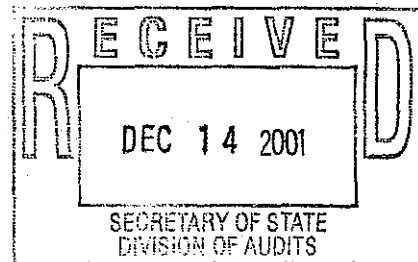


**CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON**

**ANNUAL FINANCIAL REPORT**

**For the year ended June 30, 2001**

**ENTERED**



B10007121 42001 \$250



**GREGOR PROFESSIONAL  
CORPORATION**



CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

June 30, 2001

MAYOR AND COUNCILPERSONS

<u>Name\Address</u>	<u>Position</u>	<u>Term Expires</u>
Jackie Carpenter 818 Ninth Court Lafayette, Oregon 97127	Mayor	December 31, 2002
Ron Harris 1282 Third Street, Number 1 Lafayette, Oregon 97127	Councilperson	December 31, 2002
Bob Cullen 474 Monroe Street Lafayette, Oregon 97127	Councilperson	December 31, 2002
Terry Yarbrough 717 Jefferson Street Lafayette, Oregon 97127	Councilperson	December 31, 2002
Laura Laird 820 Jackson Court Lafayette, Oregon 97127	Councilperson	December 31, 2002
Neil Meads 566 4th Street Lafayette, Oregon 97127	Councilperson	December 31, 2002

ADMINISTRATION

Phil Lieberman 486 Third Street Post Office Box 55 Lafayette, Oregon 97127 (503) 864-2451	City Administrator
Paul Elsner Beery & Elsner LLP 1750 S.W. Harbor Way, Suite 250 Portland, Oregon 97201-5164	City Attorney

**CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON**

**ANNUAL FINANCIAL REPORT**

**For the year ended June 30, 2001**

**TABLE OF CONTENTS**

	<b>Page</b>
<b>REPORT OF INDEPENDENT AUDITORS</b>	
<b>GENERAL PURPOSE FINANCIAL STATEMENTS:</b>	
Combined Balance Sheet - All Fund Types and Account Groups	1-2
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types	3
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types - Budget and Actual	4-5
Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types	6
Combined Statement of Cash Flows - All Proprietary Fund Types	7
Notes to the Financial Statements	8-21
<b>COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES:</b>	
<b>GENERAL FUND:</b>	
Comparative Balance Sheet	22
Comparative Statement of Revenues, Expenditures and Changes in Fund Balance	23
Statement of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual	24
Schedule of Revenues - Budget and Actual	25
Schedule of Expenditures - Budget and Actual	26-29

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

ANNUAL FINANCIAL REPORT

For the year ended June 30, 2001

TABLE OF CONTENTS  
(Continued)

	Page
<b>SPECIAL REVENUE FUNDS:</b>	
Combining Balance Sheet	30-31
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	32-33
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
Street Fund	34
Street Capital Projects Fund	35
Street SDC Fund	36
Heritage Days Fund	37
Parks SDC Fund	38
Fire Equipment Reserve Fund	39
Community Facilities Fund	40
City Hall Building Fund	41
<b>ENTERPRISE FUNDS:</b>	
Combining Balance Sheet - All Enterprise Funds	42-43
Combining Statement of Revenues, Expenses and Changes in Retained Earnings - All Enterprise Funds	44-45
Combining Statement of Cash Flows - All Enterprise Funds	46-47
Statement of Revenues, Expenses and Changes in Fund Balance - Budget and Actual:	
Water Fund	48
Water Improvement Fund	49
Water SDC Fund	50
Water Conservation Fund	51
Sewer Fund	52
Sewer Improvement Fund	53
Sewer SDC Fund	54

**CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON**

**ANNUAL FINANCIAL REPORT**

**For the year ended June 30, 2001**

**TABLE OF CONTENTS  
(Continued)**

	<b>Page</b>
<b>AGENCY FUND:</b>	
Statement of Changes in Assets and Liabilities	55
<b>OTHER SCHEDULES:</b>	
Schedule of Property Tax Transactions	56
<b>COMMENTS OF THE INDEPENDENT ACCOUNTANTS REQUIRED BY THE STATE OF OREGON</b>	<b>57-58</b>



400 COUNTRY CLUB ROAD  
SUITE 320  
EUGENE, OREGON 97401

GREGOR PROFESSIONAL  
CORPORATION

Telephone (541) 686-8777  
Facsimile (541) 686-8779  
E-mail: gpcpa@attglobal.net

## REPORT OF INDEPENDENT AUDITORS

Honorable Mayor and City Council  
City of Lafayette  
486 Third Street  
Lafayette, Oregon 97127

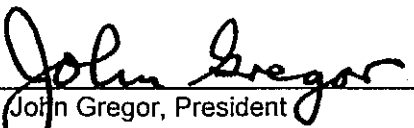
We have audited the accompanying general purpose financial statements of the City of Lafayette, as of and for the year ended June 30, 2001, as listed in the table of contents. These financial statements are the responsibility of the management of the City. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Lafayette, at June 30, 2001, and the results of its operations and cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying combining and individual fund statements and schedules in the table of contents are presented for purposes of additional analysis and are not required parts of the general purpose financial statements of the City of Lafayette. This information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

GREGOR PROFESSIONAL CORPORATION  
Certified Public Accountants

By   
John Gregor, President

Eugene, Oregon  
August 23, 2001

**THIS PAGE INTENTIONALLY LEFT BLANK**



STATE OF NEW YORK  
 DEPARTMENT OF TAXATION AND FINANCE

IN SENATE  
 JANUARY 12, 1967

REPORT OF THE  
 COMMISSIONER OF TAXATION AND FINANCE

FOR THE YEAR ENDING  
 DECEMBER 31, 1966

ALBANY  
 STATE PRINTING OFFICE  
 1967

OFFICE OF THE COMMISSIONER  
 STATE OF NEW YORK  
 DEPARTMENT OF TAXATION AND FINANCE  
 ALBANY, NEW YORK

FOR THE YEAR ENDING  
 DECEMBER 31, 1966

GENERAL PURPOSE FINANCIAL STATEMENTS  
 OF THE DEPARTMENT OF TAXATION AND FINANCE  
 FOR THE YEAR ENDING DECEMBER 31, 1966

**GENERAL PURPOSE FINANCIAL STATEMENTS**

STATE OF NEW YORK  
 DEPARTMENT OF TAXATION AND FINANCE  
 ALBANY, NEW YORK

FOR THE YEAR ENDING  
 DECEMBER 31, 1966

ALBANY  
 STATE PRINTING OFFICE  
 1967

FOR THE YEAR ENDING  
 DECEMBER 31, 1966

ALBANY  
 STATE PRINTING OFFICE  
 1967

GENERAL PURPOSE FINANCIAL STATEMENTS  
 OF THE DEPARTMENT OF TAXATION AND FINANCE  
 FOR THE YEAR ENDING DECEMBER 31, 1966

GENERAL PURPOSE FINANCIAL STATEMENTS  
 OF THE DEPARTMENT OF TAXATION AND FINANCE  
 FOR THE YEAR ENDING DECEMBER 31, 1966

GENERAL PURPOSE FINANCIAL STATEMENTS  
 OF THE DEPARTMENT OF TAXATION AND FINANCE  
 FOR THE YEAR ENDING DECEMBER 31, 1966

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

ALL FUND TYPES AND ACCOUNT GROUPS

COMBINED BALANCE SHEET

June 30, 2001

(With comparative totals as of June 30, 2000)

	Governmental Fund Types	
	General	Special Revenue
<b>ASSETS AND OTHER DEBITS</b>		
Cash and cash equivalents	11,108	22,500
Accounts receivable	4,504	47,311
Property taxes receivable	18,712	-
Prepaid expenses	4,625	-
Interfund receivable	29,040	11,173
Interfund loan receivable	-	-
Fixed assets(net of depreciation where applicable)	-	-
Other debits:		
Amount to be provided for retirement of general long term debt	-	-
<b>Total assets and other debits</b>	<b>\$ 67,989</b>	<b>\$ 80,984</b>
<b>LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>		
<b>Liabilities:</b>		
Accounts payable	11,329	3,038
Customer deposits	8,730	-
Interfund payable	-	40,213
Deferred revenues	9,740	-
Compensated absences payable	-	-
Interest payable	-	-
Interfund loan payable	-	64,000
Due to other organizations	-	-
Lease payable	-	-
Note payable	-	-
Bonds payable	-	-
<b>Total liabilities</b>	<b>29,799</b>	<b>107,251</b>
<b>Fund Equity and other credits:</b>		
Contributed capital	-	-
Investment in fixed assets	-	-
Retained earnings	-	-
Fund balance:		
Reserved	-	-
Unreserved	38,190	(26,267)
<b>Total fund equity and other credits</b>	<b>38,190</b>	<b>(26,267)</b>
<b>Total liabilities, fund equity and other credits</b>	<b>\$ 67,989</b>	<b>\$ 80,984</b>

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)	
Enterprise	Agency	General Fixed Assets	General Long term Debt	2001	2000
2,937,996	1,570	-	-	2,973,174	777,424
117,383	-	-	-	169,198	88,690
-	-	-	-	18,712	15,911
-	-	-	-	4,625	-
15,729	-	-	-	55,942	-
64,000	-	-	-	64,000	-
3,407,343	-	832,725	-	4,240,068	3,028,779
-	-	-	-	-	-
-	-	-	237,471	237,471	256,315
<u>\$ 6,542,451</u>	<u>\$ 1,570</u>	<u>\$ 832,725</u>	<u>\$ 237,471</u>	<u>\$ 7,763,190</u>	<u>\$ 4,167,119</u>
147,520	-	-	-	161,887	73,289
6,545	-	-	-	15,275	13,043
15,729	-	-	-	55,942	-
-	-	-	-	9,740	9,758
7,416	-	-	4,795	12,211	12,211
15,040	-	-	-	15,040	-
-	-	-	-	64,000	-
-	1,570	-	-	1,570	6,648
-	-	-	119,054	119,054	133,703
20,975	-	-	113,622	134,597	137,850
3,275,000	-	-	-	3,275,000	-
<u>3,488,225</u>	<u>1,570</u>	<u>-</u>	<u>237,471</u>	<u>3,864,316</u>	<u>386,502</u>
1,478,493	-	-	-	1,478,493	1,478,493
-	-	832,725	-	832,725	708,731
1,575,733	-	-	-	1,575,733	1,441,066
-	-	-	-	-	-
-	-	-	-	11,923	152,327
<u>3,054,226</u>	<u>-</u>	<u>832,725</u>	<u>-</u>	<u>3,898,874</u>	<u>3,780,617</u>
<u>\$ 6,542,451</u>	<u>\$ 1,570</u>	<u>\$ 832,725</u>	<u>\$ 237,471</u>	<u>\$ 7,763,190</u>	<u>\$ 4,167,119</u>

The accompanying notes are an integral part of this statement

**THIS PAGE INTENTIONALLY LEFT BLANK**

## CITY OF LAFAYETTE

## YAMHILL COUNTY, OREGON

## ALL GOVERNMENTAL FUND TYPES

## COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2001  
(With comparative totals for the year ended June 30, 2000)

	General Fund	Special Revenue Fund	Totals (Memorandum only)	
			2001	2000
<b>REVENUES:</b>				
Taxes	211,773	-	211,773	194,122
Licenses, fees and permits	88,112	-	88,112	132,091
Intergovernmental revenues	50,327	179,140	229,467	172,331
Fines and forfeitures	12,610	-	12,610	-
Interest revenue	7,295	(7,624)	(329)	9,824
System development charges	-	2,560	2,560	6,596
Miscellaneous revenues	1,755	18,818	20,573	15,748
<b>Total revenues</b>	<b>371,872</b>	<b>192,894</b>	<b>564,766</b>	<b>530,712</b>
<b>EXPENDITURES:</b>				
General government	221,588	-	221,588	217,614
Highways and streets	-	33,149	33,149	66,942
Public safety	120,703	5,631	126,334	167,595
Community development	5,935	5,363	11,298	15,105
Capital outlay	10,841	318,199	329,040	150,477
Debt service	-	46,262	46,262	33,569
<b>Total expenditures</b>	<b>359,067</b>	<b>408,604</b>	<b>767,671</b>	<b>651,302</b>
<b>Excess of revenues over (under) expenditures</b>	<b>12,805</b>	<b>(215,710)</b>	<b>(202,905)</b>	<b>(120,590)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	-	153,800	153,800	105,000
Operating transfers (out)	(31,300)	(60,000)	(91,300)	(92,000)
<b>Excess of revenues and other sources over (under) expenditures and other uses</b>	<b>(18,495)</b>	<b>(121,910)</b>	<b>(140,405)</b>	<b>(107,590)</b>
<b>FUND BALANCE - July 1</b>	<b>56,685</b>	<b>95,643</b>	<b>152,328</b>	<b>259,918</b>
Residual equity transfers	-	-	-	-
<b>FUND BALANCE - June 30</b>	<b>\$ 38,190</b>	<b>\$ (26,267)</b>	<b>\$ 11,923</b>	<b>\$ 152,328</b>

The accompanying notes are an integral part of this statement

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

ALL GOVERNMENTAL FUND TYPES

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended June 30, 2001

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes	243,800	211,773	(32,027)
Licenses, fees and permits	110,700	88,112	(22,588)
Intergovernmental revenues	40,700	50,327	9,627
Fines and forfeitures	15,000	12,610	(2,390)
Interest revenue	1,000	7,295	6,295
System development charges	-	-	-
Miscellaneous revenues	12,600	1,755	(10,845)
Total revenues	423,800	371,872	(51,928)
EXPENDITURES:			
General government	263,500	221,588	41,912
Highways and streets	-	-	-
Public safety	140,020	120,703	19,317
Community development	11,770	5,935	5,835
Capital outlay	18,800	10,841	7,959
Contingency	15,410	-	15,410
Debt service	-	-	-
Total expenditures	449,500	359,067	90,433
Excess of revenues over (under) expenditures	(25,700)	12,805	38,505
OTHER FINANCING SOURCES (USES):			
Loan proceeds	-	-	-
Operating transfers in	-	-	-
Operating transfers (out)	(31,300)	(31,300)	-
Excess of revenues and other sources over (under) expenditures and other uses	(57,000)	(18,495)	38,505
FUND BALANCES - July 1	57,000	56,685	(315)
Residual equity transfers	-	-	-
FUND BALANCES - June 30	\$ -	\$ 38,190	\$ 38,190

Special Revenue Funds			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
-	-	-	243,800	211,773	(32,027)
1,620	-	(1,620)	112,320	88,112	(24,208)
237,688	192,822	(44,866)	278,388	243,149	(35,239)
-	-	-	15,000	12,610	(2,390)
(5,047)	(7,624)	(2,577)	(4,047)	(329)	3,718
5,600	2,560	(3,040)	5,600	2,560	(3,040)
20,448	5,136	(15,312)	33,048	6,891	(26,157)
<u>260,309</u>	<u>192,894</u>	<u>(67,415)</u>	<u>684,109</u>	<u>564,766</u>	<u>(119,343)</u>
-	-	-	263,500	221,588	41,912
92,338	33,149	59,189	92,338	33,149	59,189
8,345	5,631	2,714	148,365	126,334	22,031
9,113	5,363	3,750	20,883	11,298	9,585
342,520	318,199	24,321	361,320	329,040	32,280
53,937	46,262	7,675	15,410	-	15,410
<u>506,253</u>	<u>408,604</u>	<u>97,649</u>	<u>53,937</u>	<u>46,262</u>	<u>7,675</u>
<u>506,253</u>	<u>408,604</u>	<u>97,649</u>	<u>955,753</u>	<u>767,671</u>	<u>188,082</u>
(245,944)	(215,710)	30,234	(271,644)	(202,905)	68,739
111,000	-	(111,000)	111,000	-	(111,000)
100,300	153,800	53,500	100,300	153,800	53,500
(60,000)	(60,000)	-	(91,300)	(91,300)	-
(94,644)	(121,910)	(27,266)	(151,644)	(140,405)	11,239
95,644	95,643	(1)	152,644	152,328	(316)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ 1,000	\$ (26,267)	\$ (27,267)	\$ 1,000	\$ 11,923	\$ 10,923

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

ALL PROPRIETARY FUND TYPES

COMBINED STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN RETAINED EARNINGS

For the Year Ended June 30, 2001  
(With comparative totals for the year ended June 30, 2000)

	2001	2000
REVENUES:		
Charges for services	809,645	642,701
Connection charges	12,245	21,754
Total operating revenues	821,890	664,455
EXPENSES:		
Personal services	305,812	307,416
Materials and services	254,572	198,395
Depreciation	79,792	69,852
Total operating expenses	640,176	575,663
Operating income (loss)	181,714	88,792
NON-OPERATING REVENUES (EXPENSES):		
Interest income	111,905	36,878
Interest expense	(108,962)	(4,439)
Gain/(loss) from sale of fixed assets	-	5,440
Other revenue	12,509	633,496
Total non-operating revenues (expenses)	15,452	671,375
Income (loss) before operating transfers	197,166	760,167
OPERATING TRANSFERS:		
Operating transfers in	362,000	318,000
Operating transfers out	(424,500)	(331,000)
Net income (loss)	134,666	747,167
RETAINED EARNINGS - July 1	1,441,067	908,735
Prior period adjustment	-	(214,836)
RETAINED EARNINGS - July 1, restated	1,441,067	693,899
RETAINED EARNINGS - June 30	\$ 1,575,733	\$ 1,441,067

The accompanying notes are an integral part of this statement



**CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON**

**ALL PROPRIETARY FUND TYPES**

**COMBINED STATEMENT OF CASH FLOWS**

For the Year Ended June 30, 2001  
(With comparative totals for the year ended June 30, 2000)

	<u>2001</u>	<u>2000</u>
<b>Cash flows from operating activities:</b>		
Operating income	181,714	88,792
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	79,792	69,852
(Increase) decrease in due from other funds	(79,729)	44,740
(Increase) decrease in receivables	(54,139)	(23,999)
(Increase) decrease in prepaids	-	-
Increase (decrease) in accounts payable	132,043	(29,058)
Increase (decrease) in customer deposits	542	(83)
Increase (decrease) in compensated absences	-	2,318
Increase (decrease) due to other funds	<u>15,729</u>	<u>(44,740)</u>
<b>Net cash provided by operating activities</b>	<u>275,952</u>	<u>107,822</u>
<b>Cash flows from noncapital financing activities:</b>		
Operating transfers-in from other funds	362,000	318,000
Operating transfers-out to other funds	(424,500)	(331,000)
Miscellaneous	12,509	633,496
System development charges	<u>-</u>	<u>105,053</u>
<b>Net cash provided by noncapital financing activities</b>	<u>(49,991)</u>	<u>725,549</u>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition of fixed assets	(1,167,087)	(660,136)
Proceeds from sales of fixed assets	-	11,190
Bond and note proceeds	3,275,000	-
Payment of bond and note principal	<u>942</u>	<u>(59,224)</u>
<b>Net cash used in capital and related financing activities</b>	<u>2,108,855</u>	<u>(708,170)</u>
<b>Cash flows from investing activities:</b>		
Interest income	111,905	36,878
Interest expense	<u>(93,922)</u>	<u>(4,439)</u>
<b>Net cash provided by investing activities</b>	<u>17,983</u>	<u>32,439</u>
<b>Net increase in cash and cash equivalents</b>	2,352,799	157,640
<b>Cash and cash equivalents, July 1</b>	<u>585,197</u>	<u>427,557</u>
<b>Cash and cash equivalents, June 30</b>	<u>\$ 2,937,996</u>	<u>\$ 585,197</u>

The accompanying notes are an integral part of this statement

1. *General*

2. *Assets*

3. *Liabilities*

4. *Equity*

5. *Income*

6. *Expenses*

7. *Net Income*

8. *Retained Earnings*

9. *Dividends*

10. *Other*

11. *Summary*

12. *Notes*

13. *Appendix*

14. *Index*

15. *Glossary*

16. *References*

17. *Tables*

18. *Figures*

19. *Charts*

20. *Maps*

21. *Photographs*

22. *Other*

# NOTES TO THE FINANCIAL STATEMENTS

1. *General*

2. *Assets*

3. *Liabilities*

4. *Equity*

5. *Income*

6. *Expenses*

7. *Net Income*

8. *Retained Earnings*

9. *Dividends*

10. *Other*

11. *Summary*

12. *Notes*

13. *Appendix*

14. *Index*

15. *Glossary*

16. *References*

17. *Tables*

18. *Figures*

19. *Charts*

20. *Maps*

21. *Photographs*

22. *Other*

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

*For the Year Ended June 30, 2001*

Note 1 - Summary of Significant Accounting Policies

The general purpose financial statements of the City of Lafayette, Oregon, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the accounting policies of the City are described below.

**A. REPORTING ENTITY**

The City of Lafayette was established in 1878 and operates under the charter granted by the State of Oregon. The charter adopted in 1984 superseded the charter enacted in 1958. The government of the City of Lafayette constitutes a Mayor and a City Council, composed of six council members elected at large.

The City of Lafayette is a primary government. A primary government is financially accountable for the organizations (component units) that make up its legal entity. The City has considered all organizations for which the City is financially accountable in preparing these financial statements. Financial accountability may be evidenced by the ability to appoint the voting majority of the governing body, and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific burdens on, the primary government; or a fiscal dependency or intergovernmental relationship so close that exclusion from the primary government would render the financial statements incomplete or misleading. The City has determined that there are no component units required to be included in the financial statements.

**B. FUND ACCOUNTING**

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

*For the Year Ended June 30, 2001*

Note 1 - Summary of Significant Accounting Policies (continued)

**B. FUND ACCOUNTING (continued)**

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of others.

**C. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds, nonexpendable trust funds and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds, and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes as available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, interest revenue, and charges for services. Taxes and other revenues collected and held by the State at year end on behalf of the City also are recognized as revenue. Fines, permits and parking meter revenues are not susceptible to accrual because generally they are not measurable until received in cash.

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

*For the Year Ended June 30, 2001*

Note 1 - Summary of Significant Accounting Policies (continued)

**C. BASIS OF ACCOUNTING (continued)**

The accrual basis of accounting is utilized by proprietary fund types, pension trust funds, and nonexpendable trust funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. For proprietary funds, the City applies all applicable Government Accounting Standards Board (GASB) guidance as well as the following pronouncements issued on or before August 230, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Statements and Interpretations of the Financial Accounting Standards Board (FASB), Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure.

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting.

**D. CASH AND CASH EQUIVALENTS**

The City maintains a cash and investment pool that is available for use by all funds. Interest earned on pooled investments is allocated to funds based on the pro rata amount each fund has in the pool. Each fund type's portion of this pool is displayed on the combined balance sheet as cash and cash equivalents.

The cash and cash equivalents include petty cash and change funds, demand deposits held by financial institutions and deposits with the Local Government Investment Pool of the Oregon Short-Term Fund, which is managed by the State Treasurer's office. The Local Government Investment Pool is managed in accordance with the "prudent person rule" and administrative regulations of the State Treasurer, which may change from time to time. Eligible investments include U.S. Treasury obligations and Agency securities, bankers' acceptances, high grade commercial paper, and repurchase agreements, all subject to certain size and maturity limitations. The pool has the general characteristics of a demand deposit account in that investors may deposit additional cash at any time and may withdraw cash at any time without prior notice or penalty. The District reports the fair value of the position in the pool as the same as the value of the pool shares.

**E. RECEIVABLES**

Receivables are recorded on the combined balance sheet in accordance with the policies enumerated in paragraph C above. The City has not recorded an allowance for uncollectible accounts as such an amount is considered to be immaterial to the general purpose financial statements, taken as a whole.

**F. DUE FROM/TO OTHER FUNDS**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the combined balance sheet.

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

*For the Year Ended June 30, 2001*

Note 1 - Summary of Significant Accounting Policies (continued)

**G. FIXED ASSETS**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Purchased fixed assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated fixed assets are valued at estimated fair market value on the date received. Upon disposal, the historical cost is removed from the General Fixed Assets Account Group and proceeds from any sales are generally recorded as revenue in the funds originally acquiring the assets. Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the City. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Interest incurred during construction is not capitalized on general fixed assets. Assets in the general fixed assets account group are not depreciated.

Property, plant and equipment in the proprietary funds are recorded at cost. Donations to these proprietary fund type operations are recorded at their estimated fair value at the date of donation. Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund fixed assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized in the proprietary funds.

Property, plant and equipment are depreciated in the proprietary funds of the City using the straight-line method over the useful lives of the assets ranging from five to fifty years.

**H. DEFERRED REVENUE**

Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

*For the Year Ended June 30, 2001*

Note 1 - Summary of Significant Accounting Policies (continued)

**I. COMPENSATED ABSENCES**

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

**J. LONG-TERM OBLIGATIONS**

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

**K. FUND EQUITY**

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Reservations of retained earnings are limited to outside third-party restrictions. Designated fund balances represent tentative plans for future use of financial resources that are subject to change.

**L. INTERFUND TRANSACTIONS**

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

*For the Year Ended June 30, 2001*

Note 1 - Summary of Significant Accounting Policies (continued)

**M. TOTAL COLUMNS ON COMBINED FINANCIAL STATEMENTS**

Total columns on the general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**N. COMPARATIVE DATA**

Comparative totals for the prior year have been presented in some of the financial statements in order to provide an understanding of changes in the financial position and operations of the City. However comparative data have not been presented in all statements because including them would make certain statements unduly complex and difficult to understand.

**O. USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 - Stewardship, Compliance, and Accountability

**A. BUDGETARY COMPLIANCE**

Budgets are prepared annually for all funds in accordance with Oregon Local Budget Law. Budgets are adopted on a basis consistent with generally accepted accounting principles. The City does not use encumbrance accounting. All annual appropriations lapse at fiscal year end.

On or before June 30 of each year, the City enacts a resolution approving the budget, appropriating the expenditures, and levying the property taxes. Prior to enacting this resolution, the proposed budget is presented to a budget committee consisting of members the City Council and a like number of interested citizens. The budget committee presents the budget to the City Council for budget hearings prior to enactment of the resolution.



CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

*For the Year Ended June 30, 2001*

Note 2 - Stewardship, Compliance, and Accountability (continued)

The budget is prepared by fund, department, activity, and line, and includes information of the past year, current year estimates, and requested appropriations for the next fiscal year. Expenditures may not exceed legally budgeted appropriations at the department level in the General Fund or at the level of personal services, materials and services, capital outlay, debt service and transfers in the other funds. The City Council can, by resolution, transfer appropriations between existing appropriation categories. Budget figures included in the financial statements include the original budget and approved increases and transfers. There was one supplemental budget approved this year.

Excess of expenditures over budget appropriations for the year ended June 30, 2001 were as follows:

Fund	Department/Category	Amount
Water fund	Personal Services	\$4,185

**B. DEFICIT FUND BALANCE**

The Street Capital Projects Fund had a deficit fund balance at year-end of \$63,958. The City will correct this next year.

**C. PROPERTY TAXES**

Property taxes were levied at the permanent rate of 3.4849 per \$1,000 of assessed value for all taxable property within the City limits. Measure 50 established the permanent rate and allows for an increase of 3% per year in the assessed value.

Yamhill County makes all assessments of property value, and levies and collects the taxes for the City and all other taxing districts within the County. Assessments of property values are as of January 1, and taxes levied attach as a lien on the property as of July 1. Taxes are due November 15 and a 3% discount is allowed for payment at this time. Installments due dates allowed are November 15, February 15, and May 15.

Note 3 - Cash and cash equivalents

The fair value of cash and cash equivalents consisted of the following as of June 30, 2001:

Petty cash	225
Deposits with financial institutions	144,810
Local Government Investment Pool	2,828,139
Total	<u>\$2,973,174</u>

At year end, the carrying amount of the City's bank deposits was \$144,810 and the bank balance was \$164,025, all of which was either covered by federal depository insurance or by collateral held by the financial institution's trust department or agent in the City's name. The investment in the Oregon Local Government Investment Pool is recorded at fair value and is not subject to risk categorization.

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2001

Note 4 - Fixed Assets

**A. CHANGES IN GENERAL FIXED ASSETS**

Activity in the general fixed asset account group for the year ended June 30, 2001 was as follows:

	Balance <u>July 1, 2000</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2001</u>
Land and Improvements	214,727	0	0	214,727
Buildings	67,139	120,000	0	187,139
Vehicles	309,943	0	0	309,943
Equipment	116,922	3,994	0	120,916
Total	<u>\$708,731</u>	<u>\$123,994</u>	<u>\$0</u>	<u>\$832,725</u>

**B. SUMMARY OF ENTERPRISE FUNDS FIXED ASSETS**

The composition of fixed assets in the enterprise funds at June 30, 2001 was as follows:

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Land and improvements	87,562	41,198	128,760
Buildings	19,296	31,570	50,866
Water and sewer facilities	1,666,806	701,474	2,368,280
Equipment and vehicles	116,085	44,131	160,216
Construction in progress	1,702,502	52,578	1,755,080
Total	<u>2,592,251</u>	<u>870,951</u>	<u>4,463,202</u>
Accumulated depreciation	<u>(601,106)</u>	<u>(454,752)</u>	<u>(1,055,859)</u>
Net assets	<u>\$2,991,145</u>	<u>\$416,199</u>	<u>\$3,407,343</u>

Note 5 - Compensated Absences

Vacation pay and compensatory time is vested when earned and recorded as an expenditure in governmental funds when it is paid and in proprietary funds when it is earned. At June 30, 2001, the City's liability for vacation pay and compensatory time consisted of the following:

General Long Term Debt Account Group	4,795
Water fund	4,160
Sewer fund	3,256
Total	<u>\$12,211</u>

Sick leave can be taken only in the event of illness. Sick leave does not vest and is recorded as an expenditure when used.

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

*For the Year Ended June 30, 2001*

Note 6 – Long Term Debt

A. CAPITAL LEASES

Assets acquired through capital leases are included in the General Fixed Assets Account Group as follows:

Vehicles	\$165,678
Equipment	19,161

In November 1996 the City entered into a capital lease/purchase contract with Mine Safety Appliances Company for the purchase of a self-contained breathing apparatus to be used for fire fighting purposes. In September 1998 the City acquired a fire truck through a lease agreement with Banc One Leasing Corporation.

As of June 30, 2001, the future minimum lease obligations and the net present value of these minimum lease payments are as follows:

<u>Fiscal Year Ended June 30,</u>	
2002	22,260
2003	18,282
2004	18,282
2005	18,282
2006	18,282
2007-09	<u>54,846</u>
Total minimum lease payments	150,234
Less amounts representing interest	<u>(31,180)</u>
Present value of minimum lease payments	<u>\$119,054</u>

B. ENTERPRISE FUND NOTE PAYABLE

In August 1995, pursuant to Chapter 190 of Oregon revised Statutes, the City entered into an intergovernmental agreement with the City of Dayton to jointly develop well fields and a transmission main from those fields to each City. Title to the property is held by the City of Dayton and the City of Lafayette as tenants in common. The total capital outlay expenditures on this project have been classified as Joint Water Project in the Water Improvement Fund.

As of June 30, 2001, the City owes \$20,975 including accrued interest to the City of Dayton for the joint water project. There is no fixed repayment plan. The interest on the outstanding balance accrues at the prevalent Local Government Investment Pool rate.

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2001

Note 6 – Long Term Debt (continued)

C. BONDS PAYABLE

In November of 2000, the City issued \$3,275,000 of Water System Revenue Bonds Series 2000. The bonds were sold to finance new water system improvements. These bonds mature in varying amounts on December 1, 2001 through 2021. Interest payments are due on June 1 and December 1 and the rate varies from 4.7% in the early years to 6% in the last few years. These bonds are recorded in the Water Improvement Fund.

Changes in outstanding Water Revenue Bonds Series 2000:

<u>Balance</u>		<u>Reductions</u>	<u>Balance</u>	<u>Interest Paid</u>	<u>Total</u>
<u>July 1, 2000</u>	<u>Additions</u>		<u>June 30, 2001</u>		<u>Payments</u>
\$0	\$3,275,000	\$0	\$3,275,000	\$90,248	\$90,248

Future bond debt service to maturity:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2002	95,000	178,263	273,263
2003	100,000	173,655	273,655
2004	105,000	168,760	273,760
2005	110,000	163,545	273,545
2006	115,000	157,975	272,975
2007-2021	2,750,000	1,360,752	4,110,752
Totals	<u>\$3,275,000</u>	<u>\$2,202,950</u>	<u>\$5,477,950</u>

E. GENERAL LONG-TERM DEBT NOTE PAYABLE

In July 1999 the City financed the purchase of property for a new City Hall site. The note calls for monthly payments of \$944 per month including interest of 8.75%. The balance due as of June 30, 2001, was \$113,622. Debt service requirements to maturity for the note, including interest of \$173,091, are as follows:

<u>Fiscal Year Ended June 30,</u>	
2002	11,328
2003	11,328
2004	11,328
2005	11,328
2006	11,328
2007-09	230,073
Total	<u>\$286,713</u>

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

*For the Year Ended June 30, 2001*

Note 6 – Long Term Debt (continued)

**F. CHANGES IN GENERAL LONG-TERM LIABILITIES**

Activity in the general long-term debt account group for the year ended June 30, 2001, was as follows:

	Balance July 1, 2000	Additions	Deletions	Balance June 30, 2001
Compensated absences	4,795	0	0	4,795
Capital leases	133,703	0	14,649	119,054
Note payable	117,817	0	4,195	113,622
Total	<u>\$256,315</u>	<u>\$0</u>	<u>\$18,844</u>	<u>\$237,471</u>

Note 7 – Operating Lease

The City leases a copier under a sixty- month operating lease agreement. Total costs for the lease was \$5,410 for the year ending June 30, 2001. Future annual lease payments of \$5,410 are required for the term that ends in May of 2006.

Note 8 - Pension Plan

**A. PLAN DESCRIPTION**

The City participates in the State of Oregon Public Employees Retirement System (PERS), a cost sharing, multiple-employer defined benefit pension plan. All full-time employees of the City are covered by the plan after six months of employment. Benefits generally vest after five years of service. Retirement is allowed at age 58 with unreduced benefits for those hired prior to 1/1/96 and age sixty for those hired after, but retirement is generally allowed at age 55 with reduced benefits. Compulsory retirement age is 70. Retirement benefits are based on salary and length of service calculated using a formula and are payable in a lump sum or monthly using several payment options. PERS also provides death and disability benefits. These benefit provisions and other requirements are established by statute.

PERS issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to the Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon, 97281.

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

*For the Year Ended June 30, 2001*

Note 8 - Pension Plan (continued)

**B. FUNDING POLICY**

The rate of employee contribution is established by law at 6% of employee compensation. The rate of employer contribution is set by the Public Employees Retirement Board, based upon actuarial valuations. The rates shown below are based on the actuarial valuation of the system as of December 31, 1999, and are subject to change as a result of subsequent valuations or legislative amendments.

	<u>% of current-year covered payroll</u>
Effective for fiscal year beginning July 1, 2001	9.07%
Effective for fiscal year beginning July 1, 2002	9.07%

**C. ANNUAL PENSION COST**

Employer contributions are calculated in conformance with the provisions of GASB Statement No. 27 as a percentage of covered payroll. Therefore, the contributions transmitted to the System are equal to the Annual Required Contribution (ARC), and there is no Net Pension Obligation (NPO) necessary to amortize any unmade contributions.

For the year ended June 30, 2001, the City's annual pension cost was equal to the required and actual contributions of the City. The required contribution was determined as part of the December 31, 1999, actuarial valuation using the entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) a consumer price inflation rate of 3.5% per year, (b) a rate of return on the investment of present and future assets of 8.0% per year, (c) projected salary increases of 4.0% per year attributable to general wage adjustments, with additional increases for promotion and longevity that vary by age and service, (d) projected automatic cost-of-living benefit increases of 2.0% per year, and (e) demographic assumptions that were chosen to reflect the best estimate of emerging experience of the members of the System.

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

*For the Year Ended June 30, 2001*

Note 8 - Pension Plan (continued)

**D. THREE-YEAR TREND INFORMATION**

Three-year trend information for the City of Lafayette is as follows:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/99	\$18,616	100%	\$0
06/30/00	\$20,057	100%	\$0
06/30/01	\$20,877	100%	\$0

**E. REQUIRED SUPPLEMENTARY INFORMATION**

The Schedule of Funding Progress for the City of Lafayette is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/95	142,122	156,269	14,146	91%	144,797	10%
12/31/97	245,675	194,602	(51,073)	126%	160,308	(32%)
12/31/99	448,782	377,739	(71,043)	119%	292,223	(24%)

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

NOTES TO THE FINANCIAL STATEMENTS

*For the Year Ended June 30, 2001*

Note 9 - Segment Information for Enterprise Funds

The City of Lafayette maintains eight enterprise funds which are intended to be self-supporting through user fees charged for services to the public. The water funds consist of the Water Fund itself as well as the Water Improvement Fund, Water SDC Fund, and Water Conservation Fund. The sewer funds consist of the Sewer Fund itself as well as the Sewer Improvement Fund, and Sewer SDC Fund.

Selected segment information for the year ended June 30, 2001, is presented below:

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Operating revenues	\$390,870	\$431,020	\$821,890
Depreciation	57,264	22,528	79,792
Operating income/(loss)	39,969	141,745	181,714
Operating transfers in/(out)	(56,500)	(6,000)	(62,500)
Net income	(43,375)	178,041	134,666
Current capital contributions	0	0	0
Fixed asset additions	1,154,000	13,087	1,167,087
Net working capital	2,414,631	543,267	2,957,898
Total assets	5,551,383	991,068	6,542,451
Bonds payable	3,275,000	0	3,275,000
Total equity	2,094,760	959,466	3,054,226

Note 10 -- 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 purchases insurance to minimize its exposure to these risks. No significant reductions in the levels of insurance coverage have been made in the past fiscal year. Settled claims have not exceeded commercial coverage for any of the past three fiscal years.

Note 11 - Contingent liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. 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 agencies cannot be determined at this time although management expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably be estimated. Management is not aware of any other contingent liabilities that would require disclosure.



**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULE**

#### **GENERAL FUND:**

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. Revenues consist of property taxes, franchise fees, State liquor and cigarette taxes, various fees and fines for services provided, and interest income from temporary investments. Expenses are recorded in the following departments:

- Administration
- Police
- Fire
- Municipal Court
- Planning and Building
- Parks

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

GENERAL FUND

COMPARATIVE BALANCE SHEET

June 30, 2001 and 2000

	<u>2001</u>	<u>2000</u>
<b>ASSETS</b>		
Cash and cash equivalents	11,108	67,105
Receivables:		
Accounts	4,504	8,135
Taxes	18,712	15,911
Prepaid expense	4,625	-
Interfund receivable	<u>29,040</u>	<u>-</u>
 Total assets	 <u>\$ 67,989</u>	 <u>\$ 91,151</u>
 <b>LIABILITIES AND FUND EQUITY</b>		
Liabilities:		
Accounts payable	11,329	17,668
Payroll payable	-	-
Deposits	8,730	7,040
Deferred tax revenues	<u>9,740</u>	<u>9,758</u>
 Total liabilities	 <u>29,799</u>	 <u>34,466</u>
Fund Equity:		
Fund balance:		
Reserved	-	-
Unreserved	<u>38,190</u>	<u>56,674</u>
 Total fund equity	 <u>38,190</u>	 <u>56,674</u>
 Total liabilities and fund equities	 <u>\$ 67,989</u>	 <u>\$ 91,140</u>

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

GENERAL FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE

For the Years Ended June 30, 2001 and 2000

	2001	2000
REVENUES:		
Taxes	211,773	194,122
Licenses, fees and permits	88,112	132,091
Federal and state revenues	50,327	60,541
Fines and forfeitures	12,610	-
Interest revenues	7,295	3,475
Miscellaneous revenues	1,755	4,413
Total revenues	<u>371,872</u>	<u>394,642</u>
EXPENDITURES:		
General government	221,588	217,614
Highways and streets	-	-
Public safety	120,703	163,596
Community development	5,935	10,725
Capital outlay	10,841	25,490
Debt service	-	-
Total expenditures	<u>359,067</u>	<u>417,425</u>
Excess of revenues over (under) expenditures	12,805	(22,783)
OTHER FINANCING SOURCES (USES):		
Operating transfers in	-	-
Operating transfers (out)	<u>(31,300)</u>	<u>(35,000)</u>
Excess of revenues and other sources over (under) expenditures and other uses	(18,495)	(57,783)
FUND BALANCES - July 1	56,685	71,066
Residual equity transfers	<u>-</u>	<u>43,402</u>
FUND BALANCES - June 30	<u>\$ 38,190</u>	<u>\$ 56,685</u>

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL

For the Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Taxes	243,800	211,773	(32,027)
Licenses, fees and permits	110,700	88,112	(22,588)
Intergovernmental revenues	40,700	50,327	9,627
Fines and forfeitures	15,000	12,610	(2,390)
Interest revenues	1,000	7,295	6,295
Miscellaneous revenues	12,600	1,755	(10,845)
<b>Total revenues</b>	<b>423,800</b>	<b>371,872</b>	<b>(51,928)</b>
<b>EXPENDITURES:</b>			
General government	183,050	164,319	18,731
Police department	75,700	64,088	11,612
Fire department	63,720	55,620	8,100
Municipal court	6,700	3,354	3,346
Planning department	62,900	54,344	8,556
Building department	27,850	11,152	16,698
Park department	14,170	6,190	7,980
Contingency	15,410	-	15,410
<b>Total expenditures</b>	<b>449,500</b>	<b>359,067</b>	<b>90,433</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(25,700)</b>	<b>12,805</b>	<b>38,505</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	-	-	-
Operating transfers (out)	(31,300)	(31,300)	-
<b>Excess of revenues and other sources over (under) expenditures and other uses</b>	<b>(57,000)</b>	<b>(18,495)</b>	<b>38,505</b>
<b>FUND BALANCE - July 1</b>	<b>57,000</b>	<b>56,685</b>	<b>(315)</b>
Residual equity transfers	-	-	-
<b>FUND BALANCE - June 30</b>	<b>\$ -</b>	<b>\$ 38,190</b>	<b>\$ 38,190</b>

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

GENERAL FUND

SCHEDULE OF REVENUES  
BUDGET AND ACTUAL

For the Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
<b>Taxes:</b>			
Current year's taxes	233,700	199,953	(33,747)
Prior years' taxes	10,100	11,820	1,720
<b>Total taxes</b>	<b>243,800</b>	<b>211,773</b>	<b>(32,027)</b>
<b>Licenses, fees and permits:</b>			
Franchise fees	30,500	49,773	19,273
Licenses and permits	80,200	38,339	(41,861)
Systems development	-	-	-
Planning fees	-	-	-
<b>Total licenses, fees and permits</b>	<b>110,700</b>	<b>88,112</b>	<b>(22,588)</b>
<b>Intergovernmental revenues:</b>			
Liquor tax	19,000	21,010	2,010
Cigarette tax	4,500	3,844	(656)
911 funding	-	10,215	10,215
State revenue sharing	10,000	15,258	5,258
Other	7,200	-	(7,200)
<b>Total intergovernmental revenues</b>	<b>40,700</b>	<b>50,327</b>	<b>9,627</b>
<b>Fines and forfeitures</b>	<b>15,000</b>	<b>12,610</b>	<b>(2,390)</b>
<b>Interest revenue</b>	<b>1,000</b>	<b>7,295</b>	<b>6,295</b>
<b>Miscellaneous:</b>			
City equipment rental	500	-	(500)
Miscellaneous	12,100	1,755	(10,345)
Donation	-	-	-
<b>Total miscellaneous</b>	<b>12,600</b>	<b>1,755</b>	<b>(10,845)</b>
<b>Total revenues</b>	<b>\$ 423,800</b>	<b>\$ 371,872</b>	<b>\$ (51,928)</b>

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

GENERAL FUND

SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL

For the Year Ended June 30, 2001

EXPENDITURES:	Budget	Actual	Variance Favorable (Unfavorable)
General Government			
Personal services:			
City administrator	20,800	14,951	5,849
Finance director	15,300	18,861	(3,561)
Clerk	14,100	4,890	9,210
Office manager	4,400	12,484	(8,084)
Public works supervisor	6,100	39	6,061
Engineer	-	-	-
Part time office help	4,100	7,489	(3,389)
Social security	4,800	4,247	553
Health and life insurance	12,300	8,139	4,161
Worker's compensation	900	661	239
Unemployment insurance	100	56	44
PERS: employee retirement	8,500	6,692	1,808
Total personal services	<u>91,400</u>	<u>78,509</u>	<u>12,891</u>
Materials and services:			
Insurance and bonds	1,500	1,500	-
Printing	1,500	2,682	(1,182)
Office equipment maintenance	4,500	1,976	2,524
Audit	2,500	1,712	788
Attorney fees	5,000	17,637	(12,637)
Telephone	1,000	1,728	(728)
Office supplies and postage	11,500	12,823	(1,323)
Utilities	5,000	6,083	(1,083)
Dues and meetings	4,000	3,277	723
Miscellaneous	44,850	28,165	16,685
Total materials and services	<u>81,350</u>	<u>77,583</u>	<u>3,767</u>
Capital outlay			
City hall improvement	1,000	72	928
Office equipment	9,300	8,155	1,145
Total capital outlay	<u>10,300</u>	<u>8,227</u>	<u>2,073</u>
Total general government	<u>183,050</u>	<u>164,319</u>	<u>18,731</u>

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

GENERAL FUND

SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL (continued)

For the Year Ended June 30, 2001

EXPENDITURES:	Budget	Actual	Variance Favorable (Unfavorable)
Police Department:			
Materials and services			
Emergency communication	6,700	11,516	(4,816)
Repairs and supplies	-	-	-
Professional services	65,000	48,572	16,428
Donations LCAT	4,000	4,000	-
	<u>75,700</u>	<u>64,088</u>	<u>11,612</u>
Total police department			
Fire Department:			
Personal services			
Fire Chief	16,400	13,243	3,157
Social security	1,300	1,098	202
Workman's compensation	5,220	5,225	(5)
Health/Dental	-	207	(207)
Unemployment	-	-	-
PERS	2,300	2,055	245
	<u>25,220</u>	<u>21,828</u>	<u>3,392</u>
Total personal services			
Materials and services			
Volunteer fire and medic	7,000	7,104	(104)
Insurance	4,000	4,000	-
Repairs/Maint and supplies	10,300	7,008	3,292
Training	3,000	3,375	(375)
Utilities	400	595	(195)
Emergency communication	6,700	9,082	(2,382)
Professional services	500	12	488
Miscellaneous	500	257	243
	<u>32,400</u>	<u>31,433</u>	<u>967</u>
Total materials and services			
Capital outlay			
Equipment	6,100	2,359	3,741
	<u>63,720</u>	<u>55,620</u>	<u>8,100</u>
Total fire department			



CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

GENERAL FUND

STATEMENT OF EXPENDITURES  
BUDGET AND ACTUAL (continued)

For the Year Ended June 30, 2001

EXPENDITURES:	Budget	Actual	Variance Favorable (Unfavorable)
Municipal Court:			
Materials and services			
Municipal court judge	5,500	2,400	3,100
Court costs	200	494	(294)
Refunds of fines	500	460	40
Miscellaneous	500	-	500
Total municipal court	6,700	3,354	3,346
Planning and Building Department:			
Materials and services			
Contract services	90,750	57,742	33,008
Professional services	-	7,279	(7,279)
Supplies	-	62	(62)
Conference and travel	-	-	-
Advertising	-	109	(109)
Miscellaneous	-	304	(304)
Total planning department	90,750	65,496	25,254
Parks Department:			
Personal services			
Extra help	3,700	1,654	2,046
Social security	300	155	145
Health insurance	1,100	254	846
Workers comp	70	64	6
PERS	500	229	271
Total personal services	5,670	2,356	3,314
Materials and services			
Utilities	2,800	1,510	1,290
Equipment rental/misc.	3,000	133	2,867
Repairs and supplies	-	1,936	(1,936)
Professional services	300	-	300
Total materials and services	6,100	3,579	2,521

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

GENERAL FUND

STATEMENT OF EXPENDITURES  
BUDGET AND ACTUAL (continued)

For the Year Ended June 30, 2001

EXPENDITURES:	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Parks Department (continued):			
Capital outlay			
Equipment	<u>2,400</u>	<u>255</u>	<u>2,145</u>
Total capital outlay	<u>2,400</u>	<u>255</u>	<u>2,145</u>
Total parks department	<u>14,170</u>	<u>6,190</u>	<u>7,980</u>
Contingency:	<u>15,410</u>	<u>-</u>	<u>15,410</u>
Total expenditures	<u>\$ 449,500</u>	<u>\$ 359,067</u>	<u>\$ 90,433</u>

#### **SPECIAL REVENUE FUNDS:**

Special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments recorded in debt service funds, expendable trusts, or for major capital projects) that are legally restricted to expenditures for specified purposes.

The Special Revenue Funds consist of the following:

- Street
- Street Capital Projects
- Street SDC
- Heritage Days
- Parks SDC
- Fire Equipment Reserve
- Community Facilities
- City Hall Building

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

ALL SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

June 30, 2001

(With comparative totals as of June 30, 2000)

	Street Fund	Street Capital Projects	Street SDC	Heritage Days	Parks SDC
<b>ASSETS</b>					
Cash and investments	-	-	-	2,540	3,829
Accounts receivable	17,311	30,000	-	-	-
Taxes receivable	-	-	-	-	-
Interfund receivable	-	-	-	-	11,173
<b>Total assets</b>	<b>\$ 17,311</b>	<b>\$ 30,000</b>	<b>\$ -</b>	<b>\$ 2,540</b>	<b>\$ 15,002</b>
<b>LIABILITIES AND FUND EQUITY</b>					
<b>Liabilities:</b>					
Accounts payable	1,615	918	-	35	-
Interfund payable	11,173	29,040	-	-	-
Interfund loan payable	-	64,000	-	-	-
Mortgage payable	-	-	-	-	-
<b>Total liabilities</b>	<b>12,788</b>	<b>93,958</b>	<b>-</b>	<b>35</b>	<b>-</b>
<b>Fund Equity:</b>					
<b>Fund balance:</b>					
Reserved	-	-	-	-	-
Unreserved	4,523	(63,958)	-	2,505	15,002
<b>Total fund equity</b>	<b>4,523</b>	<b>(63,958)</b>	<b>-</b>	<b>2,505</b>	<b>15,002</b>
<b>Total liabilities and fund equity</b>	<b>\$ 17,311</b>	<b>\$ 30,000</b>	<b>\$ -</b>	<b>\$ 2,540</b>	<b>\$ 15,002</b>

Fire Equipment Reserve	Community Facilities	City Hall Building	Totals	
			2001	2000
8,896	6,347	888	22,500	118,475
-	-	-	47,311	17,311
-	-	-	-	-
-	-	-	11,173	-
<u>\$ 8,896</u>	<u>\$ 6,347</u>	<u>\$ 888</u>	<u>\$ 80,984</u>	<u>\$ 135,786</u>
-	166	304	3,038	40,144
-	-	-	40,213	-
-	-	-	64,000	-
-	-	-	-	-
-	166	304	107,251	40,144
-	-	-	-	-
8,896	6,181	584	(26,267)	95,642
8,896	6,181	584	(26,267)	95,642
<u>\$ 8,896</u>	<u>\$ 6,347</u>	<u>\$ 888</u>	<u>\$ 80,984</u>	<u>\$ 135,786</u>

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

ALL SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2001

(With comparative totals for the year ended June 30, 2000)

	Street Fund	Street Capital Projects	Street SDC	Heritage Days	Parks SDC
<b>REVENUES:</b>					
Taxes	-	-	-	-	-
Licenses, fees and permits	-	-	-	-	-
Intergovernmental revenues	99,640	79,500	-	-	-
Fines and forfeitures	-	-	-	-	-
Interest revenue	(2,679)	(7,720)	(556)	306	1,094
System development charges	-	875	965	-	720
Miscellaneous revenues	-	-	-	2,486	-
Total revenues	96,961	72,655	409	2,792	1,814
<b>EXPENDITURES:</b>					
Highways and streets	32,968	181	-	-	-
Public Safety	-	-	-	5,631	-
Community development	-	-	-	-	-
Capital outlay	17,008	215,505	81,426	-	-
Debt service	-	-	-	-	-
Total expenditures	49,976	215,686	81,426	5,631	-
Excess of revenues over (under) expenditures	46,985	(143,031)	(81,017)	(2,839)	1,814
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating transfers in	-	109,500	-	3,000	-
Operating transfers out	(60,000)	-	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	(13,015)	(33,531)	(81,017)	161	1,814
FUND BALANCE - July 1	17,538	(30,427)	81,017	2,344	13,188
Residual equity transfers	-	-	-	-	-
FUND BALANCE - June 30	\$ 4,523	\$ (63,958)	\$ -	\$ 2,505	\$ 15,002

Fire Equipment Reserve	Community Facilities	City Hall Building	Totals	
			2001	2000
-	-	-	-	-
-	-	-	-	-
-	-	-	179,140	111,790
-	-	-	-	-
728	626	577	(7,624)	6,349
-	-	-	2,560	6,596
-	2,650	13,682	18,818	11,335
<u>728</u>	<u>3,276</u>	<u>14,259</u>	<u>192,894</u>	<u>136,070</u>
-	-	-	33,149	66,942
-	-	-	5,631	3,999
-	5,363	-	5,363	4,380
-	234	4,026	318,199	124,987
<u>22,262</u>	<u>-</u>	<u>24,000</u>	<u>46,262</u>	<u>33,569</u>
<u>22,262</u>	<u>5,597</u>	<u>28,026</u>	<u>408,604</u>	<u>233,877</u>
(21,534)	(2,321)	(13,767)	(215,710)	(97,807)
26,300	2,000	13,000	153,800	105,000
-	-	-	(60,000)	(57,000)
4,766	(321)	(767)	(121,910)	(49,807)
4,130	6,502	1,351	95,643	188,851
-	-	-	-	(43,402)
<u>\$ 8,896</u>	<u>\$ 6,181</u>	<u>\$ 584</u>	<u>\$ (26,267)</u>	<u>\$ 95,643</u>

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

STREET FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL

For the Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes	-	-	-
Licenses, fees and permits	-	-	-
Intergovernmental revenues	94,000	99,640	5,640
Interest revenue	(2,400)	(2,679)	(279)
System development charges	-	-	-
Miscellaneous revenues	10,200	-	(10,200)
Total revenues	101,800	96,961	(4,839)
EXPENDITURES:			
Personal services	15,700	13,322	2,378
Materials and services	32,623	19,646	12,977
Capital outlay	10,500	17,008	(6,508)
Contingency	515	-	515
Total expenditures	59,338	49,976	9,362
Excess of revenues over (under) expenditures	42,462	46,985	4,523
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-	-	-
Operating transfers out	(60,000)	(60,000)	-
Excess of revenues and other sources over (under) expenditures and other uses	(17,538)	(13,015)	4,523
FUND BALANCE - July 1	17,538	17,538	-
Residual equity transfers	-	-	-
FUND BALANCE - June 30	\$ -	\$ 4,523	\$ 4,523



CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

STREETS CAPITAL PROJECTS FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL

For the Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Taxes	-	-	-
Licenses, fees and permits	-	-	-
Intergovernmental revenues	129,000	79,500	(49,500)
Interest revenue	(5,075)	(7,720)	(2,645)
System development charges	5,600	875	(4,725)
Miscellaneous revenues	-	-	-
Total revenues	<u>129,525</u>	<u>72,655</u>	<u>(56,870)</u>
<b>EXPENDITURES:</b>			
Personal services	-	-	-
Materials and services	43,500	181	43,319
Capital outlay	226,597	215,505	11,092
Contingency	-	-	-
Total expenditures	<u>270,097</u>	<u>215,686</u>	<u>54,411</u>
Excess of revenues over (under) expenditures	(140,572)	(143,031)	(2,459)
<b>OTHER FINANCING SOURCES (USES):</b>			
Loan proceeds	111,000	-	(111,000)
Operating transfers in	60,000	109,500	49,500
Operating transfers out	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	30,428	(33,531)	(63,959)
FUND BALANCE - July 1	<u>(30,428)</u>	<u>(30,427)</u>	<u>1</u>
FUND BALANCE - June 30	<u>\$ -</u>	<u>\$ (63,958)</u>	<u>\$ (63,958)</u>

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

STREET SDC FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL

For the Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes	-	-	-
Licenses, fees and permits	900	-	(900)
Intergovernmental revenues	-	-	-
Interest revenue	(309)	(556)	(247)
System development charges	-	965	965
Miscellaneous revenues	-	-	-
Total revenues	591	409	(182)
EXPENDITURES:			
Personal services	-	-	-
Materials and services	-	-	-
Capital outlay	81,608	81,426	182
Contingency	-	-	-
Total expenditures	81,608	81,426	182
Excess of revenues over (under) expenditures	(81,017)	(81,017)	-
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	(81,017)	(81,017)	-
FUND BALANCE - July 1	81,017	81,017	-
Residual equity transfers	-	-	-
FUND BALANCE - June 30	\$ -	\$ -	\$ -

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

HERITAGE DAYS FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL

For the Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Taxes	-	-	-
Licenses, fees and permits	-	-	-
Intergovernmental revenues	-	-	-
Interest revenue	-	306	306
System development charges	-	-	-
Miscellaneous revenues	3,000	2,486	(514)
Total revenues	3,000	2,792	(208)
<b>EXPENDITURES:</b>			
Personal services	-	-	-
Materials and services	7,400	5,631	1,769
Capital outlay	-	-	-
Contingency	945	-	945
Total expenditures	8,345	5,631	2,714
Excess of revenues over (under) expenditures	(5,345)	(2,839)	2,506
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	3,000	3,000	-
Operating transfers out	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	(2,345)	161	2,506
FUND BALANCE - July 1	2,345	2,344	(1)
FUND BALANCE - June 30	\$ -	\$ 2,505	\$ 2,505

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

PARKS SDC FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL

For the Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes	-	-	-
Licenses, fees and permits	720	-	(720)
Intergovernmental revenues	-	-	-
Interest revenue	730	1,094	364
System development charges	-	720	720
Miscellaneous revenues	-	-	-
Total revenues	<u>1,450</u>	<u>1,814</u>	<u>364</u>
EXPENDITURES:			
Personal services	-	-	-
Materials and services	-	-	-
Capital outlay	14,639	-	14,639
Contingency	-	-	-
Total expenditures	<u>14,639</u>	<u>-</u>	<u>14,639</u>
Excess of revenues over (under) expenditures	(13,189)	1,814	15,003
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	(13,189)	1,814	15,003
FUND BALANCE - July 1	13,189	13,188	(1)
Residual equity transfers	-	-	-
FUND BALANCE - June 30	<u>\$ -</u>	<u>\$ 15,002</u>	<u>\$ 15,002</u>

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

FIRE EQUIPMENT RESERVE FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL

For the Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Taxes	-	-	-
Licenses, fees and permits	-	-	-
Intergovernmental revenues	-	-	-
Interest revenue	507	728	221
System development charges	-	-	-
Miscellaneous revenues	4,000	-	(4,000)
Total revenues	4,507	728	(3,779)
<b>EXPENDITURES:</b>			
Personal services	-	-	-
Materials and services	-	-	-
Capital outlay	-	-	-
Debt service	30,937	22,262	8,675
Total expenditures	30,937	22,262	8,675
Excess of revenues over (under) expenditures	(26,430)	(21,534)	4,896
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	22,300	26,300	4,000
Operating transfers out	-	-	-
Excess of revenues and other sources over (under) expenditures and other uses	(4,130)	4,766	8,896
FUND BALANCE - July 1	4,130	4,130	-
FUND BALANCE - June 30	\$ -	\$ 8,896	\$ 8,896

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

COMMUNITY FACILITIES FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL

For the Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Taxes	-	-	-
Licenses, fees and permits	-	-	-
Intergovernmental revenues	-	-	-
Interest revenue	600	626	26
System development charges	-	-	-
Miscellaneous revenues	3,248	2,650	(598)
<b>Total revenues</b>	<b>3,848</b>	<b>3,276</b>	<b>(572)</b>
<b>EXPENDITURES:</b>			
Personal services	-	-	-
Materials and services	7,550	5,363	2,187
Capital outlay	4,000	234	3,766
Contingency	800	-	800
<b>Total expenditures</b>	<b>12,350</b>	<b>5,597</b>	<b>6,753</b>
 Excess of revenues over (under) expenditures	 (8,502)	 (2,321)	 6,181
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	2,000	2,000	-
Operating transfers out	-	-	-
 Excess of revenues and other sources over (under) expenditures and other uses	 (6,502)	 (321)	 6,181
<b>FUND BALANCE - July 1</b>	<b>6,502</b>	<b>6,502</b>	<b>-</b>
<b>FUND BALANCE - June 30</b>	<b>\$ -</b>	<b>\$ 6,181</b>	<b>\$ 6,181</b>

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

CITY HALL BUILDING FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL

For the Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Taxes	-	-	-
Licenses, fees and permits	-	-	-
Intergovernmental revenues	14,688	13,682	(1,006)
Interest revenue	900	577	(323)
System development charges	-	-	-
Miscellaneous revenues	-	-	-
Total revenues	<u>15,588</u>	<u>14,259</u>	<u>(1,329)</u>
EXPENDITURES:			
Personal services	-	-	-
Materials and services	5,176	4,026	1,150
Capital outlay	-	-	-
Debt service	23,000	24,000	(1,000)
Contingency	<u>763</u>	<u>-</u>	<u>763</u>
Total expenditures	<u>28,939</u>	<u>28,026</u>	<u>913</u>
Excess of revenues over (under) expenditures	(13,351)	(13,767)	(416)
OTHER FINANCING SOURCES (USES):			
Operating transfers in	13,000	13,000	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over (under) expenditures and other uses	(351)	(767)	(416)
FUND BALANCE - July 1	<u>1,351</u>	<u>1,351</u>	<u>-</u>
FUND BALANCE - June 30	<u>\$ 1,000</u>	<u>\$ 584</u>	<u>\$ (416)</u>

**THIS PAGE INTENTIONALLY LEFT BLANK**



## ENTERPRISE FUNDS:

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The Enterprise Funds consist of the following:

Water  
Water Improvement  
Water SDC  
Water Conservation  
Sewer  
Sewer Improvement  
Sewer SDC

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

ALL ENTERPRISE FUNDS

COMBINING BALANCE SHEET

June 30, 2001

(With comparative totals as of June 30, 2000)

	Water	Water Improvement	Water SDC	Water Conservation
<b>ASSETS</b>				
Cash and cash equivalents	-	2,410,107	7,667	4,814
Accounts receivable	57,922	-	-	-
Interfund receivable	-	15,729	-	-
Interfund loan receivable	-	64,000	-	-
Construction in progress	-	1,172,168	-	-
Joint Water Project	-	530,334	-	-
Fixed assets, net of depreciation	617,139	671,503	-	-
<b>Total assets</b>	<b>\$ 675,061</b>	<b>\$ 4,863,841</b>	<b>\$ 7,667</b>	<b>\$ 4,814</b>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>Liabilities:</b>				
Accounts payable	5,050	114,124	-	-
Customer deposits	6,545	-	-	-
Compensated absences payable	4,160	-	-	-
Interest payable	-	15,040	-	-
Interfund payable	15,729	-	-	-
Notes payable	-	20,975	-	-
Bonds payable	-	3,275,000	-	-
<b>Total liabilities</b>	<b>31,484</b>	<b>3,425,139</b>	<b>-</b>	<b>-</b>
<b>Fund Equity:</b>				
Contributed capital	579,749	550,714	-	-
Retained earnings:				
Reserved	-	-	-	-
Unreserved	63,828	887,988	7,667	4,814
<b>Total fund equity</b>	<b>643,577</b>	<b>1,438,702</b>	<b>7,667</b>	<b>4,814</b>
<b>Total liabilities and fund equity</b>	<b>\$ 675,061</b>	<b>\$ 4,863,841</b>	<b>\$ 7,667</b>	<b>\$ 4,814</b>

Sewer	Sewer Improvement	Sewer SDC	Totals	
			2001	2000
13,425	341,927	160,056	2,937,996	585,196
59,461	-	-	117,383	63,244
-	-	-	15,729	-
-	-	-	64,000	-
-	52,578	-	1,224,746	180,203
-	-	-	530,334	476,124
254,579	109,042	-	1,652,263	1,663,721
<u>\$ 327,465</u>	<u>\$ 503,547</u>	<u>\$ 160,056</u>	<u>\$ 6,542,451</u>	<u>\$ 2,968,488</u>

2,812	25,534	-	147,520	15,477
-	-	-	6,545	6,003
3,256	-	-	7,416	7,416
-	-	-	15,040	-
-	-	-	15,729	-
-	-	-	20,975	20,033
-	-	-	3,275,000	-
<u>6,068</u>	<u>25,534</u>	<u>-</u>	<u>3,488,225</u>	<u>48,929</u>
30,061	158,107	159,862	1,478,493	1,478,493
291,336	319,906	194	1,575,733	1,441,065
321,397	478,013	160,056	3,054,226	2,919,558
<u>\$ 327,465</u>	<u>\$ 503,547</u>	<u>\$ 160,056</u>	<u>\$ 6,542,451</u>	<u>\$ 2,968,487</u>

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

ALL ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

For the Year Ended June 30, 2001  
(With comparative totals for the year ended June 30, 2000)

	Water	Water Improvement	Water SDC	Water Conservation
<b>REVENUES:</b>				
Charges for services	380,652	-	-	-
Systems development charges		8,769	-	-
Connection charges	1,449	-	-	-
Total operating revenues	382,101	8,769	-	-
<b>EXPENSES:</b>				
Personal services	152,485	-	-	-
Materials and services	62,695	78,457	-	-
Depreciation	40,048	17,216	-	-
Total operating expenses	255,228	95,673	-	-
Operating income (loss)	126,873	(86,904)	-	-
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Interest income	5,455	70,869	-	407
Interest expense	-	(108,962)	-	-
Gain/(loss) from sale of fixed assets	-	-	-	-
Other revenue	5,297	90	-	-
Total non-operating revenues (expenses)	10,752	(38,003)	-	407
Income (loss) before operating transfers	137,625	(124,907)	-	407
<b>OPERATING TRANSFERS:</b>				
Operating transfers in	-	89,000	-	3,000
Operating transfers out	(99,000)	(49,500)	-	-
Net Income (loss)	38,625	(85,407)	-	3,407
<b>RETAINED EARNINGS - July 1</b>	25,203	973,395	7,667	1,407
Prior period adjustments	-	-	-	-
Residual equity transfers	-	-	-	-
<b>RETAINED EARNINGS - June 30</b>	<u>\$ 63,828</u>	<u>\$ 887,988</u>	<u>\$ 7,667</u>	<u>\$ 4,814</u>

Sewer	Sewer Improvement	Sewer SDC	Totals	
			2001	2000
428,993	-	-	809,645	642,701
-	2,027	-	10,796	19,203
-	-	-	1,449	2,551
428,993	2,027	-	821,890	664,455
153,327	-	-	305,812	307,416
59,835	53,585	-	254,572	198,395
20,255	2,273	-	79,792	69,852
233,417	55,858	-	640,176	575,663
195,576	(53,831)	-	181,714	88,792
13,399	21,775	-	111,905	36,878
-	-	-	(108,962)	(4,439)
-	-	-	-	5,440
7,122	-	-	12,509	633,496
20,521	21,775	-	15,452	671,375
216,097	(32,056)	-	197,166	760,167
-	270,000	-	362,000	318,000
(276,000)	-	-	(424,500)	(331,000)
(59,903)	237,944	-	134,666	747,167
351,239	81,962	194	1,441,067	908,735
-	-	-	-	(214,836)
-	-	-	-	-
\$ 291,336	\$ 319,906	\$ 194	\$ 1,575,733	\$ 1,441,067

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

ALL ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2001  
(With comparative totals for the year ended June 30, 2000)

	Water	Water Improvement	Water SDC
Cash flows from operating activities:			
Operating income	126,873	(86,904)	-
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	40,048	17,216	-
(Increase) decrease in due from other funds	-	(79,729)	-
(Increase) decrease in receivables	(28,466)	-	-
(Increase) decrease in prepaids	-	-	-
Increase (decrease) in accounts payable	927	105,999	-
Increase (decrease) in customer deposits	542	-	-
Increase (decrease) in compensated absences payable	-	-	-
Increase (decrease) due to other funds	15,729	-	-
Net cash from operating activities	155,653	(43,418)	-
Cash flows from noncapital financing activities:			
Operating transfers-in from other funds	-	89,000	-
Operating transfers-out to other funds	(99,000)	(49,500)	-
Equity transfers	-	-	-
Contributed capital transfers	-	-	-
Miscellaneous	5,297	90	-
System development charges	-	-	-
Net cash from noncapital financing activities	(93,703)	39,590	-
Cash flows from capital and related financing activities:			
Acquisition of fixed assets	(68,334)	(1,085,666)	-
Proceeds from sales of fixed assets	-	-	-
Bond and note proceeds	-	3,275,000	-
Payment of principal	-	942	-
Net cash from capital and related financing activities	(68,334)	2,190,276	-
Cash flows from investing activities:			
Interest income	5,455	70,869	-
Interest expense	-	(93,922)	-
Net cash from investing activities	5,455	(23,053)	-
Net increase/(decrease) in cash and cash equivalents	(929)	2,163,395	-
Cash and cash equivalents, July 1	929	246,712	7,667
Cash and cash equivalents, June 30	\$ -	\$ 2,410,107	\$ 7,667

Water Conservation	Sewer	Sewer Improvement	Sewer SDC	Totals	
				2001	2000
-	195,576	(53,831)	-	181,714	88,792
-	20,255	2,273	-	79,792	69,852
-	-	-	-	(79,729)	44,740
-	(25,673)	-	-	(54,139)	(23,999)
-	-	-	-	-	-
-	(417)	25,534	-	132,043	(29,058)
-	-	-	-	542	(83)
-	-	-	-	-	2,318
-	-	-	-	15,729	(44,740)
-	189,741	(26,024)	-	275,952	107,822
3,000	-	270,000	-	362,000	318,001
-	(276,000)	-	-	(424,500)	(331,001)
-	-	-	-	-	-
-	7,122	-	-	12,509	633,496
-	-	-	-	-	105,053
3,000	(268,878)	270,000	-	(49,991)	725,549
-	-	(13,087)	-	(1,167,087)	(660,136)
-	-	-	-	-	11,190
-	-	-	-	3,275,000	-
-	-	-	-	942	(59,224)
-	-	(13,087)	-	2,108,855	(708,170)
407	13,399	21,775	-	111,905	36,878
-	-	-	-	(93,922)	(4,439)
407	13,399	21,775	-	17,983	32,439
3,407	(65,738)	252,664	-	2,352,799	157,640
1,407	79,163	89,263	160,056	585,197	427,557
\$ 4,814	\$ 13,425	\$ 341,927	\$ 160,056	\$ 2,937,996	\$ 585,197

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

WATER FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN RETAINED EARNINGS  
BUDGET AND ACTUAL

For the Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Service charges	370,500	380,652	10,152
Connection charges	10,500	1,449	(9,051)
Investment income	4,500	5,455	955
Other revenue	2,000	5,297	3,297
Total revenues	387,500	392,853	5,353
EXPENDITURES:			
Personal services	148,300	152,485	(4,185)
Materials and services	69,100	60,453	8,647
Capital outlay	70,450	42,290	28,160
Contingency	1,650	-	1,650
Total expenditures	289,500	255,228	34,272
Excess of revenues over (under) expenditures	98,000	137,625	39,625
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-	-	-
Operating transfers out	(99,000)	(99,000)	-
Excess of revenues and other sources over (under) expenditures and other uses	(1,000)	38,625	39,625
RETAINED EARNINGS - July 1	1,000	25,203	24,203
RETAINED EARNINGS - June 30	\$ -	\$ 63,828	\$ 63,828



CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

WATER IMPROVEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN RETAINED EARNINGS  
BUDGET AND ACTUAL

For the Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Service charges	26,000		(26,000)
Connection charges	-	8,769	8,769
Investment income	38,670	70,869	32,199
Other revenue	22,400	90	(22,310)
<b>Total revenues</b>	<b>87,070</b>	<b>79,728</b>	<b>(7,342)</b>
<b>EXPENDITURES:</b>			
Personal services	-	-	-
Materials and services	75,000	78,457	(3,457)
Capital outlay	2,892,766	17,216	2,875,550
Debt service	292,788	108,962	183,826
Contingency	407,005	-	407,005
<b>Total expenditures</b>	<b>3,667,559</b>	<b>204,635</b>	<b>3,462,924</b>
Excess of revenues over (under) expenditures	(3,580,489)	(124,907)	3,455,582
<b>OTHER FINANCING SOURCES (USES):</b>			
Proceeds from bond issue	3,318,112	-	(3,318,112)
Operating transfers in	89,000	89,000	-
Operating transfers out	(81,000)	(49,500)	31,500
Excess of revenues and other sources over (under) expenditures and other uses	(254,377)	(85,407)	168,970
<b>RETAINED EARNINGS - July 1</b>	<b>254,377</b>	<b>981,062</b>	<b>726,685</b>
Prior period adjustments	-	(7,667)	(7,667)
<b>RETAINED EARNINGS - June 30</b>	<b>\$ -</b>	<b>\$ 887,988</b>	<b>\$ 887,988</b>

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

WATER SDC FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN RETAINED EARNINGS  
BUDGET AND ACTUAL

For the Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Service charges	-	-	-
Connection charges	-	-	-
Investment income	-	-	-
Other revenue	-	-	-
<b>Total revenues</b>	-	-	-
<b>EXPENDITURES:</b>			
Personal services	-	-	-
Materials and services	-	-	-
Capital outlay	-	-	-
Contingency	-	-	-
<b>Total expenditures</b>	-	-	-
<b>Excess of revenues over (under) expenditures</b>	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	-	-	-
Operating transfers out	-	-	-
<b>Excess of revenues and other sources over (under) expenditures and other uses</b>	-	-	-
<b>RETAINED EARNINGS - July 1</b>	-	7,667	7,667
<b>RETAINED EARNINGS - June 30</b>	\$ -	\$ 7,667	\$ 7,667

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

WATER CONSERVATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN RETAINED EARNINGS  
BUDGET AND ACTUAL

For the Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Service charges	50,000	-	(50,000)
Connection charges	-	-	-
Investment income	288	407	119
Other revenue	(200,000)	-	200,000
<b>Total revenues</b>	<b>(149,712)</b>	<b>407</b>	<b>150,119</b>
<b>EXPENDITURES:</b>			
Personal services	-	-	-
Materials and services	5,188	-	5,188
Debt service	49,500	-	49,500
Contingency	-	-	-
<b>Total expenditures</b>	<b>54,688</b>	<b>-</b>	<b>54,688</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(204,400)</b>	<b>407</b>	<b>204,807</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Grant proceeds	200,000	-	(200,000)
Operating transfers in	3,000	3,000	-
Operating transfers out	-	-	-
<b>Excess of revenues and other sources over (under) expenditures and other uses</b>	<b>(1,400)</b>	<b>3,407</b>	<b>4,807</b>
<b>RETAINED EARNINGS - July 1</b>	<b>1,400</b>	<b>1,407</b>	<b>7</b>
<b>RETAINED EARNINGS - June 30</b>	<b>\$ -</b>	<b>\$ 4,814</b>	<b>\$ 4,814</b>

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

SEWER FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN RETAINED EARNINGS  
BUDGET AND ACTUAL

For the Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Service charges	415,000	428,993	13,993
Connection charges	-	-	-
Investment income	14,000	13,399	(601)
Other revenue	13,000	7,122	(5,878)
Total revenues	442,000	449,514	7,514
EXPENDITURES:			
Personal services	163,200	153,327	9,873
Materials and services	70,300	56,991	13,309
Capital outlay	6,000	23,099	(17,099)
Contingency	5,700	-	5,700
Total expenditures	245,200	233,417	11,783
Excess of revenues over (under) expenditures	196,800	216,097	19,297
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-	-	-
Operating transfers out	(276,000)	(276,000)	-
Excess of revenues and other sources over (under) expenditures and other uses	(79,200)	(59,903)	19,297
RETAINED EARNINGS - July 1	79,200	351,239	272,039
RETAINED EARNINGS - June 30	\$ -	\$ 291,336	\$ 291,336

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

SEWER IMPROVEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN RETAINED EARNINGS  
BUDGET AND ACTUAL

For the Year Ended June 30, 2001

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Service charges	-	-	-
Connection charges	34,500	2,027	(32,473)
Investment income	264,000	21,775	(242,225)
Other revenue	1,487,743	-	(1,487,743)
<b>Total revenues</b>	<b>1,786,243</b>	<b>23,802</b>	<b>(1,762,441)</b>
<b>EXPENDITURES:</b>			
Materials and services	21,000	2,430	18,570
Capital outlay	6,093,096	53,428	6,039,668
	30,057	-	30,057
Contingency	1,625,506	-	1,625,506
<b>Total expenditures</b>	<b>7,769,659</b>	<b>55,858</b>	<b>7,713,801</b>
<b>Excess of revenues over (under) expenditures</b>	<b>(5,983,416)</b>	<b>(32,056)</b>	<b>5,951,360</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Bond and loan proceeds	5,862,096	-	(5,862,096)
Operating transfers in	270,000	270,000	-
Operating transfers out	(398,000)	-	398,000
<b>Excess of revenues and other sources over (under) expenditures and other uses</b>	<b>(249,320)</b>	<b>237,944</b>	<b>487,264</b>
<b>RETAINED EARNINGS - July 1</b>	<b>249,320</b>	<b>40,980</b>	<b>(208,340)</b>
Residual equity transfer	-	40,982	40,982
<b>RETAINED EARNINGS - June 30</b>	<b>\$ -</b>	<b>\$ 319,906</b>	<b>\$ 319,906</b>

CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

LAFAYETTE COMMUNITY ACTION TEAM AGENCY FUND  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Year Ended June 30, 2001

	<u>Balance</u> <u>July 1, 2000</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2001</u>
<b>ASSETS</b>				
Cash and cash equivalents	<u>\$ 6,648</u>	<u>\$ 12,450</u>	<u>\$ 17,528</u>	<u>\$ 1,570</u>
<b>LIABILITIES</b>				
Due to Lafayette Community Action Team	<u>\$ 6,648</u>	<u>\$ 12,450</u>	<u>\$ 17,528</u>	<u>\$ 1,570</u>



CITY OF LAFAYETTE  
YAMHILL COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS

For the Year Ended June 30, 2001

Fiscal Year	2000-01 levy and balance at 7/1/00	Interest Discounts & Adjustments	Collections	Receivable at 6/30/01
2000-01	216,086	(3,980)	201,001	11,105
1999-00	9,616	(294)	4,995	4,327
1998-99	3,580	(35)	1,486	2,059
1997-98	1,612	(12)	925	675
1996-97	669	(1)	503	165
1995-96	114	(0)	23	91
1994-95	69	(1)	7	61
Prior years	<u>253</u>	<u>(9)</u>	<u>15</u>	<u>230</u>
Totals	<u>\$ 231,999</u>	<u>\$ (4,333)</u>	<u>\$ 208,954</u>	<u>\$ 18,712</u>

Reconciliation to revenue:

Cash collections	208,954
Prior year accruals	(6,153)
Current year accruals	<u>8,972</u>
Property tax revenue	<u>\$ 211,773</u>



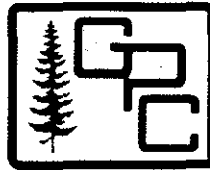
THIS PAGE INTENTIONALLY LEFT BLANK

THIS PAGE INTENTIONALLY LEFT BLANK

REPORT OF THE COMMISSIONER OF REVENUE

**COMMENTS OF INDEPENDENT ACCOUNTANTS  
REQUIRED BY THE STATE OF OREGON**

400 COUNTRY CLUB ROAD  
SUITE 320  
EUGENE, OREGON 97401



GREGOR PROFESSIONAL  
C O R P O R A T I O N

Telephone (541) 686-8777  
Facsimile (541) 686-8779  
E-mail: gpccpa@attglobal.net

**COMMENTS OF INDEPENDENT ACCOUNTANTS REQUIRED BY THE STATE OF OREGON  
MINIMUM STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS**

Honorable Mayor and City Council  
City of Lafayette  
486 Third Street  
Lafayette, Oregon 97127

We have audited the general purpose financial statements of the City of Lafayette, Oregon, as of and for the year ended June 30, 2001, and have issued our report thereon dated August 23, 2001.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The State of Oregon Minimum Standards for Audits of Oregon Municipal Corporations require that we make comments and disclosures relating to our review of fiscal affairs and compliance with legal requirements and the applicable provisions of the Oregon Revised Statutes as follows:

- The amount and adequacy of collateral pledged by depositories to secure the deposit of public funds.
- The legal requirements relating to short-term and long-term debt.
- Compliance with the requirements of Local Budget law in the preparation, adoption and execution of the annual budget for the current and subsequent fiscal years.
- The legal requirements relating to insurance and fidelity bond coverage.
- Compliance with the laws and regulations of programs funded wholly or partially by other government agencies.
- The legal requirements covering the use of revenue from motor vehicle fuel tax.
- The policies and procedures pertaining to the investment of public funds.
- The legal requirements covering the awarding of public contracts and construction of public improvements.

The results of our tests disclosed no instances of noncompliance by the City with the foregoing requirements, with the following exceptions:

- Non-compliance with local budget law – expenditures exceeding appropriations as detailed in Note 2.

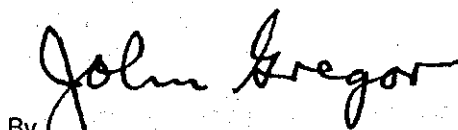
It should be noted that our audit was not directed primarily toward obtaining knowledge of noncompliance with these requirements.

Additionally, we make the following comments:

- The accounting records were adequate for the audit.
- Our review of the insurance and fidelity bond was limited to the existing coverage for the period. We are not experts in insurance and make no representation as to the adequacy of coverage.
- To our knowledge, no independently elected official was accountable for collecting or receiving cash.

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

GREGOR PROFESSIONAL CORPORATION  
Certified Public Accountants



By  
John Gregor, President

Eugene, Oregon  
August 23, 2001



