	34,722
Unrestricted	(135,086)	(210,386)	(4,330)	(349,802)
Total net position	**$ (118,403)**	**$ (32,091)**	**$ 1,163**	**$ (149,331)**

CITY OF LEBANON, OREGON

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
Year Ended June 30, 2024

	Administrative Services Fund	Information Technology Fund	Custodial & Maintenance Services Fund	Total
Operating revenues				
Intergovernmental	$ -	$ 160,509	$ 982	$ 161,491
Charges for services	12,704	-	-	12,704
Rentals	-	2,700	-	2,700
Miscellaneous	288	798	-	1,086
Total operating revenues	12,992	164,007	982	177,981
Operating expenses				
Personnel services	998,621	865,135	439,720	2,303,476
Materials and services	391,847	486,983	93,585	972,415
Depreciation	-	44,058	-	44,058
Total operating expenses	1,390,468	1,396,176	533,305	3,319,949
Operating income (loss)	(1,377,476)	(1,232,169)	(532,323)	(3,141,968)
Nonoperating revenues (expenses)				
Interest income	17,681	16,806	10,735	45,222
Interest expense	-	(232)	-	(232)
Total nonoperating revenues (expenses)	17,681	16,574	10,735	44,990
Income (loss) before capital contributions and transfers	(1,359,795)	(1,215,595)	(521,588)	(3,096,978)
Transfers in	2,248,542	1,513,281	591,810	4,353,633
Transfers out	(282,691)	(29,597)	(6,580)	(318,868)
Change in net position	606,056	268,089	63,642	937,787
Net position at beginning of year	(724,459)	(300,180)	(62,479)	(1,087,118)
Net position at end of year	**$ (118,403)**	**$ (32,091)**	**$ 1,163**	**$ (149,331)**

CITY OF LEBANON, OREGON

ADMINISTRATIVE SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Charges for services	$ 11,500	$ 6,754	$ (4,746)
Intergovernmental	12,647	-	(12,647)
Interest	2,500	17,681	15,181
Total revenues	26,647	24,435	(2,212)
Expenditures			
City manager	221,271	81,423	139,848
Human resources	436,746	281,236	155,510
City attorney	230,000	204,261	25,739
City recorder	289,073	246,104	42,969
Finance	782,400	694,319	88,081
Non-departmental:			
Contingency	30,492	-	30,492
Total expenditures	1,989,982	1,507,343	482,639
Excess (deficiency) of revenues over expenditures	(1,963,335)	(1,482,908)	480,427
Other financing sources (uses)			
Transfers in	2,248,542	2,248,542	-
Transfers out	(282,692)	(282,691)	1
Total other financing sources (uses)	1,965,850	1,965,851	1
Net change in fund balance	2,515	482,943	480,428
Fund balance at beginning of year	-	129,417	129,417
Fund balance at end of year	**$ 2,515**	**612,360**	**$ 609,845**
Reconciliation to generally accepted accounting principles			
Net OPEB asset		16,683	
Deferred outflows related to pensions		475,816	
Deferred outflows related to OPEB		4,640	
Compensated absences		(36,295)	
Net pension liability		(1,077,662)	
Total OPEB liability		(24,467)	
Unavailable revenues		6,238	
Deferred inflows related to pensions		(89,107)	
Deferred inflows related to OPEB		(6,609)	
Net position at end of year - GAAP basis		**$ (118,403)**	

CITY OF LEBANON, OREGON

INFORMATION TECHNOLOGY FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Intergovernmental	$ 100,000	$ 157,848	$ 57,848
Rents	5,000	2,700	(2,300)
Interest	6,477	17,604	11,127
Total revenues	111,477	178,152	66,675
Expenditures			
Information technology	1,671,978	1,429,074	242,904
Contingency	67,000	-	67,000
Total expenditures	1,738,978	1,429,074	309,904
Excess (deficiency) of revenues over expenditures	(1,627,501)	(1,250,922)	376,579
Other financing sources (uses)			
Transfers in	1,513,281	1,513,281	-
Transfers out	(29,597)	(29,597)	-
Total other financing sources (uses)	1,483,684	1,483,684	-
Net change in fund balance	(143,817)	232,762	376,579
Fund balance at beginning of year	143,817	138,446	(5,371)
Fund balance at end of year	**$ -**	**371,208**	**$ 371,208**
Reconciliation to generally accepted accounting principles			
Capital assets, net		192,661	
Net OPEB asset		12,546	
Deferred outflows related to pensions		357,793	
Deferred outflows related to OPEB		3,491	
Compensated absences		(44,812)	
SBITA payable		(26,912)	
Net pension liability		(810,355)	
Total OPEB liability		(18,397)	
Unavailable revenues		2,661	
Deferred inflows related to pensions		(67,005)	
Deferred inflows related to OPEB		(4,970)	
Net position at end of year - GAAP basis		**$ (32,091)**	

CITY OF LEBANON, OREGON

CUSTODIAL & MAINTENANCE SERVICES FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

Year Ended June 30, 2024

	Budget	Actual	Variance
Revenues			
Intergovernmental	$ -	$ 982	$ 982
Interest	2,900	10,735	7,835
Total revenues	2,900	11,717	8,817
Expenditures			
Public works	549,105	469,966	79,139
Contingency	23,000	-	23,000
Total expenditures	572,105	469,966	102,139
Excess (deficiency) of revenues over expenditures	(569,205)	(458,249)	110,956
Other financing sources (uses)			
Transfers in	591,810	591,810	-
Transfers out	(6,580)	(6,580)	-
Total other financing sources (uses)	585,230	585,230	-
Net change in fund balance	16,025	126,981	110,956
Fund balance at beginning of year	115,582	126,164	10,582
Fund balance at end of year	**$ 131,607**	**253,145**	**$ 121,538**
Reconciliation to generally accepted accounting principles			
Net OPEB asset		5,493	
Deferred outflows related to pensions		156,656	
Deferred outflows related to OPEB		1,529	
Compensated absences		(21,285)	
Net pension liability		(354,807)	
Total OPEB liability		(8,055)	
Deferred inflows related to pensions		(29,337)	
Deferred inflows related to OPEB		(2,176)	
Net position at end of year - GAAP basis		**$ 1,163**	

STATISTICAL SECTION

CITY OF LEBANON

Net Position by Component
Last Ten Fiscal Years - Unaudited

	2024	2023	2022	2021
Governmental activities				
Net investment in capital assets	$ 21,885,806	$ 17,806,618	$ 13,849,672	$ 8,856,238
Restricted for special purposes	20,492,275	17,569,775	16,045,365	13,076,501
Unrestricted	(1,629,242)	(443,623)	(617,952)	(245,356)
Total governmental activities	$ 40,748,839	$ 34,932,770	$ 29,277,085	$ 21,687,383
Business-type activities				
Net investment in capital assets	$ 64,709,506	$ 60,714,620	$ 54,741,143	$ 52,863,606
Restricted for special purposes	5,410,278	5,450,333	5,184,065	4,281,634
Unrestricted	20,034,602	17,545,478	15,550,916	2,471,445
Total business-type activities net position	$ 90,154,386	$ 83,710,431	$ 75,476,124	$ 59,616,685
Primary government				
Net investment in capital assets	$ 86,595,312	$ 78,521,238	$ 68,590,815	$ 61,719,844
Restricted for special purposes	25,902,553	23,020,108	21,229,430	17,358,135
Unrestricted	18,405,360	17,101,855	14,932,964	2,226,089
Total primary government net position	$ 130,903,225	$ 118,643,201	$ 104,753,209	$ 81,304,068

2020 (restated)	2019 (restated)	2018 (restated)	2017 (restated)	2016 (restated)	2015
$ 8,130,402	$ 5,703,160	$ 1,253,407	$ 413,910	$ (2,551,961)	$ (4,571,488)
9,699,384	8,925,225	9,080,170	13,884,088	7,317,116	9,307,133
(3,240,155)	(1,188,885)	(1,597,185)	(7,525,275)	(1,745,001)	2,669,363
$ 14,589,631	$ 13,439,500	$ 8,736,392	$ 6,772,723	$ 3,020,154	$ 7,405,008
$ 51,904,102	$ 51,413,603	$ 41,668,611	$ 41,352,926	$ 34,315,146	$ 35,314,282
-	-	-	-	372,011	372,011
8,308,208	6,098,145	10,565,798	7,940,784	7,103,153	5,228,222
$ 60,212,310	$ 57,511,748	$ 52,234,409	$ 49,293,710	$ 41,790,310	$ 40,914,515
$ 60,034,504	$ 57,116,763	$ 42,922,018	$ 41,766,836	$ 31,763,185	$ 30,742,794
9,699,384	8,925,225	9,080,170	13,884,088	7,689,127	9,679,144
5,068,053	4,909,260	8,968,613	415,509	5,358,152	7,897,585
$ 74,801,941	$ 70,951,248	$ 60,970,801	$ 56,066,433	$ 44,810,464	$ 48,319,523

CITY OF LEBANON
Changes in Net Position
Last Ten Fiscal Years - Unaudited

	2024	2023	2022	2021
Expenses				
Governmental activities:				
General government	$ 2,765,867	$ 1,533,558	$ 2,420,338	$ 2,896,729
Public Safety	7,768,603	7,312,117	6,339,717	5,654,519
Highways and streets	1,783,343	1,977,426	1,660,065	1,561,346
Culture and recreation	2,900,771	2,482,669	2,168,385	1,941,534
Community Planning	1,103,114	1,249,321	1,226,562	686,993
Urban Renewal Projects	-	-	-	-
Transit	1,121,829	892,384	683,301	395,457
Interest on long-term debt	588,945	716,872	879,593	997,293
Total governmental activities expenses	18,032,472	16,164,347	15,377,961	14,133,871
Business-type activities				
Water	5,276,452	4,788,953	4,547,773	4,715,845
Sewer	5,763,987	5,346,273	4,834,574	6,747,746
Stormwater	379,168	286,533	1,214,603	464,517
Total business-type activities expenses	11,419,607	10,421,759	10,596,950	11,928,108
Total Expenses	$ 29,452,079	$ 26,586,106	$ 25,974,911	$ 26,061,979
Program revenues				
Governmental activities				
Charges for services				
General government	$ 347,872	$ 313,176	$ 523,263	$ 793,822
Public Safety	10,949	14,765	690,856	608,506
Highways and streets	1,170,561	240,081	1,494,688	630,430
Culture and recreation	759,040	276,098	468,190	920,956
Community Planning	862,768	647,465	137,858	119,413
Transit	-	-	-	457
Operating grants and contributions	4,357,737	4,341,226	5,194,297	3,718,031
Capital grants and contributions	402,158	1,093,188	1,146,993	212,044
Total governmental activities program revenues	7,911,085	6,925,999	9,656,145	7,003,659
Business-type activities				
Charges for services				
Water	6,780,239	6,121,195	6,232,758	5,556,195
Sewer	7,305,597	6,668,224	6,735,876	6,290,547
Stormwater	767,408	714,388	621,047	553,786
Operating grants and contributions	-	30,454	-	57,309
Capital grants and contributions	1,266,687	4,430,041	662,824	422,375
Total business-type activities program revenues	16,119,931	17,964,302	14,252,505	12,880,212
Total program revenues	$ 24,031,016	$ 24,890,301	$ 23,908,650	$ 19,883,871
Net (expense)/revenues				
Governmental activities	$ (10,121,387)	$ (9,238,348)	$ (5,721,816)	$ (7,130,212)
Business-type activities	4,700,324	7,542,543	3,655,555	952,104
Total net expenses	$ (5,421,063)	$ (1,695,805)	$ (2,066,261)	$ (6,178,108)
General revenues and other changes in net position				
Governmental activities				
Taxes and assessments	$ 11,228,163	$ 11,112,797	$ 10,604,294	$ 10,523,164
Franchise fees	2,947,944	2,747,904	2,554,314	2,381,699
Earnings on investments	1,395,096	796,255	152,729	218,920
Miscellaneous	300,882	154,649	60,070	-
Gain (Loss) on asset disposal	(5,917)	-	-	-
Transfers	71,288	55,095	(59,889)	1,104,181
Total governmental activities	15,937,456	14,866,700	13,311,518	14,227,964
Business-type activities				
Taxes and assessments	-	-	-	-
Franchise fees	-	-	-	-
Earnings on investments	1,279,364	730,990	121,779	81,274
Miscellaneous	515,555	15,869	22,216	153,157
Gain (Loss) on asset disposal	20,000	-	-	(677,979)
Settlement	-	-	12,000,000	-
Transfers	(71,288)	(55,095)	59,889	(1,104,181)
Total business-type activities	1,743,631	691,764	12,203,884	(1,547,729)
Total general revenues	$ 17,681,087	$ 15,558,464	$ 25,515,402	$ 12,680,235
Change in net position				
Governmental activities	$ 5,816,069	$ 5,628,352	$ 7,589,702	$ 7,097,752
Business-type activities	6,443,955	8,234,307	15,859,439	(595,625)
Total	$ 12,260,024	$ 13,862,659	$ 23,449,141	$ 6,502,127

2020	2019	2018	2017	2016	2015
$ 4,649,890	$ 4,569,948	$ 4,342,450	$ 4,421,484	$ 8,725,784	$ 3,838,417
5,844,719	5,445,062	6,415,641	5,129,853	4,633,244	4,371,024
993,516	776,254	767,327	703,860	763,014	924,469
2,925,581	2,554,557	1,826,698	1,634,994	2,087,770	1,463,996
2,025,709	1,622,675	2,882,196	1,584,953	1,532,196	1,313,438
-	120,130				
457,805	-	-	-	-	-
1,138,426	2,108,959	1,334,187	1,322,439	2,810,526	1,465,963
18,035,646	17,197,585	17,568,499	14,797,583	20,552,534	13,377,307
3,803,815	3,115,306	2,726,011	2,437,650	3,899,986	1,712,057
4,150,372	3,587,488	3,730,750	3,184,497	5,368,069	3,093,617
150,497	130,772	40,688	124,393	71,320	232,473
8,104,684	6,833,566	6,497,449	5,746,540	9,339,375	5,038,147
$ 26,140,330	$ 24,031,151	$ 24,065,948	$ 20,544,123	$ 29,891,909	$ 18,415,454
$ 824,811	$ 822,595	$ 996,032	$ 485,897	$ 537,903	$ 425,842
69,969	451,292	369,923	487,910	520,209	471,251
197,239	319,516	357,319	8,900	-	907,817
835,121	587,327	718,191	400,125	80,627	64,317
111,836	58,102	123,451	1,383,205	-	-
-	-	-	-	-	-
71,813	16,500	3,678	328,038	483,235	707,441
959,213	1,924,810	1,081,013	61,569	261,499	219,070
3,070,002	4,180,142	3,649,607	3,155,644	1,883,473	2,795,738
5,475,941	5,681,237	5,398,022	5,356,789	4,902,311	4,533,296
6,114,866	5,925,338	5,896,849	5,959,957	5,060,820	4,980,435
581,058	513,969	482,477	477,268	432,855	425,223
	-	-	-	-	4,207
48,479	2,302,172	-	-	-	-
12,220,344	14,422,716	11,777,348	11,794,014	10,395,986	9,943,161
$ 15,290,346	$ 18,602,858	$ 15,426,955	$ 14,949,658	$ 12,279,459	$ 12,738,899
$ (14,965,644)	$ (13,017,443)	$ (13,918,892)	$ (11,641,939)	$ (18,669,061)	$ (10,581,569)
4,115,660	7,589,150	5,279,899	6,047,474	1,056,611	4,905,014
$ (10,849,984)	$ (5,428,293)	$ (8,638,993)	$ (5,594,465)	$ (17,612,450)	$ (5,676,555)
$ 11,823,641	$ 11,371,894	$ 10,975,454	$ 10,863,745	$ 10,655,535	$ 9,190,655
2,272,728	2,208,440	2,198,381	2,176,801	2,092,699	2,099,554
349,399	488,904	271,060	180,379	219,077	154,932
77,716	115,011	(36,409)	206,073	986,451	2,018,770
	115,998	-	(538,667)		-
1,592,291	3,420,304	3,392,071	2,506,177	330,446	975,770
16,115,775	17,720,551	16,800,557	15,394,508	14,284,208	14,439,681
-	-	-	-	-	-
-	-	-	-	-	-
177,193	171,561	134,875	121,240	42,393	34,778
-	-	-	3,840,863	107,236	195,619
-	-	-	-	-	-
-	-	-	-	-	-
(1,592,291)	(2,483,372)	(3,392,071)	(2,506,177)	(330,446)	(975,770)
(1,415,098)	(2,311,811)	(3,257,196)	1,455,926	(180,817)	(745,373)
$ 14,700,677	$ 15,408,740	$ 13,543,361	$ 16,850,434	$ 14,103,391	$ 13,694,308
$ 1,150,131	$ 4,703,108	$ 2,881,665	$ 3,752,569	$ (4,384,853)	$ 3,858,112
2,700,562	5,277,339	2,022,703	7,503,400	875,794	4,159,641
$ 3,850,693	$ 9,980,447	$ 4,904,368	$ 11,255,969	$ (3,509,059)	$ 8,017,753

CITY OF LEBANON

Governmental Fund Balances
Last Ten Fiscal Years - Unaudited

	2024	2023	2022	2021
General Fund				
Nonspendable	$ 140,866	$ 57,381	$ -	$ -
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	4,321,143	4,791,922	4,957,698	4,879,596
Total general fund	$ 4,462,009	$ 4,849,303	$ 4,957,698	$ 4,879,596
All other governmental funds				
Nonspendable	209,288	$ -	$ -	$ -
Restricted	19,371,776	16,681,727	15,073,746	13,461,580
Committed	93,620	757,651	661,134	233,073
Assigned	766,706	629,458	863,900	893,628
Unassigned	-	-	-	(4,863)
Total all other governmental funds	$ 20,441,390	$ 18,068,836	$ 16,598,780	$ 14,583,418
Governmental Funds				
Nonspendable	$ 350,154	$ 57,381	$ -	$ -
Restricted	19,371,776	16,681,727	15,073,746	13,461,580
Committed	93,620	757,651	661,134	233,073
Assigned	766,706	629,458	863,900	893,628
Unassigned	4,321,143	4,791,922	4,957,698	4,874,733
Total Governmental Funds	$ 24,903,399	$ 22,918,139	$ 21,556,478	$ 19,463,014

2020	2019	2018	2017	2016	2015
$ -	$ -	$ -	$ -	$ 54,026	$ 55,205
-	-	-	-	113,253	24,931
-	-	-	-	1,700	1,800
4,041,142	4,198,099	3,526,750	2,672,274	2,031,337	1,754,690
$ 4,041,142	$ 4,198,099	$ 3,526,750	$ 2,672,274	$ 2,146,290	$ 1,781,421
$ -	$ -	$ -	$ -	$ 2,319	$ 2,319
9,677,493	9,325,225	9,080,170	14,076,646	8,020,698	63,945,915
1,818,424	1,780,242	1,890,083	-	89,060	85,757
-	-	-	-	-	-
(91,109)	(71,968)	(61,069)	(1,444,662)	(1,494,823)	(655,867)
$ 11,404,808	$ 11,033,499	$ 10,909,184	$ 12,631,984	$ 6,617,254	$ 63,378,124
$ -	$ -	$ -	$ -	$ 56,345	$ 57,524
9,677,493	9,325,225	9,080,170	14,076,646	8,020,698	9,815,915
1,818,424	1,780,242	1,890,083	-	202,313	110,688
-	-	-	-	1,700	1,800
3,950,033	4,126,131	3,465,681	1,227,612	536,514	1,098,823
$ 15,445,950	$ 15,231,598	$ 14,435,934	$ 15,304,258	$ 8,817,570	$ 11,084,750

CITY OF LEBANON

Changes in Governmental Fund Balances
Last Ten Fiscal Years - Unaudited

	2024	2023	2022	2021
REVENUES				
Property and other taxes	$ 11,205,761	$ 11,044,522	$ 10,722,880	$ 10,559,624
Franchise fees	2,834,021	2,747,904	2,554,314	2,381,699
Special assessment collections	1,548,224	479,196	1,820,987	1,496,409
Licenses and permits	813,602	579,848	813,020	644,136
Fines, forfeitures, and penalties	265,595	266,346	399,737	494,708
Intergovernmental	4,502,418	4,291,533	4,943,291	3,718,031
Charges for services	245,791	304,667	330,370	275,415
Rentals	64,701	51,000	56,054	16,177
Contributions	52,771	85,126	69,960	63,274
Interest	1,365,570	784,919	151,348	218,920
Miscellaneous	198,803	148,371	58,070	146,155
Total Revenue	23,097,257	20,783,432	21,920,031	20,014,548
EXPENDITURES				
Current operating:				
General government	1,355,988	1,030,602	1,575,812	2,797,842
Public safety	6,456,879	5,807,078	5,545,980	6,025,829
Highways and streets	1,012,441	1,025,621	912,748	957,478
Culture and recreation	2,206,966	1,929,143	1,783,054	1,711,595
Community planning	964,515	1,174,422	1,057,754	734,235
Transit	975,243	784,803	625,172	432,273
Debt service				
Principal	3,220,353	3,022,641	3,977,645	3,430,490
Interest	780,723	909,066	1,060,483	1,200,536
Capital outlay	1,909,497	1,681,339	1,185,200	471,846
Total expenditures	18,882,605	17,364,715	17,723,848	17,762,124
REVENUES OVER (UNDER) EXPENDITURES	4,214,652	3,418,717	4,196,183	2,252,424
OTHER FINANCING SOURCES (USES)				
Subscription financing	-	5,217	-	-
Transfers in	2,250,886	2,757,745	2,505,294	5,669,047
Transfers out	(4,593,818)	(4,820,018)	(4,608,013)	(3,904,407)
Sale of general capital assets	113,540	-	-	-
Debt issuance expense	-	-	-	-
Bond and notes issued	-	-	-	-
Bonds and note premium	-	-	-	-
Loan proceeds	-	-	-	-
Total other financing sources (uses)	(2,229,392)	(2,057,056)	(2,102,719)	1,764,640
NET CHANGE IN FUND BALANCES	$ 1,985,260	$ 1,361,661	$ 2,093,464	$ 4,017,064
Debt service as a percentage of noncapital expenditures[1]	23.57%	25.07%	30.46%	26.78%

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

2020	2019	2018	2017	2016	2015
$ 9,931,752	$ 10,379,715	$ 9,665,460	$ 9,738,469	$ 9,406,993	$ 9,021,449
2,272,728	2,208,440	2,198,381	2,176,801	2,092,699	2,099,554
-	920,040	1,066,771	-	-	-
	-	-	-	8,783	4,520
342,264	385,395	441,914	313,630	311,991	524,810
2,117,502	1,813,685	1,648,918	1,421,730	1,324,121	1,166,432
1,693,666	309,714	529,013	2,366,510	444,082	860,690
-	-	-	-	-	-
1,031,026	1,941,310	1,084,691	389,607	598,822	842,417
349,399	488,904	271,060	180,379	218,656	153,221
10,997	115,012	189,182	325,650	355,442	233,959
17,749,334	18,562,215	17,095,390	16,912,776	14,761,589	14,907,052
3,098,589	3,228,267	2,743,838	2,591,667	3,690,017	2,267,186
5,810,656	5,418,395	5,315,659	4,907,038	4,624,905	4,371,774
835,955	697,426	690,110	689,480	687,504	647,495
2,075,321	2,079,923	1,702,090	1,589,532	1,630,966	1,406,347
1,689,773	1,464,194	1,324,366	1,508,275	1,532,196	1,313,438
-	-	-	2,429,500	-	-
3,232,677	2,783,405	6,040,782	1,472,831	2,345,392	2,245,916
1,615,654	2,212,404	2,484,347	1,976,665	2,094,515	1,617,512
1,692,873	3,418,839	4,295,224		3,667,908	2,231,599
20,051,498	21,302,853	24,596,416	17,164,988	20,273,403	16,101,267
(2,302,164)	(2,740,638)	(7,501,026)	(252,212)	(5,511,814)	(1,194,215)
-	-	-	-	-	-
8,193,832	7,060,469	6,769,539	6,298,418	6,013,926	4,906,720
(5,677,316)	(3,640,165)	(3,895,158)	(3,792,241)	(2,854,447)	(2,637,763)
-	115,998	-	-	-	-
-	-	-	-	85,155	-
-	-	-	4,232,723	-	-
-	-	-	-	-	-
-	-	3,758,321	-	-	-
2,516,516	3,536,302	6,632,702	6,738,900	3,244,634	2,268,957
$ 214,352	$ 795,664	$ (868,324)	$ 6,486,688	$ (2,267,180)	$ 1,074,742
26.41%	27.93%	41.99%	20.10%	26.74%	27.86%

CITY OF LEBANON

Tax Revenue by Source
Last Ten Fiscal Years - Unaudited
June 30, 2024

Fiscal Year	Property [1]	Franchise Fees [2]	Special Assessments [3]	Total
2024	10,741,442	2,834,021	1,548,224	15,123,687
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

[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 negoitiated 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 Value and Estimated Market Value of Taxable Property
Last Ten Fiscal Years - Unaudited
June 30, 2024

Fiscal Year Ended June 30,	Real Property Assessed Value	Real Property Estimated Real Market Value	Total Assessed Value	**	Total Estimated Actual Value	Total Direct Tax Rate	Ratio of Total Assessed to Total Estimated Actual Value
2024	1,523,074,828	2,906,292,417	1,523,074,828		2,906,292,417	5.1364	52%
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%

* 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
Direct and Overlapping Tax Rates
Last Ten Fiscal Years - Unaudited
June 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City of Lebanon:										
General Government	$ 4.5952	$ 4.6145	$ 4.5930	$ 4.5913	$ 4.4048	$ 4.3959	$ 4.3608	$ 4.0983	$ 4.0983	$ 4.1439
G.O. Bond	1.0746	1.1258	1.1875	1.4154	0.9124	1.3056	1.3195	1.2082	1.2082	1.5000
Lebanon Urban Renewal	0.5633	0.6370	0.7172	0.7386	1.3731	1.4322	1.5181	2.3820	2.3820	2.5909
Lebanon Urban Renewal III	0.3548	0.3252	0.3520	0.3482	0.3368	0.3392	0.3284	0.3601	0.3601	0.3620
Lebanon North Gateway	0.6111	0.6715	0.6856	0.7398	0.7288	0.7058	0.7426	0.7541	0.7541	0.4055
Lebanon Urban Renewal Downtown	0.0366	0.0307	0.0241	0.0093	0.0008	-	-	-	-	-
Lebanon Urban Renewal Mill Race	0.0993	0.0864	0.0468	-	-	-	-	-	-	-
Total City	7.3349	7.4911	7.6062	7.8426	7.7567	8.1787	8.2694	8.8027	8.8027	9.0023
OVERLAPPING RATES:										
Linn County:										
Linn County	1.1336	1.1382	1.1330	1.1328	1.0864	1.0848	1.0779	1.0126	1.0126	1.0240
Local Option	2.9800	2.9800	2.8300	2.9378	3.0162	3.0163	3.0166	3.0162	3.0162	3.0163
	4.1136	4.1182	3.9630	4.0706	4.1026	4.1011	4.0945	4.0288	4.0288	4.0403
School District:										
Linn-Benton ESD	0.2715	0.2727	0.2715	0.2714	0.2601	0.2598	0.2581	0.2425	0.2425	0.2453
Linn-Benton Community College	0.4469	0.4487	0.4440	0.4465	0.4283	0.4275	0.5936	0.3992	0.5383	0.4037
Linn-Benton CC Bond	0.2141	0.2225	0.1614	0.1657	0.1661	0.1676	-	0.1391	-	0.1410
Lebanon Community School District No. 9	4.4423	4.4614	4.4404	4.4402	4.2578	4.2515	5.8757	3.9688	5.5818	4.0137
LCSD No. 9 Bond	1.5176	1.4812	1.5158	1.5320	1.5294	1.5747	-	1.6130	-	1.6804
	6.8924	6.8865	6.8331	6.8558	6.6417	6.6811	6.7274	6.3626	6.3626	6.4841
Special District:										
Lebanon Rural Fire District	2.0112	2.0196	2.0103	2.2947	2.1171	2.1164	2.1092	1.9963	1.9963	2.0220
Lebanon Aquatic District	0.3166	0.2146	0.2849	0.2137	0.2048	0.2045	0.2032	0.1909	0.1909	0.1930
4H Extension District	0.2137	0.0628	0.0624	0.0624	0.0598	0.0598	0.0594	0.0557	0.0557	0.0419
	2.6042	2.2970	2.3576	2.5708	2.3817	2.3807	2.3718	2.2429	2.2429	2.2569
Total Overlapping	13.6102	13.3017	13.1537	13.4972	13.1260	13.1629	13.1937	12.6343	12.6343	12.7813
TOTAL	$ 20.9451	$ 20.7928	$ 20.7599	$ 21.3398	$ 20.8827	$ 21.3416	$ 21.4631	$ 21.4370	$ 21.4370	$ 21.7836

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

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CITY OF LEBANON

Principal Property Taxpayers
Current and Nine Fiscal Years Ago - Unaudited
June 30, 2024

	2024			
Taxpayer	Tax	Assessed Value	Rank	% of of Total Tax Amount
Lowes HIW Inc	$ 1,730,052	$ 93,436,840	1	16.50%
Entek International LLC	1,303,792	71,940,950	2	12.43%
Samaritan Health Services Inc.	471,909	24,242,049	3	4.50%
Entek Membranes LLC	444,026	24,500,840	4	4.23%
Lumen Technologies, Inc.	435,360	24,022,670	5	4.15%
Cascade Ridge LLC	361,630	17,072,900	7	3.45%
Walmart, Inc.	358,206	17,102,140	6	3.42%
Western Warehousing LLC	251,579	11,816,180	8	2.40%
Lodges at Lebanon LLC	226,412	10,689,150	9	2.16%
Northwest Natural Gas	216,351	11,938,000	10	2.06%
Comcast Corporation		-		-
Entek Manufacutring LLC		-		-
	$ 5,799,317	$ 306,761,719		55.30%

Source: Linn County Assessor's records

2015					
% of Total City Taxable Assessed Value	Tax	Assessed Value	Rank	% of of Total Tax Amount	% of Total City Taxable Assessed Value
6.80%	$ 1,612,834	84,716,590	1	18.50%	9.39%
5.23%	584,589	31,026,530	2	6.71%	3.44%
1.76%	131,633	6,252,900	10	1.51%	0.69%
1.78%	143,323	7,606,750	8	1.64%	0.84%
1.75%	535,198	28,405,100	3	6.14%	3.15%
1.24%				0.00%	0.00%
1.24%	264,230	12,163,700	4	3.03%	1.35%
0.86%	182,553	9,403,260	5	2.09%	1.04%
0.78%				0.00%	0.00%
0.87%	137,012	7,271,800	9	1.57%	0.81%
-	161,770	7,447,000	6	1.86%	0.83%
-	154,714	8,211,280	7	1.77%	0.91%
-					
22.31%	$ 3,907,856	$ 202,504,910		44.83%	22.44%

CITY OF LEBANON

Property Tax Levies and Collections
Last Ten Fiscal Years - Unaudited
June 30, 2024

Fiscal Year	Total Tax Levy	Adjustments	Percent of Levy Adjustments	Adjusted Levy	Current Tax Collections	Percent of Levy Collections	Delinquent Tax Collections	Total Tax Collections	Percent Total Tax Collections To Tax Levy	Outstanding Delinquent Taxes	Percent Delinquent Taxes To Tax Levy
2024	11,213,988	(303,008)	2.70%	10,910,980	10,734,699	98.38%	-	10,734,699	98.38%	176,281	1.62%
2023	10,917,259	(300,067)	2.75%	10,617,192	10,263,875	96.67%	269,097	10,532,972	99.21%	84,220	0.79%
2022	10,486,575	(323,115)	3.08%	10,163,459	9,919,513	97.60%	199,085	10,118,598	99.56%	44,861	0.44%
2021	10,504,671	(297,653)	2.83%	10,207,018	9,865,256	96.65%	321,639	10,186,895	99.80%	20,123	0.20%
2020	9,797,767	(295,364)	3.01%	9,502,403	9,259,607	97.44%	237,930	9,497,537	99.95%	4,866	0.05%
2019	9,995,576	(315,451)	3.16%	9,680,125	9,373,508	96.83%	304,253	9,677,761	99.98%	2,364	0.02%
2018	9,545,249	(272,265)	2.85%	9,272,984	9,029,948	97.38%	241,451	9,271,399	99.98%	1,585	0.02%
2017	9,691,494	(436,709)	4.51%	9,254,785	9,191,606	99.32%	58,636	9,250,242	99.95%	4,543	0.05%
2016	9,489,478	(644,743)	6.79%	8,844,735	8,781,556	99.29%	60,853	8,842,409	99.97%	2,326	0.03%
2015	8,912,598	(246,423)	2.76%	8,666,175	8,331,252	96.14%	334,148	8,665,400	99.99%	775	0.01%

Source: Linn County Assessors

CITY OF LEBANON

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years - Unaudited
June 30, 2024

	Governmental Activities					
Fiscal Year	General Obligation Bonds	Amount Restricted for Debt Service	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita (2)	
2024	5,030,000	$ (92,060)	4,937,940	0.17%	243	
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	

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 - Unaudited
June 30, 2024

	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	Urban Renwal Agency Notes	Urban Renewal Agency Bonds	Urban Renewal Agency Loan
2024	5,030,000	0.17%	4,770,000	705,009	-	546,248	-	1,459,542	2,482,399
2023	6,485,000	0.24%	5,820,000	910,009	-	637,963	-	1,605,676	2,754,903
2022	7,815,000	0.35%	6,830,000	1,095,009	-	728,882	-	1,745,745	3,019,779
2021	9,050,000	0.45%	7,805,000	1,255,009	32,126	814,043	1,098,851	1,879,792	3,277,241
2020	10,210,000	0.54%	8,735,000	1,395,009	92,415	893,621	1,241,432	2,007,869	3,527,495
2019	11,305,000	0.67%	9,240,000	1,446,658	148,497	972,571	1,384,013	2,510,032	3,770,743
2018	12,335,000	0.84%	9,720,000	1,479,882	225,591	1,060,952	1,710,969	3,021,343	4,007,182
2017	13,280,000	0.98%	10,175,000	1,512,754	-	1,238,514	4,499,824	1,105,000	4,232,723
2016	15,105,000	1.20%	14,589,893	1,546,441	-	1,317,111	4,398,194	1,450,000	-
2015	15,245,000	1.29%	14,157,152	1,579,237	-	1,390,185	3,964,999	1,780,000	-
2014	15,935,000	1.45%	14,992,702	1,610,941	-	1,462,756	4,261,090	2,100,000	-
2013	16,555,000	1.55%	-	1,641,231	-	1,529,902	4,033,730	2,415,000	-

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

Fiscal Year	Business-type Activities: Notes	Wastewater DEQ Loan	Revenue Bonds	Business Oregon Loans	Total City Debt	Population	GO Bond Per Capita	Total Debt Per Capita
2024	-	13,500,000	-	22,446,138	50,941,360	20,329	247.43	2,505.85
2023	-	10,018,456	-	23,484,595	51,718,625	19,662	329.82	2,630.38
2022	-	8,100,350	-	24,503,199	53,839,986	19,650	397.71	2,739.95
2021	-	-	625,000	25,502,369	51,341,452	19,122	473.28	2,684.94
2020	-	480,139	4,395,000	22,710,243	55,690,243	17,335	588.98	3,212.59
2019	-	-	-	22,985,000	53,764,533	17,135	659.76	3,137.70
2018	-	569,287	6,975,000	21,016,054	62,123,278	16,920	729.02	3,671.59
2017	-	612,570	8,205,000	3,855,423	48,718,825	16,720	794.26	2,913.81
2016	-	654,612	5,119,192	-	44,182,459	16,435	919.08	2,688.32
2015	2,510,139	695,449	5,532,584	-	46,856,760	15,740	968.55	2,976.92
2014	2,814,155	735,115	5,935,976	-	49,849,749	15,740	1,012.39	3,167.07
2013	3,106,116	773,643	10,009,369	-	40,066,004	15,690	1,055.13	2,553.60

CITY OF LEBANON

Direct and Overlapping Governmental Activities Debt
Unaudited
June 30, 2024

Jurisdiction	General Obligation Debt Outstanding	Percent Applicable Inside City of Lebanon	Amount Applicable Inside City of Lebanon
City of Lebanon	$ 5,030,000	100.0000%	$ 5,030,000
Lebanon School District	25,450,000	51.8314%	13,191,091
Lebanon Fire District	16,105,000	54.7565%	8,818,534
Linn-Benton-Lincoln ESD	5,450,000	4.5121%	245,909
Linn-Benton Community College	54,826,359	5.0756%	2,782,775
Lebanon Aquatic District	311,019	51.8312%	161,205
Subtotal overlapping debt			25,199,514
Direct and overlapping debt			$ 30,229,514

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 Divison

CITY OF LEBANON

Demographic and Economic Statistics
Last Ten Fiscal Years - Unaudited
June 30, 2024

Fiscal Year	Population (1)	Taxable Personal Income (2)	Per Capita Personal Income
2024	20,329	*	*
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

* 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 Statiscal Reports report annual income tax reported on filed Oregon income state returns.

COMPLIANCE SECTION

SingerLewak
Accountants & Consultants

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, 2024, and have issued our report thereon dated August 14, 2025. 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:

Honorable Mayor and Members of the City Council
City of Lebanon
Independent Auditor's Report Required by Oregon State Regulations

Deposit of public funds with financial institutions

1) The City did not notify the Oregon State Treasurer of use of approved depositories and subsequent changes prior to June 30, 2024 as required by ORS 295.006.

Budgets legally required

1) During the year ended June 30, 2024, expenditures in excess of appropriations occurred as follows:

Fund	Category	Final Budget	Year Actual	Excess
General	Library	$ 646,321	$ 698,817	$ 52,496
General	Capital outlay	-	49,358	49,358
Motel Tax	Materials and services	169,075	268,427	99,352
Engineering Development Review	Engineering	160,925	160,989	64

2) In the 2024-25 proposed budget document, the historical information for year ended June 30, 2023 did not agree to actual amounts reported in the financial statements as required by ORS 294.358 as follows:

	Proposed Budget	Year Actual	Variance
Water Utility Fund			
Resources	$ 11,497,584	$ 12,218,903	$ (721,319)

3) In the 2024-25 budget document, the City's transfers in did not agree to transfers out as required by ORS 294.361 (2) as follows:

Transfers In	Transfers Out	Difference
$ 4,466,834	$ 4,468,756	$ (1,922)

4) The City's published financial summary, Form LB-1, did not agree with the amounts on the detailed budget sheets as required by ORS 294.438 as follows:

	Budget	LB-1	Variance
2022-23 Actual Amount			
Resources	$ 80,918,702	$ 84,895,332	$ (3,976,630)
Requirements	80,604,549	84,895,332	(4,290,783)
2023-24 Adopted Amount			
Resources	82,609,589	89,520,308	(6,910,719)
Requirements	86,197,789	89,520,308	(3,322,519)
2024-25 Approved Amount			
Resources	81,713,470	85,914,143	(4,200,673)
Requirements	85,577,385	85,915,143	(336,758)

Honorable Mayor and Members of the City Council
City of Lebanon
Independent Auditor's Report Required by Oregon State Regulations

5) The City's appropriations per the adopted budget resolution number 2024-14 did not agree to the City's adopted budget document as required by ORS 294.398 as follows:

	Resolution	Budget Document	Variance
Equipment Acquisition & Replacement Fund Contingency	$ -	$ 527,354	$ (527,354)
Streets Capital Project Fund Contingency	-	41,698	(41,698)

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 14, 2025

By:

Brad Bingenheimer, Partner

925 S. Main Street
Lebanon, Oregon 97355

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

MEMORANDUM

Finance Department

To: Council President Steinhebel and Agency Board

August 21, 2025

From: Brandon Neish, Finance Director

Subject: Acceptance of the FY2024 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. For this report, the City's Auditor (SingerLewak, LLP) was responsible for preparing the financial statements and attesting to whether or not the statements fairly and accurately report the City's financial position. Management (staff) was responsible for reviewing the financial statements and providing necessary documentation and workpapers. 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

SingerLewak completed the 2024 AFR on August 21, 2024. There are several areas which staff highlights for the Board's review.

- The Independent Auditors Report (page A) 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, 2024.

- Management's Discussion and Analysis (page i) provides a high-level summary of the entire report, and in most cases, provides comparisons to prior years.

- The Statement of Net Position (page 1) and Statement of Activities (page 2) 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 (page 13): The Agency has a significant amount of outstanding debt (nearly $9.0 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 15-19) provides a budget performance report – how well did the Agency's actual performance match with the budget plan.

Included with this report is the following items:

- Attachment A: Communication to the Governing Body
- Attachment B: Engagement Letter for the 2024 Audit
- 2024 Annual Financial Report

III. RECOMMENDATION

Staff recommends the Board move to accept the Annual Financial Report for the fiscal year ended June 30, 2024.

SingerLewak
Accountants & Consultants

August 14, 2025

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, 2024, 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 August 13, 2024. 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 August 13, 2024 regarding the planned scope and timing of our audit and identified significant risks.

Significant Accounting Practices, Including Policies, Estimates and Disclosures

In our meeting with you, we will discuss our views about the qualitative aspects of the City's significant accounting practices, including significant accounting policies, significant unusual transactions, accounting estimates and financial statement 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:

1255 Lee Street SE, Unit 210, Salem, OR 97302
T: 503.585.7751 | F: 503.370.3781

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Accounting Policies

A summary of significant accounting policies adopted by the City is included in Note 2 to the financial statements. Management has evaluated the implementation of Government Accounting Standard Board Statement 100, *Accounting Changes and Error Corrections,* and has determined it would not have a material effect on the financial statements of the City.

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 basic 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.

- 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, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. 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 2021 experience study which reviewed experience for the four-year period ending December 31, 2021.

- 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.

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.

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 to fulfill its professional responsibility to maintain and monitor independence, management, the City Council, and SingerLewak 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

- Timely inform SingerLewak, before the effective date of transactions or other business changes, of the following:

  - New component units, City officials, or officers

- Provide necessary component unit information such as new or updated investment structure charts, as well as financial information required to perform materiality calculations needed for making affiliate determinations.

- 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.

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.

SingerLewak LLP

Finance Department
925 S. Main Street
Lebanon, Oregon 97355

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

August 14, 2025

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, 2024 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 August 13, 2024, 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. 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.

6. 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.

7. 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.

8. 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.

9. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.

10. Management has followed applicable laws and regulations in adopting, approving and amending budgets.

11. Risk disclosures associated with deposit and investment securities are presented in accordance with GASB requirements.

12. Accounts receivable have been properly identified and recorded, and are fully collectible.

13. The Agency properly separated information in debt disclosures related to direct borrowings and direct placements of debt from other debt and disclosed any unused lines of credit, collateral pledged to secure debt, terms in the debt agreements related to significant default or termination events with finance-related consequences and significant subjective acceleration clauses in accordance with GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*.

14. 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.

15. Revenues are appropriately classified in the statement of activities within program revenues and general revenues.

16. 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.

17. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

18. 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.

19. The government has disclosed the entities with which it has a tax abatement agreement, the total gross amount of taxes abated during the period, the specific taxes that were abated and whether any commitments other than to reduce taxes were made as part of any tax abatement agreement as required by GASB Statement No. 77, *Tax Abatement Disclosures*.

20. 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.

21. With respect to the nonaudit services performed related to drafting the financial statements and related notes, as well as, proposing U.S. GAAP journal entries, based on client provided 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.

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.

23. We have reviewed the GASB Statements effective for the fiscal year ending June 30, 2024 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, 2024:

    a. GASB Statement No. 100, *Accounting Changes and Error Corrections*

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

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

Information Provided

26. 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.

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

28. 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.

29. 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.

30. 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.

31. 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.

32. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.

33. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.

34. 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.

35. We are aware of no deficiencies in internal control over financial reporting, including significant deficiencies or 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.

36. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

37. 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.

38. 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.

Required Supplementary Information

39. 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:

f. We acknowledge our responsibility for the presentation of such required supplementary information.

g. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP.

h. The methods of measurement or presentation have not changed from those used in the prior period.

i. 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, MPA, Finance Director

8/14/2025
Date

SingerLewak
Accountants & Consultants

August 13, 2024

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

The Objective and Scope of the Audit of the Financial Statements
You have requested SingerLewak LLP ("SingerLewak", "we", "us", or "our"), audit Lebanon Urban Renewal Agency's (the "Agency", "you" or "your") a component of Agency of Lebanon, governmental activities, each major fund, and aggregate remaining fund information as of and for the year ended June 30, 2024, 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 ("Engagement Letter").

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.

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 and 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:

- Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual for each fund
- Notes to the Required Supplementary Information

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.

We will also 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 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 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;

4. For report distribution; and

5. 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 Engagement 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 Mayor and Members of the Agency Council 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.

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.

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.

In addition to our report on the District's financial statements, we will also issue a report on the District's compliance with the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

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.

Non-audit Services
In connection with our audit, you have requested us to perform the following non-audit services:

1. Drafting the financial statements

2. Proposing journal entries

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 the 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 $8,100 ($5,450 for financial statements audit and $2,650 for non-audit services), 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.

Our fee estimate 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.

The payment schedule for the aforementioned services is as follows:

First progress billing	Signed engagement letter	$	2,700
Second progress billing	Completion of fieldwork		2,700
Final billing	Delivery of audit		2,700
Total		$	8,100

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 may provide services to you using certain third-party hardware, software, equipment, or products (collectively, "Third-Party Products" and each, individually, a "Third-Party Product"). You acknowledge that the use of a Third-Party Product may involve the processing, input, disclosure, movement, transfer, and storage of information provided by or on behalf of you to us, including Confidential Information and Personal 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. The Agency agrees to indemnify and hold SingerLewak harmless from and against any claims, actions, lawsuits, proceedings, judgments, liens, losses, damages, costs, expenses, fees (including reasonable legal fees, expenses, and costs) and other liabilities 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 Agency, or any user to whom the Agency grants access to such Third-Party Product.

You acknowledge that the 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 the 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 Engagement 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 Engagement 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, contractors, Subcontractors, agents, representatives, successors, or assigns from all third-party claims, liabilities, losses and costs arising in circumstances where there has been a knowing misrepresentation by a member of the Agency's management.

THE AGENCY AND SINGERLEWAK AGREE THAT NO CLAIM ARISING OUT, FROM, OR RELATING TO THE SERVICES RENDERED PURSUANT TO THIS ENGAGEMENT LETTER SHALL BE FILED MORE THAN TWO YEARS AFTER THE DATE OF THE AUDIT REPORT ISSUED BY SINGERLEWAK OR THE DATE OF THIS ENGAGEMENT 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, 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. EXCEPT FOR A COVERED PARTY'S INDEMNIFICATION OBLIGATIONS UNDER THIS ENGAGEMENT LETTER, TO THE FULLEST EXTENT PERMITTED BY LAW, THE TOTAL AGGREGATE LIABILITY OF THE COVERED PARTIES ARISING OUT OF, FROM, OR RELATING TO THIS ENGAGEMENT 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 ENGAGEMENT 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 ENGAGEMENT 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 Engagement 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 Engagement 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 Engagement 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 Disclosing Party's 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 Engagement Letter.

Notwithstanding anything stated to the contrary in this Engagement Letter, the Agency consents to SingerLewak: (i) using any information or data, including Confidential Information and Personal Information, provided by or on behalf of the Agency, or otherwise obtained by SingerLewak, in connection with the services provided under this Engagement Letter, to provide the Agency with professional services under any other professional services agreement the Agency enters into or has entered into with SingerLewak; and (ii) using any information or data provided by or on behalf of the Agency, or otherwise obtained by SingerLewak, in connection with professional services provided by SingerLewak under another professional service agreement SingerLewak has entered into with the Agency, including confidential, personal, or other protected information, to provide the services under this Engagement Letter to the Agency.

Preexisting Nondisclosure Agreements
In the event that the parties have executed a separate nondisclosure agreement, such agreement shall be terminated as of the effective date of this Engagement Letter and the terms of this Engagement Letter shall apply to the treatment of information shared by the parties hereto.

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 Engagement 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, marked or unmarked controlled unclassified information ("CUI") subject to the National Industrial Security Program Operating Manual ("NISPOM") or the Defense Federal Acquisition Regulation Supplement ("DFARS"), or export controlled data subject to Export Administration Regulations ("EAR") or International Traffic in Arms Regulations ("ITAR") . 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.

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 information 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 or 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 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.

Personal Information
As used herein, the term "Personal Information" means any personal information, as may be defined by applicable privacy, data protection, or cybersecurity laws, that directly or indirectly identifies a natural person, and includes, but is not limited to, nonpublic, personally identifiable information such as Social Security numbers, Social Insurance numbers, driver's license numbers or government-issued identification card numbers, and health information.

Each party agrees to transmit Personal Information consistent with applicable laws and any other obligations the respective party may have. We are permitted to use all such Personal Information to perform our obligations and exercise our rights under this Engagement Letter.

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 of such Personal Information and shall take reasonable steps to ensure that such Personal Information does not include irrelevant or unnecessary information about individuals.

Where we are acting as a service provider under the California Consumer Privacy Act and the California Privacy Rights Act, including as amended or replaced, and the associated regulations ("CCPA"), we (i) will not Sell or Share (as those terms are defined by the CCPA) any Personal Information received from the Agency; (ii) will not retain, use, or 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 Engagement Letter, including to provide Personal Information to advisers, to maintain or provide the services provided under this Engagement Letter, or to the extent such disclosure is required by law. At your written request, and at your cost, we shall reasonably assist you in addressing your obligations under the CCPA with regard to privacy rights requests related to your Personal Information held by us, directly resulting from our business relationship with you. We reserve the right to decline such a request where, as determined in our sole discretion, the request for our assistance could violate or impair a Consumer's (as that term is defined by the CCPA) rights under the CCPA or another applicable law, regulation, or professional or ethical standard. 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 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 Engagement 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 Engagement 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 Engagement 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.

You may terminate this Engagement Letter for any reason upon fifteen (15) days' prior written notice to us. 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.

Either party may terminate this Engagement Letter upon written notice if: (i) circumstances arise that in its judgment would cause its continued performance to result in a violation of law, a regulatory requirement, applicable professional or ethical standards, or, in the case of SingerLewak, our client acceptance or retention standards; or (ii) if the other party is placed on a Sanctioned List (as defined herein), or if any director or executive of, or other person closely associated with such other party or its affiliate, is placed on a Sanctioned List.

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 Engagement 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 Engagement 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 Engagement 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 Engagement Letter. Accordingly, the scope, timing and fee arrangement discussed in this Engagement Letter will no longer apply. In order for us to recommence work, the execution of a new Engagement Letter will be required.

The parties agree that those provisions of this Engagement 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 Engagement 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 Engagement Letter, the Agency acknowledges and consents that we also may utilize Confidential Information and Personal Information to (i) improve the quality of our services and offerings and/or (ii) develop or perform internal data analysis or other insight generation. Information developed in connection with these purposes may be used by us to provide services or offerings. We will not use your 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.

The Agency agrees that it will not associate us with any public or private securities offering without first obtaining our consent. Therefore, the Agency agrees to contact us before it includes our reports, or otherwise makes reference to us, in any public or private securities offering. Our association with an official statement is a matter for which separate arrangements may be necessary. The Agency agrees to provide us with printer's proofs or masters of such offering documents for our review and approval before printing, and with a copy of the final reproduced material for our approval before it is distributed. If, based on our review, we identify no material inconsistencies with our audit, or other misstatements of fact, we will promptly communicate in writing to the Agency that we do not object to the inclusion of our report in the offering documents. In the event our auditor/client relationship has been terminated when the Agency seeks such consent, we will be under no obligation to grant such consent or approval.

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.

Each party hereto affirms it has not been placed on a Sanctioned List (as defined below) and will promptly notify the other party upon becoming aware that it has been placed on a Sanctioned List at any time throughout the duration of this Engagement Letter. The Agency shall not, and shall not permit third parties to, access or use any of the deliverables provided for hereunder, or Third-Party Products provided hereunder, in violation of any applicable sanctions laws or regulations, including, but not limited to, accessing or using the deliverables provided for hereunder or any Third-Party Products from any territory under embargo by the United States. The Agency shall not knowingly cause SingerLewak to violate any sanctions applicable to SingerLewak. As used herein "Sanctioned List" means any sanctioned person or entity lists promulgated by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, the Consolidated Canadian Autonomous Sanctions List, the United Nations Security Council, the European Union, and United Kingdom.

Any term of this Engagement 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 Engagement 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 Engagement 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 Engagement 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 Engagement Letter.

If any term or provision of this Engagement 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 Engagement 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 Engagement 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 Engagement 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 Engagement Letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements, including our respective responsibilities.

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, CPA, Partner

Confirmed on behalf of Lebanon Urban Renewal Agency:

Brandon Neish, Finance Director

8/14/2024
Date

LEBANON URBAN RENEWAL AGENCY
(A COMPONENT UNIT OF THE CITY OF LEBANON)
FINANCIAL REPORT
June 30, 2024

LEBANON URBAN RENEWAL AGENCY
(A COMPONENT UNIT OF THE CITY OF LEBANON)
OFFICERS AND MEMBERS OF THE GOVERNING BODY
June 30, 2024

Agency Officials *

Kenneth Jackola

Wayne Dykstra

Carl Mann

Kim Ullfers

Dave Workman

Jeremy Salvage

Michelle Steinhebel

*Agency officials receive mail at the address:

925 S. Main Street
Lebanon, Oregon 97355

LEBANON URBAN RENEWAL AGENCY
(A COMPONENT UNIT OF THE CITY OF LEBANON)
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SingerLewak
Accountants & Consultants

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, 2024, 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, 2024, 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.

To the Agency Officials
Lebanon Urban Renewal Agency
Independent Auditor's Report
August 14, 2025

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.

To the Agency Officials
Lebanon Urban Renewal Agency
Independent Auditor's Report
August 14, 2025

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis 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 required supplementary information in accordance with GAAS, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The Schedules 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. 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 GAAS. In our opinion, this information 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 14, 2025 on our considerations of the Agency's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statues 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 14, 2025

By:

Brad Bingenheimer, Partner

C

LEBANON URBAN RENEWAL AGENCY
(A COMPONENT UNIT OF THE CITY OF LEBANON)
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2024

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, 2024. 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, 2024 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, 2024 were $4,624,721, an increase of $656,501 from the prior year.

- The Agency's total liabilities at June 30, 2024 were $9,032,957, a decrease of $1,519,284 due to payments on long-term debt.

- The Agency's net position at June 30, 2024 was $(4,408,236), an increase of $2,175,789 from the prior year as reported on the Statement of Activities.

- At June 30, 2024, the Agency reported an ending fund balance of $4,526,255, an increase of $651,191 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

MD&A 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 required 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.

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 $(4,408,230). This is an increase of $2,166,606 as reported on the Statement of Activities.

A condensed version of the Statement of Net Position as of June 30, 2024 is as follows:

Condensed Statement of Net Position

	Governmental Activities	
	2024	2023
Assets		
Current and other assets	$ 4,624,721	$ 3,968,220
Total assets	4,624,721	3,968,220
Liabilities		
Current liabilities	67,630	72,684
Long-term liabilities	8,965,327	10,479,557
Total liabilities	9,032,957	10,552,241
Net Position		
Restricted	179,431	179,046
Unrestricted (deficit)	(4,587,667)	(6,763,067)
Total net position (deficit)	$ (4,408,236)	$ (6,584,021)

Current and other assets include cash and cash equivalents and property tax receivables. Current and other assets increased by $656,501 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.

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, 2024 were $2,668,873. The total cost of all programs and services was $493,083. The following table shows a comparative analysis of government-wide revenues, expenses and changes in net position.

Condensed Statement of Changes in Net Position

	Governmental Activities	
	2024	2023
Revenues		
Property taxes	$ 2,439,106	$ 2,502,308
Intergovernmental	-	480,000
Interest	229,766	112,352
Total Revenues	2,668,872	3,094,660
Program Expenses		
Urban Renewal Projects	146,712	145,992
Interest on Long-Term Debt	346,371	393,164
Total Expenses	493,083	539,156
Change in Net Position	$ 2,175,789	$ 2,555,504

Property taxes decreased nearly 2.5% over the prior fiscal year. Actual receipts fell 1.2% year-over-year and deferred revenue dropped from $34k at the end of the prior fiscal year to $1k at the end of the current year. Total tax rates across the districts fell according to County tax summaries driving the decrease in property tax receipts. Expenses in the current year held near the prior year spending as much of the activity for 2024 was debt service related. Spending in future fiscal years should increase as projects in the North Gateway Urban Renewal District are closer to kickoff and the Agency plans to accelerate debt service payments in the Northwest Urban Renewal District with an intent to close the District prior to the 2028 fiscal year. Finally, intergovernmental revenue decreased in 2024 as the City did not need to cover the over-expenditure of maximum indebtedness (MI) in the Northwest Urban Renewal District.

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 $4,526,255, an increase of $651,191. The fund balance constitutes restricted amounts for debt service with the rest being assigned.

Budgetary Highlights

Northwest Urban Renewal District Fund current revenues were budgeted and anticipated to be collected in the amount of $1,254,488. Actual resources of $930,725 were available, $323,763 less than budgeted. Expenditures planned totaling $1,517,944 were spent on debt service.

Cheadle Lake Urban Renewal District Fund current revenues were budgeted and anticipated to be collected in the amount of $482,100. Actual resources of $545,209 were available, $63,109 more than budgeted. Cheadle Lake Urban Renewal District Fund expenditures budget were underspent by $200,000. Budgeted funds in capital outlay 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 $990,500. Actual resources of $988,197 were available, $2,303 less than budgeted. North Gateway Urban Renewal District Fund expenditures budget was underspent by $895,548. Capital construction expenditures, along with $500,000 in contingency, had been budgeted for the 2024 fiscal year but were not spent after planned projects were delayed, resulting in significant expenditure savings.

Downtown Urban Renewal District Fund current revenues were budgeted and anticipated to be collected in the amount of $47,700. Actual resources of $58,762 were available, $11,062 more than budgeted. Downtown Urban Renewal District Fund expenditures budget were underspent by $79,055.

Mill Race Urban Renewal District Fund current revenues were budgeted and anticipated to be collected in the amount of $123,300. Actual resources of $144,799 were available, $21,499 more than budgeted. Mill Race Urban Renewal District Fund expenditures budget was underspent by $5,340 after a budget transfer resolution was adopted by the Board to cover higher than anticipated expenditures under an Economic Development Agreement (EDA). This occurred after the assessed property value in the district increased more than planned. The budget transfer resolution transferred expenditure authority from a contingency line to the Materials and Supplies lines.

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, 2024, the Agency had total long-term debt outstanding of $8,965,327, inclusive of unamortized premiums. This was a reduction of $1,514,230 from the prior year. Additional information on the Agency's long-term debt can be found in the Notes to the Basic Financial Statements.

ECONOMIC FACTORS AND FUTURE

The Agency continues to focus on investing responsibly and planning for the future. One major change on the horizon is the planned closure of the Northwest Urban Renewal District within the next three years.

Thanks to careful financial management and strong property value growth, the Agency plans to accelerate debt payments using available tax increment revenue – what we call "cap space." This will allow the district to meet its obligations early and return tax revenues back to the original taxing districts sooner than expected.

When the Northwest URD closes, it will no longer retain the increase in property tax value from its area. Instead, that growth will go back to support the local services and programs that our community relies on. Here is what that means for each affected district using the 2023-24 fiscal year property tax figures:

Taxing Jurisdiction	Estimated Annual Revenue Gained	
City of Lebanon	$	297,443
Lebanon Community School District #9		291,011
Lebanon Rural Fire District		131,366
Linn County		74,126
Linn-Benton Community College (LBCC)		29,132
Linn Benton Education Service District (ESD)		17,693
Lebanon Aquatic District		13,879
Linn County 4H Extension District (4H)		3,966

That is nearly $860k a year returning to local partners once the district closes – money that will help fund education, emergency services, parks, and more. This kind of strategic exit is one of the key benefits or urban renewal: investing in an area long enough to encourage growth, then returning that growth to the broader community.

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.

LEBANON URBAN RENEWAL AGENCY
(A COMPONENT UNIT OF THE CITY OF LEBANON)
STATEMENT OF NET POSITION
June 30, 2024

	Governmental Activities
Assets	
Current assets	
Cash and cash equivalents	$ 4,341,372
Restricted cash	179,431
Property tax receivables	103,918
Total assets	4,624,721
Liabilities	
Accounts payable and accrued liabilities	4,130
Accrued interest payable	63,500
Long-term liabilities:	
Due within one year	1,588,206
Due in more than one year	7,377,121
Total liabilities	9,032,957
Net position (deficit)	
Restricted for:	
Debt service	179,431
Unrestricted (deficit)	(4,587,667)
Total net position (deficit)	**$ (4,408,236)**

See notes to financial statements

LEBANON URBAN RENEWAL AGENCY
(A COMPONENT UNIT OF THE CITY OF LEBANON)
STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

	Governmental Activities
Program expenses	
Project expenses	$ 146,712
Interest	346,371
Total program expenses	493,083
General revenues:	
Property taxes	2,439,106
Unrestricted investment earnings	229,766
Total general revenues	2,668,872
Change in net position	2,175,789
Net position (deficit) - beginning	(6,584,025)
Net position (deficit) - ending	**$ (4,408,236)**

See notes to financial statements

LEBANON URBAN RENEWAL AGENCY
(A COMPONENT UNIT OF THE CITY OF LEBANON)
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024

	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 cash equivalents	$ 1,428,498	$ 405,138	$ 2,345,615	$ 135,197	$ 26,924	$ 4,341,372
Restricted cash	-	179,431	-	-	-	179,431
Property tax receivables	40,579	20,893	38,995	1,806	1,645	103,918
Total assets	**$ 1,469,077**	**$ 605,462**	**$ 2,384,610**	**$ 137,003**	**$ 28,569**	**$ 4,624,721**
Liabilities, deferred inflows and fund balances						
Liabilities						
Accounts payable and accrued liabilities	$ -	$ -	$ 4,130	$ -	$ -	$ 4,130
Total liabilities	-	-	4,130	-	-	4,130
Deferred inflows of resources						
Unavailable revenue - property taxes	36,987	18,991	35,448	1,652	1,258	94,336
Total deferred inflows of resources	36,987	18,991	35,448	1,652	1,258	94,336
Fund balances						
Restricted for:						
Urban renewal development	1,432,090	407,040	2,345,032	135,351	27,311	4,346,824
Debt service	-	179,431	-	-	-	179,431
Total fund balances	1,432,090	586,471	2,345,032	135,351	27,311	4,526,255
Total liabilities, deferred inflows and fund balances	**$ 1,469,077**	**$ 605,462**	**$ 2,384,610**	**$ 137,003**	**$ 28,569**	**$ 4,624,721**

See notes to financial statements

LEBANON URBAN RENEWAL AGENCY
(A COMPONENT UNIT OF THE CITY OF LEBANON)
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
June 30, 2024

Fund balances - total governmental funds		$ 4,526,255
Amounts reported for governmental activities in the statement of net position are different because:		
Property taxes receivable not collected within 60 days of the current period ending date are deferred in the governmental funds.		94,336
Long-term obligations are not due and payable in the current period and, therefore, are not reported in the funds		
Bonds payable	(4,878,300)	
Notes payable	(4,087,027)	
Accrued interest payable	(63,500)	
Total long-term liabilities		(9,028,827)
Net position of governmental activities		**$ (4,408,236)**

See notes to 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
Year Ended June 30, 2024

	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	$ 826,504	$ 521,070	$ 893,448	$ 53,076	$ 143,828	$ 2,437,926
Interest	104,221	24,139	94,749	5,686	971	229,766
Total revenues	930,725	545,209	988,197	58,762	144,799	2,667,692
Expenditures						
Current						
Project expenses	-	-	24,452	-	122,260	146,712
Debt service						
Principal	1,196,134	272,504	-	-	-	1,468,638
Interest	321,810	79,341	-	-	-	401,151
Total expenditures	1,517,944	351,845	24,452	-	122,260	2,016,501
Net change in fund balances	(587,219)	193,364	963,745	58,762	22,539	651,191
Fund balances at beginning of year	2,019,309	393,107	1,381,287	76,589	4,772	3,875,064
Fund balance at end of year	**$ 1,432,090**	**$ 586,471**	**$ 2,345,032**	**$ 135,351**	**$ 27,311**	**$ 4,526,255**

See notes to 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 OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

Net change in fund balances - total governmental funds		$ 651,191
Amounts reported for governmental activities in the Statement of Activities are different because of the following		
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		1,180
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.		
Accrued interest	45,595	
Amortization of debt premiums	9,185	54,780
The repayment of the principal of debt consumes the current financial resources of the governmental funds. This transaction has no effect on net position. This amount is the difference in the treatment of debt.		1,468,638
Change in net position of governmental activities		**$ 2,175,789**

See notes to financial statements

NOTE 1 – FINANCIAL REPORTING ENTITY

The Lebanon Urban Renewal Agency of the City of Lebanon, Oregon (the 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 (GASB), 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.

The Agency has no potential component units.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Government-wide and fund financial statements

The statement of net position and the statement of activities display information about the Agency, including all of its financial activities. Governmental activities are financed primarily through property taxes and proceeds from borrowings.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The fund financial statements provide information about the Agency’s funds. Funds are classified and summarized as governmental, proprietary, and fiduciary. Currently, the Agency only has governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements. Each fund is identified as a major fund.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Significant revenues, which are susceptible to accrual under the modified accrual basis of accounting, include property taxes and federal and state grants. Other revenue items are considered to be measurable and available when received by the Agency. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Budget Policies and Budgetary Control

Generally, Oregon Local Budget Law requires annual budgets be adopted for all funds. The modified accrual basis of accounting is used for all budgets. All annual appropriations lapse at fiscal yearend.

The Agency begins its budgeting process by appointing budget committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the budget committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June and the hearing is held in June. The governing body adopts the budget, makes appropriations, and declares the tax levy no later than June 30. Expenditure appropriations may not be legally overextended.

The resolution authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The governing body established the levels of budgetary control at the personal services, materials and services, capital outlay, operating contingencies, debt service, and all other requirement levels for all funds.

Budget amounts shown in the financial statements have not been revised since the original budget amounts were adopted. The governing body must authorize all appropriation transfers and supplementary budgetary appropriations.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents
The Agency considers cash equivalents as all highly liquid investments with an original maturity of three months or less.

Property Taxes
Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collections to entities levying taxes. Real and personal property taxes are levied upon all taxable property and become a lien against the property as of July 1 of each year. Property taxes are payable in three installments following the lien date on November 15, February 15 and May 15 each year.

Uncollected property taxes are reported in the governmental funds balance sheet as receivables; the portion which is available to finance expenditures of the current period is recorded as revenue and the remaining balance is recorded as deferred inflows of resources. Property taxes which are collected within 60 days of the end of the current period are considered available and recognized as revenue.

Unavailable revenue, presented as deferred inflows of resources, consists primarily of uncollected property taxes and assessments not deemed available to financial operation of the current period. In the government-wide Statement of Net Position, with a full accrual basis of accounting, revenue must be recognized as soon as it is earned regardless of its availability. Thus, the deferred inflow created on the Governmental Fund Balance Sheet for unavailable revenue is eliminated.

Capital Assets
All capital assets which include property and infrastructure assets (e.g. roads, bridges, sidewalks, etc.) become the City of Lebanon's 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 obligations are reported as liabilities in the governmental activities' statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are deferred and amortized over the life of the bond.

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.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net position

Government-wide financial statements

In the government-wide financial statements, equity is classified as net position and displayed in three components:

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, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

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 and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – All amounts that do not meet the definition of "restricted" or "invested in capital assets, net of related debt" are reported as "unrestricted net position."

In the government-wide financial statements when both restricted and unrestricted net position are available for use, it is the Agency's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

Governmental fund type balance reporting

Governmental type fund balance is reported within one of the fund balance categories listed below:

Non-spendable — Amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted — Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed — Amounts that can be used only for specific purposes determined by a formal action of the Agency Officials. The Agency Officials is the highest level of decision-making authority for the Agency. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Agency Officials.

Assigned — Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unassigned — The residual classification for the Agency's General Fund and includes all spendable amounts not contained in the other classifications. Additionally, other funds may report negative unassigned fund balance in certain circumstances.

In the governmental fund financial statements, when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Agency considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Agency considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

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; injuries to employees; and natural disasters. The Agency purchases commercial insurance for such risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Newly issued accounting standards

In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. The statement enhances the accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Implementation of this standard had no impact on the Agency's financial statements.

NOTE 3 – CASH AND CASH EQUIVALENTS

The Agency's cash and cash equivalents at June 30, 2024 are as follows:

Deposits with financial institutions	$	179,235
State of Oregon Local Government Investment Pool		4,341,372
Total cash and cash equivalents	$	4,520,607

The Agency's cash and cash equivalents are pooled with the City. 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 upon their combined cash and cash equivalents balances.

NOTE 3 – CASH AND CASH EQUIVALENTS (Continued)

Deposits with financial institutions

Custodial Credit Risk – Deposits: This is the risk that in the event of a bank failure, the Agency'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 failure 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, 2024, none of the Agency's deposits with financial institutions were exposed to custodial credit risk.

State of Oregon Local Government 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 Agency'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 does not have a formal policy that places a limit on the amount that may be invested in any one insurer. 100% of the Agency's investments are in the State of Oregon State and Local Investment Pool.

NOTE 3 – CASH AND CASH EQUIVALENTS (Continued)

Interest Rate Risk: The Agency does not have a formal policy that limits investment maturities as a means of managing its exposure to fair-value losses arising from increases in interest rates.

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

NOTE 4 – LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2024

	Outstanding July 1, 2023	Additions	Reductions	Outstanding June 30, 2024	Balances Due Within One Year
Long-term debt					
General obligation bonds:					
2013 Full Faith and Credit	$ 5,820,000	$ -	$ 1,050,000	$ 4,770,000	$ 1,110,000
Premium	135,374	-	27,074	108,300	27,074
Direct borrowing:					
Pacific Premier Bank Loan	2,754,903	-	272,504	2,482,399	280,353
Business Oregon Loan	1,605,676	-	146,134	1,459,542	152,258
Premium	163,607	-	18,521	145,086	18,521
Total long-term debt	$ 10,479,560	$ -	$ 1,514,233	$ 8,965,327	$ 1,588,206

Governmental activities long-term debt obligations

Full Faith and Credit Obligation Bonds, series 2013 – 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 Urban Renewal District (URD), Water and Wastewater. The amount allocated for Northwest URD of the bonds was originally $11,855,000. The Bonds are set to mature during the 2028 fiscal year.

Pacific Premier Bank Loan – On May 18, 2017, the Agency 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.

NOTE 4 – LONG-TERM OBLIGATIONS (Continued)

Business Oregon Loan – 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.

The Agency has no unused lines of credit and has no assets that are specifically pledged as collateral for any of the debt.

Future maturities are as follows:

Fiscal	Full Faith and Credit Obligations Series 2013		Pacific Premier Bank Loan		Business Oregon Loan	
Year	Principal	Interest	Principal	Interest	Principal	Interest
2025	$ 1,110,000	$ 190,800	$ 280,353	$ 71,493	$ 152,258	$ 71,386
2026	1,165,000	146,400	288,426	63,419	158,450	63,944
2027	1,220,000	99,800	296,733	55,112	169,696	56,199
2028	1,275,000	51,000	305,279	46,566	175,994	47,900
2029	-	-	314,071	37,774	187,350	39,294
2030-34	-	-	997,537	58,003	615,794	61,389
	$ 4,770,000	$ 488,000	$ 2,482,399	$ 332,367	$ 1,459,542	$ 340,112

LEBANON URBAN RENEWAL AGENCY
(A COMPONENT UNIT OF THE CITY OF LEBANON)
NORTHWEST URBAN RENEWAL DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2024

	Budget			
	Original	Final	Actual	Variance
Revenues				
Property taxes	$ 1,009,488	$ 1,009,488	$ 826,504	$ (182,984)
Interest	20,000	20,000	104,221	84,221
Total revenues	1,029,488	1,029,488	930,725	(98,763)
Expenditures				
Debt service	1,517,944	1,517,944	1,517,944	-
Total expenditures	1,517,944	1,517,944	1,517,944	-
Excess (deficiency) of revenues over expenditures	(488,456)	(488,456)	(587,219)	(98,763)
Other financing sources (uses)				
Transfers in	225,000	225,000	-	(225,000)
Total other financing sources (uses)	225,000	225,000	-	(225,000)
Net change in fund balance	(263,456)	(263,456)	(587,219)	(323,763)
Fund balance at beginning of year	1,787,900	1,787,900	2,019,309	231,409
Fund balance at end of year	**$ 1,524,444**	**$ 1,524,444**	**$ 1,432,090**	**$ (92,354)**

LEBANON URBAN RENEWAL AGENCY
(A COMPONENT UNIT OF THE CITY OF LEBANON)
CHEADLE LAKE URBAN RENEWAL DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2024

	Budget			
	Original	Final	Actual	Variance
Revenues				
Property taxes	$ 480,100	$ 480,100	$ 521,070	$ 40,970
Interest	2,000	2,000	24,139	22,139
Total revenues	482,100	482,100	545,209	63,109
Expenditures				
Debt service	351,845	351,845	351,845	-
Capital outlay	200,000	200,000	-	200,000
Total expenditures	551,845	551,845	351,845	200,000
Net change in fund balance	(69,745)	(69,745)	193,364	263,109
Fund balance at beginning of year	250,400	250,400	393,107	142,707
Fund balance at end of year	**$ 180,655**	**$ 180,655**	**$ 586,471**	**$ 405,816**

LEBANON URBAN RENEWAL AGENCY
(A COMPONENT UNIT OF THE CITY OF LEBANON)
NORTH GATEWAY URBAN RENEWAL DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2024

	Budget			
	Original	Final	Actual	Variance
Revenues				
Property taxes	$ 983,500	$ 983,500	$ 893,448	$ (90,052)
Interest	7,000	7,000	94,749	87,749
Total revenues	990,500	990,500	988,197	(2,303)
Expenditures				
Materials and services	20,000	20,000	-	20,000
Capital outlay	400,000	400,000	24,452	375,548
Contingency	500,000	500,000	-	500,000
Total expenditures	920,000	920,000	24,452	895,548
Net change in fund balance	70,500	70,500	963,745	893,245
Fund balance at beginning of year	543,100	543,100	1,381,287	838,187
Fund balance at end of year	**$ 613,600**	**$ 613,600**	**$ 2,345,032**	**$ 1,731,432**

LEBANON URBAN RENEWAL AGENCY
(A COMPONENT UNIT OF THE CITY OF LEBANON)
DOWNTOWN URBAN RENEWAL DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2024

	Budget			
	Original	Final	Actual	Variance
Revenues				
Property taxes	$ 47,200	$ 47,200	$ 53,076	$ 5,876
Interest	500	500	5,686	5,186
Total revenues	47,700	47,700	58,762	11,062
Expenditures				
Materials and services	79,055	79,055	-	79,055
Total expenditures	79,055	79,055	-	79,055
Net change in fund balance	(31,355)	(31,355)	58,762	90,117
Fund balance at beginning of year	89,300	89,300	76,589	(12,711)
Fund balance at end of year	**$ 57,945**	**$ 57,945**	**$ 135,351**	**$ 77,406**

LEBANON URBAN RENEWAL AGENCY
(A COMPONENT UNIT OF THE CITY OF LEBANON)
MILL RACE URBAN RENEWAL DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
Year Ended June 30, 2024

	Budget			
	Original	Final	Actual	Variance
Revenues				
Property taxes	$ 123,200	$ 123,200	$ 143,828	$ 20,628
Interest	100	100	971	871
Total revenues	123,300	123,300	144,799	21,499
Expenditures				
Materials and services	100,000	127,600	122,260	5,340
Contingency	27,600	-	-	-
Total expenditures	127,600	127,600	122,260	5,340
Net change in fund balance	(4,300)	(4,300)	22,539	26,839
Fund balance at beginning of year	4,300	4,300	4,772	472
Fund balance at end of year	**$ -**	**$ -**	**$ 27,311**	**$ 27,311**

LEBANON URBAN RENEWAL AGENCY
(A COMPONENT UNIT OF THE CITY OF LEBANON)
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 – BUDGETARY INFORMATION

Budget Policies and Budgetary Control

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. No expenditures exceeded appropriation levels in the year ended June 30, 2024.

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.

SingerLewak
Accountants & Consultants

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, 2024, and have issued our report thereon dated August 14, 2025. 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:

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To the Agency Officials
Lebanon Urban Renewal Agency
Lebanon, Oregon
Independent Auditor's Report Required By
Oregon State Regulations

Budgets legally required

The URA's published financial summary, Form UR-1, for the 2024-25 budget did not agree with the amounts on the detailed budget sheets as required by ORS 294.438 as follows:

	Budget	UR-1	Variance
2022-23 Actual Amounts			
Resources	$ 5,834,522	$ 5,881,897	$ (47,375)
Requirements	5,789,799	5,881,897	(92,098)
2023-24 Adopted Amounts			
Resources	6,696,462	5,573,088	1,123,374
Requirements	6,727,817	5,573,088	1,154,729
2024-25 Approved Amounts			
Resources	7,796,865	7,929,115	(132,250)
Requirements	7,740,165	7,929,115	(188,950)

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 14, 2025

By:

Brad Bingenheimer, Partner

925 S. Main Street
Lebanon, Oregon 97355

TEL: 541.258.4900
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MEMORANDUM

Administration

To: Mayor Jackola and City Council

Date: July 31, 2025

From: Ron Whitlatch, City Manager

Subject: **Administration Update – July 2025**

- We have spent time this month reviewing the various proposals that are being considered for the Special Legislative Session regarding Transportation, which will be held at the end of August. Without intervention from the Legislature, the Oregon Department of Transportation will begin layoffs. We will continue to monitor this for impacts to Lebanon and the State Highway system that runs through the City.
- We are still exploring solar possibilities. We will be meeting with Pacific Power to determine what type of agreement they would potentially enter into if the City were to install a solar array. Once we have that information, we can determine if it is feasible to begin preliminary design.
- As discussed in the July City Council Work Session, Staff is diligently reviewing the draft NPDES Discharge Permit for the Wastewater Plant and the associated impacts.
- Staff is continuing to work with the Oregon Department of Environmental Quality (ODEQ) to determine the final fine that will be assessed to the City for the permit violations at the Wastewater Treatment Plant. Staff will provide an update as we learn more throughout the process.
- We continue to spend a significant amount of time preparing for the upcoming City Council Work Sessions that will occur over the next several months.
- We are currently looking at the feasibility of Albany and Millersburg joining in on the Tort Claim against the Army Corps of Engineers. We are putting together a framework for cost sharing and preparing for the actual claim against ACOE to be filed. As more information becomes available, we will share it with the City Council.
- Staff continues 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.
- We are continuing to implement the Five-Year Strategic Plan goals for year one. We are now preparing for the Goal Setting Session in November.
- We are looking at the possibility of partnering with the Boys and Girls Club on a solar project for their facility. This would be done through a grant that the City would be a

pass-through for them. It would require very little staff time and no out-of-pocket expenses for the City.

- At the July Meeting, the City Council was presented with an appeal of a Planning Commission decision regarding a staff Code Interpretation of allowing trails in the Low Residential Zone. The Development Code conflicts with the Trails Master Plan and needs to be amended to ensure alignment between the two documents. Following the City Council decision, Staff has received a Notice of Intent to Appeal to the Land Use Board of Appeals (LUBA) by the applicant. The applicant has requested that, prior to the appeal moving through the LUBA process, all parties enter into mediation to determine if the issue can be resolved. We expect that mediation will occur sometime in September. We will continue to keep the City Council up to date as we move through the process.

- Holding regular Department Director Meetings (every two weeks) to keep moving priorities forward.

- Continue participating in the Department of Land Conservation and Development's completion of Linn County's Natural Hazards Mitigation Plan update. This plan includes updates for all cities in Linn County and will be presented to the City Council for approval in 2025.

- Kelly Hart and I continue to meet with Susan Patterson from the Oregon Cascades West Council of Governments twice a month to identify grant opportunities that could benefit the City. We are currently exploring funding opportunities to support wastewater plant projects, water service line replacements, street projects, and other initiatives that will benefit the city.

- We have received a Planning Grant for a sanitary sewer analysis and transportation analysis of the Champion Mill site. We have started scoping the transportation aspect of the Grant with Kittleson Engineers and expect to begin this fall.

MEMORANDUM

City Recorder's Office

TO: **Mayor Jackola and City Council**

FROM: **Julie Fisher, City Recorder**

ITEM TITLE: **Department Report**

			July-2025	June 2025
Community Engagement	*Subscribers	Agenda Center	640	629
		Alert Center	1200	1006
		Bid Postings	22	21
		Calendar	215	209
		Job	0	0
		News Flash	3698	3662
		Notify Me	0	0
	Website	Total Users	9,370	9,452
		Views	26,059	25,791
		Top Four Searches	Home Library Utility Payments Search	Home Library Utility Payments Search
	Social Media	FB Followers	4,549	4,550
		New Followers	11	35
		Post Reach	9,637	*76,260
	YouTube	Council Video Views	63	163
	Submissions	Contact Us	7	13
Communication	Outreach	Press Releases	5	6
		Public Meeting Notices	6	6
		Social Media Posts	16	14
Records	Legislative	Ordinances	1	2
		Resolutions	0	8
	Applications	Committee Applications	0	0
		Liquor Licenses	2	0
	Retention	Record Destruction	77	37
		Records added to ORMS	135	117
	Requests	Public Records FOIA	13	10

**Cleaning up subscription files to be sure subscribers are notified*

**Top Three Posts: PC Meeting Notice, Airport Rd Open for Strawberry Festival, City Council Public Hearing Notices*

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MEMORANDUM

Community Development

To: Mayor Jackola and City Council Date: July 2025

From: Kelly Hart, Community Development Director

Subject: Planning, Government Affairs, and Economic Development City Manager Report Updates

Planning:

- The regular July Planning Commission meeting was canceled. The August meeting will be scheduled..
- In July, one land use application was approved administratively:
  - MR-25-01 for a phase of the self-storage facility on East Airport Road.
- There are currently six land use applications under review for three projects:
  - VAR-25-05 for a variance to the fence height for a property on Snow Peak Place
  - CU-25-02 to add a fueling station to the existing old Walgreens commercial site (application is under review)
  - Comprehensive Plan and Zoning Map Amendments CPMA-25-01 and ZMA-25-01 to change the land use designation from Mixed Use to Highway Commercial, Property Line Adjustment PLA-25-02 to consolidate two parcels together, and Conditional Use Permit CU-25-01 to authorize the construction and operation of a carwash facility for the parcel on Hwy 20, north of Burdell Blvd., just north of the new Tractor Supply (Planning Commission will hold a public hearing in August and City Council will hold a public hearing in September)
- Brownfield Conference: At the beginning of August, the Community Development Director attended the EPA Brownfield Conference. The conference provided information regarding potential funding sources to help clean up and redevelop brownfield sites, how to leverage community partners, updates on regulations, and community engagement examples for brownfield developments. This information will help move the Champion Mill project forward.
- City Legislative Efforts: A special session is scheduled for August 29, 2025, to address ODOT funding. The City has been closely following the Governor's proposed plan and participating in calls with the League of Oregon Cities to maintain up-to-date information about it. Staff intends to submit testimony before and during the special session to ensure the City's perspectives are considered and local funding is advocated for.

  A pre-work session survey has been distributed to Councilors to obtain feedback on legislative priorities to help build the framework for the legislative platform. Staff requests that the surveys be returned before August 15th to allow for time to analyze the results before the work session.
- Strategic Planning Update: Six work sessions are scheduled over the next three months to prepare for the Council Goal setting session in October. Topics include: the municipal jail, wastewater

treatment plant capital improvement project, city hall and library capital projects, development of a legislative platform, champion mill brownfield redevelopment project, and city solar facility project.

  - Mark your calendars **(DATE CHANGE)**: A half-day council goal-setting retreat will be scheduled for the afternoon (noon – 5:00 pm) of Wednesday, **NOVEMBER 12, 2025**. SSW Consulting will be facilitating.

- Housing Production Strategy Implementation: The development code is live, and staff have created internal and external handouts to help disseminate the new materials to the public. Shana Olson, Development Services Supervisor, presented the latest code updates to the Rotary Club on July 23, 2025. Staff is evaluating the Housing Production Strategy to determine the next implementation phase.
- Solar Project: Staff is working to identify the funding mechanism and potential phasing requirements for the project(s) and alternatives to make the project fiscally possible. The possible projects and alternatives will be presented to the Council in a future work session.
- Grant Administration:
  - Awarded applications:
    - Safe Streets 4 All grant. This is a federally funded grant. Although this grant has been awarded, the OCWCOG awaits the grant agreement.
    - Housing Infrastructure Planning Grant: $100,000 grant to study sewer capacity and traffic impacts for potential development scenarios for the Champion Mill site. An initial meeting was held with Kittelson Engineering to discuss the transportation study scope. Staff awaits a scope of work, and the project is anticipated to kick off sometime in September after school starts, to obtain appropriate traffic counts.
  - Grant Research: We are working on grants for Wastewater Treatment Plant capital improvements, solar grants, emergency operations, senior center programming/site improvement grants, parks master plan update grants, and housing infrastructure grants. We are also working on grants for the library capital improvements and the capital fundraising campaign.
  - Grant Administration: Phase II of the environmental report for the Champion Mill site has been submitted to DEQ for review. We await their review before submitting the proposed work plan for the final Phase II environmental analysis round. Staff met with the planning consultants to discuss the scope of planning work that could be completed with the funding from this grant. The proposed planning work will include an economic analysis of the site. Staff will coordinate the planning consultants with the transportation consultants to ensure the maximization of the study scope.
- Lebanon Community School District Facilities Advisory Committee: The Community Development Director continues to participate in the LCSD Facilities Advisory Committee. The Community Development Director participated in the LCSD School Board Work Session in May to begin the process of presenting the FAC's findings. A second board meeting is scheduled for August.
- Natural Hazards Mitigation Plan: The City continues to participate in developing the Linn County Natural Hazards Mitigation Plan. A final plan draft has been circulated for review and approval internally by City staff. Depending on county scheduling, the adoption process is likely scheduled for

early summer. The city is still awaiting the county's approval to move forward with the plan's adoption. Latest update is the plan is still under review with FEMA.

Economic Development:

- Strategic Plan Initiative 3.15: Business visitation program—Councilor Conti and Community Development Director Hart visited Calvary Coffee. The owner identified incredibly positive comments in working with the City, specifically the Community Development Department, and the knowledgeable staff of Tammy Dickey and Sean Eaton. They determined they had no major issues other than needing additional office space, approximately 2,000 square feet, and have plans to continue expanding their coffee roasting business. The day we visited, they received and installed a new, larger roaster to handle a larger capacity.
- Downtown Building Restoration Program: All five grant agreements have been signed. Two projects have been completed: 76 Sherman Street and Monarch Books. The Kuhn Theater also completed its improvements from the previous grant cycle—no updates on the progress of the three remaining grants.
- Rural Economic Alliance (REAL): The REAL group entered into a new contract for entrepreneurial support services with RAIN Catalysts for the next fiscal year. The region's marketing plan for economic development is moving forward, and REAL has contracted with Nate Conroy to help execute the plan. Nate Conroy is developing a schedule and plan of action, and a subgroup of REAL will meet with Nate the week after Labor Day to review it before distributing it to the entire REAL group.
- Comprehensive Economic Development Strategies (CEDS) Update: The Community Development Director is participating in the five-year regional CEDS update. This strategy document and plan ensure that the region and city are eligible for state and federal grants to help achieve their economic development goals. The document is currently out for public comment.
- Strategic Plan Initiative 3.11: Respond to Business Oregon recruitments based on site availability—the Business Oregon Prospector site is reviewed weekly, and targeted emails from Business Oregon Industrial Lands Specialists are examined to determine whether a recruitment package should be submitted for the competitive bid. No recruitment packages were submitted in July based on the city’s available site inventory. There has been no follow-up on the recruitment packages sent this year.
- Strategic Plan Initiative 5.4: Collaborate with community partners – the Community Development Director participates in monthly meetings with the downtown association, chamber of commerce, and prominent business owners.

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MEMORANDUM

Engineering Services

To: Mayor Jackola and City Council

Date: July 31, 2025

From: Ron Whitlatch, City Manager/City Engineer

Subject: **Capital Improvements & Development Services – July 2025**

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)
    - Sherman Street (Alley to Second Street)
    - Second Street (Elmore Alley)
- Staff is continuing to receive applications for the replacement of sanitary sewer laterals (through the Small Sewer Lateral Replacement Program).
- Staff will be issuing several Request for Quotes for the multiple private side laterals that need to be connected to the new mainlines as part of the Grove Street Sanitary Sewer Replacement Project that was completed recently. This is typically the responsibility of the homeowner; however, in this case, due to the current location of the laterals, we will be replacing the private side of the laterals and making the connections to the new mainline.
- Kennedy Jenks Engineering (KJE) is beginning to wrap up the Wastewater Treatment Plant Master Plan now that we have seen the draft NPDES Permit. We hope to have this complete sometime in the fall.
- The West River Trail (adjacent to River Park) has been awarded to Mid Valley Excavation. They intend to begin construction later this summer.
- Udell Engineering is currently working on the Grant Street Waterline Replacement and Street Re-Hab Project (from Park to Fifth Street). City Staff had started the design, but due to current workloads, Udell will finish over the summer. We will likely bid the project in the winter of this year and begin construction in early 2026.
- 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 to complete (as Staff time allows). Staff will bring the completed document to the City Council for approval sometime in 2025.
- The new Traffic Signal Project at the Airport Road and Stoltz Hill Road intersection is being constructed. Riverbend Construction has completed a majority of the utility work and sidewalk installation. Signal poles will be installed within the next couple of weeks. The project is scheduled for completion in the fall of 2025.
- City Council awarded the Construction Manager/General Contractor Contract for the Cheadle Lake Park Project to Knife River. The Project Team has started working through the final design and Value Engineering ideas. A Guaranteed Maximum Price will be

presented to the City Council for approval in the next month or two, with construction to begin in October and continue through 2026.

- Udell Engineering is currently under contract to provide the Topographic Survey for the 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 reconstruct 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 the current workload (consultants and City Staff), that has been pushed back to spring 2025. Construction will likely happen in the spring/summer of 2026.
- As part of LINX Grant, a Mechanics Pit at Public Works has been completed. The Contract for construction was awarded to Armstrong & Associates construction as they submitted the lowest quote.
- Additional Minor Projects include:
    - Review parking on Second Street between Mary Street and Tangent Street.
    - Water Management and Conservation Plan – This is an update to our existing plan and is required by Oregon Health Authority.
    - Wetland Fill Permit for SCIP Pond
    - Safe Streets for All Regional Planning Grant – Moving forward after Federal Grant pause.
    - Waterline Replacement Project on Airway Place
- A Request for Quotes has been issued for Strom Drainage Improvements on Second Street. This project will alleviate some of the flooding issues during heavy rain events around the Second and 'E' Street intersection.
- A Request for Quotes has been issued for the 2025 Crack Sealing Project. The project will focus on Oak Street between the RR Tracks and Airway Road.
- In preparation for several upcoming projects, Staff has contracted with Udell Engineering to complete the topographic surveys for the following:
    - Elmore/Grove Sanitary Sewer Replacement Project
    - Vine Street Waterline Replacement – Fifth to Ninth Streets.
    - Cedar Drive – Utility and roadway reconstruction
- 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, DEQ will also be pushing 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 SERVICES:

Staff continue to manage customer inquiries related to general engineering, building permits, and administrative planning. The team provides guidance and support to residents, developers, and stakeholders to facilitate the permitting process, address planning-related questions, and ensure compliance with applicable regulations. Their efforts aim to deliver efficient service and clear communication to support sustainable community development.

Planning

- Reviewed and Approved
  - Ministerial Review – 225 E Airport Road
- In Review
  - Class II Variance – 3355 Snow Peak Place
  - Comp Plan Map Amendment – 3275 S Santiam Highway
  - Zone Map Amendment – 3275 S Santiam Highway
  - Conditional Use – 3275 S Santiam Highway
  - Property Line Adjustment – 3275 S Santiam Highway
  - Land Partition – Park Street (just south of 57 Park Street)
  - Administrative Review – 925 Cleveland Street

Building

- The city processed 56 permits in June. The total fees received were $16,779.73, and the construction valuation was $606,182.55.
- By comparison, in June 2024, 67 permits were processed. The total fees received were $46,089.29 and the construction valuation was $3,350,773.54.
- A current list of the more significant construction sites include:
  - 8-lot subdivision – Cascade Estates (Seven Oaks Lane/Cascade Drive)
  - 10-lot subdivision – Phillips Estates (Phillips Way)
  - 19-lot subdivision (Walker & Wassom)
  - Gas Station and Convenience Store (911 W Airport)
  - Tractor Supply (Burdell Boulevard)
  - RV Storage (Laredo Way)

Engineering Public Improvement and Site Plan Projects

- **In Reivew / Pending Construction**
  - Honeybee Stamps – site plans approved, pending permit approval
  - Villalobos Real Estate – site plan approved, pending permit approval
  - Bates Storage off Hansard Ave stamped approved pending permits.
  - Mill Race Station Phase II, extension of 5th Street to Hwy 20, and Laredo Way, with regional pump station, comments returned to engineer for revision.
  - Traffic Impact Analysis amended for new site layout for the new subdivision off of Stoltz Hill & Twelfth St.
  - Cedar Ridge Subdivision- off S 5th Street north of Joy St, comments returned to Engineer for revisions.
  - Airport Rd Storage Phase III – plans returned to engineer for revisions.

- Maple Street sewer extension plans returned to engineer for revisions.
- Elmore Townhomes plans returned to engineer for revisions.

- **Under Construction**
  - Francise Permit issued to Ziply Fiber, city wide fiber internet infrastructure construction.
  - Four Square Church site plan for improvement parking lot and ADA sidewalk approved, permit issued.
  - Subdivision Madelyn Meadows between Walker & Wassom Street final punch list provided to contractor. Public improvements have been bonded and plat signed.
  - The Mill Race Station RV storage contractor has completed the onsite hydrants and is under construction. Building permit in compliance and under construction. Hydrants online and pending final acceptance.
  - Plans approval for new subdivision off Mazama Way, Cedar Springs Estates preconstruction meeting schedule and Public Improvement Permit issued.
  - Plans approved and permitted for new gas station on the corner of Stoltz Hill & Airport Rd.
  - Plans approved and permit issued for tri-plex along S 7th Street.
  - Plans approved for public improvements and site plan for Tractor Supply location off Burdell Blvd. Contractor working on site improvements, Public Improvement Permit issued.
  - Herman's Subdivision – Crowfoot Rd, plans approved for both onsite and offsite, permits issues and construction underway.
  - Plans approved for new subdivision off Kees Street, permit pending bond requirements
- **Complete**
  - Blackrock Apartments corner of Airport & S 2nd finalized illumination plan and granted final occupancy.
  - Water Main Extension along Hwy 20 as part of Mill Race Phase II pending asbuilts.

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MEMORANDUM

Human Resources Department

To: *Ron Whitlatch, City Manager* Date: *July 31, 2025*
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.

- Benefits:
  - Business as usual.

- Classification and Compensation:
  - Business as usual.

- Training and Development:
  - August All Employee training – FEMA Introduction to Incident Command System
  - September All Employee training – Bullying & Harassment

  - August Safety training – Cold, Flue, and Transmissible Illness Prevention
  - September Safety training – Personal Protective Equipment (PPE)

- Performance Management:
  - Exploring options regarding new performance evaluation vs. goals
  - 51 evaluations are past due as of 7/31/2025 (45% overall)
    - 5 in Finance (oldest is nearly 3 years past due)
    - 9 in City Manager's Office (Director Evals)
    - 1 in Development Services (12 months pas due)
    - 16 in Public Works (oldest is 3 years past due)
    - 6 in SC/LINX (oldest is over 10 months past due)
    - 14 in Police Department (oldest is 7 years past due)
- Other
  - Document storage system on hold.

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MEMORANDUM

Finance Department

To: Council President Steinhebel and City Council
Ron Whitlatch, City Manager

August 21, 2025

From: Brandon Neish, Finance Director

Subject: Department Report – July 2025

- Accounts Payable
  - Payments made in July 2025; 241 checks were processed for payments of $2,150,421.64.
- Audit
  - Auditors were present for the interim field audit on August 15-16, 2024.
  - Auditors were present October 21-25, 2024 for the final field audit. Staff had a few items left to address, specifically capital assets, outstanding accounts payable, and some questions sent by auditors. Staff wrapped up all remaining items quickly to ensure a timely delivery of the audit report.
  - City received draft financial statements on June 27.
  - Staff has been working with the audit firm to finalize the financial report. As of the writing of this report, staff is still waiting for the firm to produce the final document.
- Payroll
  - Payroll was processed on July 3rd and July 18th for all employees. In total, 123 employees were paid in July.
- Utility Billing
  - 6,336 billing statements (including electronics) were mailed July 30th for a total of $1,338,558.80 in utility revenue and $166,475.40 in city service fee revenue.
  - On July 17th, 195 phone calls went out to notify customers they have a past due balance.
  - There was a total of 83 lockouts in July.
  - There was a total of 325 service requests in July: 67 move ins, 83 lock-offs, 11 re-read meters, 58 reconnects, 41 move outs, 6 leak checks, 16 changed meters, 31 turn ons, 7 turn offs, 2 meter installations, no meter removals, no dead meters, no water quality checks, 1 pressure test, no emergency requests, no meter tests, 1 meter locate, and 1 miscellaneous request.

Utility Billing Data

	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25
Active Accounts	6,641	6,641	6,641	6,641	6,645	6,645	6,646	6,639	6,632	6,636	6,651	6,655	6,658
Penalty Applied	11	246	249	83	225	417	165	220	263	87	189	327	268
Lock Offs	136	72	86	118	82	N/A	158	52	100	138	105	57	83

Municipal Court Data

	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25
Charges Filed	210	194	151	189	130	125	268	133	166	159	200	178	217
Show Cause Issued	66	41	56	65	66	76	69	66	55	53	61	62	66
Licenses Suspensions Issued	52	47	41	68	47	19	51	42	47	50	35	49	32
Warrants Issued	160	199	171	205	197	115	278	158	145	180	205	168	201
Charges Disposed	177	170	162	186	159	113	208	204	162	174	187	200	136

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INFORMATION TECHNOLOGY SERVICES – Brent Hurst, Director

IT

- Email domain migration to lebanonoregon.gov project is underway for all City employees, volunteers, and Councilors.
- Internal review of all mobile devices to eliminate additional expenses throughout all City departments continues.
- Internal pilot of new phone system underway.
- Windows 10 workstations are being upgraded to Windows 11 for staff.
- 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

- Coordinated mapping update for National Night Out along side LPD and Public Works.
- Completed GIS Enterprise upgrades for City software.
- Replaced outdated large format map printer and scanner for GIS and Engineering.
- Continued GIS/Utility Billing meter integration and reconciliation.
- Coordinate monthly new address and streets updates with Community Development and Linn County GIS.
- Completed the Sanitary Sewer System upgrades for multiple projects within the City.
- OHA Lead and Copper Survey work continues with assistance of Public Works.
- The monthly tax lot updates from Linn County were completed.

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MEMORANDUM

Lebanon Public Library

To: Mayor, City Council, City Manager

Date: August 1, 2025

From: Kendra Antila, Library Director

Subject: Manager's Report

- The 2025 Summer Reading Program (SRP) continues through August 13th. We've had large crowds at multiple events, particularly Big Rig Day. Huge thanks to our Public Works Department for their efforts to make it a success.
- The new cultural passes funded by the Friends have proven to be very popular and many families are taking advantage of the opportunity to visit nearby attractions.
- Summer is our busiest time of year. July stats reflect an increase in patron visits, checkouts, holds fulfilled, computer usage, etc.

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MEMORANDUM

Police Department

To: City Council

Date: July 30th, 2025

From: Chief Frank Stevenson

Subject: July Monthly Report

- For July 2025, the Patrol Division had approximately 1,717 calls for service, made 86 arrests, conducted 450 traffic stops, wrote 104 traffic citations and wrote 125 case reports.
- We currently have one opening for a Communication Specialist and one opening for a Police Officer.
- Wesley Parker has passed all phases of pre-employment evaluation and will begin his career with us August 18th. He is a certified officer that comes to us from Polk County Sheriff's Office with about two years of experience.
- Matthew Zoll has also passed all phases of the background and will start with us on August 25th, 2025. Matthew comes to us from Oregon State University Police and has over two years' experience.
- Community Services staff members Albanese and Johnson, along with members of the patrol teams, continue to conduct extra patrols within our parks system to assist in reducing unwanted activities (ordinance violations and trespassing) and provide outreach. A focus remains in place on all parks, especially Ralston Park, with a zero-tolerance approach in place to help curb unruly behavior. They made approximately 36 contacts during the past month for various reasons, mainly addressing city ordinance violations. Staff also aided mental health/crisis team members and gave out several resource guides to those in need.
- Detectives Unit staff members were active this month. They were assigned three new cases and were able to close one case. They conducted extensive follow-up on several involved cases and reviewed 23 incoming referrals from DHS during the past month.
- Community Services was very active in putting together this year's National Night Out event which was once again a huge success. Staff attended meetings with Colonia Paz to set up a youth group and presented a basic class on Police and when to call/what we do.
- Community Services staff conducted a distracted driving/cell phone class as part of the diversion program.
- There were two (2) use-of-force incidents for July. (1) Officers responded to a male subject causing a disturbance. Upon arrival, the male subject was walking in the middle of the street

carrying large objects. Officers attempted to detain the subject, and he pulled away, attempting to escape and fight with the officers. Officers had no choice but to force the male subject to the ground, face-first. The male subject continued to fight with the officers who eventually placed him in a WRAP restraint device, and he was subsequently taken to jail. There were no injuries reported to either the officers involved or to the male subject. (2) While on patrol, officers located a male subject who had outstanding felony warrants for his arrest. The subject ran from officers and attempted to hide, but unfortunately for him, K9 Oak was working and tracked him to the nearby side yard of a residence. The male subject then complied with officers and was taken into custody without incident. All use-of-force incidents are reviewed extensively by a Sergeant, a Lieutenant, the Police Captain, and finally the Chief. All use-of-force incidents were found to be justified and fell within policy standards. There were no injuries reported to either the officers involved or to the male subject.

Please do not hesitate to ask if you have any questions with regard to this summarization.

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MEMORANDUM

Public Works

Date: August 19, 2025

To: Mayor Jackola and City Council
From: Jason Williams, Public Works Director
Subject: City Manager's Report – August 2025

A. Collections (Sanitary-Storm):

- Mowing
  - Mowing in collections system R.O.W.'s is down to maintenance as needed for the season.
- Manholes:
  - Compiling a list for manhole rehabilitations that are to be completed.
- Sewer Mains:
  - Cleaned 2300 feet and video inspected 1800 feet of sanitary sewer main line.
  - Flushed low flow, dead-end sewer mains.
- Sewer Laterals:
  - Inspected and located several sanitary laterals in the vicinity of current construction projects.
  - Assisted 9 customers with issues related to sewer laterals.
  - Conducted a video inspection of 825 feet of sanitary sewer laterals.
  - 1 cleanout installed.
  - Conducted 7 sewer lateral replacement investigations.
    - 4 - entered program
    - 0 - not eligible or did not require replacement
    - 3 - working with customers to gather more information
    - 2 - completed post replacement inspection
  - Note: We were able to get all private laterals to at least a temporary working condition
- Storm:
  - Removed debris from several waterways to ensure proper flow this coming winter.
  - Cleaned 0 feet and video inspected 25 feet of storm line.
  - Cleaned out several manholes and catch basins.
- Special projects:
  - Training a new employee on equipment.
  - Completed utility locates
  - Assisted the water and streets crews with a water leak and service orders.
  - Coordinated with the Engineering Department on upcoming projects.
  - Monthly equipment checks and maintenance are completed.
  - Checked River Park RV Dump Station holding tank, and operation of the pump.
  - Completed inventory and re-stocked as needed.
  - Cleaned lines at the wastewater treatment plant.

B. Parks:

- Opened, closed, and cleaned parks restroom buildings daily.
- All parks and trails system garbage's checked daily and emptied.
- The trail system is cleared of leaves and other debris on a weekly basis.
- Additionally, there has been a rise in daily vandalism and trash collection, which has extended the time required for crews to clean restrooms and carry out trash collection.
- Implementing weed management through spraying.
- Mowing and maintenance in city parks.
- Removed block wall and installed posts at Ralston Park restroom.
- Installed fence at Booth Park.
- Gills Landing
    - There were 124 RV park reservations for the month of July.
    - There were 30 shelter rentals for the month of July.

C. Streets:

- Mowing of all unimproved parks and rights-of-way
- Rocked sections of path around benches at Cheadle Lake.
- Completed painting yellow curb.
- Participated in Public Library Big Rig Day.
- Placed and removed street banners.
- Picked up brush from BLT's clean up day.
- Repaired Gills Landing boat ramp launch.
- Prepared signs and barricades for local events to pick up.
- Prepared concrete panels and curb/gutter for the water department's pour back replacement.
- Repaired or replaced four road signs damaged by vehicle crashes and vandalism.
- Graded gravel roads at parks, as well as gravel roads and right of ways.

D. Wastewater Treatment Plant:

- The Lebanon WWTP was in full compliance with our NPDES permit for June 2025
- Influent flow for the month of June averaged 2.28 MGD with a peak of 3.27 MGD and a total of 68.53 MG
- East Bar screen new motor mount arrived and put back in service
- West auto bar screen failed, still operates but sprocket and gears are worn out and misaligned
- Clarifier #1 sweep arm repaired
- Clarifier #2 gear box failed and has been taken apart to assess for repair

E. Water:

- Meter reading was completed.
- Daily water service tasks, which include leak inspections, locates, taste and quality assessments, water sampling, and addressing other customer issues, are ongoing.
    - 23 meters/radios have been repaired or replaced.

- 6 leak checks completed.
- 170 locates have been completed.
- Repaired / replaced 3 damaged hydrant meters.
- Repaired 2 fire hydrants that were damaged by motorists.
- Followed up on water concerns and completed sample testing requested by citizens.
- Completed state water samples.

- Installed new 1" water service on Cascade Drive.
- Installed new 1" water service on W Vine Street.
- Seasonal Work. Mowing/ Hydrant Maintenance.

F. Water Treatment Plant:

Production	
Monthly Water Use (Intake Flow Meter)	148.24 MG
Finish Water Produced	89.18 MG
Water Sent to Cheadle Lake	50.65 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
0.77	1.78	1.09	0.013	0.060	0.023
Finish pH			**Raw Turbidity**		
Min > 7.00 pH	Max < 9.00 pH	Average	Min	Max < 4.00 mg/L	Average ~ 0.70 mg/L
7.43	8.24	7.39	2.14	69.07	5.00

- Raw water pumps pulled for maintenance inspection (ordered new impeller for pump 2)
- Reservoir mixers installed
- Scada Upgrade started

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MEMORANDUM

Lebanon Public Library

To: Mayor, City Council, City Manager

Date: August 1, 2025

From: Kendra Antila, Library Director

Subject: Manager's Report

- The 2025 Summer Reading Program (SRP) continues through August 13th. We've had large crowds at multiple events, particularly Big Rig Day. Huge thanks to our Public Works Department for their efforts to make it a success.
- The new cultural passes funded by the Friends have proven to be very popular and many families are taking advantage of the opportunity to visit nearby attractions.
- Summer is our busiest time of year. July stats reflect an increase in patron visits, checkouts, holds fulfilled, computer usage, etc.

EXECUTIVE SESSION ANNOUNCEMENT

Meeting Information

Executive Sessions are closed to the public. There will be no live-stream of this meeting.

Executive Session Announcement

The Lebanon City Council will now meet in Executive Session.

EX Session #1: The Executive Session is held pursuant to *Per ORS 192.660(2)(e) To Conduct Deliberations with Persons Designated by the Council to Negotiate Real Property Transactions*

EX Session #2: The Executive Session is held pursuant to *Per ORS 192.660(2)(e) To Conduct Deliberations with Persons Designated by the Council to Negotiate Real Property Transactions*

Official representation of the news media and designated staff shall be allowed to attend the Executive Session. All other members of the audience are asked to remain outside the room during the Executive Session. Representatives of the news media are specifically directed not to report on any of the discussions during Executive Session, except to state the general subject of the session as previously announced. No formal actions may be taken in Executive Session.

Formal actions to be taken, if any, as a result of the Executive Session will be conducted during the Council's regular session.

Adjournment