

SCAPPOOSE *Oregon*

*Columbia County, Oregon
Annual Financial Report
Year Ending June 30, 2020*



CITY OF SCAPPOOSE, OREGON
CITY OFFICIALS
JUNE 30, 2020

CITY COUNCIL

Scott Burge, Mayor	33470 Chinook Plaza, #272 Scappoose, Oregon 97056
Patrick Kessi, Council President	33568 E Columbia Avenue Scappoose, Oregon 97056
Megan Greisen, Council Member	33568 E Columbia Avenue Scappoose, Oregon 97056
Joel Haugen, Council Member	33568 E Columbia Avenue Scappoose, Oregon 97056
Brandon Lesowske, Council Member	33568 E Columbia Avenue Scappoose, Oregon 97056
Josh Poling, Council Member	33568 E Columbia Avenue Scappoose, Oregon 97056
Natalie Sanders, Council Member Resigned 9/2019	33568 E Columbia Avenue Scappoose, Oregon 97056
Pete McHugh, Council Member Appointed 10/2019	33568 E Columbia Avenue Scappoose, OR 97056

ADMINISTRATION

Michael Sykes, City Manager

Jill Herr, Finance Administrator

Susan Reeves, City Recorder/Budget Secretary

Norman Miller, Chief of Police

Peter Watts, City Attorney

CITY OF SCAPPOOSE
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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Scappoose, Oregon
33568 E Columbia Avenue
Scappoose, OR 97056

I have audited the accompanying 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 Scappoose as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's 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 cash basis of accounting described in the "Summary of Significant Accounting Policies" in the notes to the financial statements. This includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditor's 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Scappoose as of June 30, 2020, and the respective changes in cash basis financial position thereof for the year then ended in conformity with the cash basis of accounting described in the "Summary of Significant Accounting Policies" in the notes to the financial statements.

Basis of Accounting

I draw attention to the "Summary of Significant Accounting Policies" in the notes to the financial statements that describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My opinions are not modified with respect to this matter.

Other Matters

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Scappoose's basic financial statements. The combining and individual non-major fund financial statements and additional supporting schedules listed in the table of contents as Supplemental Information are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City of Scappoose.

The budgetary comparison information on pages 37-47 and pages 50-56, and the combining fund financial statements on pages 35-36 and pages 48-49 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 cash basis of accounting. In my opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole on the basis of accounting described in "Summary of Significant Accounting Policies" in the notes to financial statements.

Management's discussion and analysis on pages 3-7 and schedules listed in the table of contents as Other Schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.

Report on Other Legal and Regulatory Requirements

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, I have issued our report dated December 8, 2020, on my consideration of the City of Scappoose's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on the City's compliance.



Steve Tuchscherer, CPA
December 8, 2020

CITY OF SCAPPOOSE
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2020

As management of the City of Scappoose, we offer readers of the financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2020.

FINANCIAL HIGHLIGHTS

	June 30		Change
	2020	2019	
Net Position (Cash Basis)	\$ 14,712,383	\$ 13,968,987	\$ 743,396
Governmental net position (Cash Basis)	7,076,230	6,806,537	\$ 269,693
Proprietary net position (Cash Basis)	7,636,153	7,162,450	\$ 473,703

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of Scappoose’s basic financial statements. The City’s basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Scappoose’s finances, in a manner similar to a private-sector business. These statements include:

The *Statement of Net Position (Cash Basis)*. The *statement of net position (Cash Basis)* presents information on all of the cash the City of Scappoose has as of the date on the statement. Over time, increases or decreases in net position serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities (Cash Basis)*. The *statement of activities (Cash Basis)* presents information showing how the cash position of the City of Scappoose has changed over the most recent fiscal year by tracking receipts and disbursements that increase or reduce cash position. In the government-wide financial statements, the City's activities are shown as governmental activities. All basic functions are shown here, such as police, planning, court, parks, community development and administration. These activities are primarily financed through property taxes and other intergovernmental receipts.

Fund financial statements. The fund financial statements provide more detailed information about the City of Scappoose’s funds, focusing on its most significant or “major” funds, not the City of Scappoose as a whole. 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, like other state and local governments,

uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Scappoose can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. The governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of 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 financing requirements.

Proprietary funds. The City of Scappoose charges customers for the services it provides, whether to outside users or to other units of the City and these services are generally reported in proprietary funds. The City’s enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements but provide more detail and additional information.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *supplemental information* including the combined statements for the non-major funds and the budgetary comparison schedules.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position (Cash Basis).

As noted earlier, net position serves, over time, as a useful indicator of a government’s cash position. In the case of the City of Scappoose, assets totaled \$14,712,383 at June 30, 2020.

The Net Position - Restricted funds represent resources that are subject to external restrictions on their use, such as debt service reserves or construction of capital assets.

The Net Position - Unrestricted funds are available for general operations of the City of Scappoose.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Cash and cash equivalents	\$ 7,076,230	\$ 6,806,537	\$ 7,636,153	\$ 7,162,450	\$ 14,712,383	\$ 13,968,987
Long-term debt	-	-	-	-	-	-
Net position						
Restricted	2,732,573	3,178,021	2,623,052	2,299,837	5,355,625	5,477,858
Unrestricted	4,343,657	3,628,516	5,013,101	4,862,613	9,356,758	8,491,129
Total net position	\$ 7,076,230	\$ 6,806,537	\$ 7,636,153	\$ 7,162,450	\$ 14,712,383	\$ 13,968,987

Statement of Activities. During the current fiscal year, the City of Scappoose’s cash position increased by \$743,396. The key elements of the change in Scappoose’s cash position for the year ended June 30, 2020 are as follows:

- Fees, fines and charges for services increased by \$264,721 due to increased construction permit activity and related SDC receipts.
- Capital grants and contribution income decreased by \$512,914 due to grant monies received the previous fiscal year for many of the infrastructure improvement projects.
- Disbursements decreased \$763,052 largely due to several infrastructure improvement projects are in various stages of completeness. Streets improvements decreased \$1,809,503 from the prior year, while Water Fund increased improvements by \$572,208, and Sewer Fund increased improvements by \$223,739 over the prior year.

Financial Analysis of the City of Scappoose’s Funds

As noted earlier, Scappoose uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

	For the years ended June 30,					
	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues						
Fines, fees, charges for services	\$ 933,148	\$ 654,357	\$ 4,465,037	\$ 4,479,107	\$ 5,398,185	\$ 5,133,464
Operating grants and contributions	853,259	1,026,714			853,259	1,026,714
Capital grants and contributions	464,807	1,220,571	363,125	120,275	827,932	1,340,846
General receipts						
Property tax	2,204,364	2,177,639	-	46,197	2,204,364	2,223,836
Franchise fees	471,259	481,890	-	-	471,259	481,890
Intergovernmental	-	-	-	-	-	-
Miscellaneous	109,888	193,670	151,724	165,224	261,612	358,894
Customer Deposits	97,591	249,794	(14,600)	2,925	82,991	252,719
Debt proceeds	-	-	-	-	-	-
Total revenues	5,134,316	6,004,635	4,965,286	4,813,728	10,099,602	10,818,363
Expenses						
General government	774,610	648,373	-	-	774,610	648,373
Court and police	1,893,278	1,754,541	-	-	1,893,278	1,754,541
Community services and development	554,150	436,840	-	-	554,150	436,840
Culture and recreation	1,195,217	1,334,968	-	-	1,195,217	1,334,968
Interest on long-term debt	3,102	6,409	-	-	3,102	6,409
Highways and streets	637,400	2,446,903	-	-	637,400	2,446,903
Storm Drain	-	-	116,230	114,952	116,230	114,952
Water	-	-	2,462,099	1,889,891	2,462,099	1,889,891
Sewer	-	-	1,720,120	1,486,381	1,720,120	1,486,381
Total expenses	5,057,757	6,628,034	4,298,449	3,491,224	9,356,206	10,119,258
Net assets before transfers	76,559	(623,399)	666,837	1,322,504	743,396	699,105
Transfers	193,134	157,987	(193,134)	(157,987)	-	-
Change in net position	269,693	(465,412)	473,703	1,164,517	743,396	699,105
Net position, beginning of year	6,806,537	7,271,949	7,162,450	5,997,933	13,968,987	13,269,882
Net position, end of year	7,076,230	6,806,537	7,636,153	7,162,450	14,712,383	13,968,987

Governmental funds. The focus of the City of Scappoose’s governmental funds is to provide information on relatively short-term cash flow and funding for future basic services. Such information is useful in assessing Scappoose’s financing requirements. In particular, *unrestricted fund balance* serves as a useful measure of a government’s net cash resources available for spending at the end of a fiscal year.

At June 30, 2020, the City’s governmental funds reported combined ending fund balances of \$7,076,230.

As detailed in the notes to the financial statements, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement #54 *Fund Balance Reporting and Governmental Fund Types Definitions*. Among the changes required is that special revenue funds whose primary source of funding is transfers from the General Fund be reported as part of the General Fund. Therefore, in the Governmental Funds Balance Sheet and the Statement of Receipts, Disbursements and Changes in Fund Balances, the Unemployment Fund and the Watts Fund has been combined with the General Fund.

General Fund. The General Fund is the primary operating fund of the City. As of June 30, 2020, unrestricted fund balance was \$4,343,657. The fund balance increased by \$715,141 during the current fiscal year. As a measure of the fund’s liquidity, it may be useful to compare total fund balance to total fund disbursements. Fund balance represents 75 percent of total General Fund disbursements.

General Fund Budgetary Highlights

The city council made adjustments to the adopted budget for the fiscal year ended June 30, 2020, which are reflected in the schedules of budget to actual by fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City of Scappoose’s investment in capital assets includes land, buildings and associated improvements, vehicles and equipment. As of June 30, 2020, Scappoose had invested \$38,336,974 in capital assets, net of depreciation, as shown in the following table:

**Capital Assets
As of June 30, 2019 and 2020**

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 2,846,703	\$ 2,115,103	\$ 389,036	\$ 389,036	\$ 3,235,739	\$ 2,504,139
Buildings	4,018,524	3,939,936	4,930,907	4,892,851	8,949,431	8,832,787
Equipment	1,949,360	1,786,074	2,570,108	2,525,123	4,519,468	4,311,197
Vehicles	765,830	765,830	896,373	733,664	1,662,203	1,499,494
Infrastructure	66,105,427	65,858,544	-	-	66,105,427	65,858,544
Water and sewer system		-	22,684,784	21,738,910	22,684,784	21,738,910
	75,685,844	74,465,487	31,471,208	30,279,584	107,157,052	104,745,071
Less: accumulated depreciation	(53,479,966)	(51,650,095)	(15,340,112)	(14,640,199)	(68,820,078)	(66,290,294)
Net capital assets	\$ 22,205,879	\$ 22,815,392	\$ 16,131,096	\$ 15,639,385	\$ 38,336,974	\$ 38,454,777

During fiscal year 2019-20, the City’s investment in capital assets increased by \$2,411,981.

Additional information regarding the City’s capital assets can be found in the notes to basic financial statements of this report. Under the cash basis of accounting expenditures are not required to be reported in the financial statements, and depreciation is not recorded. When a capital asset is retired or sold, any proceeds are recorded as receipts.

Long-term debt. At the end of the current fiscal year, the City of Scappoose had total bonded debt (general obligation and revenue bonds) outstanding of \$3,952,448 and capital leases in the amount of \$250,271. During the current fiscal year, the City’s total debt decreased by \$327,039.

Additional information on the City’s long-term debt can be found in the notes to the basic financial statements of this report. Under the cash basis of accounting, long term debt is not recorded in the financial statements. The following information is reported for disclosure purposes only.

As of June 30, 2019 and 2020

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Notes Payable	\$ -	-	3,758,396	\$ 4,125,853	\$ 3,758,396	\$ 4,125,853
Bonds Payable	-	-	194,052	202,873	194,052	202,873
Capital lease	34,293	49,951	215,978	151,081	250,271	201,032
	<u>\$ 34,293</u>	<u>49,951</u>	<u>4,168,426</u>	<u>\$ 4,479,807</u>	<u>\$ 4,202,719</u>	<u>\$ 4,529,758</u>

Economic Factors and Next Year’s Budget

The City of Scappoose’s Budget Committee considered all the following factors while preparing the

- Expected rates and consumption for business-type funds
- Staffing requirements and the desired level of service
- Capital outlay

REQUESTS FOR INFORMATION

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the City of Scappoose’s finances and to demonstrate the City’s accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

City of Scappoose
 Attn: City Recorder
 33568 E Columbia Avenue
 Scappoose, OR 97056
 (503)543-7146

BASIC FINANCIAL STATEMENTS

CITY OF SCAPPOOSE, OREGON
STATEMENT OF NET POSITION (CASH BASIS)
YEAR ENDED JUNE 30, 2020

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
ASSETS			
Cash and cash equivalents	\$ 7,076,230	\$ 7,636,153	\$ 14,712,383
<i>Total Assets</i>	<u>7,076,230</u>	<u>7,636,153</u>	<u>14,712,383</u>
NET POSITION			
Restricted			-
Customer Deposits	97,591	-	97,591
Capital Projects	1,342,577	2,623,052	3,965,629
Unemployment	116,205	-	116,205
Special Revenue	1,176,200	-	1,176,200
Unrestricted	4,343,657	5,013,101	9,356,758
<i>Total Net Position</i>	<u>\$ 7,076,230</u>	<u>\$ 7,636,153</u>	<u>\$ 14,712,383</u>

The accompanying notes are an integral part of the financial statements

CITY OF SCAPPOOSE, OREGON
STATEMENT OF ACTIVITIES (CASH BASIS)
YEAR ENDED JUNE 30, 2020

RECEIPTS	Cash Disbursements	Program Receipts			Net Changes in Net Position		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Totals
Functions/Programs							
Governmental activities:							
General government	\$ 774,610	\$ 425,209	\$ 346,077	\$ 15,586	\$ 12,262	\$ -	\$ 12,262
Public safety	1,893,278	120,242	-	-	(1,773,036)	-	(1,773,036)
Culture and recreation	1,195,217	11,480	-	34,075	(1,149,662)	-	(1,149,662)
Community development	554,150	376,217	-	-	(177,933)	-	(177,933)
Highways and streets	637,400	-	507,182	415,146	284,928	-	284,928
Interest on long-term debt	3,102	-	-	-	(3,102)	-	(3,102)
<i>Total Governmental Activities</i>	<u>5,057,757</u>	<u>933,148</u>	<u>853,259</u>	<u>464,807</u>	<u>(2,806,543)</u>	<u>-</u>	<u>(2,806,543)</u>
Business-type activities:							
Water	2,462,099	2,132,877	-	152,249	-	(176,973)	(176,973)
Sewer	1,720,120	2,024,359	-	147,154	-	451,393	451,393
Storm Drain	116,230	307,801	-	63,722	-	255,293	255,293
<i>Total Business-type Activities</i>	<u>4,298,449</u>	<u>4,465,037</u>	<u>-</u>	<u>363,125</u>	<u>-</u>	<u>529,713</u>	<u>529,713</u>
<i>Total Activities</i>	<u>\$ 9,356,206</u>	<u>\$ 5,398,185</u>	<u>\$ 853,259</u>	<u>\$ 827,932</u>	<u>(2,806,543)</u>	<u>529,713</u>	<u>(2,276,830)</u>
General Receipts:							
Property taxes					2,204,364	-	2,204,364
Franchise taxes					471,259	-	471,259
Intergovernmental					-	-	-
Fines and forfeitures					13,628	-	13,628
Capital lease					-	-	-
Loan proceeds					-	-	-
Miscellaneous					96,260	151,724	247,984
Customer Deposits					97,591	(14,600)	82,991
<i>Total General Receipts</i>					<u>2,883,102</u>	<u>137,124</u>	<u>3,020,226</u>
Transfers					<u>193,134</u>	<u>(193,134)</u>	<u>-</u>
Change in net Position					<u>269,693</u>	<u>473,703</u>	<u>743,396</u>
Net position, July 1, 2019					<u>6,806,537</u>	<u>7,162,450</u>	<u>13,968,987</u>
Net Position, June 30, 2020					<u>7,076,230</u>	<u>7,636,153</u>	<u>14,712,383</u>

The accompanying notes are an integral part of the financial statements.

CITY OF SCAPPOOSE, OREGON

STATEMENT OF CASH ASSETS AND FUND BALANCES (CASH BASIS) - GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2020

	<u>General</u>	<u>Special Revenue</u> <u>Street</u>	<u>Capital Projects</u> <u>Street</u> <u>SDC</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Totals</u>
CASH ASSETS					
Cash and cash equivalents	\$ 4,557,453	758,809	1,063,282	696,686	\$ 7,076,230
FUND BALANCES					
Restricted for					
Capital Projects	-	-	-	270,442	270,442
Customer Deposits	97,591	-	-	-	97,591
Unemployment	116,205	-	-	-	116,205
Capital Projects	-	-	1,063,282	8,853	1,072,135
Special Revenue	-	758,809	-	417,391	1,176,200
Unassigned	4,343,657	-	-	-	4,343,657
<i>Total Fund Balances</i>	<u>\$ 4,557,453</u>	<u>\$ 758,809</u>	<u>\$ 1,063,282</u>	<u>\$ 696,686</u>	<u>\$ 7,076,230</u>

The accompanying notes are an integral part of the financial statements.

CITY OF SCAPPOOSE, OREGON
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES-
(CASH BASIS) – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	<u>Special Revenue</u>		<u>Capital Projects</u>	<i>Other</i>	<u>Totals</u>
	<u>General</u>	<u>Street</u>	<u>Street SDC</u>	<u>Governmental Funds</u>	
CASH RECEIPTS					
Taxes and assessments	\$ 2,204,364	\$ -	\$ -	\$ -	\$ 2,204,364
Licenses and permits	491,327	26,731	272,569	377,654	1,168,281
Charges for services	229,831	-	-	16,550	246,381
Intergovernmental	503,923	658,264	-	5,123	1,167,310
Miscellaneous	183,651	13,871	21,085	31,787	250,394
Customer Deposits	97,591	-	-	-	97,591
<i>Total Receipts</i>	<u>3,710,687</u>	<u>698,866</u>	<u>293,654</u>	<u>431,114</u>	<u>5,134,321</u>
DISBURSEMENTS					
General government	692,855	-	-	294,546	987,401
Court and police	1,846,107	-	-	-	1,846,107
Highways and streets	-	390,516	-	9,443	399,959
Culture and recreation	300,679	-	-	24,887	325,566
Community development	259,604	-	-	-	259,604
Capital outlay	179,528	105,302	140,582	794,948	1,220,360
Debt service	18,760	-	-	-	18,760
<i>Total Disbursements</i>	<u>3,297,533</u>	<u>495,818</u>	<u>140,582</u>	<u>1,123,824</u>	<u>5,057,757</u>
RECEIPTS OVER (UNDER)	-	-	-	-	-
DISBURSEMENTS	413,154	203,048	153,072	(692,710)	76,564
OTHER FINANCING SOURCES (USES)					
Transfers in	524,506	-	-	100,000	624,506
Transfers out	(320,483)	(64,601)	(11,281)	(35,007)	(431,372)
<i>Total Other Financing Sources (Uses)</i>	<u>204,023</u>	<u>(64,601)</u>	<u>(11,281)</u>	<u>64,993</u>	<u>193,134</u>
NET CHANGE IN FUND BALANCES	617,177	138,447	141,791	(627,717)	269,698
FUND BALANCES, Beginning of year	<u>3,940,276</u>	<u>620,362</u>	<u>921,491</u>	<u>1,324,403</u>	<u>6,806,532</u>
FUND BALANCES, End of year	<u>\$ 4,557,453</u>	<u>\$ 758,809</u>	<u>\$ 1,063,282</u>	<u>\$ 696,686</u>	<u>\$ 7,076,230</u>

The accompanying notes are an integral part of the financial statements.

CITY OF SCAPPOOSE, OREGON

STATEMENT OF NET POSITION – (CASH BASIS) – PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2020

	<u>Water Utility</u>	<u>Waste Water Utility</u>	<u>Waste Water SDC</u>	<u>Other Business-type Funds</u>	<u>Totals</u>
CASH ASSETS					
Cash and cash equivalents	\$ 3,318,566	1,694,535	1,180,582	1,442,470	\$ 7,636,153
NET POSITION					
Restricted	-	-	1,180,582	1,442,470	2,623,052
Unrestricted	3,318,566	1,694,535	-	-	5,013,101
<i>Total Net Position</i>	<u>3,318,566</u>	<u>1,694,535</u>	<u>1,180,582</u>	<u>1,442,470</u>	<u>7,636,153</u>
<i>Total Liabilities and Net Assets</i>	<u>\$ 3,318,566</u>	<u>\$ 1,694,535</u>	<u>\$ 1,180,582</u>	<u>\$ 1,442,470</u>	<u>\$ 7,636,153</u>

The accompanying notes are an integral part of the financial statements.

CITY OF SCAPPOOSE, OREGON

STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN CASH POSITION -

(CASH BASIS) – PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2020

	<i>Water Utility</i>	<i>Waste Water Utility</i>	<i>Waste Water SDC</i>	<i>Other Business-type Funds</i>	<i>Totals</i>
OPERATING RECEIPTS					
Licenses and permits	\$ 22,331	\$ 20,531	\$ -	\$ 215,144	\$ 258,006
Charges for services	2,103,259	2,001,280	147,154	288,628	4,540,321
Intergovernmental	20,000	-	-	-	20,000
Miscellaneous	75,388	36,018	23,226	26,927	161,559
<i>Total Operating Receipts</i>	<u>2,220,978</u>	<u>2,057,829</u>	<u>170,380</u>	<u>530,699</u>	<u>4,979,886</u>
OPERATING DISBURSEMENTS					
Personal services	842,881	854,609	-	81,790	1,779,280
Materials and services	438,848	420,582	-	44,470	903,900
Capital outlay	691,213	288,068	35,514	14,118	1,028,913
Customer water security deposits	14,600	-	-	-	14,600
<i>Total Operating Disbursements</i>	<u>1,987,542</u>	<u>1,563,259</u>	<u>35,514</u>	<u>140,378</u>	<u>3,726,693</u>
OPERATING RECEIPTS OVER (UNDER) OPERATING DISBURSEMENTS					
	233,436	494,570	134,866	390,321	1,253,193
NON OPERATING RECEIPTS (DISBURSEMENTS)					
Debt service					
Principal	(152,725)	(117,642)	-	(213,138)	(483,505)
Interest	(34,491)	(3,705)	-	(64,655)	(102,851)
<i>Total Non Operating Receipts (Disbursements)</i>	<u>(187,216)</u>	<u>(121,347)</u>	<u>-</u>	<u>(277,793)</u>	<u>(586,356)</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS					
Transfers in	-	-	-	94,450	94,450
Transfers out	(137,497)	(134,382)	(6,431)	(9,274)	(287,584)
NET CHANGES IN POSITION	(91,277)	238,841	128,435	197,704	473,703
NET POSITION, Beginning of year	<u>3,409,843</u>	<u>1,455,694</u>	<u>1,052,147</u>	<u>1,244,766</u>	<u>7,162,450</u>
NET POSITION, End of year	<u>\$ 3,318,566</u>	<u>\$ 1,694,535</u>	<u>\$ 1,180,582</u>	<u>\$ 1,442,470</u>	<u>\$ 7,636,153</u>

The accompanying notes are an integral part of the financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City is governed by an elected mayor and six council members who comprise the City Council. The City provides various services as authorized by its charter, including stormwater, water and wastewater utilities.

There are certain governmental agencies and various service districts which provide services within the City. These agencies have independently elected governing boards and the City is not financially accountable for these organizations. Therefore, financial information for these agencies is not included in the accompanying basic financial statements.

As discussed further under *Measurement Focus and Basis of Accounting*, these financial statements are presented on a cash basis of accounting, which is a basis of accounting other than Generally Accepted Accounting Principles (GAAP) accepted in the United States of America, established by the Governmental Accounting Standards Board (GASB). These cash basis financial statements generally meet the presentation and disclosure requirements applicable to GAAP, in substance, but are limited to the elements presented in the financial statements and the constraints of the measurement and recognition criteria of the cash basis of accounting.

Basic Financial Statements

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Government-wide financial statements display information about the reporting government as a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Position (Cash Basis) and the Statement of Activities (Cash Basis).

The Statement of Net Position (Cash Basis) presents information about the reporting government as a whole. The information includes all funds of the reporting entity. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other revenues. Business-type activities are financed in whole or in part by fees charged to external parties for services.

The Statement of Activities (Cash Basis) demonstrates the degree to which the direct disbursements of a given function or segment are offset by program revenues. *Direct disbursements* are those that are clearly identifiable with a specific function or segment. *Program receipts* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and (2) 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 receipts are reported instead as *general receipts*.

Fund financial statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, proprietary, or fiduciary. Currently, the City has governmental and proprietary type funds. Major individual governmental funds, and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are consolidated into a single column within each fund type in the financial section of the basic financial statements and are detailed in the other supplementary information.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting principles generally accepted in the United States of America set forth minimum criteria (percentage of the assets, liabilities, receipts or disbursements of either fund category or the government and enterprise combined) for the determination of major funds.

Basis of Presentation

The City reports the following major governmental funds:

General Fund - to account for the financial operations of the City not accounted for in any other fund. Principal sources of receipts are property taxes, licenses and permits, franchise fees and State shared revenues. Primary disbursements are for police protection, insurance and general administration.

Combined with the General Fund are the Unemployment Fund and the Watts House Fund— accounts for unemployment disbursements and repairs and improvement of the Watts House.

Street Fund – accounts for gasoline tax apportionments and disbursements for street improvements.

Street SDC Fund - accounts for the system development charges.

Special Revenue Funds are used to account for the proceeds from specific sources that are either legally restricted to disbursements for specified purposes or designated to finance particular functions or activities of the City. The City reports the following non major governmental funds:

PEG Fee Fund – accounts for Public Education Governmental receipts from cable fees and disbursements related to public access and education.

Building Fund - accounts for the operations of the City's building receipts.

Law Enforcement Fund – accounts for municipal court receipts assessed for the purpose of law enforcement activities.

Recreation Reserve Fund – accounts for receipts and future construction of the City's pool.

Foot Path and Bike Trails Fund – accounts for 1% of gasoline tax and improvements to foot path and bike trails.

Parks SDC Fund – to account for receipts and disbursements associated with parks capital projects.

Proprietary Funds are used to account for the acquisition, operation, and maintenance of the wastewater and water systems. These funds are entirely or predominantly self-supported through user charges to customers.

The City reports the following major proprietary funds:

Water Utility Fund - to account for the operation of the City's water system.

Wastewater Utility Fund - to account for the operation of the City's wastewater system.

CITY OF SCAPPOOSE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Wastewater SDC Fund - to account for receipts and disbursements associated with wastewater capital projects.

The City reports the following non major proprietary funds:

Storm Drain Fund - to account for the operation of the City's storm drain system.

Storm Drain SDC Fund - to account for receipts and disbursements associated with storm drainage capital projects.

Water SDC Fund - to account for receipts and disbursements associated with water capital projects.

Fund Balance

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Governmental type fund balances are reported in the following classifications:

Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaid and deposits, and assets held for resale.

Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the City Council takes formal action that places specific constraints on how the resources may be used. The City Council can modify or rescind the commitment at any time through taking a similar formal action.

Resources that are constrained by the City's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent is expressed when the City Council approves which resources should be "reserved" during the adoption of the annual budget. The City's Finance Administrator uses that information to determine whether those resources should be classified as assigned or unrestricted for presentation in the City's Annual Financial Report.

Unrestricted fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

CITY OF SCAPPOOSE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Definitions of Governmental Fund Types

The General Fund is used to account for all financial resources not accounted for in another fund. In addition, certain Special Revenue Funds are reported as part of the General Fund because their source of funds is primarily transfers from the General Fund.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term “proceeds of specific revenues sources” means that the revenue sources for the fund must be from restricted or committed sources, specifically that a substantial portion of the revenue must be from these sources and be expended in accordance with those requirements.

Capital Projects Funds are utilized to account for financial resources to be used for the acquisition or construction of capital equipment and facilities.

The City adopted the provisions of GASB Statement #54 *Fund Balance Reporting and Governmental Fund Types Definitions*. Among the changes required is that Special Revenue Funds whose primary source of funding is transfers from the General Fund be reported as part of the General Fund. Therefore, in the Governmental Funds Balance Sheet (Cash Basis) and the Statement of Cash Receipts, Disbursements and Changes in Fund Balances (Cash Basis), the Unemployment Fund and the Watts Fund has been combined with the General Fund.

Measurement Focus and Basis of Accounting

The financial statements are presented on a cash basis of accounting, which is a basis of accounting other than GAAP as established by GASB. The cash basis of accounting differs from GAAP primarily because certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected and other accrued revenue and receivables) and certain liabilities and their related expenses or expenditures (such as accounts payable and expenses for goods and services received but not yet paid and other accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows, liabilities, and deferred inflows that do not arise from a cash transaction or event are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value. Additionally, capital assets such as property and equipment, and long-term liabilities such as debt are only reported in the notes to the financial statements.

If the City utilized the basis of accounting recognized as generally accepted in the United States of America, the fund financial statements for the governmental funds would use the modified accrual basis of accounting, and the fund financial statements for the enterprise funds would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

The City’s policy, although not in accordance with accounting principles generally accepted in the United States of America, is acceptable under Oregon Law (ORS 294.333), which leaves the selection of the method of accounting to the discretion of the municipal corporation.

Enterprise funds distinguish between operating receipts and disbursements and non-operating items. Operating receipts and disbursements result from providing services to customers in connection with ongoing utility operations. The principal operating revenues are charges to customers for service. Operating disbursements

CITY OF SCAPPOOSE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

include payroll and related costs, and materials and supplies. All receipts not considered operating are reported as non-operating items.

Use of Estimates

The preparation of financial statements in conformity with the cash basis of accounting do not require management to make estimates or assumptions that affect reporting amounts. Capital Asset values and depreciation amounts reported in the Management Discussion & Analysis (M D & A) notes include estimates, but these amounts are not included in the financial statements.

Cash and Cash Equivalents

The City maintains cash in a common pool that is available for use by all funds. Each fund type's portion of this pool is displayed as cash and cash equivalents. The City considers cash on hand, demand deposits and savings accounts, and short-term investments with an original maturity of three months or less from the date of acquisition to be cash and cash equivalents.

Oregon Revised Statutes authorize the City to invest in certificates of deposit, savings accounts, bank repurchase agreements, bankers' acceptances, general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities and the State Treasurer's Local Government Investment Pool, among others.

For the purpose of financial reporting, cash and cash equivalents includes all demand and savings accounts and certificates of deposit or short-term investments with an original maturity of three months or less.

Investments in the Local Governmental Investment Pool are stated at cost, which approximates fair value.

Property Taxes

Property taxes are levied by the County Assessor and collected by the County tax collector. The taxes are levied and become a lien as of July 1. They may be paid in three equal installments, the payments are due November 15, February 15, and May 15. The City's property tax collection records show that most of the property taxes due are collected during the year of levy and delinquent taxes are collected in the next few years.

Capital Assets

Capital assets (items costing more than \$5,000 and lasting more than one year) are reported in the applicable governmental or business-type activities in the notes to the financial statements. In the fund statements, capital assets are charged as disbursements as purchased. Capital assets are recorded at cost or estimated historical cost where records are available. Donated assets are not recorded. Replacements which improve or extend the lives of property are recorded as disbursements in the financial statement and added to capital assets in the note disclosures.

Capital assets are depreciated unless they are inexhaustible in nature (e.g., land and right-of-ways). Depreciation is an accounting process to allocate the cost of capital assets in a systematic and rational manner to those periods expected to benefit from the use of capital assets. Depreciation is not intended to represent an estimate in the decline of fair market value, nor are capital assets, net of accumulated depreciation, intended to represent an estimate of the current condition of the assets, or the maintenance requirements needed to maintain the assets at their current level of condition.

CITY OF SCAPPOOSE, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation is computed over the estimated useful lives of the capital assets. Depreciation is calculated on the straight-line basis. The estimated useful lives of the various categories of assets are as follows:

Buildings and improvements	30 - 40 years
Water and Wastewater Systems	20 - 50 years
Infrastructure	20 - 50 years
Equipment	5 - 30 years

Upon disposal of capital assets, cost and accumulated depreciation are removed from the capital assets.

Long-Term Debt

Long-term debt is presented only in the notes to the financial statements. Payments of principal and interest are recorded as disbursements when paid.

Use of Restricted Assets

When disbursements are made for purposes in which both net position - restricted and net position - unrestricted are available, the City deems net position - restricted to be spent first.

Accrued Compensated Absences

Accumulated unpaid vacation pay is not accrued. Earned but unpaid sick pay is recorded as a disbursement when paid.

Budgets and Budgetary Accounting

The City adopts the budget on an object (personnel services, materials and services, capital outlay, debt service) basis, therefore, disbursements of a specific object may not legally exceed that object's appropriation. The City Council may amend the budget to expend unforeseen receipts by supplemental appropriations. All supplemental appropriations are included in the budget comparison statements. Appropriations lapse at year-end and may not be carried over. The City does not use encumbrance accounting.

CASH

Cash and investments are comprised of the following at June 30, 2020:

	<u>Carrying Value</u>	<u>Fair Value</u>
Cash		
Petty cash	\$ 400	\$ 400
Cash in checking	438,591	438,591
Restricted cash-deposits for business activities	133,605	133,605
Cash deposits	431,730	431,730
Investments		-
Local Government Investment Pool	13,708,057	13,708,057
	<u>\$ 14,712,383</u>	<u>\$ 14,712,383</u>

CITY OF SCAPPOOSE, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2020

CASH (continued)

Deposits

At year end, the book balance of the City's bank deposits (checking) was \$438,591 and the bank balance was \$598,036. The difference is due to transactions in process. All deposits not covered by FDIC insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage are with institutions participating in the Oregon Public Funds Collateralization Program. The PFCP is a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. As of June 30, 2020, none of the City's bank balances were exposed to custodial credit risk as the balances are under FDIC insurance limits.

Investments

The State Treasurer of the State of Oregon maintains the Oregon Short-Term Fund, of which the Local Government Investment Pool is part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, the investment funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. The Oregon Short-Term Fund is the LGIP for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). At June 30, 2020, the fair value of the position in the Oregon State Treasurer's Short-Term Investment Pool was approximately equal to the value of the pool shares. The investment in the Oregon Short-Term Fund is not rated for credit quality. Separate financial statements for the Oregon Short-Term Fund are available from the Oregon State Treasurer.

Interest Rate Risk

In accordance with its investment policy, the City manages its exposure to declines in fair value of its investments by limiting the weighted average maturity of its investments through use of the Local Government Investment Pool.

Treasurer's Short-Term Investment Pool was approximately equal to the value of the pool shares. The investment in the Oregon Short-Term Fund is not rated for credit quality. Separate financial statements for the Oregon Short-Term Fund are available from the Oregon State Treasurer.

CITY OF SCAPPOOSE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2020

CASH (continued)

Treasurer's Short-Term Investment Pool was approximately equal to the value of the pool shares. The investment in the Oregon Short-Term Fund is not rated for credit quality. Separate financial statements for the Oregon Short-Term Fund are available from the Oregon State Treasurer.

Interest Rate Risk

In accordance with its investment policy, the City manages its exposure to declines in fair value of its investments by limiting the weighted average maturity of its investments through use of the Local Government Investment Pool.

Custodial Risk - Investments

For an investment, there is the risk that, in the event of a counterparty failure, the City will not be able to recover the value of its investments or collateralized securities in the possession of an outside party. The City's investment policy limits the types of investments that may be held and does not allow securities to be held by the counterparty. The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Commission. The LGIP is an open-ended, no-loan, diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of or has control of any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short Term Fund Board, which has established diversification percentages and specifies the types and maturities of the investments. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. These investments within the LGIP must be invested and managed as a prudent investor would, exercising reasonable care, skill and caution. Professional standards indicate that the investments in external investment pools are not subject to custodial risk because they are not evidenced by securities that exist in physical or book entry form. Nevertheless, management does not believe that there is any substantial custodial risk related to investments in the LGIP.

CITY OF SCAPPOOSE, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2020

CAPITAL ASSETS

As a result of the use of the cash basis of accounting in this report, capital assets are not reported in the financial statements. The summary of capital assets for the business-type activities for the year ended June 30, 2020 are as follows:

	<i>Balances July 1, 2019</i>	<i>Additions</i>	<i>Retirements</i>	<i>Balances June 30, 2020</i>
NON-DEPRECIABLE				
Land	\$ 389,036	\$ -	\$ -	\$ 389,036
Construction in progress	-	-	-	-
<i>Total Non-depreciable</i>	<u>\$ 389,036</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 389,036</u>
DEPRECIABLE				
Buildings	4,892,852	38,055	-	4,930,907
Equipment	2,525,123	44,985	-	2,570,108
Vehicles	733,664	162,709	-	896,373
Water and sewer system	21,738,911	945,873	-	22,684,784
<i>Total Depreciable</i>	<u>29,890,550</u>	<u>1,191,622</u>	<u>-</u>	<u>31,082,172</u>
ACCUMULATED DEPRECIATION				
Buildings and improvements	(3,212,163)	(122,766)	-	(3,334,929)
Equipment	(2,008,911)	(42,463)	-	(2,051,374)
Vehicles	(327,528)	(31,401)	-	(358,929)
Water and sewer systems	(9,091,598)	(503,282)	-	(9,594,880)
<i>Total accumulated depreciation</i>	<u>(14,640,200)</u>	<u>(699,912)</u>	<u>-</u>	<u>(15,340,112)</u>
<i>Business-type activities capital assets, net</i>	<u>\$ 15,639,386</u>	<u>\$ 491,710</u>	<u>\$ -</u>	<u>\$ 16,131,096</u>

CITY OF SCAPPOOSE, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2020

CAPITAL ASSETS (Continued)

As a result of the use of the cash basis of accounting in this report, capital assets are not reported in the financial statements. The changes in the capital assets for governmental activities for the year ending June 30, 2020 are as follows:

	<i>Balances</i> <i>July 1,</i> <i>2019</i>	<i>Additions</i>	<i>Retirements</i>	<i>Balances</i> <i>June 30,</i> <i>2020</i>
NON-DEPRECIABLE				
Land	\$ 2,115,103	\$ 731,600	\$ -	\$ 2,846,703
Construction in progress	-	-	-	-
<i>Total Non-depreciable</i>	<u>\$ 2,115,103</u>	<u>\$ 731,600</u>	<u>\$ -</u>	<u>\$ 2,846,703</u>
DEPRECIABLE				
Buildings	3,939,936	78,588	-	4,018,524
Equipment	1,786,074	163,287	-	1,949,360
Vehicles	765,830	-	-	765,830
Infrastructure	65,858,544	246,884	-	66,105,428
<i>Total Depreciable</i>	<u>72,350,384</u>	<u>488,759</u>	<u>-</u>	<u>72,839,143</u>
ACCUMULATED DEPRECIATION				
Buildings and improvements	(1,740,834)	(107,199)	-	(1,848,033)
Equipment	(533,869)	(98,672)	-	(632,541)
Vehicles	(710,548)	(23,247)	-	(733,795)
Infrastructure	(48,664,844)	(1,600,753)	-	(50,265,597)
<i>Total accumulated depreciation</i>	<u>(51,650,095)</u>	<u>(1,829,871)</u>	<u>-</u>	<u>(53,479,966)</u>
<i>Business-type activities capital assets, net</i>	<u><u>\$ 22,815,392</u></u>	<u><u>\$ (609,512)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 22,205,880</u></u>

CITY OF SCAPPOOSE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2020

LONG-TERM DEBT

As a result of the use of the cash basis of accounting in this report, obligations related to long-term debt and other obligations are not reported as liabilities in the financial statements. Long-term debt transactions for the year were as follows:

	<i>Outstanding July 1, 2019</i>	<i>Issued</i>	<i>Matured/ Redeemed During Year</i>	<i>Outstanding June 30, 2020</i>	<i>Due Within One Year</i>	
Governmental Activities						
Capital leases payable	\$ 49,951	\$ -	\$ 15,658	\$ 34,293	\$ 16,630	
	<u>49,951</u>	<u>-</u>	<u>15,658</u>	<u>34,293</u>	<u>16,630</u>	
	<i>Outstanding July 1, 2019</i>	<i>Issued</i>	<i>Forgiven/ Discounted</i>	<i>Matured/ Redeemed During Year</i>	<i>Outstanding June 30, 2020</i>	<i>Due Within One Year</i>
Business-type Activities						
Bonds						
Wastewater DEQ Loan	202,873	8,821	-	17,642	194,052	17,642
	<u>202,873</u>			<u>17,642</u>	<u>194,052</u>	<u>62,749</u>
Notes						
Safe Drinking Water	720,814	594	-	54,913	666,495	52,964
WTP phase I & 2 Notes	873,721	-	-	78,650	795,071	78,063
Safe Drinking Water Notes	2,331,318	-	-	134,488	2,196,830	133,157
Wastewater US Bank Notes	200,000	-	-	100,000	100,000	100,000
	<u>4,125,853</u>	<u>594</u>	<u>-</u>	<u>368,051</u>	<u>3,758,396</u>	<u>364,184</u>
	<u>4,328,726</u>	<u>-</u>	<u>-</u>	<u>385,693</u>	<u>3,952,448</u>	<u>426,933</u>
Leases						
Capital leases payable	151,081	162,709		97,812	215,978	71,026
	<u>\$ 4,479,807</u>	<u>\$ 163,303</u>	<u>\$ -</u>	<u>\$ 483,505</u>	<u>\$ 4,168,426</u>	<u>\$ 497,959</u>

CITY OF SCAPPOOSE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2020

LONG-TERM DEBT (Continued)

Treatment Plant General Obligation Bonds- The City issued general obligation bonds in the amount of \$2,581,300 to provide funds for the acquisition and construction of utility systems. The interest rate was 5%. The water bonds matured in 2019 and are now paid in full.

Water Treatment Plant Phase 1 & 2 and Safe Drinking Water Project Notes – On December 4, 2002, the City entered into a contract with Oregon Economic and Community Development Department (OECDD) for water system improvement projects phase 1 & 2. Total estimated costs for both projects are \$6,974,000 which consists of water grants \$500,000, a water loan \$1,814,000 (interest rate 4.4%), a Safe Drinking water revolving loan \$4,000,000 (interest 1%), including a forgivable note of \$250,000 and the City’s matching funds of \$660,000. The loans mature in 2028 and 2035.

Dutch Canyon Waterline Notes is at 3.68% interest. This project was contingent and part of the financing of the Water Treatment Plant Phase 1 & 2. Upon completion of the Water Treatment Plant Phase 1 &2 project the Dutch Canyon water line was constructed. The original loan amount was \$1,274,143 and the loan matures in 2030.

Wastewater Treatment Plant Improvements Clean Water DEQ Bond – The City entered into a contract in 2010 for the purpose of construction pump and filter upgrades for the Waste Water Treatment Plant and Springlake Park Pump Station. The loan amount is \$705,660, and the interest rate is 0%. The loan has a provision of 50% loan forgiveness referred to as the “ARRA Forgivable Loan” if the project is completed in compliance and there is no default of terms. The loan matures in 2029.

Wastewater Line Relocation U S Bank – On December 2013 the City entered in to a loan agreement to funds movement of the waste water line located on JP West Road. Columbia County constructed a new, wider bridge, which required our waste water line to be relocated. The loan amount is \$700,000, the interest rate is 2.47%. The agreement requires semi-annual principal and interest payments due December and June for 7 years, the balance will be paid in full 2020.

CITY OF SCAPPOOSE, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2020

LONG-TERM DEBT (Continued)

Future debt service requirements are as follows:

Business-type Activities			
Fiscal Year Ending	Principal	Interest	Total
June 30,			
2021	394,665	85,454	480,119
2022	303,789	76,806	380,595
2023	308,042	68,989	377,031
2024	317,423	61,046	378,470
2025-2029	1,596,935	173,687	1,770,622
2030-2034	865,120	33,859	898,979
2035-2037	166,473	1,768	168,241
	-		-
	<u>\$ 3,952,447</u>	<u>\$ 501,609</u>	<u>\$ 4,454,057</u>

CAPITAL LEASES

The City has entered into four separate lease agreements as lessee for financing the acquisition of police vehicles and heavy equipment with Ford Financing Motor Credit Company. The City also entered into a lease agreement with KS Bank to purchase police vehicle and body camera equipment. The lease agreements qualify as capital leases for accounting purposes.

CAPITAL LEASES

Year Ending			
June 30,	Principal	Interest	Total
2021	103,090	7,015	110,105
2022	106,504	3,601	110,105
2023	40,677	-	40,677
	<u>250,271</u>	<u>10,616</u>	<u>260,887</u>

OPERATING LEASES

On November 12, 2007, the City entered into a 5-year lease agreement with Brian Rosenthal to rent office space at 52610 NE 1st Street, Units 120 and 130 in Scappoose, Oregon. In January of 2013 the City signed an extension of the lease agreement for an additional 5-years. On March 8, 2017 the City signed an additional extension of the lease agreement for an additional 5-years commencing on 11/1/2017. For the fiscal year ended June 30, 2020, rent expense was \$33,300.

CITY OF SCAPPOOSE, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2020

OPERATING LEASES (Continued)

Year Ending June 30,	Space 120/130	Space 110	Total
2021	33,300		33,300
2022	33,300		33,300
	<u>66,600</u>	<u>-</u>	<u>66,600</u>

PENSION PLAN

Plan Description

Employees of the City of Scappoose are provided with pensions through the Oregon Public Employees Retirement System (OPERS) a cost-sharing multiple-employer defined benefit pension plan, the Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at: <https://www.oregon.gov/PERS/Pages/Financials/Actuarial-Financial-Information.aspx>.

Benefits Provided

1. Tier One/Tier Two Retirement Benefit ORS Chapter 238

Pension Benefits

The OPERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years, or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

CITY OF SCAPPOOSE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2020

PENSION PLAN (Continued)

Death Benefits

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by a OPERS employer at the time of death,
- the member died within 120 days after termination of OPERS-covered employment,
- the member died as a result of injury sustained while employed in a OPERS-covered job, or
- the member was on an official leave of absence from a OPERS-covered job at the time of death.

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including OPERS judge members) for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

Benefit Changes

After Retirement Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000. The COLA is capped at 2.0 percent.

2. OPSRP Pension Program (OPSRP DB)

Pension Benefits

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

General Service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

PENSION PLAN (Continued)

Death Benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability Benefits

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit Changes after Retirement

Under ORS 238A.210, monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000. The COLA is capped at 2.0 percent.

3. OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Recordkeeping

OPERS contracts with VOYA Financial to maintain IAP participant records.

Contributions

OPERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay

CITY OF SCAPPOOSE, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
 YEAR ENDED JUNE 30, 2020

PENSION PLAN (Continued)

benefits when due. This funding policy applies to the OPERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2015 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2017. Employer contributions for the year ended June 30, 2020 were \$723,070, excluding amounts to fund employer specific liabilities. The employer contribution rates are updated every two years. The City’s OPERS contribution rates for the year ended June 30, 2020 and the rates for the new year are shown below:

Rate Category	FY 18-19 Net Rate	FY 19-20 Net Rate
Tier 1 / Tier 2	22.43%	26.28%
OPSRP General	14.32%	18.87%
OPSRP Police and Fire	19.09%	23.50%

The City’s contributions to PERS for the fiscal years ending June 30, 2017, 2018, 2019 and 2020.

Year Ended June 30	Annual Pension Costs (APC)	Percentage of APC Contributed
2017	\$ 478,985	100%
2018	\$ 570,913	100%
2019	\$ 591,500	100%
2020	\$ 723,070	100%

4. Oregon Public Employees Retirement Systems’ (PERS) Retiree Health Insurance Account (RHIA)

Plan Description

The District contributes to the Oregon Public Employees Retirement Systems’ (OPERS) Retiree Health Insurance Account (RHIA), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the Oregon Public Employees Retirement Board (OPERB). The plan, which was established under Oregon Revised Statutes 238.420, provides a payment of up to \$60 per month towards the costs of health insurance for eligible PERS retirees. RHIA post-employment benefits are set by state statute. The plan was closed to new entrants hired on or after August 29, 2003.

To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

CITY OF SCAPPOOSE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 2020

PENSION PLAN (Continued)

A comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377, or by accessing the PERS web site at <https://www.oregon.gov/PERS/Pages/Financials/Actuarial-Financial-Information.aspx>.

Funding Policy

Participating employers are contractually required to contribute at a rate assessed bi-annually by the OPERB, currently 0.50% of annual covered PERS payroll and 0.45% for OPSRP payroll. The OPERB sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

5. Other Post-Employment Benefits (OPEB) EBS

EBS Health Insurance Subsidy

The EBS net OPEB liability is not reported for the current year financial reporting. No actuarial report was obtained for the current fiscal year.

Plan Description

The City operates a single employer retiree benefit plan through CityCounty Insurance Services that provides post-employment health, dental and vision insurance benefits to eligible employees and their spouses. The City is required by Oregon Revised Statutes 243.303 to provide retirees and their dependents with group health insurance from the date of retirement to age 65 at the same rate provided to current employees. Premiums for retirees are tiered and based upon the premium rates available to active employees. The retiree is responsible for any portion of the premiums not paid by the Employer. The implicit employer subsidy is measured as the expected health care cost per retiree and dependent, less the gross premiums charged by the insurance carrier for that coverage. The subsidy is only measured for retirees and spouses younger than age 65, at which point such retirees and spouses typically become eligible for Medicare. GASB Statement 75 is applicable to the City due only to this implicit rate subsidy. This “plan” is not a stand-alone plan, and therefore, does not issue its own financial statements.

Funding Policy

When the City has retirees participating in their health insurance plan, it will, when applicable, collect insurance premiums from all retirees each month and deposit them. The City will then pay healthcare insurance premiums for all retirees at the applicable rate for each family classification.

CITY OF SCAPPOOSE, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)
YEAR ENDED JUNE 30, 2020

INTERFUND TRANSFERS

	<u>Transfer in</u>	<u>Transfer from</u>
General Fund	\$ 439,506	\$ 320,483
Building Fund	-	30,593
Street SDC Fund	-	11,281
Street Fund	-	64,601
Foot Paths and Bike Trail Fund	100,000	-
Parks SDC Fund	-	4,414
Watts House Fund	20,000	-
Unemployment Fund	65,000	-
Water Fund	-	137,497
Water SDC Fund	94,450	7,265
Wastewater Fund	-	134,382
Wastewater SDC Fund	-	6,431
Storm Drain SDC Fund	-	2,009
	<u>\$ 718,956</u>	<u>\$ 718,956</u>

Transfers are used to (1) move revenues from the fund that is required by statute or budget to collect them to the fund required by statute or budget to expend them, (2) move receipts restricted to debt service from the collector fund to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CONTINGENCIES

The City purchases commercial insurance to cover all commonly insurable risks, which includes property damage, liability and employee bonds. Most policies carry a small deductible amount. No insurance claims settled in each of the prior three years have exceeded policy coverage.

The City is acting as a pass through for two projects which has enabled business developments in the City to move forward using State of Oregon funds to assist in completing the projects. There will be no actual cost to the City in completing these projects.

The City will also be the pass-through entity for a Comprehensive Transportation Project and Oregon Manufacturing Innovation Center project. Approximately \$12 million will ultimately come from Oregon Lottery Funds in 2021. This project expenses will not be accounted for by the City, but the City will submit invoices for reimbursement and pass the grant proceeds through to the developer in 2021.

SUPPLEMENTAL INFORMATION

CITY OF SCAPPOOSE, OREGON
RECONCILIATION OF BUDGETARY TO REPORTING FUNDS
BALANCE SHEET (CASH BASIS) – GENERAL FUND
YEAR ENDED JUNE 30, 2020

	<i>Budgetary funds</i>			<i>Total</i>
	<i>General</i>	<i>Unemployment</i>	<i>Watts House</i>	<i>(reported as General Fund)</i>
ASSETS				
Cash and cash equivalents	\$ 4,392,800	\$ 116,205	\$ 48,448	\$ 4,557,453
Fund Balances				
Committed for:				
For customer deposits	97,591	-	-	-
Unemployment	-	116,205	-	116,205
Unassigned:	4,295,209	-	48,448	4,343,657
<i>Total Fund Balances</i>	<u>4,392,800</u>	<u>116,205</u>	<u>48,448</u>	<u>4,557,453</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 4,392,800</u>	<u>\$ 116,205</u>	<u>\$ 48,448</u>	<u>\$ 4,557,453</u>

CITY OF SCAPPOOSE, OREGON
RECONCILIATION OF BUDGETARY TO REPORTING FUNDS
STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE-
(CASH BASIS) GENERAL FUND
YEAR ENDED JUNE 30, 2020

	<i>Budgetary funds</i>			<i>Total</i>
	<i>General</i>	<i>Unemployment</i>	<i>Watts House</i>	<i>(reported as General Fund)</i>
CASH RECEIPTS				
Taxes and assessments	\$ 2,204,364	\$ -	\$ -	\$ 2,204,364
Licenses and permits	491,327	-	-	491,327
Charges for services	229,831	-	-	229,831
Intergovernmental	488,337	-	15,586	503,923
Fines and forfeitures	-	-	-	-
Miscellaneous	180,865	1,713	1,073	183,651
Customer deposits	97,591	-	-	97,591
<i>Total Receipts</i>	3,692,315	1,713	16,659	3,710,687
DISBURSEMENTS				
Current:				
General government	674,373	12,474	6,008	692,855
Court and police	1,846,107	-	-	1,846,107
Community services & development	259,604	-	-	259,604
Culture and recreation	300,679	-	-	300,679
Capital outlay	148,356	-	31,172	179,528
Debt service	18,760	-	-	18,760
<i>Total Disbursements</i>	3,247,879	12,474	37,180	3,297,533
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	444,436	(10,761)	(20,521)	413,154
OTHER FINANCING SOURCES (USES)				
Transfers in	439,506	65,000	20,000	524,506
Transfers out	(320,483)	-	-	(320,483)
<i>Total Other Financing Sources (Uses)</i>	119,023	65,000	20,000	204,023
NET CHANGE IN FUND BALANCES	563,459	54,239	(521)	617,177
FUND BALANCES, Beginning of year	3,829,341	61,966	48,969	3,940,276
FUND BALANCES, End of year	\$ 4,392,800	\$ 116,205	\$ 48,448	\$ 4,557,453

CITY OF SCAPPOOSE, OREGON
COMBINING BALANCE SHEET (CASH BASIS) -
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

Special Revenue

	<u>Building</u>	<u>Peg Fee</u>	<u>Law Enforcement</u>	<u>Recreation Reserve</u>	<u>Bike Trails</u>	<u>Parks SDC</u>	<u>Totals</u>
ASSETS							
Cash and cash equivalents	\$ 326,523	\$ 80,034	\$ 10,834	\$ 8,853	\$ 150,308	\$ 120,134	\$ 696,686
FUND BALANCES							
Restricted for:							
Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ 150,308	\$ 120,134	\$ 270,442
Committed for:							-
Capital Projects	-	-	-	8,853	-	-	8,853
Special Revenue	326,523	80,034	10,834	-	-	-	417,391
<i>Total Fund Balances</i>	\$ 326,523	\$ 80,034	\$ 10,834	\$ 8,853	\$ 150,308	\$ 120,134	\$ 696,686

CITY OF SCAPPOOSE, OREGON

COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES

(CASH BASIS) - NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2020

	Special Revenue						
	<i>Building</i>	<i>PEG Fee</i>	<i>Law Enforcement</i>	<i>Recreation Reserve</i>	<i>Foot Paths & Bicycle Trails</i>	<i>Parks SDC</i>	<i>Totals</i>
RECEIPTS							
Licenses and permits	\$ 343,579	\$ -	\$ -	\$ -	\$ -	\$ 34,075	\$ 377,654
Charges for services	-	10,122	6,428	-	-	-	16,550
Intergovernmental	-	-	-	-	5,123	-	5,123
Miscellaneous	11,012	1,849	528	13,767	1,823	2,808	31,787
<i>Total Receipts</i>	<u>354,591</u>	<u>11,971</u>	<u>6,956</u>	<u>13,767</u>	<u>6,946</u>	<u>36,883</u>	<u>431,114</u>
DISBURSEMENTS							
Current operating	-						
General government	294,546	-	-	-	-	-	294,546
Highways and streets	-	-	9,443	-	-	-	9,443
Culture and recreation	-	24,887	-	-	-	-	24,887
Capital outlay	-	-	14,932	731,600	1,000	47,416	794,948
Debt service	-	-	-	-	-	-	-
<i>Total Disbursements</i>	<u>294,546</u>	<u>24,887</u>	<u>24,375</u>	<u>731,600</u>	<u>1,000</u>	<u>47,416</u>	<u>1,123,824</u>
RECEIPTS OVER (UNDER)							
DISBURSEMENTS	60,045	(12,916)	(17,419)	(717,833)	5,946	(10,533)	(692,710)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	100,000	-	100,000
Transfers out	(30,593)	-	-	-	-	(4,414)	(35,007)
<i>Total Other Financing Sources (Uses)</i>	<u>(30,593)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>(4,414)</u>	<u>64,993</u>
NET CHANGE IN FUND BALANCES	29,452	(12,916)	(17,419)	(717,833)	105,946	(14,947)	(627,717)
FUND BALANCES, Beginning of year	297,071	92,950	28,253	726,686	44,362	135,081	1,324,403
FUND BALANCES, End of year	<u>\$ 326,523</u>	<u>\$ 80,034</u>	<u>\$ 10,834</u>	<u>\$ 8,853</u>	<u>\$ 150,308</u>	<u>\$ 120,134</u>	<u>\$ 696,686</u>

CITY OF SCAPPOOSE, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE****(CASH BASIS) - BUDGET AND ACTUAL - GENERAL FUND****YEAR ENDED JUNE 30, 2020**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Taxes and assessments	\$ 2,369,988	2,369,988	\$ 2,204,364	\$ (165,624)
Licenses and permits	494,740	494,740	491,327	(3,413)
Charges for services	500,020	500,020	229,831	(270,189)
Intergovernmental	337,200	337,200	488,337	151,137
Miscellaneous	100,000	100,000	180,865	80,865
For customer deposits	-	-	97,591	-
Total Receipts	3,801,948	3,801,948	3,692,315	(207,224)
DISBURSEMENTS				
General government	1,316,196	1,316,196	674,373	641,823
Police and court	2,539,316	2,539,316	1,846,107	693,209
Culture and recreation	363,201	363,201	300,679	62,522
Community development	342,923	342,923	259,604	83,319
Capital outlay	325,835	325,835	148,356	177,479
Debt service	18,760	18,760	18,760	-
Contingency	635,301	635,301	-	635,301
Total Disbursements	5,541,532	5,541,532	3,247,879	2,293,653
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(1,739,584)	(1,739,584)	444,436	2,184,020
OTHER FINANCING SOURCES (USES)				
Transfer in	439,506	439,506	439,506	-
Transfers out	(320,483)	(320,483)	(320,483)	-
Total Other Financing Sources (Uses)	119,023	119,023	119,023	-
NET CHANGE IN FUND BALANCE	(1,620,561)	(1,620,561)	563,459	2,184,020
FUND BALANCE, Beginning of year	3,120,561	3,120,561	3,829,341	708,780
FUND BALANCE, End of year	\$ 1,500,000	1,500,000	\$ 4,392,800	\$ 2,892,800

CITY OF SCAPPOOSE, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES

(CASH BASIS) - BUDGET AND ACTUAL – UNEMPLOYMENT FUND

YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
RECEIPTS				
Miscellaneous	\$ 2,000	\$ 2,000	\$ 1,713	\$ (287)
<i>Total Receipts</i>	2,000	2,000	1,713	(287)
DISBURSEMENTS				
Materials and services	65,000	65,000	12,474	52,526
Contingency	56,086	56,086	-	56,086
<i>Total Disbursements</i>	121,086	121,086	12,474	108,612
RECEIPTS OVER (UNDER)	(119,086)	(119,086)	(10,761)	108,325
DISBURSEMENTS				
OTHER FINANCING SOURCES (USES)				
Transfers in	65,000	65,000	65,000	-
<i>Total Other Financing Sources (Uses)</i>	65,000	65,000	65,000	-
NET CHANGE IN FUND BALANCE	(54,086)	(54,086)	54,239	108,325
FUND BALANCE, Beginning of year	54,086	54,086	61,966	7,880
FUND BALANCE, End of year	\$ -	\$ -	\$ 116,205	\$ 116,205

CITY OF SCAPPOOSE, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE

(CASH BASIS) - BUDGET AND ACTUAL – WATTS HOUSE FUND

YEAR ENDED JUNE 30, 2020

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Intergovernmental	\$ 17,000	17,000	\$ 15,586	\$ (1,414)
Miscellaneous	1,325	1,325	1,073	(252)
<i>Total Receipts</i>	18,325	18,325	16,659	(1,666)
DISBURSEMENTS				
Materials and services	10,600	10,600	6,008	4,592
Capital outlay	67,000	67,000	31,172	35,828
Contingency	6,879	6,879	-	6,879
<i>Total Disbursements</i>	84,479	84,479	37,180	47,299
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(66,154)	(66,154)	(20,521)	45,633
OTHER FINANCING SOURCES (USES)				
Transfers in	20,000	20,000	20,000	-
<i>Total Other Financing Sources (Uses)</i>	20,000	20,000	20,000	-
NET CHANGE IN FUND BALANCE	(46,154)	(46,154)	(521)	45,633
FUND BALANCE, Beginning of year	46,154	46,154	48,969	2,815
FUND BALANCE, End of year	\$ -	\$ -	\$ 48,448	\$ 48,448

CITY OF SCAPPOOSE, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES

(CASH BASIS)- BUDGET AND ACTUAL - STREET FUND

YEAR ENDED JUNE 30, 2020

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Intergovernmental	\$ 960,468	960,468	\$ 658,264	(302,204)
Licenses and permits	30,000	30,000	26,731	(3,269)
Miscellaneous	21,000	21,000	13,871	(7,129)
<i>Total Receipts</i>	1,011,468	1,011,468	698,866	(312,602)
DISBURSEMENTS				
Personal services	253,113	253,113	234,305	18,808
Materials and services	233,655	233,655	156,211	77,444
Capital outlay	559,147	559,147	105,302	453,845
Contingency	326,909	326,909	-	326,909
<i>Total Disbursements</i>	1,372,824	1,372,824	495,818	877,006
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(361,356)	(361,356)	203,048	564,404
OTHER FINANCING SOURCES (USES)				
Transfers out	(64,601)	(64,601)	(64,601)	-
<i>Total Other Financing Sources (Uses)</i>	(64,601)	(64,601)	(64,601)	-
NET CHANGE IN FUND BALANCE	(425,957)	(425,957)	138,447	564,404
FUND BALANCE, Beginning of year	425,957	425,957	620,362	194,405
FUND BALANCE, End of year	\$ -	\$ -	\$ 758,809	\$ 758,809

CITY OF SCAPPOOSE, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES

(CASH BASIS) - BUDGET AND ACTUAL – STREET SDC FUND

YEAR ENDED JUNE 30, 2020

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Licenses and permits	\$ 237,489	237,489	\$ 272,569	35,080
Miscellaneous	22,500	22,500	21,085	(1,415)
<i>Total Receipts</i>	259,989	259,989	293,654	33,665
DISBURSEMENTS				
Capital outlay	1,000,000	1,000,000	140,582	859,418
Contingency	169,039	169,039	-	169,039
<i>Total Disbursements</i>	1,169,039	1,169,039	140,582	1,028,457
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(909,050)	(909,050)	153,072	1,062,122
OTHER FINANCING SOURCES (USES)				
Transfers out	(11,281)	(11,281)	(11,281)	-
<i>Total Other Financing Sources (Uses)</i>	(11,281)	(11,281)	(11,281)	-
NET CHANGE IN FUND BALANCE	(920,331)	(920,331)	141,791	1,062,122
FUND BALANCE, Beginning of year	920,331	920,331	921,491	1,160
FUND BALANCE, End of year	\$ -	\$ -	\$ 1,063,282	\$ 1,063,282

CITY OF SCAPPOOSE, OREGON**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES****(CASH BASIS) - BUDGET AND ACTUAL – BUILDING FUND****YEAR ENDED JUNE 30, 2020**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Licenses and permits	\$ 242,350	\$ 242,350	\$ 343,579	\$ 101,229
Miscellaneous	9,500	9,500	11,012	1,512
<i>Total Receipts</i>	<u>251,850</u>	<u>251,850</u>	<u>354,591</u>	<u>102,741</u>
DISBURSEMENTS				
Personal services	233,475	233,475	219,788	13,687
Materials and services	96,357	96,357	74,758	21,599
Capital outlay	30,000	30,000	-	30,000
Contingency	116,111	116,111	-	116,111
<i>Total Disbursements</i>	<u>475,943</u>	<u>475,943</u>	<u>294,546</u>	<u>181,397</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(224,093)	(224,093)	60,045	284,138
OTHER FINANCING SOURCES (USES)				
Transfers out	(30,593)	(30,593)	(30,593)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(30,593)</u>	<u>(30,593)</u>	<u>(30,593)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(254,686)	(254,686)	29,452	284,138
FUND BALANCE, Beginning of year	254,686	254,686	297,071	42,385
FUND BALANCE, End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 326,523</u>	<u>\$ 326,523</u>

CITY OF SCAPPOOSE, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES

(CASH BASIS) - BUDGET AND ACTUAL – PEG FEE FUND

YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
RECEIPTS				
Charges for services	\$ 10,500	10,500	\$ 10,122	(378)
Miscellaneous	2,425	2,425	1,849	(576)
<i>Total Receipts</i>	12,925	12,925	11,971	(954)
DISBURSEMENTS				
Materials and services	40,200	40,200	24,887	15,313
Contingency	63,255	63,255	-	63,255
<i>Total Disbursements</i>	103,455	103,455	24,887	78,568
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(90,530)	(90,530)	(12,916)	77,614
NET CHANGE IN FUND BALANCE	(90,530)	(90,530)	(12,916)	77,614
FUND BALANCE, Beginning of year	90,530	90,530	92,950	2,420
FUND BALANCE, End of year	\$ -	\$ -	\$ 80,034	\$ 80,034

CITY OF SCAPPOOSE, OREGON

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES
(CASH BASIS) - BUDGET AND ACTUAL – LAW ENFORCEMENT FUND
YEAR ENDED JUNE 30, 2020**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Charges for services	\$ 15,000	15,000	\$ 6,428	(8,572)
Miscellaneous	900	900	528	(372)
<i>Total Receipts</i>	<u>15,900</u>	<u>15,900</u>	<u>6,956</u>	<u>(8,944)</u>
DISBURSEMENTS				
Materials and services	10,000	10,000	9,443	557
Capital outlay	25,000	25,000	14,932	10,068
Contingency	4,486	4,486	-	4,486
<i>Total Disbursements</i>	<u>39,486</u>	<u>39,486</u>	<u>24,375</u>	<u>15,111</u>
RECEIPTS OVER (UNDER) DISBURSEMENTS	<u>(23,586)</u>	<u>(23,586)</u>	<u>(17,419)</u>	<u>6,167</u>
NET CHANGE IN FUND BALANCE	(23,586)	(23,586)	(17,419)	6,167
FUND BALANCE, Beginning of year	<u>23,586</u>	<u>23,586</u>	<u>28,253</u>	<u>4,667</u>
FUND BALANCE, End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,834</u>	<u>\$ 10,834</u>

CITY OF SCAPPOOSE, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES

(CASH BASIS) - BUDGET AND ACTUAL – RECREATION RESERVE FUND

YEAR ENDED JUNE 30, 2020

	<i>Budgeted Amounts</i>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
RECEIPTS				
Miscellaneous	\$ 19,500	\$ 19,500	\$ 13,767	\$ (5,733)
<i>Total Receipts</i>	19,500	19,500	13,767	(5,733)
DISBURSEMENTS				
Capital outlay	-	731,600	731,600	-
Contingency	746,169	14,569	-	14,569
<i>Total Disbursements</i>	746,169	746,169	731,600	14,569
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(726,669)	(726,669)	(717,833)	8,836
NET CHANGE IN FUND BALANCE	(726,669)	(726,669)	(717,833)	8,836
FUND BALANCE, Beginning of year	726,669	726,669	726,686	17
FUND BALANCE, End of year	\$ -	\$ -	\$ 8,853	\$ 8,853

CITY OF SCAPPOOSE, OREGON

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES
(CASH BASIS) - BUDGET AND ACTUAL – FOOT PATH & BIKE TRAILS FUND
YEAR ENDED JUNE 30, 2020**

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Intergovernmental	\$ 5,367	\$ 5,367	\$ 5,123	\$ (244)
Miscellaneous	1,100	1,100	1,823	723
<i>Total Receipts</i>	6,467	6,467	6,946	479
DISBURSEMENTS				
Materials and services	3,000	3,000	-	3,000
Capital outlay	142,000	142,000	1,000	141,000
Contingency	5,844	5,844	-	5,844
<i>Total Disbursements</i>	150,844	150,844	1,000	149,844
RECEIPTS OVER (UNDER) DISBURSEMENTS	(144,377)	(144,377)	5,946	150,323
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	100,000	100,000	-
<i>Total Other Financing Sources (Uses)</i>	100,000	100,000	100,000	-
NET CHANGE IN FUND BALANCE	(44,377)	(44,377)	105,946	150,323
FUND BALANCE, Beginning of year	44,377	44,377	44,362	(15)
FUND BALANCE, End of year	\$ -	\$ -	\$ 150,308	\$ 150,308

CITY OF SCAPPOOSE, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES

(CASH BASIS) - BUDGET AND ACTUAL – PARKS SDC FUND

YEAR ENDED JUNE 30, 2020

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Licenses and permits	\$ 88,284	88,284	\$ 34,075	(54,209)
Miscellaneous	16,710	16,710	2,808	(13,902)
<i>Total Receipts</i>	104,994	104,994	36,883	(68,111)
DISBURSEMENTS				
Capital outlay	101,200	101,200	47,416	53,784
Contingency	126,929	126,929	-	126,929
<i>Total Disbursements</i>	228,129	228,129	47,416	180,713
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(123,135)	(123,135)	(10,533)	112,602
OTHER FINANCING SOURCES (USES)				
Transfers out	(4,414)	(4,414)	(4,414)	-
<i>Total Other Financing Sources (Uses)</i>	(4,414)	(4,414)	(4,414)	-
NET CHANGE IN FUND BALANCE	(127,549)	(127,549)	(14,947)	112,602
FUND BALANCE, Beginning of year	127,549	127,549	135,081	7,532
FUND BALANCE, End of year	\$ -	\$ -	\$ 120,134	\$ 120,134

CITY OF SCAPPOOSE, OREGON
COMBINING STATEMENT OF NET POSITION (CASH BASIS) -
NONMAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020

	<u>Storm Drain</u>	<u>Storm Drain SDC</u>	<u>Water SDC</u>	<u>G.O. Water- Sewer</u>	<u>Totals</u>
ASSETS					
Cash and cash equivalents	\$ 387,107	\$ 611,671	\$ 443,692	\$ -	\$ 1,442,470
NET POSITION:					
Restricted	387,107	611,671	443,692	-	1,442,470
Total net position	<u>\$ 387,107</u>	<u>\$ 611,671</u>	<u>\$ 443,692</u>	<u>\$ -</u>	<u>\$ 1,442,470</u>

CITY OF SCAPPOOSE, OREGON

**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN NET POSITION
(CASH BASIS) - NONMAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2020**

	Storm Drain	Storm Drain SDC	Water SDC	G.O. Water-Sewer	Totals
OPERATING RECEIPTS					
Licenses and permits	\$ 19,173	\$ 63,722	\$ 132,249	\$ -	\$ 215,144
Charges for services	288,628	-	-	-	288,628
Miscellaneous	5,805	12,128	8,802	192	26,927
<i>Total Operating Receipts</i>	313,606	75,850	141,051	192	530,699
OPERATING DISBURSEMENTS					
Personal services	81,790	-	-	-	81,790
Materials and services	20,322	-	-	24,148	44,470
Capital outlay	-	14,118	-	-	14,118
<i>Total Operating Disbursements</i>	102,112	14,118	-	24,148	140,378
OPERATING RECEIPTS OVER (UNDER)					
OPERATING DISBURSEMENTS	211,494	61,732	141,051	(23,956)	390,321
NON OPERATING REVENUES (DISBURSEMENTS)					
Debt service					
Principal	-	-	213,138	-	213,138
Interest	-	-	64,655	-	64,655
Total Non Operating Revenues (Disbursements)	-	-	277,793	-	277,793
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS					
Transfers in	-	-	94,450	-	94,450
Transfers out	-	(2,009)	(7,265)	-	(9,274)
CHANGE IN NET POSITION	211,494	59,723	(49,557)	(23,956)	197,704
NET POSITION, Beginning of the year	175,613	551,948	493,249	23,956	1,244,766
NET POSITION, End of the year	\$ 387,107	\$ 611,671	\$ 443,692	\$ -	\$ 1,442,470

CITY OF SCAPPOOSE, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES

(CASH BASIS) - BUDGET AND ACTUAL – STORM DRAINAGE FUND

YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Final		
RECEIPTS				
Licenses and permits	\$ 30,000	\$ 30,000	\$ 19,173	\$ (10,827)
Charges for services	192,268	192,268	288,628	96,360
Intergovernmental	12,000	12,000	-	(12,000)
Miscellaneous	4,000	4,000	5,805	1,805
<i>Total Receipts</i>	238,268	238,268	313,606	75,338
DISBURSEMENTS				
Personal services	92,060	92,060	81,790	10,270
Materials and services	128,350	128,350	20,322	108,028
Contingency	150,476	150,476	-	150,476
<i>Total Disbursements</i>	370,886	370,886	102,112	268,774
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(132,618)	(132,618)	211,494	344,112
NET CHANGE IN FUND BALANCE	(132,618)	(132,618)	211,494	344,112
FUND BALANCE, Beginning of year	132,618	132,618	175,613	42,995
FUND BALANCE, End of year	\$ -	\$ -	\$ 387,107	\$ 387,107

CITY OF SCAPPOOSE, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES

(CASH BASIS) - BUDGET AND ACTUAL – STORM DRAINAGE SDC FUND

YEAR ENDED JUNE 30, 2020

	<i>Budgeted Amounts</i>			
	<i>Original</i>	<i>Final</i>	<i>Actual</i>	<i>Variance</i>
RECEIPTS				
Licenses and permits	\$ 40,176	\$ 40,176	\$ 63,722	\$ 23,546
Miscellaneous	13,200	13,200	12,128	(1,072)
<i>Total Receipts</i>	53,376	53,376	75,850	22,474
DISBURSEMENTS				
Capital outlay	312,000	312,000	14,118	297,882
Contingency	290,840	290,840	-	290,840
<i>Total Disbursements</i>	602,840	602,840	14,118	588,722
RECEIPTS OVER (UNDER) DISBURSEMENTS	(549,464)	(549,464)	61,732	611,196
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,009)	(2,009)	(2,009)	-
<i>Total Other Financing Sources (Uses)</i>	(2,009)	(2,009)	(2,009)	-
NET CHANGE IN FUND BALANCE	(551,473)	(551,473)	59,723	611,196
FUND BALANCE, Beginning of year	551,473	551,473	551,948	475
FUND BALANCE, End of year	\$ -	\$ -	\$ 611,671	\$ 611,671

CITY OF SCAPPOOSE, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES

(CASH BASIS) - BUDGET AND ACTUAL – WATER SDC FUND

YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Licenses and permits	\$ 145,307	\$ 145,307	\$ 132,249	\$ (13,058)
Miscellaneous	12,400	12,400	8,802	(3,598)
<i>Total Receipts</i>	<u>157,707</u>	<u>157,707</u>	<u>141,051</u>	<u>(16,656)</u>
DISBURSEMENTS				
Capital outlay	112,000	112,000	-	112,000
Debt service	277,793	277,793	277,793	-
Contingency	348,342	348,342	-	348,342
<i>Total Disbursements</i>	<u>738,135</u>	<u>738,135</u>	<u>277,793</u>	<u>460,342</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(580,428)	(580,428)	(136,742)	443,686
OTHER FINANCING SOURCES (USES)				
Transfers in	94,450	94,450	94,450	-
Transfers out	(7,265)	(7,265)	(7,265)	-
	<u>87,185</u>	<u>87,185</u>	<u>87,185</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(493,243)	(493,243)	(49,557)	443,686
FUND BALANCE, Beginning of year	<u>493,243</u>	<u>493,243</u>	<u>493,249</u>	<u>6</u>
FUND BALANCE, End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 443,692</u>	<u>\$ 443,692</u>

CITY OF SCAPPOOSE, OREGON

**SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES
(CASH BASIS) - BUDGET AND ACTUAL - GO WATER- WASTEWATER BOND FUND
YEAR ENDED JUNE 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
RECEIPTS				
Miscellaneous	\$ -	\$ -	\$ 192	\$ 192
<i>Total Receipts</i>	-	-	192	192
DISBURSEMENTS				
Materials and services	24,759	24,759	24,148	611
<i>Total Disbursements</i>	24,759	24,759	24,148	611
RECEIPTS OVER (UNDER) DISBURSEMENTS	(24,759)	(24,759)	(23,956)	803
NET CHANGE IN FUND BALANCE	(24,759)	(24,759)	(23,956)	803
FUND BALANCE, Beginning of year	24,759	24,759	23,956	(803)
FUND BALANCE, End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

CITY OF SCAPPOOSE, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES

(CASH BASIS) - BUDGET AND ACTUAL - WATER FUND

YEAR ENDED JUNE 30, 2020

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Licenses and permits	\$ 31,125	\$ 31,125	\$ 22,331	\$ (8,794)
Charges for services	2,178,450	2,178,450	2,103,259	(75,191)
Intergovernmental	-	-	20,000	20,000
Miscellaneous	72,000	72,000	75,388	3,388
<i>Total Receipts</i>	<u>2,281,575</u>	<u>2,281,575</u>	<u>2,220,978</u>	<u>(60,597)</u>
DISBURSEMENTS				
Personal services	926,501	926,501	842,881	83,620
Materials and services	673,624	673,624	438,848	234,776
Capital outlay	1,237,000	1,237,000	691,213	545,787
Debt service	196,539	196,539	187,216	9,323
Customer water security deposits	-	-	14,600	(14,600)
Contingency	503,145	503,145	-	503,145
<i>Total Disbursements</i>	<u>3,536,809</u>	<u>3,536,809</u>	<u>2,174,758</u>	<u>1,362,051</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(1,255,234)	(1,255,234)	46,220	1,301,454
OTHER FINANCING SOURCES (USES)				
Transfers out	(137,497)	(137,497)	(137,497)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(137,497)</u>	<u>(137,497)</u>	<u>(137,497)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(1,392,731)	(1,392,731)	(91,277)	1,301,454
FUND BALANCE, Beginning of year	<u>3,192,731</u>	<u>3,192,731</u>	<u>3,409,843</u>	<u>217,112</u>
FUND BALANCE, End of year	<u>\$ 1,800,000</u>	<u>\$ 1,800,000</u>	<u>\$ 3,318,566</u>	<u>\$ 1,518,566</u>

CITY OF SCAPPOOSE, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES

(CASH BASIS) - BUDGET AND ACTUAL – WASTEWATER FUND

YEAR ENDED JUNE 30, 2020

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Licenses and permits	\$ 30,000	\$ 30,000	\$ 20,531	\$ (9,469)
Charges for services	2,024,274	2,024,274	2,001,280	(22,994)
Intergovernmental	790,000	790,000	-	(790,000)
Miscellaneous	30,000	30,000	36,018	6,018
<i>Total Receipts</i>	<u>2,874,274</u>	<u>2,874,274</u>	<u>2,057,829</u>	<u>(816,445)</u>
DISBURSEMENTS				
Personal services	937,875	937,875	854,609	83,266
Materials and services	584,868	584,868	420,582	164,286
Capital outlay	1,220,000	1,220,000	288,068	931,932
Debt service	222,361	222,361	121,347	101,014
Contingency	679,912	679,912	-	679,912
<i>Total Disbursements</i>	<u>3,645,016</u>	<u>3,645,016</u>	<u>1,684,606</u>	<u>1,960,410</u>
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(770,742)	(770,742)	373,223	1,143,965
OTHER FINANCING SOURCES (USES)				
Transfers out	(134,382)	(134,382)	(134,382)	-
<i>Total Other Financing Sources (Uses)</i>	<u>(134,382)</u>	<u>(134,382)</u>	<u>(134,382)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(905,124)	(905,124)	238,841	1,143,965
FUND BALANCE, Beginning of year	<u>1,405,124</u>	<u>1,405,124</u>	<u>1,455,694</u>	<u>50,570</u>
FUND BALANCE, End of year	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 1,694,535</u>	<u>\$ 1,194,535</u>

CITY OF SCAPPOOSE, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCES

(CASH BASIS) - BUDGET AND ACTUAL – WASTEWATER SDC FUND

YEAR ENDED JUNE 30, 2020

	<i>Budgeted Amounts</i>		<i>Actual</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>		
RECEIPTS				
Licenses and permits	\$ 128,622	\$ 128,622	\$ 147,154	\$ 18,532
Miscellaneous	27,000	27,000	23,226	(3,774)
<i>Total Receipts</i>	155,622	155,622	170,380	14,758
DISBURSEMENTS				
Capital outlay	243,000	243,000	35,514	207,486
Contingency	910,076	910,076	-	910,076
<i>Total Disbursements</i>	1,153,076	1,153,076	35,514	1,117,562
RECEIPTS OVER (UNDER)				
DISBURSEMENTS	(997,454)	(997,454)	134,866	1,132,320
OTHER FINANCING SOURCES (USES)				
Transfers out	(6,431)	(6,431)	(6,431)	-
<i>Total Other Financing Sources (Uses)</i>	(6,431)	(6,431)	(6,431)	-
NET CHANGE IN FUND BALANCE	(1,003,885)	(1,003,885)	128,435	1,132,320
FUND BALANCE, Beginning of year	1,003,885	1,003,885	1,052,147	48,262
FUND BALANCE, End of year	\$ -	\$ -	\$ 1,180,582	\$ 1,180,582

OTHER SCHEDULES

CITY OF SCAPPOOSE, OREGON

OTHER SCHEDULES-SCHEDULE OF LONG-TERM DEBT TRANSACTIONS (CASH BASIS)

YEAR ENDED JUNE 30, 2020

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS (PRINCIPAL)

	<i>Interest Rates</i>	<i>Date of Issue</i>	<i>Fiscal Year of Maturity</i>	<i>Outstanding July 1, 2019</i>	<i>New Issued</i>	<i>Forgiven/ Discounted</i>	<i>Principal Paid</i>	<i>Outstanding June 30, 2020</i>
PRINCIPAL TRANSACTIONS								
General Obligations								
Enterprise Obligations								
Water Line Safe Drinking Water Notes	3.68%	2010	2031	720,814	594	-	54,913	666,495
Water Treatment Plant Water Notes	4.43%	2002	2028	873,721	-	-	78,650	795,071
Storage Reservoir Safe Drinking Water Notes	1.00%	2004	2036	2,331,318	-	-	134,488	2,196,830
Wastewater Plant Improvements DEQ Loan	0.00%	2011	2031	202,873	8,821	-	17,642	194,052
Wastewater Line Relocation US Bank Loan	2.47%	2014	2020	200,000	-	-	100,000	100,000
				<u>\$ 4,328,726</u>	<u>\$ 9,415</u>	<u>\$ -</u>	<u>\$ 385,693</u>	<u>\$ 3,952,448</u>

SCHEDULE OF LONG-TERM DEBT TRANSACTIONS (INTEREST)

	<i>Interest Rates</i>	<i>Date of Issue</i>	<i>Unmatured Interest July 1, 2019</i>	<i>New Issues</i>	<i>Interest Paid</i>	<i>Unmatured Interest June 30, 2020</i>
INTEREST TRANSACTIONS						
General Obligations						
Enterprise Obligations						
Water Line Safe Drinking Water Notes	3.68%	2010	167,421	258	26,526	141,153
Water Treatment Plant Water Notes	4.43%	2002	219,930	-	41,341	178,589
Storage Reservoir Safe Drinking Water Notes	0.00%	2004	203,943	-	23,313	180,630
Wastewater Plant Improvements DEQ Loan	0.00%	2011	-	-	-	-
Wastewater Line Relocation US Bank Loan	2.47%	2013	4,940	-	3,705	1,235
			<u>\$ 596,234</u>	<u>\$ 258</u>	<u>\$ 94,885</u>	<u>\$ 501,607</u>

CITY OF SCAPPOOSE, OREGON

OTHER SCHEDULES-SCHEDULE OF FUTURE DEBT REQUIREMENTS-GOVERNMENT WIDE (CASH BASIS)-
 YEAR ENDED JUNE 30, 2020

SCHEDULE OF FUTURE DEBT REQUIREMENTS - GOVERNMENT-WIDE

Fiscal Year Ending June 30,				Total Governmental		
	Principal	Interest	Total	Principal	Interest	Total
2021	-	-	-	-	-	-
2022	-	-	-	-	-	-
2023	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF SCAPPOOSE, OREGON

OTHER SCHEDULES-SCHEDULE OF FUTURE DEBT BY ISSUE BUSINESS-TYPE (CASH BASIS)

YEAR ENDED JUNE 30, 2020

SCHEDULE OF FUTURE DEBT REQUIREMENTS - BUSINESS TYPE

Fiscal Year Ending June 30,	Miller Road Water Treatment Plant Safe Drinking Water #GO 3003 (50)			Storage Resovior Safe Drinking Water #SO3003 (50)		
	Principal	Interest	Total	Principal	Interest	Total
	2021	84,278	37,724	122,002	135,833	21,968
2022	89,949	33,763	123,712	137,192	20,610	157,802
2023	90,659	29,490	120,149	138,563	19,238	157,802
2024	96,403	25,184	121,587	139,949	17,852	157,802
2025	102,182	20,605	122,787	141,349	16,453	157,802
2026	107,998	15,751	123,749	142,762	15,039	157,802
2027	108,853	10,621	119,474	144,190	13,612	157,802
2028	114,749	5,450	120,199	145,632	12,170	157,802
2029	-	-	-	147,088	10,714	157,802
2030	-	-	-	148,559	9,243	157,802
2031	-	-	-	150,044	7,757	157,802
2032	-	-	-	151,545	6,257	157,802
2033	-	-	-	153,060	4,741	157,802
2034	-	-	-	154,591	3,211	157,802
2035	-	-	-	156,137	1,665	157,802
2036	-	-	-	10,336	103	10,439
2037	-	-	-	-	-	-
2038	-	-	-	-	-	-
2039	-	-	-	-	-	-
2040	-	-	-	-	-	-
2041	-	-	-	-	-	-
-	<u>795,071</u>	<u>178,588</u>	<u>973,659</u>	<u>2,196,829</u>	<u>180,632</u>	<u>2,377,462</u>

CITY OF SCAPPOOSE, OREGON

OTHER SCHEDULES-SCHEDULE OF FUTURE DEBT BY ISSUE BUSINESS-TYPE (CASH BASIS)

YEAR ENDED JUNE 30, 2020

SCHEDULE OF FUTURE DEBT REQUIREMENTS - BUSINESS TYPE

Fiscal Year Ending June 30,	Dutch Canyon Water Line (40) Safe Drinking Water S03003B			Wastewater Plant Improvements (41) DEQ State Revolving Fund			Wastewater Line Relocation (41) US Bank Sewer Loan			Total Business-Type		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
	2021	56,912	24,527	81,439	17,642	-	17,642	100,000	1,235	101,235	394,665	85,454
2022	59,006	22,433	81,439	17,642	-	17,642	-	-	-	303,789	76,806	380,595
2023	61,178	20,261	81,439	17,642	-	17,642	-	-	-	308,042	68,989	377,032
2024	63,429	18,010	81,439	17,642	-	17,642	-	-	-	317,423	61,046	378,470
2025	65,763	15,676	81,439	17,642	-	17,642	-	-	-	326,936	52,734	379,670
2026	68,183	13,256	81,439	17,642	-	17,642	-	-	-	336,585	44,046	380,632
2027	70,692	10,747	81,439	17,642	-	17,642	-	-	-	341,377	34,980	376,357
2028	73,294	8,145	81,439	17,642	-	17,642	-	-	-	351,317	25,765	377,082
2029	75,991	5,448	81,439	17,642	-	17,642	-	-	-	240,721	16,162	256,883
2030	72,047	2,651	74,698	17,642	-	17,642	-	-	-	238,248	11,894	250,142
2031	-	-	-	17,632	-	17,632	-	-	-	167,676	7,757	175,434
2032	-	-	-	-	-	-	-	-	-	151,545	6,257	157,802
2033	-	-	-	-	-	-	-	-	-	153,060	4,741	157,802
2034	-	-	-	-	-	-	-	-	-	154,591	3,211	157,802
2035	-	-	-	-	-	-	-	-	-	156,137	1,665	157,802
2036	-	-	-	-	-	-	-	-	-	10,336	103	10,439
2037	-	-	-	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-	-	-	-	-
	666,495	141,154	807,649	194,052	-	194,052	100,000	1,235	101,235	3,952,447	501,609	4,454,057

REGULATORY SECTION

CITY OF SCAPPOOSE

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

As of June 30, 2020

To the Governing Body of the City of Scappoose
Scappoose, Oregon

We have audited the basic financial statements of the City of Scappoose as of and for the year ended June 30, 2020, and, have issued our report thereon dated December 8, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the City of Scappoose'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.

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.

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



Steve Tuchscherer, CPA
Umpqua Valley Financial
Roseburg, Oregon
December 8, 2020