KERNVILLE-GLENEDEN BEACH-LINCOLN BEACH WATER DISTRICT

Budget Message for 2025-2026 Budget Year

The auditors at Grimstad & Associates have recommended that the K-GB-LB Water District continue with the current funds as described below. The definitions as to purpose comply with the intended use as established by resolution.

GENERAL FUND lists total revenues balanced against anticipated operational expenses and minor projects for the District.

SPECIAL REVENUE FUND lists revenue received from the local option tax levy that was renewed for a five-year period in May 2021 and began in fiscal year 2022-2023. Projects that will be funded by this revenue will consist of capital projects and expenditures scheduled by the Board in order of priority for each fiscal year.
The purpose of a local option levy is defined in ORS 280.060(4)(b) as:

"the acquisition of land upon which to construct an improvement, the acquisition of a building, the acquisition or construction of improvements, the acquisition of an addition to a building which increases the square footage of the building, the construction of a building, the construction of an addition to an existing building which increases the square footage of the building or the acquisition of and installation of machinery and equipment which will become an integral part of a building or an addition to a building, the purchase of furnishings, equipment or other tangible property with an expected useful life of more than one year or a combination of those items".

SDC IMPROVEMENT FUND Improvement fees may be spent only on capacity increasing capital improvements, including expenditures relating to repayment of debt for such improvements. An increase in system capacity may be established if a capital improvement increases the level of performance or service provided by existing facilities or provides new facilities. The portion of the improvements funded by improvement fees must be related to the need for increased capacity to provide service for future users. An annual report is required to the Board of Commissioners giving the revenue received during the fiscal year and any disbursements made from this fund.

SDC REIMBURSEMENT FUND Reimbursement fees may be spent only on capital improvements associated with the systems for which the fees are assessed including expenditures relating to repayment of indebtedness. An annual report is required to the Board of Commissioners giving the revenue received during the fiscal year and any disbursements made from this fund.

GENERAL OBLIGATION FUND was established for the construction of the central reservoir, related transmission mains and the construction of the slow sand filter beds in 1992. The loan from USDA Rural Development was paid in full during FY 2021-2022. The balance in this fund was transferred to the General Fund in FY 2022-2023.

FMHA RESERVE FUND was a restricted fund. As of FY 2001/2002 this fund was at the prescribed amount of $93,800. In FY 2021-2022 a transfer was made to the General Fund to pay off the USDA loan that was established in 1992. The balance in this fund was transferred to the General Fund in FY 2022-2023.

Local Budgeting in Oregon

OREGON DEPARTMENT OF REVENUE

150-504-400 (Rev. 02-14)

OREGON DEPARTMENT OF REVENUE

Local Budgeting in Oregon

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150-504-400 (Rev. 02-14)

Local Budgeting in Oregon is a supplement to the *Local Budgeting Manual* (150-504-420), hereafter called the *Manual*. This booklet will introduce you to the requirements of Oregon's Local Budget Law, but it is not a substitute for the *Manual*. Before you take any formal action in the budget process, consult the *Manual*.

First, the basics

What is the law?

Most local governments in Oregon, from the smallest cemetery district to the largest city, must prepare and adopt an annual or biennial budget. (The only exceptions are a few types of local governments specifically exempted.) Schools, counties, cities, ports, rural fire protection districts, water districts, urban renewal agencies, and special districts are all subject to the same budget provisions.

This is not unusual. Many states have specific laws which require units of local government to prepare and adopt annual operating budgets. Yet, Oregon's budgeting system is considered one of the most progressive in the nation. Why?

Look at Oregon's Local Budget Law. (You'll find it in Chapter 294 of the Oregon Revised Statutes.) The law does two important things:

1. It establishes standard procedures for preparing, presenting, and administering the budget.
2. It requires citizen involvement in the preparation of the budget and public disclosure of the budget before its formal adoption.

Many people rely on you, as an elected or appointed official, to see that the annual budget is prepared correctly. State officials check to see that the budget is prepared and administered according to law, and citizens in your district check to see that programs they want and need are adequately funded. This makes budgeting in Oregon a joint effort between the people affected by the budget and the appointed and elected officials responsible for providing the services.

To give the public ample opportunity to participate in the budgeting process, local budget law requires that a budget officer be appointed and a budget committee be formed. The budget officer draws together necessary information and prepares the first draft of the budget. The budget committee then reviews and revises the proposed budget before it is formally approved. Notices are published, budgets are made available for public review, and at least two opportunities for public comment are provided. These requirements encourage public participation in the budget-making process and give public exposure to budgeted programs and fiscal policies before their adoption.

Naturally, citizen involvement varies from one community to the next. If the patrons in your district are active and involved, you may find citizens asking for information not specifically required under local budget law. It is up to your local government to prepare a budget that clearly outlines its fiscal policies and is satisfactory to the voters of the district. If you can make your budget clear and concise, you'll find that taxpayers have a better understanding of the purposes for which their tax dollars are spent. You may also find the citizen input informative and beneficial.

What is a budget?

A budget is a financial plan containing estimates of expenditures and revenues for a single fiscal year (July 1 through June 30).

Note: Local governments have the option of budgeting on a 24-month "biennial" budget period or by fiscal year. For the differences entailed in biennial budgeting, see page 8. Throughout this booklet, we refer to "fiscal year" but if a local government adopts a biennial budget, the period referred to is a 24-month period.

Besides outlining programs for the coming year, the budget controls the local government's spending authority. Since the budgeting process encourages citizen input, the budget is also a vehicle for obtaining public opinion about proposed programs and fiscal policies of your district.

The content and detail of each budget will vary substantially because of differences in the purpose, size, and complexity of local governments.

Who is on the budget committee?

The budget committee consists of the members of the local governing body (such as county commissioners or school board members) and an equal number of citizens at large. The citizens are appointed by the governing body and serve terms of three years. Terms are staggered so that about one-third of the appointed terms end each year.

Note: For most of the districts in Multnomah County, because the Tax Supervising and Conservation Commission (TSCC) holds the budget hearing, the governing body is the budget committee and there are no appointive members. These districts should consult with the TSCC about their processes. This publication addresses the budget committee process for all other districts in the state.

The budget cycle

The nine steps

Budgeting is not something you do once a year. It's a continuous operation, and it takes 12 months to complete a cycle. The budgeting process is actually in three parts: The budget is prepared, approved, and finally adopted. Your budget must be prepared far enough in advance so that it can be adopted before June 30. After adopting the budget, the governing body will make the necessary appropriations and certify the tax levy to the county assessor.

To simplify this rather complex process, we've divided budgeting into nine steps.

Preparing the budget

1. **Budget officer appointed.** Each local government must have a budget officer, either appointed by the governing body or designated in the local government's charter. The budget officer is under the supervision of either the executive officer or the governing body.
2. **Proposed budget prepared.** The budget officer is responsible for preparing or supervising the preparation of the proposed budget for presentation to the budget committee.

Approving the budget

3. **Budget officer publishes notice.** When the proposed budget and the budget message are ready, the budget officer publishes a "Notice of Budget Committee Meeting." If notice is only published in a newspaper of general circulation, it must be published at least twice, five to 30 days before the scheduled budget committee meeting date. The notice may be published once in a newspaper (five to 30 days prior to the scheduled budget committee meeting) as long as it is also published on the local government's website at least 10 days before the meeting. The newspaper notice must include the website address. If notice is hand delivered or mailed, only one notice is required not later than 10 days prior to the meeting.
4. **Budget committee meets.** At least one meeting must be held to 1) receive the budget message and budget document, and 2) hear the public. The budget officer provides a copy of the proposed budget to each member of the budget committee. The copies may be distributed any time before the advertised budget committee meeting. It is also acceptable to wait and distribute the budget at the advertised meeting. When the budget is given to the budget committee, it becomes a public record and must be made available to the public.

   The budget committee members cannot get together in person, by telephone, or email before the advertised meeting to discuss the budget. All budget discussions must be held at public meetings.

   At the budget committee meeting, the budget message is delivered. The budget message explains the proposed budget and significant changes in the local government's financial position. At this meeting, the budget committee may provide members of the public the opportunity to ask questions about or comment on the budget. If public comment is not allowed at this meeting, the budget committee must provide the public with the opportunity at subsequent meetings.

   After the initial meeting, if needed, the budget committee may meet as many times as needed to revise and approve the budget. If two or more meetings are held to take comment from the public, only the first meeting to do so must meet the publication requirements explained in step 3. Notice of additional meetings for this or any other purpose may be provided in the same time frame and manner as notices of meetings of the governing body. Notice of other meetings of the budget committee must be provided as required by Oregon public meeting law. All meetings are open to the public.
5. **Committee approves budget.** When the budget committee is satisfied with the proposed budget, including any additions to or deletions from the one prepared by the budget officer, the budget is approved. If the budget requires an ad valorem tax to be in balance, **the budget committee must approve an amount or rate of total ad valorem property taxes to be certified to the assessor.**

Advertising and holding hearings

6. **Budget summary and notice of budget hearing published.** After the budget is approved, a budget hearing must be held by the governing body. The budget officer must publish a summary of the budget approved by the budget committee and notice of budget hearing five to 30 days before the scheduled hearing. This information must either appear in a newspaper of general circulation, be mailed, or be hand delivered.

   If no newspaper is published in your district and estimated expenditures for the ensuing year do not exceed $100,000, you may provide the budget summary and notice of budget hearing by posting it in three conspicuous places within the district for at least 20 days prior to the date of the hearing.

   See the *Manual* for details on publication requirements.

7. **Budget hearing held.** The budget hearing must be held by the governing body on the date specified on the public notices.

   The purpose of the hearing is to receive citizens' testimony on the budget approved by the budget committee. Additional hearings may be held. All hearings are open to the public.

Adopting the budget

8. **Budget adopted, appropriations made, tax levy declared and categorized.** By law, the governing body may make changes in the approved budget before or after it is adopted, but no later than the beginning of the fiscal year to which the budget relates. However, without first publishing a revised budget summary and holding another budget hearing:

   - Taxes may not be increased beyond the amount approved by the budget committee, and
   - Estimated expenditures in a fund may not be increased by more than $5,000 or 10 percent, whichever is greater.

   After the budget hearing, and after considering relevant testimony, the governing body adopts the budget. **It should not be formally adopted until the latter part of June** so last-minute revisions to revenue or expenditure estimates can be incorporated.

   The governing body must enact a resolution or ordinance to 1) formally adopt the budget, 2) make appropriations, and if needed, 3) levy, and 4) categorize any tax. The budget is the basis for making appropriations and certifying the tax levy. The resolution or ordinance must be adopted no later than June 30. See the *Manual* for the format of the resolution or ordinance.

9. **Budget filed and levy certified.** The final step in the budget cycle is to certify any necessary property tax levy.

   Districts levying a property tax must submit to the county assessor's office on or before July 15:

   - Two copies of notice of levy and the categorization certification, and
   - Two copies of the budget resolution or ordinance.

   Each local district that does not levy a property tax must send a copy of the resolution adopting its budget and making appropriations to the Department of Revenue on or before July 15. All local districts send a copy of the complete budget to the county clerk on or before September 30. School districts also submit a copy of the budget to the county education service district office and to the Oregon Department of Education.

The budget document

All budgets must meet certain minimum requirements, outlined here. For specific examples consult the *Manual*.

Under local budget law the budget must follow a basic format. Expenditures generally are broken down first by fund, then by organizational unit or program, and then, more specifically, by object classification and object. Revenues are broken down by fund, at the least.

What is a fund?

A fund is a fiscal and accounting entity with self-balancing accounts set aside to carry on a specific activity or to meet certain objectives in accordance with a specific regulation. The requirements and resources of a fund must always balance. Every budget has at least one fund (commonly called the General Fund) which is used for everyday operation of the local government.

Depending on the size and complexity of your local government and the services it provides, your district may also have a number of special funds. The most common reason for establishing a special fund is to account for a revenue source whose use is limited to a particular kind of expenditure. Examples include: debt service funds, construction funds, reserve funds, street funds, water funds, and sewer funds.

What is an organizational unit?

Some funds are broken down to account for one or more organizational units or activities, which are merely subdivisions of a fund. An organizational unit might be a department, office, or division. What you call these units is up to your local government.

What is a program?

Budget requirements may be prepared by program. Programs are groups of activities to accomplish a major service or function. Schools use programs in budgeting.

Budget format

Your budget detail sheets for expenditures and revenues must show in parallel columns:

1. Actual expenditures and revenues for two years preceding the current year.
2. Budgeted requirements and revenues for the current year.

3. Estimated requirements and revenues for the coming fiscal year. Upcoming fiscal year estimates should be broken into three columns: proposed, approved, and adopted, showing estimated amounts as they are considered through each step of the budget process.

Information in each column must be itemized to show all estimated or incurred requirements and revenues.

Revenues

Budget revenues are divided into two types: ensuing year property tax and nonproperty tax revenues. Property taxes shown in your budget will not be the same as the property tax "levy" you submit to the assessor.

There are three reasons for this. First, not all taxpayers pay their taxes in the year billed. Second, discounts are given for timely property tax payments. Third, the Oregon Constitution sets a limit on the amount of taxes that can be collected from an individual property.

You must estimate the amount of taxes to be lost because of the "constitutional limits" and "discounts allowed and other uncollected amounts."

The total of these amounts plus estimated taxes to be received cannot exceed your district's taxing authority, which includes its rate limit, voter approved local option levies, and levies to repay bonded debt. This total is the amount of tax levy that is certified to the assessor.

The amount estimated as "loss due to constitutional limit" will vary from district to district. Late in October or early November each year, the tax collector sends the district a report on the amount of taxes that will actually be billed for the district. This is called the taxes imposed.

"Discounts allowed and other uncollected amounts" normally will represent only a small percentage of the property tax levy. Contact your county tax collector for help in determining this percentage.

You next need to calculate how much tax revenue can be raised using the district's permanent rate limit.

Rate Limit

times

Estimated District Assessed Value

equals

Amount Raised By Rate Limit

This amount plus any local option taxes or bond levies, less the estimate of taxes to be lost, is the amount of tax revenue estimated to be received. If this amount is less than the amount needed for the budget, requirements must be reduced, other sources of revenue found, or additional taxing authority approved by voters.

Expenditures and requirements: by fund

Under the law, budget expenditures and other requirements must be itemized to show all estimated expenses. The estimates may be prepared either by program or organizational unit. Within any fund each expenditure must be detailed and identified, arranged by organizational unit if applicable, and put into one of these major object classifications:

- **Personnel services** includes all salaries, fringe benefits, and miscellaneous costs associated with salary expenditures.
- **Materials and services** includes contractual and other services (example: audit or legal services), materials, supplies, and other charges.
- **Capital outlay** includes acquisition of land, buildings, improvements, machinery, and equipment.

Some special expenditures and requirements do not fit logically into one of these three object classifications. These are put in special categories. The most common special categories are:

- **Debt service** includes repayment of principal and interest on bonds, interest-bearing warrants, and short term loans.
- **Transfers.** An amount to be given as a resource to another fund in the budget.
- **General operating contingencies.** A special amount set aside in the upcoming year for unforeseen expenses.
- **Unappropriated ending fund balance.** A special amount set aside in a budget for use as a resource in the beginning of the next fiscal year after it was budgeted.

Expenditures and requirements: program budgets

Program budgets are prepared differently. Estimates for each program must be arranged by activity and then put into separate object classifications, as already described.

Taxes and budgeting

Many local governments rely heavily on property taxes to finance services they offer. In some cases, services are paid for entirely by property taxes.

The amount and type of tax a local government may levy is limited by the Oregon Constitution and Oregon law. The constitution allows a local government to levy annually the amount that would be raised by its permanent rate limit without further authorization from the voters. Revenue from the permanent rate–limited levy can be used for any purpose.

When a local government has no permanent rate limit or when the rate limit does not provide enough revenue to meet estimated expenditures, the government may request a local option levy from the voters. These levies are in excess of the rate limit and require voter approval. Currently, ESDs cannot use the local option tax. Schools and community colleges can use the local option tax, but the amount they may request is limited.

A local option can be used for general purposes or a specific activity. The levy may be stated as a total dollar amount or rate to be levied uniformly for a period. If the levy is for an operating purpose, the period cannot exceed five years. If the levy is for a capital project, the period cannot exceed 10 years or the life of the capital asset, whichever is less.

A debt service levy is used only to pay principal and interest on bonds. The constitution does not require voters to approve this type of levy each year. That's because voter approval of a bond issue is considered approval of levies necessary to repay bond interest and principal.

By law, some local governments are limited on the total amount of tax they may levy. These limits are computed as a percentage of a local government's property value. For specific examples, consult the *Manual* or the Department of Revenue, Finance and Taxation Unit.

Tax levies not made according to law may be voided by an appeal to the Oregon Tax Court. Appeals can be made by the county assessor, county court, board of commissioners, Oregon Department of Revenue, Tax Supervising and Conservation Commission, or 10 or more interested taxpayers. An appeal must be submitted within 30 days after the local government certifies the tax levy to the county assessor.

In addition, since 1991, the Oregon Constitution has limited the amount of taxes that may be imposed on any property. For any property, the maximum amount of taxes to support the public school system is $5 per $1,000 of real market value. The maximum amount of taxes to support other government operations is $10 per $1,000 of real market value. Certain types of taxes may not be subject to the limit. See the *Manual* for further information.

Elections and budgeting

Many local governments find that available revenues, including revenue from levies made under the permanent rate limit, are not enough to finance proposed expenditures. In this case, there are two alternatives:

1. Lower the proposed expenditures to equal available revenues, or
2. Schedule a tax levy election to obtain voter approval to levy a local option tax.

All local governments that decide to schedule a levy election are limited to four election dates each year. The levy election must be on one of these dates.

See your county elections officer for more information. The county elections officer publishes election notices, sample ballots, and a list of polling places.

Election dates

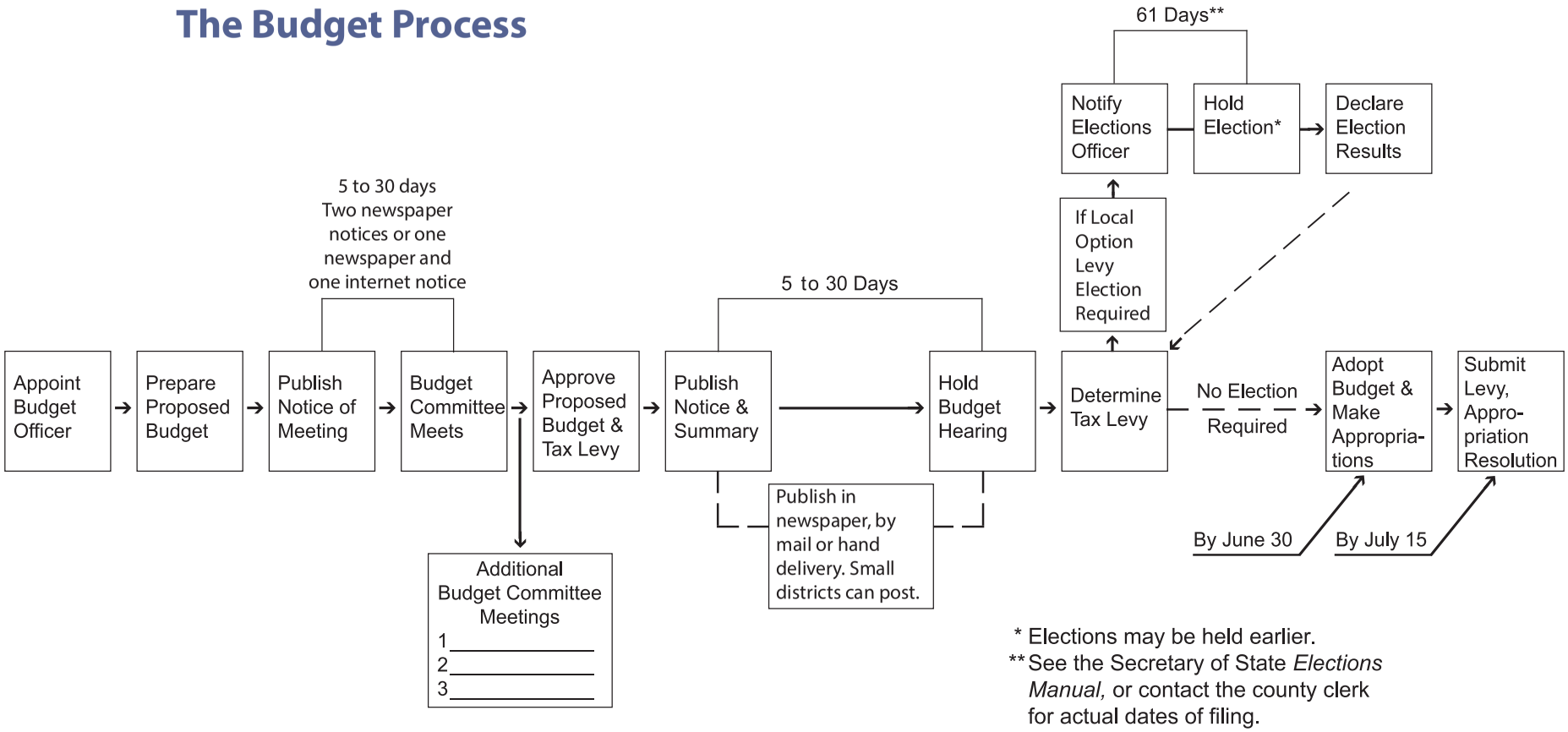
- Second Tuesday in March
- Third Tuesday in May
- Third Tuesday in September
- First Tuesday after the first Monday in November

Even if the voters have not yet approved the tax levy before the end of the fiscal year, the governing body must adopt the budget and make appropriations by June 30 to lawfully spend public funds in the new fiscal year. When the district is planning on a tax levy election in September, it must request in writing from the county tax assessor an extension to certify its tax levy. When the tax levy is finally determined, the governing body adopts the resolution to levy taxes and submits its final levy certification to the assessor. If the late levy election failed, the governing body must reduce its budget appropriations to reflect the amount of taxes it actually has authority to levy.

Tax levy ballot language sometimes must contain certain wording or statements required by law or must not exceed other limits. For more details, see the *Manual,* or download a copy of the *Tax Election Ballot Measure Manual* (150-504-421).

150-504-400 (Rev. 02-14)

The Budget Process



* Elections may be held earlier.

** See the Secretary of State *Elections Manual,* or contact the county clerk for actual dates of filing.

Appropriations and their use

When the nine budget steps are completed and the new fiscal year begins, the governing body works from appropriations. Amounts listed in the appropriation resolution provide authority to spend public funds in the next 12 months. However, appropriations may be made in broader categories than the detail presented in the budget.

District spending is limited to the schedule of appropriations. But what if it is necessary to exceed original appropriations? This may be done after transferring appropriations or preparing a supplemental budget. There are special provisions for exceeding appropriations due to civil disturbance, fire, flood, earthquake, or other calamity.

Appropriation transfers

The governing body's spending authority in existing appropriations may be changed by 1) transferring amounts among existing appropriations in the same fund, or 2) transferring from an existing appropriation in one fund to an existing appropriation category in another fund.

Whenever you need to transfer an appropriation, the governing body must enact a resolution or ordinance providing for the transfer. This enactment must be made before any overexpenditure is incurred. Once a transfer is authorized, the expenditures can be made.

Supplemental budgets

By transferring appropriations, a governing body usually has enough flexibility to carry out the programs prescribed in an adopted budget. But there will be times when an adopted budget gives no authority to make certain expenditures or when revenues are received for which the governing body had no previous knowledge. In these cases it is possible to use a supplemental budget to authorize expenditures or spend additional revenues in a current fiscal year. (There are a few special revenues which may be spent without a supplemental budget.) Supplemental budgets cannot be used to authorize a tax levy.

Local budget law does not contemplate the involvement of the budget committee in adopting supplemental budgets. The governing body may adopt a supplemental budget at a regular public meeting if prior notice is given and the expenditures in the supplemental budget are 10 percent or **less** than of the budget fund being adjusted. If the expenditures are more, the governing body must publish a summary of the changes in the supplemental budget and hold a special hearing.

Public officials who spend money unlawfully, in excess of authorized amounts or for purposes not provided by law, are civilly liable. The district attorney or a taxpayer may file suit for return of the money.

For more details, see Oregon Revised Statute 294.471 or the *Manual*.

Audits

The final phase in the budgeting cycle is an audit of the previous fiscal year. This usually is done soon after a new fiscal year begins. Most local governments are subject to Oregon's Local Budget Law. Most of these governments are required to have their accounts and fiscal affairs audited and examined annually.

An audit must be done by the Secretary of State or an auditor certified by the Oregon State Board of Accountancy to conduct municipal audits. The auditor examines financial statements, books, records, and other financial data of your local government. The auditor also will look at any activities that relate to collection, receipt, custody, handling, expenditure, or disbursement of public funds.

Contact the Secretary of State's office, Audits Division for further explanation or questions.

Biennial budgeting

Local governments may budget either on a one-year (fiscal year) or a two-year (biennial) cycle. The governing body may, by ordinance, resolution, or charter, provide that the budget be prepared for a period of 24 months. The biennial budget period begins July 1 and ends June 30 of the second following calendar year. In brief, the differences between fiscal year budgeting and biennial budgeting are:

1. Members of a budget committee who prepare a biennial budget are appointed to four-year terms. The terms of the members should be staggered so that one-fourth of the terms end each year.
2. The budget estimate sheets containing the estimates of resources and expenditures in a biennial budget must show:
   - Actual expenditures for the two budget periods preceding the current budget period,
   - The estimated expenditures for the current budget period, and
   - The estimated expenditures for the ensuing budget period.
3. The summary of the budget as approved by the budget committee that is published along with the notice of the budget hearing will show the proposed budget for a two-year period.
4. If a taxing district adopts biennial budgeting, the budget committee must approve the amount or rate of ad valorem property taxes for each year of the biennium.
5. After the budget committee approves a biennial budget and before the budget is adopted, the governing body may not increase the amount of estimated expenditures for the biennium in any fund by more than $10,000 or 10 percent, whichever is greater, and may not increase the amount or rate of the tax levies approved by the budget committee for either year of a biennial budget unless the amended budget document is republished and another budget hearing is held. Once the budget is adopted, the tax amount cannot be increased in the second year.
6. If a district adopts a biennial budget, then after the budget hearing and before the June 30 that precedes the start of the budget period, the governing body must pass a resolution or ordinance to adopt the budget and make appropriations for the ensuing 24-month budget period. The governing body must also pass a resolution or ordinance to levy and categorize property taxes for each year of the ensuing budget period.

7. Whether a budget is for a fiscal year or for a biennium, certification of property tax levies and a copy of a resolution or ordinance levying and categorizing taxes for the ensuing year must be submitted to the county assessor every year by July 15.
8. Districts that must submit their budgets to the Department of Revenue or to the Tax Supervising and Conservation Commission must do so only during the first year of a biennial budget period.

Questions and answers

What is a budget committee?

The budget committee is the district's fiscal planning advisory committee. The committee consists of the elected governing body members and an equal number of qualified district voters appointed by the governing body.

Who can serve on a budget committee?

Any qualified voter of the district appointed by the governing body except officers, agents, or employees of the district.

Are budget committee members paid for their work?

Budget committee members cannot receive any compensation for serving as committee members. They may be eligible to receive reimbursement for travel or meal expenses that are incurred as a result of meetings or other authorized committee functions.

How long do members serve?

Citizen budget committee members are appointed by the governing body for three-year terms. Terms are staggered so that approximately one-third of the terms expire each year. Members may be re-appointed for successive terms. If a member resigns, becomes ineligible, or is unable to serve out his or her term of office, the governing body appoints a replacement to complete the term. There is no provision in the law for "alternate" members.

What if no one will serve on the budget committee?

If the governing body is unable to appoint qualified individuals to vacant positions, the budget committee may function with a reduced number of members. For example, if a five-member governing body, after making a good faith effort to seek qualified citizen members, can fill only three of the appointed positions, the budget committee can function with eight members rather than ten. A majority would then be five instead of six. The membership may not be reduced because governing body positions are currently vacant.

Who are the budget committee officers?

Only a presiding officer position is required by law. The presiding officer's duties are to chair budget committee

meetings. The chair can be either an elected or appointed member. Some districts may elect a vice chair to conduct meetings in the presiding officer's absence. The committee should also designate someone to be responsible for keeping an official record of its proceedings. All members of the budget committee have the same degree of authority and responsibility.

What is the budget committee's main function?

In a series of public meetings the budget committee meets to review, discuss, make additions or deletions, and approve the proposed budget presented by the local government's budget officer. Upon completion of its deliberations, the committee approves the budget and sets the tax rate or amount needed to balance the budget.

What are the rules about budget committee meetings?

Budget committee meetings are open to the public. A quorum is required to conduct committee business. A majority of the budget committee membership is required to approve any motion.

Minutes of each meeting are kept. The minutes are the official record of budget committee meetings. It is important that minutes are accurate. The budget process is required by law and districts may need to document that the process was in compliance with state statutes. The approval of the final budget document and the rate or amount of tax to be imposed, in particular, should be in the form of motions with the votes recorded in the minutes.

What happens at the first budget committee meeting?

Generally, the budget committee elects a chair and other officers, receives the budget message, hears patrons, sets dates for future meetings, and adopts rules of order. These rules should establish an operating procedure for the budget review process. The committee may adopt Robert's Rules of Order or establish its own. In any event, the budget committee needs to discuss and agree upon a procedure. The committee may not adopt any rule which would allow it to take official action with approval of less than a majority of its members in agreement.

What happens at subsequent budget meetings?

Generally, the second and other subsequent meetings take place at least one week after the first meeting. This practice allows budget committee members to review the proposed budget document. Budget committee members may wish to make arrangements with the district administrator and/or budget officer to visit district operations during this week, make inquiries about specific budget items, request additional information, or indicate areas of interest they believe should be highlighted at future meetings. In subsequent meetings, the entire budget is reviewed fund by fund and/or section by section.

At least one meeting must provide the opportunity for the public to ask questions and make comments about the budget. Notification of the first budget committee meeting in which public questions and comments will be heard is required in a newspaper of general circulation, by a first-class mailing to every street address or P.O. box in the district, or by hand delivery to every street address. See Chapter 9 of the *Manual* for more detail on publication requirements.

How many meetings are required?

The number of meetings required varies from year to year and with the unit of government. Some districts meet only once, others may need to meet several times. Factors such as the detail in the budget documents, size of the district, number of funds, presentation of the budget, and the personalities of individual budget committee members will result in various numbers of meetings.

When will I get a copy of the budget?

The budget officer provides copies of the proposed budget at or before the first budget committee meeting, when the budget message is presented by the executive officer.

What other information is available to the budget committee?

The budget committee may request any information required during consideration of the proposed budget from any district officer or employee. The budget committee may also require staff members to attend budget committee meetings. Such requests by the budget committee should be made through the chief administrative officer of the local government and/or budget officer.

How is the material that is presented by the budget officer at the first meeting prepared?

The budgeting process is a continuous cycle that generally begins long before the budget committee meets. Each district has its own procedures for budget review and development. In larger districts, each part of the organization may have its own budget preparation process, in which funding requests for the upcoming fiscal year are developed and then "rolled up" into the total agency budget requirements. By the time the budget committee receives the budget message and budget document, many hours of work have been put into budget development. The budget officer coordinates these efforts with district staff and other administrators.

What is a quorum? What happens if we don't have a quorum at a budget committee meeting?

A quorum is one more than half the total number of the members. If a quorum is not present, the members who

are present may discuss committee business, but no action may be taken.

What if we have a quorum, but cannot get a majority of the members of the budget committee to approve the budget?

Any action by the budget committee requires approval by a majority of the entire committee. For example, if the budget committee has ten members, six are present at a meeting (a quorum), but only five of the six present agree with a motion to approve the proposed budget, then the motion does not pass. It is up to the budget committee to negotiate a budget and tax that is acceptable to a majority of its members.

May I ask questions other than at budget committee meetings?

It could be very helpful and a courtesy to other budget committee members if inquiries are not restricted to committee meetings. Checking with the administrator and/or budget officer between meetings allows members to explore budget items of interest in greater detail than might be practical during committee meetings. Questioning also assists the administration/budget officer by giving an indication of concerns, making it possible to highlight issues that may be of interest to the entire budget committee.

Can I consult with other budget committee members about details in the budget other than at budget committee meetings?

Discussion of the budget committee must always take place in the forum of a public meeting. One of the reasons Oregon uses the budget committee process is to ensure public comment and full disclosure of budget deliberations. It is much better to abide by the spirit of the law and hold **all** discussions at budget committee meetings.

Can the budget committee add or delete programs or services?

Generally, the budget committee's role is not to directly establish or eliminate specific programs or services. Standards and budget parameters established by the governing body give the budget officer and administrative staff general guidelines for budget development. The budget officer then prepares a budget which reflects the governing body's parameters. This proposed budget is what the budget committee considers during its meetings. Budget committee influence on programs and services is most often exerted at a higher level, when it approves the overall budget and establishes the tax levy.

Having said all that, if a majority of the budget committee agrees, it can add or delete funding for specific services. Public participation at budget committee meetings may influence budget committee decisions. However, final authority for administration rests with the governing body. The governing body can make changes after the budget committee has approved the budget, although they may have to re-publish the budget and hold another public hearing to do so.

Can the budget committee determine how much an employee is paid?

The budget committee does not approve new personnel, employee contracts or salary schedules, nor does it negotiate salary contracts.* However, the adopted salary schedules, negotiated contracts, and other materials that have a fiscal impact on the budget document may be requested for review by the budget committee. Through its authority, the budget committee may direct the administration to make dollar adjustments (increases or decreases) in the proposed budget.

What happens after all the sections of the budget are presented?

After all presentations are made, all patron input received, and all other related issues discussed, the budget committee approves the budget. The approved budget recommends a level of spending for the year. The approved budget document also specifies the full amount of the property tax levy authority that may be certified to the tax assessor. The governing body may reduce the levy, but the rate or amount of the levy approved by the budget committee cannot be increased without republishing the financial summaries. Approval of the tax levy and the budget should be in the form of a formal motion, with the vote recorded in the minutes of the meeting.

Does the budget committee have any other duties?

At the end of the final meeting where the budget is approved, and the tax levy rate or amount is established, the committee's work is finished as far as local budget law is concerned. Local charters may have additional duties. Frequently, budget committee members express a desire to assist the governing body and administration in any public meetings or appearances concerning the budget. The budget committee may be reconvened by the governing body at a later date in the event the financial conditions in the district change. A meeting for this reason is called at the discretion of the governing body and is not a requirement of the local budget law.

*Note: ORS 204.126 says the county budget committee or TSCC approves changes in the salary of elected county officials.

After the budget is approved by the budget committee and recommended to the governing body, what action does the governing body take?

The governing body must publish a financial summary of the budget that was approved by the budget committee. The notice of the budget hearing is also published with the financial summary. At the public hearing, the governing body hears any citizen input on the approved budget. The governing body may make additional adjustments to the budget that was approved by the budget committee. Following the hearing and no later than June 30, the governing body must adopt the budget, make appropriations, and set the property tax levy rate or amount. If a property tax is required, the governing body must certify the tax to the county assessor no later than July 15.

What if the governing body changes the budget approved by the budget committee in ways that the budget committee does not approve?

The governing body has that right. However, the amount of the estimated expenditure for each fund may not be increased more than 10 percent unless a summary of the revised budget is again published and another public hearing is held. In addition, the total property tax to be levied may not exceed the amount or rate shown in the budget that was approved by the budget committee and published with the notice of the budget hearing without once again publishing the revised budget and holding another public hearing. Of course, budget committee members are free to attend that hearing and voice their opinions of the changes made by the governing body.

What is a supplemental budget?

Districts may find it necessary to prepare a supplemental budget at some point during the fiscal year. Circumstances under which a supplemental budget is authorized are:

- An occurrence, condition, or need arises which was not known at the time the budget was adopted.
- Additional funds are made available after the budget was adopted.

Although the budget committee is usually not involved with supplemental budgeting, the procedures for supplemental budgets are similar to those for the annual budget. If estimated expenditures are being changed by more than 10 percent, these procedures include a public hearing and publishing a notice and budget summary five to 30 days prior to the hearing.

Where can I find the law that governs the creation and operation of budget committees?

Budget committees are required in Oregon's Local Budget Law. This law is found in the Oregon Revised Statutes (ORS) beginning at ORS 294.305.

These statutes as well as additional information can be found on the Department of Revenue website at www.oregon.gov/DOR.

Where can I direct my questions regarding budget committees?

Oregon Department of Revenue
Finance, Taxation and Exemptions
PO Box 14380
Salem OR 97309-5075

Telephone: 503-945-8293
Fax: 503-945-8737
Email: finance.taxation@oregon.gov

Administration Checklist

- ✓ Gather budget requests.
- ✓ Evaluate budget requests and develop proposed budget.
- ✓ Develop estimates of revenue.
- ✓ Prepare budget proposal.
- ✓ Estimate ad valorem taxes in budget document.
- ✓ Prepare budget message.
- ✓ Publish required notices and budget summary.
- ✓ Provide citizens with information about approved budget.

Budget Committee Checklist

- ✓ Establish a meeting calendar.
- ✓ At first meeting, elect presiding officer (required) and vice chair (optional).
- ✓ At first meeting, establish budget committee procedural rules.
- ✓ At first meeting, receive budget message and proposed budget.
- ✓ Request information.
- ✓ Make budget documents available to any person.
- ✓ Provide opportunities for citizens to ask questions.
- ✓ Approve motion setting the rate or amount of taxes necessary to balance budget.
- ✓ Approve budget and recommend to the governing body.

Glossary

Here are some terms you will use as you work on your budget.

Adopted budget. The financial plan adopted by the governing body which forms a basis for appropriations.

Ad valorem tax. A property tax computed as a percentage of the value of taxable property. See "Assessed value."

Appropriation. Based on an adopted budget, an authorization for spending specific amounts of money for specific purposes during specific periods of time. Presented in a resolution or ordinance adopted by the governing body.

Assessed value. The portion of value of real or personal property that is taxable. It is the lesser of the property's real market value or the constitutional value limit (maximum assessed value—MAV). The value limit may increase 3 percent annually unless qualifying improvements or changes are made to the property. These improvements or changes allow the value limit to increase by more than 3 percent.

Biennial budget period. A 24-month period beginning July 1 and ending June 30 of the second succeeding year.

Budget. Written report showing the local government's comprehensive financial plan for one fiscal year. Must include a balanced statement of actual revenues and expenditures during each of the last two years, estimated revenues and expenditures for the current and upcoming year.

Budget committee. Fiscal planning board of a local government, consisting of the governing body plus an equal number of legal voters from the district.

Budget message. An explanation of the budget and local government's financial priorities. Prepared by or under the direction of the executive officer or presiding officer of the governing body.

Budget officer. Person appointed by the governing body to assemble budget material and information, prepare the proposed budget, and oversee the budget process.

Capital outlay. Items which generally have a useful life of one or more years, such as machinery, land, furniture, equipment, or buildings.

County elections officer. County clerk or registrar of elections.

District. See "Local government."

Expenditures. Decreases in net financial resources if accounts are kept on an accrual or modified accrual basis; total amount paid if accounts are kept on a cash basis.

Fiscal year. A 12-month period beginning July 1 and ending June 30.

Fund. A division in a budget segregating independent fiscal and accounting requirements. An entity within a government's financial plan designated to carry on specific activities or to reach certain objectives.

Governing body. County court, board of commissioners, city council, school board, board of trustees, board of directors, or other governing board of a local government.

Line-item budget. The traditional form of budgeting, where proposed expenditures are based on individual objects of expense within a department or division.

Local government. Any city, county, port, school district, public, or quasi-public corporation (including a municipal utility or dock commission) operated by a separate board or commission.

Municipality. See "Local government."

Ordinance. Written directive or act of a governing body. Has the full force and effect of law within the local government's boundaries, provided it does not conflict with a state statute or constitutional provision. See also "Resolution."

Organizational unit. Any administrative subdivision of a local government, especially one charged with carrying on one or more specific functions (such as a department, office, or division).

Payroll expenses. Health and accident insurance premiums, Social Security and retirement contributions, and civil service assessments, for example.

Permanent rate limit. A district's permanent ad valorem property tax rate for operating purposes. This rate levied against the assessed value of property raises taxes for general operations. Permanent tax rate limits were either computed by the Department of Revenue for districts existing prior to 1997–1998 or are voter-approved for districts formed in 1997–1998 and later.

Program. A group of related activities to accomplish a major service or function for which the local government is responsible.

Property taxes. Amounts imposed on taxable property by a local government within its operating rate limit, levied under local option authority, or levied to repay bonded debt.

Proposed budget. Financial and operating plan prepared by the budget officer, submitted to the public and budget committee for review.

Real market value. Value at which a property would be sold by an informed seller to an informed buyer on the appraisal date. Value set on real and personal property as a basis for testing the (Measure 5) constitutional limits.

Reserve fund. Established to accumulate money from one fiscal year to another for a specific purpose.

Resolution. A formal expression of will or intent voted by an official body. Statutes or charter will specify actions that must be made by ordinance and actions that may be by resolution. (For cities, revenue raising measures such as taxes, special assessments, and service charges always require ordinances.) See "Ordinance."

Resources. Estimated beginning fund balances on hand at the beginning of the fiscal year, plus all anticipated revenues.

Revenues. Monies received or anticipated by a local government from either tax or nontax sources.

Supplemental budget. Prepared to meet unexpected needs or to spend revenues not anticipated at the time the regular budget was adopted. Cannot be used to increase a tax levy.

Tax levy. Taxes imposed by a local government unit through a rate or amount.

Transfers. Amounts distributed from one fund to finance activities in another fund. Shown as a requirement in the originating fund and a revenue in the receiving fund.

Unappropriated ending fund balance. Amount set aside in the budget to be used as a cash carryover to the next year's budget, to provide the local government with a needed cash flow until other money is received. This amount cannot be transferred by resolution or used through a supplemental budget during the fiscal year it is budgeted unless there is a significant calamity or natural disaster.

Where to get help preparing your local budget

Finance, Taxation and Exemptions..... 503-945-8293
Email .....finance.taxation@oregon.gov

Each year the Department of Revenue makes available a booklet that contains forms and instructions for summarizing your district's budget for publication and certifying the tax levies to the assessor. These forms meet the minimum requirements of local budget law and are free of charge.

The forms are available each year beginning in January on the department's website at www.oregon.gov/dor.

The booklet is available upon request by contacting the Finance, Taxation and Exemptions Unit by telephone, email, or at the address below. If you would like a copy sent to you, please request your copy no later than November 15.

Finance, Taxation and Exemptions Unit
Oregon Department of Revenue
PO Box 14380
Salem OR 97309–5075

Your district may also computer-generate the budget detail and publication forms based upon your district's own computer formatting.

Have questions? Need help?

General tax information.....www.oregon.gov/dor
Salem..... 503-378-4988
Toll-free from an Oregon prefix.....1-800-356-4222

Asistencia en español:
En Salem o fuera de Oregon..... 503-378-4988
Gratis de prefijo de Oregon 1-800-356-4222

TTY (hearing or speech impaired; machine only):
Salem area or outside Oregon 503-945-8617
Toll-free from an Oregon prefix..... 1-800-886-7204

Americans with Disabilities Act (ADA): Call one of the help numbers above for information in alternative formats.

FORM LB-1 **NOTICE OF BUDGET HEARING**

A public meeting of the Kernville-Gleneden Beach- Lincoln Beach Water District Board of Commissioners will be held on June 12, 2025 at 4:00 pm at 6595 Gleneden Beach Loop, Gleneden Beach, Oregon. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2025 as approved by the Kernville-Gleneden Beach-Lincoln Beach Water District Budget Committee. A summary of the budget is presented below. A copy of the budget may be inspected or obtained at 6595 Gleneden Beach Loop, between the hours of 8:00 a.m. and 4:30 p.m. This budget is for an annual budget period. This budget was prepared on a basis of accounting that is the same as the preceding year. To attend electronically call 971-319-4988 and enter conference ID 766 635 448#.

Contact: Jeramy Price, Superintendent Telephone: 541-764-2475 Email: kgblb@kgblbwater.com

FINANCIAL SUMMARY - RESOURCES

TOTAL OF ALL FUNDS	Actual Amount 2023-24	Adopted Budget This Year 2024-25	Approved Budget Next Year 2025-26
Beginning Fund Balance/Net Working Capital	2,436,498	1,447,058	1,811,669
Fees, Licenses, Permits, Fines, Assessments & Other Service Charges	1,917,206	1,779,239	1,718,597
Federal, State and All Other Grants, Gifts, Allocations and Donations	0	0	0
Revenue from Bonds and Other Debt	0	0	0
Interfund Transfers / Internal Service Reimbursements	0	0	0
All Other Resources Except Current Year Property Taxes	0	0	0
Current Year Property Taxes Estimated to be Received	609,519	505,000	515,100
Total Resources	**4,963,223**	**3,731,297**	**4,045,366**

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION

Personnel Services	885,666	1,146,423	852,641
Materials and Services	437,783	598,800	612,300
Capital Outlay	752,949	641,142	1,049,014
Debt Service	0	0	0
Interfund Transfers	0	0	0
Contingencies	0	227,300	200,000
Special Payments	0	0	0
Unappropriated Ending Balance and Reserved for Future Expenditure	2,886,825	1,117,632	1,331,411
Total Requirements	**4,963,223**	**3,731,297**	**4,045,366**

FINANCIAL SUMMARY - REQUIREMENTS BY ORGANIZATIONAL UNIT OR PROGRAM *

Name of Organizational Unit or Program **FTE** for that unit or program			
FTE			
FTE			
Not Allocated to Organizational Unit or Program			
FTE			
Total Requirements			
Total FTE			

STATEMENT OF CHANGES IN ACTIVITIES and SOURCES OF FINANCING *

PROPERTY TAX LEVIES

	Rate or Amount Imposed 2023-24	Rate or Amount Imposed 2024-25	Rate or Amount Approved Next Year 2025-26
Permanent Rate Levy (rate limit _____ per $1,000)	0	0	0
Local Option Levy	.68/$1,000	.68/$1,000	.68/$1,000
Levy For General Obligation Bonds	0	0	0

STATEMENT OF INDEBTEDNESS

LONG TERM DEBT	Estimated Debt Outstanding on July 1.	Estimated Debt Authorized, But Not Incurred on July 1
General Obligation Bonds	$0	$0
Other Bonds	$0	$0
Other Borrowings	$0	$0
Total	**$0**	$0

FORM LB-20

RESOURCES

GENERAL FUND — Fund

K-GB-LB Water District — (Name of Municipal Corporation)

	Historical Data				Budget for Year 2025-2026			
	Actual		Adopted Budget	RESOURCES DESCRIPTION				
	Second Preceding 2022-2023	First Preceding 2023-2024	This Year 2024-2025		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
1				1 Available cash on hand* (cash basis), or				1
2	1,411,024	1,663,888	585,684	2 Net Working capital* (accrual basis)	505,669	505,669	505,669	2
3				3				3
4	76,886	147,421	15,000	4 INTEREST	15,000	15,000	15,000	4
5	1,160,344	1,251,167	1,150,000	5 WATER SALES	1,200,000	1,200,000	1,200,000	5
6	18,700	5,100	0	6 NEW SERVICES	0	0	0	6
7	7,190	8,484	5,000	7 NAME CHANGES, TURN-ONS, NON-EMERG, UNAUTH	5,000	5,000	5,000	7
8	12,282	15,502	1,000	8 MISCELLANEOUS	1,000	1,000	1,000	8
9	27,481	0	0	9 Transfer from other funds 07	0	0	0	9
10	4,705	0	0	10 Transfer from other funds 05	0	0	0	10
11								11
12				12				12
13				13				13
14	450,996	476,055	608,139	14 GLENEDEN SANITARY DISTRICT (Operations Contract)	497,597	497,597	497,597	14
15				15				15
16				16				16
17				17				17
18				18				18
19				19				19
20				20				20
21				21				21
22				22				22
23				23				23
24				24				24
25				25				25
26				26				26
27				27				27
28				28				28
29	**3,169,608**	**3,567,617**	**2,364,823**	29 Total resources, except taxes to be levied	**2,224,266**	**2,224,266**	**2,224,266**	29
30			0	30 Taxes estimated to be received	0	0	0	30
31				31 Taxes collected in year levied				31
32	**3,169,608**	**3,567,617**	**2,364,823**	32 **TOTAL RESOURCES**	**2,224,266**	**2,224,266**	**2,224,266**	32

FORM LB-31

DETAILED REQUIREMENTS

General Fund (Sewer Contract)

Name of Organizational Unit - Fund

K-GB-LB WATER DISTRICT

(Name of Municipal Corporation)

	Historical Data						Budget for Year 2025-2026			
	Actual		Adopted Budget	REQUIREMENTS DESCRIPTION	Number of	Range				
	Second Preceding 2022-2023	First Preceding 2023-2024	This Year 2024-25		Employ-ees		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
1	226,245	249,473	327,486	SALARIES	8		239,316	239,316	239,316	1
2	16,290	17,721	17,042	OVERTIME			12,836	12,836	12,836	2
3	19,516	0	0	OTHER FIELD/OFFICE HELP			0	0	0	3
4	99,610	95,517	120,768	BENEFITS			99,684	99,684	99,684	4
5	21,139	19,977	27,093	PAYROLL TAX EXPENSES			22,161	22,161	22,161	5
6										6
7										7
8										8
9										9
10	**382,800**	**382,688**	**492,389**	**TOTAL PERSONNEL SERVICES (Sewer)**			**373,997**	**373,997**	**373,997**	10
11	**8**	**8**	**8**	**TOTAL FULL-TIME EQUIVALENT (FTE)**			**7**	**7**	**7**	11
12										12
13										13
14				**MATERIALS & SERVICES**						14
15	6,069	7,132	8,100	INSURANCE			9,450	9,450	9,450	15
16	13,625	14,386	16,800	MOBILE EQUIPMENT			16,800	16,800	16,800	16
17	144	1,082	2,000	SMALL TOOLS			2,000	2,000	2,000	17
18	795	485	1,000	MISCELLANEOUS EXPENSE (Mileage)			1,000	1,000	1,000	18
19	5,303	4,056	5,940	OFFICE SUPPLIES			5,940	5,940	5,940	19
20	6,034	6,791	7,700	POSTAGE			7,700	7,700	7,700	20
21	3,622	2,915	6,600	PRINTING EXPENSE			6,600	6,600	6,600	21
22	5,053	5,480	6,750	OFFICE MAINTENANCE & JANITORIAL			6,750	6,750	6,750	22
23	1,792	1,859	1,500	EDUCATIONAL MEETINGS - SCHOOLS			3,000	3,000	3,000	23
24	6,750	7,414	9,240	TELEPHONE			9,240	9,240	9,240	24
25	2,032	2,048	6,600	ELECTRICITY			6,600	6,600	6,600	25
26	3,582	4,738	7,000	SAFETY			12,000	12,000	12,000	26
27	18,606	22,345	33,000	OFFICE EQUIPMENT (Maintenance)			33,000	33,000	33,000	27
28	4,651	5,117	3,520	SHOP SUPPLIES			3,520	3,520	3,520	28
29	**78,058**	**85,848**	**115,750**	**TOTAL MATERIALS & SERVICES**			**123,600**	**123,600**	**123,600**	29
30										30
31	**460,858**	**468,536**	**608,139**	**TOTAL REQUIREMENTS (Sewer)**			**497,597**	**497,597**	**497,597**	31

**Personnel category simplified and grouped together starting FY 2022

FORM LB-31

DETAILED REQUIREMENTS

GENERAL FUND (Water)

Name of Organizational Unit - Fund

K-GB-LB WATER DISTRICT

(Name of Municipal Corporation)

	Historical Data				REQUIREMENTS DESCRIPTION	Number of Employ-ees	Range *	Budget for Year 2025-2026			
	Actual		Adopted Budget								
	Second Preceding 2022-2023	First Preceding 2023-2024	This Year 2024-2025					Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
1	290,520	323,019	430,158	1	SALARIES	7		301,744	301,744	301,744	1
2	24,436	26,582	25,563	2	OVERTIME			19,254	19,254	19,254	2
3	19,516	0	0	3	OTHER FIELD/OFFICE HELP			0	0	0	3
4	128,508	128,100	163,547	4	BENEFITS			130,390	130,390	130,390	4
5	24,574	25,277	34,766	5	PAYROLL TAX EXPENSES			27,256	27,256	27,256	5
6				6							6
7				7							7
8				8							8
9				9							9
10				10							10
11	**487,554**	**502,978**	**654,034**	11	**TOTAL PERSONNEL SERVICES**			**478,644**	**478,644**	**478,644**	11
11	**8**	**8**	**8**	11	**TOTAL FULL-TIME EQUIVALENT (FTE)**			**7**	**7**	**7**	11
12				12							12
13				13							13
14				14							14
15				15							15
16				16							16
17				17							17
18				18							18
19				19							19
20				20							20
21				21							21
22				22							22
23				23							23
24				24							24
25				25							25
26				26							26
27				27							27
28	**487,554**	**502,978**	**654,034**	28	**PERSONNEL REQUIREMENTS (Water)**			**478,644**	**478,644**	**478,644**	28
29				29	UNAPPROPRIATED ENDING FUND BALANCE						29
30	**487,554**	**502,978**	**654,034**	30	**TOTAL REQUIREMENTS (Water)**			**478,644**	**478,644**	**478,644**	30

FORM LB-31

DETAILED REQUIREMENTS

GENERAL FUND (Water)

Name of Organizational Unit - Fund

K-GB-LB WATER DISTRICT

(Name of Municipal Corporation)

	Historical Data			REQUIREMENTS DESCRIPTION	Number of Employ-ees	Range *	Budget for Year 2025-2026			
	Actual		Adopted Budget							
	Second Preceding 2022-2023	First Preceding 2023-2024	This Year 2024-2025				Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
1				1						1
2	31,881	38,554	45,900	2 INSURANCE			53,550	53,550	53,550	2
3	21,243	21,579	25,200	3 MOBILE EQUIPMENT			25,200	25,200	25,200	3
4	43,143	42,561	48,000	4 WATER PURIFICATION & COMPLIANCE			50,000	50,000	50,000	4
5	215	1,623	3,000	5 SMALL TOOLS			3,000	3,000	3,000	5
6	49,826	44,605	68,000	6 WATER WORKS SUPPLIES			70,000	70,000	70,000	6
7	4,087	4,809	5,000	7 MEMBERSHIPS			6,000	6,000	6,000	7
8	2,422	4,386	4,500	8 BANK FEE/MISCELLANEOUS			6,000	6,000	6,000	8
9	6,682	5,266	7,560	9 OFFICE SUPPLIES			7,560	7,560	7,560	9
10	7,680	8,643	9,800	10 POSTAGE			9,800	9,800	9,800	10
11	4,101	3,639	8,400	11 PRINTING			8,400	8,400	8,400	11
12	5,054	5,476	6,750	12 OFFICE MAINTENANCE JANITORIAL			6,750	6,750	6,750	12
13	18,901	22,345	33,000	13 OFFICE EQUIPMENT (Maintenance)			33,000	33,000	33,000	13
14	824	0	2,000	14 ELECTION EXPENSE			2,000	2,000	2,000	14
15	1,792	1,859	1,500	15 EDUCATIONAL MEETINGS/SCHOOLS			3,000	3,000	3,000	15
16	0	0	2,000	16 CONFERENCES			2,000	2,000	2,000	16
17	0	0	1,000	17 ANNUAL MEETING			1,000	1,000	1,000	17
18	10,190	10,315	11,760	18 TELEPHONE			11,760	11,760	11,760	18
19	44,045	47,659	59,400	19 ELECTRICITY			59,400	59,400	59,400	19
20	1,944	1,944	2,000	20 SEWER			2,000	2,000	2,000	20
21	482	0	1,000	21 BUILDING & GROUNDS			1,000	1,000	1,000	21
22	3,673	4,186	7,000	22 SAFETY			12,000	12,000	12,000	22
23	795	485	1,000	23 EMPLOYEE MILEAGE			1,000	1,000	1,000	23
24	6,976	7,676	5,280	24 SHOP SUPPLIES			5,280	5,280	5,280	24
25	24,968	34,332	40,000	25 METER EXPENSES			40,000	40,000	40,000	25
26	8,905	980	20,000	26 SAND REPLACEMENT			20,000	20,000	20,000	26
27	**299,829**	**312,922**	**419,050**	27 **TOTAL MATERIALS & SERVICES**			**439,700**	**439,700**	**439,700**	27
28				28						28
29				29						29
30				30						30
31	**299,829**	**312,922**	**419,050**	31 **MATERIAL & SERVICES REQUIREMENTS**			**439,700**	**439,700**	**439,700**	31
32				32 UNAPPROPRIATED ENDING FUND BALANCE						32
33	**299,829**	**312,922**	**419,050**	33 **TOTAL REQUIREMENTS (WATER)**			**439,700**	**439,700**	**439,700**	33

FORM LB-31

DETAILED REQUIREMENTS

GENERAL FUND — Name of Organizational Unit - Fund

K-GB-LB WATER DISTRICT — (Name of Municipal Corporation)

	Historical Data			REQUIREMENTS DESCRIPTION	Number of Employ-ees	Range *	Budget for Year 2025-2026			
	Actual		Adopted Budget							
	Second Preceding 2022-2023	First Preceding 2023-2024	This Year 2024-2025				Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
1				1						1
2				2 **PROFESSIONAL FEES**						2
3				3						3
4	12,574	14,770	18,000	4 LEGAL FEES			18,000	18,000	18,000	4
5	14,866	13,743	35,000	5 ENGINEERING FEES			20,000	20,000	20,000	5
6	9,100	10,500	11,000	6 AUDIT/ACCOUNTING FEES			11,000	11,000	11,000	6
7				7						7
8				8						8
9				9						9
10	**36,540**	**39,013**	**64,000**	10 **TOTAL PROFESSIONAL FEES**			**49,000**	**49,000**	**49,000**	10
11				11						11
12				12 **CAPITAL OUTLAY**						12
13	174,686	252,961	105,000	13 WATER SYSTEM IMPROVEMENTS			154,014	154,014	154,014	13
14	40,559	48,205	75,000	14 MAJOR EQUIPMENT			30,000	30,000	30,000	14
15	0	4,154	5,000	15 OFFICE EQUIPMENT			5,000	5,000	5,000	15
16	0	3,938	10,000	16 BUILDINGS			10,000	10,000	10,000	16
17	8,302	0	130,000	17 MAJOR OFFICE EQUIPMENT			10,000	10,000	10,000	17
18				18						18
19	**223,547**	**309,258**	**325,000**	19 **TOTAL CAPITAL OUTLAY**			**209,014**	**209,014**	**209,014**	19
20				20						20
21				21						21
22	0	0	0	22 TRANSFER TO OTHER FUND			0	0	0	22
23				23						23
24				24						24
25	**0**	**0**	**0**	25 **TOTAL TRANSFERS**			**0**	**0**	**0**	25
26				26						26
27				27						27
28	0	0	227,300	28 **CONTINGENCIES**			200,000	200,000	200,000	28
29				29						29
30				30						30
31	**1,508,328**	**1,632,707**	**2,297,523**	31 **REQUIREMENTS**			**1,873,955**	**1,873,955**	**1,873,955**	31
32	1,661,280	1,934,910	67,300	32 UNAPPROPRIATED ENDING FUND BALANCE			350,311	350,311	350,311	32
33	**3,169,608**	**3,567,617**	**2,364,823**	33 **TOTAL REQUIREMENTS**			**2,224,266**	**2,224,266**	**2,224,266**	33

FORM LB-30

REQUIRMENTS SUMMARY

BY FUND, ORGANIZATIONAL UNIT OR PROGRAM

GENERAL FUND — Name of Organizational Unit - Fund

K-GB-LB WATER DISTRICT — (Name of Municipal Corporation)

	Historical Data			REQUIREMENTS DESCRIPTION	Budget for Year 2025-2026			
	Actual		Adopted Budget					
	Second Preceding 2022-2023	First Preceding 2023-2024	This Year 2024-2025		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
				PERSONNEL SERVICES				
1	382,800	382,688	492,389	1 SEWER DEPARTMENT	373,997	373,997	373,997	1
2	487,554	502,978	654,034	2 WATER DEPARTMENT	478,644	478,644	478,644	2
3				3				3
4				4				4
5				5				5
6				6				6
7	**870,354**	**885,666**	**1,146,423**	7 **TOTAL PERSONNEL SERVICES**	**852,641**	**852,641**	**852,641**	7
				MATERIALS AND SERVICES				
8	78,058	85,848	115,750	8 SEWER DEPARTMENT	123,600	123,600	123,600	8
9	299,829	312,922	419,050	9 WATER DEPARTMENT	439,700	439,700	439,700	9
10	36,540	39,013	64,000	10 WATER DEPARTMENT PROFESSIONAL FEES	49,000	49,000	49,000	10
11				11				11
12				12				12
13				13				13
14	**414,427**	**437,783**	**598,800**	14 **TOTAL MATERIALS AND SERVICES**	**612,300**	**612,300**	**612,300**	14
				CAPITAL OUTLAY				
15	174,686	252,961	105,000	15 WATER SYSTEM IMPROVEMENTS	154,014	154,014	154,014	15
16	40,559	48,205	75,000	16 MAJOR EQUIPMENT	30,000	30,000	30,000	16
17	0	4,154	5,000	17 OFFICE EQUIPMENT	5,000	5,000	5,000	17
18	0	3,938	10,000	18 BUILDINGS	10,000	10,000	10,000	18
19	8,302	0	130,000	19 MAJOR OFFICE EQUIPMENT	10,000	10,000	10,000	19
20				20				20
21	**223,547**	**309,258**	**325,000**	21 **TOTAL CAPITAL OUTLAY**	**209,014**	**209,014**	**209,014**	21
				TRANSFERRED TO OTHER FUNDS				
22	0	0	0	22 TRANSFER TO OTHER FUND	0	0	0	22
23				23				23
24				24				24
25	0	0	227,300	25 GENERAL OPERATING CONTINGENCY	200,000	200,000	200,000	25
26	**0**	**0**	**227,300**	26 **TOTAL TRANSFERS & CONTINGENCIES**	**200,000**	**200,000**	**200,000**	26
27	**1,508,328**	**1,632,707**	**2,297,523**	27 **REQUIREMENTS**	**1,873,955**	**1,873,955**	**1,873,955**	27
28	1,661,280	1,934,910	67,300	28 UNAPPROPRIATED ENDING FUND BALANCE	350,311	350,311	350,311	28
29	**3,169,608**	**3,567,617**	**2,364,823**	29 **TOTAL REQUIREMENTS**	**2,224,266**	**2,224,266**	**2,224,266**	29

FORM LB-11

RESERVE FUND
RESOURCES AND REQUIREMENTS

07 FmHA RESERVE FUND (Fund)

K-GB-LB WATER DISTRICT (Name of Municipal Corporation)

	Historical Data			DESCRIPTION RESOURCES AND REQUIREMENTS	Budget for Year 2025-2026			
	Actual		Adopted Budget					
	Second Preceding 2022-2023	First Preceding 2023-2024	This Year 2024-2025		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
				RESOURCES				
				Beginning Fund Balance				
1	27,481	0	0	1 Cash on hand* (cash basis), or	0	0	0	1
2	0	0	0	2 Working capital* (accrual basis)	0	0	0	2
3	0	0	0	3 Transfer from Other Funds	0	0	0	3
4				4				4
5				5				5
6				6				6
7				7				7
8				8				8
9	**27,481**	**0**	**0**	9 **TOTAL RESOURCES**	**0**	**0**	**0**	9
10				10				10
11				11				11
12	**27,481**	**0**	**0**	12 **TOTAL RESOURCES**	**0**	**0**	**0**	12
				REQUIREMENTS				
13	27,481	0	0	13 Transfer to Other Funds - 01	0	0	0	13
14				14				14
15				15				15
16				16				16
17				17				17
18				18				18
19				19				19
20				20				20
21				21				21
22				22				22
23				23				23
24				24				24
25				25				25
26				26				26
27				27				27
28	0	0	0	28 RESERVED FOR FUTURE EXPENDITURES	0	0	0	28
29	**27,481**	**0**	**0**	29 **TOTAL REQUIREMENTS**	**0**	**0**	**0**	29

150-504-011 (Rev. 02-14)

This fund was a requirement of FMHA. The organization must deposit $9,360.00 annually until the fund balance is $93,800. That balance must be maintained until the bonds are expired.

Per ORS 294.525 a review of this fund is to be done by the governing body at least every 10 years. **294.525** [1997 c.308 §2; 1999 c.632 §16; renumbered 294.346 in 2011]

(FmHA) Farmers Home Administration - Also referred to as (USDA) An Agency of the US Department of Agriculture

FORM LB-35

Bond Debt Payment are for:
_____Revenue Bonds or
__x_ General Obligation Bonds

BONDED DEBT RESOURCES AND REQUIREMENTS

05 GENERAL OBLIGATION (Fund)

K-GB-LB WATER DISTRICT (Name of Municipal Corporation)

	Historical Data			DESCRIPTION RESOURCES AND REQUIREMENTS	Budget for Year 2025-2026			
	Actual		Adopted Budget					
	Second Preceding 2022-2023	First Preceding 2023-2024	This Year 2024-2025		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
				RESOURCES				
1				1 Cash on hand* (cash basis), or				1
2	4,705	0	0	2 Working capital* (accrual basis)	0	0	0	2
3	0	0	0	3 Previously levied taxes estimated to be received	0	0	0	3
4	0	0	0	4 Earning from temporary investments	0	0	0	4
5	0	0	0	5 Transferred from other funds	0	0	0	5
6				6				6
7	**4,705**	**0**	**0**	7 Total Resources, Except Taxes to be Levied	**0**	**0**	**0**	7
8				8 Taxes estimated to be received	0	0	0	8
9	0			9 Total Collected in Year Levied *				9
10	**4,705**	**0**	**0**	10 **TOTAL RESOURCES**	**0**	**0**	**0**	10
				REQUIREMENTS				
				Bond Principal Payments Issue Date / Budgeted Payment Date				
11	0	0	0	1 8-92 / 8-22	0	0	0	1
12				2				2
13				3				3
14	**0**	**0**	**0**	4 Total Principal	**0**	**0**	**0**	4
				Bond Interest Payments Issue Date / Budgeted Payment Date				
15	0	0	0	5 8-92 / 8-22	0	0	0	5
16				6				6
17				7				7
18	**0**	**0**	**0**	8 Total Interest	**0**	**0**	**0**	8
				Unappropriated Balance for Following Year By Issue Date / Payment Date				
19				9 8-92 / 8-23 (PRINCIPAL)	0	0	0	9
20				10 8-92 / 8-23 (INTEREST)	0	0	0	10
21	4705	0	0	11 Transfer to Other Funds 01	0	0	0	11
22				12				12
23	0	0	0	13 Total Unappropriated Ending Fund Balance	0	0	0	13
24	**4,705**	**0**	**0**	14 **TOTAL REQUIREMENTS**	**0**	**0**	**0**	14

150-504-035 (Rev.12-95)

* If this form is used for revenue bonds, resource lines 8 and 9 may not be used.

FORM LB-11

RESERVE FUND
RESOURCES AND REQUIREMENTS

03 System Development Charge (SDC) IMPROVEMENT Fund

K-GB-LB WATER DISTRICT (Name of Municipal Corporation)

SEE BOTTOM FOR SPECIAL NOTE!!!

	Historical Data			DESCRIPTION RESOURCES AND REQUIREMENTS	Budget for Year 2025-2026			
	Actual		Adopted Budget					
	Second Preceding 2022-2023	First Preceding 2023-2024	This Year 2024-2025		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
				RESOURCES				
				Beginning Fund Balance				
1				1 Cash on hand* (cash basis), or				1
2	177,177	198,898	120,000	2 Working capital* (accrual basis)	117,000	117,000	117,000	2
3	31,669	8,637	0	3 SDC Fees received	0	0	0	3
4	0	0	0	4 Earning from temporary investments	0	0	0	4
5	0	0	0	5 Transfer from other funds	0	0	0	5
6				6				6
7				7				7
8				8				8
9	**208,846**	**207,535**	**120,000**	9 Total resources, except taxes to be levied	**117,000**	**117,000**	**117,000**	9
10				10 Taxes necessary to balance				10
11				11 Taxes collected in year levied				11
12	**208,846**	**207,535**	**120,000**	12 **TOTAL RESOURCES**	**117,000**	**117,000**	**117,000**	12
				REQUIREMENTS				
13				13				13
14	9,948	86,748	50,000	14 SDC IMPROVEMENTS	50,000	50,000	50,000	14
15	0	0	0	15 Transfer to other funds	0	0	0	15
16				16				16
17				17				17
18				18				18
19				19				19
20				20				20
21				21				21
22				22				22
23				23				23
24				24				24
25				25				25
26				26				26
27				27				27
28	198,898	120,787	70,000	28 RESERVED FOR FUTURE EXPENDITURES	67,000	67,000	67,000	28
29	**208,846**	**207,535**	**120,000**	29 **TOTAL REQUIREMENTS**	**117,000**	**117,000**	**117,000**	29

This fund is authorized by ORS 223.297 through 223.314 and established by resolution/ordinance number 01-01 on 5-10-01 for the following specified purpose:

(SDC) System Development Charge Improvement Fund costs associated with capital improvements to be constructed.

ORS 223.311 requires an annual accounting for SDC charges showing the total amount of SDC revenues and the projects that were funded.

FORM LB-11

RESERVE FUND
RESOURCES AND REQUIREMENTS

04 System Development Charge (SDC) REIMBURSEMENT Fund

K-GB-LB WATER DISTRICT (Name of Municipal Corporation)

SEE BOTTOM FOR SPECIAL NOTE!

	Historical Data			DESCRIPTION RESOURCES AND REQUIREMENTS	Budget for Year 2025-2026			
	Actual		Adopted Budget					
	Second Preceding 2022-2023	First Preceding 2023-2024	This Year 2024-2025		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
				RESOURCES				
1				1 Cash on hand* (cash basis), or				1
2	134,710	148,823	143,500	2 Working capital* (accrual basis)	159,000	159,000	159,000	2
3	14,113	3,849	0	3 SDC Fees received	0	0	0	3
4	0	0	0	4 Earning from temporary investments	0	0	0	4
5	0	0	0	5 Transfer from other funds	0	0	0	5
6				6				6
7				7				7
8				8				8
9	**148,823**	**152,672**	**143,500**	9 Total resources	**159,000**	**159,000**	**159,000**	9
10				10				10
11				11				11
12	**148,823**	**152,672**	**143,500**	12 **TOTAL RESOURCES**	**159,000**	**159,000**	**159,000**	12
				REQUIREMENTS				
13				13				13
14	0	0	20,000	14 SYSTEMS IMPROVEMENTS	20,000	20,000	20,000	14
15	0	0	0	15 Transfer to other funds	0	0	0	15
16				16				16
17				17				17
18				18				18
19				19				19
20				20				20
21				21				21
22				22				22
23				23				23
24				24				24
25				25				25
26				26				26
27				27				27
28	148,823	152,672	123,500	28 RESERVED FOR FUTURE EXPENDITURES	139,000	139,000	139,000	28
29	**148,823**	**152,672**	**143,500**	29 **TOTAL REQUIREMENTS**	**159,000**	**159,000**	**159,000**	29

This fund is authorized by ORS 223.297 through 223.314 and established by resolution/ordinance number 01-01 on 5-10-01 for the following specified purpose:

(SDC) System Development Charge Reimbursement Fund costs associated with capital improvements already constructed or under construction.

ORS 223.311 requires an annual accounting for SDC charges showing the total amount of SDC revenues and the projects that were funded.

FORM LB-10

SPECIAL REVENUE FUND
RESOURCES AND REQUIREMENTS

02 CAPITAL PROJECTS (Local Option Tax) (Fund)

K-GB-LB WATER DISTRICT (Name of Municipal Corporation)

	Historical Data			DESCRIPTION RESOURCES AND REQUIREMENTS	Budget for Year 2025-2026			
	Actual		Adopted Budget					
	Second Preceding 2022-2023	First Preceding 2023-2024	This Year 2024-2025		Proposed By Budget Officer	Approved By Budget Committee	Adopted By Governing Body	
				RESOURCES				
1				1 Cash on hand * (cash basis), or				1
2	438,382	424,889	597,874	2 Working Capital* (accrual basis)	1,030,000	1,030,000	1,030,000	2
3	581,746	609,519	0	3 Previously levied taxes estimated to be received	0	0	0	3
4	358	991	100	4 Interest	100	100	100	4
5	0	0	0	5 Transferred IN, from other funds	0	0	0	5
6				6				6
7				7				7
8				8				8
9	1,020,486	1,035,399	597,974	9 Total Resources, except taxes to be levied	1,030,100	1,030,100	1,030,100	9
10			505,000	10 Taxes estimated to be received	515,000	515,000	515,000	10
11				11 Taxes collected in year levied				11
12	**1,020,486**	**1,035,399**	**1,102,974**	**12. TOTAL RESOURCES**	**1,545,100**	**1,545,100**	**1,545,100**	12
				REQUIREMENTS by Org. Unit/Prog.&Activity				
13	595,597	356,943	246,142	13 Water Systems Improvements	770,000	770,000	770,000	13
14	0	0	0	14 Transfer Out, to other funds	0	0	0	14
15				15				15
16				16				16
17				17				17
18				18				18
19				19				19
20				20				20
21				21				21
22				22				22
23				23				23
24				24				24
25				25				25
26				26				26
27				27 Ending balance (prior years)				27
28	424,889	678,456	856,832	28 UNAPPROPRIATED ENDING FUND BALANCE	775,100	775,100	775,100	28
29	**1,020,486**	**1,035,399**	**1,102,974**	**29 TOTAL REQUIREMENTS**	**1,545,100**	**1,545,100**	**1,545,100**	29