

VICTOR R. WALDER & CO.

C E R T I F I E D P U B L I C A C C O U N T A N T S

TELEPHONE 344-5288

• 2505 WEST 11TH AVE. •

P. O. BOX 2745 •

EUGENE, OREGON 97402

VICTOR R. WALDER C.P.A.

EUGENE D. EMGE C.P.A.

January 24, 1977

Members of the City Council
City of Coburg
Coburg, Oregon 97401

We recently completed our examination of the financial statements of the City of Coburg for the fiscal year ended June 30, 1976.

This work included a review of the accounting procedures and related internal controls of the City. We also reviewed the management letter dated December 15, 1975. Our review revealed that certain recommendations in that letter have been put into practice. We commend the City Council and the Treasurer, in particular, for efforts to improve the accounting system and budgeting process of the City. However, we also noted that various other recommendations have not been put into practice. Our recommendations and suggestions for the future are included in the following paragraphs.

1. Deposits of cash are being made weekly. Cash receipts should be made daily to prevent large accumulations of cash in the City Recorder's Office which is unattended during certain periods. The issuance of a pre-numbered receipt slip should be a required practice followed by the City. A receipt form issued to patrons of the City would provide additional documentation for the patron and the City of amounts paid to the City and the reason therefor.
2. The Trust Fund is no longer needed as a special fund of the City, since the Federal government has discontinued its program to subsidize employees. It was noted that provision has been made in the 1976-77 budget document to transfer the remaining balance in the Trust Fund to the General Fund.
3. More liberal provision for uncollectible property taxes should be made in the budget document to arrive at actual taxes expected to be received. For future years, based on Lane County experience, estimated uncollectible taxes should be approximately 11% of the funds necessary to balance the budget as shown on the budget document.

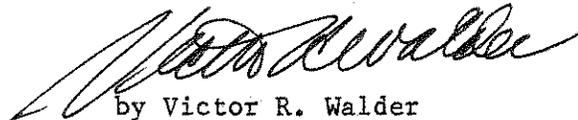
4. Reserve accounts should be budgeted as "Ending Fund Balance" or "Reserve for Expenditures in Future Years" if amounts are not to be currently expended.

5. It was noted that certain expenditures were charged to improper line items and/or funds in what appeared to be an attempt to prevent showing an expenditure in excess of appropriation in the proper line item. The City is currently appropriating by major category classification which eliminates much of the need to transfer appropriations when a line item is expected to be over-expended. However, when a transfer is necessary, the Council should make a resolution transferring certain appropriations instead of changing the distribution classifications of expenditures.

6. During 1975-76, a house, which sat on property known as the Manley Property, was sold for the amount of \$2,110.00 and the proceeds deposited in the Water Fund Savings Account. Inasmuch as the Manley Property was purchased from appropriations of the Land and Building Fund and the Revenue Sharing Fund, it was properly classified in the year of purchase, 1974-75, as an addition to the General Fixed Asset Group. The sale of an asset from the Fixed Asset Group is considered a revenue of the General Fund under Oregon Revised Statutes and as such should be deposited in a bank account of that fund. The transaction as it occurred must be treated as either an unappropriated expenditure of funds or as a loan from the General Fund to the Water Fund. Because the resolution of the City Council did not clarify the Council's intent, we took the liberty of preparing the necessary adjusting entries to treat the transfer as a loan, and the financial statements reflect such treatment. The loan must be repaid and provision for repayment should be made in the budget document for 1977-78. To do otherwise would subject the members of the City Council, personally, to a potential liability for repayment of an unappropriated expenditure.

Very truly yours,

VICTOR R. WALDER & CO.



by Victor R. Walder

VRW:lh

CITY OF COBURG, OREGON
AUDIT FOR THE FISCAL YEAR ENDING JUNE 30, 1976

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SUMMARY OF REVENUES AND EXPENDITURES
 Required by Paragraph 1-601
 Minimum Standards of Audit Reports,
 Certificates, and Procedures
 Oregon Municipal Corporations

Name of Municipal Corporation City of Coburg, Oregon

Address Coburg, Oregon

Period Covered by Audit Report: From July 1, 1975 to June 30, 1976

Total Revenues - All Funds	x x x x x	120,729.00
Less: Interfund loans and transfers	8,700.00	x x x x x
Receipts from short-term loans		
Net Revenues	x x x x x	112,029.00
Total Expenditures - All Funds	x x x x x	221,542.00
Less: <u>Interfund loans and transfers</u>	8,700.00	x x x x x
<u>Principal payments - short-term loans</u>		x x x x x
<u>Principal payments - bonded debt</u>		x x x x x
<u>Principal payments - warrants issued during prior years</u>		x x x x x
Turnovers to other municipal corporations:*		
<u>Taxes</u>		x x x x x
<u>Other trust moneys</u>		x x x x x
Net Expenditures	x x x x x	212,842.00

*These items are normally found only in counties or Intermediate Education Districts.

I believe the above information, based upon the audit of the named municipal corporation for the period indicated, to be correct.

Signed 
 Auditor

Within 30 days after rendering the audit report to the municipal corporation, one copy of this summary must be filed with the Secretary of State, Division of Audits, Salem, Oregon 97310, and one copy must be delivered to the municipal corporation.

For Use by Division of Audits

M. C. Code No. _____ Accountant Code No. _____ Filing Fee \$ _____

CITY OF COBURG OREGON
City Officials
June 30, 1976

Robert Kaiser
Post Office Box 228
Coburg, Oregon 97401

Mayor

Jim Broughton
Route 2, Box 528
Eugene, Oregon 97401

Council Member

Rozaline Walton
Post Office Box 165
Coburg, Oregon 97401

Council Member

Jack Boyer
Post Office Box 274
Coburg, Oregon 97401

Council Member

Gus Nordquist
Route 2, Box 349-B
Eugene, Oregon 97401

Council Member

Harold Robbins
Route 2, Box 361
Eugene, Oregon 97401

Council Member

Joseph B. Wheeler
Post Office Box 337
Coburg, Oregon 97401

Council Member

Dorothy G. Vogel
Post Office Box 291
Coburg, Oregon 97401

Recorder

William Klope
Route 2, Box 507
Eugene, Oregon 97401

Treasurer

VICTOR R. WALDER & CO.

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VICTOR R. WALDER C.P.A.
EUGENE D. EMGE C.P.A.

December 28, 1976

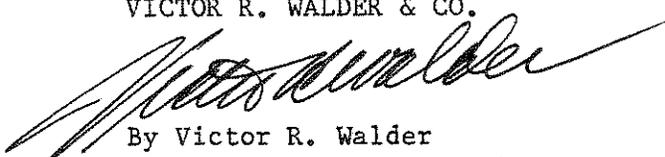
Members of the City Council
City of Coburg
Coburg, Oregon 97401

We have examined the accompanying balance sheets of the several funds and account groups of the City of Coburg, Oregon at June 30, 1976 and the related statements of changes in fund balances/retained earnings, revenue and expenditures, Water Fund statement of income and statement of changes in financial position for the fiscal year then ended. Our examination was performed in accordance with the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations prescribed by the Secretary of State and in accordance with generally accepted auditing standards. Accordingly, our examination included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the submitted financial statements present fairly the financial position of the several funds and account groups of the City of Coburg, Oregon, at June 30, 1976, and the results of operations of such funds and the changes in financial position of the Water Fund for the fiscal year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Very truly yours,

VICTOR R. WALDER & CO.



By Victor R. Walder

VRW:lh

VICTOR R. WALDER & CO.

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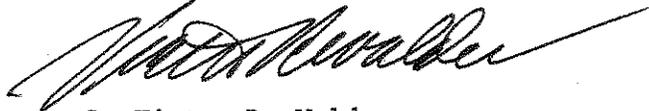
VICTOR R. WALDER C.P.A.
EUGENE D. EMGE C.P.A.

December 28, 1976

REPORT ON SUPPLEMENTAL DATA

Our examination was made primarily for the purpose of rendering an opinion on the basic financial statements, taken as a whole. The other data included in this report, designated as supplemental schedules in the table of contents, although not considered necessary for a fair presentation of the financial position and financial transactions, is presented primarily for supplemental analysis purposes. The additional schedules and information have been subjected to the audit procedures applied in the examination of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

VICTOR R. WALDER & CO.



By Victor R. Walder

VRW:lh

AUDITORS' COMMENTS

Collateral Security:

The City's depository is required by ORS 295.015 to pledge collateral having a value of not less than 110% of the City's balance on deposit. The collateral appears to have been adequate throughout the year.

Compliance:

Fiscal matters were reviewed for compliance with statutory provisions, and it appears that the City has complied with the provisions regarding preparation of the annual budget and tax levies adopted for the year under audit and for the ensuing year.

The City adopted the 1975-76 budget based on major category classifications and generally, expenditures during the year did not exceed the amounts appropriated. However, certain exceptions did occur, as follows:

General Fund	
Police Department	
Personal Services	\$ 284
Capital Projects Fund	
Water Improvement Project	6,280
Water Fund	
Materials and Supplies	1,744

The overexpenditure for the General Fund, Police Department is not in violation of Oregon Revised Statutes inasmuch as unbudgeted revenues were received by the City in sufficient amount specifically designated to pay such expenditure.

The overexpenditure in the Capital Project Fund arose because of funds being available for expenditure which were not anticipated at the time of the preparation of the budget. Beginning available cash was underestimated in the amount of \$4,924.00 and \$1,356.00 in interest income was unbudgeted. All expenditures of the Capital Project Fund were for the purpose for which the fund was established.

Internal Check and Control:

As a part of our examination of the financial statements for the fiscal year ended June 30, 1976, we reviewed and tested the accounting records and the system of internal accounting check and control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. Under these standards, the purpose of such evaluation is to establish a basis for reliance thereon in determining the nature, timing and extent of other auditing procedures that are necessary for expressing an opinion on the financial statements.

Internal Check and Control: (Continued)

Our study and evaluation of the City's system of internal accounting check and control for the fiscal year ended June 30, 1976, which was made for the purpose set forth in the preceding paragraph, was not designed for the purpose of expressing an opinion on internal accounting check and control and it would not necessarily disclose any material weaknesses in the system of internal check and control except as noted in the following paragraph.

There is no segregation of duties, the major source of internal check, inasmuch as the limited number of personnel in the accounting function makes segregation impracticable. At the same time, the limited number of transactions enhances the effectiveness of the supervision exercised by the Mayor and the Council members.

Accounting Records:

The accounting records of the City are satisfactory considering the present level of activity.

Insurance Coverage:

The City's insurance coverage, including the required surety bonds, appears to be adequate.

Federal Funds:

The City received monies through the Federal Revenue Sharing Program during the year. Transactions relating to the program were tested to the extent deemed appropriate and the City appears to be complying with the provisions of the program.

CITY OF COBURG OREGON
Balance Sheet - All Funds
June 30, 1976

	GENERAL FUND	TAX STREET FUND	FIRE EQUIPMENT RESERVE FUND	POLICE CAR RESERVE FUND	LAND AND BUILDINGS RESERVE FUND	REVENUE SHARING RESERVE FUND	DEBT SERVICE FUND	WATER SYSTEM IMPROVEMENT FUND	WATER FUND	TRUST FUND	GENERAL FIXED ASSET GROUP	GENERAL LONG-TERM DEBT GROUP
ASSETS:												
Cash	8,640	11,209	8,720	457	2,756	2,323	5,140		9,728	511		
Property Taxes Receivable	3,535						2,351					
Franchise Taxes Receivable	2,436											
Accounts Receivable									1,133			
Loan Receivable	2,110								8,867			
Inventory (Note 1)												
Amounts to be provided for the payment of Serial Bonds												
Fixed Assets (Note 1):												215,000
Land												
Buildings											16,481	
Furniture, Fixtures and Equipment											11,698	
Utility Plant in Service									3,365		50,680	
Less Accumulated Depreciation									391,243			
									(29,702)			
	<u>\$16,721</u>	<u>\$11,209</u>	<u>\$8,720</u>	<u>\$457</u>	<u>\$2,756</u>	<u>\$2,323</u>	<u>\$7,491</u>	<u>NONE</u>	<u>\$384,634</u>	<u>\$511</u>	<u>\$78,859</u>	<u>\$215,000</u>
LIABILITIES:												
Customers' Deposits												
Accounts Payable	769	59										
Loan Payable												
Unmatured Bonds Payable (Note 3)												
	<u>769</u>	<u>59</u>							<u>3,998</u>			<u>215,000</u>
												<u>215,000</u>
RESERVES, CONTRIBUTIONS AND FUND BALANCES/RETAINED EARNINGS:												
Reserve for Receivables (Note 1)	5,971						2,351					
Contribution from Municipality												
Investment in General									16,505			
Fixed Assets												
Fund Balances	9,981	11,150	8,720	457	2,756	2,323	5,140			511		
Retained Earnings												
	<u>\$16,721</u>	<u>\$11,209</u>	<u>\$8,720</u>	<u>\$457</u>	<u>\$2,756</u>	<u>\$2,323</u>	<u>\$7,491</u>	<u>NONE</u>	<u>\$384,634</u>	<u>\$511</u>	<u>\$78,859</u>	<u>\$215,000</u>

The accompanying notes are an integral part of this statement.

STATEMENT OF CASH RECEIPTS
AND DISBURSEMENTS - ALL FUNDS
For the Fiscal Year Ended June 30, 1976

	GENERAL FUND	STATE TAX STREET FUND	FIRE EQUIPMENT RESERVE FUND	POLICE CAR RESERVE FUND	LAND AND BUILDINGS RESERVE FUND	REVENUE SHARING RESERVE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	WATER FUND	TRUST FUND
Cash Balance July 1, 1975	7,628	8,991	7,601	2,902	2,612	2,865	2,934	99,834	8,035	511
Add Cash Receipts	47,395	10,267	2,374	2,308	4,627	3,064	22,124	1,356	32,558	
Deduct Cash Disbursements	46,383	8,049	1,255	4,753	4,483	3,606	19,918	101,190	30,865	
Cash Balance June 30, 1976	\$ 8,640	\$11,209	\$8,720	\$ 457	\$2,756	\$2,323	\$ 5,140	NONE	\$ 9,728	\$511
BALANCE CLASSIFIED BY DEPOSITORY:										
Change Fund	50									
Citizen's Bank of Oregon -										
Checking										
Regular Account	(6,560)	11,209								
Payroll Account	(511)									
Fines and Bails Account	434									
Debt Service Account							5,140			
Citizen's Bank of Oregon -										
Savings										
General Fund	15,227									
Revenue Sharing			8,720			2,323				
Fire Equipment Reserve										
Land and Building Reserve					2,756				6,270	
Water Department										
Police Car Reserve				457						
	\$ 8,640	\$11,209	\$8,720	\$ 457	\$2,756	\$2,323	\$ 5,140	NONE	\$ 9,728	\$511

The accompanying notes are an integral part of this statement.

SCHEDULE OF PROPERTY TAXES RECEIVABLE
June 30, 1976

	<u>TAXES RECEIVABLE JULY 1, 1975</u>	<u>TOTAL COLLECTIONS</u>	<u>ADJUSTMENTS</u>	<u>TAXES RECEIVABLE JUNE 30, 1976</u>
1969-1970 and Prior	13	0	(1)	12
1970-1971	14	6	1	9
1971-1972	145	165	33	13
1972-1973	328	200	20	148
1973-1974	594	321	25	298
1974-1975	5,208	4,074	218	1,352
1975-1976 Tax Levy	<u>40,820</u>	<u>35,886</u>	<u>(880)</u>	<u>4,054</u>
	<u>\$47,122</u>	40,652	<u>\$(584)</u>	<u>\$5,886</u>
Adjustments:				
Land Sales		12		
Senior Citizens		10		
State Game Commission		<u>6</u>		
Total Funds Received		<u>\$40,680</u>		
Distribution:				
To General Fund		23,642		3,535
To Debt Service Fund		<u>17,038</u>		<u>2,351</u>
		<u>\$40,680</u>		<u>\$5,886</u>

True Cash Values and Tax Levies

<u>YEAR</u>	<u>TRUE CASH VALUE</u>	<u>RATE PER \$1,000 OF TRUE CASH VALUE</u>	<u>TAX LEVIES</u>
1967-1968	\$2,431,096	4.66	\$11,334
1968-1969	2,472,248	4.23	10,452
1969-1970	2,650,226	4.29	11,369
1970-1971	2,788,965	4.66	13,004
1971-1972	2,847,782	7.20	20,504
1972-1973	3,177,551	6.83	21,702
1973-1974	3,664,554	5.95	21,804
1974-1975	4,668,166	10.22	47,709
1975-1976	<u>4,959,910</u>	8.23	<u>40,820</u>

The accompanying notes are an integral part of this statement.

WATER FUND FIXED ASSETS
June 30, 1976

	FIXED ASSETS			ACCUMULATED DEPRECIATION			
	BALANCE JULY 1, 1975	ADDITIONS 1975-76	DELETIONS 1975-76	BALANCE JULY 1, 1975	RATE	DEPRECIATION 1975-76	BALANCE JUNE 30, 1976
General:							
Landscaping	67			26	5%	3	29
Tools and Equipment	306	150		280	10%	39	319
Office Equipment	34			34	10%	0	34
Street Sweeper	300			255	10%	30	285
1960 Chevrolet Pickup	200			170	10%	20	190
Whacker	258			194	10%	26	220
Dump Truck	500			225	10%	50	275
John Deere Tractor	1,550			388	10%	155	543
	<u>3,215</u>	<u>150</u>		<u>1,572</u>		<u>323</u>	<u>1,895</u>
Plant in Service:							
Wells, Pumps and Distribution Mains Well and Pump Station (1961-62)	1		1*	5,475	5%	427	5,902
Well (1963-64)	3,281		3,281	1,877	5%	164	2,041
Pioneer Valley Estates Subdivision: Well	3,300		3,300	1,732	5%	165	1,897
Pumps, Tanks and Filter	6,505		6,505	3,415	5%	325	3,740
Distribution System	6,656		6,656	3,465	5%	333	3,798
Distrib. System (1966-67)	5,523		5,523	2,331	5%	276	2,607
Distrib. System (1967-68)	2,247		2,247	819	5%	112	931
Distrib. System (1968-69)	1,573		1,573	512	5%	79	591
Distrib. System (1969-70)	2,356		2,356	648	5%	118	766
Distrib. System (1970-71)	2,422		2,422	545	5%	121	666
Distrib. System (1971-72)	436		436	77	5%	22	99
Distrib. System (1974-76)	136,414		136,414	0	2%	1,364	1,364
Auxiliary Generator	1,950		1,950	537	5%	98	635
Pump House	518		518	104	5%	26	130
Tube Meter	551		551	41	5%	28	69
ER Meter	62		62	5	5%	3	8
Addressograph	288		288	21	5%	14	35
Misc. Water Meters	2,247		2,247	0	10%	112	112
Fence	2,484		2,484	0	10%	124	124
50 H.P. Turbin Pump	6,355		6,355	0	10%	318	318
Steel Reservoir	98,846		98,846	0	2%	988	988
Pump Station	98,679		98,679	0	2%	987	987
	<u>46,218</u>	<u>345,025</u>		<u>21,604</u>		<u>6,204</u>	<u>27,808</u>

The accompanying notes are an integral part of this statement.

WATER FUND FIXED ASSETS
June 30, 1976

	FIXED ASSETS			ACCUMULATED DEPRECIATION			
	BALANCE JULY 1, 1975	ADDITIONS 1975-76	DELETIONS 1975-76	BALANCE JULY 1, 1975	RATE	DEPRECIATION 1975-76	BALANCE JUNE 30, 1976
Water System - Construction in Progress:							
Pumps, Tanks and Filtration	120,049		120,049				
Distribution System	114,610		114,610				
	<u>234,659</u>		<u>234,659</u>				
TOTAL	\$284,092	\$345,175	\$234,659	\$23,176		\$6,527	\$29,703

*Nominal Value

The accompanying notes are an integral part of this statement.

GENERAL FIXED ASSETS GROUP
June 30, 1976

	BALANCE <u>JULY 1, 1975</u>	<u>ADDITIONS</u>	<u>DISPOSITIONS</u>	BALANCE <u>JUNE 30, 1976</u>
Land	3,353			3,353
Land (Manley Property)	<u>13,128</u>			<u>13,128</u>
	<u>16,481</u>			<u>16,481</u>
 <u>Buildings:</u>				
City Hall Building	1			1*
Light Fixtures	100			100
Remodeling	580			580
Roofing	559			559
Equipment Garage	10,204			10,204
Gas Heater	254			254
House (Manley Property)	<u>2,110</u>		<u>2,110</u>	<u>--</u>
	<u>13,808</u>		<u>2,110</u>	<u>11,698</u>
 <u>Equipment:</u>				
Fire Equipment				
(1/2 Interest)				
Fire Truck	4,000			4,000
Pumper Truck	3,750			3,750
Plectrons	2,481			2,481
Fire Hose		1,255		1,255
Other Equipment	2,313			2,313
Police Equipment				
Automobiles and				
Equipment	7,105	3,797	3,041	7,861
Radar	850	1,257		2,107
Walkie-Talkie	192			192
Polaroid Camera	150			150
Radio System	1,000			1,000
Other Police Equipment	117			117
Office Equipment				
Monroe Calculator	150			150
Clary 10 Key Adder	105			105
Clary 10 Key Adder	152			152
3M VQC111 Copier	1,930			1,930
Adler Electric				
Typewriter	586			586
SCM Portable				
Typewriter	140			140
Other Office Equipment	538			538
Window Air Conditioner		100		100

The accompanying notes are an integral part of this statement.

GENERAL FIXED ASSETS GROUP
June 30, 1976

	<u>BALANCE</u> <u>JULY 1, 1975</u>	<u>ADDITIONS</u>	<u>DISPOSITIONS</u>	<u>BALANCE</u> <u>JUNE 30, 1976</u>
Mobile Equipment				
Street Sweeper	747			747
1960 Chevrolet Pickup	200			200
Mower	617			617
Sprayer	250			250
1962 GMC Dump Truck	795			795
John Deere Tractor	1,550			1,550
Case 320 Backhoe	13,120			13,120
Other Mobile Equipment	3,381			3,381
Shop Tools and Equipment				
Pipe and Cable Locator	96			96
Whacker	258			258
Air Compressor	100			100
Drill Press	125			125
Bench Grinder	70			70
Other Tools and Equipment	445			445
	<u>47,313</u>	<u>6,409</u>	<u>3,041</u>	<u>50,681</u>
	<u>\$77,602</u>	<u>\$6,409</u>	<u>\$5,151</u>	<u>\$78,860</u>

*Nominal Value - The City owns an undivided one-half interest in the City Hall and Rural Fire Department building and land.

The accompanying notes are an integral part of this statement.

STATEMENT OF CHANGES IN
FUND BALANCES / RETAINED EARNINGS
For the Fiscal Year Ended June 30, 1976

	GENERAL FUND	STATE TAX STREET FUND	FIRE EQUIPMENT RESERVE FUND	POLICE CAR RESERVE FUND	LAND AND BUILDINGS RESERVE FUND	REVENUE SHARING RESERVE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	WATER FUND	TRUST FUND
Balance July 1, 1975	<u>5,369</u>	<u>8,932</u>	<u>7,601</u>	<u>2,902</u>	<u>2,612</u>	<u>2,865</u>	<u>2,934</u>	<u>99,834</u>	<u>254,310</u>	<u>511</u>
Increase in Balances:										
Revenues Excluding Transfers	47,395	10,267	374	108	128	3,064	18,958	1,356	30,378	
Transfers from Other Funds			2,000	2,200	4,500					
Utility Plant Improvements under construction										
transferred from Water System Improvement Fund and Water Fund	<u>47,395</u>	<u>10,267</u>	<u>2,374</u>	<u>2,308</u>	<u>4,628</u>	<u>3,064</u>	<u>18,958</u>	<u>1,356</u>	<u>118,112</u>	<u>NONE</u>
Decreases in Balances:										
Expenditures Excluding Transfers	34,083	8,049	1,255	4,753	4,484	3,606	16,752	101,190	32,142	
Depreciation on Water Fund Assets									6,527	
Transfers to Other Funds	<u>8,700</u>	<u>8,049</u>	<u>1,255</u>	<u>4,753</u>	<u>4,484</u>	<u>3,606</u>	<u>16,752</u>	<u>101,190</u>	<u>38,669</u>	<u>NONE</u>
	<u>42,783</u>	<u>11,150</u>	<u>8,720</u>	<u>9,457</u>	<u>2,756</u>	<u>2,323</u>	<u>5,140</u>	<u>NONE</u>	<u>364,131</u>	<u>511</u>
Balances June 30, 1976	<u>\$ 9,981</u>	<u>\$ 11,150</u>	<u>\$ 8,720</u>	<u>\$ 457</u>	<u>\$ 2,756</u>	<u>\$ 2,323</u>	<u>\$ 5,140</u>	<u>NONE</u>	<u>\$ 364,131</u>	<u>\$ 511</u>

The accompanying notes are an integral part of this statement.

LAND AND BUILDINGS RESERVE FUND	REVENUE SHARING RESERVE FUND	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	WATER FUND	TRUST FUND
		17,038			
128	2,971			30,101	
	93	1,920	1,356	238	
<u>4,500</u>				39	
<u>\$4,628</u>	<u>\$3,064</u>	<u>\$18,958</u>	<u>\$ 1,356</u>	<u>\$30,378</u>	<u>NONE</u>
4,484	3,606	5,000	101,190	14,424	
		11,753		10,767	
				3,521	
				3,430	
<u>4,484</u>	<u>3,606</u>	<u>16,753</u>	<u>101,190</u>	<u>32,142</u>	<u>NONE</u>

WATER FUND
Statement of Income
For the Fiscal Year Ended June 30, 1976

<u>Revenues:</u>		
Water Service Fees	30,101	
Other Water Department Income	<u>39</u>	30,140
<u>Operating Expenses:</u>		
<u>Personal Services:</u>		
City Recorder	2,799	
City Maintenance Man	8,116	
City Attorney	766	
City Treasurer	736	
Medical Insurance	353	
Federal Insurance Contributions	670	
Retirement Plan	985	
<u>Materials and Services:</u>		
Operating Materials and Supplies	2,120	
Power to Operate Pump	5,978	
Maintenance to Water System	479	
Gas and Oil	449	
Repairs and Maintenance to Equipment	2,126	
Heat for Shop	75	
Audit	1,000	
Professional Services	1,321	
Liability Insurance	<u>1,200</u>	<u>29,173</u>
Operating Income before Depreciation		967
Depreciation		<u>6,527</u>
Operating Income		(5,560)
<u>Other Income:</u>		
Interest on Savings		<u>238</u>
Net Income		<u>\$(5,322)</u>

The accompanying notes are an integral part of this statement.

WATER FUND
 Statement of Changes in Financial Position
 For the Fiscal Year Ended June 30, 1976

<u>Source of Working Capital</u>		
<u>Provided by Operations:</u>		
Net Income	(5,322)	
Add: Depreciation, a charge not requiring the use of working capital	<u>6,527</u>	<u>1,205</u>
Total Working Capital Provided		<u><u>1,205</u></u>
 <u>Use of Working Capital:</u>		
Purchase of Fixed Assets		<u>2,970</u>
Total Working Capital Used		<u><u>2,970</u></u>
Decrease in Working Capital		<u><u>\$(1,765)</u></u>
 <u>Analysis of Increases (Decreases) in Working Capital:</u>		
<u>Current Assets:</u>		
Cash		1,693
Accounts Receivable		(5)
 <u>Current Liabilities:</u>		
Customer Deposits		25
Accounts Payable		(1,368)
Loan Payable		<u>(2,110)</u>
Decrease in Working Capital		<u><u>\$(1,765)</u></u>

The accompanying notes are an integral part of this statement.

GENERAL FUND
Statement of Revenue and Expenditures
For the Fiscal Year Ended June 30, 1975

	<u>ACTUAL</u>	<u>BUDGETED</u>	<u>ACTUAL OVER (UNDER) BUDGETED</u>
<u>Revenue:</u>			
Property Taxes and Interest	23,642	23,702	(60)
State Liquor Revenue	6,943	5,552	1,391
Power Company Franchise Tax	2,360	2,212	148
Gas Company Franchise Tax	1,314	1,100	214
Licenses	75	75	0
Refund from Building Insurance	95	62	33
Fines and Bails	4,163	1,500	2,663
Cigarette Tax	2,315	2,104	211
Interest Income on Time Deposits	712	1,507	(795)
Telephone Franchise	1,053	1,000	53
Miscellaneous	551	100	451
Planning Commission Filing Fees	105	50	55
Sale of Equipment	1,200	800	400
Sale of Other Assets	2,110	0	2,110
State Gas Tax Refund	232	200	32
Police Board Standards	525	0	525
	<u>47,395</u>	<u>39,964</u>	<u>7,431</u>
Total Revenue			
Beginning Available Funds	<u>5,369</u>	<u>7,000</u>	<u>(1,631)</u>
Total Available Funds	<u>\$52,764</u>	<u>\$46,964</u>	<u>\$ 5,800</u>

The accompanying notes are an integral part of this statement.

GENERAL FUND
Statement of Revenue and Expenditures, Continued
For the Fiscal Year Ended June 30, 1976

	<u>ACTUAL</u>	<u>BUDGETED</u>	<u>ACTUAL OVER (UNDER) BUDGETED</u>
<u>Expenditures:</u>			
<u>Municipal Department:</u>			
<u>Personal Services:</u>			
City Recorder	1,119	1,119	0
City Attorney	900	850	50
City Treasurer	255	255	0
State Industrial Accident	1,151	1,200	(49)
Federal Insurance Contributions Act	128	130	(2)
Medical Insurance - Employees	87	94	(7)
Retirement Plan	185	216	(31)
<u>Materials and Services:</u>			
Materials and Supplies	337	200	137
Office Supplies	530	500	30
Maintenance of Fire Department	3,500	3,500	0
Liability Insurance	450	450	0
Bonding City Employees	97	100	(3)
Advertising	226	150	76
Operating Contingencies	0	25	(25)
Planning Council Expense	622	1,987	(1,365)
Street Lighting	3,918	3,700	218
Audit	1,000	1,000	0
Telephone	456	450	6
Rodent Control	275	300	(25)
Firemen's Life Insurance	462	500	(38)
Beautification and Parks	541	660	(119)
Firemen's Training	600	600	0
Equipment Maintenance	149	150	(1)
State Unemployment Tax	2	100	(98)
Miscellaneous	0	1,000	(1,000)
Council Authorized Contributions	1,140	1,168	(28)
<u>Capital Outlay:</u>			
Equipment	50	1,600	(1,550)
Total Municipal Department	<u>18,180</u>	<u>22,004</u>	<u>(3,824)</u>
<u>Police Department:</u>			
<u>Personal Services:</u>			
City Policemen	8,116	8,116	0
City Judge	540	540	0
City Recorder	560	560	0
City Treasurer	154	154	0

The accompanying notes are an integral part of this statement.

GENERAL FUND
Statement of Revenue and Expenditures, Continued
For the Fiscal Year Ended June 30, 1976

	<u>ACTUAL</u>	<u>BUDGETED</u>	<u>ACTUAL OVER (UNDER) BUDGETED</u>
<u>Expenditures, Continued:</u>			
<u>Police Department, Continued:</u>			
Reserve Officer	1,926	1,500	426
Federal Deposit Insurance Act	623	636	(13)
Police Life Insurance	99	105	(6)
Retirement Plan	933	1,056	(123)
Medical Insurance	243	243	0
<u>Materials and Services:</u>			
Materials and Supplies	396	300	96
Gas and Oil	1,280	1,500	(220)
Office Supplies	25	25	0
Travel	18	25	(7)
Repairs and Maintenance of Equipment	423	400	23
Board and Maintenance for Prisoners	0	100	(100)
Telephone	24	25	(1)
Uniforms, Police Equipment and Cleaning	238	275	(37)
Miscellaneous	5	400	(395)
<u>Capital Outlay:</u>			
Equipment	300	300	0
Total Police Department	<u>15,903</u>	<u>16,260</u>	<u>(357)</u>
Transfer to Fire Equipment Reserve Fund	<u>2,000</u>	<u>2,000</u>	<u>0</u>
Transfer to Police Car Reserve Fund	<u>2,200</u>	<u>2,200</u>	<u>0</u>
Transfer to Land and Building Reserve Fund	<u>4,500</u>	<u>4,500</u>	<u>0</u>
Total Expenditures	<u>\$42,783</u>	<u>\$46,964</u>	<u>\$(4,181)</u>

The accompanying notes are an integral part of this statement.

STATE TAX STREET FUND
Statement of Revenue and Expenditures
For the Fiscal Year Ended June 30, 1976

	<u>ACTUAL</u>	<u>BUDGETED</u>	<u>ACTUAL OVER (UNDER) BUDGETED</u>
<u>Revenue:</u>			
Highway User Revenue	10,267	10,200	67
Total Revenue	10,267	10,200	67
Beginning Available Cash	8,991	7,900	1,091
Total Available Cash	<u>\$19,258</u>	<u>\$18,100</u>	<u>\$ 1,158</u>
 <u>Expenditures:</u>			
<u>Personal Services:</u>			
City Police and Maintenance Man	4,058	4,058	0
City Recorder	1,119	1,120	(1)
City Treasurer	127	127	0
Federal Insurance Contributions Act	304	310	(6)
Retirement Plan	467	515	(48)
Medical Insurance	236	236	0
<u>Materials and Supplies:</u>			
Operating Materials and Supplies	1,282	9,934	(8,652)
Street Signs	42	150	(108)
Gas and Oil	79	300	(221)
Repairs and Maintenance of Equipment	151	200	(49)
Heat for Shop	34	50	(16)
Liability Insurance	150	150	0
Miscellaneous	0	700	(700)
<u>Capital Outlay:</u>			
Purchase of Equipment	0	250	(250)
Total Expenditures	<u>\$ 8,049</u>	<u>\$18,100</u>	<u>\$(10,051)</u>

The accompanying notes are an integral part of this statement.

RESERVE FUNDS
Statement of Revenue and Expenditures
For the Fiscal Year Ended June 30, 1976

	<u>ACTUAL</u>	<u>BUDGETED</u>	<u>ACTUAL OVER (UNDER) BUDGETED</u>
<u>Fire Equipment Reserve Fund:</u>			
<u>Revenue:</u>			
From General Fund	2,000	2,000	0
Interest Income	<u>374</u>	<u>450</u>	<u>(76)</u>
Total Revenue	2,374	2,450	(76)
Beginning Available Cash	<u>7,601</u>	<u>7,622</u>	<u>(21)</u>
Total Available Cash	<u>\$9,975</u>	<u>\$10,072</u>	<u>\$ (97)</u>
<u>Expenditures:</u>			
Purchase of new Fire Equipment	<u>1,255</u>	<u>10,072</u>	<u>(8,817)</u>
Total Expenditures	<u>\$1,255</u>	<u>\$10,072</u>	<u>\$(8,817)</u>
<u>Police Car Reserve Fund:</u>			
<u>Revenue:</u>			
General Fund	2,200	2,200	0
Interest Income	<u>108</u>	<u>162</u>	<u>(54)</u>
Total Revenue	2,308	2,362	(54)
Beginning Available Cash	<u>2,902</u>	<u>2,905</u>	<u>(3)</u>
Total Available Cash	<u>\$5,210</u>	<u>\$ 5,267</u>	<u>\$ (57)</u>
<u>Expenditures:</u>			
Police Car	<u>4,753</u>	<u>5,267</u>	<u>(514)</u>
Total Expenditures	<u>\$4,753</u>	<u>\$ 5,267</u>	<u>\$ (514)</u>

The accompanying notes are an integral part of this statement.

RESERVE FUNDS
Statement of Revenue and Expenditures, Continued
For the Fiscal Year Ended June 30, 1976

	<u>ACTUAL</u>	<u>BUDGETED</u>	<u>ACTUAL OVER (UNDER) BUDGETED</u>
<u>Land and Buildings Reserve Fund:</u>			
<u>Revenue:</u>			
Transfer from General Fund	4,500	4,500	0
Interest Income	<u>127</u>	<u>115</u>	<u>12</u>
Total Revenue	4,627	4,615	12
Beginning Available Cash	<u>2,612</u>	<u>2,665</u>	<u>(53)</u>
Total Available Cash	<u>\$7,239</u>	<u>\$7,280</u>	<u>\$ (41)</u>
<u>Expenditures:</u>			
Capital Outlay - Land and Buildings	<u>4,483</u>	<u>7,280</u>	<u>(2,797)</u>
Total Expenditures	<u>\$4,483</u>	<u>\$7,280</u>	<u>\$(2,797)</u>
 <u>Revenue Sharing Reserve Fund:</u>			
<u>Revenue:</u>			
Entitlement Payments	2,971	2,812	159
Interest Income	<u>93</u>	<u>203</u>	<u>(110)</u>
Total Revenue	3,064	3,015	49
Beginning Available Cash	<u>2,865</u>	<u>2,866</u>	<u>(1)</u>
Total Available Cash	<u>\$5,929</u>	<u>\$5,881</u>	<u>\$ 48</u>
<u>Expenditures:</u>			
Land and Building Acquisition	<u>3,606</u>	<u>5,881</u>	<u>(2,275)</u>
Total Expenditures	<u>\$3,606</u>	<u>\$5,881</u>	<u>\$(2,275)</u>

The accompanying notes are an integral part of this statement.

DEBT SERVICE FUND
Statement of Revenue and Expenditures
For the Fiscal Year Ended June 30, 1976

	<u>ACTUAL</u>	<u>BUDGETED</u>	<u>ACTUAL OVER (UNDER) BUDGETED</u>
<u>Revenue:</u>			
Property Taxes and Interest	17,038	16,621	417
From Coburg Nine	<u>1,920</u>	<u>0</u>	<u>1,920</u>
Total Revenues	18,958	16,621	2,337
Beginning Available Cash	<u>2,934</u>	<u>5,876</u>	<u>(2,942)</u>
Total Available Cash	<u>\$21,892</u>	<u>\$22,497</u>	<u>\$ (605)</u>
 <u>Expenditures:</u>			
Bond Principal	5,000	5,000	0
Bond Interest Payment Due 7-1-75	5,876	5,876	0
Bond Interest Payment Due 1-1-76	5,877	5,877	0
Bond Interest Payment Due 7-1-76	<u>0</u>	<u>5,745</u>	<u>(5,745)</u>
Total Expenditures	<u>\$16,753</u>	<u>\$22,498</u>	<u>\$ (5,745)</u>

The accompanying notes are an integral part of this statement.

CAPITAL PROJECTS FUND
Statement of Revenue and Expenditures
For the Fiscal Year Ended June 30, 1976

	<u>ACTUAL</u>	<u>BUDGETED</u>	<u>ACTUAL OVER (UNDER) BUDGETED</u>
<u>Revenue:</u>			
Interest Income	<u>1,356</u>	<u>0</u>	<u>1,356</u>
Total Revenue	1,356	0	1,356
Beginning Available Cash	<u>99,834</u>	<u>94,910</u>	<u>4,924</u>
Total Available Cash	<u>\$101,190</u>	<u>\$94,910</u>	<u>\$6,280</u>
 <u>Expenditures:</u>			
Water Improvement Project	<u>101,190</u>	<u>94,910</u>	<u>6,280</u>
Total Expenditures	<u>\$101,190</u>	<u>\$94,910</u>	<u>\$6,280</u>

The accompanying notes are an integral part of this statement.

WATER FUND
Statement of Revenue and Expenditures
For the Fiscal Year Ended June 30, 1976

	<u>ACTUAL</u>	<u>BUDGETED</u>	<u>ACTUAL OVER (UNDER) BUDGETED</u>
<u>Revenue:</u>			
From Water Collections	28,201	26,000	2,201
Connection Fees	1,630	100	1,530
Water Meter Income	197	150	47
Interest on Time Deposit	238	464	(226)
Turn-on Fees	73	0	73
Water Deposits	65	100	(35)
Sale of Equipment	0	4,000	(4,000)
Miscellaneous	39	0	39
Total Revenue	30,443	30,814	(371)
Beginning Funds Available	8,035	3,400	4,635
Total Cash Available	\$38,478	\$34,214	\$ 4,264
 <u>Expenditures:</u>			
<u>Personal Services:</u>			
City Recorder	2,799	2,799	0
City Maintenance Men	8,116	8,116	0
City Attorney	766	850	(84)
City Treasurer	736	736	0
Federal Insurance Contribution Act	670	682	(12)
Medical Insurance Employees	353	353	0
Retirement Plan	985	1,131	(146)
<u>Materials and Supplies:</u>			
Operating Materials and Supplies	2,120	1,250	870
Power to Operate Pump	5,978	5,200	778
Maintenance of Water Equipment	479	500	(21)
Gas and Oil	449	500	(51)
Improvements to Water System	1,326	650	676
Repairs and Maintenance of Equipment	340	450	(110)
Customer Deposit Refunds	90	150	(60)
Heat for Shop	75	110	(35)
Audit	1,000	1,000	0
Professional Services	1,321	1,350	(29)
Liability Insurance	1,200	1,200	0
Reserve for Purchase of Water Equipment	2,105	2,137	(32)
<u>Operating Contingencies:</u>			
Miscellaneous	0	1,050	(1,050)
<u>Capital Outlay:</u>			
Equipment	1,324	4,000	(2,676)
Total Expenditures	\$32,232	\$34,214	\$(1,982)

The accompanying notes are an integral part of this statement.

TRUST FUND
 Statement of Revenue and Expenditures
 For the Fiscal Year Ended June 30, 1976

	<u>ACTUAL</u>
<u>Revenue:</u>	
Beginning Available Cash	511
<u>Expenditures:</u>	
Available Cash June 30, 1976	<u>\$511</u>

The accompanying notes are an integral part of this statement.

INSURANCE IN FORCE
June 30, 1976

COVERAGE:Property:

All risk coverage including fire, explosion, automobile, aircraft, flood, crime, etc.; 90% co-insurance City Hall building (owned jointly with Coburg Rural Fire Department).	\$ 252,000
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Miscellaneous Equipment Floater on Various City Equipment	27,438
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Public Liability:

Bodily Injury	300,000
Property Damage	300,000
Errors and Omissions	100/300,000

Fidelity Bonds:

City Treasurer, William W. Klope	10,000
All Other Positions (each)	<u>2,500</u>

The accompanying notes are an integral part of this statement.

STATEMENT OF FUTURE CASH REQUIREMENTS
For Bond and Coupon Maturities
June 30, 1976

<u>Fiscal Year</u>	<u>BOND MATURITIES</u>	<u>COUPON MATURITIES</u>	<u>TOTAL REQUIREMENTS</u>
1976-1977	5,000	11,490	16,490
1977-1978	5,000	11,228	16,228
1978-1979	5,000	10,965	15,965
1979-1980	5,000	10,702	15,702
1980-1981	5,000	10,440	15,440
1981-1982	5,000	10,178	15,178
1982-1983	5,000	9,915	14,915
1983-1984	5,000	9,652	14,652
1984-1985	10,000	9,390	19,390
1985-1986	10,000	8,865	18,865
1986-1987	10,000	8,340	18,340
1987-1988	10,000	7,815	17,815
1988-1989	10,000	7,290	17,290
1989-1990	10,000	6,750	16,750
1990-1991	10,000	6,210	16,210
1991-1992	10,000	5,670	15,670
1992-1993	10,000	5,130	15,130
1993-1994	10,000	4,590	14,590
1994-1995	15,000	4,050	19,050
1995-1996	15,000	3,240	18,240
1996-1997	15,000	2,430	17,430
1997-1998	15,000	1,620	16,620
1998-1999	15,000	810	15,810
	<u>\$215,000</u>	<u>\$166,770</u>	<u>\$381,770</u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies:

Recognition of Revenues and Expenditures

Revenues are reported in all funds on the cash basis with the exception of the Water Fund, which reports on the accrual basis. Expenditures in all funds are reported on the accrual basis. Expenditures for bonds and bond interest coupons are budgeted and accounted for by maturity.

The receivables in the accompanying balance sheet, except for the Water Fund, have not been recorded as revenue.

Inventory

Inventory is stated at cost (most recent invoice price). The inventory is normally recorded in the financial statements as an expenditure of the Water Fund in the year of purchase, and such is the case for inventory items purchased during 1975-76 from that fund. However, numerous items which would normally be carried in inventory were purchased to be used on the Water System Improvement Project, and, not having been used, were retained and included in inventory. Because it would have been impracticable to determine the source of the increase in inventory by the various funds, no distinction is made in the financial statements.

Fixed Assets

The reported values for land, buildings and equipment are based on nominal values at July 1, 1960 of \$1.00, plus the cost of subsequent additions purchased and appraised value for assets donated, to June 30, 1976 of \$78,860.00. There are also Water Fund assets of equipment and utility plant in service, with total costs of \$394,608.00. Depreciation is recorded in the Water Fund and is computed using the straight-line method based upon rates determined from estimated economic lives of assets. Maintenance, repairs and equipment replacements of a routine nature are charged to expenditures as incurred and are not reflected in the account group. Upon disposal of significant property items, the General Fixed Assets Group or the Water Fund is relieved of the related costs.

Reserves

Receivables are reflected as a reservation of fund balances which are not available for appropriation.

NOTES TO FINANCIAL STATEMENTS

Page 2

2. Description of Funds and Account Groups:

General Fund

The General Fund accounts for all general operating revenues and expenditures of the City. The major revenue source is property taxes.

State Tax Fund

The State Tax Street Fund accounts for expenditures for street improvements and revenues received principally from the State of Oregon.

Fire Equipment Reserve Fund

The Fire Equipment Reserve Fund accounts for expenditures for fire equipment and receives its revenue from the General Fund.

Police Car Reserve Fund

The Police Car Reserve Fund accounts for expenditures to purchase police cars and receives its revenue from the General Fund.

Land and Buildings Reserve Fund

The Land and Buildings Reserve Fund accounts for expenditures to purchase land and buildings and receives its revenue from the General Fund.

Revenue Sharing Fund

The Revenue Sharing Fund accounts for revenue sharing revenue and expenditures in accordance with Federal regulations.

Debt Service Fund

The Debt Service Fund accounts for revenues received from property taxes to pay current maturities of interest and principal due on general obligation bonds.

Water System Improvement Fund

The Water System Improvement Fund accounts for the proceeds and earnings from the authorized bond sale and expenditures for construction of the City of Coburg water system.

NOTES TO FINANCIAL STATEMENTS

Page 3

2. Description of Funds and Account Groups: (Continued)

Water Fund

The Water Fund accounts for revenues received from water collections and expenditures for the operation and maintenance of the water system.

Trust Fund

The Trust Fund accounts for revenues and expenditures for employees involved in a Federal or State subsidized program.

General Fixed Asset Group

The City's investment in general fixed assets is recorded in this account group. Acquisitions of fixed assets are primarily recorded as capital outlay expenditures of the fund in which such expenditures are budgeted, the cost of such assets is capitalized in this account group, with the exception of water fund assets. When fixed assets are disposed of, their carrying value is removed from this group of accounts and any receipts from their sale are accounted for as revenues of the General Fund.

General Long-Term Debt Group

The City's unmatured long-term indebtedness is recorded in this account group and is an obligation of the City and not individual constituent funds. Included in this account group are general obligation bonds which have a maturity of more than one year from date of issuance.

3. Unmatured Bonds Payable:

Maturities of bond principal and interest (with interest at the rate of 5.3669% at June 30, 1976 are as follows:

<u>Fiscal Year</u>	<u>Bond Principal</u>	<u>Interest</u>
1977	5,000	11,490
1978	5,000	11,228
1979	5,000	10,965
1980	5,000	10,702
1981-1999	<u>195,000</u>	<u>122,385</u>
	<u>\$215,000</u>	<u>\$166,770</u>

The City issued \$225,000 Water System Improvement Bonds during the fiscal year ended June 30, 1974. These are general obligation bonds of the City.

NOTES TO FINANCIAL STATEMENTS

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4. Pension Plan:

Substantially all employees of the City are covered under the Oregon Public Employees Retirement System. The City's contribution to this pension plan for the fiscal year ended June 30, 1976 totaled \$2,503.00.

5. Legal Debt Limitation:

The liabilities of the City have been within the legal debt limitation as provided by the Oregon Revised Statutes.

6. Subsequent Events:

The City made application to the Economic Development Administration for a grant in the amount of \$367,000 under the Local Public Works Project Program. The purpose of the grant is to further expand the City's Water System.