

CITY OF LOWELL
LANE COUNTY, OREGON

ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended: June 30, 2022

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, 2022

Prepared by the Finance Department
of the City of Lowell

Annual Financial Report
Fiscal Year Ending: June 30, 2022

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INTRODUCTORY SECTION

CITY OF LOWELL

CITY OFFICIALS

June 30, 2022

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	Jimmy Murray 72 Wetleau Dr Lowell, OR 97452	December 31, 2022
3	Council Member	Maureen Weathers PO Box 39 Lowell, OR 97452	December 31, 2022
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, 2024

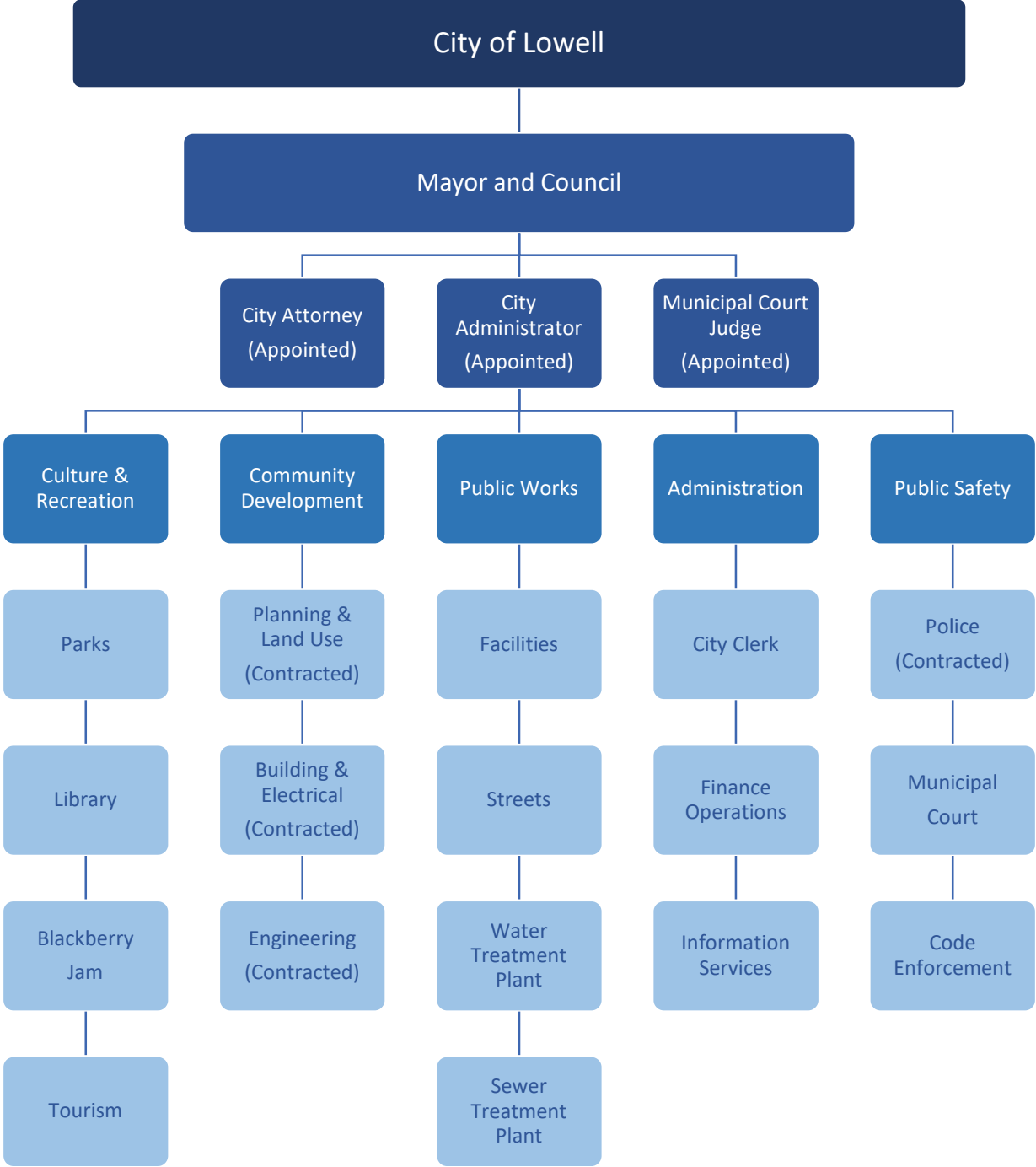
APPOINTED OFFICIALS

<u>Title</u>	<u>Name</u>	<u>Appointed</u>
City Administrator	Jeremy Caudle	January 4, 2021
Attorney at Law	Gary Darnielle	July 1, 2020
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 Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Lowell, as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the City of Lowell's basic financial statements as listed in the table of contents.

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, business-type activities, each major fund and the aggregate remaining fund information of the City of Lowell as of June 30, 2022 and the respective changes in modified cash basis financial position and where applicable, cash flows thereof for the year then ended in conformity with the modified cash basis of accounting described in Note 1.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Lowell and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management 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 described in Note 1 and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Lowell's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Lowell's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Lowell's basic financial statements. The Management's Discussion and Analysis on pages 7-16 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 and budgetary comparison schedules on pages 38-58 are presented for purposes of additional analysis and are not a required part of the basic financial statements. This supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 accepted in 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.

Statistical Information

Management is responsible for the other information included in the annual report. The other information comprises the statistical information on pages 59-78, but does not include the basic financial statements or our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or provide any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2023, on our consideration of the City of Lowell's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters for the year ended June 30, 2022.

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 or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Lowell's internal control over financial reporting and compliance.

Other Reporting Required by Oregon State Regulations

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated May 25, 2023, on our consideration of the City of Lowell'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 162-10-000 through 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
May 25, 2023

MANAGEMENT'S DISCUSSION & ANALYSIS

CITY OF LOWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ending June 30, 2022

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, 2022, are \$10,379,477, an increase of \$417,597 over the previous year primarily a result of construction in progress for the City Hall/Library improvements, the acquisition of land, and the water meter upgrade program, less current year depreciation expense.
- The City's total Liabilities are \$2,444,174, a decrease of \$80,303 from the previous year, primarily a result of debt service payments made.
- The City's total debt outstanding decreased \$81,501 or 3% during the current fiscal year. This decrease is the result of annual debt service payments made.
- The City's Net Position increased \$505,311 in governmental activities and decreased \$7,411 in business-type activities for a combined increase of \$497,900 over the previous year.
- For its governmental activities, the City received \$183,315 in tax revenue, up \$28,167, or 17.9% over the prior year.
- For its business-type activities, the City recognized \$1,155,572 in program revenue including \$949,392 in charges for services, reflecting an overall increase of 30%.
- The City's governmental funds reported a combined fund balance of \$617,902, an increase of \$167,934 over the previous fiscal year. Of the total fund balance reported, \$384,879 is considered non-spendable, restricted, committed, or assigned. The remaining \$233,023 is available for spending at the government's discretion.

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, 2022

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

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

- Building Fund
- 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 funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide

CITY OF LOWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ending June 30, 2022

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

The City maintains seven 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, Stormwater SDC Fund, and the Equipment 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 newly added Building Fund accounts for building and electrical inspection activity and is the only non-major enterprise fund.

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 \$7,432,696.

CITY OF LOWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ending June 30, 2022

CITY OF LOWELL – NET POSITION

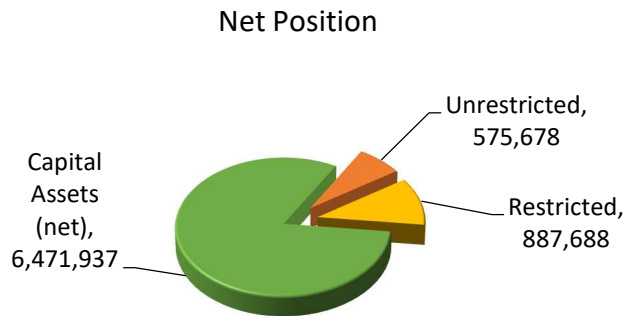
The table below reflects a summary of net position compared to the prior fiscal year, the following notes summarize the major changes to net position.

	Government		Business		Total	
	June 2022	June 2021	June 2022	June 2021	June 2022	June 2021
Current and other assets	\$ 618,502	\$ 452,370	\$ 885,464	\$ 823,386	\$ 1,503,966	\$ 1,275,756
Capital assets	4,752,959	4,437,623	4,122,552	4,248,501	8,875,511	8,686,124
Total assets	\$ 5,371,461	\$ 4,889,993	\$ 5,008,016	\$ 5,071,887	\$ 10,379,477	\$ 9,961,880
Current liabilities	\$ 23,472	\$ 24,443	\$ 105,806	\$ 96,460	\$ 129,278	\$ 120,903
Non-current liabilities	841,216	864,088	1,473,680	1,539,486	2,314,896	2,403,574
Total liabilities	\$ 864,688	\$ 888,531	\$ 1,579,486	\$ 1,635,946	\$ 2,444,174	\$ 2,524,477
Net position:						
Net investment in capital assets	\$ 3,888,871	\$ 3,551,494	\$ 2,583,066	\$ 2,649,555	\$ 6,471,937	\$ 6,201,049
Restricted	371,055	251,163	516,633	530,533	887,688	781,696
Unrestricted	246,847	198,805	328,831	255,853	575,678	454,658
Total net position	\$ 4,506,773	\$ 4,001,462	\$ 3,428,530	\$ 3,435,941	\$ 7,935,303	\$ 7,437,403

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 \$1,503,966, an increase of \$228,210 over the previous year. The City’s total non-current liabilities equal \$2,314,896, a decrease of \$88,678 from the previous fiscal year.

82% 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. 11% 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 7% 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, 2022

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 2022	June 2021	June 2022	June 2021	June 2022	June 2021
Revenues:						
Program revenues:						
Charges for service	\$ 53,380	\$ 13,693	\$ 949,392	\$ 767,144	\$ 1,002,772	\$ 780,837
Capital grants & contributions	405,579	221,366	206,180	20,675	611,759	242,041
Operating grants	223,330	199,609	-	25,181	223,330	224,790
Total program revenues	682,289	434,668	1,155,572	813,000	1,837,861	1,247,668
General revenues:						
Property taxes	183,315	155,148	-	-	183,315	155,148
Franchise & public service taxes	96,397	59,158	-	-	96,397	59,158
Investment earnings	2,555	2,789	3,399	4,597	5,954	7,386
Other	678	11,114	1,850	8,539	2,528	19,653
Gain (loss) on sale of asset	57,860	-	-	-	57,860	-
Total general revenues	340,805	228,209	5,249	13,136	346,054	241,345
Total revenues:	1,023,094	662,877	1,160,821	826,136	2,183,915	1,489,013
Expenses:						
General government	140,414	153,661	-	-	140,414	153,661
Culture & recreation	133,564	112,858	-	-	133,564	112,858
Public safety	29,453	28,968	-	-	29,453	28,968
Community Development	88,212	73,749	-	-	88,212	73,749
Code Enforcement	12,259	14,311	-	-	12,259	14,311
Tourism	3,202	2,251	-	-	3,202	2,251
Municipal court	17,901	13,815	-	-	17,901	13,815
Highways & streets	92,778	94,957	-	-	92,778	94,957
Building			101,115	26,413	101,115	26,413
Water			526,635	486,159	526,635	486,159
Sewer			540,482	469,825	540,482	469,825
Total expenses:	517,783	494,570	1,168,232	982,397	1,686,015	1,476,967
Increase in net position before transfers	505,311	168,307	(7,411)	(156,261)	497,900	12,046
Transfer to or (from) other funds	-	(49,299)	-	49,299	-	-
Change in net position	505,311	119,008	(7,411)	(106,962)	497,900	12,046
Beginning net position	4,001,462	3,882,454	3,435,941	3,542,903	7,437,403	7,425,357
Ending net position	\$ 4,506,773	\$ 4,001,462	\$ 3,428,530	\$ 3,435,941	\$ 7,935,303	\$ 7,437,403

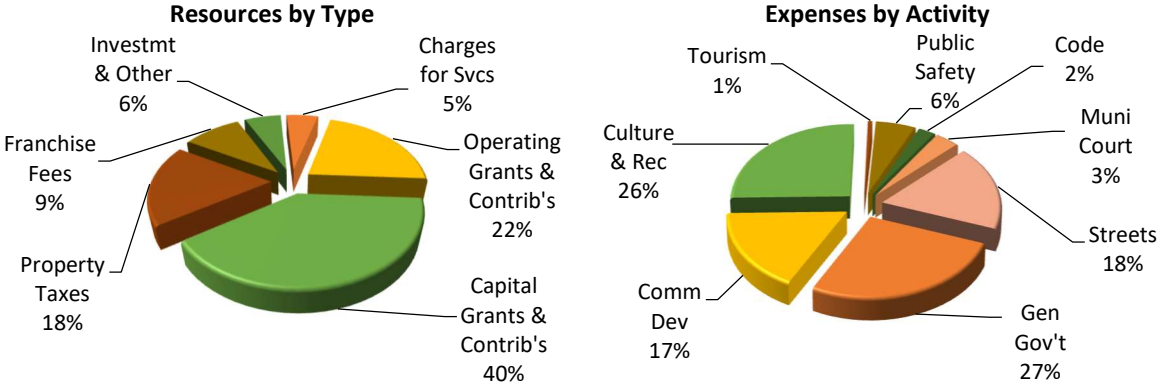
CITY OF LOWELL
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 For the Year Ending June 30, 2022

Governmental Activities

The net position for governmental activities increased \$505,311 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 18% of governmental resources. For operating purposes, property tax revenues increased \$28,167 over last year, as allowed by statute.
- Charges for services represent 5% of governmental resources which include: Land use and other permits and licenses, reimbursement SDC's, festival revenue and court fines.
- Franchise fees increased \$37,239 over last year due to the addition of franchise fees paid by the City's water and sewer utilities.
- The major differences to governmental revenue include: an increase to land use permits of \$17,951 due to an increase in development, and an increase to capital grants of \$184,213 mainly due to a Ford Foundation Grant of \$191,466, a Roundhouse Foundation grant of \$20,000, and library capital improvement donations received of \$13,270, an increase to operating grants of \$23,721 mainly due to American Rescue Plan Act (ARPA) grant of \$78,436, and a \$57,860 gain on the sale of a parcel of property.
- Total governmental activity expenses increased \$23,213 mainly due to an increase in land use development activity and the renewal of the Blackberry Jam Festival.



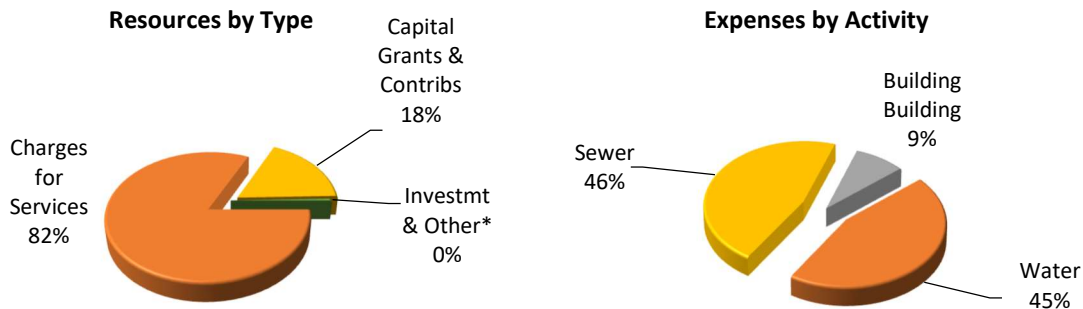
CITY OF LOWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ending June 30, 2022

Business Activities

Business-type activities resulted in a \$7,411 decrease to net position from the prior year mainly the result of an increase in operational expenses, which include \$74,702 for the Building Fund, \$40,476 for the Water Fund and \$70,657 for the Sewer Fund.

Key activities during the fiscal year include:

- Charges for services in the water and sewer funds generated the majority of the \$949,392 in revenues for all business-type activities.
- Capital grants and contributions increased \$185,505 mainly due to an increase to system development charges of \$131,256 and an American Rescue Plan Act grant of \$54,249.
- Expenses increased \$185,835 mainly due to an increase in materials and services to water and sewer utilities as well as increased activity within the Building Fund.



*Investment & Other resources above are less than 1%

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 2022	June 2021	June 2022	June 2021	June 2022	June 2021
General Fund	\$ 264,759	\$ 205,803	\$ -	\$ -	\$ 264,759	\$ 205,803
Street Fund	111,798	76,011	-	-	111,798	76,011
SDC Fund(s)	227,521	156,686	-	-	227,521	156,686
Equipment Fund	-	-	-	-	-	-
BBJ Festival Fund	13,824	11,468	-	-	13,824	11,468
Building Fund	-	-	57,234	29,944	57,234	29,944
Water Operating Fund	-	-	1,307,921	1,313,851	1,307,921	1,313,851
Water Reserve Fund	-	-	39,457	39,395	39,457	39,395
Water SDC Fund	-	-	376,133	329,228	376,133	329,228
Sewer Operating fund	-	-	1,499,775	1,561,613	1,499,775	1,561,613
Sewer Reserve Fund	-	-	15,772	15,751	15,772	15,751
Sewer SDC Fund	-	-	132,238	146,159	132,238	146,159
Total:	\$ 617,902	\$ 449,968	\$ 3,428,530	\$ 3,435,941	\$ 4,046,432	\$ 3,885,909

CITY OF LOWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ending June 30, 2022

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 \$617,902, of which \$233,023 is unassigned. Of the remaining amount \$384,879 is restricted for streets, capital projects and SDC's, and \$13,824 is assigned for the Blackberry Jam.

Business-type (Proprietary) funds

The Water, Sewer and Building funds ended the year with a \$7,411 decrease in net position, for a combined net position of \$3,428,530.

- The Water fund ended the fiscal year with a net position of \$1,723,511, with \$87,270 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 \$1,647,785, with \$184,327 of that amount unrestricted and the remaining balance restricted for debt service, capital projects (SDC's) or invested (net) in capital assets.
- The Building fund ended with a net position of \$57,234, all of which is unrestricted.

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, 2022. The Council approved three amendments to the budget which were approved by resolution. The adjustments include:

- An increase to the building department of \$57,250 due to unanticipated permit activity
- A decrease of \$16,380 in personal services to offset an increase to other contract services within the library department of the General Fund
- A decrease of \$10,400 in materials and services to offset an increase in capital outlay in the Street Fund
- An increase in capital outlay of \$35,530 offset by a decrease in transfers within the Water Fund
- A decrease to Parks Improvements of \$115,300 to offset unanticipated increases to land use activity, engineering services, technology services, other contract services, travel and training, and utilities within the General Fund.

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 \$8,875,512 (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 two pumps for the wastewater treatment plant, 240 new radio read water meters and a parcel of land.

CITY OF LOWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ending June 30, 2022

	Government		Business		Total	
	June 2022	June 2021	June 2022	June 2021	June 2022	June 2021
Land	\$ 2,735,911	\$ 2,595,846	\$ 92,179	\$ 92,179	\$ 2,828,090	\$ 2,688,025
Property acquired for resale	308,935	308,935	-	-	308,935	308,935
Construction in progress	247,126	14,196	-	-	247,126	14,196
Buildings	431,437	431,437	124,989	124,989	556,426	556,426
Infrastructure	1,657,535	1,643,335	9,211,303	9,141,734	10,868,838	10,785,069
Equipment & furnishings	34,935	34,935	200,352	176,975	235,287	211,910
Vehicles & rolling stock	52,147	52,147	55,847	55,847	107,994	107,994
Total:	5,468,026	5,080,831	9,684,670	9,591,724	15,152,696	14,672,555
Accum depreciation:	(715,067)	(643,208)	(5,562,117)	(5,343,223)	(6,277,184)	(5,986,431)
Net capital assets:	\$ 4,752,959	\$ 4,437,623	\$ 4,122,553	\$ 4,248,501	\$ 8,875,512	\$ 8,686,124

Debt Administration

Governmental debt outstanding of \$864,088 reflects two notes payable to Government Capital Corporation for the Library/City Hall facility and the downtown properties, as well as a loan through Business Oregon for street improvements. Business debt outstanding of \$1,539,486 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 and state highway street tax revenues within the Street Fund. 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 \$81,501 reflects current year repayment. Of the total debt, \$396,656 is due within one year, and \$2,006,918 is due within more than one year.

	Government		Business		Total	
	June 2022	June 2021	June 2022	June 2021	June 2022	June 2021
Long term obligations:						
Notes payable:						
Gov't Capital Note (256156)	\$ 476,431	\$ 495,059	\$ -	\$ -	\$ 476,431	\$ 495,059
Gov't Capital Note (263007)	307,978	307,978	-	-	307,978	307,978
Business Oregon (J05001)	-	-	95,196	104,632	95,196	104,632
Business Oregon (G02002)	-	-	150,690	169,318	150,690	169,318
Business Oregon (L21001)	79,679	83,092	177,746	185,358	257,425	268,450
USDA RUS (91-03)	-	-	797,161	814,152	797,161	814,152
USDA RUS (92-05)	-	-	318,693	325,486	318,693	325,486
Total obligations:	\$ 864,088	\$ 886,129	\$ 1,539,486	\$ 1,598,946	\$ 2,403,574	\$ 2,485,075

Additional information for capital assets and debt administration can be viewed in the notes to the basic financial statements.

CITY OF LOWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ending June 30, 2022

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 2022-2023 budget was approved by the City Council on June 21, 2021, in the total amount of \$4,927,946, which includes \$370,996 in ending fund balances, \$709,198 in debt service and \$650,573 for capital projects. 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 \$178,646 for the 2022-2023 fiscal year.

Franchise fees and privilege taxes are the second largest revenue source for the General Fund, budgeted at \$108,686, 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 764.

Intergovernmental revenues, budgeted at \$43,700, 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 \$91,464. Shared revenues remain relatively flat due to the economic impact of the corona virus pandemic.

The personal services budget includes a 5% merit increase for employees that receive a satisfactory performance evaluation. Medical benefits are anticipated to increase 6%, and Public Employees Retirement System (PERS) rates remains flat at 19.63%.

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 5% effective July 1, 2022
- Sewer rates will increase 5% effective July 1, 2022

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 2022 population estimate is 1,235, reflecting a 2% increase from last year, as provided by the Population Research Center at Portland State University.

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:

Jeremy Caudle
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, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 616,103	\$ 883,441	\$ 1,499,544
Other current assets	2,399	2,023	4,422
Total current assets	<u>618,502</u>	<u>885,464</u>	<u>1,503,966</u>
Non-current assets:			
Capital assets:			
Property acquired for resale	308,935	-	308,935
Land	2,735,911	92,179	2,828,090
Buildings and facilities	431,437	124,989	556,426
Equipment and furnishings	34,935	200,352	235,287
Vehicles and rolling stock	52,147	55,847	107,994
Infrastructure	1,657,535	9,211,302	10,868,837
Construction in progress	247,126	-	247,126
Less accumulated depreciation	<u>(715,067)</u>	<u>(5,562,117)</u>	<u>(6,277,184)</u>
Total non-current assets	<u>4,752,959</u>	<u>4,122,552</u>	<u>8,875,511</u>
Total assets	<u><u>\$ 5,371,461</u></u>	<u><u>\$ 5,008,016</u></u>	<u><u>\$ 10,379,477</u></u>
LIABILITIES			
Current liabilities:			
Utility deposits	\$ -	\$ 39,640	\$ 39,640
Utility donations	-	360.00	360.00
Other deposits	600.00	-	600.00
Notes payable - current	<u>22,872</u>	<u>65,806</u>	<u>88,678</u>
Total current liabilities	<u>23,472</u>	<u>105,806</u>	<u>129,278</u>
Non-current liabilities:			
Notes payable - noncurrent	<u>841,216</u>	<u>1,473,680</u>	<u>2,314,896</u>
Total non-current liabilities	<u>841,216</u>	<u>1,473,680</u>	<u>2,314,896</u>
Total liabilities	<u>864,688</u>	<u>1,579,486</u>	<u>2,444,174</u>
NET POSITION			
Net investment in capital assets	3,888,871	2,583,066	6,471,937
Restricted for:			
Culture and recreation	31,736	-	31,736
Streets	111,798	-	111,798
Debt service	-	55,167	55,167
Capital projects (SDC)	227,521	461,466	688,987
Unrestricted	<u>246,847</u>	<u>328,831</u>	<u>575,678</u>
Total net position	<u><u>\$ 4,506,773</u></u>	<u><u>\$ 3,428,530</u></u>	<u><u>\$ 7,935,303</u></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, 2022

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	\$ 140,414	\$ 11,438	\$ 114,319	\$ -	\$ (14,657)	\$ -	(14,657)
Culture & Recreation	133,564	9,470	5,487	267,546	148,939	-	148,939
Public Safety	29,453	-	-	-	(29,453)	-	(29,453)
Community Development	88,212	18,336	1,000	-	(68,876)	-	(68,876)
Code Enforcement	12,259	347	-	-	(11,912)	-	(11,912)
Tourism	3,202	-	10,586	-	7,384	-	7,384
Municipal Court	17,901	10,565	-	-	(7,336)	-	(7,336)
Highways & Streets	92,778	3,224	91,938	138,033	140,417	-	140,417
Total governmental activities	517,783	53,380	223,330	405,579	164,506	-	164,506
Business-type activities:							
Building	101,115	128,394	-	-	-	27,279	27,279
Water	526,635	391,558	-	172,979	-	37,902	37,902
Sewer	540,482	429,440	-	33,201	-	(77,841)	(77,841)
Total business-type activities	1,168,232	949,392	-	206,180	-	(12,660)	(12,660)
Total primary government	1,686,015	1,002,772	223,330	611,759	164,506	(12,660)	151,846
General Revenues							
Property Taxes, levies for general purposes					183,315	-	183,315
Franchise fees					96,397	-	96,397
Unrestricted Investment earnings					2,555	3,399	5,954
Miscellaneous					678	1,850	2,528
Gain (loss) on sale of assets					57,860	-	57,860
Total general revenues and transfers					340,805	5,249	346,054
changes in net position					505,311	(7,411)	497,900
Net position - beginning					4,001,462	3,435,941	7,437,403
Net position - ending					\$ 4,506,773	\$ 3,428,530	\$ 7,935,303

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, 2022

	General Fund	Street Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 262,960	\$ 111,798	\$ 241,345	\$ 616,103
Other current assets	2,399	-	-	2,399
Total assets	<u>265,359</u>	<u>111,798</u>	<u>241,345</u>	<u>618,502</u>
LIABILITIES, AND FUND BLANCES				
Liabilities:				
Bail held	-	-	-	-
CET Tax Collected	-	-	-	-
Other Deposits	600	-	-	600
Total liabilities	<u>600</u>	<u>-</u>	<u>-</u>	<u>600</u>
Fund Equity:				
Restricted for:				
Streets	-	111,798	-	111,798
Parks SDC	-	-	89,533	89,533
Streets SDC	-	-	68,635	68,635
Stormwater SDC	-	-	69,353	69,353
Library Capital Donations	31,736	-	-	31,736
Committed for:				
Property Maintenance	-	-	-	-
Assigned for:				
Blackberry Jam Festival	-	-	13,824	13,824
Unassigned	233,023	-	-	233,023
Total fund balances	<u>264,759</u>	<u>111,798</u>	<u>241,345</u>	<u>617,902</u>
Total liabilities and fund balances	<u>\$ 265,359</u>	<u>\$ 111,798</u>	<u>\$ 241,345</u>	<u>\$ 618,502</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, 2022

Total fund balances - governmental funds	\$	617,902
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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		4,752,958
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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		(864,088)
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Rounding		1
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Net Position of Governmental Activities	\$	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border-top: 1px solid black; border-bottom: 3px double black; text-align: right;">4,506,773</td> </tr> </table>	4,506,773
4,506,773			

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, 2022

	General Fund	Street Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes	\$ 183,315	\$ -	\$ -	\$ 183,315
Intergovernmental	35,883	91,938	-	127,821
Grants	328,034	-	-	328,034
Franchise fees	96,397	-	-	96,397
Licenses and permits	18,683	-	-	18,683
Reimbursement SDC's	1,457	3,224	-	4,681
SDC Fees	-	-	70,010	70,010
Charges for services	11,438	-	-	11,438
Fees and fines	10,565	-	-	10,565
Investment earnings	1,448	278	828	2,554
Miscellaneous	5,139	-	25	5,164
Fundraising and event receipts	-	-	8,013	8,013
Total Revenues	692,359	95,440	78,876	866,675
EXPENDITURES				
Current:				
General government	95,903	-	-	95,903
Parks	88,543	-	-	88,543
Public safety	29,453	-	-	29,453
Community development	88,212	-	-	88,212
Library	27,999	-	-	27,999
Code enforcement	12,259	-	-	12,259
Tourism	3,202	-	-	3,202
Municipal court	17,901	-	-	17,901
Highways and streets	-	45,281	-	45,281
Blackberry Jam Festival	-	-	5,685	5,685
Debt service:				
Principal	18,628	3,413	-	22,041
Interest	29,726	1,759	-	31,485
Capital Outlay:	279,437	9,200	-	288,637
Total Expenditures	691,263	59,653	5,685	756,601
Excess (deficiency) of revenues over expenditures	1,096	35,787	73,191	110,074
OTHER FINANCING SOURCESS (USES)				
Proceeds from loan	-	-	-	-
Gain (loss) on sale of assets	57,860	-	-	57,860
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	57,860	-	-	57,860
Net change in fund balances	58,956	35,787	73,191	167,934
Fund balances - beginning	205,803	76,011	168,154	449,968
Fund balances - ending	\$ 264,759	\$ 111,798	\$ 241,345	\$ 617,902

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, 2022

Net change in fund balances - total governmental funds	\$	167,934
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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 over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

Expenditures for capital assets	\$	288,637	
Less current year depreciation		(71,859)	216,778

The net effect of various miscellaneous transactions involving capital assets is to increase (decrease) net position as follows:

Contributions from outside parties		98,558	
Cost of capital assets sold, disposed or adjusted		-	98,558

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.

Issuance of debt		-	
Principal Payments		22,041	22,041

Change in Net Position of Governmental Activities	\$	<u>505,311</u>
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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, 2022

	Water Operating Fund	Sewer Operating Fund	Building Fund	Total Proprietary Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 495,645	\$ 330,562	57,234	\$ 883,441
Other current assets	248.00	1,775.00	-	2,023.00
Total current assets	<u>495,893</u>	<u>332,337</u>	<u>57,234</u>	<u>885,464</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	108,645	91,707	-	200,352
Vehicles and rolling stock	34,067	21,780	-	55,847
Infrastructure	4,502,339	4,708,963	-	9,211,302
Less accumulated depreciation	<u>(2,471,982)</u>	<u>(3,090,135)</u>	<u>-</u>	<u>(5,562,117)</u>
Total non-current assets	<u>2,290,123</u>	<u>1,832,429</u>	<u>-</u>	<u>4,122,552</u>
Total assets	<u><u>\$ 2,786,016</u></u>	<u><u>\$ 2,164,766</u></u>	<u><u>\$ 57,234</u></u>	<u><u>\$ 5,008,016</u></u>
LIABILITIES				
Current liabilities:				
Utility Deposits	\$ 39,640	\$ -	-	\$ 39,640
Utility Donations	360	-	-	360
Notes payable - current	30,063	35,743	-	65,806
Total current liabilities	<u>70,063</u>	<u>35,743</u>	<u>-</u>	<u>105,806</u>
Non-current liabilities:				
Notes payable - noncurrent	992,442	481,238	-	1,473,680
Total non-current liabilities	<u>992,442</u>	<u>481,238</u>	<u>-</u>	<u>1,473,680</u>
Total liabilities	<u>1,062,505</u>	<u>516,981</u>	<u>-</u>	<u>1,579,486</u>
NET POSITION				
Net investment in capital assets	1,267,618	1,315,448	-	2,583,066
Restricted for:				
Debt service	39,395	15,772	-	55,167
Capital projects (SDC)	329,228	132,238	-	461,466
Unrestricted	87,270	184,327	57,234	328,831
Total net position	<u><u>\$ 1,723,511</u></u>	<u><u>\$ 1,647,785</u></u>	<u><u>\$ 57,234</u></u>	<u><u>\$ 3,428,530</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, 2022

	Water Operating Fund	Sewer Operating Fund	Building Fund	Total
OPERATING REVENUES				
Charges for services	\$ 360,213	\$ 406,486	-	\$ 766,699
Reimbursement SDC's	23,095	19,158	-	42,253
Other revenues	8,250	3,795	128,394	140,439
Total operating revenues	<u>391,558</u>	<u>429,439</u>	<u>128,394</u>	<u>949,391</u>
OPERATING EXPENSES				
Personal services	190,244	189,970	4,713	384,927
Contractual services	96,142	72,047	84,842	253,031
Utilities	24,107	44,392	712	69,211
Repairs and maintenance	19,970	28,142	-	48,112
Office supplies and expenses	21,924	17,741	314	39,979
Other operating expenses	41,590	53,236	10,534	105,360
Depreciation	103,640	115,254	-	218,894
Total operating expenses	<u>497,617</u>	<u>520,782</u>	<u>101,115</u>	<u>1,119,514</u>
Operating income (loss)	<u>(106,059)</u>	<u>(91,343)</u>	<u>27,279</u>	<u>(170,123)</u>
NON-OPERATING REVENUES (EXPENSES):				
Investment revenue	2,183	1,205	11	3,399
Miscellaneous revenue	952	897	-	1,849
Interest expense	(29,018)	(19,698)	-	(48,716)
Total non-operating revenues (expenses)	<u>(25,883)</u>	<u>(17,596)</u>	<u>11</u>	<u>(43,468)</u>
Net income (loss) before contributions and transfers	(131,942)	(108,939)	27,290	(213,591)
CAPITAL CONTRIBUTIONS:				
Capital contributions	<u>172,979</u>	<u>33,201</u>	<u>-</u>	<u>206,180</u>
Change in net position	<u>41,037</u>	<u>(75,738)</u>	<u>27,290</u>	<u>(7,411)</u>
Net position - beginning	<u>1,682,474</u>	<u>1,723,523</u>	<u>29,944</u>	<u>3,435,941</u>
Net position - ending	<u>\$ 1,723,511</u>	<u>\$ 1,647,785</u>	<u>\$ 57,234</u>	<u>\$ 3,428,530</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, 2022

	Water Operating Fund	Sewer Operating Fund	Building Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 394,558	\$ 429,440	\$ 128,394	\$ 952,392
Other operating receipts	-	-	-	-
Payments to employees	(190,244)	(189,970)	(4,713)	(384,927)
Payments to suppliers	(203,733)	(215,559)	(96,402)	(515,694)
(Increase) decrease in other cash deposits	(247)	(1,775)	-	(2,022)
Net cash provided (used) by operating activities	<u>334</u>	<u>22,136</u>	<u>27,279</u>	<u>49,749</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Other receipts	952	897	-	1,849
Non capital financing activities	-	-	-	-
Net cash provided (used) by noncapital financing activities	<u>952</u>	<u>897</u>	<u>-</u>	<u>1,849</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital contributions - grants and fees	172,979	33,201	-	206,180
Purchases of capital assets	(69,569)	(23,377)	-	(92,946)
Principal paid on capital debt	(29,321)	(30,139)	-	(59,460)
Interest paid on capital debt	(29,018)	(19,698)	-	(48,716)
Net cash provided (used) by capital related financing activities	<u>45,071</u>	<u>(40,013)</u>	<u>-</u>	<u>5,058</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	2,183	1,205	11	3,399
Net cash provided (used) by investing activities	<u>2,183</u>	<u>1,205</u>	<u>11</u>	<u>3,399</u>
Net increase (decrease) in cash and cash equivalents	<u>48,540</u>	<u>(15,775)</u>	<u>27,290</u>	<u>60,055</u>
Cash Balances - beginning of the year	447,105	346,337	29,944	823,386
Cash Balances - end of the year	<u>\$ 495,645</u>	<u>\$ 330,562</u>	<u>\$ 57,234</u>	<u>\$ 883,441</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (106,059)	\$ (91,343)	\$ 27,279	\$ (170,123)
Adjustments to reconcile operating income:				
Depreciation expense	103,640	115,254	-	218,894
Change in assets and liabilities:				
Increase (decrease) in deposits and donations	3,000	-	-	3,000
(Increase) decrease in other cash deposits	(247)	(1,775)	-	(2,022)
Net cash provided (used) by operating activities	<u>\$ 334</u>	<u>\$ 22,136</u>	<u>\$ 27,279</u>	<u>\$ 49,749</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, 2022

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, 2022

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).

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*)

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

- *Building Fund*

Accounts for building and electrical inspection activity and is the only non-major enterprise fund.

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.

CITY OF LOWELL
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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.

CITY OF LOWELL
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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. For the current fiscal year capital outlay expenditures exceeded budget appropriations by \$9,200 within the Street 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.

CITY OF LOWELL
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 For the Year Ended June 30, 2022

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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.

3. CASH AND INVESTMENTS

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

Cash in bank	\$ 529,622
Cash on hand	250
Local government investment pool (LGIP)	<u>969,672</u>
Total	<u>\$ 1,499,544</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 \$656,489. The amount in the LGIP was \$969,672.

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.

CITY OF LOWELL

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

3. CASH AND INVESTMENTS (continued)

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.

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.

4. CAPITAL ASSETS

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

Governmental Activities:	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Reclassification</u>	<u>Ending Balance</u>
Not being depreciated					
Land	\$ 2,595,846	\$ 140,065	\$ -	\$ -	\$ 2,735,911
Property acquired for resale	308,935	-	-	-	308,935
Construction in progress	14,196	232,930	-	-	247,126
Total	<u>2,918,977</u>	<u>372,995</u>	<u>-</u>	<u>-</u>	<u>3,291,972</u>
Being Depreciated					
Buildings	431,437	-	-	-	431,437
Infrastructure	1,643,335	14,200	-	-	1,657,535
Furnishings and equipment	34,935	-	-	-	34,935
Vehicles and rolling stock	52,147	-	-	-	52,147
Total	<u>2,161,854</u>	<u>14,200</u>	<u>-</u>	<u>-</u>	<u>2,176,054</u>
Accumulated depreciation					
Buildings	187,556	18,236	-	-	205,792
Infrastructure	429,663	45,182	-	-	474,845
Furnishings and equipment	9,256	3,234	-	-	12,490
Vehicles and rolling stock	16,733	5,207	-	-	21,940
Total	<u>643,208</u>	<u>71,859</u>	<u>-</u>	<u>-</u>	<u>715,067</u>
Governmental Capital Assets, Net	<u>\$ 4,437,623</u>	<u>\$ 315,336</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,752,959</u>

CITY OF LOWELL
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

4. CAPITAL ASSETS (continued)

Business-type Activities:	Beginning Balance	Additions	Deletions	Reclassification	Ending Balance
Not being depreciated					
Land	\$ 92,179	\$ -	\$ -	\$ -	\$ 92,179
Construction in progress	-	-	-	-	-
Total	<u>92,179</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,179</u>
Being Depreciated					
Buildings	124,989	-	-	-	124,989
Infrastructure	9,141,734	69,569	-	-	9,211,303
Furnishings and equipment	176,975	23,377	-	-	200,352
Vehicles and rolling stock	55,847	-	-	-	55,847
Total	<u>9,499,545</u>	<u>92,946</u>	<u>-</u>	<u>-</u>	<u>9,592,491</u>
Accumulated depreciation					
Buildings	62,407	3,796	-	-	66,203
Infrastructure	5,154,022	200,201	-	-	5,354,223
Furnishings and equipment	103,620	10,540	-	-	114,160
Vehicles and rolling stock	23,174	4,357	-	-	27,531
Total	<u>5,343,223</u>	<u>218,894</u>	<u>-</u>	<u>-</u>	<u>5,562,117</u>
Business-type Capital					
Assets, Net	<u>\$ 4,248,501</u>	<u>\$ (125,948)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,122,553</u>

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

<u>Function/Activites</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
General Government	\$ 14,785	
Highways and streets	45,738	
Library	250	
Culture and recreation	11,086	
Water		103,640
Sewer		115,254
Total depreciation expense	<u>\$ 71,859</u>	<u>\$ 218,894</u>

CITY OF LOWELL

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

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 06/30/21	Additions	Repayment	Balance 06/30/22	Due within one year
Governmental Activities:						
Gov't Capital Corp - Library/Park (256156)	General	\$ 495,059	\$ -	18,628	\$ 476,431	\$ 19,445
Gov't Capital Corp - E Main St (263007)	General	307,978	-	-	307,978	307,978
Business Oregon - SPWF (L21001)	Water/Street	83,092	-	3,413	79,679	3,427
Total governmental activities:		<u>\$ 886,129</u>	<u>\$ -</u>	<u>\$ 22,041</u>	<u>\$ 864,088</u>	<u>\$ 330,850</u>
Business-type Activities:						
Business Oregon - Pioneer St. Reloc (J05001)	Water/Sewer	52,316	-	4,718	47,598	4,961
USDA RUS - Water Revenue Loan (RUS 91-03)	Water	814,152	-	16,991	797,161	17,458
Business Oregon - SPWF (L21001)	Water/Street	185,358	-	7,612	177,746	7,644
Subtotal Water Fund		<u>1,051,826</u>	<u>-</u>	<u>29,321</u>	<u>1,022,505</u>	<u>30,063</u>
Business Oregon - Drinking Water (G02002)	Sewer	169,318	-	18,628	150,690	23,801
Business Oregon - Pioneer St. Reloc (J05001)	Water/Sewer	52,316	-	4,718	47,598	4,962
USDA RUS - Water Revenue Loan (RUS 92-05)	Sewer	325,486	-	6,793	318,693	6,980
Subtotal Sewer Fund		<u>547,120</u>	<u>-</u>	<u>30,139</u>	<u>516,981</u>	<u>35,743</u>
Total business-type activities:		<u>\$ 1,598,946</u>	<u>\$ -</u>	<u>\$ 59,460</u>	<u>\$ 1,539,486</u>	<u>\$ 65,806</u>

Long-term debt service requirements are as follows:

Year Ending June 30,	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2023	330,849	24,648	355,497	65,806	46,658	112,464
2024	23,800	21,718	45,518	67,339	44,175	111,514
2025	24,767	20,751	45,518	68,929	41,635	110,564
2026	25,775	19,743	45,518	70,580	39,035	109,615
2027	26,826	18,692	45,518	72,291	36,373	108,664
2028-2032	151,504	76,086	227,590	262,322	146,584	408,906
2033-2037	185,288	42,302	227,590	218,921	114,382	333,303
2038-2042	95,279	6,100	101,379	237,657	84,309	321,966
2043-2047	-	-	-	222,104	53,516	275,620
2048-2052	-	-	-	253,536	21,250	274,786
2053-2057	-	-	-	-	-	-
Total	<u>\$ 864,088</u>	<u>\$ 230,040</u>	<u>\$ 1,094,128</u>	<u>\$ 1,539,485</u>	<u>\$ 627,917</u>	<u>\$ 2,167,402</u>

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, 2022 was \$150,690.

CITY OF LOWELL

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

5. LONG TERM DEBT (continued)

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 (OECCDD). 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, 2022 was \$95,196 apportioned \$47,598 to the Water Fund and \$47,598 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, 2022 was \$797,161.

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, 2022 was \$318,693.

LIBRARY/ CITY HALL AND ROLLING ROCK PARK IMPROVEMENTS - 256156

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, 2022 was \$476,431.

205 AND 295 E MAIN STREET PURCHASE - 263007

On September 24, 2020, the City secured a note in the amount of \$307,978 from Government Capital Corporation. The note financed the purchase of two properties intended for resale. These properties are in an area identified as Downtown Commercial in the Lowell Downtown Master Plan and are intended to be sold for commercial development. This is a short-term note requiring interest only payments until maturity, carries an interest rate of 2.6% and a maturity date of September 22, 2022. The balance of the loan at June 30, 2022 was \$307,978.

MAIN STREET AND LAKEVIEW WATER LINE AND STREET IMPROVEMENTS – L21001

On November 22, 2020, the City secured a loan in the amount of \$268,450 from the State of Oregon, Infrastructure Finance Authority, Special Public Works Fund. The loan was part of the \$556,269 improvement project which consisted of Oregon Department of Transportation Special City Allotment Grants (\$200,000), city participation (\$87,819) and this loan. The loan principal is split with 69.0476% in the Water Fund and 30.9524% in the Street Fund. The terms of the note require 20 annual payments of \$16,708, carries an interest rate of 2.19% and a maturity date of December 1, 2040. The balance of the loan at June 30, 2022 was \$257,425.

CITY OF LOWELL
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

6. 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 members 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.

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, 2022 were 24.70% and 19.63% 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, 2022, the City's annual pension cost of \$79,457 was equal to the required and actual contributions of the City. The required contribution was determined as part of the December 31, 2019 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

CITY OF LOWELL

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

6. PENSION PLAN (continued)

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
6/30/2020	\$ 67,822	100%	\$ -
6/30/2021	\$ 67,492	100%	\$ -
6/30/2022	\$ 79,457	100%	\$ -

7. 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.

8. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts – theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. These risks are covered by participation in the City/County Insurance Services Trust (CIS) – a liability risk sharing pool for general and automobile liability and workers’ compensation.

CIS was established in 1981 by the League of Oregon Cities (LOC) and the Association of Oregon counties (AOC) to provide risk management services including insurance and loss control to member entities. CIS is itself a governmental entity and works exclusively for the benefit of Oregon cities and counties. CIS’s primary objective is to aggregate the collective buying power of members to reduce and stabilize the cost of funding those risks. The pool self-insures members up to a pre-set limit. Member rates are set based on experience and the city is potentially liable for its pro rate share of pool losses or eligible for a pro rate share of poor net income. In the event that a single

CITY OF LOWELL

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2022

loss or series of losses should exceed the amount of protection afforded by the pool or other insurance carried by CIS, then payment of losses is the obligation of the individual member against whom the claim(s) were made. Premiums paid into the pool are recognized as expenditure when paid. The amount of any future claims or refunds cannot be ascertained.

During the last three years, settled claims from all risks have not exceeded covered limits. Also there has been no reduction in coverage compared to the prior year.

9. OTHER

In Fiscal Year 2022, the City sold the property at 8 N. Hyland Lane for \$57,860. The property was donated to the City upon completion of a land development. The property was not recognized as a capital asset and contributed capital under the modified cash basis of accounting, since it did not result from a cash transaction. The sale proceeds are recognized as gain on the sale of assets in the statement of activities.

SUPPLEMENTARY INFORMATION

CITY OF LOWELL
Combining Balance Sheet
Other Governmental Funds
Modified Cash Basis
For the Year Ended June 30, 2022

	General Fund	Street Fund	Total Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 262,960	\$ 111,798	\$ 241,345	\$ 616,103
Other current assets	2,399	-	-	-
Total assets	<u>265,359</u>	<u>111,798</u>	<u>\$ 241,345</u>	<u>618,502</u>
LIABILITIES, AND FUND BLANCES				
Liabilities:				
Other Deposits	\$ 600	\$ -	\$ -	\$ 600
Total liabilities	<u>600</u>	<u>-</u>	<u>-</u>	<u>600</u>
Fund Equity:				
Restricted	31,736	111,798	227,521	371,055
Committed	-	-	-	-
Assigned	-	-	13,824	13,824
Unassigned	233,023	-	-	233,023
Total fund balances	<u>264,759</u>	<u>111,798</u>	<u>241,345</u>	<u>617,902</u>
Total liabilities and fund balances	<u>\$ 265,359</u>	<u>\$ 111,798</u>	<u>\$ 241,345</u>	<u>\$ 618,502</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, 2022

	Blackberry Jam Festival Fund	Parks SDC Fund	Streets SDC Fund	Stormwater SDC Fund	Total Other Governmental Funds
REVENUES					
SDC Fees	\$ -	\$ 30,535	\$ 18,352	\$ 21,123	\$ 70,010
Investment earnings	3	316	255	254	828
Miscellaneous	25	-	-	-	25
Fundraising and event receipts	8,013	-	-	-	8,013
Total Revenues	8,041	30,851	18,607	21,377	78,876
EXPENDITURES					
Current:					
Blackberry Jam Festival	5,685	-	-	-	5,685
Total Expenditures	5,685	-	-	-	5,685
Excess (deficiency) of revenues over expenditures	2,356	30,851	18,607	21,377	73,191
OTHER FINANCING SOURCESS (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-
Net change in fund balances	2,356	30,851	18,607	21,377	73,191
Fund balances - beginning	11,468	58,682	50,028	47,976	168,154
Fund balances - ending	\$ 13,824	\$ 89,533	\$ 68,635	\$ 69,353	\$ 241,345

CITY OF LOWELL
Combining Balance Sheet Water Funds
Modified Cash Basis
For the Year Ended June 30, 2022

	Water Fund	Water SDC Fund	Water Reserve Fund	Total Water Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 80,055	\$ 376,133	\$ 39,457	\$ 495,645
Other current assets	248	-	-	248
Total current assets	<u>80,303</u>	<u>376,133</u>	<u>39,457</u>	<u>495,893</u>
Non-current assets:				
Capital assets:				
Land	81,179	-	-	81,179
Buildings and facilities	35,875	-	-	35,875
Equipment and furnishings	108,645	-	-	108,645
Vehicles and rolling stock	34,067	-	-	34,067
Infrastructure	4,502,339	-	-	4,502,339
Less accumulated depreciation	(2,471,982)	-	-	(2,471,982)
Total non-current assets	<u>2,290,123</u>	<u>-</u>	<u>-</u>	<u>2,290,123</u>
Total assets	<u>\$ 2,370,426</u>	<u>\$ 376,133</u>	<u>\$ 39,457</u>	<u>\$ 2,786,016</u>
LIABILITIES				
Current liabilities:				
Utility deposits	39,640	-	-	39,640
Utility donations	360	-	-	360
Notes payable - current	30,063	-	-	30,063
Total current liabilities	<u>70,063</u>	<u>-</u>	<u>-</u>	<u>70,063</u>
Non-current liabilities:				
Notes payable - noncurrent	992,442	-	-	992,442
Total non-current liabilities	<u>992,442</u>	<u>-</u>	<u>-</u>	<u>992,442</u>
Total liabilities	<u>1,062,505</u>	<u>-</u>	<u>-</u>	<u>1,062,505</u>
NET POSITION				
Net investment in capital assets	1,267,618	-	-	1,267,618
Restricted for:				
Debt service	-	-	39,395	39,395
Capital projects (SDC)	-	329,228	-	329,228
Unrestricted	40,303	46,905	62	87,270
Total net position	<u>\$ 1,307,921</u>	<u>\$ 376,133</u>	<u>\$ 39,457</u>	<u>\$ 1,723,511</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, 2022

	Water Fund	Water SDC Fund	Water Reserve Fund	Water Operating Fund
OPERATING REVENUES				
Charges for services	\$ 360,213	\$ -	\$ -	\$ 360,213
Reimbursement SDC's	23,095	-	-	23,095
Other revenues	8,250	-	-	8,250
Total operating revenues	<u>391,558</u>	<u>-</u>	<u>-</u>	<u>391,558</u>
OPERATING EXPENSES				
Personal services	190,244	-	-	190,244
Contractual services	22,586	73,556	-	96,142
Utilities	24,107	-	-	24,107
Repairs and maintenance	19,970	-	-	19,970
Office supplies and expenses	21,924	-	-	21,924
Other operating expenses	41,590	-	-	41,590
Depreciation	103,640	-	-	103,640
Total operating expenses	<u>424,061</u>	<u>73,556</u>	<u>-</u>	<u>497,617</u>
Operating income (loss)	<u>(32,503)</u>	<u>(73,556)</u>	<u>-</u>	<u>(106,059)</u>
NON-OPERATING REVENUES (EXPENSES):				
Investment revenue	390	1,731	62	2,183
Miscellaneous revenue	952	-	-	952
Interest expense	(29,018)	-	-	(29,018)
Disposition of capital assets	-	-	-	-
Total non-operating revenues (expenses)	<u>(27,676)</u>	<u>1,731</u>	<u>62</u>	<u>(25,883)</u>
Net income (loss) before contributions and transfers	(60,179)	(71,825)	62	(131,942)
CAPITAL CONTRIBUTIONS:				
Capital contributions	<u>54,249</u>	<u>118,730</u>	<u>-</u>	<u>172,979</u>
Change in net position	<u>(5,930)</u>	<u>46,905</u>	<u>62</u>	<u>41,037</u>
Net position - beginning	<u>1,313,851</u>	<u>329,228</u>	<u>39,395</u>	<u>1,682,474</u>
Net position - ending	<u>\$ 1,307,921</u>	<u>\$ 376,133</u>	<u>\$ 39,457</u>	<u>\$ 1,723,511</u>

CITY OF LOWELL
Combining Statement of Cash Flows Water Funds
Modified Cash Basis
For the Year Ended June 30, 2022

	Water Fund	Water SDC Fund	Water Reserve Fund	Water Operating Fund
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 394,558	\$ -	\$ -	\$ 394,558
Other operating receipts	-	-	-	-
Payments to employees	(190,244)	-	-	(190,244)
Payments to suppliers	(130,177)	(73,556)	-	(203,733)
(Increase) decrease in other cash deposits	(247)	-	-	(247)
Net cash provided (used) by operating activities	<u>73,890</u>	<u>(73,556)</u>	<u>-</u>	<u>334</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Other receipts	952	-	-	952
Non capital financing activities	-	-	-	-
Net cash provided (used) by noncapital financing activities	<u>952</u>	<u>-</u>	<u>-</u>	<u>952</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital contributions - grants and fees	54,249	118,730	-	172,979
Purchases of capital assets	(69,569)	-	-	(69,569)
Principal paid on capital debt	(29,321)	-	-	(29,321)
Interest paid on capital debt	(29,018)	-	-	(29,018)
Net cash provided (used) by capital related financing activities	<u>(73,659)</u>	<u>118,730</u>	<u>-</u>	<u>45,071</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	390	1,731	62	2,183
Net cash provided (used) by investing activities	<u>390</u>	<u>1,731</u>	<u>62</u>	<u>2,183</u>
Net increase (decrease) in cash and cash equivalents	<u>1,573</u>	<u>46,905</u>	<u>62</u>	<u>48,540</u>
Cash Balances - beginning of the year	<u>78,482</u>	<u>329,228</u>	<u>39,395</u>	<u>447,105</u>
Cash Balances - end of the year	<u><u>\$ 80,055</u></u>	<u><u>\$ 376,133</u></u>	<u><u>\$ 39,457</u></u>	<u><u>\$ 495,645</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (32,503)	\$ (73,556)	\$ -	\$ (106,059)
Adjustments to reconcile operating income:				
Depreciation expense	103,640	-	-	103,640
Change in assets and liabilities:				
Increase (decrease) in deposits and donations	3,000	-	-	3,000
(Increase) decrease in other cash deposits	(247)	-	-	(247)
Increase (decrease) in due to other funds	-	-	-	-
Net cash provided (used) by operating activities	<u><u>\$ 73,890</u></u>	<u><u>\$ (73,556)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 334</u></u>

CITY OF LOWELL
Combining Balance Sheet Sewer Funds
Modified Cash Basis
For the Year Ended June 30, 2022

	Sewer Fund	Sewer SDC Fund	Sewer Reserve Fund	Total Sewer Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 182,552	\$ 132,238	\$ 15,772	\$ 330,562
Other current assets	1,775	-	-	1,775
Total current assets	<u>184,327</u>	<u>132,238</u>	<u>15,772</u>	<u>332,337</u>
Non-current assets:				
Capital assets:				
Land	11,000	-	-	11,000
Buildings and facilities	89,114	-	-	89,114
Equipment and furnishings	91,707	-	-	91,707
Vehicles and rolling stock	21,780	-	-	21,780
Infrastructure	4,708,963	-	-	4,708,963
Construction in progress	-	-	-	-
Less accumulated depreciation	(3,090,135)	-	-	(3,090,135)
Total non-current assets	<u>1,832,429</u>	<u>-</u>	<u>-</u>	<u>1,832,429</u>
Total assets	<u>\$ 2,016,756</u>	<u>\$ 132,238</u>	<u>\$ 15,772</u>	<u>\$ 2,164,766</u>
LIABILITIES				
Current liabilities:				
Notes payable - current	35,743	-	-	35,743
Total current liabilities	<u>35,743</u>	<u>-</u>	<u>-</u>	<u>35,743</u>
Non-current liabilities:				
Notes payable - noncurrent	481,238	-	-	481,238
Total non-current liabilities	<u>481,238</u>	<u>-</u>	<u>-</u>	<u>481,238</u>
Total liabilities	<u>516,981</u>	<u>-</u>	<u>-</u>	<u>516,981</u>
NET POSITION				
Net investment in capital assets	1,315,448	-	-	1,315,448
Restricted for:				
Debt service	-	-	15,772	15,772
Capital projects (SDC)	-	132,238	-	132,238
Unrestricted	184,327	-	-	184,327
Total net position	<u>\$ 1,499,775</u>	<u>\$ 132,238</u>	<u>\$ 15,772</u>	<u>\$ 1,647,785</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, 2022

	Sewer Fund	Sewer SDC Fund	Sewer Reserve Fund	Sewer Operating Fund
OPERATING REVENUES				
Charges for services	\$ 406,486	\$ -	\$ -	\$ 406,486
Reimbursement SDC's	19,158	-	-	19,158
Other revenues	3,795	-	-	3,795
Total operating revenues	<u>429,439</u>	<u>-</u>	<u>-</u>	<u>429,439</u>
OPERATING EXPENSES				
Personal services	189,970	-	-	189,970
Contractual services	24,374	47,673	-	72,047
Utilities	44,392	-	-	44,392
Repairs and maintenance	28,142	-	-	28,142
Office supplies and expenses	17,741	-	-	17,741
Other operating expenses	53,236	-	-	53,236
Depreciation	115,254	-	-	115,254
Total operating expenses	<u>473,109</u>	<u>47,673</u>	<u>-</u>	<u>520,782</u>
Operating income (loss)	<u>(43,670)</u>	<u>(47,673)</u>	<u>-</u>	<u>(91,343)</u>
NON-OPERATING REVENUES (EXPENSES):				
Investment revenue	633	551	21	1,205
Miscellaneous revenue	897	-	-	897
Interest expense	(19,698)	-	-	(19,698)
Disposition of capital assets	-	-	-	-
Total non-operating revenues (expenses)	<u>(18,168)</u>	<u>551</u>	<u>21</u>	<u>(17,596)</u>
Net income (loss) before contributions and transfers	(61,838)	(47,122)	21	(108,939)
CAPITAL CONTRIBUTIONS:				
Capital contributions	-	33,201	-	33,201
Change in net position	<u>(61,838)</u>	<u>(13,921)</u>	<u>21</u>	<u>(75,738)</u>
Net position - beginning	<u>1,561,613</u>	<u>146,159</u>	<u>15,751</u>	<u>1,723,523</u>
Net position - ending	<u>\$ 1,499,775</u>	<u>\$ 132,238</u>	<u>\$ 15,772</u>	<u>\$ 1,647,785</u>

CITY OF LOWELL
Combining Statement of Cash Flows Sewer Funds
Modified Cash Basis
For the Year Ended June 30, 2022

	Sewer Fund	Sewer SDC Fund	Sewer Reserve Fund	Sewer Operating Fund
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 429,440	\$ -	\$ -	\$ 429,440
Other operating receipts	-	-	-	-
Payments to employees	(189,970)	-	-	(189,970)
Payments to suppliers	(167,886)	(47,673)	-	(215,559)
(Increase) decrease in other cash deposits	(1,775)	-	-	(1,775)
Net cash provided (used) by operating activities	<u>69,809</u>	<u>(47,673)</u>	<u>-</u>	<u>22,136</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Other receipts	897	-	-	897
Non capital financing activities	-	-	-	-
Net cash provided (used) by noncapital financing activities	<u>897</u>	<u>-</u>	<u>-</u>	<u>897</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital contributions - grants and fees	-	33,201	-	33,201
Purchases of capital assets	(23,377)	-	-	(23,377)
Principal paid on capital debt	(30,139)	-	-	(30,139)
Interest paid on capital debt	(19,698)	-	-	(19,698)
Net cash provided (used) by capital related financing activities	<u>(73,214)</u>	<u>33,201</u>	<u>-</u>	<u>(40,013)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	633	551	21	1,205
Net cash provided (used) by investing activities	<u>633</u>	<u>551</u>	<u>21</u>	<u>1,205</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,875)</u>	<u>(13,921)</u>	<u>21</u>	<u>(15,775)</u>
Cash Balances - beginning of the year	<u>184,427</u>	<u>146,159</u>	<u>15,751</u>	<u>346,337</u>
Cash Balances - end of the year	<u>\$ 182,552</u>	<u>\$ 132,238</u>	<u>\$ 15,772</u>	<u>\$ 330,562</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (43,670)	\$ (47,673)	\$ -	\$ (91,343)
Adjustments to reconcile operating income:				
Depreciation expense	115,254	-	-	115,254
Change in assets and liabilities:				
Increase (decrease) in deposits and donations	-	-	-	-
(Increase) decrease in other cash deposits	(1,775)	-	-	(1,775)
Increase (decrease) in due to other funds	-	-	-	-
Net cash provided (used) by operating activities	<u>\$ 69,809</u>	<u>\$ (47,673)</u>	<u>\$ -</u>	<u>\$ 22,136</u>

CITY OF LOWELL
Budget and Actual (with Variances)
General Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 155,739	\$ 155,739	\$ 183,315	\$ 27,576
Intergovernmental	42,407	42,407	35,883	(6,524)
Grants	615,700	615,700	328,034	(287,666)
Franchise fees	100,735	100,735	96,397	(4,338)
Licenses and permits	16,075	16,075	18,683	2,608
Charges for services	6,025	6,025	11,438	5,413
Reimbursement SDC fees	735	735	1,457	722
Fees and fines	3,146	3,146	10,565	7,419
Investment earnings	2,500	2,500	1,448	(1,052)
Miscellaneous	2,250	2,250	5,139	2,889
Total Revenues	945,312	945,312	692,359	(252,953)
EXPENDITURES				
Current:				
General government	299,397	299,397	155,440	143,957
Parks	874,123	758,823	104,301	654,522
Public safety	29,530	29,530	29,453	77
Community development	67,117	178,517	134,719	43,798
Library	350,680	350,680	185,634	165,046
Tourism	15,710	15,710	12,259	3,451
Code enforcement	6,111	6,111	3,202	2,909
Municipal court	14,835	18,735	17,901	834
Debt service:				
Principal	376,629	376,629	18,628	358,001
Interest	29,730	29,730	29,726	4
Contingency	39,825	39,825	-	39,825
Total Expenditures	2,103,687	2,103,687	691,263	1,412,424
Excess (deficiency) of revenues over expenditures	(1,158,375)	(1,158,375)	1,096	1,159,471
OTHER FINANCING SOURCESS (USES)				
Proceeds from loan	500,000	500,000	-	(500,000)
Gain (loss) on sale of assets	418,700	418,700	57,860	(360,840)
Total other financing sources and uses	918,700	918,700	57,860	(860,840)
Net change in fund balances	(239,675)	(239,675)	58,956	298,631
Fund balances - beginning	410,423	410,423	205,803	(204,620)
Fund balances - ending	\$ 170,748	\$ 170,748	\$ 264,759	\$ 94,011

CITY OF LOWELL
Budget and Actual (with Variances)
Parks SDC Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
SDC fees	\$ 14,775	\$ 14,775	\$ 30,535	\$ 15,760
Investment earnings	200	200	316	116
Total Revenues	<u>14,975</u>	<u>14,975</u>	<u>30,851</u>	<u>15,876</u>
EXPENDITURES				
Current:				
Materials and services	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenitures	<u>14,975</u>	<u>14,975</u>	<u>30,851</u>	<u>15,876</u>
Net change in fund balances	14,975	14,975	30,851	15,876
Fund balances - beginning	<u>57,750</u>	<u>57,750</u>	<u>58,682</u>	<u>932</u>
Fund balances - ending	<u><u>\$ 72,725</u></u>	<u><u>\$ 72,725</u></u>	<u><u>\$ 89,533</u></u>	<u><u>\$ 16,808</u></u>

CITY OF LOWELL
Budget and Actual (with Variances)
Street Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 64,212	\$ 64,212	\$ 91,938	\$ 27,726
Reimbursement SDC fees	1,560	1,560	3,224	1,664
Investment earnings	1,400	1,400	278	(1,122)
Miscellaneous	77	77	-	(77)
Total Revenues	67,249	67,249	95,440	28,191
EXPENDITURES				
Current:				
Personal services	24,506	24,506	20,991	3,515
Materials and services	48,046	48,046	24,290	23,756
Debt service:				
Principal	3,429	3,429	3,413	16
Interest	1,746	1,746	1,759	(13)
Capital outlay	-	-	9,200	(9,200)
Contingency	7,368	7,368	-	7,368
Total Expenditures	85,095	85,095	59,653	25,442
Excess (deficiency) of revenues over expenitures	(17,846)	(17,846)	35,787	53,633
OTHER FINANCING SOURCESS (USES)				
Proceeds from loan	-	-	-	-
Transfers in	-	-	-	-
Total other financing sources and uses	-	-	-	-
Net change in fund balances	(17,846)	(17,846)	35,787	53,633
Fund balances - beginning	63,711	63,711	76,011	12,300
Fund balances - ending	\$ 45,865	\$ 45,865	\$ 111,798	\$ 65,933

CITY OF LOWELL
Budget and Actual (with Variances)
Streets SDC Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
SDC fees	\$ 8,880	\$ 8,880	\$ 18,352	\$ 9,472
Investment earnings	200	200	255	(55)
Total Revenues	<u>9,080</u>	<u>9,080</u>	<u>18,607</u>	<u>9,417</u>
EXPENDITURES				
Current:				
Materials and services	5,000	5,000	-	5,000
Capital outlay	40,000	40,000	-	40,000
Total Expenditures	<u>45,000</u>	<u>45,000</u>	<u>-</u>	<u>45,000</u>
Excess (deficiency) of revenues over expenitures	<u>(35,920)</u>	<u>(35,920)</u>	<u>18,607</u>	<u>(35,583)</u>
Net change in fund balances	(35,920)	(35,920)	18,607	54,527
Fund balances - beginning	<u>49,630</u>	<u>49,630</u>	<u>50,028</u>	<u>398</u>
Fund balances - ending	<u><u>\$ 13,710</u></u>	<u><u>\$ 13,710</u></u>	<u><u>\$ 68,635</u></u>	<u><u>\$ 54,925</u></u>

CITY OF LOWELL
Budget and Actual (with Variances)
Stormwater SDC Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
SDC fees	\$ 10,095	\$ 10,095	\$ 21,123	\$ 11,028
Investment earnings	635	635	254	(381)
Total Revenues	<u>10,730</u>	<u>10,730</u>	<u>21,377</u>	<u>10,647</u>
EXPENDITURES				
Current:				
Materials and services	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenitures	<u>10,730</u>	<u>10,730</u>	<u>21,377</u>	<u>10,647</u>
Net change in fund balances	10,730	10,730	21,377	10,647
Fund balances - beginning	<u>48,278</u>	<u>48,278</u>	<u>47,976</u>	<u>(302)</u>
Fund balances - ending	<u><u>\$ 59,008</u></u>	<u><u>\$ 59,008</u></u>	<u><u>\$ 69,353</u></u>	<u><u>\$ 10,345</u></u>

CITY OF LOWELL
Budget and Actual (with Variances)
Blackberry Jam Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fundraising and event receipts	\$ 4,000	\$ 4,000	\$ 8,013	\$ 4,013
Investment earnings	-	-	3	3
Miscellaneous revenue	-	-	25	25
Total Revenues	<u>4,000</u>	<u>4,000</u>	<u>8,041</u>	<u>4,041</u>
EXPENDITURES				
Current:				
Materials and services	6,750	6,750	5,685	1,065
Contingency	-	-	-	-
Total Expenditures	<u>6,750</u>	<u>6,750</u>	<u>5,685</u>	<u>1,065</u>
Excess (deficiency) of revenues over expenitures	<u>(2,750)</u>	<u>(2,750)</u>	<u>2,356</u>	<u>5,106</u>
Net change in fund balances	(2,750)	(2,750)	2,356	5,106
Fund balances - beginning	<u>10,545</u>	<u>10,545</u>	<u>11,468</u>	<u>923</u>
Fund balances - ending	<u><u>\$ 7,795</u></u>	<u><u>\$ 7,795</u></u>	<u><u>\$ 13,824</u></u>	<u><u>\$ 6,029</u></u>

CITY OF LOWELL
Budget and Actual (with Variances)
Water Operating Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 380,440	\$ 380,440	\$ 360,213	\$ (20,227)
Grants	120,000	120,000	54,249	(65,751)
Licenses and permits	2,750	2,750	8,250	5,500
Reimbursement SDC fees	7,450	7,450	23,095	15,645
Investment earnings	2,200	2,200	390	(1,810)
Miscellaneous	500	500	952	452
Total Revenues	<u>513,340</u>	<u>513,340</u>	<u>447,149</u>	<u>(66,191)</u>
EXPENDITURES				
Current:				
Personal services	211,358	211,358	190,244	21,114
Materials and services	152,700	152,700	130,176	22,524
Debt service:				
Principal	29,604	29,604	29,321	283
Interest	29,010	29,010	29,018	(8)
Capital outlay	27,500	63,030	69,569	(6,539)
Contingency	35,532	2	-	2
Total Expenditures	<u>485,704</u>	<u>485,704</u>	<u>448,328</u>	<u>37,376</u>
Excess (deficiency) of revenues over expenitures	<u>27,636</u>	<u>27,636</u>	<u>(1,179)</u>	<u>(28,815)</u>
OTHER FINANCING SOURCESS (USES)				
Proceeds from loan	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	27,636	27,636	(1,179)	(28,815)
Fund balances - beginning	<u>45,554</u>	<u>45,554</u>	<u>41,482</u>	<u>(4,072)</u>
Fund balances - ending	<u>\$ 73,190</u>	<u>\$ 73,190</u>	40,303	<u>\$ (32,887)</u>
Reconciliation to net position:				
Net capital assets			2,290,123	
Long-term debt			<u>(1,022,505)</u>	
Net position, modified cash basis			<u>\$ 1,307,921</u>	

CITY OF LOWELL
Budget and Actual (with Variances)
Water SDC Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
SDC fees	\$ 57,450	\$ 57,450	\$ 118,730	\$ 61,280
Investment earnings	1,000	1,000	1,731	731
Total Revenues	<u>58,450</u>	<u>58,450</u>	<u>120,461</u>	<u>62,011</u>
EXPENDITURES				
Current:				
Materials and services	102,446	102,446	73,556	28,890
Capital outlay	-	-	-	-
Total Expenditures	<u>102,446</u>	<u>102,446</u>	<u>73,556</u>	<u>28,890</u>
Excess (deficiency) of revenues over expenitures	<u>(43,996)</u>	<u>(43,996)</u>	<u>46,905</u>	<u>90,901</u>
Net change in fund balances	(43,996)	(43,996)	46,905	90,901
Fund balances - beginning	<u>328,502</u>	<u>328,502</u>	<u>329,228</u>	<u>726</u>
Fund balances - ending	<u><u>\$ 284,506</u></u>	<u><u>\$ 284,506</u></u>	<u><u>\$ 376,133</u></u>	<u><u>\$ 91,627</u></u>

CITY OF LOWELL
Budget and Actual (with Variances)
Water Reserve Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 4	\$ 4	\$ 62	\$ 58
Total Revenues	4	4	62	58
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over expenitures	4	4	62	58
Net change in fund balances	4	4	62	58
Fund balances - beginning	39,398	39,398	39,395	(3)
Fund balances - ending	\$ 39,402	\$ 39,402	\$ 39,457	\$ 55

CITY OF LOWELL
Budget and Actual (with Variances)
Sewer Operating Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 408,900	\$ 408,900	\$ 406,487	\$ (2,413)
Grants	20,000	20,000	-	(20,000)
Licenses and permits	1,150	1,150	3,795	2,645
Reimbursement SDC fees	6,180	6,180	19,158	12,978
Investment earnings	2,150	2,150	633	(1,517)
Miscellaneous	500	500	897	397
Total Revenues	<u>438,880</u>	<u>438,880</u>	<u>430,970</u>	<u>(7,910)</u>
EXPENDITURES				
Current:				
Personal services	213,420	213,420	189,970	23,450
Materials and services	198,734	198,734	167,886	30,848
Debt service:				
Principal	30,384	30,384	30,139	245
Interest	19,881	19,881	19,698	183
Capital outlay	6,000	46,342	23,377	22,965
Contingency	40,342	-	-	-
Total Expenditures	<u>508,761</u>	<u>508,761</u>	<u>431,070</u>	<u>77,691</u>
Excess (deficiency) of revenues over expenitures	<u>(69,881)</u>	<u>(69,881)</u>	<u>(100)</u>	<u>69,781</u>
OTHER FINANCING SOURCESS (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(69,881)	(69,881)	(100)	69,781
Fund balances - beginning	214,849	214,849	184,427	30,422
Fund balances - ending	<u>\$ 144,968</u>	<u>\$ 144,968</u>	<u>184,327</u>	<u>\$ 39,359</u>
Reconciliation to net position:				
Net capital assets			1,832,429	
Long-term debt			(516,981)	
Net position, modified cash basis			<u>\$ 1,499,775</u>	

CITY OF LOWELL
Budget and Actual (with Variances)
Sewer SDC Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
SDC fees	\$ 16,065	\$ 16,065	\$ 33,201	\$ 17,136
Investment earnings	1,000	1,000	551	(449)
Total Revenues	<u>17,065</u>	<u>17,065</u>	<u>33,752</u>	<u>16,687</u>
EXPENDITURES				
Current:				
Materials and services	53,616	53,616	47,673	5,943
Capital outlay	-	-	-	-
Total Expenditures	<u>53,616</u>	<u>53,616</u>	<u>47,673</u>	<u>5,943</u>
Excess (deficiency) of revenues over expenitures	<u>(36,551)</u>	<u>(36,551)</u>	<u>(13,921)</u>	<u>22,630</u>
Net change in fund balances	(36,551)	(36,551)	(13,921)	22,630
Fund balances - beginning	<u>145,745</u>	<u>145,745</u>	<u>146,159</u>	<u>414</u>
Fund balances - ending	<u><u>\$ 109,194</u></u>	<u><u>\$ 109,194</u></u>	<u><u>\$ 132,238</u></u>	<u><u>\$ 23,044</u></u>

CITY OF LOWELL
Budget and Actual (with Variances)
Sewer Reserve Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 2	\$ 2	\$ 21	\$ 19
Total Revenues	<u>2</u>	<u>2</u>	<u>21</u>	<u>19</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over expenitures	<u>2</u>	<u>2</u>	<u>21</u>	<u>19</u>
Net change in fund balances	2	2	21	19
Fund balances - beginning	<u>15,754</u>	<u>15,754</u>	<u>15,751</u>	<u>(3)</u>
Fund balances - ending	<u>\$ 15,756</u>	<u>\$ 15,756</u>	<u>\$ 15,772</u>	<u>\$ 16</u>

CITY OF LOWELL
Budget and Actual (with Variances)
Building Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Licenses and permits	\$ 50,250	\$ 107,500	\$ 128,394	\$ 20,894
Investment earnings	-	-	11	11
Total Revenues	<u>50,250</u>	<u>107,500</u>	<u>128,405</u>	<u>20,905</u>
EXPENDITURES				
Current:				
Personal services	5,040	6,288	4,713	1,575
Materials and services	36,231	92,233	96,402	(4,169)
Contingency	7,959	7,959	-	7,959
Total Expenditures	<u>49,230</u>	<u>106,480</u>	<u>101,115</u>	<u>5,365</u>
Excess (deficiency) of revenues over expenitures	<u>1,020</u>	<u>1,020</u>	<u>27,290</u>	<u>26,270</u>
OTHER FINANCING SOURCESS (USES)				
Transfers in	-	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,020	1,020	27,290	26,270
Fund balances - beginning	<u>19,855</u>	<u>19,855</u>	<u>29,944</u>	<u>10,089</u>
Fund balances - ending	<u>\$ 20,875</u>	<u>\$ 20,875</u>	<u>\$ 57,234</u>	<u>\$ 36,359</u>

STATISTICAL INFORMATION

CITY OF LOWELL
Net Position by Component
Last Ten Fiscal Years

	Fiscal Year				
	2022	2021	2020	2019	2018
Governmental Activities					
Net investment in capital assets	\$ 3,879,824	\$ 3,546,787	\$ 3,361,280	\$ 3,331,814	\$ 3,083,574
Restricted	371,055	251,163	227,067	206,457	552,152
Unrestricted	246,847	198,805	294,107	326,908	275,488
Total governmental activities net position	\$ 4,497,726	\$ 3,996,755	\$ 3,882,454	\$ 3,865,179	\$ 3,911,214
Business-type activities					
Net investment in capital assets	\$ 2,583,066	\$ 2,649,555	\$ 3,331,814	\$ 2,883,997	\$ 2,970,673
Restricted	516,633	530,533	206,457	393,482	-
Unrestricted	328,831	255,853	326,908	344,414	283,150
Total business-type activities net position	\$ 3,428,530	\$ 3,435,941	\$ 3,865,179	\$ 3,621,893	\$ 3,253,823
Primary Government					
Net investment in capital assets	\$ 6,462,890	\$ 6,196,342	\$ 6,693,094	\$ 6,215,811	\$ 6,054,247
Restricted	887,688	781,696	433,524	599,939	552,152
Unrestricted	575,678	454,658	621,015	671,322	558,638
Total primary government activities net position	\$ 7,926,256	\$ 7,432,696	\$ 7,747,633	\$ 7,487,072	\$ 7,165,037

	Fiscal Year				
	2017	2016	2015	2014	2013
Governmental Activities					
Net investment in capital assets	\$ 3,129,930	\$ 3,147,180	\$ 3,191,637	\$ 3,121,094	\$ 3,167,810
Restricted	495,677	509,972	537,810	539,039	550,139
Unrestricted	222,798	223,903	192,437	185,234	86,681
Total governmental activities net position	\$ 3,848,405	\$ 3,881,055	\$ 3,921,884	\$ 3,845,367	\$ 3,804,630
Business-type activities					
Net investment in capital assets	\$ 3,090,401	\$ 1,499,186	\$ 3,384,656	\$ 3,525,418	\$ 3,686,342
Restricted	-	-	-	-	-
Unrestricted	186,007	98,873	65,237	69,512	31,547
Total business-type activities net position	\$ 3,276,408	\$ 1,598,059	\$ 3,449,893	\$ 3,594,930	\$ 3,717,889
Primary Government					
Net investment in capital assets	\$ 6,220,331	\$ 4,646,366	\$ 6,576,293	\$ 6,646,512	\$ 6,854,152
Restricted	495,677	509,972	537,810	539,039	550,139
Unrestricted	408,805	322,776	257,674	254,746	118,228
Total primary government activities net position	\$ 7,124,813	\$ 5,479,114	\$ 7,371,777	\$ 7,440,297	\$ 7,522,519

CITY OF LOWELL
Changes in Net Position
Last Ten Fiscal Years

	2022	2021	2020	2019	2018
Program revenues:					
Governmental activities:					
Charges for services:					
General Government	\$ 11,438	\$ 3,088	\$ 5,106	\$ 5,912	\$ 49,458
Culture & Recreation	9,470	6,494	22,419	25,587	21,899
Community Development	18,336	688	73,117	175,627	-
Code Enforcement	347	981	876	806	-
Municipal Court	10,565	5,966	2,824	1,940	-
Highways & Streets	3,224	5,476	22,846	24,756	8,007
Operating grants & contributions	223,330	179,506	186,282	128,432	27,649
Capital grants & contributions	405,579	225,630	6,100	70,925	-
Total governmental activities program revenues	682,289	427,829	319,570	433,985	107,013
Business-type activities:					
Charges for services:					
Building	128,394	19,129	-	-	-
Water	351,731	373,237	368,132	391,598	308,138
Sewer	469,267	395,453	376,377	363,394	382,284
Operating grants & contributions	-	817	-	-	-
Capital grants & contributions	206,180	24,364	-	-	-
Total business-type activities program revenues	1,155,572	813,000	744,509	754,992	690,422
Total primary government program revenues	1,837,861	1,240,829	1,064,079	1,188,977	797,435
Expenses:					
Governmental activities:					
General Government	140,414	146,822	163,018	108,152	118,225
Culture & Recreation	133,564	112,858	116,507	109,413	67,812
Public Safety	29,453	28,968	28,123	27,300	30,200
Community Development	88,212	78,455	102,066	168,433	42,730
Code Enforcement	12,259	14,311	14,490	11,863	-
Tourism	3,202	2,251	2,786	7,566	9,695
Municipal Court	17,901	13,815	11,462	11,186	10,294
Highways & Streets	101,824	94,957	87,625	134,185	101,427
Total governmental activities	526,829	492,437	526,077	578,098	380,383
Business-type activities:					
Building	101,115	26,413	-	-	-
Water	526,635	486,159	395,706	367,124	358,810
Sewer	540,482	469,825	446,400	390,655	377,194
Total business type activities	1,168,232	982,397	842,106	757,779	736,004
Total primary government expenses	\$ 1,695,061	\$ 1,474,834	\$ 1,368,183	\$ 1,335,877	\$ 1,116,387
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes	\$ 183,315	\$ 155,148	\$ 150,732	\$ 147,569	\$ 140,307
Investment earnings	2,554	2,789	8,618	9,833	6,921
Other revenues	97,075	70,271	65,290	292,689	191,992
Gain (loss) on capital assets	57,860	-	-	-	16,419
Transfers in (out)	-	(49,299)	(858)	(352,013)	(19,460)
Total governmental activities	340,804	178,909	223,782	98,078	336,179
Business-type activities:					
Investment earnings	3,399	4,598	12,363	5,334	3,265
Other revenues	1,850	8,538	4,586	13,539	272
Gain (loss) on capital assets	-	-	800	(29)	-
Transfers in (out)	-	49,299	858	352,013	19,460
Total business-type activities	5,249	62,435	18,607	370,857	22,997
Total primary government	\$ 346,053	\$ 241,344	\$ 242,389	\$ 468,935	\$ 359,176
Change in Net Position					
Governmental activities	\$ 496,264	\$ 114,301	\$ 17,275	\$ (46,035)	\$ 62,809
Business-type activities	(7,411)	(106,962)	(78,990)	368,070	(22,585)
Total primary government	\$ 488,853	\$ 7,339	\$ (61,715)	\$ 322,035	\$ 40,224

CITY OF LOWELL
Changes in Net Position
Last Ten Fiscal Years

	2017	2016	2015	2014	2013
Program revenues:					
Governmental activities:					
Charges for services:					
General Government	\$ 37,100	\$ 14,909	\$ 19,799	\$ 83,382	\$ 76,927
Culture & Recreation	22,976	21,596	8,888	28,346	20,738
Community Development	-	-	-	-	-
Code Enforcement	-	-	-	-	-
Municipal Court	-	-	-	-	-
Highways & Streets	4,273	3,042	-	-	-
Operating grants & contributions	20,140	15,626	69,629	91,705	91,224
Capital grants & contributions	-	-	125,000	37,650	36,359
Total governmental activities program revenues	84,489	55,173	223,316	241,083	225,248
Business-type activities:					
Charges for services:					
Building	-	-	-	-	-
Water	274,459	250,726	233,460	219,598	202,834
Sewer	330,777	274,731	260,087	244,525	227,096
Operating grants & contributions	-	-	-	-	-
Capital grants & contributions	-	-	-	4,175	63,705
Total business-type activities program revenues	605,236	525,457	493,547	468,298	493,635
Total primary government program revenues	689,725	580,630	716,863	709,381	718,883
Expenses:					
Governmental activities:					
General Government	223,034	280,159	270,210	240,178	200,174
Culture & Recreation	19,376	23,087	13,259	34,309	35,824
Public Safety	-	-	-	-	-
Community Development	-	-	-	-	-
Code Enforcement	-	-	-	-	-
Tourism	-	-	-	-	-
Municipal Court	-	-	-	-	-
Highways & Streets	96,103	42,499	31,917	41,816	41,354
Total governmental activities	338,513	345,745	315,386	316,303	277,352
Business-type activities:					
Building	-	-	-	-	-
Water	348,683	344,914	318,125	306,853	369,105
Sewer	387,717	375,223	393,260	348,726	317,306
Total business type activities	736,400	720,137	711,385	655,579	686,411
Total primary government expenses	\$ 1,074,913	\$ 1,065,882	\$ 1,026,771	\$ 971,882	\$ 963,763
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes	\$ 134,981	\$ 131,105	\$ 126,539	\$ 123,078	\$ 120,456
Investment earnings	7,782	3,628	2,718	2,879	2,720
Other revenues	170,535	175,136	99,556	36,646	2,155
Gain (loss) on capital assets	-	-	-	-	-
Transfers in (out)	(91,924)	(60,126)	(60,226)	(52,126)	(52,126)
Total governmental activities	221,374	249,743	168,587	110,477	73,205
Business-type activities					
Investment earnings	-	-	244	391	370
Other revenues	309	-	12,331	11,805	11,805
Gain (loss) on capital assets	-	-	-	-	-
Transfers in (out)	91,924	60,126	60,226	52,126	52,126
Total business-type activities	92,233	60,126	72,801	64,322	64,301
Total primary government	\$ 313,607	\$ 309,869	\$ 241,388	\$ 174,799	\$ 137,506
Change in Net Position					
Governmental activities	\$ (32,650)	\$ (40,829)	\$ 76,517	\$ 35,257	\$ 21,101
Business-type activities	(38,931)	(134,554)	(145,037)	(122,959)	(128,475)
Total primary government	\$ (71,581)	\$ (175,383)	\$ (68,520)	\$ (87,702)	\$ (107,374)

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
General Fund:					
Non spendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	31,736	18,466	6,100	-	-
Committed	-	5,224	6,597	-	-
Assigned	-	-	-	-	-
Unassigned	233,023	182,113	259,416	297,503	225,395
Total general fund	<u>264,759</u>	<u>205,803</u>	<u>272,113</u>	<u>297,503</u>	<u>225,395</u>
All Other Governmental Funds:					
Non spendable	-	-	-	-	-
Restricted	339,319	232,697	214,370	206,457	523,683
Committed	-	-	-	-	-
Assigned	13,824	11,468	34,691	29,405	91,457
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>353,143</u>	<u>244,165</u>	<u>249,061</u>	<u>235,862</u>	<u>615,140</u>
Total governmental funds	<u>\$ 617,902</u>	<u>\$ 449,968</u>	<u>\$ 521,174</u>	<u>\$ 533,365</u>	<u>\$ 840,535</u>

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund:					
Non spendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	10,000	-	-
Unassigned	184,077	123,608	84,227	95,231	57,836
Total general fund	<u>184,077</u>	<u>123,608</u>	<u>94,227</u>	<u>95,231</u>	<u>57,836</u>
All Other Governmental Funds:					
Non spendable	-	-	-	-	-
Restricted	443,823	402,992	375,704	323,070	256,485
Committed	-	-	-	-	-
Assigned	90,575	207,275	260,317	305,972	323,741
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>534,398</u>	<u>610,267</u>	<u>636,021</u>	<u>629,042</u>	<u>580,226</u>
Total governmental funds	<u>\$ 718,475</u>	<u>\$ 733,875</u>	<u>\$ 730,248</u>	<u>\$ 724,273</u>	<u>\$ 638,062</u>

CITY OF LOWELL
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year				
	2022	2021	2020	2019	2018
REVENUES					
Property Taxes	\$ 183,315	\$ 155,148	\$ 150,732	\$ 147,569	\$ 140,307
Intergovernmental	442,585	391,769	185,917	128,432	103,333
Franchise fees ¹	96,397	59,158	62,928	52,206	52,720
Licenses and permits	18,683	1,669	73,993	176,433	38,413
Charges for services	11,438	3,388	5,106	36,533	5,381
SDC fees ²	74,691	9,604	31,102	2,730	68,548
Fees and fines ¹	10,565	5,966	2,824	1,940	3,726
Investment earnings	2,555	2,789	8,617	9,833	6,921
Miscellaneous ²	62,967	12,114	2,729	1,631	18,973
Fundraising and event receipts	21,283	14,432	20,264	16,992	20,806
Total Revenues	<u>924,479</u>	<u>656,037</u>	<u>544,212</u>	<u>574,299</u>	<u>459,128</u>
EXPENDITURES					
Current:					
General Government ⁴	92,804	103,531	125,617	99,216	103,074
Parks ³	83,126	91,312	76,428	73,629	-
Public Safety	29,453	28,968	28,123	27,300	30,200
Community Development	55,879	73,748	102,066	168,433	42,730
Library ³	28,000	6,454	8,635	24,217	-
Tourism	12,259	14,311	14,490	7,566	9,695
Code Enforcement	3,202	2,251	2,786	11,863	-
Municipal Court	17,901	13,815	11,462	11,186	10,294
Highways and Streets	54,481	55,736	54,743	102,188	70,222
Blackberry Jam Festival ³	5,685	3,112	18,434	-	-
Culture and Recreation ³	-	-	-	-	67,812
Debt service:					
Principal	22,041	17,845	17,095	-	-
Interest	31,485	28,507	23,251	-	-
Capital Outlay:	320,231	629,424	72,415	760,121	-
Total Expenditures	<u>756,547</u>	<u>1,069,014</u>	<u>555,545</u>	<u>1,285,719</u>	<u>334,027</u>
Excess (deficiency) of revenues over expenditures	<u>167,932</u>	<u>(412,977)</u>	<u>(11,333)</u>	<u>(711,420)</u>	<u>125,101</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from loan	-	391,070	-	530,000	-
Gain or (loss) on sale of fixed assets	-	-	-	-	16,419
Transfers in	-	10,082	22,000	120,565	10,000
Transfers out	-	(59,381)	(22,858)	(472,578)	(29,460)
Total other financing sources and uses	<u>-</u>	<u>341,771</u>	<u>(858)</u>	<u>177,987</u>	<u>(3,041)</u>
SPECIAL ITEM					
Other Source - Litigation Proceeds	-	-	-	226,263	-
Net change in fund balances	167,932	(71,206)	(12,191)	(307,170)	122,060
Fund balances - beginning	449,968	521,174	533,365	840,535	718,475
Fund balances - ending	<u>\$ 617,900</u>	<u>\$ 449,968</u>	<u>\$ 521,174</u>	<u>\$ 533,365</u>	<u>\$ 840,535</u>

Notes:

1. Prior to 2018, Franchise fees were reported with fees and fines.
2. From 2015 through 2017 SDC revenues were reported with fees and fines.
3. Prior to 2019, Parks, Library and Blackberry Jam were reported with Culture and Recreation.
4. Amounts previously reported in General Government are now identified by department.

CITY OF LOWELL
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year				
	2017	2016	2015	2014	2013
REVENUES					
Property Taxes	\$ 134,981	\$ 131,105	\$ 126,539	\$ 123,078	\$ 120,456
Intergovernmental	92,724	86,140	84,941	91,705	91,224
Franchise fees ¹	-	-	-	-	-
Licenses and permits	83,407	71,933	74,573	83,382	77,477
Charges for services	-	-	-	-	-
SDC fees ²	-	-	-	37,650	35,809
Fees and fines ¹	38,265	9,779	25,502	3,178	2,771
Investment earnings	7,783	3,650	2,718	2,879	2,720
Miscellaneous ²	18,442	41,544	7,826	36,645	2,155
Fundraising and event receipts	22,187	20,969	18,403	25,168	17,967
Total Revenues	<u>397,789</u>	<u>365,120</u>	<u>340,502</u>	<u>403,685</u>	<u>350,579</u>
EXPENDITURES					
Current:					
General Government ⁴	97,112	204,569	203,871	201,453	167,510
Parks ³	-	-	-	-	-
Public Safety	21,000	30,486	24,298	-	-
Community Development	35,264	-	-	-	-
Library ³	-	-	-	-	-
Tourism	3,096	-	-	-	-
Code Enforcement	14,268	-	-	-	-
Municipal Court	-	-	-	-	-
Highways and Streets	64,898	43,185	32,576	35,192	34,615
Blackberry Jam Festival ³	-	-	-	-	-
Culture and Recreation ³	64,383	23,127	13,556	28,704	29,984
Debt service:					-
Principal	-	-	-	-	8,932
Interest	-	-	-	-	320
Capital Outlay:	21,244	-	-	-	850
Total Expenditures	<u>321,265</u>	<u>301,367</u>	<u>274,301</u>	<u>265,349</u>	<u>242,211</u>
Excess (deficiency) of revenues over expenditures	<u>76,524</u>	<u>63,753</u>	<u>66,201</u>	<u>138,336</u>	<u>108,368</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from loan	-	-	-	-	-
Gain or (loss) on sale of fixed assets	-	-	-	-	-
Transfers in	22,975	13,528	13,028	10,028	25,636
Transfers out	(114,899)	(73,654)	(73,254)	(62,154)	(77,762)
Total other financing sources and uses	<u>(91,924)</u>	<u>(60,126)</u>	<u>(60,226)</u>	<u>(52,126)</u>	<u>(52,126)</u>
SPECIAL ITEM					
Other Source - Litigation Proceeds	-	-	-	-	-
Net change in fund balances	(15,400)	3,627	5,975	86,210	56,242
Fund balances - beginning	733,875	730,248	724,273	638,063	581,820
Fund balances - ending	<u>\$ 718,475</u>	<u>\$ 733,875</u>	<u>\$ 730,248</u>	<u>\$ 724,273</u>	<u>\$ 638,062</u>

Notes:

1. Prior to 2018, Franchise fees were reported with fees and fines.
2. From 2015 through 2017 SDC revenues were reported with fees and fines.
3. Prior to 2019, Parks, Library and Blackberry Jam were reported with Culture and Recreation.
4. Amounts previously reported in General Government are now identified by department.

CITY OF LOWELL
Program Revenues by Function
Last Ten Fiscal Years

	2022	2021	2020	2019	2018
Program revenues:					
Governmental activities:					
General Government ¹	\$ 125,758	\$ 99,740	\$ 42,328	\$ 44,602	\$ 66,346
Culture & Recreation	282,448	19,860	60,799	98,512	32,660
Public Safety	-	-	-	-	-
Community Development	19,336	688	103,117	175,627	-
Code Enforcement	347	981	876	806	-
Toursim	10,586	10,274	10,137	9,639	-
Municipal Court	10,565	5,966	2,824	1,940	-
Highways & Streets	134,637	297,159	99,489	102,859	8,007
Public Works ²	-	-	-	-	-
Subtotal governmental activities	<u>583,677</u>	<u>434,668</u>	<u>319,570</u>	<u>433,985</u>	<u>107,013</u>
Business-type activities:					
Building	1,929	1,929	-	-	-
Water	374,054	374,054	368,132	391,598	308,138
Sewer	419,817	419,817	376,377	363,394	382,284
Subtotal business-type activities	<u>795,800</u>	<u>795,800</u>	<u>744,509</u>	<u>754,992</u>	<u>690,422</u>
Total primary government	<u>1,379,477</u>	<u>1,230,468</u>	<u>1,064,079</u>	<u>1,188,977</u>	<u>797,435</u>

	2017	2016	2015	2014	2013
Program revenues:					
Governmental activities:					
General Government ¹	\$ 48,219	\$ 21,406	\$ 153,144	\$ 114,340	\$ 110,810
Culture & Recreation	31,997	30,725	9,888	28,346	20,738
Public Safety	-	-	-	-	-
Community Development	-	-	-	-	-
Code Enforcement	-	-	-	-	-
Toursim	-	-	-	-	-
Municipal Court	-	-	-	-	-
Highways & Streets	4,273	3,042	60,284	60,747	57,891
Public Works ²	-	-	-	37,650	35,809
Subtotal governmental activities	<u>84,489</u>	<u>55,173</u>	<u>223,316</u>	<u>241,083</u>	<u>225,248</u>
Business-type activities:					
Building	-	-	-	-	-
Water	274,459	250,726	233,460	221,728	264,731
Sewer	330,777	274,731	260,087	246,570	228,904
Subtotal business-type activities	<u>605,236</u>	<u>525,457</u>	<u>493,547</u>	<u>468,298</u>	<u>493,635</u>
Total primary government	<u>689,725</u>	<u>580,630</u>	<u>716,863</u>	<u>709,381</u>	<u>718,883</u>

Notes:

1. Prior to 2019, Revenues collected for Community Development, Code Enforcement, Tourism, Municipal Court were recorded under General Government
2. Prior to 2015, the Public Works program revenues reflected Systems Development Charges (SDC's) collected within the SDC fund and reimbursement SDC's in the Street Fund

CITY OF LOWELL
General Governmental Revenues
Last Ten Fiscal Years

Fiscal Year	Taxes and Fees			Licenses and Permits			
	Property Tax	Franchise Fees	Total	Land Use Permits	Construction Permits	Other Permits & Licenses	Total
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	183,359	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
20-21	155,148	59,158	214,306	292	-	1,377	1,669
21-22	181,055	96,397	277,451	17,951	-	732	18,683

Source: *City Financial Database*

Note: *Beginning in fiscal year 2020-21, construction permits are recorded in a new fund and are reported as a business-type activity*

CITY OF LOWELL
Assessed Value of Property
Last Ten Fiscal Years

Fiscal Year	Real Property	Manufactured Structures	Personal Property	Public Utility	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Real Market Value (RMV)	Assessed Value as a % of RMV
12-13	\$ 55,517,417	\$ 1,189,667	\$ 184,933	\$ 695,900	\$ 57,587,917	\$ 2.1613	\$ 84,732,061	68.0%
13-14	56,556,845	1,173,076	166,578	759,400	58,655,899	2.1613	80,167,206	73.2%
14-15	58,603,044	1,208,852	162,551	802,000	60,776,447	2.1613	86,132,470	70.6%
15-16	60,496,634	1,094,889	151,867	1,021,900	62,765,290	2.1613	90,378,891	69.4%
16-17	62,000,681	1,175,149	226,886	1,073,700	64,476,416	2.1613	94,410,652	68.3%
17-18	64,242,855	1,155,862	271,816	1,257,029	66,927,562	2.1613	108,244,103	61.8%
18-19	66,271,852	1,140,505	270,377	1,333,000	69,015,734	2.1613	117,576,623	58.7%
19-20	69,076,046	1,139,099	231,864	1,237,500	71,684,509	2.1613	123,729,680	57.9%
20-21	71,117,824	1,082,191	278,825	1,292,400	73,771,240	2.1613	129,834,847	56.8%
21-22	79,446,752	1,072,764	367,439	1,263,300	82,150,258	2.1613	168,202,694	48.8%

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

CITY OF LOWELL
Property Tax Rates
Last Ten Fiscal Years

Fiscal Year	Direct Rates		Overlapping Rates					Total Direct and Overlapping
	Basic Rate	Total Direct	Lane County	Lowell RFPD	Lane Community College	Lane ESD	School Dist 71	
12-13	\$ 2.1613	\$ 2.1613	\$ 1.3908	\$ 2.6970	\$ 0.8640	\$ 0.2232	\$ 5.0409	\$ 12.3772
13-14	2.1613	2.1613	1.9376	2.6970	0.8646	0.2232	5.0409	12.9246
14-15	2.1613	2.1613	1.9345	2.6970	0.8616	0.2232	5.0409	12.9185
15-16	2.1613	2.1613	1.8293	2.6970	0.8198	0.2232	5.0409	12.7715
16-17	2.1613	2.1613	1.6743	2.6970	0.8419	0.2232	5.0409	12.6386
17-18	2.1613	2.1613	1.6700	2.6970	0.8464	0.2232	5.0409	12.6388
18-19	2.1613	2.1613	1.8093	2.6970	0.8400	0.2232	6.1361	13.8669
19-20	2.1613	2.1613	1.8443	2.6970	0.8410	0.2232	6.1295	13.8963
20-21	2.1613	2.1613	1.8443	2.6970	0.9628	0.2232	6.1385	14.0271
21-22	2.1613	2.1613	1.8573	2.6970	0.9954	0.2232	6.0929	14.0271

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

Notes: Rates are per \$1,000 of assessed value.

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
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%
20-21	159,850	152,386	95.33%	2,761	155,147	103.0%
21-22	189,771	181,055	95.41%	2,260	183,315	103.5%

*Source: Department of Assessment and Taxation, Lane County, Oregon
City of Lowell, Financial Database*

CITY OF LOWELL
Principal Tax Payers
Last Ten Fiscal Years

Fiscal Year 2021-2022						
Taxpayer Name	Number of Parcels	Assessed Taxes	Taxable Assessed Value (TAV)	Estimated Real Market Value (RMV)	Total City Assessed Value	% of City Assessed Value
Tu-Mac Inc	1	\$ 28,473	\$ 2,161,300	\$ 2,161,300	82,150,258	2.63%
George Living Trust	5	22,224	1,228,521	2,229,966	82,150,258	1.50%
Randy Kintzley G	1	15,410	266,123	487,615	82,150,258	0.32%
Jerry L & Julie E Valencia	5	13,822	983,405	1,340,846	82,150,258	1.20%
Lumen Technologies Inc	1	12,871	977,000	977,000	82,150,258	1.19%
McDougal Bros Investments	9	11,522	327,670	549,783	82,150,258	0.40%
Rachel & Adam Dilts	1	11,000	292,711	505,049	82,150,258	0.36%
Jeremy & Caryn Carlisle	1	10,949	291,462	502,215	82,150,258	0.35%
Michael & Amanda Ganieany	1	9,143	251,544	424,196	82,150,258	0.31%
Mary Lynn McBee	1	8,211	183,701	318,610	82,150,258	0.22%
		<u>\$ 143,624</u>	<u>\$ 6,963,437</u>	<u>\$ 9,496,580</u>	<u>821,502,580</u>	<u>8.48%</u>

Total City assessed valuation base for Fiscal Year 2021-2022: \$ 82,150,258

Fiscal Year 2020-2021						
Taxpayer Name	Number of Parcels	Assessed Taxes	Taxable Assessed Value (TAV)	Estimated Real Market Value (RMV)	Total City Assessed Value	% of City Assessed Value
Tu-Mac Inc	1	\$ 30,551	\$ 2,324,320	\$ 2,324,320	73,771,240	3.15%
Centurylink	2	13,433	1,022,000	1,022,000	73,771,240	1.39%
Lowell Industrial Development	2	11,893	904,838	904,838	73,771,240	1.23%
George Living Trust	5	11,776	841,505	1,441,763	73,771,240	1.14%
Valencia Jerry L & Julie E	5	9,184	656,029	790,153	73,771,240	0.89%
Silebi Benjamin M & Rebecca J	2	8,758	645,399	805,698	73,771,240	0.87%
J & K Property Holdings LLC	4	8,562	645,216	830,869	73,771,240	0.87%
Neet Robin C & Cheryl M	3	7,484	524,107	985,440	73,771,240	0.71%
Walker Richard J & Allison A	3	6,575	468,776	638,759	73,771,240	0.64%
Howell Mali & Ian	1	6,471	461,319	555,352	73,771,240	0.63%
		<u>\$ 114,686</u>	<u>\$ 8,493,509</u>	<u>\$ 10,299,192</u>	<u>737,712,400</u>	<u>11.51%</u>

Total City assessed valuation base for Fiscal Year 2020-2021: \$ 73,771,240

Fiscal Year 2019-2020						
Taxpayer Name	Number of Parcels	Assessed Taxes	Taxable Assessed Value (TAV)	Estimated Real Market Value (RMV)	Total City Assessed Value	% of City Assessed Value
Tu-Mac Inc	1	\$ 30,490	\$ 2,343,050	\$ 2,343,050	71,684,509	3.27%
Lowell Industrial Development	3	18,925	1,454,425	1,454,425	71,684,509	2.03%
Valencia Jerry L & Julie E	6	15,083	1,089,348	1,304,199	71,684,509	1.52%
George Living Trust	6	12,685	914,108	1,451,322	71,684,509	1.28%
Centurylink	2	12,609	969,000	969,000	71,684,509	1.35%
Neet Robin C & Cheryl M	3	7,201	508,843	896,625	71,684,509	0.71%
Moxley Caroline Viola	2	6,693	105,948	157,896	71,684,509	0.15%
Walker Richard J & Allison A	3	6,322	455,138	634,014	71,684,509	0.63%
C & S Development	18	6,253	459,735	606,480	71,684,509	0.64%
Howell Mali & Ian	1	6,223	447,883	545,683	71,684,509	0.62%
		<u>\$ 122,484</u>	<u>\$ 8,747,478</u>	<u>\$ 10,362,694</u>	<u>716,845,090</u>	<u>12.20%</u>

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

CITY OF LOWELL
Principal Tax Payers
Last Ten Fiscal Years

Fiscal Year 2018-2019

Taxpayer Name	Number of Parcels	Assessed Taxes	Taxable Assessed Value (TAV)	Estimated Real Market Value (RMV)	Total City Assessed Value	% of City Assessed Value
Tu-Mac Inc	1	\$ 22,136	\$ 1,704,300	\$ 1,704,300	69,015,734	2.47%
Lowell Industrial Development	3	17,947	1,381,855	1,381,855	69,015,734	2.00%
George Living Trust	7	15,461	1,026,511	1,645,396	69,015,734	1.49%
Centurylink	2	14,936	1,150,000	1,150,000	69,015,734	1.67%
Valencia Jerry L & Julie E	6	14,269	1,028,832	1,356,025	69,015,734	1.49%
C & S Developments Inc	19	6,696	497,101	633,064	69,015,734	0.72%
Walker Richard J & Allison A	3	6,128	441,897	711,940	69,015,734	0.64%
Howell Mali & Ian	1	6,031	434,838	622,762	69,015,734	0.63%
Alexander Ryan E & Lynette R	1	5,944	433,257	496,716	69,015,734	0.63%
Rieger June E & Wesley T	1	5,882	424,054	635,747	69,015,734	0.61%
Lowell Investment Properties LLC	3	5,882	422,394	737,561	69,015,734	0.61%
		<u>\$ 121,312</u>	<u>\$ 8,945,039</u>	<u>\$ 11,075,366</u>	<u>759,173,074</u>	<u>12.96%</u>

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

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

Fiscal Year 2017-2018

Taxpayer Name	Number of Parcels	Assessed Taxes	Taxable Assessed Value (TAV)	Estimated Real Market Value (RMV)	Total City Assessed Value	% of City Assessed Value
Tu-Mac Inc	1	\$ 21,797	\$ 1,853,510	\$ 1,853,510	66,927,562	2.77%
Lowell Industrial Development	3	16,479	1,396,807	1,407,380	66,927,562	2.09%
George William D & Ruth M	7	11,303	898,294	1,333,645	66,927,562	1.34%
Nelson Alexander & Patricia Ann	5	7,237	572,412	726,728	66,927,562	0.86%
Level 3 Communications LLC	1	6,573	558,929	558,929	66,927,562	0.84%
Centurylink	2	6,182	525,700	525,700	66,927,562	0.79%
C & S Developments Inc	19	5,840	482,633	593,524	66,927,562	0.72%
Walker Richard J & Allison A	3	5,424	429,040	667,477	66,927,562	0.64%
Valencia Jerry L & Julie E	1	5,392	426,453	528,373	66,927,562	0.64%
Vanmastrigt William	1	5,338	422,173	579,084	66,927,562	0.63%
		<u>\$ 91,565</u>	<u>\$ 7,565,951</u>	<u>\$ 8,774,350</u>	<u>669,275,620</u>	<u>11.30%</u>

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

Fiscal Year 2016-2017

Taxpayer Name	Number of Parcels	Assessed Taxes	Taxable Assessed Value (TAV)	Estimated Real Market Value (RMV)	Total City Assessed Value	% of City Assessed Value
Tu-Mac Inc	1	\$ 23,956	\$ 2,037,830	\$ 2,037,830	64,476,416	3.16%
Lowell Industrial Development	3	16,065	1,366,620	1,366,620	64,476,416	2.12%
George William D & Ruth M	16	14,556	1,164,369	1,573,466	64,476,416	1.81%
Nelson Alexander & Patricia Ann	5	6,843	555,740	637,333	64,476,416	0.86%
Centurylink	2	6,303	536,200	536,200	64,476,416	0.83%
C & S Developments Inc	19	5,552	468,593	546,085	64,476,416	0.73%
Walker Richard J & Allison A	3	5,264	416,560	583,893	64,476,416	0.65%
Valencia Jerry L & Julie E	1	5,233	414,032	491,188	64,476,416	0.64%
Vanmastrigt William	1	5,180	409,877	498,221	64,476,416	0.64%
Eschenbacher James & Karla	1	5,052	399,712	544,874	64,476,416	0.62%
		<u>\$ 94,003</u>	<u>\$ 7,769,533</u>	<u>\$ 8,815,710</u>	<u>644,764,160</u>	<u>12.05%</u>

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

CITY OF LOWELL
Principal Tax Payers
Last Ten Fiscal Years

Fiscal Year 2015-2016

Taxpayer Name	Number of Parcels	Assessed Taxes	Taxable Assessed Value (TAV)	Estimated Real Market Value (RMV)	Total City Assessed Value	% of City Assessed Value
Tu-Mac Inc	1	\$ 26,988	\$ 2,270,090	\$ 2,270,090	62,765,290	3.62%
Lowell Industrial Development	3	14,062	1,182,815	1,182,815	62,765,290	1.88%
George William D & Ruth M	7	10,862	855,895	1,208,295	62,765,290	1.36%
Nelson Alexander & Patricia Ann	5	6,611	539,552	601,535	62,765,290	0.86%
C & S Developments Inc	20	6,147	513,379	592,576	62,765,290	0.82%
Centurylink	2	6,122	515,000	515,000	62,765,290	0.82%
Walker Richard J & Allison A	3	5,165	404,442	550,808	62,765,290	0.64%
Valencia Jerry L & Julie E	1	5,116	401,973	469,380	62,765,290	0.64%
Vanmastrigt William	1	5,068	397,939	465,349	62,765,290	0.63%
		<u>\$ 86,140</u>	<u>\$ 7,081,085</u>	<u>\$ 7,855,848</u>	<u>564,887,610</u>	<u>11.28%</u>

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

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

Fiscal Year 2014-2015

Taxpayer Name	Number of Parcels	Assessed Taxes	Taxable Assessed Value (TAV)	Estimated Real Market Value (RMV)	Total City Assessed Value	% of City Assessed Value
Tu-Mac Inc	1	\$ 29,206	\$ 2,426,660	\$ 2,426,660	60,776,447	3.99%
Lowell Industrial Development	3	16,401	1,362,770	1,362,770	60,776,447	2.24%
George William D & Ruth M	6	9,761	755,573	1,045,542	60,776,447	1.24%
C & S Developments Inc	21	6,584	543,547	620,555	60,776,447	0.89%
Nelson Alexander & Patricia Ann	5	6,563	523,837	598,801	60,776,447	0.86%
Centurylink	2	5,710	474,400	474,400	60,776,447	0.78%
Tschirgi Scot W & Marolyn A	3	5,072	392,675	547,298	60,776,447	0.65%
Valencia Jerry L & Julie E	1	5,042	390,265	467,838	60,776,447	0.64%
Vanmastrigt William	1	4,991	386,349	465,131	60,776,447	0.64%
Eschenbacher James & Karla	1	4,867	376,767	524,798	60,776,447	0.62%
		<u>\$ 94,197</u>	<u>\$ 7,632,843</u>	<u>\$ 8,533,793</u>	<u>607,764,470</u>	<u>12.56%</u>

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

Fiscal Year 2013-2014

Taxpayer Name	Number of Parcels	Assessed Taxes	Taxable Assessed Value (TAV)	Estimated Real Market Value (RMV)	Total City Assessed Value	% of City Assessed Value
Tu-Mac Inc	1	\$ 31,342	\$ 2,602,860	\$ 2,602,860	58,655,899	4.44%
Lowell Industrial Development	3	15,999	1,328,638	1,328,638	58,655,899	2.27%
C & S Developments Inc	22	8,511	702,872	778,760	58,655,899	1.20%
George William D & Ruth M	6	8,105	641,769	854,853	58,655,899	1.09%
Nelson Alexander & Patricia Ann	4	6,051	494,902	533,156	58,655,899	0.84%
Centurylink	2	5,873	487,700	487,700	58,655,899	0.83%
St Vincent De Paul Society Lane Co	12	4,850	388,473	422,888	58,655,899	0.66%
Tschirgi Scot W & Marolyn A	2	4,785	370,292	487,227	58,655,899	0.63%
Slyker Charles & Jane	1	4,749	375,096	421,579	58,655,899	0.64%
Valencia Jerry L & Julie E	1	4,736	378,898	413,584	58,655,899	0.65%
		<u>\$ 95,000</u>	<u>\$ 7,771,500</u>	<u>\$ 8,331,245</u>	<u>586,558,990</u>	<u>13.25%</u>

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

CITY OF LOWELL
Principal Tax Payers
Last Ten Fiscal Years

Fiscal Year 2012-2013

Taxpayer Name	Number of Parcels	Assessed Taxes	Taxable Assessed Value (TAV)	Estimated Real Market Value (RMV)	Total City Assessed Value	% of City Assessed Value
Tu-Mac Inc	1	\$ 31,898	\$ 2,775,220	\$ 2,775,220	57,587,917	4.82%
Lowell Industrial Development	3	15,489	1,345,217	1,350,538	57,587,917	2.34%
C & S Developments Inc	22	8,327	686,973	851,998	57,587,917	1.19%
George William D & Ruth M	4	6,484	523,859	740,684	57,587,917	0.91%
Buell Gary A & Donna E	4	5,884	480,487	582,393	57,587,917	0.83%
St Vincent De Paul Society Lane Co	15	5,784	467,322	572,357	57,587,917	0.81%
Centurylink	2	5,190	451,500	451,500	57,587,917	0.78%
		<u>\$ 79,055</u>	<u>\$ 6,730,578</u>	<u>\$ 7,324,690</u>	<u>575,879,170</u>	<u>11.69%</u>

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

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

Fiscal Year 2011-2012

Taxpayer Name	Number of Parcels	Assessed Taxes	Taxable Assessed Value (TAV)	Estimated Real Market Value (RMV)	Total City Assessed Value	% of City Assessed Value
Tu-Mac Inc	1	\$ 34,127	\$ 2,964,590	\$ 2,964,590	56,092,738	5.29%
Lowell Industrial Development	2	15,569	1,351,042	1,354,258	56,092,738	2.41%
Qwest Corp	1	8,918	774,700	774,700	56,092,738	1.38%
C & S Developments Inc	22	7,623	614,270	794,509	56,092,738	1.10%
St Vincent De Paul of Lane County	19	7,127	575,019	725,393	56,092,738	1.03%
George William D & Ruth M	4	6,304	508,601	773,763	56,092,738	0.91%
Buell Gary A & Donna E	4	5,782	466,492	606,311	56,092,738	0.83%
George Family LLC	12	4,509	363,746	561,731	56,092,738	0.65%
Alvarez Rory R	2	4,499	385,430	412,918	56,092,738	0.69%
Vanencia Jerry L & Julie E	1	4,427	357,148	490,409	56,092,738	0.64%
		<u>\$ 98,884</u>	<u>\$ 8,361,038</u>	<u>\$ 9,458,582</u>	<u>560,927,380</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
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities	Business-Type Activities		Total Primary Government	Percentage of Personal Income *	Per Capita *
	Revenue Bonds and Notes Payable	Water Revenue and FF&C Bonds	Sewer Revenue and FF&C Bonds			
12-13	\$ -	\$ 1,130,832	\$ 759,579	\$ 1,890,410	5.20%	1,792
13-14	-	1,101,938	738,369	1,840,306	5.04%	1,736
14-15	-	1,071,951	716,744	1,788,695	4.62%	1,687
15-16	-	1,040,827	689,685	1,730,512	4.20%	1,625
16-17	-	1,008,519	662,173	1,670,692	3.94%	1,561
17-18	-	974,981	634,184	1,609,165	3.62%	1,504
18-19	530,000	940,161	605,695	2,075,856	4.50%	1,931
19-20	512,905	904,009	576,683	1,993,597	4.21%	1,829
20-21	886,129	1,051,826	1,598,946	3,536,901	6.90%	2,921
21-22	864,089	1,022,504	516,981	2,403,574	4.36%	1,946

*Source: * Personal income and population data can be found on the demographics statistics page City of Lowell, Financial Database*

Notes: Details regarding the City's outstanding debt can be found in the Notes to Basic Financial Stater

CITY OF LOWELL
 Computation of Legal Debt Margin
 Last Ten Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total Real Market Value	\$ 168,202,694	\$ 129,834,847	\$ 123,729,680	\$ 117,576,623	\$ 108,244,103
Legal debt margin:					
Debt limitation:					
3 percent of total real market value	<u>5,046,081</u>	<u>3,895,045</u>	<u>3,711,890</u>	<u>3,527,299</u>	<u>3,247,323</u>
Debt applicable to limitation:					
General obligation debt	-	-	-	-	-
Less: Amount Available for repayment of general obligation bond principal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total debt applicable to limitation	-	-	-	-	-
Legal debt margin	<u>\$ 86,624,387</u>	<u>\$ 66,864,946</u>	<u>\$ 63,720,785</u>	<u>\$ 60,551,961</u>	<u>\$ 55,745,713</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Total Real Market Value	\$ 94,410,652	\$ 90,378,891	\$ 86,132,470	\$ 80,167,206	\$ 84,732,061
Legal debt margin:					
Debt limitation:					
3 percent of total real market value	<u>2,832,320</u>	<u>2,711,367</u>	<u>2,583,974</u>	<u>2,405,016</u>	<u>2,541,962</u>
Debt applicable to limitation:					
General obligation debt	-	-	-	-	-
Less: Amount Available for repayment of general obligation bond principal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total debt applicable to limitation	-	-	-	-	-
Legal debt margin	<u>\$ 48,621,486</u>	<u>\$ 46,545,129</u>	<u>\$ 44,358,222</u>	<u>\$ 41,286,111</u>	<u>\$ 43,637,011</u>
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%

Note: Oregon revised Statutes (ORS) 287A050(2) states: "unless the city charter provides a lesser limitation, a city may not issue or have outstanding at the time of issuance general obligation bonds in a principal amount that exceeds three percent of the real market value of the taxable property within its boundaries, calculated as provided in ORS 308.207".

CITY OF LOWELL
Demographic Statistics
Last Ten Fiscal Years

Fiscal Year	Population ¹	Personal Income ² (in thousands)	Per Capita Personal Income ³	Median Household Income ⁴	Median Age ⁵	School Enrollment ⁶	Unemployment Rate ⁷
12-13	1,055	37,996	36,360	49,911	44.2	255	8.88
13-14	1,060	38,496	36,489	45,341	45.9	263	7.91
14-15	1,060	41,071	38,746	46,125	39.9	318	6.78
15-16	1,065	43,661	41,190	53,438	43.7	287	5.66
16-17	1,070	45,152	42,396	55,375	40.5	302	5.01
17-18	1,070	47,525	44,416	56,726	39.8	343	4.38
18-19	1,075	49,353	46,124	57,083	41.6	284	4.34
19-20	1,090	50,891	47,340	55,729	46.7	262	3.98
20-21	1,211	62,090	51,272	55,795	47.9	209	7.94
21-22	1,235	68,105	55,146	52,431	47.2	202	5.50

Sources:

- 1 *Center for Population Research and Census, PSU; www.pdx.edu/population-research/population-estimate-reports
Population Estimates are certified as of July 1st and published around November 15th of each year*
- 2 *Estimation; Calculated, Population multiplied by Per Capita Personal Income*
- 3 *Bureau of Economic Analysis; www.bea.gov; for Eugene-Springfield, OR MSA, Table CAINC1
Prior year estimates available in November of the ensuing year*
- 4 *United States Census Bureau; <https://data.census.gov/cedsci/table?q=Lowell city, Oregon Income and Poverty>*
- 5 *United States Census Bureau; <https://data.census.gov/cedsci/table?q=Lowell city, Oregon Populations and People>*
- 6 *United States Census Bureau; <https://data.census.gov/cedsci/table?q=Lowell city, Oregon Education>*
- 7 *Bureau of Labor Statistics; <https://data.bls.gov>; for Eugene, OR MSA*

Notes:

- 1 *Calendar year statistics are matched to the first half of the fiscal year*
- 2 *US Census 2020 data release date for American Community Survey is in November each year*
- 3 *US Census 2020 data release has been delayed due to Covid-19*

CITY OF LOWELL
Top Fifteen Water System Customers
by units of Consumption as of June 30, 2022

Customer	Account Type	Percentage of Total Consumption
City of Lowell - Sewer Plant	Public	3.09%
Covered Bridge Estates	Multi-Family	1.75%
Henshaw	Private	1.48%
Lowell School District (HS)	Public	1.31%
Mountain View Real Estate & Property Mgmt	Multi-Family	1.17%
Lowell School District (GH)	Public	1.13%
Jenness	Private	1.09%
City of Lowell - Paul Fisher Park	Public	0.99%
Hughes	Private	0.96%
Lowell School District (BCA)	Public	0.87%
Lowell School District - (Bus)	Public	0.74%
Larson	Private	0.74%
Dilts	Public	0.69%
Marron	Public	0.64%
Winder	Private	0.63%

Source: City Utility Database

CITY OF LOWELL
Full-time Equivalent Employees by Function/Program
Last Ten Fiscal Years

Full-time equivalent employees based on adopted budget

Function or Program	2022	2021	2020	2019	2018	2017	2016*	2015*	2014*	2013**
General Government										
Administration	0.20	0.20	0.15	0.15	0.15	0.15	0.65	0.41	0.47	-
Finance/City Clerk	0.10	0.10	0.10	0.10	0.10	0.10	0.54	0.54	0.61	-
Facilities	0.06	0.06	0.03	0.18	0.18	0.18	0.20	0.30	0.80	-
	<u>0.36</u>	<u>0.36</u>	<u>0.28</u>	<u>0.43</u>	<u>0.43</u>	<u>0.43</u>	<u>1.39</u>	<u>1.25</u>	<u>1.88</u>	<u>-</u>
Public Safety										
Administration	0.10	0.10	0.10	0.10	0.10	0.10	-	-	-	-
Municipal Court ²	0.05	0.05	0.05	0.05	0.05	0.05	-	-	-	-
Code Enforcement	0.05	0.05	0.05	0.05	0.05	0.05	-	-	-	-
Police ¹	-	-	-	-	-	-	-	-	-	-
	<u>0.20</u>	<u>0.20</u>	<u>0.20</u>	<u>0.20</u>	<u>0.20</u>	<u>0.20</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Community Development										
Administration	0.05	-	0.05	0.05	0.05	0.05	-	-	-	-
Planning & Land Use	-	-	0.05	0.05	0.05	0.05	-	-	-	-
Building ²	0.05	0.05	0.05	0.05	0.05	0.05	-	-	-	-
Engineering ¹	-	-	-	-	-	-	-	-	-	-
	<u>0.10</u>	<u>0.05</u>	<u>0.15</u>	<u>0.15</u>	<u>0.15</u>	<u>0.15</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Public Works										
Administration	0.60	0.60	0.60	0.60	0.60	0.60	0.35	0.22	0.16	-
Finance/City Clerk	0.80	0.80	0.80	0.80	0.80	0.80	1.20	1.21	1.19	-
Water Facilities	1.39	1.39	1.28	1.28	1.28	1.28	1.37	1.37	1.57	-
Sewer Facilities	1.39	1.39	1.28	1.28	1.28	1.28	1.37	1.37	1.28	-
Streets	0.20	0.20	0.41	0.41	0.41	0.41	0.28	0.28	0.35	-
	<u>4.38</u>	<u>4.38</u>	<u>4.37</u>	<u>4.37</u>	<u>4.37</u>	<u>4.37</u>	<u>4.57</u>	<u>4.45</u>	<u>4.55</u>	<u>-</u>
Culture & Recreation										
Administration	0.05	0.05	0.05	0.05	0.05	0.05	-	-	-	-
Parks	0.68	0.68	0.58	0.43	0.43	0.43	0.42	0.33	-	-
Library	0.59	0.09	0.40	-	-	-	-	-	-	-
	<u>1.32</u>	<u>0.82</u>	<u>1.03</u>	<u>0.48</u>	<u>0.48</u>	<u>0.48</u>	<u>0.42</u>	<u>0.33</u>	<u>-</u>	<u>-</u>
<i>Total Full-time equivalents</i>	<u><u>6.36</u></u>	<u><u>5.81</u></u>	<u><u>6.03</u></u>	<u><u>5.63</u></u>	<u><u>5.63</u></u>	<u><u>5.63</u></u>	<u><u>6.38</u></u>	<u><u>6.03</u></u>	<u><u>6.43</u></u>	<u><u>-</u></u>

Sources:

City's adopted budget for relevant fiscal year

Notes:

¹ Contracted Service, no City Employees

² Finance/City Clerk allocated for duties related to these activities, portion of services are contracted

* FY 2016 & prior, no allocations were made for general fund departments

** No data available for FY 13

COMPLIANCE SECTION

Emerald CPA Group, LLP

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND INTERNAL CONTROL REQUIRED BY OREGON STATE REGULATIONS**

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

We have audited the modified cash basis financial statements of City of Lowell for the year ended June 30, 2022 and have issued our report thereon dated May 25, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the District'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 (ORS) 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 statement 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 that 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 District 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 Municipal Corporations, except for the budget overexpenditure described in note 2 to the financial statements.

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OAR 162-10-230 Internal Control

In planning and performing our audit, we considered the City of Lowell's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Lowell's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Lowell's internal control over financial reporting. A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. Our consideration of internal control over financial reporting was for limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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

Emerald CPA Group, LLP

Eugene, Oregon
May 25, 2023

Emerald CPA Group, LLP

450 Country Club Road, Suite 155
Eugene OR 97401

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Lowell as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Lowell's basic financial statements, and have issued our report thereon dated May 25, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Lowell's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Lowell's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Lowell's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City of Lowell's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Lowell's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Lowell's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Lowell's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Emerald CPA Group, LLP

Eugene, Oregon
May 25, 2023