

SCAPPOOSE *Oregon*

Columbia County, Oregon



Annual Financial Report

June 30, 2021

CITY OF SCAPPOOSE

33568 E Columbia Avenue
Scappoose, OR 97056
(503) 543-7146

MAYOR & CITY COUNCIL

SCOTT BURGE 33470 Chinook Plaza #272, Scappoose, OR 97056	Mayor
MEGAN GREISEN 33568 E Columbia Ave, Scappoose, OR 97056	Council President
JOSH POLING 33568 E Columbia Ave, Scappoose, OR 97056	Councilor
BRANDON LESOWSKE 33568 E Columbia Ave, Scappoose, OR 97056	Councilor
PETER MCHUGH 33568 E Columbia Ave, Scappoose, OR 97056	Councilor
JOEL HAUGEN 33568 E Columbia Ave, Scappoose, OR 97056	Councilor
TYLER MILLER 33568 E Columbia Ave, Scappoose, OR 97056	Councilor

ADMINISTRATION

JILL HERR 33568 E Columbia Ave, Scappoose, OR 97056	Finance Administrator
ALEXANDRA RAINS 33568 E Columbia Ave, Scappoose, OR 97056	Interim City Manager
SUSAN REEVES 33568 E Columbia Ave, Scappoose, OR 97056	City Recorder

CITY OF SCAPPOOSE

AUDIT REPORT

JUNE 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Scappoose, Oregon

I have audited the accompanying 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, 2021 which collectively comprise the City of Scappoose'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 accounting standards generally accepted in the United States of America; this includes 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 financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion on pages 2-13, the schedules of revenues, expenditures and changes in fund balances – budget and actuals on pages 60-63, the pension schedules on pages 64-65, and OPEB schedules on pages 66-67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

I have applied certain limited procedures to the management's discussion and analysis and the pension schedules in accordance with the auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

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 schedules of revenues, expenditures and changes in fund balances – budget and actuals described above on pages 60-63 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 schedules of revenues, expenditures and changes in fund balances – budget and actuals have 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedules of revenues, expenditures and changes in fund balances – budget and actuals are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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 other supplementary data on pages 68-95 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City of Scappoose.

The other supplementary data on pages 68-95 is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, other supplementary data is fairly stated in all material respects in relation to the financial statements taken as a whole.

Report on Other Legal and Regulatory Requirements

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, I have issued my report dated December 29, 2021 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 my testing of compliance and the results of that testing and not to provide an opinion on the City of Scappoose's compliance.



Steve Tuhscherer, CPA
December 29, 2021

MANAGEMENT'S
DISCUSSION
AND ANALYSIS

CITY OF SCAPPOOSE
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2021

The management discussion and analysis of the City of Scappoose, Oregon (the City) financial performance provides an overview of the City's financial activities for the fiscal year that ended June 30, 2021. The intent of this discussion and analysis is to look at the City's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended June 30, 2021 are as follows:

- The City has changed the basis of accounting it has used in previous years. For budget and governmental fund financial reports the City changed from cash basis to modified accrual basis and for proprietary fund financial and government-wide reports the City changed from cash basis to full accrual basis. Beginning fund balances and net positions have been restated to reflect the newly adopted basis of accounting. More detail regarding the restatement values can be found on page 59 of this report.
- The City's net position decreased by \$75,325 which represents a 0.2 percent decrease from the previous year.
- Total revenue for the City was \$10,335,415. That is a 2.3 percent increase from the previous year. General revenues accounted for \$4,612,354 of revenue, or 44.6 percent of all revenues. Program specific revenues in the form of charges for services accounted for \$5,723,061 or 55.4 percent of total revenues. Operating grants received a total \$274,025 or 2.65 percent of total revenues. Capital grants received during the year amounted to 572,173.
- The City had \$10,410,740 in program expenses. Of the program expenses, \$2,181,696 was for providing water service and \$1,797,621 was for providing wastewater service.
- The City's long-term liabilities increased \$469,428, a 5.5 percent increase from the previous year primarily due a \$924,438 increase in the net pension liability. Leases, notes and bonds payable were reduced by \$391,128.
- Among the governmental funds, the General Fund had \$3,776,069 in revenues, which primarily consisted of taxes and franchise fees. The Street Fund had \$871,742 in revenues, which primarily consisted of intergovernmental revenues. The Scappoose Urban Renewal Agency Fund had \$91,783 in revenues.
- Among proprietary funds, the Water Fund had \$2,274,470 in operating revenues, which primarily consisted of user fees. the Waste Water Fund had \$2,151,177 in operating revenues, which primarily consisted of user fees. The Storm Drainage Fund had \$345,028 in operating revenues.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis introduces the City's basic financial statements. The basic financial statements include: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also includes additional supplementary information to supplement the basic financial statements.

Government-wide Financial Statements

The first of the government-wide statements is the *Statement of Net Position*. This is the City-wide statement of position presenting information that includes all of the City's assets and liabilities. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall economic health of the City would extend to other non-financial factors such as the condition of buildings, and water and sewer systems facilities.

CITY OF SCAPPOOSE
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2021

The second government-wide statement is the *Statement of Activities* which reports how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the *Statement of Activities* is to show the financial reliance of the City's distinct activities or functions of the City that are principally supported by user fee revenues, intergovernmental revenues from grants, and property tax revenues. The governmental activities of the City include general government activities, street construction and maintenance, police services, and providing resources for library, culture and recreation. The proprietary activities of the City include water and wastewater utilities.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, Fund Financial Statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining and individual fund statements in a later section of this report. The City reports two types of funds:

Governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. Unlike the government-wide financial statements, these statements report short-term fiscal accountability focusing on use of spendable resources during the year and balances of spendable resources available at the end of the fiscal year.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to government-wide statements to assist in understanding the differences between these two perspectives.

Budgetary comparison schedules are included in the basic financial statements for the General Fund, the Street Fund, the Street SDC Fund and the Scappoose Urban Renewal Agency Fund. Budgetary comparison schedules for the other governmental funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the City's adopted and final revised budget.

Proprietary funds are used to report the functions presented as business-type activities in the government-wide financial statements, only in more detail. The City maintains one type of proprietary fund - enterprise funds. The City uses enterprise funds to account for water and sewer operations. The proprietary fund financial statements provide separate information for the Water Utility, the Waste Water Utility, and the Storm Drainage Utility

Notes to the Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin immediately following the basic financial statements.

CITY OF SCAPPOOSE
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2021

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents as required supplementary information budgetary comparison statements for the General Fund, the Street Fund, the Street SDA Fund, and the Scappoose Urban Renewal Agency Fund. The required supplementary information immediately follows the notes to the financial statements.

Other supplementary data includes combining statements, individual fund statements and schedules, and other schedules. These statements and schedules immediately follow the required supplementary information in this report.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Recall that the Statement of Net Position provides the perspective of the City as a whole. Net position may serve over time as a useful indicator of a government's financial position.

The City's net position at fiscal year-end is \$44,676,824 this is a decrease of \$75,321 or 0.2%.

A portion of the City's net position (75%) reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, improvements other than buildings, vehicles, and machinery and equipment); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending.

Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

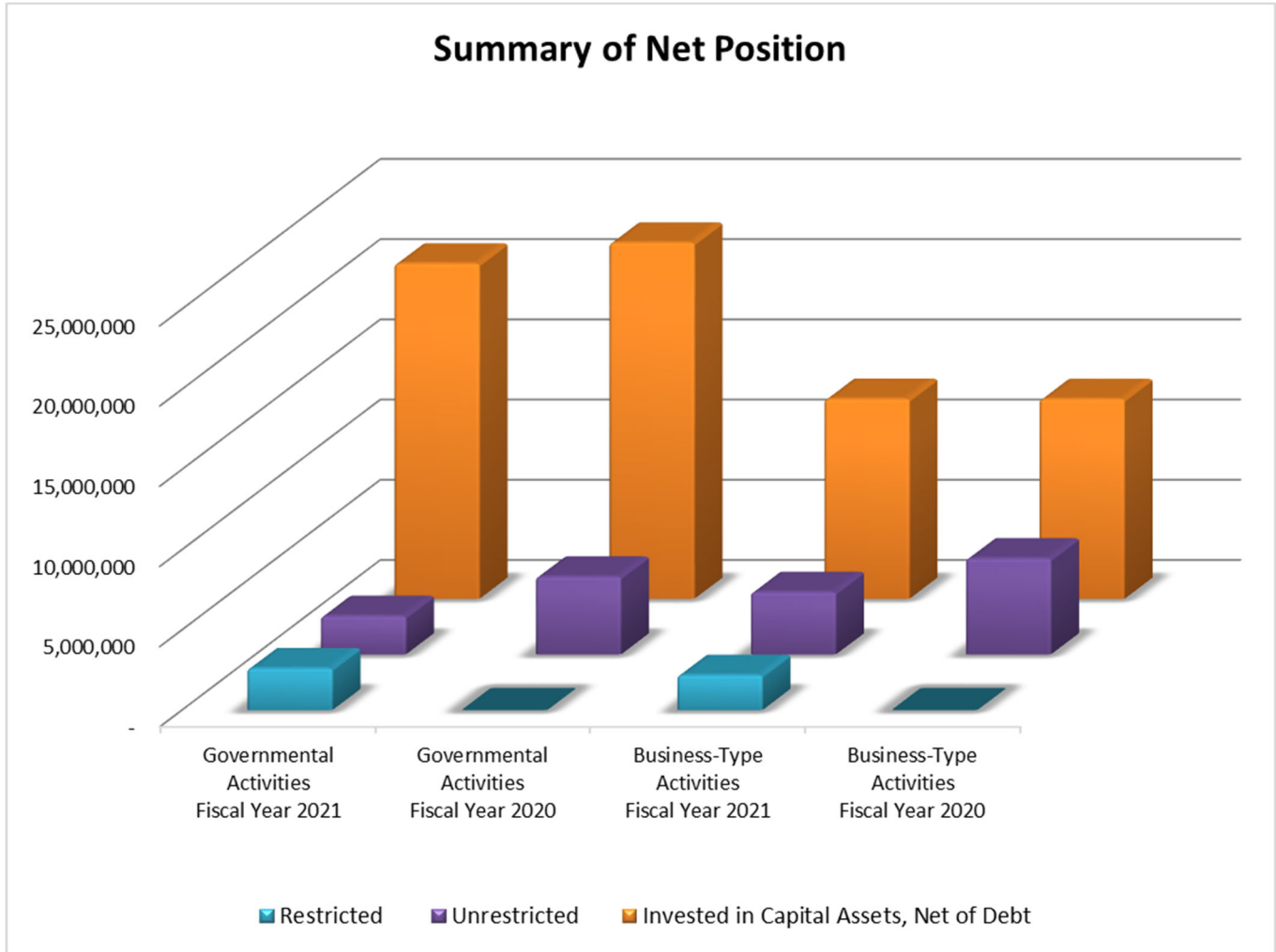
CITY OF SCAPPOOSE
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2021

The following table provides a summary of the City's net position for the current and prior year.

	Summary of Net Position					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current and Other Assets	\$ 8,300,349	\$ 7,340,300	\$ 8,402,862	\$ 8,003,903	\$ 16,703,211	\$ 15,344,203
Capital Assets	20,918,270	22,205,878	16,334,257	16,131,096	37,252,527	38,336,974
Total Assets	<u>29,218,619</u>	<u>29,546,178</u>	<u>24,737,119</u>	<u>24,134,999</u>	<u>53,955,738</u>	<u>53,681,177</u>
Deferred Outflow of Resources	<u>815,687</u>	<u>716,180</u>	<u>592,431</u>	<u>520,159</u>	<u>1,408,118</u>	<u>1,236,339</u>
Liabilities						
Current Liabilities	619,538	606,645	763,864	708,596	1,383,402	1,315,241
Long-Term Liabilities	<u>3,317,045</u>	<u>2,825,107</u>	<u>5,663,150</u>	<u>5,685,660</u>	<u>8,980,195</u>	<u>8,510,767</u>
Total Liabilities	<u>3,936,583</u>	<u>3,431,752</u>	<u>6,427,014</u>	<u>6,394,256</u>	<u>10,363,597</u>	<u>9,826,008</u>
Deferred Inflow of Resources	<u>187,358</u>	<u>196,585</u>	<u>136,077</u>	<u>142,778</u>	<u>323,435</u>	<u>339,363</u>
Net Position - Restated for Prior Year						
Net Investment in Capital Assets	20,900,607	22,205,878	12,687,633	12,178,771	33,588,240	34,384,649
Restricted	2,714,911	-	2,188,044	-	4,902,955	-
Unrestricted	<u>2,294,847</u>	<u>4,428,143</u>	<u>3,890,782</u>	<u>5,939,353</u>	<u>6,185,629</u>	<u>10,367,496</u>
Total Net Position	<u>\$ 25,910,365</u>	<u>\$ 26,634,021</u>	<u>\$ 18,766,459</u>	<u>\$ 18,118,124</u>	<u>\$ 44,676,824</u>	<u>\$ 44,752,145</u>

CITY OF SCAPPOOSE
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2021

See the chart below to gain an understanding of the City's actual financial position and how each component relates to the activities performed.



CITY OF SCAPPOOSE
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2021

Changes in net position - The City's total revenues for the fiscal year ended June 30, 2021 were \$10,335,415. The total cost of all programs and services was \$10,410,740. The following table shows a comparative analysis of government-wide revenues, expenses and changes in net position.

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Revenues						
Program Revenues						
Charges for Services	\$ 106,188	\$ 933,148	\$ 4,770,675	\$ 4,465,037	\$4,876,863	\$5,398,185
Operating Grants and Contributions	274,025	853,259	-	-	274,025	853,259
Capital Grants and Contributions	295,385	464,807	276,788	363,125	572,173	827,932
Total Program Revenues	675,598	2,251,214	5,047,463	4,828,162	5,723,061	7,079,376
General Revenues						
Local Sources						
Property Taxes, Franchise Fees, &						
Public Service Taxes	4,072,156	2,689,251	-	-	4,072,156	2,689,251
Interest & Investment Earnings	50,966	-	57,089	-	108,055	-
Licenses and Permits	235,561	-	-	-	235,561	-
Other Revenues	196,582	193,851	-	137,124	196,582	330,975
Total General Revenues	4,555,265	2,883,102	57,089	137,124	4,612,354	3,020,226
Total Revenues	5,230,863	5,134,316	5,104,552	4,965,286	10,335,415	10,099,602
Program Expenses						
General Government	1,466,101	774,610	-	-	1,466,101	774,610
Public Safety	2,026,290	1,893,278	-	-	2,026,290	1,893,278
Public Works	1,887,949	637,400	-	-	1,887,949	637,400
Culture and Recreation	768,495	1,195,217	-	-	768,495	1,195,217
Urban Renewal/Community Dev. Projects	8,262	554,150	-	-	8,262	554,150
Interest and Fees on Long-Term Debt	2,217	3,102	-	-	2,217	3,102
Utility Services						
Water Utilities	-	-	2,181,696	2,462,099	2,181,696	2,462,099
Waste Water Utilities	-	-	1,797,621	1,720,120	1,797,621	1,720,120
Storm Drainage Utilities	-	-	272,110	116,230	272,110	116,230
Total Program Expenses	6,159,313	5,057,757	4,251,427	4,298,449	10,410,740	9,356,206
Transfers	204,796	193,134	(204,796)	(193,134)	-	-
Change in Net Position	<u>\$ (723,654)</u>	<u>\$ 269,693</u>	<u>\$ 648,329</u>	<u>\$ 473,703</u>	<u>\$ (75,325)</u>	<u>\$ 743,396</u>

CITY OF SCAPPOOSE
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2021

The Statement of Activities shows the cost of program services and the charges for services, grants, and contributions offsetting those services. The following table shows, for governmental activity, the total cost of the four major functional activities of the City. The table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

Governmental Activities

	<u>Total Cost of Services</u>		<u>Net (Cost) Profit of Services</u>	
	2020-21	2019-20	2020-21	2019-20
General Government	\$ 1,466,101	\$ 774,610	\$(1,091,153)	\$ 12,262
Public Safety	2,026,290	1,893,278	(2,026,290)	(1,773,036)
Public Works	1,887,949	637,400	(1,758,459)	-
Culture and Recreation	768,495	1,195,217	(597,335)	(1,149,662)
Urban Renewal/Community Dev. Projects	8,262	554,150	(8,262)	(177,933)
Interest Expense	2,217	3,102	(2,217)	(3,102)
Total Program Expenses	<u>\$ 6,159,313</u>	<u>\$ 5,057,757</u>	<u>\$(5,483,715)</u>	<u>\$(3,091,471)</u>

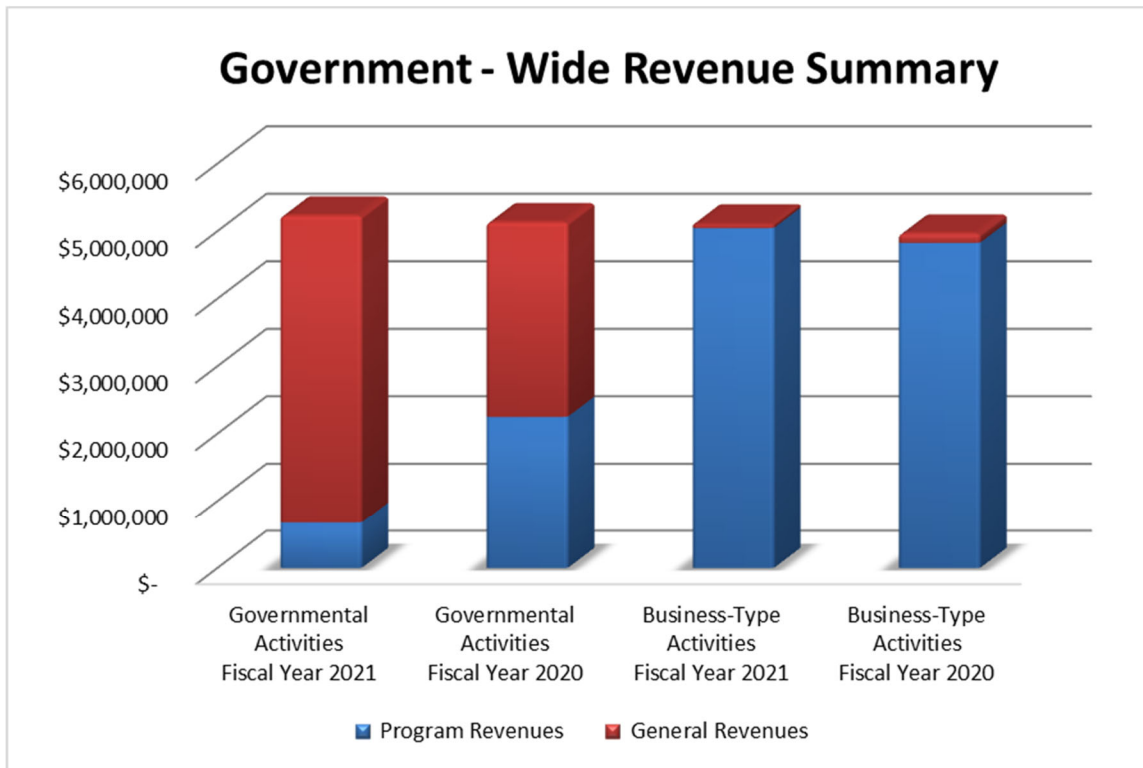
The dependence on general revenues for general government activities is apparent. For the current year, 53 percent of general government activities are supported through general revenues

This graph represents the cost of the City's Program expenses by governmental activities.



CITY OF SCAPPOOSE
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2021

The following chart analyzes the revenue between governmental activities and business-type activities from prior to current year.



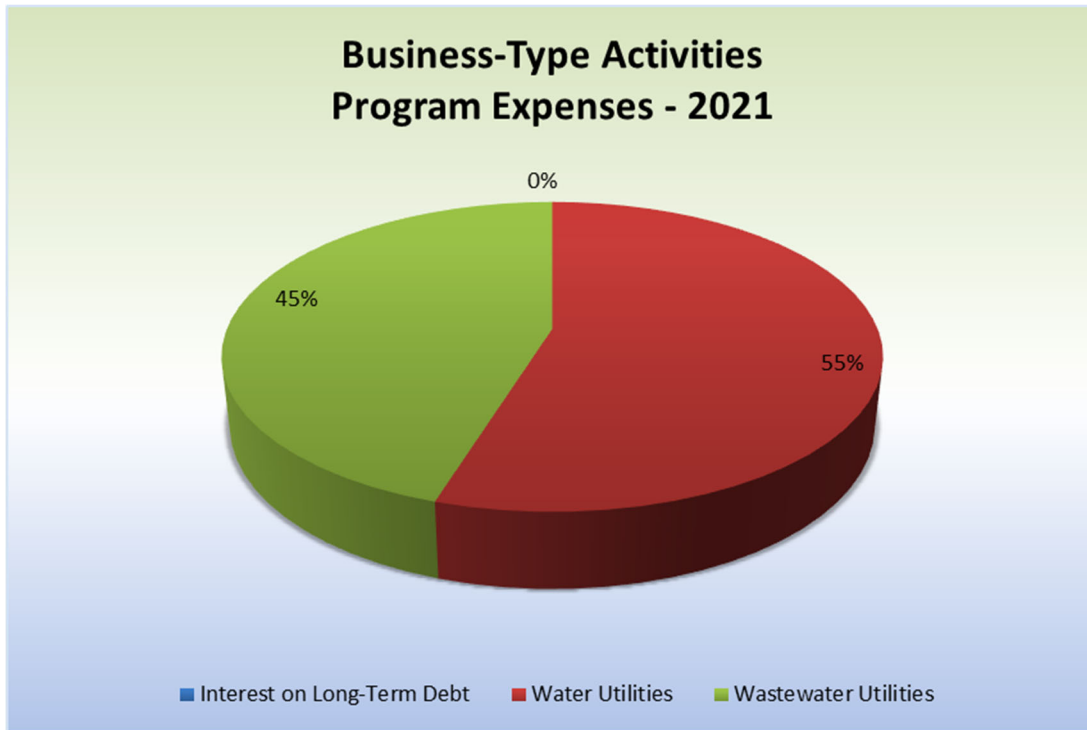
Business-Type Activities

	<u>Total Cost of Services</u>		<u>Net (Cost) Profit of Services</u>	
	2020-21	2019-20	2020-21	2019-20
Water Utilities	\$ 2,181,696	\$ 2,462,099	\$ 231,713	\$ (176,973)
Waste Water Utilities	1,797,621	1,720,120	467,057	451,393
Storm Drainage Utilities	272,110	116,230	97,266	255,293
Total Program Expenses	\$ 4,251,427	\$ 4,298,449	\$ 796,036	\$ 529,713

Business type activities increased the City's net position by approximately \$648,329. Of the business-type activities, the Water and Wastewater funds accounted for approximately 48% and 45% of revenues, respectively.

CITY OF SCAPPOOSE
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2021

This graph represents the cost of the City's Program expenses by business-type activities.



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on short-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

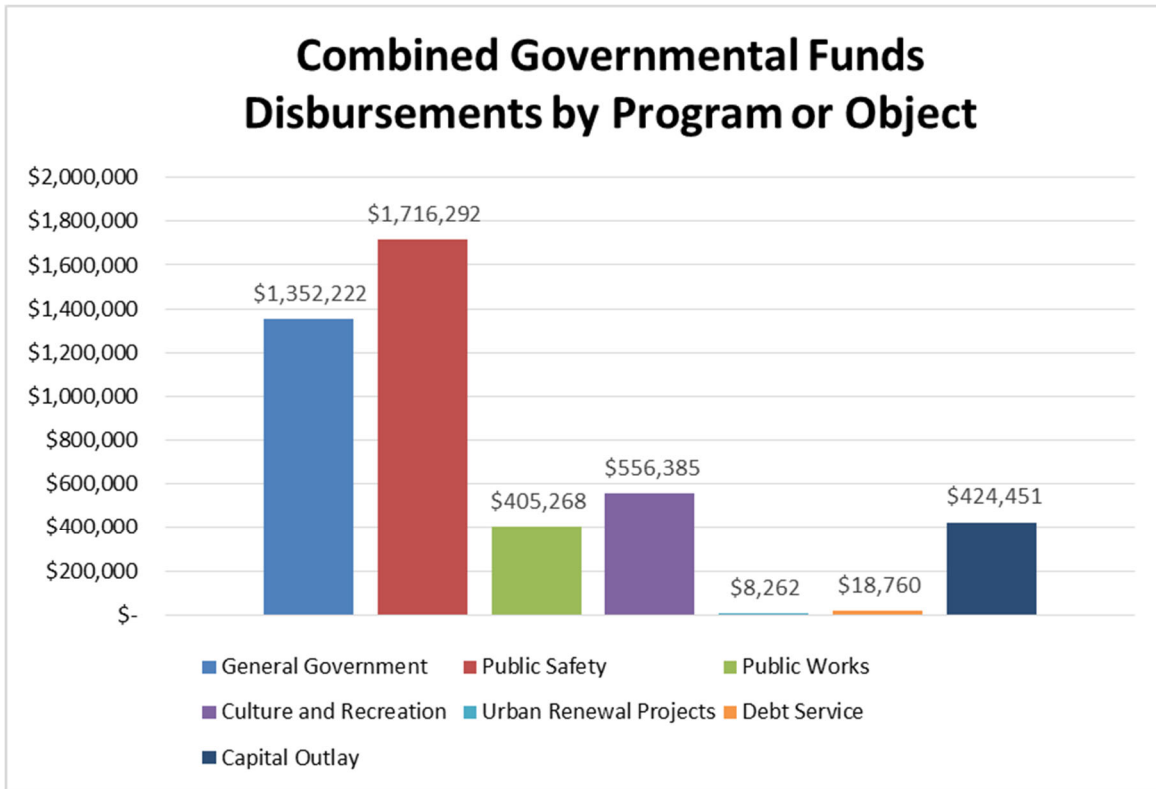
Governmental Funds

As the City completed the year, its governmental funds reported a combined fund balance of \$7,730,267, an increase of \$971,812. The fund balance constitutes restricted, committed, assigned and unassigned amounts. Of the current fund balances, \$1,133,927 is restricted for public works projects, \$1,373,511 is restricted for System Development, \$104,848 for employee benefits, and \$78,521 is restricted for urban renewal projects. \$499,968 is committed for various programs, and \$4,539,492 is unassigned and available for spending at the City's discretion.

The General Fund is the principal operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$4,539,492, an increase of \$512,431.

CITY OF SCAPPOOSE
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2021

Following is a comparison of current expenditures by program of the governmental funds.

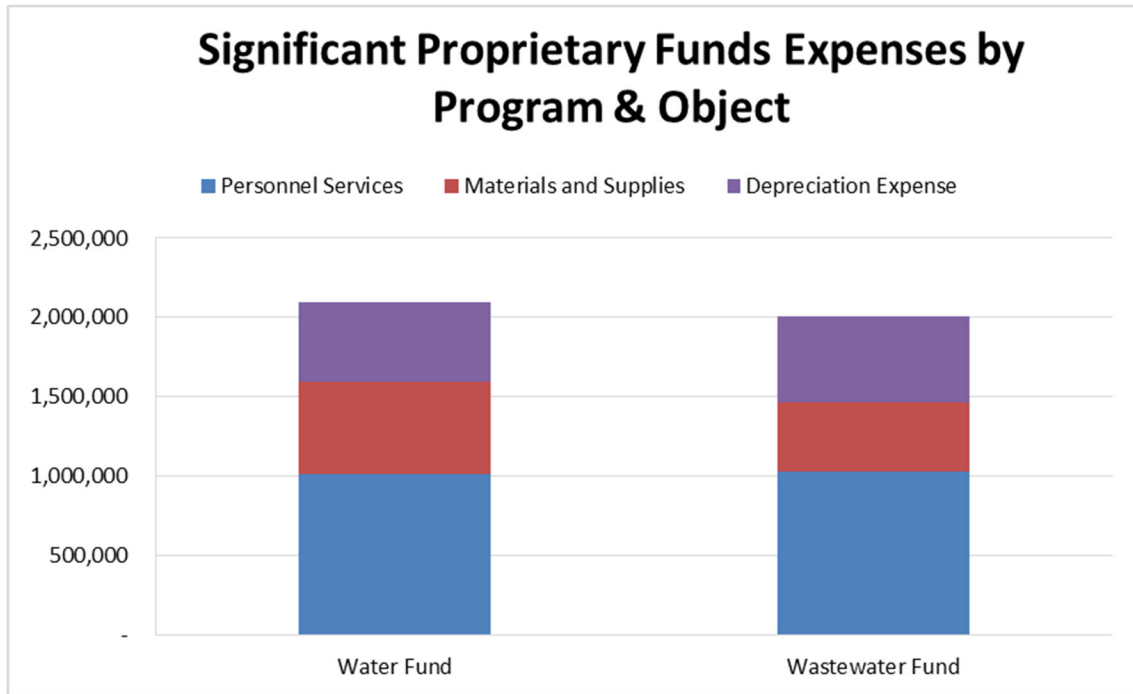


Proprietary Funds

The City's enterprise funds reported unrestricted net position of \$18,766,459. The enterprise funds also report \$2,170,537 in restricted net position for public works projects and \$12,687,633 in net position invested in capital assets, net of related debt.

CITY OF SCAPPOOSE
Management’s Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2021

Following is a comparison of current expenses by program of the proprietary funds.



Budgetary Highlights

General Fund resources were budgeted and anticipated to be available in the amount of \$7,262,234 during the fiscal year. Actual resources of \$7,803,130 were available, \$540,896 more than budgeted. General Fund expenditures budget was under-spent by \$2,293,596. The ending fund balance was greater than what was budgeted by \$2,839,492 and more than the prior year by \$512,431.

The Water Fund budgetary fund balance increased \$101,006 during the fiscal year and the Wastewater Fund budgetary fund balance increased \$30,978 during the fiscal year. Both funds remained within their budgeted. The Water Fund’s actual resources were more than budgeted by \$254,962. The Wastewater Fund’s actual resources were less than budgeted by \$1,049,864.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2021, the City governmental activities had invested, before net reduction for accumulated depreciation, \$20,918,270 in capital assets, including land, construction in progress, buildings and building improvements, infrastructure. This amount represents a decrease of \$1,287,609 from the prior year due to depreciation being higher than additions. For the governmental activities there were \$405,378 of additions and no deletions in the current year.

As of June 30, 2021, the City business-type activities had invested, before net reduction for accumulated depreciation, \$37,252,526 in capital assets, including , land, construction in progress, utility systems, buildings and building improvements and infrastructure. This amount represents an increase of \$203,160 from the prior year due to additions begin greater than depreciation. For the business-type activities there were \$1,037,542 of additions and no deletions in the current year.

CITY OF SCAPPOOSE
Management's Discussion and Analysis (MD&A)
For the Fiscal Year Ended June 30, 2021

Total depreciation expense for the year was \$2,527,369; of which \$41,021 is associated with general government activities, \$501,147 from water utilities, and \$320,170 from Wastewater utilities. Additional information on the City's capital assets can be found in the Capital Asset Note of the Notes to the Basic Financial Statements section of this report.

Long-Term Debt

At June 30, 2021 the City had total long-term debt outstanding of \$3,664,287. Principal paid on existing debt was \$497,632, and interest paid on the debt amounted to \$92,467. Additional information on the City's long-term debt can be found in the Long-Term Debt Note of the Notes to the Basic Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

A number of factors were considered by the City's officials during the process of developing the fiscal year 2021-22 budget. The City's budget for the fiscal year ending June 30, 2022 represents an overall increase of \$5,085,182 or 20.3% when compared with the current fiscal year.

Many important projects are included as expenditures in the adopted 2021-22 budget. The City's local economic development needs will be addressed by supporting several key objectives, beginning with the expansion of OMIC; Oregon Tech plans to construct another building on their existing site beginning in 2021. Similarly, City Staff will also continue to support the development of the Columbia Commerce Center. Construction document review for Phases 3 and 4 of the road and applicable public infrastructure is currently underway and the City has an improvement agreement in place with Airpark Development LLC and ODOT in order to ensure the availability of ~\$2.8 million in pass through ODOT funds for the road portion of the project.

Another key economic development objective is the development of marketing materials for the industrially zoned property located within City limits. Staff plans to partner with the Columbia River PUD and the Port of Columbia County to develop these materials and has budgeted \$25,000 for this project. Finally, the City is currently transitioning from a cash basis of accounting to a GAAP recognized basis of accounting. This change is important because it will provide the City with more options when it comes to financing infrastructure improvements moving forward – a key component to all economic development in Scappoose.

The City will be allocating significant time and resources to address aging infrastructure. For this fiscal year, the focus of these efforts will be on certain key objectives including Phase 1 of the Wastewater Treatment Plant, completion of the Stormwater Master Plan and updates to the City's System Development Charges and fees.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the resources it receives.

If you have any questions about this report or need additional information, contact the City of Scappoose City Hall at 33568 E. Columbia Avenue, Scappoose, Oregon 97056.

BASIC FINANCIAL
STATEMENTS

Government -Wide
Financial Statements

CITY OF SCAPPOOSE
STATEMENT OF NET POSITION
For the Fiscal Year Ended June 30, 2021

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS:</u>			
Current Assets:			
Cash and Investments	\$ 6,673,662	\$ 5,865,307	\$ 12,538,969
Receivables	229,072	349,511	578,583
Total Current Assets	6,902,734	6,214,818	13,117,552
Restricted Assets:			
Restricted Cash - SDC Funds	1,373,511	2,170,538	3,544,049
Net OPEB Asset (RHIA)	24,104	17,506	41,610
Total Restricted Assets	1,397,615	2,188,044	3,585,659
Capital Assets:			
Land and Construction In Progress	2,846,703	389,036	3,235,739
Depreciable Assets, Net of Depreciation	18,071,567	15,945,221	34,016,788
Total Capital Assets, Net of Depreciation	20,918,270	16,334,257	37,252,527
Total Assets	29,218,619	24,737,119	53,955,738
<u>DEFERRED OUTFLOW OF RESOURCES:</u>			
Pension Related Deferrals	791,466	574,839	1,366,305
OPEB Related Deferrals - RHIA	3,870	2,811	6,681
OPEB Related Deferrals - CIS	20,351	14,781	35,132
Total Deferred Outflows of Resources	815,687	592,431	1,408,118
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts Payable	14,624	136,946	151,570
Accrued Compensated Absences	163,016	49,616	212,632
Interest Payable	87	44,937	45,024
Deposits	424,148	139,735	563,883
Current Portion of Long-Term Liabilities:			
Notes Payable	-	286,147	286,147
Bonds Payable	-	17,642	17,642
Leases Payable	17,663	88,841	106,504
Total Current Liabilities	619,538	763,864	1,383,402
Long-Term Liabilities:			
Noncurrent Portion of Long-Term Liabilities:			
Notes Payable	-	3,095,226	3,095,226
Bonds Payable (Net of unamortized premium)	-	158,768	158,768
Net Pension Liability	3,210,338	2,331,656	5,541,994
Net OPEB Obligation - CIS	106,707	77,500	184,207
Total Long-Term Liabilities	3,317,045	5,663,150	8,980,195
Total Liabilities	3,936,583	6,427,014	10,363,597
<u>DEFERRED INFLOW OF RESOURCES:</u>			
Pension Related Deferrals	128,690	93,466	222,156
OPEB Related Deferrals - RHIA	3,834	2,785	6,619
OPEB Related Deferrals - CIS	54,834	39,826	94,660
Total Deferred Inflow of Resources	187,358	136,077	323,435
<u>NET POSITION:</u>			
Net Investment in Capital Assets	20,900,607	12,687,633	33,588,240
Restricted for:			
Public Works	1,133,927	-	1,133,927
Employee Benefits	104,848	-	104,848
Systems Development	1,373,511	2,170,538	3,544,049
Urban Renewal Projects	78,521	-	78,521
Net Pension/ OPEB Assets	24,104	17,506	41,610
Unrestricted	2,294,847	3,890,782	6,185,629
Total Net Position	\$ 25,910,365	\$ 18,766,459	\$ 44,676,824

The accompanying notes to the basic financial statements are an integral part of this statement.

CITY OF SCAPPOOSE
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2021

	<u>(Expenses)</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Change in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<u>GOVERNMENTAL ACTIVITIES:</u>					
General Government	\$ 1,466,101	\$ 106,188	\$ 268,760	\$ -	\$ (1,091,153)
Public Safety	2,026,290	-	-	-	(2,026,290)
Public Works	1,887,949	-	-	129,490	(1,758,459)
Culture and Recreation	768,495	-	5,265	165,895	(597,335)
Urban Renewal Projects	8,262	-	-	-	(8,262)
Interest and Fees Expense	2,217	-	-	-	(2,217)
Total Governmental Activities	\$ 6,159,313	\$ 106,188	\$ 274,025	\$ 295,385	\$ (5,483,715)
<u>BUSINESS-TYPE ACTIVITIES:</u>					
Water Utilities	\$ 2,181,696	\$ 2,274,470	\$ -	\$ 138,939	\$ 231,713
Waste Water Utilities	1,797,621	2,151,177	-	113,501	467,057
Storm Drainage Utilities	272,110	345,028	-	24,348	97,266
Total Business-type Activities	\$ 4,251,427	\$ 4,770,675	\$ -	\$ 276,788	\$ 796,036
Total Primary Government	\$ 10,410,740	\$ 4,876,863	\$ 274,025	\$ 572,173	\$ (4,687,679)
			<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>CHANGES IN NET POSITION:</u>					
Net (expense) revenue			\$ (5,483,715)	\$ 796,036	\$ (4,687,679)
General Revenues:					
Property Taxes, levied for general purposes			2,265,885	-	2,265,885
Property Taxes, levied for urban renewal programs			91,593	-	91,593
Intergovernmental Tax Turnovers			1,150,564	-	1,150,564
Franchise Taxes			434,204	-	434,204
Fines and Forfeitures			129,910	-	129,910
Licenses and Permits			235,561	-	235,561
Interest and Investment Earnings			50,966	57,089	108,055
Other Revenue			196,582	-	196,582
Subtotal - General Revenues			4,555,265	57,089	4,612,354
Interfund Transfers			204,796	(204,796)	-
Total general revenues, special items, and transfers			4,760,061	(147,707)	4,612,354
Change in Net Position			(723,654)	648,329	(75,325)
Net Position, July 1, 2020 - Restated			26,634,019	18,118,130	44,752,149
Net Position, June 30, 2021			\$25,910,365	\$18,766,459	\$ 44,676,824

The accompanying notes to the basic financial statements are an integral part of this statement.

BASIC FINANCIAL
STATEMENTS

Governmental Fund
Financial Statements

CITY OF SCAPPOOSE

BALANCE SHEET

GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2021

	Component Unit					Total Governmental Funds
	General Fund	Street Fund	Street SDC Fund	Urban Redevelopment Agency Fund	Other Governmental Funds	
<u>ASSETS:</u>						
Cash and Investments	\$ 4,907,368	\$ 1,085,386	\$ 1,114,614	\$ 78,304	\$ 861,501	\$ 8,047,173
Receivables:						
Intergovernmental	16,572	48,632	-	-	2,372	67,576
Property Tax	115,759	-	-	2,341	-	118,100
Franchise Taxes	43,396	-	-	-	-	43,396
Total Assets	\$ 5,083,095	\$ 1,134,018	\$ 1,114,614	\$ 80,645	\$ 863,873	\$ 8,276,245
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</u>						
LIABILITIES:						
Accounts Payable	\$ 14,373	\$ 91	\$ -	\$ -	\$ 160	\$ 14,624
Deposits	424,148	-	-	-	-	424,148
Total Liabilities	438,521	91	-	-	160	438,772
<u>DEFERRED INFLOWS OF RESOURCES:</u>						
Delinquent Property Tax Revenue Not Available	105,082	-	-	2,124	-	107,206
Total Deferred Inflows of Resources	105,082	-	-	2,124	-	107,206
FUND BALANCES:						
Restricted for:						
Public Works	-	1,133,927	-	-	-	1,133,927
Employee Benefits	-	-	-	-	104,848	104,848
Systems Development	-	-	1,114,614	-	258,897	1,373,511
Urban Renewal Projects	-	-	-	78,521	-	78,521
Committed for:						
Culture and Recreation	-	-	-	-	53,737	53,737
Community Development Projects	-	-	-	-	272,956	272,956
Public Works	-	-	-	-	173,275	173,275
Unassigned	4,539,492	-	-	-	-	4,539,492
Total Fund Balances	4,539,492	1,133,927	1,114,614	78,521	863,713	7,730,267
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 5,083,095	\$ 1,134,018	\$ 1,114,614	\$ 80,645	\$ 863,873	\$ 8,276,245

The accompanying notes to the basic financial statements are an integral part of this statement.

CITY OF SCAPPOOSE

**RECONCILIATION OF THE BALANCE SHEET -- GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION**

For the Fiscal Year Ended June 30, 2021

Total Fund Balances - Governmental Funds \$ 7,730,267

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

The cost of the assets is -	\$ 76,091,223	
The accumulated depreciation is -	<u>(55,172,953)</u>	
Net Value of Assets		20,918,270

Net OPEB and pension assets/liabilities reported in governmental activities are not financial resources and therefore are not reported in the governmental funds. (3,292,941)

Certain receivables that will not be available to pay for current-period expenditures are deferred in the governmental funds:

Property Taxes	<u>107,206</u>	107,206
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Deferred inflows and outflows of pension contributions and earnings are not reported in the governmental funds

Net Pension and OPEB Related Deferrals	628,329
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Interest Payable is not recorded in the governmental funds: (87)

Accrued Compensated Absences are not recorded in the governmental funds: (163,016)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.

(17,663)

Net Position of Governmental Activities

\$25,910,365

The accompanying notes to the basic financial statements are an integral part of this statement.

CITY OF SCAPPOOSE

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES**

GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2021

	Component Unit					
	Urban					
	General	Street	Street	Redevelopment	Other	Total
	Fund	Fund	SDC	Agency	Governmental	Governmental
	Fund	Fund	Fund	Fund	Funds	Funds
REVENUES:						
Taxes and Assessments	\$ 2,283,679	\$ -	\$ -	\$ 91,593	\$ -	\$ 2,375,272
Intergovernmental	338,975	801,256	-	-	15,598	1,155,829
Franchise Taxes	434,204	-	-	-	-	434,204
Licenses & Permits	61,220	-	-	-	174,341	235,561
Charges for Service	-	-	-	-	-	-
System Development Charges	-	-	129,490	-	165,895	295,385
Fines and Forfeitures	129,910	-	-	-	-	129,910
Investment Revenue	30,359	6,532	7,879	190	6,006	50,966
Grants and Donations	268,760	-	-	-	-	268,760
Other Revenue	228,962	63,954	-	-	9,854	302,770
Total Revenues	3,776,069	871,742	137,369	91,783	371,694	5,248,657
EXPENDITURES:						
Current Operating:						
General Government	1,312,563	-	-	-	39,659	1,352,222
Public Safety	1,715,405	-	-	-	887	1,716,292
Public Works	-	405,268	-	-	-	405,268
Culture and Recreation	297,172	-	-	-	259,214	556,386
Urban Renewal Projects	-	-	-	8,262	-	8,262
Debt Service:						
Principal	16,630	-	-	-	-	16,630
Interest and Fees	2,130	-	-	-	-	2,130
Capital Outlay	259,454	61,075	79,405	-	24,517	424,451
Total Expenditures	3,603,354	466,343	79,405	8,262	324,277	4,481,641
Excess (Deficiency) of Revenues						
Over Expenditures	172,715	405,399	57,964	83,521	47,417	767,016
OTHER FINANCING SOURCES (USES):						
Interfund Transfers In	498,786	-	-	-	-	498,786
Interfund Transfers (Out)	(159,070)	(75,690)	(6,632)	(5,000)	(47,598)	(293,990)
Total Other Financing Sources (Uses)	339,716	(75,690)	(6,632)	(5,000)	(47,598)	204,796
Net Change in Fund Balances	512,431	329,709	51,332	78,521	(181)	971,812
Fund Balances - July 1, 2020 - Restated	4,027,061	804,218	1,063,282	-	863,894	6,758,455
Fund Balances - June 30, 2021	\$ 4,539,492	\$ 1,133,927	\$ 1,114,614	\$ 78,521	\$ 863,713	\$ 7,730,267

The accompanying notes to the basic financial statements are an integral part of this statement.

CITY OF SCAPPOOSE

**RECONCILIATION OF THE STATEMENT
OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended June 30, 2021

Net Changes in Fund Balances - Total Governmental Funds \$ 971,812

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense.

Expenditures for capitalized assets	\$ 405,378	
Less assets acquired by contributed capital	-	
Less current year depreciation	<u>\$ (1,692,986)</u>	
		(1,287,609)

Some revenues will not be collected for several months after the City's fiscal year end and are therefore not considered "available" revenues in the governmental funds, instead these funds are shown as deferred revenue. However, these funds are recorded as revenue in the Statement of Activities.

The changes in amounts deferred are as follows:

Property Taxes	<u>(17,794)</u>	
		(17,794)

Expense accruals in the governmental funds do not include all accrued interest expense payable.

The change in payables from the prior year to the current year is reconciled here.		(87)
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Changes to vacation payable are reported as a change in expenses		(4,731)
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Repayment of long-term debt principal amounts are expenditures in the governmental funds, but the repayment reduces long-term debt liabilities in the Statement of Net Position.

Retirement of debt principal is as follows:

Leases Payable	<u>16,630</u>	
		16,630

Adjustment for pension costs on accrued basis		<u>(401,876)</u>
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Change in Net Position of Governmental Activities		<u>\$ (723,655)</u>
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The accompanying notes to the basic financial statements are an integral part of this statement.

BASIC FINANCIAL
STATEMENTS

Proprietary Fund
Financial Statements

CITY OF SCAPPOOSE
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2021

	<u>Water Utility</u>	<u>Waste Water Utility</u>	<u>Storm Drain Utility</u>	<u>Total Enterprise Funds</u>
<u>ASSETS:</u>				
Current Assets:				
Cash and Investments	\$ 3,559,094	\$ 1,729,068	\$ 577,145	\$ 5,865,307
Receivables	167,765	157,280	24,466	349,511
Total Current Assets	3,726,859	1,886,348	601,611	6,214,818
Restricted Assets:				
Restricted Cash- Systems Development	391,407	1,260,634	518,497	2,170,538
Net OPEB Asset (RHIA)	8,858	8,648	-	17,506
Total Restricted Assets	400,265	1,269,282	518,497	2,188,044
Capital Assets:				
Land and Construction In Progress	286,466	102,570	-	389,036
Depreciable Assets, Net of Depreciation	10,056,470	5,725,494	163,257	15,945,221
Total Capital Assets	10,342,936	5,828,064	163,257	16,334,257
Total Assets	14,470,060	8,983,694	1,283,365	24,737,119
<u>DEFERRED OUTFLOW OF RESOURCES:</u>				
Pension Related Deferrals	290,868	283,971	-	574,839
OPEB Related Deferrals - RHIA	1,422	1,389	-	2,811
OPEB Related Deferrals - CIS	7,479	7,302	-	14,781
Total Deferred Outflow of Resources	\$ 299,769	\$ 292,662	\$ -	\$ 592,431
<u>LIABILITIES:</u>				
Current Liabilities:				
Accounts Payable	133,389	3,557	-	136,946
Accrued Compensated Absences	24,808	24,808	-	49,616
Interest Payable	44,937	-	-	44,937
Customer Deposits	139,735	-	-	139,735
Current Portion of Long-Term Liabilities:				
Note Payable	286,147	-	-	286,147
Bond Payable	-	17,642	-	17,642
Lease Payable	88,841	-	-	88,841
Total Current Liabilities	717,857	46,007	-	763,864
Long-Term Liabilities:				
Noncurrent Portion of Long-Term Liabilities:				
Note Payable	3,095,226	-	-	3,095,226
Bonds Payable (Net of unamortized premium)	-	158,768	-	158,768
Net Pension Liability	1,179,816	1,151,840	-	2,331,656
Net OPEB Obligation - CIS	39,215	38,285	-	77,500
Total Long-Term Liabilities	4,314,257	1,348,893	-	5,663,150
Total Liabilities	5,032,114	1,394,900	-	6,427,014
<u>DEFERRED INFLOW OF RESOURCES:</u>				
Pension Related Deferrals	47,294	46,172	-	93,466
OPEB Related Deferrals - RHIA	1,409	1,376	-	2,785
OPEB Related Deferrals - CIS	20,152	19,674	-	39,826
Total Deferred Inflow of Resources	\$ 68,855	\$ 67,222	\$ -	\$ 136,077
<u>NET POSITION:</u>				
Net Investment in Capital Assets	6,872,722	5,651,654	163,257	12,687,633
Restricted for:				
Systems Development	391,407	1,260,634	518,497	2,170,538
Net Pension & OPEB Assets	8,858	8,648	-	17,506
Unrestricted	2,395,873	893,298	601,611	3,890,782
Total Net Position	\$ 9,668,860	\$ 7,814,234	\$ 1,283,365	\$ 18,766,459

The accompanying notes to the basic financial statements are an integral part of this statement.

CITY OF SCAPPOOSE
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2021

	<u>Water Utility</u>	<u>Waste Water Utility</u>	<u>Storm Drain Utility</u>	<u>Total Enterprise Funds</u>
<u>OPERATING REVENUES:</u>				
Charges for Services & Fees	\$ 2,268,019	\$ 2,143,774	\$ 333,028	\$ 4,744,821
Other Revenue	6,451	7,403	12,000	25,854
Total Operating Revenues	<u>2,274,470</u>	<u>2,151,177</u>	<u>345,028</u>	<u>4,770,675</u>
<u>OPERATING EXPENSES:</u>				
Personnel Services	1,017,499	1,028,973	95,427	2,141,899
Materials and Supplies	576,009	447,245	163,618	1,186,872
Depreciation Expense	501,147	320,170	13,064	834,381
Total Operating Expenses	<u>2,094,655</u>	<u>1,796,388</u>	<u>272,110</u>	<u>4,163,153</u>
Operating Income (Loss)	179,815	354,789	72,918	607,522
<u>NON-OPERATING REVENUES (EXPENSES):</u>				
Investment Revenue	28,399	21,268	7,422	57,089
Interest Expense	(87,041)	(1,233)	-	(88,274)
Total Non-Operating Revenues (Expenses)	<u>(58,642)</u>	<u>20,035</u>	<u>7,422</u>	<u>(38,607)</u>
Income Before Other Revenues, Expenses, and Transfers	121,173	374,824	80,340	576,337
<u>CAPITAL CONTRIBUTIONS AND TRANSFERS:</u>				
System Development Charges	138,939	113,501	24,348	276,788
Transfers to Other Funds	(116,787)	(181,324)	(1,818)	(299,929)
Total Capital Contributions and Transfers	<u>117,285</u>	<u>(67,823)</u>	<u>22,530</u>	<u>71,992</u>
Changes in Net Position	238,458	307,001	102,870	648,329
Net Position, July 1, 2020	9,430,402	7,507,233	1,180,495	18,118,130
Net Position, June 30, 2021	<u>\$ 9,668,860</u>	<u>\$7,814,234</u>	<u>\$1,283,365</u>	<u>\$ 18,766,459</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

CITY OF SCAPPOOSE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended June 30, 2021

	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Storm Drain Utility</u>	<u>Total Enterprise Funds</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>				
Cash Received from User Charges	\$ 2,280,595	\$ 2,151,177	\$ 345,028	\$ 4,776,800
Cash Payments for Employee Services	(868,492)	(883,468)	(95,427)	(1,847,387)
Cash Payments to Suppliers	(442,620)	(443,688)	(163,618)	(1,049,926)
Net Cash Provided (Used) by Operating Activities	969,483	824,021	85,983	1,879,487
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</u>				
Transfer to Other Funds	(116,787)	(181,324)	(1,818)	(299,929)
Transfer from Other Funds	95,133	-	-	95,133
Net Cash Provided (Used) by Non-capital Financing Activities	(21,654)	(181,324)	(1,818)	(204,796)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>				
Proceeds from collection of System Development Charges	138,939	113,501	24,348	252,440
Acquisition of Capital Assets	(474,343)	(544,128)	(19,072)	(1,037,543)
Principal Paid on Long Term Debt	(363,483)	(117,519)	-	(481,002)
Interest and Fees Paid on Long Term Debt	(89,104)	(1,233)	-	(90,337)
Net Cash Provided (Used) by Capital and Related Financing Activities	(787,991)	(549,379)	5,276	(1,356,442)
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>				
Investment Income	28,399	21,268	7,422	57,089
Net Cash Provided (Used) by Investing Activities	28,399	21,268	7,422	57,089
Cash and Cash Equivalents at July 1, 2020	3,762,258	2,875,117	998,778	7,636,153
Cash and Cash Equivalents at June 30, 2021	\$ 3,950,495	\$ 2,989,703	\$ 1,095,641	\$ 8,011,491
<u>Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:</u>				
Income (loss) from operations	\$ 179,815	\$ 354,789	\$ 72,918	\$ 607,522
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:				
Depreciation	501,147	320,170	13,064	834,381
Change in assets and liabilities:				
Increase (decrease) in deposits	6,125	-	-	6,125
Increase (decrease) in payables	134,705	4,873	-	139,578
Increase (decrease) in pension related accounts	147,691	144,189		291,880
Net cash provided (used) by operating activities	<u>\$ 969,483</u>	<u>\$ 824,021</u>	<u>\$ 85,983</u>	<u>\$ 1,879,487</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

BASIC FINANCIAL
STATEMENTS

Notes to the Basic
Financial Statements

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The City of Scappoose, Oregon (City) is a municipal corporation incorporated under the laws of the State of Oregon. The City is governed by an elected Mayor and an elected seven member council. Administration officials are appointed by the council and are responsible for the day-to-day operations of the City.

The financial statements of the City have been prepared in accordance with Generally Accepted Accounting Principles (GAAP). GAAP Statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The following is a summary of the more significant policies of the City:

Reporting Entity

In determining the financial reporting entity, the City of Scappoose complies with Governmental Accounting Standards Board Statement 14 as amended, "The Financial Reporting Entity." The criteria for including organizations as component units within the City's reporting entity, include whether 1) the organization is legally separate (can sue and be sued in their own name); 2) the City holds the corporate powers of the organization; 3) the City appoints a voting majority of the organization's board; 4) the City is able to impose its will on the organization; 5) the organization has the potential to impose a financial benefit/burden on the City; and 6) there is fiscal dependency by the organization on the City. Based on the aforementioned criteria, the City of Scappoose has one component unit, the Urban Renewal Agency.

Blended Component Unit. The City has included the financial operations of its Urban Redevelopment Agency as a blended component unit in the basic financial statements. The Agency is a legally separate entity, which is governed by a board comprised of the members of the City Council as stipulated in the Agency's bylaws. The City Council has the ability to impose its will on the Agency as determined on the basis of budget adoption, taxing authority, and funding for the Agency. The Agency is reported as a special revenue fund and a debt service fund. Complete financial statements for the Agency can be obtained from the Finance Department of the City.

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the overall City. Eliminations have been made to minimize the double counting of internal activities. Governmental activities, which normally are 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. Direct expenses are those that are specifically associated with a program of function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the City.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Net position is reported as restricted when constraints placed on net asset use are either externally restricted, imposed by creditors (such as through grantors, contributors or laws) or through constitutional provisions or enabling resolutions.

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT):

Basis of Presentation (Cont.)

Fund Financial Statements: The fund financial statements provide information about the city's funds including those of a fiduciary nature, if applicable. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

Governmental Funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The City reports the following major governmental funds:

General Fund - The General Fund is the main operating fund of the City. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Street Fund - This fund accounts for activities related to the construction and maintenance of City streets. Revenues for this fund come from state highway taxes and grants.

Street SDA Fund - This fund is used to account for Street expansion and development costs. Revenues are from system development charges the City collects from various developers and landowners whose property is being developed.

Scappoose Urban Redevelopment Agency Fund – This fund accounts for the General Fund revenues and expenditures of the Urban Redevelopment Agency.

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

Special Revenue Funds are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Non-major special revenue funds include Building Fund, Pool Fund, Foot Paths and Bike Fund, Parks SDC Fund, PEG Fee Fund, Watts House Fund, Unemployment Fund, and Law Enforcement Fund, and the.

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position. The City has presented the following major proprietary funds, which consist of several budgetary funds combined into each activity fund:

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Basis of Presentation (Cont.)

Water Fund - The Water Fund is used to account for the provision of water services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water system and billing and collection activities.

Waste Water Fund - The Waste Water Fund is used to account for the provision of sewer services to the residents of the City. Activities of the fund include administration, operations and maintenance of the sewer system and billing and collection activities.

Storm Drainage Fund - The Storm Drainage Fund is used to account for the provision of storm drainage services to the residents of the City. Activities of the fund include administration, operations and maintenance of the storm drainage system and billing and collection activities.

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

Measurement Focus/Basis of Accounting

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the city receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Under terms of grant agreements, the city funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the city's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they are measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The city considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt, which is recognized when the obligations are expected to be liquidated with expendable available financial resources. Property taxes, interest and special assessments are susceptible to accrual. Other receipts and taxes become measurable and available when the cash is received by the government and are recognized as revenue at that time. Entitlements and shared revenues are recorded at the time of receipt or earlier if the "susceptible to accrual" criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt and acquisitions under capital leases are reported as other financing sources.

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Measurement Focus/Basis of Accounting (Cont.)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the city's Wastewater and Water Funds are charges to customers for sales and services. These funds also recognize fees intended to recover the cost of connecting new customers to the city's utility systems as operating revenue. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Budgeting

A budget is prepared for each city fund in accordance with the modified accrual basis of accounting and legal requirements set forth in the Oregon local budget law. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total personnel services, materials and services, capital outlay, contingencies, and debt service by fund are the levels of control. The detail budget document, however, is required to contain more specific, detailed information for the above-mentioned expenditure categories. Appropriations lapse at June 30. Unexpected additional resources may be added to the budget by a supplemental budget and appropriations resolution. A supplemental budget may require hearings before the public, publications in newspapers, and approval by the city council. Original and supplemental budgets may be modified by using appropriations transfers between the levels of control. Such transfers require approval by the city council. The city does not utilize encumbrance accounting for budgeted funds.

Cash and Investments

For purposes of the statement of cash flows, cash and cash equivalents include cash on hand, checking, savings and money market accounts and any short-term, highly liquid investments with initial maturity dates of three months or less.

The City has adopted an investment policy requiring compliance with Oregon statutes, which authorizes the City to invest in obligations of the United States, the agencies and instrumentalities of the United States and the State of Oregon, and numerous other investment instruments.

The City's investments may consist of time certificates of deposit, banker's acceptances, commercial paper, U.S. Government Agency securities, and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). The City's investments are reported at fair value at year-end. Changes in the fair value of investments are recorded as investment earnings. The LGIP is stated at cost, which approximates fair value. Fair value of the LGIP is the same as the City's value in the pool shares.

The Oregon State Treasury administers the LGIP. It is an open-ended, non-load 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 included in the Oregon Short Term Fund (OSTF) which was established by the State Treasurer.

In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP.

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Accumulated Compensated Absences

Accumulated vested vacation and compensatory pay is accrued as it is earned. For governmental funds, compensation not expected to be liquidated with the current resources are reported as liabilities in the government-wide statements and represent a reconciling item between the fund level and government-wide presentations. In business-type funds both the current and long-term liabilities are recorded. Sick pay, which does not vest, is recognized in applicable funds when leave is taken.

Receivables

Amounts due from individuals and organizations are recorded as receivables at year-end. These amounts include charges for services rendered, or for goods and material provided by the City. All receivables are expected to be collected. Accordingly, receivables are reported at the gross amount without an allowance for uncollectible accounts.

Receivables are also recognized for property taxes and intergovernmental grants. Property taxes receivable consist of uncollected taxes levied and payable at the end of the fiscal year. All taxes are considered collectible. Consequently no allowance for uncollectible taxes has been established. In the governmental fund financial statements, property taxes not collected within sixty days of the end of the fiscal year are reported as a deferred inflow or resources.

Deferred Inflows/Outflows of Resources:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the City has two items that qualifies for reporting in this category, deferred pension contributions and OPEB related deferrals.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualifies for reporting in this category, deferred earnings on pension assets and OPEB related deferrals.

In the governmental funds balance sheet, a different category of deferred inflow of resources, delinquent property tax revenue not available, is reported. Property taxes levied and considered receivable at the end of the fiscal year, but not collected within sixty days of the end of the fiscal year are reported in this category. These amounts are recognized as an inflow of resources (revenue) in the period that the amounts become available.

Inventory

Inventories are valued at cost, which approximates market value, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when purchased. The costs of proprietary fund type inventories are recorded as expenditures when consumed rather than when purchased.

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Restricted Assets and Liabilities

Certain resources are set aside and restricted for future bond payments and the related liability; these resources are segregated in the statement of net position and are classified as restricted assets on the Statement of Net Position because their use is limited.

Long-Term Debt

All bonds and capital leases to be paid from governmental and business-type resources are reported as liabilities in the government-wide financial statements. Amounts of the long-term debt due within the following fiscal year are included in the current liabilities section of the Statement of Net Position.

Long-term debt for governmental funds is not reported as a liability in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principle and interest reported as expenditures. The accounting for proprietary funds is the same in the fund financial statements as it is in the government-wide statements.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. Purchased or constructed capital assets are reported at cost, or estimated cost when original cost is not available. Donated capital assets are valued at their estimated fair market value on the date received. Maintenance and repairs of capital assets that do not significantly extend the useful life of an asset are not capitalized, but rather are charged to expenditures in the funds.

Assets capitalized have an original cost of \$5,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method.

The estimated useful lives are as follows:

Buildings and Improvements	10-50 years
Machinery and Equipment	3-20 years
Vehicles	5-10 years
Water and Sewer Systems	20-50 years
Infrastructure	25-35 years

Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as well as disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Equity Classifications:

Government-wide Statements and Proprietary Fund Financial Statements

Equity is classified as net position, which represents the difference between assets and liabilities, and deferred accounts. Net position is displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantor, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The City’s policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Governmental Fund Financial Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints. The City did not have any nonspendable resources at the end of the fiscal year.
- Restricted: This classification includes fund balance amounts that are constrained for specific purposes which are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The City has restricted funds for public works projects, system development, urban renewal projects, and net pension/OPEB assets.
- Committed: This classification includes fund balance amounts that are constrained for specific purpose that are internally imposed by the government through resolution of the highest level of decision-making authority, the City Council, and does not lapse at year-end. The City has committed resources at the end of the fiscal year.
- Assigned: This classification includes fund balance amounts that are intended to be used for specific purposes that are neither restricted nor committed. This intent can be expressed by the City Council or through the City Council delegating this responsibility to selected staff members or through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned: This classification includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories, and negative fund balances of other governmental funds.

The City’s policy is to use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of the constrained fund balances.

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.):

Property Taxes

The assessment date for the tax year is July 1. Personal and real property taxes are a lien on July 1. Total personal property tax becomes due and is delinquent when any installment is not paid by its due date. Real property tax is due and payable on November 15. However, a taxpayer may pay real property taxes in three equal installments, due the 15th day of November, February and May. Real property taxes become delinquent if not paid by May 15.

Inter-Fund Transactions

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other inter-fund transactions, except quasi-external transactions and reimbursements, are reported as transfers in the fund financial statements. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other inter-fund transfers are reported as operating transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement Fund (OPERF) and the Oregon Public Service Retirement Plan (OPSRP) and additions to/deductions from OPERF's and OPSRP's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CASH AND INVESTMENTS:

For discussion of deposit and investment policies and other related information, see Cash and Investments note under the Summary of Significant Accounting Policies.

The City follows the practice of aggregating the cash assets of various funds to maximize cash management efficiency and returns. Various restrictions on deposits and investments are imposed by state statutes. These restrictions are summarized at Cash and Investments note under the Summary of Significant Accounting Policies.

Investments, including amounts held in pool cash and investments are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value. Fair value is determined at the quoted market prices, if available; otherwise, the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

Deposits - All cash is deposited in compliance with Oregon statutes. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. FDIC insurance of \$250,000 applies to the deposits in each depository. ORS 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Oregon Public Funds Collateralization Program (PFCP). Where balances continually exceed \$250,000, ORS 295 requires the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualified depositories found on the state treasurer's website.

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

CASH AND INVESTMENTS (Cont.):

Custodial Credit Risk for Deposits - Custodial credit risk for deposits exists when, in the event of a depository failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk.

As of June 30, 2021, the reported amount of the City's deposits was \$1,799,551 and the bank balance was \$1,957,506. Of the bank balance, the entire amount was insured by the FDIC or covered by the collateral held in a multiple financial institutions collateral pool administered by the Oregon State Treasurer.

Investments - Oregon statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, banker's acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Local Governmental Investment Pool. The City has no credit risk policy or investment policy that would further limit its investment choices

Credit Risk - Credit risk exists when there is a possibility the issuer or other counterparty to an investment may be unable to fulfill its obligations. As of June 30, 2021, the City's investment in the Oregon State Treasurer's Local Government Investment Pool (LGIP) was unrated.

At June 30, 2021, the City's investments in financial institutions are as follows:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Credit Rating</u>
Oregon State Treasurer's Local Government Investment Pool (LGIP)	\$ 14,283,069	N/A
Total Investments	<u>\$ 14,283,069</u>	

Investments in the LGIP and federal agency notes do not require disclosure credit rating quality.

Concentration of Credit Risk - An increased risk of loss occurs as more investments are acquired from one issuer. This results in a concentration of credit risk. The City places no limit on the amount that may be invested in any one issuer. More than 5 percent of the City's investments are in the Oregon State Treasurer's Local Government Investment Pool (LGIP). This investment is 100% of the City's total investments.

RECEIVABLES:

The following is a summary of receivable balances reported on the statement of net position at June 30, 2021:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Accounts, net	\$ -	\$ 349,511
Grants	-	-
Property Tax	118,100	-
Franchise Taxes	43,396	-
Total	<u>\$ 229,072</u>	<u>\$ 349,511</u>

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

CAPITAL ASSETS:

The following is a summary of capital asset activity for the fiscal year ended June 30, 2021:

Governmental Activities	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balances</u>
Assets not being depreciated:				
Land	\$ 2,846,703	\$ -	\$ -	\$ 2,846,703
Construction in Progress	-	-	-	-
Total	2,846,703	-	-	2,846,703
Assets being depreciated:				
Building and Building Improvement	4,018,524	39,635	-	4,058,159
Machinery and Equipment	2,715,190	248,648	-	2,963,838
Infrastructure	66,105,428	117,095	-	66,222,523
Total Depreciable Assets	72,839,142	405,378	-	73,244,520
Less: Accumulated Depreciation				
Building and Building Improvement	1,848,033	108,936	-	1,956,970
Machinery and Equipment	1,366,336	151,332	-	1,517,668
Infrastructure	50,265,597	1,432,718	-	51,698,316
Total Accumulated Depreciation	53,479,967	1,692,986	-	55,172,953
Net Value of Capital Assets Being Depreciated	19,359,175	(1,287,609)	-	18,071,567
Total Governmental Activities -- Net Value of Capital Assets	<u>\$ 22,205,878</u>	<u>\$ (1,287,609)</u>	<u>\$ -</u>	<u>\$ 20,918,270</u>

Depreciation expense was charged to the functions of governmental activities as follows:

General Government	\$ 41,021
Public Safety	45,269
Public Works	1,439,064
Culture and Recreation	167,633
Total Depreciation Expense	<u>\$ 1,692,986</u>

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

CAPITAL ASSETS (Cont.):

Business-Type Activities	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balances</u>
Assets not being depreciated:				
Land	\$ 389,036	\$ -	\$ -	\$ 389,036
Total	389,036	-	-	389,036
Assets being depreciated:				
Water and Sewer System	22,684,784	602,251	-	23,287,035
Building and Building Improvement	4,930,907	54,495	-	4,985,402
Machinery and Equipment	3,466,481	251,710	-	3,718,192
Infrastructure	-	129,086	-	129,086
Total Depreciable Assets	31,082,172	1,037,542	-	32,119,714
Less: Accumulated Depreciation				
Water and Sewer System	9,594,880	599,621	-	10,194,501
Building and Building Improvement	3,334,929	129,450	-	3,464,379
Machinery and Equipment	2,410,303	91,501	-	2,501,804
Infrastructure	-	13,811	-	13,811
Total Accumulated Depreciation	15,340,112	834,382	-	16,174,494
Net Value of Capital Assets Being Depreciated	<u>15,742,060</u>	<u>203,160</u>	<u>-</u>	<u>15,945,220</u>
Total Business-Type Activities -- Net Value of Capital Assets	<u>\$ 16,131,096</u>	<u>\$ 203,160</u>	<u>\$ -</u>	<u>\$ 16,334,256</u>
Total Net Value of Capital Assets of Primary Government	<u>\$ 38,336,974</u>	<u>\$ (1,084,449)</u>	<u>\$ -</u>	<u>\$ 37,252,526</u>

Depreciation expense was charged to the functions of business-type activities as follows:

Water	\$ 501,147
Waste Water	320,170
Storm Drain	<u>13,064</u>
Total Depreciation Expense	<u>\$ 834,382</u>

LONG-TERM DEBT:

In the following paragraphs, long-term debt information is presented separately with respect to governmental and business-type activities. The table below presents current year changes in those obligations and the current portions due for each issue.

GOVERNMENTAL ACTIVITIES:

Police Equipment Lease - . On June 1, 2018, the City entered into a lease agreement with KS State Bank to purchase 11 body camera systems and 8 in-car camera systems. Original balance is \$83,454. Annual lease payments are made at closing and on June 1 of the four following years for \$18,760. The imputed annual interest rate is 6.21%. The lease agreement is secured by the equipment.

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

LONG-TERM DEBT (Cont.):

BUSINESS-TYPE ACTIVITIES:

2013 Waste Water Line - On December 2013, the City entered into a loan agreement with US Bank to fund movement of the wastewater line located on JP West Road. Columbia County constructed a new, wider bridge, which required our wastewater line to be relocated. The original balance of the loan was \$700,000 and carries an interest rate of 2.47%. The agreement requires semi-annual principal and interest payments due in December and June for 7 years. The loan was paid in full during the 2020-21 fiscal year.

2010 Waste Water Treatment Plant Improvement - The City entered into a contract with Oregon DEQ in 2010 for the purpose of construction pump and filter upgrades for the Wastewater Treatment Plant and Springlake Park Pump Station. Original balance is \$705,660 with an interest rate of 0.0% and an annual fee of .5%. 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. Payments are due the 1st of September and March.

2002 Water Treatment Plant Phase 1 and 2 - 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.

2002 Storage Reservoir - Bus OR Storage Reservoir Safe Drinking Water Note S03003 dated December 3, 2002. Original balance is \$4,072,495 with an interest rate of 1.00%.

2010 Dutch Canyon Water Line - Dutch Canyon Water Line Note with Business Oregon dated December 2, 2010. 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. Original balance is \$1,274,143 and carries an interest rate of 3.68%.

2017 Dump Truck Lease - On September 22, 2017, the City entered into a lease agreement with Ford Credit to purchase a 2016 MAC 700 dump truck and accessories. Original balance is \$178,834 Annual lease payments are made at closing and on September 15 of the four following years for \$50,668. The annual interest rate is 5.2%. The lease agreement is secured by the equipment.

2019 Excavator Lease - On July 15, 2019, the City entered into a lease agreement with Wells Fargo Financial Services to purchase a 2019 Kobelco excavator. Original balance is \$162,709 Annual lease payments are made at closing and on July 8 of the three following years for \$40,677. The annual interest rate is 0.0%. The lease agreement is secured by the equipment.

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

LONG-TERM DEBT (Cont.):

<u>Governmental Long-Term Debt</u>	<u>Outstanding Balance July 1, 2020</u>	<u>Reductions/ Adjustments</u>	<u>Interest Paid</u>	<u>Outstanding Balance June 30, 2021</u>	<u>Due Within One Year</u>
Leases Payable:					
2018 Police Equipment Lease	\$ 34,293	\$ 16,630	\$ 2,130	\$ 17,663	\$ 17,663
Total Leases Payable	34,293	16,630	2,130	17,663	17,663
Total Governmental Long-Term Debt	\$ 34,293	\$ 16,630	\$ 2,130	\$ 17,663	\$ 17,663
<u>Business-Type Long-Term Debt</u>	<u>Outstanding Balance July 1, 2020</u>	<u>Reductions/ Adjustments</u>	<u>Interest Paid</u>	<u>Outstanding Balance June 30, 2021</u>	<u>Due Within One Year</u>
Leases Payable:					
2017 Dump Truck Lease	\$ 93,946	45,783	\$ 4,885	\$ 48,163	\$ 48,163
2019 Excavator Lease	81,355	40,677	-	40,678	40,678
Total Leases Payable	175,301	86,460	4,885	88,841	88,841
Bonds Payable:					
2010 Waste Water Treatment Plant Imprvmt	\$ 194,052	\$ 17,642	\$ -	\$ 176,410	\$ 17,642
Total Bonds Payable	194,052	17,642	-	176,410	17,642
Notes from Direct Borrowings:					
2013 Waste Water Line Relocation	\$ 99,877	\$ 99,877	\$ 1,233	\$ -	\$ -
2002 Water Treatment Plant Phase 1 and 2	795,071	84,278	37,724	710,793	89,949
2002 Storage Reservoir	2,196,830	135,833	21,968	2,060,997	137,192
2010 Dutch Canyon Water Line	666,495	56,912	24,527	609,583	59,006
Total Notes from Direct Borrowings	3,758,273	376,900	85,452	3,381,373	286,147
Total Business-Type Long-Term Debt	\$ 4,127,626	\$ 481,002	\$ 90,337	\$ 3,646,624	\$ 392,630

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

LONG-TERM DEBT (Cont.):

The debt service requirements on the above debt are as follows:

General Obligation and Full Faith and Credit Bonds:

Due Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 17,642	\$ -	\$ 17,642
2023	17,642	-	17,642
2024	17,642	-	17,642
2025	17,642	-	17,642
2026	17,642	-	17,642
2027 - 2031	88,200	-	88,200
Total	<u>\$ 176,410</u>	<u>\$ -</u>	<u>\$ 176,410</u>

Notes from Direct Borrowings:

Due Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 286,147	\$ 76,806	\$ 362,953
2023	290,400	68,989	359,389
2024	299,781	61,046	360,827
2025	309,294	52,734	362,028
2026	318,943	44,046	362,989
2027 - 2031	1,251,139	96,558	1,347,697
2032 - 2036	625,669	15,977	641,646
Total	<u>\$ 3,381,373</u>	<u>\$ 416,156</u>	<u>\$ 3,797,529</u>

Leases Payable:

Due Fiscal Year Ending June 30,	Principal	Interest	Total
2022	\$ 106,504	\$ 3,601	\$ 110,105
Total	<u>\$ 106,504</u>	<u>\$ 3,601</u>	<u>\$ 110,105</u>

The City has no unused lines of credit.

The City has assets that are pledged as collateral for debt as noted above.

For further detail on debt service, see the 'Schedule of Long-Term Debt Transactions' in the Other Supplementary Data section of this report.

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

PENSION PLAN:

Name of Pension Plan

The Oregon Public Employees Retirement System (OPERS) consists of a cost-sharing multiple-employer defined benefit pension plan.

Description of Benefit Terms

Plan Benefits

All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A.

- 1. Tier One/Tier Two Retirement Benefit (Chapter 238).** OPERS is a defined benefit pension plan that provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. Benefits are established by state statute. This defined benefit pension plan portion of OPERS is closed to new members hired on or after August 29, 2003.

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. Police and Fire members may purchase increased benefits that are payable between the date of retirement and age 65.

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.

During the 2019 Legislative session, Senate Bill 1049 was approved and signed into law by the governor. Under Senate Bill 1049, several components of the bill have significantly impacted the System, and the bill continues to be implemented.

1. Employer Programs Project (effective July 1, 2019): established the Employer Incentive Fund (EIF) Program, which allows eligible employers to receive matching funds if they apply and make a qualifying deposit into a side account.
2. Salary Limit Project (effective January 1, 2020): A new \$195,000 limitation on subject salary used for PERS benefit calculations and contributions is used to determine member IAP contributions, employer contributions to fund the pension program, and the Final Average Salary (FAS) used in calculating retirement benefits under formula methods. This amount will be indexed annually to the Consumer Price Index (CPI).

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

PENSION PLAN (Cont.):

3. Work After Retirement Project (effective January 1, 2020): The 1,039-hour Work After Retirement limit for all PERS retirees is removed for calendar years 2020 through 2024. If a member retires on or after normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations. If a member retires earlier than normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations if the date of their employment is more than six months after their retirement date.
4. Member Redirect Project (effective July 1, 2020): For all currently employed Tier One/Tier Two and OPSRP members earning \$2,500/month or more, a portion of their 6 percent monthly IAP contributions will be redirected to an "Employee Pension Stability Account." The Employee Pension Stability Account will be used to pay for part of the member's future pension benefit.
 - Tier One/Tier Two members: 2.5 percent of each member's salary, currently contributed to the IAP, (whether paid by the member or employer) will start going into an Employee Pension Stability Account (EPSA). The remaining 3.5 percent of salary will continue to go to the member's existing IAP account.
 - Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full, 6 percent contribution to the IAP.
5. Member Choice Project (effective January 1, 2021): IAP accounts are currently invested in Target-Date Funds based on a member's birth year. Beginning in 2021, members may choose to invest their IAP balance in a fund that is more reflective of their risk tolerance than the default based on their age.
6. Additionally, the Legislature directed the PERS Board to enact a one-time re-amortization of Tier 1/Tier 2 UAL over 22 years. This means that, effective with the December 31, 2019 rate-setting valuation, the entire unamortized Tier 1/Tier 2 UAL for each rate pool and independent employer will be re-amortized over a 22 year period as a level percentage of projected future payroll.

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 an 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 an OPERS-covered job, or
- the member was on an official leave of absence from an 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 (COLA). The COLA is capped at 2.0 percent.

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

PENSION PLAN (Cont.):

2. OPSRP Defined Benefit Pension Program (OPSRP DB). The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003.

Pension Benefits

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.

During the 2019 Legislative session, Senate Bill 1049 was approved and signed into law by the governor. Under Senate Bill 1049, several components of the bill have significantly impacted the System, and the bill continues to be implemented.

1. Employer Programs Project (effective July 1, 2019): established the Employer Incentive Fund (EIF) Program, which allows eligible employers to receive matching funds if they apply and make a qualifying deposit into a side account.
2. Salary Limit Project (effective January 1, 2020): A new \$195,000 limitation on subject salary used for PERS benefit calculations and contributions is used to determine member IAP contributions, employer contributions to fund the pension program, and the Final Average Salary (FAS) used in calculating retirement benefits under formula methods. This amount will be indexed annually to the Consumer Price Index (CPI).
3. Work After Retirement Project (effective January 1, 2020): The 1,039-hour Work After Retirement limit for all PERS retirees is removed for calendar years 2020 through 2024. If a member retires on or after normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations. If a member retires earlier than normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations if the date of their employment is more than six months after their retirement date.
4. Member Redirect Project (effective July 1, 2020): For all currently employed Tier One/Tier Two and OPSRP members earning \$2,500/month or more, a portion of their 6 percent monthly IAP contributions will be redirected to an "Employee Pension Stability Account." The Employee Pension Stability Account will be used to pay for part of the member's future pension benefit.
 - OPSRP members: 0.75 percent of each member's salary, currently contributed to the IAP, (whether paid by the member or employer) will start going into their EPSA. The remaining 5.25 percent of salary will continue to go to the member's existing IAP account.
 - Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full, 6 percent contribution to the IAP.

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

PENSION PLAN (Cont.):

5. Member Choice Project (effective January 1, 2021): IAP accounts are currently invested in Target-Date Funds based on a member's birth year. Beginning in 2021, members may choose to invest their IAP balance in a fund that is more reflective of their risk tolerance than the default based on their age.

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.

3. Individual Account Program (IAP).

Benefit Terms

The IAP is an individual account-based program under the PERS tax-qualified governmental plan as defined under ORS 238A.400.

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 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.

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.

4. Postemployment Healthcare Benefits.

ORS 238.420 established the Retirement Health Insurance Account (RHIA) and authorizes a payment of up to \$60 from RHIA toward the monthly cost of health insurance for eligible PERS members. RHIA is a cost-sharing, multiple-employer OPEB plan for 901 participating employers. 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 costs, the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan.

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

PENSION PLAN (Cont.):

Description of Funding and Contributions for PERS Benefit Plans

OPERS' funding policy provides for periodic member and employer contributions at rates established by the Public Employees Retirement Board, subject to limits set in statute. The rates established for member and employer contributions were approved based on the recommendations of the System's third-party actuary.

The District's employer contributions for the year ended June 30, 2021 were \$579,884 excluding amounts to fund employer specific liabilities. The contribution rates in effect for the period July 1, 2019 to June 30, 2021 were: Tier1/Tier2 – 26.28%, OPSRP General Service – 18.87%, and OPSRP Police and Fire Payroll – 23.5%.

Member Contributions

Beginning January 1, 2004, all member contributions, except for contributions by judge members, were placed in the OPSRP Individual Account Program (IAP). Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 or 7.0 percent of salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members behalf.

During FY 2020-2021, approximately \$152,300 in employee IAP contributions were paid or picked up by the District.

Employer Contributions

PERS 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 benefits when due. This funding policy applies to the PERS Defined Benefit Plan and OPEB (Other Post Employment Benefit) Plans. Employer contribution rates during the period were based on the December 31, 2017, actuarial valuation, which became effective July 1, 2019. The state of Oregon and certain schools, community colleges, and political subdivisions have made supplemental unfunded actuarial liability payments, and their rates have been reduced. Effective January 1, 2020, Senate Bill 1049 required employers to pay contributions on re-employed PERS retirees' salary as if they were an active member, excluding IAP (6 percent) contributions.

For **Oregon PERS Defined Benefit Plans**, based on the actuarial valuation as of December 31, 2017, the state agencies, the judiciary, schools, and political subdivisions all had increases in employer contribution rates on July 1, 2019. These rate changes are measured against the actual average rates paid since the last rate-setting valuation. Every two years, the PERS Board adjusts contributions so that, over time, those contributions will be sufficient to fund the benefits earned, if earnings follow assumptions.

For **Oregon PERS OPSRP Benefit Plans**, all PERS employers with OPSRP Pension Program members are actuarially pooled and share the same contribution rate.

Members of OPSRP are required to contribute six percent of their salary covered under the plan which is invested in the IAP. For employees in Tier One / Tier two, the Employer makes this contribution on behalf of its members.

For **Oregon PERS Postemployment Benefit Plans**, for the fiscal year ended June 30, 2020, PERS employers contributed 0.06 percent of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits. No UAL rate was assigned for the RHIA program as it was funded at 126.4 percent as of December 31, 2017. These rates were based on the December 31, 2017, actuarial valuation.

Employer contributions are advance-funded on an actuarially determined basis. There is no inflation assumption for RHIA postemployment benefits because the payment amount is set by statute and is not adjusted for increases in healthcare costs.

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

PENSION PLAN (Cont.):

ORS 238.415 established the Retiree Health Insurance Premium Account (RHIPA) and requires the Board on or before January 1 of each year to calculate the average difference between the health insurance premiums paid by retired state employees under contracts entered into by the Board and health insurance premiums paid by active state employees.

For **OPSRP Pension Program**, all OPERS employers with OPSRP Pension Program members are actuarially pooled and share the same contribution rate. Each of these rates includes a component related to disability benefits for General Service and Police and Fire members.

Pension Plan CAFR

Oregon PERS produces an independently audited CAFR which can be found at:
<https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>

Actuarial Valuations

The employer contribution rates effective July 1, 2019, through June 30, 2021, were set using the Entry Age Normal actuarial cost method.

For the Tier One/Tier Two component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years by ongoing Board policy. However, upon passage of Senate Bill 1049, the Legislature directed the PERS Board to enact a one-time re-amortization of Tier 1/Tier 2 UAL over 22 years. This means that, effective with the December 31, 2019 rate-setting valuation, the entire unamortized Tier 1/Tier 2 UAL for each rate pool and independent employer will be re-amortized over a 22 year period as a level percentage of projected future payroll.

For the OPSRP Pension Program component of the OPERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

For the Postemployment Healthcare component, the RHIA plan fiduciary net position balance represents the program's accumulation of employer contributions and investment earnings less premium subsidies and administrative expenses. No UAL rate was assigned for the RHIA program as it was funded at 126.4 percent as of December 31, 2017. Typically, PERS employers contribute an actuarially determined percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years.

CITY OF SCAPPOOSE
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

PENSION PLAN (Cont.):

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

Valuation Date	December 31, 2018
Measurement Date	June 30, 2020
Experience Study	2018, published July 24, 2019
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.50 percent
Long-term expected rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increases	3.50 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service.
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2018 Experience Study which reviewed experience for the four-year period ending on December 31, 2018.

Discount Rate

The discount rate used to measure the total pension liability was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

PENSION PLAN (Cont.):

Depletion Date Projection

GASB 67 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 67 (paragraph 43) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for OPERS:

- OPERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 67 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is our independent actuary's opinion that the detailed depletion date projections outlined in GASB 67 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

OIC Target and Actual Investment Allocation as of June 30, 2020

<u>Asset Class/Strategy</u>	<u>OIC Policy Range</u>	<u>OIC Target Allocation</u>	<u>Asset Class/Strategy</u>	<u>Actual Allocation³</u>
Debt Securities	15.0% - 25.0%	20.0%	Debt Securities	20.0%
Public Equity	27.5% - 37.5%	32.5%	Public Equity	31.8%
Real estate	9.5% - 15.5%	12.5%	Real estate	11.4%
Private Equity	14.0% - 21.0%	17.5%	Private Equity	22.9%
Alternative Equity	7.5% - 17.5%	15.0%	Alternative Equity	10.5%
Opportunity Portfolio ¹	0.0% - 3.0%	0.0%	Opportunity Portfolio	2.1%
Risk Parity ²	0.0% - 2.5%	2.5%	Risk Parity	1.3%
Total		<u>100%</u>	Total	<u>100%</u>

¹Opportunity Portfolio is an investment strategy and it may be invested up to 3% of total plan net position.

²Risk Parity is a new investment strategy added to the asset allocation mix in 2019.

³Based on the actual investment value at 6/30/2021.

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

PENSION PLAN (Cont.):

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the Oregon PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below.

<u>Asset Class</u>	<u>Target Allocation*</u>	<u>Annual Arithmetic Mean</u>	<u>20-Year Annualized Geometric Mean</u>	<u>Annual Standard Deviation</u>
Core Fixed Income	9.60%	4.14%	4.07%	3.90%
Short-Term Bonds	9.60%	3.70%	3.68%	2.10%
Bank/Leveraged Loans	3.60%	5.40%	5.19%	6.85%
High Yield Bonds	1.20%	6.13%	5.74%	9.35%
Large/Mid Cap US Equities	16.17%	7.35%	6.30%	15.50%
Small Cap US Equities	1.35%	8.35%	6.68%	19.75%
Micro Cap US Equities	1.35%	8.86%	6.79%	22.10%
Developed Foreign Equities	13.48%	8.30%	6.91%	17.95%
Emerging Foreign Equities	4.24%	10.35%	7.69%	25.35%
Non-US Small Cap Equities	1.93%	8.81%	7.25%	19.10%
Private Equity	17.50%	11.95%	8.33%	30%
Real Estate (Property)	10%	6.19%	5.55%	12%
Real Estate (REITS)	2.50%	8.29%	6.69%	21%
Hedge Fund of Funds - Diversified	1.50%	4.28%	4.06%	6.90%
Hedge Fund - Event-driven	0.38%	5.89%	5.59%	8.10%
Timber	1.13%	6.36%	5.61%	13%
Farmland	1.13%	6.87%	6.12%	13%
Infrastructure	2.25%	7.51%	6.67%	13.85%
Commodities	1.13%	5.34%	3.79%	18.70%
Assumed Inflation - Mean			2.50%	1.65%

*Based on the Oregon Investment Council's (OIC) Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund as most recently revised on April 24, 2019

Sensitivity Analysis

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	<u>6.20%</u>	<u>7.20%</u>	<u>8.20%</u>
Employer's proportionate share of the net pension liability	\$ 8,229,401	\$ 5,541,993	\$ 3,288,476

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

PENSION PLAN (Cont.):

Changes in Assumptions

A summary of key changes implemented after the December 31, 2018 valuation, which was used in the 2020 PERS CAFR. Changes are described briefly below. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2020 Experience Study for the System, which was published on July 20, 2021, which can be found at: <https://www.oregon.gov/pers/Documents/Financials/Actuarial/2021/2020-Experience-Study.pdf>

During the 2019 Legislative session, Senate Bill 1049 was approved and signed into law by the governor. Under Senate Bill 1049, several components of the bill have significantly impacted the System, and the bill continues to be implemented.

1. Employer Programs Project (effective July 1, 2019): established the Employer Incentive Fund (EIF) Program, which allows eligible employers to receive matching funds if they apply and make a qualifying deposit into a side account.
2. Salary Limit Project (effective January 1, 2020): A new \$195,000 limitation on subject salary used for PERS benefit calculations and contributions is used to determine member IAP contributions, employer contributions to fund the pension program, and the Final Average Salary (FAS) used in calculating retirement benefits under formula methods. This amount will be indexed annually to the Consumer Price Index (CPI).
3. Work After Retirement Project (effective January 1, 2020): The 1,039-hour Work After Retirement limit for all PERS retirees is removed for calendar years 2020 through 2024. If a member retires on or after normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations. If a member retires earlier than normal retirement age, starting in 2020, they can work for a PERS-covered employer and continue receiving their pension benefit (without accruing any new benefits) with no hour limitations if the date of their employment is more than six months after their retirement date.
4. Member Redirect Project (effective July 1, 2020): For all currently employed Tier One/Tier Two and OPSRP members earning \$2,500/month or more, a portion of their 6 percent monthly IAP contributions will be redirected to an "Employee Pension Stability Account." The Employee Pension Stability Account will be used to pay for part of the member's future pension benefit.
 - Tier One/Tier Two members: 2.5 percent of each member's salary, currently contributed to the IAP, (whether paid by the member or employer) will start going into an Employee Pension Stability Account (EPSA). The remaining 3.5 percent of salary will continue to go to the member's existing IAP account.
 - OPSRP members: 0.75 percent of each member's salary, currently contributed to the IAP, (whether paid by the member or employer) will start going into their EPSA. The remaining 5.25 percent of salary will continue to go to the member's existing IAP account.
 - Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full, 6 percent contribution to the IAP.
5. Member Choice Project (effective January 1, 2021): IAP accounts are currently invested in Target-Date Funds based on a member's birth year. Beginning in 2021, members may choose to invest their IAP balance in a fund that is more reflective of their risk tolerance than the default based on their age.
6. Additionally, the Legislature directed the PERS Board to enact a one-time re-amortization of Tier 1/Tier 2 UAL over 22 years. This means that, effective with the December 31, 2019 rate-setting valuation, the entire unamortized Tier 1/Tier 2 UAL for each rate pool and independent employer will be re-amortized over a 22 year period as a level percentage of projected future payroll.

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

PENSION PLAN (Cont.):

Mortality Rates

A summary of the current assumed mortality rates and recommended changes is shown below:

Assumption	Recommended December 31, 2018 and 2019 Valuations	Recommended December 31, 2020 and 2021 Valuations
Healthy Annuitant Mortality	Pub-2010 Healthy Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale	Pub-2010 Healthy Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale
School District male beneficiary)	Teachers, no set back	Blend 80% Teachers and 20% General Employees, no set back
Police & Fire male	General Employees, set back 12 months	No change
School District female	Public Safety, no set back	No change
Other female (and female beneficiary)	Teachers, no set back	No change
Police & Fire female	General Employees, no set back	No change
Disabled Retiree Mortality	Pub-2010 Disabled Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale	Pub-2010 Disabled Retiree, Sex Distinct, Generational Projection with Unisex Social Security Data Scale
Police & Fire male	Blended 50% Public Safety, 50% Non-Safety, no set back	No change
Other General Service male	Non-Safety, set forward 24 months	No change
Police & Fire female	Blended 50% Public Safety, 50% Non-Safety, no set back	No change
Other General Service female	Non-Safety, set forward 12 months	No change
Non-Annuitant Mortality	Pub-2010 Employee, Sex Distinct, Generational Projection with Unisex Social Security Data Scale	Pub-2010 Employee, Sex Distinct, Generational Projection with Unisex Social Security Data Scale
School District male	120% of same table and set back as Healthy Annuitant assumption	125% of same table and set back as Healthy Annuitant assumption
Other General Service male	115% of same table and set back as Healthy Annuitant assumption	No change
Police & Fire male	100% of same table and set back as Healthy Annuitant assumption	No change
School District female	100% of same table and set back as Healthy Annuitant assumption	No change
Other General Service female	125% of same table and set back as Healthy Annuitant assumption	No change
Police & Fire female	100% of same table and set back as Healthy Annuitant assumption	No change

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

PENSION PLAN (Cont.):

Changes Subsequent to the Measurement Date

There were no changes subsequent to the measurement date, other than Senate Bill 1049 which was incorporated into the 2020 CAFR Measurement, which we are aware of.

Deferred Items

Deferred items are calculated at the system-wide level and are allocated to employers based on their proportionate share. For the measurement period ending June 30, 2020, employers will report the following deferred items:

- A difference between expected and actual experience, which is being amortized over the remaining service lives of all plan participants, including retirees. One year of this amortization is included in the employer's total pension expense for the measurement period.

Employer Contributions

OPERS includes accrued contributions when due pursuant to legal requirements, as of June 30 in its Statement of Changes in Fiduciary Net Position.

Beginning with fiscal year 2016, OPERS will be able to report cash contributions and UAL side account amortization by employer, and will publish this information on the OPERS Website. Prior to fiscal year 2016, contributions to the OPSRP Defined Benefit plan were not accounted for by employer, as all employers were pooled for actuarial purposes.

Elements of Changes in Net Position

This information can be found in the Schedule of Changes in Net Pension Liability found on page 76, of the June 30, 2020 Oregon PERS CAFR.

Pension Liabilities/(Assets), Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions

At June 30, 2021, the employer reported a liability of \$5,541,993 for its proportionate share of the net pension liability. The net pension liability/(asset) was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on a projection of the employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

PENSION PLAN (Cont.):

At June 30, 2020, the employer's proportion was 0.02539468%.

For the year ended June 30, 2021, the employer recognized pension expense of \$1,274,183. On June 30, 2021, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 243,915	\$ -
Changes of assumptions	297,421	10,421
Net difference between projected and actual earnings on investments	651,666	-
Changes in proportionate share	129,965	167,121
Differences between employer contributions and employer's proportionate share of system contributions	<u>43,337</u>	<u>44,613</u>
Total Deferred Outflows/Inflows	\$ 1,366,304	\$ 222,155
Post-measurement date contributions	579,884	N/A
Total Deferred Outflow/(Inflow) of Resources	<u>\$ 1,946,188</u>	<u>\$ 222,155</u>
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		<u>1,144,149</u>

The City reported \$579,884 as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense/(income) as follows:

<u>Employer subsequent fiscal years</u>	<u>Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)</u>
1st Fiscal Year	\$ 316,638
2nd Fiscal Year	357,140
3rd Fiscal Year	291,922
4th Fiscal Year	186,507
5th Fiscal Year	(8,058)
Thereafter	-
Total	<u>\$ 1,144,149</u>

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA:

Oregon Public Employees Retirement Systems' (OPERS) 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 OPERS 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 an 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.

Employer contributions are advance-funded on an actuarially determined basis. There is no inflation assumption for RHIA postemployment benefits because the payment amount is set by statute and is not adjusted for increases in healthcare costs.

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 OPERS web site at <https://www.oregon.gov/pers/EMP/Pages/Actuarial-Financial-Information.aspx>.

Funding Policy

Participating employers are contractually required to contribute at a rate assessed bi-annually by the OPERB. For the fiscal year ended June 30, 2020, state agencies contributed 0.06 and 0.18 percent of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA and RHIPA benefits. No UAL rate was assigned for the RHIA program as it was funded at 126.4 percent as of December 31, 2017. Typically, PERS employers contribute an actuarially determined percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years.

Contributions

The City's contributions to OPERS' RHIA for the years ended June 30, 2021, 2020, and 2019 were \$634, \$1,458, and \$11,119 respectively, which equaled the required contributions for the year.

Actuarial Methods and Assumptions Used in Developing Total Pension Liability

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost Sharing Multiple Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2019. That independently audited report was dated February 20, 2020 and can be found at:

<https://www.oregon.gov/PERS/EMP/Documents/GASB/2019/PERS%20GASB%2075%20RHIA%20Report%20FY%206.30.19.pdf>

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA:

Actuarial Methods and Assumptions - OPEB Plans - RHIA	
Valuation Date	December 31, 2018
Measurement Date	June 30, 2020
Experience Study	2018, published July 24, 2019
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.50 percent
Long-term expected rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increases	3.50 percent
Retiree healthcare participation	Healthy retirees: 32% Disabled retirees: 20%
Healthcare cost trend rate	Not applicable
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2018 Experience Study which is reviewed for the four-year period ending December 31, 2018.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA:

Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. Table 31 on page 74 shows Milliman’s assumptions for each of the asset classes in which the plans were invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown on page 74. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan’s portfolio, assumed asset allocation, and the long-term expected rate of return for each major class, calculated using both arithmetic and geometric means, see Pension Plan note disclosure above or the PERS’ audited financial statements at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>

Sensitivity Analysis

The following presents the employer’s proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 7.20 percent, as well as what the employer’s proportionate share of the OPEB liability/(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease 6.20%	Discount Rate 7.20%	1% Increase 8.20%
Employer's proportionate share of the net OPEB liability	\$ (33,593)	\$ (41,610)	\$ (48,464)

OPEB Liabilities/(Assets), OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB

At June 30, 2021, the District reported a net OPEB RHIA liability/(asset) of \$(41,610) for its proportionate share of the net OPEB RHIA liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2020, and the total OPEB RHIA liability/(asset) used to calculate the net OPEB RHIA liability/(asset) was determined by an actuarial valuation as of December 31, 2018. Consistent with GASB Statement No. 75, paragraph 59(a), The District’s proportion of the net OPEB RHIA liability/(asset) is determined by comparing the employer’s actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2020, the District’s proportion was 0.02042091 percent. OPEB RHIA expense/(income) for the year ended June 30, 2021 was \$(5,723).

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

OTHER POST-EMPLOYMENT BENEFITS (OPEB) RHIA:

At June 30, 2021, the employer had deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 4,254
Changes of assumptions	-	2,212
Net difference between projected and actual earnings on investements	4,627	-
Changes in proportionate share	2,054	153
Differences between employer contributions and	-	-
Total Deferred Outflows/Inflows	<u>\$ 6,681</u>	<u>\$ 6,619</u>
Post-measurement date contributions	634	N/A
Total Deferred Outflow/(Inflow) of Resources	<u>\$ 7,315</u>	<u>\$ 6,619</u>
Net Deferred Outflow/(Inflow) of Resources prior to post-measurement date contributions		<u>62</u>

Contributions of \$634 were made subsequent to the measurement date, but prior to the end of the City's reporting period. These contributions, which are reported as deferred outflows of resources related to OPEB, will be included as a reduction of the net OPEB liability in the next fiscal year.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Employer subsequent fiscal years</u>	<u>Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)</u>
1st Fiscal Year	\$ (3,207)
2nd Fiscal Year	100
3rd Fiscal Year	1,711
4th Fiscal Year	1,458
5th Fiscal Year	-
Thereafter	-
Total	<u>\$ 62</u>

Changes Subsequent to the Measurement Date

We are not aware of any changes subsequent to the June 30, 2020 Measurement Date that meet this requirement and thus require a brief description under the GASB standard.

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

OTHER POST-EMPLOYMENT BENEFITS (OPEB) CIS:

Retiree Healthcare Insurance Premiums Subsidy

Plan Description

The City operates a single employer retiree benefit plan through the Citycounty Insurance Services that provides post-employment health, dental vision and life 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. In some cases, the premium itself for retirees, does not represent the full cost of medical coverage (as retirees can be expected to generate higher medical claims and therefore higher premiums than the active population). Providing the same rate to retirees as provided to current employees, raises the medical premium rates for the entire employee group. This additional cost is called the “implicit subsidy” and is required to be valued under GASB 75. 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.

At June 30, 2021, the City reported a net OPEB IRSP liability/(asset) of \$184,207 for its proportionate share of the net OPEB IRSP liability/(asset). The OPEB IRSP liability/(asset) was measured as of June 30, 2020, and the total OPEB IRSP liability/(asset) used to calculate the net OPEB IRSP liability/(asset) was determined by an actuarial valuation as of June 30, 2020. Consistent with GASB Statement No. 75, paragraph 59(a), The City’s proportion of the net OPEB IRSP liability/(asset) is determined by comparing the employer’s actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2020, the City’s OPEB IRSP expense/(income) for the year ended June 30, 2021 was \$15,923.

Actuarial Methods and Assumptions

The City engaged an actuary to perform an evaluation as of July 1, 2020 using entry age normal Actuarial Cost Method. The total OPEB IRSP liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date:

Discount Rate	3.50%	2.21%	2.16%
Other Key Actuarial Assumptions and Methods	0.00%		
Valuation date	July 1, 2018	July 1, 2020	July 1, 2020
Measurement date	June 30, 2019	June 30, 2020	June 30, 2021
Inflation	2.50%	2.50%	2.50%
Salary increases	3.50%	3.50%	3.50%
Withdrawal, retirement, and mortality rates	December 31, 2017 Oregon PERS valuation	December 31, 2019 Oregon PERS valuation	December 31, 2019 Oregon PERS valuation
Election and Lapse Rates	40% of eligible employees. 60% of male members and 35% of female members will elect spouse coverage. 5% annual lapse rate.	40% of eligible employees. 60% of male members and 35% of female members will elect spouse coverage. 5% annual lapse rate.	40% of eligible employees. 60% of male members and 35% of female members will elect spouse coverage. 5% annual lapse rate.
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

OTHER POST-EMPLOYMENT BENEFITS (OPEB) CIS (Cont.):

Discount Rate

Under GASB 75, unfunded plans must use a discount rate that reflects a 20-year tax-exempt municipal bond yield or index rate. The assumptions in this report reflect the Bond Buyer 20-Year General Obligation Bond Index. The discount rate in effect for the June 30, 2020 reporting date is 3.50%, and the discount rate in effect for the June 30, 2021 reporting date is 2.21%.

Health Care Cost Trend

The assumed medical and vision costs will increase 5.75% in the first year (July 1, 2021 premiums compared with July 1, 2020 premiums). In future years, the medical and vision cost trend varies between 5.25% and 4.00%.

Withdrawal, Retirement and Mortality Rates

They are generally using the rates adopted by the Oregon Public Employees Retirement System (OPERS) for its December 31, 2019 actuarial valuation of retirement benefits.

Election and Lapse Rates

They have assumed that a portion of future retirees and their spouses elect benefits, and that some of those later lapse (drop) from those benefits. The assumptions are based on historical data for similar benefits for other public employers in Oregon. For larger employers, they also consider specific historical experience; and for unique arrangements they consider the incentives provided by those arrangements.

Sensitivity Analysis

The following presents the total OPEB IRSP liability of the Plan, calculated using the disclosure discount rate as well as what the Plan's total OPEB IRSP liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

	1% Decrease 1.21%	Discount Rate 2.21%	1% Increase 3.21%
Total OPEB liability from Implicit Rate Subsidy	\$ 197,248	\$ 184,207	\$ 171,621
Trend Rate	1% Decrease	Trend Rate	1% Increase
Total OPEB liability from Implicit Rate Subsidy	\$ 163,812	\$ 184,207	\$ 207,948

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

OTHER POST-EMPLOYMENT BENEFITS (OPEB) CIS (Cont.):

Participation

The following table represents the number of the City's covered retiree participants:

<u>July 1, 2020</u>	<u>PERS Police & Fire</u>	<u>PERS General Service</u>	<u>Total</u>
Number of Members			
Active	8	24	32
Retired Members	0	1	1
Spouses of Ineligible Retirees	<u>0</u>	<u>0</u>	<u>0</u>
Total Participants	8	25	33
Spouses of Eligible Retirees	0	0	0

Changes in Net OPEB IRSP Liability

Changes in Total OPEB Liability	<u>Increase (Decrease) Total OPEB Liability</u>
Balance as of June 30, 2020	\$ 228,924
Changes for the year:	
Service Cost	15,969
Interest	8,400
Effect of changes to benefit terms	-
Effect of economic/ demographic gains or losses	(42,160)
Effect of assumptions or other inputs	(17,075)
Employer Contributions	
Benefit payments	<u>(9,851)</u>
Net OPEB Liability at June 30, 2021	\$ 184,207

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

OTHER POST-EMPLOYMENT BENEFITS (OPEB) CIS (Cont.):

Components of OPEB IRSP Expense

OPEB Expense	July 1, 2020 to June 30, 2021	
Service cost	\$	15,969
Interest on total OPEB liability		8,400
Effect of plan changes		-
Recognition of Deferred (Inflows)/Outflows of Resources		-
Recognition of economic/demographic (gains) or losses		(984)
Recognition of assumption changes		(7,462)
Administrative Expense		n/a*
OPEB Expense	\$	15,923

Schedule of Deferred Inflows and Outflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 29,491	\$ 37,080
Changes of assumptions or inputs	5,641	57,580
Benefit Payments	-	-
Changes in proportionate share	-	-
Differences between employer contributions and	-	-
Total Deferred Outflow/(Inflow) of Resources	\$ 35,132	\$ 94,660
Net Deferred Outflow/(Inflow) of Resources		(59,528)

Other amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

Employer subsequent fiscal years	Deferred Outflow/(Inflow) of Resources (prior to post-measurement date contributions)
1st Fiscal Year	\$ (8,446)
2nd Fiscal Year	(8,446)
3rd Fiscal Year	(8,446)
4th Fiscal Year	(8,446)
5th Fiscal Year	(8,446)
Thereafter	(17,298)
Total	\$ (59,528)

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

CONTINGENT LIABILITIES:

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

The City of Scappoose has elected the "reimbursement" basis for unemployment claims to the State of Oregon Department of Human Resources Employment Division. If a terminated employee collects unemployment compensation based upon earnings from the City, the City will be required to reimburse the State of Oregon for the amount of unemployment compensation paid. Amounts billed by the State of Oregon are charged to expenditures, but amounts for which the City is potentially liable as a result of claims not yet filed are unknown.

RISK MANAGEMENT:

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is a member of City-County Insurance Services (CIS), a public entity risk pool currently operating a common risk management and insurance program. The City pays an annual premium to CIS for insurance coverage.

Based on the experience of the City and pool, the City may be liable for an additional premium of up to approximately 20% of its initial premium or it may receive a refund. The City has never had to pay an additional premium. Predetermined limits and deductible amounts are stated in the policy. There have been no significant reductions in coverage from the prior years and settlements have not exceeded insurance coverage in the past three years.

INTERFUND TRANSFERS:

Interfund transfers for the year ended June 30, 2021 were as follows:

	Transfers Out	Transfers In
	<u> </u>	<u> </u>
General Fund	\$ 159,070	498,786
Building Fund	36,418	-
Street Fund	75,690	-
Street SDC Fund	6,632	-
Parks SDC Fund	11,180	-
Urban Renewal Fund	5,000	-
Water Fund	107,473	-
Wastewater Fund	173,565	-
Wastewater SDC Fund	7,759	-
Storm Drainage SDC Fund	1,818	-
Water SDC Fund	9,314	95,133
	<u> </u>	<u> </u>
Total	<u>\$ 593,919</u>	<u>\$ 593,919</u>

These transfers occur on a routine basis and are used by the recipient funds for the normal operations of the funds.

CITY OF SCAPPOOSE

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2021

RESTATEMENT OF BEGINNING FUND BALANCES AND BEGINNING NET POSITION:

The City adopted a change in basis of accounting for the fiscal year. In years past, cash basis was used to present all the financial statements.

This year, for all budgetary and governmental fund financial reports the City changed from cash basis to modified accrual basis.

For proprietary fund financial and government-wide reports the City changed from cash basis to full accrual basis. Funds that did not have a change are not reported in the table below.

Beginning fund balances and net positions have been restated to reflect the newly adopted basis of accounting as follows:

	Previously Reported Prior Year Ending Balance	Restated Prior Year Ending Balance	Change
BUDGETARY FUND BALANCES:			
Governmental Funds:			
General Fund	\$ 4,392,800	\$ 4,027,061	\$ (365,739)
Street Fund	758,809	804,218	45,409
Enterprise Funds:			
Water Fund	3,318,566	3,352,729	34,163
Waste Water Fund	1,694,535	1,851,813	157,278
Storm Drainage	387,107	411,574	24,467
NET POSITION:			
Governmental Activities	7,076,230	26,634,019	19,557,789
Business-Type Activities:			-
Water Activity	3,762,258	9,430,402	5,668,144
Waste Water Activity	2,875,117	7,507,233	4,632,116
Storm Drainage Activity	998,778	1,180,495	181,717
Total Business Type Activities	<u>\$ 7,636,153</u>	<u>\$ 18,118,130</u>	<u>\$ 10,481,977</u>
			-

REQUIRED
SUPPLEMENTARY
INFORMATION

CITY OF SCAPPOOSE

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

GENERAL FUND

For the Fiscal Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Taxes and Assessments	\$ 2,270,122	\$ 2,270,122	\$ 2,283,679	\$ 13,557
Intergovernmental	292,090	292,090	338,975	46,885
Franchise Fees	433,500	433,500	434,204	704
Licenses and Permits	67,300	67,300	61,220	(6,080)
Fines and Forfeitures	150,000	150,000	129,910	(20,090)
Investment Revenue	120,000	120,000	30,359	(89,641)
Other Revenue	364,960	364,960	497,722	132,762
Total Revenues	<u>3,697,972</u>	<u>3,697,972</u>	<u>3,776,069</u>	<u>78,097</u>
<u>EXPENDITURES:</u>				
Administration	1,465,846	1,465,846	866,542	(599,304)
Police	2,371,196	2,371,196	1,786,897	(584,299)
Parks & Grounds	568,564	568,564	394,665	(173,899)
Municipal Court	311,995	311,995	272,454	(39,541)
Planning	379,364	379,364	282,796	(96,568)
Contingency	799,985	799,985	-	(799,985)
Total Expenditures	<u>5,896,950</u>	<u>5,896,950</u>	<u>3,603,354</u>	<u>(2,293,596)</u>
Excess (Deficiency) of Revenues Over Expenditures	(2,198,978)	(2,198,978)	172,715	2,371,693
<u>OTHER FINANCING SOURCES / (USES):</u>				
Operating Transfer In	493,786	493,786	498,786	5,000
Operating Transfer (Out)	(159,070)	(159,070)	(159,070)	-
Total Other Financing Sources (Uses)	<u>334,716</u>	<u>334,716</u>	<u>339,716</u>	<u>5,000</u>
Net Change in Fund Balance	(1,864,262)	(1,864,262)	512,431	2,376,693
Fund Balance - July 1, 2020- as Restated	3,564,262	3,564,262	4,027,061	462,799
Fund Balance - June 30, 2021	<u>\$ 1,700,000</u>	<u>\$ 1,700,000</u>	<u>\$ 4,539,492</u>	<u>\$ 2,839,492</u>

CITY OF SCAPPOOSE

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

STREET FUND

For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis) (See Note 1)	Final Budget Over (Under)
<u>REVENUES:</u>				
Intergovernmental	1,355,911	1,355,911	801,256	(554,655)
Investment Revenue	16,000	16,000	6,532	(9,468)
Miscellaneous Revenue	-	-	63,954	63,954
Total Revenues	1,371,911	1,371,911	871,742	(500,169)
<u>EXPENDITURES:</u>				
Personnel Services	301,659	301,659	241,799	(59,860)
Materials and Services	233,454	233,454	163,469	(69,985)
Capital Outlay	827,756	827,756	61,075	(766,681)
Contingency	563,827	563,827	-	(563,827)
Total Expenditures	1,926,696	1,926,696	466,343	(1,460,353)
Excess (Deficiency) of Revenues Over Expenditures	(554,785)	(554,785)	405,399	960,184
<u>OTHER FINANCING SOURCES / (USES):</u>				
Operating Transfer (Out)	(75,690)	(75,690)	(75,690)	-
Total Other Financing Sources (Uses)	(75,690)	(75,690)	(75,690)	-
Net Change In Fund Balance	(630,475)	(630,475)	329,709	960,184
Fund Balance - July 1, 2020 - Restated	630,475	630,475	804,218	173,743
Fund Balance - June 30, 2021	\$ -	\$ -	\$ 1,133,927	\$ 1,133,927

CITY OF SCAPPOOSE

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

STREET SDC FUND

For the Fiscal Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
System Development Charges	\$ 132,643	\$ 132,643	\$ 129,490	\$ (3,153)
Investment Revenue	23,500	23,500	7,879	(15,621)
Total Revenues	156,143	156,143	137,369	(18,774)
<u>EXPENDITURES:</u>				
Capital Outlay	1,000,000	1,000,000	79,405	(920,595)
Contingency	201,320	201,320	-	(201,320)
Total Expenditures	1,201,320	1,201,320	79,405	(1,121,915)
Excess (Deficiency) of Revenues Over Expenditures	(1,045,177)	(1,045,177)	57,964	1,103,141
<u>Other Financing Sources / (Uses)</u>				
Operating Transfer (Out)	(6,632)	(6,632)	(6,632)	-
Total Other Financing Sources	(6,632)	(6,632)	(6,632)	-
Net Change in Fund Balance	(1,051,809)	(1,051,809)	51,332	1,103,141
Fund Balance - July 1, 2020	1,051,809	1,051,809	1,063,282	11,473
Fund Balance - June 30, 2021	\$ -	\$ -	\$ 1,114,614	\$ 1,114,614

CITY OF SCAPPOOSE

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual URBAN RENEWAL AGENCY FUND - A COMPONENT UNIT For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	Original	Final		
<u>REVENUES:</u>				
Taxes and Assessments	\$ 24,597	\$ 24,597	\$ 91,593	\$ 66,996
Investment Revenue	500	500	190	(310)
Total Revenues	25,097	25,097	91,783	66,686
<u>EXPENDITURES:</u>				
Materials and Supplies	16,609	16,609	8,262	(8,347)
Contingency	3,488	3,488	-	(3,488)
Total Expenditures	20,097	20,097	8,262	(11,835)
Excess (Deficiency) of Revenues Over Expenditures	5,000	5,000	83,521	78,521
<u>OTHER FINANCING SOURCES / (USES):</u>				
Operating Transfer (Out)	(5,000)	(5,000)	(5,000)	-
Total Other Financing Sources	(5,000)	(5,000)	(5,000)	-
Net Change In Fund Balance	-	-	78,521	78,521
Fund Balance - July 1, 2020	-	-	-	-
Fund Balance - June 30, 2021	\$ -	\$ -	\$ 78,521	\$ 78,521

CITY OF SCAPPOOSE

**SCHEDULE OF PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY**

PERS

Last 10 Fiscal Years *

Measurement Date June 30,	(a) Employer's proportion of the net pension liability (asset)	(b) Employer's proportionate share of the net pension liability (asset)	(c) Employer's covered payroll	(b/c) Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2021	0.02539468%	\$ 5,541,993	\$ 1,939,335	285.77%	75.8%
2020	0.02669477%	\$ 4,617,556	\$ 2,473,401	186.69%	80.2%
2019	0.02641673%	4,001,787	2,421,131	165.29%	82.1%
2018	0.02578031%	3,475,196	2,292,482	151.59%	83.1%
2017	0.02176332%	3,267,180	2,227,031	146.71%	91.9%
2016	0.02557334%	1,468,283	2,019,317	72.71%	91.9%
2015	0.03476529%	(788,030)	1,620,585	-48.63%	103.6%

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

CITY OF SCAPPOOSE

SCHEDULE OF EMPLOYER CONTRIBUTIONS

PERS

Last 10 Fiscal Years*

Year Ended June 30,	(a) Contractually required contribution	(b) Contributions in relation to the contractually required contribution	(a-b) Contribution deficiency (excess)	(c) Employer's covered payroll	(b/c) Contributions as a percent of covered payroll
2021	\$ 579,884	\$ 579,884	\$ -	\$ 1,939,335	29.90%
2020	\$ 553,955	\$ 553,955	-	\$ 2,473,401	22.40%
2019	440,266	440,266	-	2,421,131	18.18%
2018	415,011	415,011	-	2,292,482	18.10%
2017	333,524	333,524	-	2,227,031	14.98%
2016	301,313	301,313	-	2,019,317	14.92%
2015	227,373	227,373	-	1,620,585	14.03%

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

CITY OF SCAPPOOSE

**SCHEDULE OF PROPORTIONATE SHARE OF THE
NET OPEB LIABILITY
OPEB RHIA**

Last 10 Fiscal Years*

Measurement Date June 30,	(a)	(b)	(c)	(b/c)	Plan fiduciary net position as a percentage of the total OPEB liability
	Employer's proportion of the net OPEB liability (asset)	Employer's proportionate share of the net OPEB liability (asset)	Employer's covered payroll	Employer's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	
2021	0.02042091%	\$ (41,610)	\$ 1,939,335	-2.15%	150.1%
2020	0.02243497%	\$ (43,352)	\$ 2,473,401	-1.75%	144.4%
2019	0.02190876%	(24,456)	2,421,131	-1.01%	124.0%
2018	0.02182097%	(9,107)	2,292,482	-0.40%	108.9%
2017	0.02121709%	\$ 5,762	\$ 2,227,031	0.26%	94.2%

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

CITY OF SCAPPOOSE

SCHEDULE OF EMPLOYER CONTRIBUTIONS

OPEB RHIA

Last 10 Fiscal Years*

Year Ended June 30,	(a) Contractually required contribution	(b) Contributions in relation to the contractually required contribution	(a-b) Contribution deficiency (excess)	(c) Employer's covered employee payroll	(b/c) Contributions as a percent of covered payroll
2021	\$ 634	\$ 634	\$ -	\$ 1,939,335	0.03%
2020	\$ 1,458	\$ 1,458	\$ -	\$ 2,473,401	0.06%
2019	11,119	11,119	-	2,421,131	0.46%
2018	10,608	10,608	-	2,292,482	0.46%
2017	10,921	10,921	-	2,227,031	0.49%
2016	9,991	9,991	-	2,019,317	0.49%
2015	\$ 8,849	\$ 8,849	\$ -	\$ 1,620,585	0.55%

*This schedule is presented to illustrate the requirement to show information for 10 years. However the full 10-year trend will be presented for those years for which information is available

CITY OF SCAPPOOSE

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS CITY/COUNTY INSURANCE SERVICES

Last 10 Fiscal Years*

	2021	2020	2019	2018
Total OPEB Liability (in thousands)				
Service cost	\$ 16	\$ 14	\$ 17	\$ 18
Interest on total OPEB liability	8	9	8	6
Effect of changes to benefit terms	-	-	-	-
Effect of economic/demographic gains or (losses)	(42)	-	42	-
Effect of assumption changes or inputs	(17)	7	(49)	(13)
Benefit payments	(10)	(13)	(1)	(6)
Net change in total OPEB liability *	(45)	17	17	5
Total OPEB liability, beginning	229	212	195	190
Total OPEB liability, ending (a) *	184	229	212	195
Covered payroll	\$ 1,939	\$ 2,473	\$ 2,421	\$ 2,292
Total OPEB liability as a % of covered payroll **	9.5%	9.3%	8.8%	8.5%

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

* Totals may not agree due to rounding.

OTHER
SUPPLEMENTARY
DATA

Proprietary Funds

Water Funds

CITY OF SCAPPOOSE
COMBINING STATEMENT OF NET POSITION
WATER FUNDS
For the Fiscal Year Ended June 30, 2021

	Water Fund	Water SDC Fund	Total Water Fund
<u>ASSETS:</u>			
Current Assets:			
Cash and Investments	\$ 3,559,094	\$ -	\$ 3,559,094
Accounts Receivable	167,765	-	167,765
Total Current Assets	3,726,859	-	3,726,859
Non-Current Assets:			
Restricted Cash - Systems Development	-	391,407	391,407
Net OPEB Asset (RHIA)	8,858	-	8,858
Capital Assets:			
Land and Construction In Progress	286,466	-	286,466
Capital Assets, Net of Depreciation	10,056,470	-	10,056,470
Total Capital Assets	10,342,936	-	10,342,936
Total Assets	\$14,078,653	\$ 391,407	\$14,470,060
<u>DEFERRED OUTFLOW OF RESOURCES:</u>			
Pension Related Deferrals	290,868	-	290,868
OPEB Related Deferrals - RHIA	1,422	-	1,422
OPEB Related Deferrals - CIS	7,479	-	7,479
Total Deferred Outflow of Resources	\$ 299,769	\$ -	\$ 299,769
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts Payable	\$ 133,389	\$ -	\$ 133,389
Compensated Absences Payable	24,808	-	24,808
Accrued Interest Payable	14,944	29,993	44,937
Customer Deposits	139,735	-	139,735
Current Portion of Long-Term Liabilities:			
Note Payable	59,006	227,141	286,147
Lease Payable	88,841	-	88,841
Total Current Liabilities	460,723	257,134	717,857
Long-Term Liabilities:			
Noncurrent Portion of Long-Term Liabilities:			
Note Payable	550,577	2,544,649	3,095,226
Net Pension Liability	1,179,816	-	1,179,816
Net OPEB Obligation - CIS	39,215	-	39,215
Total Long-Term Liabilities	1,769,608	2,544,649	4,314,257
Total Liabilities	\$ 2,230,331	\$ 2,801,783	\$ 5,032,114
<u>DEFERRED INFLOW OF RESOURCES:</u>			
Pension Related Deferrals	47,294	-	47,294
OPEB Related Deferrals - RHIA	1,409	-	1,409
OPEB Related Deferrals - CIS	20,152	-	20,152
Total Deferred Inflow of Resources	\$ 68,855	\$ -	\$ 68,855
<u>NET POSITION:</u>			
Net Investment in Capital Assets	\$ 9,733,353	\$ -	\$ 9,733,353
Restricted for:			
Systems Development	-	391,407	391,407
Net Pension Asset	8,858	-	8,858
Unrestricted	2,337,025	(2,801,783)	(464,758)
Total Net Position	\$12,079,236	\$ (2,410,376)	\$ 9,668,860

CITY OF SCAPPOOSE

Combining Statement of Revenues, Expenses, and Changes in Net Position

WATER FUNDS

For the Fiscal Year Ended June 30, 2021

	<u>Water Fund</u>	<u>Water SDC Fund</u>	<u>Total Water Fund</u>
<u>OPERATING REVENUES:</u>			
Charges for Services:			
Water Charges	\$ 2,268,019	\$ -	\$ 2,268,019
Other Revenue	6,451	-	6,451
Total Operating Revenues	<u>2,274,470</u>	<u>-</u>	<u>2,274,470</u>
<u>OPERATING EXPENSES:</u>			
Personnel Services	1,017,499	-	1,017,499
Materials and Supplies	576,009	-	576,009
Depreciation	501,147	-	501,147
Total Operating Expenses	<u>2,094,655</u>	<u>-</u>	<u>2,094,655</u>
Operating Income (Loss)	179,815	-	179,815
<u>NON-OPERATING REVENUES (EXPENSES):</u>			
Interest Income	25,638	2,761	28,399
Debt Service Interest Expense	(28,356)	(58,685)	(87,041)
Total Non-Operating Revenues (Expenses)	<u>(2,718)</u>	<u>(55,924)</u>	<u>(58,642)</u>
Income Before Other Revenues, Expenses, and Transfers	177,097	(55,924)	121,173
<u>CAPITAL CONTRIBUTIONS AND TRANSFERS:</u>			
System Development Charges	-	138,939	138,939
Transfers In	-	95,133	95,133
Transfers (Out)	(107,473)	(9,314)	(116,787)
Total Capital Contributions and Transfers	<u>(107,473)</u>	<u>224,758</u>	<u>117,285</u>
Change in Net Position	69,624	168,834	238,458
Net Position, July 1, 2020 - Restated	12,009,612	(2,579,210)	9,430,402
Net Position, June 30, 2021	<u>\$12,079,236</u>	<u>\$ (2,410,376)</u>	<u>\$ 9,668,860</u>

CITY OF SCAPPOOSE

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

WATER FUND

For the Fiscal Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>	(See Note 1)	<u>Over (Under)</u>
<u>REVENUES:</u>				
Charges for Services	\$ 2,333,840	\$ 2,333,840	\$ 2,268,019	\$ (65,821)
Investment Revenue	78,000	78,000	25,638	(52,362)
Miscellaneous Revenue	-	-	6,451	6,451
Total Revenues	<u>2,411,840</u>	<u>2,411,840</u>	<u>2,300,108</u>	<u>(111,732)</u>
<u>EXPENDITURES:</u>				
Personnel Services	1,012,724	1,012,724	868,492	(144,232)
Materials and supplies	810,333	769,656	740,857	(28,799)
Capital Outlay	1,477,500	1,477,500	309,496	(1,168,004)
Debt Service				
Principal	102,717	143,372	143,372	-
Interest	29,390	29,412	29,412	-
Contingency	357,738	357,738	-	(357,738)
Total Expenditures	<u>3,790,402</u>	<u>3,790,402</u>	<u>2,091,629</u>	<u>(1,698,773)</u>
Excess (Deficiency) of Revenues Over Expenditures	(1,378,562)	(1,378,562)	208,479	1,587,041
<u>OTHER FINANCING SOURCES / (USES):</u>				
Operating Transfer (Out)	(107,473)	(107,473)	(107,473)	-
Total Other Financing Sources (Uses)	<u>(107,473)</u>	<u>(107,473)</u>	<u>(107,473)</u>	<u>-</u>
Net Change In Fund Balance	(1,486,035)	(1,486,035)	101,006	1,587,041
Fund Balance - July 1, 2020 - Restated	2,986,035	2,986,035	3,352,729	366,694
Fund Balance - June 30, 2021	<u>\$ 1,500,000</u>	<u>\$ 1,500,000</u>	<u>\$ 3,453,735</u>	<u>\$ 1,953,735</u>

Reconciliation to generally accepted accounting principles basis

Net Change in Fund Balance - from above	101,006
Change in Compensated Absences	(1,316)
Change in Accrued Interest	1,056
Change in Pension Expense	(147,691)
Debt Principal Payments	143,372
Capital outlay that is capitalized	474,344
Depreciation Expense	<u>(501,147)</u>
Change in Net Position as Reported in Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ 69,624</u>

CITY OF SCAPPOOSE

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

WATER SDC FUND

For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
			(Budgetary Basis)	Over
			(See Note 1)	Over
				(Under)
REVENUES:				
System Development Charges	\$ 186,278	\$ 186,278	\$ 138,939	\$ (47,339)
Investment Revenue	10,000	10,000	2,761	(7,239)
Total Revenues	196,278	196,278	141,700	(54,578)
EXPENDITURES:				
Capital Outlay	100,000	100,000	-	(100,000)
Debt Service	279,803	279,803	279,803	-
Contingency	336,185	336,185	-	(336,185)
Total Expenditures	715,988	715,988	279,803	(436,185)
Excess (Deficiency) of Revenues Over Expenditures	(519,710)	(519,710)	(138,103)	381,607
Other Financing Sources / (Uses)				
Operating Transfer In	95,133	95,133	95,133	-
Operating Transfer (Out)	(9,314)	(9,314)	(9,314)	-
Total Other Financing Sources	85,819	85,819	85,819	-
Net Change in Fund Balance	(433,891)	(433,891)	(52,284)	381,607
Fund Balance - July 1, 2020	433,891	433,891	443,691	9,800
Fund Balance - June 30, 2021	\$ -	\$ -	\$ 391,407	\$ 391,407

Reconciliation to generally accepted accounting principles basis

Net Change in Fund Balance - from above	(52,284)
Change in Accrued Interest	1,007
Debt Principal Payments	220,111
Change in Net Position as Reported in Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ 168,834</u>

OTHER
SUPPLEMENTARY
DATA

Proprietary Funds

Wastewater Funds

CITY OF SCAPPOOSE

COMBINING STATEMENT OF NET POSITION

WASTEWATER FUNDS

For the Fiscal Year Ended June 30, 2021

	Wastewater Fund	Wastewater SDC Fund	Total Wastewater Fund
<u>ASSETS:</u>			
Current Assets:			
Cash and Investments	\$ 1,729,068	\$ -	\$ 1,729,068
Accounts Receivable	157,280	-	157,280
Total Current Assets	1,886,348	-	1,886,348
Non-Current Assets:			
Restricted Cash - Systems Development	-	1,260,634	1,260,634
Net OPEB Asset (RHIA)	8,648	-	8,648
Total Non-Current Assets	8,648	1,260,634	1,269,282
Capital Assets:			
Land and Construction In Progress	102,570	-	102,570
Depreciable Assets, Net of Depreciation	5,725,494	-	5,725,494
Total Capital Assets	5,828,064	-	5,828,064
Total Assets	\$ 7,723,060	\$ 1,260,634	\$ 8,983,694
<u>DEFERRED OUTFLOW OF RESOURCES:</u>			
Pension Related Deferrals	283,971	-	283,971
OPEB Related Deferrals - RHIA	1,389	-	1,389
OPEB Related Deferrals - CIS	7,302	-	7,302
Total Deferred Outflow of Resources	\$ 292,662	\$ -	\$ 292,662
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts Payable	\$ 3,557	\$ -	\$ 3,557
Compensated Absences Payable	24,808	-	24,808
Current Portion of Long-Term Liabilities:			
Bond Payable	17,642	-	17,642
Total Current Liabilities	46,007	-	46,007
Long-Term Liabilities:			
Noncurrent Portion of Long-Term Liabilities:			
Bonds Payable (Net of unamortized premium)	158,768	-	158,768
Net Pension Liability	1,151,840	-	1,151,840
Net OPEB Obligation - CIS	38,285	-	38,285
Total Long-Term Liabilities	1,348,893	-	1,348,893
Total Liabilities	\$ 1,394,900	\$ -	\$ 1,394,900
<u>DEFERRED INFLOW OF RESOURCES:</u>			
Pension Related Deferrals	46,172	-	46,172
OPEB Related Deferrals - RHIA	1,376	-	1,376
OPEB Related Deferrals - CIS	19,674	-	19,674
Total Deferred Inflow of Resources	\$ 67,222	\$ -	\$ 67,222
<u>NET POSITION:</u>			
Net Investment in Capital Assets	\$ 5,651,654	\$ -	\$ 5,651,654
Restricted for:			
Systems Development	-	1,260,634	1,260,634
Net Pension Asset	8,648	-	8,648
Unrestricted	893,298	-	893,298
Total Net Position	\$ 6,553,600	\$ 1,260,634	\$ 7,814,234

CITY OF SCAPPOOSE

**Combining Statement of Revenues, Expenses, and Changes in Net Position
WASTEWATER FUNDS**

For the Fiscal Year Ended June 30, 2021

	<u>Wastewater Fund</u>	<u>Wastewater SDC Fund</u>	<u>Total Wastewater Fund</u>
<u>OPERATING REVENUES:</u>			
Charges for Services:			
Sewer Charges	\$ 2,143,774	\$ -	\$ 2,143,774
Other Revenue	7,403	-	7,403
Total Operating Revenues	<u>2,151,177</u>	<u>-</u>	<u>2,151,177</u>
<u>OPERATING EXPENSES:</u>			
Personnel Services	1,028,973	-	1,028,973
Materials and Supplies	447,245	-	447,245
Depreciation	320,170	-	320,170
Total Operating Expenses	<u>1,796,388</u>	<u>-</u>	<u>1,796,388</u>
Operating Income (Loss)	354,789	-	354,789
<u>NON-OPERATING REVENUES (EXPENSES):</u>			
Interest Income	12,276	8,992	21,268
Interest Expense	(1,233)	-	(1,233)
Total Non-Operating Revenues (Expenses)	<u>11,043</u>	<u>8,992</u>	<u>20,035</u>
Income Before Other Revenues, Expenses, and Transfers	365,832	8,992	374,824
<u>CAPITAL CONTRIBUTIONS AND TRANSFERS:</u>			
System Development Charges	-	113,501	113,501
Transfers (Out)	(173,565)	(7,759)	(181,324)
Capital Asset Transfers In	34,682	-	34,682
Capital Asset Transfers (Out)	-	(34,682)	(34,682)
Total Capital Contributions and Transfers	<u>(138,883)</u>	<u>71,060</u>	<u>(67,823)</u>
Change In Net Position	226,949	80,052	307,001
Net Position, July 1, 2020 - Restated	6,326,651	1,180,582	7,507,233
Net Position, June 30, 2021	<u><u>\$ 6,553,600</u></u>	<u><u>\$ 1,260,634</u></u>	<u><u>\$ 7,814,234</u></u>

CITY OF SCAPPOOSE

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

WASTEWATER FUND

For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis) (See Note 1)	Final Budget Over (Under)
<u>REVENUES:</u>				
Charges for Services	\$ 2,171,125	\$ 2,171,125	\$ 2,143,774	\$ (27,351)
Investment Revenue	44,000	44,000	12,276	(31,724)
Miscellaneous Revenue	1,200,000	1,200,000	7,403	(1,192,597)
Total Revenues	3,415,125	3,415,125	2,163,453	(1,251,672)
<u>EXPENDITURES:</u>				
Personnel Services	1,023,869	1,023,869	883,468	(140,401)
Materials and supplies	688,153	688,153	408,783	(279,370)
Capital Outlay	1,361,396	1,361,396	547,907	(813,489)
Debt Service:				
Principal	117,642	117,642	117,519	(123)
Interest	2,161	2,161	1,233	(928)
Contingency	898,344	898,344	-	(898,344)
Total Expenditures	4,091,565	4,091,565	1,958,910	(2,132,655)
Excess (Deficiency) of Revenues Over Expenditures	(676,440)	(676,440)	204,543	880,983
<u>OTHER FINANCING SOURCES / (USES):</u>				
Operating Transfer (Out)	(173,565)	(173,565)	(173,565)	-
Total Other Financing Sources (Uses)	(173,565)	(173,565)	(173,565)	-
Net Change In Fund Balance	(850,005)	(850,005)	30,978	880,983
Fund Balance - July 1, 2020 - Restated	1,650,005	1,650,005	1,851,813	201,808
Fund Balance - June 30, 2021	\$ 800,000	\$ 800,000	\$ 1,882,791	\$ 1,082,791

Reconciliation to generally accepted accounting principles basis

Net change in fund balance from above	30,978
Change in Compensated Absences	(1,316)
Change in Pension and OPEB Expense	(144,189)
Debt Principal Payments	117,519
Equity transfer of capital assets	34,682
Capital outlay that is capitalized	509,445
Depreciation Expense	(320,170)
Change in Net Position as Reported in Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ 226,949</u>

CITY OF SCAPPOOSE

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

WASTEWATER SDC FUND

For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	Original	Final		
<u>REVENUES:</u>				
System Development Charges	\$ 155,189	\$ 155,189	\$ 113,501	\$ (41,688)
Investment Revenue	26,000	26,000	8,992	(17,008)
Total Revenues	181,189	181,189	122,493	(58,696)
<u>EXPENDITURES:</u>				
Capital Outlay	400,000	400,000	34,682	(365,318)
Contingency	948,191	948,191	-	(948,191)
Total Expenditures	1,348,191	1,348,191	34,682	(1,313,509)
Excess (Deficiency) of Revenues Over Expenditures	(1,167,002)	(1,167,002)	87,811	1,254,813
<u>Other Financing Sources / (Uses)</u>				
Operating Transfer (Out)	(7,759)	(7,759)	(7,759)	-
Total Other Financing Sources	(7,759)	(7,759)	(7,759)	-
Net Change in Fund Balance	(1,174,761)	(1,174,761)	80,052	1,254,813
Fund Balance - July 1, 2020 - Restated	1,174,761	1,174,761	1,180,582	5,821
Fund Balance - June 30, 2021	\$ -	\$ -	\$ 1,260,634	\$ 1,260,634

Reconciliation to generally accepted accounting principles basis

Net change in fund balance from above	80,052
Equity transfer of capital assets	(34,682)
Capital outlay that is capitalized	86,404
Change in Net Position as Reported in Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ 131,774</u>

OTHER
SUPPLEMENTARY
DATA

Proprietary Funds

Storm Drainage Funds

CITY OF SCAPPOOSE
COMBINING STATEMENT OF NET POSITION
STORM DRAINAGE FUNDS

For the Fiscal Year Ended June 30, 2021

	Storm Drain Fund	Storm Drain SDC Fund	Total Storm Drain Fund
<u>ASSETS:</u>			
Current Assets:			
Cash and Investments	\$ 577,145	\$ -	\$ 577,145
Accounts Receivable	24,466	-	24,466
Total Current Assets	601,611	-	601,611
Non-Current Assets:			
Restricted Cash - Systems Development	-	518,497	518,497
Total Non-Current Assets	-	518,497	518,497
Capital Assets:			
Depreciable Assets, Net of Depreciation	163,257	-	163,257
Total Capital Assets	163,257	-	163,257
Total Assets	\$ 764,868	\$ 518,497	\$ 1,283,365
<u>NET POSITION:</u>			
Net Investment in Capital Assets	\$ 163,257	\$ -	\$ 163,257
Restricted for:			
Systems Development	-	518,497	518,497
Unrestricted	601,611	-	601,611
Total Net Position	\$ 764,868	\$ 518,497	\$ 1,283,365

CITY OF SCAPPOOSE

**Combining Statement of Revenues, Expenses, and Changes in Net Position
STORM DRAINAGE FUNDS**

For the Fiscal Year Ended June 30, 2021

	<u>Storm Drain Fund</u>	<u>Storm Drain SDC Fund</u>	<u>Total Storm Drain Fund</u>
<u>OPERATING REVENUES:</u>			
Charges for Services:			
Storm Drain Charges	\$ 333,028	\$ -	\$ 333,028
Other Revenue	12,000	-	12,000
Total Operating Revenues	345,028	-	345,028
<u>OPERATING EXPENSES:</u>			
Personnel Services	95,427	-	95,427
Materials and Supplies	163,618	-	163,618
Depreciation	13,064	-	13,064
Total Operating Expenses	272,110	-	272,110
Operating Income (Loss)	72,918	-	72,918
<u>NON-OPERATING REVENUES (EXPENSES):</u>			
Interest Income	3,063	4,359	7,422
Total Non-Operating Revenues (Expenses)	3,063	4,359	7,422
Income Before Other Revenues, Expenses, and Transfers	75,981	4,359	80,340
<u>CAPITAL CONTRIBUTIONS AND TRANSFERS:</u>			
System Development Charges	-	24,348	24,348
Transfers (Out)	-	(1,818)	(1,818)
Capital Asset Transfers In	120,063	-	120,063
Capital Asset Transfers (Out)	-	(120,063)	(120,063)
Total Capital Contributions and Transfers	120,063	(97,533)	22,530
Change In Net Position	196,044	(93,174)	102,870
Net Position, July 1, 2020 - Restated	568,824	611,671	1,180,495
Net Position, June 30, 2021	\$ 764,868	\$ 518,497	\$ 1,283,365

CITY OF SCAPPOOSE

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
STORM DRAINAGE FUND**

For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis) (See Note 1)	Final Budget Over (Under)
<u>REVENUES:</u>				
Intergovernmental Revenue	\$ -	\$ -	\$ 12,000	\$ 12,000
Investment Revenue	6,000	6,000	3,063	(2,937)
General Revenue	335,184	335,184	333,028	(2,156)
Total Revenues	341,184	341,184	348,091	6,907
<u>EXPENDITURES:</u>				
Personnel Services	109,672	109,672	95,427	(14,245)
Materials and Services	183,540	183,540	53,605	(129,935)
Capital Outlay	102,000	102,000	9,022	(92,978)
Contingency	317,537	317,537	-	(317,537)
Total Expenditures	712,749	712,749	158,054	(554,695)
Net Change In Fund Balance	(371,565)	(371,565)	190,037	561,602
Fund Balance - July 1, 2020 - Restated	371,565	371,565	411,574	40,009
Fund Balance - June 30, 2021	\$ -	\$ -	\$ 601,611	\$ 601,611

Reconciliation to Generally Accepted Accounting Principal Basis (GAAP):

Net change in fund balance from above	190,037
Equity transfer of capital assets	120,063
Capital outlay that is capitalized	(100,991)
Depreciation Expense	(13,064)
Change in Net Position as Reported in Proprietary Funds Statement of of Revenues, Expenditures, and Changes in Net Position	<u>\$ 196,044</u>

CITY OF SCAPPOOSE

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
STORM DRAINAGE SDC FUND**

For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis) (See Note 1)	Final Budget Over (Under)
<u>REVENUES:</u>				
System Development Charges	\$ 36,353	\$ 36,353	\$ 24,348	\$ (12,005)
Investment Revenue	13,500	13,500	4,359	(9,141)
Total Revenues	49,853	49,853	28,707	(21,146)
<u>EXPENDITURES:</u>				
Capital Outlay	412,000	412,000	120,063	(291,937)
Contingency	203,723	203,723	-	(203,723)
Total Expenditures	615,723	615,723	120,063	(495,660)
Excess (Deficiency) of Revenues Over Expenditures	(565,870)	(565,870)	(91,356)	474,514
<u>Other Financing Sources / (Uses)</u>				
Operating Transfer (Out)	(1,818)	(1,818)	(1,818)	-
Total Other Financing Sour	(1,818)	(1,818)	(1,818)	-
Net Change in Fund Balance	(567,688)	(567,688)	(93,174)	474,514
Fund Balance - July 1, 2020	567,688	567,688	611,671	43,983
Fund Balance - June 30, 2021	\$ -	\$ -	\$ 518,497	\$ 518,497

Reconciliation to generally accepted accounting principles basis

Net change in fund balance from above	(93,174)
Equity transfer of capital assets	(120,063)
Capital outlay that is capitalized	120,063
Change in Net Position as Reported in Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position	<u>\$ (93,174)</u>

OTHER
SUPPLEMENTARY
DATA

Non-Major
Governmental Funds

CITY OF SCAPPOOSE
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
(By Fund Type)
For the Fiscal Year Ended June 30, 2020

	Combined Non-Major Special Revenue Funds	Total
<u>ASSETS:</u>		
Cash & Investments	\$ 861,501	\$ 861,501
Accounts Receivable	2,372	2,372
Total Assets	\$ 863,873	\$ 863,873
<u>LIABILITIES:</u>		
Accounts Payable	160	160
Total Liabilities	160	160
<u>FUND BALANCES:</u>		
Restricted for:		
Systems Development	258,897	258,897
Employee Benefits	104,848	104,848
Committed for:		
Parks and Recreation Programs	53,737	53,737
Community Development Projects	272,956	272,956
Public Works	173,275	173,275
Total Fund Balances	863,713	863,713
Total Liabilities, Deferred Inflows of Resources & Fund Balances	\$ 863,873	\$ 863,873

CITY OF SCAPPOOSE

**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances**

NON-MAJOR GOVERNMENTAL FUNDS

(By Fund Type)

For the Fiscal Year Ended June 30, 2021

	Combined Non-Major Special Revenue Funds	Total
<u>REVENUES:</u>		
Licenses and Permits	\$ 174,341	\$ 174,341
Intergovernmental	15,598	15,598
System Development Charges	165,895	165,895
Investment Revenue	6,006	6,006
Other Revenue	9,854	9,854
Total Revenues	371,694	371,694
<u>EXPENDITURES:</u>		
General Government	39,659	39,659
Public Safety	887	887
Culture and Recreation	259,214	259,214
Capital Outlay	24,517	24,517
Total Expenditures	324,277	324,277
Excess (Deficiency) of Revenues Over Expenditures	47,417	47,417
<u>OTHER FINANCING SOURCES (USES):</u>		
Operating Transfers Out	(47,598)	(47,598)
Total Other Financing Sources (Uses)	(47,598)	(47,598)
Net Change in Fund Balances	(181)	(181)
Fund Balances - July 1, 2020	863,894	863,894
Fund Balances - June 30, 2021	\$ 863,713	\$ 863,713

OTHER
SUPPLEMENTARY
DATA

Non-Major
Special Revenue Funds

CITY OF SCAPPOOSE
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
For the Fiscal Year Ended June 30, 2021

	Building Fund	Pool Fund	Foot Paths & Bike Fund	Parks SDC Fund	PEG Fee Fund	Watts House Fund	Unemployment Fund	Law Enforcement Fund	G.O. Water- Sewer Fund	Total
<u>ASSETS:</u>										
Cash & Investments	\$ 207,601	\$ 8,920	\$ 152,893	\$ 258,897	\$ 63,107	\$ 44,853	\$ 104,848	\$ 20,382	\$ -	\$ 861,501
Accounts Receivable	-	-	-	-	2,372	-	-	-	-	2,372
Total Assets	\$ 207,601	\$ 8,920	\$ 152,893	\$ 258,897	\$ 65,479	\$ 44,853	\$ 104,848	\$ 20,382	\$ -	\$ 863,873
<u>LIABILITIES:</u>										
Accounts Payable	124	-	-	-	-	36	-	-	-	160
Total Liabilities	124	-	-	-	-	36	-	-	-	160
<u>FUND BALANCES:</u>										
Restricted for:										
Systems Development	-	-	-	258,897	-	-	-	-	-	258,897
Employee Benefits	-	-	-	-	-	-	104,848	-	-	104,848
Committed for:										
Parks and Recreation Programs	-	8,920	-	-	-	44,817	-	-	-	53,737
Community Development Projects	207,477	-	-	-	65,479	-	-	-	-	272,956
Public Works	-	-	152,893	-	-	-	-	20,382	-	173,275
Total Fund Balances	207,477	8,920	152,893	258,897	65,479	44,817	104,848	20,382	-	863,713
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 207,601	\$ 8,920	\$ 152,893	\$ 258,897	\$ 65,479	\$ 44,853	\$ 104,848	\$ 20,382	\$ -	\$ 863,873

CITY OF SCAPPOOSE

**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances**

NON-MAJOR SPECIAL REVENUE FUNDS

For the Fiscal Year Ended June 30, 2021

	Building Fund	Pool Fund	Foot Paths & Bike Fund	Parks SDC	Peg Fee Fund	Watts House Fund	Unemployment Fund	Law Enforcement Fund	Total
<u>REVENUES:</u>									
Taxes and Assessments	-	-	-	-	-	-	-	-	-
Licenses and Permits	\$ 174,341	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 174,341
Intergovernmental	-	-	5,265	-	-	-	-	10,333	15,598
Charges for Services	-	-	-	-	-	-	-	-	-
System Development Charges	-	-	-	165,895	-	-	-	-	165,895
Grants	-	-	-	-	-	-	-	-	-
Investment Revenue	2,033	67	1,137	973	535	356	803	102	6,006
Other Revenue	-	-	-	-	9,854	-	-	-	9,854
Total Revenues	176,374	67	6,402	166,868	10,389	356	803	10,435	371,694
<u>EXPENDITURES:</u>									
General Government	-	-	-	-	27,499	-	12,160	-	39,659
Public Safety	-	-	-	-	-	-	-	887	887
Culture and Recreation	255,227	-	-	-	-	3,987	-	-	259,214
Capital Outlay	3,775	-	3,817	16,925	-	-	-	-	24,517
Total Expenditures	259,002	-	3,817	16,925	27,499	3,987	12,160	887	324,277
Excess (Deficiency) of Revenues Over Expenditures	(82,628)	67	2,585	149,943	(17,110)	(3,631)	(11,357)	9,548	47,417
<u>OTHER FINANCING SOURCES (USES):</u>									
Operating Transfers (Out)	(36,418)	-	-	(11,180)	-	-	-	-	(47,598)
Total Other Financing Sources (Uses)	(36,418)	-	-	(11,180)	-	-	-	-	(47,598)
Net Change in Fund Balances	(119,046)	67	2,585	138,763	(17,110)	(3,631)	(11,357)	9,548	(181)
Fund Balances - July 1, 2020 - Restated	326,523	8,853	150,308	120,134	82,589	48,448	116,205	10,834	863,894
Fund Balances - June 30, 2021	\$ 207,477	\$ 8,920	\$ 152,893	\$ 258,897	\$ 65,479	\$ 44,817	\$ 104,848	\$ 20,382	\$ 863,713

CITY OF SCAPPOOSE

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

BUILDING FUND

For the Fiscal Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		Actual	Variance with
	<u>Original</u>	<u>Final</u>	Amounts (Budgetary Basis) (See Note 1)	Final Budget Over (Under)
<u>REVENUES:</u>				
Investment Revenue	\$ 8,000	\$ 8,000	\$ 2,033	\$ (5,967)
Licenses and Permits	196,330	196,330	171,171	(25,159)
Miscellaneous Revenue	-	-	3,170	3,170
Total Revenues	204,330	204,330	176,374	(27,956)
<u>EXPENDITURES:</u>				
Personnel Services	242,799	242,799	221,311	(21,488)
Materials and Services	94,247	94,247	33,916	(60,331)
Capital Outlay	33,850	33,850	3,775	(30,075)
Contingency	133,109	133,109	-	(133,109)
Total Expenditures	504,005	504,005	259,002	(245,003)
Excess (Deficiency) of Revenues Over Expenditures	(299,675)	(299,675)	(82,628)	217,047
<u>OTHER FINANCING SOURCES / (USES):</u>				
Operating Transfer (Out)	(36,418)	(36,418)	(36,418)	-
Total Other Financing Sources (Uses)	(36,418)	(36,418)	(36,418)	-
Net Change In Fund Balance	(336,093)	(336,093)	(119,046)	217,047
Fund Balance - July 1, 2020	336,093	336,093	326,523	(9,570)
Fund Balance - June 30, 2021	\$ -	\$ -	\$ 207,477	\$ 207,477

CITY OF SCAPPOOSE

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

POOL FUND

For the Fiscal Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>(Budgetary Basis)</u>	<u>Over</u>
			<u>(See Note 1)</u>	<u>(Under)</u>
<u>REVENUES:</u>				
Investment Revenue	\$ 500	\$ 500	\$ 67	\$ (433)
Total Revenues	500	500	67	(433)
<u>EXPENDITURES:</u>				
Contingency	8,585	8,585	-	(8,585)
Total Expenditures	8,585	8,585	-	(8,585)
Net Change In Fund Balance	(8,085)	(8,085)	67	8,152
Fund Balance - July 1, 2020	8,085	8,085	8,853	768
Fund Balance - June 30, 2021	\$ -	\$ -	\$ 8,920	\$ 8,920

CITY OF SCAPPOOSE

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

FOOT PATHS & BICYCLE TRAILS FUND

For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts (Budgetary Basis) (See Note 1)	Final Budget Over (Under)
REVENUES:				
Intergovernmental	\$ 5,739	\$ 5,739	\$ 5,265	\$ (474)
Investment Revenue	1,500	1,500	1,137	(363)
Total Revenues	7,239	7,239	6,402	(837)
EXPENDITURES:				
Materials and Services	3,000	3,000	-	(3,000)
Capital Outlay	35,000	35,000	3,817	(31,183)
Contingency	95,716	95,716	-	(95,716)
Total Expenditures	133,716	133,716	3,817	(129,899)
Net Change In Fund Balance	(126,477)	(126,477)	2,585	129,062
Fund Balance - July 1, 2020	126,477	126,477	150,308	23,831
Fund Balance - June 30, 2021	\$ -	\$ -	\$ 152,893	\$ 152,893

CITY OF SCAPPOOSE

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

PARKS SDC FUND

For the Fiscal Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
			(Budgetary Basis)	Over
			(See Note 1)	(Under)
<u>REVENUES:</u>				
System Development Charges	\$ 223,592	\$ 223,592	\$ 165,895	\$ (57,697)
Investment Revenue	3,200	3,200	973	(2,227)
Total Revenues	226,792	226,792	166,868	(59,924)
<u>EXPENDITURES:</u>				
Capital Outlay	201,200	201,200	16,925	(184,275)
Contingency	105,004	105,004	-	(105,004)
Total Expenditures	306,204	306,204	16,925	(289,279)
Excess (Deficiency) of Revenues Over Expenditures	(79,412)	(79,412)	149,943	229,355
<u>Other Financing Sources / (Uses)</u>				
Operating Transfer (Out)	(11,180)	(11,180)	(11,180)	-
Total Other Financing Sources	(11,180)	(11,180)	(11,180)	-
Net Change in Fund Balance	(90,592)	(90,592)	138,763	229,355
Fund Balance - July 1, 2020	90,592	90,592	120,134	29,542
Fund Balance - June 30, 2021	\$ -	\$ -	\$ 258,897	\$ 258,897

CITY OF SCAPPOOSE

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

PEG FEE FUND

For the Fiscal Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Investment Revenue	\$ 2,200	\$ 2,200	\$ 535	\$ (1,665)
Miscellaneous Revenue	10,500	10,500	9,854	(646)
Total Revenues	12,700	12,700	10,389	(2,311)
<u>EXPENDITURES:</u>				
Materials and Services	42,400	42,400	27,499	(14,901)
Contingency	53,400	53,400	-	(53,400)
Total Expenditures	95,800	95,800	27,499	(68,301)
Net Change In Fund Balance	(83,100)	(83,100)	(17,110)	65,990
Fund Balance - July 1, 2020 - Restated	83,100	83,100	82,589	(511)
Fund Balance - June 30, 2021	\$ -	\$ -	\$ 65,479	\$ 65,479

CITY OF SCAPPOOSE

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

WATTS HOUSE FUND

For the Fiscal Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Investment Revenue	\$ 1,300	\$ 1,300	\$ 356	\$ (944)
Total Revenues	<u>1,300</u>	<u>1,300</u>	<u>356</u>	<u>(944)</u>
<u>EXPENDITURES:</u>				
Material & Services	15,100	15,100	3,987	(11,113)
Capital Outlay	5,000	5,000	-	(5,000)
Contingency	29,399	29,399	-	(29,399)
Total Expenditures	<u>49,499</u>	<u>49,499</u>	<u>3,987</u>	<u>(45,512)</u>
Net Change in Fund Balance	(48,199)	(48,199)	(3,631)	44,568
Fund Balance - July 1, 2020	48,199	48,199	48,448	249
Fund Balance - June 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,817</u>	<u>\$ 44,817</u>

CITY OF SCAPPOOSE

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

UNEMPLOYMENT FUND

For the Fiscal Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>(Budgetary Basis)</u> <u>(See Note 1)</u>	<u>Final Budget</u> <u>Over</u> <u>(Under)</u>
<u>REVENUES:</u>				
Investment Revenue	\$ 2,000	\$ 2,000	\$ 803	\$ (1,197)
Total Revenues	2,000	2,000	803	(1,197)
<u>EXPENDITURES:</u>				
Personnel Services	50,000	50,000	12,160	(37,840)
Contingency	66,741	66,741	-	(66,741)
Total Expenditures	116,741	116,741	12,160	(104,581)
Net Change In Fund Balance	(114,741)	(114,741)	(11,357)	103,384
Fund Balance - July 1, 2020	114,741	114,741	116,205	1,464
Fund Balance - June 30, 2021	\$ -	\$ -	\$ 104,848	\$ 104,848

CITY OF SCAPPOOSE

**Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual**

LAW ENFORCEMENT FUND

For the Fiscal Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		Actual Amounts (Budgetary Basis) (See Note 1)	Variance with Final Budget Over (Under)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Investment Revenue	\$ 600	\$ 600	\$ 102	\$ (498)
Intergovernmental Revenue	<u>10,000</u>	<u>10,000</u>	<u>10,333</u>	<u>333</u>
Total Revenues	<u>10,600</u>	<u>10,600</u>	<u>10,435</u>	<u>(165)</u>
<u>EXPENDITURES:</u>				
Materials and Services	10,000	10,000	887	(9,113)
Capital Outlay	10,000	10,000	-	(10,000)
Contingency	<u>1,453</u>	<u>1,453</u>	<u>-</u>	<u>(1,453)</u>
Total Expenditures	<u>21,453</u>	<u>21,453</u>	<u>887</u>	<u>(20,566)</u>
Net Change In Fund Balance	(10,853)	(10,853)	9,548	20,401
Fund Balance - July 1, 2020	<u>10,853</u>	<u>10,853</u>	<u>10,834</u>	<u>(19)</u>
Fund Balance - June 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,382</u>	<u>\$ 20,382</u>

OTHER
SUPPLEMENTARY
DATA

Additional
Supporting Schedules

CITY OF SCAPPOOSE
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2021

2013 Waste Water Line Relocation

On December 2013, the City entered into a loan agreement with US Bank to fund movement of the wastewater line located on JP West Road. Columbia County constructed a new, wider bridge, which required our wastewater line to be relocated. The original balance of the loan was \$700,000 and carries an interest rate of 2.47%. The agreement requires semi-annual principal and interest payments due in December and June for 7 years. The loan was paid in full during the 2020-21 fiscal year.

Current Year Activity:

	Outstanding Balance July 1, 2020	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2021	Due Within One Year
Principal	\$ 99,877	\$ -	\$ 99,877	\$ -	\$ -
Interest	-	1,233	1,233	-	-
Total	\$ 99,877	\$ 1,233	\$ 101,110	\$ -	\$ -

CITY OF SCAPPOOSE
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2021

2010 Waste Water Treatment Plant Imprvmt

The City entered into a contract with Oregon DEQ in 2010 for the purpose of construction pump and filter upgrades for the Wastewater Treatment Plant and Springlake Park Pump Station. Original balance is \$705,660 with an interest rate of 0.0% and an annual fee of .5%. 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. Payments are due the 1st of September and March.

Current Year Activity:

	Outstanding Balance July 1, 2020	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2021	Due Within One Year
Principal	\$ 194,052	\$ -	\$ 17,642	\$ 176,410	\$ 17,642
Interest	-	-	-	-	-
Total	\$ 194,052	\$ -	\$ 17,642	\$ 176,410	\$ 17,642

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2022	\$ 17,642	\$ -	\$ 17,642	0.00%
	2023	17,642	-	17,642	0.00%
	2024	17,642	-	17,642	0.00%
	2025	17,642	-	17,642	0.00%
	2026	17,642	-	17,642	0.00%
	2027	17,642	-	17,642	0.00%
	2028	17,642	-	17,642	0.00%
	2029	17,642	-	17,642	0.00%
	2030	17,642	-	17,642	0.00%
	2031	17,632	-	17,632	0.00%
Total		\$ 176,410	\$ -	\$ 176,410	

CITY OF SCAPPOOSE
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2021

2002 Water Treatment Plant Phase 1 and 2

On December 4, 2002, the City entered into a contract with Oregon Economic and Community Development Department (OECD) 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.

Current Year Activity:

	Outstanding Balance July 1, 2020	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2021	Due Within One Year
Principal	\$ 795,071	\$ -	\$ 84,278	\$ 710,793	\$ 89,949
Interest	-	37,724	37,724	-	33,763
Total	<u>\$ 795,071</u>	<u>\$ 37,724</u>	<u>\$ 122,002</u>	<u>\$ 710,793</u>	<u>\$ 123,712</u>

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2022	\$ 89,949	\$ 33,763	\$ 123,712	4.40%
	2023	90,659	29,490	120,149	4.40%
	2024	96,403	25,184	121,587	4.40%
	2025	102,182	20,605	122,787	4.40%
	2026	107,998	15,751	123,749	4.40%
	2027	108,853	10,621	119,474	4.40%
	2028	114,749	5,450	120,199	4.40%
Total		<u>\$ 710,793</u>	<u>\$ 140,864</u>	<u>\$ 851,657</u>	

CITY OF SCAPPOOSE
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2021

2002 Storage Reservoir

Bus OR Storage Reservoir Safe Drinking Water Note S03003 dated December 3, 2002. Original balance is \$4,072,495 with an interest rate of 1.00%.

Current Year Activity:

	Outstanding Balance July 1, 2020	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2021	Due Within One Year
Principal	\$ 2,196,830	\$ -	\$ 135,833	\$ 2,060,997	\$ 137,192
Interest	-	21,968	21,968	-	20,610
Total	<u>\$ 2,196,830</u>	<u>\$ 21,968</u>	<u>\$ 157,801</u>	<u>\$ 2,060,997</u>	<u>\$ 157,802</u>

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2022	\$ 137,192	\$ 20,610	\$ 157,802	1.00%
	2023	138,563	19,238	157,801	1.00%
	2024	139,949	17,852	157,801	1.00%
	2025	141,349	16,453	157,802	1.00%
	2026	142,762	15,039	157,801	1.00%
	2027	144,190	13,612	157,802	1.00%
	2028	145,632	12,170	157,802	1.00%
	2029	147,088	10,714	157,802	1.00%
	2030	148,559	9,243	157,802	1.00%
	2031	150,044	7,757	157,801	1.00%
	2032	151,545	6,257	157,802	1.00%
	2033	153,060	4,741	157,801	1.00%
	2034	154,591	3,211	157,802	1.00%
	2035	156,137	1,665	157,802	1.00%
	2036	10,336	103	10,439	1.00%
Total		<u>\$ 2,060,997</u>	<u>\$ 158,665</u>	<u>\$ 2,219,662</u>	

CITY OF SCAPPOOSE
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2021

2010 Dutch Canyon Water Line

Dutch Canyon Water Line Note with Business Oregon dated December 2, 2010. 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. Original balance is \$1,274,143 and carries an interest rate of 3.68%.

Current Year Activity:

	Outstanding Balance July 1, 2020	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2021	Due Within One Year
Principal	\$ 666,495	\$ -	\$ 56,912	\$ 609,583	\$ 59,006
Interest	-	24,527	24,527	-	22,433
Total	<u>\$ 666,495</u>	<u>\$ 24,527</u>	<u>\$ 81,439</u>	<u>\$ 609,583</u>	<u>\$ 81,439</u>

Future Requirements:

Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
2022	\$ 59,006	\$ 22,433	\$ 81,439	3.68%
2023	61,178	20,261	81,439	3.68%
2024	63,429	18,010	81,439	3.68%
2025	65,763	15,676	81,439	3.68%
2026	68,183	13,256	81,439	3.68%
2027	70,692	10,747	81,439	3.68%
2028	73,294	8,145	81,439	3.68%
2029	75,991	5,448	81,439	3.68%
2030	72,047	2,651	74,698	3.68%
Total	<u>\$ 609,583</u>	<u>\$ 116,627</u>	<u>\$ 726,210</u>	

CITY OF SCAPPOOSE
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2021

2018 Police Equipment Lease

On June 1, 2018, the City entered into a lease agreement with KS State Bank to purchase 11 body camera systems and 8 in-car camera systems. Original balance is \$83,454. Annual lease payments are made at closing and on June 1 of the four following years for \$18,760. The imputed annual interest rate is 6.21%. The lease agreement is secured by the equipment.

Current Year Activity:

	Outstanding Balance July 1, 2020	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2021	Due Within One Year
Principal	\$ 34,293	\$ -	\$ 16,630	\$ 17,663	\$ 17,663
Interest	-	2,130	2,130	-	1,097
Total	\$ 34,293	\$ 2,130	\$ 18,760	\$ 17,663	\$ 18,760

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2022	\$ 17,663	\$ 1,097	\$ 18,760	6.21%
Total		\$ 17,663	\$ 1,097	\$ 18,760	

CITY OF SCAPPOOSE
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2021

2017 Dump Truck Lease

On September 22, 2017, the City entered into a lease agreement with Ford Credit to purchase a 2016 MAC 700 dump truck and accessories. Original balance is \$178,834 Annual lease payments are made at closing and on September 15 of the four following years for \$50,668. The annual interest rate is 5.2%. The lease agreement is secured by the equipment.

Current Year Activity:

	Outstanding Balance July 1, 2020	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2021	Due Within One Year
Principal	\$ 93,946	\$ -	\$ 45,783	\$ 48,163	\$ 48,163
Interest	-	4,885	4,885	-	2,504
Total	<u>\$ 93,946</u>	<u>\$ 4,885</u>	<u>\$ 50,668</u>	<u>\$ 48,163</u>	<u>\$ 50,667</u>

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2022	\$ 48,163	\$ 2,504	\$ 50,667	5.20%
Total		<u>\$ 48,163</u>	<u>\$ 2,504</u>	<u>\$ 50,667</u>	

CITY OF SCAPPOOSE
SCHEDULE OF LONG-TERM DEBT TRANSACTIONS
For the Fiscal Year Ended June 30, 2021

2019 Excavator Lease

On July 15, 2019, the City entered into a lease agreement with Wells Fargo Financial Services to purchase a 2019 Kobelco excavator. Original balance is \$162,709 Annual lease payments are made at closing and on July 8 of the three following years for \$40,677. The annual interest rate is 0.0%. The lease agreement is secured by the equipment.

Current Year Activity:

	Outstanding Balance July 1, 2020	New Issues and Interest Matured	Principal and Interest Retired	Outstanding Balance June 30, 2021	Due Within One Year
Principal	\$ 81,355	\$ -	\$ 40,677	\$ 40,678	\$ 40,678
Interest	-	-	-	-	-
Total	\$ 81,355	\$ -	\$ 40,677	\$ 40,678	\$ 40,678

Future Requirements:

	Fiscal Year Ended June 30,	Principal	Interest	Total	Interest Rate
	2022	\$ 40,678	\$ -	\$ 40,678	0.00%
Total		\$ 40,678	\$ -	\$ 40,678	

ACCOMPANYING
INFORMATION

CITY OF SCAPPOOSE
INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS
As of June 30, 2021

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

I have audited the basic financial statements of the City of Scappoose as of and for the year ended June 30, 2021 and have issued my report thereon dated December 29, 2021. I conducted my 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' financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion.

I performed procedures to the extent I 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 and roads (ORS Chapters 294, 368 & 373).**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

In connection with my testing nothing came to my 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 my audit, I considered the City's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my 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, I do not express an opinion on the effectiveness of the City 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 Tuhscherer, CPA
Umpqua Valley Financial
Roseburg, Oregon
December 29, 2021