

CITY OF LOWELL
LANE COUNTY, OREGON

ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended: June 30, 2020

Emerald CPA Group, LLP
450 Country Club Road Suite 155
Eugene OR 97401

CITY OF LOWELL
LANE COUNTY, OREGON

ANNUAL
FINANCIAL
REPORT

For the Fiscal Year Ended: June 30, 2020

Prepared by the Finance Department
of the City of Lowell

CITY OF LOWELL
Annual Financial Report
Fiscal Year Ending: June 30, 2020

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INTRODUCTORY SECTION

CITY OF LOWELL

CITY OFFICIALS

June 30, 2020

ELECTED OFFICIALS

<u>Position</u>	<u>Title</u>	<u>Name and Address</u>	<u>Term Expires</u>
1	Mayor	Don Bennett 540 Sunridge Lane Lowell, OR 97452	December 31, 2022
2	Council Member	Patricia Angelini 239 S Pioneer street Lowell, OR 97452	December 31, 2020
3	Council Member	Samantha Dragt PO Box 430 Lowell, OR 97452	December 31, 2020
4	Council Member	Tim Stratis PO Box 342 Lowell, OR 97452	December 31, 2022
5	Council President	Gail Harris PO Box 328 Lowell, OR 97452	December 31, 2020

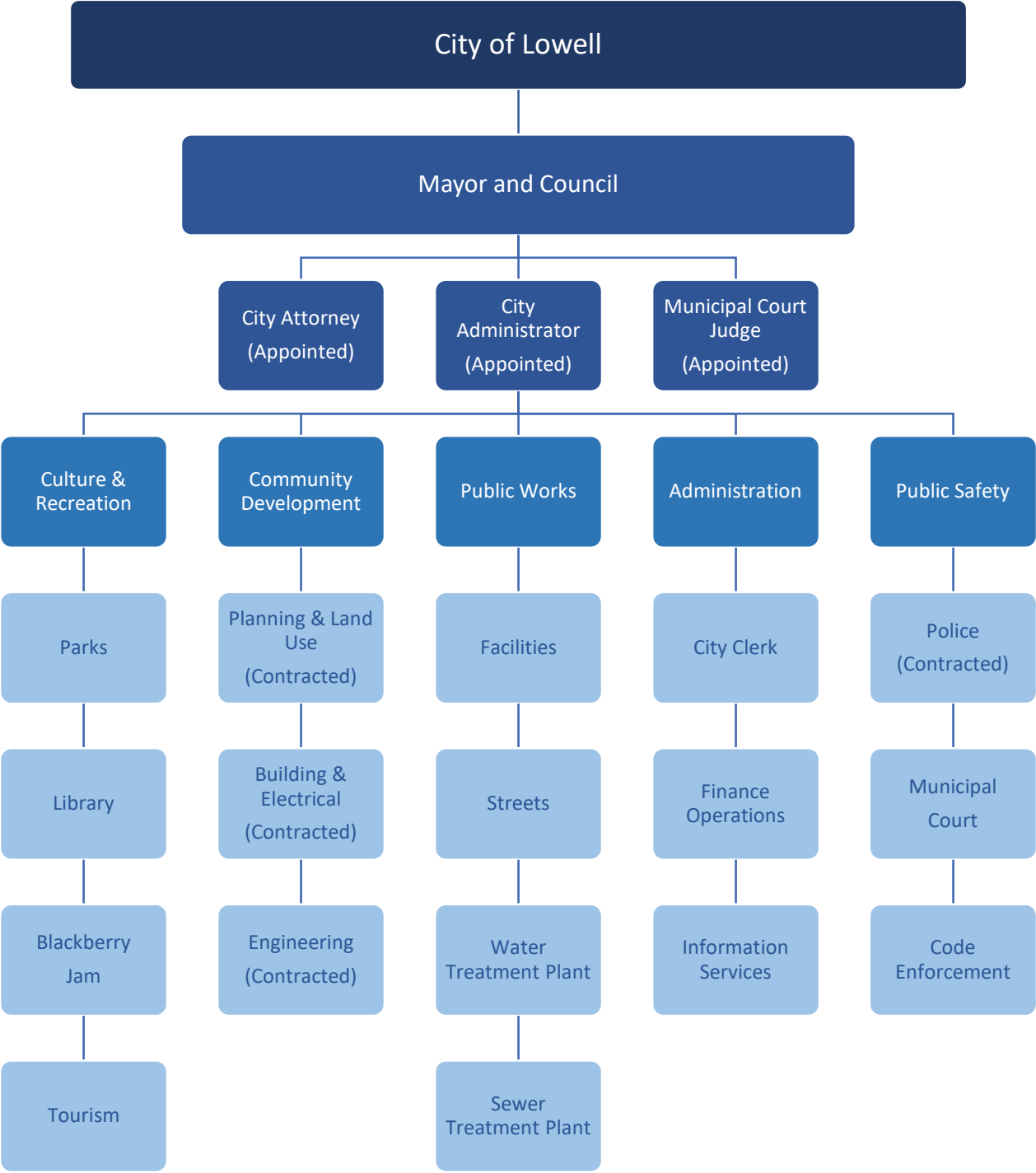
APPOINTED OFFICIALS

<u>Title</u>	<u>Name</u>	<u>Appointed</u>
City Administrator	Jared Cobb	June 30, 2015
Attorney at Law	Anne Davis	July 1, 2018
Municipal Judge	Frank Segarra	October 15, 2012

MAILING ADDRESS

City of Lowell
107 East Third Street
PO Box 490
Lowell, Oregon 97452
Phone (541) 937-2157 - Facsimile (541) 937-2936

CITY OF LOWELL
Organizational Chart



INDEPENDENT AUDITOR'S REPORT

Emerald CPA Group, LLP

450 Country Club Road, Suite 155
Eugene OR 97401

INDEPENDENT AUDITOR'S REPORT

Mayor and Members of the City Council
City of Lowell
Lane County, Oregon

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lowell, Oregon, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the

effectiveness of the internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each minor fund and the aggregate remaining fund Information of the City of Lowell, as of June 30, 2020, and the respective changes in financial position and where applicable, cash flows thereof, for the year then ended in accordance with the modified cash basis of accounting described in note 1.

Other Matters

Other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The Management's Discussion and Analysis on pages i-ix is presented for purposes of additional analysis and is not a required part of the basic financial statements. We have applied certain limited procedures to this supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The combining statements of remaining aggregate fund information and the budgetary schedules presented as supplementary information on pages 22-43 are for the purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Other Legal and Regulatory Requirements

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 30, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contract, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated November 30, 2020, on our consideration of the City's internal control over financial reporting and on tests of its compliance with the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 162-10-320. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

Emerald CPA Group LLP

Eugene, Oregon
November 30, 2020

MANAGEMENT'S DISCUSSION & ANALYSIS

CITY OF LOWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ending June 30, 2020

Management's Discussion and Analysis (MD&A) focuses on current year activities and resulting changes. This MD&A is based on currently known facts, decisions, and conditions that existed as of the date of the independent auditor's report. Please read it in conjunction with the City's financial statements, which follow this discussion and analysis.

This discussion and analysis present the highlights of financial activities and the financial position of the City of Lowell. The analysis focuses on significant financial issues, major financial activities and resulting changes in financial position, debt administration, capital assets, budget changes and variances from the budget, specific issues related to funds and the economic factors affecting the City.

FINANCIAL HIGHLIGHTS

- The City's total Assets as of June 30, 2020 are \$9,454,814, a decrease of \$153,071 from the previous year primarily a result of current year depreciation expense.
- The City's total Liabilities are \$2,029,457, a decrease of \$91,356 from the previous year, primarily a result of a decrease in long-term debt.
- The City's total debt outstanding decreased \$82,259 or 4% during the current fiscal year. This decrease is the result of annual debt service payments made.
- The City's Net Position increased \$17,725 in governmental activities and decreased \$78,990 in business-type activities for a combined decrease of \$61,715 from the previous year.
- For its governmental activities, the City received \$150,732 in tax revenue, up \$3,163, or 2% over the prior year.
- For its business-type activities, the City recognized \$762,258 in program revenue including \$744,509 in charges for services.
- The City's governmental funds reported a combined fund balance of \$521,174, a decrease of \$12,191 from the previous fiscal year. Of the total fund balance reported, \$261,758 is considered non-spendable, restricted, committed or assigned. The remaining \$259,416 is available for spending at the government's discretion.
- The Debt Reserve Fund was closed at the end of this fiscal year. The remaining fund balance of \$12,839 was transferred from the Debt Reserve Fund to the Sewer Fund as planned in the 2019-2020 budget. Unless otherwise required by statute, future debt service requirements will be met from the originating fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following discussion and analysis is intended to serve as an introduction to the City's basic financial statements and other required supplementary information. The City's basic financial statements are comprised of four components:

- Government-wide financial statements
- Fund Financial statements
- Notes to the basic financial statements
- Supplementary information

CITY OF LOWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ending June 30, 2020

Government-wide financial statements

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

The *Statement of Net Position* presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net assets changed during the most recent fiscal year. Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes, fees, and inter-governmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The governmental activities of the City include the following:

- General Government
- Public Works, Streets
- Infrastructure Systems Development
- Blackberry Jam Festival
- Debt Reserve *(closed at fiscal year-end)*

The Business-type activities of the City include the following:

- Water Utility
- Sewer Utility

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to demonstrate and ensure compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: Governmental funds and Proprietary funds.

Major funds are defined as the General Fund and any other fund where the assets, liabilities, revenues, or expenditures/expenses exceed 10% of total government fund amounts or 10% of total enterprise fund amounts and 5% of total government and enterprise fund amounts combined. Generally accepted accounting principles require that detailed information about major funds be separately disclosed.

Governmental funds

Governmental funds are used to account for activities where the emphasis is placed on available financial resources, rather than upon net income determination. Therefore, unlike the government-wide financial statements, governmental fund financial statements focus on the acquisition and use of current spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide

CITY OF LOWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ending June 30, 2020

reconciliations to facilitate the comparison between governmental funds and governmental activities. These reconciliations can be found in the basic financial statements.

The City maintains eight individual governmental funds: two major funds: The General Fund and the Street Fund, and six non-major funds: The Blackberry Jam Fund, Parks Systems Development Charges Fund, Transportation SDC Fund, Storm-water SDC Fund, Equipment Fund, and the Debt Service Fund. Information for major funds is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances, all non-major funds are aggregated in one column.

The City adopts an annual appropriated budget for all governmental funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided in the Supplementary Information section.

Proprietary funds

Proprietary funds are used to account for activities where the emphasis is placed on net income determination. The City maintains one type of proprietary fund known as an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water utility and sewer utility operations, the collection of water and sewer SDC's and for reserves for water and sewer utility capital improvements. The water and sewer funds, both of which are considered major funds of the City, are combined with their associated reserve and SDC funds in the basic financial statements.

The City also adopts an annual appropriated budget for all proprietary funds. The proprietary fund financial statements can be found in the Basic Financial Statements. To demonstrate compliance with the budget, budgetary comparison statements have been provided in the Supplementary Information section.

Notes to the basic financial statements

The notes to the basic financial statements contain additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. They are an integral part of the basic financial statements and should be read in conjunction with them.

Other supplementary information

Combining statements and schedules, including budgetary comparison statements, follow the notes in this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

One important question asked about the City's finances is, "Is the City better or worse off as a result of the year's activities?" The information in the government-wide financial statements helps answer this question. These statements include all assets and liabilities, with the addition of reporting depreciation on capital assets. This is similar to the basis of accounting used by most private-sector companies.

The change in net position over time is one indicator of whether the City's financial health is improving or deteriorating. However, there are other non-financial factors that influence the City's fiscal health, such as changes in the economy and changes in the City's tax base, etc. This report includes a comparison to the prior year to assist the reader in determining the status of the City's fiscal standing over time. At the close of the most recent fiscal year, the City's assets exceeded liabilities (net position) by \$7,425,357.

CITY OF LOWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ending June 30, 2020

CITY OF LOWELL – NET POSITION

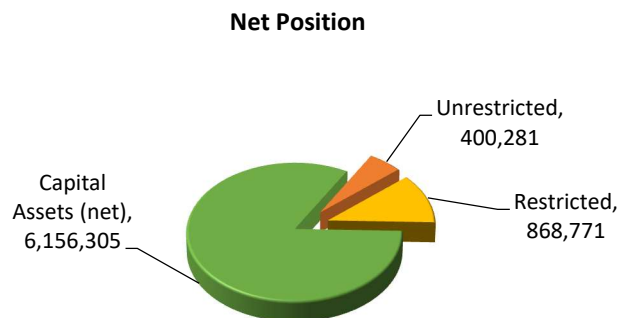
The table below reflects a summary of net position compared to the prior fiscal year, the following notes summarize the major changes to net position.

	Government		Business		Total	
	June 2020	June 2019	June 2020	June 2019	June 2020	June 2019
Current and other assets	\$ 521,174	\$ 544,322	\$ 783,738	\$ 771,896	\$ 1,304,912	\$ 1,316,218
Capital assets	3,874,185	3,861,814	4,275,717	4,429,853	8,149,902	8,291,667
Total assets	\$ 4,395,359	\$ 4,406,136	\$ 5,059,455	\$ 5,201,749	\$ 9,454,814	\$ 9,607,885
Current liabilities	\$ 17,845	\$ 10,957	\$ 102,964	\$ 34,000	\$ 120,809	\$ 44,957
Non-current liabilities	495,060	530,000	1,413,588	1,545,856	1,908,648	2,075,856
Total liabilities	\$ 512,905	\$ 540,957	\$ 1,516,552	\$ 1,579,856	\$ 2,029,457	\$ 2,120,813
Net position:						
Net investment in capital assets	\$ 3,361,280	\$ 3,331,814	\$ 2,795,025	\$ 2,883,997	\$ 6,156,305	\$ 6,215,811
Restricted	227,067	206,457	173,214	393,482	400,281	599,939
Unrestricted	294,107	326,908	574,664	344,414	868,771	671,322
Total net position	\$ 3,882,454	\$ 3,865,179	\$ 3,542,903	\$ 3,621,893	\$ 7,425,357	\$ 7,487,072

Changes in net position

The entire balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors within the fund they are located. The City's current and other assets equal \$1,304,912, a decrease of \$11,306 from the previous year. The City's total non-current liabilities equal \$1,908,648, a decrease of \$167,208 from the previous fiscal year.

83% of the City's net position is invested in capital assets (e.g. land, buildings, equipment, and infrastructure, less accumulated depreciation), and reported net of any related debt. The City uses these capital assets to provide services to its citizens, thus, they do not represent resources available for future spending. 5% of the City's net position is restricted and represents cash and investments that are legally restricted for capital expansion or debt service. Finally, the remaining 12% is unrestricted, meaning it is available for meeting the City's ongoing obligations. The following chart displays the three components of net position as of June 30th.



CITY OF LOWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ending June 30, 2020

CITY OF LOWELL – STATEMENT OF ACTIVITIES

As with the Statement of Net Position, the Statement of Activities reports activities on a consolidated basis. A summary of significant activities follows the table below.

	Government		Business		Total	
	June 2020	June 2019	June 2020	June 2019	June 2020	June 2019
Revenues:						
Program revenues:						
Charges for service	\$ 127,188	\$ 234,628	\$ 744,509	\$ 754,992	\$ 871,697	\$ 989,620
Capital grants & contributions	6,100	70,925	-	-	6,100	70,925
Operating grants	186,282	128,432	-	-	186,282	128,432
Total program revenues	319,570	433,985	744,509	754,992	1,064,079	1,188,977
General revenues:						
Property taxes	150,732	147,569	-	-	150,732	147,569
Franchise & public service taxes	62,928	52,206	-	-	62,928	52,206
Investment earnings	8,618	9,833	12,363	5,334	20,981	15,167
Other	2,362	240,483	4,586	13,539	6,948	254,022
Gain (loss) on sale of asset	-	-	800	(29)	800	(29)
Total general revenues	224,640	450,091	17,749	18,844	242,389	468,935
Total revenues:	544,210	884,076	762,258	773,836	1,306,468	1,657,912
Expenses:						
General government	163,018	108,152	-	-	163,018	108,152
Culture & recreation	116,507	109,413	-	-	116,507	109,413
Public safety	28,123	27,300	-	-	28,123	27,300
Community Development	102,066	168,433	-	-	102,066	168,433
Code Enforcement	14,490	11,863	-	-	14,490	11,863
Tourism	2,786	7,566	-	-	2,786	7,566
Municipal court	11,462	11,186	-	-	11,462	11,186
Highways & streets	87,625	134,185	-	-	87,625	134,185
Water	-	-	395,706	367,124	395,706	367,124
Sewer	-	-	446,400	390,655	446,400	390,655
Total expenses:	526,077	578,098	842,106	757,779	1,368,183	1,335,877
Increase in net position before transfers	18,133	305,978	(79,848)	16,057	(61,715)	322,035
Transfer to or (from) other funds	(858)	(352,013)	858	352,013	-	-
Change in net position	17,275	(46,035)	(78,990)	368,070	(61,715)	322,035
Beginning net position	3,865,179	3,911,214	3,621,893	3,253,823	7,487,072	7,165,037
Ending net position	\$ 3,882,454	\$ 3,865,179	\$ 3,542,903	\$ 3,621,893	\$ 7,425,357	\$ 7,487,072

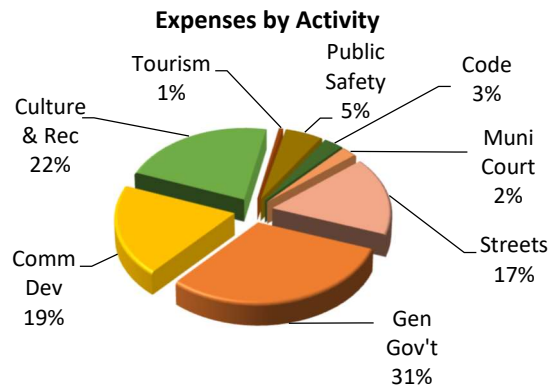
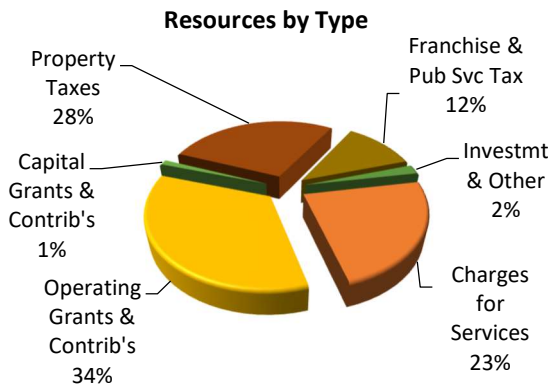
CITY OF LOWELL
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 For the Year Ending June 30, 2020

Governmental Activities

The net position for governmental activities increased \$17,275 over the prior year. This increase is mainly the result of ongoing operations for governmental activities.

Financial highlights from governmental activities for the year include:

- Property taxes comprise approximately 28% of governmental resources. For operating purposes, property tax revenues increased \$3,163 over last year, as allowed by statute.
- Charges for services represent 23% of governmental resources which include: Building & electrical permits, land use and other permits and licenses, festival revenue and court fines.
- The major differences to governmental revenue include a decrease to building and land use permits of \$102,508, an increase in operating grants of \$32,000 used to update the Parks Master Plan, and a reduction in other revenue of \$238,121 mainly due to litigation proceeds received in the prior year.
- Total governmental activity expense decreased \$52,021 mainly due to a reduction in building and land use permit activity.

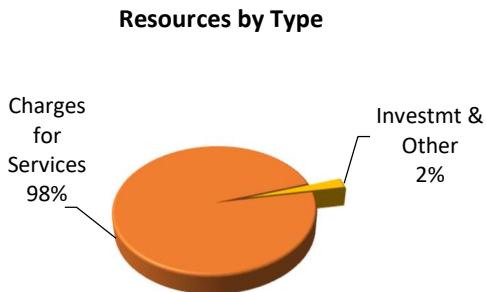


Business Activities

Business-type activities resulted in a \$78,990 decrease to net position from the prior year mainly the result of an increase to operational expenses and an overall decrease in program revenues.

Key activities during the fiscal year include:

- Charges for services in the water and sewer funds generated the majority of the \$762,258 in revenues for all business-type activities.
- Expenses increased \$84,327 mainly due to an increase in personal services to water and sewer utilities.



CITY OF LOWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ending June 30, 2020

FUND FINANCIAL ANALYSIS

As previously discussed, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A summary of the City's fund balances and fund types follows the table below.

	Government		Business		Total	
	June 2020	June 2019	June 2020	June 2019	June 2020	June 2019
General Fund	\$ 272,113	\$ 297,503	\$ -	\$ -	\$ 272,113	\$ 297,503
Street Fund	67,703	90,839	-	-	67,703	90,839
SDC Fund(s)	146,667	115,618	-	-	146,667	115,618
Equipment Fund	22,181	174	-	-	22,181	174
BBJ Festival Fund	12,510	16,392	-	-	12,510	16,392
Debt Service Fund	-	12,839	-	-	-	12,839
Water Operating Fund	-	-	1,445,664	1,518,214	1,445,664	1,518,214
Water Reserve Fund	-	-	23,643	19,692	23,643	19,692
Water SDC Fund	-	-	311,502	265,465	311,502	265,465
Sewer Operating fund	-	-	1,612,523	1,682,259	1,612,523	1,682,259
Sewer Reserve Fund	-	-	9,826	8,246	9,826	8,246
Sewer SDC Fund	-	-	139,745	128,017	139,745	128,017
Total:	<u>\$ 521,174</u>	<u>\$ 533,365</u>	<u>\$ 3,542,903</u>	<u>\$ 3,621,893</u>	<u>\$ 4,064,077</u>	<u>\$ 4,155,258</u>

Governmental funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$521,174, of which \$259,416 is unassigned. Of the remaining amount \$220,470 is restricted for streets, capital projects and SDC's, and \$41,288 is committed or assigned for the Blackberry Jam, equipment and property maintenance.

Business-type (Proprietary) funds

The Water and Sewer funds ended the year with a \$78,990 decrease in net position, for a combined net position of \$3,542,903.

The Water fund ended the fiscal year with a net position of \$1,780,809, with \$112,957 of that amount unrestricted and the remaining balance restricted for debt service, capital projects (SDC's) or invested (net) in capital assets.

The Sewer fund ended the fiscal year with a net position of \$1,762,094, with \$150,205 of that amount unrestricted and the remaining balance restricted for debt service, capital projects (SDC's) or invested (net) in capital assets.

GENERAL FUND BUDGETARY HIGHLIGHTS

The budgetary statement for the General Fund shows the original budget, final budget, actual revenues, expenditures, debt service and transfers for the fiscal year ending June 30, 2020. The Council approved two amendments to the budget which were approved by resolution. The adjustments include an increase of \$52,450 to community development to offset unanticipated increases to building and permit activity, an increase of \$8,079 to debt service within the General Fund and an increase of \$150 to the Debt Reserve Fund to account for the subsequent disbursement of unanticipated interest upon the closure of the Debt Reserve Fund.

CITY OF LOWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ending June 30, 2020

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets

The City's investment in capital assets for its governmental and business-type activities as of June 30th was \$8,149,902 (net of accumulated depreciation). This investment in capital assets includes land, right-of-way, buildings and improvements, improvements other than buildings (such as parks and park improvements), equipment, and infrastructure (streets, water, storm water, and wastewater). Major purchases this year include a new mower, accounting software, and a carport for public works, as well as a digester blower, camera, and a lift station generator for sewer operations.

	Government		Business		Total	
	June 2020	June 2019	June 2020	June 2019	June 2020	June 2019
Land	\$ 2,595,846	\$ 2,595,846	\$ 92,179	\$ 92,179	\$ 2,688,025	\$ 2,688,025
Construction in progress	56,066	-	5,806	-	61,872	-
Buildings	431,437	429,325	124,989	116,160	556,426	545,485
Infrastructure	1,280,975	1,280,975	8,947,824	8,947,825	10,228,799	10,228,800
Equipment & furnishings	37,424	23,187	182,650	138,903	220,074	162,090
Vehicles & rolling stock	52,147	53,717	55,847	68,130	107,994	121,847
Total:	4,453,895	4,383,050	9,409,295	9,363,197	13,863,190	13,746,247
Accum depreciation:	(579,710)	(521,236)	(5,133,578)	(4,933,344)	(5,713,288)	(5,454,580)
Net capital assets:	\$ 3,874,185	\$ 3,861,814	\$ 4,275,717	\$ 4,429,853	\$ 8,149,902	\$ 8,291,667

Debt Administration

Governmental debt outstanding of \$512,905 reflects a note payable through Government Capital Corporation for the purchase of a City Hall/Library facility. Business debt outstanding of \$1,480,692 includes notes payable through Business Oregon and United States Department of Agriculture – Rural Utilities Services (USDA RUS) for water and sewer system improvements. None of this debt is paid with general obligation bonds.

During the fiscal year, all scheduled debt service payments were met. Governmental debt service obligations are met using unrestricted general revenues. Business debt service requirements are met using revenue generated by water and sewer utilities, SDC's, reimbursement district assessments and/or applicable existing debt reserve. The overall decrease to outstanding debt of \$82,259 reflects principal payment on long-term debt. Of the total debt, \$84,949 is due within one year, and \$1,908,648 is due within more than one year.

	Government		Business		Total	
	June 2020	June 2019	June 2020	June 2019	June 2020	June 2019
Long term obligations:						
Notes payable:						
Gov't Capital Note	\$ 512,905	\$ 530,000	\$ -	\$ -	\$ 512,905	\$ 530,000
Business Oregon (S0006)	-	-	16,519	32,312	16,519	32,312
Business Oregon (J05001)	-	-	113,604	122,135	113,604	122,135
Business Oregon (G02002)	-	-	187,784	206,097	187,784	206,097
USDA RUS (91-03)	-	-	830,688	846,781	830,688	846,781
USDA RUS (92-05)	-	-	332,097	338,531	332,097	338,531
Total obligations:	\$ 512,905	\$ 530,000	\$ 1,480,692	\$ 1,545,856	\$ 1,993,597	\$ 2,075,856

CITY OF LOWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ending June 30, 2020

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City of Lowell is in a stable financial position and continues to experience a slow growth rate and expansion of its infrastructure. The fiscal year 2020-2021 budget was approved by the City Council on June 23, 2020, in the total amount of \$4,318,193, which includes \$57,658 in ending fund balances, \$81,046 in inter-fund transfers, \$154,986 in debt service and \$1,623,245 in capital outlay. The budget reflects the City is dedicated to investing in its infrastructure while ensuring that it is able to maintain high quality services to the City.

Property taxes are the primary resource for the General Fund. The City's permanent tax rate is \$2.1613 per \$1,000 of assessed valuation. Taxes from the permanent rate are recorded in the General Fund as discretionary revenues to support General Fund programs such as Police, Municipal Court, Library, Parks and Recreation and Community Development. Property taxes are budgeted at \$147,051 for the 2020-2021 fiscal year.

Franchise fees and privilege taxes are the second largest revenue source for the General Fund, budgeted at \$97,756, and have proven to be largely stable. These fees are charged to various utility companies for use of public right-of-way based upon a percentage of net sales within city limits. This budget includes franchise fees for the City's water and sewer utilities, which was approved by the City Council via Resolution 747. This resolution was subsequently rescinded by Resolution 753. City Council plans to revisit the collection of franchise fees from water and sewer utilities in the 2021-2022 budget year.

Intergovernmental revenues, budgeted at \$36,936, originate from state and county shared revenues. The state shared revenues include liquor and cigarette excise taxes, state shared revenues and others. The revenues are allocated by various formulas, but utilize a per capita rate. The Street Fund also receives shared revenues from State Highway Street Tax which is budgeted at \$64,212. This budget reflects a reduction in shared revenues due to the economic impact of the corona virus pandemic.

Utility rates are reviewed regularly and adjusted by the City Council to ensure charges are sufficient to finance all related operating, capital outlay, debt service expenses, and operating reserves, as such:

- Water rates will increase 3% effective July 1, 2020
- Sewer rates will increase 3% effective July 1, 2020

The personal services budget includes a 5% step increase for employees that receive a satisfactory performance evaluation. Medical benefits are anticipated to increase 5.5%, and Public Employees Retirement System (PERS) rates will remain flat at 17.24%.

The Building Fund was created with the 2020-2021 budget, for the purpose of tracking building and electrical permit receipts and related expenses. This activity has previously been recorded in the Community Development Department of the General Fund. The creation of the Building Fund will improve management's ability to accurately track building and electrical permit activity as required by Oregon Administrative Rules (OAR's)

Staff calculated receipts and related expenditures for building and electrical activity for the past ten years resulting in a budgeted transfer from the General Fund to the Building Fund in the amount of \$37,200.

Uncertainties about future economic changes and financial impacts are common to all cities. While the local economy may be characterized as stable, significant economic growth is not anticipated for the ensuing fiscal year. The 2019 population estimate is 1,090, an increase of just 1.4% as provided by the Population Research Center at Portland State University.

CITY OF LOWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ending June 30, 2020

As a result of the coronavirus (COVID-19), an overall reduction in shared revenues is anticipated and it is unknown what COVID-19 related expenses may be incurred, and whether federal funding will be available to offset all related expenses. Grant funding has been made available through the Coronavirus Aid, Relief, and Economic Security (CARES) Act to assist with related expenses through December 31, 2020. It is unknown whether additional funding will be available beyond that at this time.

REQUESTS FOR INFORMATION

The financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, please contact:

Marsha Miller, Interim City Administrator
City of Lowell
P. O. Box 490
Lowell, OR 97452

BASIC FINANCIAL STATEMENTS

CITY OF LOWELL
Statement of Net Position
Modified Cash Basis
For the Year Ended June 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 521,174	\$ 783,738	\$ 1,304,912
Total current assets	<u>521,174</u>	<u>783,738</u>	<u>1,304,912</u>
Non-current assets:			
Capital assets:			
Land	2,595,846	92,179	2,688,025
Buildings and facilities	431,437	124,989	556,426
Equipment and furnishings	37,424	182,650	220,074
Vehicles and rolling stock	52,147	55,847	107,994
Infrastructure	1,280,975	8,947,824	10,228,799
Construction in progress	56,066	5,806	61,872
Less accumulated depreciation	<u>(579,710)</u>	<u>(5,133,578)</u>	<u>(5,713,288)</u>
Total non-current assets	<u>3,874,185</u>	<u>4,275,717</u>	<u>8,149,902</u>
Total assets	<u>\$ 4,395,359</u>	<u>\$ 5,059,455</u>	<u>\$ 9,454,814</u>
LIABILITIES			
Current liabilities:			
Utility Deposits	\$ -	\$ 35,860	\$ 35,860
Notes payable - current	<u>17,845</u>	<u>67,104</u>	<u>84,949</u>
Total current liabilities	<u>17,845</u>	<u>102,964</u>	<u>120,809</u>
Non-current liabilities:			
Notes payable - noncurrent	<u>495,060</u>	<u>1,413,588</u>	<u>1,908,648</u>
Total non-current liabilities	<u>495,060</u>	<u>1,413,588</u>	<u>1,908,648</u>
Total liabilities	<u>512,905</u>	<u>1,516,552</u>	<u>2,029,457</u>
NET POSITION			
Net investment in capital assets	3,361,280	2,795,025	6,156,305
Restricted for:	-	-	-
Culture and recreation	6,100	-	6,100
Streets	67,703	-	67,703
Capital projects (SDC)	146,667	139,745	286,412
Unrestricted	<u>300,704</u>	<u>608,133</u>	<u>908,837</u>
Total net position	<u>\$ 3,882,454</u>	<u>\$ 3,542,903</u>	<u>\$ 7,425,357</u>

The accompanying notes are an integral part of these financial statements

CITY OF LOWELL
Statement of Activities
Modified Cash Basis
For the Year Ended June 30, 2020

Functions/Programs	Program Revenue				Net (expenses) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating	Capital	Primary Government		
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government							
Governmental Activities							
General Government	\$ 163,018	\$ 5,106	\$ 37,222	\$ -	\$ (120,690)	\$ -	(120,690)
Culture & Recreation	116,507	22,419	32,280	6,100	(55,708)	-	(55,708)
Public Safety	28,123	-	-	-	(28,123)	-	(28,123)
Community Development	102,066	73,117	30,000	-	1,051	-	1,051
Code Enforcement	14,490	876	-	-	(13,614)	-	(13,614)
Tourism	2,786	-	10,137	-	7,351	-	7,351
Municipal Court	11,462	2,824	-	-	(8,638)	-	(8,638)
Highways & Streets	87,625	22,846	76,643	-	11,864	-	11,864
Total governmental activities	526,077	127,188	186,282	6,100	(206,507)	-	(206,507)
Business-type activities:							
Water	395,706	368,132	-	-	-	(27,574)	(27,574)
Sewer	446,400	376,377	-	-	-	(70,023)	(70,023)
Total business-type activities	842,106	744,509	-	-	-	(97,597)	(97,597)
Total primary government	1,368,183	871,697	186,282	6,100	(206,507)	(97,597)	(304,104)
General Revenues							
Property Taxes, levies for general purposes					150,732	-	150,732
Franchise fees					62,928	-	62,928
Unrestricted Investment earnings					8,618	12,363	20,981
Miscellaneous					2,362	4,586	6,948
Gain (loss) on sale of assets					-	800	800
Transfers					(858)	858	-
Total general revenues and transfers					223,782	18,607	242,389
changes in net position					17,275	(78,990)	(61,715)
Net position - beginning					3,865,179	3,621,893	7,487,072
Net position - ending					\$ 3,882,454	\$ 3,542,903	\$ 7,425,357

The accompanying notes are an integral part of these financial statements

CITY OF LOWELL
Balance Sheet
Governmental Funds
Modified Cash Basis
For the Year Ended June 30, 2020

	General Fund	Street Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 272,113	\$ 67,703	\$ 181,358	\$ 521,174
Total assets	<u>272,113</u>	<u>67,703</u>	<u>181,358</u>	<u>521,174</u>
Fund Equity:				
Restricted for:				
Streets	-	67,703	-	67,703
Parks SDC	-	-	54,359	54,359
Streets SDC	-	-	47,330	47,330
Stormwater SDC	-	-	44,978	44,978
Library Capital Donations	6,100	-	-	6,100
Committed for:				
Property Maintenance	6,597	-	-	6,597
Assigned for:				
Blackberry Jam Festival	-	-	12,510	12,510
Capital projects	-	-	22,181	22,181
Unassigned	259,416	-	-	259,416
Total fund balances	<u>272,113</u>	<u>67,703</u>	<u>181,358</u>	<u>521,174</u>
Total liabilities and fund balances	<u>\$ 272,113</u>	<u>\$ 67,703</u>	<u>\$ 181,358</u>	<u>\$ 521,174</u>

The accompanying notes are an integral part of these financial statements

CITY OF LOWELL
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets
Modified Cash Basis
For the Year Ended June 30, 2020

Total fund balances - governmental funds	\$	521,174
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	3,874,185
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Notes and bonds	(512,905)
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Net Position of Governmental Activities	<u>\$</u>	<u>3,882,454</u>
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The accompanying notes are an integral part of these financial statements

CITY OF LOWELL
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Modified Cash Basis
For the Year Ended June 30, 2020

	General Fund	Street Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes	\$ 150,732	\$ -	\$ -	\$ 150,732
Intergovernmental	109,274	76,643	-	185,917
Franchise fees	62,928	-	-	62,928
Licenses and permits	73,993	-	-	73,993
Charges for services	5,106	-	-	5,106
SDC fees	376	1,768	28,958	31,102
Fees and fines	2,824	-	-	2,824
Investment earnings	5,069	1,424	2,124	8,617
Miscellaneous	2,348	-	381	2,729
Fundraising and event receipts	6,100	-	14,164	20,264
Total Revenues	418,750	79,835	45,627	544,212
EXPENDITURES				
Current:				
General government	125,617	-	-	125,617
Parks	76,428	-	-	76,428
Public safety	28,123	-	-	28,123
Community development	102,066	-	-	102,066
Library	8,635	-	-	8,635
Tourism	14,490	-	-	14,490
Code enforcement	2,786	-	-	2,786
Municipal court	11,462	-	-	11,462
Highways and streets	-	54,743	-	54,743
Blackberry Jam Festival	-	-	18,434	18,434
Debt service:				
Principal	17,095	-	-	17,095
Interest	23,251	-	-	23,251
Capital Outlay:	28,187	44,228	-	72,415
Total Expenditures	438,140	98,971	18,434	555,545
Excess (deficiency) of revenues over expenditures	(19,390)	(19,136)	27,193	(11,333)
OTHER FINANCING SOURCESS (USES)				
Transfers in	-	-	22,000	22,000
Transfers out	(6,000)	(4,000)	(12,858)	(22,858)
Total other financing sources and uses	(6,000)	(4,000)	9,142	(858)
Net change in fund balances	(25,390)	(23,136)	36,335	(12,191)
Fund balances - beginning	297,503	90,839	145,023	533,365
Fund balances - ending	<u>\$ 272,113</u>	<u>\$ 67,703</u>	<u>\$ 181,358</u>	<u>\$ 521,174</u>

The accompanying notes are an integral part of these financial statements

CITY OF LOWELL
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Modified Cash Basis
For the Year Ended June 30, 2020

Net change in fund balances - total governmental funds	\$	(12,191)
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Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated of their estimated useful lives and reported as depreciations expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Expenditures for capital assets	\$	72,415	
Less current year depreciation		(60,042)	12,373

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount by which proceeds exceeded repayments.

Principal Payments		17,095	17,095
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Rounding		(2)
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Change in Net Position of Governmental Activities	\$	17,275
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The accompanying notes are an integral part of these financial statements

CITY OF LOWELL
Statement of Net Position
Proprietary Funds
Modified Cash Basis
For the Year Ended June 30, 2020

	Water Operating Fund	Sewer Operating Fund	Total Proprietary Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 483,962	\$ 299,776	\$ 783,738
Total current assets	<u>483,962</u>	<u>299,776</u>	<u>783,738</u>
Non-current assets:			
Capital assets:			
Land	81,179	11,000	92,179
Buildings and facilities	35,875	89,114	124,989
Equipment and furnishings	113,715	68,935	182,650
Vehicles and rolling stock	34,067	21,780	55,847
Infrastructure	4,238,861	4,708,963	8,947,824
Construction in progress	5,806	-	5,806
Less accumulated depreciation	<u>(2,272,787)</u>	<u>(2,860,791)</u>	<u>(5,133,578)</u>
Total non-current assets	<u>2,236,716</u>	<u>2,039,001</u>	<u>4,275,717</u>
Total assets	<u><u>\$ 2,720,678</u></u>	<u><u>\$ 2,338,777</u></u>	<u><u>\$ 5,059,455</u></u>
LIABILITIES			
Current liabilities:			
Utility Deposits	\$ 35,860	\$ -	\$ 35,860
Notes payable - current	<u>37,541</u>	<u>29,563</u>	<u>67,104</u>
Total current liabilities	<u>73,401</u>	<u>29,563</u>	<u>102,964</u>
Non-current liabilities:			
Notes payable - noncurrent	<u>866,468</u>	<u>547,120</u>	<u>1,413,588</u>
Total non-current liabilities	<u>866,468</u>	<u>547,120</u>	<u>1,413,588</u>
Total liabilities	<u>939,869</u>	<u>576,683</u>	<u>1,516,552</u>
NET POSITION			
Net investment in capital assets	1,332,707	1,462,318	2,795,025
Restricted for:	-	-	-
Debt service	23,643	9,826	33,469
Capital projects (SDC)	311,502	139,745	451,247
Unrestricted	<u>112,957</u>	<u>150,205</u>	<u>263,162</u>
Total net position	<u><u>\$ 1,780,809</u></u>	<u><u>\$ 1,762,094</u></u>	<u><u>\$ 3,542,903</u></u>

The accompanying notes are an integral part of these financial statements

CITY OF LOWELL
Statement of Revenues, Expenditures and Changes in Fund Net Position
Proprietary Funds
Modified Cash Basis
For the Year Ended June 30, 2020

	Water Operating Fund	Sewer Operating Fund	Total
REVENUES			
Charges for services	\$ 318,845	\$ 361,249	\$ 680,094
Other revenues	49,287	15,128	64,415
Total operating revenues	<u>368,132</u>	<u>376,377</u>	<u>744,509</u>
EXPENDITURES			
Personal services	169,295	169,294	338,589
Contractual services	15,260	22,347	37,607
Utilities	22,182	51,251	73,433
Repairs and maintenance	17,981	22,894	40,875
Office supplies and expenses	19,672	15,606	35,278
Other operating expenses	26,033	27,238	53,271
Depreciation	97,356	115,550	212,906
Total operating expenses	<u>367,779</u>	<u>424,180</u>	<u>791,959</u>
Operating income (loss)	<u>353</u>	<u>(47,803)</u>	<u>(47,450)</u>
NON-OPERATING REVENUES (EXPENSES):			
Investment revenue	7,813	4,550	12,363
Miscellaneous revenue	2,399	2,187	4,586
Interest expense	(27,927)	(22,220)	(50,147)
Disposition of capital assets	800	-	800
Total non-operating revenues (expenses)	<u>(16,915)</u>	<u>(15,483)</u>	<u>(32,398)</u>
Net income (loss) before contributions and transfers	(16,562)	(63,286)	(79,848)
Transfers in	3,938	14,433	18,371
Transfers out	(9,938)	(7,575)	(17,513)
Change in net position	<u>(22,562)</u>	<u>(56,428)</u>	<u>(78,990)</u>
Net position - beginning	<u>1,803,371</u>	<u>1,818,522</u>	<u>3,621,893</u>
Net position - ending	<u>\$ 1,780,809</u>	<u>\$ 1,762,094</u>	<u>\$ 3,542,903</u>

The accompanying notes are an integral part of these financial statements

CITY OF LOWELL
Statement of Cash Flows - Proprietary Funds
Modified Cash Basis
For the Year Ended June 30, 2020

	Water Operating Fund	Sewer Operating Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	\$ 369,992	\$ 376,377	\$ 746,369
Other operating receipts	2,194	2,071	4,265
Payments to employees	(169,295)	(169,294)	(338,589)
Payments to suppliers	(101,127)	(139,336)	(240,463)
Net cash provided (used) by operating activities	<u>101,764</u>	<u>69,818</u>	<u>171,582</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:			
Other receipts	205	116	321
Non capital financing activities - transfers	(6,000)	6,858	858
Net cash provided (used) by noncapital financing activities	<u>(5,795)</u>	<u>6,974</u>	<u>1,179</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Proceeds from the sale of capital assets	800	-	800
Purchases of capital assets	(16,025)	(42,744)	(58,769)
Principal paid on capital debt	(36,153)	(29,013)	(65,166)
Interest paid on capital debt	(27,927)	(22,220)	(50,147)
Net cash provided (used) by capital related financing activities	<u>(79,305)</u>	<u>(93,977)</u>	<u>(173,282)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest on investments	7,813	4,550	12,363
Net cash provided (used) by investing activities	<u>7,813</u>	<u>4,550</u>	<u>12,363</u>
Net increase (decrease) in cash and cash equivalents	<u>24,477</u>	<u>(12,635)</u>	<u>11,842</u>
Cash Balances - beginning of the year	459,485	312,411	771,896
Cash Balances - end of the year	<u>\$ 483,962</u>	<u>\$ 299,776</u>	<u>\$ 783,738</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 2,548	\$ (45,732)	\$ (43,184)
Adjustments to reconcile operating income:	-	-	-
Depreciation expense	97,356	115,550	212,906
Change in assets and liabilities:	-	-	-
Increase (decrease) in deposits	1,860	-	1,860
Net cash provided (used) by operating activities	<u>\$ 101,764</u>	<u>\$ 69,818</u>	<u>\$ 171,582</u>

The accompanying notes are an integral part of these financial statements

NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF LOWELL
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Lowell, Oregon, operates under a Council-Manager form of government. The governing body consists of five elected council members, of which one is selected as Mayor by a majority of the Council.

The City of Lowell, Oregon 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. 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 statement incomplete or misleading. The City has determined that there are no component units required to be included in these financial statements.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the entire City. For the most part, the effect of inter-fund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. General and other governmental funds are reported as separate columns in the fund financial statements.

C. Measurement focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using a modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues and expenditures when they result from cash transactions with a provision for capital assets and depreciation, recognition of long-term debts and utility deposits. The modified cash basis of accounting is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under accounting principles generally accepted in the United States of America, revenues are recognized when earned and expenses are recognized when the related liabilities are incurred. The modified cash basis of accounting is specifically allowed under Oregon rules, and the City considers the use of this basis to be an appropriate reflection of the City's financial status and results of operations.

The City reports the following major governmental funds:

- *General Fund*
Accounts for all financial sources except for those required to be accounted for in another fund. The principal revenue sources are property taxes, franchise fees and state shared revenues.

CITY OF LOWELL
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- *Street Fund*
Accounts for all receipts of state gasoline taxes and related interest. The monies are expended primarily for the repair and maintenance of City roads, curbs, gutters and sidewalks.

Additionally, the City reports non-major funds within the governmental fund type.

- *Special Revenue Funds*
Primarily operating funds that account for specific taxes or other revenue sources, which are legally restricted to finance particular functions or activities.
- *Capital Projects Funds*
Accounts for financial resources used for the acquisition or construction of major capital facilities (other than those financed by Proprietary funds).
- *Debt Service Fund*
Accounts for resources set aside for payments on current and future debt incurred.

Proprietary funds are used to account for the acquisition, operation, and maintenance of water and sewer systems and facilities. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City reports the following major proprietary funds:

- *Water Fund*
Water Operating Fund (*Budgetary basis financial statements only*)
Water Reserve Fund (*Budgetary basis financial statements only*)
Water SDC Fund (*Budgetary basis financial statements only*)
- *Sewer Fund*
Sewer Operating Fund (*Budgetary basis financial statements only*)
Sewer Reserve Fund (*Budgetary basis financial statements only*)
Sewer SDC Fund (*Budgetary basis financial statements only*)

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include operating grants and contributions and capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed.

D. Fund Balance

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, Fund balance reporting and Governmental Fund type Definitions (GASB 54). This Statement defines the different types of fund balances that a

CITY OF LOWELL
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the following fund balance categories:

- *Non-spendable*
Fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
- *Restricted*
Fund balance includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- *Committed*
Fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the Board of Directors (the District's highest level of decision-making authority).
- *Assigned*
Fund balance intended to be used for specific purposes but do not meet the criteria to be classified as restricted or committed.
- *Unassigned*
Fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in other classifications. The General Fund is the only fund which can have an "Unassigned" fund balance.

E. Assets, Liabilities, and Net Position

Cash and Investments

The cash and investments reported on the statement of net position include checking account, state Local Government Investment Pool (LGIP), and petty cash balances. The City invests in the LGIP, which is managed by the State Treasurer's office. These investments are managed in accordance with the "prudent person rule" and administrative regulations of the State Treasurer, which may change. Eligible investments are those allowed by Oregon law and are not leveraged and do not contain any derivative products. The City reports the fair value of their position in the pool the same as the value of pool shares.

Receivables and payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" or "advances to/from other funds". All other outstanding balances between funds are reported as "due to/from other funds".

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as any capital purchase, donation or dedication of land, infrastructure, buildings and/or equipment that exceeds \$5,000 for a single acquisition.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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.

CITY OF LOWELL
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 For the Year Ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant, and equipment of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Equipment	10
Buildings	20
Infrastructure	40

Long-term Obligations

General obligation bonds and other revolving loans, issued for sewer and water system construction, are reported as long-term debts in the government-wide financial statements.

Use of Estimates

The preparation of basic financial statements in conformity with the modified cash basis requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Compliance

Budgets are prepared and adopted, and expenditures are appropriated, in accordance with Oregon Local Budget Law. Budgets are adopted on the cash-basis of accounting, which is not in conformity with generally accepted accounting principles but is an acceptable method for Oregon Municipal Corporations under Oregon Local Budget Law. All annual appropriations lapse at fiscal year-end. The City does not use encumbrance accounting.

On or before June 30 of each year, the City enacts a resolution approving the budget, appropriating expenditures, and levying property taxes. Prior to enacting this resolution, the proposed budget is presented to a budget committee consisting of City Council members 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.

The budget is prepared by fund, and line item, 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 level of programs, or alternatively, materials and services, personal services, capital outlay, debt service, transfers out, or other expenditures for each fund.

B. Property Taxes

Lane County makes all assessments of property value and levies and collects the taxes for the City. Assessments of property values are as of January 1 of each year. Real property taxes are levied and attached as an enforceable lien on property on July 1. Taxes are payable in three installments on November 15, February 15, and May 15. A 3% discount is allowed for payment in full on November 15. Property taxes unpaid and outstanding on May 16 are considered delinquent.

For the current year the City Levied taxes at the rate of 2.1613 Per \$1,000 of assessed value within the City Limits. Measure 50 establishes the permanent rate and allows for an increase of the assessed value of 3% per year.

CITY OF LOWELL
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

3. CASH AND INVESTMENTS

Cash and investments consist of the following as of June 30th:

Cash in bank	\$ 390,669
Cash on hand	250
Local government investment pool (LGIP)	<u>913,993</u>
Total	<u><u>\$ 1,304,912</u></u>

Deposits

Deposits with financial institutions are comprised of bank demand deposits. Total bank balances of the checking accounts as shown on the banks' records at year-end were \$409,283. The amount in the LGIP was \$913,993.

Custodial credit risk – deposits: This is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. In order to minimize this risk, the State of Oregon established the Public Funds Collateralization Program (PFCP).

PFCP is an application created by the Office of the State Treasurer (OST) to facilitate bank depository, custodian and public official compliance with Oregon Revised Statutes (ORS) 295 effective on July 1, 2008. Requirements described on the PFCP for depository banks, custodian banks and local governments are set forth as the following:

Banks are required to report quarterly to the State Treasurer, providing quarter-end public funds balance in excess of the FDIC limits, net worth, and FDIC capitalization information. The FDIC assigns each bank with a capitalization category quarterly, either well capitalized, adequately capitalized or undercapitalized. The PFCP calculates, based on this information, the bank's minimum collateral (maximum liability) that must be pledged with the custodian for the next quarter. The maximum liability is reported to the bank, OST and custodian.

The custodian banks hold the collateral pledged by the banks. OST provides the custodian the maximum liability for each bank. Banks will request security pledges, releases and substitutions through the PFCP. The custodian will process the transactions as approved by OST and maintain an inventory of pledged securities. OST will monitor that adequate collateral is pledged at all times and that all banks comply with the requirements of ORS.

Public officials are required to verify that deposit accounts in excess of deposit insurance limits are only maintained at financial institutions included on the list of qualified depositories found on the OST's website. Public officials are also required to report at least annually, or within 10 days of a change, the banks they do business with, and contact information for the public official. It is the responsibility of the public official to ensure compliance with these requirements in order to eliminate personal liability in the event of a bank loss.

The City's depository bank was listed on the Treasurer's website, "Qualified Depositories for Public Funds", throughout the fiscal year.

Investments

The only investments held by the City at June 30th were funds in the LGIP, which is part of the Oregon Short-Term Fund (OSTF). The OSTF is a cash and investment pool available for use by all state agencies and eligible local governments. The LGIP is an open-ended, no-load diversified portfolio offered to eligible participants who by law are made custodian of, or have control over, any public funds. The City's investment in the LGIP is carried at cost, which approximates fair value. The State of Oregon's investment policies used in administering the LGIP are governed by statute and the Oregon Investment Council (the Council). The State Treasurer is the investment officer for the Council and is responsible for the funds on deposit in the state treasury.

CITY OF LOWELL
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

3. CASH AND INVESTMENTS (continued)

The OST's investments in short-term securities are limited by the portfolio rules established by the OSTF Board and the Council. In accordance with Oregon statutes, the investments funds are invested, and the investments of those funds managed, as a prudent investor would do – exercising reasonable care, skill, and caution. The LGIP's Portfolio rules provide that broker/dealers meet certain qualifications and that investments are delivered to and held by a third-party custodian that hold the securities in the State of Oregon's name. The LGIP is not registered with the Securities Exchange Commission and is not rated.

CITY OF LOWELL

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30th was as follows:

	Beginning Balance	Additions	Deletions	Reclassification	Ending Balance
Governmental Activities:					
Not being depreciated					
Land	\$ 2,595,846	\$ -	\$ -	\$ -	\$ 2,595,846
Construction in progress	-	56,066	-	-	56,066
Total	2,595,846	56,066	-	-	2,651,912
Being Depreciated					
Buildings	429,325	2,112	-	-	431,437
Infrastructure	1,280,975	-	-	-	1,280,975
Furnishings and equipment	23,187	14,238	-	-	37,424
Vehicles and rolling stock	53,717	-	(1,570)	-	52,147
Total	1,787,204	16,350	(1,570)	-	1,801,983
Accumulated depreciation					
Buildings	148,803	19,891	-	-	168,694
Infrastructure	358,559	32,421	-	-	390,980
Furnishings and equipment	5,987	2,522	-	-	8,510
Vehicles and rolling stock	7,889	5,207	(1,570)	-	11,526
Total	521,238	60,042	(1,570)	-	579,710
Governmental Capital Assets, Net	\$ 3,861,812	\$ 12,374	\$ -	\$ -	\$ 3,874,185
	Beginning Balance	Additions	Deletions	Reclassification	Ending Balance
Business-type Activities:					
Not being depreciated					
Land	\$ 92,179	\$ -	\$ -	\$ -	\$ 92,179
Construction in progress	-	5,806	-	-	5,806
Total	92,179	5,806	-	-	97,985
Being Depreciated					
Buildings	116,160	8,829	-	-	124,989
Infrastructure	8,947,825	-	-	-	8,947,825
Furnishings and equipment	138,903	44,135	(388)	-	182,650
Vehicles and rolling stock	68,130	-	(12,284)	-	55,846
Total	9,271,018	52,964	(12,672)	-	9,311,310
Accumulated depreciation					
Buildings	55,289	3,349	-	-	58,638
Infrastructure	4,762,358	194,425	-	-	4,956,783
Furnishings and equipment	88,951	10,776	(388)	-	99,339
Vehicles and rolling stock	26,746	4,356	(12,284)	-	18,818
Total	4,933,344	212,906	(12,672)	-	5,133,578
Business-type Capital Assets, Net	\$ 4,429,853	\$ (154,136)	\$ -	\$ -	\$ 4,275,717

CITY OF LOWELL

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

4. CAPITAL ASSETS (continued)

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

Function/Activities	Governmental Activities	Business-type Activities
General Government	\$ 14,150	
Highways and streets	32,882	
Library	250	
Culture and recreation	12,760	
Water		97,356
Sewer		115,550
Total depreciation expense	<u>\$ 60,042</u>	<u>\$ 212,906</u>

5. LONG TERM DEBT

The following table represents changes in long-term debt for governmental and business-type activities, followed by descriptions of each note payable.

	Fund	Balance 06/30/19	Additions	Repayment	Balance 06/30/20	Due within one year
Governmental Activities:						
Government Capital Corporation	General	\$ 530,000	\$ -	\$ 17,095	\$ 512,905	\$ 17,845
Total governmental activities:		<u>\$ 530,000</u>	<u>\$ -</u>	<u>\$ 17,095</u>	<u>\$ 512,905</u>	<u>\$ 17,845</u>
Business-type Activities:						
Business Oregon - Drinking Water (S0006)	Water	32,313	-	15,794	16,519	16,519
Business Oregon - Pioneer St. Reloc (J05001)	Water/Sewer	61,067	-	4,265	56,802	4,486
USDA RUS - Water Revenue Loan (RUS 91-03)	Water	846,781	-	16,093	830,688	16,536
Subtotal Water Fund		<u>940,161</u>	<u>-</u>	<u>36,152</u>	<u>904,009</u>	<u>37,541</u>
Business Oregon - Drinking Water (G02002)	Sewer	206,097	-	18,313	187,784	18,466
Business Oregon - Pioneer St. Reloc (J05001)	Water/Sewer	61,067	-	4,265	56,802	4,486
USDA RUS - Water Revenue Loan (RUS 92-05)	Sewer	338,531	-	6,434	332,097	6,611
Subtotal Sewer Fund		<u>605,695</u>	<u>-</u>	<u>29,012</u>	<u>576,683</u>	<u>29,563</u>
Total business-type activities:		<u>\$ 1,545,856</u>	<u>\$ -</u>	<u>\$ 65,164</u>	<u>\$ 1,480,692</u>	<u>\$ 67,104</u>

Long-term debt service requirements are as follows:

Year Ending June 30,	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2021	17,845	22,501	40,346	67,104	47,519	114,623
2022	18,628	21,718	40,346	51,847	44,792	96,639
2023	19,445	20,901	40,346	58,162	42,765	100,927
2024	20,298	20,048	40,346	59,527	40,450	99,977
2025	21,189	19,157	40,346	60,947	38,081	99,028
2026-2030	120,731	81,001	201,732	282,643	153,537	436,180
2031-2035	149,641	52,091	201,732	160,389	115,231	275,620
2036-2040	145,128	16,259	161,387	183,689	91,931	275,620
2041-2045	-	-	-	210,374	65,246	275,620
2046-2050	-	-	-	240,936	34,684	275,620
2051-2055	-	-	-	105,074	4,343	109,417
Total	<u>\$ 512,905</u>	<u>\$ 253,676</u>	<u>\$ 766,581</u>	<u>\$ 1,480,692</u>	<u>\$ 678,579</u>	<u>\$ 2,159,271</u>

CITY OF LOWELL
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

5. LONG TERM DEBT (continued)

SAFE DRINKING WATER REVOLVING LOAN FUND – S0006

On August 7, 2002, the City was granted a Safe Drinking Water Revolving Loan in the amount of \$223,000 from the State of Oregon Economic and Community Development Department (OECD). The loan was part of the \$868,000 Water System Improvement Project, which consisted of Oregon Community Development Block Grant (\$645,000) and this loan. The loan agreement requires 20 annual payments, carries an interest rate of 4.59% and a maturity date of December 1, 2020. The balance of the loan at June 30, 2020 was \$16,519.

WASTEWATER PROJECT LOAN – G02002

On December 4, 2002, the City was granted a loan for Phase I of its Water/Wastewater construction project in the amount of \$425,000 from the State of Oregon Economic and Community Development Department (OECD). Proceeds in the amount of \$161,939 were received during the 2002-03 fiscal year, with the remaining loan proceeds of \$263,061 received during the 2003-2004 fiscal year. The loan agreement requires 25 annual payments, carries an interest rate of 5.35% and a maturity date of December 1, 2027. The balance of the loan at June 30, 2020 was \$187,784.

PIONEER STREET RELOCATION PROJECT LOAN – J05001

On May 11, 2005, the City was granted a loan from the Pioneer Street Water/Sewer Line Relocation Project in the amount of \$200,000 from the State of Oregon Economic and Community Development Department (OECD). The loan principal is split between the Water and Sewer Funds equally. The loan agreement requires 24 annual payments of \$14,845, carries an interest rate of 5.17% and maturity date of December 1, 2029. The balance of the loan at June 30, 2020 was \$113,604 apportioned \$56,802 to the Water Fund and \$56,802 to the Sewer Fund.

WATER REVENUE LOAN – RUS 91-03

On April 6, 2012, the City was granted a Water Revenue Loan in the amount of \$948,000 from the United States Department of Agriculture, Rural Development Utilities Services (RUS). The loan financed improvements to the water system including capital improvements to the water treatment facility, construction of a water storage reservoir and extending water service lines. The loan agreement requires 40 annual payments of \$39,380, carries an interest rate of 2.75% and a maturity date of April 6, 2052. The balance of the loan at June 30, 2020 was \$830,688.

SEWER REVENUE LOAN – RUS 92-05

On April 6, 2012, the City was granted a Sewer Revenue Loan in the amount of \$379,000 from the United States Department of Agriculture, Rural Development Utilities Services (RUS). The loan financed capital improvements to the sewer system including extending sewer service lines. The loan agreement requires 40 annual payments of \$15,744, carries an interest rate of 2.75% and a maturity date of April 6, 2052. The balance of the loan at June 30, 2020 was \$332,097.

LIBRARY/ CITY HALL AND ROLLING ROCK PARK IMPROVEMENTS NOTE

On April 25, 2019, the City was secured a note in the amount of \$530,000 from Government Capital Corporation. The note financed the purchase of property intended to be the future home of the City of Lowell Library, temporary location for Lowell City Hall, as well as an expansion of Rolling Rock Park with the addition of three adjacent parcels of property. The terms of the note require 20 annual payments of \$40,346, carries an interest rate of 4.387% and a maturity date of April 25, 2039. The balance of the loan at June 30, 2020 was \$512,905.

CITY OF LOWELL

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

6. INTER-FUND BALANCES AND TRANSFERS

Inter-fund transfers are used to contribute toward the cost of future improvements, provide funds for debt service and to provide operational resources.

The operating transfers for the year are as follows:

Fund	Transfers Out	Transfers In	Net Transfers
General Fund	\$ 6,000		\$ 6,000
Street Fund	4,000		4,000
Equipment Fund		22,000	(22,000)
Debt Reserve Fund	12,858		12,858
Total Governmental Funds	<u>22,858</u>	<u>22,000</u>	<u>858</u>
Water Fund	9,938		9,938
Water Reserve Fund		3,938	(3,938)
Sewer Fund	7,575	12,858	(5,283)
Sewer Reserve Fund		1,575	(1,575)
Total Business-type funds	<u>17,513</u>	<u>18,371</u>	<u>(858)</u>
Total Transfers	<u>\$ 40,371</u>	<u>\$ 40,371</u>	<u>\$ -</u>

7. PENSION PLAN

A. Plan Description

The City contributes to the State of Oregon Public Employees Retirement System (PERS), a cost-sharing multiple-employer defined benefit pension plan administered by the Oregon Public Employees Retirement System. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan member and beneficiaries. The Oregon Public Retirement Fund (OPERF) applies to the city's contribution for qualifying employees who were hired before August 29, 2003. Oregon Revised Statute 238 assigns the authority to establish and amend benefit provisions to the PERS Board of Trustees and the state legislature.

In 2003 legislative session, the Oregon Legislative Assembly created a successor plan for PERS. The Oregon Public Service Retirement Plan (OPSRP) is effective for all new employees hired on or after August 23, 2003 and applies to any inactive PERS members who return to employment following six month or greater break in service. The new plan consists of a defined benefit program (Pension Program) and a defined contribution portion (the Individual Account Program or "IAP"). The Pension Program portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service and a factor that varies based on type of service (general versus police or fire).

Beginning January 1, 2004, all PERS member's contributions go into the IAP portion of OPSRP. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account. Those employees who had established a PERS membership prior to creation of OPSRP will be members of both the PERS and OPSRP system as long as they remain in covered employment.

CITY OF LOWELL

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

7. PENSION PLAN (continued)

Both PERS and OPSRP are administered by the Oregon Public Employees Retirement Board (OPERB). The comprehensive annual financial report for the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700 Tigard, Oregon 97281-3700, by calling (503) 598-7377, or by accessing the PERS website at www.pers.state.or.us.

B. Funding Policy

Members of PERS are required to contribute 6.00% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The City is required by ORS 238.225 to contribute at an actuarially determined rate for all the qualifying employees under the OPERF plan, and a general service rate for the qualifying employees under the OPSRP plan. The OPERF plan and a general service rate for the qualifying employees under the OPSRP plan. The OPERF and OPSRP rates in effect for the year ended June 30, 2020 were 24.73% and 17.24% respectively. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

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, 2020, the City's annual pension cost of \$67,822 was equal to the required and actual contributions of the City. The required contribution was determined as part of the December 31, 2017 actuarial valuation using the entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 7.2% per year, (b) projected salary increases of 3.5% per year attributable to general wage adjustments, with additional increases for promotion and longevity that vary by age and service, (c) projected automatic cost-of-living benefit increases of 3.5% per year, and (d) CPI increases of 2.5% per year, and demographic assumptions that were chosen to reflect the best estimate of emerging experience of the members of the System.

D. Three-year Trend Information

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

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2018	\$ 32,340	100%	\$ -
6/30/2019	\$ 29,626	100%	\$ -
6/30/2020	\$ 67,822	100%	\$ -

CITY OF LOWELL

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2020

8. CONTINGENCIES

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 amount, if any to be immaterial.

Management believes that there are no liabilities that could result from pending suits, judgements or claims where the amount in excess of insurance coverage would be material to the financial statements.

The City of Lowell's operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption that may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on the City of Lowell's financial position, operations, and cash flows. Possible effects may include, but are not limited to, disruption to the City of Lowell's funders and revenue, absenteeism in the City of Lowell's labor workforce, unavailability of products and supplies used in operations, and a decline in value of assets held by the City of Lowell.

9. RISK MANAGEMENT

The City is operated under various risks and the City participates in various insurance programs to hedge against those risks. The insurance coverage includes general and auto liability, property/mobile equipment, boiler & machinery, excess earthquake, excess crime and others. There have been no losses in excess of insurance coverage for the past three years.

10. DEBT RESERVE FUND

The Debt Service Fund was established to cover specific debt service payments for the Water and Sewer funds. The last transfers to cover these debt service payments were made to the Sewer Fund via Resolution 729 and Resolution 740. The Debt Reserve Fund was closed as of June 30, 2020.

SUPPLEMENTARY INFORMATION

CITY OF LOWELL
Combining Balance Sheet
Other Governmental Funds
Modified Cash Basis
For the Year Ended June 30, 2020

	Blackberry Jam Festival Fund	Parks SDC Fund	Streets SDC Fund	Stormwater SDC Fund	Equipment Fund	Debt Reserve Fund	Total Other Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 12,510	\$ 54,359	\$ 47,330	\$ 44,978	\$ 22,181	\$ -	\$ 181,358
Total assets	<u>12,510</u>	<u>54,359</u>	<u>47,330</u>	<u>44,978</u>	<u>22,181</u>	<u>-</u>	<u>181,358</u>
Fund Equity:							
Restricted	-	54,359	47,330	44,978	-	-	146,667
Assigned	<u>12,510</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,181</u>	<u>-</u>	<u>34,691</u>
Total fund balances	<u>12,510</u>	<u>54,360</u>	<u>47,330</u>	<u>44,978</u>	<u>22,182</u>	<u>-</u>	<u>181,358</u>
Total liabilities and fund balances	<u>\$ 18,764</u>	<u>\$ 81,539</u>	<u>\$ 70,995</u>	<u>\$ 67,466</u>	<u>\$ 33,272</u>	<u>\$ -</u>	<u>\$ 272,037</u>

CITY OF LOWELL
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
Modified Cash Basis
For the Year Ended June 30, 2020

	Blackberry Jam Festival Fund	Parks SDC Fund	Streets SDC Fund	Stormwater SDC Fund	Equipment Fund	Debt Reserve Fund	Total Other Governmental Funds
REVENUES							
SDC fees	\$ -	\$ 7,880	\$ 10,064	\$ 11,014	\$ -	\$ -	\$ 28,958
Investment earnings	7	857	649	585	7	19	2,124
Miscellaneous	381	-	-	-	-	-	381
Fundraising and event receipts	14,164	-	-	-	-	-	14,164
Total Revenues	14,552	8,737	10,713	11,599	7	19	45,627
EXPENDITURES							
Current:							
Blackberry Jam Festival	18,434	-	-	-	-	-	18,434
Total Expenditures	18,434	-	-	-	-	-	18,434
Excess (deficiency) of revenues over expenditures	(3,882)	8,737	10,713	11,599	7	19	27,193
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	22,000	-	22,000
Transfers out	-	-	-	-	-	(12,858)	(12,858)
Total other financing sources and uses	-	-	-	-	22,000	(12,858)	9,142
Net change in fund balances	(3,882)	8,737	10,713	11,599	22,007	(12,839)	36,335
Fund balances - beginning	16,392	45,622	36,617	33,379	174	12,839	145,023
Fund balances - ending	\$ 12,510	\$ 54,359	\$ 47,330	\$ 44,978	\$ 22,181	\$ -	\$ 181,358

CITY OF LOWELL
Combining Balance Sheet Water Funds
Modified Cash Basis
For the Year Ended June 30, 2020

	Water Fund	Water SDC Fund	Water Reserve Fund	Total Water Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 148,817	\$ 311,502	\$ 23,643	\$ 483,962
Total current assets	<u>148,817</u>	<u>311,502</u>	<u>23,643</u>	<u>483,962</u>
Non-current assets:				
Capital assets:				
Land	81,179	-	-	81,179
Buildings and facilities	35,875	-	-	35,875
Equipment and furnishings	113,715	-	-	113,715
Vehicles and rolling stock	34,067	-	-	34,067
Infrastructure	4,238,861	-	-	4,238,861
Construction in progress	5,806	-	-	5,806
Less accumulated depreciation	<u>(2,272,787)</u>	<u>-</u>	<u>-</u>	<u>(2,272,787)</u>
Total non-current assets	<u>2,236,716</u>	<u>-</u>	<u>-</u>	<u>2,236,716</u>
Total assets	<u>\$ 2,385,533</u>	<u>\$ 311,502</u>	<u>\$ 23,643</u>	<u>\$ 2,720,678</u>
LIABILITIES				
Current liabilities:				
Utility Deposits	35,860	-	-	35,860
Notes payable - current	<u>37,541</u>	<u>-</u>	<u>-</u>	<u>37,541</u>
Total current liabilities	<u>73,401</u>	<u>-</u>	<u>-</u>	<u>73,401</u>
Non-current liabilities:				
Notes payable - noncurrent	<u>866,468</u>	<u>-</u>	<u>-</u>	<u>866,468</u>
Total non-current liabilities	<u>866,468</u>	<u>-</u>	<u>-</u>	<u>866,468</u>
Total liabilities	<u>939,869</u>	<u>-</u>	<u>-</u>	<u>939,869</u>
NET POSITION				
Net investment in capital assets	1,332,707	-	-	1,332,707
Restricted for:				
Debt service	-	-	23,643	23,643
Capital projects (SDC)	-	311,502	-	311,502
Unrestricted	<u>112,957</u>	<u>-</u>	<u>-</u>	<u>112,957</u>
Total net position	<u>\$ 1,445,664</u>	<u>\$ 311,502</u>	<u>\$ 23,643</u>	<u>\$ 1,780,809</u>

CITY OF LOWELL
Combining Statement of Revenues, Expenditures and Changes in Fund Net Position Water Funds
Modified Cash Basis
For the Year Ended June 30, 2020

	Water Fund	Water SDC Fund	Water Reserve Fund	Water Operating Fund
REVENUES				
Charges for services	\$ 318,845	\$ -	\$ -	318,845
Other revenues	9,072	40,215	-	49,287
Total operating revenues	<u>327,917</u>	<u>40,215</u>	<u>-</u>	<u>368,132</u>
EXPENDITURES				
Personal services	169,295	-	-	169,295
Contractual services	15,260	-	-	15,260
Utilities	22,182	-	-	22,182
Repairs and maintenance	17,981	-	-	17,981
Office supplies and expenses	19,672	-	-	19,672
Other operating expenses	26,033	-	-	26,033
Depreciation	97,356	-	-	97,356
Total operating expenses	<u>367,779</u>	<u>-</u>	<u>-</u>	<u>367,779</u>
Operating income (loss)	<u>(39,862)</u>	<u>40,215</u>	<u>-</u>	<u>353</u>
NON-OPERATING REVENUES (EXPENSES):				
Investment revenue	1,978	5,822	13	7,813
Miscellaneous revenue	2,399	-	-	2,399
Interest expense	(27,927)	-	-	(27,927)
Disposition of capital assets	800	-	-	800
Total non-operating revenues (expenses)	<u>(22,750)</u>	<u>5,822</u>	<u>13</u>	<u>(16,915)</u>
Net income (loss) before contributions and transfers	(62,612)	46,037	13	(16,562)
Transfers in	-	-	3,938	3,938
Transfers out	(9,938)	-	-	(9,938)
Change in net position	<u>(72,550)</u>	<u>46,037</u>	<u>3,951</u>	<u>(22,562)</u>
Net position - beginning	<u>1,518,214</u>	<u>265,465</u>	<u>19,692</u>	<u>1,803,371</u>
Net position - ending	<u>\$ 1,445,664</u>	<u>\$ 311,502</u>	<u>\$ 23,643</u>	<u>\$ 1,780,809</u>

CITY OF LOWELL
Combining Statement of Cash Flows Water Funds
Modified Cash Basis
For the Year Ended June 30, 2020

	Water Funds			
	Water Fund	Water SDC Fund	Water Reserve Fund	Total Water Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 329,777	\$ 40,215	\$ -	\$ 369,992
Other operating receipts	2,194	-	-	2,194
Payments to employees	(169,295)	-	-	(169,295)
Payments to suppliers	(101,127)	-	-	(101,127)
Net cash provided (used) by operating activities	<u>61,549</u>	<u>40,215</u>	<u>-</u>	<u>101,764</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Other receipts	205	-	-	205
Non capital financing activities - transfers	(9,938)	-	3,938	(6,000)
Net cash provided (used) by noncapital financing activities	<u>(9,733)</u>	<u>-</u>	<u>3,938</u>	<u>(5,795)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from the sale of capital assets	800	-	-	800
Purchases of capital assets	(16,025)	-	-	(16,025)
Principal paid on capital debt	(36,153)	-	-	(36,153)
Interest paid on capital debt	(27,927)	-	-	(27,927)
Net cash provided (used) by capital related financing activities:	<u>(79,305)</u>	<u>-</u>	<u>-</u>	<u>(79,305)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	<u>1,978</u>	<u>5,822</u>	<u>13</u>	<u>7,813</u>
Net cash provided (used) by investing activities	<u>1,978</u>	<u>5,822</u>	<u>13</u>	<u>7,813</u>
Net increase (decrease) in cash and cash equivalents	<u>(25,511)</u>	<u>46,037</u>	<u>3,951</u>	<u>24,477</u>
Cash Balances - beginning of the year	<u>174,328</u>	<u>265,465</u>	<u>19,692</u>	<u>459,485</u>
Cash Balances - end of the year	<u>\$ 148,817</u>	<u>\$ 311,502</u>	<u>\$ 23,643</u>	<u>\$ 483,962</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (37,667)	\$ 40,215	\$ -	\$ 2,548
Adjustments to reconcile operating income:				-
Depreciation expense	97,356	-	-	97,356
Change in assets and liabilities:				-
Increase (decrease) in deposits	1,860	-	-	1,860
Net cash provided (used) by operating activities	<u>\$ 61,549</u>	<u>\$ 40,215</u>	<u>\$ -</u>	<u>\$ 101,764</u>

CITY OF LOWELL
Combining Balance Sheet Sewer Funds
Modified Cash Basis
For the Year Ended June 30, 2020

	Sewer Fund	Sewer SDC Fund	Sewer Reserve Fund	Total Sewer Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 150,205	\$ 139,745	\$ 9,826	\$ 299,776
Total current assets	<u>150,205</u>	<u>139,745</u>	<u>9,826</u>	<u>299,776</u>
Non-current assets:				
Capital assets:				
Land	11,000	-	-	11,000
Buildings and facilities	89,114	-	-	89,114
Equipment and furnishings	68,935	-	-	68,935
Vehicles and rolling stock	21,780	-	-	21,780
Infrastructure	4,708,963	-	-	4,708,963
Construction in progress	-	-	-	-
Less accumulated depreciation	<u>(2,860,791)</u>	<u>-</u>	<u>-</u>	<u>(2,860,791)</u>
Total non-current assets	<u>2,039,001</u>	<u>-</u>	<u>-</u>	<u>2,039,001</u>
Total assets	<u>\$ 2,189,206</u>	<u>\$ 139,745</u>	<u>\$ 9,826</u>	<u>\$ 2,338,777</u>
LIABILITIES				
Current liabilities:				
Utility Deposits	-	-	-	-
Notes payable - current	<u>29,563</u>	<u>-</u>	<u>-</u>	<u>29,563</u>
Total current liabilities	<u>29,563</u>	<u>-</u>	<u>-</u>	<u>29,563</u>
Non-current liabilities:				
Notes payable - noncurrent	<u>547,120</u>	<u>-</u>	<u>-</u>	<u>547,120</u>
Total non-current liabilities	<u>547,120</u>	<u>-</u>	<u>-</u>	<u>547,120</u>
Total liabilities	<u>576,683</u>	<u>-</u>	<u>-</u>	<u>576,683</u>
NET POSITION				
Net investment in capital assets	1,462,318	-	-	1,462,318
Restricted for:				
Debt service	-	-	9,826	9,826
Capital projects (SDC)	-	139,745	-	139,745
Unrestricted	<u>150,205</u>	<u>-</u>	<u>-</u>	<u>150,205</u>
Total net position	<u>\$ 1,612,523</u>	<u>\$ 139,745</u>	<u>\$ 9,826</u>	<u>\$ 1,762,094</u>

CITY OF LOWELL
Combining Statement of Revenues, Expenditures and Changes in Fund Net Position Sewer Funds
Modified Cash Basis
For the Year Ended June 30, 2020

	Sewer Fund	Sewer SDC Fund	Sewer Reserve Fund	Sewer Operating Fund
REVENUES				
Charges for services	\$ 361,249	\$ -	\$ -	\$ 361,249
Other revenues	6,046	9,082	-	15,128
Total operating revenues	<u>367,295</u>	<u>9,082</u>	<u>-</u>	<u>376,377</u>
EXPENDITURES				
Personal services	169,294	-	-	169,294
Contractual services	22,347	-	-	22,347
Utilities	51,251	-	-	51,251
Repairs and maintenance	22,894	-	-	22,894
Office supplies and expenses	15,606	-	-	15,606
Other operating expenses	27,238	-	-	27,238
Depreciation	115,550	-	-	115,550
Total operating expenses	<u>424,180</u>	<u>-</u>	<u>-</u>	<u>424,180</u>
Operating income (loss)	<u>(56,885)</u>	<u>9,082</u>	<u>-</u>	<u>(47,803)</u>
NON-OPERATING REVENUES (EXPENSES):				
Investment revenue	1,899	2,646	5	4,550
Miscellaneous revenue	2,187	-	-	2,187
Interest expense	(22,220)	-	-	(22,220)
Disposition of capital assets	-	-	-	-
Total non-operating revenues (expenses)	<u>(18,134)</u>	<u>2,646</u>	<u>5</u>	<u>(15,483)</u>
Net income (loss) before contributions and transfers	<u>(75,019)</u>	<u>11,728</u>	<u>5</u>	<u>(63,286)</u>
Transfers in	12,858	-	1,575	14,433
Transfers out	<u>(7,575)</u>	<u>-</u>	<u>-</u>	<u>(7,575)</u>
Change in net position	<u>(69,736)</u>	<u>11,728</u>	<u>1,580</u>	<u>(56,428)</u>
Net position - beginning	<u>1,682,259</u>	<u>128,017</u>	<u>8,246</u>	<u>1,818,522</u>
Net position - ending	<u>\$ 1,612,523</u>	<u>\$ 139,745</u>	<u>\$ 9,826</u>	<u>\$ 1,762,094</u>

CITY OF LOWELL
Combining Statement of Cash Flows Sewer Funds
Modified Cash Basis
For the Year Ended June 30, 2020

	Sewer Funds			
	Sewer Fund	Sewer SDC Fund	Sewer Reserve Fund	Total Sewer Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 367,295	\$ 9,082	\$ -	\$ 376,377
Other operating receipts	2,071	-	-	2,071
Payments to employees	(169,294)	-	-	(169,294)
Payments to suppliers	(139,336)	-	-	(139,336)
Net cash provided (used) by operating activities	<u>60,736</u>	<u>9,082</u>	<u>-</u>	<u>69,818</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Other receipts	116	-	-	116
Non capital financing activities - transfers	5,283	-	1,575	6,858
Net cash provided (used) by noncapital financing activities	<u>5,399</u>	<u>-</u>	<u>1,575</u>	<u>6,974</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from the sale of capital assets	-	-	-	-
Capital contributions - grants and fees	-	-	-	-
Purchases of capital assets	(42,744)	-	-	(42,744)
Principal paid on capital debt	(29,013)	-	-	(29,013)
Interest paid on capital debt	(22,220)	-	-	(22,220)
Net cash provided (used) by capital related financing activities:	<u>(93,977)</u>	<u>-</u>	<u>-</u>	<u>(93,977)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	1,899	2,646	5	4,550
Net cash provided (used) by investing activities	<u>1,899</u>	<u>2,646</u>	<u>5</u>	<u>4,550</u>
Net increase (decrease) in cash and cash equivalents	<u>(25,943)</u>	<u>11,728</u>	<u>1,580</u>	<u>(12,635)</u>
Cash Balances - beginning of the year	176,148	128,017	8,246	312,411
Cash Balances - end of the year	<u>\$ 150,205</u>	<u>\$ 139,745</u>	<u>\$ 9,826</u>	<u>\$ 299,776</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (54,814)	\$ 9,082	\$ -	\$ (45,732)
Adjustments to reconcile operating income:				-
Depreciation expense	115,550	-	-	115,550
Change in assets and liabilities:				-
Increase (decrease) in deposits	-	-	-	-
Net cash provided (used) by operating activities	<u>\$ 60,736</u>	<u>\$ 9,082</u>	<u>\$ -</u>	<u>\$ 69,818</u>

CITY OF LOWELL
Budget and Actual (with Variances)
General Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 148,061	\$ 148,061	\$ 150,732	\$ 2,671
Intergovernmental	1,099,317	1,099,317	109,274	(990,043)
Franchise fees	57,392	57,392	62,928	5,536
Licenses and permits	61,179	73,429	73,993	564
Charges for services	4,550	4,550	5,106	556
Reimbursement SDC fees	387	387	376	(11)
Fees and fines	2,942	2,942	2,824	(118)
Investment earnings	6,130	6,130	5,069	(1,061)
Miscellaneous	8,500	8,500	2,348	(6,152)
Fundraising and event receipts	-	-	6,100	6,100
Total Revenues	1,388,458	1,400,708	418,750	(981,958)
EXPENDITURES				
Current:				
General government	182,988	182,988	138,318	44,670
Parks	851,891	851,891	91,914	759,977
Public safety	35,561	35,561	28,123	7,438
Community development	63,327	115,777	102,066	13,711
Library	339,929	339,929	8,635	331,294
Tourism	14,738	14,738	14,490	248
Code enforcement	11,350	11,350	2,786	8,564
Municipal court	14,170	14,170	11,462	2,708
Debt service:				
Principal	13,668	17,096	17,095	1
Interest	18,601	23,252	23,251	1
Contingency	60,502	12,223	-	12,223
Total Expenditures	1,606,725	1,618,975	438,140	1,180,835
Excess (deficiency) of revenues over expenditures	(218,267)	(218,267)	(19,390)	198,877
OTHER FINANCING SOURCESS (USES)				
Transfers out	(6,000)	(6,000)	(6,000)	-
Total other financing sources and uses	(6,000)	(6,000)	(6,000)	-
Net change in fund balances	(224,267)	(224,267)	(25,390)	198,877
Fund balances - beginning	231,767	231,767	297,503	65,736
Fund balances - ending	<u>\$ 7,500</u>	<u>\$ 7,500</u>	<u>\$ 272,113</u>	<u>\$ 264,613</u>

CITY OF LOWELL
Budget and Actual (with Variances)
Parks SDC Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
SDC fees	\$ 7,880	\$ 7,880	\$ 7,880	\$ -
Investment earnings	1,163	1,163	857	(306)
Total Revenues	<u>9,043</u>	<u>9,043</u>	<u>8,737</u>	<u>(306)</u>
EXPENDITURES				
Current:				
Materials and services	10,000	10,000	-	10,000
Capital outlay	<u>45,556</u>	<u>45,556</u>	<u>-</u>	<u>45,556</u>
Total Expenditures	<u>55,556</u>	<u>55,556</u>	<u>-</u>	<u>55,556</u>
Excess (deficiency) of revenues over expenitures	<u>(46,513)</u>	<u>(46,513)</u>	<u>8,737</u>	<u>55,250</u>
Net change in fund balances	(46,513)	(46,513)	8,737	55,250
Fund balances - beginning	<u>46,513</u>	<u>46,513</u>	<u>45,622</u>	<u>(891)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,359</u>	<u>\$ 54,359</u>

CITY OF LOWELL
Budget and Actual (with Variances)
Street Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 229,288	\$ 229,288	\$ 76,643	\$ (152,645)
Reimbursement SDC fees	1,605	1,605	1,768	163
Investment earnings	2,045	2,045	1,424	(621)
Loan Proceeds	268,042	268,042	-	(268,042)
Total Revenues	<u>500,980</u>	<u>500,980</u>	<u>79,835</u>	<u>(421,145)</u>
EXPENDITURES				
Current:				
Personal services	19,169	19,169	17,985	1,184
Materials and services	52,388	52,388	36,758	15,630
Debt service:				
Principal	683	683	-	683
Interest	930	930	-	930
Capital outlay	438,042	438,042	44,228	393,814
Contingency	85,427	85,427	-	85,427
Total Expenditures	<u>596,639</u>	<u>596,639</u>	<u>98,971</u>	<u>497,668</u>
Excess (deficiency) of revenues over expenitures	<u>(95,659)</u>	<u>(95,659)</u>	<u>(19,136)</u>	<u>76,523</u>
OTHER FINANCING SOURCESS (USES)				
Transfers in	-	-	-	-
Transfers out	(4,000)	(4,000)	(4,000)	-
Total other financing sources and uses	<u>(4,000)</u>	<u>(4,000)</u>	<u>(4,000)</u>	<u>-</u>
Net change in fund balances	(99,659)	(99,659)	(23,136)	76,523
Fund balances - beginning	99,659	99,659	90,839	(8,820)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,703</u>	<u>\$ 67,703</u>

CITY OF LOWELL
Budget and Actual (with Variances)
Streets SDC Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
SDC fees	\$ 4,736	\$ 4,736	\$ 10,064	\$ 5,328
Investment earnings	712	712	649	63
Total Revenues	<u>5,448</u>	<u>5,448</u>	<u>10,713</u>	<u>5,391</u>
EXPENDITURES				
Current:				
Materials and services	2,000	2,000	-	2,000
Capital outlay	<u>31,951</u>	<u>31,951</u>	<u>-</u>	<u>31,951</u>
Total Expenditures	<u>33,951</u>	<u>33,951</u>	<u>-</u>	<u>33,951</u>
Excess (deficiency) of revenues over expenitures	<u>(28,503)</u>	<u>(28,503)</u>	<u>10,713</u>	<u>(28,560)</u>
Net change in fund balances	(28,503)	(28,503)	10,713	39,216
Fund balances - beginning	<u>28,503</u>	<u>28,503</u>	<u>36,617</u>	<u>8,114</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,330</u>	<u>\$ 47,330</u>

CITY OF LOWELL
Budget and Actual (with Variances)
Stormwater SDC Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
SDC fees	\$ 5,384	\$ 5,384	\$ 11,014	\$ 5,630
Investment earnings	758	758	585	173
Total Revenues	<u>6,142</u>	<u>6,142</u>	<u>11,599</u>	<u>5,803</u>
EXPENDITURES				
Current:				
Materials and services	2,000	2,000	-	2,000
Capital outlay	<u>34,475</u>	<u>34,475</u>	<u>-</u>	<u>34,475</u>
Total Expenditures	<u>36,475</u>	<u>36,475</u>	<u>-</u>	<u>36,475</u>
Excess (deficiency) of revenues over expenitures	<u>(30,333)</u>	<u>(30,333)</u>	<u>11,599</u>	<u>(30,672)</u>
Net change in fund balances	(30,333)	(30,333)	11,599	41,932
Fund balances - beginning	<u>30,333</u>	<u>30,333</u>	<u>33,379</u>	<u>3,046</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,978</u>	<u>\$ 44,978</u>

CITY OF LOWELL
Budget and Actual (with Variances)
Blackberry Jam Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fundraising and event receipts	\$ 25,690	\$ 25,690	\$ 14,164	\$ 11,526
Investment earnings	291	291	7	284
Miscellaneous revenue	500	500	381	119
Total Revenues	<u>26,481</u>	<u>26,481</u>	<u>14,552</u>	<u>11,929</u>
EXPENDITURES				
Current:				
Materials and services	26,390	26,390	18,434	7,956
Contingency	<u>14,613</u>	<u>14,613</u>	<u>-</u>	<u>14,613</u>
Total Expenditures	<u>41,003</u>	<u>41,003</u>	<u>18,434</u>	<u>22,569</u>
Excess (deficiency) of revenues over expenitures	<u>(14,522)</u>	<u>(14,522)</u>	<u>(3,882)</u>	<u>10,640</u>
Net change in fund balances	(14,522)	(14,522)	(3,882)	10,640
Fund balances - beginning	<u>14,522</u>	<u>14,522</u>	<u>16,392</u>	<u>1,870</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 12,510</u></u>	<u><u>\$ 12,510</u></u>

CITY OF LOWELL
Budget and Actual (with Variances)
Equipment Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 7	\$ 7
Total Revenues	<u>-</u>	<u>-</u>	<u>7</u>	<u>7</u>
EXPENDITURES				
Capital outlay	22,035	22,035	-	22,035
Total Expenditures	<u>22,035</u>	<u>22,035</u>	<u>-</u>	<u>22,035</u>
Excess (deficiency) of revenues over expenitures	<u>(22,035)</u>	<u>(22,035)</u>	<u>7</u>	<u>22,042</u>
OTHER FINANCING SOURCESS (USES)				
Transfers in	22,000	22,000	22,000	-
Total other financing sources and uses	<u>22,000</u>	<u>22,000</u>	<u>22,000</u>	<u>-</u>
Net change in fund balances	(35)	(35)	22,007	22,042
Fund balances - beginning	35	35	174	139
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,181</u>	<u>\$ 22,181</u>

CITY OF LOWELL
Budget and Actual (with Variances)
Debt Reserve Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ 150	\$ 19	\$ (131)
Total Revenues	<u>-</u>	<u>150</u>	<u>19</u>	<u>(131)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(12,724)</u>	<u>(12,874)</u>	<u>(12,858)</u>	<u>16</u>
Total Expenditures	<u>(12,724)</u>	<u>(12,874)</u>	<u>(12,858)</u>	<u>16</u>
Excess (deficiency) of revenues over expenitures	<u>(12,724)</u>	<u>(12,724)</u>	<u>(12,839)</u>	<u>(115)</u>
Net change in fund balances	(12,724)	(12,724)	(12,839)	(115)
Fund balances - beginning	<u>12,724</u>	<u>12,724</u>	<u>12,839</u>	<u>115</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LOWELL
Budget and Actual (with Variances)
Water Operating Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 339,885	\$ 339,885	\$ 318,845	\$ (21,040)
Licenses and permits	2,000	2,000	1,250	(750)
Reimbursement SDC fees	8,568	8,568	7,823	(745)
Investment earnings	2,902	2,902	1,978	(924)
Miscellaneous	5,000	5,000	2,401	(2,599)
Total Revenues	<u>358,355</u>	<u>358,355</u>	<u>332,297</u>	<u>(26,058)</u>
EXPENDITURES				
Current:				
Personal services	183,454	183,454	169,295	14,159
Materials and services	187,456	187,456	101,126	86,330
Debt service:				
Principal	37,519	37,519	36,153	1,366
Interest	29,792	29,792	27,927	1,865
Capital outlay	175,000	175,000	16,026	158,974
Contingency	55,311	55,311	-	55,311
Total Expenditures	<u>668,532</u>	<u>668,532</u>	<u>350,527</u>	<u>318,005</u>
Excess (deficiency) of revenues over expenitures	<u>(310,177)</u>	<u>(310,177)</u>	<u>(18,230)</u>	<u>291,947</u>
OTHER FINANCING SOURCESS (USES)				
Loan Proceeds	175,000	175,000	-	175,000
Gain or (loss) sale of fixed assets	-	-	800	(800)
Transfers in	-	-	-	-
Transfers out	(9,938)	(9,938)	(9,938)	-
Total other financing sources and uses	<u>165,062</u>	<u>165,062</u>	<u>(9,138)</u>	<u>174,200</u>
Net change in fund balances	(145,115)	(145,115)	(27,368)	117,747
Fund balances - beginning	145,115	145,115	140,326	(4,789)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	112,958	<u>\$ 112,958</u>
Reconciliation to net position:				
Net capital assets			2,236,716	
Long-term debt			(904,010)	
Net position, modified cash basis			<u>\$ 1,445,664</u>	

CITY OF LOWELL
Budget and Actual (with Variances)
Water SDC Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
SDC fees	\$ 30,640	\$ 30,640	\$ 40,215	\$ 9,575
Investment earnings	5,987	5,987	5,822	(165)
Total Revenues	<u>36,627</u>	<u>36,627</u>	<u>46,037</u>	<u>9,410</u>
EXPENDITURES				
Current:				
Materials and services	2,000	2,000	-	2,000
Capital outlay	<u>274,087</u>	<u>274,087</u>	<u>-</u>	<u>274,087</u>
Total Expenditures	<u>276,087</u>	<u>276,087</u>	<u>-</u>	<u>276,087</u>
Excess (deficiency) of revenues over expenitures	<u>(239,460)</u>	<u>(239,460)</u>	<u>46,037</u>	<u>285,497</u>
Net change in fund balances	(239,460)	(239,460)	46,037	285,497
Fund balances - beginning	<u>239,460</u>	<u>239,460</u>	<u>265,465</u>	<u>26,005</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 311,502</u>	<u>\$ 311,502</u>

CITY OF LOWELL
Budget and Actual (with Variances)
Water Reserve Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 13	\$ 13
Miscellaneous revenue	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>13</u>	<u>13</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>3,938</u>	<u>3,938</u>	<u>3,938</u>	<u>-</u>
Total Expenditures	<u>3,938</u>	<u>3,938</u>	<u>3,938</u>	<u>-</u>
Excess (deficiency) of revenues over expenitures	<u>3,938</u>	<u>3,938</u>	<u>3,951</u>	<u>13</u>
Net change in fund balances	3,938	3,938	3,951	13
Fund balances - beginning	<u>19,690</u>	<u>19,690</u>	<u>19,692</u>	<u>2</u>
Fund balances - ending	<u><u>\$ 23,628</u></u>	<u><u>\$ 23,628</u></u>	<u><u>\$ 23,643</u></u>	<u><u>\$ 15</u></u>

CITY OF LOWELL
Budget and Actual (with Variances)
Sewer Operating Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 394,156	\$ 394,156	\$ 361,249	\$ (32,907)
Licenses and permits	920	920	805	(115)
Reimbursement SDC fees	4,944	4,944	5,241	297
Investment earnings	3,640	3,640	1,899	(1,741)
Miscellaneous	4,500	4,500	2,187	(2,313)
Total Revenues	<u>408,160</u>	<u>408,160</u>	<u>371,381</u>	<u>(36,779)</u>
EXPENDITURES				
Current:				
Personal services	183,454	183,454	169,294	14,160
Materials and services	225,003	225,003	139,337	85,666
Debt service:				
Principal	29,999	29,999	29,013	986
Interest	24,287	24,287	22,220	2,067
Capital outlay	25,000	42,000	42,745	(745)
Contingency	107,595	90,595	-	90,595
Total Expenditures	<u>595,338</u>	<u>595,338</u>	<u>402,609</u>	<u>192,729</u>
Excess (deficiency) of revenues over expenitures	<u>(187,178)</u>	<u>(187,178)</u>	<u>(31,228)</u>	<u>155,950</u>
OTHER FINANCING SOURCESS (USES)				
Loan Proceeds	-	-	-	-
Gain or (loss) sale of fixed assets	-	-	-	-
Transfers in	12,724	12,724	12,858	134
Transfers out	(7,575)	(7,575)	(7,575)	-
Total other financing sources and uses	<u>5,149</u>	<u>5,149</u>	<u>5,283</u>	<u>134</u>
Net change in fund balances	(182,029)	(182,029)	(25,945)	156,084
Fund balances - beginning	<u>182,029</u>	<u>182,029</u>	<u>176,150</u>	<u>5,879</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>150,205</u>	<u>\$ 150,205</u>
Reconciliation to net position:				
Net capital assets			2,039,001	
Long-term debt			(576,683)	
Net position, modified cash basis			<u>\$ 1,612,523</u>	

CITY OF LOWELL
Budget and Actual (with Variances)
Sewer SDC Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
SDC fees	\$ 8,568	\$ 8,568	\$ 9,082	\$ 514
Investment earnings	3,185	3,185	2,646	(539)
Total Revenues	<u>11,753</u>	<u>11,753</u>	<u>11,728</u>	<u>(25)</u>
EXPENDITURES				
Current:				
Materials and services	2,000	2,000	-	2,000
Capital outlay	<u>137,136</u>	<u>137,136</u>	<u>-</u>	<u>137,136</u>
Total Expenditures	<u>139,136</u>	<u>139,136</u>	<u>-</u>	<u>139,136</u>
Excess (deficiency) of revenues over expenitures	<u>(127,383)</u>	<u>(127,383)</u>	<u>11,728</u>	<u>139,111</u>
Net change in fund balances	(127,383)	(127,383)	11,728	139,111
Fund balances - beginning	<u>127,383</u>	<u>127,383</u>	<u>128,017</u>	<u>634</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 139,745</u>	<u>\$ 139,745</u>

CITY OF LOWELL
Budget and Actual (with Variances)
Sewer Reserve Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 5	\$ 5
Total Revenues	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>1,575</u>	<u>1,575</u>	<u>1,575</u>	<u>-</u>
Total Expenditures	<u>1,575</u>	<u>1,575</u>	<u>1,575</u>	<u>-</u>
Excess (deficiency) of revenues over expenitures	<u>1,575</u>	<u>1,575</u>	<u>1,580</u>	<u>5</u>
Net change in fund balances	1,575	1,575	1,580	5
Fund balances - beginning	<u>8,245</u>	<u>8,245</u>	<u>8,246</u>	<u>1</u>
Fund balances - ending	<u><u>\$ 9,820</u></u>	<u><u>\$ 9,820</u></u>	<u><u>\$ 9,826</u></u>	<u><u>\$ 6</u></u>

STATISTICAL INFORMATION

CITY OF LOWELL
Net Position by Component
Last Ten Fiscal Years

	Fiscal Year				
	2020	2019	2018	2017	2016
Governmental Activities					
Net investment in capital assets	\$ 3,361,280	\$ 3,331,814	\$ 3,083,574	\$ 3,129,930	\$ 3,147,180
Restricted	227,067	206,457	552,152	495,677	509,972
Unrestricted	294,107	326,908	275,488	222,798	223,903
Total governmental activities net position	<u>\$ 3,882,454</u>	<u>\$ 3,865,179</u>	<u>\$ 3,911,214</u>	<u>\$ 3,848,405</u>	<u>\$ 3,881,055</u>
Business-type activities					
Net investment in capital assets	\$ 3,331,814	\$ 2,883,997	\$ 2,970,673	\$ 3,090,401	\$ 1,499,186
Restricted	206,457	393,482	-	-	-
Unrestricted	326,908	344,414	283,150	186,007	98,873
Total business-type activities net position	<u>\$ 3,865,179</u>	<u>\$ 3,621,893</u>	<u>\$ 3,253,823</u>	<u>\$ 3,276,408</u>	<u>\$ 1,598,059</u>
Primary Government					
Net investment in capital assets	\$ 6,693,094	\$ 6,215,811	\$ 6,054,247	\$ 6,220,331	\$ 4,646,366
Restricted	433,524	599,939	552,152	495,677	509,972
Unrestricted	621,015	671,322	558,638	408,805	322,776
Total primary government activities net position	<u>\$ 7,747,633</u>	<u>\$ 7,487,072</u>	<u>\$ 7,165,037</u>	<u>\$ 7,124,813</u>	<u>\$ 5,479,114</u>

	Fiscal Year				
	2015	2014	2013	2012	2011
Governmental Activities					
Net investment in capital assets	\$ 3,191,637	\$ 3,121,094	\$ 3,167,810	\$ 3,203,335	\$ 3,199,893
Restricted	537,810	539,039	550,139	543,328	6,355
Unrestricted	192,437	185,234	86,681	36,866	501,777
Total governmental activities net position	<u>\$ 3,921,884</u>	<u>\$ 3,845,367</u>	<u>\$ 3,804,630</u>	<u>\$ 3,783,529</u>	<u>\$ 3,708,025</u>
Business-type activities					
Net investment in capital assets	\$ 3,384,656	\$ 3,525,418	\$ 3,686,342	\$ 3,848,713	\$ 3,332,314
Restricted	-	-	-	-	-
Unrestricted	65,237	69,512	31,547	(2,349)	(7,206)
Total business-type activities net position	<u>\$ 3,449,893</u>	<u>\$ 3,594,930</u>	<u>\$ 3,717,889</u>	<u>\$ 3,846,364</u>	<u>\$ 3,325,108</u>
Primary Government					
Net investment in capital assets	\$ 6,576,293	\$ 6,646,512	\$ 6,854,152	\$ 7,052,048	\$ 6,532,207
Restricted	537,810	539,039	550,139	543,328	6,355
Unrestricted	257,674	254,746	118,228	34,517	494,571
Total primary government activities net position	<u>\$ 7,371,777</u>	<u>\$ 7,440,297</u>	<u>\$ 7,522,519</u>	<u>\$ 7,629,893</u>	<u>\$ 7,033,133</u>

CITY OF LOWELL
Changes in Net Position
Last Ten Fiscal Years

	2020	2019	2018	2017	2016
Program revenues:					
Governmental activities:					
Charges for services:					
General Government	\$ 5,106	\$ 5,912	\$ 49,458	\$ 37,100	\$ 14,909
Culture & Recreation	22,419	25,587	21,899	22,976	21,596
Public Safety	-	-	-	-	-
Community Development	73,117	175,627	-	-	-
Code Enforcement	876	806	-	-	-
Tourism	-	-	-	-	-
Municipal Court	2,824	1,940	-	-	-
Highways & Streets	22,846	24,756	8,007	4,273	3,042
Operating grants & contributions	186,282	128,432	27,649	20,140	15,626
Capital grants & contributions	6,100	70,925	-	-	-
Total governmental activities program revenues	319,570	433,985	107,013	84,489	55,173
Business-type activities:					
Charges for services:					
Water	368,132	391,598	308,138	274,459	250,726
Sewer	376,377	363,394	382,284	330,777	274,731
Operating grants & contributions	-	-	-	-	-
Capital grants & contributions	-	-	-	-	-
Total business-type activities program revenues	744,509	754,992	690,422	605,236	525,457
Total primary government program revenues	1,064,079	1,188,977	797,435	689,725	580,630
Expenses:					
Governmental activities:					
General Government	163,018	108,152	118,225	223,034	280,159
Culture & Recreation	116,507	109,413	67,812	19,376	23,087
Public Safety	28,123	27,300	30,200	-	-
Community Development	102,066	168,433	42,730	-	-
Code Enforcement	14,490	11,863	-	-	-
Tourism	2,786	7,566	9,695	-	-
Municipal Court	11,462	11,186	10,294	-	-
Highways & Streets	87,625	134,185	101,427	96,103	42,499
Total governmental activities	526,077	578,098	380,383	338,513	345,745
Business-type activities:					
Water	395,706	367,124	358,810	348,683	344,914
Sewer	446,400	390,655	377,194	387,717	375,223
Total business type activities	842,106	757,779	736,004	736,400	720,137
Total primary government expenses	\$ 1,368,183	\$ 1,335,877	\$ 1,116,387	\$ 1,074,913	\$ 1,065,882
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes	\$ 150,732	\$ 147,569	\$ 140,307	\$ 134,981	\$ 131,105
Investment earnings	8,618	9,833	6,921	7,782	3,628
Other revenues	65,290	292,689	191,992	170,535	175,136
Gain (loss) on capital assets	-	-	16,419	-	-
Transfers in (out)	(858)	(352,013)	(19,460)	(91,924)	(60,126)
Total governmental activities	223,782	98,078	336,179	221,374	249,743
Business-type activities					
Investment earnings	12,363	5,334	3,265	-	-
Other revenues	4,586	13,539	272	309	-
Gain (loss) on capital assets	800	(29)	-	-	-
Transfers in (out)	858	352,013	19,460	91,924	60,126
Total business-type activities	18,607	370,857	22,997	92,233	60,126
Total primary government	\$ 242,389	\$ 468,935	\$ 359,176	\$ 313,607	\$ 309,869
Change in Net Position					
Governmental activities	\$ 17,275	\$ (46,035)	\$ 62,809	\$ (32,650)	\$ (40,829)
Business-type activities	(78,990)	368,070	(22,585)	(38,931)	(134,554)
Total primary government	\$ (61,715)	\$ 322,035	\$ 40,224	\$ (71,581)	\$ (175,383)

CITY OF LOWELL
Changes in Net Position
Last Ten Fiscal Years

	2015	2014	2013	2012	2011
Program revenues:					
Governmental activities:					
Charges for services:					
General Government	\$ 19,799	\$ 83,382	\$ 76,927	\$ 87,175	\$ 78,498
Culture & Recreation	8,888	28,346	20,738	22,242	17,717
Public Safety	-	-	-	-	-
Community Development	-	-	-	-	-
Code Enforcement	-	-	-	-	-
Tourism	-	-	-	-	-
Municipal Court	-	-	-	-	-
Highways & Streets	-	-	-	-	-
Operating grants & contributions	69,629	91,705	91,224	102,779	78,192
Capital grants & contributions	125,000	37,650	36,359	54,426	765,056
Total governmental activities program revenues	223,316	241,083	225,248	266,622	939,463
Business-type activities:					
Charges for services:					
Water	233,460	219,598	202,834	194,141	190,894
Sewer	260,087	244,525	227,096	209,464	186,915
Operating grants & contributions	-	-	-	-	-
Capital grants & contributions	-	4,175	63,705	851,687	594,108
Total business-type activities program revenues	493,547	468,298	493,635	1,255,292	971,917
Total primary government program revenues	716,863	709,381	718,883	1,521,914	1,911,380
Expenses:					
Governmental activities:					
General Government	270,210	240,178	200,174	210,628	236,302
Culture & Recreation	13,259	34,309	35,824	28,481	24,404
Public Safety	-	-	-	-	-
Community Development	-	-	-	-	-
Code Enforcement	-	-	-	-	-
Tourism	-	-	-	-	-
Municipal Court	-	-	-	-	-
Highways & Streets	31,917	41,816	41,354	64,370	61,003
Total governmental activities	315,386	316,303	277,352	303,479	321,709
Business-type activities:					
Water	318,125	306,853	369,105	397,850	208,506
Sewer	393,260	348,726	317,306	355,139	403,390
Total business type activities	711,385	655,579	686,411	752,989	611,896
Total primary government expenses	\$ 1,026,771	\$ 971,882	\$ 963,763	\$ 1,056,468	\$ 933,605
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes	\$ 126,539	\$ 123,078	\$ 120,456	\$ 116,511	\$ 112,617
Investment earnings	2,718	2,879	2,720	2,734	1,086
Other revenues	99,556	36,646	2,155	1,916	59,037
Gain (loss) on capital assets	-	-	-	2,000	-
Transfers in (out)	(60,226)	(52,126)	(52,126)	(10,800)	12,000
Total governmental activities	168,587	110,477	73,205	112,361	184,740
Business-type activities					
Investment earnings	244	391	370	301	368
Other revenues	12,331	11,805	11,805	7,852	22,299
Gain (loss) on capital assets	-	-	-	-	-
Transfers in (out)	60,226	52,126	52,126	10,800	(11,600)
Total business-type activities	72,801	64,322	64,301	18,953	11,067
Total primary government	\$ 241,388	\$ 174,799	\$ 137,506	\$ 131,314	\$ 195,807
Change in Net Position					
Governmental activities	\$ 76,517	\$ 35,257	\$ 21,101	\$ 75,504	\$ 802,494
Business-type activities	(145,037)	(122,959)	(128,475)	521,256	371,088
Total primary government	\$ (68,520)	\$ (87,702)	\$ (107,374)	\$ 596,760	\$ 1,173,582

CITY OF LOWELL
Fund Balance, Governmental Funds
Last Ten Fiscal Years

	2020	2019	2018	2017	2016
General Fund:					
Non spendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	6,100	-	-	-	-
Committed	6,597	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	259,416	297,503	225,395	184,077	123,608
Total general fund	<u>272,113</u>	<u>297,503</u>	<u>225,395</u>	<u>184,077</u>	<u>123,608</u>
All Other Governmental Funds:					
Non spendable	-	-	-	-	-
Restricted	214,370	206,457	523,683	443,823	402,992
Committed	-	-	-	-	-
Assigned	34,691	29,405	91,457	90,575	207,275
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>249,061</u>	<u>235,862</u>	<u>615,140</u>	<u>534,398</u>	<u>610,267</u>
Total governmental funds	<u>\$ 521,174</u>	<u>\$ 533,365</u>	<u>\$ 840,535</u>	<u>\$ 718,475</u>	<u>\$ 733,875</u>

	2015	2014	2013	2012	2011
General Fund:					
Non spendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	10,000	-	-	-	-
Unassigned	84,227	95,231	57,836	(7,209)	(27,519)
Total general fund	<u>94,227</u>	<u>95,231</u>	<u>57,836</u>	<u>(7,209)</u>	<u>(27,519)</u>
All Other Governmental Funds:					
Non spendable	-	-	-	-	-
Restricted	375,704	323,070	256,485	221,038	156,946
Committed	-	-	-	-	-
Assigned	260,317	305,972	323,741	367,991	385,158
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>636,021</u>	<u>629,042</u>	<u>580,226</u>	<u>589,029</u>	<u>542,104</u>
Total governmental funds	<u>\$ 730,248</u>	<u>\$ 724,273</u>	<u>\$ 638,062</u>	<u>\$ 581,820</u>	<u>\$ 514,585</u>

CITY OF LOWELL
General Governmental Revenues
Last Ten Fiscal Years

Fiscal Year	Property Tax	Franchise Fees	Total	Land Use Permits	Construction Permits	Other Permits & Licenses	Total
10-11	\$ 112,617	\$ 40,500	\$ 153,117	\$ 10,228	\$ 7,158	\$ 409	\$ 17,795
11-12	116,511	42,363	158,874	760	24,441	339	25,540
12-13	120,456	41,297	161,753	-	15,518	587	16,105
13-14	123,078	43,345	166,423	396	23,521	347	24,264
14-15	126,539	45,095	171,634	998	17,566	335	18,899
15-16	131,105	47,932	179,037	176	12,755	1,066	13,997
16-17	134,981	48,378	183,856	5,221	24,340	751	30,312
17-18	140,307	52,720	193,027	1,044	35,967	1,402	38,413
18-19	147,569	52,206	199,775	7,500	246,867	1,246	255,613
19-20	150,732	62,928	213,660	35,768	36,869	1,356	73,993

Source: City Financial Database

CITY OF LOWELL
Assessed Value of Property
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Manufactured Structures</u>	<u>Personal Property</u>	<u>Public Utility</u>	<u>Total Taxable Assessed Value</u>	<u>Estimated Real Market Value (RMV)</u>	<u>Assessed Value as a % of RMV</u>
10-11	\$ 51,189,327	\$ 1,471,441	\$ 151,521	\$ 1,015,500	\$ 53,827,789	\$ 88,108,854	61.1%
11-12	53,552,885	1,379,033	150,120	1,010,700	56,092,738	88,134,339	63.6%
12-13	55,517,417	1,189,667	184,933	695,900	57,587,917	84,732,061	68.0%
13-14	56,556,845	1,173,076	166,578	759,400	58,655,899	80,167,206	73.2%
14-15	58,603,044	1,208,852	162,551	802,000	60,776,447	86,132,470	70.6%
15-16	60,496,634	1,094,889	151,867	1,021,900	62,765,290	90,378,891	69.4%
16-17	62,000,681	1,175,149	226,886	1,073,700	64,476,416	94,410,652	68.3%
17-18	64,242,855	1,155,862	271,816	1,257,029	66,927,562	108,244,103	61.8%
18-19	66,271,852	1,140,505	270,377	1,333,000	69,015,734	117,576,623	58.7%
19-20	69,076,046	1,139,099	231,864	1,237,500	71,684,509	123,729,680	57.9%

Source: Department of Assessment and Taxation, Lane County, Oregon

CITY OF LOWELL
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Collected Within the Fiscal Year of the Levy		Collected in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
10-11	\$ 116,440	\$ 109,218	93.80%	\$ 3,399	\$ 112,617	103.4%
11-12	121,233	113,933	93.98%	2,578	116,511	104.1%
12-13	124,465	116,933	93.95%	3,523	120,456	103.3%
13-14	126,773	119,363	94.15%	3,715	123,078	103.0%
14-15	131,356	122,928	93.58%	3,611	126,539	103.8%
15-16	135,655	124,669	91.90%	2,360	127,029	106.8%
16-17	139,353	132,671	95.21%	2,310	134,981	103.2%
17-18	144,651	137,867	95.31%	2,440	140,307	103.1%
18-19	149,164	142,083	95.25%	5,486	147,569	101.1%
19-20	154,932	148,109	95.60%	2,622	150,732	102.8%

CITY OF LOWELL
Principal Tax Payers
Last Ten Fiscal Years

Fiscal Year 2019-2020						
Taxpayer Name	Number of Parcels	Assessed Taxes	Taxable Assessed Value (TAV)	Estimated Real Market Value (RMV)	% of City Assessed Value	
Tu-Mac Inc	1	\$ 30,551	\$ 2,324,320	\$ 2,324,320	3.24%	
Centurylink	2	13,433	1,022,000	1,022,000	1.43%	
Lowell Industrial Development	2	11,893	904,838	904,838	1.26%	
George Living Trust	5	11,776	841,505	1,441,763	1.17%	
Valencia Jerry L & Julie E	5	9,184	656,029	790,153	0.92%	
Silebi Benjamin M & Rebecca J	2	8,758	645,399	805,698	0.90%	
J & K Property Holdings LLC	4	8,562	645,216	830,869	0.90%	
Neet Robin C & Cheryl M	3	7,484	524,107	985,440	0.73%	
Walker Richard J & Allison A	3	6,575	468,776	638,759	0.65%	
Howell Mali & Ian	1	6,471	461,319	555,352	0.64%	
		<u>\$ 114,686</u>	<u>\$ 8,493,509</u>	<u>\$ 10,299,192</u>	<u>11.85%</u>	

Total City assessed valuation base for Fiscal Year 2019-2020: \$ 71,684,509

Fiscal Year 2018-2019						
Taxpayer Name	Number of Parcels	Assessed Taxes	Taxable Assessed Value (TAV)	Estimated Real Market Value (RMV)	% of City Assessed Value	
Tu-Mac Inc	1	\$ 22,136	\$ 1,704,300	\$ 1,704,300	2.47%	
Lowell Industrial Development	3	17,947	1,381,855	1,381,855	2.00%	
George Living Trust	7	15,461	1,026,511	1,645,396	1.49%	
Centurylink	2	14,936	1,150,000	1,150,000	1.67%	
Valencia Jerry L & Julie E	6	14,269	1,028,832	1,356,025	1.49%	
C & S Developments Inc	19	6,696	497,101	633,064	0.72%	
Walker Richard J & Allison A	3	6,128	441,897	711,940	0.64%	
Howell Mali & Ian	1	6,031	434,838	622,762	0.63%	
Alexander Ryan E & Lynette R	1	5,944	433,257	496,716	0.63%	
Rieger June E & Wesley T	1	5,882	424,054	635,747	0.61%	
Lowell Investment Properties LLC	3	5,882	422,394	737,561	0.61%	
		<u>\$ 121,312</u>	<u>\$ 8,945,039</u>	<u>\$ 11,075,366</u>	<u>12.96%</u>	

Total City assessed valuation base for Fiscal Year 2018-2019: \$ 69,015,734

Fiscal Year 2017-2018						
Taxpayer Name	Number of Parcels	Assessed Taxes	Taxable Assessed Value (TAV)	Estimated Real Market Value (RMV)	% of City Assessed Value	
Tu-Mac Inc	1	\$ 21,797	\$ 1,853,510	\$ 1,853,510	2.77%	
Lowell Industrial Development	3	16,479	1,396,807	1,407,380	2.09%	
George William D & Ruth M	7	11,303	898,294	1,333,645	1.34%	
Nelson Alexander & Patricia Ann	5	7,237	572,412	726,728	0.86%	
Level 3 Communications LLC	1	6,573	558,929	558,929	0.84%	
Centurylink	2	6,182	525,700	525,700	0.79%	
C & S Developments Inc	19	5,840	482,633	593,524	0.72%	
Walker Richard J & Allison A	3	5,424	429,040	667,477	0.64%	
Valencia Jerry L & Julie E	1	5,392	426,453	528,373	0.64%	
Vanmastrigt William	1	5,338	422,173	579,084	0.63%	
		<u>\$ 91,565</u>	<u>\$ 7,565,951</u>	<u>\$ 8,774,350</u>	<u>11.30%</u>	

Total City assessed valuation base for Fiscal Year 2017-2018: \$ 66,927,562

Source: Department of Assessment and Taxation, Lane County, Oregon

CITY OF LOWELL
Principal Tax Payers
Last Ten Fiscal Years

Taxpayer Name	Number of Parcels	Fiscal Year 2016-2017			
		Assessed Taxes	Taxable Assessed Value (TAV)	Estimated Real Market Value (RMV)	% of City Assessed Value
Tu-Mac Inc	1	\$ 23,956	\$ 2,037,830	\$ 2,037,830	3.16%
Lowell Industrial Development	3	16,065	1,366,620	1,366,620	2.12%
George William D & Ruth M	16	14,556	1,164,369	1,573,466	1.81%
Nelson Alexander & Patricia Ann	5	6,843	555,740	637,333	0.86%
Centurylink	2	6,303	536,200	536,200	0.83%
C & S Developments Inc	19	5,552	468,593	546,085	0.73%
Walker Richard J & Allison A	3	5,264	416,560	583,893	0.65%
Valencia Jerry L & Julie E	1	5,233	414,032	491,188	0.64%
Vanmastrigt William	1	5,180	409,877	498,221	0.64%
Eschenbacher James & Karla	1	5,052	399,712	544,874	0.62%
		<u>\$ 94,003</u>	<u>\$ 7,769,533</u>	<u>\$ 8,815,710</u>	<u>12.05%</u>

Total City assessed valuation base for Fiscal Year 2016-2017: \$ 64,476,416

Taxpayer Name	Number of Parcels	Fiscal Year 2015-2016			
		Assessed Taxes	Taxable Assessed Value (TAV)	Estimated Real Market Value (RMV)	% of City Assessed Value
Tu-Mac Inc	1	\$ 26,988	\$ 2,270,090	\$ 2,270,090	3.62%
Lowell Industrial Development	3	14,062	1,182,815	1,182,815	1.88%
George William D & Ruth M	7	10,862	855,895	1,208,295	1.36%
Nelson Alexander & Patricia Ann	5	6,611	539,552	601,535	0.86%
C & S Developments Inc	20	6,147	513,379	592,576	0.82%
Centurylink	2	6,122	515,000	515,000	0.82%
Walker Richard J & Allison A	3	5,165	404,442	550,808	0.64%
Valencia Jerry L & Julie E	1	5,116	401,973	469,380	0.64%
Vanmastrigt William	1	5,068	397,939	465,349	0.63%
		<u>\$ 86,140</u>	<u>\$ 7,081,085</u>	<u>\$ 7,855,848</u>	<u>11.28%</u>

Total City assessed valuation base for Fiscal Year 2015-2016: \$ 62,765,290

Taxpayer Name	Number of Parcels	Fiscal Year 2014-2015			
		Assessed Taxes	Taxable Assessed Value (TAV)	Estimated Real Market Value (RMV)	% of City Assessed Value
Tu-Mac Inc	1	\$ 29,206	\$ 2,426,660	\$ 2,426,660	3.99%
Lowell Industrial Development	3	16,401	1,362,770	1,362,770	2.24%
George William D & Ruth M	6	9,761	755,573	1,045,542	1.24%
C & S Developments Inc	21	6,584	543,547	620,555	0.89%
Nelson Alexander & Patricia Ann	5	6,563	523,837	598,801	0.86%
Centurylink	2	5,710	474,400	474,400	0.78%
Tschirgi Scot W & Marolyn A	3	5,072	392,675	547,298	0.65%
Valencia Jerry L & Julie E	1	5,042	390,265	467,838	0.64%
Vanmastrigt William	1	4,991	386,349	465,131	0.64%
Eschenbacher James & Karla	1	4,867	376,767	524,798	0.62%
		<u>\$ 94,197</u>	<u>\$ 7,632,843</u>	<u>\$ 8,533,793</u>	<u>12.56%</u>

Total City assessed valuation base for Fiscal Year 2014-2015: \$ 60,776,447

Source: Department of Assessment and Taxation, Lane County, Oregon

CITY OF LOWELL
Principal Tax Payers
Last Ten Fiscal Years

Taxpayer Name	Fiscal Year 2013-2014				
	Number of Parcels	Assessed Taxes	Taxable Assessed Value (TAV)	Estimated Real Market Value (RMV)	% of City Assessed Value
Tu-Mac Inc	1	\$ 31,342	\$ 2,602,860	\$ 2,602,860	4.44%
Lowell Industrial Development	3	15,999	1,328,638	1,328,638	2.27%
C & S Developments Inc	22	8,511	702,872	778,760	1.20%
George William D & Ruth M	6	8,105	641,769	854,853	1.09%
Nelson Alexander & Patricia Ann	4	6,051	494,902	533,156	0.84%
Centurylink	2	5,873	487,700	487,700	0.83%
St Vincent De Paul Society Lane Co	12	4,850	388,473	422,888	0.66%
Tschirgi Scot W & Marolyn A	2	4,785	370,292	487,227	0.63%
Slyker Charles & Jane	1	4,749	375,096	421,579	0.64%
Valencia Jerry L & Julie E	1	4,736	378,898	413,584	0.65%
		<u>\$ 95,000</u>	<u>\$ 7,771,500</u>	<u>\$ 8,331,245</u>	<u>13.25%</u>

Total City assessed valuation base for Fiscal Year 2013-2014: \$ 58,655,899

Taxpayer Name	Fiscal Year 2012-2013				
	Number of Parcels	Assessed Taxes	Taxable Assessed Value (TAV)	Estimated Real Market Value (RMV)	% of City Assessed Value
Tu-Mac Inc	1	\$ 31,898	\$ 2,775,220	\$ 2,775,220	4.82%
Lowell Industrial Development	3	15,489	1,345,217	1,350,538	2.34%
C & S Developments Inc	22	8,327	686,973	851,998	1.19%
George William D & Ruth M	4	6,484	523,859	740,684	0.91%
Buell Gary A & Donna E	4	5,884	480,487	582,393	0.83%
St Vincent De Paul Society Lane Co	15	5,784	467,322	572,357	0.81%
Centurylink	2	5,190	451,500	451,500	0.78%
		<u>\$ 79,055</u>	<u>\$ 6,730,578</u>	<u>\$ 7,324,690</u>	<u>11.69%</u>

Total City assessed valuation base for Fiscal Year 2012-2013: \$ 57,587,917

Taxpayer Name	Fiscal Year 2011-2012				
	Number of Parcels	Assessed Taxes	Taxable Assessed Value (TAV)	Estimated Real Market Value (RMV)	% of City Assessed Value
Tu-Mac Inc	1	\$ 34,127	\$ 2,964,590	\$ 2,964,590	5.29%
Lowell Industrial Development	2	15,569	1,351,042	1,354,258	2.41%
Qwest Corp	1	8,918	774,700	774,700	1.38%
C & S Developments Inc	22	7,623	614,270	794,509	1.10%
St Vincent De Paul of Lane County	19	7,127	575,019	725,393	1.03%
George William D & Ruth M	4	6,304	508,601	773,763	0.91%
Buell Gary A & Donna E	4	5,782	466,492	606,311	0.83%
George Family LLC	12	4,509	363,746	561,731	0.65%
Alvarez Rory R	2	4,499	385,430	412,918	0.69%
Vanencia Jerry L & Julie E	1	4,427	357,148	490,409	0.64%
		<u>\$ 98,884</u>	<u>\$ 8,361,038</u>	<u>\$ 9,458,582</u>	<u>14.91%</u>

Total City assessed valuation base for Fiscal Year 2011-2012: \$ 56,092,738

Source: Department of Assessment and Taxation, Lane County, Oregon

CITY OF LOWELL
Principal Tax Payers
Last Ten Fiscal Years

Taxpayer Name	Number of Parcels	Fiscal Year 2010-2011			
		Assessed Taxes	Taxable Assessed Value (TAV)	Estimated Real Market Value (RMV)	% of City Assessed Value
Tu-Mac Inc	1	\$ 29,085	\$ 2,469,260	\$ 2,469,260	4.59%
Lowell Industrial Development	2	15,924	1,342,367	1,364,962	2.49%
Qwest Corp	1	9,032	766,800	766,800	1.42%
Shade Tree Inc	18	8,173	645,491	899,858	1.20%
C & S Developments Inc	22	7,092	560,176	994,011	1.04%
George William D & Ruth M	4	6,252	493,788	772,951	0.92%
Buell Gary A & Donna E	4	5,735	452,905	617,939	0.84%
Eschenbacher James & Karla	2	5,300	418,596	659,013	0.78%
George Family LLC	12	5,127	413,855	585,939	0.77%
Alvarez Rory R	2	4,464	374,204	399,804	0.70%
		<u>\$ 96,185</u>	<u>\$ 7,937,442</u>	<u>\$ 9,530,537</u>	<u>14.75%</u>

Total City assessed valuation base for Fiscal Year 2010-2011: \$ 53,827,789

Source: Department of Assessment and Taxation, Lane County, Oregon

COMPLIANCE SECTION

*REPORT OF THE INDEPENDENT AUDITORS REQUIRED BY
THE STATE OF OREGON MINIMUM STANDARDS FOR
AUDITS OF OREGON MUNICIPAL CORPORATIONS*

Emerald CPA Group, LLP

450 Country Club Road, Suite 155
Eugene OR 97401

**REPORT OF THE INDEPENDENT AUDITORS REQUIRED BY THE STATE OF OREGON MINIMUM STANDARDS
FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS**

Honorable Mayor and City Council
City of Lowell
107 East Third Street
Post Office Box 490
Lowell, Oregon 97452

We have audited the basic financial statements of City of Lowell (the City) as of and for the year ended June 30, 2020, and have issued our report thereon dated November 30, 2020.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Highway revenues used for public highways, roads, and streets.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

In connection with our testing nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

Honorable Mayor and City Council
City of Lowell
Page 2 of 2

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Communication on the City's internal control over financial reporting is issued in the Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* on pages 46-47.

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

Emerald CPA Group LLP

Certified Public Accountants

Eugene, Oregon
November 30, 2020