

CITY OF LOWELL
LANE COUNTY, OREGON

ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended: June 30, 2021

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

CITY OF LOWELL
Annual Financial Report
Fiscal Year Ending: June 30, 2021

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INTRODUCTORY SECTION

CITY OF LOWELL

CITY OFFICIALS

June 30, 2021

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	John Meyers 554 E 1st Street Lowell, OR 97452	December 31, 2024
3	Council Member	Samantha Dragt PO Box 430 Lowell, OR 97452	December 31, 2024
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

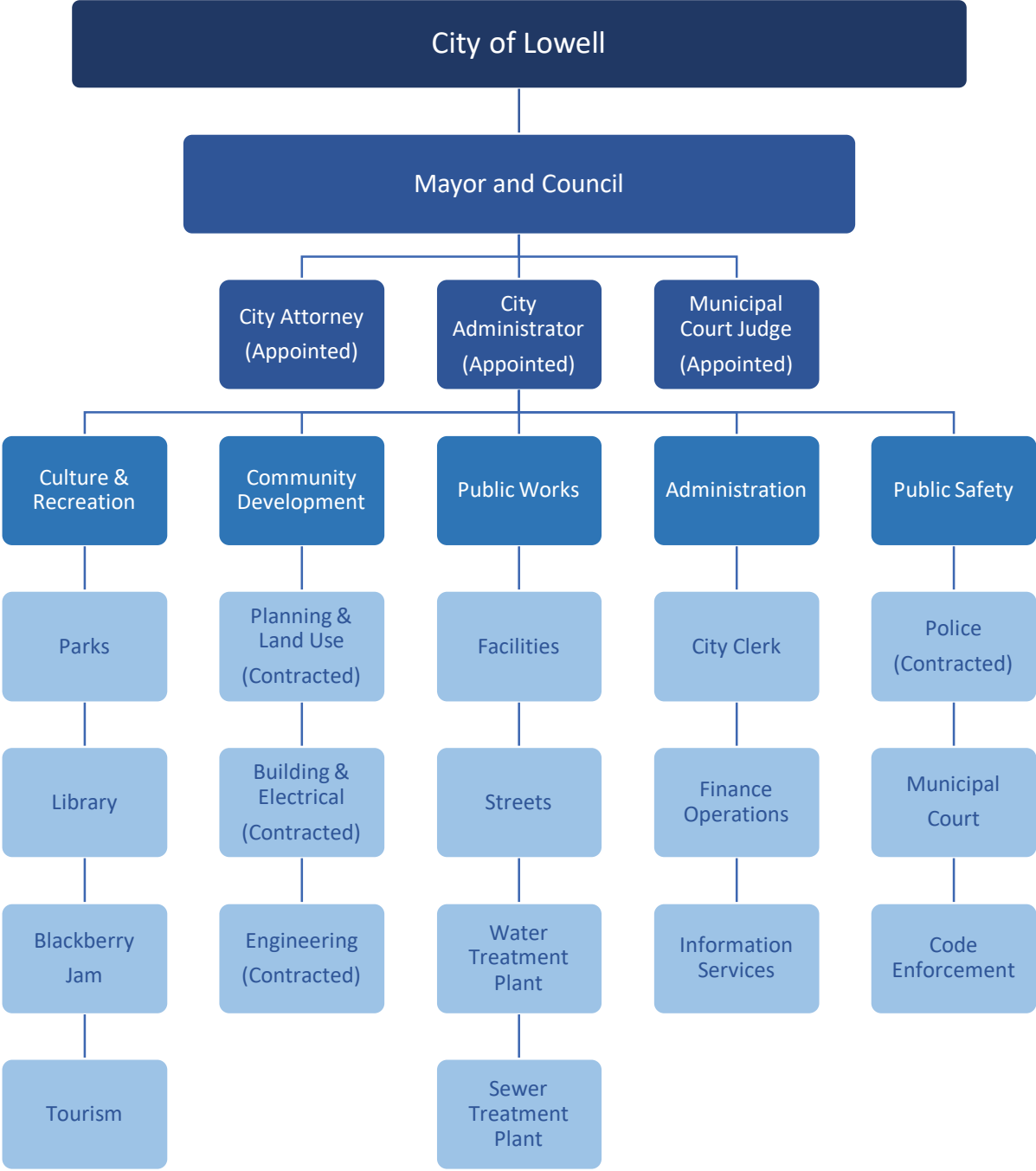
APPOINTED OFFICIALS

<u>Title</u>	<u>Name</u>	<u>Appointed</u>
City Administrator	Jeremy Caudle	January 4, 2021
Attorney at Law	Anne Davis	July 1, 2018
Municipal Judge	Frank Segarra	October 15, 2012

MAILING ADDRESS

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

CITY OF LOWELL
Organizational Chart



INDEPENDENT AUDITOR'S REPORT

Emerald CPA Group, LLP

450 Country Club Road, Suite 155
Eugene OR 97401

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lowell, Oregon, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each minor fund and the aggregate remaining fund information of the City of Lowell, as of June 30, 2021, and the respective changes in financial position and where applicable, cash flows thereof, for the year then ended in accordance with the modified cash basis of accounting described in note 1.

Other Matters

Other information

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

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

Report on Other Legal and Regulatory Requirements

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 30, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contract, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated November 30, 2021, on our consideration of the City's internal control over financial reporting and on tests of its compliance with the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 162-10-320. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

Emerald CPA Group LLP

Eugene, Oregon
November 30, 2021

MANAGEMENT'S DISCUSSION & ANALYSIS

CITY OF LOWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ending June 30, 2021

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, 2021, are \$9,961,880, an increase of \$507,066 over the previous year primarily a result of the Main Street and Lakeview improvements less current year depreciation expense.
- The City's total Liabilities are \$2,524,477, an increase of \$495,020 over the previous year, primarily a result of newly acquired long-term debt.
- The City's total debt outstanding increased \$491,479 or 25% during the current fiscal year. This increase is the result of two new loans totaling \$576,428 less annual debt service payments made.
- The City's Net Position increased \$119,008 in governmental activities and decreased \$106,692 in business-type activities for a combined increase of \$12,046 over the previous year.
- For its governmental activities, the City received \$155,148 in tax revenue, up \$4,416, or 3% over the prior year.
- For its business-type activities, the City recognized \$813,000 in program revenue including \$767,144 in charges for services, reflecting an overall increase of 17%.
- The City's governmental funds reported a combined fund balance of \$449,968, a decrease of \$71,206 from the previous fiscal year. Of the total fund balance reported, \$267,855 is considered non-spendable, restricted, committed, or assigned. The remaining \$182,113 is available for spending at the government's discretion.
- The Equipment Fund was closed at the end of this fiscal year. The remaining fund balance of \$22,181 was transferred to the General, Street, Water and Sewer Funds as planned in the 2020-2021 budget. Future capital purchases will be made within the originating fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

CITY OF LOWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ending June 30, 2021

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 – (*New this fiscal year*)
- 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, 2021

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, 2021

CITY OF LOWELL – NET POSITION

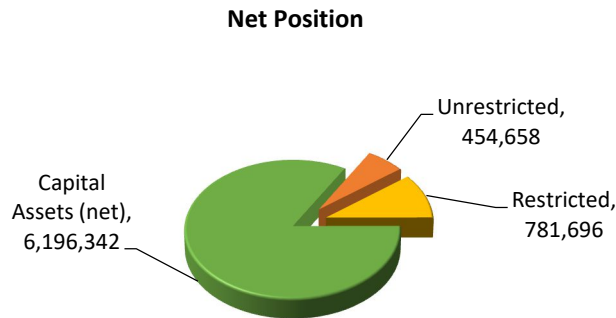
The table below reflects a summary of net position compared to the prior fiscal year, the following notes summarize the major changes to net position.

	Government		Business		Total	
	June 2021	June 2020	June 2021	June 2020	June 2021	June 2020
Current and other assets	\$ 452,370	\$ 521,174	\$ 823,386	\$ 783,738	\$ 1,275,756	\$ 1,304,912
Capital assets	4,437,623	3,874,185	4,248,501	4,275,717	8,686,124	8,149,902
Total assets	\$ 4,889,993	\$ 4,395,359	\$ 5,071,887	\$ 5,059,455	\$ 9,961,880	\$ 9,454,814
Current liabilities	\$ 24,443	\$ 17,845	\$ 96,460	\$ 102,964	\$ 120,903	\$ 120,809
Non-current liabilities	864,088	495,060	1,539,486	1,413,588	2,403,574	1,908,648
Total liabilities	\$ 888,531	\$ 512,905	\$ 1,635,946	\$ 1,516,552	\$ 2,524,477	\$ 2,029,457
Net position:						
Net investment in capital assets	\$ 3,551,494	\$ 3,361,280	\$ 2,649,555	\$ 2,795,025	\$ 6,201,049	\$ 6,156,305
Restricted	251,163	227,067	530,533	173,214	781,696	400,281
Unrestricted	198,805	294,107	255,853	574,664	454,658	868,771
Total net position	\$ 4,001,462	\$ 3,882,454	\$ 3,435,941	\$ 3,542,903	\$ 7,437,403	\$ 7,425,357

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 \$1,275,756, a decrease of \$29,156 from the previous year. The City’s total non-current liabilities equal \$2,403,574, an increase of \$494,926 over the previous fiscal year.

83% of the City’s net position is invested in capital assets (e.g. land, buildings, equipment, and infrastructure, less accumulated depreciation), and reported net of any related debt. The City uses these capital assets to provide services to its citizens, thus, they do not represent resources available for future spending. 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 6% 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, 2021

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 2021	June 2020	June 2021	June 2020	June 2021	June 2020
Revenues:						
Program revenues:						
Charges for service	\$ 13,693	\$ 127,188	\$ 767,144	\$ 744,509	\$ 780,837	\$ 871,697
Capital grants & contributions	221,366	6,100	20,675	-	242,041	6,100
Operating grants	199,609	186,282	25,181	-	224,790	186,282
Total program revenues	434,668	319,570	813,000	744,509	1,247,668	1,064,079
General revenues:						
Property taxes	155,148	150,732	-	-	155,148	150,732
Franchise & public service taxes	59,158	62,928	-	-	59,158	62,928
Investment earnings	2,789	8,618	4,597	12,363	7,386	20,981
Other	11,114	2,362	8,539	4,586	19,653	6,948
Gain (loss) on sale of asset	-	-	-	800	-	800
Total general revenues	228,209	224,640	13,136	17,749	241,345	242,389
Total revenues:	662,877	544,210	826,136	762,258	1,489,013	1,306,468
Expenses:						
General government	153,661	163,018	-	-	153,661	163,018
Culture & recreation	112,858	116,507	-	-	112,858	116,507
Public safety	28,968	28,123	-	-	28,968	28,123
Community Development	73,749	102,066	-	-	73,749	102,066
Code Enforcement	14,311	14,490	-	-	14,311	14,490
Tourism	2,251	2,786	-	-	2,251	2,786
Municipal court	13,815	11,462	-	-	13,815	11,462
Highways & streets	94,957	87,625	-	-	94,957	87,625
Building			26,413	-	26,413	-
Water			486,159	395,706	486,159	395,706
Sewer			469,825	446,400	469,825	446,400
Total expenses:	494,570	526,077	982,397	842,106	1,476,967	1,368,183
Increase in net position before transfers	168,307	18,133	(156,261)	(79,848)	12,046	(61,715)
Transfer to or (from) other funds	(49,299)	(858)	49,299	858	-	-
Change in net position	119,008	17,275	(106,962)	(78,990)	12,046	(61,715)
Beginning net position	3,882,454	3,865,179	3,542,903	3,621,893	7,425,357	7,487,072
Ending net position	\$ 4,001,462	\$ 3,882,454	\$ 3,435,941	\$ 3,542,903	\$ 7,437,403	\$ 7,425,357

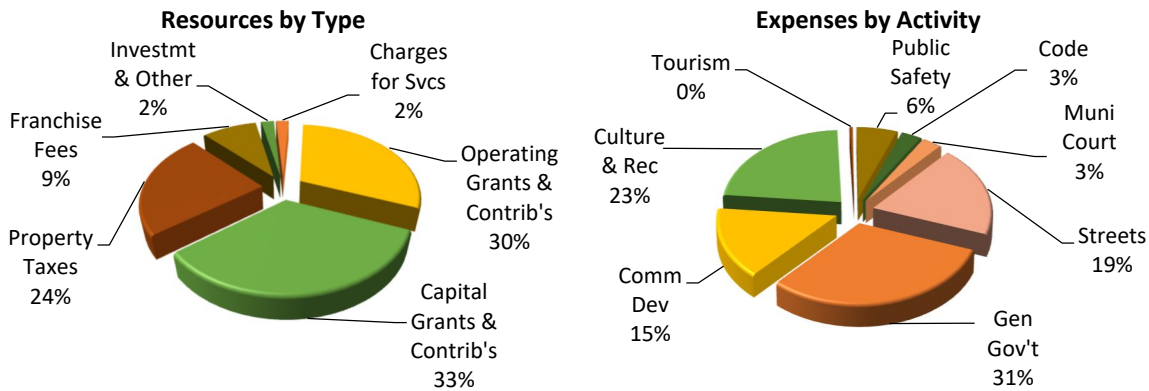
CITY OF LOWELL
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 For the Year Ending June 30, 2021

Governmental Activities

The net position for governmental activities increased \$119,008 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 24% of governmental resources. For operating purposes, property tax revenues increased \$4,416 over last year, as allowed by statute.
- Charges for services represent 2% of governmental resources which include: Land use and other permits and licenses, reimbursement SDC's, festival revenue and court fines.
- The major differences to governmental revenue include: a decrease to building and land use permits of \$72,429 due to a reduction in land use applications and the transfer of building and electrical permit activity to the Building Fund, and an increase to capital grants of \$215,266 mainly due to Oregon Department of Transportation grants of \$200,000 and library capital improvement donations received of \$12,366.
- Improvement Systems Development Charges, previously reported in charges for services, have been reclassified and are now reflected within capital grants and contributions.
- Total governmental activity expense decreased \$31,507 mainly due to the transfer of building and electrical permit activity to the Building Fund.



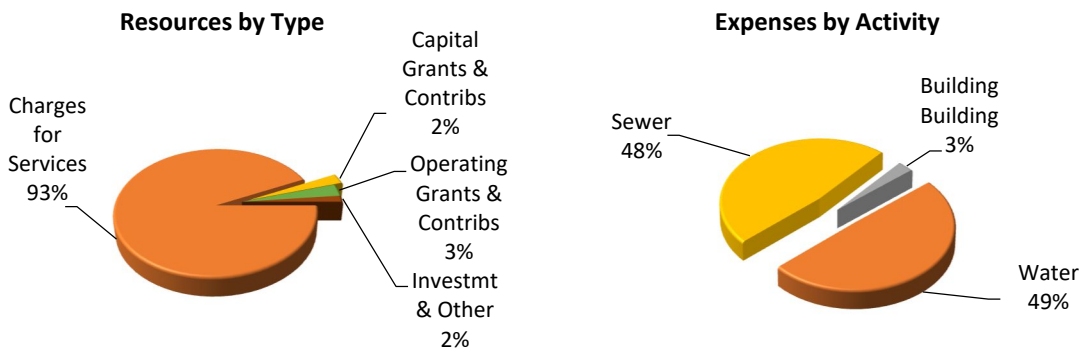
CITY OF LOWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ending June 30, 2021

Business Activities

Business-type activities resulted in a \$106,962 decrease to net position from the prior year mainly the result of an increase to operational expenses, which include \$26,413 for the Building Fund and \$90,453 for the Water Fund.

Key activities during the fiscal year include:

- Charges for services in the water and sewer funds generated the majority of the \$767,144 in revenues for all business-type activities.
- Improvement System Development Charges, previously reported in charges for services, have been reclassified and are now reflected within capital grants and contributions.
- Expenses increased \$140,291 mainly due to an increase in materials and services to water and sewer utilities as well as the addition of the Building Fund.



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 2021	June 2020	June 2021	June 2020	June 2021	June 2020
General Fund	\$ 205,803	\$ 272,113	\$ -	\$ -	\$ 205,803	\$ 272,113
Street Fund	76,011	67,703	-	-	76,011	67,703
SDC Fund(s)	156,686	146,667	-	-	156,686	146,667
Equipment Fund	-	22,181	-	-	-	22,181
BBJ Festival Fund	11,468	12,510	-	-	11,468	12,510
Building Fund	-	-	29,944	-	29,944	-
Water Operating Fund	-	-	1,313,851	1,445,664	1,313,851	1,445,664
Water Reserve Fund	-	-	39,395	23,643	39,395	23,643
Water SDC Fund	-	-	329,228	311,502	329,228	311,502
Sewer Operating fund	-	-	1,561,613	1,612,523	1,561,613	1,612,523
Sewer Reserve Fund	-	-	15,751	9,826	15,751	9,826
Sewer SDC Fund	-	-	146,159	139,745	146,159	139,745
Total:	\$ 449,968	\$ 521,174	\$ 3,435,941	\$ 3,542,903	\$ 3,885,909	\$ 4,064,077

CITY OF LOWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ending June 30, 2021

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 \$449,968, of which \$182,113 is unassigned. Of the remaining amount \$251,163 is restricted for streets, capital projects and SDC's, and \$16,692 is committed or assigned for the Blackberry Jam and property maintenance.

Business-type (Proprietary) funds

The Water, Sewer and Building funds ended the year with a \$106,962 decrease in net position, for a combined net position of \$3,435,941.

- The Water fund ended the fiscal year with a net position of \$1,780,809, with \$112,957 of that amount unrestricted and the remaining balance restricted for debt service, capital projects (SDC's) or invested (net) in capital assets.
- The Sewer fund ended the fiscal year with a net position of \$1,762,094, with \$150,205 of that amount unrestricted and the remaining balance restricted for debt service, capital projects (SDC's) or invested (net) in capital assets.
- The Building fund ended its first year of activity with a net position of \$29,944, 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, 2021. The Council approved one amendment to the budget which was approved by resolution. The adjustments include a decrease of \$115,900 to Parks Improvements 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 \$8,681,417 (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 road and water line improvements to E. Main Street and Lakeview, and the purchase of two parcels of property in the downtown area.

	Government		Business		Total	
	June 2021	June 2020	June 2021	June 2020	June 2021	June 2020
Land	\$ 2,595,846	\$ 2,595,846	\$ 92,179	\$ 92,179	\$ 2,688,025	\$ 2,688,025
Property acquired for resale	308,935	-	-	-	-	-
Construction in progress	14,196	56,066	-	5,806	14,196	61,872
Buildings	431,437	431,437	124,989	124,989	556,426	556,426
Infrastructure	1,643,335	1,280,975	9,141,734	8,947,824	10,785,069	10,228,799
Equipment & furnishings	34,935	37,424	176,975	182,650	211,910	220,074
Vehicles & rolling stock	52,147	52,147	55,847	55,847	107,994	107,994
Total:	5,080,831	4,453,895	9,591,724	9,409,295	14,363,620	13,863,190
Accum depreciation:	(643,208)	(579,710)	(5,343,223)	(5,133,578)	(5,986,431)	(5,713,288)
Net capital assets:	\$ 4,437,623	\$ 3,874,185	\$ 4,248,501	\$ 4,275,717	\$ 8,377,189	\$ 8,149,902

CITY OF LOWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ending June 30, 2021

Debt Administration

Governmental debt outstanding of \$886,130 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 \$1,598,946 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 increase to outstanding debt of \$491,479 reflects the addition of two new loans, less current year repayment. Of the total debt, \$81,501 is due within one year, and \$2,403,575 is due within more than one year.

	Government		Business		Total	
	June 2021	June 2020	June 2021	June 2020	June 2021	June 2020
Long term obligations:						
Notes payable:						
Gov't Capital Note (256156)	\$ 495,059	\$ 512,905	\$ -	\$ -	\$ 495,059	\$ 512,905
Gov't Capital Note (263007)	307,978	-	-	-	307,978	-
Business Oregon (S0006)	-	-	-	16,519	-	16,519
Business Oregon (J05001)	-	-	104,632	113,604	104,632	113,604
Business Oregon (G02002)	-	-	169,318	187,784	169,318	187,784
Business Oregon (L21001)	83,092	-	185,358	-	268,450	-
USDA RUS (91-03)	-	-	814,152	830,688	814,152	830,688
USDA RUS (92-05)	-	-	325,486	332,097	325,486	332,097
Total obligations:	\$ 886,129	\$ 512,905	\$ 1,598,946	\$ 1,480,692	\$ 2,485,075	\$ 1,993,597

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

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 2021-2022 budget was approved by the City Council on June 15, 2021, in the total amount of \$4,498,031, which includes \$1,057,742 in ending fund balances, \$520,413 in debt service and \$1,316,315 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 \$153,139 for the 2021-2022 fiscal year.

Franchise fees and privilege taxes are the second largest revenue source for the General Fund, budgeted at \$100,735, 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.

CITY OF LOWELL
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ending June 30, 2021

Intergovernmental revenues, budgeted at \$42,407, originate from state and county shared revenues. The state shared revenues include liquor and cigarette excise taxes, state shared revenues and others. The revenues are allocated by various formulas, but utilize a per capita rate. The Street Fund also receives shared revenues from State Highway Street Tax which is budgeted at \$64,212. 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 5.5%, and Public Employees Retirement System (PERS) rates will increase 2.39% totaling 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 3% effective July 1, 2021
- Sewer rates will increase 3% effective July 1, 2021

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 2021 population estimate is 1,090, reflecting no 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, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 452,370	\$ 823,386	\$ 1,275,756
Total current assets	<u>452,370</u>	<u>823,386</u>	<u>1,275,756</u>
Non-current assets:			
Capital assets:			
Property acquired for resale	308,935	-	308,935
Land	2,595,846	92,179	2,688,025
Buildings and facilities	431,437	124,989	556,426
Equipment and furnishings	34,935	176,975	211,910
Vehicles and rolling stock	52,147	55,847	107,994
Infrastructure	1,643,335	9,141,734	10,785,069
Construction in progress	14,196	-	14,196
Less accumulated depreciation	<u>(643,208)</u>	<u>(5,343,223)</u>	<u>(5,986,431)</u>
Total non-current assets	<u>4,437,623</u>	<u>4,248,501</u>	<u>8,686,124</u>
Total assets	<u>\$ 4,889,993</u>	<u>\$ 5,071,887</u>	<u>\$ 9,961,880</u>
LIABILITIES			
Current liabilities:			
Utility Deposits	\$ -	\$ 37,000	\$ 37,000
Bail Held	165.00	-	165.00
CET Tax Collected	2,137.00	-	2,137.00
Other Deposits	100.00	-	100.00
Notes payable - current	<u>22,041</u>	<u>59,460</u>	<u>81,501</u>
Total current liabilities	<u>24,443</u>	<u>96,460</u>	<u>120,903</u>
Non-current liabilities:			
Notes payable - noncurrent	<u>864,088</u>	<u>1,539,486</u>	<u>2,403,574</u>
Total non-current liabilities	<u>864,088</u>	<u>1,539,486</u>	<u>2,403,574</u>
Total liabilities	<u>888,531</u>	<u>1,635,946</u>	<u>2,524,477</u>
NET POSITION			
Net investment in capital assets	3,551,494	2,649,555	6,201,049
Restricted for:			
Culture and recreation	18,466	-	18,466
Streets	76,011	-	76,011
Debt service	-	55,146	55,146
Capital projects (SDC)	156,686	475,387	632,073
Unrestricted	<u>198,805</u>	<u>255,853</u>	<u>454,658</u>
Total net position	<u>\$ 4,001,462</u>	<u>\$ 3,435,941</u>	<u>\$ 7,437,403</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, 2021

Functions/Programs	Program Revenue				Net (expenses) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating		Primary Government		Total
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	
Primary Government							
Governmental Activities							
General Government	\$ 153,661	\$ 3,088	\$ 96,652	\$ -	\$ (53,921)	\$ -	(53,921)
Culture & Recreation	112,858	2,554	1,000	16,306	(92,998)	-	(92,998)
Public Safety	28,968	-	-	-	(28,968)	-	(28,968)
Community Development	73,749	688	-	-	(73,061)	-	(73,061)
Code Enforcement	14,311	981	-	-	(13,330)	-	(13,330)
Tourism	2,251	-	10,274	-	8,023	-	8,023
Municipal Court	13,815	5,966	-	-	(7,849)	-	(7,849)
Highways & Streets	94,957	416	91,683	205,060	202,202	-	202,202
Total governmental activities	<u>494,570</u>	<u>13,693</u>	<u>199,609</u>	<u>221,366</u>	<u>(59,902)</u>	<u>-</u>	<u>(59,902)</u>
Business-type activities:							
Building	26,413	19,129	-	-	-	(7,284)	(7,284)
Water	486,159	357,917	817	15,320	-	(112,105)	(112,105)
Sewer	469,825	390,098	24,364	5,355	-	(50,008)	(50,008)
Total business-type activities	<u>982,397</u>	<u>767,144</u>	<u>25,181</u>	<u>20,675</u>	<u>-</u>	<u>(169,397)</u>	<u>(169,397)</u>
Total primary government	<u>1,476,967</u>	<u>780,837</u>	<u>224,790</u>	<u>242,041</u>	<u>(59,902)</u>	<u>(169,397)</u>	<u>(229,299)</u>
General Revenues							
Property Taxes, levies for general purposes					155,148	-	155,148
Franchise fees					59,158	-	59,158
Unrestricted Investment earnings					2,789	4,597	7,386
Miscellaneous					11,114	8,539	19,653
Transfers					(49,299)	49,299	-
Total general revenues and transfers					<u>178,910</u>	<u>62,435</u>	<u>241,345</u>
changes in net position					119,008	(106,962)	12,046
Net position - beginning					<u>3,882,454</u>	<u>3,542,903</u>	<u>7,425,357</u>
Net position - ending					<u>\$ 4,001,462</u>	<u>\$ 3,435,941</u>	<u>\$ 7,437,403</u>

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, 2021

	General Fund	Street Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 208,205	\$ 76,011	\$ 168,154	\$ 452,370
Total assets	<u>208,205</u>	<u>76,011</u>	<u>168,154</u>	<u>452,370</u>
LIABILITIES, AND FUND BLANCES				
Liabilities:				
Bail held	165	-	-	165
CET Tax Collected	2,137	-	-	2,137
Other Deposits	100	-	-	100
Total liabilities	<u>2,402</u>	<u>-</u>	<u>-</u>	<u>2,402</u>
Fund Equity:				
Restricted for:				
Streets	-	76,011	-	76,011
Parks SDC	-	-	58,682	58,682
Streets SDC	-	-	50,028	50,028
Stormwater SDC	-	-	47,976	47,976
Library Capital Donations	18,466	-	-	18,466
Committed for:				
Property Maintenance	5,224	-	-	5,224
Assigned for:				
Blackberry Jam Festival	-	-	11,468	11,468
Unassigned	182,113	-	-	182,113
Total fund balances	<u>205,803</u>	<u>76,011</u>	<u>168,154</u>	<u>449,968</u>
Total liabilities and fund balances	<u>\$ 208,205</u>	<u>\$ 76,011</u>	<u>\$ 168,154</u>	<u>\$ 452,370</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, 2021

Total fund balances - governmental funds	\$	449,968
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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	4,437,623
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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	(886,129)

Net Position of Governmental Activities	<u>\$</u>	<u>4,001,462</u>
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The accompanying notes are an integral part of these financial statements

CITY OF LOWELL
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Modified Cash Basis
For the Year Ended June 30, 2021

	General Fund	Street Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes	\$ 155,148	\$ -	\$ -	\$ 155,148
Intergovernmental	106,925	291,683	-	398,608
Franchise fees	59,158	-	-	59,158
Licenses and permits	1,669	-	-	1,669
Charges for services	3,388	-	-	3,388
SDC fees	188	416	9,000	9,604
Fees and fines	5,966	-	-	5,966
Investment earnings	1,592	174	1,023	2,789
Miscellaneous	7,273	4,841	-	12,114
Fundraising and event receipts	12,366	-	2,066	14,432
Total Revenues	353,673	297,114	12,089	662,876
EXPENDITURES				
Current:				
General government	110,370	-	-	110,370
Parks	91,312	-	-	91,312
Public safety	28,968	-	-	28,968
Community development	73,748	-	-	73,748
Library	6,454	-	-	6,454
Code enforcement	14,311	-	-	14,311
Tourism	2,251	-	-	2,251
Municipal court	13,815	-	-	13,815
Highways and streets	-	55,736	-	55,736
Blackberry Jam Festival	-	-	3,112	3,112
Debt service:				
Principal	17,845	-	-	17,845
Interest	28,507	-	-	28,507
Capital Outlay:	309,229	320,195	-	629,424
Total Expenditures	696,810	375,931	3,112	1,075,853
Excess (deficiency) of revenues over expenditures	(343,137)	(78,817)	8,977	(412,977)
OTHER FINANCING SOURCESS (USES)				
Proceeds from loan	307,978	83,092	-	391,070
Transfers in	6,049	4,033	-	10,082
Transfers out	(37,200)	-	(22,181)	(59,381)
Total other financing sources and uses	276,827	87,125	(22,181)	341,771
Net change in fund balances	(66,310)	8,308	(13,204)	(71,206)
Fund balances - beginning	272,113	67,703	181,358	521,174
Fund balances - ending	<u>\$ 205,803</u>	<u>\$ 76,011</u>	<u>\$ 168,154</u>	<u>\$ 449,968</u>

The accompanying notes are an integral part of these financial statements

CITY OF LOWELL
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Modified Cash Basis
For the Year Ended June 30, 2021

Net change in fund balances - total governmental funds \$ (71,206)

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	\$	629,424	
Less current year depreciation		(65,986)	563,438

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		(391,069)	
Principal Payments		17,845	(373,224)

Change in Net Position of Governmental Activities		<u>\$</u>	<u>119,008</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, 2021

	Water Operating Fund	Sewer Operating Fund	Building Fund	Total Proprietary Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 447,105	\$ 346,337	29,944	\$ 823,386
Total current assets	<u>447,105</u>	<u>346,337</u>	<u>29,944</u>	<u>823,386</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	68,330	-	176,975
Vehicles and rolling stock	34,067	21,780	-	55,847
Infrastructure	4,432,771	4,708,963	-	9,141,734
Less accumulated depreciation	<u>(2,368,342)</u>	<u>(2,974,881)</u>	<u>-</u>	<u>(5,343,223)</u>
Total non-current assets	<u>2,324,195</u>	<u>1,924,306</u>	<u>-</u>	<u>4,248,501</u>
Total assets	<u><u>\$ 2,771,300</u></u>	<u><u>\$ 2,270,643</u></u>	<u><u>\$ 29,944</u></u>	<u><u>\$ 5,071,887</u></u>
LIABILITIES				
Current liabilities:				
Utility Deposits	\$ 37,000	\$ -	-	\$ 37,000
Notes payable - current	<u>29,321</u>	<u>30,139</u>	<u>-</u>	<u>59,460</u>
Total current liabilities	<u>66,321</u>	<u>30,139</u>	<u>-</u>	<u>96,460</u>
Non-current liabilities:				
Notes payable - noncurrent	<u>1,022,505</u>	<u>516,981</u>	<u>-</u>	<u>1,539,486</u>
Total non-current liabilities	<u>1,022,505</u>	<u>516,981</u>	<u>-</u>	<u>1,539,486</u>
Total liabilities	<u>1,088,826</u>	<u>547,120</u>	<u>-</u>	<u>1,635,946</u>
NET POSITION				
Net investment in capital assets	1,272,369	1,377,186	-	2,649,555
Restricted for:				
Debt service	39,395	15,751	-	55,146
Capital projects (SDC)	329,228	146,159	-	475,387
Unrestricted	<u>41,482</u>	<u>184,427</u>	<u>29,944</u>	<u>255,853</u>
Total net position	<u><u>\$ 1,682,474</u></u>	<u><u>\$ 1,723,523</u></u>	<u><u>\$ 29,944</u></u>	<u><u>\$ 3,435,941</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, 2021

	Water Operating Fund	Sewer Operating Fund	Building Fund	Total
REVENUES				
Charges for services	\$ 348,437	\$ 386,433	-	\$ 734,870
Intergovernmental	817	24,364	-	25,181
Other revenues	24,800	9,020	19,129	52,949
Total operating revenues	<u>374,054</u>	<u>419,817</u>	<u>19,129</u>	<u>813,000</u>
EXPENDITURES				
Personal services	184,403	184,402	4,302	373,107
Contractual services	21,726	18,503	18,958	59,187
Utilities	23,119	60,812	722	84,653
Repairs and maintenance	35,389	20,896	-	56,285
Office supplies and expenses	34,190	17,284	30	51,504
Other operating expenses	60,168	32,252	2,401	94,821
Depreciation	100,625	114,695	-	215,320
Total operating expenses	<u>459,620</u>	<u>448,844</u>	<u>26,413</u>	<u>934,877</u>
Operating income (loss)	<u>(85,566)</u>	<u>(29,027)</u>	<u>(7,284)</u>	<u>(121,877)</u>
NON-OPERATING REVENUES (EXPENSES):				
Investment revenue	2,791	1,798	9	4,598
Miscellaneous revenue	4,930	3,589	19	8,538
Interest expense	<u>(26,539)</u>	<u>(20,980)</u>	<u>-</u>	<u>(47,519)</u>
Total non-operating revenues (expenses)	<u>(18,818)</u>	<u>(15,593)</u>	<u>28</u>	<u>(34,383)</u>
Net income (loss) before contributions and transfers	(104,384)	(44,620)	(7,256)	(156,260)
OTHER FINANCING SOURCESS (USES)				
Transfers in	21,789	11,969	37,200	70,958
Transfers out	<u>(15,740)</u>	<u>(5,920)</u>	<u>-</u>	<u>(21,660)</u>
Change in net position	<u>(98,335)</u>	<u>(38,571)</u>	<u>29,944</u>	<u>(106,962)</u>
Net position - beginning	<u>1,780,809</u>	<u>1,762,094</u>	<u>-</u>	<u>3,542,903</u>
Net position - ending	<u>\$ 1,682,474</u>	<u>\$ 1,723,523</u>	<u>\$ 29,944</u>	<u>\$ 3,435,941</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, 2021

	Water Operating Fund	Sewer Operating Fund	Building Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 359,057	\$ 390,098	\$ 19,129	\$ 768,284
Other operating receipts	817	24,364	-	25,181
Payments to employees	(184,403)	(184,402)	(4,302)	(373,107)
Payments to suppliers	(174,592)	(149,747)	(22,111)	(346,450)
Net cash provided (used) by operating activities	<u>879</u>	<u>80,313</u>	<u>(7,284)</u>	<u>73,908</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Other receipts	4,930	3,589	19	8,538
Non capital financing activities - transfers	6,049	6,049	37,200	49,298
Net cash provided (used) by noncapital financing activities	<u>10,979</u>	<u>9,638</u>	<u>37,219</u>	<u>57,836</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from financing activities	185,358	-	-	185,358
Capital contributions - grants and fees	15,320	5,355	-	20,675
Purchases of capital assets	(188,103)	-	-	(188,103)
Principal paid on capital debt	(37,541)	(29,563)	-	(67,104)
Interest paid on capital debt	(26,539)	(20,980)	-	(47,519)
Net cash provided (used) by capital related financing activities	<u>(51,505)</u>	<u>(45,188)</u>	<u>-</u>	<u>(96,693)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	2,790	1,798	9	4,597
Net cash provided (used) by investing activities	<u>2,790</u>	<u>1,798</u>	<u>9</u>	<u>4,597</u>
Net increase (decrease) in cash and cash equivalents	<u>(36,857)</u>	<u>46,561</u>	<u>29,944</u>	<u>39,648</u>
Cash Balances - beginning of the year	483,962	299,776	-	783,738
Cash Balances - end of the year	<u>\$ 447,105</u>	<u>\$ 346,337</u>	<u>\$ 29,944</u>	<u>\$ 823,386</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 100,364	\$ 195,008	\$ (7,284)	\$ 288,088
Adjustments to reconcile operating income:				
Depreciation expense	(100,625)	(114,695)	-	(215,320)
Change in assets and liabilities:				
Increase (decrease) in deposits	1,140	-	-	1,140
Net cash provided (used) by operating activities	<u>\$ 879</u>	<u>\$ 80,313</u>	<u>\$ (7,284)</u>	<u>\$ 73,908</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, 2021

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, 2021

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, 2021

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, 2021

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.

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, 2021

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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	\$	345,136
Cash on hand		250
Local government investment pool (LGIP)		930,370
Total	\$	1,275,756

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 \$348,651. The amount in the LGIP was \$930,370.

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, 2021

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:

	Beginning Balance	Additions	Deletions	Reclassification	Ending Balance
Governmental Activities:					
Not being depreciated					
Land	\$ 2,595,846	\$ -	\$ -	\$ -	\$ 2,595,846
Property acquired for resale	-	308,935	-	-	308,935
Construction in progress	56,066	295	(42,165)	-	14,196
Total	<u>2,651,912</u>	<u>309,230</u>	<u>(42,165)</u>	<u>-</u>	<u>2,918,977</u>
Being Depreciated					
Buildings	431,437	-	-	-	431,437
Infrastructure	1,280,975	362,360	-	-	1,643,335
Furnishings and equipment	37,424	-	(2,489)	-	34,935
Vehicles and rolling stock	52,147	-	-	-	52,147
Total	<u>1,801,983</u>	<u>362,360</u>	<u>(2,489)</u>	<u>-</u>	<u>2,161,854</u>
Accumulated depreciation					
Buildings	168,694	18,862	-	-	187,556
Infrastructure	390,980	38,683	-	-	429,663
Furnishings and equipment	8,510	3,234	(2,488)	-	9,256
Vehicles and rolling stock	11,526	5,207	-	-	16,733
Total	<u>579,710</u>	<u>65,986</u>	<u>(2,488)</u>	<u>-</u>	<u>643,208</u>
Governmental Capital					
Assets, Net	<u>\$ 3,874,185</u>	<u>\$ 605,604</u>	<u>\$ (42,166)</u>	<u>\$ -</u>	<u>\$ 4,437,623</u>

CITY OF LOWELL
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

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	5,806	-	(5,806)	-	-
Total	<u>97,985</u>	<u>-</u>	<u>(5,806)</u>	<u>-</u>	<u>92,179</u>
Being Depreciated					
Buildings	124,989	-	-	-	124,989
Infrastructure	8,947,825	193,909	-	-	9,141,734
Furnishings and equipment	182,650	-	(5,675)	-	176,975
Vehicles and rolling stock	55,847	-	-	-	55,847
Total	<u>9,311,311</u>	<u>193,909</u>	<u>(5,675)</u>	<u>-</u>	<u>9,499,545</u>
Accumulated depreciation					
Buildings	58,638	3,769	-	-	62,407
Infrastructure	4,956,783	197,239	-	-	5,154,022
Furnishings and equipment	99,339	9,956	(5,675)	-	103,620
Vehicles and rolling stock	18,818	4,356	-	-	23,174
Total	<u>5,133,578</u>	<u>215,320</u>	<u>(5,675)</u>	<u>-</u>	<u>5,343,223</u>
Business-type Capital					
Assets, Net	<u>\$ 4,275,718</u>	<u>\$ (21,411)</u>	<u>\$ (5,806)</u>	<u>\$ -</u>	<u>\$ 4,248,501</u>

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

<u>Function/Activities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
General Government	\$ 14,785	
Highways and streets	39,221	
Library	250	
Culture and recreation	11,730	
Water		100,625
Sewer		114,695
Total depreciation expense	<u>\$ 65,986</u>	<u>\$ 215,320</u>

CITY OF LOWELL

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2021

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 06/30/20	Additions	Repayment	Balance 06/30/21	Due within one year
Governmental Activities:						
Gov't Capital Corp - Library/Park (256156)	General	\$ 512,905	\$ -	\$ 17,846	\$ 495,059	\$ 18,628
Gov't Capital Corp - E Main St (263007)	General	-	307,978	-	307,978	-
Business Oregon - SPWF (L21001)	Water/Street	-	83,092	-	83,092	3,413
Total governmental activities:		\$ 512,905	\$ 391,070	\$ 17,846	\$ 886,129	\$ 22,041
Business-type Activities:						
Business Oregon - Drinking Water (S0006)	Water	16,519	-	16,519	-	-
Business Oregon - Pioneer St. Reloc (J05001)	Water/Sewer	56,802	-	4,486	52,316	4,717
USDA RUS - Water Revenue Loan (RUS 91-03)	Water	830,688	-	16,536	814,152	16,991
Business Oregon - SPWF (L21001)	Water/Street	-	185,358	-	185,358	7,613
Subtotal Water Fund		904,009	185,358	37,541	1,051,826	29,321
Business Oregon - Drinking Water (G02002)	Sewer	187,784	-	18,466	169,318	18,628
Business Oregon - Pioneer St. Reloc (J05001)	Water/Sewer	56,802	-	4,486	52,316	4,718
USDA RUS - Water Revenue Loan (RUS 92-05)	Sewer	332,097	-	6,611	325,486	6,793
Subtotal Sewer Fund		576,683	-	29,563	547,120	30,139
Total business-type activities:		\$ 1,480,692	\$ 185,358	\$ 67,104	\$ 1,598,946	\$ 59,460

Long-term debt service requirements are as follows:

Year Ending June 30,	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2022	22,041	31,485	53,526	59,460	48,716	108,176
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
2027-2031	145,547	82,042	227,589	294,127	156,782	450,909
2032-2036	177,959	49,631	227,590	213,326	119,976	333,302
2037-2041	135,391	11,507	146,898	242,819	90,684	333,503
2042-2046	-	-	-	216,159	59,461	275,620
2047-2051	-	-	-	247,562	28,058	275,620
2052-2056	-	-	-	52,839	1,453	54,292
Total	\$ 886,129	\$ 261,525	\$ 1,147,654	\$ 1,598,946	\$ 676,633	\$ 2,275,579

SAFE DRINKING WATER REVOLVING LOAN FUND – S0006

On August 7, 2002, the City was granted a Safe Drinking Water Revolving Loan in the amount of \$223,000 from the State of Oregon Economic and Community Development Department (OECD). The loan was part of the \$868,000 Water System Improvement Project, which consisted of Oregon Community Development Block Grant (\$645,000) and this loan. The loan agreement requires 20 annual payments, carries an interest rate of 4.59% and a maturity date of December 1, 2020. As of June 30, 2021, the loan was paid in full.

CITY OF LOWELL
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

5. LONG TERM DEBT (continued)

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, 2021 was \$169,318.

PIONEER STREET RELOCATION PROJECT LOAN – J05001

On May 11, 2005, the City was granted a loan from the Pioneer Street Water/Sewer Line Relocation Project in the amount of \$200,000 from the State of Oregon Economic and Community Development Department (OECD). The loan principal is split between the Water and Sewer Funds equally. The loan agreement requires 24 annual payments of \$14,845, carries an interest rate of 5.17% and maturity date of December 1, 2029. The balance of the loan at June 30, 2021 was \$104,632 apportioned \$52,316 to the Water Fund and \$52,316 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, 2021 was \$814,152.

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, 2021 was \$325,486.

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, 2021 was \$495,060.

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, 2021 was \$307,978.

CITY OF LOWELL

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2021

5. LONG TERM DEBT (continued)

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, 2021 was \$268,450.

6. INTER-FUND BALANCES AND TRANSFERS

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

The operating transfers for the year are as follows:

Fund	Transfers Out	Transfers In	Net Transfers
General Fund	\$ 37,200	\$ 6,049	\$ 31,151
Street Fund		4,033	(4,033)
Equipment Fund	22,181		22,181
Total Governmental Funds	<u>59,381</u>	<u>10,082</u>	<u>49,299</u>
Building Fund		37,200	(37,200)
Water Fund	15,740	6,050	9,690
Water Reserve Fund		15,740	(15,740)
Sewer Fund	5,920	6,049	(129)
Sewer Reserve Fund		5,920	(5,920)
Total Business-type funds	<u>21,660</u>	<u>70,959</u>	<u>(49,299)</u>
Total Transfers	<u>\$ 81,041</u>	<u>\$ 81,041</u>	<u>\$ -</u>

7. PENSION PLAN

A. Plan Description

The City contributes to the State of Oregon Public Employees Retirement System (PERS), a cost-sharing multiple-employer defined benefit pension plan administered by the Oregon Public Employees Retirement System. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan 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

CITY OF LOWELL

NOTES TO THE BASIC FINANCIAL STATEMENTS

For the Year Ended June 30, 2021

7. PENSION PLAN (continued)

(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, 2021 were 24.73% and 17.24% respectively. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

C. Annual Pension Cost

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

For the year ended June 30, 2021, the City's annual pension cost of \$67,492 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 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.

CITY OF LOWELL
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2021

7. PENSION PLAN (continued)

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
6/30/2019	\$ 29,626	100%	\$ -
6/30/2020	\$ 67,822	100%	\$ -
6/30/2021	\$ 67,492	100%	\$ -

8. CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time although management expects such amount, if any to be immaterial.

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

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

9. RISK MANAGEMENT

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

SUPPLEMENTARY INFORMATION

CITY OF LOWELL
Combining Balance Sheet
Other Governmental Funds
Modified Cash Basis
For the Year Ended June 30, 2021

	Blackberry Jam Festival Fund	Parks SDC Fund	Streets SDC Fund	Stormwater SDC Fund	Equipment Fund	Total Other Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 11,468	\$ 58,682	\$ 50,028	\$ 47,976	\$ -	\$ 168,154
Total assets	<u>\$ 11,468</u>	<u>\$ 58,682</u>	<u>\$ 50,028</u>	<u>\$ 47,976</u>	<u>\$ -</u>	<u>\$ 168,154</u>
Fund Equity:						
Restricted	\$ -	\$ 58,682	\$ 50,028	\$ 47,976	\$ -	\$ 156,686
Assigned	11,468	-	-	-	-	11,468
Total fund balances	<u>11,468</u>	<u>58,682</u>	<u>50,028</u>	<u>47,976</u>	<u>-</u>	<u>168,154</u>
Total liabilities and fund balances	<u>\$ 11,468</u>	<u>\$ 58,682</u>	<u>\$ 50,028</u>	<u>\$ 47,976</u>	<u>\$ -</u>	<u>\$ 168,154</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, 2021

	Blackberry Jam Festival Fund	Parks SDC Fund	Streets SDC Fund	Stormwater SDC Fund	Equipment Fund	Total Other Governmental Funds
REVENUES						
SDC fees	\$ -	\$ 3,940	\$ 2,368	\$ 2,692	\$ -	\$ 9,000
Investment earnings	4	383	330	306	-	1,023
Fundraising and event receipts	2,066	-	-	-	-	2,066
Total Revenues	<u>2,070</u>	<u>4,323</u>	<u>2,698</u>	<u>2,998</u>	<u>-</u>	<u>12,089</u>
EXPENDITURES						
Current:						
Blackberry Jam Festival	3,112	-	-	-	-	3,112
Total Expenditures	3,112	-	-	-	-	3,112
Excess (deficiency) of revenues over expenditures	(1,042)	4,323	2,698	2,998	-	8,977
OTHER FINANCING SOURCESS (USES)						
Transfers out	-	-	-	-	(22,181)	(22,181)
Total other financing sources and uses	-	-	-	-	(22,181)	(22,181)
Net change in fund balances	(1,042)	4,323	2,698	2,998	(22,181)	(13,204)
Fund balances - beginning	12,510	54,359	47,330	44,978	22,181	181,358
Fund balances - ending	<u>\$ 11,468</u>	<u>\$ 58,682</u>	<u>\$ 50,028</u>	<u>\$ 47,976</u>	<u>\$ -</u>	<u>\$ 168,154</u>

CITY OF LOWELL
Combining Balance Sheet Water Funds
Modified Cash Basis
For the Year Ended June 30, 2021

	Water Fund	Water SDC Fund	Water Reserve Fund	Total Water Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 78,482	\$ 329,228	\$ 39,395	\$ 447,105
Total current assets	<u>78,482</u>	<u>329,228</u>	<u>39,395</u>	<u>447,105</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	4,432,771	-	-	4,432,771
Less accumulated depreciation	<u>(2,368,342)</u>	<u>-</u>	<u>-</u>	<u>(2,368,342)</u>
Total non-current assets	<u>2,324,195</u>	<u>-</u>	<u>-</u>	<u>2,324,195</u>
Total assets	<u>\$ 2,402,677</u>	<u>\$ 329,228</u>	<u>\$ 39,395</u>	<u>\$ 2,771,300</u>
LIABILITIES				
Current liabilities:				
Utility Deposits	37,000	-	-	37,000
Notes payable - current	<u>29,321</u>	<u>-</u>	<u>-</u>	<u>29,321</u>
Total current liabilities	<u>66,321</u>	<u>-</u>	<u>-</u>	<u>66,321</u>
Non-current liabilities:				
Notes payable - noncurrent	<u>1,022,505</u>	<u>-</u>	<u>-</u>	<u>1,022,505</u>
Total non-current liabilities	<u>1,022,505</u>	<u>-</u>	<u>-</u>	<u>1,022,505</u>
Total liabilities	<u>1,088,826</u>	<u>-</u>	<u>-</u>	<u>1,088,826</u>
NET POSITION				
Net investment in capital assets	1,272,369	-	-	1,272,369
Restricted for:				
Debt service	-	-	39,395	39,395
Capital projects (SDC)	-	329,228	-	329,228
Unrestricted	<u>41,482</u>	<u>-</u>	<u>-</u>	<u>41,482</u>
Total net position	<u>\$ 1,313,851</u>	<u>\$ 329,228</u>	<u>\$ 39,395</u>	<u>\$ 1,682,474</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, 2021

	Water Fund	Water SDC Fund	Water Reserve Fund	Water Operating Fund
REVENUES				
Charges for services	\$ 348,437	\$ -	\$ -	\$ 348,437
Intergovernmental	817	-	-	817
Other revenues	9,480	15,320	-	24,800
Total operating revenues	<u>358,734</u>	<u>15,320</u>	<u>-</u>	<u>374,054</u>
EXPENDITURES				
Personal services	184,403	-	-	184,403
Contractual services	21,726	-	-	21,726
Utilities	23,119	-	-	23,119
Repairs and maintenance	35,389	-	-	35,389
Office supplies and expenses	34,190	-	-	34,190
Other operating expenses	60,168	-	-	60,168
Depreciation	100,625	-	-	100,625
Total operating expenses	<u>459,620</u>	<u>-</u>	<u>-</u>	<u>459,620</u>
Operating income (loss)	<u>(100,886)</u>	<u>15,320</u>	<u>-</u>	<u>(85,566)</u>
NON-OPERATING REVENUES (EXPENSES):				
Investment revenue	373	2,406	12	2,791
Miscellaneous revenue	4,930	-	-	4,930
Interest expense	(26,539)	-	-	(26,539)
Total non-operating revenues (expenses)	<u>(21,236)</u>	<u>2,406</u>	<u>12</u>	<u>(18,818)</u>
Net income (loss) before contributions and transfers	(122,122)	17,726	12	(104,384)
Transfers in	6,049	-	15,740	21,789
Transfers out	(15,740)	-	-	(15,740)
Change in net position	<u>(131,813)</u>	<u>17,726</u>	<u>15,752</u>	<u>(98,335)</u>
Net position - beginning	<u>1,445,664</u>	<u>311,502</u>	<u>23,643</u>	<u>1,780,809</u>
Net position - ending	<u>\$ 1,313,851</u>	<u>\$ 329,228</u>	<u>\$ 39,395</u>	<u>\$ 1,682,474</u>

CITY OF LOWELL
Combining Statement of Cash Flows Water Funds
Modified Cash Basis
For the Year Ended June 30, 2021

	Water Funds			
	Water Fund	Water SDC Fund	Water Reserve Fund	Water Operating Fund
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 359,057	\$ -	\$ -	\$ 359,057
Other operating receipts	817	-	-	817
Payments to employees	(184,403)	-	-	(184,403)
Payments to suppliers	(174,592)	-	-	(174,592)
Net cash provided (used) by operating activities	<u>879</u>	<u>-</u>	<u>-</u>	<u>879</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Other receipts	4,930	-	-	4,930
Non capital financing activities - transfers	(9,691)	-	15,740	6,049
Net cash provided (used) by noncapital financing activities	<u>(4,761)</u>	<u>-</u>	<u>15,740</u>	<u>10,979</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from financing activities	185,358	-	-	185,358
Capital contributions - grants and fees	-	15,320	-	15,320
Purchases of capital assets	(188,103)	-	-	(188,103)
Principal paid on capital debt	(37,541)	-	-	(37,541)
Interest paid on capital debt	(26,539)	-	-	(26,539)
Net cash provided (used) by capital related financing	<u>(66,825)</u>	<u>15,320</u>	<u>-</u>	<u>(51,505)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	372	2,406	12	2,790
Net cash provided (used) by investing activities	<u>372</u>	<u>2,406</u>	<u>12</u>	<u>2,790</u>
Net increase (decrease) in cash and cash equivalents	<u>(70,335)</u>	<u>17,726</u>	<u>15,752</u>	<u>(36,857)</u>
Cash Balances - beginning of the year	148,817	311,502	23,643	483,962
Cash Balances - end of the year	<u>\$ 78,482</u>	<u>\$ 329,228</u>	<u>\$ 39,395</u>	<u>\$ 447,105</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 100,364	\$ -	\$ -	\$ 100,364
Adjustments to reconcile operating income:				
Depreciation expense	(100,625)	-	-	(100,625)
Change in assets and liabilities:				
Increase (decrease) in deposits	1,140	-	-	1,140
Net cash provided (used) by operating activities	<u>\$ 879</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 879</u>

CITY OF LOWELL
Combining Balance Sheet Sewer Funds
Modified Cash Basis
For the Year Ended June 30, 2021

	Sewer Fund	Sewer SDC Fund	Sewer Reserve Fund	Total Sewer Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 184,427	\$ 146,159	\$ 15,751	\$ 346,337
Total current assets	<u>184,427</u>	<u>146,159</u>	<u>15,751</u>	<u>346,337</u>
Non-current assets:				
Capital assets:				
Land	11,000	-	-	11,000
Buildings and facilities	89,114	-	-	89,114
Equipment and furnishings	68,330	-	-	68,330
Vehicles and rolling stock	21,780	-	-	21,780
Infrastructure	4,708,963	-	-	4,708,963
Construction in progress	-	-	-	-
Less accumulated depreciation	<u>(2,974,881)</u>	<u>-</u>	<u>-</u>	<u>(2,974,881)</u>
Total non-current assets	<u>1,924,306</u>	<u>-</u>	<u>-</u>	<u>1,924,306</u>
Total assets	<u>\$ 2,108,733</u>	<u>\$ 146,159</u>	<u>\$ 15,751</u>	<u>\$ 2,270,643</u>
LIABILITIES				
Current liabilities:				
Notes payable - current	<u>30,139</u>	<u>-</u>	<u>-</u>	<u>30,139</u>
Total current liabilities	<u>30,139</u>	<u>-</u>	<u>-</u>	<u>30,139</u>
Non-current liabilities:				
Notes payable - noncurrent	<u>516,981</u>	<u>-</u>	<u>-</u>	<u>516,981</u>
Total non-current liabilities	<u>516,981</u>	<u>-</u>	<u>-</u>	<u>516,981</u>
Total liabilities	<u>547,120</u>	<u>-</u>	<u>-</u>	<u>547,120</u>
NET POSITION				
Net investment in capital assets	1,377,186	-	-	1,377,186
Restricted for:				
Debt service	-	-	15,751	15,751
Capital projects (SDC)	-	146,159	-	146,159
Unrestricted	<u>184,427</u>	<u>-</u>	<u>-</u>	<u>184,427</u>
Total net position	<u>\$ 1,561,613</u>	<u>\$ 146,159</u>	<u>\$ 15,751</u>	<u>\$ 1,723,523</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, 2021

	Sewer Fund	Sewer SDC Fund	Sewer Reserve Fund	Sewer Operating Fund
REVENUES				
Charges for services	\$ 386,433	\$ -	\$ -	\$ 386,433
Intergovernmental	24,364	-	-	24,364
Other revenues	3,665	5,355	-	9,020
Total operating revenues	<u>414,462</u>	<u>5,355</u>	<u>-</u>	<u>419,817</u>
EXPENDITURES				
Personal services	184,402	-	-	184,402
Contractual services	18,503	-	-	18,503
Utilities	60,812	-	-	60,812
Repairs and maintenance	20,896	-	-	20,896
Office supplies and expenses	17,284	-	-	17,284
Other operating expenses	32,252	-	-	32,252
Depreciation	114,695	-	-	114,695
Total operating expenses	<u>448,844</u>	<u>-</u>	<u>-</u>	<u>448,844</u>
Operating income (loss)	<u>(34,382)</u>	<u>5,355</u>	<u>-</u>	<u>(29,027)</u>
NON-OPERATING REVENUES (EXPENSES):				
Investment revenue	734	1,059	5	1,798
Miscellaneous revenue	3,589	-	-	3,589
Interest expense	(20,980)	-	-	(20,980)
Total non-operating revenues (expenses)	<u>(16,657)</u>	<u>1,059</u>	<u>5</u>	<u>(15,593)</u>
Net income (loss) before contributions and transfers	(51,039)	6,414	5	(44,620)
Transfers in	6,049	-	5,920	11,969
Transfers out	(5,920)	-	-	(5,920)
Change in net position	<u>(50,910)</u>	<u>6,414</u>	<u>5,925</u>	<u>(38,571)</u>
Net position - beginning	<u>1,612,523</u>	<u>139,745</u>	<u>9,826</u>	<u>1,762,094</u>
Net position - ending	<u>\$ 1,561,613</u>	<u>\$ 146,159</u>	<u>\$ 15,751</u>	<u>\$ 1,723,523</u>

CITY OF LOWELL
Combining Statement of Cash Flows Sewer Funds
Modified Cash Basis
For the Year Ended June 30, 2021

	Sewer Funds			
	Sewer Fund	Sewer SDC Fund	Sewer Reserve Fund	Sewer Operating Fund
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 390,098	\$ -	\$ -	\$ 390,098
Other operating receipts	24,364	-	-	24,364
Payments to employees	(184,402)	-	-	(184,402)
Payments to suppliers	(149,747)	-	-	(149,747)
Net cash provided (used) by operating activities	<u>80,313</u>	<u>-</u>	<u>-</u>	<u>80,313</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Other receipts	3,589	-	-	3,589
Non capital financing activities - transfers	129	-	5,920	6,049
Net cash provided (used) by noncapital financing activities	<u>3,718</u>	<u>-</u>	<u>5,920</u>	<u>9,638</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Capital contributions - grants and fees	-	5,355	-	5,355
Principal paid on capital debt	(29,563)	-	-	(29,563)
Interest paid on capital debt	(20,980)	-	-	(20,980)
Net cash provided (used) by capital related financing	<u>(50,543)</u>	<u>5,355</u>	<u>-</u>	<u>(45,188)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	734	1,059	5	1,798
Net cash provided (used) by investing activities	<u>734</u>	<u>1,059</u>	<u>5</u>	<u>1,798</u>
Net increase (decrease) in cash and cash equivalents	<u>34,222</u>	<u>6,414</u>	<u>5,925</u>	<u>46,561</u>
Cash Balances - beginning of the year	<u>150,205</u>	<u>139,745</u>	<u>9,826</u>	<u>299,776</u>
Cash Balances - end of the year	<u>\$ 184,427</u>	<u>\$ 146,159</u>	<u>\$ 15,751</u>	<u>\$ 346,337</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 195,008	\$ -	\$ -	\$ 195,008
Adjustments to reconcile operating income:				
Depreciation expense	(114,695)	-	-	(114,695)
Net cash provided (used) by operating activities	<u>\$ 80,313</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,313</u>

CITY OF LOWELL
Budget and Actual (with Variances)
General Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 150,274	\$ 150,274	\$ 155,148	\$ 4,874
Intergovernmental	460,782	510,782	106,926	(403,856)
Franchise fees	97,756	97,756	59,158	(38,598)
Licenses and permits	16,151	16,151	1,669	(14,482)
Charges for services	7,225	7,225	3,388	(3,837)
Reimbursement SDC fees	735	735	188	(547)
Fees and fines	2,500	2,500	5,966	3,466
Investment earnings	5,826	5,826	1,592	(4,234)
Miscellaneous	78,250	78,250	7,273	(70,977)
Fundraising and event receipts	10,000	10,000	12,366	2,366
Total Revenues	<u>829,499</u>	<u>879,499</u>	<u>353,674</u>	<u>(525,825)</u>
EXPENDITURES				
Current:				
General government	91,143	126,543	110,370	16,173
Parks	624,228	548,328	91,607	456,721
Public safety	29,530	32,030	28,968	3,062
Community development	30,990	417,990	382,683	35,307
Library	333,763	333,763	6,454	327,309
Tourism	14,080	24,080	14,311	9,769
Code enforcement	10,816	10,816	2,251	8,565
Municipal court	13,996	14,996	13,815	1,181
Debt service:				
Principal	17,846	23,846	17,845	6,001
Interest	22,502	34,502	28,507	5,995
Contingency	57,314	57,314	-	57,314
Total Expenditures	<u>1,246,208</u>	<u>1,624,208</u>	<u>696,811</u>	<u>927,397</u>
Excess (deficiency) of revenues over expenditures	<u>(416,709)</u>	<u>(744,709)</u>	<u>(343,137)</u>	<u>401,572</u>
OTHER FINANCING SOURCESS (USES)				
Proceeds from loan	240,743	568,743	307,978	(260,765)
Transfers in	6,051	6,051	6,049	(2)
Transfers out	(37,200)	(37,200)	(37,200)	-
Total other financing sources and uses	<u>209,594</u>	<u>537,594</u>	<u>276,827</u>	<u>(260,767)</u>
Net change in fund balances	(207,115)	(207,115)	(66,310)	140,805
Fund balances - beginning	<u>209,615</u>	<u>209,615</u>	<u>272,113</u>	<u>62,498</u>
Fund balances - ending	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ 205,803</u>	<u>\$ 203,303</u>

CITY OF LOWELL
Budget and Actual (with Variances)
Parks SDC Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
SDC fees	\$ 14,775	\$ 14,775	\$ 3,940	\$ (10,835)
Investment earnings	250	250	383	133
Total Revenues	<u>15,025</u>	<u>15,025</u>	<u>4,323</u>	<u>(10,702)</u>
EXPENDITURES				
Current:				
Materials and services	2,000	2,000	-	2,000
Capital outlay	<u>67,602</u>	<u>67,602</u>	<u>-</u>	<u>67,602</u>
Total Expenditures	<u>69,602</u>	<u>69,602</u>	<u>-</u>	<u>69,602</u>
Excess (deficiency) of revenues over expenitures	<u>(54,577)</u>	<u>(54,577)</u>	<u>4,323</u>	<u>58,900</u>
Net change in fund balances	(54,577)	(54,577)	4,323	58,900
Fund balances - beginning	<u>54,577</u>	<u>54,577</u>	<u>54,359</u>	<u>(218)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,682</u>	<u>\$ 58,682</u>

CITY OF LOWELL
Budget and Actual (with Variances)
Street Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 264,212	\$ 264,212	\$ 291,683	\$ 27,471
Reimbursement SDC fees	1,560	1,560	416	(1,144)
Investment earnings	1,400	1,400	174	(1,226)
Miscellaneous	50	50	4,841	4,791
Total Revenues	<u>267,222</u>	<u>267,222</u>	<u>297,114</u>	<u>29,892</u>
EXPENDITURES				
Current:				
Personal services	23,103	23,103	19,288	3,815
Materials and services	46,404	46,404	36,448	9,956
Capital outlay	560,291	560,291	320,195	240,096
Contingency	55,285	55,285	-	55,285
Total Expenditures	<u>685,083</u>	<u>685,083</u>	<u>375,931</u>	<u>309,152</u>
Excess (deficiency) of revenues over expenitures	<u>(417,861)</u>	<u>(417,861)</u>	<u>(78,817)</u>	<u>339,044</u>
OTHER FINANCING SOURCESS (USES)				
Proceeds from loan	360,291	360,291	83,092	(277,199)
Transfers in	4,033	4,033	4,033	-
Total other financing sources and uses	<u>364,324</u>	<u>364,324</u>	<u>87,125</u>	<u>(277,199)</u>
Net change in fund balances	(53,537)	(53,537)	8,308	61,845
Fund balances - beginning	53,537	53,537	67,703	14,166
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,011</u>	<u>\$ 76,011</u>

CITY OF LOWELL
Budget and Actual (with Variances)
Streets SDC Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
SDC fees	\$ 8,880	\$ 8,880	\$ 2,368	\$ (6,512)
Investment earnings	250	250	330	(80)
Total Revenues	<u>9,130</u>	<u>9,130</u>	<u>2,698</u>	<u>(6,592)</u>
EXPENDITURES				
Current:				
Materials and services	2,000	2,000	-	2,000
Capital outlay	<u>54,613</u>	<u>54,613</u>	<u>-</u>	<u>54,613</u>
Total Expenditures	<u>56,613</u>	<u>56,613</u>	<u>-</u>	<u>56,613</u>
Excess (deficiency) of revenues over expenitures	<u>(47,483)</u>	<u>(47,483)</u>	<u>2,698</u>	<u>(63,205)</u>
Net change in fund balances	(47,483)	(47,483)	2,698	50,181
Fund balances - beginning	<u>47,483</u>	<u>47,483</u>	<u>47,330</u>	<u>(153)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,028</u>	<u>\$ 50,028</u>

CITY OF LOWELL
Budget and Actual (with Variances)
Stormwater SDC Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
SDC fees	\$ 10,095	\$ 10,095	\$ 2,692	\$ (7,403)
Investment earnings	635	635	306	(329)
Total Revenues	<u>10,730</u>	<u>10,730</u>	<u>2,998</u>	<u>(7,732)</u>
EXPENDITURES				
Current:				
Materials and services	2,000	2,000	-	2,000
Capital outlay	<u>53,843</u>	<u>53,843</u>	<u>-</u>	<u>53,843</u>
Total Expenditures	<u>55,843</u>	<u>55,843</u>	<u>-</u>	<u>55,843</u>
Excess (deficiency) of revenues over expenitures	<u>(45,113)</u>	<u>(45,113)</u>	<u>2,998</u>	<u>(63,575)</u>
Net change in fund balances	(45,113)	(45,113)	2,998	48,111
Fund balances - beginning	<u>45,113</u>	<u>45,113</u>	<u>44,978</u>	<u>(135)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,976</u>	<u>\$ 47,976</u>

CITY OF LOWELL
Budget and Actual (with Variances)
Blackberry Jam Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Fundraising and event receipts	\$ 23,700	\$ 23,700	\$ 2,066	\$ 21,634
Investment earnings	8	8	4	4
Miscellaneous revenue	125	125	-	125
Total Revenues	<u>23,833</u>	<u>23,833</u>	<u>2,070</u>	<u>21,763</u>
EXPENDITURES				
Current:				
Materials and services	25,798	25,798	3,112	22,686
Contingency	<u>10,387</u>	<u>10,387</u>	-	<u>10,387</u>
Total Expenditures	<u>36,185</u>	<u>36,185</u>	<u>3,112</u>	<u>33,073</u>
Excess (deficiency) of revenues over expenitures	<u>(12,352)</u>	<u>(12,352)</u>	<u>(1,042)</u>	<u>11,310</u>
Net change in fund balances	(12,352)	(12,352)	(1,042)	11,310
Fund balances - beginning	<u>12,352</u>	<u>12,352</u>	<u>12,510</u>	<u>158</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 11,468</u></u>	<u><u>\$ 11,468</u></u>

CITY OF LOWELL
Budget and Actual (with Variances)
Equipment Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
OTHER FINANCING SOURCESS (USES)				
Transfers out	(22,186)	(22,186)	(22,181)	5
Total other financing sources and uses	(22,186)	(22,186)	(22,181)	5
Net change in fund balances	(22,186)	(22,186)	(22,181)	5
Fund balances - beginning	22,186	22,186	22,181	(5)
Fund balances - ending	\$ -	\$ -	\$ -	\$ -

CITY OF LOWELL
Budget and Actual (with Variances)
Water Operating Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 358,537	\$ 358,537	\$ 348,437	\$ (10,100)
Intergovernmental	90,000	90,000	817	(89,183)
Licenses and permits	5,250	5,250	6,500	1,250
Reimbursement SDC fees	11,175	11,175	2,980	(8,195)
Investment earnings	2,200	2,200	372	(1,828)
Miscellaneous	350	350	4,930	4,580
Total Revenues	<u>467,512</u>	<u>467,512</u>	<u>364,036</u>	<u>(103,476)</u>
EXPENDITURES				
Current:				
Personal services	193,421	193,421	184,403	9,018
Materials and services	173,938	173,938	174,592	(654)
Debt service:				
Principal	37,546	37,546	37,541	5
Interest	26,547	26,547	26,539	8
Capital outlay	340,000	340,000	188,103	151,897
Contingency	76,552	76,552	-	76,552
Total Expenditures	<u>848,004</u>	<u>848,004</u>	<u>611,178</u>	<u>236,826</u>
Excess (deficiency) of revenues over expenitures	<u>(380,492)</u>	<u>(380,492)</u>	<u>(247,142)</u>	<u>133,350</u>
OTHER FINANCING SOURCESS (USES)				
Proceeds from loan	250,000	250,000	185,358	64,642
Transfers in	6,051	6,051	6,049	2
Transfers out	(15,740)	(15,740)	(15,740)	-
Total other financing sources and uses	<u>240,311</u>	<u>240,311</u>	<u>175,667</u>	<u>64,644</u>
Net change in fund balances	(140,181)	(140,181)	(71,475)	68,706
Fund balances - beginning	140,181	140,181	112,957	(27,224)
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	41,482	<u>\$ 41,482</u>
Reconciliation to net position:				
Net capital assets			2,324,195	
Long-term debt			<u>(1,051,826)</u>	
Net position, modified cash basis			<u>\$ 1,313,851</u>	

CITY OF LOWELL
Budget and Actual (with Variances)
Water SDC Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
SDC fees	\$ 57,450	\$ 57,450	\$ 15,320	\$ (42,130)
Investment earnings	6,400	6,400	2,406	(3,994)
Total Revenues	<u>63,850</u>	<u>63,850</u>	<u>17,726</u>	<u>(46,124)</u>
EXPENDITURES				
Current:				
Materials and services	2,000	2,000	-	2,000
Capital outlay	<u>381,877</u>	<u>381,877</u>	<u>-</u>	<u>381,877</u>
Total Expenditures	<u>383,877</u>	<u>383,877</u>	<u>-</u>	<u>383,877</u>
Excess (deficiency) of revenues over expenitures	<u>(320,027)</u>	<u>(320,027)</u>	<u>17,726</u>	<u>337,753</u>
Net change in fund balances	(320,027)	(320,027)	17,726	337,753
Fund balances - beginning	<u>320,027</u>	<u>320,027</u>	<u>311,502</u>	<u>(8,525)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 329,228</u>	<u>\$ 329,228</u>

CITY OF LOWELL
Budget and Actual (with Variances)
Water Reserve Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 15	\$ 15	\$ 12	\$ (3)
Total Revenues	<u>15</u>	<u>15</u>	<u>12</u>	<u>(3)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>15,740</u>	<u>15,740</u>	<u>15,740</u>	<u>-</u>
Total Expenditures	<u>15,740</u>	<u>15,740</u>	<u>15,740</u>	<u>-</u>
Excess (deficiency) of revenues over expenitures	<u>15,755</u>	<u>15,755</u>	<u>15,752</u>	<u>(3)</u>
Net change in fund balances	15,755	15,755	15,752	(3)
Fund balances - beginning	<u>23,647</u>	<u>23,647</u>	<u>23,643</u>	<u>(4)</u>
Fund balances - ending	<u>\$ 39,402</u>	<u>\$ 39,402</u>	<u>\$ 39,395</u>	<u>\$ (7)</u>

CITY OF LOWELL
Budget and Actual (with Variances)
Sewer Operating Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 389,196	\$ 389,196	\$ 386,433	\$ (2,763)
Intergovernmental	-	-	24,364	24,364
Licenses and permits	2,250	2,250	575	(1,675)
Reimbursement SDC fees	9,270	9,270	3,090	(6,180)
Investment earnings	2,150	2,150	734	(1,416)
Miscellaneous	350	350	3,589	3,239
Total Revenues	<u>403,216</u>	<u>403,216</u>	<u>418,785</u>	<u>15,569</u>
EXPENDITURES				
Current:				
Personal services	193,421	193,421	184,402	9,019
Materials and services	201,624	201,624	149,747	51,877
Debt service:				
Principal	29,564	29,564	29,563	1
Interest	20,981	20,981	20,980	1
Contingency	89,908	89,908	-	89,908
Total Expenditures	<u>535,498</u>	<u>535,498</u>	<u>384,692</u>	<u>150,806</u>
Excess (deficiency) of revenues over expenditures	<u>(132,282)</u>	<u>(132,282)</u>	<u>34,093</u>	<u>166,375</u>
OTHER FINANCING SOURCESS (USES)				
Transfers in	6,051	6,051	6,049	(2)
Transfers out	(5,920)	(5,920)	(5,920)	-
Total other financing sources and uses	<u>131</u>	<u>131</u>	<u>129</u>	<u>(2)</u>
Net change in fund balances	(132,151)	(132,151)	34,222	166,373
Fund balances - beginning	<u>132,151</u>	<u>132,151</u>	<u>150,205</u>	<u>(18,054)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>184,427</u>	<u>\$ 184,427</u>
Reconciliation to net position:				
Net capital assets			1,924,306	
Long-term debt			<u>(547,120)</u>	
Net position, modified cash basis			<u>\$ 1,561,613</u>	

CITY OF LOWELL
Budget and Actual (with Variances)
Sewer SDC Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
SDC fees	\$ 16,065	\$ 16,065	\$ 5,355	\$ (10,710)
Investment earnings	1,975	1,975	1,059	(916)
Total Revenues	<u>18,040</u>	<u>18,040</u>	<u>6,414</u>	<u>(11,626)</u>
EXPENDITURES				
Current:				
Materials and services	2,000	2,000	-	2,000
Capital outlay	<u>156,494</u>	<u>156,494</u>	<u>-</u>	<u>156,494</u>
Total Expenditures	<u>158,494</u>	<u>158,494</u>	<u>-</u>	<u>158,494</u>
Excess (deficiency) of revenues over expenitures	<u>(140,454)</u>	<u>(140,454)</u>	<u>6,414</u>	<u>146,868</u>
Net change in fund balances	(140,454)	(140,454)	6,414	146,868
Fund balances - beginning	<u>140,454</u>	<u>140,454</u>	<u>139,745</u>	<u>(709)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 146,159</u>	<u>\$ 146,159</u>

CITY OF LOWELL
Budget and Actual (with Variances)
Sewer Reserve Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment earnings	\$ 8	\$ 8	\$ 5	\$ (3)
Total Revenues	<u>8</u>	<u>8</u>	<u>5</u>	<u>(3)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>5,920</u>	<u>5,920</u>	<u>5,920</u>	<u>-</u>
Total Expenditures	<u>5,920</u>	<u>5,920</u>	<u>5,920</u>	<u>-</u>
Excess (deficiency) of revenues over expenitures	<u>5,928</u>	<u>5,928</u>	<u>5,925</u>	<u>(3)</u>
Net change in fund balances	5,928	5,928	5,925	(3)
Fund balances - beginning	<u>9,828</u>	<u>9,828</u>	<u>9,826</u>	<u>(2)</u>
Fund balances - ending	<u>\$ 15,756</u>	<u>\$ 15,756</u>	<u>\$ 15,751</u>	<u>\$ (5)</u>

CITY OF LOWELL
Budget and Actual (with Variances)
Building Fund
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts, Budgetary Basis	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Licenses and permits	\$ 66,632	\$ 66,632	\$ 19,129	\$ (47,503)
Investment earnings	150	150	9	(141)
Miscellaneous	100	100	19	(81)
Total Revenues	<u>66,882</u>	<u>66,882</u>	<u>19,157</u>	<u>(47,725)</u>
EXPENDITURES				
Current:				
Personal services	4,646	4,646	4,302	344
Materials and services	73,769	73,769	22,111	51,658
Capital outlay	8,525	8,525	-	8,525
Contingency	17,142	17,142	-	17,142
Total Expenditures	<u>104,082</u>	<u>104,082</u>	<u>26,413</u>	<u>77,669</u>
Excess (deficiency) of revenues over expenitures	<u>(37,200)</u>	<u>(37,200)</u>	<u>(7,256)</u>	<u>29,944</u>
OTHER FINANCING SOURCESS (USES)				
Transfers in	37,200	37,200	37,200	-
Total other financing sources and uses	<u>37,200</u>	<u>37,200</u>	<u>37,200</u>	<u>-</u>
Net change in fund balances	-	-	29,944	29,944
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,944</u>	<u>\$ 29,944</u>

STATISTICAL INFORMATION

CITY OF LOWELL
Net Position by Component
Last Ten Fiscal Years

	Fiscal Year				
	2021	2020	2019	2018	2017
Governmental Activities					
Net investment in capital assets	\$ 3,546,787	\$ 3,361,280	\$ 3,331,814	\$ 3,083,574	\$ 3,129,930
Restricted	251,163	227,067	206,457	552,152	495,677
Unrestricted	198,805	294,107	326,908	275,488	222,798
Total governmental activities net position	\$ 3,996,755	\$ 3,882,454	\$ 3,865,179	\$ 3,911,214	\$ 3,848,405
Business-type activities					
Net investment in capital assets	\$ 2,649,555	\$ 3,331,814	\$ 2,883,997	\$ 2,970,673	\$ 3,090,401
Restricted	530,533	206,457	393,482	-	-
Unrestricted	255,853	326,908	344,414	283,150	186,007
Total business-type activities net position	\$ 3,435,941	\$ 3,865,179	\$ 3,621,893	\$ 3,253,823	\$ 3,276,408
Primary Government					
Net investment in capital assets	\$ 6,196,342	\$ 6,693,094	\$ 6,215,811	\$ 6,054,247	\$ 6,220,331
Restricted	781,696	433,524	599,939	552,152	495,677
Unrestricted	454,658	621,015	671,322	558,638	408,805
Total primary government activities net position	\$ 7,432,696	\$ 7,747,633	\$ 7,487,072	\$ 7,165,037	\$ 7,124,813

	Fiscal Year				
	2016	2015	2014	2013	2012
Governmental Activities					
Net investment in capital assets	\$ 3,147,180	\$ 3,191,637	\$ 3,121,094	\$ 3,167,810	\$ 3,203,335
Restricted	509,972	537,810	539,039	550,139	543,328
Unrestricted	223,903	192,437	185,234	86,681	36,866
Total governmental activities net position	\$ 3,881,055	\$ 3,921,884	\$ 3,845,367	\$ 3,804,630	\$ 3,783,529
Business-type activities					
Net investment in capital assets	\$ 1,499,186	\$ 3,384,656	\$ 3,525,418	\$ 3,686,342	\$ 3,848,713
Restricted	-	-	-	-	-
Unrestricted	98,873	65,237	69,512	31,547	(2,349)
Total business-type activities net position	\$ 1,598,059	\$ 3,449,893	\$ 3,594,930	\$ 3,717,889	\$ 3,846,364
Primary Government					
Net investment in capital assets	\$ 4,646,366	\$ 6,576,293	\$ 6,646,512	\$ 6,854,152	\$ 7,052,048
Restricted	509,972	537,810	539,039	550,139	543,328
Unrestricted	322,776	257,674	254,746	118,228	34,517
Total primary government activities net position	\$ 5,479,114	\$ 7,371,777	\$ 7,440,297	\$ 7,522,519	\$ 7,629,893

CITY OF LOWELL
Changes in Net Position
Last Ten Fiscal Years

	2021	2020	2019	2018	2017
Program revenues:					
Governmental activities:					
Charges for services:					
General Government	\$ 3,088	\$ 5,106	\$ 5,912	\$ 49,458	\$ 37,100
Culture & Recreation	6,494	22,419	25,587	21,899	22,976
Community Development	688	73,117	175,627	-	-
Code Enforcement	981	876	806	-	-
Municipal Court	5,966	2,824	1,940	-	-
Highways & Streets	5,476	22,846	24,756	8,007	4,273
Operating grants & contributions	179,506	186,282	128,432	27,649	20,140
Capital grants & contributions	225,630	6,100	70,925	-	-
Total governmental activities program revenues	427,829	319,570	433,985	107,013	84,489
Business-type activities:					
Charges for services:					
Building	19,129	-	-	-	-
Water	373,237	368,132	391,598	308,138	274,459
Sewer	395,453	376,377	363,394	382,284	330,777
Operating grants & contributions	817	-	-	-	-
Capital grants & contributions	24,364	-	-	-	-
Total business-type activities program revenues	813,000	744,509	754,992	690,422	605,236
Total primary government program revenues	1,240,829	1,064,079	1,188,977	797,435	689,725
Expenses:					
Governmental activities:					
General Government	146,822	163,018	108,152	118,225	223,034
Culture & Recreation	112,858	116,507	109,413	67,812	19,376
Public Safety	28,968	28,123	27,300	30,200	-
Community Development	78,455	102,066	168,433	42,730	-
Code Enforcement	14,311	14,490	11,863	-	-
Tourism	2,251	2,786	7,566	9,695	-
Municipal Court	13,815	11,462	11,186	10,294	-
Highways & Streets	94,957	87,625	134,185	101,427	96,103
Total governmental activities	492,437	526,077	578,098	380,383	338,513
Business-type activities:					
Building	26,413	-	-	-	-
Water	486,159	395,706	367,124	358,810	348,683
Sewer	469,825	446,400	390,655	377,194	387,717
Total business type activities	982,397	842,106	757,779	736,004	736,400
Total primary government expenses	\$ 1,474,834	\$ 1,368,183	\$ 1,335,877	\$ 1,116,387	\$ 1,074,913
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes	\$ 155,148	\$ 150,732	\$ 147,569	\$ 140,307	\$ 134,981
Investment earnings	2,789	8,618	9,833	6,921	7,782
Other revenues	70,271	65,290	292,689	191,992	170,535
Gain (loss) on capital assets	-	-	-	16,419	-
Transfers in (out)	(49,299)	(858)	(352,013)	(19,460)	(91,924)
Total governmental activities	178,909	223,782	98,078	336,179	221,374
Business-type activities					
Investment earnings	4,598	12,363	5,334	3,265	-
Other revenues	8,538	4,586	13,539	272	309
Gain (loss) on capital assets	-	800	(29)	-	-
Transfers in (out)	49,299	858	352,013	19,460	91,924
Total business-type activities	62,435	18,607	370,857	22,997	92,233
Total primary government	\$ 241,344	\$ 242,389	\$ 468,935	\$ 359,176	\$ 313,607
Change in Net Position					
Governmental activities	\$ 114,301	\$ 17,275	\$ (46,035)	\$ 62,809	\$ (32,650)
Business-type activities	(106,962)	(78,990)	368,070	(22,585)	(38,931)
Total primary government	\$ 7,339	\$ (61,715)	\$ 322,035	\$ 40,224	\$ (71,581)

CITY OF LOWELL
Changes in Net Position
Last Ten Fiscal Years

	2016	2015	2014	2013	2012
Program revenues:					
Governmental activities:					
Charges for services:					
General Government	\$ 14,909	\$ 19,799	\$ 83,382	\$ 76,927	\$ 87,175
Culture & Recreation	21,596	8,888	28,346	20,738	22,242
Community Development	-	-	-	-	-
Code Enforcement	-	-	-	-	-
Municipal Court	-	-	-	-	-
Highways & Streets	3,042	-	-	-	-
Operating grants & contributions	15,626	69,629	91,705	91,224	102,779
Capital grants & contributions	-	125,000	37,650	36,359	54,426
Total governmental activities program revenues	55,173	223,316	241,083	225,248	266,622
Business-type activities:					
Charges for services:					
Building	-	-	-	-	-
Water	250,726	233,460	219,598	202,834	194,141
Sewer	274,731	260,087	244,525	227,096	209,464
Operating grants & contributions	-	-	-	-	-
Capital grants & contributions	-	-	4,175	63,705	851,687
Total business-type activities program revenues	525,457	493,547	468,298	493,635	1,255,292
Total primary government program revenues	580,630	716,863	709,381	718,883	1,521,914
Expenses:					
Governmental activities:					
General Government	280,159	270,210	240,178	200,174	210,628
Culture & Recreation	23,087	13,259	34,309	35,824	28,481
Public Safety	-	-	-	-	-
Community Development	-	-	-	-	-
Code Enforcement	-	-	-	-	-
Tourism	-	-	-	-	-
Municipal Court	-	-	-	-	-
Highways & Streets	42,499	31,917	41,816	41,354	64,370
Total governmental activities	345,745	315,386	316,303	277,352	303,479
Business-type activities:					
Building	-	-	-	-	-
Water	344,914	318,125	306,853	369,105	397,850
Sewer	375,223	393,260	348,726	317,306	355,139
Total business type activities	720,137	711,385	655,579	686,411	752,989
Total primary government expenses	\$ 1,065,882	\$ 1,026,771	\$ 971,882	\$ 963,763	\$ 1,056,468
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes	\$ 131,105	\$ 126,539	\$ 123,078	\$ 120,456	\$ 116,511
Investment earnings	3,628	2,718	2,879	2,720	2,734
Other revenues	175,136	99,556	36,646	2,155	1,916
Gain (loss) on capital assets	-	-	-	-	2,000
Transfers in (out)	(60,126)	(60,226)	(52,126)	(52,126)	(10,800)
Total governmental activities	249,743	168,587	110,477	73,205	112,361
Business-type activities					
Investment earnings	-	244	391	370	301
Other revenues	-	12,331	11,805	11,805	7,852
Gain (loss) on capital assets	-	-	-	-	-
Transfers in (out)	60,126	60,226	52,126	52,126	10,800
Total business-type activities	60,126	72,801	64,322	64,301	18,953
Total primary government	\$ 309,869	\$ 241,388	\$ 174,799	\$ 137,506	\$ 131,314
Change in Net Position					
Governmental activities	\$ (40,829)	\$ 76,517	\$ 35,257	\$ 21,101	\$ 75,504
Business-type activities	(134,554)	(145,037)	(122,959)	(128,475)	521,256
Total primary government	\$ (175,383)	\$ (68,520)	\$ (87,702)	\$ (107,374)	\$ 596,760

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Fund:					
Non spendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	18,466	6,100	-	-	-
Committed	5,224	6,597	-	-	-
Assigned	-	-	-	-	-
Unassigned	182,113	259,416	297,503	225,395	184,077
Total general fund	<u>205,803</u>	<u>272,113</u>	<u>297,503</u>	<u>225,395</u>	<u>184,077</u>
All Other Governmental Funds:					
Non spendable	-	-	-	-	-
Restricted	232,697	214,370	206,457	523,683	443,823
Committed	-	-	-	-	-
Assigned	11,468	34,691	29,405	91,457	90,575
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>244,165</u>	<u>249,061</u>	<u>235,862</u>	<u>615,140</u>	<u>534,398</u>
Total governmental funds	<u>\$ 449,968</u>	<u>\$ 521,174</u>	<u>\$ 533,365</u>	<u>\$ 840,535</u>	<u>\$ 718,475</u>

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
General Fund:					
Non spendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	10,000	-	-	-
Unassigned	123,608	84,227	95,231	57,836	(7,209)
Total general fund	<u>123,608</u>	<u>94,227</u>	<u>95,231</u>	<u>57,836</u>	<u>(7,209)</u>
All Other Governmental Funds:					
Non spendable	-	-	-	-	-
Restricted	402,992	375,704	323,070	256,485	221,038
Committed	-	-	-	-	-
Assigned	207,275	260,317	305,972	323,741	367,991
Unassigned	-	-	-	-	-
Total all other governmental funds	<u>610,267</u>	<u>636,021</u>	<u>629,042</u>	<u>580,226</u>	<u>589,029</u>
Total governmental funds	<u>\$ 733,875</u>	<u>\$ 730,248</u>	<u>\$ 724,273</u>	<u>\$ 638,062</u>	<u>\$ 581,820</u>

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

	Fiscal Year				
	2021	2020	2019	2018	2017
REVENUES					
Property Taxes	\$ 155,148	\$ 150,732	\$ 147,569	\$ 140,307	\$ 134,981
Intergovernmental	391,769	185,917	128,432	103,333	92,724
Franchise fees ¹	59,158	62,928	52,206	52,720	-
Licenses and permits	1,669	73,993	176,433	38,413	83,407
Charges for services	3,388	5,106	36,533	5,381	-
SDC fees ²	9,604	31,102	2,730	68,548	-
Fees and fines ¹	5,966	2,824	1,940	3,726	38,265
Investment earnings	2,789	8,617	9,833	6,921	7,783
Miscellaneous ²	12,114	2,729	1,631	18,973	18,442
Fundraising and event receipts	14,432	20,264	16,992	20,806	22,187
Total Revenues	<u>656,037</u>	<u>544,212</u>	<u>574,299</u>	<u>459,128</u>	<u>397,789</u>
EXPENDITURES					
Current:					
General Government ⁴	103,531	125,617	99,216	103,074	97,112
Parks ³	91,312	76,428	73,629	-	-
Public Safety	28,968	28,123	27,300	30,200	21,000
Community Development	73,748	102,066	168,433	42,730	35,264
Library ³	6,454	8,635	24,217	-	-
Tourism	14,311	14,490	7,566	9,695	3,096
Code Enforcement	2,251	2,786	11,863	-	14,268
Municipal Court	13,815	11,462	11,186	10,294	-
Highways and Streets	55,736	54,743	102,188	70,222	64,898
Blackberry Jam Festival ³	3,112	18,434	-	-	-
Culture and Recreation ³	-	-	-	67,812	64,383
Debt service:					
Principal	17,845	17,095	-	-	-
Interest	28,507	23,251	-	-	-
Capital Outlay:	629,424	72,415	760,121	-	21,244
Total Expenditures	<u>1,069,014</u>	<u>555,545</u>	<u>1,285,719</u>	<u>334,027</u>	<u>321,265</u>
Excess (deficiency) of revenues over expenditures	<u>(412,977)</u>	<u>(11,333)</u>	<u>(711,420)</u>	<u>125,101</u>	<u>76,524</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	22,975
Transfers out	(59,381)	(22,858)	(472,578)	(29,460)	(114,899)
Total other financing sources and uses	<u>341,771</u>	<u>(858)</u>	<u>177,987</u>	<u>(3,041)</u>	<u>(91,924)</u>
SPECIAL ITEM					
Other Source - Litigation Proceeds	-	-	226,263	-	-
Net change in fund balances	<u>(71,206)</u>	<u>(12,191)</u>	<u>(307,170)</u>	<u>122,060</u>	<u>(15,400)</u>
Fund balances - beginning	521,174	533,365	840,535	718,475	733,875
Fund balances - ending	<u>\$ 449,968</u>	<u>\$ 521,174</u>	<u>\$ 533,365</u>	<u>\$ 840,535</u>	<u>\$ 718,475</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				
	2016	2015	2014	2013	2012
REVENUES					
Property Taxes	\$ 131,105	\$ 126,539	\$ 123,078	\$ 120,456	\$ 116,511
Intergovernmental	86,140	84,941	91,705	91,224	102,779
Franchise fees ¹	-	-	-	-	-
Licenses and permits	71,933	74,573	83,382	77,477	89,878
Charges for services	-	-	-	-	-
SDC fees ²	-	-	37,650	35,809	51,723
Fees and fines ¹	9,779	25,502	3,178	2,771	5,249
Investment earnings	3,650	2,718	2,879	2,720	2,734
Miscellaneous ²	41,544	7,826	36,645	2,155	1,916
Fundraising and event receipts	20,969	18,403	25,168	17,967	16,993
Total Revenues	<u>365,120</u>	<u>340,502</u>	<u>403,685</u>	<u>350,579</u>	<u>387,783</u>
EXPENDITURES					
Current:					
General Government ⁴	204,569	203,871	201,453	167,510	199,572
Parks ³	-	-	-	-	-
Public Safety	30,486	24,298	-	-	-
Community Development	-	-	-	-	-
Library ³	-	-	-	-	-
Tourism	-	-	-	-	-
Code Enforcement	-	-	-	-	-
Municipal Court	-	-	-	-	-
Highways and Streets	43,185	32,576	35,192	34,615	33,607
Blackberry Jam Festival ³	-	-	-	-	-
Culture and Recreation ³	23,127	13,556	28,704	29,984	28,861
Debt service:	-	-	-	-	-
Principal	-	-	-	8,932	2,862
Interest	-	-	-	320	423
Capital Outlay:	-	-	-	850	46,423
Total Expenditures	<u>301,367</u>	<u>274,301</u>	<u>265,349</u>	<u>242,211</u>	<u>311,748</u>
Excess (deficiency) of revenues over expenditures	<u>63,753</u>	<u>66,201</u>	<u>138,336</u>	<u>108,368</u>	<u>76,035</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from loan	-	-	-	-	-
Gain or (loss) on sale of fixed assets	-	-	-	-	2,000
Transfers in	13,528	13,028	10,028	25,636	21,262
Transfers out	(73,654)	(73,254)	(62,154)	(77,762)	(32,062)
Total other financing sources and uses	<u>(60,126)</u>	<u>(60,226)</u>	<u>(52,126)</u>	<u>(52,126)</u>	<u>(8,800)</u>
SPECIAL ITEM					
Other Source - Litigation Proceeds	-	-	-	-	-
Net change in fund balances	3,627	5,975	86,210	56,242	67,235
Fund balances - beginning	730,248	724,273	638,063	581,820	514,585
Fund balances - ending	<u>\$ 733,875</u>	<u>\$ 730,248</u>	<u>\$ 724,273</u>	<u>\$ 638,062</u>	<u>\$ 581,820</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

	2021	2020	2019	2018	2017
Program revenues:					
Governmental activities:					
General Government ¹	\$ 92,901	\$ 42,328	\$ 44,602	\$ 66,346	\$ 48,219
Culture & Recreation	19,860	60,799	98,512	32,660	31,997
Public Safety	-	-	-	-	-
Community Development	688	103,117	175,627	-	-
Code Enforcement	981	876	806	-	-
Toursim	10,274	10,137	9,639	-	-
Municipal Court	5,966	2,824	1,940	-	-
Highways & Streets	297,159	99,489	102,859	8,007	4,273
Public Works ²	-	-	-	-	-
Subtotal governmental activities	<u>427,829</u>	<u>319,570</u>	<u>433,985</u>	<u>107,013</u>	<u>84,489</u>
Business-type activities:					
Building	1,929	-	-	-	-
Water	374,054	368,132	391,598	308,138	274,459
Sewer	419,817	376,377	363,394	382,284	330,777
Subtotal business-type activities	<u>795,800</u>	<u>744,509</u>	<u>754,992</u>	<u>690,422</u>	<u>605,236</u>
Total primary government	<u>1,223,629</u>	<u>1,064,079</u>	<u>1,188,977</u>	<u>797,435</u>	<u>689,725</u>

	2016	2015	2014	2013	2012
Program revenues:					
Governmental activities:					
General Government ¹	\$ 21,406	\$ 153,144	\$ 114,340	\$ 110,810	\$ 133,029
Culture & Recreation	30,725	9,888	28,346	20,738	22,242
Public Safety	-	-	-	-	-
Community Development	-	-	-	-	-
Code Enforcement	-	-	-	-	-
Toursim	-	-	-	-	-
Municipal Court	-	-	-	-	-
Highways & Streets	3,042	60,284	60,747	57,891	59,628
Public Works ²	-	-	37,650	35,809	51,723
Subtotal governmental activities	<u>55,173</u>	<u>223,316</u>	<u>241,083</u>	<u>225,248</u>	<u>266,622</u>
Business-type activities:					
Building	-	-	-	-	-
Water	250,726	233,460	221,728	264,731	952,891
Sewer	274,731	260,087	246,570	228,904	302,401
Subtotal business-type activities	<u>525,457</u>	<u>493,547</u>	<u>468,298</u>	<u>493,635</u>	<u>1,255,292</u>
Total primary government	<u>580,630</u>	<u>716,863</u>	<u>709,381</u>	<u>718,883</u>	<u>1,521,914</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

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
11-12	\$ 53,552,885	\$ 1,379,033	\$ 150,120	\$ 1,010,700	\$ 56,092,738	\$ 2.1613	\$ 88,134,339	63.6%
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%

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	
11-12	\$ 2.1613	\$ 2.1613	\$ 1.3942	\$ 2.6970	\$ 0.8782	\$ 0.2232	\$ 5.0409	\$ 12.3948
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

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
10-11	\$ 116,440	\$ 109,218	93.80%	\$ 3,399	\$ 112,617	103.4%
11-12	121,233	113,933	93.98%	2,578	116,511	104.1%
12-13	124,465	116,933	93.95%	3,523	120,456	103.3%
13-14	126,773	119,363	94.15%	3,715	123,078	103.0%
14-15	131,356	122,928	93.58%	3,611	126,539	103.8%
15-16	135,655	124,669	91.90%	2,360	127,029	106.8%
16-17	139,353	132,671	95.21%	2,310	134,981	103.2%
17-18	144,651	137,867	95.31%	2,440	140,307	103.1%
18-19	149,164	142,083	95.25%	5,486	147,569	101.1%
19-20	154,932	148,109	95.60%	2,622	150,732	102.8%
20-21	159,850	152,386	95.33%	2,761	155,147	103.0%

*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 2020-2021

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

Total City assessed valuation base for Fiscal Year 2020-2021: \$ 71,684,509

Fiscal Year 2019-2020

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

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

Fiscal Year 2018-2019

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

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

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

CITY OF LOWELL
Principal Tax Payers
Last Ten Fiscal Years

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

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

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

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

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

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

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

CITY OF LOWELL
Principal Tax Payers
Last Ten Fiscal Years

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

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

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

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

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

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

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

CITY OF LOWELL
Principal Tax Payers
Last Ten Fiscal Years

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

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

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

CITY OF LOWELL
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
11-12	1,045	36,462	34,892	50,370	45.5	195	9.75
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	1,090	-	-	-	0.0	0	7.94

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, 2021

Customer	Account Type	Percentage of Total Consumption
City of Lowell - Sewer Plant	Public	9.77%
Covered Bridge Estates	Multi-Family	1.84%
Lowell School District (BCA)	Public	1.73%
Lowell School District (HS)	Public	1.69%
Shelley	Private	1.09%
Mountain View Real Estate & Property Mgmt	Multi-Family	1.04%
Valencia	Private	0.97%
Larsen	Private	0.80%
Bridgeway Contracting LLC	Multi-Family	0.73%
City of Lowell - Maggie Osgood Library	Public	0.70%
Winder	Private	0.66%
Bridge Town Market	Commercial	0.61%
Martini	Private	0.57%
Lowell School District - Green house	Public	0.57%
McCart	Private	0.53%

Source: City Utility Database

COMPLIANCE SECTION

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

Emerald CPA Group, LLP

450 Country Club Road, Suite 155
Eugene OR 97401

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

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

We have audited the modified cash basis financial statements of City of Lowell (the City) as of and for the year ended June 30, 2021, and have issued our report thereon dated November 30, 2021.

Compliance

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

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

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

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

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

OAR 162-10-0230 Internal Control

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

Communication on the City's internal control over financial reporting is issued in the Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* on pages 63-64.

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

Emerald CPA Group LLP
Certified Public Accountants

Eugene, Oregon
November 30, 2021

*REPORT ON INTERNAL CONTROL OVER FINANCING REPORTING AND
ON COMPLIANCE AND OTHER MATTER BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS*

Emerald CPA Group, LLP

450 Country Club Road, Suite 155
Eugene OR 97401

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTER BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and City Council
City of Lowell
Lowell, Oregon

We have audited 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, the modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lowell (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 30, 2021.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purposed described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

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'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 purposed described in the preceding paragraph 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.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Emerald CPA Group LLP

Certified Public Accountants

Eugene, Oregon

November 30, 2021